

MINUTES OF THE HOUSE AGRICULTURE & NATURAL RESOURCES COMMITTEE

The meeting was called to order by Chairman Larry Powell at 9:00 a.m. on February 10, 2011, in Room 783 in the Docking State Office Building.

All members were present except:

- Representative Rocky Fund - Excused
- Representative Bob Grant - Excused
- Representative Michael Peterson - Excused

Committee staff present:

- Sean Ostrow, Office of the Revisor of Statutes
- Raney Gilliland, Kansas Legislative Research Department
- Michael Wales, Kansas Legislative Research Department
- Kay Scarlett, Committee Assistant

Conferees appearing before the Committee:

- David Barfield, Chief Engineer, Division of Water Resources, Kansas Department of Agriculture
- Dennis Reynolds, Chairman, Kansas Grape and Wine Industry Advisory Council
- Steve Ohlde, Member, Kansas Dairy Marketing Advisory Board

Others attending:

See attached list.

Tracy Streeter, Director, Kansas Water Office, provided *A Quick Reference on Water Rights and Water Terms* as requested by the committee. ([Attachment 1](#))

David Barfield, Chief Engineer, Division of Water Resources, Kansas Department of Agriculture, provided an overview of water appropriation control and regulation in Kansas. He discussed obtaining, maintaining, protecting, and changing a water right, as well as compliance and enforcement. There are seven Intensive Groundwater Use Control Areas (IGUCA) in the state where the Chief Engineer may implement corrective control provisions where it has been determined that groundwater levels are declining excessively to warrant additional regulation to protect public interests.

Mr. Barfield explained that flex accounts were established by the 2001 legislature as a voluntary program to allow water right holders to establish flexible accounts for groundwater use. The criteria allows eligible, participating water right holders to use, within a five-year period, an amount of groundwater that is no more than 90 percent of the actual base average use, times five, as long as it does not impair other existing water rights. Currently, there are no active flex accounts as all previously filed accounts have expired and not been renewed. The law requires that any groundwater water right holder who wants to establish a flex account to file an application no later than October 10 of the preceding year. The Division of Water Resources has proposed legislation to remove the deadline date and to allow a water right holder to file an application at any time. They continue to promote flex accounts as a viable option for groundwater users who have variable demands from year to year, particularly in areas in need of water management strategies. ([Attachment 2](#))

Dennis Reynolds, Chairman, Kansas Grape and Wine Industry Advisory Council, reported that the grape and wine industry continues to grow in Kansas. In 2010, 24 wineries were licensed across the state. This year the Kansas Agricultural Statistics and the National Agricultural Statistics Service will conduct a survey of the impact of the Kansas grape and wine industry on the Kansas economy. The survey, funded by a USDA Specialty Crop Grant, will gather valuable data about the different grape varieties grown in the state, the different fruits used to make wine, the type and amount of wine produced, the level of tourism ties to grape and wine production, and other economic data. ([Attachment 3](#))

Steve Ohlde, Member, Kansas Dairy Marketing Advisory Board, said the Kansas dairy industry continues to change. The state continues to have fewer dairy farms, but with higher milk production per cow and per farm. The dairy manufacturing industry has been relatively stable. Dairy processing

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plants in Kansas have not grown as much as milk production from Kansas dairy farms. Kansas is a net exporting state for raw milk. Historically, dairy markets were local with farm produced milk being processed and marketed in the nearest city of any size. However, with the advent of better refrigeration and transportation, the dairy industry has become regionalized. Global markets now affect even the smaller producers. He said Kansas is adapting with many positive changes. Increases in total milk production improves the state's chances of attracting a new processing plant with jobs and economic benefits. Also, several smaller producers are developing ideas to produce cheese or bottled milk for niche markets. (Attachment 4)

The meeting adjourned at 10:05 a.m. The next meeting of the House Agriculture & Natural Resources Committee is scheduled for February 14, 2011.