

## **2014 LEAGUE OF WOMEN VOTERS OF KANSAS E-REPORT #3**

Paul Johnson – January 31, 2014

### **LEGISLATIVE NOTES**

This legislative session marches on slowly. The conservative fervor of last session has lessened. The push to turn Kansas agriculture over to corporations has subsided. The rush to change the Kansas constitution to allow the Governor to select Supreme Court justices has cooled. There are a few committee hearings on guns, taxation, utility regulation and abortion that have had large crowds but many committees have had very light agendas. There have been informational hearings on the National Bio- and Agro-Defense Facility (NBAF) at Kansas State University, the Kansas Bioscience Authority and KanCare – (the privatization of Medicaid in Kansas). Three weeks have passed and there are roughly nine weeks left in the regular session before a spring break and one week of work in the veto session.

### **THE KANSAS WATER DEBATE**

The drum beat has begun to build a 360 mile canal or pipeline from the Missouri River in northeastern Kansas to southwestern Kansas. This project is called the Kansas Aqueduct Project and is being spearheaded by the Groundwater Management District #3 in Garden City. A Kansas Aqueduct Coalition has now formed and is providing a one page advocacy sheet coordinated by Chris Wilson – former undersecretary of the Kansas Department of Agriculture. \$300,000 has been pledged to update a 1982 Kansas Water Transfer plan that was developed by the U.S. Army Corps of Engineers. The Kansas Water Authority has begun evaluating the technical, legal, political, financial and other aspects of the feasibility of the 'Missouri River Aqueduct' project. A bill may come forward having the Kansas Legislature act on a date certain to reserve for 10 years an annual quantity of 4 million acre feet of the high flows of the waters of Kansas in the Missouri River for the Kansas Aqueduct Project development.

This plan can be viewed in detail at

<http://gmd3.org/pdf/2013LegislativeIntroToAqueduct.pdf> The water flow estimate at White Cloud, Kansas on the Missouri River is 29.5 million acre feet annually. The water drawn from the Ogallala Aquifer in southwestern Kansas for irrigation is 2 million acre feet annually. Less than 9% of the water drawn from the Ogallala is rechargeable. 30% of the water in the Ogallala has been withdrawn in the last 60 years and 70% will be gone by year 2050 at present consumption rates. The 1982 study lifted the water towards the west with 16 pump stations and gravity flow between the stations. The

cost of this project in 1982 was \$4.8 Billion with annual operating costs in the tens of millions dollars.

There are so many concerns with this proposal. Will this new study be done in an unbiased, objective fashion without a preferred conclusion? Kansas has around 35,000 groundwater right permits with the majority of these permits over-appropriated for sustainable use. Should this water overuse be restricted? Will civil fines be increased for irrigators that exceed their water rights? Should such overused water rights be canceled? Is growing feed grains on irrigated acres the best use of this precious water and the best for a healthier diet? 50% of the daily food plate should be fruits and vegetables but only 10% of Kansans meet that goal. Today's 'western diet' is one of sugar, salt and fats. 66% of all grains grown are used for animal feed. Kansas could grow 100% of our fruit and vegetable needs on just 77,000 acres. Kansas has 9 million acres in wheat, 5 million acres in corn, 4 million acres in soybeans and 2 million acres under irrigation. There must be a comprehensive debate on the value of water, the rights of future generations and the healthiest opportunities for Kansas' consumers.

### **NET METERING**

Net metering is a billing process that credits customers (with wind and solar panels) for the electricity that is sent back to the utility. The debate is over the price the utility should pay for this customer generated electricity. Westar – the largest electric utility in Kansas with 680,000 customers – has requested in HB 2458 and SB 280 a reduction in the electric rates for these net metered customers. Westar has just 126 such customers today. Right now Westar must pay a net metered customer the full retail rate of 10 cents per kilowatt-hour (kwh). Westar wants to change the retail rate to an avoided-cost rate of 3.3 cent per kwh. These two bills would grandfather in the existing net metered customers and any new net metered customers if they are on the system by July 1, 2014. Westar is also requesting that the Kansas Corporation Commission – that approves electric rates – establish appropriate rates for net metered customers that recognize both the value these customers contribute to the electric grid and the value that the grid continues to provide them. The solar panel industry is starting to take off in Kansas and Westar wants to get ahead of this expansion.

There were many opponents to these bills including Kansans for Clean Energy, solar panel companies, national renewable energy advocates and Mid-America Bank that is now financing solar installations with 15 year loans. The status quo is working fine so what is the need for change right now with so few net metered customers? Westar can count these 'customer financed' solar systems as part of the renewable energy they need for their Renewable Energy Portfolio (Westar is mandated to have 15% of their

electric generation from renewable sources.) Of some 29 states with similar net metering rates, no other state has decreased their electric rates. In testimony by Ann Fell for Kansans for Clean Energy, Ann testified that her solar panels and small-scale wind turbine on their 70 acre Cowley County farm 'conserve precious natural resources, especially water. Unlike fossil fuels or even nuclear, no water is used. The wind and the sun don't pollute the air, land or water, or emit carbon dioxide, a major contributor to climate change'. Ann concludes by saying that 'Distributed generation in the form of solar, wind, geothermal and the rest represents part of the ongoing transition to a new energy economy...it is in the interest of Kansas and Kansans to keep net metering in its current form in place, and not to impose additional taxes or fees, so that consumers have the chance to make their own energy choices, free from government or utility interference.'

### **NATIONAL BIO- AND AGRO-DEFENSE FACILITY (NBAF)**

Landon Fulmer - from the Governor's staff - reported that the funding fight over NBAF is over. With the budget agreement signed by President Obama with \$404 million of federal funds for NBAF, the last funding piece will be \$300 million of federal funds to be proposed for the 2015 federal budget. The total cost for NBAF will be \$1.2 Billion with Kansas passing bonding legislation of \$307 million last year to close the deal. Landon assured the Senate Ways & Means committee that Kansas is protected from any future cost overruns.

The NBAF site at Kansas State University was selected in 2008. The site has been cleared and construction is in process on the \$80 million utility plant that will provide the power to NBAF. The entire construction will take 5 to 6 years from now. The NBAF laboratory will be 540,000 square feet used by USDA and the Department of Homeland Security. Other buildings in the same area include KSU's veterinary school and the Pat Roberts Hall/Biosecurity Research Institute.

### **TAX LEGISLATION OF IMPORT**

**Senate Bill 298** would eliminate the mortgage registration fee. The fee is 26 cents on every \$100 of a mortgage to buy a house. In 2012, this generated \$47.8 million for county general funds. Counties have few funding sources outside the local option sales tax and property taxes. With the funding deficits, the State of Kansas has eliminated four or five revenue transfers promised to help the counties and cities.

**Sub. for Senate Bill 202** would authorize the elimination of sales tax paid on certain animal agricultural industries. These industries include egg production, dairying, cattle feedlots and hog factories. Any construction, reconstruction or remodeling project over

\$50,000 - if certified by the Department of Commerce - would qualify and the five year cost to Kansas would be \$11.5 million. This bill was proposed by former Secretary of Agriculture Dale Rodman for further consolidation of agriculture in Kansas. The bill has passed the Senate Taxation committee.

### **ELECTION NOTES**

The Kansas Secretary of State coordinates an interstate crosscheck system to tell whether voters are voting in two states. This crosscheck system started in 2005 with four states, expanded to 14 states in 2011 and now stands at 29 states in 2014. States send their voting records to Kansas to be cross checked by computer for voting in these different states in the same election. This crosscheck is certain proof of voter fraud. For 2012, there were approximately 60,000 voters moving into Kansas and 60,000 moving out. There were 24 Kansans in 2012 that voted in two states for president.

The debate over voter registration and citizenship continues. Important to note that all Kansas voters registered prior to January 1, 2013 are grandfathered in as far as proving citizenship is concerned. The Secretary of State now sends voter records over to the Kansas Department of Health and Environment (KDH&E) to check Kansas birth certificates. KDH&E first cross checks the marriage licenses to check on name changes and then the birth certificates are cross checked.

### **WEEK OF FEBRUARY 3-7, 2014**

**Senate Ethics and Elections** – Wednesday, Feb. 5 at 9:30 a.m. in Room 159-S: Possible action on election and campaign finance bills – HB 2130, HB 2112, SB 98, SB 156: on Thursday, Feb 6 – HB 2210 - Elections, change of party affiliation.

**Senate Judiciary** – Thursday, Feb. 6 at 10:30 a.m. in Room 346-S: Hearing on SB 311 medical malpractice, noneconomic damage cap.

**Senate Utilities** – Monday, Feb 3 at 1:30 p.m. in Room 548-S: Informational hearing on Propane Availability and Prices

**House Appropriations** – Tuesday, Feb. 4 at 9:00 a.m. in Room 112-N: Budget Report on Department of Health and Environment – Health

**House Federal and State Affairs** – Tuesday, Feb. 4 at 9:00 a.m. in Room 346-S: Final action on HB 2453 – Protecting religious freedom regarding marriage, HB 2473 – Preempting regulation of certain weapons by cities and counties.

**House Social Services Budget** – Monday, Feb 3 at 3:30 p.m. in Room 144-S: Kansas Department for Aging and Disability Services (KDADS) Budget Overview