

Kansas Water Pollution Control Revolving Fund Priority Ranking System (Discontinued), 2024

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 (and, for applicable projects, is acceptable based on a completed capacity analysis per below), 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. For any new loan application greater than \$50 million, KDHE will need to complete a capacity analysis to determine program funding capability prior to the commitment of loan funds for the proposed project.

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 2023 capitalization grant amounts (\$677,100 for the base grant, \$1,881,500 for the BIL General Supplemental, and \$192,000 for BIL Emerging Contaminants) 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, 2023, the KWPCRF had \$200,595,372 of existing funds available for disbursement and a total loan commitment to disburse of \$60,241,597. This means there is \$140M 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 2023 capitalization grants (\$27.5M), the 2024 capitalization grants (estimated \$28.3M total) and from funds that revolve (estimated at \$34.4M). With these assumptions, KDHE will have approximately \$230.2M available for new commitments in program year 2023. Additionally, KDHE will issue bonds during any program year when funds available for disbursement are projected to reach a shortfall.