

**Testimony on Senate Bill 171
Senate Utilities Committee**

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Good Afternoon Chairman Masterson and Members of the Committee. I am Jaime Gaggero, the Bureau of Water Director with the Kansas Department of Health and Environment (KDHE). I appreciate the opportunity to provide testimony in support of a legislative initiative brought forward by my bureau regarding regulation of public water supply systems. As proposed, SB Bill 171 amends four statutes to align state laws with federal laws, clarifies penalty procedures, and allow certain regionalization project types to seek funding under the Kansas Public Water Supply Loan Fund. Following is a summary of the four statutory changes requested:

1. K.S.A. 65-163d (c) currently prohibits financing projects that acquire water through a water transfer. Striking this language would support KDHE's mission to support regional projects where economically feasible and implement a recommendation in the Governor's Water Vision, including water transfer projects.
2. K.S.A. 65-163i establishes that any Kansas Public Water Supply Loan Fund loan must be repaid in full no later than 20 years and at the time was consistent with federal statutes limiting repayment terms for the Kansas Public Water Supply Loan Fund. These federal requirements were recently changed through the America's Water Infrastructure Act of 2018 and extended to 40 years. This statutory change would allow up to 40 years for full loan repayment which would benefit communities in Kansas by lowering the monthly repayment amount. If passed into law, regulations would be developed that would establish criteria that loans must meet to be able to extend repayment terms beyond 20 years but no longer than 40 years.
3. K.S.A 65-170d (c) establishes penalty procedures for public water supply systems. This bill would clarify that the Secretary of Health and Environment may author orders in addition to the Division Director which is common practice of the agency now. The bill would also strike that the Secretary of Health and Environment must hold a hearing within 30 days of filing an appeal, which is also not current practice.
4. K.S.A. 65-171r (h) currently sets a maximum level of lead allowed in pipes and pipe fittings used for providing water for human consumption to not more than 8% which at the time was consistent with federal law. In 2011, the Safe Drinking Water Act was amended and lowered the limit to no more than 0.25%. This bill will delete the 8% maximum and replace it with the federal maximum of .25% to be consistent with federal law.

To obtain stakeholder input on the four proposed statutory changes, Bureau of Water staff engaged in multiple meetings with PWS stakeholders during the first half of 2018. This initiative was developed based on input provided during these meetings. Stakeholders that advised the agency included the League of Kansas Municipalities, Kansas Municipal Utilities, Ks Section of the American Water Works Association, Kansas Rural Water Association and select Public Water Suppliers within the State. The stakeholders generally support the language changes presented today.

Thank you for the opportunity to present testimony and I will stand for any questions the committee may have.