Kansas Water Authority Meeting

Topeka, Kansas 9:00 a.m. – January 24, 2024 Agenda

Time	Agenda Item	Presenter	KWA Advice	KWA Decision	Page No.
9:00 am	Call to Order/Roll Call	Dawn Buehler			-
9:05 am	Approval of Meeting Minutes	Dawn Buehler			
	December 13, 2023 Meeting			X	2 - 3
9:10 am	KWA Public Water Supply Committee	John Bailey			4 - 33
	Water Contract No. 17-2, Wolf Creek	Nathan Westrup		X	
9:30 am	KWA RAC Operations Committee	Jeremiah Hobbs			34 - 35
	RAC Messages to the KWA	Jeremiah Hobbs		X	
	RAC Chair Reports – Marais des Cygnes & Missouri RACs	Keri Harris Michelle Wirth			
10:00 am	BREAK				
10:10 am	KWA Ex Officio Agency Updates	Dawn Buehler			
10:25 am	Director's Report	Connie Owen			
10:30 am	Governor Laura Kelly				
10:40 am	KWA Strategic Planning Discussion	Dawn Buehler	X		I
11:50 am	New Business	Dawn Buehler			
12:00 pm	Adjourn	Dawn Buehler			-

Upcoming Meetings:

- April 17, 2024 Kansas Water Authority, Garden City
- June 11, 2024 Kansas Water Authority, Manhattan
- August 21, 2024 Kansas Water Authority, TBD (South-Central Kansas)
- October 16, 2024 Kansas Water Authority, TBD (Northwest Kansas)
- December 11, 2024 Kansas Water Authority, TBD (Southeast Kansas)

Minutes

KANSAS WATER AUTHORITY

December 13, 2023 In-Person Meeting Concordia, KS

CALL TO ORDER: Chair <u>Dawn Buehler</u> called the <u>December 13, 2023</u>, Kansas Water Authority

(KWA) meeting to order at 9:06 a.m.

MEMBERS PRESENT: Dawn Buehler, Michael Armstrong, John Bailey, Lynn Goossen, Jeremiah

Hobbs, Gary Janzen, Pete Loecke, Carolyn McGinn, Allen Roth, Allan Soetaert,

Jean Steiner, David Stroberg

MEMBERS ABSENT: Randy Hayzlett

EX-OFFICIO MEMBERS

PRESENT: Ryan Hoffman, Earl Lewis, Scott Ishman, Susan Metzger, Sara Baer, Leo

Henning, Kayla Savage, Connie Owen

EX-OFFICIO MEMBERS

ABSENT: Brad Loveless, Steve Frost, Mike Beam

APPROVAL OF MINUTES:

Motion No. 12-13-01 It was moved by <u>Lynn Goossen</u> and seconded by <u>Allen Roth</u> to approve the

October 18, 2023, Minutes for the Regular Meeting of the Kansas Water Authority. **Motion carried with no dissenting votes**. Information found in meeting materials.

KWA PUBLIC WATER SUPPLY COMMITTEE:

<u>John Bailey</u> reported for the Public Water Supply Committee. <u>Richard Rockel</u> then presented Surplus Water Report and gave a drought update.

Surplus Water Report

Motion No. 12-13-02 It was moved by <u>Mike Armstrong</u> and seconded by <u>Pete Locke</u> to approve

the Surplus Water available in the Water Marketing Program Lakes for Calendar year 2024 report and to authorize the Kansas Water Office Director to enter into surplus water supply contracts for water defined to be

surplus by the report. Motion carried with no dissenting votes.

Information found in meeting materials.

John Bailey then presented on Long Range Drought Planning and

Regionalization.

<u>Dawn Buehler</u> opened the floor for questions and discussion. The members spoke about regionalization. Topics of discussion within this open discussion included: water suppliers having emergency connections for supply; employing a person to reach out to suppliers about rural water district opportunities; expenses and potential funding requests associated with regionalization-related efforts; requiring a 40 year water plan for water supply; water availability supporting development in smaller communities; groundwater sources and the short and long term viability of these sources; flood water capture; and the role of the Governor's Water Subcabinet.

ANNUAL REPORT TO THE GOVERNOR AND LEGISLATURE:

<u>Matt Unruh & Victoria Asbury</u> presented the 2024 Annual Report to the Governor and Legislature.

<u>Dawn Buehler</u> opened the floor for discussion. The members spoke about edits and additions they would like to see in the report. Some of those items being: updating and subscripting images, adding an acronym library, table of contents page, an updated to legislators on where funding goes, adding more QR codes, perhaps adding a section on dam safety, water transfer act, and adding a one page that gives legislators and brief highlight of the report itself

Approval of the 2024 Annual Report to the Governor and Legislators **Motion No. 12-13-03**

It was moved by <u>Allan Soetaert</u> and seconded by <u>Michael Armstrong</u> for the Kansas Water Authority to approve the 2024 Annual Report to the Governor and Legislature with final editorial discretion given to the Kansas Water Office. **Motion carried with no dissenting votes.** Information found in meeting materials.

EQUUS BEDS GROUNDWATER MONITORING UPDATE:

<u>Dave Bollenback</u> gave an updated on the current status of the Equus Beds Groundwater Monitoring. **Dawn Buehler** opened it up for questions and discussion.

HOUSE BILL 2303 GRANT PROGRAMS:

<u>Victoria Asbury</u> gave presentation on the current status and process of House Bill 2302.

DAM SAFETY PROGRAM UPDATES

Terry Medley gave an updated on the proposed updated to the Kansas Department of Agriculture's Dam Safety program to including a proposal to bring back State dam safety inspections. Additional information found within meeting materials.

KWA EX-OFFICIO AGENCY UPDATES:

Ryan Hoffman gave an update for the Kansas Corporation Commission.

Sara Baer gave an update for the Kansas Biological Survey.

Earl Lewis gave an update for the Division of Water Resources.

Susan Metzger gave an update for Kansas State University.

DIRECTOR'S REPORT: Connie Owen reported for the Kansas Water Office.

NEW BUSINESS: No new business.

ADJOURNMENT: It was moved by <u>Allan Soetaert</u> and seconded by <u>Peter Loecke</u> to adjourn. Motion

carried with no dissenting votes. The meeting was adjourned at 2:39 p.m.

Connie Owen, Secretary

MEMO



900 SW Jackson Suite 404

Topeka, KS 66612 Phone: (785) 296-3185 Fax: (785) 296-0878 www.kwo.ks.gov

DATE: January 11, 2024

TO: Kansas Water Authority

FROM: John Bailey, Chair, Public Water Supply Committee

Nathan Westrup

RE: Public Water Supply Committee Update

Items Proposed for Action:

• Consider approval of negotiated amendment to Water Purchase Contract No. 17-2

Evergy has requested an extension of Water Purchase Contract (WPC) No. 17-2, the supplemental water supply for Wolf Creek Nuclear Generating Station. The source of supply for WPC No. 17-2 is John Redmond Reservoir and it is the sole source of make-up water for the power plant's cooling lake.

Water Marketing Contract No. 17-2

- o Term of 10 years (maximum 40)
- o Expires 12/31/27
- o Quantity: 9,368 MGY

Negotiated amendment

- o Article 1, expanding available Water Marketing storage in Marion Reservoir, necessary only during drought conditions similar to the drought of record (1950's)
- o Article 2, extend contract term from 10 years to 28 years (Expiration 12/31/2045 = power plant operating license)
- o Article 10, Point of withdrawal (include Marion Reservoir)
- o Statement asserting that John Redmond will be utilized as primary source

See attached contract, amendment, and findings.

The Public Water Supply Committee recommends approval of the negotiated amendment for Water Purchase Contract, No. 17-2

FINDINGS

REQUEST BY EVERGY KANSAS CENTRAL, INC., EVERGY METRO, INC., AND KANSAS ELECTRIC POWER COOPERATIVE, INC. TO AMEND WATER PURCHASE CONTRACT, NO. 17-2

In accordance with K.S.A. 82a-1305, which states, in part:

"Whenever the authority finds that a proposed withdrawal and use of water, other than surplus waters, is in the interest of the people of the state of Kansas and will advance the purposes set forth in article 9 of chapter 82a of Kansas Statutes Annotated, and amendments thereto, it shall authorize the director to enter into negotiations for the purpose of entering into written contracts with any person for withdrawal and use within or without the state of waters from conservation storage water supply capacity committed to the state."

The Kansas Water Office (KWO) received a written request from the Evergy Kansas Central, Inc., Evergy Metro, Inc., and Kansas Electric Power Cooperative, Inc. (herein referred to as "the Applicant") to amend the term of Water Purchase Contract, No. 17-2 on May 30, 2023, requesting extension of the term for continued purposes of an industrial water supply to serve the Wolf Creek Nuclear Operating Station located in Burlington, Kansas and operated by the Wolf Creek Nuclear Operation Corporation.

As noted in the citation above, before negotiations for a contract can begin, the Kansas Water Authority (KWA) must find:

- 1. That the proposed sale is in the public interest, and
- 2. That it will advance the purposes of the State Water Planning Act and the State Water Plan.

The Kansas Water Authority authorized the Director to begin negotiations with the Applicant on June 7, 2023.

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;

The Applicant's original marketing contract, entered into in 1976, was for a term of 40 years (1978 through 2017) and an annual contract maximum of 9,672 mgy. In preparation of the new application and contract renewal process for the new marketing contract, the Applicant worked extensively with the KWO in order to determine future water supply needs. Through the use of KWO's hydrologic model, the Applicant's future water supply needs were determined to be slightly less than the original marketing contract, based on current operations, lake level management and pumping scenarios. Water Purchase Contract, No. 17-2 was executed on December 19, 2017 with an annual contract maximum quantity of 9,368,000,000 gallons (9,368 mgy) and a term of 5 years (2018 through 2022). The operating license of the power plant is through 2045, however, the KWO informed the Applicant that the yield of John Redmond Water Marketing storage would be insufficient for a term coincident with the operating license. According to KWO's hydrologic model, dedicating a portion of water supply storage in Marion Reservoir would fill the yield gap of John Redmond to fully meet the power plant's demand. The Applicant has been evaluating alternative water supply options since entering into WPC 17-2. The most significant effort has been water assurance district membership – requiring a new water appropriation right and the purchase of storage in both John Redmond and Marion. The Applicant anticipated that they would not complete their evaluation before the expiration of WPC 17-2 and requested to amend the term of the contract another 5 years, the amendment was approved in October of 2022 – the term extended through 2027.

The Applicant has now finished their evaluation and elected to remain a Water Marketing Program customer. A written request to extend the term of WPC 17-2 through December 31, 2045 was received on May 30, 2023, with a recognition that Water Marketing storage in both John Redmond and Marion would be required to supply the contract quantity of 9,368 mgy.

In addition to the water marketing contract, the Applicant also owns Appropriation of Water, File Nos. 14,626 and 19,882 which authorize the diversion of natural flows of the Neosho River at a single common point. These water rights are severely restricted and only allow for diversion of natural flows in excess of 250 cfs, skimming rights, essentially forcing the Applicant to rely on releases from Water Marketing storage. Water from the Neosho River is make-up water to supplement the natural inflow to the power plant's cooling lake, authorized by Water Right, File No. 20,275. The watershed is too small to provide an adequate supply of inflow.

2. Any current beneficial uses being made of the non-contracted water proposed to be diverted;

Existing Water Marketing Contracts from John Redmond Reservoir

			Maximum	Maximum
			Quantity of	Quantity of
	Contract	Contract	Contract	Contract
Purchasers	Number	Ending Date	(mgy)	(af)
Wolf Creek Nuclear Generating Station	17-2	12/31/2027	9,368	28,749
TOTAL			9,368	28,749

Existing Water Marketing Contracts from Marion Reservoir

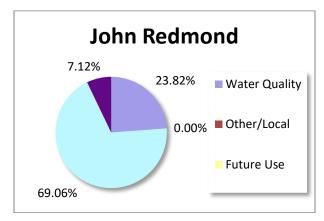
Existing water marketing contra		11 110001 (011		
			Maximum	Maximum
			Quantity of	Quantity of
	Contract	Contract	Contract	Contract
Purchasers	Number	Ending Date	(mgy)	(af)
City of Marion	23-1	10/03/63	237.5	729
City of Peabody	99-1	4/09/39	60	184
City of Hillsboro	21-3	12/22/61	300	921
TOTAL			597.5	1,834

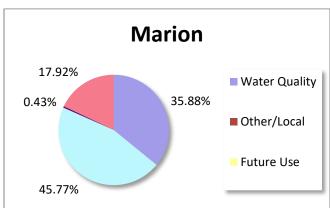
Wolf Creek has been the only user of Water Marketing storage in John Redmond since the beginning of the Water Marketing Program and the first negotiated contract of the program. No non-contracted water is being considered. The water supply storage in Marion is largely uncommitted, requiring less than half of the current active Water Marketing storage to meet current and projected contract obligations. The remaining water supply in Marion Reservoir has no current beneficial use other than benefits of in-lake recreation and wildlife. However, these incidental benefits are not dependent on available yield. All water in conservation storage is available for recreation and wildlife. The current Water Marketing storage is sufficient for the existing Water Marketing contracts and WPC No. 17-2 through the extended term. Modeling shows the use of Marion for Wolf Creek will be extremely infrequent and only occurred during climatic conditions similar to the drought of record (1952 -1957).

3. Any reasonable foreseeable beneficial use of the water;

John Redmond water supply storage is fully committed, 90% to Wolf Creek and 10% is dedicated to serving assurance district members downstream from John Redmond. The most likely need for additional storage is the assurance district. Within recent months, three applications have been submitted to the DWR, proposing the use of large quantities of water for new industrial demands along the lower Neosho River. KWO and DWR are working to evaluate the potential new demands. Some of the proposed use

appears to be speculative and some appears to be a real possibility. The initial application submitted to DWR for industrial use at the Great Plains Industrial Park near Parsons, KS has been modeled by the KWO and it does appear that there is sufficient uncommitted water supply storage available from Marion, after incorporating Marion into WPC 17-2. The KWO is currently in negotiations with the Cottonwood and Neosho River Basins Water Assurance District No. 3, for the purchase of Reserve storage space in Marion Reservoir.





4. The economic, environmental, public health and welfare, and other benefits or adverse impacts;

Sufficient water supply is critical for a nuclear power plant. Wolf Creek is an important source of power production for the State of Kansas and it appears that it will be even more sought after, as a non-fossil fuel source for the production of hydrogen and industrial growth.

5. Alternative sources of water available to the applicant;

Council Grove is the only other source of water supply storage in the basin and modeling shows that all the water supply capacity is necessary to meet municipal water supply demands, particularly for the City of Emporia. Piping water from the Marias des Cygnes River or the Kansas River basins would require a significant amount of investment in infrastructure and maintenance cost. Melvern Lake is the nearest source but there is also planned new industrial demands that will most likely utilize a significant portion of the available yield of Melvern.

6. The preliminary plan of design, construction and operation of any works or facilities used in conjunction with transporting the water to its point of use;

All diversion works and facilities are existing and long-standing. The natural water courses, the Cottonwood River (from Marion) and the Neosho River, will deliver water released from Water Marketing storage to Wolf Creek's intake on the Neosho River. No new works or facilities will be needed.

7. Whether the proposed purchase is consistent with the state water plan approved by the Legislature;

Nothing in this proposed use of water has been identified that would be inconsistent with the State Water Plan and the State Water Plan Storage Act. Supporting the electrical power generation capacity benefits the state as a whole.

8. The date of the application to contract for withdrawal and use of water;

A written request to amend Water Purchase Contract, No. 17-2 was received on May 30, 2023.

9. Minimum streamflow requirements;

The KWO and the Tulsa District of the U.S. Army Corps of Engineers cooperatively operate water quality storage in Council Grove Lake, Marion Reservoir, and John Redmond Reservoir to provide minimum releases to the Cottonwood and Neosho Rivers.

Minimum Desirable Streamflows (MDS) have been established in the Cottonwood/Neosho basin (see table below). Reservoir releases are not intended to maintain MDS values, the flow augmentation from reservoir releases experienced at MDS gage locations are incidental. Administration of MDS curtails diversions of water rights with priority dates junior to April 12, 1984.

Cottonwood/Neosho MDS Flows (cfs)

Gage Location	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Americus	5	5	5	5	5	5	5	5	5	5	5	5
Plymouth	20	20	20	20	20	20	20	20	20	20	20	20
Iola	40	40	40	40	40	40	40	40	40	40	40	40
Parsons	50	50	50	50	50	50	50	50	50	50	50	50

Releases from Marion to meet Wolf Creek's water supply demand would result in a positive benefit to flow along the Cottonwood River and at Plymouth, as well as reduce the use of Marion water quality storage. The use of both water quality storage and water supply storage is necessary to maintain target flows throughout the system, in accordance with the Cottonwood/Neosho River Basins Water Assurance District No. 3 operations agreement. Releases from Water Marketing storage do not conflict with water assurance district operations.

10. Whether the applicant has adopted and implemented a water conservation plan;

Wolf Creek has a water conservation plan consistent with the current KWO guidelines for industrial users, as required for water marketing customers.

Based on these findings, the Kansas Water Office recommends that the Kansas Water Authority approve the negotiated amendment to Water Purchase Contract No. 17-2 for the purchase of water from John Redmond Reservoir and Marion Reservoir for industrial water supply purposes.

STATE OF KANSAS Kansas Water Office

CONTRACT
Between the State of Kansas
And
Kansas Gas and Electric Company
Kansas City Power & Light Company, and
Kansas Electric Power Cooperative, Inc.

For An Industrial Water Supply
From
John Redmond Reservoir

Water Purchase Contract Number 17-2

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KANSAS WATER OFFICE WATER PURCHASE CONTRACT NO. 17-2

This contract is executed and entered into this ______ day of December, 2017, by and between the State of Kansas as represented by the Kansas Water Office (hereinafter referred to as the "State"), an authorized agency to enter such contracts for the State of Kansas, and the Kansas Gas and Electric Company, a Kansas Corporation, and the Kansas City Power & Light Company, a Missouri Corporation, and Kansas Electric Power Cooperative, Inc., a Kansas Corporation, (hereinafter collectively referred to as the "Purchaser").

WHEREAS, the Purchaser desires to purchase a supply of water for an industrial water supply at Wolf Creek Nuclear Generating Station; and

WHEREAS, the Purchaser filed an appropriate application on August 2, 2017, with the State to negotiate a long-term water marketing contract for the purchase of raw water from John Redmond Reservoir (hereinafter the "Reservoir"), in compliance with the State Water Plan Storage Act, K.S.A. 82a-1301 et seq., as amended; and

WHEREAS, the Director of the Kansas Water Office is authorized by K.S.A. 74-2615, as amended, and by K.S.A. 82a-1305, as amended, to negotiate contracts for the sale of water from the Reservoir; and

WHEREAS, the State has filed water reservation rights to divert and store water in the Reservoir (Water Reservation Right, File Nos. 22,197-AR-5 and 41,564-AR-34); and

WHEREAS, the State has entered into agreements (Contract No. DACW56-75-C-0029 and DACW56-96-WS-0003) with the United States of America under the provisions of the Water Supply Act of 1958 (Title III, P.L. 85-500), as amended, for water supply storage space in the Reservoir; and

WHEREAS it is understood that the Kansas Gas and Electric Company, the Kansas City Power & Light Company, and the Kansas Electric Power Cooperative, Inc. have agreed that the rights and obligations under this contract, including those under K.S.A. 82a, Articles 7 and 13, as amended, shall be several not joint, forty-seven (47%) percent, forty-seven (47%) percent, and six (6%) percent, respectively, to each; and

WHEREAS, the Purchaser's immediate and projected water supply needs at Wolf Creek Nuclear Generating Station for the term of this contract can be provided from the Reservoir; and

WHEREAS, the withdrawal and use of up to 9,368 million gallons of water annually from the Reservoir by the Purchaser is in the interest of the people of the State of Kansas and will advance the purposes set forth in Article 9 of Chapter 82a of Kansas Statutes Annotated; and

WHEREAS, the Purchaser's application number 251 to purchase raw water from the Reservoir is approved for a maximum total amount of 9,368 million gallons per year in accordance with Articles 9 and 13 of Chapter 82a of Kansas Statutes Annotated.

NOW, THEREFORE, in consideration of the foregoing, the parties mutually agree as follows:

ARTICLE 1. DEFINITIONS

As used in this contract, unless the context otherwise requires:

- (a) "Authority" means the Kansas Water Authority, or its successor.
- (b) "Director" means the Director of the Kansas Water Office, his or her successor, or designated representative.
- (c) "Point of rediversion" means the point where released water is taken for beneficial use from the watercourse by which it is transported.

- (d) "Point of withdrawal from the reservoir" means the point at which water is taken from the reservoir by pump, siphon, canal, or any other device; or released through the dam by gates, conduits, or any other means.
- (e) "Raw water" refers to untreated water at the point of withdrawal from the reservoir.
 - (f) "Reservoir" means John Redmond Reservoir.

ARTICLE 2. TERM OF THE CONTRACT

At the request of Purchaser and pursuant to K.S.A. 82a-1305(a), as amended, the term of this contract shall be for a period of five (5) years beginning on the 1st day of January 2018, and terminating on the 31st day of December 2022. The Purchaser may commence using water at any time after the execution of this contract by providing notice as provided in Article 12 of this contract.

ARTICLE 3. LEGISLATIVE DISAPPROVAL AND REVOCATION

This contract, any amendment hereto, or renewal thereof is subject to disapproval and revocation by the Kansas Legislature as provided in K.S.A. 82a-1307, and amendments thereto.

ARTICLE 4. UNITED STATES APPROVAL

- a. The Purchaser shall secure the right from the federal government to construct, modify, alter, or maintain installations and facilities at the point of withdrawal from the reservoir and at the point of rediversion as the Purchaser shall deem necessary to effectuate the terms of this contract when such installations and facilities are on federal lands. The Purchaser shall bear any and all costs of construction, modification, operation, and maintenance of Purchaser-owned, leased, or constructed installations and facilities.
- b. The Purchaser shall provide the Director, upon written request, with proof of any easement granted by the federal government for rights-of-way across, in, and upon federal

government land required for intake, transmission of water, and necessary appurtenances by and for the benefit of the Purchaser for the purposes of this contract.

ARTICLE 5. COMPLIANCE WITH KANSAS STATUTES

This contract is subject to such federal and state statutes as may be applicable, including specifically, but not by way of limitation, the State Water Resource Planning Act, K.S.A. 82a-901 et seq., and amendments thereto; the State Water Plan, K.S.A. 82a-927 et seq., and amendments thereto; and the State Water Plan Storage Act, K.S.A. 82a-1301 et seq., and amendments thereto; and the Purchaser agrees to comply with such applicable statutes and any amendments to said statutes which may be enacted subsequent to the execution of this contract.

ARTICLE 6. QUANTITY OF WATER

- a. During the term of this contract and, subject to the conditions herein stated, the State will furnish for the Purchaser to withdraw not more than 9,368 million gallons of raw water in any one (1) calendar year. If the Purchaser in any calendar year does not withdraw the entire annual raw water amount obligated under terms of this contract, the unused amount of water shall not add to the Purchaser's entitlement in any subsequent year.
- b. The allowance provided under K.S.A. 82a-1306(a)(4) for the Director to adjust the amount of water contracted for on the sixth anniversary of the execution of a contract for sale of water shall not apply to this contract given the five (5) year term described in Article 2 of this contract.
- c. Any rights under the Kansas Water Appropriation Act, K.S.A. 82a-701 et seq., and amendments thereto, held by the Purchaser shall not be used by the Purchaser to offset the minimum cost or volume of any quantity of raw water obligated under the terms of this contract. The Purchaser will pay for water received at its point of rediversion as specified in Article 7 of this contract; however, the Purchaser shall be entitled to receive without making payment

therefor any water in excess of 9,368 million gallons per year as allowed under K.S.A. 82a-701 et seq., as amended. Any water received under authority of such water appropriation rights shall not be counted against the Purchaser's annual water entitlement under this contract even though the Purchaser may have to pay the State as if the water had been received under this contract as provided in Article 9.

d. The Purchaser may use water withdrawn in accordance with the terms of this contract without obtaining a permit or water right under the Kansas Water Appropriation Act. Rights of the Purchaser under this contract shall be entitled to the same protection as any other vested property interest including vested water rights, water appropriation rights, and approved applications for permit to appropriate water.

ARTICLE 7. PRICE OF WATER

- a. <u>Price</u>. The Purchaser agrees to pay the State at the rate set in accordance with K.S.A. 82a-1308a, and amendments thereto, for each one thousand (1,000) gallons of raw water used or raw water which must be paid for under terms of this contract; provided, however, that the Purchaser is obligated and agrees to pay the minimum charges in accordance with this Article regardless of the quantity of raw water actually used, except as provided in Article 13. The rate for raw water which must be paid for under terms of this contract shall be \$0.392 for each one thousand (1,000) gallons during calendar year 2018.
- b. <u>Minimum Charge</u>. The Purchaser agrees to pay to the State a minimum charge whether or not water is withdrawn during the calendar year. The minimum charge for each calendar year shall be determined as provided in K.S.A. 82a-1306(a)(2), and amendments thereto. The minimum charge for calendar year 2018 and each succeeding calendar year, unless changed by amendment of State statutes, shall be the sum of the following two components:

- (1) fifty (50) percent of the total amount of water contracted for annually during the term of this contract multiplied by the rate established in accordance with paragraph (a) of this Article or as adjusted in accordance with paragraph (c) of this Article; and
- (2) a charge on the remaining fifty (50) percent of water contracted for during the year computed by multiplying the net amount of moneys advanced from state funds for costs incurred and associated with that portion of the conservation storage water supply under the State Water Marketing Program by the average rate of interest earned during the past calendar year by the Pooled Money Investment Board on thirty (30) day repurchase agreements and by the portion of the remaining fifty (50) percent under contract to the total conservation water supply capacity available under the State Water Marketing Program.
- c. Review and Adjustment of Rates. The rate as stated in this contract may be subsequently adjusted on January 1 of the year following the execution of the contract and on every subsequent January 1 thereafter, pursuant to the terms and conditions of this contract. The Director shall review the rate stated in this Article by July 15 of each year during the term of this contract and may adjust the rate effective January 1 of the following year. Such adjusted rate shall be charged for all water used or water which must be paid for under terms of this contract as provided in Article 9. The Director shall notify the Purchaser by July 31 of each year of the adjusted rate which will become effective on January 1 of the ensuing year. Failure to furnish such notification by July 31 shall not relieve the Purchaser of the obligation to pay such adjusted rate.

ARTICLE 8. PURPOSE AND PLACE OF USE

a. <u>Purpose</u>. Water purchased under this contract shall be used for purposes which are stated in the preamble of this contract.

- b. <u>Place of Use</u>. The place of use for water purchased under this contract shall be at the Wolf Creek Nuclear Generating Station located in Burlington, Kansas.
- c. Approval of Change in Place of Use. The Purchaser shall inform the Director of any intention to sell any water under this contract to any person or entity located outside the place of use defined in (b) of this Article. Whenever the Purchaser shall propose to enter into a contract to sell water purchased under this contract to any such person or entity outside the defined place of use, the Purchaser shall, before execution thereof, submit a copy of such contract to the Authority for review. The Purchaser agrees not to execute and enter into any such contracts unless approved by the Authority.

ARTICLE 9. BILLING AND PAYMENT SCHEDULE

- a. Payments. The Purchaser shall transmit all payments due hereunder to the Director as provided in Article 9(j) or as the Purchaser may thereafter be directed, in writing, by the Director. Remittance for minimum payments as provided in Article 9(d) and 9(e) shall be paid to the Director in either one annual payment on or before the due date established in Article 9, or in equal monthly installments during the calendar year in which the minimum payment is due, whether or not water is withdrawn during the calendar year. Remittance for payments due for raw water used in excess of the quantity obligated by the minimum payment as provided in Article 9(f) shall be paid to the Director in full within thirty (30) days after date of billing by the State.
- b. <u>Determination of Charges</u>. Charges for water for which payment is required shall be determined by the State in accordance with K.S.A. 82a-1308a and subsequent amendments thereto. The Purchaser acknowledges and agrees that rate computations are subject to change, based on subsequent amendments to State statutes which may affect the terms of this contract.

- c. <u>Water Subject to Payment</u>. The Purchaser shall pay as specified in this contract for all water received under terms of this contract up to the maximum quantity obligated by this contract (9,368 million gallons per year). In no event shall the Purchaser be permitted to withdraw in any one year more than the maximum of 9,368 million gallons per year.
- d. <u>Initial Minimum Payment</u>. The initial minimum payment shall become due on or before February 28, 2018. Remittance for the initial minimum payment shall be in accordance with Article 9(a). Payment of the initial minimum charge shall entitle the Purchaser to receive up to one-half (1/2) of the maximum annual quantity of water in 2018 as set forth in Article 6, without additional charge.
- e. <u>Subsequent Minimum Payments</u>. On each succeeding February 28 following the due date of the initial minimum payment, subsequent minimum payments shall become due. Remittance for minimum payments shall be in accordance with Article 9(a). Payment of the minimum payment shall entitle the Purchaser to receive during the calendar year, without additional charge, one-half (1/2) of the maximum annual quantity obligated under terms of this contract.
- f. Water in Excess of Minimum. At the end of each calendar year throughout the term of this contract or within thirty (30) days after the end of each calendar year, the State shall bill the Purchaser for any water used during the calendar year in excess of one-half (1/2) of the total annual quantity of water used to compute the minimum charge. The Purchaser shall be given credit for the proportionate share of the payment which was made as an interest charge on the net amount of monies advanced from the State General Fund for the costs incurred and associated with providing fifty (50) percent of the total annual amount of water contracted for purchase during that calendar year.

Overpayment or Underpayment. If for reason of error in computation, measuring g.

device malfunction, or other causes, there is an overpayment or underpayment to the State by the

Purchaser of the charges provided herein, such overpayment shall be reimbursed or

underpayment shall be billed, as the case may be. The State shall notify the Purchaser thereof in

writing. However, all charges made in any year shall be conclusively presumed to be correct six

(6) months after the end of such year.

h. Adjustment for Apportionment. In the event the Purchaser is unable in any year

due to an apportionment under Article 13 herein to withdraw the amount which the Purchaser is

entitled to receive after payment of the minimum payment, the amount of such minimum

payment in excess of the amount of water actually received by Purchaser shall be credited to

reduce the minimum payment obligation of the Purchaser during the next succeeding calendar

year.

Overdue Payments. If the Purchaser shall fail to make any of the payments when i.

due, then the overdue payments shall bear interest, compounded annually at the rate prescribed in

K.S.A. 82a-1317, and amendments thereto, during the term of this contract. This shall not be

construed as giving the Purchaser the option of either making payments when due or paying

interest, nor shall it be construed as waiving any of the rights of the State that might result from

such default by the Purchaser.

Payments. Any payments due and payable to the Kansas Water Office under the į.

terms of this contract shall be transferred electronically under such arrangements as the

Purchaser and the State determine or shall be sent to:

Kansas Water Office

Attention: Accounts Payable/Water Marketing

900 SW Jackson Street, Suite 404

Topeka, KS 66612

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ARTICLE 10. POINT OF WITHDRAWAL

The point of withdrawal from the reservoir shall be in NW1/4, NW1/4, Section 10, T21S, R15E in Coffey County, Kansas. The spillway and outlet works at the point of withdrawal consist of a spillway and a gated concrete ogee-weir with fourteen tainter gates; and a 30-inch diameter water supply pipe and two 24-inch low-flow pipes located in the left non-overflow section.

The point of rediversion shall be the Purchaser's intake structure in NW1/4, NW1/4, Section 10, T21S, R15E in Coffey County, Kansas. The Purchaser's means of conveying water to the point of rediversion consists of an approximately 450 foot long diversion channel along the left bank from the stilling basin to the intake structure equipped with necessary pumps and piping.

ARTICLE 11. METERING OF WATER

- a. The Purchaser shall, at its own expense, furnish, install, operate, and maintain at the place of diversion, a commercial measuring device as ordered by the Director.
- b. The Purchaser shall test and calibrate as accurately as possible such measuring device or devices upon installation and thereafter as necessary or whenever requested by the Director, but not more frequently than once every twelve (12) months. A measuring device that meets the standards as set forth in the current regulations regarding water meter specifications (K.A.R. 5-1-4) shall be deemed to be accurate. Certification of measuring devices shall be obtained from a commercial testing company approved by the Director.
- c. The previous readings of any measuring device disclosed by test to be inaccurate shall be corrected for the three (3) months previous to such test or one-half (1/2) the period since the last test, whichever is shorter, in accordance with the percentage of inaccuracy found by such tests.

- d. If any measuring device fails to register for any period, the amount of water furnished during such period shall be agreed upon by the Director and the Purchaser.
- e. The Purchaser shall read the measuring device on or before the last calendar day of each month, and shall send such reading to the Director within ten (10) days after it has been taken, or at another reasonable interval agreed upon by the Director and the Purchaser.
- f. The Purchaser shall provide to the State monthly reports of all water withdrawn from any sources under authority of Purchaser-held water use permits or water appropriation rights at Wolf Creek Nuclear Generating Station. Representatives of the State shall, at all reasonable times, have access to the measuring device for the purpose of verifying all readings.
- g. The State may measure withdrawals by other suitable means to verify the accuracy of the Purchaser's measuring device or to measure the amount of water furnished when the Purchaser's measuring device fails to register.

ARTICLE 12. WATER WITHDRAWAL

The Purchaser shall notify the Director in writing, of the date for the initial withdrawal of water at least five (5) days prior to such withdrawal. At such time, the Purchaser shall also notify the Director, in writing, of the estimated amounts, dates, and rates of withdrawal. In no event, during the term of this contract, shall the Purchaser withdraw water in excess of the maximum daily rate of 77.56 million gallons.

ARTICLE 13. CONTINUITY OF WATER SERVICE

a. The Director shall make all reasonable efforts to perfect and protect the water reservation rights necessary for the satisfaction of the water supply commitment. In the event it becomes necessary for any reason to apportion the water among the persons having contracts, therefore, or to temporarily discontinue the furnishing of water to such persons, the Director will

give each person oral notice, followed by a written notice, of such action as far in advance as is reasonably practicable.

- b. Neither the Director nor the Authority shall be responsible or have any legal liability for any insufficiency of water or the apportionment thereof, and the duty of the Director and the Authority to furnish water is specifically subject to the following conditions:
- (1) If the total amount of water contracted for withdrawal by all purchasers from the Reservoir in the year is greater than the supply available from the conservation water supply storage in the Reservoir, the Director, with the approval of the Authority, will apportion the available water among all the purchasers having contracts therefore, as may best provide for the health, safety, and general welfare of the people of this State as determined by the Authority.
- (2) The Director shall evaluate the effect of sediment deposits in the Reservoir and, if such evaluation indicates that the sediment deposits have reduced the yield from the State's conservation water supply storage space, the Director will apportion available water among the persons having contracts in relation to the annual volume of water contracted. If a reduction has been made and future calculations and/or experience proves an increased yield from the Reservoir, the Purchaser's contract quantity shall be increased proportionally up to the contract quantity described under Article 6 of this contract.
- (3) If the United States temporarily discontinues or reduces water storage available to the State in the Reservoir under the State's agreement with the United States of America for the purpose of inspection, investigation, maintenance, repair, or rehabilitation of the Reservoir or for other reasons deemed necessary by the United States of America, the Director will apportion the available water among the persons having contracts as determined by the State.

- (4) If, because of an emergency, the Director deems it necessary for the health, safety, and general welfare of the people of Kansas to reduce or terminate the withdrawal of water from the Reservoir, the Director, with the approval of the Authority, will apportion any available water among the persons having contracts therefore as may best provide for the health, safety, and general welfare of the people of Kansas.
- c. In the event the Director finds it necessary to apportion the available water from the Reservoir among the persons having contracts therefore, and such apportionment results in the Purchaser being unable during the year to receive the amount of water that has been purchased by payment of the minimum charge, the Purchaser shall pay the State only for the amount of water actually made available to the Purchaser during the year.

ARTICLE 14. LIABILITY

- a. The parties herein acknowledge that this contract is for raw water from the conservation water supply storage at the Reservoir. The Kansas Water Office, the Director, the Authority, or any employee, agent, or agency of the State of Kansas, makes no guarantee for nor assumes any liability for any claim arising out of the control, carriage, handling, use, disposal, or distribution of water furnished to the Purchaser beyond the point of withdrawal from the Reservoir by the Purchaser as described in this contract except as provided in the Kansas Tort Claims Act, K.S.A. 1982 Supplement 75-6101 et seq., and amendments thereto; and the Purchaser shall hold the State harmless on account of damage or claim of damage of any nature whatsoever arising out of or connected with the control, carriage, handling, use, disposal, or distribution of water beyond the point of withdrawal. Nothing in this Article shall be construed to impair any protection of the rights of the Purchaser as set forth in Article 6.
- b. In addition, neither the Director of the Kansas Water Office nor the Kansas Water Authority shall be liable for any claim by Purchaser arising out of the quality of water in the

Reservoir to the point of withdrawal or rediversion. The Purchaser shall hold the State, its agencies, employees, and agents harmless from or on account of any and all damage to Purchaser of any nature whatsoever arising out of or connected with the quality of the water in the Reservoir up to the point of withdrawal or rediversion.

ARTICLE 15. AMENDMENT

The contract may be amended or voided by written agreement of the parties, as provided in K.S.A. 82a-1316, and amendments thereto.

ARTICLE 16. ASSIGNMENT OF CONTRACT

- a. The Purchaser may not assign, sell, convey, or transfer of all or any part of this contract, or any interest therein unless and until same is approved by the Authority under such reasonable terms and conditions as the Authority may impose.
- b. Whenever the assignment, sale, conveyance, or transfer of all or any part of this water purchase contract involves a change in either the place of use or the purpose of use, the Authority shall have the option to cancel the water purchase contract or portion thereof and make the water available for purchase by persons who have filed applications in accordance with rules and regulations for administration of the State Water Plan Storage Act, K.S.A. 82a-1301 et seq., and amendments thereto.

ARTICLE 17. RIGHT OF FIRST REFUSAL

As required by the provisions of K.S.A. 82a-1305(a), and amendments thereto, upon expiration of this contract, the Director shall give the Purchaser the first right of refusal to purchase any offering of the water previously purchased before offering the same to any other applicant under the provisions of K.S.A. 82a-1310a, et seq., and amendments thereto.

ARTICLE 18. TERMINATION

- a. In the event the Purchaser is unable to obtain, construct, maintain, operate the necessary water diversion and distribution facilities, or operate a generating station for any reason, the Purchaser may terminate this contract upon giving the State thirty (30) days written notice of its intent to do so, and all rights and liabilities of the Purchaser hereunder shall cease. Provided, however, that nothing in the Article shall be construed to affect the duty of the Purchaser to pay the prorated share of the minimum charge for the year in which the contract is terminated or the actual charge for the quantity of water withdrawn, whichever is greater, before notice of termination is given.
- b. In the event that the State or the Purchaser is in breach of this contract and fails to cure the breach within ten (10) days following written notice, the non-breaching party may terminate this contract for such cause upon thirty (30) days written notice. If Purchaser's breach arises from the failure to make full payment under this contract when due, the State may, following such ten (10) day cure period, withhold providing any water for withdrawal to the point of rediversion under this contract until payment is made or this contract is terminated as provided herein.

ARTICLE 19. WATER CONSERVATION PLAN

The Purchaser shall adopt and implement a water conservation plan that is consistent with the guidelines for conservation plans and practices, developed and maintained by the Kansas Water Office in effect on the date of the execution of this contract and that relate to the use of water at the Wolf Creek Nuclear Generating Station.

ARTICLE 20. OPERATING AGENT--SEVERABILITY AND OWNERSHIP

The Kansas City Power & Light Company and Kansas Electric Power Cooperative, Inc. hereby designates and appoints the Kansas Gas and Electric Company as its operating agent for

purposes of (a) receiving billings, notices, and demands hereunder on behalf of the Purchaser, and (b) giving notices hereunder to the Kansas Water Office or the Director related to delivery of and accounting for water hereunder. All notices required to be in writing shall be addressed to the Director at his or her principal place of business, and to Kansas Gas and Electric Company at its principal place of business.

All financial obligations of Purchaser under this contract, including any charges hereunder shall not be joint obligations but shall be the several obligations of Kansas Gas and Electric Company, Kansas City Power & Light Company, and Kansas Electric Power Cooperative, Inc. each being obligated for forty-seven (47%) percent, forty-seven, (47%) percent, and six (6%) percent, respectively, of the total.

Kansas Gas and Electric Company, Kansas City Power & Light Company, and Kansas Electric Power Cooperative, Inc. may use water withdrawn hereunder, in accordance with the terms of the contract, without obtaining a permit or water right under K.S.A. 82a, Article 7. The Kansas Gas and Electric Company, the Kansas City Power & Light Company, and the Kansas Electric Power Cooperative, Inc. shall be entitled to the same protection of their rights under this contract as the owner of any other vested property interest (including vested rights, appropriation rights, and approved application for permits to appropriate water) is entitled to receive, and such rights shall be several not joint, forty-seven (47%) percent to Kansas Gas and Electric Company and forty-seven (47%) percent to Kansas City Power & Light Company and six (6%) percent to Kansas Electric Power Cooperative, Inc.

ARTICLE 21. MISCELLANEOUS PROVISIONS

a. <u>Severability</u>. In the event any provisions of this agreement, or any part of any provision of this agreement, are held invalid by a court of competent jurisdiction, such invalidity shall not affect other terms hereof which can be given effect without the invalid provision or

portion of such provision, and to that end the terms of this agreement are intended to be severable.

- b. <u>Choice of Law, Jurisdiction, and Venue</u>. Disputes arising out of this contract shall be determined under the laws of the State of Kansas, in the district courts of that state, sitting in Shawnee County, Kansas.
- c. <u>Kansas Contract Provisions Attachment</u>. The provisions found in contractual provisions attachment (Form DA-146a Attachment A), which is attached hereto, are hereby incorporated in this contract and made a part thereof by reference herein.
- d. <u>Headings</u>. Headings used in this agreement are informational and not to be considered persuasive or determinative of any clause or matter in dispute.
- e. <u>Counterparts</u>. This contract may be executed in counterparts, each of which so executed counterpart is original, and such counterparts, together, shall constitute but the same instrument.

IN WITNESS WHEREOF, the parties affirm and acknowledge the terms and conditions agreed to above, and further affirm that they have the authority to bind the parties by their signatures to the same, and hereto have executed this agreement as of the day and year first above written.

THE STATE OF KANSAS, BY:

Director, Kansas Water Office

WITH THE EXPRESS APPROVAL OF THE KANSAS WATER AUTHORITY,

BY:

Chairman Kansas Water Authority

PURCHASER, BY:

Kansas Gas and Electric Company

John Bridson Vice President

Kansas City Power & Light Company

Duane Anstaett

Vice President, Generation

Approved as to Legal Form
PJV 12/12/17
KCPL Law Dept.

Kansas Electric Power Cooperative, Inc.

Marcus Harris

Executive Vice President and Chief Executive Officer

AMENDMENT TO WATER PURCHASE CONTRACT NO. 17-2

a. Pursuant to the authority of Article 15 of Water Purchase Contract Number 17-2, the parties

agree to extend the term of this contract for an additional period of five (5) years. To extend the term by an

additional five (5) years, the parties agree to modify the termination date in Article 2 to state that the contract

will terminate on the 31st day of December 2027.

b. The names of two of the Purchaser entities has changed. All contract references to the entity

formerly known as Kansas Gas and Electric Company shall be replaced with the new entity name Evergy

Kansas Central, Inc. All contract references to the entity formerly known as Kansas City Power & Light

Company shall be replaced with the new entity name Evergy Metro, Inc.

c. The parties also agree that because this contract is being extended beyond its initial five (5) year term,

paragraph (b) of Article 6 shall be replaced with the following language: "Pursuant to the provisions provided

under K.S.A. 82a-1306(a)(4), the Director may adjust the total amount of water contracted for on the sixth

anniversary of the execution of the contract and on each annual anniversary thereafter, if the Purchaser does not

begin full payment for the water under contract and another water user is ready, willing, and able to contract for

such water."

THE STATE OF KANSAS, BY:

Connie Owen

Director, Kansas Water Office

WITH THE EXPRESS APPROVAL OF

THE KANSAS WATER AUTHORITY,

BY:

Dawn Buehler

Chairperson, Kansas Water Authority

21/1/h

PURCHASER, BY:

Evergy Kansas Central, Inc.

Evergy Metro, Inc.

John Bridson

Vice President, Generation

Kansas Electric Power Cooperative, Inc.

Suzanne Lane

Executive Vice President

and Chief Executive Officer

State of Kansas Department of Administration DA-146a (Rev. 06-12)

CONTRACTUAL PROVISIONS ATTACHMENT

Important: This form contains mandatory contract provisions and must be attached to or incorporated in all copies of any contractual agreement. If it

is attached to the vendor/contractor's standard contract form, then that form must be altered to contain the following provision:

"The Provisions found in Contractual Provisions Attachment (Form DA-146a, Rev. 06-12), which is attached hereto, are hereby incorporated in this contract and made a part thereof."

The parties agree that the following provisions are hereby incorporated into the contract to which it is attached and made a part thereof, said contract being the _ day of

- <u>Terms Herein Controlling Provisions</u>: It is expressly agreed that the terms of each and every provision in this attachment shall prevail and control over the terms of any other conflicting provision in any other document relating to and a part of the contract in which this attachment is incorporated. Any terms that conflict or could be interpreted to conflict with this attachment are nullified.
- Kansas Law and Venue: This contract shall be subject to, governed by, and construed according to the laws of the State of Kansas, and iurisdiction and venue of any suit in connection with this contract shall reside only in courts located in the State of Kansas.
- Termination Due To Lack Of Funding Appropriation: If, in the judgment of the Director of Accounts and Reports, Department of Administration, sufficient funds are not appropriated to continue the function performed in this agreement and for the payment of the charges-hereunder, State may terminate this agreement at the end of its current fiscal year. State agrees to give written notice of termination to contractor at least 30 days prior to the end of its current fiscal year, and shall give such notice for a greater period prior to the end of such fiscal year as may be provided in this contract, except that such notice shall not be required prior to 90 days before the end of such fiscal year. Contractor shall have the right, at the end of such fiscal year, to take possession of any equipment provided State under the contract. State will pay to the contractor all regular contractual payments incurred through the end of such fiscal year, plus contractual charges incidental to the return of any such equipment. Upon termination of the agreement by State, title to any such equipment shall revert to contractor at the end of the State's current fiscal year. The termination of the contract pursuant to this paragraph shall not cause any penalty to be charged to the agency or the contractor.
- <u>Disclaimer Of Liability</u>: No provision of this contract will be given effect that attempts to require the State of Kansas or its agencies to defend, hold harmless, or indemnify any contractor or third party for any acts or omissions. The liability of the State of Kansas is defined under the Kansas Tort Claims Act (K.S.A. 75-6101 et seq.).
- Anti-Discrimination Clause: The contractor agrees: (a) to comply with the Kansas Act Against Discrimination (K.S.A. 44-1001 et seq.) and the Kansas Age Discrimination in Employment Act (K.S.A. 44-1111 et seq.) and the applicable provisions of the Americans With Disabilities Act (42 U.S.C. 12101 et seq.) (ADA) and to not discriminate against any person because of race, religion, color, sex, disability, national origin or ancestry, or age in the admission or access to, or treatment or employment in, its programs or activities; (b) to include in all solicitations or advertisements for employees, the phrase "equal opportunity employer"; (c) to comply with the reporting requirements set out at K.S.A. 44-1031 and K.S.A. 44-1116; (d) to include those provisions in every subcontract or purchase order so that they are binding upon such subcontractor or vendor; (e) that a failure to comply with the reporting requirements of (c) above or if the contractor is found guilty of any violation of such acts by the Kansas Human Rights Commission, such violation shall constitute a breach of contract and the contract may be cancelled, terminated or suspended, in whole or in part, by the contracting state agency or the Kansas Department of Administration; (f) if it is determined that the contractor has violated applicable provisions of ADA, such violation shall constitute a breach of contract and the contract may be cancelled, terminated or suspended, in whole or in part, by the contracting state agency or the Kansas Department of Administration.

Contractor agrees to comply with all applicable state and federal anti-discrimination laws.

The provisions of this paragraph number 5 (with the exception of those provisions relating to the ADA) are not applicable to a contractor who employs fewer than four employees during the term of such contract or whose contracts with the contracting State agency cumulatively total \$5,000 or less during the fiscal year of such agency.

- Acceptance Of Contract: This contract shall not be considered accepted, approved or otherwise effective until the statutorily required approvals and certifications have been given.
- Arbitration, Damages, Warranties: Notwithstanding any language to the contrary, no interpretation of this contract shall find that the State or its agencies have agreed to binding arbitration, or the payment of damages or penalties. Further, the State of Kansas and its agencies do not agree to pay attorney fees, costs, or late payment charges beyond those available under the Kansas Prompt Payment Act (K.S.A. 75-6403), and no provision will be given effect that attempts to exclude, modify, disclaim or otherwise attempt to limit any damages available to the State of Kansas or its agencies at law, including but not limited to the implied warranties of merchantability and fitness for a particular purpose.
- Representative's Authority To Contract: By signing this contract, the representative of the contractor thereby represents that such person is duly authorized by the contractor to execute this contract on behalf of the contractor and that the contractor agrees to be bound by the provisions thereof.
- Responsibility For Taxes: The State of Kansas and its agencies shall not be responsible for, nor indemnify a contractor for, any federal, state or local taxes which may be imposed or levied upon the subject matter of this contract.
- Insurance: The State of Kansas and its agencies shall not be required to purchase any insurance against loss or damage to property or any other subject matter relating to this contract, nor shall this contract require them to establish a "self-insurance" fund to protect against any such loss or damage. Subject to the provisions of the Kansas Tort Claims Act (K.S.A. 75-6101 et seq.), the contractor shall bear the risk of any loss or damage to any property in which the contractor holds title.
- <u>Information</u>: No provision of this contract shall be construed as limiting the Legislative Division of Post Audit from having access to information pursuant to K.S.A. 46-1101 <u>et seq</u>.
- 12. The Eleventh Amendment: "The Eleventh Amendment is an inherent and incumbent protection with the State of Kansas and need not be reserved, but prudence requires the State to reiterate that nothing related to this contract shall be deemed a waiver of the Eleventh Amendment."
- 13. Campaign Contributions / Lobbying: Funds provided through a grant award or contract shall not be given or received in exchange for the making of a campaign contribution. No part of the funds provided through this contract shall be used to influence or attempt to influence an officer or employee of any State of Kansas agency or a member of the Legislature regarding any pending legislation or the awarding, extension, continuation, renewal, amendment or modification of any government contract, grant, loan, or cooperative agreement.

SECOND AMENDMENT TO WATER PURCHASE CONTRACT NO. 17-2

WHEREAS, the Purchaser desires to purchase a supply of Raw water for an industrial water supply at Wolf Creek Nuclear Generating Station to supplement its existing water appropriation rights during times of short supply; and

WHEREAS, the Purchaser filed an appropriate application on August 2, 2017, with the State to negotiate a long-term water marketing contract for the purchase of raw water from John Redmond Reservoir, in compliance with the State Water Plan Storage Act, K.S.A. 82a-1301 et seq., as amended; the Parties agree to add the Marion Reservoir to the John Redmond Reservoir (hereinafter, collectively, the "Reservoirs"), as a supplementary source of raw water; and

WHEREAS, the State has filed water reservation rights to divert and store water in the Marion Reservoir (Water Reservation Right, File Nos. 22,173-AR-2 & 41,514-AR-32); and

WHEREAS, the State has entered into Agreements (Contract Nos. DACW56-76-C-0133 & DACW56-WS-0002) with the United States of America under the provisions of the Water Supply Act of 1958 (Title III, P.L. 85-500), as amended, for water supply storage space in the Marion Reservoir;

NOW, THEREFORE, in consideration of the foregoing, and pursuant to the authority of Article 15 of Water Purchase Contract Number 17-2, as amended (the "Contract"), the parties mutually agree to amend the Contract as follows:

- a. Article 1, paragraph (f) is replaced by the following:
 - (f) "Reservoirs" means the John Redmond Reservoir and/or the Marion Reservoir."

- b. Unless specified as "John Redmond Reservoir" or "Marion Reservoir," wherever the term "Reservoir" appears in the Contract, it is replaced by the term "Reservoirs".
- c. Article 10 is replaced by the following:

The point of withdrawal from the John Redmond Reservoir shall be in NW ¼, NW ¼ of Section 10, T21S, R15E in Coffey County, Kansas. The spillway and outlet works at the point of withdrawal consist of a spillway and a gated concrete ogee-weir with fourteen tainter gates; and a 30-inch diameter water supply pipe and two 24-inch low-flow pipes located in the left non-overflow section.

The point of withdrawal from the Marion Reservoir shall be in the SE ¼ of the NE ¼ of the SW ¼ of Section 27, T19S, R3E in Marion County, Kansas. The spillway and outlet works at the point of withdrawal consist of a spillway and a gated concrete ogee-weir with three tainter gates; and one 24-inch low-flow pipe located in the left non-overflow section.

The point of rediversion shall be the Purchaser's intake structure in NW ¼, NW ¼ of Section 10, T21S, R15E in Coffey County, Kansas. The Purchaser's means of conveying water to the point of rediversion consists of an approximately 450-foot-long diversion channel along the left bank from the stilling basin to the intake structure equipped with necessary pumps and piping.

d. The term of the Contract, as stated in Article 2, as amended, is extended for an additional period of eighteen (18) years. To extend the term by an additional eighteen (18) years, the parties agree to modify the termination date in Article 2, as amended, to state that the contract will terminate on the 31st day of December 2045.

- e. The Parties further agree that the primary source of raw water for withdrawal shall be the John Redmond Reservoir and withdrawal of raw water from Marion Reservoir shall occur when the State finds that conditions exist such that remaining raw water supplies stored in John Redmond Reservoir are inadequate to meet the industrial water supply needs of Wolf Creek Nuclear Generating Station.
- f. Notwithstanding all other provisions in Contract 17-2, the parties recognize that the provisions relating to apportionment in Article 13 of this contract apply separately and respectively to John Redmond Reservoir and to Marion Reservoir.

THE STATE OF KANSAS, BY: PURCHASER, BY: Connie Owen Evergy Kansas Central, Inc. Director, Kansas Water Office Evergy Metro, Inc. John Bridson Vice President, Generation Date WITH THE EXPRESS APPROVAL OF Date THE KANSAS WATER AUTHORITY, BY: Kansas Electric Power Cooperative, Inc. Suzanne Lane Dawn Buehler **Executive Vice President** Chairperson, Kansas Water Authority and Chief Executive Officer Date Date

This amendment shall become effective on the date of the final signature shown below.

MEMO

DATE: January 9, 2024

TO: Kansas Water Authority

FROM: Jeremiah Hobbs, RAC Operations Committee Chair

RE: RAC Messages



900 SW Jackson Street Topeka, KS 66612 Phone: (785) 296-3185 Fax: (785) 296-0878

https://kwo.ks.gov

The KWA RAC Operations Committee met on January 9, 2024, via Zoom. Discussion from the meeting included the following topics:

RAC Messages to the KWA from the Upper Arkansas and Upper Republican RACs

Upper Arkansas Regional Advisory Committee:

Message: "At the December 15th Upper Arkansas RAC Meeting, the committee voted unanimously to approve providing letters of support for eight proposals to help extend the life of the High Plains Aquifer. We believe there is a need to have facilitation for water users to come to together to improve and help develop effective water conservation practices and programs that help with short-term and long-term solutions. We have had discussion on two different concepts brought forward by members of the RAC. If the grant projects presented at today's meeting were to receive approval, those activities would be helpful in developing these concepts. The Upper Ark RAC would like to express our sincerest thanks and appreciation to the KWA for the work to restore the SWPF and bring awareness to the water challenges we face. We request a seat at the table for developing the formal process to establish goals and actions to "halt the decline of the Ogallala Aquifer while promoting flexible and innovative management within a timeframe that achieves agricultural productivity, thriving economies and vibrant communities — now and for future generations of Kansans.

Thank you from the Upper Arkansas RAC. "

Background: The Upper Arkansas RAC met on December 15, 2023 at the Finnup Center, Lee Richardson Zoo in Garden City. They continued discussion on two concepts that had been introduced as messages at the previous meeting that were tabled. During the course of their discussion, it was pointed out that both of the concepts had similar aspects to them, including the same goal and desired outcome to help address the declines of the High Plains Aquifer. The conversation then turned to how to get ideas like those shared and the proposals for letters of support previously shared during the meeting into action and getting the right facilitation in place. The need was identified for facilitation for all water users to come together to help develop effective water conservation practices and programs. The RAC Committee voted unanimously to send a message that highlighted the key points of their discussion and restated points from a previous message.

RAC Operations Committee's Response: The RAC Operations Committee voted unanimously to provide the following response to the Kansas Water Authority:

"The RAC Operations Committee agrees with the Upper Arkansas RAC committee that there is a need for facilitation for water users to come together to improve and help develop effective water conservation practices and programs that aid with short-term and long-term solutions. The RAC Operations Committee believes the Ogallala Committee should receive this request and work with the Upper Arkansas RAC to help provide the input necessary to the Kansas Water Authority on this subject."

Proposed Response for the KWA: The Kansas Water Authority agrees with the Upper Arkansas RAC committee that there is a need for facilitation for water users to come together to improve and help develop effective water conservation practices and programs that aid with short-term and long-term solutions. The Kansas Water Authority believes the Ogallala Committee should receive this request and work with the Upper Arkansas RAC to help provide the input necessary to the Kansas Water Authority on this subject.

Upper Republican Regional Advisory Committee:

Message: "The Upper Republican RAC would like to express appreciation and gratitude to the KWA for the support and efforts taken towards increasing State Water Plan Funds to our region. Your support through funding demonstrates your shared concern for water resources in our region and those funds will assist us in continuing to reduce aquifer declines. Thank you!"

Background: The Upper Republican RAC met on December 8, 2023 at the Northwest Kansas Groundwater Management District No. 4 office. The RAC wished to express their appreciation and voted unanimously to send message stating this.

Staff Input: The Kansas Water Office offers thanks for both the message and for all the Upper Republican RAC members do for advising the KWO and KWA on local water-related issues, serving as a link to the public and water management entities in Kansas, and for all they do for water in Kansas.

The KWA RAC Operations Committee recommends approval of the proposed responses, and offerings of thanks for the appreciation given to the Kansas Water Authority for the support and efforts towards securing funds for the State Water Plan Fund, as reflected in the messages from the Upper Arkansas and Upper Republican RACs.