

MINUTES OF THE SENATE NATURAL RESOURCES COMMITTEE

The meeting was called to order by Chairman Carolyn McGinn at 8:30 a.m. on March 2, 2006, in Room 423-S of the Capitol.

All members were present.

Committee staff present:

Raney Gilliland, Kansas Legislative Research Department
Emalene Correll, Kansas Legislative Research Department
Lisa Montgomery, Revisor of Statutes Office
Judy Holliday, Committee Secretary

Conferees appearing before the Committee:

Tracy Streeter, Director, Kansas Water Office
Leslie Kaufman, Executive Director, Kansas Cooperative Council
David Brenn, President, Kansas Water Congress
Greg Foley, Director, State Conservation Commission
Mary Jane Stankiewicz, Vice President & General Counsel, Kansas Grain and Feed Association

Others attending:

See attached list.

Chairperson McGinn called the Committee members' attention to minutes of the three previous meetings and noted they would be approved at the next Committee meeting on March 3.

Chairperson McGinn opened the hearing on **HB 2710, Creates the water rights transition assistance program**, and asked Raney Gilliland, Assistant Director, Kansas Legislative Research, to explain the provisions of the bill. Mr. Gilliland explained the bill creates a pilot program administered by the State Conservation Commission that allows for partial or complete retirement of water rights in certain targeted areas. He explained that the House had changed this from a permanent to a pilot program, with only two targeted areas now, Prairie Dog Creek area in north central Kansas, and Rattlesnake Creek in south central Kansas. The program expires five years from the fiscal year when funds are appropriated, and there are provisions for civil penalties if certain guidelines are not followed. He noted the cost of the program was \$1.5 million per year. The program would be approved by the Department of Agriculture's Division of Water Resources and the groundwater management districts when monitoring abilities are in place to ensure compliance. The State Conservation Commission would be required to conduct an economic impact study on the local communities.

Mr. Gilliland called the Committee's attention to references in the bill to "pilot program" that should be changed to be consistent. He also noted that there were exceptions for irrigation purposes. He called the Committee's attention to language regarding "issuing water right transition grants," but the House language was "purchasing water rights," and that he felt consistency of language was needed to prevent problems down the road.

Chairperson McGinn asked if the Colorado lawsuit money funds the program and if some money is used across the state or just in the two targeted areas. Mr. Gilliland told the Committee that the House recommended using the money in the two specific areas.

Senator Taddiken asked about the State Conservation Commission retiring water rights, and he thought that should be the Division of Water Resources' responsibility and could leave the wrong message. He felt there should be some clarification made.

Tracy Streeter, Director, Kansas Water Office, testified as a proponent of **HB 2710 (Attachment 1)**. He told the Committee his testimony was basically the same as that given in the House. Mr. Streeter explained that the Water Office and the Kansas Water Congress were both participants in getting the retirement of water rights program established. Mr. Streeter explained that the legislation has a three-pronged effect: it provides permanent water retirement; program providing 4-10 years of incentives for retirement and allowing dryland production; and the conservation enhancement program. He told the Committee there may be a need to

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debate some of the technical issues and for other conferees to get their heads together to see how the House version fits into the grand scheme of things.

Leslie Kaufman, Executive Director, Kansas Cooperative Council, testified in support of **HB 2710** (Attachment 2). Ms. Kaufman stated the Council had not supported such a bill in the past, but commended the Water Congress for addressing elements critical to the Council's membership. Ms. Kaufman stated that she was pleased the bill ran through the policy committee rather than the budget committee. She also stated that previous bills had not been supported by the Co-op Council because of irrigation transition programs that prohibited dryland farming and dictated land management practices as a means of addressing water concerns. Ms. Kaufman told the Committee that the impacts of the proposal must be considered, and that an economic impact study should be part of the language of the bill.

David Brenn, President of the Kansas Water Congress, testified in support of **HB 2710** (Attachment 3). He told the Committee that he was on a subcommittee appointed to deal with water rights, and the subcommittee met eight times regarding implementation of voluntary participation in the program. The product of that subcommittee was **HB 2710** introduced in the House Environment Committee. This bill is the first bill that deals with consumptive use and not land use, dryland farming important to local economies, responsibility of local sovereignty to develop tools to address this problem, and is not a CREP-type, highly funded program. He stated that the Kansas Water Congress supports **HB 2710** as introduced but has two areas of concern regarding language, and asked that these changes be made to restore the bill to the original intent as introduced in the House.

Greg Foley, Director, State Conservation Commission, testified in opposition to **HB 2710** (Attachment 4). He called the attention to several House amendments that cause concern: The retirement of partial water rights or taking part of a water right; lack of funding, and requiring an economic analysis study for such a small area because it is not realistic. He believes the bill takes funds away from the purchasing of as much water rights as possible. He stated he would submit written copies of his testimony at the Friday, March 3 meeting.

Mary Jane Stankiewicz, Kansas Grain and Feed Association, testified in opposition to **HB 2710** (Attachment 5). Ms. Stankiewicz complimented the Water Congress in its efforts to bring all parties to the table and for crafting an improved version of the bill debated in the House Environment Committee last year. Ms. Stankiewicz urged the Committee to adopt the proposed House amendments which set out how much and where the money would be spent and the impact of taking water rights out in a predominantly agricultural area. Attached to her testimony was a bill balloon with the proposed language changes supported by Kansas Grain and Feed Association.

Copies of the written testimony of Big Bend Groundwater Management District No. Five (Attachment 6), and The Water Protection Association of Central Kansas (Attachment 7) were distributed to Committee members for their review.

Chairperson McGinn told the Committee that due to time, the hearing on **HB 2710** would be continued at the Friday, March 10 meeting, and that **HB 2875, Concerning inspection fees for works constructed for appropriation of water for beneficial use**, would be postponed until the March 9 Committee meeting.

There being no further discussion, the meeting adjourned.