

Approved March 22, 1990
Date

MINUTES OF THE SENATE COMMITTEE ON LOCAL GOVERNMENT

The meeting was called to order by Sen. Don Montgomery at
Chairperson

9:00 a.m./~~p.m.~~ on March 21, 1990 in room 531-N of the Capitol.

All members were present except:

Sen. Gaines - Excused

Committee staff present:

Mike Heim, Legislative Research
Emalene Correll, Legislative Research
Theresa Kiernan, Revisor of Statutes
Shirley Higgins, Committee Secretary

Conferees appearing before the committee:

Marilyn Ault, Kansas Battered Women Task Force
Tom Wilkerson, Kansas Recreation and Park Association
Ben Bush, Board of Directors for Public Wholesale Water Supply District #12

Continued hearing began on HB 2702 permitting Butler County to use moneys received from the local alcoholic liquor fund for the establishment of a program for battered women.

Marilyn Ault, Director, Kansas Battered Women Task Force in Topeka, testified in support of the bill with two suggested amendments, one on page 2, line 31, to broaden it by extending it to include the whole state, and the other on page 2, line 36, to use other wording than "shelter" as many women's crises programs do not have shelters but have other programs.

The Chairman informed Ms. Ault that the bill would not preclude other counties from doing the same thing as the law is nonuniform now, and this would come under home rule.

Ms. Ault was in agreement with the suggestion by Sen. Daniels that "domestic violence program" would be better language than "shelter".

Sen. Allen began a discussion regarding how the money collected from the alcoholic liquor fund is divided with reference to page 2, line 14. It was determined that this money could be used at present under home rule without the bill. Sen. Lee recalled that Butler County asked for the bill because they have no county parks and have the idle funds for parks which they would like to use for shelters for battered women. Sen. Steineger stated that home rule gives Butler County the authority requested in the bill, and he feels that the legislature is not knowledgeable of what is wanted in Butler County, therefore, this does not require state attention.

Sen. Daniels noted that many counties do not have drug and alcohol programs. Bev Bradley, Kansas Association of Counties, stood to state that the money collected for the alcoholic liquor fund is only from clubs outside the city limits which in Douglas County involves a small amount of money, about \$247.00, and she questioned if this would be enough to establish a shelter for battered women.

Tom Wilkerson, Kansas Recreation and Park Association, testified in opposition to HB 2702. (See Attachment I).

The Chairman asked Mr. Wilkerson what the idle money in Butler County would be used for if the bill were not passed. Mr. Wilkerson answered that he did not know, however, he feels the amount would be too small to finance a battered women's program. Perhaps the funds could be used for the upkeep of designated parks. He also suggested that as an alternative perhaps money from the general fund could be used for women's programs. Mr. Wilkerson is

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON LOCAL GOVERNMENT,
room 531-N, Statehouse, at 9:00 a.m./~~p.m.~~ on March 21, 19⁹⁰.

opposed to using funds already designated for a particular use such as parks and recreation.

Staff explained that the bill does not require that the money from the parks fund be spent on battered women's programs; it still could be used for parks and recreation. Mr. Wilkerson responded that the bill takes money not only from Butler County's funds but also out of the share of each individual city in the county. The Chairman asked staff to research the Attorney General's opinion on this.

The hearing began on HB 2983 concerning wholesale water supply districts 4, 11 and 12. Dave Malone of Cooper, Malone and McClain in Wichita testified in support of the bill. (See Attachment II). Mr. Malone is the financial advisor for water supply districts 11 and 12. The Chairman asked Mr. Malone if he would want the bill to apply to all water districts. Mr. Malone said he had no knowledge of other districts and would not ask that the bill apply to them. Sen. Steineger asked for the background on K.S.A. 19-3557. Mr. Malone said it dates back to 1983 and gave a brief outline of the financial situation which created the need.

Ben Bush, Chairman of the Board of Directors for Public Wholesale Water Supply District #12, testified in support of HB 2983. (See Attachment III). Sen. Steineger questioned Mr. Bush regarding the financing of the water districts. The Chairman said the bill will be discussed again at a later time.

Staff had information on the Attorney General's opinion regarding HB 2702 which had been discussed earlier in the meeting. Staff had determined that cities are clearly nonuniform, but it is uncertain if counties are as in subsection (e) on page three of the bill. Further research will need to be done.

The minutes of March 20 were approved.

The meeting was adjourned at 10:00 a.m.



KANSAS RECREATION AND PARK ASSOCIATION

700 JACKSON, SUITE 705
TOPEKA, KANSAS 66603

(913) 235-6533
Laura J. Kelly, Executive Director

Statement Presented to the Local Government Committee
of the Senate Presented by
the Kansas Recreation and Park Association

I appreciate the opportunity to speak on House Bill 2702 on behalf of the Kansas Recreation and Park Association. The Kansas Recreation and Park Association represents over 300 local units of government and we are opposed to the House Bill 2702. This position does not reflect our opposition to funding of women's crisis program and shelters for battered women as expressed in Article 3, Section d of the bill. Our concern is the utilization of dollars from the 1/3 share presently received for local parks and recreation programs has been targeted for funding of this new program.

In the summer of 1986, an interim committee of the Kansas Legislature studied in depth the state and local distribution of the alcohol liquor fund tax. At that time, the KRPA conducted a statewide study relating to the use of the 1/3 local allocation provided to the Parks and Recreation. The results of this study were presented to this interim study committee of the Kansas Legislature. Though we do not have copies of this study today, we would be more than happy to make the study available to this committee. In summary, the study indicated that 95% of the funding that was utilized from the 1/3 allocation to local parks and recreation purposed was used for facility improvements or programs for youth. From the conception of this funding program, it has always been the contention that these funds serve in a preventive manner in our communities to provide facilities and programs to keep our youth involved in active or passive wholesome activities rather than those social activities which lead to drug and alcohol abuse.

We have distributed to you today copies of the KRPA Legislative Platform. Article 3 of that platform which deals with drug and substance abuse points to seeking support and recognition by the legislature of the vital role that parks and recreation plays in prevention of drugs and substance abuse and emphasizes the need for funding to further enhance our programming efforts in this area. As a result of the thorough study by the interim committee of the legislature in 1986, it recognized the importance of parks and recreation's role in alcohol abuse and drug prevention and in Senate Bill 141 passed in the 1987 session supported the continuation of the 1/3 funding for parks and recreation.

We now ask that you keep that commitment and support the continuation of that funding and reject House Bill 2702 and seek other alternatives to the funding of this new program for women's crisis program and shelters for battered women.

Senate Local Gov't
3-21-90
Attachment I

STATE OF KANSAS
PUBLIC WHOLESALE WATER SUPPLY DISTRICT NO. 11

PRELIMINARY FINANCING ALTERNATIVES

In reviewing the engineering feasibility study, I would like to cover several of the financing alternatives that I feel can be made available to the District. Presently the District has the statutory authority for the issuance of revenue bonds only. As we did for Public Wholesale Water Supply District No. 4 (Big Hill), I am confident that the statutes can be changed to allow you to issue general obligation bonds. I am including three financing alternatives for your review and would add that I have already began the procedure for seeking a statutory change on your behalf. The District would reserve the right to use any type of permanent financing at a future time and you would not be obligated to use the general obligation bond authority.

Three financing alternative are evaluated in this preliminary study, (1) conventional revenue bonds, (2) Farmers Home Administration revenue bonds, and (3) conventional general obligation bonds. I have taken into consideration some assumptions as follows:

- (a) The project cost is \$12,185,000.
- (b) Kansas Small Lakes Program Grant could be obtained in the total amount of \$1,900,000 for each alternative.
- (c) Dingle-Johnson Grant funds could be obtained in the total amount of \$160,000 for each alternative.
- (d) Community Development Block Grants (CDBG) could be obtained in the total amount of \$600,000 for each alternative.
- (e) The amount to be financed is \$9,525,000 for each alternative.
- (f) Each alternative would pay interest only for the first two years.
- (g) The conventional revenue bonds and conventional general obligation bonds are a 20 year term.
- (h) The Farmers Home Administration revenue bond issue is a 40 year term.
- (i) The conventional revenue bond issue and the Farmers Home Administration revenue bond issue will have a coverage requirements of 110%.
- (j) The conventional general obligation bond issue will have no coverage requirement.
- (k) The estimated annual minimum allocation for the wholesale district is 306,000,000 gallons per year for the first two years.
- (l) After the first two years the total water usage for the wholesale district would increase by 25% to 382,500,000 gallons per year.

*Senate Local Gov't
3-21-90
Attachment II*

<u>Item</u>	<u>Conventional Revenue Bonds</u>	<u>FmHA Revenue Bonds</u>	<u>General Obligation Bonds</u>
Annual Interest Only Payment	\$683,945.00	\$666,750.00	\$627,952.50
Coverage Requirement	68,395.00	66,675.00	0.00
Annual Debt Service Requirement	752,340.00	733,425.00	627,952.50
New Water Plant O & M	<u>336,600.00</u>	<u>336,600.00</u>	<u>336,600.00</u>
Total	\$1,088,940.00	\$1,070,025.00	\$964,552.50
Cost per 1000 gallon	\$3.56	\$3.50	\$3.15

Let us assume that after the second year the total water usage for the wholesale district would increase by 25% over the total yearly minimum. We would then begin paying principal as well as interest. The following summarizes each alternative:

Annual Principal and Interest Payment	\$966,901.00	\$722,003.00	\$925,750.00
Coverage Requirement	96,690.00	0.00	0.00
Annual Debt Service Requirement	1,063,591.00	794,203.00	925,750.00
New Water Plant O & M	<u>420,750.00</u>	<u>420,750.00</u>	<u>420,750.00</u>
Total	\$1,484,341.00	\$1,214,953.00	\$1,346,500.00
Cost per 1000 gallons	\$3.88	\$3.18	\$3.52
Total Debt Service Over the Life of Issue	\$18,772,100.00	\$28,769,610.00	\$17,919,397.50

STATE OF KANSAS
PUBLIC WHOLESALE WATER SUPPLY DISTRICT NO. 12

PRELIMINARY FINANCING ALTERNATIVES

Three financing alternatives are evaluated in this preliminary study, (1) conventional revenue bonds, (2) Farmers Home Administration revenue bonds, and (3) conventional general obligation bonds. I have taken into consideration some assumptions as follows:

- (a) The project cost is \$4,485,000.
- (b) Community Development Block Grants (CDBG) could be obtained in the total amount of \$900,000 for each alternative.
- (c) The amount to be financed is \$3,585,000 for each alternative.
- (d) Each alternative would pay interest only for the first two years.
- (e) The conventional revenue bonds and conventional general obligation bonds are a 20 year term.
- (f) The Farmers Home Administration revenue bond issue is a 40 year term.
- (g) The conventional revenue bond issue and the Farmers Home Administration revenue bond issue will have a coverage requirement of 110%.
- (h) The conventional general obligation bond issue will have no coverage requirement.
- (i) The estimated annual minimum allocation for the wholesale district is 163,500,000 gallons per year for the first two years.
- (j) After the first two years the total water usage for the wholesale district would increase by 25% to 204,375,000 gallons per year.

<u>Item</u>	Conventional Revenue <u>Bonds</u>	FmHA Revenue <u>Bonds</u>	General Obligation <u>Bonds</u>
Annual Interest Only Payment	\$257,450	\$250,950	\$236,360
Coverage Requirement	25,745	25,095	0
Annual Debt Service Requirement	283,195	276,045	236,360
New Water Plant O & M	163,500	163,500	163,500
Water Purchase for New Plant	<u>25,800</u>	<u>25,800</u>	<u>25,800</u>
Total	\$472,495	\$465,345	\$425,660
Cost per 1000 gallons	\$2.89	\$2.85	\$2.60

Let us assume that after the second year the total water usage for the wholesale district would increase by 25% over the total yearly minimum. We would then begin paying principal as well as interest. The following summarizes each alternative:

<u>Item</u>	Conventional Revenue <u>Bonds</u>	FmHA Revenue <u>Bonds</u>	General Obligation <u>Bonds</u>
Annual Principal and Interest Payment	\$364,100	\$271,710	\$348,500
Coverage Requirement	36,410	27,171	0
Annual Debt Service Requirement	400,510	298,881	348,500
New Water Plant O & M	204,375	204,375	204,375
Water Purchase for New Plant	<u>32,700</u>	<u>32,700</u>	<u>32,700</u>
Total	\$637,585	\$535,956	\$585,575
Cost per 1,000	\$3.12	\$2.62	\$2.87
Total Debt Service Over the Life of the Issue	\$7,068,650	\$10,826,710	\$6,745,800

The member entities of Public Wholesale Water Supply District No. 11 are listed as follows:

Arcadia
Arma
Chicopee RWD
Cherokee
Columbus
Consolidated RWD #1, Crawford County
RWD #2, Crawford County
Girard
Mulberry
West Mineral

The member entities of Public Wholesale Water Supply District No. 12 are listed as follows:

RWD #4, Anderson County
RWD #3, Coffey County
Lebo
Lyndon
Melvern
RWD #4, Osage County
RWD #6, Osage County
Pomona
Quenemo
Waverly
Williamsburg

GOOD AFTERNOON!

#1

I AM BEN BUSH, CHAIRMAN OF THE BOARD OF DIRECTORS FOR PUBLIC WHOLESAL WATER SUPPLY DISTRICT #12. I WISH TO THANK YOU FOR GIVING ME THE OPPORTUNITY TO APPEAR BEFORE YOU TODAY, ~~SO~~ ^{THAT} I MAY INFORM YOU OF OUR PUBLIC WHOLESAL WATER SUPPLY DISTRICT AND THE PURPOSE OF CONSTRUCTING IT.

I WOULD LIKE TO GIVE YOU SOME BACK GROUND OF OUR DISTRICT. WE STARTED TO FORM THE WHOLESAL WATER SUPPLY DISTRICT IN MAY OF 1988, WITH FIVE ORIGINAL ENITIES WHICH CONSISTED OF MELVERN, WAVERLY,

#6
WILLIAMSBURG, ANDERSON RWD #4, AND
OSAGE RWD #4. WE HAVE MET EVERY
TWO WEEKS AT THE WILLIAMSBURG, KS
COMMUNITY CENTER. FROM THESE EARLY
MEETINGS WE COMMENCED CONTACTING
OTHER COMMUNITIES AND R.W.D. WE
FELT COULD BENEFIT IN A WHOLESALE WATER
SUPPLY DISTRICT. WITH THE SEVERITY
OF THE DROUGHT AND THE IMPOSING
OF STRICKER F.P.A. STANDARDS WE WERE
ABLE TO EXPAND OUR DISTRICT TO 16 ENTITIES
REACHING EAST TO GREELEY KS AND RICHMOND
KS, AND TO THE WEST & SOUTHWEST
TO LEBO, KS AND NORTH TO BURLINGAME.
WE ASKED EACH ENTITY TO APPOINT ONE

7

REPRESENTATIVE TO BECOME A MEMBER OF THE BOARD OF DIRECTORS. WHEN THIS WAS ACCOMPLISHED THE BOARD VOTED TO ASSESS EACH ENTITY \$500 PER METER THEY SERVED. WITH THESE FINANCES WE COULD SOLICIT BIDS FROM ENGINEERING FIRMS TO CONDUCT A FESIBILITY STUDY. THROUGH THE BIDDING PROCEUR AND BACKGROUD SURVEYS OF EACH FIRM WE SELECTED LARKIN & ASSOCIATES FROM K.C. MO. TO BE OUR ENGINEER FOR THE PROJECT. ~~THE~~ ONCE THE FESIBILITY STUDY WAS COMPLETED IT WAS DETERMINED BY THE BOARD, THAT IT WOULD NOT BE COST EFFECTIVE FOR THE EXTREME

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OUTLAYING ENTITIES TO BELONG, SO BY
THEIR OWN CHOOSING 5 OF THE ENTITIES
DROPPED OUT OF THE PROJECT. PRESENTLY
WE HAVE 11 ENTITIES BELONGING TO
THE WHOLESALE WATER SUPPLY DIST #12
THESE INCLUDE: MELVERN, KS, WAVERLY, KS,
WILLIAMSBURG, KS, QUENEMO, KS, LEBO, KS,
LYNDON, KS, POMONA, KS, AND THE FOLLOWING
R.W.D., ANDERSON RWD #4, OSAGE RWD #4,
COFFEY COUNTY RWD #3, ~~COFFEY~~ OSAGE COUNTY RWD #6,

WE ~~HAVE~~ FILED A PETITION TO
ORGANIZE WITH THE SECRETARY OF STATE
THROUGH THE STATE ATTORNEY'S OFFICE
AND APPROVED. WE WERE ASSIGNED
PUBLIC WHOLESALE WATER SUPPLY DIST #12.

OUR DISTRICT WILL BE COMPOSED OF 4 COUNTIES, COFFEY, OSAGE, LYON AND ANDERSON COVERING 500 SQ. MILES AND SERVING AN ESTIMATED 7,000 TO 10,000 PEOPLE. THE ESTIMATED COST OF THIS PROJECT IS 4.5 MILLION DOLLARS. OUR GOAL FROM THE BEGINNING WAS TO ORGANIZE AND BECOME AN INTRICATE PART OF THE COMMUNITIES AND R.W.D. WHO ARE IN NEED OF GOOD QUALITY WATER. A PUBLIC WHOLESALE WATER SUPPLY DISTRICT IS NECESSARY IN THIS AREA OF KANSAS TO PROVIDE AN ADEQUATE AND RELIABLE SOURCE

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OF PORTABLE WATER. I FEEL
 THE STEERING COMMITTEE, PROJECT
 ENGINEER, PROJECT ATTORNEY, AND
 THE INVESTMENT COUNSELER HAVE
 DONE AN EXCELLENT JOB IN GETTING
 THE PUBLIC WHOLESALE WATER SUPPLY
 DIST #12 ORGANIZED.

RICK HANES
 ERICKS
 DAVE MALONE
 WICHITA, KS

IN CLOSING I WOULD LIKE TO
 THANK YOU FOR GIVING ME THE
 OPPURTUNITY TO APPEAR BEFORE YOU
 TODAY AND I APPRECIATE ALL THE HELP
 YOU MAY GIVE US IN SUPPORT OF
 THIS ORGANIZATION SO WE MAY SERVE
 THE COMMUNITIES AND RWD IN OUR AREA
 THANK YOU VERY MUCH.