

Kansas Water Authority

Meeting

January 25, 2023

Topeka, 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>
9:30 am	Call to Order/Roll Call	Dawn Buehler	--	--	--
9:35 am	Approval of Meeting Minutes				--
	December 14-15, 2022 Meeting	Dawn Buehler		X	2-6
9:40 am	KWA Public Water Supply Committee	John Bailey			--
	Water Purchase Contract No 81-4, City of Marion Water Purchase Contract No 81-5, City of Coffeyville	Nathan Westrup		X	7-16
10:00 am	KWA RAC Operations Committee	Jeremiah Hobbs			--
	RAC Membership			X	17
10:10 am	Harvest Hydrogen Hub Concept	Jay Kalbas			--
10:30 am	BREAK				
10:45 am	High Plains Aquifer Annual Measurement Update	Brownie Wilson			--
11:10 am	Legislative Update	Victoria Potts			--
	Governor's Budget Recommendations				18-21
11:30 am	Governor Laura Kelly				--
11:45 am	KWA Ex Officio Agency Updates	Dawn Buehler			--
12:05 pm	Director's Report	Connie Owen			--
12:15 pm	New Business	Dawn Buehler			--
12:25 pm	Adjourn	Dawn Buehler			--

Call to Order/Roll Call

Call to Order/Roll Call; *Dawn Buehler*

Minutes

Presented by: Dawn Buehler



Action Needed

Approval of minutes from:

December 14-15, 2022

KWA Public Water Supply Committee

Presented by: John Bailey & Nathan Westrup

Actions Proposed Following 1/9/2023 Committee Meeting:

- Consider recommendation on request to begin contract negotiations with the City of Coffeyville, Elk City Lake
- Consider recommendation on request to begin contract negotiations with the City of Marion, Marion Reservoir

City of Coffeyville, Application & Request to Negotiate

- City of Coffeyville

- Current Water Purchase Contract No. 81-5

- Expires 12/16/23

- Quantity, 300 MGY

- Request for renewal

- Application received 12/28/22

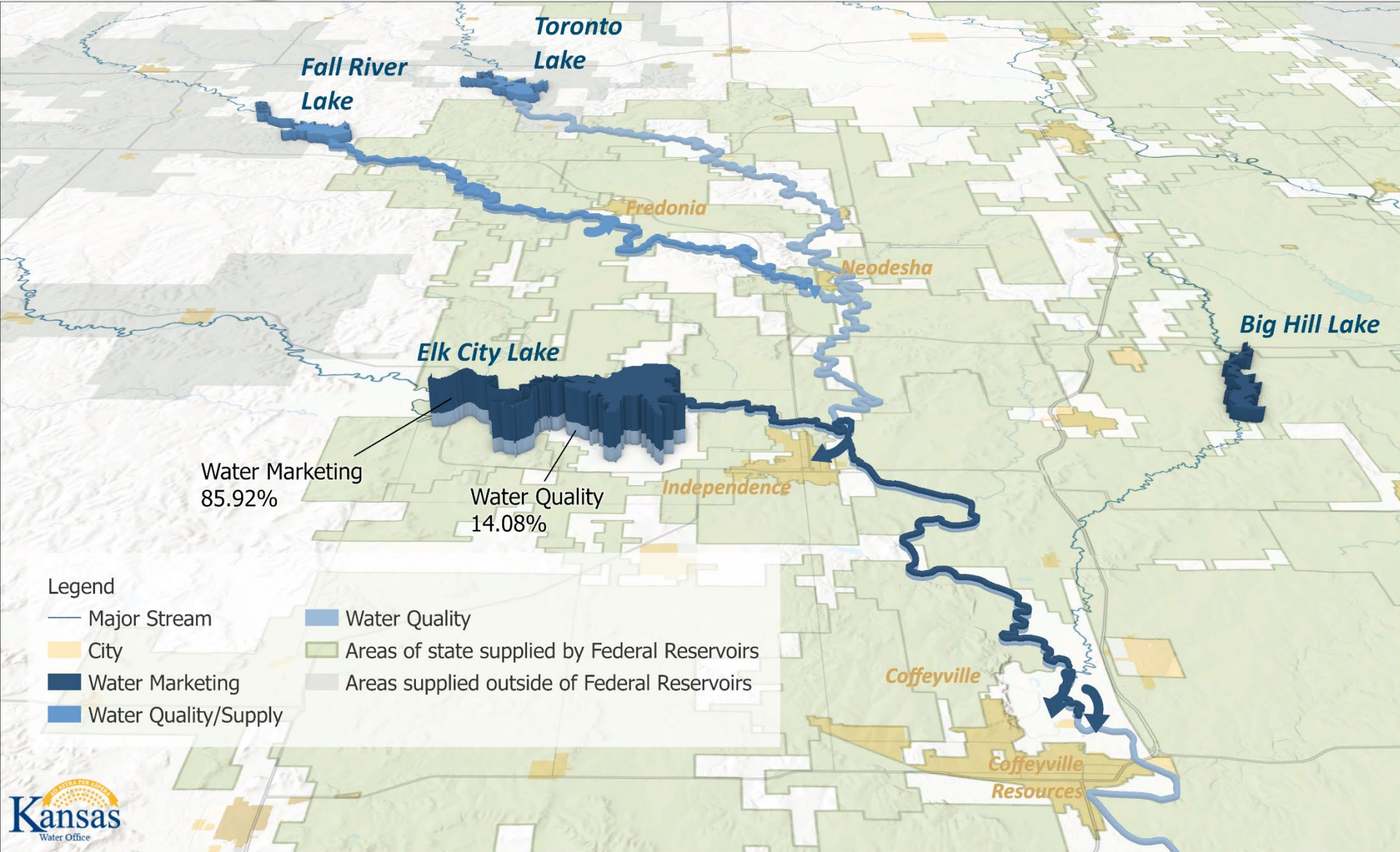
- Quantity, 500 MGY

- Preliminary findings

- Provides information in addition to application content

- Readily available data from file and limited research

Verdigris basin



Request to negotiate (98-5-3)

- **K.A.R. 98-5-3. Request to negotiate.** (a) When an applicant is ready to enter into a water purchase contract, the applicant shall provide written notice of the applicant's desire to enter into negotiations for a contract with the director.
 - Written notice to begin negotiations was provided with the submittal of the application on December 28, 2022
 - If the KWA finds that the proposed sale is in the public interest and that it will advance the purposes of the State Water Planning Act and the State Water Plan – the KWA should authorize the Director to begin negotiations with the applicant

PWS Committee Action

- PWS Committee recommends authorization to begin negotiations with the City of Coffeyville

City of Marion, Application and Request to Negotiate

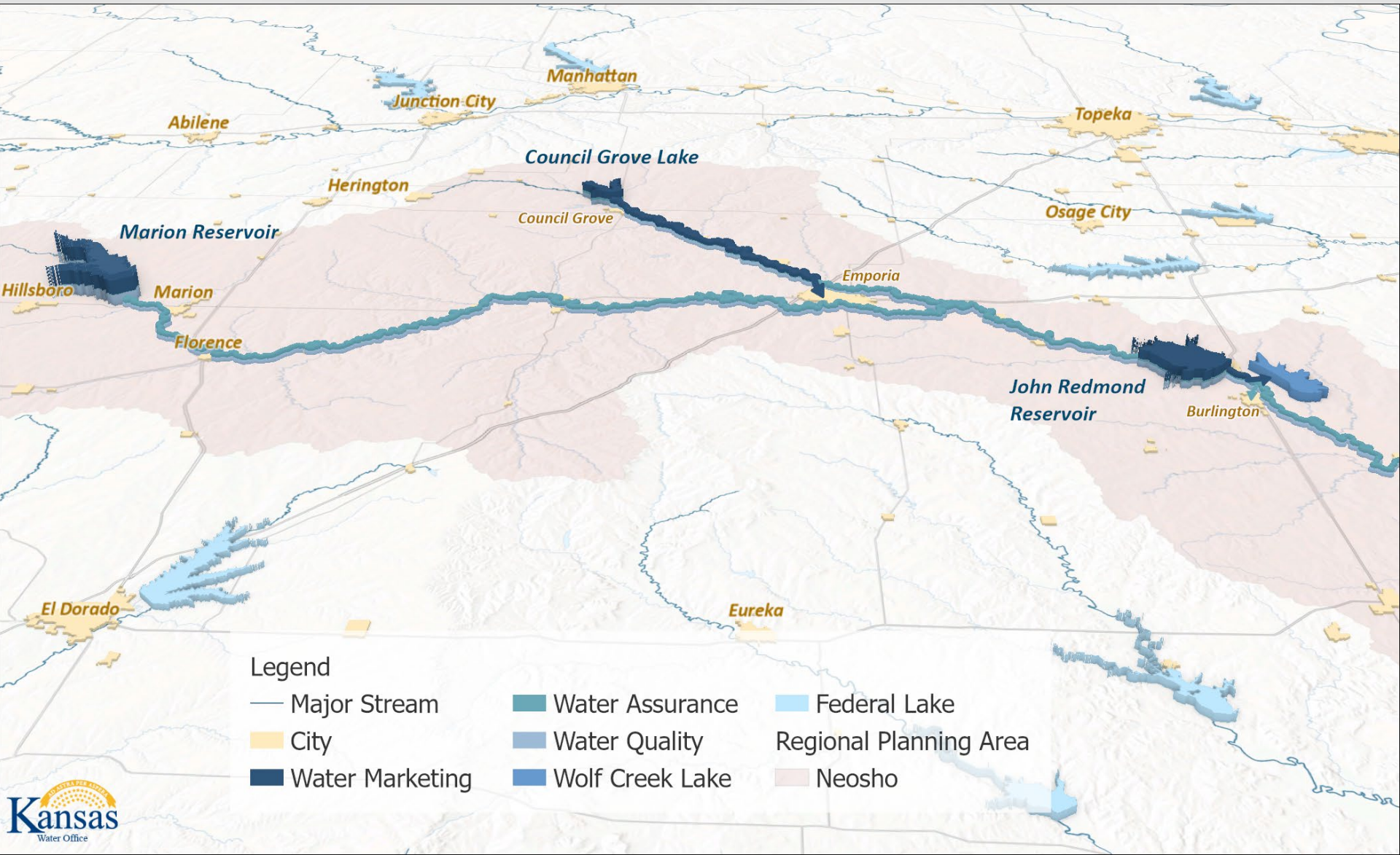
- City of Marion

- Current Water Purchase Contract No. 81-4
 - Expires 10/3/23
 - Quantity, 237.5 MGY
- Request for renewal
 - Application received 12/23/22
 - Quantity, 237.5 MGY

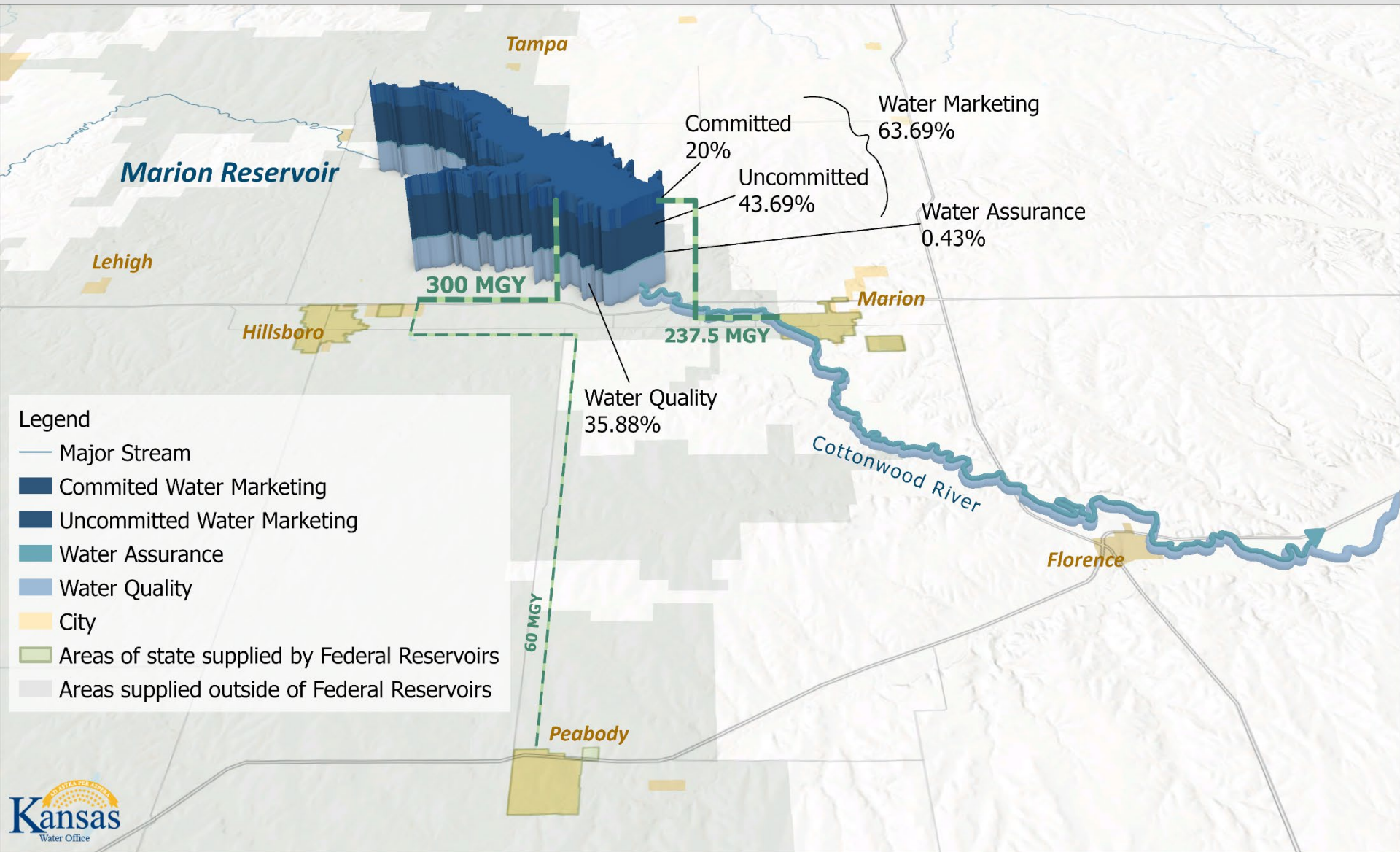
- Preliminary findings

- Provides information in addition to application content
- Readily available data from file or limited research

Cottonwood/Neosho basin



Direct Marion customers



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 - Written notice to begin negotiations was provided with the submittal of the application on December 23, 2022
 - If the KWA finds that the proposed sale is in the public interest and that it will advance the purposes of the State Water Planning Act and the State Water Plan – the KWA should authorize the Director to begin negotiations with the applicant

PWS Committee Action

- PWS Committee recommends authorization to begin negotiations with the City of Marion

KWA RAC Operations Committee

Presented by: Jeremiah Hobbs & Angela Anderson

Actions Needed Following 1/10/2023 Committee Meeting:

- RAC Membership

The KWA RAC Operations Committee met on January 10, 2023, via GoTo Meeting. Discussion from the meeting included the following topics:

- RAC Membership
 - New Membership Application for the Great Bend Prairie and the Upper Smoky Regional Advisory Committees

RAC Membership

The Committee reviewed and discussed the applications of: Zach Frederick from Sterling for membership on Great Bend Prairie RAC, and Katie Durham from Scott City for membership on Upper Smoky RAC. The following membership recommendations were approved by the RAC Operations Committee:

- Recommend Zach Frederick be considered for the Agriculture 3 category on the Great Bend Prairie RAC with a term expiration of June 2023.
- Recommend Katie Durham be considered for At-Large Public (cc) category on the Upper Smoky with a term expiration of June 2025.

The KWA RAC Operations Committee recommends KWA approval of the proposed RAC membership actions for the Great Bend Prairie and Upper Smoky RACs.

Harvest Hydrogen Hub Concept

Presented by: Jay Kalbas

BREAK

Meeting will resume shortly

High Plains Aquifer Annual Measurement Update

Presented by: Brownie Wilson

Legislative Update: Governor's Budget Recommendations

Presented by: Victoria Potts

EXPENDITURES	FY 2024 KWA/Agency Base Budget Recs	FY 2024 KWA/Agency Enhancement Recs	FY 2024 KWA/Agency Recs Full Restoration SGF/EDIF	FY2024 GOV Recommendations	Difference between KWA Recs and GOV Recs
Department of Health and Environment					
Contamination Remediation	\$ 1,095,978		\$ 1,095,978	\$ 1,095,978	\$ -
Nonpoint Source Program	\$ 414,893		\$ 414,893	\$ 414,893	\$ -
TMDL Initiatives	\$ 384,916		\$ 384,916	\$ 384,916	\$ -
Harmful Algae Bloom Pilot	\$ 150,547		\$ 150,547	\$ 150,547	\$ -
Watershed Restoration/Protection (WRAPS)	\$ 1,000,000		\$ 1,000,000	\$ 1,000,000	\$ -
Drinking Water Protection Program	\$ 800,000		\$ 800,000	\$ 800,000	\$ -
NEW: LEPP		\$ 250,000	\$ 250,000	\$ 250,000	\$ -
NEW: Surface Water Trash Removal		\$ 50,000	\$ 50,000	\$ 50,000	\$ -
SUBTOTAL-KDHE	\$ 3,846,334	\$ 300,000	\$ 4,146,334	\$ 4,146,334	\$ -
Department of Agriculture					
Interstate Water Issues	\$ 514,664		\$ 514,664	\$ 514,664	\$ -
Subbasin Water Resources Management	\$ 650,174		\$ 650,174	\$ 650,174	\$ -
Water Use	\$ 100,000		\$ 100,000	\$ 100,000	\$ -
Water Resources Cost Share	\$ 2,768,956	\$ 65,758	\$ 2,834,714	\$ 2,768,956	\$ (65,758)
Nonpoint Source Pollution Asst.	\$ 1,863,636		\$ 1,863,636	\$ 1,863,636	\$ -
Aid to Conservation Districts	\$ 2,502,706		\$ 2,502,706	\$ 2,502,706	\$ -
Watershed Dam Construction	\$ 550,000	\$ 100,000	\$ 650,000	\$ 650,000	\$ -
Water Quality Buffer Initiative	\$ -		\$ -	\$ -	\$ -
Riparian and Wetland Program	\$ 154,024		\$ 154,024	\$ 154,024	\$ -
Water Transition Assistance Program/CREP	\$ 550,727	\$ 100,000	\$ 650,727	\$ 550,727	\$ (100,000)
Irrigation Technology	\$ 350,000	\$ 200,000	\$ 550,000	\$ 550,000	\$ -
Crop and Livestock Research	\$ 250,000	\$ 100,000	\$ 350,000	\$ 350,000	\$ -
Soil Health	\$ 200,000	\$ 200,000	\$ 400,000	\$ 200,000	\$ (200,000)
Streambank Stabilization	\$ 750,000	\$ 100,000	\$ 850,000	\$ 750,000	\$ (100,000)
SUBTOTAL-KDA	\$ 11,204,887	\$ 865,758	\$ 12,070,645	\$ 11,604,887	\$ (465,758)
Kansas Water Office					
Assessment and Evaluation	\$ 834,078		\$ 834,078	\$ 834,078	\$ -
MOU - Storage Operations & Maintenance	\$ 736,160		\$ 736,160	\$ 736,160	\$ -
Stream Gaging	\$ 448,708		\$ 448,708	\$ 448,708	\$ -
Technical Assistance to Water Users	\$ 425,000		\$ 425,000	\$ 425,000	\$ -
Reservoir and Water Quality Research	\$ 450,000		\$ 450,000	\$ 450,000	\$ -
Water Quality Partnerships	\$ 434,176	\$ 450,000	\$ 884,176	\$ 884,176	\$ -
KS Water Plan Education & Outreach Strategy	\$ 250,000		\$ 250,000	\$ 250,000	\$ -
High Plains Aquifer Partnerships	\$ 400,000	\$ 450,000	\$ 850,000	\$ 850,000	\$ -
Kansas Reservoir Protection Initiative	\$ 1,000,000		\$ 1,000,000	\$ 1,000,000	\$ -
Equus Beds Chloride Plume Remediation Project	\$ 50,000		\$ 50,000	\$ 50,000	\$ -
Flood Response Study	\$ 200,000		\$ 200,000	\$ 200,000	\$ -
Arbuckle Study	\$ 150,000		\$ 150,000	\$ 150,000	\$ -
Water Injection Dredging (WID)	\$ -		\$ -	\$ -	\$ -
SUBTOTAL-KWO	\$ 5,378,122	\$ 900,000	\$ 6,278,122	\$ 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	\$ 113,159	\$ 140,000	\$ 26,841	\$ (113,159)
FY2024 Pay Plan				\$ 80,742	\$ 80,742
Total State Water Plan Expenditures	\$ 20,680,641	\$ 2,178,917	\$ 22,859,558	\$ 22,361,383	\$ (498,175)

Water Supply Storage

The Governor's Budget Recommendations also included \$53 million SGF to pay off the remaining water supply storage debt in Milford Lake and Perry Lake in FY 2023.

Retire Debt Early and Pay Cash for Capital Projects

\$53.0mil of SGF in FY 23 to the Kansas Water Office for debt retirement

- Eliminate two remaining reservoir debts related to Milford and Perry
- Saves \$29.4mil of interest payments
- Allow KWO to redirect existing resources to other strategic water needs

	Contract Interest Rate	Contract Capital Costs Due Date	Balance on Due Date	Current Balance
Milford Lake	2.632%	2034	\$37.9 million	\$27.8 million
Perry Lake	3.046%	2041	\$44.2 million	\$24.9 million
TOTAL			82.1 million	\$52.7 million
<i>Potential State Interest Savings from Early Debt Payoff (Balance on Due Date – Current Balance): \$29.4 million</i>				

The Kansas Water Authority

Welcomes Governor Laura Kelly



Kansas Water Authority Ex Officio Agency Updates

Presented by: Dawn Buehler

Director's Report

Presented by: Connie Owen

New Business

Adjourn

Upcoming Meetings:

- April 19, 2023 – Kansas Water Authority, Kansas City, KS (Tentative)
- June 7, 2023 – Kansas Water Authority, Southwest Kansas (KGS Field Conference)
- August 23, 2023 – Kansas Water Authority, TBD
- October 18, 2023 – Kansas Water Authority, TBD
- December 13, 2023 – Kansas Water Authority, TBD