

## MINUTES OF THE SENATE NATURAL RESOURCES COMMITTEE

The meeting was called to order by Chairman Ralph Ostmeyer at 8:30 a.m. on February 3, 2011, in Room 159-S of the Capitol.

All members were present except the following:

Senator Terry Bruce, Excused

Committee staff present:

Tamera Lawrence, Office of the Revisor of Statutes

Jason Thompson, Office of the Revisor of Statutes

Heather O'Hara, Kansas Legislative Research Department

Laura Younker, Kansas Legislative Research Department

Dana Wethington, Committee Assistant

Conferees appearing before the Committee:

Susan Stover, L.G., Chairperson, Water Bank Evaluation Team

Dave Barfield, Chief Engineer, Division of Water Resources, Kansas Department of Agriculture

Others attending:

See attached list.

Susan Stover, Kansas Water Office, gave an overview of the *Central Kansas Water Bank Association Five Year Review and Recommendations*. The Report is required to be delivered to the Senate Committee on Natural Resources. From the Report, she stated that as directed by Statute, after five years of operation the Water Bank is to be evaluated and recommendation given to the Chief Engineer of the Kansas Department of Agriculture, Division of Water Resources, whether the Bank's charter should be renewed, and make any other recommendations relevant to water banking in Kansas. ([Attachment 1](#))

John Janssen, Board President of the Central Kansas Water Bank and member of the Water Bank Evaluation Team, could not attend due to bad weather, and submitted written information. ([Attachment 2](#)) Requesting support of continuing the Central Kansas Water Bank, Mr. Janssen's testimony included the vision upon creation of the Bank as four points: establishing a value of water in the basin, allow movement of water away from stream corridor and decline areas, be sensitive and responsive to water use issues and to utilize a business model for water utilization to save water. He summed up his testimony by stating that the CKWB is an opportunity to save water at nominal cost.

Ms. Stover said the Evaluation Team recommends the Water Bank be renewed. The Team includes six members appointed by the Chief Engineer: a water resource economist, two water resource engineers, an outside knowledgeable person, a knowledgeable public interest, and water law professor. Other members are a Kansas Geological Survey representative, GMD board member, Kansas Water Office representative plus three other members. She described Water Banking in Kansas as allowed by statutes provides a market for voluntary, temporary movement of deposits: water rights deposits, leases of deposited water and safe deposit accounts that allows 25% of unused allocated amount for owner's future use.

The Bank extends over the Big Bend Groundwater Management District #5. A deposit can occur anywhere in the Bank and a lease can occur in most areas of the Bank, with some restrictions. The Water Bank is a key conservation program in Rattle Snake Creek Management Program. Since its inception, the Bank has had three deposits, one lease that is in name only with no withdrawal, and 10 safe deposits.

In addition to the recommendations for renewal, the Team recommends changes that include classification in statute that Water Bank be chartered for initial period of not more than seven years, then following evaluation by outside entity and agreement by Chief Engineer, charter the Bank as a permanent corporation and to continue periodic external reviews. She said the Team's recommendation is to simplify the system, so that, among other reasons, it's easier for the potential user to see if it fits into the water use needs, and to reduce the heavy quantity deductions required on bank deposits and leases.

Kent Askren, Kansas Farm Bureau, a member of the Evaluation Team for Water Banking, spoke in support of the presentation as delivered by Ms. Stover. Dave Barfield, Chief Engineer, Division of Water Resources, Kansas Department of Agriculture, also made comments about the Review.

## CONTINUATION SHEET

Minutes of the Senate Natural Resources Committee at 8:30 a.m. on February 3, 2011, in Room 159-S of the Capitol.

Discussion followed.

Chairman Ostmeyer acknowledged the distribution of the printed Report on Implementing Multi-year Flex Accounts written by Dave Barfield, Chief Engineer, Division of Water Resources, Kansas Department of Agriculture. (Attachment 3) The Report includes K.S.A. 82a-736 current rules and regulations revised January 6, 2006. The law requires any groundwater water right holder to apply for a flex account by October 10 preceding the first year for which application is made. There are no active flex accounts and limited interest has been shown. The report states that Mr. Barfield is working with Groundwater Management Districts to identify how program can be more attractive to users.

Discussion followed.

Chairman Ostmeyer asked for bill introductions.

Dave Barfield, Chief Engineer, Division of Water Resources, Kansas Department of Agriculture, requested a bill be introduced that would amend the water rights conservation program. Senator Abrams made a motion to introduce; seconded by Senator Morris; motion passed.

Chairman Ostmeyer announced the next meeting is scheduled for February 10, 2011.

The meeting was adjourned at 9:07 a.m.