

Approved 2-12-85
Date

MINUTES OF THE Joint COMMITTEE ON Energy and Natural Resources

The meeting was called to order by Representative Ron Fox at
Chairperson

3:30 ~~a.m.~~/p.m. on January 24, 1985 in room 313-S of the Capitol.

All members were present except:

Senator Ben Vidricksen - Excused
Senator Eric Yost - Excused

Committee staff present:

Ramon Powers - Research Department
Don Hayward - Revisor's Office
Nancy Jones - Committee Secretary

Conferees appearing before the committee:

Joseph R. Harkins, Director, Kansas Water Office
H. Philip Martin, Chairman, Kansas Water Authority

Members of the Kansas Water Authority:

Mr. Jack Alexander - Federal and State Committee
Mr. Larry Panning - Management Committee
Mr. Bob Knight - Conservation Committee
Mr. Allan Abramson - Quality Committee
Mr. Gene Shore - Research Committee
Mr. Bill Hambleton - Development Committee
Mr. Bob Binder - Minimum Stream Flow Committee

Minutes of the meeting as drafted by the House Committee are attached.

MINUTES OF THE JOINT COMMITTEE ON ENERGY AND NATURAL RESOURCES

The meeting was called to order by Representative Ron Fox at _____
Chairperson

3:30 ~~a.m.~~/p.m. on January 24, 1985 in room 313-S of the Capitol.

All members were present except:

All members were present.

Committee staff present:

- Ramon Powers, Legislative Research
- Raney Gilliland, Legislative Research
- Theresa Kiernan, Revisor of Statutes' Office
- Don Hayward, Revisor of Statutes' Office
- Nancy Jones, Senate Committee Secretary
- Betty Ellison, House Committee Secretary

Conferees appearing before the committee:

- Joseph F. Harkins, Director, Kansas Water Office
- H. Philip Martin, Chairman, Kansas Water Authority
- Members of the Kansas Water Authority:
 - Mr. Jack Alexander
 - Mr. Larry Panning
 - Mr. Bob Knight
 - Mr. Allan Abramson
 - Mr. Gene Shore
 - Mr. Bill Hambleton
 - Mr. Bob Binder

The meeting was called to order by Chairman Ron Fox. He called the Committee's attention to a letter concerning the Corps of Engineers' policy in answer to a question of January 23. (Attachment 1) Also noted were a fact sheet regarding Water Research priorities and monitoring system (Attachment 2) and a listing of the various committees within the Kansas Water Authority. (Attachment 3)

The Chairman turned the meeting over to Mr. Harkins of the Kansas Water Office who discussed a recommendation for local planning policy. Under this recommendation, twelve basin advisory committees would be selected by the Kansas Water Authority. Mr. Harkins also reviewed a recommendation dealing with research.

Mr. Phil Martin, Chairman of the Kansas Water Authority, introduced members of that Authority who were present, before giving a brief presentation. He then introduced the following committee chairmen who made brief remarks:

- Jack Alexander, Chairman, Federal and State Affairs Committee (Referred to Budget Review Procedures (Attachment 4))
- Larry Panning, Vice-chairman, Management Committee (Substituted for Chairman of the Committee, Doyle Rahjes)
- Bob Knight, Chairman, Conservation Committee
- Allan Abramson, Chairman, Quality Committee
- Gene Shore, Chairman, Research Committee
- Bill Hambleton, Chairman, Development Committee
- Bob Binder, Chairman, Minimum Stream Flow Committee

A slide presentation on Conservation Practices in Kansas was shown, followed by Mr. Harkins' review of the recommendations in the Conservation Section of the proposed Kansas Water Plan.

Chairman Fox thanked Mr. Harkins, Mr. Martin and committee members of the Kansas Water Authority for their part in the briefing. He noted that the VCR and tapes of these briefings were available in his office for anyone wishing to view them.

The meeting was adjourned at 5:30 p.m.

The next joint meeting of the Senate and House Committees on Energy and Natural Resources will be held on January 28, 1985 at 3:30 p.m. in Room 313-S.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

STATE OF KANSAS



John Carlin, Governor

KANSAS WATER OFFICE

Joseph F. Harkins
Director

Suite 200
109 SW Ninth
Topeka, Kansas 66612

913-296-3185

January 24, 1985

The Honorable Merrill Werts
Chairman, Senate Energy and
Natural Resources Committee
Room 120-South, Statehouse
Topeka, KS 66612

The Honorable Ron Fox
Chairman, House Energy and
Natural Resources Committee
Room 523-South, Statehouse
Topeka, KS 66612

Gentlemen:

Attached is a letter from former Assistant Secretary of the Army William Gianelli to Governor John Carlin dated March 30, 1984. This letter was written in response to a series of questions posed by Governor Carlin regarding the federal policy for the management of federal reservoirs in Kansas.

This letter from Secretary Gianelli represents the current expression of federal policy regarding federal reservoirs in Kansas. If I can be of further assistance, please contact me.

Sincerely,

Joseph F. Harkins
Joseph F. Harkins *EJ CRD*
Director

JFH:th

Attachment

cc: Senate Energy and Natural Resources Committee
House Energy and Natural Resources Committee

Attachment I

~~Joe Hart~~
F. Lidsinger
4/11/84

20 Mar 1984

Honorable John Carlin
Governor of Kansas
Topeka, Kansas 66612

Dear Governor Carlin:

This is in further response to your letter of January 3, 1984, concerning the development of the Kansas State Water Plan. As indicated in our interim response of February 10, 1984, we are providing detailed answers to the questions raised in your letter. These detailed answers are enclosed. Also enclosed is a listing of the Corps projects in Kansas and data on those projects pertaining to authorization, construction status, and water supply and water quality requirements.

We hope this information is of sufficient detail to answer your broad policy concerns. It is very difficult to make blanket statements concerning the various Corps of Engineers projects within Kansas. Each project must be considered on a case-by-case basis with respect to its authorization, construction, and operational plan.

We look forward to a continuing productive working relationship with you and the Kansas Water Office as we pursue our common goals.

Sincerely,

(Signed)

William R. Gianelli
Assistant Secretary of the Army
(Civil Works)

Enclosures

RESPONSES TO GOVERNOR CARLIN'S QUESTIONS

1. I understand the Corps of Engineers has determined that water quality releases made from the four reservoirs in the Verdigris Basin can be used in accordance with state plans which may include supplementation of municipal and industrial supplies without reimbursement to the Federal Government. Does this decision apply to other reservoirs in the state?

The conservation storage at Toronto and Fall River projects is used to increase low-stream flow thereby providing needed water at no charge for municipal industrial use and pollution abatement in accordance with authorizing legislation. The situation at the Elk City project is different. Prior to construction this project was modified to provide conservation storage for water supply pursuant to P.L. 85-500 and for water quality pursuant to P.L. 87-88. The state is presently paying for the water supply storage at Elk City. The fourth constructed lake in the basin, Pearson-Skubitz Big Hill has no conservation storage for water quality or pollution abatement purposes. The authorizing documents for the projects in the other basins in the state were similarly examined with the conclusion that the decision for Toronto and Fall River projects does not apply at any other reservoir. We believe that releases from water quality storage should be used for the intended purposes; we have, however, no enforcement authority in this area. If, over time, projected uses do not materialize, or if they are altered, then the projects should be reexamined and modified through the appropriate reauthorization process.

2. What assurance do we have this decision is final and can be used as a guidance in water supply planning in the Verdigris Basin?

The decision that minimum releases from the Toronto and Fall River projects are not reimbursable is based on interpretation of authorizing language and documents referenced therein. While we generally require that all releases for municipal and industrial water supply be made only pursuant to valid storage or surplus water contracts, because of the manner in which these two projects were authorized and constructed, we believe it would take Congressional action to change the decision.

3. If it is a statewide policy, what assurances of permanency do we have?

This is not a statewide policy.

4. If the "Verdigris decision" does not apply on a statewide basis, what is the policy in each of the other basins?

As indicated in the answers to question no. 1, there are no other projects in Kansas similar to Toronto and Fall Creek. Basically, all water supply storage is to be sold under the Water Supply Act of 1958

(P.L. 85-500) and storage dedicated to pollution abatement or water quality should be used for their intended purposes.

5. Is the Verdigris decision does not apply on a statewide basis, would the Corps be willing to negotiate sale of a prorata portion of water quality storage? This would provide reimbursement to the Federal Government for the portion of storage space which yielded the water for supply augmentation from the water quality release. These would be the "blended releases mentioned earlier."

The Corps would certainly consider the reallocation of water quality storage to water supply providing the need for the water quality storage has diminished. Each case would have to be considered on its own merits. Depending upon the size and impacts of the reallocation, either the Chief of Engineers or the Congress would approve the change. In either event, input would be solicited from all interested parties regarding both the need for additional water supply and the decline in need for water quality. A critical factor in the reallocation process would be the state's or others willingness to purchase the converted storage. The state would certainly be entitled to use state purchased storage for authorized project purposes including supply augmentation or to supplement water quality releases as it determines desirable. This is true for any state purchased water supply storage space and not just that which may be reallocated. In Northern Kansas the ongoing Kansas and Osage Rivers Study could be used as the appropriate vehicle for making the water quality storage determination and for recommending a reallocation of storage in each lake as appropriate. While in Southern Kansas a single ongoing study is not available to reexamine all the reservoirs, there are several authorities which could be used.

6. We would like clarification of the current Federal policy regarding sale of existing storage. I understand the Bureau of Reclamation policy on this subject is different from that of the Corps.

While I cannot address the policy followed by the Bureau, the policy followed by the Corps consists of two basic policies as follow:

a. Where water supply is an authorized purpose. This is the type of agreement the State of Kansas has already entered into where a share of the actual allocated construction costs is reimbursed over 50-years with interest at the project rate and a prorata share of the annual operation and maintenance costs is also paid.

b. Where water supply is added to an existing project. Cost of storage under this method is established as the higher of benefits or revenues foregone, replacement cost, or the updated cost of storage in the project. The latter criteria generally govern. Construction costs are

updated by use of the Engineering News Record Construction Index from the midpoint of project construction to the beginning of the fiscal year in which a contract for the purchase of storage is approved. Cost of storage can be repaid over a 50-year period at current interest rates from the time the project is first available for water supply storage. [Any costs associated with the reallocation must be reimbursed during the construction period.] A prorata share of the annual operation and maintenance costs must also be paid.

7. Would the Corps be willing to "trade" storage already purchased by the state in one reservoir for municipal and industrial purposes for space now dedicated to water quality in other existing reservoirs?

The Corps would be willing to consider on a case-by-case basis, proposals regarding an exchange of storage. In evaluating such a proposal, we would be required to give due consideration to the continuation, termination, or change in needs to be satisfied by the projects concerned. It is also likely that such an exchange would necessarily require some state commitment more in accord with current requirements; i.e., some up front funds and/or a higher interest rate.

WATER RESEARCH

- Priorities
- Monitoring System



Fact Sheet No. 1

January 1985

Kansas Water Office

°PRIORITIES

BACKGROUND

Research is a key tool in solving problems regarding the management, conservation, development and quality of water resources. The Kansas Water Office and the Kansas Water Authority believe that it is important to identify the major water-related research needs in Kansas and to take action to enhance the likelihood of these research needs being funded. Results from water-related research are essential in order to make informed decisions on policies, plans, use and administration of water in Kansas. Consequently, the Kansas Water Authority has created a Research Committee that works in concert with Kansas Water Office staff to promote these ideals.

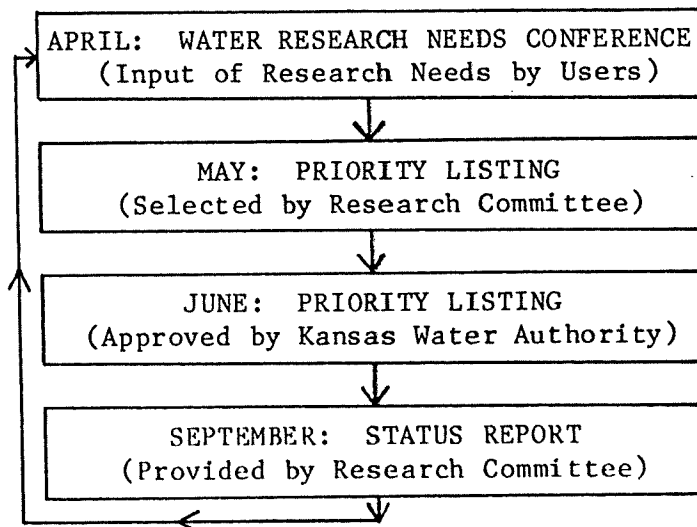
PURPOSE AND OBJECTIVES

The purpose of establishing water research priorities is to keep the Governor, Legislature, research community and prospective funding agencies and organizations informed about the current research needs of water agencies and organizations. Specific annual objectives include:

- °Hold a Water Research Needs Conference.
- °Select research need priorities.
- °Disseminate research need priorities.
- °Status report on research needs.

ANNUAL WATER RESEARCH PRIORITY CYCLE

The initial water research priority cycle was undertaken in 1984 and most of the activity took place during the months of November and December. In order to better coincide with the annual budgetary cycle, future water research priority cycles have been modified as shown below.



WATER RESEARCH NEEDS CONFERENCE

The Water Research Needs Conference is held by the Research Committee, in conjunction with the Kansas Water Office, and includes some participants who are invited by letter and others who learn about the conference from the Kansas Register. At this conference, users of water-related research, present a brief description of their research needs.

SELECTION OF RESEARCH NEED PRIORITIES

The research needs that are presented at the Water Research Needs Conference are classified into major categories by the Kansas Water Authority Research Committee, with assistance from Kansas Water Office staff. This classification process allows duplicate and/or very similar research needs to be discussed and considered under a single research category. Each research category is ultimately placed into one of three priority levels (highest, high, medium) and the Kansas Water Authority is charged with the task of approving or modifying the Research Committee's priority recommendations.

DISSEMINATION OF WATER RESEARCH PRIORITIES

The annual research need priorities are presented to the Governor, Legislature, participating agencies/individuals and the research community. Notice is also placed in the Kansas Register and is sent to a list of approximately 20 Kansas newsletters and publications for further circulation.

FUNDING OF WATER RESEARCH NEED PRIORITIES

Water-related research in Kansas is currently funded by many different local, state, federal and private sources. The Kansas Water Authority does not represent a new funding source; however, this new planning process may enhance the likelihood of obtaining additional research support from various sources. State agencies that receive funding for any of the research need priorities are expected to coordinate with other appropriate user agencies on the research protocol and on selection of the most appropriate research agency, organization or individual.

°MONITORING SYSTEM

BACKGROUND

State statutes call for "the review and coordination of financial assistance for research that may be provided by federal

or state agencies to public corporations concerned with management, conservation and development of water resources to prevent duplication of effort." (K.S.A. 82a-928(14)).

PURPOSE AND OBJECTIVES

The purpose of establishing a semi-annual monitoring system is to keep the Governor, Legislature, research community and prospective funding agencies and organizations informed about Kansas research that has been completed or is ongoing. Specific objectives include:

- °Publish a Semi-Annual Report on Water-Related Studies/Research in Kansas.
- °Establish and maintain a shared computer file of the Semi-annual Report.

MONITORING SYSTEM CYCLE

During January and July, the Kansas Water Office contacts monitoring system participants to determine the status of current research and to get information on new research titles, contact person(s), a brief abstract, key words that may be used for a computer search and other related items. Semi-annual reports are then prepared and usually distributed in March and September. The computer file will be developed early in 1985, updated on a similar schedule and will be available to other agencies that have access to the state's computer system.

ADDITIONAL INFORMATION

Further information on this subject or copies of the "Semi-Annual Report on Water-Related Studies/Research in Kansas" may be obtained from:

Water Resource Manager
Research and Data
Kansas Water Office
Suite 200, 109 S.W. 9th Street
Topeka, KS 66612 (913) 296-3185

KANSAS WATER AUTHORITY
1984 Committee Assignments

MANAGEMENT COMMITTEE:	Doyle Rahjes, Chairman Larry Panning, Vice-chairman Jack Alexander Phil Martin Joe Harkins Dave Pope
DEVELOPMENT COMMITTEE:	Bill Hambleton, Chairman Helen Schabel, Vice-chairman Bob Binder Russ Crites Marshall Tatum
CONSERVATION COMMITTEE:	Bob Knight, Chairman Hugh Armstrong, Vice-chairman Allan Abramson Gene Shore Floyd Smith
FEDERAL AND STATE AFFAIRS COMMITTEE:	Jack Alexander, Chairman Bob Binder, Vice-chairman Bob Knight Phil Martin Doyle Rahjes
RESEARCH COMMITTEE:	Gene Shore, Chairman Dave Pope, Vice-chairman Bill Hambleton Floyd Smith Larry Panning Helen Schabel
QUALITY COMMITTEE:	Allan Abramson, Chairman Marshall Tatum, Vice-chairman Hugh Armstrong Russ Crites Joe Harkins

KANSAS WATER AUTHORITY
Budget Review Procedures

No later than March of each year it will be the responsibility of the chairman of the Federal and State Affairs Committee to formally solicit ideas and suggestions relating to water resource issues. All should be policy-related. Once gathered, the chairman will forward them to agency heads with an invitation to comment. At the same time the chairman should inform the agencies that they are not necessarily bound by the suggestions of the Authority. Agencies should feel free to provide as many other issue papers to the Authority as may be appropriate. These issue papers may or may not be similar to those submitted to the Governor.

In April, after the legislative session has ended, agencies will prepare issue papers. Deadline for submission to the members of the committee will be ten days before the May Authority meeting. Upon receipt of the papers, the committee chairman will review them. At his discretion, he may extend invitations to agency representatives to give in-depth presentations or to be available to answer questions at the May meeting.

Prior to the June Authority meeting, the committee should direct staff to prepare a report to the Authority. The committee may wish to prioritize the issue. Beginning in 1985, the committee will use the comprehensive State Water Plan as a guide to determine new program implementation or the redirection of existing programs.

At its June meeting and after due consideration, the Authority will adopt language identifying new policy directions and recommendations concerning their implementation. The report will be made available to the appropriate agencies.

In September, staff will compare the June report with the final budget documents submitted to the Budget Division. The staff will make a determination as to how issues identified by the Authority have been dealt with. The Chairman of the Authority will forward a letter to the Governor not later than October 1 listing the issues previously identified by the Authority and comparing them to proposed agency programs as set out in the budget documents. The chairman may, in his discretion, enclose the original agency issue paper (assuming it has not previously been forwarded to the Governor) as an attachment to the letter.

In December, after the Governor's budget recommendations become public, staff will prepare an abstract of the entire budgetary review process for inclusion in the Authority's annual report to the Legislature.