

MINUTES OF THE HOUSE COMMITTEE ON LOCAL GOVERNMENT.

The meeting was called to order by Chairperson Kent Glasscock at 1:37 p.m. on January 31, 1995 in Room 521-S of the Capitol.

All members were present except:

Committee staff present: Mike Heim, Legislative Research Department  
Theresa Kiernan, Revisor of Statutes  
Fulva Seufert, Committee Secretary

Conferees appearing before the committee: Rep. Tom Sloan  
Dennis Schwartz, Director Kansas Rural Water Association  
Mike Lackey, Department of Transportation

Others attending: See attached list

Chairman Glasscock opened the meeting at 1:37 p.m. The minutes of the January 26, 1995 meeting were distributed. Representative Mays moved that the minutes be approved. Rep. Beggs seconded. Motion passed.

**HB 2087:** **An Act concerning highways; relating to the costs of relocating certain water lines; amending K.S.A. 68-415 and repealing the existing section.**

The Chairman recognized the first conferee, Representative Tom Sloan, who testified in favor of **HB 2087**. This bill addresses reimbursing rural water districts for relocating water lines. At the present time when the Kansas Department of Transportation funds a highway construction project, rural water districts are reimbursed for the cost of relocating water lines on private easements, but not those which cross highways (public rights-of-way.) (Attachment 1)

Chairman Glasscock introduced Dennis Schwartz, a member of the Board of Directors of the Kansas Rural Water Association and Manager of Rural Water District No. 8, Shawnee County. Mr. Schwartz spoke in support of **HB 2087**. He reported that the Kansas Rural Water Association's survey on all districts as of January, 1994, shows that the 283 rural water districts in Kansas owed \$90.201 million and these districts had 29.038 million cash. (Attachment 2)

Chairman Glasscock introduced Mike Lackey who represented the Kansas Department of Transportation. Mr. Lackey took a neutral position providing information only. (Attachment 3)

Chairman Glasscock asked if there were any questions, and then declared the hearing on **HB 2087** closed. Chairman Glasscock next directed the committee's attention to **HB 2193, An Act concerning cities and counties; relating to certain mandates imposed thereon.** Rep. Welshimer made the motion that **HB 2193** be passed out favorably. Rep. Ott seconded. Discussion followed.

Rep. Mays then made a substitute motion to defer action until the next meeting. Rep. Feuerborn seconded. Motion passed.

Rep. Tomlinson, Subcommittee Chairman, talked about the subcommittee's charge and the agenda for the first meeting. Rep. Tomlinson also presented a bill for courtesy introduction which would prohibit KD.O.T. from transferring its liability down to cities and counties involving unilateral contracts in highway projects.

The meeting adjourned at 2:30 p.m.

The next meeting is scheduled for February 2, 1995.



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TOPEKA

HOUSE OF  
REPRESENTATIVES

## Testimony on HB 2087

Reimbursing RWD's for Relocating Water Lines  
by  
Representative Tom Sloan

COMMITTEE ASSIGNMENTS  
MEMBER: AGRICULTURE  
LOCAL GOVERNMENT  
ENERGY & NATURAL RESOURCES

Mr. Chairman, Members of the Committee:

**HB 2087** is a simple bill that expands existing state law to correct an injustice and remove an unreasonable financial burden. Currently, when the Kansas Department of Transportation funds a highway construction project rural water districts are reimbursed for the cost of relocating water lines on private easements, but not those which cross highways (public rights-of-way).

This bill would require KDOT to reimburse rural water districts for the expense of moving existing lines which cross public rights-of-way, IF 90 percent of the district's lines (excluding road crossings) are on private easements. Thus, this bill will reimburse only those RWD's which demonstrate sound management and fiscal policies by locating their lines on private rights-of-way.

Rural water districts generally are small (under 500 patrons), do not have taxing authority, and solely rely on the sale of water and meters for their revenue. The cost of moving or lowering water lines often creates severe financial problems for the districts. In addition, when a district has financial difficulties, KDOT currently has no way to assist the district. **HB 2087** will enable KDOT-funded projects to continue on schedule, remove a financial inequity and burden from rural water districts, and have a minimal impact on KDOT's budget.

For example, one district with 350 patrons incurred more than \$50,000 of non-reimbursable expenses because their lines crossed highways or highway construction routes over ten times in a two square mile area. The district moved its lines, often several times as the highway construction plans changed. The district is not unique in experiencing a financial hardship while complying with KDOT plans.

I urge the committee to recommend **HB 2087** favorably for passage and stop burdening rural water districts and their patrons for cooperating with state funded KDOT construction projects.

House Local Government  
1-31-95  
Attachment 1



KANSAS  
RURAL  
WATER  
*association*

Quality water, quality life

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COMMENTS ON  
HOUSE BILL No. 2087  
BEFORE THE HOUSE LOCAL GOVERNMENT COMMITTEE  
January 31, 1995

Mr. Chairman and Members of the Committee:

Thank you for the opportunity to present comments on House Bill No. 2087. I am Dennis Schwartz, a member of the Board of Directors of the Kansas Rural Water Association. I am also Manager of Rural Water District No. 8, Shawnee County.

The Kansas Rural Water Association supports House Bill No. 2087. Rural water districts in Kansas are non-profit entities, dedicated to serving public health and safety. Many rural water districts in Kansas are being dramatically impacted financially because of costs to relocate waterlines which cross highways. In some cases, rate increases are necessary to finance these relocations. The Kansas Rural Water Association's survey on all districts as of January 1994 shows that the 283 rural water districts in Kansas owed \$90.201 million; these districts had \$29.038 million cash. Relatively few districts have surplus cash.

The Kansas Rural Water Association has vigorously encouraged all districts to install waterlines or any other facilities on private easements. We know that most of these districts even further try to avoid any possible conflict with potential future highway modification projects when improvements are known in advance of installation of pipelines. The Association does not believe it is appropriate that the systems be reimbursed if the relocation involves pipeline installed parallel to right-of-way and not on private easement.

House Bill 2087 provides relief to the financial burden that is being placed on many rural water districts because of the extraordinarily high costs of relocating highway crossings. The crossings are integral connections within the public water systems. The rural water districts had no choice but to cross the right of way either to provide service to additional areas of the district or to individual users. The rural water districts have no control of where highway construction will occur. We know that many districts have been and will be impacted because of the numerous highway projects in progress or which are proposed. We hope you will appreciate the small user base that these systems have to pay for replacement of facilities which are in perfectly good condition, other than they need to be relocated because of highway improvement projects.

The Kansas Rural Water Association is aware that many rural water districts do not have sufficient cash reserves to complete relocations required by KDOT so that highway projects can proceed.

We know of no other utility which is so adversely affected and so inadequately prepared to sustain these costs. The Kansas Rural Water Association encourages favorable support for House Bill No. 2087.

Respectfully submitted,

Dennis Schwartz  
Director

House Local Government  
1-31-95  
Attachment 2





**KANSAS DEPARTMENT OF TRANSPORTATION**

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**TESTIMONY BEFORE**

**HOUSE LOCAL GOVERNMENT COMMITTEE**

**JANUARY 31, 1995**

**REGARDING HOUSE BILL 2087**

Mr. Chairman and Committee Members:

On behalf of the Kansas Department of Transportation, I am here today to provide testimony regarding HB 2087.

This bill would require the Department to assume the cost of relocating the water lines of specified rural water districts. These water line relocations would be required for highway-funded projects that are in progress on passage of the bill or undertaken thereafter. The bill would apply to those districts which, after excluding lines that cross a highway, have 90 percent or more of their remaining water lines on private right-of-way. No definition is provided for the term "highway-funded project."

It is estimated that this bill would increase expenditures for the balance of the Comprehensive Highway Program by approximately \$586,000. The estimate is based on expenditures from FY 91 through FY 94 with no inflation costs applied. This estimated cost is also based on only those rural water districts with current open relocation agreements and does not include those with highway permit adjustments only on public right of way. It is assumed that 14 percent of the agreements (16 relocations) will involve rural water districts with lines on private right-of-way and that the average cost for each of those relocations will be \$55,312.

*Presented by  
Mike Lackey*

*House Local Government  
1-31-95  
Attachment 3*