

Approved: 1-29-97
Date

MINUTES OF THE SENATE COMMITTEE ON ENERGY & NATURAL RESOURCES.

The meeting was called to order by Chairperson Don Sallee at 8:10 a.m. on January 21, 1997 in Room 254-E of the Capitol.

All members were present.

Committee staff present: Raney Gilliland, Legislative Research Department
Linda Bradley, Committee Secretary

Conferees appearing before the committee: Al LeDoux, Director Kansas Water Office
Terry Duvall, Administrator Kansas Water Office Marketing
Division

Others attending: See attached list

Chairperson Don Sallee called the meeting to order and opened the floor to bill requests.

Al LeDoux appeared representing the Kansas Water Office to review water contracts. Under K.S.A. 82A-1307 new contracts or amendments to existing contracts under the state's water marketing program must be submitted to the legislature for review on or before the 30th calendar day of each Legislative Session. During the past year, Kansas Water Office entered into two new contracts and nullified 2 contracts with water users. The contracts and the nullifications were brought before the Committee for review.

Terry Duvall, Administrator Kansas Water Office Marketing Division, explained the three water marketing programs which serve a population of approximately 822,000 in parts of 29 counties, 61 communities, 68 rural water districts and 3 public wholesale water supply districts. The Water Marketing Program was created in 1974 and the Assurance and Multipurpose Small Lakes (MPSL) programs began in 1985-86. (Attachment 1).

With the completion of purchases of additional storage made available under a 1985 Memorandum of Understanding with the Corps of Engineers, the State currently controls 922,076 acre-feet of water supply storage space under these three programs. The original construction costs of this storage were \$91,895,647. The graphic in Attachment 1 shows the funding sources used to acquire the storage space. The revenue collected to date from program participants totals \$ 20,454,774.

Ms. Duvall explained that water supply is made available to municipal and industrial water users in three different ways to meet their needs. Under the Water Marketing Program, purchasers contract for water service from the yield of an individual lake. These purchasers are generally a single entity, such as a city, rural water district, public wholesale water district, or an industry. The water may be taken directly from the lake by a pipeline, or may be released to the stream for the purchaser to pick up downstream. These customers operate independently and have an exclusive use to the water supplies from the lake to meet their contracted quantities. They also are responsible to pay for any water which may be lost in transit.

Ms. Duvall explained that under the Water Assurance Program, water right holders along a stream reach may already have an appropriation right to the natural flow of the stream. However, a water right entitles them to water only if the river has adequate natural flow to meet their needs. The water supplies to water assurance program users comes from storage in upstream lakes dedicated to the assurance district. Water supply is released from upstream lakes to enhance the natural flow of the stream. The lakes are managed as a "system" rather than as an individual source of water. Thus, the supply to the user becomes a combination of natural flows and various releases from lakes in the program. No direct withdrawals are made from storage under this program.

According to Ms. Duvall for most medium to large water supply users, these two programs provide excellent long-term sources of water. For small towns and rural water districts the programs are not flexible enough.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES, ROOM 254-E-Statehouse, at 8:00 a.m. on January 21, 1997.

Many communities are not located close enough to the large reservoirs to make transporting the water economically feasible. Under the MPSL Program, the state pays for the costs of including water supply storage in small lakes over and above the local sponsor's immediate needs, if it is determined that additional water will be needed in the area in the next 20 years. Whenever a local user is ready to use this additional water supply, the state sells the storage space to the user, recouping the state's investment in water supply.

The meeting adjourned at 8:48 a.m.

The next meeting is scheduled for January 22, 1997.

SENATE ENERGY & NATURAL RESOURCES
COMMITTEE GUEST LIST

DATE: January 21, 1997

NAME	REPRESENTING
Charles Benjamin	KNRC / Sign Club
Eileen Carey	Intern for Laura McClure
Jerry Duwall	KWD
Al Do	KWD
Al Holthaus	Western Resources
Dag Wareham	Ks. Fert & Chem Assn.
Mike Beam	Ks LUSTK. Assn.
Jim Allen	Sea board
Leland E. Relp	DWR-KDA

Water Contracting Programs

The three water contracting programs serve a population of approximately 822,000 in parts of 29 counties, 61 communities, 68 rural water districts and 3 public wholesale water supply districts. The Water Marketing Program was created in 1974 and the Assurance and Multipurpose Small Lakes programs began in 1985-86.

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Under the Water Assurance Program, water right holders along a stream reach may already have an appropriation right to the natural flow of the stream. However, a water right entitles them to water only if the river has adequate natural flow to meet their needs. The water supplies to water assurance program users comes from storage in upstream lakes dedicated to the assurance district. Water supply is released from upstream lakes to enhance the natural flow of the stream. The lakes are managed as a “system” rather than as an individual source of water. Thus, the supply to the user becomes a combination of natural flows and various releases from lakes in the program. No direct withdrawals are made from storage under this program.

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users, these two programs provide excellent long-term sources of water. For small towns and rural water districts the programs are not flexible enough. Many communities are not located close enough to the large reservoirs to make transporting the water economically feasible. Under the MPSL Program, the state pays for the costs of including water supply storage in small lakes over and above the local sponsor's immediate needs, if it is determined that additional water will be needed in the area in the next 20 years. Whenever a local user is ready to use this additional water supply, the state sells the storage space to the user, recouping the state's investment in water supply.