

**Intended Use Plan for
the Kansas Water Pollution Control
Revolving Loan Program**

State Fiscal Year 2022



Effective July 1, 2021

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I. Introduction

The State of Kansas Intended Use Plan (IUP) for the Clean Water State Revolving Fund (CWSRF) is prepared in accordance with the provisions of Title VI of the Federal Water Pollution Control Act. If any additional provisions come with future federal funding, these will also be included in the KWPCRF program.

This IUP covers activities during the 2022 program year, or state fiscal year, which is July 1, 2021 through June 30, 2022. The IUP is submitted to the EPA as part of the application for a capitalization grant. EPA regulations require the IUP to include the following elements:

- A List of Projects
- Short and Long Term Goals
- Information on SRF Activities to be Supported
- Assurances to meet requirements for binding commitments, Expedient and timely expenditure, first use of funds, and conducting environmental reviews
- Criteria and method for distribution of funds

The Kansas CWSRF was established pursuant to the Clean Water Act of 1987 and by state statutes K.S.A. 65-3321 thru 65-3329, to establish the Kansas Water Pollution Control Revolving Fund (KWPCRF) to provide below market interest rate financing to local governments for certain water quality projects. The implementing regulations are found at K.A.R. 28-16-110 thru 28-16-138. The KWPCRF operates through an Inter-Agency Agreement (IAA) between the Kansas Department of Health and Environment (KDHE), the Kansas Department of Administration (KDA), and the Kansas Development Finance Authority (K DFA). KDHE is responsible for all aspects of the KWPCRF and administers the technical and environmental aspects of the program, KDA provides accounting and fiscal management services, and K DFA issues bonds to provide state match and leveraging funds as well as fund investment administration.

The KWPCRF provides low-cost financial assistance for wastewater, stormwater and nonpoint source projects. Since the program's authorization in 1988, Kansas has awarded over \$1.4 billion in assistance to both small and large municipalities. In the upcoming year, Kansas has identified over \$296 million in potential projects that could be funded (see the Project Priority List in Appendix A).

Every year since the inception of the KWPCRF program, the federal government has appropriated funds for the KWPCRF in the form of capitalization grants. These capitalization grants are distributed to states using a formula outlined in the Clean Water Act Amendments of 1988. Since 1989, the Kansas CWSRF has received over \$425 million in federal capitalization grants. In addition, as required by federal law, the state of Kansas has provided matching funds equal to 20 percent of the capitalization grants by issuing state match revenue bonds. In some years, the KWPCRF has leveraged the program by issuing additional revenue bonds. The leveraging bonds allow Kansas to fund more projects sooner by making additional funds available. The KWPCRF receives an annual independent financial audit.

The Federal Water Pollution Control Act requires all CWSRF projects funded after September 30, 2015, regardless of funding source, to pay construction workers the federal Davis-Bacon wage rates for their job classification, comply with American Iron and Steel (AIS) requirements, comply with the federal environmental crosscutting authorities, and projects which repair, replace, or expand treatment works must provide a Fiscal Sustainability Plan (FSP) for the wastewater utility. KDHE must also obtain a certification from all applicants, in a manner determined by the Governor, that the

facility planning has studied and evaluated cost and effectiveness and efficiency of water use, reuse, recapture and conservation, and energy conservation, for all projects funded on or after October 1, 2015. These KDHE guidance documents are also available on the KDHE website at <http://www.kdheks.gov/muni/index.htm> .

Project milestones and information are reported in an EPA database accessible through the internet. The KWPCRF commits to entering benefits information on all projects to the EPA database by the end of the quarter in which the assistance agreement is signed.

The 2021 capitalization grant allotments were provided to KDHE on March 3, 2021. KDHE submitted the 2021 capitalization grant application (\$14,342,000) on May 7, 2021, as of the publication of this document the 2021 grant has not been awarded.

Allotments for the FFY 2022 EPA capitalization grant have not been determined as of the date of publication of this document and any special conditions or required program changes are also unknown.

This Intended Use Plan can be amended to add projects or other provisions as needed after a public hearing with 30 days' notice. KDHE anticipates amending this IUP in December 2021 or January 2022.

II. List of KWPCRF Projects

In March of 2021, letters soliciting projects were sent municipalities eligible to receive assistance from the Kansas Water Pollution Control Revolving Fund. The solicitation specifically mentioned green infrastructure projects, water efficiency projects, water related energy efficiency projects and other water related environmentally innovative projects were eligible. Newly submitted projects were combined with the projects left over from the 2021 Project Priority List (PPL) to create the 2022 Project Priority List. Nineteen additional eligible projects for \$36.5M were submitted for consideration and placement on the 2022 PPL. The 2022 PPL can be found in Appendix A.

In order to maximize the use of available funds, all projects on the PPL will be allowed to complete loan applications. This will ensure projects that are ready to proceed will have access to loan funds. If any of these projects do not submit the loan application by the deadline established in the application transmittal letter, or if any system notifies KDHE that they are no longer interested in a KWPCRF loan, the projects will be removed from the PPL. Systems can notify KDHE in writing if they are not ready to proceed with the application but still want to be left on the Project Priority List for the next funding cycle.

The PPL lists all eligible and current projects that have been submitted for loan fund consideration. Historically only a small percentage of the projects listed on the PPL complete loan applications due to project abandonment or delays due to project readiness to proceed. If municipalities that are provided with a loan application do not complete it by the deadline given to them, and they are otherwise nonresponsive, they will be bypassed and removed from the PPL. All projects are considered above the funding line.

All of the loans in the Project Priority List are considered Section 212 Projects. There are no nonpoint source or estuaries projects listed in the Project Priority List.

III. Criteria and Method for Distributing Funds

The KWPCRF has discontinued the use of a priority ranking system. KDHE intends to fund any eligible project from the Project Priority List that completes the application process, in the order that

the applications are processed. This will ensure projects that are ready to proceed obtain financing when needed. Federal regulations do not require loan commitments to follow the order of the state developed ranking procedure.

KDHE may elevate any eligible project to the Project Priority List due to emergency conditions as determined by the Secretary; however, the application process is the same as non-emergency projects except that emergency projects do not need 30 days' notice for the public hearing. All projects must be on the Project Priority List in order to receive funding.

Through federal appropriation law, Congress has mandated that 10% of the 2021 amount (\$1,434,200) be put towards projects that qualify under the EPA Green Project Reserve (GPR) if such applications are submitted. Projects that qualify as GPR are indicated on the PPL. Projects initially not listed as GPR qualified may be considered GPR qualified after the loan application is evaluated. To comply with state law, KDHE will insure a minimum 10% of the monies will be made available to municipalities with 5,000 population or less.

As of May 31, 2021, the KWPCRF had \$121,996,306 of existing funds available for disbursement and a total loan commitment to disburse of \$74,491,868. This means there is \$47M of funds currently available to commit to new loans. Funds do not need to be available at the time of loan commitment, only at the time of loan disbursements. Additional funds will be realized during the program year from the 2021 capitalization grant (14M), the 2022 capitalization grant and required match (estimated \$17M total) and from funds that revolve (estimated at \$29M). With these assumptions, KDHE will have approximately \$107M available for new commitments in program year 2022. Additionally, KDHE will issue bonds during any program year when funds available for disbursement are projected to reach a shortfall. Funds available for disbursements are currently projected to last throughout the 2022 program year.

IV. Financial Status of the KWPCRF

The KWPCRF operates as a cash flow leveraged loan program. In a cash flow leveraged loan program, the EPA capitalization grant is directly loaned out and the repayments of those loans are pledged as security for repayment of state issued revenue bonds (leveraged bonds). The revenue bond proceeds are also loaned to municipalities and such loans are pledged as security for repayment of the state issued revenue bonds. Since a portion of loans are funded with EPA capitalization grant funds, which the program does not pay interest on but does receive interest payments from once they are loaned out, the pool of loans can be offered at interest rates less than the market rate.

The Fund anticipates issuing state match bonds during the program year to obtain matching funds for the 2022 capitalization grant. Leveraged bonds are issued according to cash flow needs (cash needed for disbursements), not necessarily for loan commitment needs. Because there can be up to a two-year delay between loan execution and project construction, the cash available for disbursements does not need to be equal to the total loan commitment amount at any given time. KDHE does not anticipate the need to issue leveraged bonds during the program year to meet cashflow needs.

As of May 31, 2021, KDHE had 520 loan agreements or offers in place for a total of \$1,400,741,078. Loans have been finalized (projects completed) for 474 of those agreements and 256 of the loans have been repaid in full. Existing loan agreements had a commitment balance amount of \$74,491,868 (amount needed to fully disburse existing loan commitments).

For the 2022 PPL, the KWPCRF will assume the full amount of the PPL, \$296M, can be made available for commitment to new loans. The Sources and Uses table in Appendix B shows estimated

financial resources and the planned utilization of those resources for the 2022 program year.

KDHE does not commit specific types of funds for specific loans at loan execution; instead, the source of funds used for disbursements will be determined at the time of each disbursement request. This practice allows for capitalization grant funds to be disbursed as priority therefore reducing unliquidated obligations of federal grants. KDHE expects to fully disburse the loan portion of the 2021 capitalization grant during the program year.

Comprehensive financial planning is essential for the KWPCRF. Financial planning is used to determine appropriate investment strategies, leveraging practices, use of additional subsidies, and annual and long-term financing capacity. The KWPCRF strives to balance the need to provide as much low-cost financing as possible while ensuring that the fund can continue to operate in perpetuity. Each year, KDHE and the partner agencies and various consultants review the financial conditions of the KWPCRF, including the need and timing to sell leveraging bonds.

At least once a year, a cash flow analysis for the next 20-year period is performed to aid in making long- and short-term financial decisions for the Fund. The last cash flow analysis was performed in February 2021 and the summary is attached as Appendix G. Formal monthly meetings between KDHE, the Kansas Development Finance Authority (bond issuer and financial advisor) and the Kansas Department of Administration (SRF program accounting) are also held to discuss financial planning and make funding decisions.

More detailed financial information can be found in the KWPCRF Annual Report. The most recent report covers the program year through June 30, 2020. This and future annual reports can be found on the KDHE web site www.kdheks.gov/pws/loansgrants/loanfunddocumentsadministration.html.

V. Interest Rates and Additional Subsidy

In accordance with K.A.R. 28-16-113 the gross interest rate (loan interest rate plus service fee rate) will be set at 60% of the previous three months’ average of the Bond Buyers 20 Year General Obligation Bond Index. The financing term for most projects will be 20 years, a shorter repayment period is available if desired by the applicant or required if the useful life of the project is less than 20 years.

Additional subsidy is mandated by appropriation laws and allowed, but not mandated by the Clean Water Act. The tables below show the amount of additional subsidy allowed and amounts committed for both mandated and non-mandated additional subsidy associated with open grants.

Additional Subsidy Requirements (Congressional Appropriations)

Grant Year	Required Additional Subsidy Amount	Projected Additional Subsidy (Includes Loans that are not Finalized)	Awarded Additional Subsidy (Finalized Loans)	Estimated Additional Subsidy Finalization Date
2016	\$1,206,000.00	\$1,206,000.00	\$0.00	Jul-21
2017	\$1,196,700.00	\$1,196,700.00	\$1,196,700.00	Oct-21
2018	\$1,448,800.00	\$1,448,800.00	\$1,448,800.00	Oct-21
2019	\$1,434,200.00	\$1,434,200.00	\$854,500.00	Aug-22
2020	\$1,443,440.00	\$1,281,120.00	\$0.00	Aug-22
2021	\$1,434,200.00	\$0.00	\$0.00	Aug-23
Totals	\$8,163,340.00	\$6,566,820.00	\$3,500,000.00	

The additional subsidy that is mandated by the congressional appropriations can be used for principal forgiveness for any eligible project that meets state developed criteria. For the 2022 program year, principal forgiveness under this authority will be awarded according to criteria applicable to the Section 603(i) authorities for additional subsidy.

Additional Subsidy Requirements (Section 603(i) CWA eligibilities – Not Mandatory)

Grant Year	Maximum Additional Subsidy	Projected Additional Subsidy (Includes Loans that are not Finalized)	Awarded Additional Subsidy (Finalized Loans)	Estimated Additional Subsidy Finalization Date
2016	\$3,618,000	\$3,385,379	\$3,061,874	Aug-21
2017	\$3,590,100	\$3,590,100	\$1,282,579	Aug-21
2018	\$4,346,400	\$3,544,520	\$356,000	Aug-21
2019	\$4,302,600	\$0	\$0	
2020	\$4,303,200	\$0	\$0	
2021	\$4,302,600	\$0	\$0	
Totals	\$24,462,900	\$10,519,999	\$4,700,453	

Under the authority of Section 603(i) (A) of the Clean Water Act, projects that meet the affordability criteria found in Appendix F can qualify for up to 30% principal forgiveness of the associated loan disbursement amount, not to exceed \$1,000,000 for any single loan agreement (as funds are available).

Under the authority of Section 603(i) (B) of the Clean Water Act, projects that encourage sustainable project planning design and construction – specifically projects that develop regionalization studies, construct facilities that treat wastewater from more than one municipality, converts a mechanical treatment system (includes activated sludge package plant or Imhoff Tank) with a capacity of 1 MGD or less to a lagoon treatment system, or converts a discharging lagoon treatment system to a non-discharging lagoon treatment system, can qualify for up to 30% principal forgiveness of the associated loan disbursement amount, not to exceed \$1,000,000 (as funds are available).

Principal forgiveness cannot be used to pay the costs of interest and service fee charges during construction.

In the event that projects on the PPL qualify for additional subsidy in amounts that exceed the minimum required amount of available funds, the amount of additional subsidy for each loan will be prorated for all loan applications that meet the application submittal deadline of October 15, 2021.

Congressional Appropriations have required 10% of certain Cap Grant amounts be used to fund projects eligible for the Green Project Reserve (GPR). The status of GPR spending is summarized in the table below. One project potentially qualifies for the Green Project Reserve for an estimated \$1,000,000 as shown on the Project Priority List. More projects on the PPL may be determined eligible once more energy efficiency details are established during planning and design.

Green Project Reserve (GPR) Requirements (Congressional Appropriations)

Grant Year	Minimum GPR	Projected GPR (Includes Loans that are not Finalized)	Awarded GPR (Finalized Loans)	Estimated GPR Finalization Date
2017	\$1,196,700	\$1,310,934	\$382,000	Jun-21
2018	\$1,448,800	\$1,448,800	\$1,448,800	Sep-20
2019	\$1,434,200	\$1,434,200	\$1,434,200	Sep-20
2020	\$1,434,400	\$1,434,400	\$617,000.00	Aug-22
2021	\$1,434,200	\$0.00	\$0.00	
Totals	\$6,948,300	\$5,628,334	\$3,882,000	

VI. Equivalency Projects

The KWPCRF must designate in the Intended Use Plan a project or group of projects equal to the capitalization grant amount that will be required to submit an audit that complies with the Single Audit Act requirements, comply with the Federal Funding Accountability and Transparency Act reporting requirements, and comply other federal crosscutter requirements. At the time of loan execution KDHE will determine if such loan will be required to comply with these requirements. Because it is unknown which projects listed on the PPL will execute loan agreements, it is not possible to list specific loans that will meet these requirements for the anticipated capitalization grants. Equivalency loans will be listed in the annual report.

The following additional requirements apply to Equivalency projects:

- Disadvantaged Business Enterprise utilization
- Single Audit Act
- Federal Funding Accountability and Transparency Act (FFATA) reporting
- Procurement of A/E services in accordance with the federal Brooks Act
- Public notification or signage requirements

VII. Short and Long Term Goals

Kansas has developed short-term and long-term goals for the KWPCRF program. The status of these goals will be discussed in the annual report.

Short-Term Goals

1. To provide financial assistance to water quality improvement projects for discharge to streams and water bodies within high quality watersheds.
2. To provide financial assistance for sewerage facilities to municipalities with population less than 5,000.
3. To assure compliance with Water Quality Standards and effluent limitations through encouraging construction of sewerage improvements in support of KDHE Permitting and Enforcement activities.
4. To encourage municipalities to use the KWPCRF for solving problems and providing improvements related to public health protection, water quality improvement, sludge handling

improvements and biosolids reuse, asset management, energy efficiency, and wastewater treatment facilities compliance through the construction of sewerage projects.

5. To assure compliance with domestic sewage sludge reuse criteria and disposal practices through construction of any necessary sludge handling improvements to comply with the 40 CFR Part 503 EPA regulations.
6. Fund green infrastructure, water and energy efficiency and environmentally innovative projects if applications for such projects are submitted.

Long-Term Goals

1. To maintain a self-supporting, effective and efficient, revolving loan program through the Kansas Water Pollution Control Revolving Fund to provide the type and amount of assistance most advantageous to local communities and to provide low-cost financing for important water quality projects in order to improve and protect water quality and public health while maintaining the perpetuity of the CWSRF.
2. To support implementation of Water Quality improvements plans as presented within the Kansas Water Plan and TMDL plans written by KDHE and approved by EPA.
3. To provide funding to non-traditional projects for water quality improvement and public health protection projects, and non-point source pollution control projects.
4. Expand available financing by issuing KWPCRF leveraged bonds when needed.

VIII. Revolved Funds

Revolved funds are revenues in excess of the amounts needed to make bond principal and interest payments. As of May 31, 2021, the Fund had approximately \$122M in revolved funds available for disbursement and anticipates another \$29M to be added during the 2022 program year.

The KWPCRF has historically utilized pre-spending of bond proceeds using recycled funds. Pre-spending bond proceeds will help assure that the Fund meets the one and three year spend down requirements for bond proceeds and avoid penalties imposed by tax laws. The program anticipates issuing state match bonds but not leveraged bonds during the program year.

IX. Rates and Uses of Fees

As established by K.A.R. 28-16-113 the gross interest rate for a KWPCRF loan shall include the service fee. Assistance recipients are assessed a service fee of 0.25%, which is included as a component of the gross interest rate. The fee income is used to help cover the costs of administration of the KWPCRF by paying for a portion of KWPCRF staff salary and benefits, costs incurred by other state agencies under the IAA, costs of annual independent financial audits, ongoing costs of rent, travel, communications, office equipment, etc., for the KWPCRF program. Service fees are also used for other salaries and similar expenses of administering Section 106 activities such as the NPDES permit program. As service fees are earned on the FFY 2021 capitalization grant, \$100,000 of service fees are expected to be deposited into the CWSRF as program income earned during the grant period.

For loans with an effective date after May 31, 2018, the service fee is calculated differently through the first 4 years of repayments than in the remaining years of repayments. Through the first 4 years of repayments the service fee will be equal to the gross interest rate minus 0.25%. For the remaining

years of repayments, the service fee will be equal to 0.25%. The service fees collected through the first 4 years of repayments will be set aside and used as funds for future state match requirements.

X. Cross Collateralization and Transfers

The Master Financing Indenture (MFI), was established in 2010 by KDFA Bond Resolution No.287 and combines both the KPWSLF and KWPCRF programs as one entity for the purpose of interfacing with the capital market. All current outstanding bonds associated with the Kansas SRF programs are under the MFI. The entire MFI is structured as a cross collateralization mechanism as all interest revenues are pledged to the State Match bonds and all other revenues are pledged to the Leveraged Bonds.

The MFI interface provides for an understanding to bond holders as to how debt service will be paid. However, as indicated in Section 903 of the MFI, the KPWSLF and KWPCRF will maintain and operate the loan programs as separate entities with separate accounting of all loan disbursements, interest revenues, principal revenues, State Match debt service, Leveraged debt service, State Match bond issuance amounts, Leveraged bond issuance amounts, State Match bond proceeds, Leveraged bond proceeds, and any other fund or account established in the MFI.

In the event that cross-collateralization is used to pay debt service on bonds, KDHE accounting will show revenue from one program was needed to pay debt service of the other program. That amount will be treated as a loan (without interest) to be repaid once the borrowing program has available funds in its portion of the Program Equity Fund. In the unlikely event that State Match debt service could not be paid using the corresponding program's portion of interest revenues in the MFI, the amount necessary needed to pay the State Match debt service of the program would be transferred from the corresponding program's Service Fee account to the State Match debt service account (Service Fees are an interest component of the loan repayments). This will assure that the assets of one program are not used, even temporarily, to pay for the other program's State Match. Furthermore, the MFI will not issue any bonds unless it can show that the program which receives bond proceeds can pay 100% of the debt service of the corresponding bonds (in other words, without using cross-collateralization).

The Kansas Department of Health and Environment reserves the right to transfer 33% of the amount of the Clean Water 2019, 2020, 2021 and 2022 capitalization grants to the Kansas Public Water Supply Loan Fund in the future. The transferred funds will not be federal funds and will come from either bond proceeds, investment earnings, or recycled funds. This would help the KPWSLF to meet loan demands in the future and should not impact the ability for the KWPCRF to fund demand for projects.

	CW Capitalization Amount	SRF Grant	Potential Transfer to DW SRF
2019	\$14,342,000		\$4,732,860.00
2020	\$14,344,000		\$4,733,520.00
2021	\$14,342,000		\$4,732,860.00
2022 Est.	\$14,342,000		\$4,732,860.00
	Total Transfer Authority		\$18,932,100

XI. Cash Draw Ratio and SRF Administration

The 2021 capitalization grant requires a state match of \$2,868,400 of which \$1,484,000 was

deposited on February 27, 2020. The remaining amount of \$1,384,400 needed for the state match of the 2021 capitalization grant was obtained from \$1,500,000 of bond proceeds that were deposited on March 11, 2021.

The \$1,484,000 that was deposited in 2020 was fully disbursed to loans in March 3, 2020 (as documented for the 2020 capitalization grant application). The remaining requirement of \$1,384,400 that was deposited on March 11, 2021 was fully disbursed to loans by April 30, 2021, prior to any grant draws, therefore the draw ratio for the 2021 capitalization grant is 100%.

	EPA Grant	Grant Award Date	SM requirement	2018 SM Bonds 04/05/18	2019 SM Bonds 03/01/19	2020 SM Bonds 02/27/2020	2021 SM Bonds 03/11/2021
FFY 2019	\$14,342,000	07/08/19	\$2,868,400	221,200.00	2,647,200.00		
FFY 2020	\$14,344,000	06/26/20	\$2,868,800		852,800.00	2,016,000.00	
FFY 2021	\$14,342,000		\$2,868,400			1,484,000.00	1,384,400.00
FFY 2022**	\$14,342,000		\$2,868,400				115,600.00
Total SM Bond Proceeds per Issue				3,000,000.00	3,500,000.00	3,500,000.00	1,500,000.00

Section 603(d)(7) of the Federal Water Pollution Control Act allows a certain amount of the federal capitalization grant to be used for SRF administration. This amount is the greater of 3 determinations; \$400,000, 1/5 percent (0.2%) of the current valuation of the fund, and 4% of the all capitalization grant awards received by the State CWSRF (excluding federal administrative funds spent). The current valuation of the fund (Total Net Position from the 2020 audit) is \$400,771,897 resulting in possible administration use calculation of \$801,543. The total Kansas Capitalization Grant amount awarded through 2021 is \$439,879,647, of which 4% is 17,595,185.88. Federal administrative funds spent as of June 30, 2020 is equal to \$11,566,145 which results in a possible administration use calculation of \$6,029,040.88. The greater of these 3 options is \$6,029,040.88 which sets the maximum annual amount of SRF funds that can be used for administration costs (excluding fees).

XII. Public Review and Comment

A public hearing is scheduled to receive comments on this KWPCRF IUP for SFY 2022 and the affordability criteria. The hearing was held in the KDHE offices at the Curtis State Office Building, 1000 SW Jackson Street, Topeka, Kansas, on June 23, 2021 in the Azure Conference Room. The hearing was advertised in the Kansas Register.

APPENDIX A

2022 Project Priority List - July 1, 2021

Project #	Municipality	NPDES Permit No.	Project Description	Loan Amount	Project Eligible for Additional Subsidy (Congressional, Sec. 603(i)(1)(A), Sec. 603(i)(1)(B))	Opportunity Zone; Yes =1, No = 0	Population 500 or less	MHI (Kansas MHI = 62087; 80% = 49,670)	County Unemployment Rate (Kansas Ave = 5.38%; 115% = 6.187%)	Estimated Principal Forgiveness Amount	Estimated GPR Amount
3016-01	Alden	0051641	Wastewater Treatment Plant Improvements and Rehabilitation	\$600,000		0	142	53,281	4.03%		
1812-01	Arkansas City	0044831	Rehabilitate and upgrade the wastewater treatment plant to provide nutrient removal	\$20,000,000	Sec. 603(i)(1)(A)	1	11,793	42,576	6.15%	\$1,000,000	\$1,000,000
3018-01	Chanute	0008037	New Wastewater Treatment Plant to Meet BNR requirements	\$10,000,000	Sec. 603(i)(1)(A)	0	9,018	36,838	6.53%	\$1,000,000	
3028-01	Cherokee	KS0081230	Sanitary Sewer Extensions and Annexation	\$353,135		0	708	41,500	5.26%		
3017-01	Coolidge	NA-NQLagoon	Lagoon Improvements	\$600,000	Sec. 603(i)(1)(A)	0	93	31,354	1.82%	\$180,000	
3006-01	Eudora	0094609	Replace Lift Station and Add Chemical Feed to Wastewater Plant	\$1,715,000		0	6,384	87,692	5.95%		
3011-01	Garden City	0038962	Construct a Wastewater Reuse Treatment Facility	\$8,100,000		1	26,546	78,180	3.45%		
1204-01	Geary Co. S.D. #4	0079197	Replace the Existing WWTP with a Lagoon Treatment Facility	\$878,691	Sec. 603(i)(1)(A)	0	68		6.68%	\$263,607	
3040-01	Glasco	KS0100803	Improve stormwater system which is affecting sanitary sewer system	\$800,000	Sec. 603(i)(1)(A)	0	455	47,708	4.34%	\$240,000	
3045-01	Goodland	KSJ00247	Construction of a belt filter press, additional sludge storage	\$1,500,000		0	4406	55,077	3.57%		
3030-01	Hamilton	KS0046001	Rehab Collection System	\$250,000	Sec. 603(i)(1)(A)	0	242	38,068	1.82%	\$75,000	
2028-01	Hanston	0031143	Replace the Existing WWTP with a Lagoon Treatment Facility	\$2,000,000	Sec. 603(i)(1)(A)	0	196	46,250	2.58%	\$600,000	
3038-01	Hartford	KS0025682	Replacement of force main from lift station to wastewater treatment facility	\$300,000	Sec. 603(i)(1)(A)	0	371	42,679	4.71%	\$90,000	
3021-01	Haviland	0027839	Wastewater Lagoon Improvements	\$1,476,000			672	50,536	3.45%		
2037-01	Herndon	NA-NQLagoon	Rehabilitate the Existing WWTP Lagoon.	\$250,000	Sec. 603(i)(1)(A)	0	127	35,625	2.59%	\$75,000	
3042-01	Hiawatha	KS0096440	Improvements of North, South and Layton's Lift Stations	\$7,691,600		0	3118	41,375	4.09%		
3036-01	Highland	KS0047457	Sewer Collection System Rehabilitation	\$3,876,513		0	995	53,750	4.20%		
3037-01	Humboldt	KS0098159	Replacement of UV disinfection equipment at WWTF	\$350,000		0	1762	42,077	5.29%		
3035-01	Huron	KS0047473	3 cell discharging lagoon from a 2 cell non-discharging lagoon	\$875,000	Sec. 603(i)(1)(A)	0	73	24,375	6.43%	\$262,500	
2043-01	Independence	0095486	Rehabilitate the Wastewater Collection System	\$3,100,000	Sec. 603(i)(1)(A)	0	8,598	41,778	6.64%	\$930,000	
1973-02	Junction City	0034011	Rehabilitate and Upgrade the WWTP to Provide Nutrient Removal	\$23,746,000		0	22,120	53,932	6.68%		
3025-01	Latham	NA-NQLagoon	Rehabilitate the Existing WWTF and Collection System	\$900,000	Sec. 603(i)(1)(A)		138	22,917	6.26%	\$270,000	
3047-01	Miami County/Bucyrus	KS0095290	Replacement of WWTF	\$2,000,000		0	322	73,516	4.86%		
3033-01	Mankato	KS0095281	Collection System Rehabilitation, CIPP Sewer Main Lining, Manhole, Point Repair	\$3,500,000	Sec. 603(i)(1)(A)	1	816	48,833	3.13%	\$1,000,000	
3041-01	Marysville	KS0092142	Convert discharging lagoon to a non-discharging lagoon	\$3,000,000	Sec. 603(i)(1)(B)	0	3269	43,214	3.18%	\$900,000	
3032-01	Miltonvale	KS0021911	Rehab 3 Discharging lagoon and The Collection System, De-sludge the lagoons	\$1,000,000	Sec. 603(i)(1)(A)	1	487	41,944	4.34%	\$300,000	
3031-01	Oakley	KS0100013	Change a discharging lagoon to Non Discharging by adding a fourth lagoon cell.	\$652,900	Sec. 603(i)(1)(B)	0	2034	50,495	2.53%	\$195,870	
3008-02	Pittsburg	NA-new wwpt	Construct a Regional Wastewater Treatment Plant	\$35,000,000	Sec. 603(i)(1)(B)	1	20,178	34,956	5.26%	\$1,000,000	
3029-01	Reno County	KS0091715	Consolidate Sewer Systems	\$2,991,140	Sec. 603(i)(1)(B)	0			5.28%	\$897,342	
3046-01	Riley Co./ Keats Dist.	NA	Collection System to Replace Septic Systems	\$2,790,000		0	167	112,330	5.23%		
3039-01	Smith Center	KS0098221	Construction of a seepage/storage cell at the WWTF	\$1,000,000		0	1570	38,258	2.53%		
3022-01	Soldier	0081035	De-Sludging of Lagoons	\$100,000	Sec. 603(i)(1)(A)		132	27,500	4.93%	\$30,000	
1188-01	Spring Hill	0095516	Rehabilitate a Portion of the Wastewater Collection System	\$563,000		0	4,055	80,357	5.04%		
3034-01	Sterling	KS0084905	Addition of wastewater cell lagoon, discharging to non discharging lagoon	\$1,350,000	Sec. 603(i)(1)(B)	0	2209	47,563	4.30%	\$405,000	
3027-01	Unified Gov. of Wyandotte	KS0095656	Stormwater Program Projects	\$150,000,000	Sec. 603(i)(1)(A)		152,960		7.53%	\$1,000,000	
3043-01	Valley Falls	KS0022543	Sewer Collection System Rehabilitation	\$2,250,000		0	1153	58,403	4.68%		
2039-01	Windom	0051721	Provide Comprehensive City-Wide Sewer Rehabilitation	\$500,000	Sec. 603(i)(1)(A)	0	126	36,250	3.48%	\$150,000	
New Projects											
				\$296,058,979						\$10,864,319	\$1,000,000

Kansas Water Pollution Control Revolving Fund
Estimated Sources and Uses
Appendix B

Sources:

Beginning Cash and Investments	\$130,495,973
Interest Earnings (other than loan repayments)	\$650,000
2020 Grant	\$600,000
2021 Grant	\$14,342,000
2022 Grant (Est.)	\$14,342,000
Loan Repayments	\$39,240,397
Service Fees	\$7,871,089
Bond Proceeds	\$3,000,000
Total Sources	\$210,541,459

Uses:

Estimated Loan Disbursements	\$66,000,000
SRF Administration	\$700,000
Water Quality Program Assistance	\$1,000,000
SRF Debt Service Payments	\$9,023,250
Investments	\$133,818,209
Total Uses	\$210,541,459

APPENDIX C

Public Review

- a. Public Hearing Notice
- b. Summary of Public Hearing

Kansas Permit No. M-VE21-0002
 Federal Permit No. KS0086207

Legal Description: SE¼, NE¼, SW¼, S18, T34S, R14E, Montgomery County, Kansas

The proposed action is to reissue an existing State/NPDES permit for an existing facility. This facility is a three-cell wastewater stabilization lagoon system. The proposed permit contains limits for biochemical oxygen demand, total suspended solids, and pH, as well as monitoring for ammonia, E. coli, and nitrate + nitrite.

Name and Address of Applicant	Receiving Stream	Type of Discharge
Tribune, City of PO Box 577 Tribune, KS 67879	White Woman Creek	Treated Domestic Wastewater

Kansas Permit No. M-UA41-0001
 Federal Permit No. KS0085642

Legal Description: NW¼, SE¼, NW¼, S21, T18S, R40W, Greeley County, Kansas

The proposed action is to reissue an existing State/NPDES permit for an existing facility. This is a three-cell wastewater stabilization lagoon system. The proposed permit contains limits for biochemical oxygen demand, total suspended solids, pH, chlorine residual, and E. coli, as well as monitoring for ammonia.

Persons wishing to comment on or object to the draft documents and/or permit applications must submit their comments in writing to the Kansas Department of Health and Environment (KDHE) if they wish to have the comments or objections considered in the decision-making process. All written comments regarding the draft documents, application or registration notices received on or before June 19, 2021, will be considered in the formulation of the final determination regarding this public notice. Please refer to the appropriate Kansas document number (KS-AG-21-184/186, KS-Q-21-037/044) and name of the applicant/permittee when preparing comments.

All comments received will be responded to at the time the Secretary of Health and Environment issues a determination regarding final agency action on each draft document/application. If response to any draft document/application indicates significant public interest, a public hearing may be held in conformance with K.A.R. 28-16-61 (28-46-21 for UIC). A request for public hearing must be submitted in writing and shall state the nature of the issues proposed to be raised during the hearing.

Comments or objections for agricultural related draft documents, permit applications, registrations or actions should be submitted to the attention of Matthew Steele Ph.D., P.E., Section Chief, Livestock Waste Management Section at the KDHE, Bureau of Environmental Field Services (BEFS), 1000 SW Jackson, Suite 430, Topeka, KS 66612. Comments or objections for all other proposed permits or actions should be sent to Michael Beezhold at the KDHE, Bureau of Water, 1000 SW Jackson St., Suite 420, Topeka, KS 66612.

All draft documents/applications and the supporting information including any comments received are on file and may be inspected at the offices of the KDHE. For agricultural related draft documents or applications an appointment can be scheduled, or copies requested by contacting Rachel Hammond, BEFS, Livestock Waste

Management Section at 1000 SW Jackson St., Suite 430, Topeka, KS 66612, telephone 785-296-0076 or email at kdhe.feedlots@ks.gov. For all other proposed permits or actions an appointment can be scheduled, or copies requested by contacting Christopher Zwiener, Bureau of Water, 1000 SW Jackson St., Suite 420, Topeka, KS 66612, telephone 785-296-3056 or email at Christopher.Zwiener@ks.gov. These documents are available upon request at the copying cost assessed by KDHE. Application information and components of plans and specifications for all new and expanding swine facilities are available at <http://www.kdheks.gov/feedlots>. Division of Environment offices are open from 8:00 a.m. to 5:00 p.m., Monday through Friday, excluding holidays.

Lee A. Norman, MD
 Secretary

Doc. No. 049154

State of Kansas
 Department of Health and Environment
 Notice of Hearing

A public hearing is scheduled to be conducted at 1:00 p.m. Wednesday, June 23, 2021, in the Azure Conference Room of the Curtis State Office Building, 1000 SW Jackson St., 4th floor, Topeka, Kansas, to discuss the 2022 Intended Use Plans (IUP) for the Kansas Public Water Supply Loan Fund (KPWSLF) and the Kansas Water Pollution Control Revolving Fund (KWPCRF). These Intended Use Plans will make additions to the Project Priority List of each program and include estimates and uses of anticipated capitalization grants from EPA. Copies of the draft IUPs can be obtained online at www.kdheks.gov/pws/loansgrants/loanfunddocumentsadministration.html.

Any individual with a disability may request accommodation to participate in the public hearing. Requests for accommodation should be made at least five working days before the hearing by contacting Linda White at 785-296-5514.

Comments can be presented at the hearing or in writing prior to the hearing. Due to the uncertainty of gathering restrictions that may be in effect at the time and location of the scheduled public hearing, written comments are strongly encouraged. Written comments should be addressed to William Carr, Bureau of Water, Kansas Department of Health and Environment, 1000 SW Jackson St, Suite 420, Topeka, KS 66612.

Lee A. Norman, MD
 Secretary

Doc. No. 049152

State of Kansas
 Department of Health and Environment
 Request for Comments

In accordance with Section 303(e) of the Federal Clean Water Act (CWA) and the interpreting regulations at 40 CFR 130.5, the Kansas Department of Health and Environment (KDHE) Bureau of Water has prepared an up-

(continued)

FY2022 IUP
Summary of Public Hearing
June 23, 2021 1:00 pm

FY2022 IUP Public Hearing Attendance List

Name	From
William Carr	KDHE
Rod Geisler	Public

The hearing was structured as a short discussion on the KWPCRF affordability criteria, loan forgiveness capacity, SRF bond issuing practices, and new projects that appear on the Project Priority List.

APPENDIX D

Service Fees

K.A.R. 28-16-113 establishes the method of the KWPCRF to collect service fees for administration costs of the KWPCRF. A portion of the gross interest rate charged on the outstanding balance of loans (predominantly 0.25%) is collected as a service fee. For loans with an effective date after May 31, 2018, the service fee is calculated differently through the first 4 years of repayments than in the remaining years of repayments. Through the first 4 years of repayments the service fee is equal to the gross interest rate minus 0.25%. For the remaining years of repayments, the service fee is equal to 0.25%. All service fees collected are held outside the SRF.

Service fees can be divided into four categories – fees included in CWSRF loans, program Income earned during the grant period, program income earned after the grant period, and fees other than program income (non-program income). EPA requires estimates for these categories of fees be made in the Intended Use Plan.

The KWPCRF anticipates a very small amount of fees charged during the program year to be classified as fees included in CWSRF loans - these are fees which are included in the loan principal. There is no standard fee that is included in the loan principal, however loan recipients have the ability to capitalize service fee charges that occur during the construction period of the project. There will likely be a few loan recipients that will choose to capitalize those fee charges during construction which will then be included as principal of the loan. KDHE estimates about \$20,000 of fees in this category for SFY 2022. Fees in this category will be used only for KWPCRF administration.

The fee classification of program income earned during the grant period is for fees earned during the grant period on any CWSRF disbursement of federal funds. These service fees will be spent in support of the KWPCRF program or as state match. KDHE estimates about \$50,000 of fees in this category will be collected.

The fee classification of program income earned after the grant period is for fees earned after the grant period on any CWSRF disbursement of federal funds. These fees will be spent in support of the KWPCRF program, state match, and in support of Water Quality Related expenses including Section 106 NPDES permit program activities. KDHE estimates about \$200,000 of fees in this category will be collected.

The fee classification of non-program income is for fees earned from loan disbursements that were not federal funds. These fees can be spent in support of the KWPCRF program, state match, and in support of Water Quality Related expenses including Section 106 Program NPDES permit program activities (same allowability as program income earned after the grant period). KDHE estimates about \$800,000 of fees in this category will be collected.

Service fees that are spent in support of Water Quality Related activities are in support of Section 106 NPDES permit program activities. These include such typical expenses as salaries and benefits, travel, rent, office supplies and equipment, communications, technical and financial association fees and conferences, and technical assistance contracts.

All KWPCRF service fees for any expense are reviewed by the KWPCRF program management staff. Monthly reports of service fee expense expenditures from federal SRF program administration and to KWPCRF service fees are reviewed to assure any expense is properly assigned to be paid by KWPCRF service fees, and/or also properly assigned as a KWPCRF expense spent in support of the KWPCRF program or as a Water Quality Related 106 Program NPDES expense.

Appendix E

Affordability Criteria as Required by the Clean Water Act for the Kansas Water Pollution Control Revolving Fund

The Clean Water Act requires the states consider income, unemployment data, population trends, and other data determined to be relevant in establishing affordability criteria used to award certain additional subsidy under the SRF program.

All loan applicants are evaluated based on the following criteria to determine if additional subsidy can be awarded.

1. The municipality is located in a [Kansas Opportunity Zone](#) (also known as federal opportunity zone).
2. The municipality serves a population of 500 or less. Populations for Cities will be determined by the most current [certified population data](#) maintained by the Kansas Division of Budget as of the beginning of the program year. If the municipality is not listed within this population data, a multiplication factor of 2.5 times the number of connections of the sewer system will be used as the population.
3. The municipality has a median household income (MHI) that is less than 80% of the Kansas MHI as determined by the most current data from the US Census Bureau prior to the beginning of the program year.
4. The municipality is located in a county with an unemployment rate that is greater than 115% of the statewide average (measured using the previous 12 months data maintained by the Kansas Department of Labor).

If the municipality meets at least 2 of the 4 listed criteria, the project will be eligible for up to 30% principal forgiveness, (not to exceed \$1,000,000) based on actual KWPCRF disbursed amounts associated with the qualifying project – as long as additional subsidy amounts are available in such quantities. If applications received by October 15, 2021 exceed the available additional subsidy, amounts will be prorated based on the actual amount available.