

Approved March 18, 1986  
Date

MINUTES OF THE HOUSE 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 March 5, 1986 in room 526-S of the Capitol.

All members were present except:

Representative Barr (excused)

Committee staff present:

Ramon Powers, Legislative Research Department  
Gloria Timmer, Fiscal Staff, Legislative Research  
Theresa Kiernan, Revisor of Statutes' Office  
Betty Ellison, Committee Secretary

Conferees appearing before the committee:

No conferees.

The meeting was called to order by Chairman Ron Fox. There were no objections to the minutes of February 25 and 26, and they were adopted.

The Chairman called attention to several documents which had been distributed to the committee: the proposed Substitute for House Bill 2703, (See Attachment 1) Draft Amendments to House Bill 2721, (See Attachment 2) and an informational packet on House Bill 2721. (See Attachment 3)

The Chairman made preliminary remarks relating to the importance of House Bill 3078. He reminded the committee that the bill was requested by the committee at the end of generic hearings on the Joint Program earlier in this session. The intent today was to go through the bill to insure that everyone understood, and to bring up the bill and any proposed amendments for discussion and possible action on March 6.

Staff presented a section by section discussion of House Bill 3078. Discussion and clarification occurred during the presentation.

The meeting was adjourned at 4:23 p.m.

The next meeting of the House Energy and Natural Resources Committee will be held on March 6, 1986 at 3:30 p.m. in Room 526-S.



## PROPOSED SUBSTITUTE FOR HOUSE BILL NO. 2703

By Committee on Energy and Natural Resources

AN ACT concerning water; relating to water conservation; amending K.S.A. 74-2608, 74-2622, 82a-711, 82a-927, 82a-1311a and 82a-1503 and repealing the existing sections.

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

Section 1. K.S.A. 74-2608 is hereby amended to read as follows: 74-2608. The Kansas water office shall:

~~(1)~~ (a) Collect and compile information pertaining to climate, water and soil as related to the usage of water for agricultural, industrial and municipal purposes and the availability of water supplies in the several watersheds of the state, and, in so doing, the office shall ~~first~~ collect and compile the information obtainable from other agencies, instrumentalities of the state, political subdivisions of the state and the federal government.

~~(2)~~ ~~Work-out~~ (b) Develop a state plan of water resources management, conservation and development for water planning areas as determined by the office, and cooperate with any agency or instrumentality of the state or federal government now or hereafter engaged in the development of plans or having developed plans affecting any such area of the state.

(c) Develop and maintain guidelines for water conservation plans and practices. Such guidelines shall be technologically and economically feasible for each water user to implement and shall: (1) Be designed to curtail the waste of water; (2) consider the use of other water if the use of freshwater is not necessary; (3) not require curtailment in water use which will not benefit other water users or the public interest; (4) not result in the unreasonable deterioration of the quality of the waters of the state; (5) consider the reasonable needs of the

water user at the time; (6) not conflict with the provisions of the Kansas water appropriation act and the state water planning act; (7) be limited to practices of water use efficiency except for drought contingency plans for municipal users; and (8) take into consideration drought contingency plans for municipal and industrial users. When developing such guidelines, the Kansas water office shall consider the cost to benefit ratio effect of any plan.

Sec. 2. K.S.A. 74-2622 is hereby amended to read as follows: 74-2622. (a) There is hereby established within and as a part of the Kansas water office the Kansas water authority. The authority shall be composed of 16 members of whom 11 shall be appointed as follows: (1) Eight members shall be appointed by the governor for terms of four years, except that of the first members of the authority, two members shall be appointed for terms commencing July 1, 1981, and ending on May 1, 1982, two members shall be appointed for terms commencing on July 1, 1981, and ending on May 1, 1983, two members shall be appointed for terms commencing on July 1, 1981, and ending on May 1, 1984, and two members shall be appointed for terms commencing on July 1, 1981, and ending on May 1, 1985. The governor shall designate the term for which each of the members first appointed shall serve. Of the members appointed under this provision one shall be a representative of large municipal water users, one shall be representative of small municipal water users, one shall be a board member of a western Kansas groundwater management district, one shall be a board member of a central Kansas groundwater management district, one shall be a member of the Kansas association of conservation districts, one shall be representative of industrial water users, one shall be a member of the state association of watershed districts, and one shall be representative of the general public. The member who is representative of large municipal water users shall be appointed from three nominations submitted by the Kansas league of Kansas municipalities. The member who is representative of small

municipal water users shall be appointed from three nominations submitted by the Kansas rural water districts' association. The member who is representative of a western Kansas groundwater management district shall be appointed from three nominations submitted by the presidents of the groundwater management district boards No. 1, 3 and 4. The member who is representative of a central Kansas groundwater management district shall be appointed from three nominations submitted by the presidents of the groundwater management district boards No. 2 and 5. The member who is representative of industrial water users shall be appointed from three nominations submitted by the Kansas association of commerce and industry. The member who is representative of the state association of watershed districts shall be appointed from three nominations submitted by the state association of watershed districts. The member who is representative of the Kansas association of conservation districts shall be appointed from three nominations submitted by the state association of conservation districts. If the governor cannot make an appointment from the original nominations, the nominating authority shall be so advised and, within 30 days thereafter, shall submit three new nominations; (2) one member shall be appointed by the governor, subject to confirmation by the senate as provided in K.S.A. 75-4315b, and amendments thereto, and such member shall serve at the pleasure of the governor and shall be the chairperson of the authority. Members appointed by the governor shall be selected with special reference to training and experience with respect to the functions of the Kansas water authority, and no not more than five of such members shall belong to the same political party; (3) one member shall be appointed by the president of the senate for a term of two years commencing on July 1, 1981; and (4) one member shall be appointed by the speaker of the house of representatives for a term of two years commencing on July 1, 1981. The state geologist, the chief engineer of the division of water resources of the state board of agriculture, the director

of the division of environment of the department of health and environment, the director of the Kansas water office and the director of the agricultural experiment stations of Kansas state university of agriculture and applied science shall be nonvoting members ex officio of the authority. The director of the Kansas water office shall serve as the secretary of the authority.

(b) In the case of a vacancy in the appointed membership of the Kansas water authority, the vacancy shall be filled for the unexpired term by appointment in the same manner that the original appointment was made. Appointed members of the authority attending regular or special meetings thereof shall be paid compensation, subsistence allowances, mileage and other expenses as provided in K.S.A. 75-3223, and amendments thereto.

(c) The Kansas water authority shall:

(1) Consult with and be advisory to the governor, the legislature and the director of the Kansas water office.

(2) Review plans for the development, management and use of the water resources of the state by any state or local agency.

(3) Make a study of the laws of this state, other states and the federal government relating to conservation and development of water resources, appropriation of water for beneficial use, flood control, construction of levees, drainage, irrigation, soil conservation, watershed development, stream control, gauging of stream and stream pollution for the purpose of determining the necessity or advisability of the enactment of new or amendatory legislation in this state on such subjects.

(4) Make recommendations to other state agencies and political subdivisions of the state for the coordination of their activities relating to flood control, construction of levees, drainage, irrigation, soil conservation, watershed development, stream control, gauging of stream, stream pollution and groundwater studies.

(5) Make recommendations to each regular session of the legislature and to the governor at such times as the authority considers advisable concerning necessary or advisable legislation

relating to any of the matters or subjects which it is required by this act to study for the purpose of making recommendations to the legislature. All such recommendations to the legislature shall be in drafted bill form together with such explanatory information and data as the authority considers advisable.

(6) Approve, prior to submission to the legislature by the Kansas water office or its director, (A) any contract entered into pursuant to the state water plan storage act, (B) any amendments to the state water plan or the state water planning act and (C) any other legislation concerning water resources of the state.

(7) Approve, before they become effective, any policy changes proposed by the Kansas water office concerning the pricing of water for sale pursuant to the state water plan storage act.

(8) Approve, before it becomes effective, any agreement entered into with the federal government by the Kansas water office.

(9) Request any agency of the state, which shall have the duty upon that request, to submit its budget estimate pertaining to the state's water resources and any plans or programs related thereto and, upon the authority's receipt of such budget estimate, review and evaluate it and furnish recommendations relating thereto to the governor and the legislature.

(10) Approve, prior to adoption by the director of the Kansas water office, rules and regulations authorized by law to be adopted.

(11) Approve, prior to adoption by the director of the Kansas water office, guidelines for conservation plans and practices developed pursuant to subsection (c) of K.S.A. 74-2608, and amendments thereto.

(d) The Kansas water authority may appoint citizens' advisory committees to study and advise on any subjects upon which the authority is required or authorized by this act to study or make recommendations.

(e) The provisions of the Kansas sunset law apply to the Kansas water authority established by this section, and the authority is subject to abolition under that law.

Sec. 3. K.S.A. 82a-711 is hereby amended to read as follows: 82a-711. (a) If a proposed use neither ~~will impair~~ impairs a use under an existing water right nor prejudicially and unreasonably ~~affect~~ affects the public interest, the chief engineer shall approve all applications for such use made in good faith in proper form which contemplate the utilization of water for beneficial purpose, within reasonable limitations except that the chief engineer shall not approve any application submitted for the proposed use of fresh water in any case where other waters are available for such proposed use and the use thereof is technologically and economically feasible. Otherwise, the chief engineer shall make an order rejecting such application or requiring its modification to conform to the public interest to the end that the highest public benefit and maximum economical development may result from the use of such water.

(b) In ascertaining whether a proposed use will prejudicially and unreasonably affect the public interest, the chief engineer shall take into consideration:

- (1) Established minimum desirable streamflow requirements;
- (2) the area, safe yield and recharge rate of the appropriate water supply;
- (3) the priority of existing claims of all persons to use the water of the appropriate water supply;
- (4) the amount of each such claim to use water from the appropriate water supply; and
- (5) all other matters pertaining to such question.

(c) With regard to whether a proposed use will impair a use under an existing water right, impairment shall include the unreasonable raising or lowering of the static water level or the unreasonable increase or decrease of the streamflow or the unreasonable deterioration of the water quality at the water user's point of diversion beyond a reasonable economic limit. Any



person aggrieved by any order or decision by the chief engineer relating to that person's application for a permit to appropriate water may appeal to the district court in the manner prescribed by K.S.A. 82a-724, and amendments thereto.

(d) The chief engineer may require an applicant for a permit to appropriate water to adopt and implement conservation plans and practices. Such plans and practices shall be consistent with the guidelines for conservation plans and practices developed and maintained by the Kansas water office pursuant to subsection (c) of K.S.A. 74-2608, and amendments thereto. Prior to approval of an application, the chief engineer, in consultation with the director of the Kansas water office if requested by the applicant, shall determine whether such plans and practices are consistent with the guidelines adopted by the Kansas water office.

Sec. 4. K.S.A. 82a-927 is hereby amended to read as follows: 82a-927. The long-range goals and objectives of the state of Kansas for management, conservation and development of the waters of the state, are hereby declared to be:

{1} (a) The development, to meet the anticipated future needs of the people of the state, of sufficient supplies of water for beneficial purposes;

{2} (b) the reduction of damaging floods and of losses resulting from floods;

{3} (c) the protection and the improvement of the quality of the water supplies of the state;

{4} (d) the sound management, both public and private, of the atmospheric, surface, and groundwater supplies of the state;

{5} (e) the prevention of the waste of the water supplies of the state;

{6} (f) the prevention of the pollution of the water supplies of the state;

{7} (g) the efficient, economic distribution of the water supplies of the state; and

{8} (h) the sound coordination of the development of the

water resources of the state with the development of the other resources of the state; and

(i) the conservation of the water resources of the state in a technologically and economically feasible manner.

Sec. 5. K.S.A. 82a-1311a is hereby amended to read as follows: 82a-1311a. (a) The date of receipt of each application submitted pursuant to K.S.A. 82a-1310a, and amendments thereto, shall be stamped thereon and authenticated as directed by the director. Applicants shall notify the director in writing that they wish to commence negotiations for a contract to withdraw and use water. Within 10 days after the completion of negotiations for a contract to withdraw and use water, the director shall transmit to the chairperson of the authority a copy of the proposed contract.

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

(1) The present and future water supply needs of the applicant;

(2) any current beneficial uses being made of the noncontracted water proposed to be diverted;

(3) any reasonably foreseeable future beneficial uses of the water;

(4) the economic, environmental, public health and welfare and other benefits or adverse impact of approving the contract;

(5) alternative sources of water available to the applicant;

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

(7) whether the proposed purchase is consistent with the

state water plan approved by the legislature;

(8) the date of receipt of the application to contract for withdrawal and use of water; and

(9) minimum streamflow requirements.

(c) The authority may require an applicant for a contract for the sale of water from the state's conservation water supply capacity to adopt and implement conservation plans and practices. Such plans and practices shall be consistent with the guidelines for conservation plans and practices developed and maintained by the Kansas water office pursuant to subsection (c) of K.S.A. 74-2608, and amendments thereto. Prior to approval of an application, the director of the Kansas water office, in consultation with the chief engineer, shall determine whether such plans and practices are consistent with the guidelines adopted by the Kansas water office.

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

Sec. 6. K.S.A. 82a-1503 is hereby amended to read as follows: 82a-1503. (a) Any person desiring to make a water transfer shall file, with the chief engineer, an application in the form required by rules and regulations adopted by the chief engineer. If the application is found to be insufficient to enable the panel to determine the source, nature and amount of the proposed transfer, it shall be returned for correction or completion or for any other necessary information. This act shall not be construed as to exempt the applicant from complying with the provisions of the Kansas water appropriation act or the state water plan storage act, whichever is applicable.

(b) No water transfer shall be approved unless the applicant has adopted and implemented conservation plans and practices. Such plans and practices shall be consistent with the

guidelines for conservation plans and practices developed and maintained by the Kansas water office pursuant to subsection (c) of K.S.A. 74-2608, and amendments thereto. Prior to approval of an application for a water transfer, the panel shall determine whether such plans and practices are consistent with the guidelines adopted by the Kansas water office.

{b} (c) Within 60 days of receipt of a sufficient application for a water transfer pursuant to this act, the chief engineer shall convene and conduct a hearing thereon. At such hearing, the panel shall consider the application and shall take testimony, hear oral arguments and accept all other evidence offered to determine whether to approve the proposed water transfer.

If it is determined to be in the best interest of the state, the chief engineer may convene and conduct such a hearing within 60 days of receipt of (1) an application to appropriate water pursuant to the Kansas water appropriation act or (2) a proposed contract for the sale of water from the state's conservation storage water supply capacity even though such diversion and transportation of water is not a water transfer as defined by K.S.A. 82a-1501, and amendments thereto.

{e} (d) The panel shall consist of the chief engineer, the director and the secretary or the director of the division of environment of the department of health and environment if designated by the secretary. The chief engineer shall serve as the chairperson of the panel. All actions of the panel shall be taken by a majority of the members thereof. The panel shall have all powers necessary to conduct the hearings, make its findings and ~~effectuate~~ implement the provisions of this act. The hearing shall be conducted in a prudent and timely manner.

{d} (e) To determine whether the benefits to the state for approving the transfer outweigh the benefits to the state for not approving the transfer, the panel shall consider all matters pertaining thereto, including specifically:

(1) Any current beneficial use being made of the water

proposed to be diverted, including minimum desirable streamflow requirements;

(2) any reasonably foreseeable future beneficial use of the water;

(3) the economic, environmental, public health and welfare and other impacts of approving or denying the transfer of the water;

(4) alternative sources of water available to the applicant and present or future users for any beneficial use;

(5) the proposed plan of design, construction and operation of any works or facilities used in conjunction with carrying the water from the point of diversion. The plan shall be in sufficient detail to enable all parties to understand the impacts of the proposed water transfer; and

~~(6) --conservation-practice-implementation-plans-for-the--use of--water--currently-available-to-and-being-used-by-the-applicant and-for-the-use-of-the-water-proposed-to-be-transferred,--and~~

~~(7)~~ (6) conservation plans and practices or the need for such plans and practices of persons protesting or potentially affected by the proposed transfer. Such plans and practices shall be consistent with the guidelines for conservation plans and practices developed and maintained by the Kansas water office pursuant to subsection (c) of K.S.A. 74-2608, and amendments thereto.

~~(e)~~ (f) Any person shall be permitted to appear and testify at any such hearing upon the terms and conditions determined by the chief engineer.

~~(f)~~ (g) Notice of any such hearing shall be published in the Kansas register. Such notice shall be published at least 15 days prior to the date of the hearing.

~~(g)~~ (h) The record of the hearing and findings of fact shall be public records and open for inspection at the office of the chief engineer. The panel shall assess to the applicant all costs of obtaining a court reporter for the hearing and transcribing the transcript of the hearing. Certified

transcripts of the hearing shall be provided at the expense of those requesting same. A transcript shall be provided to the chairperson of the authority.

New Sec. 7. Each member of a water assurance district shall adopt conservation plans and practices for such member. Such plans and practices shall be consistent with the guidelines for conservation plans and practices developed and maintained by the Kansas water office pursuant to K.S.A. 74-2608, and amendments thereto. Prior to entering into a contract with an assurance district, the director of the Kansas water office, in consultation with the chief engineer, shall determine whether such plans and practices are consistent with the guidelines for conservation plans and practices adopted by the Kansas water office.

Sec. 8. K.S.A. 74-2608, 74-2622, 82a-711, 82a-927, 82a-1311a and 82a-1503 are hereby repealed.

Sec. 9. This act shall take effect and be in force from and after its publication in the statute book.

Draft Amendments to HB 2721

Prepared by

the Kansas Water Office

to

House Committee on Energy and Natural Resources

March 1986

Attachment 2

House Energy and Natural Resources 3/5/86

78 act.

0379 (b) That portion of all moneys received by the state treasurer  
0380 pursuant to K.S.A. 82a-1315a which is not attributable to (1) the  
0381 annual repayment on water storage costs in federal reservoirs as  
0382 computed under subsection (a)(1) of K.S.A. 82a-1308a; (2) the  
0383 operation, maintenance and repair costs associated with the  
0384 state's conservation water supply capacity; and (3) the costs in  
0385 *administering and enforcing the provisions of this act, shall be*  
0386 *deposited in the state treasury to the credit of the state conser-*  
0387 *vation storage water supply fund which is hereby established.*  
0388 *The director shall provide the treasurer with an accounting of*  
0389 *each such remittance; the total remittances and shall deposit*  
0390 *money only to the credit of the state conservation storage water*  
0391 *supply fund after the full amount of the costs attributable to the*  
0392 *state general fund from the preceding calendar year have been*  
0393 *repaid. For purposes of calculating the rate in K.S.A. 82a-1308a,*  
0394 *and amendments thereto, effective beginning calendar year*  
0395 *1986, all monies received pursuant to this act since 1975 shall be*  
0396 *credited for repayment of the components in the following*  
0397 *order: K.S.A. 82a-1308a (1), (4), (3), (2), (5).*  
0398 (c) *The state conservation storage water supply fund shall*  
0399 *serve in part as a savings fund to further the purpose of this act*  
0400 *and the fund shall retain all interest earned thereon. The direc-*  
0401 *tor may accept or receive funds from any source for the pur-*  
0402 *poses of this act and shall remit all such monies to the state*  
0403 *treasurer and the state treasurer shall deposit same in the state*  
0404 *treasury to the credit of the state conservation storage water*  
0405 *supply fund.*  
0406 (d) *All expenditures from the state conservation storage*  
0407 *water supply fund shall be made in accordance with appropria-*  
0408 *tion acts upon warrants of the director of accounts and reports*  
0409 *issued pursuant to vouchers approved by the director of the*  
0410 *Kansas water office or by a person or persons designated by the*  
0411 *director and shall be used solely for the purpose of acquisition*  
0412 *or development of conservation storage water supply in im-*  
0413 *poundments deemed necessary to implement the state water*  
0414 *plan, including expenditures related to the issuance of revenue*

Delete

Would amend HB 2721 to continue current practice of depositing interest earned on idle funds in the Development Fund in the State General Fund.



78 act.

0379 (b) That portion of all moneys received by the state treasurer  
 0380 pursuant to K.S.A. 82a-1315a which is ~~not attributable to (1) the~~  
 0381 ~~annual repayment on water storage costs in federal reservoirs as~~  
 0382 ~~computed under subsection (a)(1) of K.S.A. 82a-1308a; (2) the~~  
 0383 ~~operation, maintenance and repair costs associated with the~~  
 0384 ~~state's conservation water supply capacity; and (3) the costs in~~  
 0385 ~~administering and enforcing the provisions of this act, shall be~~  
 0386 deposited in the state treasury to the credit of the state conser-  
 0387 vation storage water supply fund which is hereby established.  
 0388 The director shall provide the treasurer with an accounting of  
 0389 each such remittance; ~~the total remittances, and shall deposit~~  
 0390 ~~money only to the credit of the state conservation storage water~~  
 0391 ~~supply fund after the full amount of the costs attributable to the~~  
 0392 ~~state general fund from the preceding calendar year have been~~  
 0393 ~~repaid. For purposes of calculating the rate in K.S.A. 82a-1308a,~~  
 0394 ~~and amendments thereto, effective beginning calendar year~~  
 0395 ~~1986, all monies received pursuant to this act since 1975 shall be~~  
 0396 ~~credited for repayment of the components in the following~~  
 0397 ~~order: K.S.A. 82a-1308a (1), (4), (3), (2), (5).~~

0398 (c) The state conservation storage water supply fund shall  
 0399 serve in part as a savings fund to further the purpose of this act  
 0400 and the fund shall retain all interest earned thereon. The direc-  
 0401 tor may accept or receive funds from any source for the pur-  
 0402 poses of this act and shall remit all such monies to the state  
 0403 treasurer and the state treasurer shall deposit same in the state  
 0404 treasury to the credit of the state conservation storage water  
 0405 supply fund.

0406 (d) All expenditures from the state conservation storage  
 0407 water supply fund shall be made in accordance with appropria-  
 0408 tion acts upon warrants of the director of accounts and reports  
 0409 issued pursuant to vouchers approved by the director of the  
 0410 Kansas water office or by a person or persons designated by the  
 0411 director and shall be used solely for the purpose of acquisition  
 0412 or development of conservation storage water supply in im-  
 0413 poundments deemed necessary to implement the state water  
 0414 plan, including expenditures related to the issuance of revenue

for the full amount of costs attributable to: (1) an amount computed under subsection (a)(5) of K.S.A. 82a-1308a; (2) an amount on the unused balance of water reserved under contract as computed under subsection (a)(2) and (6) of K.S.A. 82a-1306; and (3) any amount received under K.S.A. 82a-1317,

Rationale  
 Would amend current law to require all receipts which are attributable to the Interest on Advances from the State General Fund component to be deposited in the State General Fund instead of the Development Fund.

78 act-

0379 (b) That portion of all moneys received by the state treasurer  
 0380 pursuant to K.S.A. 82a-1315a which is not attributable to (1) the  
 0381 annual repayment on water storage costs in federal reservoirs as  
 0382 computed under subsection (a)(1) of K.S.A. 82a-1308a; (2) the  
 0383 operation, maintenance and repair costs associated with the  
 0384 state's conservation water supply capacity; and (3) the costs in  
 0385 administering and enforcing the provisions of this act, shall be  
 0386 deposited in the state treasury to the credit of the state conser-  
 0387 vation storage water supply fund which is hereby established.  
 0388 The director shall provide the treasurer with an accounting of  
 0389 each such remittance; ~~the total remittances and shall deposit~~  
 0390 ~~money only to the credit of the state conservation storage water~~  
 0391 ~~supply fund after the full amount of the costs attributable to the~~  
 0392 ~~state general fund from the preceding calendar year have been~~  
 0393 ~~repaid. For purposes of calculating the rate in K.S.A. 82a-1308a,~~  
 0394 ~~and amendments thereto, effective beginning calendar year~~  
 0395 ~~1986, all monies received pursuant to this act since 1975 shall be~~  
 0396 ~~credited for repayment of the components in the following~~  
 0397 ~~order: K.S.A. 82a-1308a (1), (4), (3), (2), (5).~~  
 0398 (c) The state conservation storage water supply fund shall  
 0399 serve in part as a savings fund to further the purpose of this act  
 0400 and the fund shall retain all interest earned thereon. The direc-  
 0401 tor may accept or receive funds from any source for the pur-  
 0402 poses of this act and shall remit all such monies to the state  
 0403 treasurer and the state treasurer shall deposit same in the state  
 0404 treasury to the credit of the state conservation storage water  
 0405 supply fund.  
 0406 (d) All expenditures from the state conservation storage  
 0407 water supply fund shall be made in accordance with appropria-  
 0408 tion acts upon warrants of the director of accounts and reports  
 0409 issued pursuant to vouchers approved by the director of the  
 0410 Kansas water office or by a person or persons designated by the  
 0411 director and shall be used solely for the purpose of acquisition  
 0412 or development of conservation storage water supply in im-  
 0413 poundments deemed necessary to implement the state water  
 0414 plan, including expenditures related to the issuance of revenue

deposited in the State General Fund

except that all monies credited for re-  
payment of component (2) of K.S.A. 82a-  
1308a shall be applied to the repayment  
of the amortized capital costs as pro-  
vided in component (1) of K.S.A. 82a-  
1308.

or the Assurance Program Act

Rationale

Would amend HB 2721  
 to: (1) Begin new  
 method of calculating  
 rate effective  
 beginning FY 1987  
 instead of CY 1986;  
 (2) Would address  
 adverse impact of  
 "capped" contracts  
 in calculating the  
 rate by depositing  
 receipts as provided  
 in HB 2721 and by  
 crediting receipts  
 attributable to  
 interest on advances  
 to the State General  
 Fund component to the  
 repayment of the  
 amortized capital  
 costs instead of  
 crediting the  
 receipts in the  
 Development Fund as  
 provided in HB 2721;  
 (3) Would indicate  
 that Development

(a), the 1983 regular session of the legislature may within 30 days after the effective date of this act disapprove and revoke any contract filed by the Kansas water office after the effective date of this act by adoption of a concurrent resolution so providing. Except as provided in this subsection, the provisions of subsection (a) and the act of which it is a part shall apply to any contract filed under this subsection.

Sec. 6. K.S.A. 82a-1308a is hereby amended to read as follows: 82a-1308a. (a) On July 15 of each year, effective January 1 of the following year, the director, subject to the approval of the authority, shall fix the rate provided for in subsection (a) of K.S.A. 82a-1306, and amendments thereto. The rate fixed shall be equal to the sum of the following components computed as provided in this section:

(1) An amount necessary to repay the amortized capital costs, including interest payable thereon, associated with the state's conservation water supply capacity;

(2) an amount as interest computed at a rate per annum equal to the average rate of interest earned the past fiscal preceding calendar year on repurchase agreements of less than 30 days' duration entered into by the pooled money investment board on the net amount of moneys advanced from the state general fund for payment of the amortized capital costs incurred and associated with the state's conservation water supply capacity ~~less the full amount credited to the state conservation storage water supply fund through the preceding calendar year~~ divided by the greater of: (A) Fifty percent of the total amount of water under each contract from the state's conservation storage water supply capacity in the preceding year; or (B) the total amount of water withdrawn under each contract from the state's conservation storage water supply capacity in the preceding year;

(3) the amount necessary to reimburse the state for the administration and enforcement of this act based on the actual costs of administration and enforcement in the preceding year divided by the greater of: (A) Fifty percent of the total amount of water under each contract from the state's conservation storage water supply capacity in the preceding year; or (B) the total amount of

Additional Information on HB 2721

by

Kansas Water Office

to

House Committee on Energy and Natural Resources

March 1986

Attachment 3

House Energy and Natural Resources 3/5/86

## Contents

	Page
"Financial Life" of Nine Reservoirs:	
Old Repayment Policy.....	1
New Repayment Policy.....	2
System Capacity.....	3
Annual Principal and Interest Payments vs. Receipts for Capital Costs Component:	
Old Repayment Policy.....	4
New Repayment Policy.....	5
Cumulative Principal and Interest Payments vs. Receipts for Capital Costs Component:	
Old Repayment Policy.....	6
New Repayment Policy.....	7
Purchaser Rates, Review Dates and Volume.....	8
Five Price Components.....	9
Comparison of Annual Price Components.....	10
Price Components vs. Rates Charged.....	11
History of Crediting Revenues.....	12
FY 1986 Projected Revenue and Deposits:	
Under Current Law.....	13
Under HB 2721.....	14
Projected Development Fund Balance.....	15
Example of Total Revenue and Expenditures:	
Old Repayment Policy.....	16
New Repayment Policy.....	17
Example of Affect of HB 2721 and New Repayment Policy on Revenue and Crediting of Receipts FY 1987.....	18 & 19

"Financial Life" of Nine Reservoirs  
Old Repayment Policy

Reservoir	1975	1980	1985	1990	1995	2000	2005	2010	2015	2025	2030	2035	2040
Big Hill													
Initial Use		x											
Future Use				x							x		\$ 17 million
Clinton													
Initial Use		x											
Future Use				x							x		\$ 15 million
Council Grove	x												
Initial Use	x												
Future Use										x			\$ 3 million
Frank City	x												
Initial Use													
Future Use		x											\$ 4 million
Initial Use													
Future Use				x							x		\$ 55 million
John Redmond	x												
Initial Use	x												
Future Use										x			\$ 8 million
Marion		x											
Initial Use		x											
Future Use										x			\$ 3 million
Milford		x											
Initial Use		x											
Future Use										x			\$ 23 million
Perry		x											
Initial Use		x											
Future Use											x		\$ 17 million
													\$145 million
													principal and interest

"Financial Life" of Nine Reservoirs  
New Repayment Policy

Reservoir	1975	1980	1985	1990	1995	2000	2005	2010	2015	2025	2030	2035	2040
Big Hill Initial Use		x									x		\$ 6.3 million
Clinton Initial Use		x									x		\$10.1 million
Clinton Future Use (12%)				x								x	
Council Grove	x									x			\$ 3 million
Elk City	x									x			\$ 4 million
Hillsdale Initial Use		x										x	\$ 8.1 million
John Redmond	x									x			\$ 8 million
Marion		x								x			\$ 3 million
Milford		x		x									\$ 4.8 million
Perry		x		x									\$ 2.7 million

\$50 million  
principal and interest

System Capacity

Reservoir	2% Chance Yield of Water Supply Storage MGD	Portion for Which State is Now Committed MGD	Portion Currently Under Contract with Purchasers MGD
John Redmond	26.5	26.5	26.5
Council Grove	5.6	5.6	3.3
Elk City	16.4	16.4	5.2
Milford	128.6	20.	20
Marion	5.7	5.7	1.7
Perry	79.5	8.9	0
Clinton	18.8	11.4	13
Big Hill	7.1	2.5	1.5
Hillsdale	<u>17.4</u>	<u>2.5</u>	<u>1.</u>
	305.6	99.5	72.2



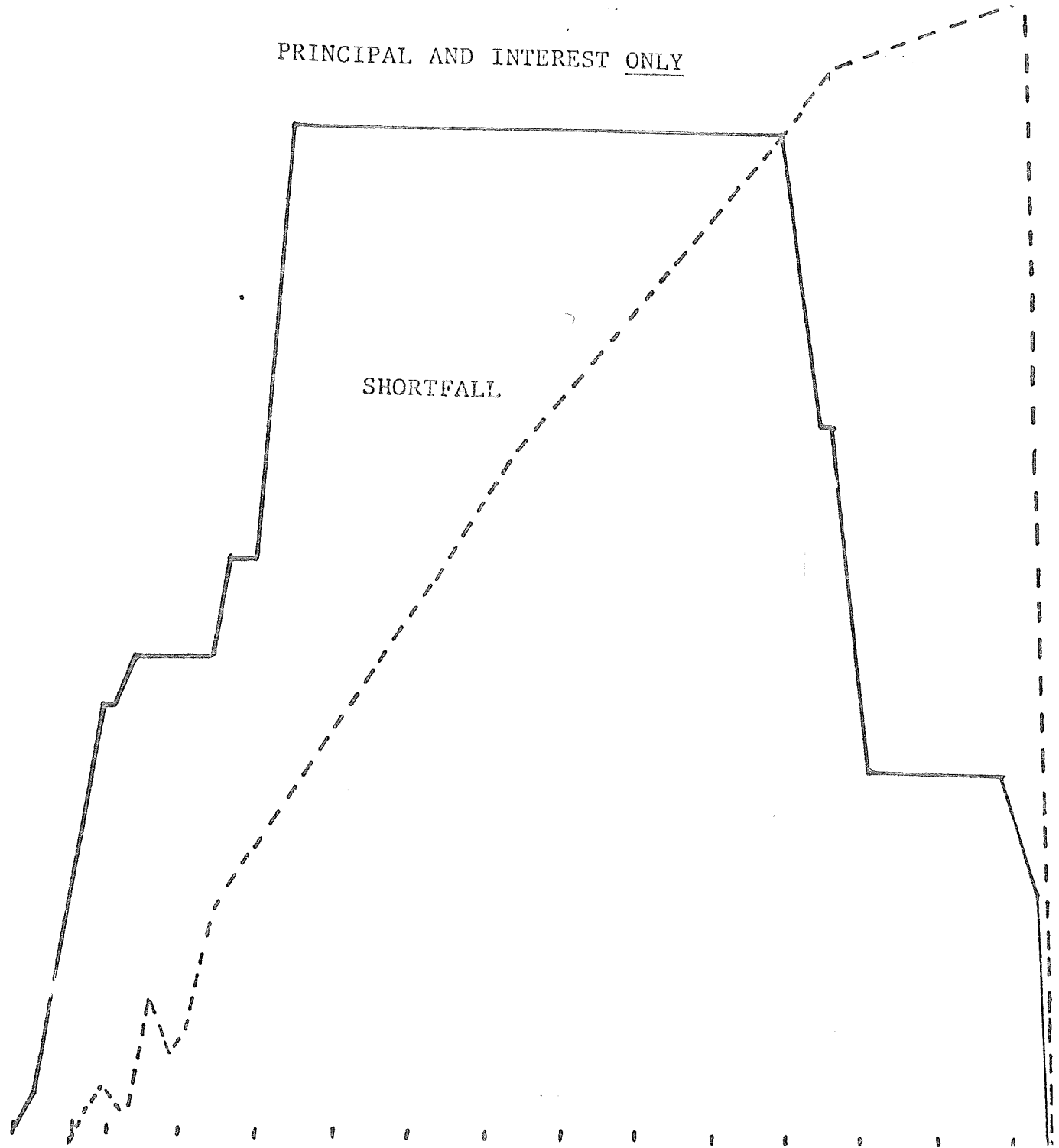
PRINCIPAL AND INTEREST ONLY

3M -  
2.8M -  
2.6M -  
2.4M -  
2.2M -  
2M -  
1.8M -  
1.6M -  
1.4M -  
1.2M -  
1M -  
8M -  
6M -  
4M -  
2M -  
0

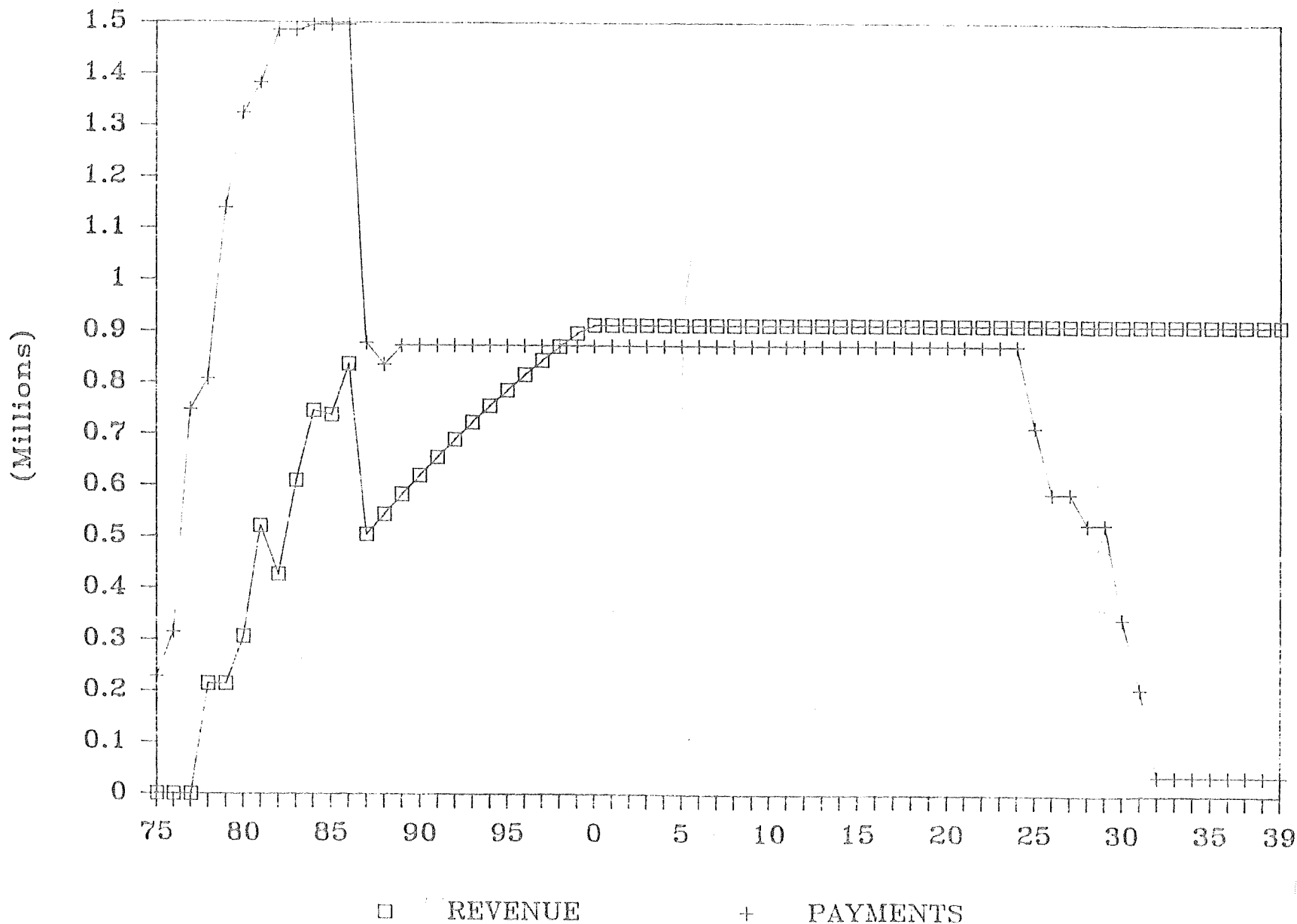
SHORTFALL

— = annual payment  
- - - = annual revenue

Old Repayment Policy



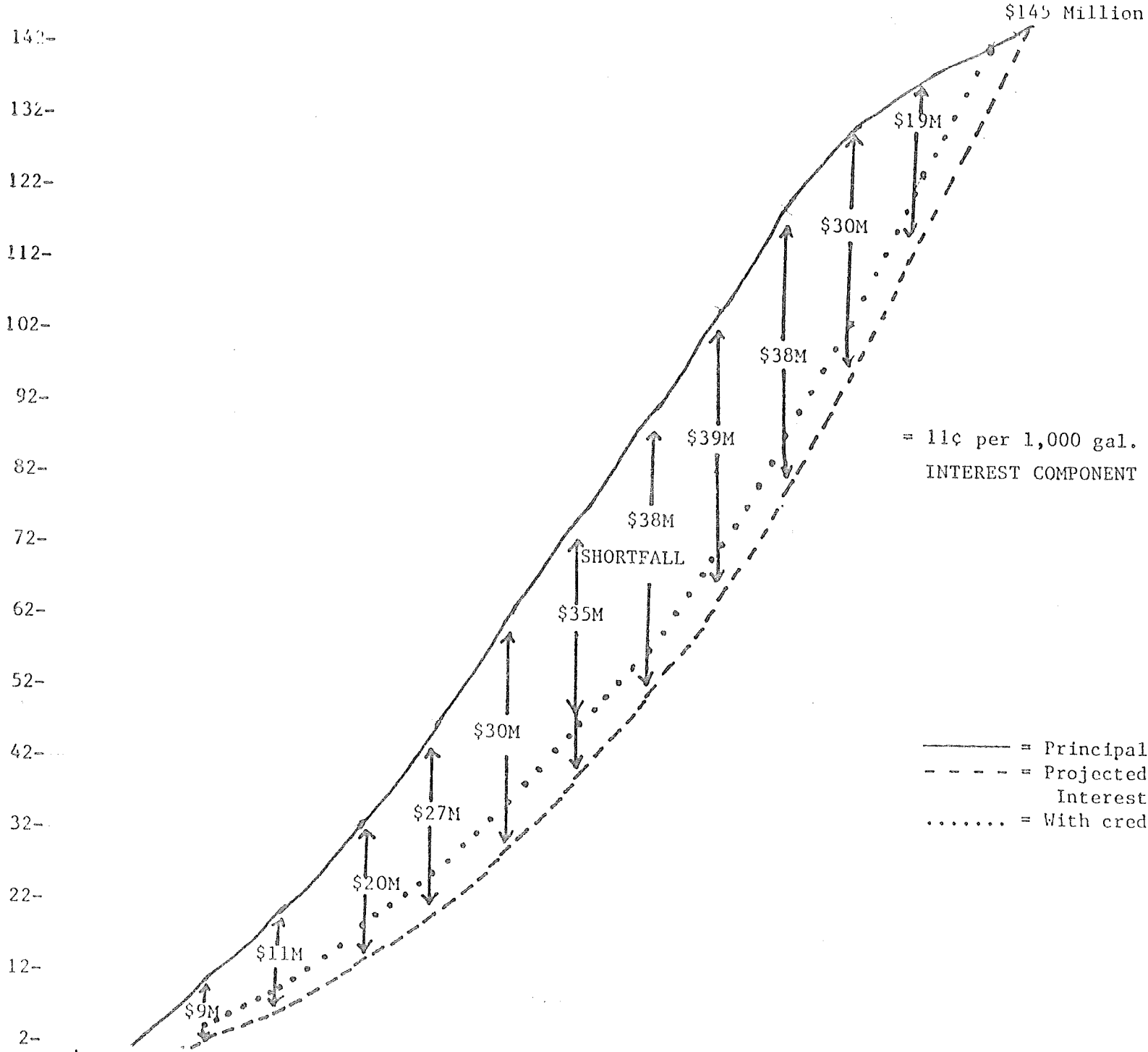
# ANNUAL P&I PMTS VS. P&I REV



5

New Repayment Policy

(in Millions)

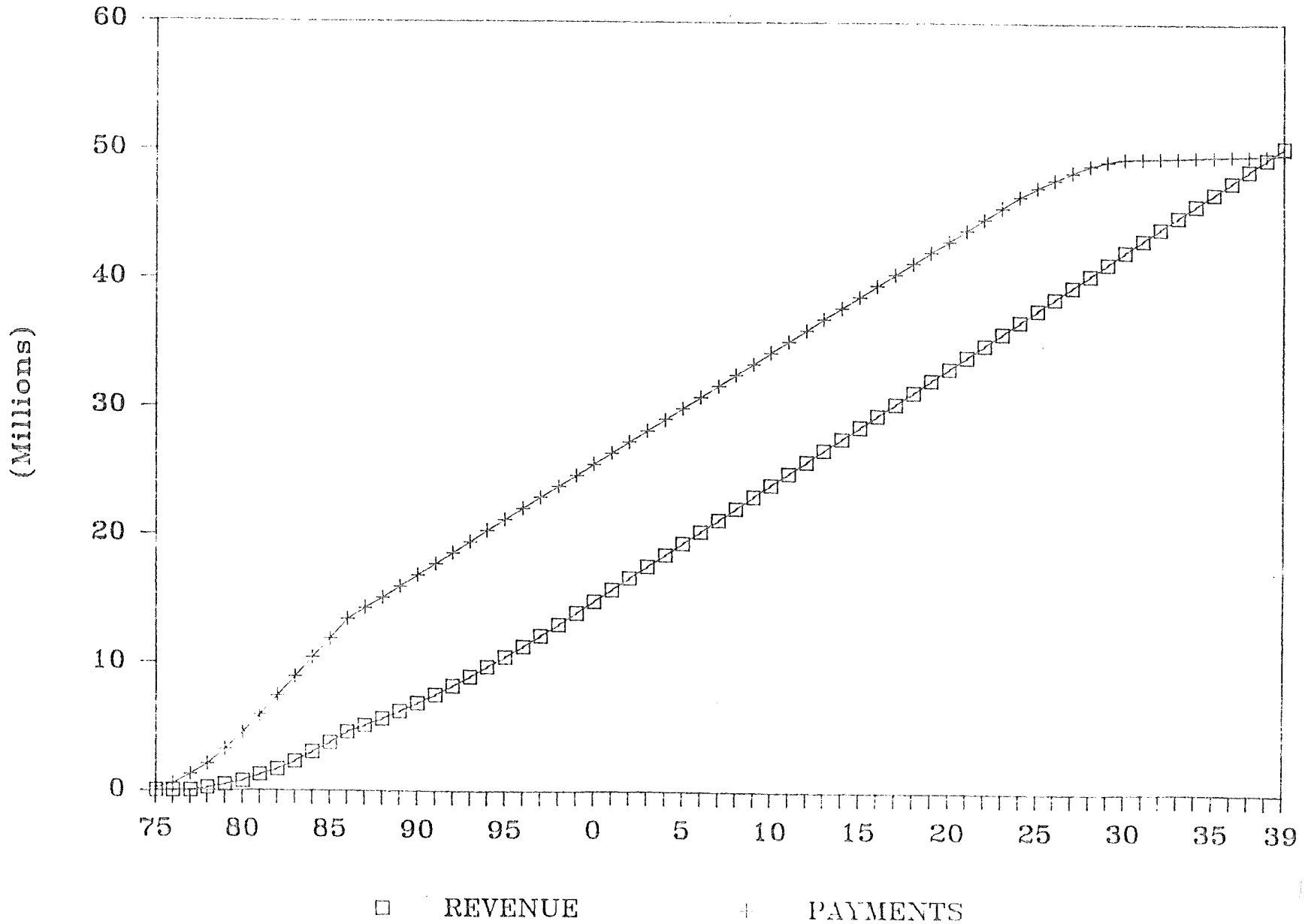


= 11¢ per 1,000 gal. (assumes 8% interest)  
INTEREST COMPONENT OF PRICE

- = Principal and Interest payment
- - - = Projected Principal and Interest revenue
- ..... = With credit for Development Fund

Old Repayment Policy

# CUM P&I REV VS. CUM P&I PMTS



New Repayment Policy

Purchaser	Current Rate	Next Price Review	Frequency	Volume Under Contract MGY
KS Gas & Electric	10¢	Sept. 1995	(10 yrs)	9,672
Lawrence	6.626¢	Nov. 1987	(5 yrs)	3,650
Baldwin	6.626¢	Nov. 1987	(5 yrs)	340
Dg. Co. RWD #1	6.626¢	Nov. 1987	(5 yrs)	50
Dg. Co. RWD #2	16.36¢	each year	each year	50
Dg. Co. RWD #3	7.402¢	Nov. 1989	(10 yrs)	720
Dg. Co. RWD #4	6.626¢	Nov. 1987	(5 yrs)	72
Dg. Co. RWD #5	6.626¢	Nov. 1987	(5 yrs)	48
Dg. Co. RWD #6	7.402¢	Nov. 1989	(10 yrs)	25
Hillsboro	7.402¢	May 1990	(10 yrs)	300
KP & L	7.402¢	Nov. 1990	(10 yrs)	7,300
Miami Co. RWD #2	7.402¢	Sep. 1986	(5 yrs)	239
Emporia	7.402¢	Sep. 1986	(5 yrs)	1,095
Iola	7.402¢	Nov. 1986	(5 yrs)	110
Marion	7.402¢	Nov. 1986	(5 yrs)	238
Coffeyville	7.402¢	Nov. 1986	(5 yrs)	1,900
PWWSO #5	7.402¢	Nov. 1986	(5 yrs)	87
Johnson Co. RWD #7	16.36¢	each year	each year	110
PWWSO #4	16.36¢	each year	each year	548
Spring Hill	16.36¢	each year	each year	20
White Mem. Camp	16.36¢	each year	each year	2

Percent of volume sold

10¢ = 36%  
7.402¢ = 46%  
6.626¢ = 15%  
16.36¢ = 3%

Five Components of the Price:

1. An amount necessary to repay amortized capital costs associated with the state's conservation water supply capacity;
2. An amount as interest on the net amount of monies advanced from the State General Fund for payment of the amortized capital costs;
3. The amount necessary to reimburse the state for administration and enforcement of the program;
4. An amount necessary to repay the operation, maintenance and repair of costs associated with the state's conservation water supply capacity;
5. An amount equal to \$.025 as a depreciation reserve cost.

Comparison of Annual Price Components

	1984	1985	1986	*1986	1987 est.
Capital Cost	2.70	2.73	4.38	4.436	2.47
Operation and Maintenance	1.35	2.03	2.45	1.885	2.05
Interest on Shortfall	4.87	4.78	6.28	4.90	4.20
Administration and Enforcement	.35	.51	.75	.575	.58
Development Fund	2.50	2.50	2.50	2.50	2.50
	<u>11.77¢</u>	<u>12.55¢</u>	<u>16.36¢</u>	<u>14.296¢</u>	<u>11.8¢</u>

\*With proposed changes.

	1984 (1 Contract)	15% (5 Contracts)	46% (10 Contracts)	30% (5 Contracts)	
1984 Components	6.435	6.626	7.402	11.77	
1. O&M bal.	<u>-1.35</u> 5.085	<u>-1.35</u> 5.276	<u>-1.35</u> 6.052	<u>-1.35</u> 10.42	
2. Capital Costs bal.	<u>-2.70</u> 2.385	<u>-2.70</u> 2.576	<u>-2.70</u> 3.352	<u>-2.70</u> 7.72	1984
3. Admin. & Enf. bal.	<u>-.35</u> 2.035	<u>-.35</u> 2.226	<u>-.35</u> 3.002	<u>-.35</u> 7.37	
*4. Balance to Dev. Fund	2.035 =====	2.226 =====	3.002 =====	7.37 =====	
1985 Components	(1 Contract) 6.435	(5 Contracts) 6.626	(10 Contracts) 7.402	(5 Contracts) 12.55	
1. O&M bal.	<u>-2.03</u> 4.405	<u>-2.03</u> 4.596	<u>-2.03</u> 5.372	<u>-2.03</u> 10.52	
2. Capital Costs bal.	<u>-2.73</u> 1.675	<u>-2.73</u> 1.866	<u>-2.73</u> 2.642	<u>-2.73</u> 7.79	1985
3. Admin. & Enf. bal.	<u>-.51</u> 1.165	<u>-.51</u> 1.356	<u>-.51</u> 2.132	<u>-.51</u> 7.28	
*4. Balance to Dev. Fund	1.165 =====	1.356 =====	2.132 =====	7.28 =====	
1986 Components	(1 Contract) 10.00	(5 Contract) 6.626	(10 Contracts) 7.402	(5 Contracts) 16.36	
1. O&M bal.	<u>-2.45</u> 7.55	<u>-2.45</u> 4.176	<u>-2.45</u> 4.952	<u>-2.45</u> 13.91	
2. Capital Costs bal.	<u>-4.38</u> 3.17	<u>-4.38</u> 0 (-2.04)	<u>-4.38</u> .572	<u>-4.38</u> 9.53	1986
3. Admin. & Enf. bal.	<u>-.75</u> 2.42	<u>-.75</u> 0	<u>-.75</u> 0 (-.178)	<u>-.75</u> 8.78	
*4. Balance to Dev. Fund	2.42 =====	0 =====	0 =====	8.78 =====	

On last 5 contracts this includes the component for interest on shortfalls, as well as 2.5¢ for the Development Fund.



HISTORY OF CREDITING REVENUES  
(USED TO CALCULATE PRICE SINCE 1983)

A	B	C	D	E	F	G	H
		Total Revenue	Cap. Cost (2)	Opr. & Maint. (1)	Adm. & Enf. (3)	Tot. Gen. Fund Dep.	Dev. Fund (4)
Fiscal Yr.							
1976		\$360.00	\$0.00	\$332.03	\$27.97	\$360.00	\$0.00
1977		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1978		\$311,200.00	\$98,311.00	\$188,709.00	\$24,180.00	\$311,200.00	\$0.00
1979		\$311,200.00	\$210,037.00	\$76,983.00	\$24,180.00	\$311,200.00	\$0.00
1980		\$449,020.80	\$323,641.13	\$90,799.67	\$34,580.00	\$449,020.80	\$0.00
1981		\$449,946.05	\$260,027.95	\$155,275.60	\$34,642.50	\$449,946.05	\$0.00
1982		\$798,896.25	\$546,239.08	\$191,284.67	\$61,372.50	\$798,896.25	\$0.00
1983		\$898,782.62	\$653,489.49	\$178,612.00	\$66,327.13	\$898,428.62	\$354.00
1984		\$1,094,104.45	\$417,547.13	\$220,031.77	\$66,337.73	\$703,916.63	\$390,187.82
1985		\$1,195,223.39	\$461,460.16	\$316,031.84	\$79,843.75	\$857,335.75	\$337,887.64
1986		\$1,441,180.03	\$600,217.91	\$341,024.12	\$81,091.34	\$1,022,333.37	\$418,846.66
		\$6,949,913.59	\$3,570,970.85	\$1,759,083.70	\$472,582.92	\$5,802,637.47	\$1,147,276.12

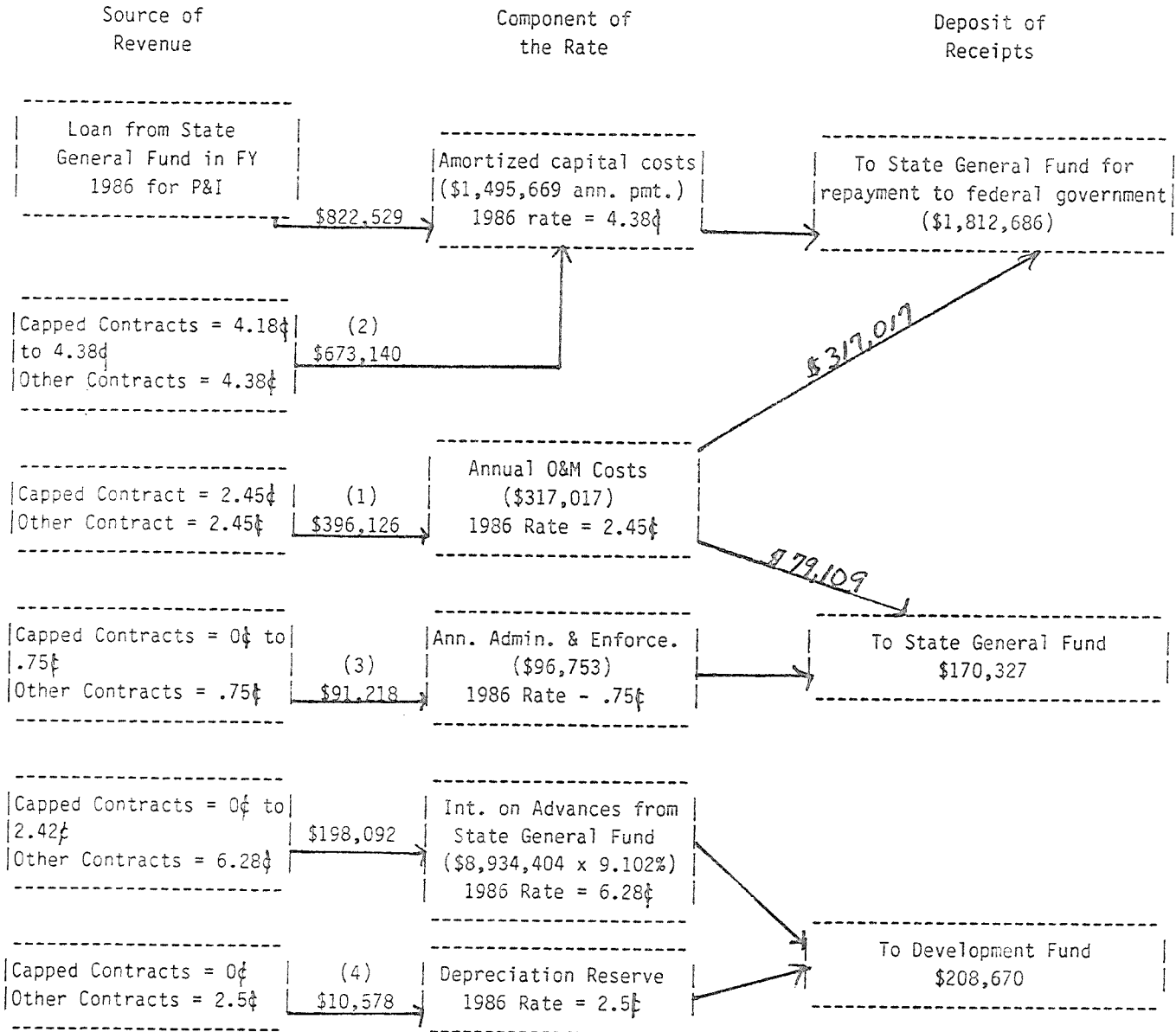
\*Based on 16.36 cents/1,000 gal.

PROPOSED FOR USE IN CALCULATING PRICE

A	B	C	D	E	F	G	H
Cal. Year		Total Revenue	Cap. Cost (1)	Opr. & Maint. (2)	Adm. & Enf. (3)	Tot. Gen. Fund Dep.	Dev. Fund (4)
1976		\$360.00	\$248.15	\$0.00	\$27.97	\$276.12	\$83.88
1977		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1978		\$311,200.00	\$214,524.96	\$54,776.00	\$24,180.00	\$293,480.96	\$17,719.04
1979		\$311,200.00	\$214,524.96	\$79,163.00	\$17,512.04	\$311,200.00	\$0.00
1980		\$449,020.80	\$306,793.76	\$76,983.00	\$34,580.00	\$418,356.76	\$30,664.04
1981		\$761,146.05	\$521,877.66	\$90,799.67	\$58,823.00	\$671,500.33	\$89,645.72
1982		\$628,609.62	\$427,094.84	\$155,275.60	\$46,239.18	\$628,609.62	\$0.00
1983		\$956,686.52	\$609,334.19	\$191,284.67	\$68,680.59	\$869,299.45	\$87,387.07
1984		\$1,182,001.03	\$746,091.28	\$178,612.00	\$47,129.45	\$971,832.73	\$210,168.30
1985		\$1,177,177.55	\$737,690.83	\$311,678.00	\$77,672.57	\$1,127,041.40	\$50,136.15
SUBTOTAL			\$3,778,180.63	\$1,138,571.94	\$374,844.80	\$5,291,597.37	\$485,804.20
1986		\$1,369,656.33	\$746,091.28	\$317,016.57	\$96,753.22	\$1,159,861.07	\$209,795.26
		\$7,147,057.90	\$4,524,271.91	\$1,455,588.51	\$471,598.02	\$6,451,458.44	\$695,599.46

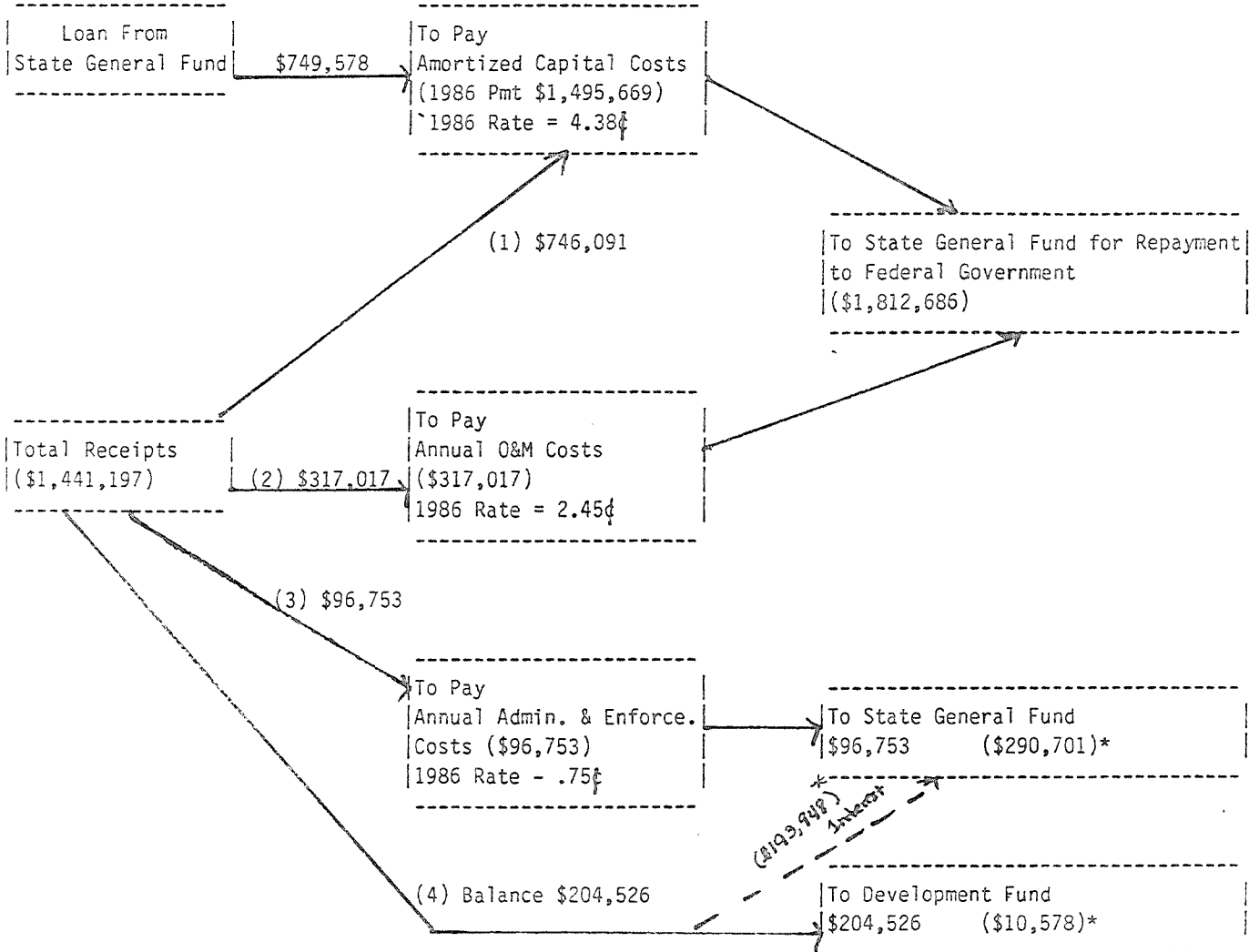
FY 1986 Projected Revenue and Deposits  
Current Law

Rate = 16.36¢  
Capped Rates = 6.626¢, 7.402¢, 10¢



FY 1986 Projected Revenue and Deposits  
HB 2721

Rate = 14.296¢  
Capped Rates = 6.626¢, 7.402¢, 10¢



\*HB 2721 amendments.

Development Fund

	<u>Current Law</u>	<u>HB 2721</u>
Balance as of July 1, 1985	\$ 728,429	\$728,429
FY 86 Receipts:		
Interest on State General Fund Component	408,270	163,994
Depreciation Reserve	9,000	9,000
Surcharge	1,577	1,577
Subtotal - FY 86 Receipts	<u>418,847</u>	<u>174,571</u>
	=====	=====
Balance as of July 1, 1986	\$1,147,276	\$903,000

Example of Total Expenditures and Revenues  
over life of program (1975-2041).  
Includes projected contracts and total storage.

Component	Total Expenditures	Total Receipts <sup>1</sup>				Proposed	
		Current Law		HB 2721		Amend. to 2721	
		SGF	Dev. Fund	SGF	Dev. Fund	SGF	Dev. Fund
1. Capital Costs	\$233,342,899	\$219,656,731	\$ ---	\$233,342,899	\$ ---	\$233,342,899	\$ ---
2. Interest on Advances from General Fund	---	---	36,609,555	---	18,821,358	18,821,358	---
3. Administration and Enforcement	16,175,000	14,318,829	---	16,175,000	---	16,175,000	---
4. Operation and Maintenance	189,232,093	189,232,093	---	189,232,093	---	189,232,093	---
5. Depreciation Reserve	---	---	44,304,425	---	44,304,425	---	44,304,425
Subtotal	\$438,749,992	\$423,207,653	\$80,913,980	\$438,749,992	\$63,125,783	\$457,571,350	\$44,304,425
Total	\$438,749,992	\$504,121,633		\$501,875,775		\$501,875,775	

(1) Loss due to "capped contracts (\$26,994,806) has been deducted.

Example of Total Expenditures and Revenues  
over life of program (1985-2038). Only  
includes current storage and current contracts.

Component	Total Expenditures	Total Receipts				Proposed	
		Current Law		HB 2721		Amend. to 2721	
		SGF	Dev. Fund	SGF	Dev. Fund	SGF	Dev. Fund
1. Capital Costs	\$ 38,401,051	\$ 25,594,972	\$ ---	\$ 38,401,051	\$ ---	\$ 38,401,051	\$ ---
2. Interest on Advances from General Fund	---	---	26,868,930	---	4,944,441	4,944,441	---
3. Administration and Enforcement	12,252,500	5,385,367	---	12,252,500	---	12,252,500	---
4. Operation and Maintenance	78,163,459	78,163,459	---	78,163,459	---	78,163,459	---
5. Depreciation Reserve	---	---	<u>1,128,175</u>	---	<u>1,128,175</u>	---	<u>1,128,175</u>
Subtotal	\$128,817,010	\$109,143,798	\$27,997,105	\$128,817,010	\$6,072,616	\$133,761,451	\$1,128,175
Total	\$128,817,010	\$137,140,903		\$134,889,626		\$134,889,626	

(1) Loss due to "capped" contracts (\$26,994,806) has been deducted.

CURRENT LAW -- NEW REPAYMENT POLICY -- 1987 RATE = 12.28 CENTS

Purchaser Name	Min. Qty. in 1,000 gal.	1987 Rate Current Law	Base Charge Rate X Min. Qty.	Surcharge Current Law	TOTAL REVENUE	Capital	O & M	Admin. & Enf.	Interest	DEV. FUND			
						Costs	Costs	Costs	on GF	Depr. Reserve & Surcharge			
						0.0263	0.0205	0.0058	0.0452	(Balance)			
KG&E	4,836,000	\$0.10000	\$483,600.00	\$0.00	\$483,600.00	\$127,186.80	\$99,138.00	\$28,048.80	\$218,587.20	\$10,639.20			
City of Lawrence	1,825,000	\$0.06626	\$120,924.50	\$0.00	\$120,924.50	\$47,997.50	\$37,412.50	\$10,585.00	\$24,929.50	\$0.00			
DG Co RWD #5	24,000	\$0.06626	\$1,590.24	\$0.00	\$1,590.24	\$631.20	\$492.00	\$139.20	\$327.84	\$0.00			
Baldwin City	170,000	\$0.06626	\$11,264.20	\$0.00	\$11,264.20	\$4,471.00	\$3,485.00	\$986.00	\$2,322.20	\$0.00			
DG Co RWD #1	25,000	\$0.06626	\$1,656.50	\$0.00	\$1,656.50	\$657.50	\$512.50	\$145.00	\$341.50	\$0.00			
DG Co RWD #4	36,000	\$0.06626	\$2,385.36	\$0.00	\$2,385.36	\$946.80	\$738.00	\$208.80	\$491.76	\$0.00			
DG Co RWD #3	360,000	\$0.07402	\$26,647.20	\$0.00	\$26,647.20	\$9,468.00	\$7,380.00	\$2,088.00	\$7,711.20	\$0.00			
DG Co RWD #6	12,500	\$0.07402	\$925.25	\$0.00	\$925.25	\$328.75	\$256.25	\$72.50	\$267.75	\$0.00			
Hillsboro	150,000	\$0.07402	\$11,103.00	\$0.00	\$11,103.00	\$3,945.00	\$3,075.00	\$870.00	\$3,213.00	\$0.00			
KP&L	3,650,000	\$0.07402	\$270,173.00	\$0.00	\$270,173.00	\$95,995.00	\$74,825.00	\$21,170.00	\$78,183.00	\$0.00			
MI Co RWD #2	119,720	\$0.10000	\$11,972.00	\$0.00	\$11,972.00	\$3,148.64	\$2,454.26	\$694.38	\$5,411.34	\$263.38			
Emporia	547,500	\$0.10000	\$54,750.00	\$0.00	\$54,750.00	\$14,399.25	\$11,223.75	\$3,175.50	\$24,747.00	\$1,204.50			
Iola	55,000	\$0.10000	\$5,500.00	\$0.00	\$5,500.00	\$1,446.50	\$1,127.50	\$319.00	\$2,486.00	\$121.00			
Marion	118,750	\$0.10000	\$11,875.00	\$0.00	\$11,875.00	\$3,123.13	\$2,434.38	\$688.75	\$5,367.50	\$261.25			
Coffeyville	950,000	\$0.10000	\$95,000.00	\$0.00	\$95,000.00	\$24,985.00	\$19,475.00	\$5,510.00	\$42,940.00	\$2,090.00			
PWWSO #5	43,500	\$0.10000	\$4,350.00	\$1,742.99	\$6,092.99	\$1,144.05	\$891.75	\$252.30	\$1,966.20	\$1,838.69			
JD Co RWD #7	55,000	\$0.12280	\$6,754.00	\$8,675.32	\$15,429.32	\$1,446.50	\$1,127.50	\$319.00	\$2,486.00	\$10,050.32			
PWWSO #4	273,750	\$0.12280	\$33,616.50	\$792.27	\$34,408.77	\$7,199.63	\$5,611.88	\$1,587.75	\$12,373.50	\$7,636.02			
DG Co RWD #2	25,000	\$0.12280	\$3,070.00	\$792.27	\$3,862.27	\$657.50	\$512.50	\$145.00	\$1,130.00	\$1,417.27			
Spring Hill	10,000	\$0.12280	\$1,228.00	\$316.91	\$1,544.91	\$263.00	\$205.00	\$58.00	\$452.00	\$566.91			
UCC	750	\$0.12280	\$92.10	\$23.77	\$115.87	\$19.73	\$15.38	\$4.35	\$33.90	\$42.52			
					13,287,470	\$1,158,476.85	\$12,343.53	\$1,170,820.38	\$349,460.46	\$272,393.14	\$77,067.33	\$435,768.39	\$36,131.06

HB 2721 --NEW REPAYMENT POLICY -- 1987 RATE = 11.8 CENTS

Purchaser Name	Min. Qty. in 1,000 gal.	1987 Rate HB 2721	Base Charge Rate X Min. Qty.	Surcharge HB 2721	TOTAL REVENUE
KG&E	4,836,000	\$0.10000	\$483,600.00	\$0.00	\$483,600.00
City of Lawrence	1,825,000	\$0.06626	\$120,924.50	\$0.00	\$120,924.50
DG Co RWD #5	24,000	\$0.06626	\$1,590.24	\$0.00	\$1,590.24
Baldwin City	170,000	\$0.06626	\$11,264.20	\$0.00	\$11,264.20
DG Co RWD #1	25,000	\$0.06626	\$1,656.50	\$0.00	\$1,656.50
DG Co RWD #4	36,000	\$0.06626	\$2,385.36	\$0.00	\$2,385.36
DG Co RWD #3	360,000	\$0.07402	\$26,647.20	\$0.00	\$26,647.20
DG Co RWD #6	12,500	\$0.07402	\$925.25	\$0.00	\$925.25
Hillsboro	150,000	\$0.07402	\$11,103.00	\$0.00	\$11,103.00
KP&L	3,650,000	\$0.07402	\$270,173.00	\$0.00	\$270,173.00
MI Co RWD #2	119,720	\$0.10000	\$11,972.00	\$0.00	\$11,972.00
Emporia	547,500	\$0.10000	\$54,750.00	\$0.00	\$54,750.00
Iola	55,000	\$0.10000	\$5,500.00	\$0.00	\$5,500.00
Marion	118,750	\$0.10000	\$11,875.00	\$0.00	\$11,875.00
Coffeyville	950,000	\$0.10000	\$95,000.00	\$0.00	\$95,000.00
PNWSD #5	43,500	\$0.10000	\$4,350.00	\$82.12	\$4,432.12
JO Co RWD #7	55,000	\$0.11800	\$6,490.00	\$103.83	\$6,593.83
PNWSD #4	273,750	\$0.11800	\$32,302.50	\$516.79	\$32,819.29
DG Co RWD #2	25,000	\$0.11800	\$2,950.00	\$47.20	\$2,997.20
Spring Hill	10,000	\$0.11800	\$1,180.00	\$18.88	\$1,198.88
UCC	750	\$0.11800	\$88.50	\$1.42	\$89.92
<hr/>					
	13,287,470		\$1,156,727.25	\$770.23	\$1,157,497.48

RATE COMPONENTS:

1 Capital costs	\$0.0247
2 Oper. & maint	\$0.0205
3 Admin. & Enf.	\$0.0058
4 Int. on GF	\$0.0420
5 Depreciation	\$0.0250
<hr/>	
	\$0.1180

(1) Capital Costs	\$410,752.11
(2) O & M	\$340,625.42
(3) Admin. & Enf.	\$96,753.22
<hr/>	
(4) Dev. Fund (balance including interest on GF advances & surcharge)	\$309,366.73