

As Amended by House Committee

Session of 2015

HOUSE BILL No. 2156

By Committee on Agriculture and Natural Resources

1-28

1 AN ACT concerning public water supply storage; amending K.S.A. 2014
2 Supp. 82a-1604, **82a-1605 and 82a-1606** and repealing the existing
3 ~~section sections~~.

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

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

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

34 (c) The state shall not participate in the costs of public water supply
35 storage in a renovation project unless the Kansas water office determines
36 that renovation is the most cost effective alternative for such storage. The

1 state shall be authorized to pay only up to 50% of the engineering and
2 construction costs of public water supply storage in such a renovation
3 project.

4 (d) The Kansas water office may recover the state's costs incurred in
5 providing public water supply storage in such class I project, and interest
6 on such costs, by selling such storage and the associated water rights.
7 Interest on such costs shall be computed ~~at a rate per annum which is equal~~
8 ~~to the greater of: (1) The average rate of interest earned the past calendar~~
9 ~~year on repurchase agreements of less than 30 days' duration entered into~~
10 ~~by the pooled money investment board, less 5%; or (2) four percent as~~
11 ~~provided in K.S.A. 82a-1308a, and amendments thereto~~ at a rate per
12 annum equal to the average of the monthly net earnings rate for the
13 pooled money investment portfolio for the preceding calendar year.

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

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

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

4 (c) The sponsor of such class II project shall be responsible for
5 acquiring land rights and for the costs of operation and maintenance
6 of such project. The state or federal government may provide up to
7 50% of the engineering and construction costs and up to 50% of the
8 costs of land rights associated with recreation features. Subject to the
9 provisions of subsection (d), the state may pay up to 100% of the
10 engineering and construction costs of flood control and public water
11 supply storage. All other costs of such project, including land,
12 construction, operation and maintenance shall be paid by the sponsor.

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

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

28 **Sec. 3. K.S.A. 2014 Supp. 82a-1606 is hereby amended to read as**
29 **follows: 82a-1606. (a) The state may participate with a sponsor in the**
30 **development, construction or renovation of a class III multipurpose**
31 **small lake project if the sponsor has a general plan which has been**
32 **submitted to and approved by the chief engineer in the manner**
33 **provided by K.S.A. 24-1213 and 24-1214, and amendments thereto. If**
34 **public water supply storage is included in the project, the sponsor of**
35 **such class III project shall pay for 100% of the costs associated with**
36 **the public water supply storage portion of such project unless the**
37 **Kansas water office determines that additional public water supply**
38 **storage shall be needed in that area of the state within 20 years from**
39 **the time such project is to be completed and a sponsor is not available**
40 **to finance 100% of the costs associated with the public water supply**
41 **storage, the state may participate in the future use public water supply**
42 **storage costs of the project. If the state participates in the public water**
43 **supply storage costs, the Kansas water office shall apply for a water**

1 appropriation right sufficient to insure a dependable yield from public
2 water supply storage. The Kansas water office shall be exempt from
3 all applicable fees imposed pursuant to K.S.A. 82a-701 et seq., and
4 amendments thereto, for such applications. The Kansas water office
5 shall have authority to adopt rules and regulations relative to the
6 inclusion of public water supply storage in proposed projects under
7 this act and the disposition of state-owned water rights and associated
8 public water supply storage space in such projects.

9 (b) The sponsor of such class III project shall be responsible for
10 acquiring land rights and for the costs of operation and maintenance
11 of the project. The state may provide up to 50% of the engineering
12 and construction costs and up to 50% of the costs of land rights
13 associated with recreation features. Subject to the provisions of
14 subsection (c), the state may pay up to 100% of the engineering and
15 construction costs of flood control storage and public water supply
16 storage. All other costs of such project, including land, construction,
17 operation and maintenance, shall be paid by the sponsor.

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

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

33 ~~Sec. 2.~~ 4. K.S.A. 2014 Supp. 82a-1604 is, **82a-1605 and 82a-1606**
34 **are hereby repealed.**

35 ~~Sec. 3.~~ 5. This act shall take effect and be in force from and after its
36 publication in the statute book.