

CORRECTED
SESSION OF 2012

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2685

As Amended by Senate Committee on Natural
Resources

Brief*

HB 2685, as amended, would establish the procedures to allow eligible water right holders to create a reservoir improvement district on any particular reservoir, similar to a district created by the Watershed District Act. Water right owners and eligible water right holders could petition to form a district if a petition is signed by the owners or holders of more than 20 percent of the combined quantities of water rights within the proposed district. Eligible water right holders would include persons who hold a water right according to the Water Appropriation Act, the Water Storage Act, or the Water Assurance Program Act.

If the petition is deemed sufficient by the Secretary of State and approved by the Director of the Kansas Water Office, the proposed steering committee would hold an election for eligible water right holders in the proposed district to vote either in favor or against the proposed district. If holders of more than 50 percent of the combined quantities of water rights within the proposed district vote in favor, the district would be formed.

Once the district has been incorporated, the eligible water right holders would elect a board of three to five directors. Each holder would receive one vote and one additional vote for every 10 percent of the combined quantities of water rights that holder has within the district.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

The board would be tasked with developing a general plan and an estimate of costs to implement its plan. The Director of the Kansas Water Office would be required to approve the general plan. Upon approval, the board would adopt a resolution that imposes a charge to each eligible water right holder of the district in proportion to each holder's total quantity of water rights to provide funding. The district also could be dissolved by the board.

Background

In support of the bill, representatives from the Kansas Department of Agriculture and the Kansas Water Office testified that storage in the federal reservoir system serves as the primary or backup water supply for roughly two thirds of Kansas citizens, and this system is under threat from sedimentation, which depletes storage capacity. Proponents stated the bill would be key to extending the life of the federal reservoirs by providing the users of a reservoir the ability to develop a combined approach to protecting and improving that reservoir.

Westar Energy, Kansas City Power and Light, and Kansas Electric Power Cooperative provided joint, neutral testimony on the bill. Their representative stated the companies' main concern was the existing water purchase contract the Wolf Creek Generating Station has with the state, and whether the station would be required to pay twice if brought into a reservoir improvement district. A representative from the State Association of Kansas Watersheds also provided neutral testimony. He stated the organization supports any program that improves the chances of sustaining the storage capabilities of any reservoir, and its neutral stance was due to not having enough information on the establishment and financing needed for reservoir improvement districts.

There was no testimony in opposition to the bill.

The Senate Committee on Natural Resources amended the bill to include the phrase "or are an eligible water right holder" into the provisions of the reservoir improvement district petition in order to clarify that water right owners and eligible water right holders may submit petitions.

The fiscal note provided by the Division of the Budget states passage of the bill in its original form would increase State General Fund expenditures for the Kansas Water Office by \$25,000 for each general plan review requested by a reservoir improvement district. It is unknown how many reservoir improvement districts would be created by the provisions in the bill. The Kansas Department of Agriculture reported the bill would have no fiscal effect on the agency's operations. Any fiscal effect associated with the bill is not reflected in *The FY 2013 Governor's Budget Report*.