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Kansas Legislator Briefing Book 2014

Agriculture and Natural Resources

B-2 State Water Plan Fund, Kansas Water Authority, and State Water Plan

State Water Plan Fund

The State Water Plan Fund is a statutory fund (KSA 82a-951) that was created by the 1989 Legislature for the purpose of implementing the State Water Plan (KSA 82a-903). The Fund is subject to appropriation acts by the Legislature and may be used for the establishment and implementation of water-related projects or programs and related technical assistance. Funding from the State Water Plan Fund may not be used to replace full-time equivalent positions or for recreational projects that do not meet the goals or objectives of the State Water Plan.

Revenue

Revenue for the Fund is generated from the following sources:

- **Water Protection Fees.** A water protection fee of 3 cents per 1,000 gallons of water is assessed on the following:
 - Water sold at retail by public water supply systems;
 - Water appropriated for industrial use; and
 - Water appropriated for stockwatering.
- **Fees Imposed on Fertilizer and Pesticides.** A tonnage fee on fertilizer and a fee for the registration of pesticides is assessed and transferred to the State Water Plan Fund in the following amounts:
 - Inspection fees are imposed on each ton of fertilizer sold, offered or exposed for sale, or distributed in Kansas. Of that fee, \$1.40 per ton is credited to the State Water Plan Fund.
 - Every agricultural chemical which is distributed, sold, or offered for sale within the state must be registered with an annual fee assessed for each registration. The law requires that \$100 from each registration fee be credited to the State Water Plan Fund.
- **Sand Royalty Receipts.** A fee of \$0.15 per ton of sand sold is deposited in the State Water Plan Fund.
- **Pollution Fines.** Certain fines and penalties are levied by the Kansas Department of Health and Environment for water-related pollution including:
 - Violation of terms or conditions relating to public water supply systems;

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- Commission of prohibited acts in relation to the operation of a public water supply system; and
 - Violations of law governing the disposal of solid and hazardous waste.
- **Clean Water Drinking Fee.** A Clean Water Drinking Fee of 3 cents per 1,000 gallons of water is assessed on retail water sold by a public water supply system and delivered through mains, lines, or pipes. Beginning in FY 2008, 101/106 of the Clean Water Drinking Fee receipts will be deposited in the State Water Plan Fund. Of the funding received from the fee, 85 percent is to be used to renovate and protect lakes which are used directly as a source of water for public water supply systems. The remaining 15 percent is to be used to provide on-site technical assistance for public water supply systems.
- **State General Fund Transfer.** By statute, \$6 million annually is to be transferred from the State General Fund to the State Water Plan Fund. In recent fiscal years, this amount has been reduced in appropriations bills and was not made in FY 2013.
- **Economic Development Initiatives Fund (EDIF) Transfer.** By statute, \$2 million is to be transferred from the Economic Development Initiatives Fund to the State Water Plan Fund.

STATE WATER PLAN FUND REVENUE

	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Transfers		
State General Fund	\$ 0	\$ 0
Economic Development Initiatives Fund	0	0
Kansas Corporation Commission	(400,000)	(400,000)
Receipts		
Municipal Water Fees	3,356,638	3,485,674
Fertilizer Registration Fees	3,276,000	3,276,000
Industrial Water Fees	1,077,151	1,077,151
Pesticide Registration Fees	1,165,000	1,165,000
Clean Drinking Water Fees	3,229,289	3,229,289
Stockwater Fees	341,444	341,444
Pollution Fines and Penalties	250,000	250,000
Sand Royalties	77,210	77,210
TOTAL	<u>\$ 12,372,732</u>	<u>\$ 12,501,768</u>

Expenditures

Expenditures from the State Water Plan Fund are based on priorities of the State Water Plan. The State Water Plan is developed and approved by the Kansas Water Authority. The following table summarizes recent actual and approved expenditures from the State Water Plan Fund:

**Actual FY 2012, Approved FY 2013, Approved FY 2014, and Approved FY 2015 Expenditures
and Transfers from the State Water Plan Fund**

Agency/Project	Actual Expenditures FY 2012	Approved Expenditures FY 2013	Approved Expenditures FY 2014	Approved Expenditures FY 2015
Department of Health and Environment				
Contamination Remediation	\$ 789,972	\$ 775,379	\$ 768,076	\$ 691,114
TMDL Initiatives	168,736	284,731	199,126	149,731
Nonpoint Source Program	369,800	302,750	295,943	294,131
Watershed Restoration and Protection Survey	716,351	625,000	619,214	555,884
<i>Subtotal</i>	<u>\$ 2,044,8590</u>	<u>\$ 1,987,860</u>	<u>\$ 1,882,359</u>	<u>\$ 1,690,860</u>
Department of Agriculture – Water Resources				
Interstate Water Issues	\$ 522,898	\$ 484,086	\$ 497,351	\$ 447,573
Subbasin Water Resources Management	490,007	671,695	690,023	620,961
Water Use Study	55,000	60,000	61,683	55,509
<i>Subtotal</i>	<u>\$ 1,067,905</u>	<u>\$ 1,215,781</u>	<u>\$ 1,249,057</u>	<u>\$ 1,124,043</u>
Department of Agriculture - Conservation				
Water Resources Cost Share	\$ 2,272,977	\$ 2,660,505	\$ 2,164,973	\$ 1,948,289
Nonpoint Source Pollution Assistance	2,903,799	2,202,666	2,065,031	1,858,350
Aid to Conservation Districts	2,263,609	2,260,000	2,325,375	2,092,637
Water Quality Buffer Initiative	267,416	282,656	277,573	249,792
Riparian and Wetland Program	299,412	165,000	169,628	152,651
Water Supply Restoration Program/ Multipurpose Small Lakes	252,172	195,496	286,868	258,156
Watershed Dam Construction	690,841	630,299	640,544	576,434
Water Transition Assistance Program/ Conservation Reserve Enhancement Program	851,682	801,581	499,578	449,577
<i>Subtotal</i>	<u>\$ 9,801,908</u>	<u>\$ 9,198,203</u>	<u>\$ 8,429,570</u>	<u>\$ 7,585,886</u>
Kansas Water Office				
Assessment and Evaluation	\$ 467,510	\$ 542,276	\$ 499,166	\$ 449,225
GIS Database Development	173,640	170,000	124,792	112,306
MOU - Storage Operations and Maintenance	366,802	360,364	321,562	289,389
Technical Assistance to Water Users	403,209	528,525	404,732	364,238
Streamgaging	0	448,663	479,230	431,282
Weather Stations	48,620	0	0	0
Water Resource Education	38,200	0	0	0
Weather Modification	97,935	200,000	0	0
Wichita Aquifer Recharge Project	657,459	500,000	499,166	449,225
Suspended Sediment Monitoring/ Reservoir Sustainability	0	100,000	0	0
Neosho River Basin Issues	44,773	347,297	0	0
<i>Subtotal</i>	<u>\$ 2,298,148</u>	<u>\$ 3,197,125</u>	<u>\$ 2,328,648</u>	<u>\$ 2,095,665</u>
Department of Wildlife, Parks and Tourism				
Stream Monitoring	\$ 28,800	0	\$ 0	\$ 0
University of Kansas				
Geological Survey	<u>26,841</u>	<u>26,841</u>	<u>26,841</u>	<u>26,841</u>
STATEWIDE TOTAL	<u><u>\$ 15,268,461</u></u>	<u><u>\$ 15,625,810</u></u>	<u><u>\$ 13,916,475</u></u>	<u><u>\$ 12,523,295</u></u>

Kansas Water Authority

The Kansas Water Authority is a 24-member board which provides water policy advice to the Governor, Legislature, and the Director of the Kansas Water Office. The Authority is responsible for approving water storage sales, the State Water Plan, federal water contracts, and regulations and legislation proposed by the Kansas Water Office. The Authority meets quarterly. The Authority consists of 13 private citizens and 11 *ex officio* members.

Private citizen membership includes:

- One member appointed by the Governor (also serving as Chairperson);
- One member appointed by the President of the Senate;
- One member appointed by the Speaker of the House;
- A representative of large municipal water users;
- A representative of small municipal water users;
- A board member of a western Kansas Groundwater Management District (including districts 1, 3, and 4);
- A board member of a central Kansas Groundwater Management District (including districts 2 and 5);
- A member of the Kansas Association of Conservation Districts;
- A representative of industrial water users;
- A member of the State Association of Watershed Districts;
- A member with a demonstrated background and interest in water use, conservation, and environmental issues; and
- Two representatives of the general public.

Ex officio membership includes:

- The State Geologist;
- The Chief Engineer of the Division of Water Resources of the Kansas Department of Agriculture;
- The Secretary of the Kansas Department of Health and Environment;

- The Director of the Kansas Water Office (also serving as secretary);
- The Director of the Agricultural Experiment Station of Kansas State University;
- The Chairperson of the Kansas Corporation Commission;
- The Secretary of the Kansas Department of Wildlife, Parks and Tourism;
- The Secretary of the Kansas Department of Commerce;
- The Executive Director of the Division of Conservation of the Kansas Department of Agriculture;
- The Secretary of the Kansas Department of Agriculture; and
- The Director of the Kansas Biological Survey.

One primary responsibility of the Kansas Water Authority is to consider and approve policy for inclusion in the State Water Plan. The Plan includes policy recommendations that have specific statewide or local impact and priority issues and recommendations for each of the twelve river basins in Kansas.

Budgetary Process

In late spring each year, the State Water Plan Fund Consensus Revenue Estimating Group meets to review past and current receipts and expenditures from the Fund as well as to estimate sources and amounts of revenue for the upcoming budget year. The group consists of representatives of the Kansas Water Office, Department of Revenue, Department of Agriculture, Department of Health and Environment, Division of the Budget, and the Legislative Research Department.

Historically, the Division of the Budget has assigned allocations to each agency for the expenditure of State Water Plan Fund monies. Beginning with the FY 2008 budget cycle, the Kansas Water Authority and the Division of the Budget agreed to allow the Authority to develop a budget recommendation in lieu of the Division's allocation process. For the FY 2009 budget, the Authority agreed to develop and provide a budget to the Division prior to August 15, 2008.

A five-member budget subcommittee of the Authority meets in the summer to develop a State Water Plan Fund budget proposal. The budget is presented to the full Kansas Water Authority in August. The Authority-approved budget is then

used by the state agencies to develop their budgets. The Governor's budget includes recommended expenditures for the State Water Plan Fund when it is presented to the Legislature each January.

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State Water Plan Fund

Agency/Program	FY2014 Actuals	FY2014 Carry Forward	FY 2015 Appropriated	FY 2015 w/ Carry Forward	FY 2016 Draft	FY 2017 Draft
Department of Health and Environment						
Contamination Remediation-1802	\$ 768,076	\$ -	\$ 691,114	\$ 691,114	\$ 691,114	\$ 691,114
TMDL Initiatives-1805	\$ 214,345	\$ 127,648	\$ 149,731	\$ 277,379	\$ 149,731	\$ 149,731
Nonpoint Source Program-1804	\$ 357,889	\$ 8,019	\$ 294,131	\$ 302,150	\$ 294,131	\$ 294,131
Watershed Restoration and Protection Strategy-1808	\$ 619,214	\$ -	\$ 555,884	\$ 555,884	\$ 705,884	\$ 705,884
Total-Department of Health and Environment	\$ 1,959,524	\$ 135,667	\$ 1,690,860	\$ 1,826,527	\$ 1,840,860	\$ 1,840,860
University of Kansas--Geological Survey	\$ 26,841	\$ -	\$ 26,841	\$ 26,841	\$ 26,841	\$ 26,841
Department of Agriculture						
Interstate Water Issues-0070	\$ 455,121	\$ 94,622	\$ 447,573	\$ 542,195	\$ 447,573	\$ 447,573
Subbasin Water Resources Management-80	\$ 437,485	\$ 402,022	\$ 620,961	\$ 1,022,983	\$ 620,961	\$ 620,961
Water Use-75	\$ 30,000	\$ 61,683	\$ 55,509	\$ 117,192	\$ 55,509	\$ 55,509
Water Resources Cost Share-1205	\$ 1,991,221	\$ 393,539	\$ 1,948,289	\$ 2,341,828	\$ 1,948,289	\$ 1,948,289
Nonpoint Source Pollution Asst.-1210	\$ 1,844,331	\$ 369,588	\$ 1,858,350	\$ 2,227,938	\$ 1,858,350	\$ 1,858,350
Aid to Conservation Districts-1220	\$ 2,322,691	\$ 3,456	\$ 2,092,637	\$ 2,096,093	\$ 2,092,637	\$ 2,092,637
Watershed Dam Construction-1240	\$ 633,733	\$ 6,811	\$ 576,434	\$ 583,245	\$ 576,434	\$ 576,434
Water Quality Buffer Initiative-1250	\$ 254,494	\$ 40,900	\$ 249,792	\$ 290,692	\$ 249,792	\$ 249,792
Riparian and Wetland Program-1260	\$ 170,512	\$ 989	\$ 152,651	\$ 153,640	\$ 152,651	\$ 152,651
Water Supply Restoration Program-1275	\$ 286,868	\$ -	\$ 258,156	\$ 258,156	\$ 258,156	\$ 258,156
Water Transition Assistance Program/CREP-1225	\$ 393,913	\$ 105,665	\$ 449,577	\$ 555,242	\$ 449,577	\$ 449,577
Streambank Stabilization			\$ 750,000	\$ 750,000		
Wheat Genetics Research			\$ 50,000	\$ 50,000		
	\$ 8,820,369	\$ 1,479,275	\$ 9,509,929	\$ 10,989,204	\$ 8,709,929	\$ 8,709,929
Kansas Water Office						
Assessment and Evaluation	\$ 427,223	\$ 93,656	\$ 448,725	\$ 542,381	\$ 570,725	\$ 510,725
GIS Database Development	\$ 124,792	\$ -	\$ 112,306	\$ 112,306	\$ 112,306	\$ 112,306
MOU - Storage Operations & Maintenance	\$ 301,736	\$ 52,383	\$ 289,889	\$ 342,272	\$ 289,889	\$ 289,889
Stream Gaging	\$ 479,230	\$ -	\$ 431,282	\$ 431,282	\$ 431,282	\$ 431,282
Technical Assistance to Water Users	\$ 404,409	\$ 156,503	\$ 364,238	\$ 520,741	\$ 364,238	\$ 364,238
Weather Modification	\$ -	\$ -	\$ -	\$ -		
Wichita Aquifer Recharge Project	\$ 499,166	\$ -	\$ 449,225	\$ 449,225		
Suspended Sediment Monitoring	\$ -	\$ -	\$ -	\$ -		
Neosho River Basin Issues	\$ 71,901			\$ -		
John Redmond Reservoir Bonds			\$ 1,619,835	\$ 1,619,835		\$ 916,550
Total-Kansas Water Office	\$ 2,308,457	\$ 302,543	\$ 3,715,500	\$ 4,018,043	\$ 1,768,440	\$ 2,624,990
State Finance Council - State Employee Pay			\$ 4,542			
Total State Water Plan Expenditures	\$ 13,115,191	\$ 1,917,484	\$ 14,947,672	\$ 16,860,614	\$ 12,346,070	\$ 13,202,620

State Water Plan Resource Estimate	FY2014 Actuals	FY2014 Carry Forward	FY 2015 Appropriated	FY 2015 w/ Carry Forward	FY 2016 Draft	FY 2017 Draft
Beginning Balance	\$ 4,403,144			\$ 3,481,765	\$ 74,767	\$ 432,506
Adjustments						
Release of Prior Year Encumbrance	\$ 95,219		\$ 130,058	130,058		
Recovery of Prior Year Expenditure	\$ 1,030					
Other Service Charges						
Transfer to Kansas Corporation Commission	\$(400,000)		\$ (400,000)	\$ (400,000)	\$ (400,000)	\$ (400,000)
Subtotal--Adjustments	\$ (303,751)		\$ (269,942)	\$ (269,942)	\$ (400,000)	\$ (400,000)
Revenues						
State General Fund Transfer						
Economic Development Fund Transfer	\$ -		\$ 800,000	\$ 800,000		
Municipal Water Fees	\$ 3,212,299		\$ 3,485,674	\$ 3,485,674	\$ 3,276,255	\$ 3,309,018
Clean Drinking Water Fee Fund	\$ 2,897,102		\$ 3,229,289	\$ 3,229,289	\$ 3,100,716	\$ 3,131,723
Industrial Water Fees	\$ 1,177,336		\$ 1,077,151	\$ 1,077,151	\$ 1,200,934	\$ 1,212,943
Stock Water Fees	\$ 413,395		\$ 341,444	\$ 341,444	\$ 421,704	\$ 425,921
Pesticide Registration Fees	\$ 1,226,000		\$ 1,165,000	\$ 1,165,000	\$ 1,230,000	\$ 1,230,000
Fertilizer Registration Fees	\$ 3,320,482		\$ 3,276,000	\$ 3,276,000	\$ 3,525,200	\$ 3,525,200
Pollution Fines and Penalties	\$ 156,118		\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
Sand Royalties	\$ 94,831		\$ 99,000	\$ 99,000	\$ 99,000	\$ 99,000
Total Receipts	\$ 12,497,563		\$ 13,723,558	\$ 13,723,558	\$ 13,103,809	\$ 13,183,805
Total Available	\$ 16,596,956		\$ 13,453,616	\$ 16,935,381	\$ 12,778,576	\$ 13,216,311
Less: Expenditures	\$ (13,115,191)		\$ (14,947,672)	\$ (16,860,614)	\$ (12,346,070)	\$ (13,202,620)
Ending Balance	\$ 3,481,765	\$ -	\$ (1,494,056)	\$ 74,767	\$ 432,506	\$ 13,691

State Water Plan Fund Historical Data FY 2011-FY 2014

Agency/Program Expenditures	FY 2011 Actual Expenditures	FY 2012 Actual Expenditures	FY 2013 Actual Expenditures	FY 2014 Actual Expenditures
KDHE-Environment				
Contamination Remediation	\$ 753,705	\$ 789,972	\$ 775,378	\$ 768,076
TMDL Initiatives	188,370	168,736	141,884	214,348
Local Environmental Protection Program	980,000	-	-	-
Non-Point Source Program	269,561	369,800	232,785	357,891
Water Restoration and Protection Strategy (WRAPS)	548,696	716,351	625,000	619,214
TOTAL	\$ 2,740,332	\$ 2,044,859	\$ 1,775,027	\$ 1,959,529
Department of Agriculture				
Interstate Water Issues	\$ 376,892	\$ 522,898	\$ 431,696	\$ 455,122
Subbasin Management Plan	-	-	-	437,486
Subbasin Water Resources Management	555,514	490,007	522,211	-
Water Use	10,000	55,000	30,000	30,000
TOTAL	\$ 942,406	\$ 1,067,905	\$ 983,907	\$ 922,608
State Conservation Commission (KDA from FY12)				
Aid to Conservation Districts	\$ 2,113,768	\$ 2,263,609	\$ 2,259,228	\$ 2,322,691
Conservation Reserve Enhancement Program	15,320	851,682	96,732	393,914
Lake Restoration/Management - Water Supply Restorat	-	-	-	286,868
Multipurpose Small Lakes	-	252,172	679,131	-
Non-Point Source Pollution	2,261,671	2,903,799	2,059,779	1,844,331
Riparian and Wetland Program	77,390	299,412	163,127	170,512
Water Quality Buffer Initiative	268,207	267,416	265,138	254,494
Water Resources Cost-Share	2,745,778	2,272,977	2,661,936	1,993,295
Water Supply Restoration Program	653,673	-	-	-
Water Transition Assistance	331,618	-	-	-
Watershed Dam Construction	723,155	690,841	630,298	633,733
TOTAL	\$ 9,190,575	\$ 9,801,908	\$ 8,809,369	\$ 7,899,838
Kansas Water Office				
Assessment and Evaluation	\$ 554,421	\$ 467,510	\$ 520,026	\$ 427,223
GIS Database Development/GIS Manager	175,000	173,640	170,000	124,792
MOU - Storage Operations and Maintenance	329,320	366,802	328,344	301,736
Neosho River Basin Issues	6,140	44,773	91,239	71,900
Stream Gauging Program	-	-	448,663	479,230
Technical Assistance to Water Users	437,547	403,209	372,344	404,409
Water Resource Education	40,378	38,200	-	-
Weather Modification	168,000	97,935	100,000	-
Weather Stations	49,000	48,620	-	-
Suspended Sediment Monitoring/Reservoir Sustainabili	-	-	100,000	-
Wichita Aquifer Storage & Recovery Project	563,531	657,459	500,000	499,166
TOTAL	\$ 2,323,937	\$ 2,298,148	\$ 2,630,616	\$ 2,308,456
Department of Wildlife and Parks				
Stream Monitoring	28,800	28,800	-	-
Total	\$ 28,800	\$ 28,800	\$ -	\$ -
University of Kansas				
Geological Survey	\$ 28,800	\$ 26,841	\$ 26,841	\$ 26,841
Total	\$ 28,800	\$ 26,841	\$ 26,841	\$ 26,841
TOTAL EXPENDITURES	\$ 15,254,850	\$ 15,268,461	\$ 14,225,760	\$ 13,117,272
Revenues	FY 2011 Actual Revenues	FY 2012 Actual Revenues	FY 2013 Actual Revenues	FY 2014 Actual Revenues
Beginning Balance	\$ 4,402,697	\$ 4,119,113	\$ 3,371,683	\$ 4,403,144
Adjustments/Receipts				
Released Encumbrances	\$ -	\$ -	\$ 113,802	\$ 315,267
State General Fund Transfer	1,348,245	-	-	-
EDIF Transfer	2,000,000	2,000,000	2,000,000	-
Fee Revenues	12,118,170	12,432,655	13,149,413	12,246,614
Pollution Fines and Penalties	-	362,053	250,811	156,118
Sand Royalty Receipts	-	96,323	137,896	94,831
Transfer to the KCC - Abandoned Oil/Gas Wells	(374,865)	(400,000)	(400,000)	(400,000)
Transfer from the Standardized Water Data Repository	-	-	-	-
Fund HB 2374	(300,000)	300,000	-	-
Transfer to KDA	-	(270,000)	-	-
Technical Adjustment	-	-	5,799	1,030
Transfers In/Returned Funds	-	-	-	-
Subtotal Adjustments/Receipts	\$ 14,791,550	\$ 14,521,031	\$ 15,257,221	\$ 12,413,860
TOTAL AVAILABLE	\$ 19,194,247	\$ 18,640,144	\$ 18,628,904	\$ 16,817,004
Expenditures	\$ (15,254,850)	\$ (15,268,461)	\$ (14,225,760)	\$ (13,117,272)
ENDING BALANCE	\$ 3,939,397	\$ 3,371,683	\$ 4,403,144	\$ 3,699,732