

Approved: 2-21-95
Date

MINUTES OF THE SENATE COMMITTEE ON ENERGY & NATURAL RESOURCES.

The meeting was called to order by Chairperson Don Sallee at 8:00 a.m. on February 14, 1995 in Room 254-E- of the Capitol.

All members were present except:
Senator Phil Martin

Committee staff present: Raney Gilliland, Legislative Research Department
Dennis Hodgins, Legislative Research Department
Mike Corrigan, Revisor of Statutes
Clarene Wilms, Committee Secretary

Conferees appearing before the committee:
Ken Kern, State Conservation Commission
Steve Hurst, Kansas Water Office
Terry Duval, Kansas Water Office

Others attending: See attached list

The minutes of February 7, 8 and 9 were presented for approval.

A member questioned whether or not Wildlife and Parks had requested introduction of bills following their presentation to the committee on February 7, 1995. Concern was expressed as to whether a bill had been introduced dealing with the issue of group fishing licenses. Staff stated there was a House Bill covering the issues of Mr. Montei's presentation made on February 7.

A motion was made by Senator Lawrence and seconded by Senator Lee to approve the minutes as corrected. The motion carried.

HB 2037: Repealing K.S.A. 82a909, 82a-918, concerning financial assistance for certain water development projects.

Ken Kern, State Conservation Commission, appeared before the committee and presented testimony stating the original program, providing 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, has served its original purpose which was to provide state assistance. Therefore Mr. Kern recommended passage of **HB 2037** which will repeal the original statutes. (Attachment 1)

Following a brief discussion Senator Hardenburger made a motion to report **HB 2037** favorable for passage and to place it on the Consent Calendar. Senator Vancrum seconded the motion and the motion carried.

HB 2039: An act repealing K.S.A. 1994 Supp 82a-1375 and 82a-1376, relating to acquisition of conservation water supply capacity in certain federal reservoirs.

Stephen A. Hurst, Director of the Kansas Water Office appeared to testify in support of **HB 2039**. Mr. Hurst told the committee numerous calls had been received expressing concern about this bill. He stated that it was his belief that amendments made last session adequately provide the flexibility to acquire any future federal reservoir storage as it becomes available as well as setting out options available for payment. Mr. Hurst told committee members he believed this bill was basically "house keeping" and removes two unnecessary statutes from the books and he supported their repeal. (Attachment 2).

A member questioned whether there were still some reservoirs that could be in question with Mr. Hurst stating that he believed this issue could be dealt with by the legislation done last year.

A member had questions concerning the Elk City reservoir. Terry Duval, Kansas Water Office, told members the state is divided into two areas with the Elk City reservoir falling in that area of the state which was dealt with by the Tulsa office and they are not moving as quickly as the Kansas City office. Ms. Duval stated the repeal of these statutes would not result in cutting out any options.

The meeting adjourned at 8:30 a.m.

The next meeting is scheduled for February 15, 1995.



State Conservation Commission

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TESTIMONY ON HB 2037
SENATE ENERGY AND NATURAL
RESOURCES COMMITTEE

KENNETH F. KERN
EXECUTIVE DIRECTOR
February 14, 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.

Senate Energy + Nat'l Res.
February 14, 1995
Attachment 1

**Testimony of Stephen A. Hurst
Director, Kansas Water Office
Before the
Senate Energy and Natural Resources Committee
on House Bill 2039
February 14, 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 past month, 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).

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Attachment 2*

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 Kansas City District Corps of Engineers finishes drafting it.. 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.

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. 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. I therefore support their repeal.