



**To: Chair Highland
Members of the House Water Committee**

**From: Darci Meese, Manager Legal/Government Relations
WaterOne (Water District No. 1 Johnson County)**

Date: February 16th, 2022

RE: Proponent Testimony—HB 2686

Chairman and Committee, thank you for the opportunity to come before you to provide WaterOne's support for House Bill 2686.

WaterOne is the public water supply system to 457,000 Kansans in Johnson County. Our sources of water are the Missouri and Kansas Rivers. WaterOne also pays for storage in the Federal Reservoirs on the Kansas River to ensure adequate flows in times of drought through membership in the Kansas River Water Assurance District. Relying upon these rivers for safe and sustainable water supply presents many challenges in terms of water quality at times and wide fluctuations in flows of both rivers. Because of these challenges, WaterOne must be and is engaged at the State and Federal level in the policy development process as it relates to water resources. WaterOne's General Manager, Mike Armstrong, serves on the Kansas Water Authority. I am the vice chair of the Kansas Regional Advisory Committee, and my colleague Michelle Wirth is the vice chair of the Missouri Regional Advisory Committee. WaterOne was heavily involved in the Water Vision process and made sure that water quality was made a part of the document which was originally focused on only water quantity.

As the largest water supply system in the State of Kansas, WaterOne staff members work almost daily with the various agencies and departments that now govern water. As professionals in the water supply industry, our staff understands that with water right questions we call the Division of Water Resources; with water quality issues or permitting projects, KDHE is the source of information, and with questions regarding planning projects or initiatives the Kansas Water Office is the appropriate contact. Sometimes the issues cross departments and we may need to call all three. This can result in inconsistent information and duplicative communication. Not to mention, when you attempt to explain to someone who does not think about water resources every day, it is apparent how complicated this existing structure can be. The current structure dilutes the importance of water. Most States in the Nation have recognized this fact and have separated water, natural resources, and other environmental issues into dedicated executive level departments. The reorganization proposed in Sections 1 through 7 of House Bill 2686 will bring Kansas up to date with the contemporary approach to water governance and provide water resources the focus deserved by the topic as well as resulting in increased government efficiency and decreased duplication of effort.

Considering the effort of House Bill 2686 to consolidate and simplify water governance in the State, Section 8 of the Bill creating the new water maintenance fund board seems inconsistent. As it is described, this new board will be created to perform many of the same functions as the existing Kansas Water Authority, that will also remain intact. Rather than creating a new oversight body, WaterOne would request the Committee consider examining the mission and make-up of the existing Water

Authority and make any necessary adjustments to fully carry out the desired function of the proposed maintenance fund board. Creating a new board all together will confuse the role of the Water Authority and create an unnecessary additional layer.

Section 206 of the Bill proposes to increase the water protection fee paid by municipal, industrial, and stock water users from \$0.03 cents per 1000 gallons of water sold to \$0.05 per 1000 gallons. WaterOne currently pays this fee as a municipal user of water. Our annual payment equates to about 20% of the total municipal fee paid into the Water Plan Fund. While we understand the need for a fee increase, as it has not been reevaluated since its original enactment in 1989, all water users should experience a proportionate increase. It is notable that the pesticide and fertilizer fees are not being adjusted, therefore WaterOne supports the proposed irrigation fee contained in Section 9 as an equitable contribution by the users that will be subject to that fee.

Water is critical to every aspect of life in the State of Kansas and while the users are paying their share, the State must also commit to protecting our resource by providing adequate funding. The Governor has said the full \$8 Million demand transfer will occur in 2022 and that is appreciated. This Committee knows that those transfers have not been consistently made to the degree of shorting the Water Plan Fund approximately \$84 Million since the original creation of the Fund. To make up for the unfunded years and account for current day inflation, WaterOne would ask that the Committee consider increasing the amount of the demand transfer to be more proportionate with the fees paid by water users. For instance, if the demand transfer was increased by 66%, consistent with the water protection fee increase, it would equate to about a \$13 Million transfer from the State.

On behalf of WaterOne, I want to thank this Committee for all the work for the past two years on this issue. The drafting of House Bill 2686 was no doubt a momentous task towards providing water resources the protection and priority owed to the issue. As such, it is respectfully requested House Bill 2686 be passed by the Committee.

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