

SENATE BILL No. 272

By Committee on Agriculture

1-12

1 AN ACT concerning water; relating to administrative division of water
2 right; fee; multi-year flex accounts; amending K.S.A. 2011 Supp. 82a-
3 736 and repealing the existing section.

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

6 New Section 1. (a) Any owner of a water right that is not deemed
7 abandoned may divide that water right into two or more distinct water
8 rights without losing priority of right, if such owner:

9 (1) Applies in writing to the chief engineer for approval of the
10 proposed division with the written consent of all persons having an
11 ownership interest in the water right;

12 (2) designates the relative priority of the divided water rights;

13 (3) demonstrates to the chief engineer that the division is reasonable,
14 will not increase consumptive use and will not impair existing rights; and

15 (4) receives approval from the chief engineer with respect to the
16 requested division. If the chief engineer disapproves the application for
17 division, the rights, priorities and duties of the applicant shall remain
18 unchanged.

19 (b) In the event of a judicial determination of ownership interests
20 resulting in a partition of a water right that is not deemed abandoned,
21 the chief engineer may administratively divide such water right in a manner
22 consistent with the terms of the judicial determination to the extent it does
23 not violate the provisions of the Kansas water appropriation act.

24 (c) Any approval of an application to divide a water right pursuant to
25 this section shall not authorize any change in the place of use, point of
26 diversion or use made of water, as provided in K.S.A. 82a-708b, and
27 amendments thereto.

28 (d) Each application to divide a water right, pursuant to subsection (a)
29 or (b), shall be made on a form prescribed by the chief engineer and shall
30 be accompanied by an application fee of \$300.

31 (e) All fees collected by the chief engineer pursuant to this section
32 shall be remitted to the state treasurer as provided in K.S.A. 82a-731, and
33 amendments thereto.

34 (f) The chief engineer shall adopt rules and regulations to effectuate
35 and administer the provisions of this section.

36 (g) This section shall be part of and supplemental to the Kansas water

1 appropriation act.

2 Sec. 2. K.S.A. 2011 Supp. 82a-736 is hereby amended to read as
 3 follows: 82a-736. (a) *It is hereby recognized that an opportunity exists to*
 4 *improve water management by enabling multi-year flexibility in the use of*
 5 *water authorized to be diverted under a groundwater water right,*
 6 *provided, that such flexibility neither impairs existing water rights, nor*
 7 *increases the total amount of water diverted, so that such flexibility has no*
 8 *long-term negative effect on the source of supply. It is therefore declared*
 9 *necessary and advisable to permit the establishment of multi-year flex*
 10 *accounts for groundwater water rights, together with commensurate*
 11 *protections for existing water rights and their source of supply.*

12 (a) (b) As used in this section:

13 (1) "Base water right" means a water right under which an applicant
 14 applies to the chief engineer to establish a multi-year flex account and
 15 where all of the following conditions exist:

16 (A) The authorized source of supply is groundwater; and

17 (B) the water right has not been the subject of a change approval to
 18 implement the provisions of K.A.R. 5-5-9(a)(2), K.A.R. 5-5-11(b)(2) or
 19 K.A.R. 5-5-11(b)(3), and amendments thereto.

20 (2) "Multi-year flex account" means a term permit which suspends a
 21 base water right during its term and is subject to the terms and conditions
 22 as provided in subsection (e).

23 (3) "Base average usage" means: (A) The average amount of
 24 water actually ~~used~~ diverted for a beneficial use under a ~~groundwater~~ the
 25 base water right during calendar years 2000 through 2009, excluding any
 26 amount ~~used~~ diverted in any such year ~~in excess of the amount that~~
 27 ~~exceeded the maximum annual quantity of water authorized by such the~~
 28 ~~base water right; or (B) if the holder of a groundwater the base water right~~
 29 ~~shows to the satisfaction of the chief engineer that the holder has~~
 30 ~~implemented significant water conservation measures reduced water use~~
 31 ~~under the base water right during calendar years 2000 through 2009, then~~
 32 the average amount of water actually ~~used~~ diverted for a beneficial use
 33 under ~~such the~~ base water right during the five calendar years immediately
 34 before the calendar year when ~~such measures were implemented~~ water
 35 conservation began, excluding any amount used in any such year ~~in excess~~
 36 ~~of that exceeded the amount authorized by such the~~ base water right.

37 (2)(4) "Chief engineer" means the chief engineer of the division of
 38 water resources of the department of agriculture.

39 (5) "Flex account acreage" means the maximum number of acres
 40 lawfully irrigated during a calendar year when no term, condition or
 41 limitation of the base water right has been violated and either of the
 42 following conditions is met:

43 (A) The calendar year is 2000 through 2009; or

1 (B) if water conservation reduced water use under the base water
 2 right during calendar years 2000 through 2009, the calendar year is a
 3 year within the five calendar years immediately prior to the calendar year
 4 when water conservation began.

5 (6) "Net irrigation requirement" means the net irrigation
 6 requirement for 50% chance rainfall of the county that corresponds with
 7 the location of the authorized place of use of the base water right as
 8 provided in K.A.R. 5-5-12, and amendments thereto.

9 ~~(b)~~(c) (1) Any holder of a ~~groundwater~~ base water right ~~which that~~
 10 has not been deposited or placed in a safe deposit account in a chartered
 11 water bank may establish a *multi-year* flex account where the holder may
 12 deposit, in advance, *the authorized quantity of* water from such water right
 13 for any five consecutive calendar years, subject to *all of* the following:

14 ~~(+)~~(A) The water right must be vested or shall have been issued a
 15 certificate of appropriation;

16 ~~(-)~~(B) the withdrawal of water pursuant to the water right shall be
 17 properly and adequately metered;

18 ~~(-)~~(C) the water right ~~shall not be~~ *is not* deemed abandoned and ~~shall~~
 19 ~~be in good standing, based on past water usage and~~ *is in* compliance with
 20 the terms of ~~the holder's permit~~ and *conditions of its certificate of*
 21 *appropriation*, all applicable provisions of law and orders of the chief
 22 engineer; ~~and~~

23 ~~(+)~~(D) the amount of water ~~that shall be~~ deposited in the *multi-year*
 24 *flex* account shall not exceed ~~90% of the amount of the holder's base~~
 25 ~~average usage times five~~ *the greatest of the following*:

26 (i) *500% of the base average usage*;

27 (ii) *the product of the net irrigation requirement multiplied by the flex*
 28 *account acreage, multiplied by 110%, but not greater than five times the*
 29 *maximum annual quantity authorized by the base water right; or*

30 (iii) *if the authorized place of use is located wholly within the*
 31 *boundaries of a groundwater management district, an amount that shall*
 32 *not increase the long-term average use of the groundwater right as*
 33 *specified by rule or regulation promulgated pursuant to subsection (o) of*
 34 *K.S.A. 82a-1028, and amendments thereto; and*

35 (E) *notwithstanding any other provisions of this subsection, the*
 36 *quantity of water deposited into a multi-year flex account shall be reduced*
 37 *by the quantity of water used in excess of the maximum annual quantity of*
 38 *the base water right during 2011 if the application for a multi-year flex*
 39 *account is filed with the chief engineer on or before July 15, 2012.*

40 (2) *The provisions of K.A.R. 5-5-11 are limited to changes in annual*
 41 *authorized quantity and shall not apply to this subsection.*

42 ~~(e)~~(d) The chief engineer shall implement a program providing for
 43 the issuance of term permits to holders of groundwater water rights who

1 have established flex accounts in accordance with this section. Such term
2 permits shall authorize the use of water in a flex account at any time
3 during the five consecutive calendar years for which the application for the
4 term permit *authorizing a multi-year flex account* is made, without annual
5 limits on such use.

6 ~~(d)~~(e) Term permits provided for by this section shall be subject to the
7 following:

8 (1) A separate term permit shall be required for each point of
9 diversion *authorized by the base water right*.

10 (2) The quantity of water authorized for diversion shall be limited to
11 the amount deposited pursuant to subsection ~~(b)(4)~~(c)(1)(D).

12 (3) *The rate of diversion for each point of diversion authorized under*
13 *the term permit shall not exceed the rate of diversion for each point of*
14 *diversion authorized under the base water right.*

15 ~~(3)~~ (4) ~~The authorized place of use for the term permit shall not be~~
16 ~~greater than that authorized by the existing groundwater right shall be the~~
17 ~~place of use or a subdivision of the place of use for the base water right.~~

18 (5) *The point of diversion authorized by the term permit shall be*
19 *specified by referencing one point of diversion authorized by the base*
20 *water right at the time the multi-year flex account term permit application*
21 *is filed with the chief engineer or at the time any approvals changing such*
22 *referenced point of diversion of the base water right are approved during*
23 *the multi-year flex account period. For a base water right with multiple*
24 *points of diversion, each point of diversion authorized by the term permit*
25 *shall receive a specific assignment of a maximum authorized quantity of*
26 *water, assigned proportionately to the authorized annual quantities of the*
27 *respective points of diversion under the base water right.*

28 ~~(4)~~ (6) The chief engineer may establish, by rules and regulations,
29 criteria for such term permits ~~when the water right authorizes multiple~~
30 ~~points of diversion or multiple water rights authorize a single point of~~
31 ~~diversion or overlapping places of use.~~

32 ~~(5)~~(7) Except as explicitly provided for by this section, such term
33 permits shall be subject to all provisions of the Kansas water appropriation
34 act, and rules and regulations adopted under such act, and nothing in this
35 section shall authorize impairment of any vested right or prior
36 appropriation right by the exercise of such term permit.

37 (e) ~~Unless a term permit is issued pursuant to an application filed~~
38 ~~before November 1 of the year prior to the first year for which the~~
39 ~~application is made, the quantity of water used under the water right~~
40 ~~during the year in which the application for the term permit is filed shall~~
41 ~~be deducted from the amount of water deposited into the account~~
42 ~~authorized by the term permit~~ (f) *An application for a multi-year flex*
43 *account shall be filed with the chief engineer on or before October 1 of the*

1 *first year of the multi-year flex account term for which the application is*
2 *being made.*

3 ~~(f)~~(g) All costs of administration of this section shall be paid from
4 fees for term permits provided for by this section. Any appropriation or
5 transfer from any fund other than the water appropriation certification fund
6 for the purpose of paying such costs shall be repaid to the fund from which
7 such appropriation or transfer is made. At the time of repayment, the
8 secretary of agriculture shall certify to the director of accounts and reports
9 the amount to be repaid and the fund to be repaid. Upon receipt of such
10 certification, the director of accounts and reports shall promptly transfer
11 the amount certified to the specified fund.

12 *(h) The fee for a multi-year flex account term permit shall be the*
13 *same as specified for other term permits in K.S.A. 82a-708c, and*
14 *amendments thereto, except as follows:*

15 *(1) If the base water right is currently suspended due to the issuance*
16 *of a two-year term permit in a designated drought emergency area for*
17 *2011 and 2012, then a holder of such term permit shall be subject to a*
18 *\$200 application fee for a multi-year flex account term permit if the*
19 *application is filed on or before July 15, 2012; or*

20 *(2) if water use under the authority of the base water right exceeded*
21 *the maximum annual quantity authorized by the base water right during*
22 *2011 and the holder of the base water right files an application for*
23 *approval of a multi-year flex account term permit on or before July 15,*
24 *2012, then the application fee shall be \$600.*

25 *(i) The chief engineer shall have full authority pursuant to K.S.A.*
26 *82a-706c, and amendments thereto, to require any additional measuring*
27 *devices and any additional reporting of water use for term permits issued*
28 *pursuant to this section. Failure to comply with any measuring or*
29 *reporting requirement may result in a penalty, up to and including the*
30 *revocation of the term permit and the suspension of the base water right*
31 *for the duration of the term permit period.*

32 ~~(g)~~(j) The chief engineer shall submit a written report on the
33 implementation of this section to the house standing committee on
34 ~~environment~~ *agriculture and natural resources* and the senate standing
35 committee on natural resources on or before February 1 of each year.

36 ~~(h)~~(k) This section shall be part of and supplemental to the Kansas
37 water appropriation act.

38 Sec. 3. K.S.A. 2011 Supp. 82a-736 is hereby repealed.

39 Sec. 4. This act shall take effect and be in force from and after its
40 publication in the statute book.