

ARE THERE ANY BENEFITS TO EL DORADO CITIZENS FOR PROVIDING WATER TO THE ADDITIONAL REGIONAL CUSTOMERS?

Yes. By working regionally to distribute water resources, El Dorado citizens will benefit by the revenue produced by that distribution. The charges associated with the sale of the water will be based upon the actual costs to provide the drinking water service. Revenue from the sale of additional water will benefit existing El Dorado citizens and lake users as follows:

- The additional revenues will help offset maintenance and improvements at El Dorado Lake.
- If a second treatment plant is constructed to sell treated water, El Dorado could use that treatment plant as a backup plant to the existing treatment plant. The new plant will also serve as additional treatment capacity to meet El Dorado's future needs.
- The City has been setting aside water rate funds to pay potential debt associated with additional water supply allocation. If the potential debt is funded by new regional water supply customers, these existing dollars can be used to fund other improvements to El Dorado's water system and city infrastructure.

IF EL DORADO SELLS WATER TO OTHER REGIONAL CUSTOMERS, WILL RATES FOR CITY CUSTOMERS GO DOWN?

Rates are always a reflection of operational costs. Certain costs applied to all customers would be spread over a larger customer base including the new regional customers. Rates may go down.

WILL EL DORADO LIMIT FUTURE GROWTH OPPORTUNITIES IF IT SELLS ITS WATER ALLOCATION TO OTHER CITIES IN THE REGION?

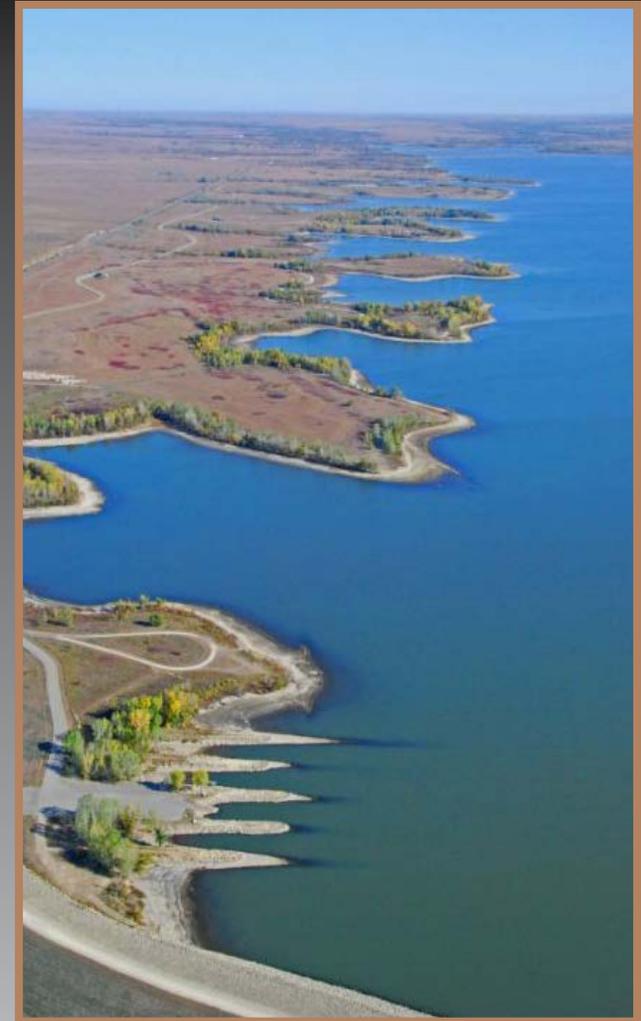
No. There is plenty of water allocated for El Dorado now and for future growth. El Dorado's largest industrial customer uses four million gallons of water per day. There is also adequate water available for additional industrial customers.

HOW DOES THE TASTE AND QUALITY OF WATER COMPARE TO POTENTIAL REGIONAL CUSTOMER'S EXISTING DRINKING WATER SUPPLY?

The taste and water quality of El Dorado's current water is excellent. If a new plant is required, technologies to ensure high quality taste and water quality will be included at the plant.

WHY SHOULD EL DORADO HELP OUT OTHER REGIONAL ENTITIES?

If you look at the history of El Dorado, it was built upon oil and cattle as a resource that helped strengthen the entire regional economy. Water is a renewable resource that El Dorado has in a semi-arid region. It is needed to help our region grow and prosper. So folks in this area are, once again, looking to El Dorado to take the lead, secure and plan for the future of the region, this time, using a renewable resource – water.



CONTACT

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Check out the City's website at:

www.360eldorado.com



EL DORADO

THE FINE ART OF LIVING WELL



El Dorado Lake is an important resource to the El Dorado community and region. The 8,400-acre lake was completed by the Army Corps of Engineers in 1981 and can store up to 50 billion gallons of water for use as drinking water by El Dorado and neighboring communities. El Dorado's citizens, businesses and institutions use approximately 0.5 billion gallons of water per year. The lake also serves as a recreational destination for boating and fishing, and provides flood control along the Walnut River.

The City of El Dorado currently does not use all of the water that is available for drinking water supply. The City has studied the feasibility of offering excess water supply to other regional customers including the City of Wichita. The excess amount of water available for sale was determined through a comprehensive water resources study conducted by Black & Veatch. The study concluded there is adequate water supply available to sell surplus water and have ample water for El Dorado in normal and drought conditions.

HOW MUCH MORE WATER CAN EL DORADO SELL?

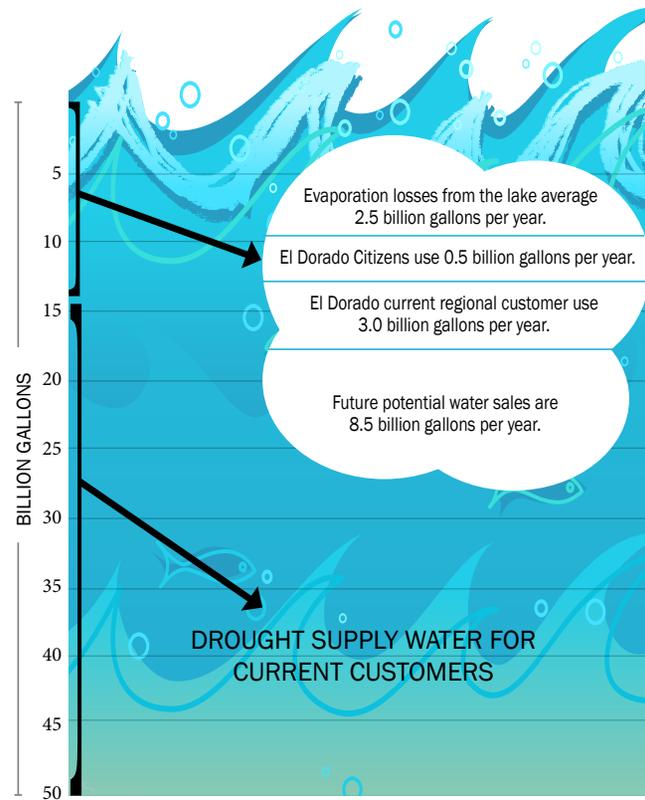
The Black & Veatch study verified data developed by the Kansas Water Office. The study found that the City of El Dorado could sell an additional allocation of 8.5 billion gallons of water per year or 23 million gallons per day. In comparison, El Dorado currently sells between 9 and 10 million gallons per day to El Dorado and regional customers.

WOULD EL DORADO BE AT RISK OF NOT HAVING ENOUGH WATER FOR ITSELF?

No. El Dorado Lake is a renewable resource, constantly replenishing and recharging itself. It has more water than the City of El Dorado will foreseeably ever use. Even during a severe drought similar to the one experienced in the 1950s, there would be adequate water supply for El Dorado's current customers. One of the primary reasons El Dorado Lake was built was as a flood control lake and sometimes it has too much water. At high levels, over 164 million gallons per day has been released; enough to supply 1.6 million people drinking water.

WHAT HAPPENS IF THE REGION EXPERIENCES A DROUGHT; WILL THERE BE ENOUGH WATER?

Yes. This region is fortunate compared to other parts of Kansas. Because of the foresight and planning of El Dorado's leaders, there has not been a need to ration water since the lake was built. There is enough water to serve all the customers during periods of drought, including new customers. El Dorado Lake has the capacity to supply water to 250,000 people in addition to the 30,000 it currently serves. The citizens of El Dorado will always receive the first allocation of water from the lake. Given the lake's vast resources, the citizens of El Dorado will always have enough water.



WOULD NEW CUSTOMERS PAY THE SAME AS EL DORADO CITY CUSTOMERS?

No. Outside city customers pay 1.75 times in-city rates for their water recognizing inside city customers for their ownership of the system and compensating them for the risk associated with system equity and ownership. A cost of service study would determine the actual cost to provide service to all new regional customers.

WILL SELLING MORE WATER DROP THE LAKE LEVELS NEGATIVELY IMPACTING FISH HABITAT AND RECREATION USE OF THE LAKE?

No. Since 1995, the lake has remained full or within three (3) feet below full eighty-nine percent (89%) of the time. Additional revenue from the sale of water will allow for reinvestment in the lake, including the removal of silt, erosion reduction, and habitat improvements. These improvements preserve the lake for fishing and recreation.

DOES EL DORADO ALREADY SELL WATER TO OTHER CITIES OR WATER UTILITIES?

Yes. El Dorado provides 500 million gallons of treated water per year and 2 billion gallons per year of untreated water to other cities and utilities, and has for over 20 years.

ARE THERE CUSTOMERS IN THE REGION THAT NEED DRINKING WATER?

The City of Wichita currently has two water sources. Cheney Lake provides about 60% of Wichita's water supply, the remaining 40% comes from the Equus Beds Aquifer. Wichita will begin recharging the Equus Beds Aquifer once the second phase of the aquifer storage and recovery (ASR) project is operational. Purchasing water from El Dorado would reduce the demand for water from the aquifer and is potentially a cost-effective way for Wichita to have an additional, reliable water source.