

Approved 2-20-1991
Date

MINUTES OF THE Senate COMMITTEE ON Energy and Natural Resources

The meeting was called to order by Senator Ross Doyen at
Chairperson

8:02 a.m./p.m. on February 13, 1991 room 423-S of the Capitol.

All members were present except: All members were present.

Committee staff present:

Pat Mah, Legislative Research Department
Raney Gilliland, Legislative Research Department
Don Hayward, Revisor of Statutes
Lila McClaflin, Committee Secretary
Conferees appearing before the committee:

Elizabeth Taylor, Kansas Water Well Association
Karl Mueldener, Director, Bureau of Water
Nancy Kantola, Committee of Kansas Farm Organizations
Terry Duvall, Kansas Water Office
David Corliss, City of Lawrence
Ken Kerns, State Soil Conservation Office
Tom Stiles, Kansas Water Office
Bill Fuller, Kansas Farm Bureau

The meeting was called to order by the Chairman. The hearing was opened on SB 90 - amending the Kansas Groundwater Exploration and Protection Act; concerning continuing educational requirements for licensees.

Elizabeth Taylor said their association requested the bill because they believe it is extremely important for members of their association to have continuing education. Ms. Taylor distributed a brochure from the National Water Well Association supporting their position. This brochure is on file in the Senate Energy and Natural Resource Committee Office.

Karl Mueldener spoke in support of SB 90. He said their agency intended to rely on the drilling industry to provide the necessary training that was required by the proposal (Attachment 1).

Nancy Kantola said their twenty-one member organization strongly endorsed this amendment to the Kansas Groundwater Exploration and Protection Act (Attachment 2).

The hearing was closed on SB 90.

The Chairman opened the hearing on SB 89 - creating the water marketing fund, providing for the purposes for which moneys credited to such fund may be used, providing for the administration of such fund by the Director of the Kansas Water Office.

Terry Duvall supported the legislation and believes it would be of benefit to the state and the rate payers under the State Water Marketing Program (Attachment 3).

David Corliss said this legislation is of benefit to cities such as Lawrence, but also, to water utility customers who must eventually pay for such costs through their water bills (Attachment 4).

CONTINUATION SHEET

MINUTES OF THE Senate COMMITTEE ON Energy and Natural Resources,
room 423-S, Statehouse, at 8:02 a.m./~~p.m.~~ on February 13, 1991

The hearing on SB 89 was closed.

The hearing on SB 88 - concerning the multipurpose small lakes program; relating to state participation in certain projects.

Ken Kerns supported the purposed amendments to the Mulitpurpose Small Lakes Program (Attachment 5).

Tom Stiles said the bill "fine tunes" a program that has been a success since its origin in 1985. Passage of this bill will make a good program better (Attachment 6).

The hearing was closed on SB 88.

The Chairman opened the discussion on SB 46 - requiring labels on plastic bottles and containers and providing for remedies for violations. An amendment (Attachment 7) and a fiscal note were distributed.

Senator Walker moved the amendment be adopted. The motion was seconded by Senator Langworthy. The motion carried. Senator Sallee moved to recommended SB 46 as amended for passage. Senator Langworthy seconded the motion. The motion carried.

Senator Sallee moved that SB 79 be recommended for passage, and because it is non-controversially in nature it be placed on the consent calendar. The motion was seconded by Senator Thiessen. The motion carried.

Senator Daniels moved to recommend SB's 88, 89, and 90 for passage. The motion was seconded by Senator Hayden. The motion carried.

Senator Doyen said a request had been received to reintroduce SB 344 from last session. This bill would establish fees for consent or permit to construct a dam or other water obstruction or channel change.

Bill Fuller, Kansas Farm Bureau, requested a bill be introduced regarding endangered species. Senator Sallee moved the two bill request be accepted. Senator Frahm seconded the motion. The motion carried.

Senator Langworthy moved the minutes of the February 6, 1991 meeting be adopted. Senator Sallee seconded the motion. The motion carried.

The meeting adjourned at 8:36 a.m. The next meeting will be held on February 20, 1991.

1991 SENATE ENERGY AND NATURAL RESOURCES COMMITTEE

Date February 13, 1991

PLEASE PRINT

GUEST LIST

<u>NAME</u>	<u>REPRESENTING</u>
Darrel R. Plummer	KDHE
ELIZABETH E. TAYLOR	KS WATER WELL ASSN.
Jerry Duwall	KWO
Tom Stiles	KWO
DAVID CORLISS	CITY OF LAWRENCE
Bill Fuller	Kansas Farm Bureau
Wayland Anderson	DWR / KSBA
GEORGE AUSTIN	DIV OF WATER RESOURCES
TRACY STREETER	STATE CONSERVATION
Nancy Kantola	Commission
Scott Andrews	CKFO
Karl Muelbauer	Siesta Club
Marty Kennedy	KDHE
	KDHE

STATE OF KANSAS



DIVISION OF THE BUDGET

Room 152-E
State Capitol Building
Topeka, Kansas 66612-1578

(913) 296-2436
FAX (913) 296-0231

JOAN FINNEY, GOVERNOR
Gary Stotts, Acting Director

February 20, 1991

The Honorable Ross Doyen, Chairperson
Committee on Energy and Natural Resources
Senate Chamber
Third Floor, Statehouse

Dear Senator Doyen:

SUBJECT: Fiscal Note for SB 90 by Committee on Energy and Natural Resources

In accordance with KSA 75-3715a, the following fiscal note concerning SB 90 is respectfully submitted to your committee.

SB 90 amends KSA 82a-1205 and 82a-1209 to require water well drillers licensed under the act to comply with continuing education requirements established by the Secretary of Health and Environment. Drillers would be responsible for any fees required for training under the act.

The Department of Health and Environment estimates the bill would have no fiscal impact on agency operations as included in the *FY 1992 Governor's Budget Report*. Any additional costs under the bill would be paid by water well drillers and their trade association.

Sincerely,

Louis S. Chabira
Deputy Director

cc: Laura Epler, Health and Environment

STATE OF KANSAS



DIVISION OF THE BUDGET

Room 152-E
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JOAN FINNEY, GOVERNOR

March 7, 1991

The Honorable Ross Doyen, Chairperson
Committee on Energy and Natural Resources
Senate Chamber
Third Floor, Statehouse

Dear Senator Doyen:

SUBJECT: Fiscal Note for SB 89 by Committee on Energy and Natural Resources

In accordance with KSA 75-3715a, the following fiscal note concerning SB 89 is respectfully submitted to your committee.

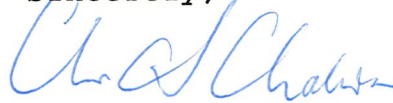
This bill would amend KSA 82a-1315a and 82a-1315b to create a fee fund for the receipt of reservoir storage payments from State Water Marketing Program contractees and disbursement of payments due the United States Army Corps of Engineers for storage capacity in federal reservoirs. Presently contracted payments are receipted to the State General Fund and payments to the federal government are made from that source. The proposed legislation would also create an account within the fund to receive up to one cent per 1,000 gallons of water paid for under the water user contracts. Receipts could be used for special operating and maintenance costs associated with the storage space owned by the state, or to cover any shortfall that may be experienced in any one year between operation and maintenance receipts and expenditures.

In FY 1992, passage of SB 89 would reduce receipts to and expenditures from the State General Fund and the State Conservation Storage Water Supply Fund, and would lead to an equal increase in receipts to and expenditures from the Water Marketing Fund. The net FY 1992 impact of the bill would be a reduction of State General Fund revenues totaling \$283,633. In future years, the bill would have no net impact on the State

The Honorable Ross Doyen
March 7, 1991
Page Two

General Fund because reductions in receipts are offset by reductions in expenditures. Overall government spending would also not be affected, since expenditures formerly coming from the State General Fund would now come from the Water Marketing Fund.

Sincerely,



Louis S. Chabira
Deputy Director

cc: Clark Duffy, Water Office

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STATE OF KANSAS



DIVISION OF THE BUDGET

Room 152-E
State Capitol Building
Topeka, Kansas 66612-1578

(913) 296-2436
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JOAN FINNEY, GOVERNOR
Gary Stotts, Acting Director

February 25, 1991

The Honorable Ross Doyen, Chairperson
Committee on Energy and Natural Resources
Senate Chamber
Third Floor, Statehouse

Dear Senator Doyen:

SUBJECT: Fiscal Note for SB 88 by Committee on Energy and
Natural Resources

In accordance with KSA 75-3715a, the following fiscal note
concerning SB 88 is respectfully submitted to your committee.

This bill amends KSA 82a-1603 et seq. regarding the
Multi-purpose Small Lakes Program. The bill amends existing
statute to allow rural water districts to sponsor projects
under the program. Current law limits sponsorship to taxing
entities and public wholesale water supply districts. The bill
also stipulates that the Kansas Water Office, which under
current statute is responsible for obtaining appropriations for
water impounded in multi-purpose small lakes, will be exempt
from fees normally levied during the appropriation process.
Previously, the agency absorbed these fees in its operating
budget. The state's cost of appropriated water would be
recovered by the Water Office through the sale of the water
right to the project sponsor. Finally, the bill would
authorize state participation in the construction of a
multi-purpose small lake in cases where sponsors were not able
to provide funding for 100 percent of the cost of the water
supply portion of the project. Currently, the costs of the
water supply portion of structures must be committed at the
outset by a local unit of government of a wholesale water
supply district.

The State Conservation Commission estimates that passage of
SB 88 would have no impact on agency expenditures as included
in the *FY 1992 Governor's Budget Report*. The bill would have an
impact on the number of projects that would be eligible for
funding under the Multi-purpose Small Lakes Program. The
fiscal impact of such increases in the demand for funding would


The Honorable Ross Doyen, Chairperson
February 21, 1991
Page Two

depend on the number of requests received and the availability of funding to complete them. The agency anticipates requests totaling between \$355,000 and \$1.5 million during FY 1992 that may be included in the FY 1993 budget request. If funded, these amounts would be repaid to the State General Fund when the projects were completed.

The Kansas Water Office estimates the bill's passage would produce some savings in State General Fund expenditures, the amounts of which would depend on the number of approved multi-purpose small lakes programs for which the agency would acquire water appropriations. These savings would result from the bill's allowance for the agency to obtain water appropriations without paying the usual fees. The amount of this savings, which is anticipated to be negligible, cannot be determined in the absence of actual experience.

Any impact on the State General Fund or other funds as a result of passage of SB 88 is not included in the *FY 1992 Governor's Budget Report*.

Sincerely,



Louis S. Chabira
Deputy Director

cc: Ken Kern, Conservation Commission
Clark Duffy, Kansas Water Office
Don Jacka, Board of Agriculture

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STATE OF KANSAS



DIVISION OF THE BUDGET

Room 152-E
State Capitol Building
Topeka, Kansas 66612-1578

(913) 296-2436
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JOAN FINNEY, GOVERNOR
Gary Stotts, Acting Director

February 7, 1991

The Honorable Ross Doyen, Chairperson
Committee on Energy and Natural Resources
Senate Chamber
Third Floor, Statehouse

Dear Senator Doyen:

SUBJECT: Fiscal Note for SB 46 by Senators Oleen, et al.

In accordance with KSA 75-3715a, the following fiscal note concerning SB 46 is respectfully submitted to your committee.

SB 46 would require persons who distribute, sell or offer for sale any plastic bottle or rigid plastic container in Kansas to label that container with a code indicating the type of plastic resin used to produce the bottle or container. The design of the code and code numbers indicating the various types of plastics are specified in the bill. In addition, the placement of the code is noted therein.

SB 46 further authorizes the Attorney General to provide written notice to any person in violation of this proposed law. Violation could result in a civil penalty of \$50 for each violation, not to exceed a total of \$500. Fines collected would be credited to the State General Fund.

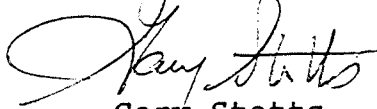
Requirements of SB 46 would be effective on or after July 1, 1993.

According to the Office of the Attorney General, enactment of SB 46 would require, at the minimum, \$207,000 from the State General Fund. This annual total includes \$145,000 for one assistant attorney general, three investigators and one clerical employee. The remaining estimate of \$62,000 represents other operating expenditures including office furnishings and travel. These expenditures would be in excess of those recommended in the *FY 1992 Governor's Report on the Budget*.

The Honorable Ross Doyen
February 7, 1991
Page Two

As it is difficult to project the number of violations that might occur, it is therefore difficult to project with any degree of certainty the revenue impact that SB 46 would have on the State-General Fund.

Sincerely,

A handwritten signature in cursive script, appearing to read "Gary Stotts".

Gary Stotts
Acting Director

cc: Neil Woerman, Attorney General's Office

2303



State of Kansas

Joan Finney, Governor
Department of Health and Environment
Division of Environment

Acting
Stanley C. Grant, Ph.D., Secretary

Forbes Field, Bldg. 740, Topeka, KS 66620-0001

Respond to:
FAX (913) 296-6247

Testimony presented to
Senate Energy and Natural Resources Committee
by
The Kansas Department of Health and Environment
Senate Bill 90

S.B. 90 authorizes and directs the Secretary of Health and Environment to establish continuing education requirements for water well contractors. The statute now requires a water well contractor to be state licensed. The state license is obtained by first passing an exam and annual renewal.

The intent of this bill is to allow development of regulations which would require well drillers to periodically attend training sessions on drilling techniques and requirements. Most wells are drilled under the control of the driller, as opposed to site specific specifications. The more knowledgeable the driller, the better the final product, helping provide the proper well water quality and protecting groundwater resources. Topics we anticipate for training include casing requirements, grouting, well location from potential pollution sources, water quality, drilling techniques, and materials.

We intend to rely on the drilling industry to provide this training. The Kansas Water Well Association now hosts at least three training sessions per year. Additionally, similar training is available in surrounding states and nationally. We anticipate keeping a registry of approved training sessions and allowing drillers to present for approval information on sessions not listed. The intent is to continually update the knowledge of the driller.

By relying on training sessions, not necessarily sponsored by KDHE, we are not requesting any new positions or funding. Staff now participate in training sessions so we expect the extra work in reviewing the applications of 185 annual renewals.

We support passage of S.B. 90.

Testimony presented by: Karl W. Mueldener
Director
Bureau of Water
February 13, 1991

E & N R
2-13-1991
(attachment 1)

PRINTED ON RECYCLED PAPER

COMMITTEE OF ... KANSAS FARM ORGANIZATIONS

Nancy E. Kantola
Legislative Agent
3604 Skyline Parkway
Topeka, KS 66614
(913) 273-5340

STATEMENT OF POSITION OF THE
COMMITTEE OF KANSAS FARM ORGANIZATIONS

RE: S.B. 90

Committee on Energy and Natural Resources

February 13, 1991

Mister Chairman, Members of the Committee: I am Nancy Kantola, Legislative Agent for the Committee of Kansas Farm Organizations. I thank you for the opportunity to offer our members support for the Kansas Water Well Association in their effort to assure that licensed contractors who drill water wells are up to date on regulations, safety and environmental concerns.

Our group is comprised of twenty-one member organizations, and I have attached a list to this testimony for your information. We require a unanimous vote to take a position on an issue. Our members strongly endorse this amendment to the Kansas groundwater exploration and protection act. We require continuing education for many other state licensed businesses and professions.

Surely those we hire to provide drinking water for our families and livestock as well as irrigation of crops should be kept current with environmental science, industry techniques and government regulations as do our C.P.A.'s, lawyers, insurance agents and real estate brokers.

Our understanding is that it will not require state funding and we ask your vote in favor of this bill.

Respectfully submitted,


Nancy E. Kantola

*E+NR
2-13-1991
Attachment 2
Pg. 1 of 2*

COMMITTEE OF KANSAS FARM ORGANIZATION MEMBERS

ASSOCIATED MILK PRODUCERS, INC.
KANSAS AGRI-WOMEN ASSOCIATION
KANSAS ASSOCIATION OF SOIL CONSERVATION DISTRICTS
KANSAS ASSOCIATION OF WHEAT GROWERS
KANSAS COOPERATIVE COUNCIL
KANSAS CORN GROWERS ASSOCIATION
KANSAS ELECTRIC COOPERATIVES
KANSAS ETHANOL ASSOCIATION
KANSAS FARM BUREAU
KANSAS FERTILIZER AND CHEMICAL ASSOCIATION
KANSAS GRAIN AND FEED DEALERS ASSOCIATION
KANSAS LIVESTOCK ASSOCIATION
KANSAS MEAT PROCESSORS ASSOCIATION
KANSAS PORK PRODUCERS COUNCIL
KANSAS RURAL WATER DISTRICTS ASSOCIATION
KANSAS SEED INDUSTRY ASSOCIATION
KANSAS SOYBEAN ASSOCIATION
KANSAS STATE GRANGE
KANSAS VETERINARY MEDICAL ASSOCIATION
KANSAS WATER WELL ASSOCIATION
MID AMERICA DAIRYMEN, INC.

EJR
2-13-91
attachment 2
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Testimony by

Kansas Water Office

Before the
Senate Energy and Natural Resources Committee

RE: S.B. 89
February 13, 1991

The proposed legislation would create one new fund and one new account within the fund to manage receipts and payment of costs relating to the State Water Plan Storage Act (K.S.A. 82a-1301 *et seq.*), the State Water Marketing Program:

1. The new fund (State Water Marketing Fund) would be used for deposit of all revenues relating to the State Water Marketing Program and for payment of annual costs associated with that program.

2. A new account would be created within the State Water Marketing Fund for deposit of up to one cent per 1,000 gallons of water paid for under water user contracts each year. The monies in this account would be designated to be used solely to offset unusual operation and maintenance costs associated with the storage space controlled by the state under the State Water Marketing Program, or to cover any shortfall which may be experienced in any one year between operation and maintenance receipts and expenses.

Background Creation of Water Marketing Fund

Each year the Kansas Water Office has requested General Fund appropriations through the legislative budget process to cover annual payments to the federal government for principal and interest, and operation and maintenance costs associated with the Water Marketing Program. On the other hand, the Kansas Water Office has deposited receipts from purchasers to the General Fund until its calculated obligation to the General Fund for principal and interest (capital costs), operation and maintenance, and administration and enforcement has been met. All receipts in excess of the amount needed to cover these costs are deposited in

E+NR
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the State Conservation Water Supply Development Fund (K.S.A. 82a-1315(b)). There has been no direct link between receipts and payment of costs associated with the program. This financial arrangement has been necessary since expenditures have exceeded available revenues for this program since its inception in 1974. This program is now self supporting and revenues are exceeding program expenditures, repaying approximately \$64,000 to the General Fund for past expenditures to meet shortfalls in 1990. In future years, this program will reimburse the State General Fund the entire amount of its costs associated with financing the program.

Senate Bill 89 would establish a new Water Marketing Fund to be used for the financial administration of this program. This would eliminate the annual demand for State General Fund appropriations for expenditures associated with the program and allow for a continuation of reimbursement to the State General Fund for repayment of the State General Fund's prior appropriations. Creation of the new Water Marketing Fund would enable the Kansas Water Office to maintain records more easily understood by purchasers, the legislature and others interested in the status of the program.

Background Operation and Maintenance Accrual Account

In 1989, major repair work was required at one of the nine reservoirs in the Water Marketing Program. The operation, maintenance and repair costs in that year were \$1,193,158 compared to the previous year's bill of \$408,506. To compute the rate component charged to water users under the program for operation and maintenance, we divide last year's actual costs by last year's actual water use. Thus, the entire bill for the previous year is to be collected from users. The rate component for operation and maintenance jumped from 2.392 cents to 7.382 cents in that one year, an increase of almost 5 cents. It is expected that in

addition to continued increases in costs due to inflation and other economic factors, operation and maintenance costs will occasionally spike again as the reservoirs age.

Creating an accrual account will allow flexibility in dealing with unusual costs without corresponding spikes in the rate paid by purchasers. In addition, with 96 percent of the water currently under contract obligated to purchasers who have capped contracts (price cannot be adjusted to more than 10 cents per 1,000 gallons), the continuing inflationary increases in operation and maintenance costs, and the unpredictability of weather conditions as they relate to annual water use, occasional shortages in revenue to meet the annual operation and maintenance costs may occur. The accrual account would provide revenues to meet these shortfalls.

The Kansas Water Office and Kansas Water Authority support this legislation and believe it will benefit the state and the rate payers under the State Water Marketing Program.



City of Lawrence KANSAS

CITY COMMISSION

MAYOR

SHIRLEY MARTIN-SMITH

COMMISSIONERS

ROBERT L. WALTERS

DAVID PENNY

MIKE RUNDLE

BOB SCHUMM

CITY OFFICES

6 EAST 6th

MIKE WILDGEN, CITY MANAGER

BOX 708

66044-0708

913-841-7722

To: Honorable Senator Ross Doyen, Chairman, Energy and Natural Resources Committee and Committee Members
From: David Corliss, City of Lawrence
Re: Senate Bill 89, Water Marketing Program
Date: February 13, 1991

The City of Lawrence appears in support of Senate Bill 89. Senate Bill 89 would create a new fund and one new account to manage receipts and disbursements under the State Water Marketing Program. Of particular significance is subsection (5) of New Section 1, which allows an annual set-aside for a reserve account of up to 1 cent per 1,000 gallons of water paid for under water user contracts each year. This "reserve account" would be used to meet any shortfall in revenue or unusual expenses relating to operation, maintenance and repair costs of reservoirs operated under the water marketing program.

The City of Lawrence, along with other water users under the water marketing program, should benefit from this important measure. The City of Lawrence has two water marketing contracts with the Kansas Water Authority under the State Water Marketing Program. The first contract allows a maximum use of 10 million gallons per day from Clinton reservoir with a contract price of 10 cents per 1,000 gallons. The second contract recently approved by the Kansas Water Authority provides for an additional 4 million gallons of water per day from Clinton. The rate for raw water which must be paid for under terms of this contract will be 16.939 cents for each 1,000 gallons during calendar year 1991.

As with any structure, unexpected maintenance or operational costs can occur with reservoir facilities. Senate Bill 89, by establishing a reserve account for unexpected costs, will help avoid unexpected surges in rates. This is of benefit not only to cities such as Lawrence, but also to water utility customers who must eventually pay for such costs through their water bills.

E & NR
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attachment 4
Pg 1



cc: City Comm

TESTIMONY ON THE
PROPOSED AMENDMENTS TO THE
MULTIPURPOSE SMALL LAKES ACT

SENATE BILL NO. 88

SENATE ENERGY AND NATURAL RESOURCES COMMITTEE

Kenneth F. Kern, Executive Director

February 13, 1991

The Sub-Section: Multipurpose Small Lakes Program, of the Management Section, Kansas Water Plan, was approved by the Kansas Water Authority in 1985. The Sub-section recommended the development of a state program that would: (1) Facilitate the construction of multipurpose structures with public water supply storage in areas of future water supply need and, (2) provide for local responsibility in ultimately paying for the public water supply development. These provisions were incorporated into the Multipurpose Small Lakes Act, K.S.A. 82a-1601 et seq. passed by the 1985 Legislature.

The State Conservation Commission supports the proposed amendments to the Multipurpose Small Lakes Act, K.S.A. 82a-1603, 82a-1604, 82a-1605, and 82a-1606.

There have been inquiries from Rural Water Districts that need a water supply if they would qualify for the Multipurpose Small Lakes Program. These districts are not eligible according to the current statute. The addition of the Rural Water Districts as a

*E4NR
2-13-91
Attachment 5
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sponsor on page 2, line 17, will allow the districts to be an eligible sponsor. This is in line with the State's intent to provide a multipurpose structure with public water supply storage in areas of future need.

When state funds are used for construction of water supply storage, the Kansas Water Office applies for a water appropriation right. The proposed amendments exempt the Kansas Water Office from paying all applicable fees imposed pursuant to K.S.A. 82a-701, et seq., as amended. The proposed amendments are found on page 2, lines 35-38; page 3, lines 22-25; and page 4, lines 23-25.

The current language in each class of structure states "The state may recover its costs incurred in providing the public water supply storage in such class I (II or III) project by selling such storage and the associated water right." Since the Kansas Water Office is the holder of the water right, the proposed amendment identifies the Kansas Water Office as the state agency responsible for recovering the State's costs incurred in providing the public water supply storage. The proposed amendments are found on page 3, line 7; and page 4, lines 3 and 37.

The proposed amendment to K.S.A. 82a-1606, on page 4, Lines 14-25, provides for consistency of the intent of the Multipurpose Small Lakes Act to facilitate the construction of water supply storage in areas of future need. The proposed amendment to a

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Class III project would provide for state participation in the public water supply storage portion of the project if the sponsor cannot finance 100% of the costs associated with the public water supply storage, the same as Class I and Class II projects. All state costs associated with the public water supply storage shall be repaid by the public water supply sponsor upon purchase of the water right and storage from the state.

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attachment 5
Pg 3 of 3

Testimony by
Kansas Water Office
Before the
Senate Energy and Natural Resources Committee

RE: S.B. 88
February 13, 1991

Members of the Committee:

The Multipurpose Small Lakes Program was conceived in the *Kansas Water Plan* and implemented by the 1985 Legislature. The program was intended to facilitate development of small lakes to provide water supply in addition to flood control or recreation benefits in areas of present and future needs. The current law allows participation by the state with a local sponsor to develop structures. Since the enactment of the original legislation, we have found complications in the program which were not anticipated at its inception. Senate Bill 88 remedies these problems.

First, rural water districts, a major purveyor of water supply in the state, have been unable to participate in the program because of the existing definition of "Sponsor." Section 1 of Senate Bill 88 includes rural water districts in the definition of sponsor.

Second, current law requires the Kansas Water Office to acquire the necessary water rights to ensure the dependable yield from water supply storage, in cases where sponsors are unable to finance the storage, thus, requiring state funding assistance. This requirement of the program, in turn, requires the Kansas Water Office to pay the appropriate fees for filing the application as well as for inspecting the diversion works and extending the time for perfecting the permit, if necessary. The Kansas Water Office only acts as a caretaker of the storage until the ultimate users come forward to use the water. The state does not manage, use or benefit from this storage. Nonetheless, current statutes do not allow the Division of Water Resources to recognize this special situation and waive the required fees. Thus, money is shifted from

*E+NR
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the State General Fund to the Water Appropriation Certification Fund established under K.S.A. 82a-731. The language of Senate Bill 88 exempts the Kansas Water Office from paying such fees and brings the role of the Kansas Water Office into line with its filing of water reservation rights for storage in Corps of Engineers lakes. The proposed language would allow the Kansas Water Office to file applications to appropriate water on a more timely basis ahead of the actual funding of a small lake project.

Third, the bill clarifies the Kansas Water Office as the responsible agency to recoup the state's cost of water supply storage in these small lakes. The present bill does not identify the responsible agency.

Finally, the bill allows the state to anticipate future water supply needs and include water supply storage in Class III lakes, just as it does for Class I and II lakes. Class III lakes are those which lie outside watershed districts and which are not eligible for financial participation from the State Conservation Commission or the federal PL-566 Program.

In summary, the bill "fine tunes" a program that has been a success since its origin in 1985. Passage of this bill will make a good program better.

The Kansas Water Office supports Senate Bill 88 and requests favorable action on it.

SENATE BILL No. 46

By Senators Oleen, Doyen, Walker, Bond, F. Kerr,
Langworthy, Lee, Montgomery, Moran, Salisbury and Winter

1-23

9 AN ACT requiring certain labeling of plastic bottles and containers;
10 providing remedies for violations.

11
12 *Be it enacted by the Legislature of the State of Kansas:*

13 Section 1. (a) As used in this section:

14 (1) "Code" means a molded, imprinted or raised symbol.

15 (2) "Person" means any individual, association, partnership, lim-
16 ited partnership, corporation or other entity.

17 (3) "Plastic" means any material made of polymeric organic com-
18 pounds and additives that can be shaped by flow.

19 (4) "Plastic bottle" means [a] plastic container which: (A) Has a
20 neck that is smaller than the body of the container; (B) accepts a
21 screw-type, snap-cap or other closure; and (C) has a capacity of [16]
22 fluid ounces or more but less than five gallons.

an empty

eight

23 (5) "Rigid plastic container" means any formed or molded con-
24 tainer other than a bottle, intended for single use, composed pre-
25 dominantly of plastic resin and having a relatively inflexible finite
26 shape or form with a capacity of eight ounces or more but less than
27 five gallons.

empty

28 (b) On or after July 1, 1993, no person shall distribute, sell or
29 offer for sale in this state any plastic bottle or rigid plastic container,
30 unless it is labeled with a code indicating the plastic resin used to
31 produce the bottle or container. The code shall appear on or near
32 the bottom of the bottle or container. The code used for plastic
33 bottles or rigid plastic containers with labels and basecups of a dif-
34 ferent material shall be determined by the basic material of the
35 bottle or container. The code shall consist of a number placed within
36 a triangle of arrows and letters placed below the triangle of arrows.
37 The triangle shall be equilateral, formed by three arrows with the
38 apex of each point of the triangle at the midpoint of each arrow,
39 rounded with a short radius. The arrowhead of each arrow shall be
40 at the midpoint of each side of the arrow. The triangle, formed by
41 the three arrows curved at their midpoints, shall depict a clockwise
42 path around the code number. The numbers and letters used shall
43 be as follows: 1 = PETE (polyethylene terephthalate), 2 = HDPE

F4NR
2-13-91
Attachment 7