

MINUTES OF THE SENATE NATURAL RESOURCES COMMITTEE

The meeting was called to order by Chairperson Dan Kerschen at 8:30am on Wednesday, March 04, 2015, 159-S of the Capitol.

All members were present except:

- Senator Caryn Tyson – Excused
- Senator Michael O'Donnell – Excused
- Senator Carolyn McGinn – Excused
- Senator Larry Powell – Excused
- Senator Greg Smith – Excused

Committee staff present:

- Mark Savoy, Legislative Research Department
- Heather O'Hara, Legislative Research Department
- Toni Beck, Kansas Legislative Committee Assistant
- Tamera Lawrence, Office of Revisor of Statutes

Conferees appearing before the Committee:

- Earl Lewis, KS Water Office
- Tom Barnes, City of Alma

Others in attendance:

[See Attached List](#)

Hearing on: HB2156 — Public water supply storage; interest rate change.

Chairman Kerschen opened the hearing on the bill.

Tamera Lawrence presented an overview.

Earl Lewis presented testimony in support of the bill stating the Multipurpose Small Lakes (MPSL) program was established to provide water supply storage and water related recreational facilities in Kansas. The Kansas Water Office has the authority relative to the inclusion of public water supply storage in these lakes and may recover the State's cost incurred in providing the storage, as outlined in K.S.A. 2a-1604, 1605 and 1606. Repayment costs incurred under the MPSL program are computed at an annual rate which is equal to the greater of the average rate of interest earned the past calendar year on repurchase agreements of less than 30 days' duration entered into the pooled money investment board, less 5 percent; or four percent, K.S.A. 82-a1604. ([Attachment 1](#))

Tom Barnes provided supporting testimony for the bill commenting the interest rate is paid each calendar year. The Modified Language will result in an interest rate that more accurately reflects the State's interest costs with the Modified Language, resulting in an interest rate that is far more equitable than 4%. ([Attachment 2](#))

Michael Koss provided written testimony in support of the bill. Current law provides for the State rate of 4% interest on the State's original investment to create the storage. The 4% rate is higher than

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interest rates applicable under other water-related statutes. This bill would offer a more reasonable interest rate for cities wanting to participate in the program. ([Attachment 3](#))

There were no opponents to the bill.

Chairman Kerschen closed the hearing on the bill.

The Thursday, March 5, meeting has been canceled due to the speaker being unavailable from Kansas Geological Society.

There being no further business the meeting was adjourned at 8:55 am.