



**To: Chairman Minnix
Members of the House Committee on Water**

**From: Ellen Parker, Associate Attorney
WaterOne (Water District No. 1 Johnson County, Kansas)**

Date: February 14th, 2023

RE: Proponent Testimony HB 2302

Chairman and Committee, thank you for the opportunity to provide WaterOne's support for House Bill 2302. WaterOne was created as a regional public water utility, through a state statute, back in 1957. We currently serve 17 Municipalities in Johnson County, which range in size from Overland Park (pop. of almost 200,000), Mission (pop. 10,000), Mission Hills (pop. 3,600) to Mission Woods (pop. 203). Altogether we serve a population of approximately 475,000 with a service area of 272 square miles.

House Bill 2302 is a natural extension of the work that was done by the Blue-Ribbon Task Force in 2017. That Task Force was convened because it was determined the funding provided by the State Water Plan Fund was woefully inadequate to preserve and sustain our water resources. This task force was made up of a diverse group of stakeholders including legislators, state agencies, industry groups, non-profits, and members of the public. The task force developed a list of needed projects and concluded that funding of \$55M per year was needed to support the state's water resources. The Task Force also suggested a sales tax carve off like HB 2302. More recently, the Kansas Water Authority submitted the 2023 Annual Report to the Governor and Legislature, which included an updated list of projects and initiatives and found that funding of \$69M per year was needed to support the state's water resources. These projects and initiatives are supported by the Kansas Water Plan, which was recently updated in accordance with the state statutes.

HB 2302 is a great first step in securing a sustainable funding source to support the state's water resources. WaterOne truly appreciates the Committee's commitment to take that step. But we have several questions:

First - How would HB 2302 apply to quasi municipal organizations like WaterOne?

- Sec 2(b)(2) allows any Kansas "municipality, watershed district or conservations district" to apply for a water technical assistance grant.
- Section 2(c)(2) refers to "...any other similar district formed for a special or single purpose related to water."
- How do the population size-based categories outlined in HB 2302 apply to an entity like WaterOne? We serve municipalities with populations from 200,000 to 200 and ironically, some of our smallest communities are the most affluent in our service area. So, population size might not be the best indicator of need.

Second - Would HB 2302 provide enough funding to cover the existing Water Plan projects and obligations, which are about \$22M, after all the specific expenditures and set asides are funded? How will the \$69M of needed projects and initiatives listed in the KWA 2023 Annual Report be funded?

Third - Does the Water Office have adequate staff to implement and administer the new programs contemplated by HB 2302, and do we have the appropriate administrative structure in place to efficiently carry out this new paradigm in water resources funding?



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Fourth - Why doesn't the legislature pay off the outstanding debt on Milford and Perry Reservoirs with the extraordinary State budget surpluses that currently exist? Debt paydown seems like a perfect use for those budget surpluses.

WaterOne has been committed to discussing water policy in Kansas and developing concrete solutions to solve our problems for many years. Members of WaterOne staff have participated in both the Kansas and Missouri Regional Advisory Committees as well as the Kansas Water Authority. We will be happy to work with the committee staff or the revisors' office to address the questions raised today.

Thank you again to the Committee for your work on this bill. WaterOne supports House Bill 2302, but we would also like to see our questions discussed and addressed prior to approving the bill.

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