

SENATE BILL No. 272

AN ACT concerning water; relating to multi-year flex accounts;
amending K.S.A. 2011 Supp. 82a-736 and repealing the existing section.

Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 2011 Supp. 82a-736 is hereby amended to read as follows: 82a-736. *(a) It is hereby recognized that an opportunity exists to improve water management by enabling multi-year flexibility in the use of water authorized to be diverted under a groundwater water right, provided, that such flexibility neither impairs existing water rights, nor increases the total amount of water diverted, so that such flexibility has no long-term negative effect on the source of supply. It is therefore declared necessary and advisable to permit the establishment of multi-year flex accounts for groundwater water rights, together with commensurate protections for existing water rights and their source of supply.*

~~(a)~~(b) As used in this section:

(1) *“Base water right” means a water right under which an applicant applies to the chief engineer to establish a multi-year flex account and where all of the following conditions exist:*

(A) *The authorized source of supply is groundwater; and*

(B) *the water right has not been the subject of a change approval to implement the provisions of K.A.R. 5-5-9(a)(2), K.A.R. 5-5-11(b)(2) or K.A.R. 5-5-11(b)(3), in effect upon the effective date of this act.*

(2) *“Multi-year flex account” means a term permit which suspends a base water right during its term, except when the term permit may be no longer exercised because of an order of the chief engineer, and is subject to the terms and conditions as provided in subsection (e).*

~~(1)~~(3) *“Base average usage” means: (A) The average amount of water actually ~~used~~ diverted for a beneficial use under ~~a groundwater~~ the base water right during calendar years 2000 through 2009, excluding any amount ~~used~~ diverted in any such year ~~in excess of the amount that exceeded the maximum annual quantity of water authorized by such the~~ base water right; or (B) if the holder of ~~a groundwater~~ the base water right shows to the satisfaction of the chief engineer that ~~the holder has implemented significant~~ water conservation ~~measures~~ reduced water use under the base water right during calendar years 2000 through 2009, then the average amount of water actually ~~used~~ diverted for a beneficial use under ~~such the~~ base water right during the five calendar years immediately before the calendar year when ~~such measures were implemented~~ water conservation began, excluding any amount used in any such year ~~in excess of that exceeded the amount authorized by such the~~ base water right.*

~~(2)~~(4) *“Chief engineer” means the chief engineer of the division of water resources of the department of agriculture.*

(5) *“Flex account acreage” means the maximum number of acres lawfully irrigated during a calendar year when no term, condition or limitation of the base water right has been violated and either of the following conditions is met:*

(A) *The calendar year is 2000 through 2009; or*

(B) *if water conservation reduced water use under the base water right during calendar years 2000 through 2009, the calendar year is a year within the five calendar years immediately prior to the calendar year when water conservation began.*

(6) *“Net irrigation requirement” means the net irrigation requirement for 50% chance rainfall of the county that corresponds with the location of the authorized place of use of the base water right as provided in K.A.R. 5-5-12, on the effective date of this act.*

~~(b)~~(c) (1) Any holder of a ~~groundwater~~ base water right ~~which~~ that has not been deposited or placed in a safe deposit account in a chartered water bank may establish a multi-year flex account where the holder may deposit, in advance, *the authorized quantity of water from such water right for any five consecutive calendar years, subject to all of the following:*

~~(1)~~(A) *The water right must be vested or shall have been issued a certificate of appropriation;*

~~(2)~~(B) *the withdrawal of water pursuant to the water right shall be properly and adequately metered;*

~~(3)~~(C) *the water right ~~shall not be~~ is not deemed abandoned and ~~shall be in good standing, based on past water usage and is in compliance with the terms of the holder’s permit~~ and conditions of its certificate of ap-*

appropriation, all applicable provisions of law and orders of the chief engineer; and

~~(4)(D)~~ the amount of water that shall be deposited in the multi-year flex account shall not exceed 90% of the amount of the holder's base average usage times five the greatest of the following:

- (i) 500% of the base average usage;
- (ii) 500% of the product of the annual net irrigation requirement multiplied by the flex account acreage, multiplied by 110%, but not greater than five times the maximum annual quantity authorized by the base water right; or
- (iii) if the authorized place of use is located wholly within the boundaries of a groundwater management district, an amount that shall not increase the long-term average use of the groundwater right as specified by rule or regulation promulgated pursuant to subsection (o) of K.S.A. 82a-1028, and amendments thereto; and

(E) notwithstanding any other provisions of this subsection, except when the base water right is suspended due to the issuance of a two-year term permit in a designated drought emergency area for 2011 and 2012, the quantity of water deposited into a multi-year flex account shall be reduced by the quantity of water used in excess of the maximum annual quantity of the base water right during 2011 if the application for a multi-year flex account is filed with the chief engineer on or before July 15, 2012.

(2) The provisions of K.A.R. 5-5-11 are limited to changes in annual authorized quantity and shall not apply to this subsection.

~~(e)(d)~~ The chief engineer shall implement a program providing for the issuance of term permits to holders of groundwater water rights who have established flex accounts in accordance with this section. Such term permits shall authorize the use of water in a flex account at any time during the five consecutive calendar years for which the application for the term permit authorizing a multi-year flex account is made, without annual limits on such use.

~~(d)(e)~~ Term permits provided for by this section shall be subject to the following:

(1) A separate term permit shall be required for each point of diversion authorized by the base water right.

(2) The quantity of water authorized for diversion shall be limited to the amount deposited pursuant to subsection ~~(b)(4)(c)(1)(D)~~.

(3) The rate of diversion for each point of diversion authorized under the term permit shall not exceed the rate of diversion for each point of diversion authorized under the base water right.

~~(3)(4)~~ The authorized place of use for the term permit shall not be greater than that authorized by the existing groundwater right shall be the place of use or a subdivision of the place of use for the base water right.

(5) The point of diversion authorized by the term permit shall be specified by referencing one point of diversion authorized by the base water right at the time the multi-year flex account term permit application is filed with the chief engineer or at the time any approvals changing such referenced point of diversion of the base water right are approved during the multi-year flex account period. For a base water right with multiple points of diversion, each point of diversion authorized by a term permit shall receive a specific assignment of a maximum authorized quantity of water, assigned proportionately to the authorized annual quantities of the respective points of diversion under the base water right.

~~(4)(6)~~ The chief engineer may establish, by rules and regulations, criteria for such term permits when the water right authorizes multiple points of diversion or multiple water rights authorize a single point of diversion or overlapping places of use.

~~(5)(7)~~ Except as explicitly provided for by this section, such term permits shall be subject to all provisions of the Kansas water appropriation act, and rules and regulations adopted under such act, and nothing in this section shall authorize impairment of any vested right or prior appropriation right by the exercise of such term permit.

~~(e)~~ Unless a term permit is issued pursuant to an application filed before November 1 of the year prior to the first year for which the application is made, the quantity of water used under the water right during the year in which the application for the term permit is filed shall be

~~deducted from the amount of water deposited into the account authorized by the term permit.~~(f) *An application for a multi-year flex account shall be filed with the chief engineer on or before October 1 of the first year of the multi-year flex account term for which the application is being made.*

~~(f)~~(g) All costs of administration of this section shall be paid from fees for term permits provided for by this section. Any appropriation or transfer from any fund other than the water appropriation certification fund for the purpose of paying such costs shall be repaid to the fund from which such appropriation or transfer is made. At the time of repayment, the secretary of agriculture shall certify to the director of accounts and reports the amount to be repaid and the fund to be repaid. Upon receipt of such certification, the director of accounts and reports shall promptly transfer the amount certified to the specified fund.

(h) *The fee for a multi-year flex account term permit shall be the same as specified for other term permits in K.S.A. 82a-708c, and amendments thereto, except as follows:*

(1) *If the base water right is currently suspended due to the issuance of a two-year term permit in a designated drought emergency area for 2011 and 2012, then a holder of such term permit shall be subject to a \$200 application fee for a multi-year flex account term permit if the application is filed on or before July 15, 2012; or*

(2) *if water use under the authority of the base water right exceeded the maximum annual quantity authorized by the base water right during 2011 and the holder of the base water right files an application for approval of a multi-year flex account term permit on or before July 15, 2012, then the application fee shall be \$600.*

(i) *The chief engineer shall have full authority pursuant to K.S.A. 82a-706c, and amendments thereto, to require any additional measuring devices and any additional reporting of water use for term permits issued pursuant to this section. Failure to comply with any measuring or reporting requirement may result in a penalty, up to and including the revocation of the term permit and the suspension of the base water right for the duration of the term permit period.*

~~(g)~~(j) The chief engineer shall submit a written report on the implementation of this section to the house standing committee on ~~environ-~~
~~ment~~ *agriculture and natural resources* and the senate standing committee on natural resources on or before February 1 of each year.

~~(h)~~(k) This section shall be part of and supplemental to the Kansas water appropriation act.

Sec. 2. K.S.A. 2011 Supp. 82a-736 is hereby repealed.

Sec. 3. This act shall take effect and be in force from and after its publication in the Kansas register.

I hereby certify that the above BILL originated in the SENATE, and passed that body

SENATE concurred in
HOUSE amendments _____

President of the Senate.

Secretary of the Senate.

Passed the HOUSE
as amended _____

Speaker of the House.

Chief Clerk of the House.

APPROVED _____

Governor.