DATE: October 23, 2020
TO: Public Water Supply Committee
FROM: Nathan Westrup
RE: Meeting summary

Voting Members
Alan King
Allan Soetaert
John Bailey (Chair)
Carolyn McGinn

Advisory Members
Greg Wilson
Jared Morrison
Ken McNickle (not present)

The Public Water Supply Committee met on October 23, 2020 for status reports on Water Marketing Program operations and initiatives.

Reservoir Operations
A summary of water purchase contract and assurance district system management operations was provided to the committee for awareness. Low flow conditions in the Neosho, Marais des Cygnes, and Verdigris River basins are worsening and reservoir releases are necessary to supplement streamflow to provide municipal and industrial needs. Additionally, the KWO has taken measures to help mitigate an on-going high chloride condition in the Kansas River with releases from Milford Lake.

Water Marketing Program
The Committee was advised of anticipated water purchase contract renewals at Clinton, Marion, and John Redmond Reservoirs within the coming year and the status of the City of Council Grove’s pending application for a second water purchase contract from Council Grove Lake. The application / contract negotiations are on-hold, pending additional information from the city.

Surplus Water Report 2021
Notice was given to the Committee that an annual report on surplus water available in Water Marketing Program reservoirs will require their recommendation for approval to the KWA in December. A copy of the 2020 report was provided to the Committee for familiarization and awareness.

Debt Refinance Update
The Committee was advised on information provided to KWO on the status of the Water Marketing Program debt analysis. In total, the State of Kansas has approximately $133 million in debt for water supply storage purchase contracts at Hillsdale, Clinton, Big Hill, Perry, and Milford reservoirs. Hillsdale, Clinton, and Big Hill are viewed as Water Marketing Program debt which represent about $81 million. The KWO has been evaluating the possibility of issuing bonds to refinance a portion of this debt at a lower interest rate. About $55 million of the debt has been identified as eligible for refinancing and the Kansas Development Finance Authority is assisting the KWO in this process. The current bond market is favorable and the KWO plans to continue to pursue this initiative.

The KWO also expressed the desire to seek third party financial advisory services for the Water Marketing Program. The Committee supported this idea and strongly urged the KWO to scope the necessary financial services, forthwith.