

## MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Stephen Morris at 10:35 a.m. on March 22, 2004, in Room 123-S of the Capitol.

All members were present except:

Senator David Adkins- excused

Committee staff present:

Alan Conroy, Director, Kansas Legislative Research Department  
J. G. Scott, Chief Fiscal Analyst, Kansas Legislative Research Department  
Amy Deckard, Kansas Legislative Research Department  
Julian Efird, Kansas Legislative Research Department  
Susan Kannarr, Kansas Legislative Research Department  
Amy Van House, Kansas Legislative Research Department  
Robert Waller, Kansas Legislative Research Department  
Norman Furse, Revisor of Statutes  
Jill Wolters, Senior Assistant, Revisor of Statutes  
Bruce Kinsey, Revisor of Statutes Office  
Judy Bromich, Administrative Analyst  
Mary Shaw, Committee Secretary

Conferees appearing before the committee:

Ron Allen, Manager, Pawnee Watershed District, Jetmore, Kansas

Others attending:

See Attached List.

### **Bill Introduction**

Senator Kerr moved, with a second by Senator Jordan, to introduce a Senate Concurrent Resolution to amend Section 3c, of Article 15, of the Constitution of the State of Kansas, relating to lotteries (3rs1708). Motion carried on a voice vote.

Chairman Morris turned the committee's attention to discussion of:

### **SB 515--Financing for comprehensive transportation program**

Staff distributed copies of the Highlights of the Alternative Transportation Proposal Prepared for Briefings (Attachment 1). Bruce Kinsey, Revisor of Statutes Office, explained the bill. Committee discussion followed regarding a House amendment. Chairman Morris recognized Senator Downey who explained a proposed amendment (Attachment 2).

Senator Kerr moved, with a second by Senator Jordan, the clean Republican Comprehensive Transportation Plan into Senate Substitute for SB 515 without amendments. Motion carried on a roll call vote.

Senator Kerr moved, with a second by Senator Jackson, to recommend Senate Substitute for SB 515 favorable for passage as amended. Motion carried on a roll call vote.

The Chairman opened the public hearing on:

### **HB 2582--Creating the horsethief reservoir benefit district**

Staff briefed the committee on the bill.

Chairman Morris welcomed Ron Allen, Manager, Pawnee Watershed District in Jetmore, Kansas, who spoke in support of HB 2582 (Attachment 3). Mr. Allen explained that HB 2582 would establish a special benefit

CONTINUATION SHEET

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE at 10:35 a.m. on March 22, 2004, in Room 123-S of the Capitol.

district--made up of four counties surrounding the Reservoir--to manage, and partially fund, the recreation component of the project. He explained that four counties chose to participate in the project: Ford, Finney, Gray and Hodgeman Counties, along with Dodge City and Garden City. Mr. Allen urged timely passage of the bill.

There being no further conferees to appear before the committee, the Chairman closed the public hearing on **HB 2582**.

The meeting adjourned at 12:00 p .m. The next meeting is scheduled for March 23, 2004.

SENATE WAYS AND MEANS COMMITTEE

GUEST LIST

DATE march 22, 2004

NAME	REPRESENTING
Ethan Erickson	JOB
Julia Thomas	JOB
James Hurley	Economic Supplies
Glenn Coulter	Ks. Local Roads
Marty Matthews	Heavy Constructors Assoc.
Steve Adams	Ks Wildlife + Parks
Ken Britton	Ks Water Office
Jim May	HEIN LAW OFFICE
ERIC RUCKER	A.G.
DERICK SONTAG	A.G.
Warren Z. Hill	K.D.O.T.
Scott Heidner	KS Consulting Engineers
Tom Whitaker	KS MOTOR CARRIERS ASSN
Doug Wareham	KGFA / KARA
Ken Allen	Pamnee Watershed District
SID SHRIWASE	" " "
Robin Tennison	" " "
Mark Heim	SCC
SCOTT CARLSON	See
Mita Huttles	Ks. Gov't. Consulting

**HIGHLIGHTS OF ALTERNATIVE TRANSPORTATION PROPOSAL  
PREPARED FOR BRIEFINGS**

Maintains current funding of \$13.255 billion for all programmed expenditures of Comprehensive Transportation Plan (CTP) through FY 2009, and adds two years beyond CTP with expenditures of \$1.367 billion in FY 2010 and \$1.401 billion in FY 2011.

Provides two state revenue enhancements: (1) growth of the quarter cent (producing \$98 million in FY 2006) to slightly less than two-thirds of a cent (producing \$283 million in FY 2009) from sales tax receipts to replace the demand transfers and (2) addition of up to \$150 million in bonds to be repaid from the State General Fund.

Anticipates additional federal assistance up to \$50 million annually with the six-year renewal of federal transportation legislation.

Maintains an ending Highway Fund balance greater than \$250 million through FY 2009, and maintains a positive ending balance through FY 2011.

Provides for repaying Highway Fund money previously loaned to the State General Fund and for continuing the Highway Patrol financing from the State Highway Fund until FY 2009.

KLRD, 3/16/2004  
11:00 am

Senate Ways and Means  
3-22-04  
Attachment 1

**Alternative Transportation Proposal**

<b>Financing Plan by Fiscal Year:</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Beg. Balance	827	717	504	566	302	281	268	268	141
Motor Fuels Tax	408	436	446	454	462	470	477	485	493
Sales Tax Transfer	0	0	0	0	0	0	0	0	0
Quarter Cent to Increase	89	92	95	98	154	273	283	291	302
Registration Fees	146	148	151	153	156	158	161	163	166
Other State	67	43	46	36	33	34	33	29	30
SGF Bonds	0	0	0	0	100	50	0	0	0
Subtotal--State	710	719	738	741	905	985	954	968	991
Fed & Local Aid	408	320	402	389	379	399	426	242	281
Net Bond Sales/Loan Repay	2	200	400	0	33	31	31	31	0
Net TRF Loan Transact.	0	20	3	3	3	(22)	(2)	0	0
<b>Total Resources Available</b>	<b>1,947</b>	<b>1,976</b>	<b>2,047</b>	<b>1,699</b>	<b>1,622</b>	<b>1,674</b>	<b>1,677</b>	<b>1,509</b>	<b>1,413</b>
Routine Maintenance	107	117	121	126	129	132	136	140	144
Sub. Maintenance	138	185	196	196	202	210	218	227	237
Construction	475	647	606	476	405	454	441	379	393
Modes	22	19	18	19	19	20	20	18	16
Local Support	248	264	275	280	282	285	286	282	287
Manage & Blds	53	68	57	74	78	76	85	78	77
Transfers Out	68	87	90	99	94	97	100	69	71
Debt Service	119	85	118	127	132	132	123	175	176
<b>Total Expenditures</b>	<b>1,230</b>	<b>1,472</b>	<b>1,481</b>	<b>1,397</b>	<b>1,341</b>	<b>1,406</b>	<b>1,409</b>	<b>1,368</b>	<b>1,401</b>
<b>Ending Balance</b>	<b>717</b>	<b>504</b>	<b>566</b>	<b>302</b>	<b>281</b>	<b>268</b>	<b>268</b>	<b>141</b>	<b>12</b>

Alternative Proposal Adjustments:

Adjust Quarter Cent Transfer									
Estd. Annual Increase (Millions)	0	0	0	0	\$53	\$168	\$174	\$179	\$186
Fractional Rate	0.25	0.25	0.25	0.25	0.38	0.65	0.65	0.65	0.65
Total Amount Generated	\$89	\$92	\$95	\$98	\$154	\$273	\$283	\$291	\$302
FY 2007 \$100M, FY 2008 \$50M SGF backed bonds									
FY 2005 fed. aid increased \$50 million per year									

Updated, revised  
KLRD, 3/16/2004

11:00 AM

## PROPOSED AMENDMENT

(f) In addition to the bonds authorized under subsection (a), if the incremental increases in the amount of federal funds estimated to be available to fund the comprehensive transportation program projects for state fiscal years 2005 through 2009 by the congressional reauthorization of the federal highway program are less than the anticipated federal receipts, the Kansas development finance authority is authorized to issue one or more series of revenue bonds pursuant to the Kansas development finance authority act, K.S.A. 74-8901 et seq., and amendments thereto. Such bonds shall be in an amount necessary to provide a deposit or deposits in a total amount not to exceed the lesser of the shortfall or \$90,000,000 to the state highway fund. The purpose of such bonds shall be to off-set shortfalls in anticipated federal receipts. Such bonds shall be issued in accordance with the provisions of this section.

Senate ways and means  
3-22-04  
Attachment 2

# HORSETHIEF RESERVOIR

*Recreation and Water Management Project*  
*PAWNEE WATERSHED JOINT DISTRICT NO. 81*

514 W. Highway 156 • Jetmore, Kansas 67854 • 620-357-6420 • email: horsethiefres@hotmail.com

## **Testimony before the Senate Ways and Means Committee**

Chairman Morris and members of the committee. I'm Ron Allen, manager of the Pawnee Watershed District in Jetmore, and I am here today to give background and to urge your support for HB 2582, legislation that would create the HorseThief Reservoir Benefit District.

HorseThief Reservoir is the most ambitious project yet undertaken by the Pawnee Watershed District. Located on a 1560-acre site eight miles west of Jetmore (twenty miles north of Dodge City), the park will consist of a 450 surface acre reservoir, surrounded by an 1100-acre recreation area. All types of nature and water-based activities will be offered.

The Pawnee Watershed district was organized in the late 1960's to reduce flood damage in the Pawnee and Buckner Creek watersheds. Flood control is still our primary mission. If the HorseThief project is not completed, the Watershed District will have to build five smaller structures upstream to fulfill the flood control goals mandated in our General Plan. The ability to construct a larger reservoir at this site will allow for multiple uses—the most obvious being water-based recreation.

In addition, the Division of Water Resources has determined that a large detention structure located at this site will enhance the availability of water downstream, through periodic releases mandated in our state-approved Reservoir Operating Plan.

When completed, HorseThief Reservoir will be the largest body of surface water in the southwest corner of the state. In addition to the aforementioned benefits of flood control, water-based recreation, and water conservation, HorseThief Reservoir promises to play a dynamic role in economic development efforts in western Kansas.

HorseThief Reservoir is eligible for approximately \$3.6 million under the Multipurpose Small Lakes Program administered by the State Conservation Commission. An initial allocation of \$300,000 was approved by the 2003 session of the Legislature, with additional funding being considered this year.

Senate Ways and Means  
3-22-04  
Attachment 3

The Pawnee Watershed District is convinced that any additional state funding is unlikely. Likewise, the possibility for substantial federal monies for project construction was negated by the events of 9/11 and their aftermath.

With this in mind, the Watershed District decided to take the question of funding HorseThief Reservoir to the citizens in our area, in an attempt to gauge their support.

HB 2582 would establish a special benefit district--made up of four counties surrounding the Reservoir—to manage, and partially fund, the recreation component of the project. Attached is a map indicating the boundaries of the proposed Benefit District, as well as the boundaries of the Pawnee Watershed District.

Recognizing that any tax—even a sales tax as small as 1/10 of 1%--would be controversial, I carried a resolution of support to nine area counties, as well as the cities of Garden City and Dodge City. A copy of that resolution is also included with these remarks.

As you can surmise from the wording of the legislation, five of those counties chose not to participate in the project. Four counties did, however—Ford, Finney, Gray, and Hodgeman Counties—along with the cities of Dodge City and Garden City.

The four counties that voted to participate represent nearly 89% of the sales tax that would be collected from the nine counties originally approached, so the financial integrity of the project was not put in jeopardy by the lack of unanimous support.

Those of us at the Pawnee Watershed District feel that HorseThief Reservoir will be a model for state and local collaboration. With a commitment of state participation, I am confident that the voters in the four-county Benefit District will be willing to assume the responsibility for their 60% share.

HB 2582 will give the citizens in the benefit area the opportunity to finance HorseThief Reservoir in basically the same proportions that watershed projects have been funded in the past. On smaller flood control structures, at least two-thirds of the construction costs are borne by the watershed district, a local-funded entity. Participants in the Benefit District will pay for HorseThief Reservoir in roughly the same manner.

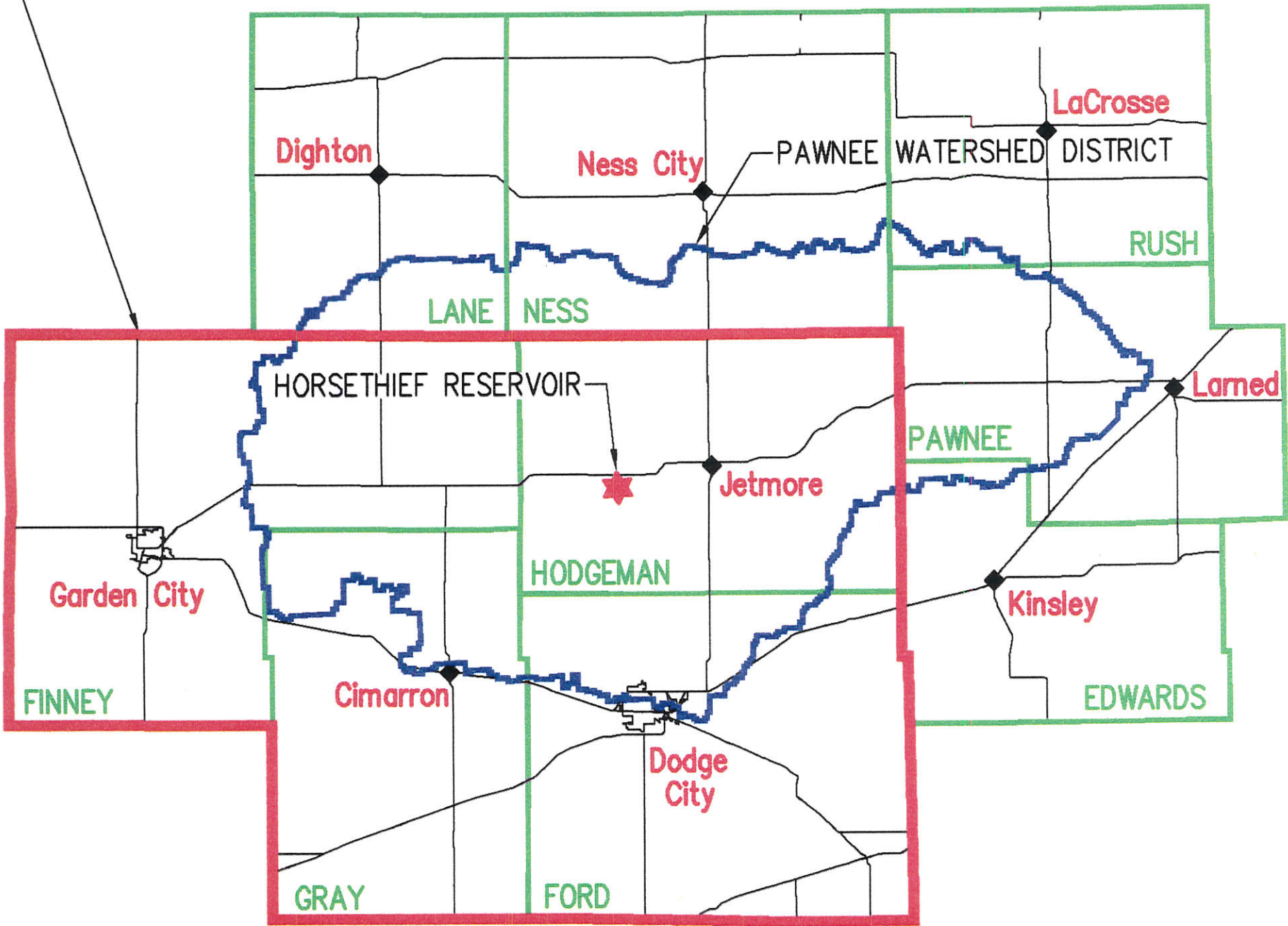
In addition to bonding authority, the Benefit District will be responsible for the operation and maintenance of the recreational facilities. Many management issues can be addressed, before construction begins, that will contribute to the ultimate success of the park—items such as user fees and park regulations.

Even though project funding is of the highest priority, the ability to proceed with these management tasks is extremely important from a longer-term perspective. We would urge timely passage of HB 2582.

That concludes my remarks. I would be glad to address any questions you might have.



HORSETHIEF RESERVOIR BENEFIT DISTRICT



RESOLUTION NO. 2003-44

**A RESOLUTION DECLARING IT ADVISABLE TO SUPPORT LEGISLATION PERMITTING THE CREATION OF A SPECIAL DISTRICT THAT WOULD BE AUTHORIZED TO FINANCE AND OPERATE A FLOOD CONTROL AND RECREATION RESERVOIR PROJECT IN THE SOUTHWEST PORTION OF THE STATE OF KANSAS.**

**WHEREAS**, K.S.A. 24-1201 *et seq.* (the "Watershed District Act") authorizes the board of county commissioners of any county to provide for the establishment of watershed districts with the power to construct, operate and maintain works of improvement needed to rectify problems of water management resulting from erosion, floodwater or sediment damages or instability of natural water supplies arising in the watersheds of the rivers and streams of the state of Kansas (the "State") and

**WHEREAS**, pursuant to the authority of the Watershed District Act, and a successful election held among the property owners affected thereby, the Pawnee Watershed Joint District No. 81 (the "Pawnee Watershed District") was heretofore established, the boundaries of which comprise more than 1.5 million acres and include all or portions of property located in nine counties in the southwest portion of the State; and

**WHEREAS**, Ford County, Kansas (the "County") is one of the counties, the property of which are included within the boundaries of the Pawnee Watershed District, the others being the counties of Edwards, Finney, Gray, Hodgeman, Lane, Ness, Pawnee and Rush; and

**WHEREAS**, board of directors of the Pawnee Watershed District, has heretofore declared an intent to develop a reservoir project of approximately 450 surface acres located along Buckner Creek approximately eight miles west of Jetmore, Kansas, to be known as the HorseThief Reservoir; and

**WHEREAS**, the HorseThief Reservoir project would provide an additional opportunity for flood control as well as providing a recreational opportunity to the residents of the southwest portion of the State; and

**WHEREAS**, due to the constraints contained in the Watershed District Act, the board of directors of the Pawnee Watershed District have deemed it advisable to request that the Kansas Legislature adopt legislation that would authorize a special district within the aforementioned counties that would be authorized to finance and operate the HorseThief Reservoir project (the "Legislation"); and

**WHEREAS**, the Legislation would contain a requirement that prior to the authorization of the incurrence of debt to finance the project therein, the electors within the proposed boundaries of such district approve such indebtedness at an election held for such purpose; and

**WHEREAS**, the board of directors of the Pawnee Watershed District have requested that the Board of County Commissioners (the "Board") of the County adopt a resolution in support of the Legislation.

**THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF FORD COUNTY, KANSAS:**

**SECTION 1.** The Board hereby deems that the construction and operation of the HorseThief Reservoir project would be beneficial to residents and businesses of the County by providing additional assistance in flood control and also providing recreational opportunities for the southwest portion of the State. In order to facilitate the construction and operation of the HorseThief Reservoir project, the Board also deems it advisable to request that the Kansas Legislature adopt the Legislation that would provide for the creation of a separate district, provided that such Legislation contain a requirement that prior to the authorization of the incurrence of debt to finance the project therein, the electors within the proposed boundaries of such district approve such indebtedness at an election held for such purpose.

**SECTION 2.** The Clerk is hereby authorized and directed to provide the board of directors of the Watershed District with a certified copy of this Resolution and authorizes such entity to forward a copy to the Kansas Legislature.

**SECTION 3.** This Resolution shall be effective upon its adoption by the Board.

[BALANCE OF PAGE INTENTIONALLY LEFT BLANK]

ADOPTED by the Board of County Commissioners of Ford County, Kansas on December 22, 2003.



(Seal)

ATTEST:

Victoria Wells  
Clerk

Paul C. Costen  
Chairman

T. Kim Gooding  
Commissioner

John F. Lang  
Commissioner