

Kansas Water Authority

Meeting

August 17, 2022

Manhattan, KS



MEETING 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	Call to Order/Roll Call	Dawn Buehler	--	--	--
9:05 am	Approval of Meeting Minutes				--
	June 22, 2022 Meeting	Dawn Buehler		X	2
9:10 am	KWA Public Water Supply Committee Update	John Bailey			6
	Water Purchase Contract No. 22-1, City of Independence	Nathan Westrup		X	7
	Water Marketing Program Discussion	Nathan Westrup	X		--
9:30 am	Kansas Water Plan Update				24
	Review and Approval Discussion	Connie Owen		X	--
10:30 am	BREAK				--
10:50 am	KWA Budget Committee Update	Mike Armstrong			--
	FY 2024 SWPF Budget Discussion	Matt Unruh		X	--
	<i>Additional information to be provided at meeting</i>	Debra Jones			--
12:00 pm	LUNCH				--
1:00 pm	Kansas Water Authority Policy Discussion				--
	August 10 Follow Up	Dawn Buehler	X		--
	Kansas Water Authority Employee Salary Support Letter	Matt Unruh		X	25
2:15 pm	Kansas Water Success Stories: KDWP	Chris Steffen			--
2:35 pm	Kansas WRAPS Update	Leo Henning Travis Sieve			--
3:00 pm	KWA Ex Officio Agency Updates	Dawn Buehler			--
3:20 pm	Director's Report	Connie Owen	X		--
3:25 pm	New Business	Dawn Buehler			--
3:30 pm	Adjourn	Dawn Buehler			--

Upcoming Meetings:

- October 19, 2022 - Kansas Water Authority, TBD
- November 16-17, 2022 - Governor's Conference on the Future of Water in Kansas, Manhattan
- December 14, 2022 - Kansas Water Authority, TBD
- January 2023 - Kansas Water Authority, TBD

Call to Order/Roll Call

Call to Order/Roll Call; *Dawn Buehler*

Minutes

Presented by: Dawn Buehler



Action Needed

Approval of minutes from:
June 22, 2022

KWA Public Water Supply Committee

Presented by: John Bailey & Nathan Westrup



Action Needed Following 7/27/2022 Meeting:

- Consider recommendation to KWA on negotiated Water Purchase Contract No. 22-1 with the City of Independence, Elk City Lake

Additional Discussion:

- *Water Marketing Program Capital Development and Storage Maintenance Plan – Update*
 - *Overview of purpose and fiscal projections*
 - *Fiscal policy discussion*

KWA PWS Committee Meeting

July 27, 2022

Items proposed for action:

- Consider recommendation to KWA on negotiated Water Purchase Contract No. 22-1 with the City of Independence, Elk City Lake

- 1) Water Purchase Contract No. 22-1, City of Independence
- 2) Water Marketing Program Capital Development and Storage Maintenance Plan - Update
 - Overview of purpose and fiscal projections
 - Fiscal policy discussion

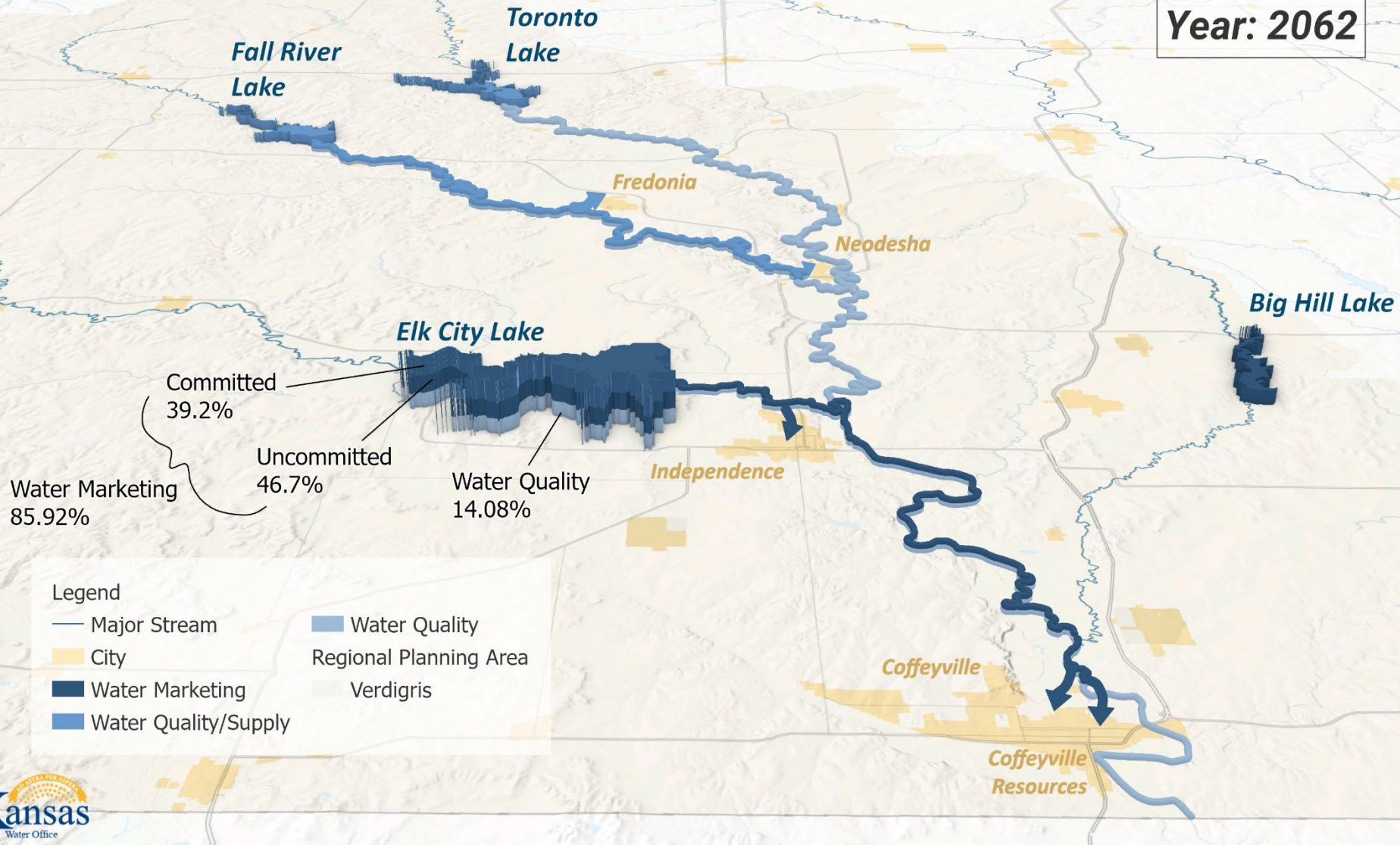
Considerations for Decision

In accordance with **K.S.A. 82a-1311a(c)**, the Kansas Water Authority shall consider the following items in determining whether the proposed contract is in the best interest of the people of the State of Kansas and whether benefits to the State for approving the contract outweigh the benefits to the state for not approving the contract.

- (1) The present and future water supply **needs of the applicant**;
- (2) any **current beneficial uses** being made of the noncontracted water proposed to be diverted;
- (3) any reasonably foreseeable **future beneficial uses** of the water;
- (4) the economic, environmental, public health and welfare and **other benefits or adverse impact** of approving the contract;
- (5) **alternative sources** of water available to the applicant;
- (6) the preliminary plan of design, construction and operation of any **works or facilities** used in conjunction with carrying the water to its point of use;
- (7) whether the proposed purchase is **consistent with the state water plan** approved by the legislature;
- (8) the date of receipt of the application to contract for withdrawal and use of water;
- (9) minimum streamflow requirements; and
- (10) whether the applicant has adopted and implemented a water conservation plan.

Verdigris Basin Water Supply

Year: 2062

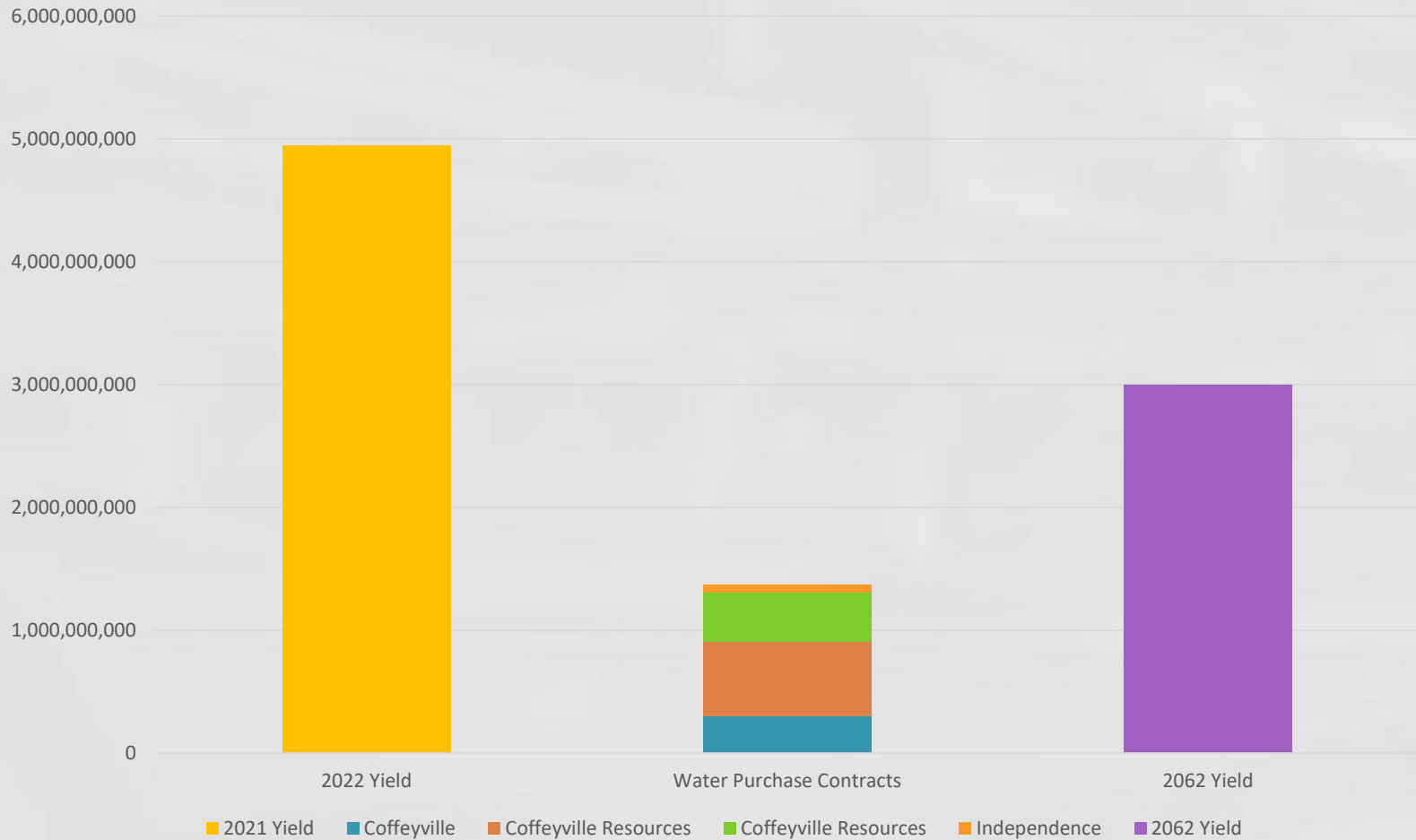


City of Independence, Contract Negotiations

- Water Purchase Contract No. 22-1
 - Negotiated terms
 - Quantity 60 MGY
 - Purpose is supplemental supply during drought but also additional to water rights
 - Total water right quantity: 844.5 MGY
 - Term of contract, 40 years
 - Point of Withdrawal, Elk City Lake gates
 - To Elk River and Point of Rediversion from Verdigris River, same as authorized PD of water rights

Elk City Lake Water Supply

Elk City Lake - Yield & Contractual Obligations



PWS Committee Action

- PWS Committee recommends approval of Water Purchase Contract No. 22-1
- Kansas Water Authority (action)

Capital Development Plan

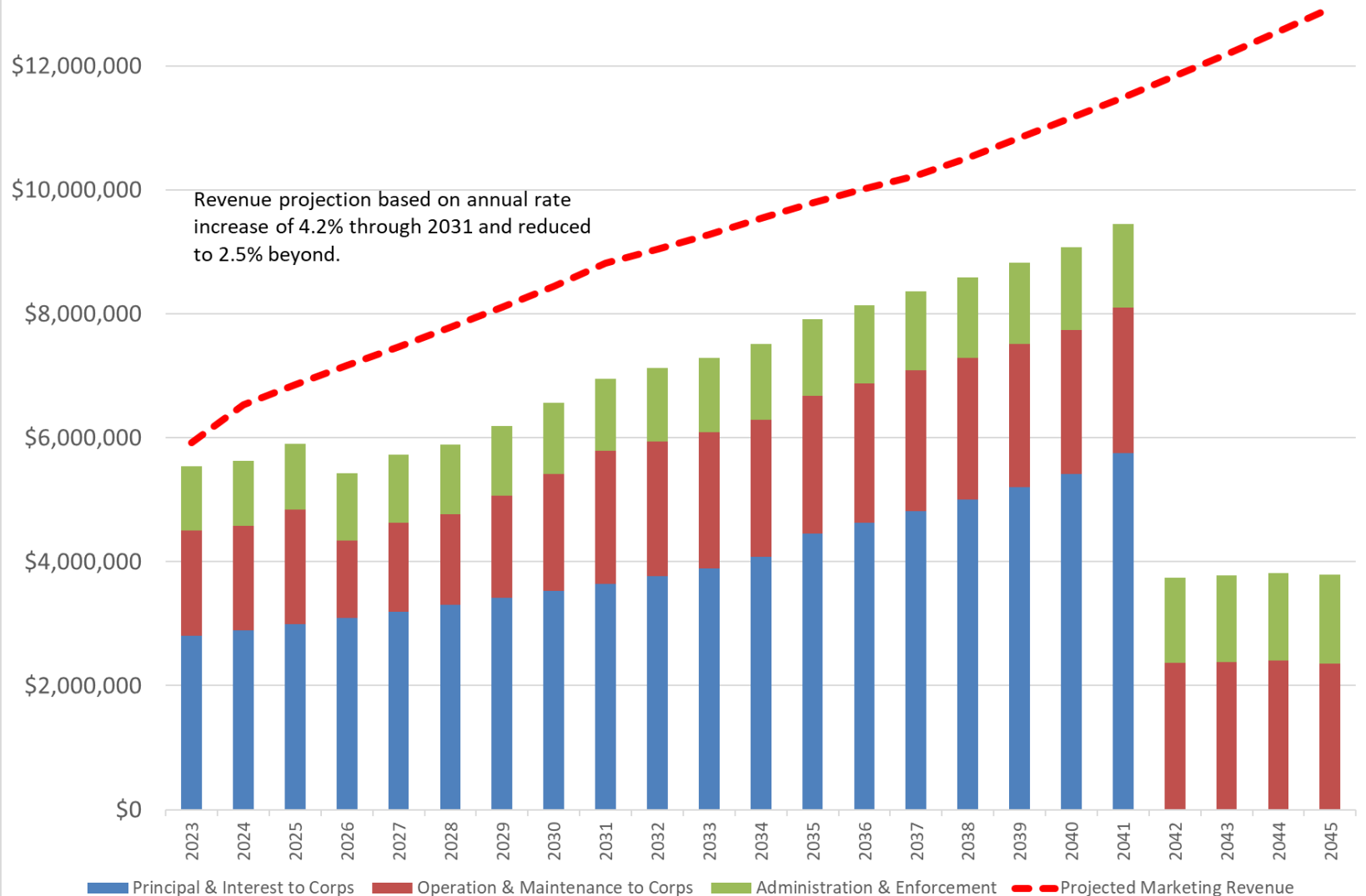
- Statutory reference, 82a-1308a (a)(5)(B)
 - Water Marketing Revenue should be sufficient to meet the needs of the **water marketing program capital development and storage maintenance plan**, as approved by the Kansas water authority

Capital Development Plan

- The purpose of this plan is to provide for the long-term planning of future Water Marketing Program needs
 - Acquisition of all the water supply storage under federal contracts
 - New storage development
 - Protection and restoration of the storage owned by the State
 - Establish fiscal policy of the Water Marketing Program

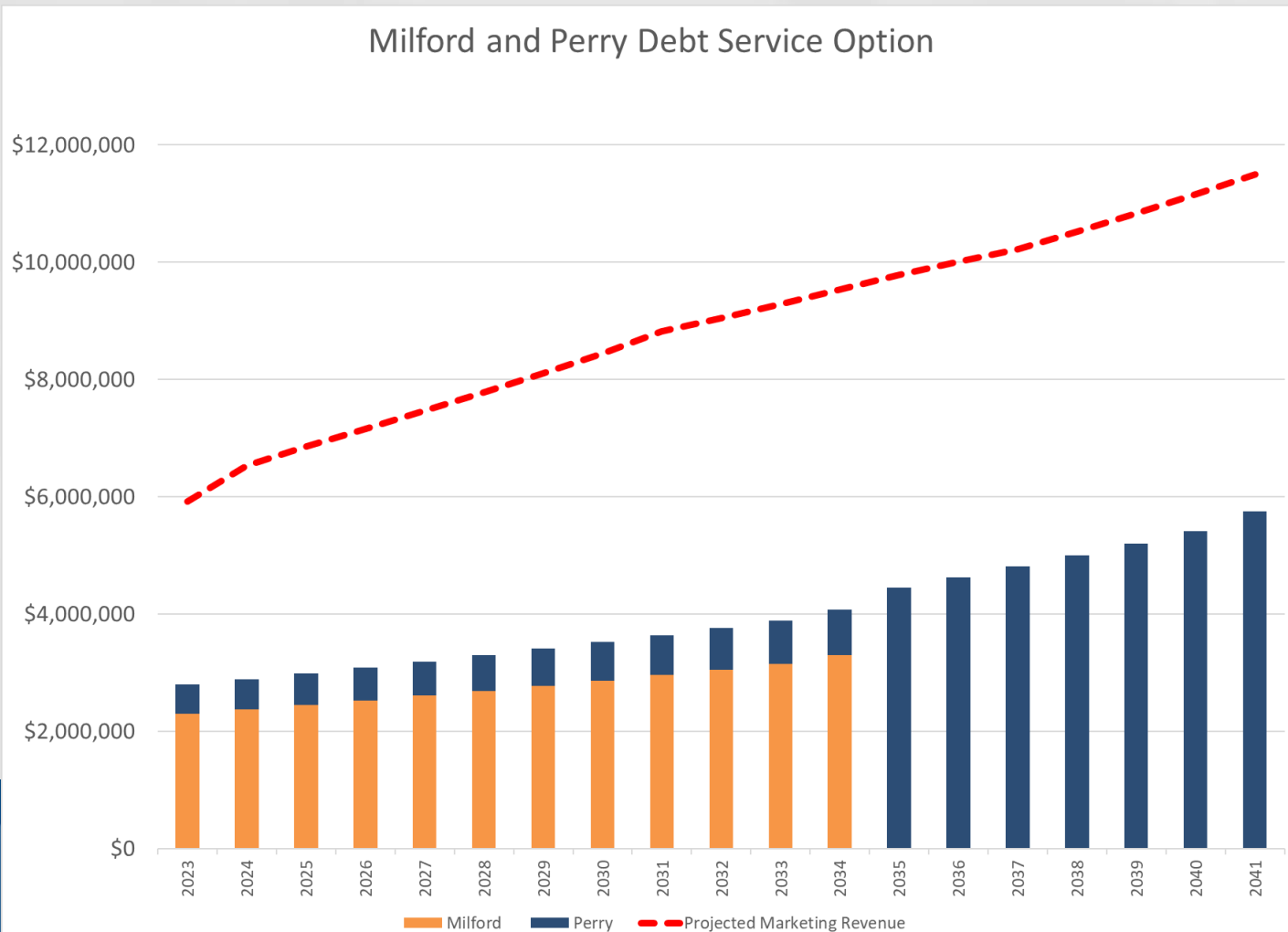
Potential Long Term Scenario

Projected Revenue vs Required Expenses



Capital Development Plan

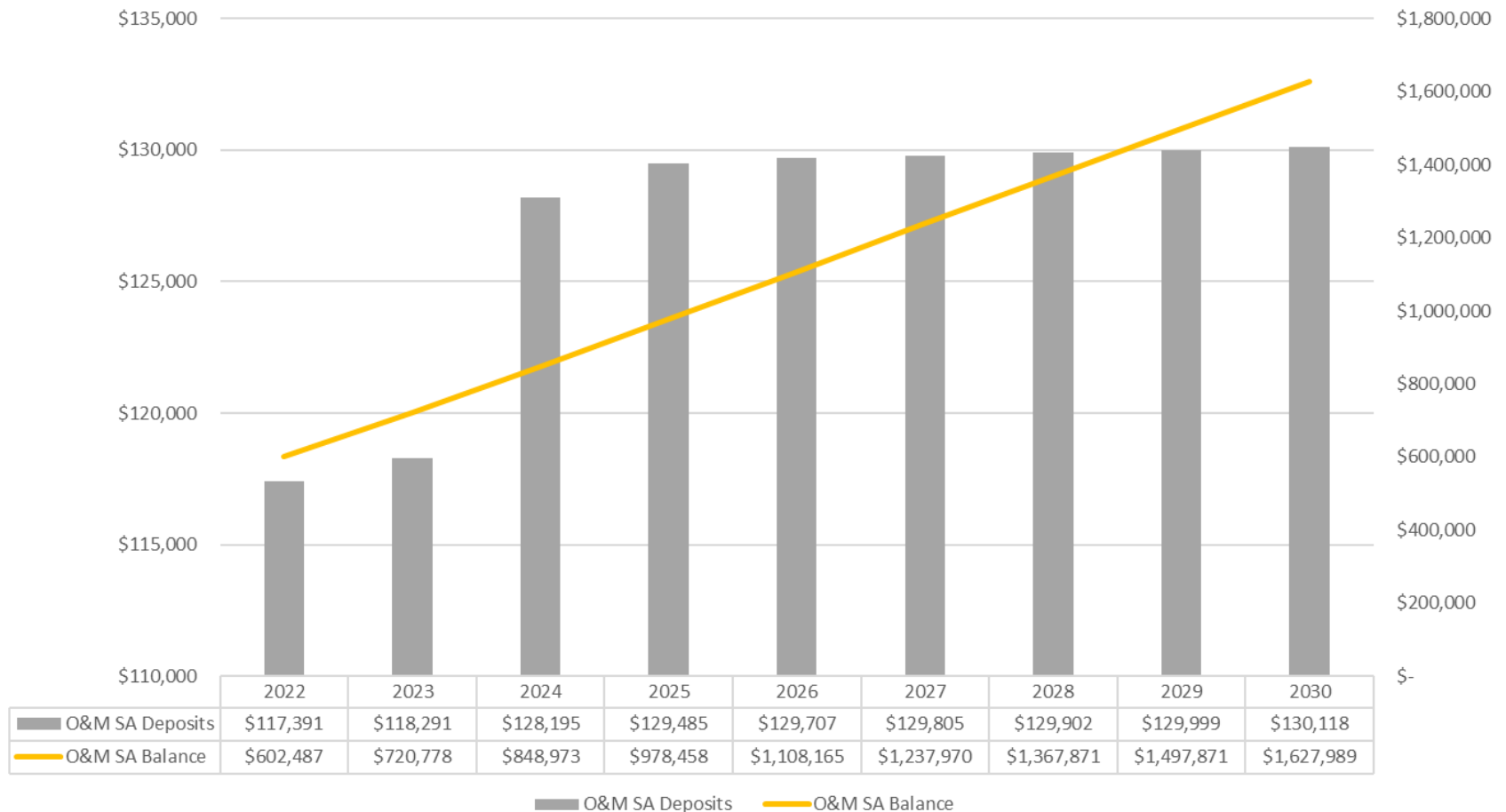
- Debt service
 - Only remaining debt is Milford and Perry (\$55.6M)
 - First payment is set, 2.8 Million
 - Example of debt service shaped (~4% increase) within contract repayment term



Capital Development Plan

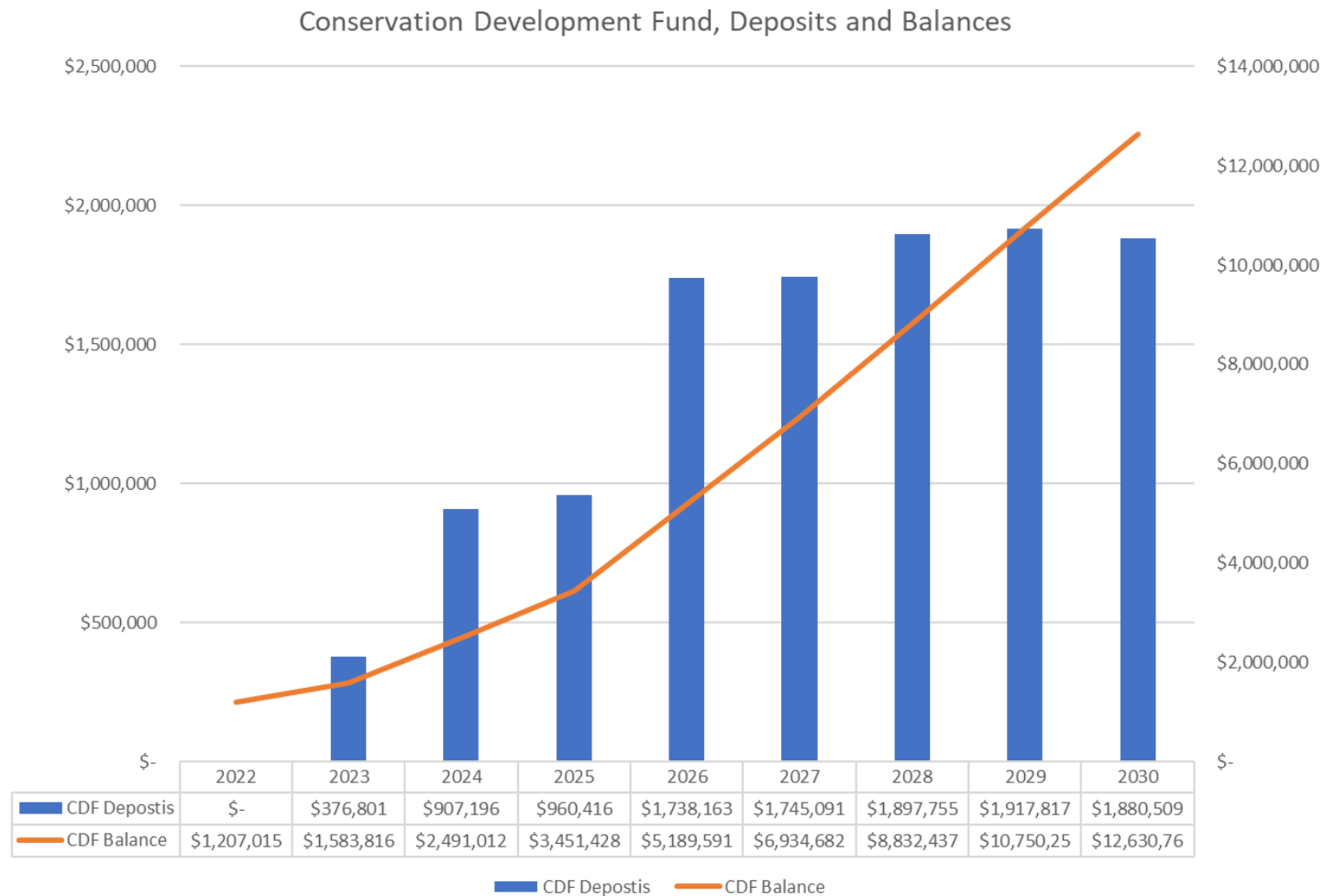
- Operation and Maintenance set-aside fund
 - Appropriate balance and level of annual revenue generation?
 - Revenue max, 1 cent per thousand gallons
 - Balance goal, 5 year average of annual O&M

O&M Set-Aside, Fund Deposits and Balances



Capital Development Plan

- Conservation Development fund
 - Appropriate balance and level of annual revenue generation?
 - Highly dependent on rate policy
 - Additional contributions from higher than projected revenue



Capital Development Plan

- Highlights of initial committee discussions
 - Goal will be to update the plan prior to setting the CY2024 Water Marketing rate in the spring of 2023
 - Critical fiscal policies to be developed will require additional information, such as estimates of future expenses related to reservoir sediment management
 - Committee suggested that the KWO outsource the development of a multi-year Capital Improvement Plan (CIP) to identify appropriate sediment management projects, cost estimates, and schedules for water marketing storage in need of protection and/or restoration
 - Committee is supportive of generating revenue for reservoir protection & restoration but more concrete justification is needed before building up a large amount of reserve funds
 - Committee is in full support of continuing the policy of including 1 cent per 1,000 gallons for O&M reserves

Kansas Water Plan Update

Presented by: Connie Owen



Action Needed

- Kansas Water Plan Approval

BREAK

Meeting will resume soon

KWA Budget Committee Update

Presented by: Mike Armstrong, Matt Unruh
& Debra Jones

MEMO

DATE: August 16, 2022
TO: Kansas Water Authority
FROM: Mike Armstrong, Chair
RE: KWA Budget Committee



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The Kansas Water Authority (KWA) Budget Committee held a meeting via conference call on August 16, 2022. The primary topic of the meeting included the KWA Budget Committee's recommendation for FY 2024 State Water Plan Funds (SWPF). Mike Armstrong (chair), Dawn Buehler, Randy Hazlett, Sen. Carolyn McGinn and Jean Steiner were on the call along with agency representatives.

The Budget Committee reviewed and discussed feedback from the agency and Regional Advisory Committee (RAC) phase of the KWA SWPF budget recommendation development process. The following table shows the Budget Committee's recommendations for the SWPF for FY 2024 which includes base and enhancement budget recommendations which continue to include full State General Fund (SGF) and Economic Development Incentive Fund (EDIF) transfers of \$6 million and \$2 million, respectively. These budget recommendations also account for additional SWPF revenues made available from the early payoff of the John Redmond Reservoir dredging bond.

Further, there was discussion and consensus that the Kansas Water Office continue to pursue and coordinate enhanced feedback opportunities from Regional Advisory Committees in the future within the KWA budget recommendation development process as well evaluate opportunities for RAC engagement in efforts supported through SWPF resources.

The KWA Budget Committee recommends the KWA adopt the budget recommendations for FY 2024 as shown in the attached table which assume base-level funding from the previous year, as well as continuation of the State General Fund and Economic Development Initiatives Fund demand transfers. The KWA Budget Committee also recommends KWA support of the enhancements as shown in the attached table.

Budget Recommendation

Development Considerations

- Development of Base Recommendation Package
 - FY 2023 Agency Appropriation = FY 2024 Base
- Development of Enhancement Recommendation Package
 - Supported by Redmond bond early payoff & full SGF/EDIF transfer
- FY 2024 Request = Continued Full SGF/EDIF Demand Transfer
- Agency & RAC Member Input

KDHE Enhancement Overview

- Local Environmental Protection Program (LEPP)
- Surface Water Trash Removal Pilot

KWO Modification Overview

What are the proposed modified expenditure categories:

- Milford Lake Watershed RCPP to Water Quality Partnerships
- Vision Education Strategy to KS Water Plan Education & Outreach Strategy
- Water Technology Farms to Ogallala-High Plains Aquifer Partnerships
- Watershed Conservation Practice Implementation (KRPI) to Kansas Reservoir Protection Initiative (KRPI)

Milford Lake Watershed RCPP to Water Quality Partnerships

- Existing Milford RCPP efforts have provided a framework for leveraging state resources with federal, local and private resources in the Milford Lake Watershed.
- Having state resources available to leverage with federal, local and private resources in other areas of the state where water quality issues exist would provide the opportunity to pursue additional leveraging/partnering opportunities such as the Regional Conservation Partnership Program or other programs and extend the beneficial reach of SWPF resources utilized to address priority water resource concerns across Kansas.
- This transition would allow the state (KWO in coordination with multiple partners) to pursue additional leveraging/partnership opportunities such as Arkansas River Basin in western Kansas or the Milford Lake Watershed to advance efforts to improve the state's water quality

Vision Education Strategy to KS Water Plan Education & Outreach Strategy

- Transition in name only to bring up to current
- Funding would still be utilized to support public information/awareness and educational resource development and distribution to increase overall awareness of Kansas water resources

Water Technology Farms to Ogallala-High Plains Aquifer Partnerships

- Existing Water Technology efforts have provided a framework for leveraging state resources with agency, industry and private resources to demonstrate tools and technologies available for to improve irrigation water management across western.
- Transition to Partnerships funding line would provide additional state resources to leverage with federal, local and private resources across western Kansas with a priority on the conserving and extending the Ogallala-High Plains Aquifer
- Examples: \$300,000 of enhancement request to support Garden City's water reclamation & reuse project in conjunction with local and federal funds they are pursuing, partnerships demonstrating conservation in irrigation water use, livestock industry (dairies and feeders), etc.

Watershed Conservation Practice Implementation (KRPI) to Kansas Reservoir Protection Initiative (KRPI)

- Transition in name only.
- Provides additional clarity regarding how these resources are utilized, which is through the Kansas Reservoir Protection Initiative (KRPI).
 - Funding currently utilized to provide financial assistance to producers above Fall River, Kanopolis, John Redmond and Tuttle Creek to implement sediment runoff-reducing conservation practices to decrease overall watershed erosion which contributes to downstream sedimentation at these water supply reservoirs.

KGS Enhancement Overview

- Restoration of Ogallala Aquifer Support (\$13,159)
- Groundwater Quality Monitoring Network (\$100,000)

State Water Plan Fund: Kansas Water Authority FY 2024 Budget Recommendations - For Review

EXPENDITURES	FY2022 Appropriation	FY 2023 Appropriation	FY2024 KWA/Agency Base Recs	FY2024 Enhancement Recs	FY2024 Agency/KWA Recs Base Plus Enhancement Total
Department of Health and Environment					
Contamination Remediation	\$ 1,088,301	\$ 1,095,978	\$ 1,095,978		\$ 1,095,978
Nonpoint Source Program	\$ 303,208	\$ 414,893	\$ 414,893		\$ 414,893
TMDL Initiatives	\$ 280,738	\$ 384,916	\$ 384,916		\$ 384,916
Harmful Algae Bloom Pilot	\$ 450,000	\$ 150,547	\$ 150,547		\$ 150,547
Watershed Restoration/Protection (WRAPS)	\$ 730,884	\$ 1,000,000	\$ 1,000,000		\$ 1,000,000
Drinking Water Protection Program	\$ 350,000	\$ 800,000	\$ 800,000		\$ 800,000
NEW: LEPP				\$ 250,000	\$ 250,000
NEW: Surface Water Trash Removal				\$ 50,000	\$ 50,000
SUBTOTAL - KDHE	\$ 3,203,131	\$ 3,846,334	\$ 3,846,334	\$ 300,000	\$ 4,146,334
Department of Agriculture					
Interstate Water Issues	\$ 473,184	\$ 514,664	\$ 514,664		\$ 514,664
Subbasin Water Resources Management	\$ 584,023	\$ 650,174	\$ 650,174		\$ 650,174
Water Use	\$ 72,600	\$ 100,000	\$ 100,000		\$ 100,000
Water Resources Cost Share	\$ 2,248,289	\$ 2,698,289	\$ 2,768,956	\$ 65,758	\$ 2,834,714
Nonpoint Source Pollution Asst.	\$ 1,853,185	\$ 1,863,636	\$ 1,863,636		\$ 1,863,636
Aid to Conservation Districts	\$ 2,223,373	\$ 2,473,373	\$ 2,502,706		\$ 2,502,706
Watershed Dam Construction	\$ 550,000	\$ 550,000	\$ 550,000	\$ 100,000	\$ 650,000
Water Quality Buffer Initiative	\$ 100,000	\$ 200,000	\$ -		\$ -
Riparian and Wetland Program	\$ 54,024	\$ 154,024	\$ 154,024		\$ 154,024
Water Transition Assistance Program/CREP	\$ 446,593	\$ 550,727	\$ 550,727	\$ 100,000	\$ 650,727
Irrigation Technology	\$ 250,000	\$ 350,000	\$ 350,000	\$ 200,000	\$ 550,000
Crop and Livestock Research	\$ 250,000	\$ 250,000	\$ 250,000	\$ 100,000	\$ 350,000
Soil Health	\$ -	\$ 100,000	\$ 200,000	\$ 200,000	\$ 400,000
Streambank Stabilization	\$ 794,264	\$ 750,000	\$ 750,000	\$ 100,000	\$ 850,000
SUBTOTAL - KDA	\$ 9,899,535	\$ 11,204,887	\$ 11,204,887	\$ 865,758	\$ 12,070,645
Kansas Water Office					
Assessment and Evaluation	\$ 858,919	\$ 834,078	\$ 834,078		\$ 834,078
MOU - Storage Operations & Maintenance	\$ 526,081	\$ 530,464	\$ 736,160		\$ 736,160
Stream Gaging	\$ 423,130	\$ 413,580	\$ 448,708		\$ 448,708
Technical Assistance to Water Users	\$ 325,000	\$ 325,000	\$ 425,000		\$ 425,000
Reservoir and Water Quality Research	\$ 350,000	\$ 350,000	\$ 450,000		\$ 450,000
Water Quality Partnerships (Previously Milford Lake Watershed RCPP)	\$ 200,000	\$ 50,000	\$ 434,176	\$ 450,000	\$ 884,176
KS Water Plan Education & Outreach Strategy (Previously Vision Education Strategy)	\$ 125,000	\$ 250,000	\$ 250,000		\$ 250,000
Ogallala-High Plains Aquifer Partnerships (Previously Water Technology Farms)	\$ 100,000	\$ 200,000	\$ 400,000	\$ 450,000	\$ 850,000
Kansas Reservoir Protection Initiative (Previously Watershed Conservation Practice Imp (KRPI))	\$ 550,000	\$ 1,000,000	\$ 1,000,000		\$ 1,000,000
Equus Beds Chloride Plume Remediation Project (Previously Equus Beds Chloride Plume Project)	\$ -	\$ 50,000	\$ 50,000		\$ 50,000
Flood Response Study	\$ -	\$ 200,000	\$ 200,000		\$ 200,000
Arbuckle Study	\$ 60,000	\$ 150,000	\$ 150,000		\$ 150,000
Water Injection Dredging (WID)	\$ 975,000	\$ 1,025,000	\$ -		\$ -
SUBTOTAL - KWO	\$ 4,493,130	\$ 5,378,122	\$ 5,378,122	\$ 900,000	\$ 6,278,122
Department of Wildlife & Parks					
Aquatic Nuisance Species (ANS) Program	\$ -	\$ 224,457	\$ 224,457		\$ 224,457
University of Kansas--Geological Survey	\$ 26,841	\$ 26,841	\$ 26,841	\$ 113,159	\$ 140,000
Total State Water Plan Expenditures	\$ 17,622,637	\$ 20,680,641	\$ 20,680,641	\$ 2,178,917	\$ 22,859,558

Stretch Budget Discussion

- Current KWA Action on SWPF Base and Enhancement Recommendations for FY 2024
- Additional KWA Discussion On Stretch Budget?
 - Now or in coordination with follow up budget-related discussions from the 8/10 KWA Water Policy Discussion?

THANK YOU TO TODAY'S
LUNCH SPONSOR



JEO CONSULTING GROUP

Kansas Water Authority Policy Discussion

Presented by: Dawn Buehler & Matt Unruh



Action Needed

- KWA Salary Support Letter

Additional Discussion:

- *8/10/2022 KWA Water Policy Discussion in Salina*

***KWA Water Policy Discussion in
8/10/2022 in Salina
Follow Up***

RE: Support for the Salary Increases for Professional State Employees

Dear Governor Kelly and Kansas Legislators,

On behalf of the Kansas Water Authority (KWA), I write today to transmit the KWA's support for increased salaries for professional state employees, particularly those whose expertise is needed for the management of our water resources.

The Kansas Water Authority (KWA), established in 1981, within and as part of the Kansas Water Office, consists of eleven voting members who are appointed by the Governor and two voting members chosen by Legislative leadership along with thirteen ex officio members from water-related state agencies and research institutions. Pursuant to K.S.A. 74-2622, flagship duties of the KWA include advising the Governor, Legislature and Director of the Kansas Water Office on water policy issues and approving the Kansas Water Plan. The KWA is also charged with advising the Governor and Legislature on necessary and/or advisable legislation relating to the conservation, management and development of the state's water resources. The KWA provides leadership to ensure water policies and programs address the needs of all Kansans.

At the June 22, 2022, meeting of the Kansas Water Authority in Pittsburg, KWA members expressed concern for the increasing difficulty state agencies are experiencing in recruiting and retaining qualified professional staff. The KWA entertained a motion, which was seconded and approved unanimously, to provide an official letter to Legislative leadership and Governor Kelly, in support of increasing salaries for professional state employees to levels commensurate with the private sector. In order to provide the high quality of service that Kansans need and deserve, to recruit and retain the best and brightest talent, and to compete meaningfully with the private sector, Kansas must increase the compensation levels offered to its professional staff. The KWA urges the Kansas Legislature, with the recommendation of Governor Kelly, to do so, in acknowledgement of the critical importance of a safe and secure water supply for all Kansans.

Thank you for your consideration and please feel free to contact me at Dawn.BuehlerKWA@kwo.ks.gov or Kansas Water Office Director Connie Owen at Connie.Owen@kwo.ks.gov should you or others have any follow up questions or informational needs.

*Sincerely,
Dawn Buehler
Chair, Kansas Water Authority*

The Kansas Water Office recommends the KWA take action to approve the KWA Professional State Employees Salary Support Letter, pending incorporation of any additional input from KWA members.

Kansas Water Success Stories

Presented by: Chris Steffen, KDWP

Kansas WRAPS Update

Presented by: Leo Henning & Travis Sieve, KDHE



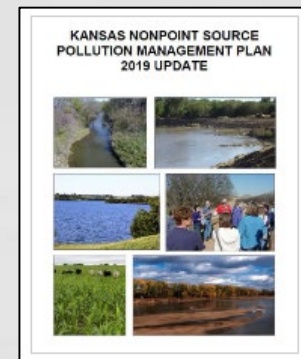
KANSAS
Wraps

WRAPS Presentation – Kansas Water Authority
8/17/2022

Kansas Nonpoint Source Management Plan

- No lake, river, stream or wetland has a violation of Kansas Surface Water Quality Standards due to nonpoint sources of pollutants and all designated uses are fully supported;
- Kansas surface and ground water are protected from all nonpoint pollutant sources through the use of recommended water quality best management practices;
- Kansas Water Plan objectives are achieved.

Plan Strategies lead program implementation in more than just KDHE programs



Watershed Restoration and Protection Strategy



Framework that engages citizens and other stakeholders in a teamwork environment aimed at protecting and restoring Kansas watershed

- **Identifying the watershed restoration and protection needs** (i.e. TMDL/impairment)
- **Establishing watershed goals** (Delist, protect, less HABs, improved habitat, etc.)
- **Creating actions steps/plans to achieve the established goals** (Watershed Plan)

Protect and improve the health and environment of all Kansans

- **Implementing the plans** (KDHE Grants and leveraged funds)

Funding Sources

- State Water Plan (match)
- EPA Clean Water Act Section 319 Funds
- Federal Grants
 - EPA Farmer to Farmer
 - National Fish and Wildlife Foundation
- Industry
- Municipalities
- State Revolving Loan



For \$1.00 SWP

KDHE leverages ~\$4.25

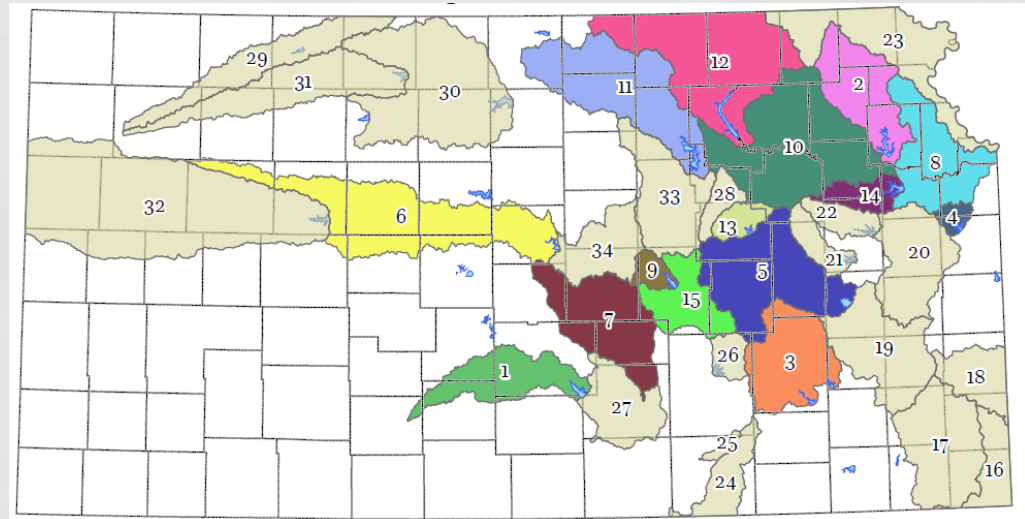
WRAPS Projects

14 Active WRAPS Projects

- Coordination

1 Partnership Project

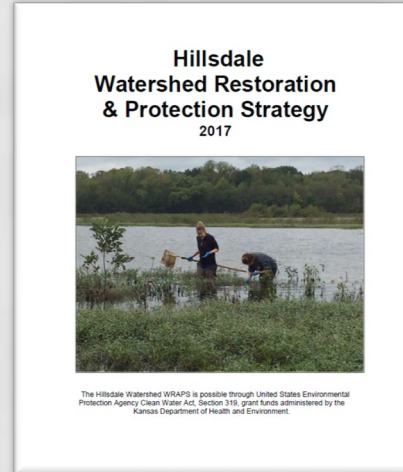
- Cost-Share based on 9-Element Plans



Strategic Planning

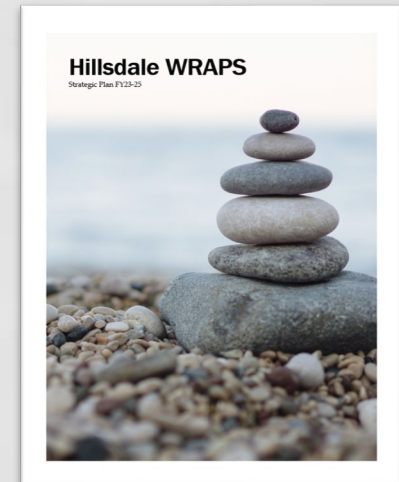
Watershed Plans And Strategic Plans

- 34 Watershed Plans
- 14 Projects with Strategic Plan



The "What" (Technical)

- Problem
- Causes
- Solutions
- Measures



The "How" (Adaptive)

- Marketing
- Communication
- Social/Cultural Change
- Information/Education

Strategic Implementation

WRAPS Focuses on the Water Quality Impairment

- BMPs
 - Soil Health
 - Livestock Relocation
 - Demonstration
 - Leverage federal resources (NRCS, FSA, DOC, etc.)
- Information/Education
- Accessing the culture of the watershed

Strategic Implementation

WRAPS Guidelines (for grant funds and leveraging other programs)

- Where we implement
 - Access high priority areas (HUC12, Riparian areas)
- What we implement
 - BMP design/type and Information/Education must match the issue
 - Sediment, **nutrients**, bacteria, DO, etc.
 - Primarily have been **cover crops, no-till**, permanent vegetation/buffers, **livestock relocation, alternative waters**, improved crop rotations, nutrient management/reduction
- How we implement
 - Efficient use of funding
 - FY21 WRAPS funded/leveraged projects
 - Nitrogen: \$6.18 per lb. – 169,300 lbs.
 - Phosphorus: \$12.05 per lb. – 86,752 lbs.
 - Sediment: \$17.46 per lbs. – 59,895 lbs.

Partnering for Success

State Lead Strategies implemented at WRAPS level

- Soil Health Alliance
- Soil Health Coaching
 - Understanding Ag
 - Farmer to Farmer
 - Western KS Coaching
- Information/Education
- Technical Assistance
- Equipment Partnerships
 - Interseeders
- Industry Partnerships
 - ESMS, Soil and Water Outcomes, ESMC, Ag Service Providers
- Municipal Partnerships
- Hazard Mitigation/FEMA
- Marketing

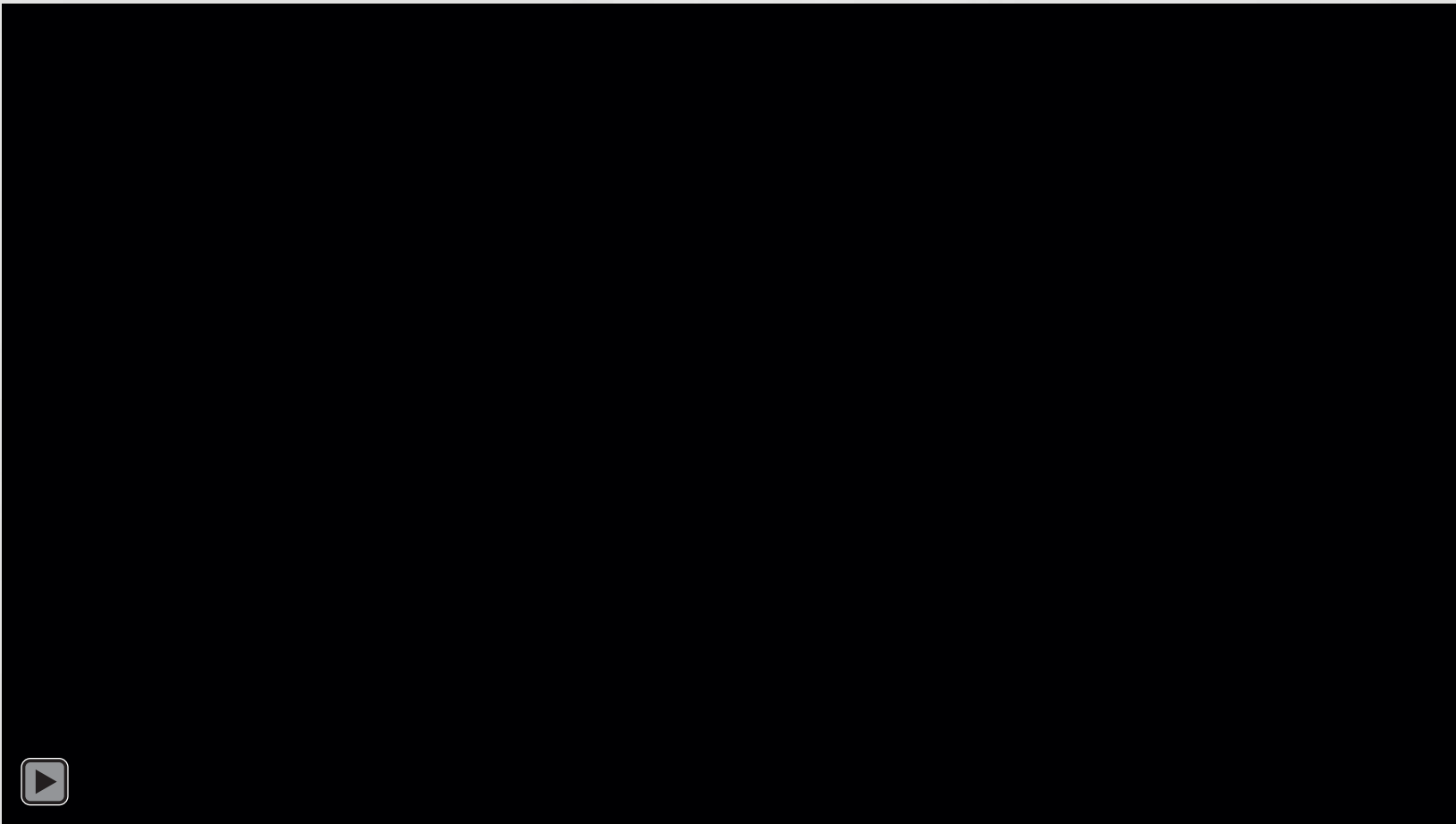


Produce to Protect

Partnering with Kansas Association for Conservation And Environmental Education (KACEE) and Mammoth Creative



Coming Soon



www.kdhe.ks.gov
www.kswraps.org

Travis Sieve
Watershed Management Section
Travis.sieve@ks.gov
785-296-0051

Kansas Water Authority Ex Officio Agency Updates

Presented by: Dawn Buehler

Director's Report

Presented by: Connie Owen

New Business

Adjourn

Upcoming Meetings:

- October 19, 2022 – Kansas Water Authority, TBD
- November 16-17 2022 – Governor's Conference on the Future of Water in Kansas, Manhattan
- December 14, 2022 Kansas Water Authority, TBD
- 2023 Meeting Dates: TBD