

SENATE BILL No. 64

By Committee on Federal and State Affairs

1-22

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 for~~
14 ~~each year of storage.~~

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

1 *government. Instead of contracting to repay costs under long-term*
2 *contracts, the state may pay all of the required costs of the public water*
3 *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 of*
6 *such project. The state or federal government may provide up to 50% of*
7 *the engineering and construction costs and up to 50% of the costs of*
8 *land rights associated with recreation features. Subject to the provisions*
9 *of subsection (d), the state may pay up to 100% of the engineering and*
10 *construction costs of flood control and public water supply storage. All*
11 *other costs of such project, including land, construction, operation and*
12 *maintenance shall be paid by the sponsor.*

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

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

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

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

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

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

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

37 ~~Sec. 3:~~ 5. *This act shall take effect and be in force from and after its*
38 *publication in the statute book.*