

**Kansas Water Authority Meeting**  
**Conference Call / Zoom**  
**9:00 a.m. – May 18, 2021**  
**Agenda**

<i>Time</i>	<i>Agenda Item</i>	<i>Presenter</i>	<i>KWA Advice</i>	<i>KWA Decision</i>	<i>Page No.</i>
9:00 am	<b>Call to Order/Roll Call</b>	Dawn Buehler	--	--	--
9:05 am	<b>Approval of Meeting Minutes</b>	Dawn Buehler			
	April 26, 2021 Meeting (Conference Call/Zoom)			X	2
9:10 am	<b>KWA Public Water Supply Committee Update</b>	John Bailey			
	Water Marketing Program bonding initiative		X		5
9:20 am	<b>Legislative &amp; Budget Update</b>				
	FY 2021 & 2022 SWPF Appropriations	Matt Unruh	X		8
9:25 am	<b>Vision/Kansas Water Plan Update</b>				
	Review and Approval of Guiding Principle Sections	Kirk Tjelmeland		X	11*
9:55 am	<b>KWA Member Roundtable Introductions</b>	Dawn Buehler	X		
10:40 am	<b>Director's Report</b>	Connie Owen	X		
10:50 am	<b>Agency Updates</b>				
11:05 am	<b>New Business</b>				
11:10 am	<b>Adjourn</b>				

\*A link to the Guiding Principle Sections document is posted on KWO's website ([www.kwo.ks.gov](http://www.kwo.ks.gov)) under the KWA May, 18, 2021 Meeting Materials.

Upcoming Kansas Water Authority Meetings: June 9, 2021

Join Zoom Meeting

<https://zoom.us/j/93673183684?pwd=dGJ4L1pDUVZBbWtaNnRwcFJJRGRXZz09>

Meeting ID: 936 7318 3684

Passcode: 031624

## Minutes

### KANSAS WATER AUTHORITY

April 26, 2021

Topeka, Kansas

Conference Call

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**CALL TO ORDER:** Chair Dawn Buehler called the **April 26, 2021**, Kansas Water Authority conference call to order at **9:00** a.m.

**MEMBERS PRESENT:** Dawn Buehler, Mike Armstrong, John Bailey, Lynn Goossen, Randy Hayzlett, Jeremiah Hobbs, Alan King, Chris Ladwig, Allen Roth, Allan Soetaert, David Stroberg

**MEMBERS ABSENT:** Carolyn McGinn, Jean Steiner

**EX-OFFICIO MEMBERS PRESENT:** Susan Duffy, Earl Lewis, Susan Metzger, Brad Loveless, Sara Baer, Leo Henning, Mike Beam, Andrew Lyon, Kayla Savage, Cara Hendricks

**EX-OFFICIO MEMBERS ABSENT:** Rolfe Mandel

#### APPROVAL OF MINUTES:

**Motion No. 04-21-01** It was moved by **Randy Hayzlett** and seconded by **Allan Soetaert** to approve the December 1, 2020, December 11, 2020 and December 17, 2020 Minutes for the Regular Meetings of the Kansas Water Authority as presented. **Motion carried with no dissenting votes.** Information found in meeting materials.

**Legislative Budget Update:**  
*FY 2022 SWPF Budget Status*

**Cara Hendricks** gave an update.

**Legislative Budget Update:**  
*RAC Informational Budget Webinar Preview*

**Cara Hendricks** gave an update.

**Legislative Budget Update:**  
*House Water Committee Update*

**Matt Unruh** gave an update.

**KWA RAC Operations Committee:**  
*RAC Message*

**Motion No. 04-21-02** It was moved by **Jeremiah Hobbs** and seconded by **Allen Roth** to approve the KWA working with the KWO and House Water Committee to support an interim session. **Motion carried with no dissenting votes.** Information found in meeting materials.

**KWA RAC Operations Committee:**

*RAC Membership*

**Motion No. 04-21-03**

It was moved by **Jeremiah Hobbs** and seconded by **Allen Roth** to approve the applications for membership on the Marais des Cygnes RAC and the Upper Republican RAC as presented. **Motion carried with no dissenting votes.** Information found in meeting materials.

**KWA PWS Committee Update:**

*Douglas Co. RWD # 3 Application and Request to Negotiate*

**Motion No. 04-21-04**

It was moved by **Lynn Goossen** and seconded by **Alan King** to approve the Director's request to begin contract negotiations with Douglas County RWD No. 3 for use of water from Clinton Lake. **Motion carried with no dissenting votes.** Information found in meeting materials.

**Vision/Kansas Water Plan Update:**

*KWP Update Timeline/Schedule & Status*

**Kirk Tjelmeland** presented.

**Vision/Kansas Water Plan Update:**

*Regional Background Sections Overview*

**Kirk Tjelmeland** presented.

**Keith Miller** presented for Great Bend Prairie RAC.

**Carl Johnson** presented for Missouri RAC.

**Vision/Kansas Water Plan Update:**

*Review and Approval of RAC Goals/Action Plans*

**Motion No. 04-21-05**

It was moved by **Allan Soetaert** and seconded by **John Bailey** to approve the RAC Goals and Action Plans as written. **Motion carried with no dissenting votes.** Information found in meeting materials.

**Federal Cooperative Agreements:**

*Overview of USGS Cooperative Funding Agreements*

**Josh Olson** presented.

**KWA Annual Calendar for 2021:**

**Dawn Buehler** presented.

**Director's Report:**

**Matt Unruh** gave a drought update.

**New Business:**

**Susan Duffy** gave an update for the Kansas Corporation Commission.

**Brad Loveless** gave an update for the Kansas Wildlife, Parks & Tourism.

**Kayla Savage** gave an update for Kansas Department of Commerce.  
**Earl Lewis** gave an update for Division of Water Resources.  
**Andrew Lyon** gave an update for Division of Conservation.

## **ADJOURNMENT**

The KWA adjourned at 11:38 am.

# MEMO



DATE: May 12, 2021  
TO: Kansas Water Authority  
FROM: John Bailey, Chair, Public Water Supply Committee  
Nathan Westrup  
RE: Public Water Supply Committee Update

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## **Water Marketing Program, long-term debt service restructure - Update**

The KWO continues to work with the Kansas Development Finance Authority (KDFA) on bonding scenarios to address the Water Marketing Program debt service obligations. See attached document titled, “Expense obligations to the United States Army Corps of Engineers”. In summary, the KWO would like to take advantage of current favorable bond rates for the benefit of the program and the rate paying customers by bonding a portion of the program’s debt associated with water supply storage purchased from the Corps of Engineers.

As presented at previous KWA meetings, the KDFA recommends the refinancing via annual appropriation bonds backed by the State General Fund. The KWO has chosen to pursue authorization through a State Finance Council (SFC) resolution rather than individual legislation or an appropriations bill, primarily due to timing issues.

In order to accomplish an SFC resolution, KWO must present the case for bonding to the Director of Budget and SFC members for inclusion on the next SFC meeting agenda. KDFA will assist the KWO with presentation to the SFC, with an intent for a KWO transaction to be concurrent with other SGF bonding needs, currently estimated to be issued by the end of July.

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*Information was provided for discussion purposes and status update.*

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## Expense obligations to the United States Army Corps of Engineers

The Kansas Water Office (KWO) administers the State's Water Marketing, Water Assurance, and Water Supply Access programs which utilize federal reservoirs to help meet water supply needs. The State of Kansas has purchased storage space in fourteen United States Army Corps of Engineers (USACE) reservoirs. Water users, primarily municipal and industrial, must participate in one of the three programs to access water stored in these reservoirs. The obligation of expenses due to the USACE differs between the programs.

### Water Assurance Program:

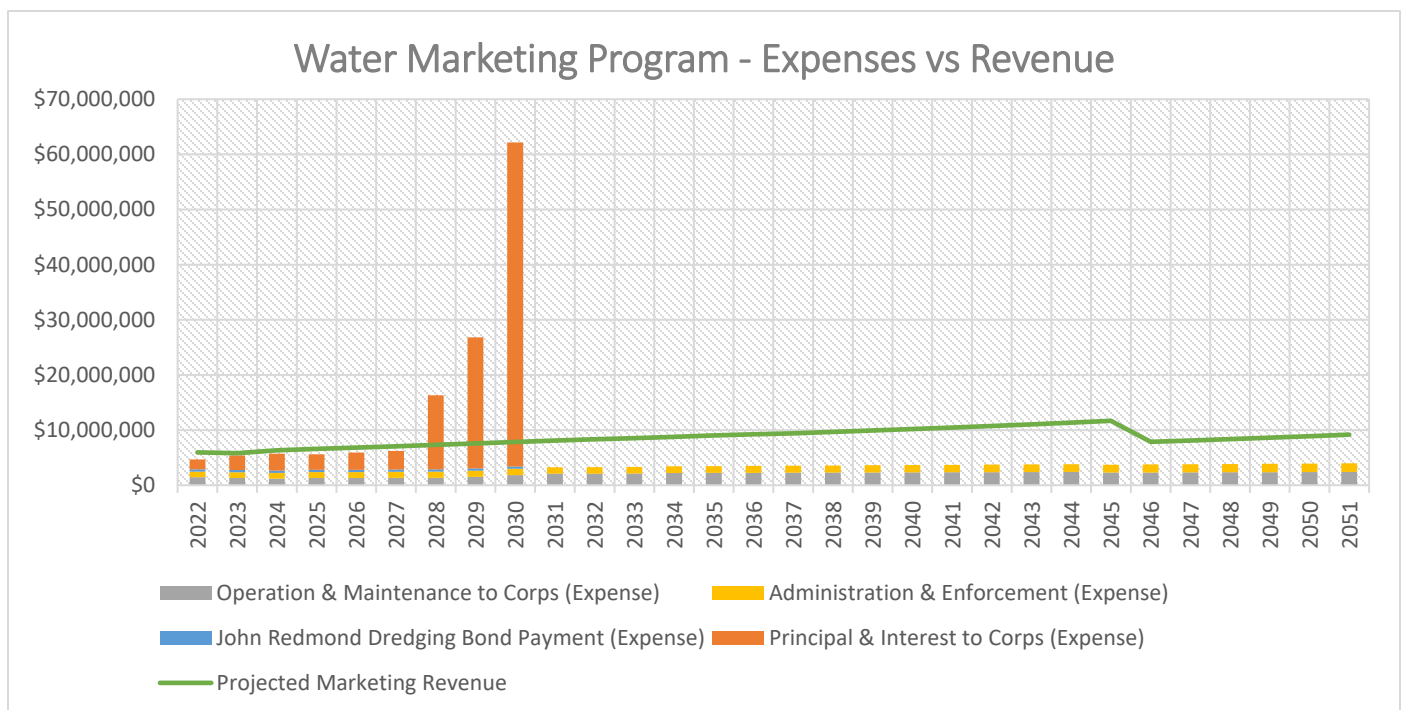
The members of an Assurance District are entirely responsible for the Principal and Interest (P&I) costs associated with the purchase of storage space and annual Operations and Maintenance (O&M) costs. *Note: The members are municipal and industrial water right holders downstream from reservoirs where the District has purchased storage. Membership is mandatory.*

### Water Supply Access Program:

The members of an Access District are entirely responsible for the costs associated with P&I and O&M. *Note: The members are municipal, industrial, irrigation, and recreational water right holders downstream from reservoirs where the District has purchased storage. Membership is voluntary.*

### Water Marketing Program:

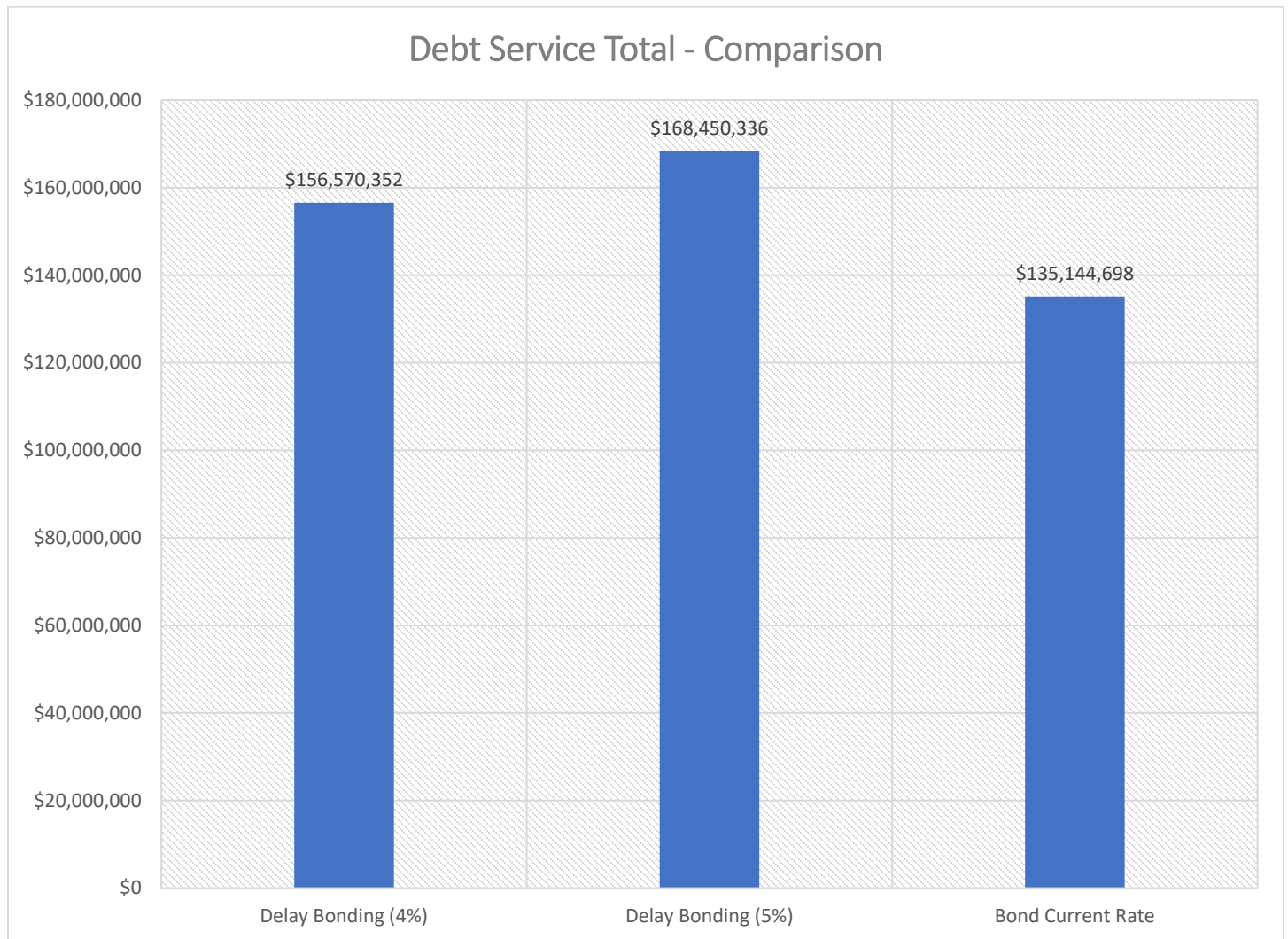
The Water Marketing Program is a wholesale raw water utility. Revenue is generated from the sale of water to municipal and industrial customers, typically through 40-year water purchase contracts. The water is sold at a cost per 1,000 gallons and the rate (\$) is set annually by the Kansas Water Authority. Program expenses are entirely the obligation of rate paying customers. The chart below is intended to illustrate the need to restructure the debt service to the USACE associated with the program. Annual program revenue varies and is currently \$5 to \$6 million. P&I due to the USACE in the next 9 years is greater than \$110 million, primarily due in balloon payments in 2028, 2029, and 2030. Current P&I balance (2021) is approximately \$84 million and is the subject of evaluation for bonding.



The Water Marketing Program capital development plan and rate model reflect balloon payment bonding in the years due. Since future bond rates are unknown, 4% and 5% bond rate scenarios have been run. The current, more favorable bond rates, could provide substantial savings for the program and rate paying customers.

(continued on reverse side)

Below is a chart summarizing the potential P&I cost savings with current bond rates versus the original, delayed bonding scenarios at 4% and 5%.



*Additional USACE debt obligations, unaffiliated with the Water Marketing Program:*

Contracted storage space in Milford Lake and Perry Lake have a total current P&I balance (2021) of about \$52 million. This storage is not currently committed to any of the three programs. The Kansas River Water Assurance District may purchase a portion of the storage in Milford and Perry but the Water Marketing Program does not anticipate any additional investment in those reservoirs. Contractually, this is an obligation of the State of Kansas. **This debt is not the subject of the current Water Marketing Program bonding initiative.**

The table below summarizes the contractual obligations for these two reservoirs:

Reservoir	Contract Interest Rate	Balloon Payment Due Date	Balance on Due Date
Perry Lake	3.046%	2041	\$49.3 Million
Milford Lake	2.632%	2034	\$37.9 Million

# MEMO



DATE: May 11, 2021  
TO: Kansas Water Authority  
FROM: Cara Hendricks  
RE: FY 2021 & 2022 SWPF Appropriations

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## **SWPF FY 2021 & FY 2022 Appropriations**

The table provided on the following page includes the FY 2021 and FY 2022 SWPF appropriations. For FY 2022, the table also includes the KWA budget recommendations with full restoration of the SGF and EDIF demand transfers.

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*This is for informational purposes only. No Kansas Water Authority action is necessary at this time.*

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**State Water Plan Fund**

<b>EXPENDITURES</b>	<b>FY 2020 Actuals</b>	<b>FY 2021* Adjusted</b>	<b>FY 2022 KWA Budget Recs</b>	<b>FY 2022 Appropriation</b>
<b>Department of Health and Environment</b>				
Contamination Remediation	\$ 1,086,242	\$ 1,090,340	\$ 1,088,301	\$ 1,088,301
Nonpoint Source Program	\$ 262,932	\$ 406,157	\$ 303,208	\$ 303,208
TMDL Initiatives	\$ 231,541	\$ 340,068	\$ 280,738	\$ 280,738
Harmful Algae Bloom Pilot	\$ 194,369	\$ 1,148,761	\$ 150,000	\$ 450,000
Watershed Restoration/Protection (WRAPS)	\$ 819,654	\$ 752,128	\$ 1,000,000	\$ 730,884
Drinking Water Protection Program	\$ 24,593	\$ 350,000	\$ 800,000	\$ 350,000
<b>SUBTOTAL--KDHE</b>	<b>\$ 2,619,331</b>	<b>\$ 4,087,454</b>	<b>\$ 3,622,247</b>	<b>\$ 3,203,131</b>
<b>Department of Agriculture</b>				
Interstate Water Issues	\$ 372,397	\$ 685,138	\$ 490,007	\$ 473,184
Subbasin Water Resources Management	\$ 521,254	\$ 838,906	\$ 608,949	\$ 584,023
Water Use	\$ 78,539	\$ 136,839	\$ 72,600	\$ 72,600
Water Resources Cost Share	\$ 2,388,345	\$ 2,631,243	\$ 2,248,289	\$ 2,248,289
Nonpoint Source Pollution Asst.	\$ 2,024,989	\$ 2,127,289	\$ 1,857,836	\$ 1,853,185
Aid to Conservation Districts	\$ 2,192,637	\$ 2,192,637	\$ 1,973,373	\$ 2,223,373
Watershed Dam Construction	\$ 550,000	\$ 550,000	\$ 1,000,000	\$ 550,000
Water Quality Buffer Initiative	\$ 85,061	\$ 529,454	\$ 100,000	\$ 100,000
Riparian and Wetland Program	\$ 51,726	\$ 582,295	\$ 54,024	\$ 54,024
Water Transition Assistance Program/CREP	\$ 311,080	\$ 454,936	\$ 627,046	\$ 446,593
Irrigation Technology	\$ 81,316	\$ 151,224	\$ 200,000	\$ 250,000
Crop and Livestock Research	\$ 350,000	\$ 350,000	\$ 250,000	\$ 250,000
Transfer for KRPI* (Water Supply/Lake Rest.)	\$ -	\$ 820,177	\$ -	\$ -
Streambank Stabilization	\$ 179,300	\$ 1,320,700	\$ 1,044,264	\$ 794,264
<b>SUBTOTAL--KDA</b>	<b>\$ 9,186,644</b>	<b>\$ 13,370,838</b>	<b>\$ 10,526,388</b>	<b>\$ 9,899,535</b>
<b>Kansas Water Office</b>				
Assessment and Evaluation	\$ 751,100	\$ 599,177	\$ 858,919	\$ 858,919
MOU - Storage Operations & Maintenance	\$ 448,892	\$ 586,452	\$ 526,081	\$ 526,081
Stream Gaging	\$ 413,580	\$ 413,580	\$ 423,130	\$ 423,130
Technical Assistance to Water Users	\$ 331,828	\$ 341,391	\$ 325,000	\$ 325,000
Vision Education Strategy	\$ 100,000	\$ 100,000	\$ 125,000	\$ 125,000
Reservoir and Water Quality Research	\$ 247,696	\$ 402,304	\$ 350,000	\$ 350,000
Water Tech Farms	\$ 70,875	\$ 79,125	\$ 200,000	\$ 100,000
Watershed Conservation Practice Imp	\$ 479,823	\$ -	\$ 1,000,000	\$ 550,000
Equus Beds Chloride Plume Project	\$ 40,860	\$ 9,141	\$ -	\$ -
Milford Lake Watershed RCPP	\$ -	\$ 400,000	\$ 200,000	\$ 200,000
Water Injection Dredging (WID)	\$ -	\$ 150,000	\$ 1,500,000	\$ 975,000
Flood Response Study	\$ -	\$ 100,000	\$ -	\$ -
Arbuckle Study	\$ -	\$ 68,000	\$ 150,000	\$ 60,000
<b>SUBTOTAL--KWO</b>	<b>\$ 2,884,654</b>	<b>\$ 3,249,170</b>	<b>\$ 5,658,130</b>	<b>\$ 4,493,130</b>
<b>Kansas Dept. of Wildlife, Parks &amp; Tourism</b>				
Aquatic Nuisance Species (ANS) Program	\$ -	\$ -	\$ 50,000	\$ -
<b>University of Kansas--Geological Survey</b>	<b>\$ 26,841</b>	<b>\$ 26,841</b>	<b>\$ 26,841</b>	<b>\$ 26,841</b>
<b>Total State Water Plan Expenditures</b>	<b>\$ 14,717,470</b>	<b>\$ 20,734,303</b>	<b>\$ 19,883,606</b>	<b>\$ 17,622,637</b>
<b>SGF &amp; EDIF Demand Transfers**</b>				
State General Fund Transfer	\$ 4,005,632	\$ 6,000,000	\$ 6,000,000	\$ 4,005,632
Economic Development Fund Transfer	\$ 500,000	\$ 913,325	\$ 2,000,000	\$ 1,719,264
FY 2021 Governor's Allotment**	\$ -	\$ (2,407,699)	\$ -	\$ -
<b>Total SGF &amp; EDIF Demand Transfers</b>	<b>\$ 4,505,632</b>	<b>\$ 4,505,626</b>	<b>\$ 8,000,000</b>	<b>\$ 5,724,896</b>

**State Water Plan Fund**

<b>REVENUE</b>	<b>FY 2020 Actuals</b>	<b>FY 2021 Adjusted*</b>	<b>FY2022 KWA Budget Recs</b>	<b>FY 2022 Appropriation</b>
<b>Beginning Balance</b>	\$ 4,137,409	\$ 5,558,775	\$ 795,601	\$ 795,601
<b>Transfers and Adjustments</b>				
State General Fund Transfer	\$ 4,005,632	\$ 6,000,000	\$ 6,000,000	\$ 4,005,632
Economic Development Fund Transfer	\$ 500,000	\$ 913,325	\$ 2,000,000	\$ 1,719,264
Release of Prior Year Encumbrance	\$ 512,612	\$ -	\$ -	\$ -
Other Service Charges	\$ 49,449	\$ 51,482	\$ 51,482	\$ 51,482
FY 2021 Governor's Allotment	\$ -	\$ (2,407,699)	\$ -	\$ -
Transfers to SGF - John Redmond Bond	\$ (1,260,426)	\$ (1,260,426)	\$ (1,260,426)	\$ (1,260,426)
<b>SUBTOTAL--Adjustments</b>	<b>\$ 3,807,267</b>	<b>\$ 3,296,682</b>	<b>\$ 6,791,056</b>	<b>\$ 4,515,952</b>
<b>Receipts</b>				
Municipal Water Fees	\$ 2,938,321	\$ 3,305,836	\$ 3,174,791	\$ 3,174,791
Clean Drinking Water Fee Fund	\$ 2,615,325	\$ 2,800,000	\$ 2,830,876	\$ 2,830,876
Industrial Water Fees	\$ 840,200	\$ 930,000	\$ 916,874	\$ 916,874
Stock Water Fees	\$ 369,103	\$ 350,000	\$ 384,120	\$ 384,120
Pesticide Registration Fees	\$ 1,306,432	\$ 1,390,000	\$ 1,362,734	\$ 1,362,734
Fertilizer Registration Fees	\$ 4,077,059	\$ 3,638,611	\$ 3,781,386	\$ 3,781,386
Pollution Fines and Penalties	\$ 171,981	\$ 230,000	\$ 200,000	\$ 200,000
Sand Royalties	\$ 13,148	\$ 30,000	\$ 30,000	\$ 30,000
<b>SUBTOTAL--Receipts</b>	<b>\$ 12,331,569</b>	<b>\$ 12,674,447</b>	<b>\$ 12,680,781</b>	<b>\$ 12,680,781</b>
Total Available	\$ 20,276,245	\$ 21,529,904	\$ 20,267,438	\$ 17,992,334
Less: Expenditures	\$ 14,717,470	\$ 20,734,303	\$ 19,883,606	\$ 17,622,637
<b>Ending Balance</b>	<b>\$ 5,558,775</b>	<b>\$ 795,601</b>	<b>\$ 383,832</b>	<b>\$ 369,697</b>

# MEMO



DATE: May 11, 2021  
TO: Kansas Water Authority  
FROM: Kirk Tjelmeland  
RE: Kansas Water Plan Update

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Phone: (785) 296-3185  
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At the April 26, 2021 Kansas Water Authority (KWA) meeting, the KWA was provided an update concerning the Kansas Water Plan (KWP). This update included a review the Great Bend Prairie Goals and Action Plans, Missouri RAC Goal #5 and review of all 14 Regions Goals and Action Plans, which were approved.

## **Vision/Kansas Water Plan Update**

Initial drafts of the 5 Guiding Principle sections were presented to the KWA at meetings in October and December of 2020. Work has continued with revisions to the KWP Guiding Principle sections for KWA review. The following updated draft sections will be presented at the May 18, 2021 KWA meeting:

- Conserving and Extending the High Plains Aquifer
- Reducing our Vulnerability to Extreme Events
- Improving the State's Water Quality
- Increasing Awareness of Kansas Water Resources
- Securing, Protecting, and Restoring our Kansas Reservoirs

All 5 Guiding Principle sections have been reviewed by the KWA and will need to be approved to move forward on completion of the KWP.

Additional information for the update progress will continue to be shared with the full KWA at future meetings.

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*The Kansas Water Office requests approval from Kansas Water Authority of the 5 Guiding Principle sections as presented.*

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