

**Ogallala Aquifer Advisory Committee  
9:00 a.m., October 13, 2011  
K-State Research & Extension Office  
4500 E. Mary Street  
Garden City, Kansas  
AGENDA**

- 1. Introductions**
- 2. Approve Meeting Notes**
- 3. Review Draft LEMA Legislative Language**
- 4. Review Draft Water Bank Legislative Language**
- 5. Review Potential Changes to Flex Account Program**
- 6. Continued Discussion on Options to Conserve and Extend the Ogallala Aquifer**
- 7. Set next meeting time and location**

**Noon – Adjourn**

## Ogallala Aquifer Advisory Committee (OAAC) Meeting Minutes

Colby, September 21, 2011

**OAAC Committee Members:** Gary Harshberger, Mike Ramsey, Larry Maxwell, Matt Lee, Scott Maurath, Bert Stramel, Carolyn Armstrong, Toby Dougherty, Kim Goodnight, Rock Ormiston, Mike Shirley, Greg Graff.

**Committee Members Absent:** Connie Kuhlman, Cecil O'Brate, Mike McNiece, Clay Scott, Curtis Tobias, Brian Vulgamore, Steve Irsik, Mitch Baalman, Gary Baker

**Others:** Earl Lewis, Chris Wilson, Susan Stover, Lane Letourneau, Scott Ross, Greg Foley, Burke Griggs, Jan King, Mark Rude, Wayne Bossert, Tim Boese, Mike Corn, Kent Askren, Steven Hines, Ronald Conway, Michael Meyer, Kyle Spencer, Lon Frahm, Craig Cooper, Lincoln Wilson, Jay Waechter, Sim Sipes, Ted Tietjen, Jackie Widon, Jason Norquest, David Brenn, Carl Holmes, Larry Powell, Steve Alford

**Introductions:** Gary Harshberger called the meeting to order at 11:00 a.m., and self introductions were made by the committee and the audience.

**Meeting Notes:** The OAAC took action to approve the meeting notes from the Dodge City meeting on August 9, 2011, and the Scott City meeting on August 23, 2011. Both meeting notes were approved as presented.

**Draft Legislation Review:** Chris Wilson reviewed the two options on the amending the "use it or lose it" abandonment statute with the committee, one simple version, another that allowed GMDs the option to define criteria for abandonment. The merits of both approaches were discussed at some length.

The following motion was made by Larry Maxwell and seconded by Toby Doherty. There were three dissenting votes. Motion passed.

The OAAC recommends to the Kansas Water Authority the introduction of legislation to modify K.S.A. 82a-817(e) so it reads as follows: (e) *Notwithstanding the provisions of subsection (a), a groundwater right, which has as its local supply an aquifer area that has been closed to new appropriations by rule, regulation or order of the chief engineer and where means of diversion are available to put water to a beneficial use within a reasonable time, shall be deemed to have due and sufficient cause for nonuse and shall not be deemed abandoned.*

Chris Wilson, KDA, Wayne Bossert GMD4, and Burke Griggs, KDA-DWR, presented proposed legislative language 82a-1036(a) for Local Enhanced Management Areas (LEMA). Details of the draft legislative language were discussed in detail. Wayne Bossert noted there were still a few changes he'd recommend from the version handed out to the committee. It was noted that the other GMDs have not studied the proposed LEMA legislative language in detail. Gary Harshberger recommended additional time before a motion on the LEMA recommendation. He

asked the GMDs to submit their comments on the LEMA language for the OAAC to consider. He also wanted the OAAC to see the final proposed LEMA language before making a motion on it for the Kansas Water Authority. Materials for the Water Authority are due October 20<sup>th</sup>.

**Flex Account Discussion:** Lane Letourneau, KDA-DWR, presented a status report on the Department's consideration of revisions to the Multiyear Flex Accounts (82a-736). The intent is to make the program more useful, while not increasing consumptive use of water; currently the program is rarely used. One key change would be allowing the option for five year accounts to be based on the net irrigation requirement (NIR) for 50% chance rainfall for a specific county that corresponds to the authorized place of use. A map was shared on the county average water use compared to the NIR for 50% change rainfall. The group asked the Department to consider NIR for 60%, 70% and 80% chance rainfall for comparison. The Department will provide another status report at the next meeting.

**Water Banking:** Susan Stover, KWO, gave a brief overview of water banking in Kansas, and the evaluation team's recommendation to modify water banking to make it a more attractive tool for water markets and conservation. The Water Banking Act allows for up to two banks in Kansas. The only water bank developed covers the entire GMD5 district. The OAAC discussion indicated the water bank tool may be useful in the Ogallala. Gary Harshberger asked that KWO provide the OAAC the revised legislative language that would be needed to make water banking eligible in the Ogallala.

**Limited Irrigated Crop Insurance:** Jay Waechter, USDA Risk Management Agency, presented a powerpoint to update the OAAC on the development of an insurance option for limited irrigated crops.

Due to the hour, the last two items, Water Management in Other States, and Continued Discussion to Conserve and Extend the Ogallala were not addressed at this meeting.

**Next Meeting:** Thursday, October 13<sup>th</sup>, Garden City, 9 a.m. to noon. Agenda will include LEMA, Flex Accounts, and Water Banking.

**Adjournment:** The Committee adjourned at 3:30 p.m.

**I. 82a-1039a (Proposed). Local Enhanced Management Areas. (As of October 6, 2011)**

- (a) Whenever a groundwater management district recommends the approval of a local enhanced management plan to address any of the conditions set forth in K.S.A. 82a-1036(a)-(d) and amendments thereto within the district, the chief engineer shall review the local management plan. The chief engineer's review shall be limited to: (1) whether it proposes clear geographic boundaries; (2) whether it pertains to an area wholly within the GMD; (3) whether it proposes corrective control provisions that are adequate to meet the stated goals; and (4) whether it is consistent with state law. If, based on such review, the chief engineer finds that the local enhanced management plan is acceptable for consideration at hearing he or she shall initiate, as soon as practicable thereafter, proceedings for the designation of a local enhanced management area.
- (b) In any case where proceedings for a local enhanced management area are initiated, the chief engineer shall conduct an initial public hearing on the question of designating such an area as a local enhanced management area according to the local management plan. The initial public hearing shall resolve the following findings of fact: 1) whether one or more of the circumstances specified in K.S.A. 82a-1036(a)-(d), and amendments thereto, exist; and 2) whether the public interest requires that one or more corrective control provisions should be adopted. Only if the initial public hearing is favorable on both issues of fact, shall the LEMA process continue with the conduct of a subsequent hearing or hearings by the chief engineer to consider the local plan and conclude the LEMA process as prescribed in subsection (d). Written notice of all hearings shall be given to every person holding a water right in the area in question, and by one publication in any newspaper of general circulation within the area in question at least thirty (30) days prior to the date set for such hearing. The notice shall state the question and shall denote the time and place of the hearing. At every such hearing, documentary and oral evidence shall be taken, and a complete record of the same shall be kept.
- (c) The subject matter of the hearing or hearings set forth in subsection (b) shall be limited to the local management plan that the chief engineer has previously reviewed pursuant to subsection (a) and set for hearing.
- (d) Within 120 days of the conclusion of the final public hearing set forth in subsections (b)-(c), the chief engineer shall issue an order of decision:
  - 1. accepting the local management plan as sufficient to address any of the conditions set forth in K.S.A. 82a-1036(a)-(d) and amendments thereto;
  - 2. rejecting the local management plan as insufficient to address any of the conditions set forth in K.S.A. 82a-1036(a)-(d);
  - 3. returning the local management plan to the groundwater management district, giving reasons for the return, and providing the district with the opportunity to resubmit a revised plan for public hearing within 90 days of the return of the deficient plan; or
  - 4. returning the local management plan to the groundwater management district, and proposing modifications to the plan, based on testimony at the hearing, that will improve the administration of the plan but will not impose reductions in groundwater withdrawals that exceed those contained in the plan. If the groundwater management

district approves of the modifications proposed by the chief engineer, the district shall notify the chief engineer within 90 days of receipt of return of the plan. Upon receipt of the groundwater management district's approval of the modifications, the chief engineer shall accept the modified local management plan. If the groundwater management district does not approve of the modifications proposed by the chief engineer, the local management plan shall not be accepted.

- (e) In any case where the chief engineer issues an order of decision accepting the local management plan pursuant to subsection (d), the chief engineer shall, within a reasonable time, issue an order of designation, designating the area in question as a local enhanced management area.
- (f) The order of designation shall define the boundaries of the local enhanced management area and shall indicate the circumstances upon which the findings of the chief engineer are made. The order of designation may include any one or more of the following corrective control provisions according to the local management plan: (1) a provision closing the local enhanced management area to any further appropriation of groundwater in which event the chief engineer shall thereafter refuse to accept any application for a permit to appropriate groundwater located within such area; (2) a provision determining the permissible total withdrawal of groundwater in the local enhanced management area each day, month, or year, and, insofar as may be reasonably done, the chief engineer shall apportion such permissible total withdrawal among the valid groundwater right holders in such area in accordance with the relative dates of priority of such rights; (3) a provision reducing the permissible withdrawal of groundwater by any one or more appropriators thereof, or by wells in the local enhanced management area; (4) a provision requiring and specifying a system of rotation of groundwater use in the local enhanced management area; (5) any one or more other provisions making such additional requirements as are necessary to protect the public interest. The chief engineer is hereby authorized to delegate the enforcement of any corrective control provisions ordered for a local enhanced management area to the groundwater management district in which that area is located, upon the written request of the district.
- (g) The order of designation shall follow, insofar as may be reasonably done, the geographical boundaries recommended by the local management plan.
- (h) Except as provided by subsection (f), the order of designation of a local enhanced management area shall be in full force and effect from the date of its entry in the records of the chief engineer's office unless and until its operation shall be stayed by an appeal from an order entered on review of the chief engineer's order pursuant to K.S.A. 2011 Supp. 82a-1901 and amendments thereto and in accordance with the provisions of the Kansas judicial review act. The chief engineer upon request shall deliver a copy of such order to any interested person who is affected by such order, and shall file a copy of the same with the register of deeds of any county within which such local enhanced management area lies.
- (i) If the holder of a groundwater right within the area designated as a local enhanced management area applies for review of the order of designation pursuant to K.S.A. 2011 Supp. 82a-1901 and amendments thereto, the provisions of the order with respect to the inclusion of the holder's right within the area may be stayed in accordance with the Kansas administrative procedure act.
- (j) Unless otherwise specified in the proposed enhanced management plan and included in the order of designation, a public hearing to review the designation of a local enhanced management area

shall be conducted by the chief engineer within seven years after the order of designation is final. A subsequent review of the designation shall occur within ten years after the previous public review hearing or more frequently as determined by the chief engineer. Upon the request of a petition signed by at least five percent of the affected water users in a local enhanced management area, a public review hearing to review the designation shall be conducted by the chief engineer. This requested public review hearing shall not be conducted more frequently than every four years.

(k) The chief engineer shall adopt rules and regulations to effectuate and administer the provisions of this section.

**SENATE BILL No. 187**

By Committee on Natural Resources

2-10

1 AN ACT concerning water; relating to the Kansas water banking act;  
2 amending K.S.A. 2010 Supp. 82a-765 and 82a-767 and repealing the  
3 existing sections.  
4

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

6 Section 1. K.S.A. 2010 Supp. 82a-765 is hereby amended to read as  
7 follows: 82a-765. (a) Before a water bank is authorized to operate in the  
8 state, the bank's charter must be approved by the chief engineer. Prior to  
9 approval, the body wishing to charter the bank shall submit to the chief  
10 engineer the proposed bank charter and any other information required by  
11 rules and regulations of the chief engineer to determine whether the bank  
12 shall be chartered to operate in the state.

13 (b) The chief engineer shall approve the charter of a water bank only  
14 if the chief engineer determines that:

15 (1) The charter ensures that the operations and policies of the bank  
16 will be consistent with the provisions of this act, the state water plan and  
17 all applicable statutes, rules and regulations, findings and orders of the  
18 chief engineer, groundwater management district policies and water  
19 assurance district operations plans;

20 (2) there is sufficient participation by water right holders and water  
21 users to make the operations of the bank practical and feasible;

22 (3) the governing body of the bank has at least five members and is  
23 reasonably representative of public and private interests in water within  
24 the bank boundary;

25 (4) the bank would not lease or accept for placement in a safe  
26 deposit account water from the same hydrologic unit as another chartered  
27 bank or accept for deposit a water right that authorizes diversion of water  
28 from the same hydrologic unit as another chartered water bank;

29 (5) the charter ensures that, for each calendar year, the aggregate  
30 amount of all bank deposits (determined by multiplying the amount of  
31 each water right deposited by the length of time of the deposit and then  
32 adding together the resulting amounts for all deposits) will equal or  
33 exceed the sum of the aggregate amount of water leased by the bank  
34 (determined by multiplying the amount of each lease by the length of  
35 time of the lease and then adding together the resulting amounts for all  
36 leases) plus the aggregate conservation element of all leases (determined  
37 by multiplying the conservation element of each lease by the length of the  
38 lease and then adding together the resulting amounts for all leases);

1 (6) the charter ensures that the operations of the bank will not result  
2 in impairment of existing water rights or an increase in depletion of  
3 severely depleted groundwater aquifers or stream courses;

4 (7) the charter ensures that the operations of the bank will result in a  
5 savings of 10% or more in the total amount of groundwater consumed for  
6 a representative past period pursuant to water rights deposited in the  
7 bank, excluding groundwater located in an intensive groundwater use  
8 control area where corrective control provisions have reduced the  
9 allocation of groundwater to less than the quantity previously authorized  
10 by water rights in the area;

11 (8) the charter provides a procedure for resolution of complaints by  
12 bank participants and others impacted by the bank policies, practices and  
13 operations;

14 (9) the charter ensures that the determination of the portion of a  
15 water right that is bankable shall be subject to the following:

16 (A) The determination shall be primarily based on a representative  
17 period of average water consumption for the hydrologic unit from which  
18 water is authorized to be diverted under the water right; and

19 (B) the method of determination shall not penalize past  
20 implementation of water conservation practices;

21 (10) the charter ensures that the total amount of groundwater leased  
22 each year from each hydrologic unit does not exceed 90% of the historic  
23 average annual amount collectively diverted pursuant to all deposited  
24 water rights or portions of water rights from such unit for a representative  
25 past period; and

26 (11) the charter provides a procedure for the dissolution of the bank,  
27 specifically stating how the remaining deposits and safe deposit accounts  
28 will be distributed.

29 (c) Prior to July 1, 2002, not more than one water bank shall be  
30 chartered to operate in the state. Such water bank shall be a groundwater  
31 bank. On or after July 1, 2002, ~~one additional water bank banks shall may~~  
32 be chartered to operate in the state. ~~Such water bank shall be a surface~~  
33 ~~water bank or a surface water and groundwater bank.~~

34 (d) A water bank shall be chartered for ~~a~~ *an initial* period of not  
35 more than seven years, at which time the bank shall be subject to review  
36 in accordance with K.S.A. 2010 Supp. 82a-767, and amendments thereto,  
37 to determine whether the bank's charter shall be extended *permanently*.

38 (e) Any amendment to the charter of a water bank must be approved  
39 by the chief engineer prior to adoption of the amendment.

40 Sec. 2. K.S.A. 2010 Supp. 82a-767 is hereby amended to read as  
41 follows: 82a-767. (a) Not later than five years after the establishment of a  
42 water bank, the director of the Kansas water office shall convene a team  
43 to evaluate the operation of the bank. The team shall consist of:

44 (1) The director of the Kansas water office, or the director's  
45 designee, who shall serve as chairperson of the team;

46 (2) the director of the Kansas geological survey, or the director's

1 designee;

2 (3) two members who represent water right holders and water users  
3 who have used the bank's services, which members shall be selected by  
4 the governing body of the bank;

5 (4) members selected by the chief engineer as follows: (A) Two  
6 members engaged in teaching or research at institutions of postsecondary  
7 education in subjects involving water resources, including but not limited  
8 to water resources engineering and hydrology; (B) a member who is an  
9 economist with knowledge and experience in water resources; (C) one  
10 member having knowledge and experience in water law; and (D) two  
11 members having knowledge and experience in water policy issues and  
12 residing outside the bank boundary, who shall represent the public  
13 interest;

14 (5) one representative of each groundwater management district  
15 located in whole or in part within the bank boundary selected by the  
16 board of directors of such district; and

17 (6) one representative of each water assurance district located in  
18 whole or in part within the bank boundary selected by the board of  
19 directors of such district.

20 (b) The staff of the Kansas water office shall provide staff assistance  
21 to the evaluation team.

22 (c) Not more than one year after a team is convened pursuant to this  
23 section, the team shall submit a report of its evaluation and  
24 recommendations to the governor, the Kansas water office, the Kansas  
25 water authority, the secretary of agriculture, the chief engineer and the  
26 senate standing committee on natural resources and the house standing  
27 committee on environment, or the successors to such committees  
28 regarding;

29 (1) The operations and policies of the bank and whether they are  
30 consistent with the provisions of this act, the state water plan and all  
31 applicable statutes, rules and regulations, findings and orders of the chief  
32 engineer, groundwater management district policies and water assurance  
33 district operations plans;

34 (2) whether the operations of the bank are achieving the goals and  
35 objectives of water banking as set out in the state water plan and whether  
36 changes could be made to further those goals and objectives;

37 ~~(3) whether the charter of the bank should be extended;~~

38 ~~(4) the terms under which the bank's charter should be allowed to  
39 lapse, if the team recommends that the charter not be extended;~~

40 ~~(5)(3) the bank's impact on the entire area of all hydrologic units any  
41 parts of which are encompassed in the bank's boundary; and~~

42 ~~(6)(4) any other matters that the team determines relevant to the  
43 future of water banking in the state-;~~

44 (5) *whether the charter of the bank should be extended permanently;*  
45 *and*

46 (6) *the terms under which the bank's charter should be allowed to*

1 *lapse, if the team recommends that the charter not be extended.*

2 (d) Unless otherwise provided by law, the chief engineer, in  
3 accordance with the recommendations of the team, may extend the  
4 charter of the bank *permanently*. ~~for an additional period not to exceed~~  
5 ~~seven years or may allow the bank charter to lapse under the terms~~  
6 ~~recommended by the team.~~

7 (e) *If made permanent, the charter shall be subject to review not less*  
8 *than every five years by a team convened in accordance with subsection*

9 (a). *Such team shall submit a report involving matters listed in*  
10 *subsections (c)(1) through (c)(4).*

11 Sec. 3. K.S.A. 2010 Supp. 82a-765 and 82a-767 are hereby repealed.

12 Sec. 4. This act shall take effect and be in force from and after its  
13 publication in the statute book.

14  
15

**Proposed Allowable Flex Account Net  
Irrigation Requirement (NIR), October 6, 2011**

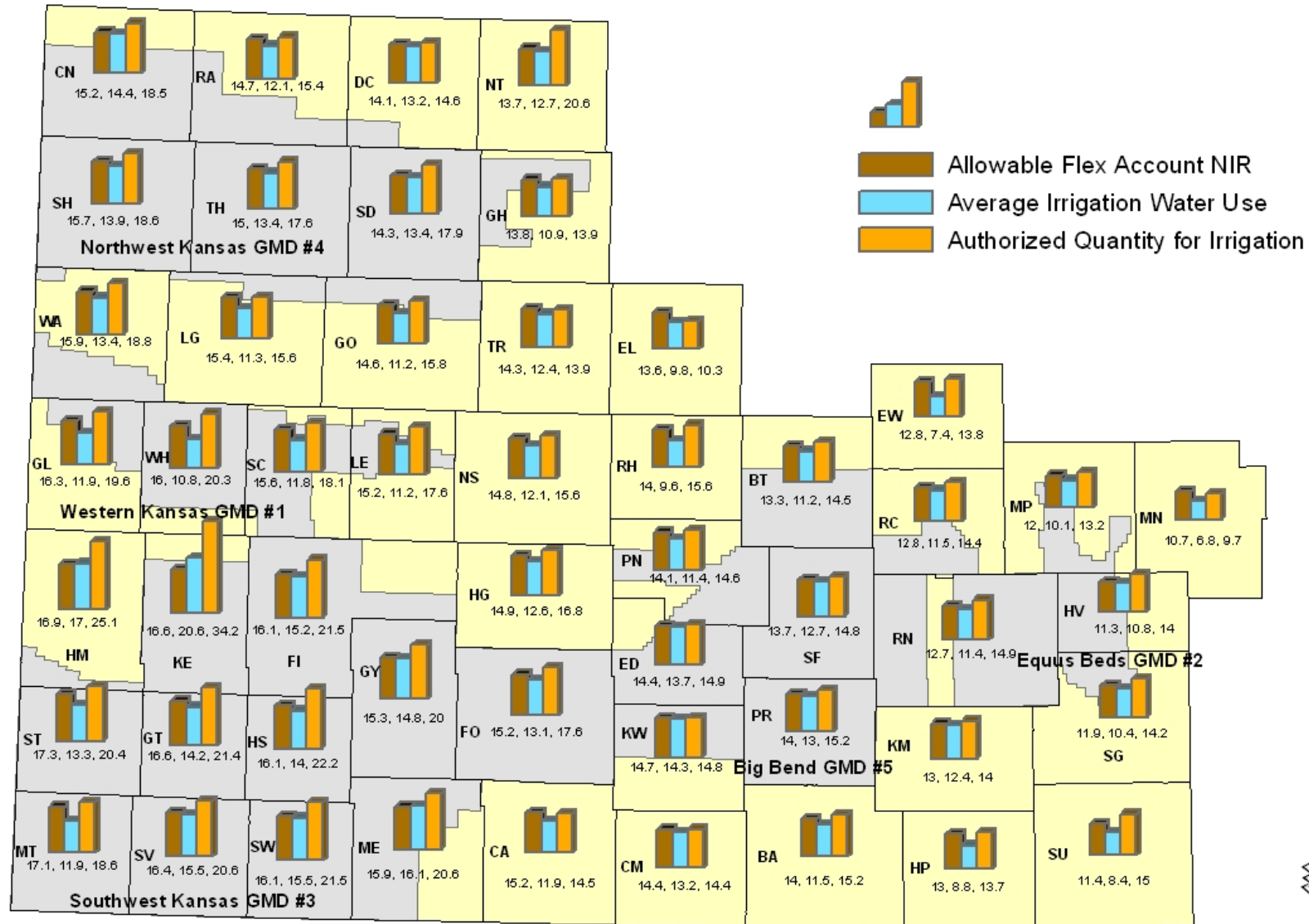
<b>County</b>	<b>Proposed Flex Account NIR (Inches)*</b>
Allen	7.9
Anderson	6.8
Atchison	8.0
Barber	14.0
Barton	13.3
Bourbon	7.6
Brown	7.9
Butler	10.2
Chase	9.7
Chautauqua	9.6
Cherokee	7.8
Cheyenne	15.2
Clark	15.2
Clay	10.2
Cloud	11.4
Coffey	7.6
Comanche	14.4
Cowley	10.8
Crawford	7.8
Decatur	14.1
Dickinson	10.4
Doniphan	8.1
Douglas	7.6
Edwards	14.4
Elk	9.7
Ellis	13.6
Ellsworth	12.8
Finney	16.1
Ford	15.2
Franklin	6.4
Geary	9.3
Gove	14.6
Graham	13.8
Grant	16.6
Gray	15.3
Greeley	16.3
Greenwood	9.0
Hamilton	16.9
Harper	13.0
Harvey	11.3
Haskell	16.1
Hodgeman	14.9
Jackson	8.2

Jefferson	7.8
Jewell	11.8
Johnson	7.3
Kearny	16.6
Kingman	13.0
Kiowa	14.7
Labette	8.1
Lane	15.2
Leavenworth	7.8
Lincoln	12.6
Linn	6.2
Logan	15.4
Lyon	8.3
Marion	10.7
Marshall	9.7
McPherson	12.0
Meade	15.9
Miami	5.6
Mitchell	12.0
Montgomery	9.0
Morris	9.4
Morton	17.1
Nemaha	8.7
Neosho	7.9
Ness	14.8
Norton	13.7
Osage	7.8
Osborne	13.0
Ottawa	11.7
Pawnee	14.1
Phillips	13.0
Pottawatomie	9.0
Pratt	14.0
Rawlins	14.7
Reno	12.7
Republic	11.1
Rice	12.8
Riley	9.4
Rooks	13.3
Rush	14.0
Russell	12.6
Saline	12.0
Scott	15.6
Sedgwick	11.9
Seward	16.1
Shawnee	8.2
Sheridan	14.3

Sherman	15.7
Smith	12.7
Stafford	13.7
Stanton	17.3
Stevens	16.4
Sumner	11.4
Thomas	15.0
Trego	14.3
Wabaunsee	8.7
Wallace	15.9
Washington	10.2
Wichita	16.0
Wilson	8.9
Woodson	8.2
Wyandotte	7.8

\*Allowable Flex Account NIR = 50% Chance  
Rainfall NIR with 90% Efficiency Factor

# Comparison of Proposed Allowable Flex Account NIR to Authorized Quantity and 2000-2009 Average Irrigation Water Use per County



Values are in Acre-Inches per Acre  
 Allowable Flex Account NIR = 50% Chance Rainfall NIR with 90% Efficiency Factor



Kansas Department of Agriculture  
 Division of Water Resources  
 Basin Management Team  
 October 6, 2011

**Discussion Draft**  
Potential legislative amendments to improve Multi-year Flex Accounts  
Revised 10-06-2011

K.S.A. 82a-736. Multi-year flex accounts. (a) As used in this section:

(1) “Base average usage” means:

(A) The average amount of water actually used for a beneficial use under a groundwater water right during calendar years 2000 through 2009, excluding any amount used in any such year in excess of the amount authorized by such water right; or

(B) if the holder of a groundwater water right shows to the satisfaction of the chief engineer that the holder has implemented significant water conservation measures during calendar years 2000 through 2009, the average amount of water actually used for a beneficial use under such right during the five calendar years immediately before the calendar year when such measures were implemented, excluding any amount used in any such year in excess of the amount authorized by such water right.

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

(3) *“Flex Account acreage” means the maximum number of acres lawfully irrigated in any one calendar year during calendar years 2000 through 2009. Any calendar year in which any of the terms, conditions and limitations of the groundwater water right were violated shall not be used to determine Flex Account acreage.*

(4) *“Net irrigation requirement” means the net irrigation requirement for 50% chance rainfall of the county of the authorized place of use of the groundwater water right as specified in K.A.R. 5-5-12.*

(b) Any holder of a groundwater water right which has not been deposited or placed in a safe deposit account in a chartered water bank may establish a flex account where the holder may deposit, in advance, water from such water right for any five consecutive calendar years, subject to the following:

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

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

(3) the water right shall be deemed not abandoned and shall be in good standing, based on past water usage and compliance with the terms of the holder's permit and all applicable provisions of law and orders of the chief engineer; and

(4) Subject to the allowance set forth in subsection (c), the amount of water that can be deposited into the account shall not exceed:

*(A) 500% of the holder's base average; [note: this is the existing option without the 10% conservation factor]*

*(B) the net irrigation requirement in inches, multiplied by the flex account acreage, multiplied by a factor of 0.463 [5 years divided by 0.9 efficiency divided by 12 to convert to acre-feet], or 500% of the annual quantity authorized by the water right, whichever is lesser; or*

*(C) 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 water right as specified by rule or regulation promulgated pursuant to K.S.A. 82a-1028(o).*

(c) 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 is made, without annual limits on such use.

(d) 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.

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

(3) The authorized place of use for the term permit shall not be greater than that authorized by the existing groundwater right.

(4) 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) 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) 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.

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

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