

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 1, 2012, in Room 783 in the Docking State Office Building.

All members were present except:

Representative Michael Peterson (Unexcused)

Committee Staff Present:

Randy Gilliland, Kansas Legislative Research Department

Sean Ostrow, Office of the Revisor of Statutes

Chris Sevedge, Kansas Legislative Research Department

Joyce Hladky, Committee Assistant

Conferees appearing before the committee:

Tracy Streeter, Kansas Water Office (Proponent)

Steve Frost, Division of Conservation/Department of Agriculture (Proponent)

Steve Swaffar, Kansas Farm Bureau (Proponent)

Sean Miller, GMD (Proponent)

Others attending:

See Attached List.

Chairman Powell welcomed the committee.

Bill Introduction:

Woody Moses, Kansas Aggregate Producers Association, introduced a bill dealing with sand and gravel extraction and how it interacts with water appropriations act. Some of the issues making water more flexible have a bearing on the sand and gravel industry.

There being no objections the bill is introduced.

Chairman Powell opened the floor for hearings on **HB2517 making the water transition assistance program permanent.**

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Sean Ostrow provided background on **HB2517** regarding WaterTAP program by paying compensation in exchange for retirement of their water right. The program was piloted in 2006 and provides that anyone can voluntarily sign up for the program if they are in the targeted area. Change will now be administered by the Department of Agriculture, Division of Conservation and no longer administered by the State Conservation Commission, restoring consumptive water use. The main changes are found on page 4 in the new subsection F, main changes are new subsection on page 2 lines 23-28 and subsection H beginning at the bottom of page 2.

Chairman welcomed the first conferee for hearings on **HB2517**.

Tracy Streeter, Kansas Water Office testified in favor of **HB2517**. Mr. Streeter stated the proposed legislation has been endorsed by the Kansas Water Authority and is also supported by the Ogallala Aquifer Advisory committee. (Attachment 1)

The Water Right Transition Assistance Program (WaterTAP) is a voluntary, incentive-based program to permanently retire irrigation water rights in water stressed areas. It is administered by the Department of Agriculture, Division of Conservation. The program is only eligible in targeted areas closed to new water appropriations. WaterTAP provides payments for the permanent dismissal of all or a portion of water right, based on its consumptively used portion and the owner's bid rate, up to the State's cap. WaterTAP allows the land to remain in agricultural production.

Voluntary consumption programs such as WaterTAP are important tools to help conserve and extend the life of the Ogallala aquifer. The program is only eligible in focused priority areas, and it can be a valuable component for a region to reach new conservation goals.

Steve Frost, Water Conservation Programs Manager for the Department of Agriculture's Division of Conservation testified in support of **HB2517**.

The legislation proposes to convert the pilot project status of an existing program to a permanent one. WaterTAP was authorized by the Kansas Legislature in 2006 as a five-year pilot project. The purposes of the program are:

1. To reduce the Historic Consumptive Water use in targeted, high-priority areas of Kansas by issuing financial grants for the voluntary permanent dismissal of privately held water rights; and

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2. Evaluate the results of the pilot project and develop a viable model for the beneficial implementation of a long-term water right retirement program which seeks to leverage state dollars with matching funds from other private and public sources.

The legislation allows partial retirements of quantity without a concurrent “drying-up” of associated place of use because the department’s economists are advising to let the farmer utilize his entire acreage base and make innovative adjustments to management of the quantity. The adjustment comes in the education of the water right.

When combined with other tools such as LEMA’s, Water Banking, Flex Appropriations and amendments to the philosophy of “Use It or Lose It,” the Water Right Transition Assistance Program will be a valuable program for producers and landowners as we endeavor to conserve and extend the Ogallala Aquifer.

Steve Swaffar, Kansas Farm Bureau, testified in favor of **HB2517**. (Attachment 2)

HB2517 makes the pilot Water Transition Assistance Program a permanent program in the state. In 2006 Kansas Farm Bureau testified in support of **HB2710**, the bill that authorized the WTAP program. For the same reasons Kansas Farm Bureau supported the program in 2006 and the organization believes the program should be made permanent. Targeted water rights purchases in the highest priority areas where aquifer declines are most severe or interstate water compact compliance is critical; sustaining crop production by transitioning to dry land farming; and minimizing impacts to local economies.

Kansas Farm Bureau encourages the Committee to pass out **HB2517** favorably.

Sean Miller provided testimony in favor of **HB2517** on behalf of Southwest Kansas GMD#3. (Attachment 3)

The Water Transition Assistance Program (WaterTAP) is a uniquely Kansas program that is structured to provide a necessary water conservation tool that can be leveraged with local, state, and other program resources to permanently reduce water consumptions through a voluntary incentive-based retirement of all or a portion of a water right in the water short areas targeted for enhanced aquifer management.

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Full voluntary water right buy-outs can be cost prohibitive as an effective standalone program to meet local groundwater management goals. However, the WaterTAP options to entertain partial water right buy down or to leverage WaterTAP resources with other conservation initiatives and programs provides a strong practical program that offers the most utility as an important part of the groundwater management tools for Kansas. WaterTAP can remain an effective part of the Kansas water management program that provides leadership to local areas and by example to the other important groundwater areas of the Western United States.

The Groundwater Management Districts believe that WaterTAP is an important program and should be made permanent.

Written testimony submitted by:

Ron Seeber, Kansas Grain & Feed Association and the Kansas Agribusiness Retailers
Association (Proponent) ([Attachment 4](#))

Mike Beam, Kansas Livestock Association (Proponent) ([Attachment 5](#))

Dave Brenn, President, Kansas Water Congress (Proponent) ([Attachment 6](#))

There being no further testimony on **HB 2517**, Chairman Powell closed the hearings.

Meeting adjourned at 9:55 a.m.