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Blue Ribbon Task Force c/o Kansas Water Office 900 SW Jackson Street, Suite 404 Topeka, KS 66612

Re: Testimony to the Blue Ribbon Task Force for The Long Term Vision for the Future of Water Supply in Kansas

Thank you for this opportunity to present written testimony to the Blue Ribbon Task Force in regard to funding demands pertaining to The Long Term Vision for the Future of Water Supply in Kansas. We would like to take this opportunity to thank you for bringing water issues in Kansas to the forefront and for your efforts to improve the Kansas water supply.

Friends of the Kaw, Inc. is a 501 c 3, grassroots, conservation organization, the mission of which is to protect and preserve the Kansas River (locally known as the Kaw) for present and future generations. We have actively participated in The Vision process and support the efforts of many people across Kansas to address the water problems of our state. Funding is an important component of The Vision and we believe that a combination of funding sources can help to move us towards a healthier Kansas. We recommend that the Blue Ribbon Task Force consider the following funding sources:

- utilize existing water plan funds
- increase water usage fees
- increase in-river sand dredging royalty fees from the current rate of \$0.15/ton to \$.30/ton. This royalty fee has not been changed since 1996. Given that the Kansas River channel is public property, we consider the dredging royalty as a lease fee to the state of Kansas. In-river sand and gravel operations cause: (a) irreparable harm done to the river's channel, banks and ecosystem; (b) degradation of our drinking water quality; (c) degradation to infrastructure such as public water intake supply systems and bridge structures.
- Consider adopting new methods of collecting and allocating funds for the protection of water resources that would localize the collection and distribution of dollars on a watershed basis. Under this type of scenario, different regions of Kansas would be responsible for planning, managing, and paying to preserve their own water resources. Funds raised through this watershed-based fee collection system should be required to be used only for management and preservation of Kansas water resources.

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We encourage The Vision to consider improvements to water quality and aquatic habitat in addition to water quantity considerations as we move forward with this process in Kansas. The Kansas River supplies drinking water to over 800,000 people and is a National Water Trail as designated by the National Park Service in 2012. Governor Brownback has authorized the Kansas River Recreation Committee to assist the Kansas Department of Wildlife, Parks and Tourism in promoting the Kansas River Water Trail. This designation is indicative of what an asset the Kansas River is to our state, not only for drinking water and waste management, but also a valuable recreation resource that can bring in tourist dollars from both in-state and out-of-state.

Thank you again for this opportunity to provide written testimony to the Blue Ribbon Task Force. We are pleased to be a part of the process as we work towards a healthier water supply for all in Kansas.

Sincerely,

Dawn Buehler Kansas Riverkeeper

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WATERKEEPER ALLIANCE

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APR 06 2016

To: Governor's Blue Ribbon Committee on Water Funding

Members of the Committee: I would prefer to speak with you personally, but I am in Washington, D.C. participating in a Federal Communications Commission advisory committee meeting. The Vision 2020 Committee held hearings on water policies and funding for four years and issued a White Paper last year that recommended options for the Kansas Water Authority, Governor, Kansas Water Office, Secretary of Agriculture, and other key stakeholders to consider. Those recommendations were developed into bill form and introduced as HB 2510 and HB 2511 in 2016.

The funding and policy recommendations by the Committee's members explicitly recognized that the State Water Plan has been significantly underfunded — even before SGF funds were not provided. As SGF and other non-water consumption-based funds are unlikely to be available for the foreseeable future, water consumption and fees on activities that impact or benefit from water supplies should be relied upon more heavily to fund the State Water Plan.

Following are the key revenue and policy (related to revenue and priorities) recommendations made by the Committee. We commend them to you for consideration. If you have questions, please do not hesitate to contact Chairman Larry Campbell or me.

Key Revenue Recommendations:

1. Increase fees on municipal water users. Agriculture & Natural Resources Committee members have heard me testify on bills that the Rural Water District on which I serve as Chairman charges \$7.40 per 1,000 gallons of water sold at retail. Milk sells for between \$2,500 and \$3,100 per 1,000 gallons; soft drinks sell for \$4,000 - \$5,000 per 1,000 gallons; and beer sells for \$10,000 or more per 1,000 gallons. Municipal tap water is a bargain, especially as it is so much more versatile in its uses (e.g., bath, cook, water gardens).

The average homeowner uses 5,000 gallons of water per month. An increase of 10 cents per 1,000 gallons would result in a 50 cent increase in water bills per month or \$6.00 per year. A 10 cent increase per 1,000 gallons of water sold at retail in the Clean Drinking Water Fee, an alternative existing fee, or a new Drinking Water Reservoir and River Sustainability Fee would annually raise approximately \$10 million for the State Water Plan.

- Increase existing fees on in-river quarry operations and consider a fee on quarries in alluvial areas. Sand and gravel operations in the state's rivers pay a tax on the volume of materials harvested. Quarries outside the rivers do not have the same tax liability. However, quarries within a river's alluvial area ultimately fill with water water that otherwise would support river flow and/or ground water maintenance. Requiring quarry operators with sites within alluvial areas to pay taxes equal to those operating on the rivers would provide additional revenue to the State Water Plan and would reflect the impact such operations have on ground water availability. While such a fee would not raise large sums of money, it is also an equity issue.
- 3. Increase existing fees on agriculture. Agriculture by far uses the largest amount of water consumed in Kansas. The existing fees on inputs (e.g., fertilizer sales) and water used in livestock production should be increased to reflect the need to invest in aquifer protection, assistance to producers to transition to other crops, and the exploration of cost-effective methods of treating waters from other sources (e.g., Dakota Aquifer). While the Committee members recommended doubling the existing fees to raise money for the above and other programs, a different amount may be more politically acceptable.
- 4. Establish a water well fee. Consider establishing an annual fee on municipal, industrial, irrigators, and other water well owners to support the State Water Plan. Committee members recognize that substantial resistance is likely to arise in response to this proposal, but the minimal impact on well owners of a, for example, \$100 annual fee is more than balanced by having additional funds in the State Water Plan Fund to sustain the water they use. KDHE's ability to monitor water quality from municipal and private water wells would be enhanced by having additional funds for their laboratory.
- 5. Recreational User Fees. Committee members recognized that despite objections from the Dept. of Wildlife, Parks and Tourism, many people believe that recreational users of the waters in our state may not equitably contribute to the State Water Plan Fund, especially those from out-of-state. A lake preservation and enhancement fee would address the issue. This fee could be as minimal as a \$1 surcharge on fishing licenses, \$2 fee on water fowl hunting licenses, and \$5 fee on boat registrations. While none of these would raise large amounts of money for the State Water Plan, they would be equity steps and would have out-of-state recreationalists contribute to maintaining our waters.

Water Policy Recommendations:

Explore Dividing the State Water Plan into two segments that more accurately reflect
differences in program priorities and funding sources. For example, sediment in drinking water
supply lakes and reservoirs, and its impact on water quality and quantity, can be addressed
through a range of programs that include: stream bank stabilization, creation of buffer strips,

and dredging. Declining Ogallala Aquifer and other non-surface water levels cannot be addressed in the same manner.

Committee members recognized that there are advantages related to maintaining a single State Water Plan with flexibility to move funds as needed, but also recognized that parties that use surface and subsurface waters may be more willing to increase contributions to the State Water Plan if they can ascertain that their contributions will address their specific needs.

- 2. Recognize the value of information for planning, monitoring, and policy-making purposes. The Kansas Biological Survey and Kansas Geological Survey both provide invaluable assistance to the State through their information gathering capabilities. Specific line item appropriations for both agencies should be included in the State Water Plan and appropriations bills to ensure that we know what is in our drinking water lakes and reservoirs and the capacity and composition of our aquifers. Making policy and Water Plan investment decisions can be enhanced with greater funding of our two primary state water research and monitoring agencies.
- 3. Accessing water data in a comprehensive manner. Multiple state agencies (e.g., Water Office, Biological Survey, KDHE, K-State) collect and maintain water data. Similarly, federal agencies (e.g., Corps of Engineers) have their own data sets. Often the data collected is on the same water source, different variables, and on different schedules. Convincing agencies to cede their data to other agencies is unlikely to be successful, but an electronic integration through a portal or other mechanism would better enable policy-makers to determine what water resources are at greatest risk, what water protection programs are most effective and cost-effective, and what projects should be prioritized. Such an electronic integration of data would enable the development of more accurate and comprehensive models detailing surface and subsurface water supplies. The Kansas Biological Survey has begun developing such a portal, but lacks sufficient resources to complete the task. Data drives policy-making and sound scientific data results in effective and cost-effective policy-making.
- 4. Develop unconventional partnerships to protect and expand water resources. Establishment of a research grant program within the State Water Plan would enable the State to participate with innovative researchers, such as: petroleum companies in developing cost-effective small desalinization technologies, and agronomists in developing plants with lower water needs. Committee members recognize that funding research will be a new approach to managing our state's water needs, but believe that such grants and partnerships have great potential to increase or maintain supplies and secondarily to develop marketable technologies. The oil and gas industry are experimenting with small water treatment plants to be used in conjunction with cleaning fluids used in well drilling and hydraulic fracturing. This would be a natural area for a partnership as municipalities and irrigators could use similar technologies when fully developed.
- 5. Maintain and enhance the on-site technical assistance program funded through the State Water Plan and administered through the Kansas Water Office. Small municipal water systems

frequently lack the personnel and technological capabilities of meeting drinking water standards, especially if a key employee retires or is otherwise unavailable. The on-site technical assistance program provides personnel and expertise to keep the water systems operating safely. With the expose about municipal water systems across the country (e.g., Flint, Michigan; and the other 2,000 systems identified by U.S.A Today), it is essential that we provide necessary support to municipal water providers. The on-site technical assistance program is effective and cost-effective.

Thank you for considering the Vision 2020 Committee's observations and recommendations. Please do not hesitate to contact Rep. Campbell or me if you have questions about them.

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Rep. Tom Sloan

Vice Chairman, Vision 2020 Committee