

1 *As Amended by Senate Committee*

2
3 *As Amended by House Committee*

4 *Session of 2002*

5
6 **HOUSE BILL No. 2624**

7
8 By Representative Sloan

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10 1-8

11
12 AN ACT **concerning water; concerning groundwater management**
13 **districts;** concerning rural water districts and public wholesale water
14 supply districts; relating to the powers and duties thereof; amending
15 K.S.A. 82a-619 and K.S.A. 2001 Supp. 19-3552 **and 82a-1030** and
16 repealing the existing sections.

17
18 *Be it enacted by the Legislature of the State of Kansas:*

19 Section 1. K.S.A. 2001 Supp. 19-3552 is hereby amended to read as
20 follows: 19-3552. For the purpose of providing a water supply or other
21 services to the participating public agencies the governing body of the
22 district shall have the following powers, authorities and privileges:

23 (1) To accept by gift or grant from any person, firm, corporation, trust
24 or foundation, or from this state or any other state or any political sub-
25 division or municipality thereof, or from the United States, any funds or
26 property or any interest therein for the uses and purposes of the district
27 and to hold title thereto in trust or otherwise and to bind the district to
28 apply the same according to the terms of such gift or grant;

29 (2) to sue and be sued;

30 (3) to enter into franchises, contracts and agreements with this or any
31 other state or the United States or any municipality, political subdivision
32 or district thereof, or any of their agencies or instrumentalities, or any
33 public or private person, partnership, association, or corporation of this
34 state or of any other state or the United States, and this state and any
35 such municipality, political subdivision, district, or any of their agencies
36 or instrumentalities, and any such public or private person, partnership,
37 association, or corporation is hereby authorized to enter into contracts
38 and agreements with such district for any term not exceeding 40 years
39 for the planning, development, construction, acquisition, or operation of
40 any facility or for any service rendered to, for, or by the district;

41 (4) to borrow money and evidence the same by warrants, notes, or
42 bonds as hereinafter provided in this act, and to refund the same by the
43 issuance of refunding obligations;

1 (5) to acquire land and interests in land by gift, purchase, exchange
2 or eminent domain, such power of eminent domain to be exercised within
3 or without the boundaries of the district in accordance with provisions of
4 K.S.A. 26-501, and amendments thereto;

5 (6) to acquire by purchase or lease, construct, install, and operate
6 reservoirs, pipelines, wells, check dams, pumping stations, water purifi-
7 cation plants, and other facilities for the production, wholesale distribu-
8 tion; and utilization of water and to own and hold such real and personal
9 property as may be necessary to carry out the purposes of its organization;

10 (7) to provide, by contract, to participating public agencies for the
11 construction, installation and operation of pipelines, wells, pumping sta-
12 tions and other facilities and services relating to the distribution of water
13 within the boundaries of the participating public agencies or retail distri-
14 bution and utilization of water and to own and hold such real and personal
15 property as may be necessary in relation thereto, except that, if the con-
16 tract amount for such services is \$10,000 or more, the district shall be
17 authorized to provide such services only if the award of the contract is
18 based on competitive bids;

19 ~~(8) to acquire by purchase or lease, construct, install, operate and~~
20 ~~maintain wastewater treatment works and systems and other facilities~~
21 ~~relating to the treatment of wastewater and to own and hold such real~~
22 ~~and personal property as may be necessary to carry out the provisions of~~
23 ~~this subsection;~~

24 ~~—(9) (8) to provide, by contract, to participating public agencies for~~
25 ~~the construction, installation, operation and maintenance of state-per-~~
26 ~~mitted wastewater treatment works, systems and other facilities and serv-~~
27 ~~ices relating to the treatment of wastewater within the boundaries of the~~
28 ~~participating public agencies and to own and hold such real and personal~~
29 ~~property as may be necessary in relation thereto, except that, if the con-~~
30 ~~tract amount for such services is \$10,000 or more, the district shall be~~
31 ~~authorized to provide such services only if the award of the contract is~~
32 ~~based on competitive bids;~~

33 ~~(8) (10) (9)~~ to have the general management, control, and supervision
34 of all the business, affairs, property, and facilities of the district, and of
35 the construction, installation, operation, and maintenance of district im-
36 provements, and to establish regulations relating thereto;

37 ~~(9) (11) (10)~~ to hire and retain agents, employees, engineers and at-
38 torneys and to determine their compensation. The governing body shall
39 select and appoint a general manager of the district who shall serve at the
40 pleasure of the governing body. The general manager shall have training
41 and experience in the supervision and administration of water systems
42 and shall manage and control the water system under the general super-
43 vision of the governing body. All employees, servants and agents of the

1 district shall be under the immediate control and management of the
 2 general manager. The general manager shall perform all such other duties
 3 as may be prescribed by the governing body and shall give the governing
 4 body a good and sufficient surety company bond in a sum to be set and
 5 approved by the governing body conditioned upon the satisfactory per-
 6 formance of the general manager's duties. The governing body also may
 7 require that any other employees be bonded in such amount as it shall
 8 determine. The cost of such bonds shall be paid out of the funds of the
 9 district;

10 ~~(10)~~ ~~(12)~~ **(11)** to adopt and amend rules and regulations not in conflict
 11 with the constitution and laws of this state, necessary for the carrying on
 12 of the business, objects and affairs of the governing body and of the
 13 district; and

14 ~~(11)~~ ~~(13)~~ **(12)** to have and exercise all rights and powers necessary or
 15 incidental to or implied from the specific powers granted herein. Such
 16 specific powers shall not be considered as a limitation upon any power
 17 necessary or appropriate to carry out the purposes of this act.

18 Sec. 2. K.S.A. 82a-619 is hereby amended to read as follows: 82a-
 19 619. ~~(a)~~ Every district incorporated under this act shall have perpetual
 20 succession, subject to dissolution or consolidation pursuant to law and
 21 shall have the power *to*:

22 ~~(1) To~~ *(a)* Exercise eminent domain within the boundaries of such
 23 district; ~~(2) to~~

24 *(b)* sue and be sued;

25 ~~(3) to~~ *(c)* contract;

26 ~~(4) to~~ *(d)* hold real and personal property acquired by will, gift, pur-
 27 chase, or otherwise, as authorized by law;

28 ~~and (5) to~~ *(e)* construct, install, maintain and operate such ponds,
 29 reservoirs, pipelines, wells, check dams, pumping installations or other
 30 facilities for the storage, transportation or utilization of water and such
 31 appurtenant structures and equipment necessary to carry out the pur-
 32 poses of its organization;

33 ~~(b) Each such district shall have the power: (1) To;~~

34 *(f)* ~~construct, install,~~ **contract with cities or counties, or both, to**
 35 **operate and maintain state-permitted wastewater treatment works, sys-**
 36 **tems and other facilities relating to the treatment of wastewater within**
 37 **and outside the boundaries of the district;**

38 *(g)* cooperate with and enter into agreements with the secretary of
 39 the United States department of agriculture or the secretary's duly au-
 40 thorized representative necessary to carry out the purposes of its organ-
 41 ization; and ~~(2)~~ to accept financial or other aid which the secretary of the
 42 United States department of agriculture is empowered to give pursuant
 43 to 16 U.S.C.A., secs. 590r, 590s, 590x-1, 590x-a and 590x-3, ~~or~~ and amend-

1 ments thereto:

2 ~~—(c) Each such district shall have the power to;~~

3 (h) acquire loans for the financing of up to 95% of the cost of the
4 construction or purchase of any project or projects necessary to carry out
5 the purposes for which such district was organized and to execute notes
6 and mortgages in evidence thereof with interest, or combined interest
7 and mortgage insurance charges, which shall not exceed 13%, except that
8 for purposes of interim financing, interest or combined interest and mort-
9 gage insurance charges shall not exceed 14%. Any district shall have the
10 same power to acquire loans for the refinancing of up to 95% of the
11 original cost of any such project or projects. The balance of the cost of
12 construction shall be acquired by subscription, donation, gift or otherwise
13 than through the medium of loans, except that in the case of cooperative
14 corporations and corporations not for profit being converted to water
15 districts as provided for in K.S.A. 82a-631 to 82a-635, inclusive, *and*
16 *amendments thereto*, the district may assume 100% of the indebtedness
17 of the corporation, providing the corporation originally raised at least 10%
18 of the construction cost by means otherwise than through the medium of
19 loans. ~~(d)~~ Any such loan may be secured by any or all of the physical assets
20 owned by the district, including easements and rights-of-way, except that
21 no district organized under this act shall have any power or authority to
22 levy any taxes whatsoever.

23 **Sec. 3. K.S.A. 2001 Supp. 82a-1030 is hereby amended to read**
24 **as follows: 82a-1030. (a) In order to finance the operations of the**
25 **district, the board may assess an annual water user charge against**
26 **every person who withdraws groundwater from within the bound-**
27 **aries of the district. The board shall base such charge upon the**
28 **amount of groundwater allocated for such person's use pursuant to**
29 **such person's water right. Such charge shall not exceed \$.60 \$1 for**
30 **each acre-foot (325,851 gallons) of groundwater withdrawn within**
31 **the district or allocated by the water right, except that the annual**
32 **user charge for the fiscal year of the district beginning on or after**
33 **July 1, 2001, and before July 1, 2002, may be in an amount not**
34 **exceeding \$.65. Whenever a person shows by the submission to the**
35 **board of a verified claim and any supportive data which may be**
36 **required by the board that such person's actual annual ground-**
37 **water withdrawal is in a lesser amount than that allocated by the**
38 **water right of such person, the board shall assess such annual**
39 **charge against such person on the amount of water shown to be**
40 **withdrawn by the verified claim. Any such claim shall be submitted**
41 **by April 1 of the year in which such annual charge is to be assessed.**
42 **The board may also make an annual assessment against each land-**
43 **owner of not to exceed \$.05 for each acre of land owned within the**

1 *boundaries of the district. Special assessments may also be levied,*
2 *as provided hereafter, against land specially benefited by a capital*
3 *improvement without regard to the limits prescribed above.*

4 *(b) Before any assessment is made, or user charge imposed, the*
5 *board shall submit the proposed budget for the ensuing year to the*
6 *eligible voters of the district at a hearing called for that purpose by*
7 *one publication in a newspaper or newspapers of general circula-*
8 *tion within the district at least 28 days prior to the meeting. Fol-*
9 *lowing the hearing, the board shall, by resolution, adopt either the*
10 *proposed budget or a modified budget and determine the amount*
11 *of land assessment or user charge, or both, needed to support such*
12 *budget.*

13 *(c) Both the user charges assessed for groundwater withdrawn*
14 *and the assessments against lands within the district shall be cer-*
15 *tified to the proper county clerks and collected the same as other*
16 *taxes in accordance with K.S.A. 79-1801, and acts amendatory*
17 *thereof or supplemental thereto, and the amount thereof shall at-*
18 *tach to the real property involved as a lien in accordance with*
19 *K.S.A. 79-1804, and acts amendatory thereof or supplemental*
20 *thereto. All moneys so collected shall be remitted by the county*
21 *treasurer to the treasurer of the groundwater management district*
22 *who shall deposit them to the credit of the general fund of the dis-*
23 *trict. The accounts of each groundwater management district shall*
24 *be audited annually by a public accountant or certified public*
25 *accountant.*

26 *(d) Subsequent to the certification of approval of the organi-*
27 *zation of a district by the secretary of state and the election of a*
28 *board of directors for such district, such board shall be authorized*
29 *to issue no-fund warrants in amounts sufficient to meet the oper-*
30 *ating expenses of the district until money therefor becomes availa-*
31 *ble pursuant to user charges or assessments under subsection (a).*
32 *In no case shall the amount of any such issuance be in excess of 20%*
33 *of the total amount of money receivable from assessments which*
34 *could be levied in any one year as provided in subsection (a). No*
35 *such warrants shall be issued until a resolution authorizing the*
36 *same shall have been adopted by the board and published once in*
37 *a newspaper having a general circulation in each county within the*
38 *boundaries of the district. Whereupon such warrants may be issued*
39 *unless a petition in opposition to the same, signed by not less than*
40 *10% of the eligible voters of such district and in no case by less than*
41 *20 of the eligible voters of such district, is filed with the county*
42 *clerk of each of the counties in such district within 10 days following*
43 *such publication. In the event such a petition is filed, it shall be the*

1 *duty of the board of such district to submit the question to the eli-*
2 *gible voters at an election called for such purpose. Such election*
3 *shall be noticed and conducted as provided by K.S.A. 82a-1031, and*
4 *amendments thereto.*

5 *Whenever no-fund warrants are issued under the authority of this*
6 *subsection, the board of directors of such district shall make an*
7 *assessment each year for three years in approximately equal in-*
8 *stallments for the purpose of paying such warrants and the interest*
9 *thereon. All such assessments shall be in addition to all other as-*
10 *sessments authorized or limited by law. Such warrants shall be is-*
11 *ssued, registered, redeemed and bear interest in the manner and in*
12 *the form prescribed by K.S.A. 79-2940, and amendments thereto,*
13 *except they shall not bear the notation required by said statute and*
14 *may be issued without the approval of the state board of tax appeals.*
15 *Any surplus existing after the redemption of such warrants shall be*
16 *handled in the manner prescribed by K.S.A. 79-2940, and amend-*
17 *ments thereto.*

18 Sec. ~~3~~ 4. K.S.A. 82a-619 and K.S.A. 2001 Supp. 19-3552 *and 82a-*
19 *1030* are hereby repealed.

20 Sec. ~~4~~ 5. This act shall take effect and be in force from and after its
21 publication in the statute book.

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