



**Before the
Senate Agriculture Committee
Testimony on HB 2516
Tracy Streeter, Secretary of Kansas Water Authority and Director of Kansas Water Office
March 6, 2012**

Chairman Taddiken and members of the Committee, I am Tracy Streeter, Secretary of the Kansas Water Authority and Director of the Kansas Water Office. This proposed legislation originated from the Ogallala Aquifer Advisory Committee, an *ad hoc* committee established by the Kansas Water Authority to make recommendations on ways to conserve and extend the life of the Ogallala aquifer. As Secretary of the Authority, I represent both entities in support of the proposed changes to the Water Bank Act presented in House Bill 2516.

Water banking provides a market-based means to encourage water use away from sensitive, water short areas through bank “deposits”, and to lease water in areas of growing need where new water rights are not available. The leased point of withdrawal can be moved anywhere allowed within the water bank boundaries and same hydrologic unit. The water is leased for up to ten years as a term permit, at a rate agreed to by the depositor and the lessee. As a term permitted water right, it would be junior to any already established water rights in the area. Water banks also have a safe deposit account option into which a water right owner can credit an unused portion of their water allocation for their own future use. Water banks also provide a 10 percent conservation.

Currently, there is one water bank in Kansas; it is located over the Big Bend Groundwater Management District. A review of the Central Kansas Water Bank, as required by statute, was completed one year ago and chaired by the Kansas Water Office. The committee learned it was a program with little participation, but a great deal of potential if modifications were made. The committee recommended the Chief Engineer renew the Central Kansas Water Bank’s charter, but suggested a number of changes to the Bank’s operation. Most of the recommended changes were to simplify overly complex and burdensome rules and regulations; these are currently under review by the Department of Agriculture, Division of Water Resources. This was the first water bank in Kansas, and it isn’t surprising that adjustments are necessary.

There are two recommended statutory changes. The first change is to clarify the authorizing legislation on the bank’s permanency. K.S.A. 767(d) seems to cover only the review period after the initial establishment of a bank. After a water bank has gone through an initial seven year period and the Chief Engineer supports the water bank’s charter renewal, the bank’s charter would then be permanently extended. The lack of a bank’s permanency hinders participants from making deposits or leases, as they cannot make long term plans with no assurance the bank will be in place.

The second statutory change would allow more than one groundwater bank. Currently, the Water Bank Act allows for up to two water banks, only one of which is a groundwater bank and the other surface water or a surface water/groundwater combined bank. Water banking may be a useful tool in closed areas of the Ogallala aquifer where there is growing demand by irrigation, industry or other users. The voluntary, market based water banks can be a useful tool to move water in closed areas of the Ogallala aquifer and contribute to efforts to conserve the aquifer.