

Approved: Carl Dean Holmes 3-6-95
Date

MINUTES OF THE HOUSE COMMITTEE ON ENERGY AND NATURAL RESOURCES.

The meeting was called to order by Chairperson Carl Holmes on January 24, 1995 in Room 526-S of the Capitol.

All members were present except:

Committee staff present: Raney Gilliland, Legislative Research Department
Dennis Hodgins, Legislative Research Department
Mary Torrence, Revisor of Statutes
Shirley Wilds, Committee Secretary

Conferees appearing before the committee: Kenneth F. Kern, State Conservation Commission
Stephen A. Hurst, Kansas Water Office

Others attending: See attached list

Chairperson Holmes opened the meeting inquiring of any Committee bill requests.

Representative Myers moved to introduce a bill to certify part of the existing Kansas Water quality management plan to stop proliferation of new small waste station systems within the state. Representative Alldritt seconded. Motion carried.

The Chair made the following announcements:

A Subcommittee meeting is scheduled today upon adjournment of this Committee meeting on two gas gathering bills heard in Committee yesterday.

HB 2021 will be heard Thursday, January 26, in the House Federal and State Affairs Committee.

Those Freshman Committee members who carried bills on the House Floor this date were commended.

Hearing on HB 2037:

Kenneth F. Kern. By way of background for the benefit of new members on the Committee, Mr. Kern said the Commission is comprised of nine members, five of whom are elected from five different areas of the State and four appointed. He provided a summary of agency programs for FY 1995 with his testimony.

Because state funds are already supplementing the construction of flood control structures, Mr. Kern stated the Commission supports and recommends **HB 2037** for passage. (Mr. Kern provided a summary of agency programs for FY 1995.) (See Attachment #1.)

Hearing on HB 2038:

Kenneth F. Kern. Mr. Kern explained that the objective of the Small Lakes Program is to develop flood control, water supply, or recreation dam sites for construction. A sponsor may be a political subdivision of the state, which has the power of taxation and the right of eminent domain, a public wholesale water supply district, or a water district. Since FY 1987 the State has funded nine projects, as outlined in the multipurpose small lakes projects in the attachment. (See Attachment #2.)

Mr. Kern stated the intent of **HB 2038** is to provide a mechanism for the return to the state water plan funds recovered from previously appropriated funds; and, establish an account for funding future water supply storage portions of multipurpose small lake projects. Multipurpose projects are projects with a range of

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON ENERGY AND NATURAL RESOURCES, Room 526-S Statehouse, at 3:30 p.m.. on January 24, 1995.

\$460,000 to \$3 million, with the water portion ranging from 40 to 50 percent of the total costs. In his attachment Mr. Kern provided a cost breakdown example in Linn County for a multipurpose small lake project in the Commission's FY 1996 budget request covering the flood control; water supply; and NPS pollution protection. Additionally, he provided a list of the funded projects and the amount of funds available to be returned to the state upon the purchase of the water storage and associated water rights. He said since there is no time table for the repayment of funds (depends on the sale of the water right), the amount of funds available at any one time is hard to predict. He said the establishment of the special account for Multipurpose Small Lake funds reimbursed to the State will be beneficial to the development of future water supply storage in the Multipurpose Small Lakes program.

Mr. Kern spoke to areas to be considered that may affect the benefits:

1. The bill would create additional accounting and transfers by the Accounts and Reports Section of the Department of Administration.
2. The establishment of a separate account could lead to other separate accounts for state water plan funds reimbursed to the State.

In conclusion he reported that the State Conservation Commission supports and recommends the passage of **HB 2038**.

Steve Hurst. (See Attachment #3.) Mr. Hurst said construction of small lakes through the State Conservation Commission's cost sharing programs has historically played an important role in the management and conservation of the State's water resources. Hundreds of small lakes have been designed and built by watershed districts with State financial assistance for flood control and watershed protection. Through the creation of the Multipurpose Small Lakes Program, "add-on" features of public water supply and creation could be added to such structures, providing for development of a proposed small lakes project to its fullest potential. Additionally, it provides for the renovation of an existing small lake to provide additional benefits.

Upon citing the program objectives, he said if a planned flood control structure meets the program's criteria it may become a multipurpose small lake by adding public water supply storage and/or recreation. A planned public water supply structure may become a multipurpose small lake by adding flood control or flood control and recreation. (The same rules apply to project renovation.) Mr. Hurst added that each structure must contain flood control features to be eligible for Multipurpose Small Lakes Program funding.

In addressing the reimbursement of public water supply costs, Mr. Kern said from its inception it was expected that users of the add-on water supply would reimburse the State for the costs of adding the public water supply portion to the dams. The Kansas Water Office is authorized by the Multipurpose Small Lakes Act to acquire the water rights associated with the State's portion of the public water supply in each project and to sell the right to the ultimate user.

Mr. Hurst maintains that monies collected for multipurpose small lakes projects funded through the State Water Plan should be returned to the State Water Plan Fund; and, those from the Water Marketing savings account should be return to the Water Marketing savings account. In addition, he said he believes the intent was that those monies collected should be used to fund new multipurpose small lakes projects and that **HB 2038** formalizes how the monies were to be managed and utilized.

Hearing on HB 2039:

Stephen A. Hurst. Mr. Hurst told the Committee he had received several inquiries regarding this legislation during the last week and many are confused. In offering some clarification to the Committee regarding the repeal of the two statutes relating to reservoir acquisitions, he said he believes the bill before the Committee is basically "housekeeping" and removes two unnecessary statutes from the books. (See Attachment #4.)

Action on HB 2042:

Representative Sloan moved to report **HB 2042** favorable for passage and place on the Consent Calendar. Representative Lloyd seconded. Motion carried.

Action on HB 2043:

Representative Freeborn moved to pass **HB 2043** favorably and place on the Consent Calendar.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON ENERGY AND NATURAL RESOURCES, Room 526-S Statehouse, at 3:30 p.m.. on January 24, 1995.

Representative Feuerborn seconded. Motion carried.

Action on HB 2044:

Staff informed the Committee of a technical change to be made in this measure to which Representative Lloyd made a motion to change **HB 2044**, on Page 1, line 24, by striking 55-902 and 55-1206, and inserting 55-1205. Representative Meyers seconded the motion. Motion carried.

Representative Lawrence made a motion to table **HB 2044**. Representative Freeborn seconded. Motion carried.

Action on HB 2034:

Representative Lawrence moved to recommend **HB 2034** adversely. Representative Sloan seconded. Motion carried.

Chairperson Holmes invited those interested in **HB 2041** and **HB 2097** to remain for the Subcommittee meeting upon adjournment of this meeting.

Upon completion of its business, the meeting adjourned at 4:25 p.m.

The next meeting is scheduled for January 25, 1995.



State Conservation Commission

109 SW 9th Street
Suite 500, Mills Building

Telephone: (913) 296-3600

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TESTIMONY ON HB 2037
HOUSE ENERGY AND NATURAL
RESOURCES COMMITTEE

KENNETH F. KERN
EXECUTIVE DIRECTOR
January 24, 1995

Thank you for the opportunity to appear before the Committee and testify on House Bill No. 2037, an act repealing K.S.A. 82a-909, 82a-918, and 82a-919.

These sections of K.S.A. 82a were enacted by the 1963 Legislature to provide a means for public corporations, namely watershed districts, to be reimbursed by the State for specific expenses when more than 20 percent of the benefits of a flood control project are located outside the taxing entity's boundary.

Beginning in FY 1977, the state has provided financial assistance to the watershed districts for the construction of the flood control projects. Approximately \$17,000,000 has been appropriated for flood control projects. These funds have been for the construction of 394 structures in 50 watershed districts.

Eligible projects may receive state assistance up to 70% of the cost of construction and up to 10% of the construction costs for engineering services and a limit of \$120,000 per year per project.

It appears the program has served it's original purpose, which was to provide state assistance. Because state funds are already supplementing the construction of the flood control structures, the State Conservation Commission supports and recommends the passage of HB 2037.

1/24/95
Energy & Natural Resources
Attachment # 1



State Conservation Commission

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TESTIMONY ON HB 2038
HOUSE ENERGY AND NATURAL
RESOURCES COMMITTEE

KENNETH F. KERN
EXECUTIVE DIRECTOR
January 24, 1995

Thank you for the opportunity to appear before the Committee and testify on House Bill No. 2038.

The Kansas Water Plan recommended and the Legislature created the Multipurpose Small Lakes Program in 1985 by the enactment of K.S.A. 82a-1601 et seq.

The objective of the Multipurpose Small Lakes Program is to develop, to its fullest potential, a flood control, water supply, or recreation dam site being planned for construction.

A Multipurpose Small Lakes project may be sponsored by a political subdivision of the state which has the power of taxation and the right of eminent domain, a public wholesale water supply district, or a water district.

The State has funded nine (9) projects since FY 1987. See attachment for projects and appropriations.

Statutory provisions provide for the Kansas Water Office to recover the state's cost incurred in providing public water supply storage. This is accomplished by selling the water supply storage and associated water right. (K.S.A. 82a-1604, 1605, and 1606)

The intent of HB 2038 is to:

1. Provide a mechanism for the return to the state water plan fund the amounts recovered from previously appropriated state water plan funds.
2. Establish an account for funding future water supply storage portions of a Multipurpose Small Lake project.

1/24/95
Energy & Natural Resources
attachment # 2

Multipurpose projects are high dollar projects, with a range from \$460,000 to \$3,000,000. The water supply portion ranges from 40 to 50 percent of the total costs. Funds available for the water supply portion will reduce the amount needed from the state water plan fund annual receipts.

An example of this is the Commission's FY 1996 budget request for \$2,335,795 for a Multipurpose Small Lake project in Linn County. The cost breakdown is:

Flood Control	\$ 879,260
Water Supply.....	1,266,135
NPS Pollution Protection.....	190,400

If the special revenue fund had \$750,000 available, the current request would be for \$1,585,795 of new money from the FY 1996 Water Plan Special Revenue Fund.

The funded projects and the amount of funds available to be returned to the state upon the purchase of the water storage and associated water right are:

Bone Creek Reservoir (Crawford County).....	\$1,000,000
Banner Creek Reservoir (Jackson County).....	396,969
Pony Creek (Nemaha County - Sabetha).....	815,425
Mill Creek (Wabaunsee County).....	203,405
Bourbon County PWWSD #13.....	541,720
TOTAL.....	\$2,957,519

There is no time table for the repayment of these funds, as it will depend on the sale of the water right. Therefore, the amount of funds available at one time is hard to predict.

All funds would go through the budget process and require appropriation by the Legislature for a new Multipurpose Small Lake project.

The establishment of the special account for Multipurpose Small Lake funds reimbursed to the State will be beneficial to the development of future water supply storage in the Multipurpose Small Lakes program.

However, there are several things to be considered that may affect the benefits:

1. The bill would create additional accounting and transfers by the Accounts and Reports Section of the Department of Administration.
2. The establishment of a separate account could lead to other separate accounts for water plan funds reimbursed to the State.

The State Conservation Commission supports and recommends the passage of HB 2038.

Multipurpose Small Lakes Projects

Name	Amount	Funding		Water Supply Sold	Reimbursable Costs
		Source	FY		
Centralia Site 50				NO	\$108,192.00 Construction of water supply
Flood Control	\$0.00				\$280.00 Water night firing fee
Water Supply	\$10,000.00	State General Fund	1987		\$200.00 Water night inspection fee
Water Supply	\$98,192.00	Water Marketing	1988		
Recreation	\$0.00				
Land Treatment	\$240,000.00	Water Marketing	1989		\$108,672.00
TOTAL	\$348,192.00				
2. Yates Center				NA	NA No funding for water supply
Flood Control	\$0.00				
Water Supply	\$0.00				
Recreation	\$100,000.00	State General Fund	1987		
Land Treatment	\$140,352.00	State General Fund	1988		
TOTAL	\$240,352.00				
3. Wellington				NA	NA No funding for water supply
Flood Control	\$745,000.00	Water Marketing	1989		
Water Supply	\$0.00				
Recreation	\$50,000.00	Water Marketing	1989		
Land Treatment	\$122,482.00	Water Marketing	1989		
TOTAL	\$917,482.00				
4. Jetmore				NO	\$589,000.00 Construction of water supply
Flood Control	\$451,250.00	Economic Dev. Fund	1990		
Flood Control	\$130,750.00	Water Marketing	1990		
Water Supply	\$589,000.00	Water Marketing	1990		
Recreation	\$130,250.00	Water Marketing	1990		
Land Treatment	\$0.00				
TOTAL	\$1,301,250.00				
5. Bone Creek				NO	\$1,000,000.00 Construction of water supply
Flood Control	\$903,402.00	State Water Plan Fund	1991		
Water Supply	\$500,000.00	State Water Plan Fund	1992		
Water Supply	\$500,000.00	State Water Plan Fund	1993		
Recreation	\$996,598.00	State Water Plan Fund	1991		
Land Treatment	\$0.00				
TOTAL	\$2,900,000.00				
6. Banner Creek (Holton)				NO	\$396,969.00 Construction of water supply
Flood Control	\$0.00				
Water Supply	\$396,969.00	State Water Plan Fund	1993		
Recreation	\$0.00				
Land Treatment	\$73,040.00	State Water Plan Fund	1991		
TOTAL	\$470,009.00				
7. Pony Creek (Sabetha)				YES 81%	\$815,425.00 Construction of water supply (\$663,756.00) City of Sabetha purchase \$151,669.00 Balance
Flood Control	\$571,420.00	State Water Plan Fund	1992		
Water Supply	\$815,425.00	State Water Plan Fund	1992		
Recreation	\$0.00				
Land Treatment	\$87,378.00	State Water Plan Fund	1992		
TOTAL	\$1,474,223.00				
8. Mill Creek (Alma)				NO	\$203,405.00 Construction of water supply
Flood Control	\$256,891.00	State Water Plan Fund	1993		
Water Supply	\$203,405.00	State Water Plan Fund	1993		
Recreation	\$0.00				
Land Treatment	\$0.00				
TOTAL	\$460,296.00				
9. Bourbon RWS #5				NO	\$541,720.00 Construction of water supply
Flood Control	\$334,943.00	State Water Plan Fund	1994		
Water Supply	\$541,720.00	State Water Plan Fund	1994		
Recreation	\$0.00				
Land Treatment	\$0.00				
NPS Protection	\$57,000.00	State Water Plan Fund	1994		
TOTAL	\$933,663.00				

TOTAL REIMBURSABLE COSTS	\$3,655,191.00
REIMBURSABLE COSTS COLLECTED	(\$663,756.00)
BALANCE REIMBURSABLE COSTS	\$2,991,435.00

REIMBURSABLE COSTS FROM WATER MARKETING	\$687,672.00
REIMBURSABLE STATE WATER PLAN FUND	\$2,957,519.00
REIMBURSABLE STATE GENERAL FUND	\$10,000.00
TOTAL	\$3,655,191.00
REIMBURSABLE COSTS COLLECTED	(\$663,756.00)
BALANCE REIMBURSABLE COSTS	\$2,991,435.00

**Testimony of Stephen A. Hurst
Director, Kansas Water Office
Before the
House Energy and Natural Resource Committee
on House Bill No. 2038
January 24, 1995**

THE MULTIPURPOSE SMALL LAKES PROGRAM AND ESTABLISHMENT OF A
REVOLVING LOAN FUND

Background:

The Multipurpose Small Lakes Program was created in 1985 with the enactment of K.S.A. 82a-1601 et seq. and is the result of recommendations contained in the *Kansas Water Plan*. Concern over several issues relating to public water supply led to the creation of this program.

Issues:

The State owns water supply storage space in large federal reservoirs that it markets to municipal and industrial users. However, location of these reservoirs is sometimes far removed from the area of need and requires a large capital investment by the State. Not only did potential customers have to repay the State's costs for owning the storage space, but also faced the expense of transporting the water to their place of use. Therefore, the State Water Marketing Program did not fully or economically meet the state's projected municipal and industrial water supply needs.

Further, it was recognized that good reservoir sites (large or small) are limited in Kansas. Each potential or existing site must be developed to its fullest potential. Through the watershed dam construction program, several sites had been identified for small watershed-type lakes that could be expanded to meet local water supply needs at far less cost than the large federal lakes.

Solution--Expansion of Watershed Program

Construction of small lakes through the State Conservation Commission's cost sharing programs has historically played an important role in the management and conservation of the State's water resources. Hundreds of small lakes have been designed and built by watershed districts with State financial assistance for flood control and watershed protection. Through the creation of the Multipurpose Small Lakes Program, "add-on" features of public water supply and recreation could be added to such structures. This provides for the development of a proposed small lakes project to its fullest potential. It also provides for the renovation of an existing small lake to provide additional benefits.

1/25/95
Energy & Natural Resources
Attachment # 3

The objectives of the program are:

- (1) The reduction of flood damages caused by excessive runoff and provide protection for safety of people and domestic and wild animals;
- (2) To provide for the development of dependable water supply near communities that need water;
- (3) To provide for a gradual process of developing future water supplies which more closely matches water supply developments with water supply needs;
- (4) To develop a project that requires a fraction of the capital investment costs of large reservoir projects and consumes a relatively small amount of land resources;
- (5) To develop projects that can be operated and maintained by local entities and:
- (6) To provide adequate land treatment measures that will protect the site from pollution and siltation.

A planned flood control structure, if it meets the program's criteria, may become a multipurpose small lake by adding public water supply storage and/or recreation. A planned public water supply structure may become a multipurpose small lake by adding flood control or flood control and recreation. The same rules apply to renovation of a project. Each structure **MUST** contain flood control features to be eligible for Multipurpose Small Lakes Program funding.

Reimbursement of Public Water Supply Costs

From its inception, it was expected that ultimate users of the add-on water supply would ultimately reimburse the State for the costs of adding the public water supply portion to these dams. This was to be accomplished through the Kansas Water Office utilizing contracts with users. The Kansas Water Office is authorized by the Multipurpose Small Lakes Act to acquire the water rights associated with the State's portion of the public water supply in each of these projects and to sell that right to the ultimate user.

The first small lake dams were built BEFORE the existence of the State Water Plan Fund. The public water supply portion of the first multipurpose small lake was partially funded from the State General Fund. Others were funded using State Water Marketing Program revenues intended to be used as a savings account for the development or renovation of the large federal reservoirs used in that program. However, part of the Water Marketing funds were also used to finance non-reimbursable portions of the small lakes, as can be seen on the attached table. The Attorney General's Office, in Opinion 89-33 found that these were inappropriate uses of those funds. Later projects were funded through the State Water Plan Fund as noted.

First Revenue from the Program

The first Multipurpose Small Lakes project to result in reimbursement of funds for construction of the public water supply portion is the Pony Creek Project near Sabetha. The City of Sabetha has signed a contract with the Kansas Water Office to repay \$663,756 in costs associated with 81% of the public water supply storage space in Pony Creek Multipurpose Small Lake. Sabetha has agreed to transmit the \$663,756 to the State by April 1, 1995. With receipt of these monies, the question becomes: Where should the money go and what should it be used for?

It has been our understanding that the funds should be returned to their source. In other words, those monies collected for multipurpose small lakes projects funded through the State Water Plan should be returned to the State Water Plan Fund. Those that came from the Water Marketing savings account should be returned to the Water Marketing savings account. In addition, we believe the intent was that those monies collected should be used to fund new multipurpose small lakes projects. The bill before you today formalizes our understanding of how the monies were to be managed and utilized. Therefore, we support the provisions of House Bill 2038.

Thank you for allowing us to appear before you today.

Multipurpose Small Lakes Projects

Project Name	Amount	Funding		Water Supply Sold	Reimbursable Costs
		Source	FY		
1. Centralia Site 50				NO	\$108,192.00 Construction of water supply
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Water Supply	\$98,192.00	Water Marketing	1988		
Recreation	\$0.00				
Land Treatment	\$240,000.00	Water Marketing	1989		
TOTAL	\$348,192.00				\$108,672.00
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MULTIPURPOSE SMALL LAKES PROGRAM



Fact Sheet No. 14

January 1993

Kansas Water Office

Background

The 1985 Legislature established the Multipurpose Small Lakes Program by enacting K.S.A. 82a-1601 *et seq.* The Multipurpose Small Lakes Program, which is a part of the State Water Plan, provides for "add on" features for the development of a proposed small lake site to its fullest potential and/or for the renovation of an existing structure to provide for additional benefits.

A planned flood control structure, if it meets the criteria, may become a multipurpose structure by adding water supply storage and/or recreation. A planned water supply structure may become a multipurpose structure by adding flood control or flood control and recreation. The same holds true for a renovation project. Each structure **must** contain flood control features to be eligible for Multipurpose Small Lakes Program funding.

Purpose

The objectives of this program are: (1) To reduce flood damages caused by excessive runoff and provide protection for safety of people and/or domestic and wild animals, (2) to provide for the development of dependable water supply in close proximity to communities which need water, (3) to provide for a gradual process of developing future water supplies which more closely matches water supply developments with water supply needs, (4) to develop a project that requires a fraction of the capital investment costs of large reservoir projects and consumes a relatively small amount of land resources, (5) to develop projects that can be operated and maintained by local entities and (6) to provide adequate land treatment measures that will protect the site from pollution and siltation.

Overview

Small lakes play an important role in the management and conservation of the state's water resources. Although hundreds of small lake projects have been built in Kansas for flood control and watershed protection, additional multipurpose structures will be required in the future to meet the water needs of the state.

The need for adequate water supply and recreational facilities is evident in various areas of the state. This program brings together those entities that have a water supply need or projected water supply need and those entities that are constructing flood control structures.

Administrative Guidelines - The Multipurpose Small Lakes Program is managed by the State Conservation Commission.

Rules and regulations establish policy and guidelines to provide cost-share assistance to local entities that have, or will have, a water supply need and/or a need for recreational facilities. Each project must include adequate land treatment of the drainage area to protect the site from pollution and siltation. The sponsoring entity must also have taxing authority and power of eminent domain. Payback of state funds used for the water supply portion of the structure is also provided for in the statute. In addition, multipurpose small lakes are subject to cost-benefit analysis conducted by the Chief Engineer, Division of Water Resources, State Board of Agriculture. The Kansas Water Office is the state agency responsible for recouping the state's investment costs for the water supply storage space on multipurpose small lakes.

Additional Information

Further information or copies of the Multipurpose Small Lakes Program Guidelines may be obtained from: Director, State Conservation Commission, 5th Floor, 109 SW 9th Street, Topeka, KS 66612-1299 (913/296-3600).

**Testimony of Stephen A. Hurst
Director, Kansas Water Office
Before the
House Energy and Natural Resource Committee
on House Bill 2039
January 24, 1995**

Thank you Mr. Chairman, I am Stephen A. Hurst, Director of the Kansas Water Office.

I am here today to testify in support of House Bill 2039 which would repeal two statutes relating to reservoir acquisitions. I have probably received more than a dozen telephone inquiries about this legislation during the last week, and I hope that I can dispel some confusion by my testimony here today.

Most of the inquiries that I fielded were concerned with whether this legislation would repeal the ability of the state to acquire storage under the Federal Memorandum of Understanding which was, as most of you remember, discussed in great detail by this committee and passed last session, along with funding.

K.S.A. 82a-1375 directs the Director of the Kansas Water Office, with approval of Kansas Water Authority, to acquire storage in Tuttle Creek, Melvern and Pomona reservoirs under the 1985 Memorandum of Understanding with the Corps of Engineers as expeditiously as possible using bonding or other means of financing.

The Kansas Water Authority has approved a contract for Tuttle Creek and Melvern storage.

The Tuttle Creek contract has been approved by the federal government and Kansas Water Office has made payment of \$650,211 to the Corps from the \$13.6 million appropriated for this purpose in 1994. There remains available 13,850 acre-feet of storage which the Kansas Water Assurance District No. 1 will purchase before the end of June 1996 (when the Memorandum of Understanding expires).

The Melvern contract for the entire 50,000 acre-feet of available storage has been forwarded to the Corps. This contract is in Washington awaiting final federal approval. This contract commits an amount slightly over \$7 million from the \$13.6 million appropriated.

A contract for Pomona storage will be forwarded to the Kansas Water Authority for approval as soon as the water reservation right is approved by the Chief Engineer of the Division of Water Resources, Department of Agriculture. As this storage is part of the Memorandum of Understanding, the State (Kansas Water Office) must show that it will protect water quality releases from each reservoir. The mechanism for doing that is an approved water reservation right. The costs for the entire 32,000 acre-feet of storage available in Pomona is estimated to be just over \$3 million.

K.S.A. 82a-1376 directs the Kansas Water Authority to study options for financing storage made available under the 1985 Memorandum of Understanding between the State and the Corps of Engineers.

1/25/95
Energy & Natural Resources
Attachment #4

During the last session of the Legislature \$13.6 million was appropriated for this purpose and the legislature further expanded the Kansas Water Office's authority to issue bonds or seek Pooled Money Investment Board loans to purchase the available storage. This legislation amended K.S.A. 82a-1361 and K.S.A. 1993 Supplement 82a-1369, which under the State's Water Marketing Program allows the Kansas Water Office to purchase or acquire available storage in any Federal Reservoir. I believe that the amendments made last session adequately provide the flexibility to acquire any future federal reservoir storage if so desired, as it becomes available, and sets out clearly, options available for payment.

I therefore believe that the bill before you today is basically "house keeping" and removes two unnecessary statutes from the books, and I therefore support their repeal.