

Kansas Water Banking Overview and Evaluation

September 21, 2011



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Kansas Water Office

Purpose of Water Banking

To promote water conservation and the wise use of the groundwater resources and,

To provide increased flexibility to the water users in the Groundwater Management District #5

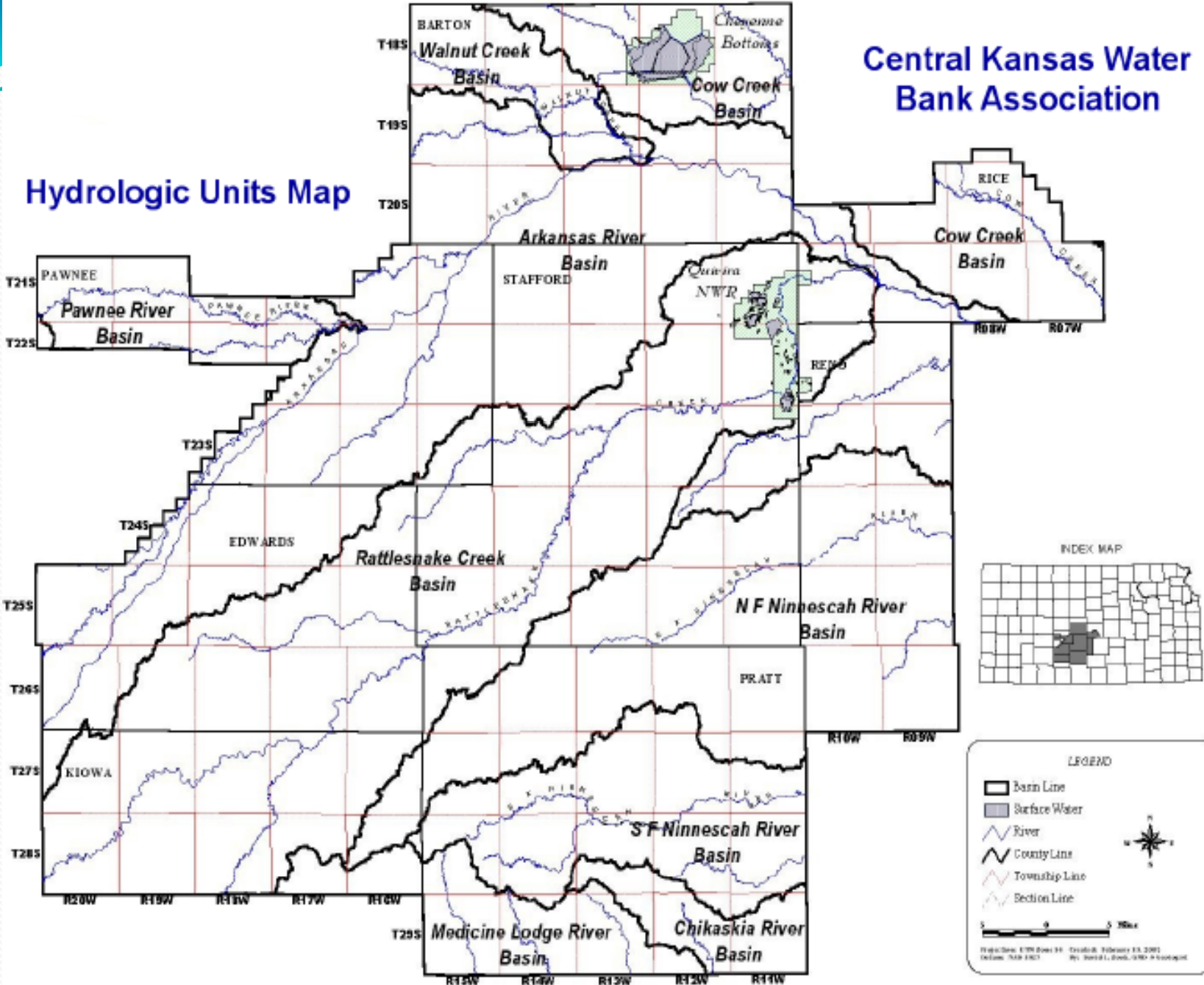


Water Banking In Kansas

1. *Statutes allow two banks to be formed.*
2. *The Water Bank provides a market for voluntary, temporary movement of water rights away from stressed areas to other areas of need, and provides 10% conservation.*
3. *Central Kansas Water Bank is a not-for-profit corporation that allows:*
 - a. *Water right deposits (restricted to historically consumed amount)*
 - b. *Leases of deposited water*
 - c. *Safe Deposit Accounts (25% of unused allocated amount for owner's future use)*

Central Kansas Water Bank Association

Hydrologic Units Map



Priority Management Areas

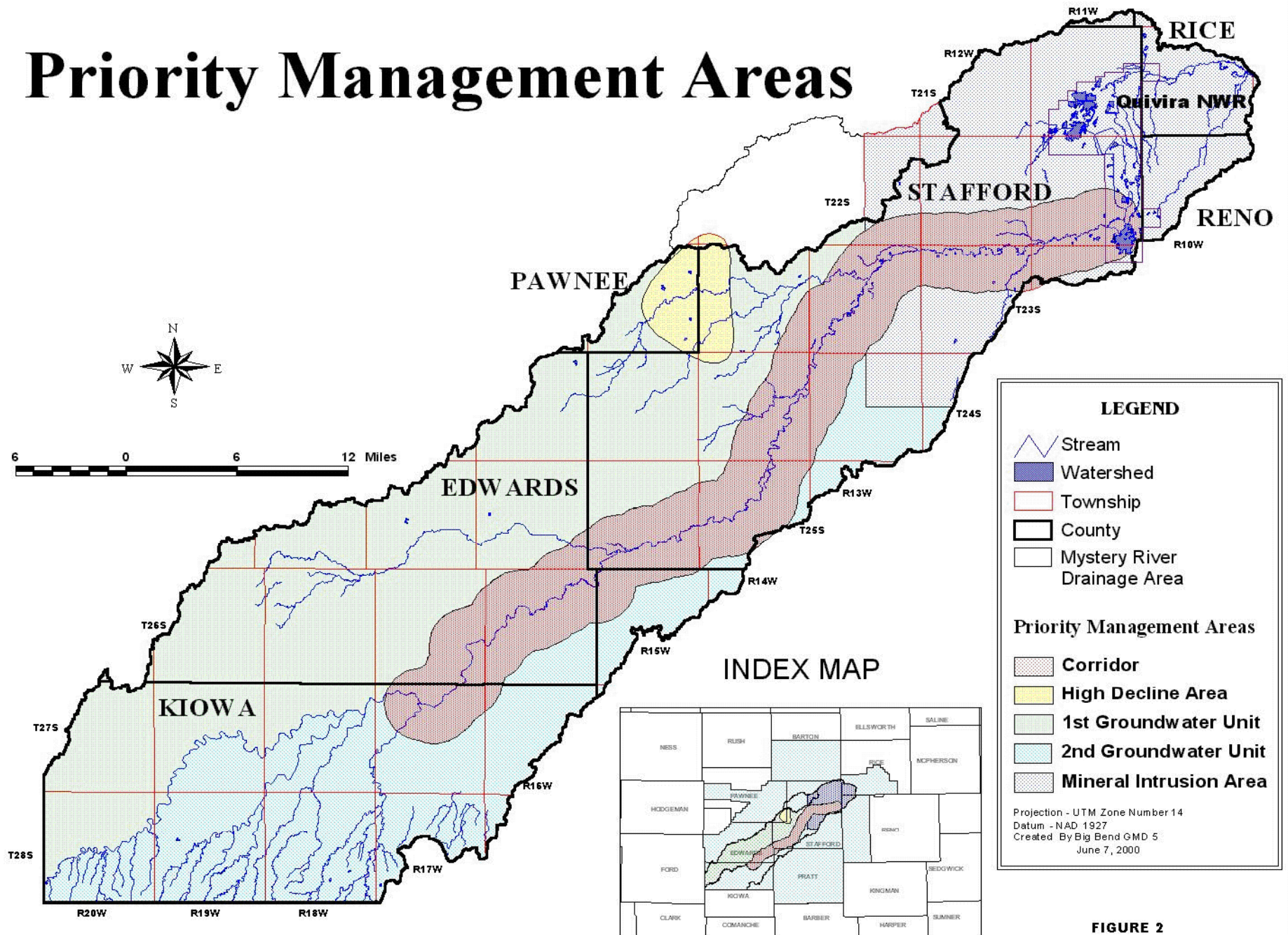


FIGURE 2



Water Bank Evaluation Team – January 2011

Susan Stover, KWO - Chair

Bill Golden, KSU – water resource economist

Jim Koelliker, KSU- water resource engineer

Dan Rogers, KSU – water resource engineer

Byron Warta, L. Ark BAC Chair – outside knowledgeable person

Kent Askren, Ks Farm Bureau- knowledgeable public interest

John Peck, KU – water law professor

Marios Sophocleous, KU –Ks Geological Survey rep

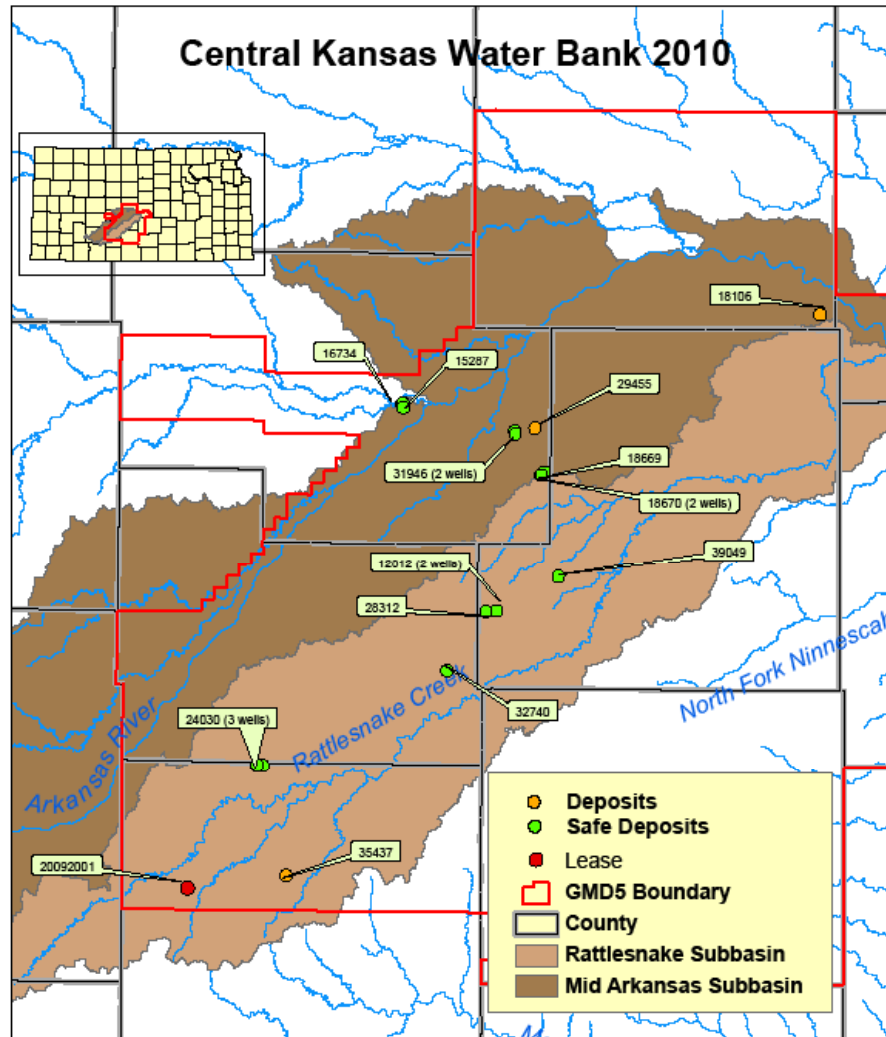
John Janssen, Kinsley producer – GMD 5 Board member

Richard Wenstrom, Kinsley – Bank User

Justin Vosburgh, Macksville – Bank User

Chris Gnau, KWO

Also: Wes Essmiller, Sharon Falk, Orrin Ferel



Bank Activities since inception

- Light activity
- Water conserved – no withdrawals or leases completed



Evaluation Team Recommendation

- Renew the Water Bank Charter

Potentially important water management program

Have it in place for when the demand/need increases

Several recommendations to improve its operation



Potential Deterrents to Bank Use and Recommendations

- Climate was wetter than normal
- Fees and Expenses – expensive, but necessary
- Uncertainty of Bank's Permanency
 - Initial 7 Year period
 - Chief Engineer may renew charter for another 7 year period, in consideration of Evaluation Team's recommendation
 - Then what?




Potential Deterrents to Bank Use and Recommendations

- Complexity of Program
 - Only historically consumptive use could be deposited
 - A “Consumptive Use Factor” reduces the water deposit
 - A “Conservation Component” further reduces the water deposit by 5% to 12%
 - A “Conservation Component” applied to leases further reduces by another 5% to 12%

Consumptive Use (CU)

The KS Water Appropriation Act allows transfer of water use to another user as long as it does not increase total use from the source beyond the original CU.

CU is the amount of water consumed (evaporated) while beneficial use is being made of the water.



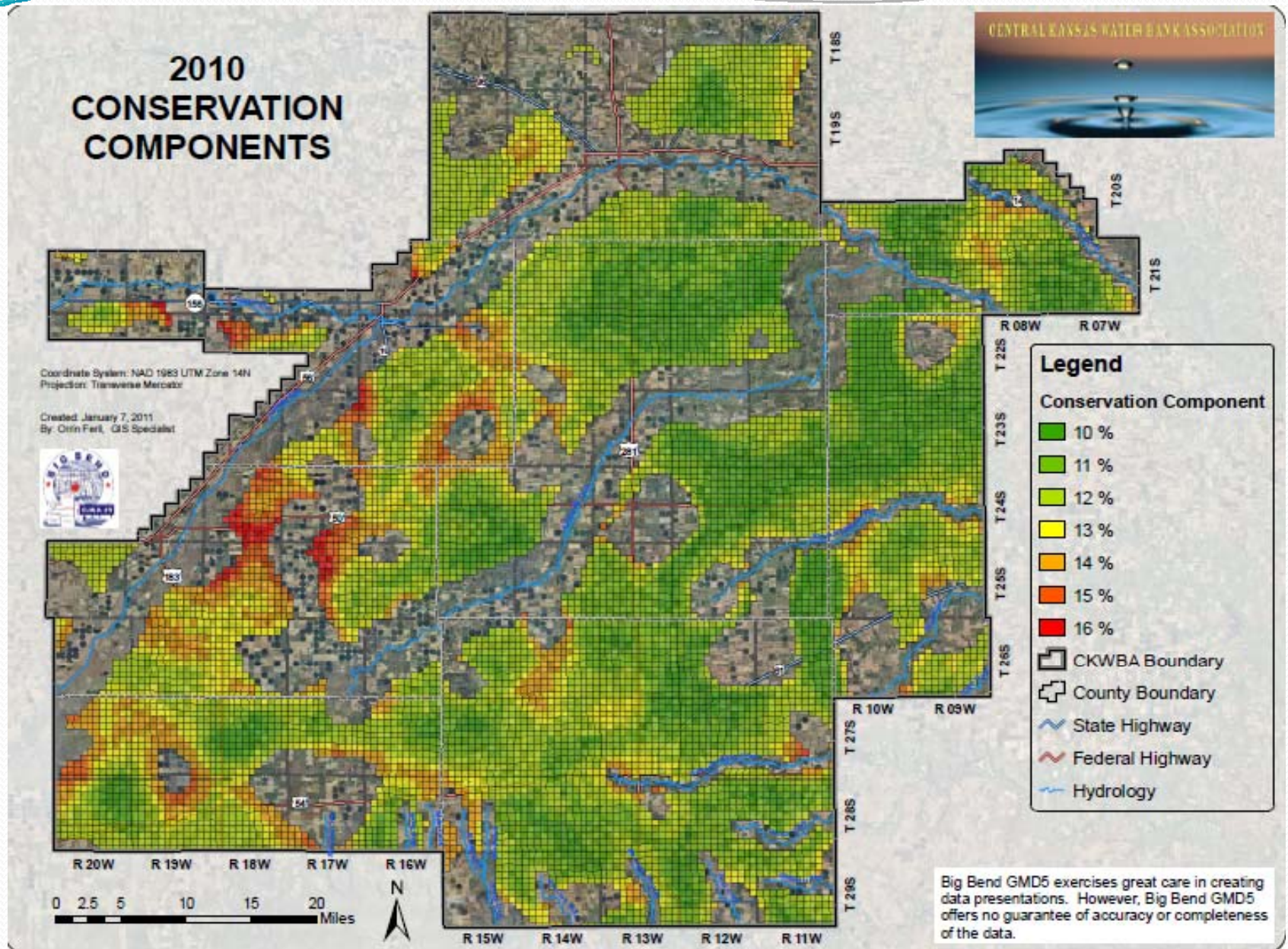
Transfer of water for use between like users, irrigation-to-irrigation, should have little or limited impact on effective CU of water diverted from the water source in the same hydrologic unit.

The required use of the CUF creates a 15% reduction in water use that is beyond the minimum 10% conservation savings required by the Act. So, only about 77% of the water diverted by the seller is available for the buyer.

The minimum savings are at least 23% and well beyond the 10% savings required by the Act.

This required amount of savings is judged to be an important disincentive for using the Water Bank.

Simplify





Simplify

Remove the Consumptive Use Factor (CUF) on irrigation deposits that are leased for irrigation use.

Remove the CUF even on partial irrigation water right deposits that are leased for irrigation use.

Deposits must occur for the Bank benefits to be realized. Simplify the regulations; let the bank be responsible to meet requirements and goals.

Water Banking in the Ogallala?

- Increase Flexibility on Water Use
- Conservation is a part of the program
- Keep it Simple
- Would need to change Water Banking Act to allow more banks.

