

Testimony on Senate Bill 358
Senate Agriculture and Natural Resources
Tom Stiles, Director of the Bureau of Water
Kansas Department of Health and Environment
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Chairman Kerschen and Members of the Committee:

I am Tom Stiles, Director of the Bureau of Water at the Kansas Department of Health and Environment (KDHE). Because this is a matter of legislative policy, KDHE remains neutral on SB 358. The Public Water Supply Loan Fund, also known as the Drinking Water State Revolving Loan Fund (DWSRF) is housed within KDHE and is used to provide low interest loans to municipalities, rural water districts and wholesale public water supply districts to invest in new and replacement infrastructure projects necessary for the delivery of drinking water compliant with the Federal Safe Drinking Water Act. When the Legislature created the DWSRF in 1994, through K.S.A. 65-163d, et seq., they chose to prohibit any projects involving a water transfer from using the fund.

Under the Water Transfer Act, K.S.A. 82a-1501, et seq., water transfers involve the annual movement of at least 2000 acre-feet of water over a distance of more than 35 miles from the water's place of origin. The Water Transfer Act describes the process for the state to evaluate whether a water transfer's benefits at the intended place of use outweigh its costs on the water's place of origin and should thereby be approved.

Governor Brownback's 50-year Long-Term Vision for the Future of Water Supply in Kansas recommended this particular prohibition be removed to enable communities to utilize all available tools to secure their water supply for the future. The Vision recommends under Alternative Sources:

1. *Eliminate statutory prohibition to use drinking water State Revolving Loan Fund (SRF) funds for water transfers and identify other state policies which unnecessarily limit transfers*

There has been only one water transfer in Kansas to date and it is anticipated that such a strategy will be infrequently employed except as a last resort, pursuant to the expectations on the project under the Water Transfer Act. The process safeguards any area of the state from an undue burden caused by movement of water.

Utilization of the DWSRF for projects involving water transfers can be easily managed within the existing resources of KDHE so no fiscal impact will accrue to the state. Any fiscal impact at the local level will involve repayment of loans acquired through the DWSRF, no different than what is required of other, non-water transfer public water supply projects.