

MINUTES OF THE Senate COMMITTEE ON Local Government

The meeting was called to order by Senator Don Montgomery at
Chairperson

9:11 a.m./~~PM~~ on Monday, March 25, 1985 in room 531-N of the Capitol.

All members were present except: Senators: Allen, Bogina, Gaines, Mulich, Steineger and Winter who were excused.

Committee staff present: Emalene Correll, Mike Heim, Theresa Kiernan, Lila McClaflyn

Conferees appearing before the committee: Rep. Burr Sifers, Mission Hills, KS
Rep. Bill Wunsch, Kingman, KS.
Bill Anderson, Water District #1, Johnson County

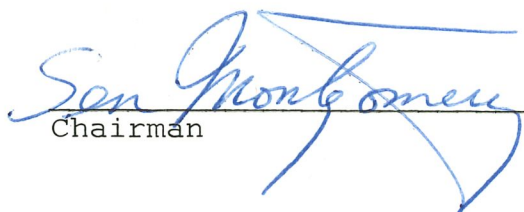
The chairman called the meeting to order.

The hearing on H.B. 2317 was opened. Rep. Sifers, spoke as a proponent for the bill. He stated it is the only water district of this kind in the state. This bill would provide a procedure for Johnson County Water District #1, to negotiate with the Kansas Water Co., concerning possible acquisition of that privately owned company. Senator Langworthy stated there are some amendments being drawn up by Revisor's Office, Rep. Sifers stated he was aware of that, and he would support the amendments.

Hearings on H.B. 2392, Rep. Bill Wunsch, Kingman, KS. testified in favor of the bill. The bill changes the petition requirement from 3/4 of the landowners to 3/4 of the benefit owners needed to dissolve a rural water district in Kingman and Reno Counties. They would like to dissolve a non-operating district, the largest percent of land lies in Reno County, so it would be dissolved by the Reno County Commissioners. They would like to reimburse subscription fees for the benefit district. There was discussion on how this would affect landowners in the water district. Rep. Wunsch stated he had no objection to amending the bill to non-operating district, an amendment will be drawn up by staff and the committee will look at it, before any action is taken on the bill.

Hearing on 2426, Bill Anderson, Water District #1, Johnson County, appeared as a proponent of this bill. This bill would amend the statutes pertaining to Johnson County Water District #1, the only water district formed under this act. Mr. Anderson's written testimony is a part of these minutes (attachment 1).

The meeting adjourned until Tuesday, March 26, 1985.


Chairman

HOUSE BILL NO. 2426

SENATE LOCAL GOVERNMENT COMMITTEE

Testimony of
Water District No. 1 of Johnson County
March 25, 1985

WATER DISTRICT NO. 1 OF JOHNSON COUNTY

*Publicly-owned Water District, governed by customer-elected
5-member Board

*Provides water to nearly all cities of Northeast Johnson
County, such as Overland Park, Prairie Village, Mission,
Lenexa, Shawnee

*70,000 customers, approximately 225,000 persons

*Water sales in 1984 of \$20-Million

*All revenue from water sales--no taxing authority

*Special legislation--19-3501 to 19-3521a, inclusive

- a) Only Water District in State operating under these statutes
- b) Proposed changes will affect no other governmental entity in
Kansas

*NOT a rural water district, governed by Rural Water District statutes

The only legislative changes we seek in HB 2426 are in line 156 at the
bottom of page 4 of the bill and in lines 161 and 162 at the top of page
5.

In line 156, we are asking for an increase in the minimum figure at which
public bidding is required. We do this only because it would reflect to-
day's economic realities. The current \$10,000 limitation is based on the
referenced statute (19-214 to 19-216) which requires counties to let for
public bidding all construction contracts over \$10,000 for courthouses,
jails, other public buildings and bridges. Our Water District statute was
patterned after that law which was originally enacted in 1868. Historical
changes by the Legislature are shown on page 3 of the testimony.

(attachment 1)

3/25/85

We suggest the \$10,000 figure is unrealistic. The Engineering News-Record, which records the rise in construction and materials costs through the years, reports that since 1906 construction costs have increased 4,376 per cent. In other words, a construction project of \$1,000 in 1906 would cost \$43,760 today.

Many routine construction projects required in connection with our operations easily exceed the \$10,000 limitation.

For instance, the cost of extending a 6-inch water line one city block in our system in 1984 ranged from \$11,000 to \$15,000.

The time and cost of preparing plans and specifications, cost of legal notices of advertising for bids, time involved in taking of bids, execution of contracts after evaluation of bids, board approval, executing performance bonds and arranging for insurance--all are a time-consuming process and escalate the costs of projects.

With the cost of labor and materials in today's market, a minor alteration of office space, moving of walls, purchase of a few materials and equipment quickly runs the cost over the \$10,000 limitation.

Costs attributable to the bidding requirement raises the total expense of a project and outweighs the public interest of requiring public bidding, particularly in light of what \$1,000, when the original law was written more than 100 years ago, will cost in today's market.

The proposed changes set out in lines 161 and 162 are designed to give the Board and Management the ability to respond more rapidly to construction and improvement projects.

The 7-day notice is especially necessary in meeting requests for extensions of water lines. Water line extensions are relatively simple construction projects. Contractors have little difficulty in estimating the cost of a job that requires only determining the man-hours necessary to excavate, install pipe, make necessary connections and refilling. Our experience shows that a contractor can figure a job in half a day, or one day at the most, to submit a bid. Ninety-three per cent of water line extensions in our system in 1984 were under \$100,000.

Other types of building and improvement projects of a relatively simple nature under \$100,000 easily can be accommodated by bidding contractors on a 7-day notice.

This change will naturally not affect larger projects such as new buildings, large water mains, elevated towers, underground reservoirs and other major projects exceeding \$100,000, which will continue to require the 30-day notice.

We respectfully ask you to recommend approval of these changes so we may move more quickly on improvement projects and operate the Water District in a business-like manner.

GOVERNING STATUTE ON
MINIMUM BIDDING REQUIRED

(K.S.A. 19-214)

K.S.A. 1868 - \$1,000
1961 - Raised to \$2,000
1980 - Raised to \$10,000

WATER DISTRICT

(K.S.A. 19-3516)

K.S.A. 1951 - \$1,000
1975 - Raised to \$5,000
1984 - Raised to \$10,000