



K A N S A S

TRACY STREETER, DIRECTOR

KANSAS WATER OFFICE

KATHLEEN SEBELIUS, GOVERNOR

April 21, 2006

Dear Water Marketing Contract Holder:

The Kansas Water Office will be holding two meetings to discuss the future direction of the Water Marketing Program. We encourage you to attend one of the following meetings.

Friday, May 5, 2006, 10am
Kanawaka Township Hall
776 Hwy 40
Lawrence, KS

Thursday, May 11, 2006, 10am
City of Hillsboro
City Hall
118 E Grant St, East Room
Hillsboro, KS

The 2006 Water Marketing Program Capital Development and Storage Maintenance Plan (enclosed) was approved by the Kansas Water Authority at its meeting on April 7, 2006. The Kansas Water Authority also provided direction that the water marketing rate for 2007 would be limited to \$0.20 per 1,000 gallons, but significant increases are predicted for future years.

The attached plan projects the revenues and expenses of the water marketing program to 2040. The costs associated with bringing future use storage (storage contracted with the Corps of Engineers, but not yet being used or paid for) into service are of concern. This plan shows the following rate projections:

2007	2008	2012	2016	2020
\$0.20000	\$0.34032	\$0.60772	\$0.85829	\$0.52689

Options to address the projected increases have been initially explored, but the Kansas Water Authority wants input from water marketing customers.

The purpose of the meetings is to educate our customers about financial issues and initiate discussions regarding the impact these issues may have. If you are unable to attend one of these two meetings and would like additional information, please contact Cheryl Buttenhoff or Margaret Fast at 785-296-3185.

Sincerely,

Margaret Fast
Planning Manager, Public Water Supply

MF:ms

pc: (no attachments)

Marketing Program applicants

Kansas River Water Assurance District No.1 manager and president

Marais Des Cygnes Water Assurance District No. 2 president

Cottonwood/Neosho River Basins Water Assurance District No.3 manager and president

Kansas-Lower Republican Basin Advisory Committee members

Marais Des Cygnes Basin Advisory Committee members

Neosho Basin Advisory Committee members

Smoky Hill-Saline Basin Advisory Committee members

Verdigris Basin Advisory Committee members

Kansas Water Authority Public Water Supply Committee members