



MEMO

DATE: May 24, 2019
TO: Regional Advisory Committees
FROM: Earl Lewis, Acting Director
RE: State Water Plan Fund Budget Recommendations

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The Kansas Water Authority (KWA) is developing recommendations for how the State Water Plan Fund (SWPF) should be allocated during state fiscal year 2021. This includes requesting restoration of the full \$6 million State General Fund and \$2 million Economic Development Initiatives Fund demand transfers to the SWPF.

During the April KWA meeting, action was taken setting a budget recommendation development timeline, including seeking regional advisory committee (RAC) input into the process before the KWA finalizes their recommendations. The KWA will take action at the July meeting to finalize budget recommendations so that agencies may include the recommendations in agency requests in September.

Attached are two spreadsheets covering the SWPF as recently approved by the legislature and requests that have been made for Fiscal Year 2021, including fee revenue the full restoration of the demand transfers.

Recognizing the unique role RACs serve in representing local interest in identifying issues and developing action plans to solve those issues, the KWA is seeking your input regarding the SWPF budget. In particular, for the requests regarding restoration of the demand transfers:

1. Which projects/programs are the highest priorities for your region to implement your goals and action plans?
2. What is an appropriate level of funding for those high priority items that will be effective and can be implemented?
3. Are there actions, projects or programs that your RAC feels should be included that are not, or that are getting too much attention?

The KWA Budget Committee will meet in mid to late July to review RAC and agency feedback to what has been requested. This will be a difficult task as I believe we all understand that there is more demand for funds than there is money available. Your input is very important to this process of identifying the most effective and critical funding needs.

We are asking that any RAC providing recommendations do so by action of the committee. This will help to ensure that the wishes of the committee are clearly communicated to the KWA Budget Committee.

Thank you for you continued work on our common water resource issues.

**State Water Plan Fund
FY2020 Final Appropriation**

EXPENDITURES	FY2018 Actuals	FY2018 Carry Forward	FY2019 Appropriated	FY2019 w/carry forward	FY2020 Appropriated
Department of Health and Environment					
Contamination Remediation	\$ 627,449	\$ 9,581	\$ 691,394	\$ 700,975	\$ 1,088,301
TMDL Initiatives	\$ 244,112	\$ 6,252	\$ 278,029	\$ 284,281	\$ 278,029
Nonpoint Source Program	\$ 235,045	\$ 10,495	\$ 303,208	\$ 313,703	\$ 303,208
Harmful Algae Bloom Pilot	\$ -	\$ -	\$ 450,000	\$ 450,000	\$ 450,000
Watershed Restoration and Protection	\$ 549,996	\$ 5,004	\$ 730,884	\$ 735,888	\$ 730,884
Drinking Water Protection Program	\$ -	\$ -	\$ -	\$ -	\$ 350,000
SUBTOTAL--KDHE	\$ 1,656,602	\$ 31,332	\$ 2,453,515	\$ 2,484,847	\$ 3,200,422
Department of Agriculture					
Interstate Water Issues	\$ 404,335	\$ 25,962	\$ 497,386	\$ 523,348	\$ 490,007
Subbasin Water Resources Management	\$ 539,837	\$ -	\$ 619,692	\$ 619,692	\$ 608,949
Water Use	\$ 75,000	\$ 45,178	\$ 72,600	\$ 117,778	\$ 72,600
Water Resources Cost Share	\$ 1,601,360	\$ 207,050	\$ 1,948,289	\$ 2,155,339	\$ 2,448,289
Nonpoint Source Pollution Asst.	\$ 1,331,554	\$ 299,464	\$ 1,860,023	\$ 2,159,487	\$ 1,857,836
Aid to Conservation Districts	\$ 2,000,000	\$ -	\$ 2,092,637	\$ 2,092,637	\$ 2,192,637
Watershed Dam Construction	\$ 528,157	\$ -	\$ 551,373	\$ 551,373	\$ 550,000
Water Quality Buffer Initiative	\$ 140,648	\$ 125,022	\$ 200,000	\$ 325,022	\$ 200,000
Riparian and Wetland Program	\$ 44,363	\$ 372,495	\$ 152,651	\$ 525,146	\$ 154,024
Water Transition Assistance Program/CREP	\$ 222,280	\$ 25,975	\$ 201,963	\$ 227,938	\$ 299,745
Irrigation Technology			\$ 100,000	\$ 100,000	\$ 100,000
Crop and Livestock Research					\$ 350,000
Hemp Research			\$ 100,000	\$ 100,000	
Sorghum Crop Research			\$ 150,000	\$ 150,000	
Streambank Stabilization			\$ 500,000	\$ 500,000	\$ 500,000
SUBTOTAL--KDA	\$ 6,887,534	\$ 1,101,146	\$ 9,046,614	\$ 10,147,760	\$ 9,824,087
Kansas Water Office					
Assessment and Evaluation	\$ 446,047	\$ 147,976	\$ 450,000	\$ 597,976	\$ 700,000
GIS Database Development	\$ 50,000	\$ -	\$ -	\$ -	
MOU - Storage Operations & Maintenance	\$ 363,699	\$ -	\$ 350,000	\$ 350,000	\$ 410,000
Stream Gaging	\$ 350,000	\$ -	\$ 431,282	\$ 431,282	\$ 423,130
Technical Assistance to Water Users	\$ 382,256	\$ 39,219	\$ 325,000	\$ 364,219	\$ 325,000
Vision Education Strategy	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ 100,000
Reservoir and Water Quality Research					\$ 350,000
Water Tech Farms	\$ -	\$ -	\$ 75,000	\$ 75,000	\$ 75,000
Kansas Alluvial	\$ 100,000	\$ -	\$ 50,000	\$ 50,000	
Streambank Study	\$ -	\$ -	\$ 100,000	\$ 100,000	
Bathymetric Study	\$ -	\$ 100,000	\$ 100,000	\$ 200,000	
Harmful Algae Bloom Study	\$ -	\$ -	\$ 100,000	\$ 100,000	
Watershed Conservation Practice Imp	\$ -	\$ -	\$ 900,000	\$ 900,000	\$ 700,000
Equus Beds Chloride Plume Project	\$ -	\$ -	\$ 50,000	\$ 50,000	\$ 50,000
Milford Lake Watershed RCPP	\$ -	\$ 200,000	\$ 200,000	\$ 400,000	\$ 200,000
Water Resource Planner	\$ -	\$ -	\$ 101,848	\$ 101,848	
Streambank Stabilization	\$ 1,000,000	\$ -	\$ -	\$ -	
SUBTOTAL--KWO	\$ 2,692,002	\$ 487,195	\$ 3,333,130	\$ 3,820,325	\$ 3,333,130
University of Kansas--Geological Survey					
State Employee Pay Plan					\$ 37,935
Total State Water Plan Expenditures	\$ 11,262,979	\$ 1,646,514	\$ 14,860,100	\$ 16,479,773	\$ 16,422,415

REVENUE	FY2018 Actuals	FY2018 Carry Forward	FY2019 Appropriated	FY2019 w/carry forward	FY2020 Projected
Beginning Balance	\$ 718,547		\$ 2,197,007	\$ 2,197,007	\$ 521,409
Transfers and Adjustments					
State General Fund Transfer	\$ 1,400,000		\$ 2,750,000	\$ 2,750,000	\$ 4,005,632
Economic Development Fund Transfer	\$ -		\$ 500,000	\$ 500,000	\$ 500,000
Release of Prior Year Encumbrance	\$ 479,604				
Other Service Charges	\$ 203,260		\$ 28,255	\$ 28,255	\$ 28,255
Transfers to SGF - John Redmond Bond	\$ (1,260,426)		\$ (1,260,426)	\$ (1,260,426)	\$ (1,260,426)
SUBTOTAL--Adjustments	\$ 822,438	\$ -	\$ 2,017,829	\$ 2,017,829	\$ 3,273,461
Receipts					
Municipal Water Fees	\$ 2,993,852		\$ 3,267,271	\$ 3,267,271	\$ 3,267,271
Clean Drinking Water Fee Fund	\$ 2,701,067		\$ 2,820,674	\$ 2,820,674	\$ 2,710,279
Industrial Water Fees	\$ 904,987		\$ 1,120,701	\$ 1,120,701	\$ 1,065,021
Stock Water Fees	\$ 368,617		\$ 464,256	\$ 464,256	\$ 458,695
Pesticide Registration Fees	\$ 1,431,093		\$ 1,334,523	\$ 1,334,523	\$ 1,375,453
Fertilizer Registration Fees	\$ 3,354,186		\$ 3,568,921	\$ 3,568,921	\$ 3,584,360
Pollution Fines and Penalties	\$ 158,620		\$ 165,000	\$ 165,000	\$ 150,000
Sand Royalties	\$ 6,580		\$ 45,000	\$ 45,000	\$ 16,466
SUBTOTAL--Receipts	\$ 11,919,001	\$ -	\$ 12,786,346	\$ 12,786,346	\$ 12,627,545
Total Available	\$ 13,459,986		\$ 17,001,183	\$ 17,001,183	\$ 16,422,415
Less: Expenditures	\$ 11,262,979		\$ 14,860,100	\$ 16,479,773	\$ 16,422,415
Ending Balance	\$ 2,197,007	\$ -	\$ 2,141,083	\$ 521,410	\$ 0

State Water Plan Fund Transfer Request (SGF/EDIF)
FY2021 Funding Requests by Vision Categories

Water Conservation

<i>Funding Agency</i>	<i>Requesting Agency</i>	<i>Description</i>	<i>FY2020 Legislature Approved</i>	<i>FY2021 Agency Request</i>	<i>Explanation and Justification</i>
KWO	KWO	Watershed Conservation Practice	\$ 700,000	\$ 1,800,000	To protect water supply storage and improve water quality in reservoirs across Kansas that provides water to municipal and industrial customers through implementation of watershed conservation practices within Vision priority watersheds.
KWO	KWO	Milford Lake Watershed RCPP	\$ 200,000	\$ 200,000	Nutrient runoff within the Milford Lake watershed in Kansas is a source of nutrient loading contributing to aquatic conditions which promote formation of harmful algal blooms (HABs) within Milford Lake. This RCPP project will look to implement conservation practices within the Milford Lake watershed to decrease nutrient runoff, thus decreasing the introduction of new nutrient loading contributing to the formation of HABs in Milford Lake.
KWO	KWO	Vision Education Strategy	\$ 100,000	\$ 250,000	Raise awareness of water issues within the state and increase the knowledge of those working within water-related careers. Partnering State Agencies: KDA, KDHE, KDWP&T, and KWO
KDHE	KDHE	Watershed Restoration and Protection	\$ 730,884	\$ 730,884	WRAPS contributes to the Kansas NPS Management Plan through the implementation of a voluntary targeted watershed-based program funded by CWA 319 and State Water Plan Funds. This program is unique because it works to seek citizen and stakeholder input and participation on watershed management and protection issues.
KDA	KDA	Non-Point Source Pollution	\$ 1,857,836	\$ 2,157,836	To implement additional soil health education activities in 105 county conservation districts as well as increasing landowner/operator scholarships to soil health educational seminars such as the annual No-Till on the Plains Conference (\$100K). Fund technical assistance in high priority areas through the use of contribution agreement conservation technician positions in partnership with NRCS (\$200K) without having to reduce Cost-Share funds.
KDA	KDA	Riparian and Wetland	\$ 154,024	\$ 404,024	Open the Initiative up to the remaining targeted watersheds in Kansas for enrollment. These funds would have the potential to promote conservation efforts on 1,100-1,500 acres in areas targeted by the State of Kansas for Sediment and Nutrient Impairment.
KDA	KDA	Water Resource Cost Share	\$ 2,448,289	\$ 2,948,289	To increase implementation of voluntary best management conservation practices that reduce sediment, soil erosion, phosphorus and other specified pollutants above federal reservoirs and in high priority HUC 12 watersheds. Mgmt practices such as the adoption of no-till, soil testing and prescribed grazing are offered along with structural practices to assist local conservation district boards and landowners accomplish water quality and quantity goals.
KDA	KDA	Watershed Dam Construction	\$ 550,000	\$ 1,450,000	To meet needs in unfunded dam construction (3 new sites: Marmaton WJD 102, Allen Creek WD 89 and Mill Creek WD 98) and rehabilitation of 8-10 existing flood control dams. State cost-share for New Construction and Rehabilitation are capped at \$120,000 per site per district.
KDA	KDA	CREP	\$ 299,745	\$ 699,745	Retire 6,186 ac-ft of water rights in Zone D with targeted enrollment of 4,124 irrigated acres in the Rattlesnake Creek impairment area [7,732 ac-ft & 5,155 irrigated acres with \$500,000 total]. DOC will partner with landowners, TNC, WaterPACK, GMD#5 and other interest groups to reduce pumping and conserve limited water resources.
KDA	KDA	Water Quality Buffer Initiative	\$ 200,000	\$ 200,000	Voluntary incentive program for landowners and operators who enroll in, or are eligible to enroll in the federal Continuous Conservation Reserve Program (CCRP). The Initiative provides state payments in addition to the CCRP annual payments for establishing either grass filter strips or riparian forest buffers in High Priority TMDL Watersheds
KDA	KDA	Streambank Stabilization	\$ 500,000	\$ 1,500,000	The Kansas Interagency Streambank Team has a total of 22 project sites that are being designed for construction or are seeking landowner contracts. These project are estimated to reduce sedimentation by 85,878 tons/year with projects located in all 3 of the priority watersheds. Current estimated cost of completion for these 22 projects is approximately \$3,750,000. Ground truthing for additional sites will continue in SFY2020.
KDA	KDA	Water Transition Assistance Program		\$ 200,000	Retire irrigation water rights in proximity to municipal water wells in the Wichita / Greeley counties RCPP project (Playas Recharging Kansas Communities). DOC will partner with NRCS, Playa Lakes Joint Venture, Ducks Unlimited, Pheasants Forever and other interest groups to reduce pumping and increase recharge in targeted areas.
KDA	KDA	Water Conservation Specialists <i>Subbasin Water Resources Mgmt</i>		\$ 300,000	Funding for three (\$300,000) Water Conservation Specialists. Two working in Garden City. One working in Stockton. These positions specialize in WCAs and LEMAs. These positions promote, monitor and conduct the technical work of the management programs. These positions are currently implementing Vision goals and objectives of water management. The WCAs are a voluntary program.
KDA	KDA	Water Conservation Manager <i>Subbasin Water Resources Mgmt</i>		\$ 125,000	To support, coordinate and supervise water conservation specialists in the field offices by performing targeted outreach and promotion for WCAs and LEMAs. Cost includes travel.
Sub-Total			\$ 7,740,778	\$ 12,965,778	

State Water Plan Fund Transfer Request (SGF/EDIF)
FY2021 Funding Requests by Vision Categories

Water Management					
<i>Funding Agency</i>	<i>Requesting Agency</i>	<i>Description</i>	<i>FY2020 Legislature Approved</i>	<i>FY2021 Agency Request</i>	<i>Explanation and Justification</i>
KWO	KWO	Technical Assistance to Water Users	\$ 325,000	\$ 425,000	Per K.S.A 82a-2101, Not less than 15% of the Clean Drinking Water Fee shall be used for technical assistance to water users to aid such systems in conforming to responsible management practices and complying with regulations of the United States environmental protection agency and rules and regulations of the department of health and environment.
KDHE	KDHE	Harmful Algae Bloom Pilot	\$ 450,000	\$ 450,000	Investigate and demonstrate in-lake treatment options such as ultrasound, superoxide or other chemical treatments in Reservoir. The objective is to assess the effectiveness of such treatment options at minimizing the impact of Harmful Algae Blooms (HABs).
KDHE	KDHE	TMDL Initiatives	\$ 278,029	\$ 278,029	Monitoring and assessment program to track trends and conditions in surface waters to achieve the objective of the Kansas Water Plan and maintain state primacy for administration of federal water quality programs. The section has primary responsibility for surface water chemical and biological monitoring and assessment, the 303(d) and TMDL programs, as well as the water quality standards program.
KDA	KDA	Subbasin Water Resources Mgmt	\$ 608,949	\$ 608,949	Provides enhanced water management by conducting hydrologic analyses at the subbasin level, developing decision support information and products, and performing enhanced water right protection through enforcement.
KDA	KDA	Interstate Water Issues	\$ 490,007	\$ 490,007	Provides state and consulting expertise to protect Kansas's interest in the Kansas-Colorado Arkansas River Compact and the Kansas-Colorado-Nebraska Republican River Comact. Staff and experts perform physical inspections across state lines and perform independent water accounting to ensure compliance. Staff and experts also review Colorado and Nebraska statutes, rules and regulations, and participate in water-related meetings throughout the basin to maintain good relationships and represent Kansas's interest.
KDA	KDA	Water Use Study	\$ 72,600	\$ 72,600	Kansas has the most thorough and accurate water use reporting system in the nation. Recently, funding from the Water Use Study Program helped develop an online water use reporting system to further improve the accuracy of our water use data and the efficiency reporting it. This year over 90% of mandatory reports were submitted through the online system increasing the accuracy of the data and making it available sooner. Funds a contract with the Kansas Geological Survey to maintain and enhance the online water use reporting system, and a contract with the United States Geological Survey to perform independent quality control on the water use data.
KDA	KDA	Aid to Conservation Districts	\$ 2,192,637	\$ 2,492,637	To maintain and enhance conservation district operations by addressing annual inflationary costs. This enhancement provides opportunities for matching by county governments as per K.S.A. 2-1907b.
KDA	KDA	Interstate Water Engineer		\$ 100,000	To enhance the existing interstate team to help administer and enforce the Kansas-Colorado Arkansas River Compact.
KDA	KDA	Real-Time Water Mgmt - telemetry		\$ 125,000	Purchase equipment to replace aging and deteriorating water pressure transducers, rate loggers, data loggers, and telemetry. Would be same equipment as KGS uses to bring consistency to mutual data collection efforts and economy of scale for maintenance.
KDA	KDA	Subbasin Water Resources Mgmt		\$ 85,000	Programmer that will work on WRIS, WRIS Mobile, WSI, and GIS-related applications.
KDA	KDA	DWR Application Specialist		\$ 150,000	To preserve and provide comprehensive public access to water right information by scanning existing paper files and making them electronically accessible through online services
KDA	KDA	Public Access to Water Right Info.		\$ 150,000	
		Sub-Total	\$ 4,417,222	\$ 5,277,222	

State Water Plan Fund Transfer Request (SGF/EDIF)

FY2021 Funding Requests by Vision Categories

Technology and Crop Varieties						
Funding Agency	Requesting Agency	Description	FY2020 Legislature Approved	FY2021 Agency Request	Explanation and Justification	
KWO	KWO	Water Technology Farms	\$ 75,000	\$ 250,000	Continued development and enhancement of demonstration farms that allow the installation and testing of the latest irrigation technologies and soil moisture management, as well as the opportunity to evaluate the effectiveness of conservation practice implementation in reducing sediment and nutrient runoff on a whole field scale. Enhancement to include Water Quality Tech Farms.	
KWO	KWO	Streamgaging	\$ 423,130	\$ 430,000	Support the continuous monitoring of streamflow's on key streams and rivers in Kansas, to determine flood stages for various streams and to help forecast when and where streams will crest during floods.	
KWO	KWO	Reservoir & Water Quality Research	\$ 350,000	\$ 350,000	Continued coordination, support and implementation of reservoir-related data collection, analysis and research of sediment and HABs, research related to sediment-reducing practices such as streambank stabilization projects, as well as the continuation of the Kansas River Alluvial Index Well Network and the associated stream aquifer model.	
KDA	KDA	Crop and Livestock Research	\$ 350,000	\$ 350,000	Work on research projects as identified by industry. See below for some current ideas.	
KDA	KDA	Irrigation Technology	\$ 100,000	\$ 200,000	To increase the implementation of practices that aid in the conservation of surface and ground water through the adoption of irrigation technology such as automated soil moisture probes, remote sensing units and mobile drip irrigation systems.	
Sub-Total			\$ 1,298,130	\$ 1,580,000		

Additional Sources of Supply						
Funding Agency	Requesting Agency	Description	FY2020 Legislature Approved	FY2021 Agency Request	Explanation and Justification	
KWO	KWO	Assessment & Evaluation	\$ 700,000	\$ 700,000	Provide the Water Planning and Vision process with the background information necessary to make decisions and improve implementation of projects. KWO contracts with consultants, universities and re-search entities for a variety of data collection and studies.	
KWO	KWO	MOU - Storage Operation & Maint.	\$ 410,000	\$ 480,100	Operation and Maintenance costs associated with reservoir water storage paid to the Corps of Engineers for water supply for storage not yet dedicated to a water marketing customer or water assurance district.	
KWO	KWO	Water Injection Dredging (WID)		\$ 1,500,000	WID injects water in the bottom of the reservoir, creating hereby density currents which are capable of transporting large amounts of sediment. The sediments are sluiced out of the reservoir.	
KWO	KWO	Future Use Storage Purchase		\$ 2,358,300	Call into service storage not needed for water quality purposes in Milford & Perry Reservoirs. This is currently shown as an unfunded liability with a end of contract balloon payments in 2034 and 2041, respectively.	
KWO	KWO	Equus Beds Chloride Plume Project	\$ 50,000	\$ 100,000	Chloride contamination within the Equus Beds Aquifer resulting from previous oil field production has resulted in areas of groundwater which is unsuitable for most uses. Remediation of areas of high chloride concentrations within the Equus Beds would help generate an additional water supply source as well as help protect and prolong the useable lifespan of groundwater wells around areas of chloride contamination.	
KDHE	KDHE	Contamination Remediation	\$ 1,088,301	\$ 1,088,301	Evaluation, monitoring, and remediation of contaminated soil and groundwater sites when the responsible party is unknown or is unable to undertake the necessary action.	
KDHE	KDHE	Drinking Water Protection	\$ 350,000	\$ 350,000	The program purpose is to insure all Kansas communities have a source of clean, healthy, affordable drinking water by planning and implementing strategies to prevent and mitigate contamination.	
KDA	KDA	Water Structures Professional Engineer <i>Interstate Water Issues</i>		\$ 100,000	Water Structures Engineer for activities which include independent review of complex engineering calculations and constriction documents for dams, channel changes, stream obstructions, floodplain fills and levees in order to process water structure permits. The work includes field inspections of construction and completed projects, safety inspections, resolution of conflicts and communication with landowners, contractors and other engineers. This position would ensure that succession in staff is appropriately and responsibly planned for.	
KDA	KDA	Water Supply Restoration		\$ 465,000	Partner with the City of Augusta to rehabilitate Santa Fe Lake which serves as one of their water supply reservoirs.	
Sub-Total			\$ 2,598,301	\$ 7,141,701		

	FY2020 Approved	FY2021 Requested
Total	\$ 16,054,431	\$ 26,964,701