Session of 2011

## **HOUSE BILL No. 2096**

By Committee on Vision 2020

1-26

AN ACT concerning water; providing for a coordinated water data repository collection and integration system; granting preservation easement authority to the Kansas water office; including drinking water costs in water plan storage rates relating to conservation and water supply storage; amending K.S.A. 82a-910 and K.S.A. 2010 2011 Supp. 2-1915, 82a-1308a, 82a-1602, 82a-1603, 82a-1604, 82a-1605 and 82a-1606 and repealing the existing sections.

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

Section 1. K.S.A. 2010 2011 Supp. 2-1915 is hereby amended to read as follows: 2-1915. (a) Appropriations may be made for grants out of funds in the treasury of this state for terraces, terrace outlets, check dams, dikes, ponds, ditches, critical area planting, grassed waterways, tailwater recovery irrigation systems, precision land forming, range seeding, detention and grade stabilization structures and other enduring water-conservation practices installed on public lands and on privately owned lands and, the control and eradication of sericea lespedeza as provided in subsection (n) of K.S.A. 2-1908, and amendments thereto, on public lands and on privately owned lands. Except as provided by the multipurpose small lakes program act *or subsection* (g), any such grant shall not exceed 80% of the total cost of any such practice.

- (b) A program for protection of riparian and wetland areas shall be developed by the state conservation commission division of conservation of the department of agriculture and implemented by the conservation districts. The conservation districts shall prepare district programs to address resource management concerns of water quality, erosion and sediment control and wildlife habitat as part of the conservation district long-range and annual work plans. Preparation and implementation of conservation district programs shall be accomplished with assistance from appropriate state and federal agencies involved in resource management.
- (c) Subject to the provisions of K.S.A. 2-1919, and amendments thereto, any holder of a water right, as defined by subsection (g) of K.S.A. 82a-701, and amendments thereto, who is willing to voluntarily return all or a part of the water right to the state shall be eligible for a grant not to exceed 80% of the total cost of the purchase price for such water right. The state—conservation—commission—division—of conservation—of the

**department of agriculture** shall administer this cost-share program with funds appropriated by the legislature for such purpose. The chief engineer shall certify to the state conservation commission division of conservation of the department of agriculture that any water right for which application for cost-share is received under this section is eligible in accordance with the criteria established in K.S.A. 2-1919, and amendments thereto.

- (d) (1) Subject to appropriation acts therefor, the state conservation eommission division of conservation of the department of agriculture shall develop the Kansas water quality buffer initiative for the purpose of restoring riparian areas using best management practices. The executive director of the state conservation commission division of conservation of the department of agriculture shall ensure that the initiative is complementary to the federal conservation reserve program.
- (2) There is hereby created in the state treasury the Kansas water quality buffer initiative fund. All expenditures from such fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the executive director of the state conservation commission division of conservation of the department of agriculture or the executive director's designee. Money credited to the fund shall be used for the purpose of making grants to install water quality best management practices pursuant to the initiative.
- (3) The county or district appraiser shall identify and map riparian buffers consisting of at least one contiguous acre per parcel of real property located in the appraiser's county. Notwithstanding any other provisions of law, riparian buffers shall be valued by the county or district appraiser as tame grass land, native grass land or waste land, as appropriate. As used in this subsection (3), "riparian buffer" means an area of stream-side vegetation that: (A) Consists of tame or native grass and may include forbs and woody plants; (B) is located along a perennial or intermittent stream, including the stream bank and adjoining floodplain; and (C) is a minimum of 66 feet wide and a maximum of 180 feet wide.
- (e) The state conservation commission division of conservation of the department of agriculture shall adopt rules and regulations to administer such grant and protection programs.
- (f) Any district is authorized to make use of any assistance whatsoever given by the United States, or any agency thereof, or derived from any other source, for the planning and installation of such practices. The state conservation commission division of conservation of the department of agriculture may enter into agreements with other state and federal agencies to implement the Kansas water quality buffer initiative.
  - (g) Notwithstanding the provisions of other statutes, any grant for

bank stabilization that, in the opinion of the executive director of the state conservation commission division of conservation of the department of agriculture, will reduce the amount of sediment load transmitted into a water supply lake or reservoir in this state may be funded for any amount up to 100% of the total cost of the project. The state conservation commission division of conservation of the department of agriculture is authorized to adopt rules and regulations deemed necessary for implementation of this subsection.

- Sec. 2. K.S.A. 82a-910 is hereby amended to read as follows: 82a-910. (a) Subject to the approval of the Kansas water authority, the office may recommend to any agency of the federal government the inclusion, in any proposed or authorized federal project, of any conservation storage features for water supply that the office expects will be needed within the state in the future for the achievement of the purposes of this act, and the office may extend to and procure for any agency of the federal government reasonable assurances and evidence that such expected future demands for the use of such storage will be made within a period of time which will permit payment of the costs allocated to such purposes within the life of the project, if such assurances have been authorized by the state water plan.
- (b) When, in addition to actions taken under subsection (a), the office shall find it necessary or desirable for the achievement of the purposes of this act, the office may enter into agreements with the federal government for the repayment of costs for the inclusion of any conservation storage features for water supply that the office expects will be needed within the state in the future for achievement of to protect water supplies and water quality, provide protection against drought and protect recreational opportunities if such purposes if such agreements have been authorized by the state water plan and a person or persons have contracted for the use of a substantial portion of the recommended conservation storage and that such person or persons will use the water supply thereof within a period of time which will permit them to pay their proportionate share of the costs allocated to such needs within the life of the project the Kansas water office has determined there are one or more benefits to the state for acquiring such water.
- (c) Any person wishing the office to make a recommendation for storage features for expected future water supply needs, as provided in subsection (a), may petition the office and show that it: (1) has good reason to and does believe that it will have future needs for the use of the additional storage; (2) will request the use of such storage by a time and for a duration that will permit it to pay the costs allocated to such purposes within the life of the project; (3) will be able to repay to the state the costs of the requested storage features; and (4) will insure compliance with such

 maintenance and operational requirements in the use of the expected future water supply requested as the office shall direct for the achievement of the purposes of this act.

- (d) The Kansas water office is authorized to adopt rules and regulations prescribing procedures for calling additional waters into service.
- (e) The Kansas water office shall provide an annual report to the house appropriations committee, house economic development committee, senate natural resources committee, and senate ways and means committee regarding:
- (1) The storage component of reservoirs that have not been called into service and for which the state has the opportunity to acquire;
  - (2) the annualized cost to acquire such storage; and
- (3) a comparison of the annualized cost of such storage if it were not called into service for 10 years.
- Sec. 3. K.S.A. 2010 2011 Supp. 82a-1308a is hereby amended to read as follows: 82a-1308a. (a) On July 15 of each year, effective January 1 of the following year, the director, subject to the approval of the authority, shall fix the rate provided for in subsection (a) of K.S.A. 82a-1306, and amendments thereto. The rate fixed shall be equal to the sum of the following components computed as provided in this section:
- (1) An amount necessary to repay the amortized capital costs associated with the state's conservation water supply capacity;
- (2) an amount as interest computed at a rate per annum equal to the average of the monthly net earnings rate of the pooled money investment board for the preceding calendar year on the net amount of moneys advanced from the state general fund for payment of the amortized capital costs incurred and associated with the state's conservation water supply capacity divided by the greater of: (A) Fifty percent of the total amount of water under each contract from the state's conservation storage water supply capacity in the preceding year; or (B) the total amount of water withdrawn under each contract from the state's conservation storage water supply capacity in the preceding year;
- (3) the amount necessary to reimburse the state for the administration and enforcement of this act based on the actual costs of administration and enforcement in the preceding year divided by the greater of: (A) Fifty percent of the total amount of water under each contract from the state's conservation storage water supply capacity in the preceding year; or (B) the total amount of water withdrawn under each contract from the state's conservation storage water supply capacity in the preceding year; and
- (4) the amount necessary to pay the operation, maintenance and repair costs associated with the state's conservation water supply capacity

based on the estimated costs for the upcoming year divided by the greater of: (A) Fifty percent of the total amount of water under each contract from the state's conservation storage water supply capacity in the preceding year; or (B) the total amount of water withdrawn under each contract from the state's conservation storage water supply capacity in the preceding year; and

- (5) an amount as a depreciation reserve cost to be dedicated for the purposes provided for in K.S.A. 82a-1315b, and amendments thereto, as follows: (A) For calendar years prior to 2007, an amount equal to \$.025; and (B) for calendar year 2007 and subsequent years, an amount which is equal to the amount necessary to meet the needs of the water marketing program capital development and storage maintenance plan, and data collection and maintainence maintenance related to storage capacity, sediment load and composition mapping for the preservation, rehabilitation and management of drinking water resources, as approved by the Kansas water authority.
- (b) In computing such rates, the director shall consider the state's conservation water supply capacity from all sources as though impounded in one single reservoir. No water supply capacity of a reservoir shall be considered to be in such capacity until the year in which the state incurs contract obligations for the project. The rate so fixed for each year shall be the same for each contract under K.S.A. 82a-1305, and amendments thereto, for withdrawal from every reservoir. The rate fixed for each twelve-month period from January 1 to December 31 shall be the same for every contract under K.S.A. 82a-1305, and amendments thereto.
- Sec. 4. K.S.A. 2010 2011 Supp. 82a-1602 is hereby amended to read as follows: 82a-1602. In order to provide public water supply storage and water related recreational facilities in the state there is hereby established a multipurpose small lakes program. All lakes considered under this program must have at least two of the following purposes: (a) Flood control storage; (b) public water supply storage; or (c) recreation features. The state conservation commission is authorized to adopt rules and regulations relating to a higher cost share for single purpose lake-projects. The program shall be administered by the state conservation commission division of conservation of the department of agriculture. Except as otherwise provided by this act, the state conservation-commission division of conservation of the department of agriculture shall adopt all rules and regulations necessary to implement the provisions of this act
- Sec. 5. K.S.A. <del>2010</del> **2011** Supp. 82a-1603 is hereby amended to read as follows: 82a-1603. When used in this act:
- (a) "Chief engineer" means the chief engineer of the division of water resources of the department of agriculture.

- (b) "Class I funded project" means a proposed new project or renovation of an existing project located within the boundaries of an organized watershed district which is receiving or is eligible to receive financial participation from the state conservation commission division of conservation of the department of agriculture for the flood control storage portion of the project.
- (c) "Class II funded project" means a proposed new project or renovation of an existing project which is receiving or is eligible to receive financial participation from the federal government.
- (d) "Class III funded project" means a proposed new project or renovation of an existing project located outside the boundaries of an organized watershed district which is not receiving or is not eligible to receive financial participation from the state conservation commission or the federal government except as provided in K.S.A. 82a-1606, and amendments thereto.
- (e) "Flood control storage" means storage space in reservoirs to hold flood waters.
- (f) "Future use public water supply storage" means storage space which the Kansas water office determines will be needed within the next 20 50 years for use by public water supply users in an area but for which there is no current sponsor.
- (g) "General plan" means a preliminary engineering report describing the characteristics of the project area, the nature and methods of dealing with the soil and water problems within the project area, and the projects proposed to be undertaken by the sponsor within the project area. Such plan shall include: (1) maps, descriptions and other data as may be necessary for the location, identification and establishment of the character of the work to be undertaken; (2) a cost-benefit analysis of alternatives to the project, including but not limited to, nonstructural flood control options and water conservation and reuse to reduce need for new water supply storage; and (3) any other data and information as the chief engineer may require.
- (h) "Land right" means real property as that term is defined by the laws of the state of Kansas and all rights thereto and interest therein and shall include any road, highway, bridge, street, easement or other right-of-way thereon.
- (i) "Multipurpose small lake project" means a dam and lake containing *two of the following purposes:* (1) flood control storage; and (2) either public water supply storage; or (3) recreation features. or both.
- (j) "Public water supply" means a water supply for municipal, industrial or domestic use.
- (k) "Public water supply storage" means storage of water for municipal, industrial or domestic use.

- (l) "Recreation feature" means water storage and related facilities for activities such as swimming, fishing, boating, camping or other related activities.
- (m) "Renovation" means repair or restoration of an existing lake which contains water storage space for use as a public water supply, and which has either recreational purposes or flood control purposes. 5 or both.
- (n) "Sponsor" means: (1) Any political subdivision of the state which has the power of taxation and the right of eminent domain; (2) any public wholesale water supply district; or (3) any rural water district.
- (o) "Water user" means any city, rural water district, wholesale water district or any other political subdivision of the state which is in the business of furnishing municipal or industrial water to the public.
- Sec. 6. K.S.A. 2010 2011 Supp. 82a-1604 is hereby amended to read as follows: 82a-1604. (a) The state may participate with a sponsor in the development, construction or renovation of a class I 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 50 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, subject to the provisions of the state water plan storage act, K.S.A. 82a-1301 et seq., and amendments thereto. The Kansas water office shall apply for a water appropriation reservation right sufficient to insure a dependable yield from the 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 I project shall be responsible for acquiring land rights and for the costs of operation and maintenance of such 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 subsections subsection (a) and (e), 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.
- (e) 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 I 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 carned 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.
- Sec. 7. K.S.A. 2010 2011 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 50 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, subject to the provisions of the state water plan storage act, K.S.A. 82a-1301 et seq., and amendments thereto. The Kansas water office shall apply for a water appropriation reservation 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 seg., 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.

- (e) 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 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 carned 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.
- Sec. 8. K.S.A. 2010 2011 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 50 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, subject to the provisions of the state water plan storage act, K.S.A. 82a-1301 et seq., and amendments thereto. If the state participates in the public water supply storage costs, the Kansas water office shall apply for a water appropriation reservation 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 stateowned 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 (e), the *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.
- (e) 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.
- New Sec. 9. (a) The Kansas biological survey in consultation with the Kansas water office shall develop a coordinated water quality and quantity data repository collection and integration system for data relating to water in reservoirs and lakes used as a public water supply source in this state for the purpose of providing and integrating interagency water quantity and quality data.
- (b) All state water resources agencies shall participate in the creation and maintenance of such a coordinated data repository collection and integration system in order to provide the most accurate water resources data for the benefit of the citizens of the state of Kansas. Local agencies or persons may voluntarily submit data for inclusion in the coordinated data repository collection and integration system.
- (c) The Kansas biological survey shall conduct bathymetric mapping, sediment surveys and lake assessments in addition to coordinating the data repository system and may, as determined appropriate by the Kansas-biological survey, participate in other data collection efforts as may be undertaken by local, state or federal agencies. The coordinated data-

repository system shall be funded by the Kansas water plan fund.

- (d) The Kansas biological survey and the Kansas water office may seek and accept grants and contracts to collect data, develop and fund the coordinated data repository collection and integration system. The Kansas biological survey is hereby authorized to work jointly with the United States army corps of engineers to accomplish the goals of this section.
- (e) (d) The Kansas water office is authorized to adopt rules and regulations deemed necessary for the implementation of this section.
  - New Sec. 10. (a) The Kansas water office is hereby authorized to consider, negotiate and grant easements on state property in and along the Arkansas, Kansas, and Missouri rivers within Kansas, for the purposes of conservation, construction, or improving and sustaining such rivers and riverbanks. Such casements shall be granted if the Kansas water office, after consultation with the department of agriculture, department of wildlife and parks and the conservation commission, deem such casements appropriate.
  - (b) In the event such easement is proposed to be granted upon land owned or managed by any other agency of the state of Kansas, the Kansas water office shall give notice of the project to that agency, and shall jointly negotiate any easement so granted.
- (c) All easements so entered by the Kansas water office shall be filed by the Kansas water office with the office of the secretary of state and in the office of the register of deeds for the county in which the easement is located.
- 26 Sec. ++ 10. K.S.A. 82a-910 and K.S.A. 2010 2011 Supp. 2-1915, 82a-1308a, 82a-1602, 82a-1603, 82a-1604, 82a-1605 and 82a-1606 are hereby repealed.
  - Sec. 12 11. This act shall take effect and be in force from and after its publication in the statute book.