

Blue Ribbon Funding Task Force for Water Resource Management

1:00 p.m., October 31st, 2016

Kansas Soybean Association/Commission

1000, SW Red Oaks Place, Topeka, KS

1. Recap of BRFTF from last meeting
2. Feedback
 - a. KWA Memo
 - b. KLA/KFB Letter
 - c. WSU Project (Dr. Kenneth Kriz from WSU will be in attendance to update the Task Force on this project)
 - d. Other
3. Deliberations – Possible Recommendation of BRTF
 - a. Funding Level
 - b. Oversight
 - c. Revenue Source
 - d. Approach
4. 2016 Governors Water Conference
5. Next Steps

MEMO



DATE: October 26th, 2016
TO: Blue Ribbon Funding Task Force
FROM: Gary Harshberger and Karma Mason
RE: BRTF Funding and Vision Implementation

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The Kansas Water Authority (KWA) met on October 19th and discussed the KWA leadership and decision making on the Vision Implementation Funding. Primary topics of the discussed included:

1. Kansas Water Authority and Blue Ribbon Funding Task Force roles
2. Funding target for use in Task Force Discussions
3. Dedicating a portion of future funding to regional areas
4. Information needed to support future requests

The consensus of the members was that since the KWA is the standing statutory body, the board should retain budget recommendation responsibility for water plan and vision implementation funding. This would include recommendations associated with any additional funding developed through the Blue Ribbon Funding Task Force.

Also discussed was the target funding for the Vision implementation. The KWA reviewed and discussed the Vision implementation spreadsheet provided to the Task Force at their last meeting. The KWA approved the overall funding target of approximately \$55 million as the level that would be required on an annual basis to implement the Vision and associated regional goal action plans. It is recognized that the projects that will be funded will vary from year to year, but the overall need will remain the same. Focusing funding to the highest priority projects and reprogramming funding once projects are completed will be key in maintaining credibility of the Vision process and the KWA's role in budgeting.

While there was not complete consensus, the general discussion by the KWA members was in support of some funding being targeted to regions. In any case, if funding is dedicated to regional activities, it should be guidance provided by the Regional Advisory Committees (RACs) to the KWA rather than be defined in statute. Further, the funding dedicated to a particular region would best be that which is associated with the fees that were derived in that region.

The KWA Budget Committee tasked the Kansas Water Office, in coordination with other agencies, with the goal of developing Project Sheets with detail to be included along with the Annual Report. The Kansas Water Office along with the other agencies will provided a comprehensive program analysis including program objectives, proposed activities, additional funding sources and consequences of not funding. Included in the detail would be RAC action plans, success stories and best management practice. The Program Analysis and associated 5 year Vision implementation budget proposal will be presented at the December KWA meeting and submitted in the Annual Report to the Governor.

Vision Implementation

Water Conservation	FY2018	FY2019	FY2020	FY2021	FY2022
Strategic Education Plan	\$ 2,000,000	\$ 4,200,000	\$ 4,250,000	\$ 4,250,000	\$ 4,250,000
Watershed BMP Implementation	\$ 8,000,000	\$15,500,000	\$15,500,000	\$15,500,000	\$15,500,000
Streambank Stabilization	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000
Construction of Watershed Dams	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Water Management					
Kansas River Stream Aquifer Model	\$ -	\$ 100,000	\$ 100,000	\$ 50,000	\$ -
Kansas River Alluvial Index Well Network	\$ 40,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Kanapolis Reallocation Feasibility Study	\$ 100,000	\$ 50,000	\$ -	\$ -	\$ -
Planning & Technical Assistance for PWS	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Technology and Crop					
Stream Gaging Network	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
LiDAR Aquisition	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000
Bathymetric Surveys	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
Sediment Coring	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
In-stream Sediment Monitoring	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
Expand High Plains Index Well Network	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000
Less Water Intensive Crop Research	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Livestock Water Supply Research & Implementation	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
Extension Systems Ag Research Programs	\$ 1,000,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
Maintenance of hydrogeologic models	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Irrigation Technology Adoption	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
Additional Sources					
Identify additional reservoir sites & Feasibility	\$ -	\$ 200,000	\$ -	\$ -	\$ -
Model to Assess Chloride Remediation of Equus Beds	\$ 200,000	\$ -	\$ -	\$ -	\$ -
Expand models of aquifers containing brackish water	\$ -	\$ 30,000	\$ -	\$ -	\$ -
Research Treatment of Lower Quality Water	\$ 120,000	\$ 120,000	\$ -	\$ -	\$ -
Call into service storage at Milford and Perry	\$ 2,750,000	\$ 2,750,000	\$ 2,750,000	\$ 2,750,000	\$ 2,750,000
Construct MPSL reservoirs	\$ -	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Minimum Pool Agreements in the Solomon-Republican	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Sediment Removal	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000
Nitrate Removal/Remediation in PWS	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Projects to remediate brackish water	\$ 500,000	\$ 500,000	\$ 750,000	\$ 1,000,000	\$ 1,000,000
Demand Total	\$37,960,000	\$50,275,000	\$50,175,000	\$50,375,000	\$50,325,000
Estimated Revenue - Sales Tax	\$37,968,810	\$46,747,849	\$47,933,126	\$49,118,403	\$50,303,680
Remaining Balance	\$8,810	(\$3,527,151)	(\$2,241,874)	(\$1,256,597)	(\$21,320)



October 21, 2016

The Honorable Jackie McClaskey
Kansas Department of Agriculture
1320 Research Park Drive
Manhattan, KS 66502

Dear Secretary McClaskey,

We appreciate the opportunity to be part of the Blue Ribbon Funding Task Force for Water Resource Management. We certainly recognize the importance of developing additional resources to address the water quantity and quality issues we face in Kansas.

From the beginning of this process, we have argued that the State General Fund (SGF) transfer to the State Water Plan (SWP) must occur before any additional attempt to fund the plan occurs. After the transfer occurs we suggest the best approach to securing additional funding would be through small, broad-based increases in fees and/or taxes. While assessing similar percentage increases across existing fee categories may seem fair on the surface, it incorrectly assumes the current fees are broad based and an ideal method of funding the state's water projects. Furthermore, the increase in existing fees results in a significant increase for several targeted users and violates the goal of a "small increase." In short, we prefer a focus on finding new revenues outside the existing fee structure.

We strongly oppose the creation of a new fee category associated in any way with irrigation use. This approach would disproportionately impact groundwater users during a period of rapidly declining farm income levels. Furthermore, we also question the continued fee assessment on stockwater users. A majority of these are groundwater users who pay a fee that yields little, if any, benefit to the livestock industry, while providing funding to projects under the Water Plan that primarily benefit surface water users in the municipal, industrial and recreational water use sectors.

We believe the best approach to more adequately fund Kansas Water Plan efforts is through the implementation of a constitutionally-mandated sales tax assessment. This broad-based, secure funding mechanism could provide the resources necessary to fully implement the water plan while keeping fees at their current levels.

While we believe the projects currently identified are worthwhile we are not confident that all are necessary nor that all should be solely funded by tax payers through state government programs. The Task Force has yet to spend any effort prioritizing spending or discussing the need for public-private partnerships and leveraging federal cost-share programs to achieve the goals of the vision. Our state's economy, and certainly that of agriculture is in no position to fund unnecessary projects.

Kansas Farm Bureau and the Kansas Livestock Association stand ready to work with the other members of the task force, the legislature and Governor Brownback to generate support for a dedicated sales tax.

Sincerely,

Handwritten signature of Terry Holdren in black ink.

Terry Holdren, CEO
Kansas Farm Bureau

Handwritten signature of Matt Teagarden in black ink.

Matt Teagarden, CEO
Kansas Livestock Association