

SENATE BILL No. 64

By Committee on Federal and State Affairs

1-22

Proposed Amendments for SB 64
February 11, 2015
Senate Committee on Natural Resources
Prepared by Tamera Lawrence
Office of Revisor of Statutes

1 AN ACT concerning public water supply storage; amending K.S.A. 2014
2 Supp. 82a-1604 and repealing the existing section.

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4 *Be it enacted by the Legislature of the State of Kansas:*

5 Section 1. K.S.A. 2014 Supp. 82a-1604 is hereby amended to read as
6 follows: 82a-1604. (a) The state may participate with a sponsor in the
7 development, construction or renovation of a class I multipurpose small
8 lake project if the sponsor has a general plan which has been submitted to
9 and approved by the chief engineer in the manner provided by K.S.A. 24-
10 1213 and 24-1214, and amendments thereto. If the Kansas water office
11 determines that additional public water supply storage shall be needed in
12 that area of the state within 20 years from the time such project is to be
13 completed and a water user is not available to finance public water supply
14 storage, the state may include future use public water supply storage in the
15 project. The Kansas water office shall apply for a water appropriation right
16 sufficient to insure a dependable yield from the public water supply
17 storage. The Kansas water office shall be exempt from all applicable fees
18 imposed pursuant to K.S.A. 82a-701 et seq., and amendments thereto, for
19 such applications. The Kansas water office shall have authority to adopt
20 rules and regulations relative to the inclusion of public water supply
21 storage in proposed projects under this act and the disposition of state-
22 owned water rights and associated public water supply storage space in
23 such projects.

24 (b) The sponsor of such class I project shall be responsible for
25 acquiring land rights and for the costs of operation and maintenance of
26 such project. The state may provide up to 50% of the engineering and
27 construction costs and up to 50% of the costs of land rights associated with
28 recreation features. Subject to the provisions of subsections (a) and (c), the
29 state may pay up to 100% of the engineering and construction costs of
30 flood control and public water supply storage. All other costs of such
31 project, including land, construction, operation and maintenance shall be
32 paid by the sponsor.

33 (c) The state shall not participate in the costs of public water supply
34 storage in a renovation project unless the Kansas water office determines
35 that renovation is the most cost effective alternative for such storage. The
36 state shall be authorized to pay only up to 50% of the engineering and

1 construction costs of public water supply storage in such a renovation
2 project.

3 (d) The Kansas water office may recover the state's costs incurred in
4 providing public water supply storage in such class I project, and interest
5 on such costs, by selling such storage and the associated water rights.
6 Interest on such costs shall be computed at a rate per annum which is equal
7 to the greater of: (1) The average rate of interest earned the past calendar
8 year on repurchase agreements of less than 30 days' duration entered into
9 by the pooled money investment board, less 5%, or (2) four percent ~~as~~
10 ~~provided in K.S.A. 82a-1302a and amendments thereto.~~
11 ~~Sec. [2]~~ K.S.A. 2014 Supp. 82a-1604 hereby repealed.
12 ~~Sec. [3]~~ This act shall take effect and be in force from and after its
13 publication in the statute book.

at a rate per annum equal to the average of the
monthly net earnings rate for the pooled money
investment portfolio for the preceding calendar year

See attached insert

4.

, 82a-1605 and 82a-1606 are

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Sec. 2. K.S.A. 2014 Supp. 82a-1605 is hereby amended to read as follows: 82a-1605. (a) The state may participate with a sponsor in the development, construction or renovation of a class II multipurpose small lake project if the sponsor has a general plan which has been submitted to and approved by the chief engineer in the manner provided by K.S.A. 24-1213 and 24-1214, and amendments thereto. If the Kansas water office determines that additional public water supply storage shall be needed in that area of the state within 20 years from the time such project is to be completed and a water user is not available to finance public water supply storage, the state may include future use public water supply storage in the project. The Kansas water office shall apply for a water appropriation right sufficient to insure a dependable yield from public water supply storage. The Kansas water office shall be exempt from all applicable fees imposed pursuant to K.S.A. 82a-701 et seq., and amendments thereto, for such applications. The Kansas water office shall have authority to adopt rules and regulations relative to the inclusion of public water supply storage in proposed projects under this act and the disposition of state-owned water rights and associated public water supply storage space in such projects.

(b) In a class II project, the state may assume initial financial obligations for public water supply storage in watersheds by entering into long-term contracts with the federal government. In order to provide security to the federal government, the state may grant assignments of water rights, either appropriation rights or water reservation rights; assignments of rights under existing or prospective water purchase contracts; assignments, mortgages or other transfers of interests in real property held by the state and devoted to the specific small lake project for which security is sought; or may provide other security that is permissible under state law

and acceptable by the federal government. Instead of contracting to repay costs under long-term contracts, the state may pay all of the required costs of the public water supply storage in a lump sum.

(c) The sponsor of such class II project shall be responsible for acquiring land rights and for the costs of operation and maintenance of such project. The state or federal government may provide up to 50% of the engineering and construction costs and up to 50% of the costs of land rights associated with recreation features. Subject to the provisions of subsection (d), the state may pay up to 100% of the engineering and construction costs of flood control and public water supply storage. All other costs of such project, including land, construction, operation and maintenance shall be paid by the sponsor.

(d) The state shall not participate in the costs of public water supply storage in a renovation project unless the Kansas water office determines that renovation is the most cost effective alternative for such storage. The state shall be authorized to pay only up to 50% of the engineering and construction costs of public water supply storage in such a renovation project.

(e) The Kansas water office may recover the state's costs incurred in providing public water supply storage in such class II project, and interest on such costs, by selling such storage and the associated water rights. Interest on such costs shall be computed at a rate per annum which is equal to the greater of: (1) The average rate of interest earned the past calendar year on repurchase agreements of less than 30 days' duration entered into by the pooled money investment board, less 5%; or (2) four percent equal to the average of the monthly net earnings rate for the pooled money investment portfolio for the preceding calendar year.

Sec. 3. K.S.A. 2014 Supp. 82a-1606 is hereby amended to read as follows: 82a-1606. (a) The state may participate with a sponsor in the development, construction or renovation of a class III multipurpose small lake project if the sponsor has a general plan which has been submitted to and approved by the chief engineer in the manner provided by K.S.A. 24-1213 and 24-1214, and amendments thereto. If public water supply storage is included in the project, the sponsor of such class III project shall pay for 100% of the costs associated with the public water supply storage portion of such project unless the Kansas water office determines that additional public water supply storage shall be needed in that area of the state within 20 years from the time such project is to be completed and a sponsor is not available to finance 100% of the costs associated with the public water supply storage, the state may participate in the future use public water supply storage costs of the project. If the state participates in the public water supply storage costs, the Kansas water office shall apply for a water appropriation right sufficient to insure a dependable yield from public water supply storage. The Kansas water office shall be exempt from all applicable fees imposed pursuant to K.S.A. 82a-701 et seq., and amendments thereto, for such applications. The Kansas water office shall have authority to adopt rules and regulations relative to the inclusion of public water supply storage in proposed projects under this act and the disposition of state-owned water rights and associated public water supply storage space in such projects.

(b) The sponsor of such class III project shall be responsible for acquiring land rights and for the costs of operation and maintenance of the project. The state may provide up to 50% of the engineering and construction costs and up to 50% of the costs of land rights associated with recreation features. Subject to the provisions of subsection (c), the state may pay up to 100% of the

engineering and construction costs of flood control storage and public water supply storage. All other costs of such project, including land, construction, operation and maintenance, shall be paid by the sponsor.

(c) The state shall not participate in the costs of public water supply storage in a renovation project unless the Kansas water office determines that renovation is the most cost effective alternative for such storage. The state shall be authorized to pay only up to 50% of the engineering and construction costs of public water supply storage in such a renovation project.

(d) The Kansas water office may recover the state's costs incurred in providing public water supply storage in such class III project, and interest on such costs, by selling such storage and the associated water rights. Interest on such costs shall be computed at a rate per annum which is equal to the greater of: (1) The average rate of interest earned the past calendar year on repurchase agreements of less than 30 days' duration entered into by the pooled money investment board, less 5%; or (2) four percent equal to the average of the monthly net earnings rate for the pooled money investment portfolio for the preceding calendar year.