

MEMO



DATE: December 6, 2016
TO: Kansas Water Authority
FROM: Earl Lewis
RE: KWA Public Water Supply Committee Report Meeting

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The Public Water Supply Committee of the Kansas Water Authority met December 6, 2016. There were two action items and one informational item discussed.

Surplus Water Available in Water Marketing Program Lakes, Calendar Year 2017 (Surplus Report)

Approval of this report by the KWA gives the Director the permission to enter into contracts for water considered to be surplus during the calendar year. The Calendar Year (CY) 2017 Surplus Report includes the changes made annually to the report. The most significant is the yield of each reservoir which is reduced due to sedimentation, with the exception of John Redmond, where the yield increased due to the dredging project. The committee discussed the yield determination method and asked for additional information on the estimated increase in yield at John Redmond.

The other changes are:

- Increased the 2017 contract maximum for contracts in Hillsdale and Kanopolis per the graduated use schedules.
- Updated Pending Applications for 3 more years for McPherson, Post Rock, Russell and White Energy Partners for water from Kanopolis and removed an expired application for water from Elk City from Independence.

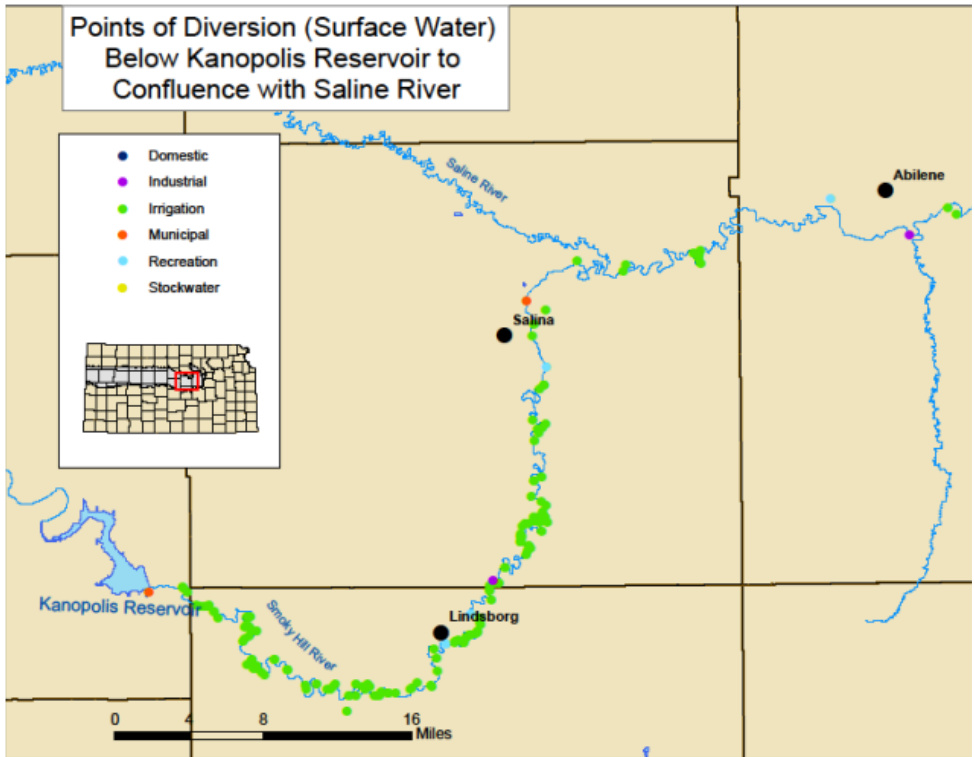
The draft report is included in with the mailing materials.

The Public Water Supply Committee recommends that the full Kansas Water Authority approve the Surplus Water Available in Water Marketing Program Lakes, Calendar Year 2017 report and authorize the Director to enter into surplus water supply contracts for water defined to be surplus by the report, subject to the inclusion of the update of the John Redmond Yield.

Lower Smoky Hill River Water Supply Access District: Purchase of Kanopolis Storage

The 2011 statute allowed for the creation of the Lower Smoky Hill River Water Supply Access District to allow for the purchase of Kanopolis storage to meet the downstream municipal, industrial, irrigation and recreation needs. The District filed for formation on March 7, 2014 and the final papers were filed with the Secretary of State's office December 6, 2016.

A timeline of the events leading up the the formation of the district is attached to this memo.

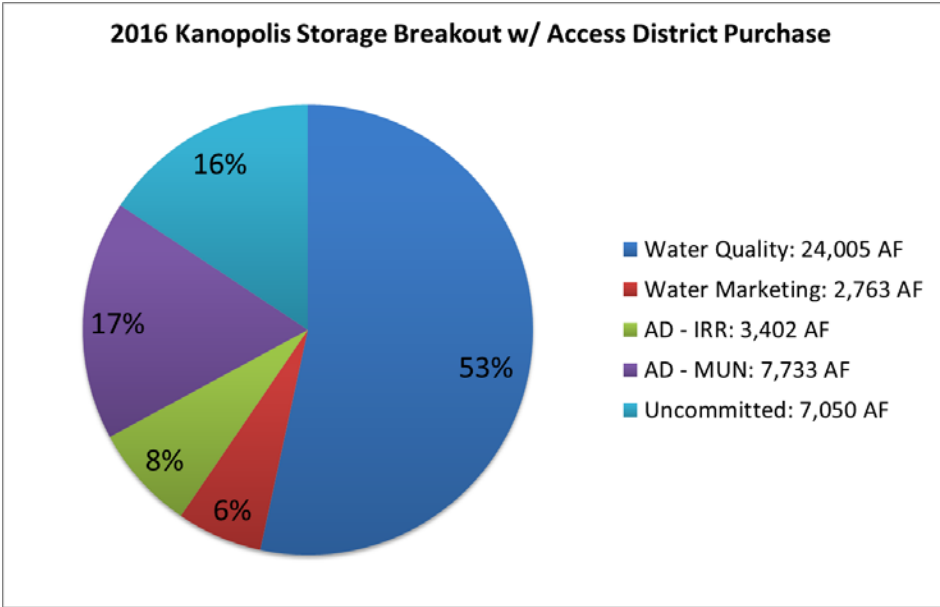


The volume of storage being requested by the Access District represents about 25% of the Conservation Pool or 53% of the water supply pool. (See figure below).

The KWO has notified all of those that have applications on file for a water marketing contract. No request to begin negotiations have been received from those applicants.

The Access District has expressed intent to purchase 7,733 ac ft. of 2016 storage for the city of Salina and up to 3,402 ac-ft. for the Lower Smoky Hill Special Irrigation District. The Irrigation District continues to finalize

purchase agreements with their members. The City of Salina has indicated intent to purchase their share lump sum; the Irrigation District would payoff the storage purchase over 20 years, as allowed in the statute.



All of the statutory requirements of individual members have been met and the Access District has been formed. Work has begun on the statutorily required operations agreement which will guide actions during times of drought.

Additional information will be provided on this subject at the full KWA meeting.

The Public Water Supply Committee recommends that the Kansas Water Authority authorize the Director of KWO to proceed with negotiations on the sale of storage from Kanopolis to the Lower Smoky Hill River Water Supply Access District.

Comprehensive Capital Development Plan

The **Water Marketing** Capital Development and Storage Maintenance Plan has been used since 2007 to set the variable rate for water marketing customers to assure adequate revenue is collected to meet the needs of the program. With information now available from the adoption of the Vision and Regional Advisory Committee Goal Action Plans into the State Water Plan and the discussions of the Blue Ribbon Funding Task Force, the KWO is revising the capital development plan to be a comprehensive look at water marketing, water assurance and state water plan revenue and expenditures related to reservoir storage and maintenance. The comprehensive capital development plan will continue to be refined and will be discussed with the KWA again at a future meeting.

This item is information only. No action required.

Events Leading to Special Smoky Hill River Access District Purchase of Storage

2002	<ul style="list-style-type: none"> • State of Kansas contracts with Corps of Engineers for the purchase of storage in Kanopolis Reservoir.
2006	<ul style="list-style-type: none"> • June low water levels Kanopolis. • July DWR ordered administration due to low streamflow, • Deviation of water quality releases considered by KWO, • Meeting with stakeholders
2008 & 2009	<ul style="list-style-type: none"> • Hydrologic system evaluation • Updated Kanopolis Yield estimated 6.5 MGD available in 2048 (was 12.5), • OASIS system modeling completed and evaluation of release schedule by KWO
2010	<ul style="list-style-type: none"> • Water Plan Policy development recommending mechanism to allow irrigation access to Kanopolis
2011	<ul style="list-style-type: none"> • Legislation passed to allow formation of irrigation and access district to allow for an entity to acquire storage in Kanopolis
2012	<ul style="list-style-type: none"> • June - modification of release schedule to meet target flows at Mentor rather than a set release quantity. • KWO worked closely with downstream users to make releases-saving some water in lake.
2013	<ul style="list-style-type: none"> • Rules and regulation process completed, and • Irrigation District formed
2014	<ul style="list-style-type: none"> • Special Irrigation District incorporated, and • Petition for Access District formation received
2015	<ul style="list-style-type: none"> • May, 2, May 8 and May 20-additional water irrigation storage requests received, and • Irrigation District and City develop agreements
2016	<ul style="list-style-type: none"> • Access District incorporating group formed; and • Incorporation papers filed with Secretary of State

