

Approved 1-28-86  
Date

MINUTES OF THE SENATE COMMITTEE ON ENERGY & NATURAL RESOURCES

The meeting was called to order by Senator Merrill Werts at  
Chairperson

8:00 a.m./p.m. on January 23, 1986 in room 123-S of the Capitol.

All members were present except:

Senator Eric Yost - Excused

Committee staff present:

Ramon Powers - Research  
Don Hayward - Revisor  
Nancy Jones - Secretary

Conferees appearing before the committee:

Joe Harkins, Director of Kansas Water Office

The meeting was called to order by Chairman Werts who introduced Joe Harkins to review the Water Plan with changes, additions and development of the Water Assurance Program. (Attachment A).

Mr Harkins stated water related agencies have submitted appropriation requests to the Governor, with seven major components included in his investment budget. The Water Assurance Program is designed to acquire control of reservoirs of the river systems and manage all reservoirs as a single system to maximize availability of water during period of low flow, which will make water supply more reliable for users. The users pay a pro rata share of costs of acquisition of storage space to achieve this reliability. This applies to the watersheds four rivers in the state at this time. A major obstacle to implementation of this program was the federal policy of price determination for value of space in reservoirs which, essentially, is replacement cost. Under the current policy, it is not economically feasible for the state to make this type of acquisition. An offer was made to federal authorities to pay the original cost of construction which is about one-third of the current 100 million dollar value. Negotiations achieved an agreement making it possible for the state to purchase the space in reservoirs at the original cost of construction over a 10 year period. This is a unique proposal - the buying of space in reservoirs on each river system in the state, but operating as one unit - which enhances the productivity of the investment. The Corps made the price concession to serve as an example as productivity would be increased 30%. As part of this agreement, \$4,000,000 will be placed in escrow to offset the cost of the first incremental purchase. Mr. Harkins pointed out that the Water Assurance Program would be self supporting if implemented as proposed, since the escrow monies would be under written by agreements with beneficiaries of the assurance program.

During discussion, Mr. Harkins stated the agreement with the Corps authorizes purchases up to 33 million dollars, with no obligation to purchase storage. The money placed in escrow would be a good faith deposit for the purchase of storage up to a set cost limit of thirty three million dollars. He further stated the current inflow of revenues from sales out of water storage is almost one million dollars with expenses at two million. In reply to questions by Senator Thiessen, Mr. Harkins stated the Basin Advisory Councils are the best investment in the Water Plan, with 134 of the best informed individuals working at no cost to the state.

Water Research funding in the investment budget is established by recommendations from the Water Authority each year. Research priorities are determined by agreement among all agencies. There is no set policy as to who conducts research projects. The proposal for minimum desirable streamflow standards includes nine additional rivers, making a total of 18 in the state.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON ENERGY & NATURAL RESOURCES,  
room 123-S, Statehouse, at 8:00 a.m./~~p.m.~~ on January 23, 1986

Mr. Harkins stated the budget allocation for Basin Advisory Committees is primarily for communications and mailing costs to all agencies and groups working with the Water Authority. A brief summary was given of the Conservation Program, emphasizing small lakes projects, which could have some priority this year. Mr. Harkins explained the Water Data Base is a continued effort of water related agencies to work jointly, using the information of all agencies for enhancement of their individual programs and avoiding duplication.

The second phase of testimony concerned the addition of further additions to the Kansas Water Plan in the section on Management and the new section on Fish, Wildlife and Recreation. At the suggestion of Mr. Harkins, a review will be given the Committee at a later date on these additions when complete material is available.

Testimony was given regarding legislative proposals by the Water Office. A major component is the establishment of the Assurance Program and a Revenue Bond Program in association with it. The Water Office proposes to establish authority to issue revenue bonds to underwrite future purchase of federal storage. This could obviate using General Revenue Funds for implementation of the program.

In summarizing, Mr. Harkins stated the Water Office is not proposing major changes in the program, but improvements in certain areas of the Water Plan Act. Further discussion by the committee followed regarding budgeting for FY 87 relating to the Water Office proposals.

The meeting was adjourned. The next meeting will be January 28, 1986.

# Guest List

1-23-86

Bob Hodger	KCCI	Topeka
Walter DANN	KROGA	✓
Donald L. Pitts	DWR	✓
CR Duffy	KWO	✓
Jose Perkins	KWO	✓
Paul E. Fleener	Kansas Farm Bureau	Manhattan
Richard D. Kready	KPL Gas Service	Topeka
Douglas P. Schumaker	KIOWA	Topeka
Rich McKee	KLA	Topeka

**Status of Water Plan Preparation  
and Implementation**

**by  
Kansas Water Office**

**January 1986**

Sen. ENR  
1/23/86

"A"

Part I - Governor's Investment Budget

During the 1985 Session, the Legislature reviewed the Kansas State Water Plan. At the conclusion of that review, House Concurrent Resolution No. 5010 was passed which stated, in part:

"Be it further resolved: That the Legislature requests that the state agencies which are authorized to manage the waters of the state submit to the Legislature any bills, resolutions or requests for appropriations designed to implement the various segments of the State Water Plan as submitted by the Kansas Water Authority;"

This summer, Governor Carlin directed all water-related agencies to prepare legislative and appropriation requests related to the State Water Plan for his review. He then, has selected the major components of the plan for inclusion in his investment budget. These new and expanded programs are:

	<u>State General Fund</u>
1. Water Assurance Program.....	\$2,877,724
(Water Office \$2,852,724)	
(Division of Water Resources \$35,000)	
2. Water Research.....	\$ 150,000
(Stream/Aquifer Interaction \$100,000)	
(Chemigation \$50,000)	
3. Minimum Desirable Streamflow Standards.....	\$ 132,000
(Gauging Stations \$43,000)	
(Division of Water Resources Personnel \$75,000)	
(Division of Environment \$14,000)	

4. Basin Advisory Committee Support.....\$ 25,000
5. Implementation of the Conservation Section  
Section of the State Water Plan.....\$ 145,000  
(Kansas State University Extension \$40,000)  
(Division of Water Resources \$105,000)
6. Water Conservation Programs.....\$1,185,000  
(High Priority Cost-Share \$550,000)  
(Watershed Dam Construction \$250,000)  
(Conservation Coordinator \$35,000)  
(Small Lakes \$350,000)
7. Water Data Base.....\$ 61,000  
(Division of Environment \$26,000)  
(Division of Water Resources \$35,000)

**Part II - 1986 Additions**

**to the State Water Plan  
(Separate Handout)**

## Part III - Legislative Proposals

- I. Assurance Program (2 bills) (Governor's Request)
  - A. Establishes Assurance Program
  - B. Establishes Bond Program
  - C. Authorizes Reservation Rights for Water Quality Storage
  
- II. Amendments to the State Water Plan Act (Kansas Water Office Request)
  - A. Prevents Purchase of Storage Without Prior Agreements
  - B. Eliminates Table of Reservoirs and Table of Watershed Districts
  - C. Changes Name of Act
  - D. Transfers Land Rights Cost-Share Program
  - E. Technical Cleanup
  
- III. State Water Plan Storage Act (Kansas Water Office Request)
  - A. Authorizes Graduated Use Schedules
  - B. Authorizes Contracting in Advance for Water
  - C. Requires Approved Conservation Plans
  - D. Describes Use of Development Fund
  - E. Modifies Price Formula
  - F. Describes Method of Depositing Receipts
  - G. Authorizes Retroactive Rate Charge
  - H. Cleanup
  
- IV. Water Conservation Plans (Governor's Request)
  - A. Authorizes Chief Engineer to Require Water Use Efficiency Plans for Municipal, Industrial, Agricultural Users
  
- V. Minimum Desirable Streamflow Amendments (Kansas Water Office Request)
  - A. Establishes Standards for Nine Additional Streams