## STATE OF KANSAS

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## GOVERNOR LAURA KELLY

December 28, 2023

The Honorable Representative Sharice Davids 2435 Rayburn House Office Building Washington, D.C. 20510

RE: Water Resources Development Act Request

Dear Representative Davids,

Over the last two years, Kansas has made significant progress in addressing the State's financial obligations to the United States Army Corps of Engineers for water supply storage contracts. The 2022 Legislature appropriated \$80 million to pay off the debt associated with Big Hill, Clinton, and Hillsdale Reservoirs. The 2023 Legislature set aside an additional \$52 million for debt associated with Milford and Perry Reservoirs. So far, these bipartisan achievements have saved the State approximately \$27.6 million in interest payments. The final step in these efforts is the Water Resources Development Act request presented by the Kansas Water Office.

Through the Water Resources Development Act, the Kansas Water Office requests an amendment to two water supply storage contracts between the State of Kansas and the United States. This amendment would change the method of calculating interest charges on the contracts from compounding interest to simple interest. I submit this letter in support of the Water Office's request for an amendment to the State's Milford Lake and Perry Lake contracts. This amendment would save the State of Kansas over \$41.0 million in additional interest savings and allow funds to be targeted to other vital water supply projects across Kansas.

This change would benefit not only the State of Kansas but also the communities and businesses that rely on water in these reservoirs today and in the future. Paying off this debt secures a reliable and more affordable water supply for residents and businesses across Kansas for years to come, an effort more critical than ever as we face continued drought and extreme weather events.

I request your support for this amendment and your consideration to carry this amendment during the Water Resources Development Act process. Specific information can be found in the Kansas Water Office letter submitted to you.

Respectfully,

Laura Kelly

Governor of Kansas