

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 fiscal year (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.

STATE WATER PLAN FUND REVENUE AND TRANSFERS*			
Receipts and Transfers In	FY 2018 Actual	FY 2019 Approved	FY 2020 Approved
State General Fund	\$1,400,000	\$2,750,000	\$4,005,632
Economic Development Initiatives Fund	0	500,000	500,000
Municipal Water Fees	2,993,851	3,267,271	3,267,271
Industrial Water Fees	904,987	1,120,701	1,065,021
Stock Water Fees	368,617	464,256	458,695
Pesticide Registration Fees	1,431,093	1,334,523	1,375,453
Fertilizer Registration Fees	3,354,186	3,568,921	3,584,360
Pollution Fines and Penalties	158,620	165,000	150,000
Sand Royalty Receipts	6,580	45,000	16,466
Clean Drinking Water Fees	2,701,067	2,820,674	2,710,279
Total Receipts/ Transfers In	\$13,319,001	\$16,036,346	\$17,133,177
* 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.

STATE WATER PLAN FUND EXPENDITURES			
Agency/Project	FY 2018 Actual	FY 2019 Approved	FY 2020 Approved
Department of Agriculture			
Interstate Water Issues	\$ 404,335	\$ 523,348	\$ 499,281
Water Use Study	75,000	117,778	72,600
Basin Management	539,837	619,692	621,651
Water Resources Cost Share	1,601,360	1,992,367	2,448,289
Nonpoint Source Pollution Assistance	1,331,554	2,159,487	1,860,104
Aid to Conservation Districts	2,000,000	2,092,637	2,192,637
Water Transition Assistance/CREP	222,280	390,910	302,046
Watershed Dam Construction	528,157	550,000	550,000
Water Quality Buffer Initiative	140,648	325,022	200,000
Riparian & Wetland Program	44,363	526,519	154,024
Streambank Stabilization	0	500,000	500,000
Irrigation Technology	0	100,000	100,000
Crop Research – Sorghum	0	150,000	0
Crop Research – Hemp	0	100,000	0
Crop and Livestock Water Research	0	0	350,000
<i>Subtotal - Department of Agriculture</i>	<i>\$ 6,887,534</i>	<i>\$ 10,147,760</i>	<i>\$ 9,850,632</i>
Kansas Water Office			
Assessment and Evaluation	\$ 446,047	\$ 597,976	\$ 700,000
GIS Database Development	50,000	0	0
MOU - Storage Operation and Maintenance	363,699	350,000	410,000
Technical Assistance to Water Users	382,256	364,219	325,000
Streamgaging	350,000	431,282	423,130
Kansas River Alluvial Aquifer Observation	100,000	50,000	0
Reservoir Bathymetric Surveys	0	200,000	350,000
Streambank Stabilization	1,000,000	0	0
Best Management Practices Implementation	0	900,000	700,000
Milford Lake RCPP	0	400,000	200,000
Water Vision Education	0	100,000	100,000
Streambank Stabilization Effectiveness Research	0	100,000	0
Harmful Algae Bloom Research	0	100,000	0
Water Technology Farms	0	75,000	75,000
Equus Beds Chloride Plume	0	50,000	50,000
Water Resource Planner	0	101,848	0
<i>Subtotal - Kansas Water Office</i>	<i>\$ 2,692,002</i>	<i>\$ 3,820,325</i>	<i>\$ 3,333,130</i>
Kansas Department of Health and Environment – Division of Environment			
Contamination Remediation	\$ 627,449	\$ 700,975	\$ 1,088,301
Total Maximum Daily Load	244,112	284,281	278,029
Nonpoint Source Program	235,045	313,703	303,208
Harmful Algae Bloom Pilot	0	450,000	450,000
Watershed Restoration and Protection (WRAPS)	549,996	735,888	730,884
Drinking Water Protection Program	0	0	350,000
<i>Subtotal - KDHE – Environment</i>	<i>\$ 1,656,602</i>	<i>\$ 2,484,847</i>	<i>\$ 3,200,422</i>
University of Kansas			
Geological Survey	\$ 26,841	\$ 26,841	\$ 26,841
Total Agency/Project Expenditures	\$ 11,262,979	\$ 16,479,773	\$ 16,411,025

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 each 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.

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