Approved: April 6, 2000

MINUTES OF THE HOUSE COMMITTEE ON ENVIRONMENT.

The meeting was called to order by Chairperson Joann Freeborn at 3:30 p.m. on March 21, 2000 in Room 231-N of the Capitol.

All members were present except: Rep. Douglas Johnston - excused

Rep. Ray Merrick - excused

Committee staff present: Raney Gilliland, Kansas Legislative Research Department

Mary Torrence, Revisor of Statute's Office Mary Ann Graham, Committee Secretary

Conferees appearing before the committee: Terry Duvall, Kansas Water Office, 109 SW 9th, Ste 300,

Topeka, KS 66612-1249

Others attending: See Attached Sheet

Chairperson Joann Freeborn called the meeting to order at 3:30 p.m.

The Chairperson recognized Rep. Sharon Schwartz. She stated given the fact that fuel prices continue to go up and we depend on imported oil and at the same time grain prices seem to be in a slump, it seems to make sense, coming from a state with agriculture being the number one industry, to be supporting agriculture and corn based fuel, such as ethanol. She introduced a House Concurrent Resolution on Ethanol and the Clean Air Act Oxygenate Requirement. (See attachment 1)

Rep. Dennis McKinney made a motion the Resolution (Attachment 1) be introduced. Rep. Vaughn Flora seconded the motion. Motion carried.

The Chairperson called attention to a document that had been distributed for review by Jan Sides, Director, Bureau of Air and Radiation, Kansas Department of Health and Environment, from the United States Department of Agriculture, "Clinton-Gore Administration Acts to Eliminate MTBE, Boost Ethanol." <u>See</u> attachment 2)

Mary Torrence distributed copies of the Subcommittee Report on <u>SB388</u>, and explained the changes that had been made. (<u>See attachment 3</u>)

Rep. Tom Sloan made a motion the Subcommittee Report be adopted. Rep. Becky Hutchins seconded the motion. Motion carried.

Rep. Melvin Minor made a motion to strike section 11 (a). Rep. Vaughn Flora seconded the motion. Motion carried. 9 yeas 5 nays.

Rep. Tom Sloan made a motion to strike (E) and (F) page 5. Rep. Becky Hutchins seconded the motion. Motion failed. 3 yeas 9 nays.

Chairperson Joann Freeborn distributed a proposed amendment to **SB388**. (See attachment 4)

Rep. Joann Freeborn made a motion to adopt the amendment. Rep. Dan Johnson seconded the motion. Motion carried.

Rep. Laura McClure made a motion that one of three water banks be a surface water bank. Rep. Sharon Schwartz seconded the motion. Motion withdrawn.

Rep. Clay Aurand made a motion one of first five groundwater banks to be a surface water bank. Rep. Laura McClure seconded the motion. Motion failed. 5 yeas 9 nays.

Rep. Becky Hutchins made a motion page 5 (E) and (F) strike "each" and insert "a". Rep. Tom Sloan seconded the motion. Motion failed. 5 yeas 7 nays.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON ENVIRONMENT, Room 231-N of the Capitol at 3:30 p.m. on March 21, 2000.

Rep. Gerry Ray made a motion **SB388** be passed as amended. Rep. Vaughn Flora seconded the motion. Motion carried.

The Chairperson opened **Substitute for SB469** for discussion and possible action.

Substitute for SB469: An act prohibiting sales of certain motor-vehicle fuel and providing penalties for violations.

Mary Torrence distributed a balloon to the bill. (See attachment 5)

Rep. Gerry Ray distributed a proposed amendment. (See attachment 6)

Rep. Gerry Ray made a motion to adopt proposed amendment. Rep. Bill Light seconded the motion.

Rep. Clay Aurand made a motion to table **Substitute for SB469**. Rep. Dan Johnson seconded the motion. Motion carried.

Chairperson Freeborn opened **SB634** for public hearing.

SB634: An act authorizing the Kansas water office to obtain loans under certain prescribed conditions; relating to the pooled money investment board.

Terry Duvall, Kansas Water Office, was welcomed to the committee. She testified in support of the bill. This bill was introduced by the Committee on Ways and Means as a companion to **SB639**, which included the appropriations for the Kansas Water Office for FY2001. **SB634** would allow the Kansas Water Office to borrow money from the pooled money investment board to be used to meet any unusual expenses relating to operation, maintenance and repair costs associated with the Kansas Water Marketing Program. K.S.A. 82a-1315(c) (b) (5) was enacted in 1991 to allow the KWO to maintain a reserve account within the Kansas Water Marketing Fund to meet any shortfall in revenue or unusual expenses. The primary objective of that statutory change in 1991 was to stabilize the annual rate charged for water so customers would not be subject to dramatic one year increases in rates and so future customers could be assured of a stable rate. Passage of the bill would simply authorize the KWO to meet these unusual circumstances through a loan rather than by a reserved account. (See attachment 7) Attached to the testimony are graphs for Annual Operation and Maintenance Costs; 1996 through 1999 Water Marketing Fund; and a proposed amendment to the bill. Questions and discussion followed.

Chairperson Freeborn, Vice-Chairperson Gerry Ray and Ranking Minority Leader Vaughn Flora, decided not to take final action today on <u>SB634</u>, as more time is needed to look at the bill. The bill could possibly have final action at the rail. Rep. Laura McClure made available a proposed amendment to the bill, if bill has final action, regarding amounts recovered by the State of Kansas from any settlement, judgment or decree in the litigation brought by the State of Kansas against the State of Nebraska to resolve disputes arising under the Republican River compact shall be deposited in the state treasury and credited, etc.

The Chairperson closed the hearing on ${\underline {SB634}}.$

An Attorney General Opinion to Rep. Laura McClure was distributed, regarding Public health, Secretary of Health and Environment, Activities, Abatement of Nuisances; Prevention of Water Pollution; Confined Feeding Facilities for Swine; Standards and Requirements; Application; Air Quality Control; Powers of Secretary of KDHE. (See attachment 8) Also, written testimony in support of SB388, was submitted from Jerry Blain, Superintendent of Water Production, City of Wichita, Water Banking Task Force Member. (See attachment 9)

The meeting adjourned at 5:35 p.m. No further meetings are scheduled.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON ENVIRONMENT, Room 231-N of the Capitol at 3:30 p.m. on March 21, 2000.