

### Agriculture and Natural Resources

#### A-2 State Water Plan Fund, Kansas Water Authority, and State Water Plan

##### State Water Plan Fund

The State Water Plan Fund is a statutory fund (KSA 82a-951) that was created by the 1989 Legislature for the purpose of implementing the State Water Plan (KSA 82a-903). The State Water Plan Fund is subject to appropriation acts by the Legislature and may be used for the establishment and implementation of water-related projects or programs and related technical assistance. Funding from the State Water Plan Fund may not be used to replace full-time equivalent positions or for recreational projects that do not meet the goals or objectives of the State Water Plan.

##### *Revenue*

Revenue for the State Water Plan Fund is generated from the following sources:

**Water protection fees.** A water protection fee of \$0.03 per 1,000 gallons of water is assessed on the following:

- Water sold at retail by public water supply systems;
- Water appropriated for industrial use; and
- Water appropriated for watering livestock.

**Fees imposed on fertilizer and pesticides.** A tonnage fee on fertilizer and a fee for the registration of pesticides is assessed and transferred to the State Water Plan Fund in the following amounts:

- Inspection fees are imposed on each ton of fertilizer sold, offered or exposed for sale, or distributed in Kansas. Of that fee, \$1.40 per ton is credited to the State Water Plan Fund; and
- Every agricultural chemical that is distributed, sold, or offered for sale within the state must be registered, with an annual fee assessed for each registration. The law requires that \$100 from each registration fee be credited to the State Water Plan Fund.

**Sand royalty receipts.** A fee of \$0.15 per ton of sand sold is deposited in the State Water Plan Fund.

**Pollution fines.** Certain fines and penalties are levied by the Kansas Department of Health and Environment (KDHE) for water-related pollution, including:

- Violation of terms or conditions relating to public water supply systems;
- Commission of prohibited acts in relation to the operation of a public water supply system; and
- Violations of law governing the disposal of solid and hazardous waste.

**Clean water drinking fee.** A clean water drinking fee of \$0.03 per 1,000 gallons of water is assessed on retail water sold by a public water supply system and delivered through mains, lines, or pipes. Since July 1, 2007, revenue from the clean water drinking fee has been distributed as follows:

- 5/106 to the State Highway Fund;
- Of the remaining, not less than 15.0 percent for on-site technical assistance for public water supply systems; and
- The remainder to renovate and protect lakes used for public water supply.

**State General Fund transfer.** By statute, \$6.0 million annually is to be transferred from the State General Fund to the State Water Plan Fund. In recent fiscal years, this amount has been reduced in appropriations bills. The 2018 Legislature approved a transfer of \$2.75 million from the State General Fund to the State Water Plan Fund for FY 2019.

**Economic Development Initiatives Fund transfer.** By statute, \$2.0 million is to be transferred from the Economic Development Initiatives Fund to the State Water Plan Fund. The 2018 Legislature approved a transfer of \$500,000 from the Economic Development Initiatives Fund to the State Water Plan Fund for FY 2019.

<b>STATE WATER PLAN FUND REVENUE AND TRANSFERS*</b>			
<b>Receipts and Transfers In</b>	<b>FY 2017 Actual</b>	<b>FY 2018 Actual</b>	<b>FY 2019 Estimated</b>
State General Fund	\$ 0	\$1,400,000	\$ 2,750,000
Economic Development Initiatives Fund	0	0	500,000
Municipal Water Fees	3,028,509	2,993,852	3,267,271
Industrial Water Fees	973,133	904,987	1,120,701
Stock Water Fees	387,655	368,617	464,256
Pesticide Registration Fees	1,359,410	1,431,093	1,334,523
Fertilizer Registration Fees	3,491,049	3,354,186	3,568,921
Pollution Fines and Penalties	152,205	158,620	165,000
Sand Royalty Receipts	21,975	6,580	45,000
Clean Drinking Water Fees	2,724,051	2,701,067	2,820,674
<b>Total Receipts/ Transfers In</b>	<b>\$ 12,137,987</b>	<b>\$ 3,319,002</b>	<b>\$ 16,036,346</b>
* Does not include cash forward, released encumbrances, or other service charges.			

**Expenditures**

Expenditures from the State Water Plan Fund are based on priorities of the State Water Plan. The State Water Plan is developed and approved by the Kansas Water Authority. The following table summarizes recent actual and approved expenditures from the State Water Plan Fund.

<b>STATE WATER PLAN FUND EXPENDITURES*</b>			
<b>Agency/Project</b>	<b>FY 2017 Actual</b>	<b>FY 2018 Actual</b>	<b>FY 2019 Approved</b>
<b>Department of Agriculture</b>			
Interstate Water Issues	\$ 451,841	\$ 403,402	\$ 497,386
Water Use Study	107,488	75,000	72,600
Basin Management	781,007	539,802	619,692
Water Resources Cost Share	2,041,642	1,601,175	1,948,289
Nonpoint Source Pollution Assistance	1,866,556	1,331,554	1,860,023
Aid to Conservation Districts	2,092,637	2,000,000	2,092,637
Water Transition Assistance/CREP	178,572	222,280	201,963
Watershed Dam Construction	559,353	528,157	550,000
Water Quality Buffer Initiative	179,893	140,648	200,000
Riparian and Wetland Program	158,892	44,363	154,024
Streambank Stabilization	0	0	500,000
Irrigation Technology	0	0	100,000
Crop Research - Sorghum	0	0	150,000
Crop Research - Hemp	0	0	100,000
<i>Subtotal - Department of Agriculture</i>	<u>\$ 8,417,881</u>	<u>\$ 6,886,381</u>	<u>\$ 9,046,614</u>
<b>Kansas Water Office</b>			
Assessment and Evaluation	\$ 545,732	\$ 446,046	\$ 450,000
GIS Database Development	112,306	50,000	0
MOU-Storage Operation and Maintenance	302,071	363,699	350,000
Technical Assistance to Water Users	377,645	382,256	325,000
Streamgaging	431,282	350,000	431,282
Kansas River Alluvial	0	100,000	50,000
Bathymetric Surveys	0	0	100,000
Streambank Stabilization	400,000	1,000,000	0
Best Management Practices Implementation	0	0	900,000
Milford Lake RCPP	0	0	200,000
Water Vision Education	0	0	100,000
Streambank Stab. Effectiveness Research	0	0	100,000
Harmful Algae Bloom Research	0	0	100,000
Water Technology Farms	0	0	75,000
Equus Beds Chloride Plume	0	0	50,000
Water Resource Planner	0	0	101,848
<i>Subtotal - Kansas Water Office</i>	<u>\$ 2,169,036</u>	<u>\$ 2,692,001</u>	<u>\$ 3,333,130</u>
<b>Kansas Department of Health and Environment - Division of the Environment</b>			
Contamination Remediation	\$ 654,095	\$ 627,449	\$ 691,394
Total Maximum Daily Load	244,057	244,112	278,029
Nonpoint Source Program	297,768	235,045	303,208
Harmful Algae Bloom Pilot	0	0	450,000
Watershed Restor. and Protect. (WRAPS)	555,884	549,996	730,884
<i>Subtotal - KDHE-Environment</i>	<u>\$ 1,751,804</u>	<u>\$ 1,656,602</u>	<u>\$ 2,453,515</u>
<b>University of Kansas</b>			
Geological Survey	\$ 26,841	\$ 26,841	\$ 26,841
<b>Total Agency/Project Expenditures</b>	<u><b>\$ 12,365,562</b></u>	<u><b>\$ 11,261,825</b></u>	<u><b>\$ 14,860,140</b></u>

## Kansas Water Authority

The Kansas Water Authority (Authority) is a 24-member board that provides water policy advice to the Governor, Legislature, and the Director of the Kansas Water Office. The Authority is responsible for approving water storage sales, the State Water Plan, federal water contracts, and regulations and legislation proposed by the Kansas Water Office. The Authority meets quarterly. The Authority consists of 13 voting members and 11 ex officio members.

Voting membership includes:

- One member appointed by the Governor (also serving as chairperson);
- One member appointed by the President of the Senate;
- One member appointed by the Speaker of the House;
- A representative of large municipal water users;
- A representative of small municipal water users;
- A board member of a western Kansas Groundwater Management District (including districts 1, 3, and 4);
- A board member of a central Kansas Groundwater Management District (including districts 2 and 5);
- A member of the Kansas Association of Conservation Districts;
- A representative of industrial water users;
- A member of the State Association of Watershed Districts;
- A member with a demonstrated background and interest in water use, conservation, and environmental issues; and
- Two representatives of the general public.

Ex officio membership includes:

- The State Geologist;
- The Chief Engineer of the Division of Water Resources of the Kansas Department of Agriculture;

- The Secretary of Health and Environment;
- The Director of the Kansas Water Office (also serving as secretary);
- The Director of the Agricultural Experiment Station of Kansas State University;
- The Chairperson of the Kansas Corporation Commission;
- The Secretary of Wildlife, Parks and Tourism;
- The Secretary of Commerce;
- The Executive Director of the Division of Conservation of the Kansas Department of Agriculture;
- The Secretary of Agriculture; and
- The Director of the Kansas Biological Survey.

One primary responsibility of the Authority is to consider and approve policy for inclusion in the State Water Plan. The State Water Plan includes policy recommendations that have specific statewide or local impact and priority issues and recommendations for each of the 12 river basins in Kansas.

### ***Budgetary Process***

Historically, the Division of the Budget has assigned allocations to each agency for the expenditure of State Water Plan Fund moneys. Beginning with the FY 2008 budget cycle, the Authority and the Division of the Budget agreed to allow the Authority to develop a budget recommendation in lieu of the Division's allocation process.

A budget subcommittee of the Authority meets in the summer to develop a State Water Plan Fund budget proposal. The budget is presented to the full Authority in August. The Authority-approved budget is used by the state agencies to develop their budgets.

The Governor's budget includes recommended expenditures for the State Water Plan Fund when it is presented to the Legislature each January.

For more information, please contact:

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