

RULES AND REGULATIONS
KANSAS WATER APPROPRIATION ACT
(Excerpted)
June, 2012

K.A.R. 5-17-1. Definitions for water banking. As used in these water banking regulations, in the Kansas water banking act, K.S.A. 82a-761 et seq. and amendments thereto, and by the chief engineer in the administration of this act, unless the context clearly requires otherwise, the following words and phrases shall have the meanings ascribed to them in this regulation:

(a) “Bankable water right” means a water right, or portion of a water right, that meets the requirements of the following:

- (1) K.S.A. 82a-764, and amendments thereto; and
- (2) the water bank charter.

In calculating the portion of a water right that is bankable, credit shall be given for any water conservation practices implemented according to this regulation. The bankable portion of linked water rights shall be determined on a case-by-case basis. For a surface water right that has water available from a water assurance district, the quantity of water available from the water assurance district may be considered when determining how much of the water right is bankable.

(b) “Good standing,” only for the purposes of the Kansas water banking act and regulations, means a water right, or portion of a water right, that meets all of the following criteria:

(1) Except as set forth in paragraph (b)(2), the water right, or portion of a water right, has been lawfully put to beneficial use within the past five years.

(2) For a water right that has been enrolled in the water right conservation program (WRCP) or a water right whose authorized place of use has been enrolled in the conservation reserve program (CRP), the water right has been put to lawful beneficial use within the five-calendar-year period before enrollment in the program. A water right that is currently enrolled in the WRCP shall not be deposited in a water bank. If the authorized place of use is currently enrolled in the CRP, the water right shall not be deposited in a water bank, unless the authorized place of use has been changed to a place of use that is not enrolled in the CRP and water has actually been applied to beneficial use on the newly authorized place of use for at least one calendar year.

(3) All of the following conditions regarding the water right are met:

(A) In the five calendar years before the water right is deposited or placed in a safe deposit account, there has not been a conviction associated with that water right pursuant to K.S.A. 82a-728, and amendments thereto.

(B) No civil penalty has been assessed pursuant to K.S.A. 82a-737, and amendments thereto, against anyone for violations relating to the water right.

(C) The water right has not been suspended pursuant to K.S.A. 82a-737, and amendments thereto.

(D) No order of the chief engineer relating to the water right has been disobeyed.

(E) The applicant who is applying to deposit the water right into, or lease water from, a water bank or to withdraw water from a safe deposit account has a history of compliance with

contracts with the water bank and term permits used to withdraw water from a water bank or from a safe deposit account.

(c) “Long-term rolling average,” only for the purposes of the Kansas water banking act, means a five-year running average of the net consumptive use of all the participating rights. This average shall be calculated by adding together the average net consumptive use for each participating right in a hydrologic unit.

The average shall first be computed after the water bank has been in operation for three years. For each year after the third year, another year’s data shall be added until five years of data are available. After the water bank has been in operation for five years or more, the last five years of data shall be used to calculate the average. The resulting number shall then be compared against the average annual net consumptive use of participating rights in that hydrologic unit for the representative past period.

(d) “Net consumptive use” means the gross diversion of water for beneficial use, minus the following:

- (1) Waste of water, as defined in K.A.R. 5-1-1; and
- (2) return flows to the source of water supply through surface water that is not waste and by deep percolation.

For irrigation use, only as used in the water banking act and regulations, net consumptive use shall be calculated as 85 percent of the actual legal gross diversions in any one calendar year or calculated using some other methodology approved by the chief engineer as complying with standard engineering practices. Net consumptive use for all other types of water use shall be calculated in accordance with a methodology approved by the chief engineer as complying with standard engineering practices.

The average annual net consumptive use for the representative past period shall be calculated by first calculating the average annual net consumptive use for each participating right for the representative past period and then adding those averages together. If a participating right did not legally divert water during any year in the representative past period or was not authorized to divert water, that year shall be counted as zero in computing the average annual consumptive use for that water right for the representative past period.

(e) “Participating rights” means all of the water rights in a hydrologic unit that are under contract to be deposited in a water bank or safe deposit account.

(f) “Representative past period” means a period of at least 10 consecutive years occurring entirely before the date on which the water bank is chartered and having a reasonable balance of years with above-normal and below-normal precipitation. For a water right not permitted during the entire representative past period, for the sole purpose of determining the portion of that water right that is bankable pursuant to K.S.A. 82a-765(b)(9) and amendments thereto, the water bank may select a different representative past period, but the bankable portion of each water right shall be the lesser of either of the following:

- (1) The annual quantity of water perfected; or
- (2) the average percentage of water rights determined to be bankable, for all water rights in that hydrologic unit that were permitted for the representative past period occurring entirely before the date on which the bank was chartered.

(g) “Severely depleted groundwater aquifer” means an aquifer that meets any of the following criteria:

(1) The chief engineer has declared the aquifer to be an aquifer in need of recovery pursuant to K.S.A. 2-1919, and amendments thereto.

(2) The average static water level decline in the hydrologic unit, based on a representative sample of wells distributed throughout the hydrologic unit, in the 20 calendar years immediately preceding the calendar year in which the water bank was chartered is substantially greater than the average annual variability in the static water level in the hydrologic unit.

(3) The average yield of the groundwater aquifer is not sufficient to meet the 50 percent chance net irrigation requirements (N.I.R.) for crops typically grown in the hydrologic unit using methods of irrigation typically used in that hydrologic unit.

(h) “Severely depleted stream course” means a stream reach that has been declared by the chief engineer to be a stream reach in need of stream recovery pursuant to K.S.A. 2-1919, and amendments thereto.

(i) “Water conservation practices” means actual physical changes in a water distribution system or management practices that were made to improve water use efficiency during the representative past period, including the following:

(1) Conversion from flood irrigation to center pivot irrigation with a nozzle package designed to improve water use efficiency;

(2) irrigation scheduling;

(3) conversion to subsurface drip irrigation; and

(4) removal of an end gun, resulting in a reduction in the number of irrigated acres.

The applicant shall have the burden of documenting the implementation of water conservation practices that could have altered the results of the calculation of the portion of the water right that is bankable, to the detriment of the applicant. (Authorized by and implementing K.S.A. 2003 Supp. 82a-769; effective Aug. 13, 2004.)

K.A.R. 5-17-2. Application to deposit a water right into a water bank or withdraw a deposit. (a) Each water right owner proposing to deposit all or a portion of a water right into a water bank shall complete an application on a form prescribed by the water bank and approved by the chief engineer. The application shall be filed with the water bank on or before April 1 of the year in which the deposit will be made. A water right, or a portion of a water right, may be deposited only in increments of full calendar years. A water right shall not be eligible for deposit if water use occurred under the water right, or a portion of the water right, at any time from January 1 through March 31 of the year in which the deposit will be made. The application shall contain the following information concerning the water right, or portion of the water right, that is proposed to be deposited:

(1) The file number of the water right to be deposited;

(2) if the water right is a vested right or an appropriation right that has been certified by the chief engineer, specification of that status;

(3) the hydrologic unit from which the water right is authorized to withdraw water;

(4) the calendar years during which the water right will be on deposit. This period shall not exceed five years; and

(5) any CRP contracts that were in effect for any part of the representative past period.

(b) A water right may be withdrawn from deposit only if both of the following conditions are met:

(1) The water right has not been leased in whole or part.

(2) An application to withdraw the water right from deposit is made before July 1 of the calendar year for which the deposit has been made. Withdrawal of a water right during one calendar year also shall withdraw the water right from deposit in any subsequent years for which the water right may have been deposited. (Authorized by K.S.A. 2009 Supp. 82a-769; implementing K.S.A. 2009 Supp. 82a-763, K.S.A. 2009 Supp. 82a-764, and K.S.A. 2009 Supp. 82a-769; effective Aug. 13, 2004; amended May 21, 2010.)

K.A.R. 5-17-3. Contract for deposit of a water right. (a) Each water right owner that has an application approved for the deposit of all or a portion of a water right into a water bank and that desires to deposit all or a portion of the water right into the water bank shall enter into a contract with the water bank that includes the following provisions and information:

(1) The file number of the water right to be deposited;

(2) the hydrologic unit from which the water is authorized to be withdrawn;

(3) the calendar years during which the water right will be on deposit, which shall not exceed five years;

(4) the quantity of water to be deposited;

(5) the terms of payment for the deposit;

(6) if a portion of a water right is deposited, an agreement that the quantity of water pumped under the portion of the water right that is not deposited shall not exceed the difference between the bankable portion of the water right and the amount deposited; and

(7) an acknowledgment of the specific fines or suspension penalties that will be imposed for violation of the contract.

(b) The water bank shall notify the chief engineer of each water right deposit before the deposit is leased. This notice shall include a determination of the annual quantity of water that is bankable for each water right and the portion of the bankable quantity of the water right that has been deposited. If an entire water right is deposited, no water may be pumped under that water right, except under the authority of a lease from a water bank and a term permit issued by the chief engineer to exercise that lease. If a portion of a water right is deposited, the annual quantity of water pumped under the portion of the water right that is not deposited shall not exceed the difference between the bankable portion of the water right and the amount deposited. An order may be issued by the chief engineer after the deposit notifying the owner of the annual quantity of water, if any, that may be diverted under the original water right to prevent the net consumptive use of the water right from being increased. (Authorized by K.S.A. 2003 Supp. 82a-769; implementing K.S.A. 2003 Supp. 82a-763 and K.S.A. 2003 Supp. 82a-769; effective Aug. 13, 2004.)

K.A.R. 5-17-4. Application to lease water. (a) Each person proposing to lease water from a water bank shall complete an application for a contract to lease water on a form prescribed by the water bank and approved by the chief engineer and an application for a term permit. The application for the contract shall be filed with the water bank. The application for a term permit shall be filed with the chief engineer. Each application shall include the following information concerning the water proposed to be leased:

- (1) The quantity of water to be leased;
- (2) the proposed maximum rate of diversion;
- (3) the calendar years during which water is proposed to be leased, which shall not exceed the length of the water bank charter plus three calendar years;
- (4) the location of the proposed point of diversion, including the hydrologic unit;
- (5) the proposed place of use;
- (6) the proposed use made of water;
- (7) the water flowmeter reading from the proposed point of diversion, if the water will be diverted from an existing point of diversion, at the time the application is filed;
- (8) the file numbers of the other water rights and approvals of applications that authorize use of water from the proposed point of diversion; and
- (9) if the proposed use is for irrigation, the number of acres that will be irrigated and the number of acres of each type of crop that will be grown.

(b) Any water bank may enter into a lease extending beyond the length of the water bank charter only if both of the following conditions are met:

- (1) The water bank charter has a procedure approved by the chief engineer that sets forth how the leases will be administered if the water bank is dissolved.
- (2) The bank charter assigns the responsibility and cost of administering the leases after the water bank is dissolved to a responsible person or entity.

(c) Any applicant whose application meets all the criteria in subsections (a) and (b) may enter into a contract to lease water from the water bank if sufficient water rights have been deposited in the same hydrologic unit where the point of diversion and the place of use are proposed to be located to cover the lease. (Authorized by K.S.A. 2003 Supp. 82a-769; implementing K.S.A. 2003 Supp. 82a-763 and K.S.A. 2003 Supp. 82a-769; effective Aug. 13, 2004.)

K.A.R. 5-17-5. Contract to lease water. Any person who has an application approved by the water bank for the lease of water from the water bank may enter into a contract with the water bank to lease water. The contract shall be entered into before a term permit can be issued by the chief engineer and shall include the following information and provisions:

- (a) The quantity of water to be leased;
- (b) the maximum rate of diversion at which the leased water will be diverted;
- (c) the calendar years during which water will be leased, which shall not exceed the length of the water bank charter plus three calendar years;

(d) the location of the point of diversion where the leased water will be diverted, including the hydrologic unit;

(e) the use made of the water to be leased;

(f) the place of use of the water to be leased. The place of use shall be identical to a place of use authorized by an existing water right or approval of application, or shall be an entirely new place of use;

(g) the terms of payment for the lease of water;

(h) the penalties for breach of the lease, including those set forth in K.A.R. 5-17-13; and

(i) a provision that if the term permit is not obtained by a certain date or the term permit is dismissed for any reason, the contract shall not be exercised. (Authorized by K.S.A. 2003 Supp. 82a-769; implementing K.S.A. 2003 Supp. 82a-763 and K.S.A. 2003 Supp. 82a-769; effective Aug. 13, 2004.)

K.A.R. 5-17-6. Conditions on the term permit to exercise a contract to lease water.

(a) A contract to lease water may be exercised only if the chief engineer approves an application for a term permit to divert the leased water.

(b) The following conditions shall be imposed by the chief engineer on the term permit authorizing the use of water leased from a water bank:

(1) The maximum reasonable quantity of water that may be diverted per calendar year, as set forth in K.A.R. 5-17-17, and the maximum quantity of water that may be diverted during the term of the permit;

(2) the maximum rate of diversion;

(3) the term of the permit, which shall not exceed the length of the water bank charter plus three calendar years;

(4) the authorized point of diversion;

(5) the authorized place of use;

(6) the authorized use made of the leased water;

(7) a provision that the diversion shall not cause the impairment of any existing water rights;

(8) a provision that the diversion shall not cause an increase in depletion to any severely depleted groundwater aquifer or severely depleted stream course;

(9) a provision that the leased water shall be diverted from, and used within, the same hydrologic unit where the water rights were deposited; and

(10) a provision that any violation of a term permit used to exercise a lease shall make the permittee subject to the penalty provisions of K.A.R. 5-17-13. (Authorized by K.S.A. 2003 Supp. 82a-769; implementing K.S.A. 2003 Supp. 82a-763 and K.S.A. 2003 Supp. 82a-769; effective Aug. 13, 2004.)

K.A.R. 5-17-7. Contract to deposit water in a safe deposit account. (a) Each person proposing to deposit water into a safe deposit account shall enter into a contract with the water bank on a form prescribed by the water bank and approved by the chief engineer. The contract shall include the following information and provisions and any other provision needed to ensure that the deposit complies with the provisions of the Kansas water banking act and regulations:

- (1) The term of the contract, which shall be for a specific number of calendar years and shall not exceed the length of the water bank charter plus three years;
- (2) the proposed deposit of water, which shall be from a water right that is bankable;
- (3) the water right from which water is being deposited. The water right shall be in good standing and shall be vested or certified;
- (4) the hydrologic unit from which water is being deposited;
- (5) the terms of payment for the deposit and a provision that any fees paid are not refundable if the water user voids the contract, or causes it to be void, for any reason;
- (6) the location of the point of diversion authorized by the water right that is proposed to be deposited;
- (7) the water right file numbers of any linked water rights that are proposed to be deposited; and
- (8) a provision that the contract shall be entered into by December 31 of the year preceding the first year for which the owner desires to make a deposit in the safe deposit account.

(b) The amount of water that may be deposited in any year shall not exceed 25 percent of the quantity of unused water from the preceding year.

(c) At the end of the term of the contract to deposit water in a safe deposit account, including any extensions of time, all water in the account shall be forfeited.

(d) There shall not be multiple safe deposit accounts for any point of diversion.

(e) The term of a safe deposit account may be extended by the chief engineer upon request of the owner for a period not to exceed the length of the water bank charter plus three calendar years. Any water bank may extend a safe deposit account beyond the length of the water bank charter only if both of the following conditions are met:

- (1) The water bank charter has a procedure approved by the chief engineer that sets forth how the safe deposit accounts will be administered if the water bank is dissolved.
- (2) The bank charter assigns the responsibility and costs of administering the accounts after the water bank is dissolved to a responsible person or entity. (Authorized by K.S.A. 2003 Supp. 82a-769; implementing K.S.A. 2003 Supp. 82a-763 and K.S.A. 2003 Supp. 82a-769; effective Aug. 13, 2004.)

K.A.R. 5-17-8. Depositing water in a safe deposit account. (a) Each calendar year in which water is deposited, the depositor shall file a deposit slip, on a form prescribed by the water bank and approved by the chief engineer, with the water bank indicating the quantity of water that was unused and the quantity of water that the depositor proposes to deposit.

(b) Water shall be deposited in an existing safe deposit account no later than March 1 of the year following the calendar year in which the water was not used.

(c) When the deposit is made, the depositor shall furnish the water bank with the following information:

- (1) The water flowmeter readings at the beginning and end of the calendar year in which the water was not used under the water right; and
- (2) the quantity of water proposed to be deposited.

(d) The water bank shall accept for deposit the quantity of water that meets the provisions of the water bank charter and the Kansas water banking act and regulations. (Authorized by K.S.A. 2003 Supp. 82a-769; implementing K.S.A. 2003 Supp. 82a-763 and K.S.A. 2003 Supp. 82a-769; effective Aug. 13, 2004.)

K.A.R. 5-17-9. Term permit to use water that was deposited in a safe deposit account. (a) Before approval of a term permit to use water deposited in a safe deposit account, the water bank shall certify to the chief engineer the quantity of water that is in the safe deposit account.

(b) Before any water that has been deposited into a safe deposit account may be used, the applicant shall apply for a term permit, submit the appropriate filing fee, and receive approval from the chief engineer. Each term permit shall contain the following conditions:

- (1) The maximum rate of diversion of water;
- (2) the maximum quantity of water that may be diverted the remainder of that calendar year, which shall not exceed the quantity of water certified by the water bank to be in the safe deposit account;
- (3) the length of the term permit, which shall not exceed December 31 of the year in which the term permit was issued by the chief engineer. No extensions of time shall be granted for this type of term permit;
- (4) a provision that the use of water under the term permit shall not impair any existing water rights;
- (5) a provision that the use of water under the term permit shall not cause an increase in the depletion of a severely depleted groundwater aquifer or severely depleted stream course; and
- (6) a provision that violation of any of the terms of the term permit shall subject the owner to the penalty provisions of K.A.R. 5-17-13. (Authorized by K.S.A. 2003 Supp. 82a-769; implementing K.S.A. 2003 Supp. 82a-763 and K.S.A. 2003 Supp. 82a-769; effective Aug. 13, 2004.)

K.A.R. 5-17-10. Water bank charter proposal. (a) Each proposed water bank charter submitted to the chief engineer shall contain all of the following:

- (1) Information showing that the proposed operations and policies of the water bank are consistent with the Kansas water banking act, the Kansas water appropriation act and regulations, the Kansas state water plan, the policies of any groundwater management district that is located within the boundaries of the proposed water bank, and the water assurance district operation agreements of any water assurance district located within the boundaries of the proposed water bank;

- (2) information that demonstrates that there is sufficient participation to make the water bank's operations practical and feasible, including economically;
- (3) a petition declaring an intent to establish a water bank that is signed by at least five percent of the water right owners within the water bank's proposed boundaries;
- (4) the names of at least five members of the proposed governing body of the water bank, their addresses, and the public and private interests that each represents;
- (5) the proposed boundaries of the water bank, including information showing that the boundaries of the proposed water bank do not overlap the boundaries of another water bank;
- (6) for groundwater banks, an enumeration of all the hydrologic units and sources of water supply within the water bank boundaries, including alluviums, terrace deposits, and regional aquifers, both confined and unconfined, that have similar aquifer properties. The aquifer properties shall include the saturated thickness and water level changes over the representative past period;
- (7) for a water bank that includes surface water, a list of the streams and their tributaries that are to comprise the water bank and a methodology to limit the leasing of surface water so that it does not impair senior surface water rights and minimum desirable streamflow;
- (8) the designation of a representative past period;
- (9) a comprehensive method to account for the following:
 - (A) The amount of water deposited and the length of the contracts for deposit;
 - (B) the amount of water leased from the water bank and the length of the lease contracts; and
 - (C) the identification of the hydrologic units from which deposits and leases are being made;
- (10) for a water bank that includes the use of groundwater, a proposed plan to ensure that the net amount of water consumed by the deposited water rights will be at least 10 percent less than the average net amount of water consumed by the deposited water rights for the representative past period. The proposed plan shall require the comparison of the average annual net consumption for the deposited water rights for the five-year period after a water bank is chartered or rechartered with the average net consumptive use for the deposited water rights for the representative past period;
- (11) a list of any severely depleted groundwater aquifers or severely depleted stream courses;
- (12) a plan to ensure that there will be no increase in the depletion of severely depleted groundwater aquifers or severely depleted stream courses;
- (13) a method for determining the water rights that are bankable and the portion that is bankable;
- (14) a procedure for dissolution of the water bank;
- (15) for a bank using groundwater, a methodology for ensuring that the total quantity of groundwater leased each year does not exceed 90 percent of the average annual quantity collectively diverted pursuant to all deposited water rights or portions of water rights from each hydrologic unit for the representative past period;
- (16) for a water bank that authorizes safe deposit accounts, a methodology to ensure that the users of safe deposit accounts will not increase the consumption of groundwater; and
- (17) for a water bank that authorizes safe deposit accounts, a provision setting the maximum percentage of unused water from the previous year that may be deposited in a safe deposit account.

(b) After the body wishing to charter the water bank submits the proposed water bank charter to the chief engineer, it shall be circulated by the chief engineer to any groundwater management districts and water assurance districts located within the boundaries of the proposed water banks and to the Kansas water office for comments as to whether the proposed water bank charter complies with the provisions of K.S.A. 82a-765, and amendments thereto. Comments regarding the proposed water bank charter shall be due within 30 days after comments are requested by the chief engineer, unless an extension of time is requested within the time allowed and granted by the chief engineer for good cause shown. (Authorized by K.S.A. 2003 Supp. 82a-769; implementing K.S.A. 2003 Supp. 82a-765 and K.S.A. 2003 Supp. 82a-769; effective Aug. 13, 2004.)

K.A.R. 5-17-11. Annual reports of water banks. Each water bank shall file an accounting report with the chief engineer each calendar year containing the following information: (a) The file numbers of the water rights, or portion of the water rights, deposited in the water bank;

(b) the annual quantity of water authorized for diversion for each water right deposited and a determination of the bankable quantity of water associated with each deposited water right;

(c) the term of each deposit;

(d) the hydrologic unit from which each water right was deposited;

(e) the file number of each term permit authorizing a lease of water;

(f) the term of the lease;

(g) the annual quantity of water that has been leased from each hydrologic unit;

(h) the hydrologic units where the leased water was diverted;

(i) the net year-end balance of water deposited versus water leased in each hydrologic unit within the water bank's boundaries;

(j) the annual quantity of water deposited into safe deposit accounts;

(k) the annual quantity of water used from safe deposit accounts;

(l) the hydrologic unit in which water was deposited in a safe deposit account;

(m) the total year-end balance of water remaining in safe deposit accounts after the 10 percent year-end reduction for all individual accounts;

(n) the total quantity of water diverted during the last three calendar years, by type of use;

(o) the total number of acres irrigated and the number of acres of each crop grown during the last three calendar years;

(p) any contracts that were breached, the nature of the breaches, and the enforcement actions taken by the water bank; and

(q) the average annual quantity of water diverted during the representative past period of each water right that has been deposited in the water bank. (Authorized by K.S.A. 2003 Supp. 82a-769; implementing K.S.A. 2003 Supp. 82a-766 and K.S.A. 2003 Supp. 82a-769; effective Aug. 13, 2004.)

K.A.R. 5-17-12. Water use reports. (a) Each owner of a water right authorized for irrigation use that deposits a water right in a water bank or deposits water in a safe deposit account, and each person that leases water for irrigation use and any linked water rights, shall file the water use report required by K.S.A. 82a-732, and amendments thereto, on or before December 1 of the year for which water use is being reported.

(b) Each owner of a water right authorized for non-irrigation use that deposits a water right in a water bank or deposits water in a safe deposit account, and each person that leases water for non-irrigation use and any linked water rights, shall file the water use report required by K.S.A. 82a-732, and amendments thereto, on or before January 10 of the year following the year for which water use is being reported.

(c) The failure of a water right owner to submit a complete and accurate water use report, including water flowmeter readings, as required by this regulation shall result in civil fines in the amounts set forth in K.A.R. 5-14-11.

(d) If a water use report is inadequate to accurately determine the actual water use during any calendar year, then that year shall be counted as having had no water use for the purpose of determining the extent to which a water right is bankable pursuant to K.S.A. 82a-764, and amendments thereto, unless the water use report is corrected as set forth in K.A.R. 5-3-5o. (Authorized by K.S.A. 2003 Supp. 82a-769; implementing K.S.A. 2003 Supp. 82a-766 and K.S.A. 2003 Supp. 82a-769; effective Aug. 13, 2004.)

K.A.R. 5-17-13. Enforcement. If any person violates any of the following, enforcement action may be taken by the chief engineer as specified in K.A.R. 5-14-1 and K.A.R. 5-14-10:

(a) A term, condition, or limitation of a term permit issued to authorize the diversion of leased water;

(b) a term, condition, or limitation of a term permit issued to withdraw water from a safe deposit account;

(c) a term, condition, or limitation of a water right that has been deposited in the water bank or a safe deposit account;

(d) any order of the chief engineer concerning the deposit or lease of a water right; or

(e) any order or condition placed on the use of the remainder of a water right that was partially deposited in the water bank or a safe deposit account. (Authorized by K.S.A. 2003 Supp. 82a-769; implementing K.S.A. 2003 Supp. 82a-769 and K.S.A. 2003 Supp. 82a-770; effective Aug. 13, 2004.)

K.A.R. 5-17-14. Water flowmeters. (a) The following points of diversion shall meet the requirements specified in subsection (b):

(1) Within a groundwater bank, all non-domestic, non-temporary wells within the boundaries of the water bank;

(2) within a surface water bank, all non-domestic, non-temporary surface water points of diversion within the boundaries of the water bank; and

(3) within a groundwater and surface water bank, all non-domestic, non-temporary points of diversion within boundaries of the water bank.

(b) While a water bank is operating, each of the points of diversion described in subsection (a) shall meet one of the following requirements:

(1) Be equipped with a water flowmeter meeting the requirements of K.A.R. 5-1-4 through K.A.R. 5-1-12;

(2) be sealed by the chief engineer; or

(3) be approved by the chief engineer as having another objectively verifiable means of determining that water has not been pumped, including capping the well, removal of the pump, or removal of a permanent power source.

(c) If a water flowmeter does not function properly whenever water is being diverted, it shall be assumed, for the purpose of determining compliance with the water right and the term permit issued to withdraw leased water or water deposited in a safe deposit account, that the diversion works have been operated continuously at the tested rate of diversion since the last time the waterflow meter was confirmed by the chief engineer or a groundwater management district to have been operating properly. If the diversion works have not been tested by the chief engineer or a groundwater management district, it shall be assumed that the diversion works have been operated continuously at the authorized rate of diversion during the entire time the water flowmeter was out of compliance. Either of the assumptions specified in this subsection may be rebutted if the water right owner submits objective documentation of the actual quantity of water diverted while the water flowmeter was out of compliance. (Authorized by K.S.A. 2003 Supp. 82a-769; implementing K.S.A. 2003 Supp. 82a-766 and K.S.A. 2003 Supp. 82a-769; effective Aug. 13, 2004.)

K.A.R. 5-17-15. Private sale or lease of water right facilitated by a water bank. If a water bank provides services to facilitate the sale or lease of water rights, the owner of the water rights that are bought, sold, or leased between private parties shall be required to comply with all applicable statutes and regulations, including any regulation of the chief engineer limiting the

distance that a point of diversion may be moved. (Authorized by K.S.A. 2003 Supp. 82a-769; implementing K.S.A. 2003 Supp. 82a-763 and K.S.A. 2003 Supp. 82a-769; effective (Aug. 13, 2004.)

K.A.R. 5-17-16. Priority of use of water rights and permits. (a) If multiple water rights or permits authorize the use of water from a single point of diversion, the water shall be considered to be used in the order of priority with the earliest priority first.

(b) If the water used exceeds the total quantity of water authorized by the water rights and permits described in subsection (a) that authorize water use from that point of diversion, all water rights and permits under which the water was lawfully diverted shall be deemed to be violated unless this presumption is rebutted by one or more of the water right owners. (Authorized by K.S.A. 2003 Supp. 82a-769; implementing K.S.A. 2003 Supp. 82a-769 and K.S.A. 2003 Supp. 82a-770; effective Aug. 13, 2004.)

K.A.R. 5-17-17. Waste of leased water and safe deposit account water. For using leased water or water withdrawn from a safe deposit account, the quantity not considered to be waste for irrigation use shall be 150 percent of the value specified in K.A.R. 5-3-24 for the county where the point of diversion is located. (Authorized by K.S.A. 2002 Supp. 82a-769; implementing K.S.A. 2002 Supp. 82a-763 and K.S.A. 2002 Supp. 82a-769; effective Aug. 13, 2004.)

K.A.R. 5-17-18. Reimbursable and non-reimbursable costs. (a) The following costs incurred by the chief engineer for assistance and services to implement the Kansas water banking act shall be reimbursable by a water bank:

- (1) The cost of reviewing and approving a proposed water bank charter;
- (2) the cost of determining the extent to which a water right is bankable and in good standing;
- (3) the cost of reviewing an annual report filed by a water bank and conducting the analysis necessary to determine if the water bank has complied with the terms of the Kansas water banking act;
- (4) extra costs incurred to require water use reports to be filed earlier than March 1, the tracking of that information, and reporting that information to a water bank;
- (5) increased costs incurred to provide other water use and water right information to water banks or water bank customers;
- (6) the costs to monitor and enforce the provisions of the Kansas water banking act;
- (7) the costs of meetings and other discussions with water bank officials and employees;
- (8) the cost of enforcement of terms, conditions, and limitations of term permits issued to allow withdrawal of leased water and water from safe deposit accounts;
- (9) if additional enforcement of water rights and permits is requested by a water bank, enforcement costs that would not have been incurred by the chief engineer in the ordinary course of business against all water rights diverting water from within the boundaries of the water bank to prevent overpumping; and
- (10) the cost incurred if a water bank or a water bank customer requests the chief engineer to hold an abandonment hearing necessary to determine whether a water right is

bankable that would not have been done in the ordinary course of business by the chief engineer at that time.

(b) The following costs incurred by the chief engineer for assistance and services to implement the Kansas water banking act shall not be reimbursable by a water bank:

(1) The cost of issuing a term permit to allow diversion of leased water;

(2) the cost of issuing a term permit to allow withdrawal of water from a safe deposit account;

(3) enforcement costs that the chief engineer would have incurred in the ordinary course of business to take action against all water rights diverting water from within the boundaries of the water bank to prevent overpumping; and

(4) the cost of adopting regulations to implement the act. (Authorized by K.S.A. 2002 Supp. 82a-769; implementing K.S.A. 2002 Supp. 82a-769 and K.S.A. 2002 Supp. 82a-771; effective Aug. 13, 2004.)