

HOUSE BILL No. 2108

AN ACT amending the state water plan storage act; amending K.S.A. 2004 Supp. 82a-1308a, 82a-1315b and 82a-1315c and repealing the existing sections.

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

Section 1. K.S.A. 2004 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from the state's conservation storage water supply capacity in the preceding year; or (B) the total amount of water withdrawn under each contract from the state's conservation storage water supply capacity in the preceding year;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from the state's conservation storage water supply capacity in the preceding year; or (B) the total amount of water withdrawn under each contract from the state's conservation storage water supply capacity in the preceding year; and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 ~~repay~~ pay the operation, maintenance and repair costs associated with the state's conservation water supply capacity based on the ~~actual costs of operation, maintenance and repair of the state's conservation water supply capacity in the preceding~~ *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 ~~equal to \$.025~~ 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, 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. 2. K.S.A. 2004 Supp. 82a-1315b is hereby amended to read as follows: 82a-1315b. (a) The director, subject to approval of the authority, shall acquire or develop conservation storage water supply capacity in impoundments deemed necessary to implement the state water plan.

(b) That portion of all moneys received by the state treasurer pursuant to K.S.A. 82a-1315a, and amendments thereto, which is not attributable to: (1) The annual repayment on water storage costs in federal reservoirs as computed under subsection (a)(1) of K.S.A. 82a-1308a, and amendments thereto; (2) the operation, maintenance and repair costs associated with the state's conservation water supply capacity; and (3) the costs in administering and enforcing the provisions of this act, shall be deposited in the state treasury to the credit of the state conservation storage water supply fund which is hereby established. The director shall

provide the treasurer with an accounting of the total remittances and shall deposit money only to the credit of the state conservation storage water supply fund after the full amount of the costs attributable to the water marketing fund from the preceding calendar year have been repaid. For purposes of calculating the rate in K.S.A. 82a-1308a, and amendments thereto, effective beginning calendar year 1986, all moneys received pursuant to this act since 1975 shall be credited for repayment of the components in the following order: paragraphs (1), (4), (3), (2), (5) of subsection (a) of K.S.A. 82a-1308a, and amendments thereto.

(c) The state conservation storage water supply fund shall serve in part as a savings fund to further the purpose of this act and the fund shall be credited amounts for interest earned thereon in accordance with subsection (e). The director may accept or receive moneys from any source, governmental or private, for the purposes for which expenditures may be made from this fund. The director shall remit all such moneys to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the state conservation storage water supply fund.

(d) All expenditures from the state conservation storage water supply 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 director of the Kansas water office or by a person or persons designated by the director and shall be used solely for the purpose of acquisition ~~or~~, development *or maintenance* of conservation storage water supply in impoundments deemed necessary to implement the state water plan, including expenditures related to the issuance of revenue bonds for such purposes and nonwater supply benefits associated with such purposes.

(e) On or before the 10th of each month, the director of accounts and reports shall transfer from the state general fund to the conservation storage water supply fund interest earnings based on:

- (1) The average daily balance of moneys in the conservation storage water supply fund for the preceding month; and
- (2) the net earnings rate of the pooled money investment portfolio for the preceding month.

Sec. 3. K.S.A. 2004 Supp. 82a-1315c is hereby amended to read as follows: 82a-1315c. (a) There is hereby created in the state treasury the water marketing fund. The director of the Kansas water office may accept or receive moneys from any source, governmental or private, for the purposes for which expenditures may be made from the water marketing fund. The director shall remit all moneys so received to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the water marketing fund.

(b) Moneys credited to the water marketing fund shall be used for the following purposes:

- (1) Payment to the federal government of annual capital costs associated with water supply storage space in reservoirs under the state water plan storage act;
- (2) repayment to the state general fund for moneys advanced to make annual capital cost payments for water supply storage space in reservoirs under the state water plan storage act;
- (3) payment to the federal government of annual operation, maintenance and repair costs associated with the water supply storage space under the state water plan storage act;
- (4) ~~repayment to the state general fund for~~ *payment of* administration and enforcement costs of the state associated with the state water plan storage act;
- (5) an annual set-aside to a reserve account which is hereby created as part of this fund of an amount specified by the director of the Kansas water office but not more than 1¢ per 1,000 gallons of water sold, such reserve to be used to meet any shortfall in revenue or unusual expenses relating to operation, maintenance and repair costs; and
- (6) deposit of receipts as required under K.S.A. 82a-1315b, and amendments thereto.

(c) All expenditures from the water marketing 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 director of the Kansas water office or by a person designated by the director.

Sec. 4. K.S.A. 2004 Supp. 82a-1308a, 82a-1315b and 82a-1315c are hereby repealed.

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

I hereby certify that the above BILL originated in the HOUSE, and passed that body

Speaker of the House.

Chief Clerk of the House.

Passed the SENATE _____

President of the Senate.

Secretary of the Senate.

APPROVED _____

Governor.