

Approved February 3, 1983
Date

MINUTES OF THE Senate COMMITTEE ON Energy and Natural Resources

The meeting was called to order by Senator Charlie L. Angell at
Chairperson

8:00 a.m./~~p.m.~~^{XXX} on Tuesday, February 1, 1983 in room 123-S of the Capitol.

All members were present except:
Senator Ed Roitz (Excused)

Committee staff present:
Ramon Powers, Research Department
Don Hayward, Revisor's Office
LaVonne Mumert, Secretary to the Committee

Conferees appearing before the committee: None

The minutes of the January 28, 1983 meeting were approved.

S.B. 61 - Amending and supplementing the state water plan storage act.

Senator Kerr moved that the clean-up amendments shown in Attachment 1, with the exception of the proposed amendment to line 173, be adopted. Senator Feleciano seconded the motion, and the motion carried. Senator Werts moved that line 125 read as follows: "withdrawal and use of water is in the interest of the people of the state of Kansas and will". Senator Gordon seconded the motion, and the motion carried. Senator Feleciano voted "no".

The Committee discussed the concept of assessing a service charge rather than a cost-based charge in Section 5(2).

The meeting was adjourned at 9:02 a.m. by the Chairman.

The next meeting of the Committee will be at 8:00 a.m. on February 2, 1983.

Senate Energy + Natural Resources
Feb. 1, 1983

<u>Name</u>	<u>Organization</u>
Roy D. Shenkel	KCP
hon Stenton	KPL
BILL PERDUE	KPL
Marsha Margusdof	Kansas Water Authority
John A. Henderson	KWO
David Darling	KS Wtr Office
Deb Miller	Gov
Ed Reinert	KSL WVS
Scott Wrighton	KS Sierra Club
Bill Renny	City of Wichita
Dave Pope	KS Engineering Society
	Kansas Bd of Aggr DWB

SENATE BILL No. 61

By Committee on Energy and Natural Resources

1-20

Attachmen

0017 AN ACT amending and supplementing the state water plan
 0018 storage act; concerning rates, charges and contract provisions
 0019 for the sale of water; providing authorities and duties for the
 0020 Kansas water authority and the director of the Kansas water
 0021 office; amending K.S.A. 82a-1301, 82a-1303 to 82a-1306, in-
 0022 clusive, 82a-1309, 82a-1312, 82a-1314 and 82a-1316 to 82a-
 0023 1319, inclusive, and K.S.A. 1982 Supp. 82a-1307 and repealing
 0024 the existing sections; also repealing K.S.A. 82a-1308, 82a-1310,
 0025 82a-1311 and 82a-1315.

0026 *Be it enacted by the Legislature of the State of Kansas:*

0027 Section 1. K.S.A. 82a-1301 is hereby amended to read as
 0028 follows: 82a-1301. As used in this act, unless the context other-
 0029 wise requires:

0030 (a) *"Executive director"* means the executive director of the
 0031 state water resources board *"Director"* means the director of the
 0032 Kansas water office.

0033 (b) *"Chief engineer"* means the chief engineer of the division
 0034 of water resources of the state board of agriculture.

0035 (c) *"Board"* means the state water resources board or any
 0036 successor thereto *"Authority"* means the Kansas water authority.

0037 (d) *"Person"* means and includes a natural person, partner-
 0038 ship, organization, association, private corporation, public cor-
 0039 poration, any taxing district or political subdivision of the state,
 0040 and any department or agency of the state government.

0041 (e) *"Public corporation"* means a body that has for its object
 0042 the government of a political subdivision of this state and in-
 0043 cludes any county, township, city, district, authority, or other
 0044 municipal corporation or political subdivision of this state.

0045 (f) *"Federal government"* means the United States of America
 0046 or any department or agency thereof.

Attch. 1

0047 (g) "Point of diversion for a reservoir" means the point where
0048 the longitudinal axis of the dam of a reservoir crosses the center of
0049 the streambed.

0050 (h) "Point of redirection" means the point where released
0051 water is taken for beneficial use from the watercourse by which it
0052 is transported.

0053 (i) "Point of withdrawal from the reservoir" means the point
0054 at which water is taken from the reservoir by pump, siphon, canal
0055 or any other device or released through a dam by gates, conduits,
0056 or any other means.

0057 (j) "Capital cost" means the total cost incurred by the state in
0058 the construction or acquisition of conservation storage water
0059 supply capacity in the state's reservoir system from which water
0060 may be contracted for sale.

0061 Section 2. K.S.A. 82a-1303 is hereby amended to read as
0062 follows: 82a-1303. (a) Notwithstanding any other provisions in
0063 the statutes of this state, the ~~board~~ director, in the manner pro-
0064 vided in K.S.A. 82a-1304, and amendments thereto, shall be
0065 authorized, subject to approval of the authority, to acquire on
0066 behalf of the state the right to divert and store the waters of all
0067 streams flowing into the conservation storage water supply ca-
0068 pacity of the reservoirs named in the state water plan sufficient to
0069 insure a yield of water from the reservoir for beneficial use
0070 through a drought having a ~~two percent (2%)~~ 2% chance of
0071 occurrence in any one year with the reservoir in operation. The
0072 rights of the state under this section and which are acquired
0073 under K.S.A. 82a-1304, and amendments thereto, known as
0074 "water reservation rights," shall be subject to all vested rights,
0075 appropriation rights, approved applications for permits to appro-
0076 priate water and other vested property interests acquired prior to
0077 the state's acquisition, but not to those acquired thereafter.

0078 (b) Whenever the authority shall determine that it is in the
0079 public's interest to acquire, reserve or purchase water located in
0080 another state for this state's conservation storage water supply
0081 capacity, it shall authorize the director to enter into contract
0082 negotiations to acquire, reserve or purchase such water. Any such
0083 contract shall be subject to final approval of the authority.

0084 Sec. 3. K.S.A. 82a-1304 is hereby amended to read as follows:
82a-1304. The ~~board~~ *director*, on behalf of the state, shall acquire
a water reservation right by filing with the chief engineer a
0087 written notice which shall include the following:

0088 (a) The name of the stream on which the reservoir is located; ;
0089 (b) the reservoir on which a water reservation right is sought; ;
0090 (c) the legal description of the point of diversion for the
0091 reservoir; ;

0092 (d) the storage space in the reservoir described in terms of
0093 elevation and design capacity; ;

0094 (e) hydrologic calculations for a drought having a ~~two percent~~
0095 ~~(2%)~~ 2% chance of occurrence in any one year with the reservoir
0096 in operation specifying the rate of flow of streams into the
0097 reservoir and the volume of waters impounded in the reservoir
0098 that will be necessary to insure a yield of water from the reservoir
0099 for beneficial use; ; and

0100 (f) such other information which the chief engineer may re-
0101 quest in carrying out provisions of this act.

0102 Upon receiving any such filing, the chief engineer shall trans-
0103 mit to the ~~board~~ *his or her director and the chairperson of the*
0104 *authority* written acceptance thereof, or inform the ~~board~~ *director*
0105 in writing that the notice does not comply with the above re-
0106 quirements in one or more ways, all of which shall be specified.
0107 Thereupon, the ~~board~~ *director* shall modify the written notice as
0108 may be appropriate and return the notice to the chief engineer.
0109 When the written notice complies with the requirements of this
0110 section the chief engineer shall transmit to the ~~board~~ *his or her*
0111 *director and the chairperson of the authority* written acceptance
0112 thereof. Upon receipt of the written acceptance of the chief
0113 engineer as provided in this section, the ~~board~~ *director* shall file,
0114 as other instruments affecting real estate, copies of the accepted
0115 written notice in the office of the register of deeds of the county
0116 or counties wherein the point of diversion for the reservoir is
0117 located; and such water reservation right shall thereby be per-
0118 fected as of the date of original filing.

0119 Nothing in this section shall require the ~~board~~ *director* to
20 acquire an appropriation right, or approval of the chief engineer,

0121 under article 7 of chapter 82a of Kansas Statutes Annotated, *and*
0122 *amendments thereto.*

0123 Sec. 4. K.S.A. 82a-1305 is hereby amended to read as follows:

0124 82a-1305. Whenever the board *authority* finds that a proposed
0125 withdrawal and use of water *is in the public's interest and* will
0126 advance the purposes set forth in article 9 of chapter 82a of
0127 Kansas Statutes Annotated, *and amendments thereto*, it may enter
0128 into written contracts with any persons for withdrawal and use
0129 *within or without the state* of waters from conservation water
0130 supply capacity committed to the state, except that whenever such
0131 *proposed use is outside the state, it shall specifically find, prior to*
0132 *negotiating a contract, that such use is in the public's interest and*
0133 *will advance such purpose*. Every such contract shall comply

shall authorize the director to enter into negotiations for the purpose of entering

0134 with the provisions of this act. The board authority shall not
0135 contract for withdrawals of water from a particular reservoir
0136 which in the board's its opinion are in excess of the yield
0137 capability from such reservoir of conservation water supply
0138 committed to the state computed to provide water through a
0139 drought having a ~~two percent (2%)~~ 2% chance of occurrence in
0140 any one year with the reservoir in operation. All contracts under
0141 this section shall have terms of not less than ~~ten (10)~~ 10 years and
0142 ~~not more than forty (40) years unless desired by the applicant.~~

director

the director's

0143 Whenever a contract expires the board authority shall give the
0144 persons with whom it contracted therein, the opportunity to first
0145 refuse any new offering of ~~substantially the same contractual~~
0146 ~~terms the water~~ before offering *the same* to applicants under the
0147 provisions of K.S.A. 82a-1311, and amendments thereto. When-

director

section 11

0148 ever the board *authority* finds that it *is in the public's interest and*
0149 will advance the purposes set forth in this act and in article 9 of
0150 chapter 82a of Kansas Statutes Annotated, *and amendments*

shall authorize the director to

0151 *thereto*, the board *authority* may dispose of waters from the
0152 conservation water supply capacity committed to the state not
0153 required to meet contract requirements under this section if the
0154 board *it* has found such waters to be surplus waters. Any ar-
0155 rangement for the disposition of any such surplus waters shall not
0156 be subject to the provisions of K.S.A. 82a-1306 to 82a-1308,
0157 *inclusive*, 82a-1307 and section 7, and amendments thereto,

0158 relating to long-term contracts, but no such arrangement may be
 0159 made for a period of time in excess of one year nor may any such
 0160 arrangement dispose of water from the conservation water supply
 0161 capacity in excess of ~~ten percent (10%)~~ 10% of the yield capability
 0162 as computed pursuant to this section unless the governor has
 0163 declared that an emergency exists which affects the public health,
 0164 safety or welfare. *Whenever the disposition of any such surplus*
 0165 *waters is for any purpose other than for streamflow maintenance,*
 0166 *a charge shall be levied thereon at a rate set by rule and regulation*
 0167 *adopted pursuant to this act.*

0168 Sec. 5. K.S.A. 82a-1306 is hereby amended to read as follows:
 0169 82a-1306. (a) Every contract made under authority of K.S.A.
 0170 82a-1305, and amendments thereto, shall include the following:

0171 (a) (1) Provision for charges, which shall be set by the board
 0172 authority, at a rate which the board ~~it~~ shall fix of not less than five
 0173 cents (5) per one thousand (1,000) ^{per} 1,000 gallons of water at the
 0174 point of withdrawal from the reservoir and not greater than ten
 0175 cents (10) per one thousand (1,000) gallons of water at the point of
 0176 withdrawal from the reservoir as provided in section 7;

0177 (b) provisions for a minimum charge to be paid in equal
 0178 annual installments during the term of the contract, the sum of
 0179 which shall be fifty percent (50%) of the total amount of water
 0180 contracted for during the term of the contract multiplied by the
 0181 rate fixed under paragraph (a); and that such minimum charge is
 0182 to be paid each calendar year whether or not such amount of
 0183 water is withdrawn during the calendar year;

0184 (c) provisions that the board shall adjust the rate provided
 0185 under paragraph (a) on the tenth anniversary of the execution of
 0186 the contract and each tenth anniversary thereafter, to reflect any
 0187 change in experience by substituting the adjusted rate for the rate
 0188 then stated in the contract;

0189 (2) except as provided in subsection (b), provisions for a
 0190 minimum charge to be paid in either equal annual or monthly
 0191 installments during the term of the contract, whether or not water
 0192 is withdrawn during the calendar year. The minimum charge shall
 0193 be the sum of 50% of the total amount of water contracted for
 0194 during the term of the contract multiplied by the rate fixed under

director, subject to approval by the

the director

~~of not less than \$.075 per~~

0195 paragraph (1), plus, on the remaining 50% of the water reserved
0196 under contract, an amount as interest computed at a rate per
0197 annum equal to the average of interest earned the past 12 months
0198 on investments by the pooled money investment board on the total
0199 amount of moneys advanced from state funds for costs incurred
0200 and associated with that portion of the state's conservation water
0201 supply capacity;

rate

0202 (3) provisions that the authority shall adjust the rate provided
0203 in paragraph (1) on July 1 of each year effective January 1 of the
0204 following year to reflect any change in experience by substituting
0205 the adjusted rate for the rate then stated in the contract;

review and

, if necessary

15

0206 (4) provisions that the authority may adjust the total amount
0207 of water contracted for as provided under paragraph (2) on the
0208 sixth anniversary of the execution of the contract and each annual
0209 anniversary thereafter, if the contractor does not begin full pay-
0210 ment for the water under contract and another water user is ready,
0211 willing and able to contract for such water;

0212 (d) (5) provisions that water may be withdrawn in any calen-
0213 dar year up to the quantity used to compute the minimum annual
0214 charge under paragraph (b) (2) without additional charge;

0215 (e) provisions that water may be withdrawn in any calendar
0216 year in excess of the quantity used to compute the minimum
0217 annual charge under paragraph (b); but not to exceed the full
0218 amount specified in the contract for such year, upon payment of a
0219 charge therefor which shall be computed at the rate fixed under
0220 paragraph (a);

0221 (6) provisions that water may be withdrawn in any calendar
0222 year in excess of the quantity used to compute the minimum
0223 annual charge under paragraph (2) but not to exceed the full
0224 amount specified in the contract for each year, upon payment of a
0225 charge therefor which shall be computed at the rate fixed under
0226 paragraph (1) for all water actually withdrawn. In addition, an
0227 amount shall be paid, on the unused balance of the water reserved
0228 under contract, as interest computed as a rate per annum equal to
0229 the average of interest earned the past 12 months on investments
0230 by the pooled money investment board on the total amount of
0231 moneys advanced from state funds for costs incurred and asso-

0232 ciated with that portion of the state's conservation water supply
0233 capacity;

0234 (f) (7) provisions that if the total amount of waters contracted
0235 for withdrawal from any reservoir in any year is greater than the
0236 supply available from that reservoir, the ~~board~~/authority will
0237 apportion the available waters among the persons having con-
0238 tracts therefor as may best provide for the health, safety and
0239 general welfare of the people of this state as determined by the
0240 ~~board~~ authority, and neither the state nor the ~~board~~ authority
0241 shall be responsible or have any legal liability for any insuffi-
0242 ciency of water or apportionment thereof;

0243 (g) (8) additional provisions that the ~~board~~ authority finds
0244 reasonable and necessary to protect the public's interest and to
0245 achieve the purpose set forth in article 9 of chapter 82a of Kansas
0246 Statutes Annotated, and amendments thereto; and

0247 (h) (9) additional provisions, within the purview of this act,
0248 that the ~~board~~ authority finds reasonable and necessary to protect
0249 the health, safety and general welfare of the people of this state.

0250 (b) Every contract entered into under the authority of K.S.A.
0251 82a-1305, and amendments thereto, may provide, if the parties
0252 agree, that the beginning of the payment period be deferred for a
0253 maximum of three years, or until actual use of the water com-
0254 mences, whichever occurs first, whenever, in order to use such
0255 water, bonds are required to be issued for the construction of
0256 transmission or treatment facilities.

0257 Sec. 6. K.S.A. 1982 Supp. 82a-1307 is hereby amended to
0258 read as follows: 82a-1307. (a) The term of any contract under
0259 K.S.A. 82a-1305, and amendments thereto, may begin on the date
0260 of execution of the contract or upon any date not later than two
0261 years after the date of execution as agreed upon by the parties and
0262 stated in the contract document. Except as provided in ~~paragraph~~
0263 ~~subsection~~ (b), on the first or before the 60th calendar day of each
0264 regular legislative session, the ~~Kansas water office~~ authority shall
0265 transmit to the house of representatives and the senate of this
0266 state, and to the secretary of state, copies of each contract made
0267 and executed under K.S.A. 82a-1305, and amendments thereto,
0268 since the 60th day preceeding the first day of the regular legislative

director, subject to approval by the

or

is required

0269 session occurring most recently prior to such transmission. Such
 0270 contract copies transmitted to the secretary of state shall be and
 0271 remain filed in the office of the secretary of state from the date
 0272 transmitted until the end of the fifth year following the end of the
 0273 term thereof, and during such time shall be available for public
 0274 inspection during regular business hours. At any time during the
 0275 ~~first 60 calendar days after the 60th calendar day~~ of the regular
 0276 legislative session when a contract is transmitted as provided in
 0277 this section, the legislature may disapprove and revoke such
 0278 contract by adoption of a concurrent resolution so providing. No
 0279 contract under K.S.A. 82a-1305, *and amendments thereto*, shall be
 0280 subject to revocation by the legislature after the ~~60th~~ *90th* calen-
 0281 dar day of such regular legislative session, except as provided in
 0282 ~~paragraph subsection~~ (b). Any annual installment or other amount
 0283 due prior to the ~~January 1 immediately preceding the legislative~~
 0284 ~~session when a contract is revoked~~ *legislative revocation* shall be
 0285 a valid obligation and shall be paid, but no annual installment or
 0286 other amount due ~~on or after such January 1 after legislative~~
 0287 *revocation* shall be valid.

0288 (b) At any time not later than five days after the effective date
 0289 of this act, the ~~Kansas water office~~ *authority* shall transmit to the
 0290 house of representatives and to the senate, and to the secretary of
 0291 state, copies of each contract made and executed after the ~~con-~~
 0292 ~~vening of the 1982 regular session of the Kansas legislature~~
 0293 *effective date of this act*. Notwithstanding any provisions to the
 0294 contrary in ~~paragraph subsection~~ (a), the ~~1982~~ *1983* regular ses-
 0295 sion of the legislature may within ~~20~~ *30* days after the effective
 0296 date of this act disapprove and revoke any contract filed by the
 0297 Kansas water office after the effective date of this act by adoption
 0298 of a concurrent resolution so providing. Except as provided in
 0299 this ~~paragraph (b) subsection and as provided in any statute~~
 0300 *regulating interbasin water transfers*, the provisions of ~~paragraph~~
 0301 *subsection* (a) and the act of which it is a part shall apply to any
 0302 contract filed under this ~~paragraph subsection~~.

0303 New Sec. 7. (a) On July 1 of each year, effective January 1 of
 0304 the following year, the authority shall fix the rate provided for in
 0305 subsection (a) of K.S.A. 82a-1306, and amendments thereto. The

director

the director, subject to the approval of

06 rate fixed shall be equal to the sum of the following components
007 computed as provided in this section:

0308 (1) An amount necessary to repay the amortized capital costs
0309 associated with the state's conservation water supply capacity
0310 plus a replacement cost of \$.025;

0311 (2) an amount as interest computed at a rate per annum equal
0312 to the average of interest earned the past 12 months on invest-
0313 ments by the pooled money investment board on the total amount
0314 of moneys advanced from the state general fund for payment of
0315 the amortized capital costs incurred and associated with the
0316 state's conservation water supply capacity;

0317 (3) the amount necessary to reimburse the state for the en-
0318 forcement of this act. Such amount shall be based on the actual
0319 costs of administration and enforcement in the preceding year;
0320 and

0321 (4) the amount necessary to repay the operation, maintenance
0322 and repair costs associated with the state's conservation water
0323 supply capacity.

0324 (b) In computing such rates, the authority shall consider the
0325 state's conservation water supply capacity from all sources as
0326 though impounded in one single reservoir. No water supply
0327 capacity of a reservoir shall be considered to be in such capacity
0328 until the year in which the state incurs contract obligations for the
0329 project. The rate so fixed for each year shall be the same for each
0330 contract under K.S.A. 82a-1305, and amendments thereto, for
0331 withdrawal from every reservoir. The rate so fixed for each
0332 twelve-month period from January 1 to December 31 shall be the
0333 same for every contract under K.S.A. 82a-1305, and amendments
0334 thereto.

0335 Sec. 8. K.S.A. 82a-1309 is hereby amended to read as follows:
0336 82a-1309. The executive director may require any person with-
0337 drawing water pursuant to a contract under K.S.A. 82a-1305, and
0338 amendments thereto, to install meters, gauges or other measuring
0339 devices in accordance with specifications of the executive direc-
0340 tor. The executive director or his or her the director's agents may
0341 read any such device at any time, and he or she may require any
0342 such person to report the readings of any such device at reason-

rate

administration and

0343 able intervals. The executive director may test any such device at
0344 any time or require any such person to test ~~his or her~~ *the* device as
0345 such director specifies and make a report thereof to the executive
0346 director. All such devices shall be maintained in good order. The
0347 executive director may require any such person to make specified
0348 repairs or maintenance to ~~his or her~~ *the* device or replace the same
0349 as may be reasonable.

0350 New Sec. 9. (a) Any person desiring to enter into a contract
0351 under K.S.A. 82a-1305, and amendments thereto, shall file an
0352 application therefor with the director. Such application shall be
0353 in such form and contain such information as the director re-
0354 quires.

0355 (b) Upon request of the chairperson of the authority, the
0356 director shall transmit all available information necessary to
0357 determine whether or not to approve a contract to purchase water
0358 from the state's conservation water supply capacity or to use
0359 surplus waters for minimum streamflow requirements, unless an
0360 emergency exists.

0361 New Sec. 10. (a) The date of receipt of each application
0362 submitted pursuant to section 9 shall be stamped thereon and
0363 authenticated as directed by the director. Applicants shall notify
0364 the director in writing that they wish to commence negotiations
0365 for a contract to withdraw and use water. Within 10 days after the
0366 completion of negotiations for a contract to withdraw and use
0367 water, the director shall transmit to the chairperson of the au-
0368 thority a copy of the proposed contract.

0369 (b) In order to determine whether a proposed contract for the
0370 sale of water from the state's conservation water supply capacity
0371 is in the public interest and whether the benefits to the state for
0372 approving the contract outweigh the benefits to the state for not
0373 approving the contract, the authority shall consider all matters
0374 pertaining to such questions, including:

0375 (1) The present and future water supply needs of the appli-
0376 cant;

0377 (2) any current beneficial uses being made of the water pro-
0378 posed to be diverted;

0379 (3) any reasonably foreseeable future beneficial uses of the

380 water;

0381 (4) any adverse impacts of the proposed sale of water;

0382 (5) the economic, environmental, public health and welfare
0383 and other benefits of approving the contract;

0384 (6) alternative sources of water available to the applicant;

0385 (7) the preliminary plan of design, construction and operation
0386 of any works or facilities used in conjunction with carrying the
0387 water to its point of use;

0388 (8) whether the proposed purchase is consistent with the state
0389 water plan approved by the legislature;

0390 (9) the date of receipt of the application to contract for with-
0391 drawal and use of water.

0392 (c) The authority may approve or reject the proposed contract
0393 and may recommend purchase of water from an alternative
0394 source. The authority may approve a contract for a smaller
0395 amount of water than requested and may approve a contract upon
0396 such terms, conditions and limitations as it deems necessary for
0397 the protection of the public interest of the state as a whole.

0398 Sec. 11. K.S.A. 82a-1312 is hereby amended to read as fol-
0399 lows: 82a-1312. A copy of every contract *entered into* under
0400 K.S.A. 82a-1305, *and amendments thereto*, shall be filed with the
0401 chief engineer by the person who is to receive water under the
0402 contract. ~~A copy of every contract shall be filed by the person, as
0403 other instruments affecting real estate, with the register of deeds
0404 of the county or counties in which is located the point of diver-
0405 sion for the reservoir.~~

0406 Sec. 12. K.S.A. 82a-1314 is hereby amended to read as fol-
0407 lows: 82a-1314. Whenever a person, who has a contract under
0408 K.S.A. 82a-1305, *and amendments thereto*, wishes to make a
0409 withdrawal of water, ~~he or she~~ *such person* shall so advise the
0410 ~~executive~~ director. Whenever the bed of a watercourse is to be
0411 used to carry waters so released, the ~~executive~~ director shall
0412 inform the chief engineer. In accordance with such advice, and at
0413 a time agreed upon by the ~~executive~~ director and the chief
0414 engineer within two ~~(2)~~ days of such request, the ~~executive~~
0415 director shall request the authorities in charge of the operation of
0416 the reservoir to make an appropriate release of water. The person

0417 for whom waters are released may conduct such waters into and
0418 along any watercourse and may withdraw or redivert the same at
0419 points specified in his or her such person's contract, without
0420 regard to holders of water rights to the waters of the watercourse,
0421 due allowance being made for seepage and evaporation. The
0422 provisions of K.S.A. 82a-706b to 82a-706e, inclusive, shall apply
0423 to water so released. *In addition to such authority and duties, the*
0424 *chief engineer shall protect and shall have authority to enter into*
0425 *agreements necessary to protect any [such] release of water.*

0426 New Sec. 13. Amounts [changed] pursuant to contracts entered
0427 into pursuant to K.S.A. 82a-1305, and amendments thereto, and
0428 all other amounts charged pursuant to this act shall be paid to the
0429 director. Upon receipt thereof, the director shall remit the entire
0430 amount thereof to the state treasurer and the state treasurer,
0431 except as provided in section 14, shall deposit the same in the
0432 state treasury to the credit of the state general fund.

0433 New Sec. 14. (a) The director, subject to approval of the
0434 authority, shall acquire or develop conservation storage water
0435 supply capacity in impoundments, other than federal reservoirs,
0436 named in the state water plan. All such water supply capacity
0437 shall be subject to the provisions of the state water plan storage
0438 act.

0439 (b) That portion of all moneys received by the state treasurer
0440 pursuant to section 13 which is not attributable to (1) the annual
0441 repayment on water storage costs in federal reservoirs; (2) the
0442 operation, maintenance and repair costs associated with the
0443 state's conservation water supply capacity; and (3) the costs in
0444 enforcing the provisions of this act, shall be deposited in the state
0445 treasury to the credit of the state conservation storage water
0446 supply fund which is hereby established. The director shall
0447 provide the treasurer with an accounting of each such remittance.
0448 Expenditures from such fund shall be made only to carry out the
0449 provisions of this section.

0450 Section 15. K.S.A. 82a-1316 is hereby amended to read as
0451 follows: 82a-1316. No assignment, sale, conveyance or transfer of
0452 all or any part of a contract under K.S.A. 82a-1305, and amend-
0453 ments thereto, or of interest thereunder, or of interest therein shall

charged

0454 be valid unless and until the same is approved by the board
0455 *authority* under such reasonable terms and conditions as the
0456 board it may impose. Any contract under K.S.A. 82a-1305, and
0457 *amendments thereto*, may be amended or nullified by written
0458 agreement of the parties thereto made and recorded as provided
0459 in this act for original contracts under K.S.A. 82a-1305, and
0460 *amendments thereto*, but no such amendment shall change any
0461 rate specified in the original contract in accordance with either
0462 paragraphs ~~(a)~~ (1) or ~~(b)~~ (2) of subsection (a) of K.S.A. 82a-1306,
0463 and *amendments thereto*.

0464 Every such contract amendment shall be transmitted as pro-
0465 vided in K.S.A. 82a-1307, and *amendments thereto* for original
0466 contracts, and shall be subject to revocation as provided in K.S.A.
0467 82a-1307, and *amendments thereto*. Whenever a contract amend-
0468 ment is so revoked, the contract to which the amendment applied
0469 shall remain valid and unchanged, as though such amendment
0470 had never been agreed upon.

0471 Sec. 16. K.S.A. 82a-1317 is hereby amended to read as fol-
0472 lows: 82a-1317. If any person financially obligated under a
0473 contract made under K.S.A. 82a-1305, and *amendments thereto*,
0474 should fail to make any of the payments when due, then the
0475 overdue payments shall bear interest compounded annually at the
0476 rate of eight percent (8%) per annum equal to the average rate of
0477 interest per annum earned in the next preceding 12 months on
0478 investments of the pooled money investment board until paid.
0479 This provision shall not be construed as giving the person an
0480 option of either making payments when due or paying interest
0481 nor shall it be construed as waiving any of the rights of the board
0482 *authority* or the state of Kansas that might result from any default
0483 by the person.

0484 Sec. 17. K.S.A. 82a-1318 is hereby amended to read as fol-
0485 lows: 82a-1318. The board *authority* may sue in its own name, or
0486 may authorize suit to be brought by an authorized representative
0487 in the name of the board *authority*, to enforce any claim or right
0488 arising out of any contract under K.S.A. 82a-1305, and *amend-*
0489 *ments thereto*, any provision of this act or any rule and regulation
0490 adopted under this act. The board *authoritu* may be sued and may

0491 defend any action brought against the ~~board~~ *it* arising out of any
0492 contract under K.S.A. 82a-1305, *and amendments thereto*. Noth-
0493 ing in this section shall be deemed to authorize any suit against
0494 the ~~board~~ *authority* or any member thereof, or any officer or
0495 employee of the state or of the ~~board~~ *authority*, on an implied
0496 contract, or for negligence or any other tort. The attorney general,
0497 or any attorney designated by ~~him or her~~ *the attorney general*,
0498 shall represent the ~~board~~ *authority* in all litigation.

0499 Sec. 18. K.S.A. 82a-1319 is hereby amended to read as fol-
0500 lows: 82a-1319. The ~~state water resources board~~ *director* may
0501 adopt, *subject to approval of the authority*, rules and regulations
0502 for the administration *and carrying out the purposes* of this act.

0503 Sec. 19. K.S.A. 82a-1301, 82a-1303 to 82a-1306, inclusive,
0504 82a-1308 to 82a-1312, inclusive, and 82a-1314 to 82a-1319, in-
0505 clusive, and K.S.A. 1982 Supp. 82a-1307 are hereby repealed.

0506 Sec. 20. This act shall take effect and be in force from and
0507 after its publication in the Kansas register.