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Date: January 30, 2018  
To: House Committee on Water and Environment  
From: Randy Stookey, SVP and General Counsel, Renew Kansas Association

**RE: Testimony in Opposition to HB 2513, concerning surface water protection fees**

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Chairman Sloan and members of the committee, thank you for the opportunity to comment in opposition to House Bill 2513. This testimony is submitted on behalf of Renew Kansas. Renew Kansas (formerly, Kansas Association of Ethanol Processors), is the trade association of the Kansas ethanol processing industry.

HB 2513 would impose a new fee on surface water sold at retail by a public water supply system which is permitted for an industrial use. The newly proposed "surface water protection fee" of \$.05 per 1000 gallons of water would be collected and paid to the state by public water suppliers. The bill was estimated to generate approximately \$3.7 million from the Surface Water Protection fee. These new fees would be collected if the state failed to fully fund the state water plan fund in the amount of \$8 million from either the State General Fund or the State Economic Development Initiatives Fund for two consecutive years.

Our member processing plants that receive and use water from a public surface water supply would be required to pay this new fee, which would be imposed in addition to the other fees assessed on this water to fund the state water plan. Such fees include the water protection fee, public water supply fee, and the clean drinking water fee.

While Renew Kansas believes in the goals of the state water plan fund to help provide a clean, ready source of available water for our state, the priorities of the state water plan should be a shared burden of all water users through the funding mechanisms currently existing in state law: State General Fund or State Economic Development Initiatives Fund. No one segment can afford to fund the water plan priorities, nor can it reasonably be expected to do so through new and additional fees.

This proposed fee structure on industrial water would do economic harm to the Kansas ethanol industry which is already experiencing tight margins. For this reason, Renew Kansas appears in opposition to HB 2513.

Thank you for allowing us the opportunity to testify, and we will stand for questions at the appropriate time.