



**Before the
House Vision 2020 Committee
State Water Plan Fund
Earl Lewis, Assistant Director, Kansas Water Office
February 18, 2015**

Chairman Sloan and members of the Committee, thank you for the opportunity to provide some background and an update on the State Water Plan Fund. I understand that Raney Gilliland has already provided you some information on this topic, so hopefully I won't be repetitive of that presentation.

The State Water Plan Fund was created in 1989 to provide a source of revenue to implement the State Water Plan. Since that time it has been used to fund a variety of water related projects. The majority of the funding is appropriated to programs within the Kansas Department of Health and Environment, Kansas Water Office and Kansas Department of Agriculture. Greg Foley is here today and can provide additional detail regarding programs with the Department of Agriculture.

Attached to my testimony is a table that shows the expenditures from the State Water Plan Fund for fiscal years 2006 through 2015. All years except 2015 should be actual expenditures and revenues, while FY 2015 is the appropriated amount.

Within the Kansas Water Office budget, the funding lines can be best broken down into the following categories:

- Data collection, management and studies
- Securing and protecting storage in federal reservoirs
- Assistance to local water projects and programs
- Agency operations

We have attempted to eliminate funding for agency operations from the State Water Plan Fund through efforts in the early time period covered by this table. At that time, the Kansas Water Authority had an effort called the Water Plan Projects Initiative which identified operational expenditures and recommended their funding from other sources, primarily the State General Fund. This was in response to the recognition that the buying power of the Fund was limited by these uses. It also fit with the original prohibition of the Fund to be used for permanent full time staff which was previously supported by the General Fund.

Assistance to local water projects and programs has varied over the past 10 years with funding for weather modification peaking at \$240,000 in 2008 and 2009 and being eliminated in 2014. Likewise the Wichita Aquifer Recharge Project received funding for 7 years ranging from a high of \$1 million to a low of \$300,000. Technical Assistance to Water Users is also covered under this category, although the delivery of this assistance is through contract, primarily with the Kansas Rural Water Association.

The remaining two categories fit the agency's two primary responsibilities, development of the state water plan and operation of state owned storage in federal reservoirs. These two responsibilities often go together, especially when it comes to budgetary recommendations. Federal reservoirs provide water supply to two thirds

of our population and 60 percent of our power production, as well as numerous other industries in Kansas. Securing, protecting and restoring storage threatened by sedimentation has been a priority of the Water Office and the Kansas Water Authority for the past 10 years. This priority is also reflected in the budgets of KDHE and Agriculture as well. Programs such as the Watershed Restoration and Protection Strategy, Riparian and Wetlands, and Nonpoint Source Pollution all help to address reservoir sedimentation issues. Insuring we have adequate water supply in our reservoirs for future generations will take a significant investment. Well beyond what is available currently within the State Water Plan Fund.

Groundwater depletion and management, particularly in the Ogallala Aquifer, is the other major water supply issue facing our state. While the Kansas Water Office has studies that support efforts to slow the decline, the majority of the funding efforts lie within the Kansas Department of Agriculture budget, which they are better equipped to speak about.

The attached table also contains the revenue which has come into the State Water Plan Fund over the previous 10 years. The majority of the revenue comes from fees on water used by municipal, industrial and stockwater users, fertilizer fees and pesticide registrations. A small amount comes from pollution fines and penalties and sand royalties associated with dredging from the Kansas River. Review of the revenue from these fees shows that, for the most part, they are flat over the 10 year time period. The majority of the fees remain the same as when they were established in 1989. Over the past 10 years, \$21,248,245 has been transferred from the State General Fund and \$17,448,267 from the Economic Development Initiatives Fund, for a total of \$38,651,755 from both demand transfer sources.

As many of you are aware, we have spent a good portion of the past year traveling the state in the development of the vision. We have been to more than 350 different events and meetings and had 13,000 people in attendance. Consistently we heard the need to have additional funding prioritized for water related issues in Kansas. We also heard a consistent message that the funding source needed to be balanced and fair. In response, at the Governor's Conference on the Future of Water in Kansas, Governor Brownback announced that he will be appointing a blue ribbon funding task force to evaluate the issue and make recommendations.

We have also started the next phase of vision development, establishment of regional water supply goals. There are 14 regions identified in Kansas with a goal leadership team in each region. These teams have begun meeting and will get public input in March. Draft goals will be presented to the Kansas Water Authority in May and finalized in August. I anticipate these teams, and the public during the March sessions, will identify further projects and areas to focus resources on during this process. It is our hope we will have a more refined and public supported list of funding recommendations later this year.

Thank you for the opportunity to appear before you here today. I will be happy to stand for questions at the appropriate time.

State Water Plan Fund FY 2006 - FY 2015

Agency/Program	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Appropriated
Department of Health and Environment										
Contamination Remediation	\$ 1,183,818	\$ 904,574	\$ 1,031,295	\$ 850,831	\$ 447,792	\$ 753,705	\$ 789,972	\$ 775,378	\$ 768,076	\$ 691,114
TMDL Initiatives	\$ 323,338	\$ 257,172	\$ 342,087	\$ 217,412	\$ 157,400	\$ 188,376	\$ 168,736	\$ 141,864	\$ 214,345	\$ 149,731
Local Environmental Protection Program	\$ 1,502,850	\$ 1,502,737	\$ 1,502,737	\$ 1,502,848	\$ 1,066,942	\$ 980,000	\$ -	\$ -	\$ -	\$ -
Nonpoint Source Program	\$ 370,214	\$ 246,803	\$ 320,939	\$ 300,796	\$ 281,475	\$ 269,558	\$ 369,800	\$ 232,785	\$ 357,889	\$ 294,131
Watershed Restoration and Protection Strategy	\$ 800,000	\$ 799,796	\$ 770,580	\$ 590,087	\$ 431,312	\$ 548,696	\$ 716,351	\$ 625,000	\$ 619,214	\$ 555,884
Use Attainability Analysis	\$ 300,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Soil Treatment Study	\$ -	\$ -	\$ 120,361	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Treece Superfund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 349,953	\$ -	\$ -	\$ -	\$ -
Total--Department of Health and Environment	\$ 4,480,220	\$ 3,711,082	\$ 4,087,999	\$ 3,461,974	\$ 2,384,921	\$ 3,090,288	\$ 2,044,859	\$ 1,775,027	\$ 1,959,524	\$ 1,690,860
University of Kansas--Geological Survey	\$ 40,856	\$ 40,000	\$ 40,000	\$ 32,000	\$ 28,800	\$ 28,800	\$ 26,841	\$ 26,841	\$ 26,841	\$ 26,841
Department of Agriculture										
Floodplain Management	\$ 68,773	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interstate Water Issues	\$ 254,986	\$ -	\$ 334,518	\$ 451,518	\$ 335,785	\$ 376,891	\$ 522,898	\$ 431,696	\$ 455,121	\$ 447,573
Subbasin Water Resources Management	\$ 554,369	\$ 667,776	\$ 735,635	\$ 639,273	\$ 632,614	\$ 556,223	\$ 490,007	\$ 522,211	\$ 437,485	\$ 620,961
Ozark Aquifer Spring River Initiative	\$ 187,925	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water Use	\$ 60,018	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 10,000	\$ 55,000	\$ 30,000	\$ 30,000	\$ 55,509
Water Resources Cost Share	\$ 4,238,308	\$ 3,323,365	\$ 3,315,580	\$ 3,435,957	\$ 1,370,812	\$ 2,745,777	\$ 2,272,977	\$ 2,661,936	\$ 1,991,221	\$ 1,948,289
Nonpoint Source Pollution Asst.	\$ 3,081,317	\$ 2,388,592	\$ 3,698,827	\$ 3,082,483	\$ 1,795,856	\$ 2,261,671	\$ 2,903,799	\$ 2,053,779	\$ 1,844,331	\$ 1,858,350
Aid to Conservation Districts	\$ 1,044,000	\$ 1,048,000	\$ 2,127,242	\$ 2,253,788	\$ 2,266,905	\$ 2,133,796	\$ 2,263,609	\$ 2,259,228	\$ 2,322,691	\$ 2,092,637
Watershed Dam Construction	\$ 1,102,499	\$ 1,265,970	\$ 1,022,413	\$ 927,153	\$ 690,030	\$ 723,155	\$ 690,841	\$ 630,298	\$ 633,733	\$ 576,434
Water Quality Buffer Initiative	\$ 307,157	\$ 265,437	\$ 287,709	\$ 267,047	\$ 268,745	\$ 268,206	\$ 267,416	\$ 265,138	\$ 254,494	\$ 249,792
Riparian and Wetland Program	\$ 258,236	\$ 88,013	\$ 313,012	\$ 236,515	\$ 140,537	\$ 77,390	\$ 299,412	\$ 163,127	\$ 170,512	\$ 152,651
Multipurpose Small Lakes	\$ 236,333	\$ 1,100,000	\$ 1,250,000	\$ 1,123,176	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water Transition Assistance Program	\$ -	\$ 64,856	\$ 167,894	\$ 2,161,479	\$ 85,411	\$ 346,940	\$ 851,682	\$ 96,732	\$ 393,913	\$ 449,577
Conservation Reserve Enhancement Program	\$ -	\$ -	\$ 462,866	\$ 116,123	\$ 93,917	\$ -	\$ -	\$ -	\$ -	\$ -
Lake Restoration/Management	\$ -	\$ -	\$ 2,483,603	\$ 998,466	\$ -	\$ 653,673	\$ 252,172	\$ 679,131	\$ 286,868	\$ 258,156
Salt Cedar Control	\$ -	\$ -	\$ 43,889	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Streambank Stabilization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 750,000
Wheat Genetics Research	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000
Total--Department of Agriculture	\$ 11,393,921	\$ 10,272,009	\$ 16,303,188	\$ 15,752,978	\$ 7,740,612	\$ 10,153,722	\$ 10,869,813	\$ 9,793,276	\$ 8,820,369	\$ 9,509,929

State Water Plan Fund FY 2006 - FY 2015

Agency/Program	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Appropriated
Kansas Water Office										
Assessment and Evaluation	\$ 744,704	\$ 989,772	\$ 910,753	\$ 740,605	\$ 443,285	\$ 554,421	\$ 467,510	\$ 520,026	\$ 427,223	\$ 448,725
Federal Cost-Share Programs	\$ 247,405	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
GIS Data Base Development	\$ -	\$ 247,405	\$ 250,000	\$ 250,000	\$ 177,500	\$ 175,000	\$ 173,640	\$ 170,000	\$ 124,792	\$ 112,306
MOU - Storage O&M	\$ 411,712	\$ 388,639	\$ 732,404	\$ 296,841	\$ 296,606	\$ 329,920	\$ 366,802	\$ 328,344	\$ 301,736	\$ 289,889
Ogallala Aquifer Institute	\$ 237,945	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PMIB Loan Payment for Storage	\$ 240,036	\$ 237,352	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Stream Gauging Program	\$ 412,668		\$ 54,000		\$ -	\$ -	\$ -	\$ 448,663	\$ 479,230	\$ 431,282
Technical Assistance to Water Users	\$ 246,150	\$ 299,858	\$ 438,348	\$ 490,760	\$ 461,057	\$ 437,547	\$ 403,209	\$ 372,344	\$ 404,409	\$ 364,238
Weather Stations	\$ -	\$ 60,000	\$ 100,000	\$ 80,000	\$ 50,000	\$ 49,000	\$ 48,620	\$ -	\$ -	\$ -
Water Planning Process	\$ 313,205	\$ -	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water Resource Education	\$ 60,000	\$ 76,500	\$ -	\$ 53,449	\$ 42,000	\$ 40,378	\$ 38,200	\$ -	\$ -	\$ -
Weather Modification	\$ 120,000	\$ 120,000	\$ 240,000	\$ 240,000	\$ 156,200	\$ 168,000	\$ 97,935	\$ 100,000	\$ -	\$ -
Kansas Water Authority	\$ 37,384	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Wichita Aquifer Recharge Project	\$ -	\$ -	\$ -	\$ 1,000,000	\$ 300,000	\$ 563,531	\$ 657,459	\$ 500,000	\$ 499,166	\$ 449,225
Neosho River Basin Issues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 91,239	\$ 71,901	\$ -
Suspended Sediment Monitoring	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ -
John Redmond Reservoir Bonds	\$ -	\$ -	\$ -	\$ 65,134	\$ 360,373	\$ 6,140	\$ 44,773	\$ -	\$ -	\$ 1,619,835
Total--Kansas Water Office	\$ 3,071,209	\$ 2,419,526	\$ 2,765,505	\$ 3,216,789	\$ 2,287,021	\$ 2,323,937	\$ 2,298,148	\$ 2,630,616	\$ 2,308,457	\$ 3,715,500
Department of Wildlife, Parks and Tourism										
Keith Sebelius Res/Almena Irrigation Dist.	\$ -	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Stream (Biological) Monitoring	\$ 40,000	\$ 40,000	\$ 40,000	\$ 32,000	\$ 28,800	\$ 28,800	\$ 28,800	\$ -	\$ -	\$ -
Total--Dept. of Wildlife, Parks and Tourism	\$ 40,000	\$ 40,000	\$ 1,040,000	\$ 32,000	\$ 28,800	\$ 28,800	\$ 28,800	\$ -	\$ -	\$ -
Total Water Plan Expenditures	\$ 19,026,206	\$ 16,482,617	\$ 24,236,692	\$ 22,495,741	\$ 12,470,154	\$ 15,625,547	\$ 15,268,461	\$ 14,225,760	\$ 13,115,191	\$ 14,943,130
State Water Plan Resource Estimate										
Adjustments										
Released Encumbrances	\$ 1,333,653	\$ 63,989	\$ 980,540	\$ 1,210,433	\$ 2,107,228	\$ -	\$ -	\$ 113,302	\$ 95,219	\$ 130,058
Transfer to Kansas Corporation Commission	\$ (400,000)	\$ (400,000)	\$ (400,000)	\$ (320,000)	\$ (288,000)	\$ (374,865)	\$ (400,000)	\$ (400,000)	\$ (400,000)	\$ (400,000)
Other Transfers	\$ -	\$ -	\$ (739,365)	\$ 1,927	\$ (46,521)	\$ (302,327)	\$ 30,000	\$ 5,799	\$ 1,030	\$ (4,542)
Total Adjustments	\$ 933,653	\$ (336,011)	\$ (158,825)	\$ 892,360	\$ 1,772,707	\$ (677,192)	\$ (370,000)	\$ (280,899)	\$ (303,751)	\$ (274,484)
Revenues										
State General Fund Transfer	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 2,000,000	\$ -	\$ 1,348,245	\$ -	\$ -	\$ -	\$ -
Economic Development Fund Transfer	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,846,126	\$ 1,802,141	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ -	\$ 800,000
Municipal Water Fees	\$ 3,454,401	\$ 3,532,987	\$ 3,384,068	\$ 3,052,361	\$ 3,028,646	\$ 3,146,069	\$ 3,499,474	\$ 3,657,617	\$ 3,212,299	\$ 3,485,674
Industrial Water Fees	\$ 1,104,837	\$ 1,247,221	\$ 1,038,246	\$ 1,122,203	\$ 1,113,890	\$ 1,026,703	\$ 1,119,751	\$ 1,086,576	\$ 1,177,336	\$ 1,077,151
Stock Water Fees	\$ 359,112	\$ 361,565	\$ 386,364	\$ 385,391	\$ 429,826	\$ 348,862	\$ 325,455	\$ 372,414	\$ 413,395	\$ 341,444
Pesticide Registration Fees	\$ 989,800	\$ 1,027,200	\$ 1,086,990	\$ 1,115,800	\$ 1,111,880	\$ 1,153,740	\$ 1,160,092	\$ 1,196,600	\$ 1,226,000	\$ 1,165,000
Fertilizer Registration Fees	\$ 3,034,328	\$ 3,054,967	\$ 3,345,544	\$ 2,614,836	\$ 2,966,702	\$ 3,668,297	\$ 3,189,480	\$ 3,515,556	\$ 3,320,482	\$ 3,276,000
Pollution Fines and Penalties	\$ 140,395	\$ 262,070	\$ 213,622	\$ 340,647	\$ 365,647	\$ 565,426	\$ 362,053	\$ 250,811	\$ 156,118	\$ 250,000
Sand Royalty Receipts	\$ 225,460	\$ 206,824	\$ 150,522	\$ 117,734	\$ 146,743	\$ 107,915	\$ 96,323	\$ 137,896	\$ 94,831	\$ 99,000
KS v. CO Damage Award	\$ -	\$ -	\$ 584,217	\$ 525,729	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Clean Drinking Water Fee Fund	\$ -	\$ -	\$ 3,073,743	\$ 2,768,052	\$ 2,737,277	\$ 2,845,569	\$ 3,138,403	\$ 3,320,650	\$ 2,897,102	\$ 3,229,289
Total Receipts	\$ 17,308,333	\$ 17,692,834	\$ 21,263,316	\$ 16,888,879	\$ 13,702,752	\$ 16,210,826	\$ 14,891,031	\$ 15,538,120	\$ 12,497,563	\$ 13,723,558