



Building Partnerships

Public Wholesale Water Supply District Act

K.S.A. 19-3545 *et seq.*

Purpose

The Public Wholesale Water Supply District Act enables public water supply systems to cooperate for the purpose of providing wholesale water to the participating agencies. Eligible public agencies include any county, township, city, town, water district, or other municipal corporation, quasi-municipal corporation or political subdivision of the state or any agency or instrumentality of this state or of the United States. Privately owned water distribution companies may also participate in a public wholesale water supply district. The function of a public wholesale water supply district is to secure a source of water on a scale larger than is feasible for public water suppliers acting alone, and to sell such water at wholesale to the participating public water supply systems.

Public Wholesale Water Supply District Agreements, Responsibilities and Powers

Public water supply systems wishing to form a wholesale water supply district must enter into agreements by ordinance, resolution or otherwise pursuant to law of the governing bodies of the participating public water suppliers.

- The agreements must specify the following:
 - The duration of the agreement
 - The precise organization, composition and nature of the district created
 - The purpose or purposes of the agreement
 - The manner of financing the district and of establishing and maintaining a budget
 - The methods for partial or complete termination of the agreement and for disposing of property upon such termination
 - The manner of acquiring, holding and disposing of real and personal property of the district
 - Any other necessary and proper matter
- Agreements must be approved by the Attorney General
- Agreements must be filed with the register of deeds of each county in which the district is located
- Agreements must be filed with the Secretary of State, accompanied by a certificate from the register of deeds of each county where filed, stating that such agreement has been filed in the county. The Secretary of State shall declare the district organized and assign it a number (Public Wholesale Water Supply District Number ____).
- The district governing body will consist of at least one and not more than two representatives appointed by each participating public agency. The governing body shall elect a president, treasurer and a secretary.
- The governing body will select and appoint a general manager of the district, who serves at the pleasure of the governing body. The general manager is responsible for the management and operation of the district under the general supervision of the governing body.
- The district has authority to obtain loans and grants, issue bonds, acquire land by gift, purchase, exchange or eminent domain and to purchase or lease, construct, install and operate such facilities as necessary to carry out the purposes of the organization.

Formation of a Public Wholesale Water Supply District

- Identify potential wholesale water supply district members and determine interest in participation
- Identify participants' potential needs
 - Problems with quantity and/or quality?
 - Need a supplemental or complete supply?
- Interested participants form a steering committee
 - Usually a representative from each participating water supply system
- Establish and define water supply needs for each participating member
- Set assessments to fund a feasibility study and pay attorney fees
 - \$\$\$ per meter or flat rate
- Retain an attorney to form a public wholesale water supply district
 - Must have a legal entity formed to secure funding for construction of project
- Select an engineer to conduct feasibility study
 - Consider and evaluate existing and/or new sources of raw water
 - Estimated construction costs for treatment and distribution system
 - Estimated annual operation and maintenance costs
 - Estimated cost per 1,000 gallons (including debt service)
- Participants sign water purchase contracts with newly formed District
 - District should obtain water rights or water purchase contract as appropriate
- District board evaluates funding options
 - State Drinking Water Revolving Loan Fund – KS Dept. of Health & Environment
 - Water & Wastewater Loan & Grant Program – US Dept. of Agriculture, Rural Development
 - Community Development Block Grants – KS Dept. of Commerce & Housing
 - Issue Bonds
- Engineer develops final design plans for bid letting
- District secures funding
- District board evaluates bids and selects contractor
- Complete construction