

To: House Agriculture and Natural Resources Committee, Rep. Sharon Schwartz, Chair

From: Kent Askren, Kansas Farm Bureau

Date: February 2, 2015

Re: **HB 2069** – Allowing carryover and a change application for place of use for multi-year flex accounts

Chairwoman Schwartz and members of the committee, thank you for this opportunity to testify in support of House Bill 2069. I am Kent Askren Public Policy Director for Kansas Farm Bureau. We support both the rollover and change in place of use provisions proposed in HB 2069.

Multi-year flex accounts (MYFA) offer unique opportunities to maximize efficiency, innovation and profitability of a water right while at the same time holding water consumption to average or less amounts of historical usage.

To utilize a MYFA, the base water right is suspended while a 5-year term permit is utilized to apply water with greater flexibility. Various terms and conditions apply to the MYFA term permit such as a lump sum of water that can be applied over 5 years and a place of use that is required to be identical to the suspended base water right.

One concern we've heard from members is that any portion of the 5-year MYFA authorized quantity that goes unused is essentially lost. HB 2069 proposes to encourage conservation by allowing a portion of any unused quantity to rollover into a subsequent MYFA account.

Occasionally, those enrolled in a MYFA wish to slightly modify the place of use to improve system efficiency but current law prohibits a place of use change under a term permit. By allowing this minor place of use change as proposed by HB 2069, we can help generate greater revenue while reducing demand on the resource.

Thank you for the opportunity to testify today and I'd be glad to answer any questions at the appropriate time.