

Approved April 20, 1983  
Date

MINUTES OF THE House COMMITTEE ON Energy and Natural Resources

The meeting was called to order by Representative David J. Heinemann at  
Chairperson

3:30 ~~am~~/p.m. on April 6, 1983 in room 519-S of the Capitol.

All members were present except:

Representatives Ben Foster and Judy Runnels (excused)

Committee staff present:

Ramon Powers, Research Department  
Theresa Kiernan, Revisor of Statutes' Office  
La Nelle Frey, Secretary to the Committee

Conferees appearing before the committee:

Clark Duffy, Kansas Water Office.  
John Henderson, Kansas Water Office.

#### FINAL ACTION ON HB 2558

Chairman Heinemann noted that HB 2558 provided for increasing the penalty for refusal to purchase a state park motor vehicle permit. The late payment fee was \$2, but is proposed to be increased to \$5.

After brief discussion expressing that the fee should possibly be set higher than the \$5 proposal, Representative Ron Fox made a motion to amend HB 2558 by striking \$5 on line 26 and inserting \$10. Representative Keith Farrar seconded the motion. The motion passed.

Representative Farrar made a motion that the Committee recommend HB 2558 be passed as amended. Representative Fox seconded the motion. The motion passed.

Chairman Heinemann directed Committee members' attention to Water Purchase Contract No. 83-1, a contract between the State of Kansas and Rural Water District No. 7, Johnson County, and Water Purchase Contract No. 83-2, a contract between the State of Kansas and Public Wholesale Water Supply District No. 4, Labette, Montgomery and Wilson counties. He noted these are the first two contracts regarding conservation storage water supply capacity in the reservoir system under provisions of SB 61. These contracts will provide the basic format for future contracts.

Clark Duffy and John Henderson, Kansas Water Office staff members, provided Committee members with handouts from their office regarding the contracts (see attachments 1 & 2). They noted that the information was provided for use in deciding whether to approve Water Purchase Contracts No. 83-1 and 83-2. Mr. Duffy and Mr. Henderson answered questions relative to the handouts.

Representative Fox noted that it was most important to develop a good contract now since it would set standard for future contracts. In that regard, Representative Fox made a motion directing Chairman Heinemann to write a letter to the Director of the Kansas Water Office, making it clear that Water Purchase Contracts No. 83-1 and 83-2 will be amended to conform with the Standard Contract form when developed. Also, that Committee staff assist in the drafting of the contracts. Representative Fred Rosenau seconded the motion. The motion was unanimously passed.

There being no further business to come before the Committee, the meeting adjourned at 4:00 p.m.

There is no meeting scheduled for the Committee at the present time.

Rep. David J. Heinemann, Chairman

KANSAS WATER OFFICE

WATER PURCHASE CONTRACT NO. 83-1  
BETWEEN THE STATE OF KANSAS

AND

JOHNSON COUNTY RURAL WATER DISTRICT NO. 7

March 15, 1983

The following information is provided for use in deciding whether to approve Water Purchase Contract No. 83-1 with Johnson County RWD No. 7. This Water Purchase Contract would sell water supply from Hillsdale Lake, Miami County, for public water supply purposes.

1. Johnson County RWD No. 7 is organized under laws of the State of Kansas in K.S.A. 82a-601 et seq. The District serves rural areas in southwest Johnson County and in northwest Miami County, north and east of Hillsdale Reservoir.

2. The District was a member of Public Wholesale Water Supply District No. 1 which planned to develop a regional water supply system to use water from Hillsdale Lake. The Public Wholesale Water Supply District Act was passed by the Kansas Legislature to facilitate organization of the wholesale district. The wholesale district has not been able to develop a system as originally planned.

3. At present, RWD No. 7 purchases water supply from the City of Olathe under an agreement which provides a maximum of four million gallons of water per month. The District intends to continue purchasing water from Olathe to serve a portion of the District. The remaining needs of the District will be provided from Hillsdale Lake. The District presently serves 585 customers, with 530 customers actually using water. The District has approximately 75 requests for new service connections which cannot be satisfied with the existing water supply.

4. Hillsdale Lake began impounding water on September 19, 1981, and the State of Kansas began payment for the immediate use portion of the water supply storage at that time. The State has contracted for the entire 53,000 acre-feet of water supply storage in Hillsdale Lake. In addition, 15,000 acre-feet of storage has been provided for water quality purposes. The water supply storage will provide 17.38 million gallons per day (mgd) during prolonged drought. The water quality storage will provide an additional 4.91 mgd of yield. The water supply storage is divided into immediate use and future use portions under terms of the Water Supply Act of 1958. The immediate use portion of the storage will provide a yield of 2.5 mgd during prolonged drought. The future use storage will provide 14.9 mgd. The State will begin payments for the future storage after 1991 unless water use is initiated from that portion of the storage before then.

*Attachment 1*  
4-6-83

5. By letter of April 14, 1980, the District submitted a written request to negotiate the purchase of water supply from storage in Hillsdale Lake. The District requested to negotiate a forty year contract for up to 3.935 mgd or 1,436.3 mgy. By letter of February 12, 1981, the quantity requested was reduced at the District's request to 1.5 mgd or 547.5 mgy. During negotiations in February 1983 the quantity was further reduced to 110 mgy or 0.301 mgd. This quantity was requested by the District on recommendation of their engineering consultant.

6. Water supply yield available from Hillsdale Lake is 17.38 mgd through a prolonged drought. One water purchase contract has been negotiated for sale of water supply from this reservoir. Water Purchase Contract No. 81-1 was negotiated on October 21, 1981, to sell 0.656 mgd to Miami County RWD No. 2. Sale of the amount of water supply requested for this contract and the amount already sold to Miami County RWD No. 2 would leave 16.40 mgd available for future sales. This contract would bring to 5.5% the amount obligated from the total water supply yield available from the lake.

7. Because of a need for an alternate water supply source for City of Spring Hill and continuing negotiations with Johnson County RWD No. 7 and Cities of Gardner, Paola, and Olathe which prevented beginning negotiations with Spring Hill, a decision was made after a meeting with potential water users on December 29, 1982, to include water needs of Spring Hill in the contract for Johnson County RWD No. 7. Plans at that time were for RWD No. 7 and City of Spring Hill to contract with Miami County RWD No. 2 for treatment of the water and to use Miami County RWD No. 2's water supply intake in the lake.

8. Since that time, City of Spring Hill has decided against obtaining treatment through Miami County RWD No. 2. The City is investigating the possibility of building their own water supply intake and treatment facilities. Studies for this development are in the preliminary stages at this time. A separate contract will be negotiated with City of Spring Hill at a future date if they decide to purchase water from Hillsdale Lake.

9. The total of all applications for water supply from Hillsdale Lake is 48.36 mgd. This is more than 30 mgd more than available. However, several of the applications were filed by users who have now made arrangements for water supply from other sources. No other prospective purchasers want water supply from Hillsdale Lake at this time. Olathe, Paola, and Gardner have declined to enter into contracts at this time. City of Spring Hill would need a maximum of 130 mgy or 0.36 mgd.

10. The benefits to the Purchaser from approval of this contract are increased reliability of service to the District's customers. The District would be able to supply water from both the north and south sides of the district. This would provide better water

pressure and more reliable service to all the District's customers. The District would also be able to supply customers who are presently without service by a rural water system.

11. The benefits to the State from approval of this contract are an increased number of citizens receiving reliable water service. In addition, the State has already begun paying for water supply storage in Hillsdale Lake and the sale of a portion of this supply will reduce the amount of funds which must be borrowed from the general fund to make payments to the federal government. Since water supply will be taken directly from the reservoir, the Chief Engineer, Division of Water Resources, will have only minimal enforcement costs for this contract.

12. The present water supply needs of the Purchaser are in excess of the 110 mgd requested. However, the remaining portion of the needs will be supplied through the existing water supply contract with City of Olathe.

13. Since Miami County RWD No. 2 has not begun using water from Hillsdale Lake, the current beneficial use of the water supply is for development of the reservoir fishery. The reservoir has not been in operation long enough to reach conservation pool. Some releases have been made from the reservoir to maintain a stage filling plan for the lake.

14. Future beneficial uses of the reservoir are for public water supply. The water supply storage in this reservoir has been purchased by the State of Kansas under terms of the Water Supply Act of 1958. The water is designated for municipal and industrial water supply purposes, and this use is consistent with the State Water Plan approved by the Kansas Legislature.

15. There are no economical and reliable alternative water supply sources reasonably near to the district. The nearest alternative source is the Kansas River. Developing a water supply from that source and pumping it to the District would cost more and provide water of lesser quality than will be available from the lake.

16. The District filed Application No. 2 to negotiate the purchase of water supply from Hillsdale Lake on April 29, 1974. This application is the first on file for water supply from this lake.

17. Minimum streamflow requirements in Bull Creek below the reservoir are minimal. The flow requirements are expected to be small. Minimum streamflow requirements are greatest on the Marais des Cygnes River downstream from the reservoir, and those flows can be provided by water quality storage in Pomona and Melvern reservoirs.

KANSAS WATER OFFICE

WATER PURCHASE CONTRACT NO. 83-2  
BETWEEN THE STATE OF KANSAS  
AND  
PUBLIC WHOLESALE WATER SUPPLY DISTRICT NO. 4  
March 15, 1983

The following information is provided for use in deciding whether to approve Water Purchase Contract No. 83-2 with Public Wholesale Water Supply District (PWWSD) No. 4. This Water Purchase Contract would sell water supply from Big Hill Lake, also known as Pearson-Skubitz Big Hill Lake, for public water supply purposes.

1. Public Wholesale Water Supply District No. 4 is organized under laws of the State of Kansas in K.S.A. 19-3545 to 19-3556, inclusive. The District is located in the vicinity of Big Hill Lake on Big Hill Creek, Labette County, Kansas. The participating members of the District are: Cities of Altamont, Bartlett, Edna, Mound Valley, and Parsons; Labette County RWD's No. 2, 3, 5, 7, and 8; and Montgomery County RWD's No. 2, 6, and 12.
2. The District has been working for some time to develop a regional water supply system, complete plans, and arrange financing for construction of necessary water treatment and distribution facilities. The District's organizational papers were filed with the Secretary of State on October 28, 1980. The District has been working closely with the Kansas Department of Health and Environment (KDHE) to ensure that the water treatment plant and distribution system design will be acceptable to the Department. Final design plans have been submitted to KDHE and should be approved within two weeks. Construction of facilities could begin by early summer and would continue through November 1984.
3. Participation by the City of Parsons in this District is for the purpose of obtaining water supply for an industrial park. The smaller communities and the rural water districts in this area have had water supply problems due to drought and inadequate supplies in the past. The District will solve a number of water supply problems in the Labette-Montgomery county area.
4. The Big Hill Lake began impounding water on March 31, 1981, and the State of Kansas began payment for the immediate use portion of the water supply storage at that time. The State has contracted for all of the conservation storage in Big Hill Lake. There is no water quality storage in this

reservoir. The immediate use portion of the storage will provide a yield of 2.5 million gallons per day (mgd) during prolonged drought. The future use portion of the storage will provide a yield of 4.6 mgd. The State will not begin payments on the future use storage until 1991 unless water use is initiated from that portion of the storage before then.

5. By letter of January 27, 1983, the District submitted a written request to negotiate the purchase of water supply from storage in Big Hill Lake. The District requested to negotiate a 40-year water purchase contract for 547.5 mgd at an average rate of 1.5 mgd.
6. Water supply yield available from Big Hill Lake is 7.11 mgd through a prolonged drought. No water has been sold to date from this reservoir. Sale of the amount of water supply requested for this contract would leave 5.61 mgd available for future sales. This contract would obligate 60% of the yield from the immediate use portion of the storage in Big Hill Lake. The State is already paying for this storage. The contract would obligate 21% of the total yield available.
7. The total of all applications for water supply from Big Hill Lake is 9.152 mgd. This is 2.043 mgd more than is available. However, several of the applications were filed by users who will be served by the District. A more realistic assessment of quantities requested is:

<u>Prospective Purchaser</u>	<u>Annual Amount</u>	<u>Average Daily Amount</u>
City of Cherryvale	120.00 mgd	.328 mgd
City of Coffeyville	302.50 mgd	.829 mgd
Big Hill PWWSO No. 4	547.50 mgd	1.50 mgd
County of Wilson	<u>1,095.00 mgd</u>	<u>3.00 mgd</u>
Total	2,065.00 mgd or	5.66 mgd

This is less than the 2,594.75 mgd (7.11 mgd) available from the lake during prolonged drought conditions. In addition, the Wilson County users also have the option of contracting for water supply from Elk City Lake.

8. The benefits to the Purchaser from approval of this contract are increased reliability of the public water supplies for the cities and RWDs who are members of the District. The unit costs for the individual members of the District should be less than if each developed a separate water supply source and treatment facilities. Operation and maintenance (O&M) costs for a single water treatment plant will be less than the combined O&M costs for several plants.

9. The benefits to the State from approval of this contract are fewer requests for emergency assistance due to lack of water supply during times of drought. The State has already begun paying for water supply storage in Big Hill Lake and sale of a portion of this supply will reduce the amount of funds which must be borrowed from the general fund to make payments to the federal government. This lessens the price of the water supply to other users of the State system. Since water supply will be taken directly from the reservoir, the Chief Engineer, Division of Water Resources, will have only minimal enforcement costs for this contract.
10. The present water supply needs of the Purchaser are about 220 mgd with projections of future needs of 1.5 mgd or 547.5 mgd.
11. Current beneficial use of the water supply in Big Hill Lake is only for development of the reservoir fishery. The reservoir has not been in operation long enough to reach conservation pool. Some releases have been made from reservoir to maintain the stage filling plan for the lake.
12. Future beneficial uses are for public water supply. All of the conservation storage in this reservoir has been purchased by the State of Kansas under terms of the Water Supply Act of 1958. The water is designated for municipal and industrial water supply purposes, and this use is designated in the State Water Plan approved by the Kansas Legislature.
13. There are no reliable alternative water supply sources reasonably near to the District. The nearest large reservoir is Elk City Lake. Developing a water supply from that lake and pumping it to the District would change the District configuration. Some members of the District would drop out because of the increased cost and other members might be induced to join because of better access to the alternative water supply.
14. The District filed an application to negotiate the purchase of water supply from Big Hill Lake on March 5, 1980. This application is the 6th on file for water supply from this lake.
15. Other applicants were notified by letter of February 3, 1983, that contract negotiations with the District were beginning. None of the other applicants desired to enter into contract negotiations during this round of negotiations. The cities of Mound Valley, Cherryvale, and Coffeyville and Montgomery County RWD No. 6 submitted written statements to waive their rights to negotiate a water purchase contract ahead of the District. The City of Altamont did not waive its right to

negotiate, but the right was forfeited in accordance with the rules and regulations for administration of the State Water Plan Storage Act when no response was received within the allotted 30-day time period. Altamont is a member of the District and will obtain water service from the District.

16. Minimum streamflow requirements in Big Hill Creek below the reservoir are minimal. There are no sewage treatment plants emptying into the stream and the flow requirements are too small to merit administration.