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FEB - 8 2016

Mr. Bradley M. Scott General Manager North Central Missouri Regional Water Commission 201 N. Market Street Milan, MO 63556

Re: East Locust Creek Reservoir – Purpose and Need Statements

Dear Mr. Scott:

I am writing to express the Missouri Department of Natural Resources' (Department) support of the full design capacity of East Locust Creek Reservoir. Based on our current evaluation of the project and after reviewing the draft Project Purpose and Need Statement (January 7, 2016) the Department agrees that the current design yield of 7.0 million gallons per day is appropriate and should be utilized as the final design capacity for the reservoir.

The Department's Water Resources Center independent analysis, using the USDA Agricultural Research Service model "RESOP", demonstrated a firm yield of 6.8 million gallons per day for East Locust Creek Reservoir, which is anticipated to meet the water supply needs of North Central Missouri region.

In 2005, the Department and the Natural Resources Conservation Service published evaluations of the Regional Economic Demand and the National Economic Demand for the project showing that the benefits of the proposed reservoir outweighed the project costs. In July 2015, the Department's Water Resources Center completed the "East Locust Creek Reservoir Economic Impacts" report. This study found that the reservoir's benefit to cost ratio is 1.20 for federal investment and 2.58 for state and local investment, demonstrating that the project is a positive economic investment.

The 2002 Missouri Drought Plan identifies the region near the city of Milan as highly susceptible to drought. This region has previously been given a recommendation for a drought emergency by the Missouri Climate and Weather sub-committee of the Governor's Drought Assessment Committee. Current long range projections indicate higher variability in weather patterns with more frequent extreme drought and flood events. Such future scenarios do not bode well for the numerous stream diversions that currently support the water supply needs of the region.



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The Department supports the need for additional water supplies in the region, and has provided assistance in establishing the Locust Creek Stream diversions to supplement Elmwood Reservoir, and the emergency water line from Trenton. These measures were never considered permanent solutions. Engineering reports have verified that a centrally located reservoir in North Central Missouri is the most cost effective solution to solve long term water deficits that are expected during drought conditions.

For these reasons, the Department remains committed to the optimization of the East Locust Creek Reservoir site and fully supports the need of the project to provide the future water supply of the region.

Sincerely,

MISSOURIZEPAREMENT OF NATURAL RESOURCES

Sara Parker Pauley

Director

SPP:mv

c: Mr. Mark Frasier, U.S. Army Corps of Engineers, Kansas City District Colonel Andrew Sexton, U.S. Army Corps of Engineers, Kansas City District