MINUTES OF THE SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES.

The meeting was called to order by Chairperson Senator David Corbin at 8:00 a.m. on February 2, 2000 in 245-N of the Capitol.

All members were present except:

Committee staff present:

Raney Gilliland, Legislative Research Department Mary Ann Torrence, Revisor of Statutes Office Lila McClaflin, Committee Secretary

Conferees appearing before the committee:

Wayne M. Stallard, Attorney, for Pottawatomie Rural Water District #4
Karen K. Ebert, Salina, Kansas, Landowner in Pottatwatomie County
Gary Conklin, Attorney for Karen Eber
William Jackson, Chairman, Board of Directors, Pottatwatomie Rural Water District #2
Edward S. Dunn, Holton, Jackson County Rural Water District #3
Eldon E. Crouch, Pottatwatomie Rural Water District #4

Others attending:

See attached list.

With a motion from Senator Stephens and a second from Senator Morris the minutes of the January 27, 2000 were adopted.

Introduction of bills

Senator Downey requested introduction of a bill requiring Kansas Department of Health and Environment to design a program to protect the water in the Equus beds. Senator Goodwin moved to accept the request and the bill be drafted. Senator Biggs seconded the motion. Motion carried.

Senator Morris requested a bill be introduced to authorize that bonds be issued to repay the tax that is owed on passed natural gas production. <u>Senator Goodwin moved to accept the request and the bill be drafted</u>. Senator Vratil seconded the motion. Motion carried.

Senator Biggs requested a bill be introduced concerning confined facilities for swine the bill would require those facilities with a 1,000 animal units under the premiting process. <u>He moved the request be accepted and the bill be drafted</u>. <u>Senator Stephens seconded the motion</u>. <u>Motion carried</u>.

Chairperson Corbin opened the hearing on <u>SB 405–Procedure for the release of lands from water</u> districts.

Wayne Stallard, attorney, for the Rural Water District No.4, Pottatwatomie County supported the bill as it would give the Board of County Commissioners authority to settle disagreements. This statute provides that: "after a finding that the granting of the petition is to the best interest of the affected landowners and the district" the County Commissioners can release the territory (<u>Attachment 1</u>). He responded to questions.

Karen K. Ebert, Salina, Kansas, landowner in Pottatwatomie County, Kansas, supported the bill. Ms. Ebert is landowner in Water District #2 and she wants her property released so that she can be serviced by Water District #4 that has been granted an easement to run new lines across her property, and they have agreed to extend water service to her property. The hook up for water service is significantly less in District #4, therefore she request her property be released from water district #2, and the request was denied. Under current law the findings of the Board of County Commissioners must be endorsed by the board of directors of the existing district, in her opinion that does not allows the county commissioners to rule on the bases of evidence and facts presented (Attachment 2). Ms. Ebert's testimony contains supporting exhibits. She responded to several questions concerning the cost difference to receive water

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service from the two districts.

Gary F. Conklin, Attorney, representing Karen Ebert and Elna Moore of Westmoreland, Kansas, supported the bill. In the case of his clients, the county commission should have the right to hear arguments and reach a decision concerning release of a landowner's property from a water district without approval of the district. Attached to Mr. Conklin's testimony are supporting exhibits (Attachment 3).

Mr. Conklin submitted written testimony from Elna H. Moore supporting **SB 405** (Attachment 4)

William Jackson, Chairman, Board of Directors of Water Districts #2, introduced staff and board members attending with him. He said they opposed the bill as it eliminates the need for the water district's approval and gives the decision making to the county commissioners. He believes that rural water district boards of directors are best prepared to make decisions for the interest of the entire water districts. Another factor he thought should be considered was the loans that many water districts have with USDA. He quoted a federal statute that prevents a competing utility from taking customers or potential customers of a utility who are a borrower from the USDA (Attachment 5).

Edward S. Dunn, Holton, Jackson County Rural Water District #3, opposed the bill as it would impact other water districts and he thought these decision were best made at the local level. He responded to questions. Chairperson Corbin asked him to please submit in writing his remarks. He agreed to do so.

Eldon E. Crouch, Pottatwatomie Rural Water District #4 spoke in opposition to the legislation.

David K. Bailey, General Manager, Post Rock Rural Water District, Ellsworth, Kansas submitted written testimony opposing **SB 405** (Attachment 6).

The hearing on **SB 405** was closed.

The meeting adjourned at 9:02 a.m. The next scheduled meeting will be February 3, 2000.