

INTERIM JOINT COMMITTEE ON AGRICULTURE

Minutes of the 1st Meeting of the 2023 Interim

June 8, 2023

Call to Order and Roll Call

The 1st meeting of the Interim Joint Committee on Agriculture was held on June 8, 2023, at 9:00 AM in Room 154 of the Capitol Annex. Representative Richard Heath, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Richard Heath, Co-Chair; Senator Cassie Chambers Armstrong, Senator Gary Boswell, Senator Matthew Deneen, Senator David P. Givens, Senator Damon Thayer, Senator Robin L. Webb, Senator Stephen West, Senator Mike Wilson, Representative Chad Aull, Representative Mike Clines, Representative Daniel Fister, Representative Derrick Graham, Representative David Hale, Representative Kim King, Representative Matthew Koch, Representative Shawn McPherson, Representative Amy Neighbors, Representative Michael Sarge Pollock, Representative Phillip Pratt, Representative Brandon Reed, Representative Sarah Stalker, Representative Walker Thomas, and Representative James Tipton.

Guests: Casey Shrader, Acting State Conservationist, USDA-Natural Resources Conservation District; Scott Schneider, State Conservationist Engineer, USDA-Natural Resources Conservation Service; Gordon Slone, Commissioner, Kentucky Department for Natural Resources; Cori Troutman, Director Financial Management, Energy and Environment Cabinet

LRC Staff: Stefan Kasacavage, Hillary Abbott, Kelly Ludwig, Susan Spoonamore, and Emily Wiley

Discussion on Kentucky's Watershed Dams

Gordon Slone, Commissioner, Kentucky Department for Natural Resources (KDNR), stated that Kentucky has 200 watershed dams which were constructed in the 1960s and 1970s by the United States Department of Agriculture's Natural Resources Conservation Service (USDA-NRCS). Many of these dams were built with a lifespan of 50 or 100 years. Each county has a soil and water conservation district. Some conservation districts have a watershed conservancy district. The dams are owned and maintained by watershed conservancy districts or local governments. These dams provide for flood control, erosion control, and water supply, and the watershed conservancy districts have the authority to levy an annual tax. The assessments of the lands by acreage have not been updated, making it "monetarily insignificant" for the local watershed conservancy districts to fund a watershed dam rehabilitation project.

Cori Troutman, Director of Financial Management, Kentucky Energy and Environment Cabinet, stated that the Kentucky 2022-2023 budget language included \$5 million for rehabilitation grants to non-compliant or high hazard Kentucky watershed dams.

Mr. Slone stated that there are three priority watershed dams identified by USDA-NRCS in Kentucky. The top two are in Madison County, and the third is in Marshall County. The second and third priority projects are assumed to consume the \$5 million allocation.

In response to Representative King, Scott Schneider, Acting State Conservationist, USDA-NRCS, identified a map in the presentation that identifies the locations of the current watershed dams in Kentucky.

In response to Representative Tipton, Mr. Schneider stated that there are approximately 10 to 12 watershed dams that will need rehabilitation in the near future.

In response to Senator Boswell, Mr. Schneider stated that if sponsors want to use federal funds, then they must meet federal criteria.

Mr. Schneider stated there are approximately 11,845 USDA-NRCS watershed dams in 47 states. The nationwide USDA-NRCS Watershed Program has federal funding in the amount of \$2.4 billion to provide support for flood control, water supply, erosion control, recreation, wetland restoration, and wildlife. Mr. Schneider stated that downstream development can put people at risk as communities expand and build closer to the areas affected. Of the 200 dams in Kentucky, 48 have high hazard potential, 17 have significant hazard potential, and 135 have low hazard potential. Approximately 131 of those watershed dams are over 50 years old.

According to Mr. Schneider, many of the watershed dams in Kentucky are in the western part of the state. Downstream development is one of the biggest factors to create a need for rehabilitation. In addition to the original 24 high hazard dams, downstream development has changed the hazard classification for 24 dams to high hazard potential. Mr. Schneider defined rehabilitation as any work necessary to extend the service life of a dam and to meet applicable safety and performance standards. In order for a watershed dam to qualify for federal rehabilitation, it must be classified high hazard potential.. There has been \$112,356,285 million in federal funds allocated across the U.S. for the program future rehabilitation. The application process for rehabilitation grant funds for the construction and rehabilitation process can take up to seven years. For every one dollar contributed to rehabilitation construction, the federal government will contribute \$1.86, creating a 35/65 cost share.

In response to Representative Aull, Mr. Slone stated that it is the Soil and Water Conservation Commission's authority to decide who receives the \$5 million allocation. There is an opportunity for local governments to share the 35 percent state/local cost share, but the assessments for tax levies are a small portion of what would be required if local governments were to share the cost burden.

In response to Representative Aull, Mr. Schneider stated there are 48 high hazard dams in Kentucky, but only 24 meet the federal criteria for rehabilitation. There are 12 watershed dams that have been identified as a priority by USDA-NRCS, with construction and rehabilitation costs totaling approximately \$97 million. Approximately \$34 million would be required in state cost share. Mr. Schneider stated that it can be assumed that it would be about the same cost for the other 12 watershed dams that were not made a priority.

Representative McPherson stated that there are seven counties in Kentucky that have received the most damage from natural disasters, specifically flooding. Kentucky should begin work as soon as possible to utilize these funds.

In response to Senator Webb, Mr. Slone stated that the Energy and Environment Cabinet, Division of Water, is responsible for inspecting dams. Mr. Schneider said that, to his

understanding, federal standards for inspections are more up-to-date than Kentucky's standards. The federal dollar commitment to watershed dam rehabilitation nationwide is between the \$50 and \$100 million range. Mr. Slone said that there has not been a specific state budget request, because the Kentucky Department for Natural Resources needs to consult with the USDA-NRCS.

In response to Senator Boswell, current watershed dams were not built to a 100-year standard. If a dam is high hazard potential, it does not mean that the dam is in poor health. The high rating means that a dam does not meet the criteria in the event of a large storm. An environmental assessment is needed when a rehabilitation occurs because it normally increases the environmental footprint of the dam.

In response to Senator Chambers Armstrong, Mr. Schneider stated that significant hazard potential means that there is a large risk for property damage. If there is a hazard to life, it would be designated as a high hazard potential. Mr. Slone stated that the watershed conservancy districts are responsible for dissemination of information regarding dam classification changes.

In response to Senator West, Mr. Schneider stated that approximately \$100 million needed for Kentucky to rehabilitate the dams. The USDA-NRCS funds about \$100 million annually to the entire United States. There are no federal restrictions if a state wants to rehabilitate dams as long as the dams meet the state criteria.

In response to Representative Stalker, Mr. Schneider stated that if a dam is rehabilitated using only state criteria, then the dam will still be eligible for federal funds.

Chair Heath stated that there is a long term need for watershed dam rehabilitation moving forward.

Report Received: NO ACTION REQUIRED

Chair Heath acknowledged the 2022 Property Tax Assessment Procedures for Well-Managed Forests. No action was required.

Adjournment
Meeting adjourned.