

Kansas Water Authority Meeting
Topeka, Kansas
9:30 a.m. – January 25, 2023
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			--

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

Minutes

KANSAS WATER AUTHORITY In-Person Meeting

December 14 & 15, 2022

Colby, KS

- CALL TO ORDER:** Chair Dawn Buehler called the **December 14, 2022**, Kansas Water Authority (KWA) meeting to order at **02:03 p.m.**
- MEMBERS PRESENT:** Dawn Buehler, John Bailey, Lynn Goossen, Randy Hayzlett, Jeremiah Hobbs, Pete Loecke, Allen Roth, Allan Soetaert, Jean Steiner, David Stroberg
- MEMBERS ABSENT:** Michael Armstrong, Alan King, Carolyn McGinn
- EX-OFFICIO MEMBERS PRESENT:** Ryan Hoffman, Earl Lewis, Scott Ishman, Steve Adams, Sara Baer, Erich Glave, Lane Letourneau, Andrew Lyon, Kayla Savage, Connie Owen
- EX-OFFICIO MEMBERS ABSENT:** Ernie Minton
- APPROVAL OF MINUTES:**
Motion No. 12-14-01 It was moved by Jeremiah Hobbs and seconded by Allen Roth to approve the October 19, 2022, Minutes for the Regular Meeting of the Kansas Water Authority **Motion carried with no dissenting votes.** Information found in meeting materials.
- KWA PWS COMMITTEE:**
John Bailey reported for the Public Water Supply Committee. Richard Rockel then gave a presentation on calendar year (CY) 2023 Surplus Water Report. Dawn Buehler opened the floor for questions and comments.
- CY 2023 Surplus Water Report*
Motion No. 12-14-02 It was moved by Allan Soetaert and seconded by John Bailey to approve the CY 2023 Surplus Water Report **Motion carried with no dissenting votes.** Information found in meeting materials.
- KWA OGALALLA AQUIFER COMMITTEE:**
Dawn Buehler reminded the attendees on the process of how the KWA Ogallala Aquifer Committee came to be (RACs' aquifer concerns; KWA Water Policy Conversation in summer 2022; KWA discussion at August 2022 meeting; recommendations in KWA-approved Kansas Water Plan). Matt Unruh then gave a presentation on the Ogallala Aquifer Committee meeting and presented the committee's recommendations to the KWA.

Dawn Buehler opened the floor for questions and comments. Discussion ensued, including comments to the effect that the KWA has an advisory role only; the recommendations closely echo those in the Kansas Water Plan; a need exists for timelines and specifics; a need exists for water user buy-in; these recommendations are long overdue; there is concern about what the specifics and timelines for actions may be; the development of metrics, goals and actions must take place through the collaborative process identified in the recommendations, including the input of scientific and subject matter

experts; the process ahead will take time, but we have to get started somehow. Each KWA member present voiced support for a new direction away from planned depletion.

Ogallala Aquifer Committee Recommendations

Motion No. 12-14-03

It was moved by Jean Steiner and seconded by Allan Soetaert to approve the recommendation of the KWA Ogallala Aquifer Committee to adopt the following:

“1. The policy of planned depletion of the Ogallala Aquifer is no longer in the best interest of the State of Kansas.

2. A formal collaborative process is needed to establish data-driven goals, metrics, 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.

3. The collaborative process should engage state agencies, regional advisory committees, local stakeholders, groundwater management districts, and the Kansas Water Authority.”

Motion carried, with one dissenting vote by Randy Hayzlett. Information found in meeting materials.

Annual Report to the Governor & Legislature:

Victoria Potts presented the 2023 Annual Report to the Governor & Legislature.

Dawn Buehler opened the floor for questions and comments.

- Steven Adams mentioned that they were going to have to use self-services stations instead of hiring people for aquatic nuisance species decontamination stations due to hiring issues.
- Andy Lyon mentioned that there was a new appropriated for page 3 and that he was happy to work with Victoria on edits.
- Consider mentioning match funding in header
- Discussed needing to update how much it would cost to fully fund the KWP, since it hasn't been calculated since Vision efforts associated with the Blue-Ribbon Fund Task Force.
- May want to include a sentence on the role of grassroots group are.
- The Kansas-Colorado River Compact talks about issues below John Martin, may want to add Western Kansas as well. It was mentioned that the Arkansas River is the only source of recharge, other than rain, and Western Kansas gets neither.

Annual Report to the Governor & Legislature

Motion No. 12-14-04

It was moved by Randy Hayzlett and seconded by David Stroberg to approve the 2023 Annual Report to the Governor and Legislature with the KWO's final editorial discretion, based on feedback provided by the Kansas Water Authority during the December 14th meeting. **Motion carried with no dissenting votes.** Information found in meeting materials.

ADJOURNMENT:

Dawn Buehler adjourned the meeting at **3:57 p.m.**

CALL TO ORDER: Chair **Dawn Buehler** called the **December 15, 2022**, Kansas Water Authority (KWA) meeting to order at **08:33 a.m.**

MEMBERS PRESENT: Dawn Buehler, John Bailey, Lynn Goossen, Randy Hayzlett, Jeremiah Hobbs, Pete Loecke, Allen Roth, Allan Soetaert, Jean Steiner, David Stroberg

MEMBERS ABSENT: Michael Armstrong, Alan King, Carolyn McGinn

EX-OFFICIO MEMBERS PRESENT: Ryan Hoffman, Earl Lewis, Scott Ishman, Steve Adams, Sara Baer, Erich Glave, Lane Letourneau, Andrew Lyon, Connie Owen

EX-OFFICIO MEMBERS ABSENT: Ernie Minton, Kayla Savage

KWA RAC OPERATIONS COMMITTEE:

Jeremiah Hobbs gave an update on the KWA RAC Operations Committee regarding RAC membership. He spoke about the application for John Garris for the Verdigris RAC.

Application for Verdigris RAC:

Motion No. 12-15-01 It was moved by **Allen Roth** and seconded by **Lynn Goossen** to approve the application of John Garris to the Verdigris RAC in the Public Water Supply (cc) category. **Motion carried with no dissenting votes.** Information found in meeting materials.

Jeremiah Hobbs then presented messages to the KWA, one from the Missouri RAC and one from the Upper Republican RAC, both expressing concerns about GMD3's "proof of concept" permit to transport 6000 gallons of water from the Missouri River and place 3000 gallons in western Kansas and 3000 gallons in Colorado. **Dawn Buehler** opened the floor for discussion.

- **Kirk Tjelmeland** (KWO Planning and Outreach Coordinator for the Missouri RAC) shared that the Missouri RAC had been concerned about this activity for a long time.
- **Scott Ross** (Vice Chair of the Upper Republican RAC) spoke for the Upper Republican RAC, explaining the RAC viewed this activity as a waste of water and the RAC's rationale for submitting their message.
- **Earl Lewis** spoke on DWR's decision to approve the term permit at issue and stated that DWR would submit responses to the Missouri RAC's questions.
- **Greg Graff** (landowner of location of 3000 gallon delivery per term permit) spoke about the need for recharge of the aquifer.
- The KWA engaged in further discussion, ultimately deciding to take action separately on the two respective RAC messages.

Resolution to the Upper Republican RAC message

Motion No. 12-15-02 It was moved by **Lynn Goossen** and seconded by **Jeremiah Hobbs** to approve the following response to Upper Republican RAC:
 "The Kansas Water Authority agrees with the Upper Republican RAC's objection to Groundwater Management District No. 3's proposed activity (approved under DWR Term Permit, File No. 202090910) based on the

statutes and regulations cited by the Upper Republican RAC, and that all future applications for artificial recharge must meet regulatory criteria under the Kansas Water Appropriation Act. All future applications for artificial recharge must be shared with the impacted Groundwater Management Districts for review." **Motion carried with two dissenting votes by John Bailey and Randy Hayzlett.** Information found in meeting materials.

Resolution to the Missouri RAC message

Motion No. 12-15-03

It was moved by **Randy Hayzlett** and seconded by **David Stroberg** to approve the following response to the Missouri RAC:

"The RAC Operations Committee supports the Missouri RAC's request for additional information from GMD3 and the Division of Water Resources as reflected in their message dated November 7, 2022 by the end of January 2023. The RAC Operations Committee encourages the full KWA to engage in a discussion of the need for this information and any related aspect of this topic. That the Kansas Water Office will be kept updated by the Division of Water Resources and Groundwater Management Districts." **Motion carried with no dissenting votes.** Information found in meeting materials.

LEGISLATIVE UPDATES

Victoria Potts presented on legislative updates to include what happened with elections and current appointments that have been made. Victoria then opened the floor for the legislators in the room to speak. Rep. Jim Minnix and Rep. Lindsay Vaughn both spoke.

WATER WISE UPDATE

Weston McCary presented on the Kansas Water Office Water Innovation Systems and Education (WISE) Program, which will advance awareness and adoption of water savings strategies.

KANSAS WATER SUCCESS STORIES

Dawn Buehler introduced **Katie Durham** from GMD #1 and **Shannon Kenyon** from GMD #4. Katie gave a presentation on their LEMA work, and handed the presentation over to GMD #1's President, **Mark Callender**, so that he could speak on the LEMA.

Shannon introduced members of the GMD #4 board of directors President **Brett Oelke**, **Mitchell Baalman**, and **Gary Moss** so they could speak on their personal successes with water use reduction.

AGENCY UPDATES:

Ryan Hoffman gave an update for the Kansas Corporation Commission.

Scott Ishman gave an update for the Kansas Geological Survey.

Erich Glave gave an update for the Kansas Department of Health and Environment.

Andy Lyon gave an update for the Department of Conservation.

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

Lane Letourneau gave update for the Kansas Department of Agriculture.

Sara Baer gave an update for the Kansas Biological Survey.

DIRECTORS REPORT: **Connie Owen** gave a Director's Report from the Kansas Water Office.

NEW BUSINESS: **Erich Glave** from the Kansas Department of Health and Environment (KDHE) presented on the Keystone Pipeline oil spill near Washington, Kansas. He explained the process of what has happened and the procedures going forward. Included in Erich's report, and in response to Kansas Water Authority questions was the following summary information:

- He does not believe this will affect any public water supply but can not be 100% sure at this time. He did feel that current containment will be able to keep it from entering a public water supply.
- Regarding how contaminants were going to be disposed of, he mentioned the plan is that crude will be refined and contaminated soil will be sent to a landfill.
- KDHE set the criteria for when clean up is complete.
- That Kansas officials do have a say in when the pipeline flow can begin again.
- Chemicals that are being detected will be made public as soon as they are verified by the KDHE lab.
- Immediately impacted landowners are being compensated by TC Energy
- KDHE is recommending that any private well owners reach out to them for testing.
- An updated risk assessment, managed by Pipeline and Hazardous Materials Safety Administration (PHMSA), may be needed after a situation like this.

ADJOURNMENT: **Dawn Buehler** adjourned the meeting at **12:13 p.m.**

Dawn Buehler, Chair

Connie Owen, Secretary

MEMO



DATE: January 9, 2023
TO: Kansas Water Authority
FROM: John Bailey, Chair, Public Water Supply Committee
Nathan Westrup
RE: Public Water Supply Committee Update

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Topeka, KS 66612
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Item Proposed for Action:

- Consider authorizing the Director to begin contract negotiations pursuant to Water Marketing Application No. 265
- Consider authorizing the Director to begin contract negotiations pursuant to Water Marketing Application No. 266

Water Marketing Application No. 265 – Renewal of Water Purchase Contract No. 81-4

The Director of the Kansas Water Office submits findings to the Kansas Water Authority for review and to decide whether to authorize the Director to enter into contract negotiations with the City of Marion for water supply from Marion Reservoir. The Kansas Water Office received a written application on December 23, 2022, accompanied by a request to begin negotiations. Marion currently holds Water Purchase Contract No. 81-4 for water supply from Marion Reservoir, which will expire on October 3, 2023. Article 17 of their contract provides the purchaser a right of first refusal to enter into a new contract, contingent on the yield availability.

Please reference the attached, preliminary findings.

The Public Water Supply Committee recommends the Kansas Water Authority approve the Director's request to begin contract negotiations with the City of Marion.

Water Marketing Application No. 266 – Renewal of Water Purchase Contract No. 81-5

The Director of the Kansas Water Office submits findings to the Kansas Water Authority for review and to decide whether to authorize the Director to enter into contract negotiations with the City of Coffeyville for water supply from Elk City Lake. The Kansas Water Office received a written application on December 28, 2022, accompanied by a request to begin negotiations. Coffeyville currently holds Water Purchase Contract No. 81-5 for water supply from Elk City Lake, which will expire on December 16, 2023. Article 17 of their contract provides the purchaser a right of first refusal to enter into a new contract, contingent on the yield availability.

Please reference the attached, preliminary findings.

The Public Water Supply Committee recommends the Kansas Water Authority approve the Director's request to begin contract negotiations with the City of Coffeyville.

**PRELIMINARY FINDINGS
REQUEST BY CITY OF MARION
TO PURCHASE WATER
FROM MARION RESERVOIR FOR WATER SUPPLY PURPOSES
DECEMBER 27, 2022**

The Director of the Kansas Water Office submits findings to the Kansas Water Authority for review and to decide whether to authorize the Director to enter into contract negotiations with the City of Marion for water supply from Marion Reservoir. The Kansas Water Office received a written application on December 23, 2022, accompanied by a request to begin negotiations. Marion currently holds Water Purchase Contract No. 81-4 for water supply from Marion Reservoir, which will expire on October 3, 2023. Article 17 of their contract provides the purchaser a right of first refusal to enter into a new contract, contingent on the yield availability.

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."

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.

If the Kansas Water Authority finds that the request meets these two criteria, it should authorize the Director to begin negotiations with the applicant. Figure 1 is a map of Marion Reservoir and municipal water service areas.

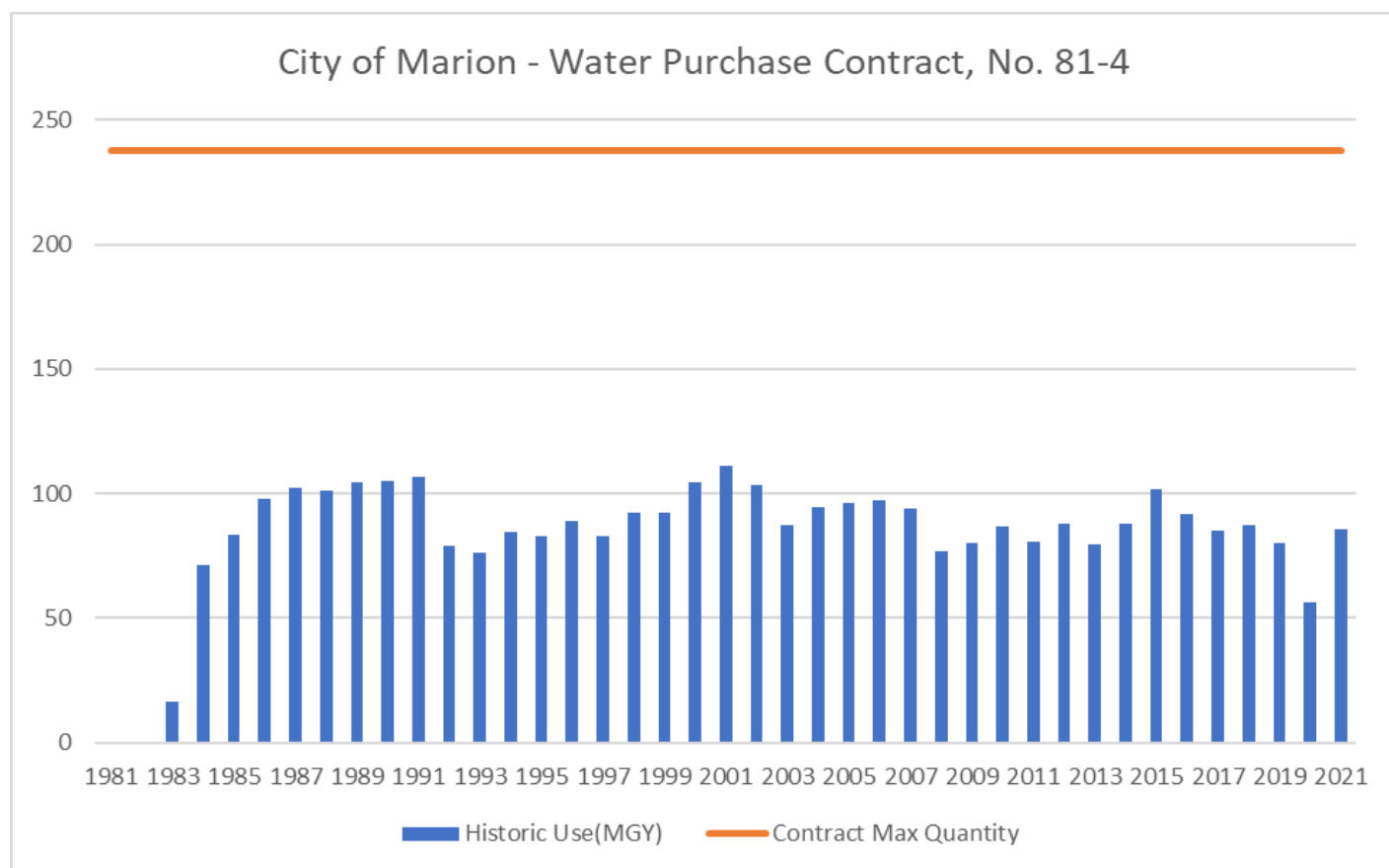


The Kansas Water Authority shall consider the following items in determining whether the proposed contract is in the best interest of the people of the State of Kansas and whether benefits to the State for approving the contract outweigh the benefits to the state for not approving the contract.

1. The present and future water supply needs of the applicant;

The applicant is requesting a renewal of the 237.5 million gallons per year (mg), currently authorized by Water Purchase Contract, No. 81-4. Marion Reservoir has been sole source of water for the city for the past 40 years. The city transitioned from a raw water intake on Mud Creek to Marion Reservoir due to water quality problems.

The chart below shows the historic water use under Water Purchase Contract No. 81-4.



There is no indication of population or water use demand increase. The city has not provided any information of future commercial or industrial customers, however, contract negotiations will include exploration of the potential for additional future demands.

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

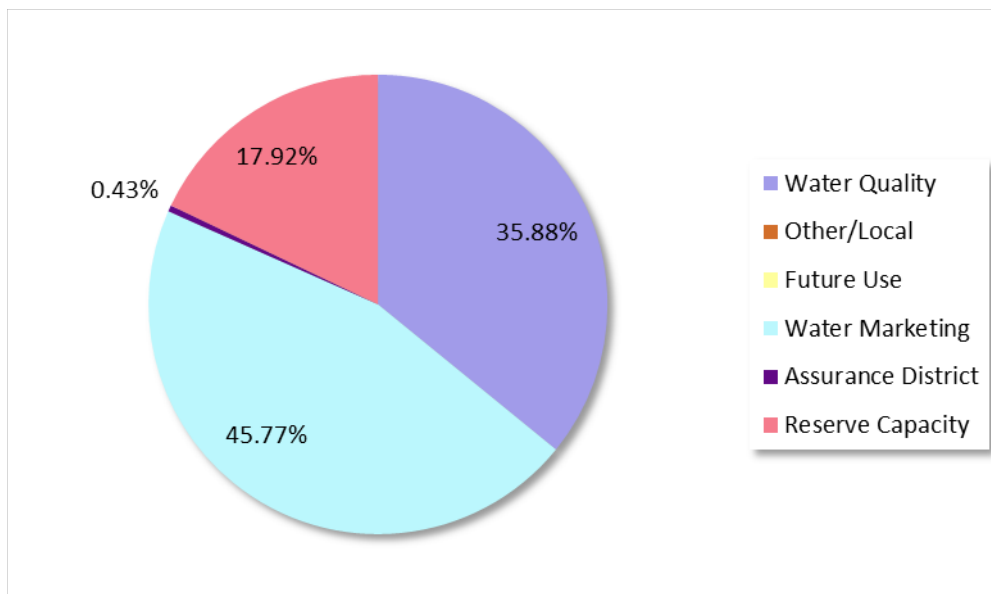
Three public water suppliers, including Marion, have existing contracts for water supply, see table below. The Kansas Water Office's modeling indicates that the Water Marketing storage is more than sufficient to provide adequate yield for current contract obligations through 2062. The applicant is not proposing to divert non-contracted water in excess of their current contracted quantity.

Purchasers, Contract Numbers, and Contract Quantities
Marion Reservoir

Contract Number	Customer Name	Contract End Date	2021 Maximum Gallons	2021 Maximum AF	Annual Contract Maximum Gallons	Annual Contract Maximum AF
21-3	City of Hillsboro	12/22/2061	300,000,000	921	300,000,000	921
81-4	City of Marion	10/3/2023	237,500,000	729	237,500,000	729
99-1	City of Peabody	4/9/2039	60,000,000	184	60,000,000	184
			597,500,000	1,834	597,500,000	1,834

3. Any reasonable foreseeable beneficial use of the water;

As mentioned in the previous section, Water Marketing storage is more than sufficient to meet contractual obligations for water supply. Modeling results show that less than 20% of conservation storage is needed, less than half of the Marketing storage. Given the surplus of Marketing storage and additional water supply Reserve capacity, Marion is currently underutilized.



It is worth noting that the KWO, over the past few years, has performed modeling scenarios within the Cottonwood/Neosho that make use of Marion Reservoir water supply to meet downstream demands. Some of the available water supply storage in Marion will be needed to support the water supply needs of Wolf Creek, as the capacity and yield of John Redmond decreases from sedimentation.

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

A dependable long-term water supply is essential for the for the local economy, public health, and welfare. No adverse impacts have been identified.

5. Alternative sources of water available to the applicant;

As mentioned before, the city previously used Mud Creek as a source of water and transitioned to Marion Reservoir due to water quality problems. A rigorous evaluation of alternative water sources does not appear to be appropriate for this existing customer of the Water Marketing Program. Other water utilities in the area include the City of Hillsboro, Marion County RWD No. 4, and the City of Peabody. Hillsboro and Marion are in close proximity to the geographic boundaries of MN RWD4 but

further evaluation of their infrastructure and sources would be needed completed. The City of Hillsboro and the City of Peabody are also customers of the Water Marketing Program, with Marion Reservoir as the source. Review of the files at the KWO reveal that Marion and Hillsboro have had discussions about consolidation in the past but no formal plan has ever been developed and there is no indication that the cities are considering any partnership now.

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;

Marion currently has a contract for water supply from Marion Reservoir. The city will use existing facilities to treat and transport water to its customers.

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. The Kansas Water Plan indicates that development of regional solutions and use of existing sources is preferred in water supply development. KWO will be supportive and accommodating if and when the City of Hillsboro and City of Marion chose to pursue consolidation.

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

Application No. 265 was received by the Kansas Water Office from the City of Marion on December 23, 2022.

9. Minimum streamflow requirements; and

Marion Reservoir will be making minimum releases from a separate sub-pool (Water Quality) within the conservation pool meet the instream flow needs immediately downstream of the reservoir, primarily for aquatic life in the stilling basin. Marion Reservoir is not responsible for downstream flow of the Cottonwood River. Baseflow gains of the Cottonwood River are normally very healthy.

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

The City of Marion has a water conservation plan that was developed as part of the requirements for purchase of water supply from the Water Marketing Program. The plan is consistent with the guidelines of the Kansas Water Office and was approved on July 30, 2012.

Based on these findings, the Kansas Water Office recommends that the Kansas Water Authority authorize the Director to begin negotiations with the City of Marion for the purchase of water from Marion Reservoir for municipal water supply purposes.

**PRELIMINARY FINDINGS
REQUEST BY CITY OF COFFEYVILLE
TO PURCHASE WATER
FROM ELK CITY LAKE FOR WATER SUPPLY PURPOSES
DECEMBER 28, 2022**

The Director of the Kansas Water Office submits findings to the Kansas Water Authority for review and to decide whether to authorize the Director to enter into contract negotiations with the City of Coffeyville for water supply from Elk City Lake. The Kansas Water Office received a written application on December 28, 2022, accompanied by a request to begin negotiations. Coffeyville currently holds Water Purchase Contract No. 81-5 for water supply from Elk City Lake, which will expire on December 16, 2023. Article 17 of their contract provides the purchaser a right of first refusal to enter into a new contract, contingent on the yield availability.

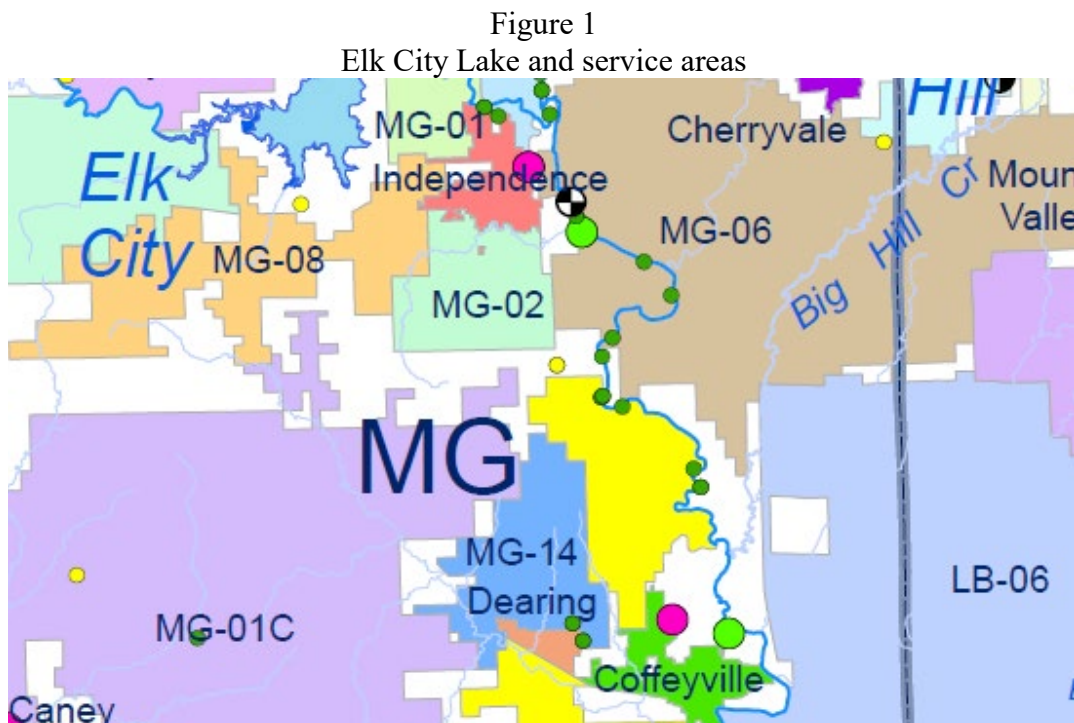
In accordance with K.S.A. 82a-1305, which states, in part:

"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."

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.

If the Kansas Water Authority finds that the request meets these two criteria, it should authorize the Director to begin negotiations with the applicant. Figure 1 is a map of Elk City Lake and municipal water service areas.



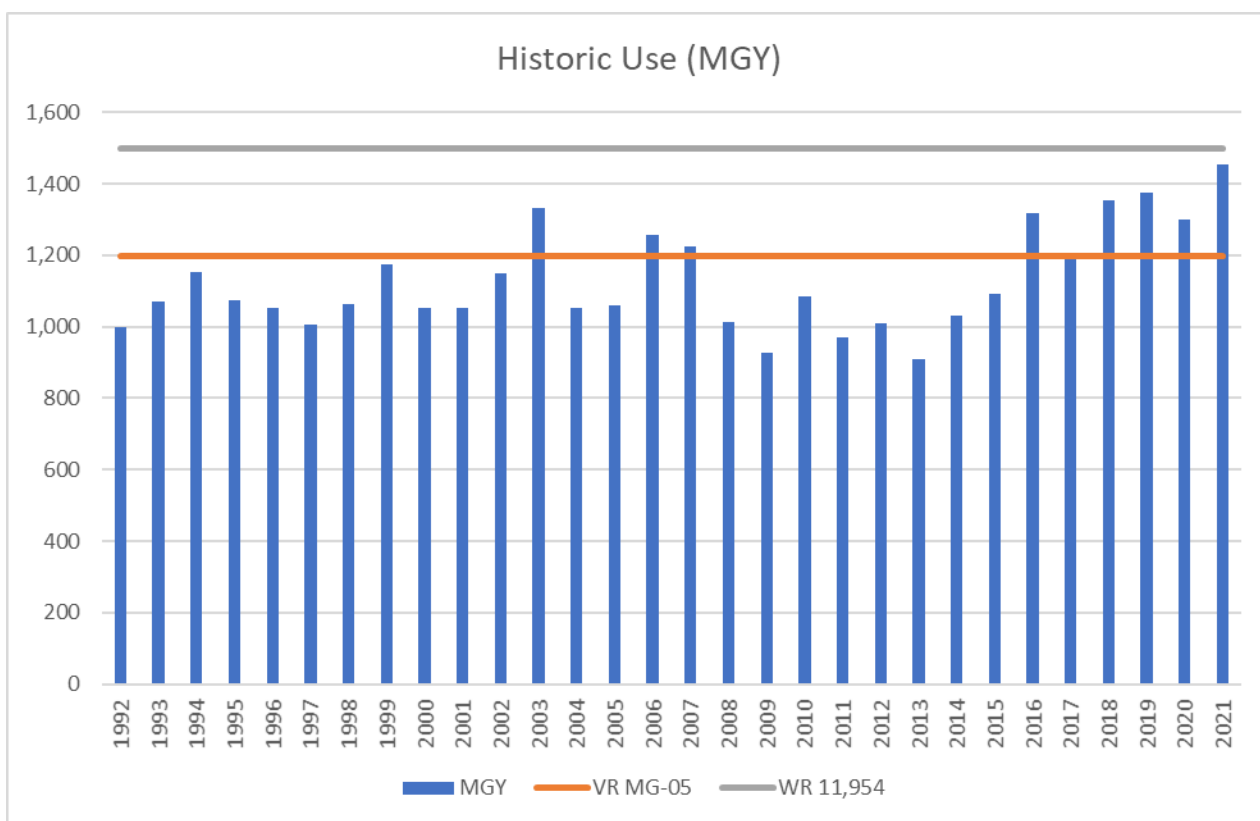
The Kansas Water Authority shall consider the following items in determining whether the proposed contract is in the best interest of the people of the State of Kansas and whether benefits to the State for approving the contract outweigh the benefits to the state for not approving the contract.

1. The present and future water supply needs of the applicant;

The applicant's source of water is the Verdigris River and water rights held by the city have an authorized quantity that has been of sufficient quantity to meet their water supply demand. Water Purchase Contract No. 81-5 authorizes the city to withdraw an additional 300 MGY from Elk City Lake, however, the contract has only been used to supplement the city's demand when natural flows in the Verdigris River are insufficient. The applicant is requesting to negotiate a contract for 500 MGY from Elk City Lake.

Water Right	MGY
MG-005	1,197
11,954	303
Total	1,500

The chart below shows 30 years of annual water use from the Verdigris River. Water use was somewhat stable but has been trending upward in recent years. During negotiations, KWO will work with the applicant to develop future demand projections for use in the model.



In addition to use within the city, Coffeyville also sells water to rural water districts in the area, as follows: Dearing, Labette RWD 6, Montgomery RWD 1C, 2C, & 14, So. Coffeyville OK, Nowata RWD 7 OK

The intent of the applicant is to decrease their drought vulnerability. A water purchase contract to provide access to water supply storage in Elk City Lake and supplement their water supply needs when natural flows are insufficient in the Verdigris River.

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

The City of Independence and Coffeyville Resources also have existing contracts for water supply, see table below. The Kansas Water Office's preliminary modeling indicates that the Water Marketing storage is more than sufficient to provide adequate yield for current and proposed contract obligations through 2062 but KWO will scrutinize all system demands during negotiations.

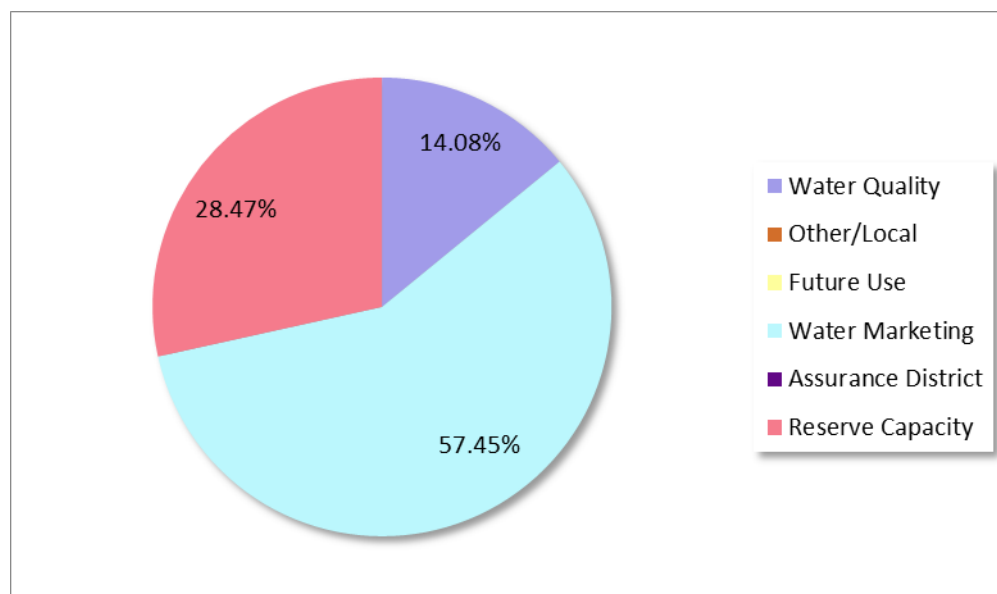
Purchasers, Contract Numbers, and Contract Quantities
Elk City Lake

Table 2: Contracted Quantities

Contract Number	Customer Name	Contract End Date	2023 Maximum Gallons	2023 Maximum AF	Annual Contract Maximum Gallons	Annual Contract Maximum AF
81-5	City of Coffeyville	12/16/2023	300,000,000	921	300,000,000	921
99-5	Coffeyville Resources	12/3/2039	608,000,000	1,866	608,000,000	1,866
12-7	Coffeyville Resources	8/9/2051	400,000,000	1,228	400,000,000	1,228
22-01	City of Independence	8/17/2062	60,000,000	184	60,000,000	184
			1,368,000,000	4,199	1,368,000,000	4,199

3. Any reasonable foreseeable beneficial use of the water;

As mentioned in the previous section, Water Marketing storage is sufficient to meet contract obligations for water supply, assuming current (and proposed) contract quantities carry forward.



The reasonable and foreseeable use of the available yield from Elk City Lake is most likely to meet the supplemental water supply needs of the City of Coffeyville, City of Independence, and Coffeyville Resources. The City of Independence, recently acquiring WPC 22-01, may also be interested in increasing their contracted water supply from Elk City – as there appears to be additional industrial

growth in the near future. KWO will incorporate the best available data on all future demands in the region during negotiations.

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

A dependable long-term water supply is essential for the for the local economy, public health, and welfare. No adverse impacts have been identified.

5. Alternative sources of water available to the applicant;

No reasonably viable alternative sources have been identified to supplement the city's needs.

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 Elk River and Verdigris River will deliver water released from storage to the city's water supply intake on the Verdigris River.

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. The Kansas Water Plan indicates that development of regional solutions and use of existing sources is preferred in water supply development. The city is serving as a valuable regional supplier.

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

Application No. 266 was received by the Kansas Water Office from the City of Coffeyville on December 28, 2022.

9. Minimum streamflow requirements; and

The KWO and the Tulsa District of the U.S. Army Corps of Engineers cooperatively operate Elk City Lake and provides a minimum release to the Elk River (see table below). A portion of the conservation storage (14.08%) in Elk City Reservoir is dedicated to serving water quality needs below the reservoir and is used for the minimum release.

Elk City Reservoir Minimum Release Schedule (cfs)

Reservoir	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Elk City	5	5	5	5	5	5	5	5	5	5	5	5

While there are no minimum desirable streamflows (MDS) in the Verdigris Basin, target flows (see table below) are specified by the MOA at the Altoona, Fredonia, and Independence gages.

Verdigris Basin Target Flows (cfs)

Gage Location	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Altoona	3	3	3	3	5	5	5	5	5	3	3	3

Fredonia	5	5	5	5	5	5	5	5	5	5	5	5
Independence	35	35	35	35	35	35	35	35	35	35	35	35

The use of both water quality storage and water supply storage is necessary to maintain target flows throughout the system, particularly from Elk City Lake.

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

The City of Coffeyville has an approved water conservation plan. The plan was consistent with the 1990 guidelines of the Kansas Water Office and was approved on January 19, 2007. KWO will assist the applicant to ensure that their WCP is consistent with the most recent guidelines.

Based on these findings, the Kansas Water Office recommends that the Kansas Water Authority authorize the Director to begin negotiations with the City of Coffeyville for the purchase of water from Elk City Lake for municipal water supply purposes.

MEMO



DATE: January 10, 2023
TO: Kansas Water Authority
FROM: Jeremiah Hobbs, RAC Operations Committee Chair
RE: RAC Membership & RAC Messages

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

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.

MEMO



DATE: January 20, 2023
 TO: Kansas Water Authority
 FROM: Victoria Potts
 RE: 2024 Governor's Budget Recommendations

900 SW Jackson Street, Suite 404
 Topeka, KS 66612
 Phone: (785) 296-3185
 Fax: (785) 296-0878
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State Water Plan Fund

The Governor's Budget Recommendations included the full statutory transfers of \$6 million SGF and \$2 million EDIF to the State Water Plan Fund for FY 2024. Recommendations for State Water Plan Fund line items are displayed in the chart below.

EXPENDITURES	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	\$ -
Nonpoint Source Program	\$ 414,893	\$ 414,893	\$ -
TMDL Initiatives	\$ 384,916	\$ 384,916	\$ -
Harmful Algae Bloom Pilot	\$ 150,547	\$ 150,547	\$ -
Watershed Restoration/Protection (WRAPS)	\$ 1,000,000	\$ 1,000,000	\$ -
Drinking Water Protection Program	\$ 800,000	\$ 800,000	\$ -
NEW: LEPP	\$ 250,000	\$ 250,000	\$ -
NEW: Surface Water Trash Removal	\$ 50,000	\$ 50,000	\$ -
SUBTOTAL-KDHE	\$ 4,146,334	\$ 4,146,334	\$ -
Department of Agriculture			
Interstate Water Issues	\$ 514,664	\$ 514,664	\$ -
Subbasin Water Resources Management	\$ 650,174	\$ 650,174	\$ -
Water Use	\$ 100,000	\$ 100,000	\$ -
Water Resources Cost Share	\$ 2,834,714	\$ 2,768,956	\$ (65,758)
Nonpoint Source Pollution Asst.	\$ 1,863,636	\$ 1,863,636	\$ -
Aid to Conservation Districts	\$ 2,502,706	\$ 2,502,706	\$ -
Watershed Dam Construction	\$ 650,000	\$ 650,000	\$ -
Water Quality Buffer Initiative	\$ -	\$ -	\$ -
Riparian and Wetland Program	\$ 154,024	\$ 154,024	\$ -
Water Transition Assistance Program/CREP	\$ 650,727	\$ 550,727	\$ (100,000)
Irrigation Technology	\$ 550,000	\$ 550,000	\$ -
Crop and Livestock Research	\$ 350,000	\$ 350,000	\$ -
Soil Health	\$ 400,000	\$ 200,000	\$ (200,000)
Streambank Stabilization	\$ 850,000	\$ 750,000	\$ (100,000)
SUBTOTAL-KDA	\$ 12,070,645	\$ 11,604,887	\$ (465,758)
Kansas Water Office			
Assessment and Evaluation	\$ 834,078	\$ 834,078	\$ -
MOU - Storage Operations & Maintenance	\$ 736,160	\$ 736,160	\$ -
Stream Gaging	\$ 448,708	\$ 448,708	\$ -
Technical Assistance to Water Users	\$ 425,000	\$ 425,000	\$ -
Reservoir and Water Quality Research	\$ 450,000	\$ 450,000	\$ -
Water Quality Partnerships	\$ 884,176	\$ 884,176	\$ -
KS Water Plan Education & Outreach Strategy	\$ 250,000	\$ 250,000	\$ -
High Plains Aquifer Partnerships	\$ 850,000	\$ 850,000	\$ -
Kansas Reservoir Protection Initiative	\$ 1,000,000	\$ 1,000,000	\$ -
Equus Beds Chloride Plume Remediation Project	\$ 50,000	\$ 50,000	\$ -
Flood Response Study	\$ 200,000	\$ 200,000	\$ -
Arbuckle Study	\$ 150,000	\$ 150,000	\$ -
Water Injection Dredging (WID)	\$ -	\$ -	\$ -
SUBTOTAL-KWO	\$ 6,278,122	\$ 6,278,122	\$ -
Department of Wildlife & Parks			
Aquatic Nuisance Species (ANS) Program	\$ 224,457	\$ 224,457	\$ -
University of Kansas—Geological Survey	\$ 140,000	\$ 26,841	\$ (113,159)
FY2024 Pay Plan		\$ 80,742	\$ 80,742
Total State Water Plan Expenditures	\$ 22,859,558	\$ 22,361,383	\$ (498,175)

Statewide Pay Adjustment

The Governor also recommended a statewide 5 percent pay adjustment for most state employees for FY 2024. Agencies that utilize State Water Plan Fund dollars for salaries and wages would be appropriated additional SWPF dollars to implement the pay adjustment, but additional revenue will not be given to the SWPF to cover the additional costs. It is noted that the recommended FY 2024 ending balance of the SWPF is sufficient to cover the additional costs, estimated at \$80,742.

REVENUE	FY 2024 KWA/Agency Budget Recs (Full Rest.)	FY2024 GOV Recommendations
Beginning Balance	\$ 2,440,115	\$ 2,440,115
Transfers and Adjustments		
State General Fund Transfer	\$ 6,000,000	\$ 6,000,000
Economic Development Fund Transfer	\$ 2,000,000	\$ 2,000,000
Release of Prior Year Encumbrance		
Other Service Charges	\$ 50,000	\$ 50,000
Transfers to SGF - John Redmond Bond	\$ -	\$ -
SUBTOTAL-Adjustments	\$ 8,050,000	\$ 8,050,000
Receipts		
Municipal Water Fees	\$ 3,189,304	\$ 3,189,304
Clean Drinking Water Fee Fund	\$ 2,872,301	\$ 2,872,301
Industrial Water Fees	\$ 850,000	\$ 850,000
Stock Water Fees	\$ 439,609	\$ 439,609
Pesticide Registration Fees	\$ 1,488,892	\$ 1,488,892
Fertilizer Registration Fees	\$ 4,049,921	\$ 4,049,921
Pollution Fines and Penalties	\$ 70,000	\$ 70,000
Sand Royalties	\$ 15,000	\$ 15,000
SUBTOTAL-Receipts	\$ 12,975,027	\$ 12,975,027
Total Available	\$ 23,465,142	\$ 23,465,142
Less: Expenditures	\$ 22,859,558	\$ 22,361,383
Ending Balance	\$ 605,584	\$ 1,103,759

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>				

Full details of the Governor's Budget report, including the Governor's Budget Recommendations and the Director of the Budget's presentation on these recommendations, can be found at <https://budget.kansas.gov/budget-report/>.

State Water Plan Fund

Kansas Water Authority FY2024 Budget Recommendations

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)

State Water Plan Fund

Kansas Water Authority FY2024 Budget Recommendations

REVENUE	FY 2024 KWA/Agency Budget Recs (Full Rest.)	FY2024 DOB Recommendations	FY2024 GOV Recommendations
Beginning Balance	\$ 2,440,115	2,440,115	\$ 2,440,115
Transfers and Adjustments			
State General Fund Transfer	\$ 6,000,000	6,000,000	\$ 6,000,000
Economic Development Fund Transfer	\$ 2,000,000	2,000,000	\$ 2,000,000
Release of Prior Year Encumbrance			
Other Service Charges	\$ 50,000	50,000	\$ 50,000
Transfers to SGF - John Redmond Bond	\$ -	\$ -	\$ -
SUBTOTAL-Adjustments	\$ 8,050,000	8,050,000	\$ 8,050,000
Receipts			
Municipal Water Fees	\$ 3,189,304	3,189,304	\$ 3,189,304
Clean Drinking Water Fee Fund	\$ 2,872,301	2,872,301	\$ 2,872,301
Industrial Water Fees	\$ 850,000	850,000	\$ 850,000
Stock Water Fees	\$ 439,609	439,609	\$ 439,609
Pesticide Registration Fees	\$ 1,488,892	1,488,892	\$ 1,488,892
Fertilizer Registration Fees	\$ 4,049,921	4,049,921	\$ 4,049,921
Pollution Fines and Penalties	\$ 70,000	70,000	\$ 70,000
Sand Royalties	\$ 15,000	15,000	\$ 15,000
SUBTOTAL-Receipts	\$ 12,975,027	12,975,027	\$ 12,975,027
Total Available	\$ 23,465,142	23,465,142	\$ 23,465,142
Less: Expenditures	\$ 22,859,558	20,680,641	\$ 22,361,383
Ending Balance	\$ 605,584	2,784,501	\$ 1,103,759