Comprehensive Capital Development Plan (CCDP)

Purpose

- Account for all revenue and expenses related to the state’s water supply storage (update to previous plan)
- Long term planning tool for future program needs
  - Acquisition of New Supply Storage
  - New Storage development
  - Storage Maintenance Planning
  - Protection & Restoration of State Owned Storage
Comprehensive Capital Development Plan (CCDP)

“Comprehensive” Plan

- Need to protect/restore water supply storage
  - Continue to meet long term needs
  - Beyond marketing program customers/resources
- Interconnection of other state funding to water supply storage
  - Communicate funding needs
- Enhance Project Planning
  - Prioritize projects with greatest benefits
Accounts for all revenue and expenses related to state-owned storage

**Revenue**
- Contract Water Sales
- State Water Plan Revenue
- Water Assurance District Revenue
- Access District Revenue

**Expenditures**
- All Principal and Interest
- All Operations and Maintenance
- Protection and Restoration
  - John Redmond Bond Payment
  - Streambank Stabilization
  - Watershed BMP’s
  - On-going Monitoring and Assessment
  - Bathymetric and Sediment Monitoring
- Future Use Storage
- Any Future Reallocations
Water Marketing Program
Components to Determine Rate

**Expenses:**
- Operations and Maintenance (O&M)
- Principal and Interest (P&I)
- Administration and Enforcement (A&E)
- Reservoir Protection and Restoration

**Revenue**
- Water use
- Water Assurance/Access District A&E
- Water Assurance/Access District P&I
## Water Marketing Program Variable Rate

### Variable Rate (2017 CCDP)

<table>
<thead>
<tr>
<th>Year</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0.418</td>
<td>$0.431</td>
<td>$0.445</td>
<td>$0.459</td>
<td>$0.474</td>
<td>$0.489</td>
<td></td>
</tr>
</tbody>
</table>

### Variable Rate (Recommended)

<table>
<thead>
<tr>
<th>Year</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>n/a</td>
<td>$0.436</td>
<td>$0.454</td>
<td>$0.473</td>
<td>$0.493</td>
<td>$0.513</td>
<td></td>
</tr>
</tbody>
</table>

### Annual % Increase

<table>
<thead>
<tr>
<th>Year</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>n/a</td>
<td>4.2%</td>
<td>4.2%</td>
<td>4.2%</td>
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</tr>
</tbody>
</table>

### Annual $ Increase

<table>
<thead>
<tr>
<th>Year</th>
<th>2020</th>
<th>2021</th>
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<tbody>
<tr>
<td>$0.018</td>
<td>$0.018</td>
<td>$0.019</td>
<td>$0.020</td>
<td>$0.021</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Change from 2017 plan

<table>
<thead>
<tr>
<th>Year</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
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<td>$0.014</td>
<td>$0.019</td>
<td>$0.024</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Components of Change (2020–2031)

**Expenses**
- Increased Operations & Maintenance costs
- Increased Administration & Enforcement costs

**Revenue**
- Decrease in projected water use
  - 12.6% less water use
  - $4,780,819

**Proportionate Share Of Rate Increase**
- Revenue Decrease: $2,184,221
- A&E Increase: $1,811,096
- O&M Increase: $4,780,819

2020 - 2031
Comparison of Projected Total O&M Costs By Reservoir (2020 - 2025)

- $500,000
- $1,000,000
- $1,500,000
- $2,000,000
- $2,500,000

Big Hill, Clinton, Council Grove, Elk City, Hillsdale, John Redmond, Kanopolis, Marion, Melvern, Milford, Pomona

2017 CCDP, 2020 CCDP
2020 Maximum Quantity of State Contracts

Osage #3
Westar JEC
Harveyville
PWWSD #12
Burlingame
Osage City
Peabody
Marion
Hillsboro
Post Rock RWD
Wolf Creek
HAWC
Miami #2
Coffeyville Resources
Coffeyville Resources
Coffeyville
Council Grove
Emporia
Lawrence
Douglas #5
Douglas #6
Douglas #6
Douglas #3
PWWSD #4
Pomona
Melvern
Marion
Kanopolis
John Redmond
Milford
Melvern
Marion
Kanopolis
Hillsdale
Elk City
Council Grove
Clinton
Big Hill

2020 Contract Maximum (Million Gallons)
Challenges of Revenue Projection

Marketing Program Water Use

Million Gallons


Municipal Use
Industrial Use
2020 Debt Balance

- **Hillsdale**: $7,531,120
  - $5,081,730
  - ~$5 Million
  - $537k Annual PMT
  - Paid Off: $13,702,777

- **Clinton**: $1,403,318
  - $7,768,943
  - ~2 Million
  - $272k Annual PMT

- **Big Hill**: $13,702,777

- **Total 2020 Debt**: $133,106,131

- **End of Contract Year / Balance Due**:
  - Hillsdale: 2030
  - Clinton: 2027
  - Big Hill: 2029
  - Milford: 2034
  - Perry: 2041

- **Paid Off**: $13,702,777

- **Total Annual PMT**:
  - ~$5 Million
  - ~2 Million

**Debt Details**:
- **Hillsdale**: $7,531,120
- **Clinton**: $1,403,318
- **Big Hill**: $13,702,777
- **Paid Off**: $13,702,777
- **Total 2020 Debt**: $133,106,131
## Debt Management

### DEBT PAYDOWN

<table>
<thead>
<tr>
<th>Year</th>
<th>Reservoir Storage</th>
<th>Debt Payoff</th>
<th>Interest Saved</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>Kanopolis</td>
<td>$2,520,791</td>
<td>$1,319,314</td>
</tr>
<tr>
<td></td>
<td>Elk City</td>
<td>$422,763</td>
<td>$40,850</td>
</tr>
<tr>
<td></td>
<td>John Redmond</td>
<td>$863,042</td>
<td>$66,354</td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Big Hill</td>
<td>$1,045,249</td>
<td>$215,771</td>
</tr>
<tr>
<td></td>
<td>Council Grove</td>
<td>$285,580</td>
<td>$18,083</td>
</tr>
<tr>
<td>2019</td>
<td>Marion</td>
<td>$373,017</td>
<td>$46,812</td>
</tr>
<tr>
<td></td>
<td>(Projected)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total:</td>
<td>$1,707,183</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>Hillsdale (Orig.)</td>
<td>$1,432,257</td>
<td>$309,843</td>
</tr>
<tr>
<td>2021</td>
<td>Clinton (Orig.)</td>
<td>$1,172,193</td>
<td>$149,501</td>
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<tr>
<td>2022</td>
<td>Hillsdale #2</td>
<td>$2,313,323</td>
<td>$387,793</td>
</tr>
<tr>
<td>2023</td>
<td>Hillsdale #1</td>
<td>$2,332,752</td>
<td>$334,415</td>
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<td></td>
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<td></td>
<td>Total:</td>
<td>$1,181,552</td>
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Federal Reservoirs in Kansas

- No Debt
  - Tuttle Creek Lake
  - Milford Lake
  - Clinton Lake
  - Pomona Lake
  - John Redmond Reservoir
  - Melvern Lake
  - Marion Reservoir
  - Fall River Lake
  - Elk City Lake
  - Toronado Lake
  - Big Hill Lake

- Other Reservoirs
  - Keith Sebelius Lake
  - Kinwin Reservoir
  - Webster Reservoir
  - Cedar Bluff Reservoir
  - Wilson Lake
  - Kanopolis Lake
  - Loewell Reservoir
  - Waconda Lake
  - Perry Lake
  - Hillsdale Lake

Legend:
- Cities
- Assurance / Access District
- Marketing
- U.S. Bureau of Reclamation
- U.S. Army Corps of Engineers

January 2020
Kansas Water Office
## Water Marketing Program Variable Rate

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Public Water Supply Committee

Recommendations to KWO
- Explore opportunities to further analyze debt management and take advantage of current low interest rates
- Delay a full update of the CCDP until this analysis is complete

Action for June meeting
- Set CY 2021 rate