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Working together to promote water conservation for future generations.

To: House Water and Environment Committee, Rep. Tom Sloan, Chair

From: Orrin Feril, on behalf of Big Bend Groundwater Management District No. 5 & Central Kansas Water Bank Association

Date: February 13, 2018

Re: **HB 2732-** Authorizing the division of conservation of the department of agriculture to create and administer water banks.

Thank you Chairman Sloan and members of the committee. I appreciate the opportunity to provide testimony in opposition to HB 2732. My name is Orrin Feril. This testimony is being submitted on behalf of Big Bend Groundwater Management District No. 5 (District) and the Central Kansas Water Bank Association (Association).

In 1999, a task force was established to study the viability of water banking in Kansas. The task force determined that water banking could be a powerful incentive-based tool for conservation that would result in water being put to its most economic and beneficial use. However, there was no mechanism in Kansas statutes that would allow their establishment in Kansas. In 2001, K.S.A. 82a-761 et seq. was adopted by the legislature. In 2005, the Association became the first chartered water bank in the state. While the Association covers the same geographic boundaries, has the same staff, and utilizes the same monitoring network as the District, the Association is governed by a separate board of directors and funded entirely through its own administrative fees. The Association has undergone several changes since its inception in 2005, but still offers the same services to the water users of the region. These programs have gained in popularity by giving water users added water use flexibility while conserving water. It is anticipated that this growth will continue in coming years. The Association is beginning another evaluation required by statute by an independent panel of experts in water law, economics, geology, and hydrology.

The District and Association have vast experience in the operations of water banks in Kansas. We have significant concerns with the provision in Section 4 that allows the Chief Engineer to exclude water banks administered by the division of conservation from rules and regulations of which all other water banks within the state must comply. This provision could create an unfair bias against both existing and future water banks that are not administered by the division of conservation. In the case where a "private" water bank and a division of conservation water bank share a boundary, the private water bank could potentially be at a regulatory disadvantage when compared to its neighbor.

Primarily for this reason, the Association encourages the committee to not pass HB 2732 out of committee. The District and Association have already begun discussions with state agencies to refine this language to address these concerns.

Thank you for the opportunity to provide testimony on HB 2732. It is always good for all parties to have conversations such as the discussions generated by these hearings. The District and Association are willing to continue to be a part of those conversations.