

February 28, 2011

The Honorable Larry Powell, Chairperson
House Committee on Agriculture and Natural Resources
Statehouse, Room 149-S
Topeka, Kansas 66612

and

The Honorable Tom Sloan, Chairperson
House Committee on Vision 2020
Statehouse, Room 55B-S
Topeka, Kansas 66612

Dear Representatives:

SUBJECT: Fiscal Note for HB 2096 by House Committee on Vision 2020

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2096 is respectfully submitted to your committee.

HB 2096 would establish a coordinated water data repository system, grant preservation easement authority on state-owned land to the Kansas Water Office (KWO), and include drinking water costs in water plan storage rates. Major provisions of the bill are as follows:

1. Authorize the State Conservation Commission (SCC) to provide 100.0 percent of the cost share funding for stream bank stabilization projects that benefit water supply storage. Currently, the rate for these projects is 80.0 percent state and 20.0 percent landowner funding;
2. Remove the requirement that the state have a customer for a significant portion of the conservation storage before it is purchased from the federal government;
3. Allow reservoir sustainability activities to be included within the expenses used to set the Water Marketing Program variable rates;
4. Remove the requirement in the Multipurpose Small Lakes Act that flood control be a use of the lake being constructed or renovated so that work could be done under this program for local water supply lakes that do not have a flood control component;

5. Remove the requirement that KWO determine that renovation, most likely dredging, would be the most cost effective alternative to providing the water supply;
6. Establish a water data repository that would put data and information from a number of state and federal agencies in a central location; and
7. Allow the KWO to grant limited easements to adjacent landowners who need access to state-owned property below the ordinary high water mark of the state’s navigable rivers.

Estimated State Fiscal Effect				
	FY 2011 SGF	FY 2011 All Funds	FY 2012 SGF	FY 2012 All Funds
Revenue	--	--	--	--
Expenditure	--	--	--	\$442,000
FTE Pos.	--	--	--	5.00

The Kansas Water Office indicates that passage of the bill does not specifically increase revenues or expenditures. HB 2096 would allow for increases in water marketing program rates, and for possible increases in projects; however, those increases would have to be approved by the Kansas Water Authority to be funded with available federal and state funds. Any increase in rates for the water marketing program would affect customers; however, it is unknown what rate increases would be sought to cover reservoir sustainability projects.

The State Conservation Commission is unable to estimate the fiscal effect of increasing the cost share rate for stream bank projects because it is not known how many landowners would take part in the initiative. The Commission indicates that since it has no programming staff, it would need approximately \$50,000 from the State Water Plan Fund to cover the cost of adjustments to set up a system for submission of data to the repository related to water conservation structural practices.

The Kansas Biological Survey estimates that \$392,000 in State Water Plan Fund support would be required in FY 2012. The estimate is based on the fact that there are approximately 100 reservoirs or lakes that provide public drinking water. Most of these sources are experiencing substantial sedimentation and water quality problems. The Survey indicates that these reservoirs and lakes require current baseline data and assessment, as well as repeated systematic assessments to determine rates of change and possible remedial actions. Increased funding would be required to conduct detailed bathymetric mapping and analysis, sediment collection and analysis, lake modeling and assessment, and maintain a coordinated water quality and quantity data repository. The estimate of \$392,000 for FY 2012, the start-up year, would include salaries, wages, and operating expenses for 5.00 staff scientists and technicians; two half-time graduate student assistants; and two half-time undergraduate students. In future years, salaries and wages are estimated at \$532,120 with ongoing other operating costs of \$67,880 for a total of \$600,000. The 2010 Legislature included a transfer of \$300,000 from clean drinking water fee revenue to the Survey in order to establish the Standardized Water Data Repository

The Honorable Larry Powell, Chairperson

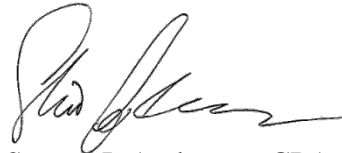
February 28, 2011

Page 3—Fisc_Note_Hb2096

Fund for FY 2011. Any funds remaining at the end of FY 2011 would also be available for the Coordinated Water Data Repository System.

The Department of Agriculture estimates that the agency's role in the bill's implementation would be limited to the work of approximately 0.05 FTE position at a cost of \$1,900 with \$500 for printing or scanning of plans for a total of \$2,400. The Department would be able to absorb the fiscal effect of the bill with existing staff and within existing resources. Any fiscal effect resulting from the passage of HB 2096 is not included in *The FY 2012 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven J. Anderson", with a long horizontal flourish extending to the right.

Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Mark Heim, Agriculture
Dawn Palmberg, Water Office
Max Foster, SCC
Theresa Gordzica, KU Medical Center
Dick Koerth, W&P