

# Kansas Public Water Supply Loan Fund 2024 Intended Use Plan



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Prepared by:

Kansas Department of Health and Environment  
Division of Environment  
Bureau of Water  
Curtis State Office Building  
1000 Jackson St,  
Topeka KS, 66612



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## I. INTRODUCTION

In 1996 the Safe Drinking Water Act (SDWA) established the Drinking Water State Revolving Fund (DWSRF) to assist public water supply systems in financing the costs of infrastructure needed to achieve or maintain compliance with SDWA requirements, and to protect public health. The Kansas Public Water Supply Loan Fund (KPWSLF) was established in 1994 by K.S.A. 65-163d through 65-163u. The Environmental Protection Agency (EPA) makes capitalization grant money available to the state for operation of the KPWSLF.

Both state and federal law require preparation of an annual Intended Use Plan (IUP), to identify projects and activities to be supported by the KPWSLF. This IUP covers activities during the 2024 program year, or state fiscal year, which is July 1, 2023 through June 30, 2024. 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 to be assisted by the KPWSLF, including a description of the project and population served
- The criteria and methods established to distribute the funds
- A description of the financial status of the KPWSLF
- A description of the long and short-term goals for the KPWSLF
- A description of non-project activities (set-asides) to be funded from the capitalization grant
- A description of how assistance will be provided to disadvantaged communities

The SDWA requires states to give priority to projects that address the most serious risks to human health, that are necessary to achieve compliance with the SDWA, and to assist public water supply systems most in need on a per-household basis. State law requires KDHE to encourage regional cooperative public water supply projects in accordance with the regionalization strategy of the state water plan.

This 2024 Intended Use Plan will also address requirements made through appropriation laws passed in recent years, through changes made by America's Water Infrastructure Act of 2018 and the Infrastructure Investment and Jobs Act. Specifically, these requirements are (1) to provide additional subsidy as required by appropriation; (2) provide additional subsidy to Disadvantaged Communities; (3) allow loan repayment terms of 30 and 40 years; and (4) require all loans executed after January 16, 2014 to comply with American Iron and Steel (AIS) requirements; and (5) make equivalency loans for the 2022 and future grants comply with Buy America Build America requirements.

The Infrastructure Investment and Jobs Act (IIJA), also known as the Bipartisan Infrastructure Law (BIL), was signed on November 15, 2021 which provides DW SRF programs with 3 additional capitalization grants for federal fiscal years 2022 through 2026. The 2023 allotments for BIL General Supplemental (\$23,482,000 which can be used for any eligible project), BIL Lead Service Line Replacements (\$28,650,000 which can only be used for replacing or inventorying lead service lines), and BIL Emerging Contaminants (\$8,521,000 which can only be used for addressing emerging contaminant issues), and the regular, or base, appropriation allotment (\$5,507,000) were all provided on April 3, 2023. The allotments associated with the

federal fiscal year 2021 reallocation funds (\$116,000) were provided by EPA on January 23, 2023.

KDHE applied for the 2023 BIL General Supplemental and BIL Emerging Contaminants capitalization grants on May 10, 2023. KDHE applied for the 2021 reallocation funds on May 25, 2023 and the 2023 Base capitalization grant on May 31, 2023. KDHE will apply for the 2023 BIL Lead Service Lines capitalization grant once a sufficient amount of project costs are in the Lead Service Line Project Priority List.

Allotments for the Federal Fiscal Year 2024 EPA capitalization grants have not been determined as of the date of publication of this document and any special conditions or required program changes are also unknown. For planning purposes of this IUP, KDHE will assume the 2024 capitalization grant amounts will be \$25,500,000 for the BIL General Supplemental, \$28,650,000 for BIL Lead Service Lines, \$8,521,000 for the BIL Emerging Contaminants, and \$5,507,000 for the base appropriation.

As of May 31, 2023, Kansas had been awarded \$356,435,411 in capitalization grants from FFY 1997 thru FFY 2023.

This Intended Use Plan can be amended to add projects or other provisions as needed after a public hearing. KDHE anticipates amending this IUP in December 2023 or January 2024.

## **II. LIST OF KPWSLF PROJECTS**

In April of 2023, letters soliciting projects were sent to over 700 public water suppliers eligible to receive assistance from the Kansas Public Water Supply Loan Fund. These projects were combined with the projects left over from the 2023 Project Priority Lists (PPL) to create the 2024 Project Priority Lists. There are 3 PPLs, a Lead Service Line (LSL) PPL which only lists lead service line replacement and inventory projects, an Emerging Contaminant (EC) PPL which only lists projects that address emerging contaminants, and a Base Program (BP) PPL that lists all other eligible projects. Fifty-four additional projects for \$140M were submitted for consideration and placement on the 2024 PPLs. Projects are listed in order of project ranking and projects with the same ranking are further sorted by system population. The PPL for the Base program is organized differently than in previous Intended Use Plans. The top section of the Base PPL contains 9 projects for a total of \$157M that were listed from the 2023 Intended Use Plan and submitted complete applications before the required deadline, but KDHE was not able to process before the program year ended. These loans will be written during the 2024 program year regardless of project ranking or the funding line that is drawn for new projects. Additionally, the bottom section of the Base PPL lists 8 loans for \$15,369,353 that were written during the 2023 program year but were not fully executed before the program year ended. Because KDHE only reports executed loans in its annual reports, these loans must remain on the 2024 PPL to associate them with the proper annual report activities for program year 2024. The 2024 PPLs can be found in Appendix A.

KDHE anticipates it will have limited capacity to fund new executed loans for each of PPLs. Funding lines will be used to determine which systems get first availability to apply for project

financing and application deadlines will be set. Any project above the funding line that did not meet the application deadline will be bypassed and those funds will be made available to the next highest ranked projects on the PPL. The Base program PPL will have a funding line that includes all projects with a priority rank of 12 and above. The Emerging Contaminants PPL will have a funding line that includes all projects with a priority rank of 23 and above. The Lead Service Line Replacement PPL will have will not have a funding line because KDHE can fund all projects listed.

In order to expeditiously execute loans for the available funds, projects below the funding line of the PPL will be allowed to complete loan applications, but those applications will not be considered until deadline for the projects above the funding line has been passed. If any of these projects do not submit the loan application by the deadline established in the application notification, or if any system notifies KDHE that they are no longer interested in a KPWSLF 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.

Any project that is funded by a KPWSLF loan agreement executed after January 16, 2014, will comply with the American Iron and Steel (AIS) requirement unless federal law does not require it.

### **III. CRITERIA AND METHODS FOR DISTRIBUTING FUNDS**

The Kansas Department of Health and Environment developed a Project Priority System to rank all projects submitted for funding. The system provides a clear, objective order of ranking for public water supply infrastructure improvements for each different PPL. The Project Priority System is attached as Appendix C.

The funding order of projects may not be identical to the priority ranking found in the PPLs (Appendix A). Readiness to proceed is an important factor, however, the general order of project ranking will be followed to the extent that the loan applicant is ready to proceed. KDHE always reserves the right to fund lower priority ranking projects over higher priority ranking projects, if the loan applicant has not taken the steps necessary to expeditiously apply for funding. If a project must be bypassed because of a delay, it will be funded when it is ready to proceed, if loan funds are available and if the project still has a favorable priority rating. The ability to bypass projects which are not ready to proceed, will give a greater probability that all available loan funds can be committed. Additionally, 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 their public hearing.

As of May 31, 2023, the KPWSLF had \$223M of existing funds available for disbursement but a total loan commitment to disburse of \$275M. This means there would be a shortage of approximately \$52M if all loan commitments requested disbursements immediately. 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 (\$66M), the 2024 capitalization grants (estimated \$66M total) and from funds that revolve (estimated at \$16M). The majority of the funds received in capitalization grants will be restricted

to certain uses and will not be available to use for disbursements for existing loan commitments. KDHE anticipates it will issue bonds during the program year to ensure funds are available for all disbursements.

The PPLs list 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 allowed to submit 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.

State law requires KDHE to make 20% of the total dollar amount in loans to be made available from the Fund to public water supply systems with populations less than 5,000 people. The SDWA requires 15% of the total amount available for assistance from the Fund each year to be made available to systems serving less than 10,000 people. These requirements were established to ensure small systems have access to loan funds. Historically, no small system has been denied financing due to lack of available funds and KDHE does not anticipate that to change. However, small systems may decline a loan if anticipated principal forgiveness funds are not available to offset or eliminate the cost of loan repayments. The Fund will “plan to make available” funds equal to the cumulative 2024 PPL funding lines for a total of \$440M. Projects for systems serving populations of 5,000 or less represent 21% of the estimated amount of available loan funds in the 2024 IUP and projects for systems that serve less than 10,000 represent 32% of the estimated available loan funds in the 2024 IUP.

One of the purposes for the revolving loan fund stated in the SDWA is to provide assistance to those systems most in need, on a per household income basis. The SDWA requires the KPWSLF assist economically disadvantaged communities by using at least 12% but no more than 35% of the capitalization grant in the form of loan subsidies, including principal forgiveness. The BIL requires 49% of the capitalization grant for the BIL General Supplemental and BIL Lead Service Line Replacement grants be provided to Disadvantaged Communities.

Another purpose of the revolving loan fund stated in the SDWA is to facilitate compliance with national primary drinking water regulations or otherwise significantly further the health protection objectives found in the SDWA. KDHE is the state drinking water enforcement agency as well as the SRF implementation agency. Both of these programs are managed by the Public Water Supply Section of KDHE and managers from both programs attend enforcement meetings. The project ranking criteria used in the Base Project Priority List (PPL) provides the most ranking points to projects that would return a system to compliance with drinking water regulations. All projects listed on the Base PPL further the health protection of users by either improving water quality or insuring integrity of public water supply infrastructure to prevent contamination and insure access to safe drinking water. All eligible systems in Kansas are made aware that loan funding from KDHE can be available for a qualifying project.

In December of 2016 the Kansas Department of Commerce, Kansas Department of Health and Environment, and the U.S. Department of Agriculture – Rural Development executed a Memorandum of Understanding forming a partnership to promote, foster and implement regional water projects. The purpose of the partnership is to advance the development of regional water projects through a collaborative effort in each of the agency’s water funding programs. KDHE has

agreed to provide principal forgiveness for qualifying projects if funds are available. However, once a regional project has been submitted to the partnership for review, KDHE has agreed not to unilaterally fund a project for those entities without the agreement of the other two agencies.

#### **IV. FINANCIAL STATUS OF THE KPWSLF**

The KPWSLF is operating 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 issued \$9M state match bonds during the 2022 program year to obtain matching funds for the 2022 and 2023 capitalization grants. 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 anticipates leveraged bonds will be issued during the program year to meet cashflow needs.

The Kansas Public Water Supply Loan Fund is audited annually by a certified public accounting firm in accordance with auditing standards generally accepted in the United States of America and applicable standards contained in Government Auditing Standards issued by the Comptroller General of the United States. The most recent audit provided an unmodified opinion.

As of May 31, 2023 KDHE, had 401 loan agreements or offers in place for a total of \$1,187,537,702.17. Loans have been finalized (projects completed) for 334 of those agreements and 220 of the loans have been repaid in full. Existing loan agreements had a commitment balance amount of approximately \$275M (amount needed to fully disburse existing loan commitments).

For the 2024 PPLs, the KPWSLF will assume the cumulative funding line amounts of the PPLs, \$440M, 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 2024 program year.

KDHE does not typically 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. The exception to this practice will be for projects listed in the LSL PPL and the EC PPL. Disadvantaged Communities in the LSL PPL will only receive disbursements from the BIL LSL grant funds. For the EC PPL, the BIL EC grant funds will be used to disburse an amount equal to the loan forgiveness of the project. KDHE expects to fully disburse the loan portion of the 2023 and 2024 Base Program and BIL General Supplemental capitalization grants and the set aside portions of the 2020 and 2021 capitalization

grants, during the program year. Since the BIL LSL and BIL EC grant funds will only be disbursed to specific projects, it will likely take longer to disburse those funds.

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 December 2022 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 KPWSLF Annual Report. The most recent report covers the program year through June 30, 2022. This and future annual reports can be found on the KDHE web site <https://www.kdhe.ks.gov/518/Loan-Fund-Administration-Documents>.

## V. INTEREST RATES AND ADDITIONAL SUBSIDY

In accordance with K.A.R 28-15-52, the KPWSLF gross interest rate (loan interest rate plus service fee rate) will be set as a percentage of the previous three months' average of the Bond Buyers 20 Year General Obligation Bond Index according to the following table:

<b>Loan Repayment Period</b>	<b>Percentage of Index 3 Month Average</b>
Up to 20 years	60%
Between 20 and 30 years	70%
Between 30 and 40 years	80%

Additional subsidy is mandated by both congressional appropriations and the Safe Drinking Water Act. The additional subsidy required by congressional appropriations to the Base Program, have not contained eligibility restrictions so SRF programs can set eligibility requirements independently (discretionary criteria). However, the congressional appropriations made for the BIL LSL and BIL General Supplemental capitalization grants require that the mandatory additional subsidy be provided to Disadvantaged Communities. Projects listed on the BIL Emerging Contaminants Project Priority List will receive 100% loan forgiveness with a maximum of \$3,000,000 loan forgiveness per project, as funds allow.

The Fund will meet the congressionally mandated additional subsidy requirement from the Base Program by awarding principal forgiveness for (1) projects that return a non-compliant public water supply system to compliance with MCL requirements (this will include any project that would reestablish the use of existing source water infrastructure that was discontinued from use because it caused a compliance violation for the system – but Total Organic Carbon (TOC) MCL violations will not qualify for principal forgiveness); (2) projects for systems that are under a KDHE Consent Order (as long as the project will satisfy the requirements of the Consent Order), (3) projects that would result in system consolidation (two or more systems combine and only one system exists afterward), and (4) projects that would allow the creation of a Public Wholesale Water Supply District or facilitate additional membership to such a District. This will encourage projects that satisfy goals of both state and federal laws. The congressionally mandated additional subsidy



can also be used for Disadvantaged Community principal forgiveness if funds are not exhausted using this eligibility criteria.

For project types that meet the discretionary criteria, the principal forgiveness will be calculated at 30% of the disbursed loan amount associated with the qualifying portion of project, up to a maximum principal forgiveness amount of \$1,000,000. Principal forgiveness will only be available to qualifying loans as funds remain available. Qualifying loans that are executed after KDHE has met its requirement for additional subsidy, may not receive any principal forgiveness or receive principal forgiveness in an amount less than 30% of the qualifying disbursed loan amount. While the 2023 Base Program appropriation has a mandatory additional subsidy requirement, it is possible the 2024 Base Program appropriation may not.

The Safe Drinking Water Act requires drinking water SRF programs provide between 12% and 35% of annual (base) capitalization grants as additional subsidy to Disadvantaged Communities as determined by the SRF program. Federal statute and regulation define Disadvantaged Communities as the entire service area of a public water system that meets affordability criteria established by the State after public review and comment.

The affordability criteria used to define Disadvantaged Communities for the Kansas Public Water Supply Loan Fund will have 3 tiers.

For the first tier, affordability will be measured by the population of the community. The affordability of water infrastructure costs can be significantly limited by the population supporting the water system, especially for systems with populations of 150 or less. These small systems do not have the economy of scale to affordably pay debt service and may not be able to afford any long-term debt commitment that would require repayment during a population decline. Furthermore, these small systems have a disadvantage in obtaining debt financing due to lack of detailed financial information and controls that are often evaluated in a creditworthiness assessment that can be used to determine the interest rate of the loan.

The second tier for affordability criteria is measured regarding poverty levels. The U.S. Census Bureau's American Community Survey provides estimates of the percentage of population that is below the poverty level for many different levels of geographic data. The KPWSLF will determine affordability of a City or water district by comparing its percentage of population below the poverty threshold to the state-wide percentage of population below the poverty threshold.

The third tier for affordability criteria will also be measured regarding poverty levels but on a more neighborhood level by using U.S. Census Bureau tracts. The KPWSLF will determine affordability by comparing a specific census tract's percentage of population below the poverty threshold to the state-wide percentage of population below the poverty threshold.

A Disadvantaged Community is defined as:

- (1) a public water supply system that serves a population of 150 or less. Population for cities will be determined by the most current data certified by the Kansas Division of Budget and population for rural water districts will be determined by multiplying the number of residential

meters by 2.5. Residential meter counts for water districts are confirmed by KDHE sanitary survey reports. Municipalities that qualify under this tier will receive up to \$500,000 of loan forgiveness for projects under the Base Program Project Priority List and the Lead Service Line Replacement Project Priority List.

OR

- (2) a municipal public water supply system that has a percentage of population that is below the poverty level which is equal to or greater than the state-wide percentage of population that is below the poverty level (11.5% of the statewide population is below the poverty level for the 2024 IUP). Values will be determined using the 2021 U.S. Census Bureau’s American Community Survey 5-year estimates. A water district’s poverty percentages will be determined on a prorated basis according to meters per county subdivision in their service area. Municipalities that qualify under this tier will receive 30% loan forgiveness up to a maximum amount of \$1M for projects on the Base Program Project Priority List. If a project is large and KDHE decides to fund it over multiple loan agreements, the maximum principal forgiveness amount will be still be \$1M and the project will not be eligible for additional principal forgiveness in future loans. Disadvantaged Communities will receive 49% of the loan amount for projects on the Lead Service Line Replacement Project Priority List as funds allow.

OR

- (3) a project area confined and benefiting specific census tracts that have a percentage of population that is below the poverty level which is equal to or greater than the state-wide percentage of population below the poverty level (11.5% of the statewide population is below the poverty level for the 2024 IUP). The project area must be known when a pre-application is submitted in order to determine eligibility. Projects that qualify under this tier will receive 30% loan forgiveness up to a maximum amount of \$1M for projects on the Base Program Project Priority List. These municipalities will receive 49% of the loan amount for projects on the Lead Service Line Replacement Project Priority List as funds allow.

The additional subsidy requirements and progress towards satisfying them are tracked for each applicable grant and reported in the KPWSLF Annual Report. The table below provides summary information on known additional subsidy requirements and estimated dates of finalization.

**Additional Subsidy Requirements (Discretionary Criteria)**

Grant Year	Required Additional Subsidy Amount	Committed Additional Subsidy (Includes Loans that are not Finalized)	Awarded Additional Subsidy (Finalized Loans)	Amount left to commit	Estimated Additional Subsidy Finalization Date
2016 Base	\$1,894,600.00	\$1,894,600.00	\$1,843,405.64	\$0.00	Aug-26
2017 Base	\$1,878,400.00	\$1,878,400.00	\$380,496.00	\$0.00	Aug-26
2018 Base	\$2,577,400.00	\$2,577,400.00	\$446,904.50	\$0.00	Aug-26
2019 Base	\$2,576,400.00	\$2,576,400.00	\$360,000.00	\$0.00	Aug-26
2020 Base	\$1,788,500.00	\$1,788,500.00	\$0.00	\$0.00	Aug-26
2021 Base	\$1,803,060.00	\$1,786,009.11	\$90,689.11	\$17,050.89	Aug-26
2022 Base	\$1,138,200.00	\$504,858.30	\$0.00	\$633,341.70	No Estimate
2022 BIL EC	\$8,765,000.00	\$8,765,000.00	\$0.00	\$0.00	No Estimate
2023 Base	\$770,980.00	\$0.00	\$0.00	\$770,980.00	No Estimate
2023 BIL EC	\$8,521,000.00	\$3,445,000.00	\$0.00	\$5,076,000.00	No Estimate
2024 BIL EC (est.)	\$8,521,000.00	\$0.00	\$0.00	\$8,521,000.00	No Estimate
<b>Totals</b>	<b>\$40,234,540.00</b>	<b>\$25,216,167.41</b>	<b>\$3,121,495.25</b>	<b>\$15,018,372.59</b>	

**Additional Subsidy Requirements (Disadvantaged Communities)**

Grant Year	Required Additional Subsidy Amount	Maximum Additional Subsidy	Committed Additional Subsidy (Includes Loans that are not Finalized)	Awarded Additional Subsidy (Finalized Loans)	Amount left to commit over minimum	Estimated Additional Subsidy Finalization Date
2019 Base	\$772,920	\$4,508,700.00	\$801,754.97	\$733,834.97	\$0.00	Aug-23
2020 Base	\$766,500	\$4,471,250.00	\$766,500.00	\$0.00	\$0.00	Aug-26
2021 Base	\$779,700	\$4,485,170.00	\$765,780.00	\$0.00	\$13,920.00	Aug-26
2022 Base	\$975,600	\$2,845,500.00	\$1,089,971.00	\$0.00	\$0.00	Aug-26
2022 BIL Gen	\$10,228,750	\$10,228,750.00	\$10,228,750.00	\$0.00	\$0.00	Aug-26
2022 BIL LSL	\$16,116,590	\$16,116,590.00	\$367,500.00	\$0.00	\$15,749,090.00	No Estimate
2023 Base	\$660,840	\$1,927,450.00	\$0.00	\$0.00	\$660,840.00	No Estimate
2023 BIL Gen	\$11,506,180	\$11,506,180.00	\$7,644,626.97	\$0.00	\$3,861,553.03	No Estimate
2023 BIL LSL	\$14,038,500	\$14,038,500.00	\$0.00	\$0.00	\$14,038,500.00	No Estimate
2024 Base (est.)	\$660,840	\$1,927,450.00	\$0.00	\$0.00	\$660,840.00	No Estimate
2024 BIL Gen (est.)	\$11,506,180	\$11,506,180.00	\$0.00	\$0.00	\$11,506,180.00	No Estimate
2024 BIL LSL (est.)	\$14,038,500	\$14,038,500.00	\$0.00	\$0.00	\$14,038,500.00	No Estimate
<b>Totals</b>	<b>\$82,051,100.00</b>	<b>\$97,600,220.00</b>	<b>\$21,664,882.94</b>	<b>\$733,834.97</b>	<b>\$60,529,423.03</b>	

Possible projects above the funding line on the 2024 PPLs are eligible for an estimated \$63M in principal forgiveness. KDHE will determine which classification of additional subsidy (and associated grant year) an eligible project would be awarded from, at the time the principal forgiveness is awarded. KDHE anticipates only awarding the required minimum amount of additional subsidy for Disadvantaged Communities, however KDHE reserves the right to use up to the maximum amount depending on project demand, capitalization grant award timing, and risk to future capacity in meeting loan demands.

KDHE will commit available principal forgiveness funds according to the priority ranking found in the 2024 Intended Use Plan for eligible loans meeting the application submittal deadline of October 16, 2023.

## **VI. EQUIVALENCY PROJECTS**

The KWPSLF 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, Build America Buy America, and 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 PPLs will execute loan agreements, it is not possible to list specific loans that will meet these requirements for the anticipated 2023 and 2024 capitalization grants. Equivalency loans will be listed in the annual report.

## **VII. SHORT AND LONG-TERM GOALS OF THE KPWSLF**

The state will pursue the following short-term goals as it implements the program.

1. Provide funding options for systems to correct problems that have caused enforcement actions.
2. Provide funding for replacement of deteriorating infrastructure.
3. Provide funding for technical assistance to small systems.
4. Encourage projects that consolidate or interconnect in a regional manner which would reduce public health risks or make more efficient use of source water capacity and treatment processes.
5. Assure small public water supply systems are included in the loan program by providing at least 20% of available loan funds to systems serving a population of less than 5,000.
6. Spend down grant funds within 2 years from the date of the grant award.
7. Complete capitalization grant applications within 3 months of the establishment of final allotment amounts by EPA.
8. Deposit and spend any required state match prior to capitalization grant award.

The state will pursue the following long-term goals, as it implements the program.

1. Maintain a well-managed perpetual program to allow a source of funds to be available to systems in need.

2. Encourage systems to choose projects with the most long-term cost-effective solutions.
3. Encourage systems to implement projects that have little if any significant impact to the environment.
4. Continue to implement and expand the Capacity Development Program.
5. Explore ways to make the program more affordable/desirable to systems.
6. Comply with state and federal laws and the state/EPA capitalization grant agreement.
7. Assist water suppliers in meeting SDWA requirements.
8. Protect public health.

### **VIII. REVOLVED FUNDS**

Revolved funds are revenues in excess of the amounts needed to make bond principal and interest payments. As of May 31, 2023, the Fund had approximately \$116M in revolved funds available for disbursement and anticipates another \$16M to be added during the 2024 program year.

The KPWSLF 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. A portion of the anticipated leveraged bond issue during the 2024 program year will reimburse for specific loan disbursements made prior to the bond issue.

### **IX. DESCRIPTION OF NON-PROJECT ACTIVITIES TO BE FUNDED**

Sections 1452(g)(2) and 1452(k)(1) of the SDWA provides the state certain opportunities to reserve a portion of the capitalization grant to assist with administration of the loan fund and other regulatory program requirements. The following is a list of set-asides and uses that can be utilized:

- A. Administration of the KPWSLF (can use the greatest of \$400,000; 1/5 percent of the current valuation of the fund; or an amount equal to 4 percent of all grant awards to the fund under this section for the fiscal year).
- B. Technical assistance to systems serving 10,000 or fewer persons (up to 2%);
- C. State program management (up to 10%)
  - 1) to administer the state PWSS program;
  - 2) to develop and implement a capacity development strategy.
- D. Other authorized activities (up to 15%).

Any funds, which are reserved but not spent, will not be lost. The actual amounts spent during the

program year will differ from the amounts shown as reserved for the 2023 and 2024 grants. Funds from previous grants and work plans will be spent in addition to (or prior to) the reserved amounts for the 2023 and 2024 grants. It is KDHE's goal to have approximately 2 years of funds reserved in any set-aside to minimize unliquidated obligations.

For the 2023 Base Program capitalization grant, the KPWSLF will use \$0 for SRF Program Administration, \$0 for Small Systems Technical Assistance, \$45,400 for Other Authorized Activities (will be provided to EPA for in kind services), and \$0 for State Program Management.

For the 2023 BIL General Supplemental capitalization grant the KPWSLF will use \$500,000 for SRF Program Administration, \$100,000 (<1%) for Small Systems Technical Assistance, \$400,000 for Other Authorized Activities (< 2%), and \$1,000,000 (< 5%) for State Program Management.

For the 2023 BIL Lead Service Line capitalization grant the KPWSLF anticipates using \$1,146,000 (4%) for SRF Program Administration, \$573,000 (2%) for Small Systems Technical Assistance, \$0 for Other Authorized Activities, and \$0 for State Program Management.

The KPWSLF will not take out any set asides from the 2023 BIL Emerging Contaminants capitalization grant.

For the 2024 capitalization grants (assuming the same appropriation amount as the 2023 grants), the KPWSLF only anticipates taking set asides from the 2024 BIL General Supplemental grant using \$500,000 for SRF Program Administration, \$162,600 for Technical Assistance, \$1,000,000 State Program Management, and \$300,000 for Other Authorized Activities. These amounts are subject to change once KDHE is provided with the actual 2024 capitalization grant allotment amounts. Any changes and/or reservation of set-aside credits will be described in the grant application and recorded in future IUPs and Annual Reports. The state has the option of transferring unspent set-asides to the loan fund in future years and reserve authority to take transferred or unreserved funds from future grants.

#### **A. SRF Program Administration**

Activities funded with this set-aside include financial reviews, project design review and approval, project ranking, priority list management, tracking of loan repayments, construction inspection, Office of Water State Revolving Funds (OWSRF) data maintenance, updating the needs survey, processing of loan disbursements, and any other costs associated with the operation of the KPWSLF. KDHE will also use SRF Program Administrative funds reserved from the 2022 BIL General Supplemental for technical assistance to systems in completing lead service line inventories, which will be a requirement for SRF loan applications utilizing the lead service line replacement funds provided by the Bipartisan Infrastructure Law.

## SRF Administration Set-Aside Spending Plan

Grant	Amount Available	FY2024 Spending	FY2025 Spending	FY2026 Spending
2022	\$150,800	\$150,800		
2022 BIL Gen	\$835,000	\$400,000	\$435,000	
2022 BIL LSL	\$1,315,640	\$500,000	\$500,000	\$315,640
2023 BIL Gen	\$500,000	\$300,000	\$200,000	
2024 BIL Gen (est.)	\$500,000		\$300,000	\$200,000

**FY Spending Totals**   \$1,350,800         \$1,435,000         \$515,640

### B. Small System Technical Assistance

Funds from this set-aside are used to provide technical assistance to public water suppliers serving less than 10,000 people. Work conducted under this set-aside will be implemented through contracts with service providers and through salary and costs of KDHE staff that provide assistance to qualifying systems through KDHE’s Area Wide Optimization Program (AWOP) or other KDHE staff assistance as needed. Any balance not used during the program year will be used for continued technical assistance to small systems in the future.

KDHE will use the funds reserved from the 2022 BIL General Supplemental and 2022 BIL Lead Service Line Replacement grants for technical assistance to small systems in completing lead service line inventories, which will be a requirement for SRF loan applications utilizing the lead service line replacement funds provided by the Bipartisan Infrastructure Law. The set-asides from other grants will be provide assistance in the areas of compliance, operation, and maintenance, with a focus on systems with drinking water violations to return to compliance. Systems will benefit in resolving MCL and treatment technique violations and responding to water quality complaints and emergency low-pressure problems. Systems operating surface water treatment plants will receive training in operational tests, chemical dosages, filter operations, and record keeping. Funds from this set aside could also be used to provide assistance in monitoring and analyzing harmful algal blooms associated with small systems and providing assistance through the Area Wide Optimization Program.

**Technical Assistance Set-Aside Spending Plan**

<b>Grant</b>	<b>Amount Available</b>	<b>FY2024 Spending</b>	<b>FY2025 Spending</b>	<b>FY2026 Spending</b>
2021	\$82,100	\$82,100		
2022	\$162,600		\$162,600	
2022 BIL Gen	\$417,500	\$300,000	\$117,500	
2022 BIL LSL	\$657,820	\$157,820	\$500,000	
2023 BIL Gen	\$100,000			\$100,000
2024 BIL Gen (est.)	\$162,600			\$62,600

**FY Spending Totals**                                      \$539,920                \$780,100                \$162,600

**C. State Program Management**

Funds from this set-aside will be used to pay salary and costs for the Capacity Development Program and Public Water Supply Supervision Program (which includes the Operator Certification Program). Up to 10% of the capitalization grant can be used for these activities. Duties of the positions funded by this set-aside can include management of the Capacity Development Program, maintaining and enhancing PWSS data systems, tracking and review of compliance data, enforcement activities, PWSS program management and development, operator certification program management and development, PWSS engineering plan review and permit issuance, and PWSS inspections. It is anticipated that this set aside will also be used on partial salaries for Bureau of Water and Public Water Supply administrators. Any balance not used during the program year will be used for continued State Program Management costs in the future.

**State Program Management Set-Aside Spending Plan**

<b>Grant</b>	<b>Amount Available</b>	<b>FY2024 Spending</b>	<b>FY2025 Spending</b>	<b>FY2026 Spending</b>
2022	\$385,000	\$385,000		
2023 BIL Gen	\$1,000,000	\$600,000	\$400,000	
2024 BIL Gen (est.)	\$1,000,000		\$600,000	\$400,000

**FY Spending Totals**                                      \$985,000                \$1,000,000                \$400,000

**D. Other Authorized Activities**

Funds will be used to fund KanCap training, asset management training, capacity development technical assistance, technical assistance with financial planning and rate setting, operator training, development and implementation of an Area Wide Optimization Program as a component of the



Capacity Development Strategy, development and implementation of a drinking water protection program as a component of the Capacity Development Strategy, development and implementation of a harmful algal bloom monitoring and analysis program as a component of the Capacity Development Strategy, and development of training and reporting tools associated with asset management, rate setting, and TFM surveys.

**Other Authorized Activities Set-Aside Spending Plan**

<b>Grant</b>	<b>Amount Available</b>	<b>FY2024 Spending</b>	<b>FY2025 Spending</b>	<b>FY2026 Spending</b>
2020	\$100,000	\$100,000		
2023 BIL Gen	\$400,000	\$50,000	\$200,000	\$150,000

**FY Spending Totals**                                      \$150,000                  \$200,000                  \$150,000

**Summary of Capitalization Grant Uses**

<b>Base FFY 2023</b>	
Direct Loan	\$5,461,600
Administration	\$0
Technical Assistance	\$0
State Program Management	\$0
Other Authorized Activities	\$45,400
<b>Total</b>	<b>\$5,507,000</b>

<b>BIL Gen FFY2023</b>	
Direct Loan	\$21,482,000
Administration	\$500,000
Technical Assistance	\$100,000
State Program Management	\$1,000,000
Other Authorized Activities	\$400,000
<b>Total</b>	<b>\$23,482,000</b>

<b>BIL EC FFY 2023</b>	
Direct Loan	\$8,521,000
Administration	\$0
Technical Assistance	\$0
State Program Management	\$0
Other Authorized Activities	\$0
<b>Total</b>	<b>\$8,521,000</b>

<b>BIL LSL FFY2023</b>	
Direct Loan	\$26,931,000
Administration	\$1,146,000
Technical Assistance	\$573,000
State Program Management	\$0
Other Authorized Activities	\$0
<b>Total</b>	<b>\$28,650,000</b>

**Reallotment FFY  
2021**

Direct Loan	\$116,000
Administration	\$0
Technical Assistance	\$0
State Program Management	\$0
Other Authorized Activities	\$0
<b>Total</b>	<b>\$116,000</b>

**Base FFY2024 (Est.)**

Direct Loan	\$5,507,000
Administration	\$0
Technical Assistance	\$0
State Program Management	\$0
Other Authorized Activities	\$0
<b>Total</b>	<b>\$5,507,000</b>

**BIL Gen FFY 2024  
(Est.)**

Direct Loan	\$23,537,400
Administration	\$500,000
Technical Assistance	\$162,600
State Program Management	\$1,000,000
Other Authorized Activities	\$300,000
<b>Total</b>	<b>\$25,500,000</b>

**BIL EC FFY2024 (Est.)**

Direct Loan	\$8,521,000
Administration	\$0
Technical Assistance	\$0
State Program Management	\$0
Other Authorized Activities	\$0
<b>Total</b>	<b>\$8,521,000</b>

**BIL LSL FFY2024 (Est.)**

Direct Loan	\$26,931,000
Administration	\$1,146,000
Technical Assistance	\$573,000
State Program Management	\$0
Other Authorized Activities	\$0
<b>Total</b>	<b>\$28,650,000</b>

**X. RATES AND USES OF FEES**

For loans with an effective date before July 1, 2018, loan recipients were charged a one-time 0.25% Loan Origination Fee (LOF), this fee is not charged to loans executed after July 1, 2018. The LOF is typically capitalized in the loan amount, but recipients can make that payment from their own funds if desired. Every loan recipient pays a service fee on outstanding balances due semiannually (this service fee rate is included in the gross loan interest rate). 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 0.35%. For the remaining years of repayments, the service fee will be equal to 0.35%. Fees collected through the first 4 years of repayments will be used as state match for future capitalization grants.

Fees obtained from the LOF are used to pay for financial reviews and technical assistance in

completing loan applications. As of May 31, 2023, there was a balance of \$447,292.98 in the Loan Origination Fee account. The service fee on outstanding balances is used to pay for KPWSLF expenses such as accounting services, legal services associated with bonds, annual bond service fees, annual dues for the Council of Infrastructure Financing Authorities, and as state match for capitalization grants. The service fee account is also used for non-KPWSLF expenses such as software and computer equipment for the Public Water Supply section, salary and benefits (and other operating costs for the Public Water Supply Supervision Program), planning grants, emergency planning and design grants, annual dues for the Association of State Drinking Water Administrators and the Western State Water Council. As of May 31, 2023, the balance of the service fee account was \$5,669,873.00 with \$2,955,058.12 of that amount set aside to use as state match.

## **XI. CROSS COLLATERALIZATION AND TRANSFERS**

The KPWSLF and KWPCRF are cross collateralized and process is explained in detail in the Operating Agreement between KDHE and EPA.

Both SRF programs use the same bond indenture referred to as the Master Financing Indenture (MFI). The MFI is structured as a cross-collateralization mechanism as all interest revenues are pledged to the MFI State Match bonds and excess interest revenue and all other revenues are pledged to the MFI Leveraged Bonds. 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.

If cross-collateralization is used to pay debt service on MFI 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, an amount necessary 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 debt service.

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 Drinking Water 2019, 2020, 2021, 2022, 2023 and 2024 capitalization grants from the Kansas Water Pollution Control Revolving Fund 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. While

the EPA BIL Implementation Memo prohibits transfer of federal appropriations calculated for the BIL Lead Service Line Replacement grants, there is no prohibition on transferring non-federal funds based on the amount of such grants.

	DW SRF Capitalization Grant Amount	Potential Non- federal Transfer from CW to DW SRF
2019	\$12,882,000	\$4,251,060.00
2020	\$12,775,000	\$4,215,750.00
2021	\$12,763,000	\$4,211,790.00
2022	\$8,130,000	\$2,682,900.00
2022 BIL General Supplemental	\$20,875,000	\$6,888,750.00
2022 BIL LSL Replacement	\$32,891,000	\$10,854,030.00
2022 BIL Emerging Contaminants	\$8,765,000	\$2,892,450.00
2023 Base	\$5,507,000	\$1,817,310.00
2023 BIL General Supplemental	\$24,100,000	\$7,953,000.00
2023 BIL LSL Replacement	\$28,650,000	\$9,454,500.00
2023 BIL Emerging Contaminants	\$8,765,000	\$2,892,450.00
2024 Base Est.	\$5,507,000	\$1,817,310.00
2024 BIL General Supplemental Est.	\$25,500,000	\$8,415,000.00
2024 BIL LSL Replacement Est.	\$28,650,000	\$9,454,500.00
2024 BIL Emerging Contaminants Est.	\$8,521,000	\$2,811,930.00
	Total Transfer Authority	<b>\$80,612,730</b>

## XII. CASH DRAW RATIO

The non-set-aside portion of the 2021 reallocation, 2023, and 2024 capitalization grants will be direct loaned. KDHE will determine which loans receive capitalization grant funds at the time of disbursement.

The 2021 Base Program Reallocation capitalization grant requires a state match of \$23,200 which was obtained from \$9,000,000.00 of bond proceeds from the 2022 State Match Bond issue that were deposited on March 31, 2022.

The 2023 Base Appropriation capitalization grant requires a state match of \$1,104,400 which was obtained from \$9,000,000.00 of bond proceeds from the 2022 State Match Bond issue that were deposited on March 31, 2022.

The 2023 BIL General Supplemental capitalization Grant requires a state match of \$2,348,200 which was obtained from the \$9,000,000.00 of bond proceeds from the 2022 State Match Bond issue that were deposited on March 31, 2022.

## Federal Grants/State Match Requirements

	<b>EPA Grant</b>	<b>Grant Award Date</b>	<b>SM requirement</b>	<b>2021 SM Bond 03/11/2021</b>	<b>2022 SM Bond 3/31/2022</b>
FFY 2022 BIL Gen Sup	\$20,875,000		\$2,087,500	136,563.60	1,950,936.40
FFY 2022	\$8,130,000		\$1,626,000		1,626,000.00
FFY 2021 Reallotment	\$116,000		\$23,200		23,200.00
FFY 2023	\$5,507,000		\$1,101,400		1,101,400.00
FFY 2023 BIL Gen Sup	\$23,482,000		\$2,348,200		2,348,200.00
FFY 2024**	\$8,130,000		\$1,626,000		1,626,000.00
FFY 2024 BIL Gen Sup**	\$25,000,000		\$5,000,000		324,263.60
Total SM Bond Proceeds per Issue				\$2,500,000	\$9,000,000

\*\* Estimated grant amount not yet allocated

The state match requirement was fully disbursed to loans by May 13, 2022, prior to any grant draws, therefore the draw ratio for the 2021 Base Program Reallotment, 2023 Base Appropriation, and 2023 BIL General Supplemental capitalization grant is 100%.

### XIII. PUBLIC REVIEW

A public hearing on the FY2024 Intended Use Plan and Priority Ranking System is scheduled for June 28, 2023 and July 5, 2023. A copy of the meeting notices were published in the Kansas Register. The hearing attendance list and a summary of the hearing will be included in Appendix D.

## **Appendix A**

### **Project Priority List**

2024 KPWSLF Base Project Priority List

July 3, 2023

Municipality Name	Project #	Rating	Project Description	Loan Request \$	Population Served	Poverty Rate %	Loan Forgiveness (Discretionary)	Available Loan Forgiveness (Discretionary)	Loan Forgiveness (Disadvantaged Community)	Available Loan Forgiveness (Disadvantaged Community)
Barton Co RWD#2	3134	37	New Well to Reduce Nitrate, Chlorination Facility and Transmission Line	\$947,000	368	4.1%	\$284,100	\$1,137,273		\$17,160,037.03
Osawatomie	3117	31	New Surface Water Treatment Plant and Replace Distribution Mains	\$38,324,560	6,061	12.5%		\$1,137,273	\$1,000,000	\$16,160,037.03
Wichita	2979.4	11	New Water Treatment Plant - 4th Year	\$76,342,000	64,709	14.5%		\$1,137,273		\$16,160,037.03
Portis	3148	10	Replace Waterlines and Meters	\$500,000	91	12.8%		\$1,137,273	\$500,000	\$15,660,037.03
Burden	3143	10	Replace Waterlines and Meters	\$2,648,855	526	7.6%		\$1,137,273		\$15,660,037.03
Strother Field/Winfield	3138.1	10	New 200,000-gallon Water Storage Tower	\$602,695	11,726	19.1%		\$1,137,273	\$180,809	\$15,479,228.03
Strother Field/Arkansas City	3138.2	10	New 200,000-gallon Water Storage Tower	\$602,695	11,929	13.7%		\$1,137,273	\$180,809	\$15,298,419.03
Paradise	3078	9	Historic Limestone Water Tower Rehabilitation	\$450,000	48	0.0%		\$1,137,273	\$450,000	\$14,848,419.03
WaterOne	3122	9	New Horizontal Collector Wells & Pump House, Trainmission Main	\$36,770,423	469,000	5.7%		\$1,137,273		\$14,848,419.03
Sylvia	3252	40	New Well or Blending to Reduce Nitrates, Waterline Replacement, Tower Rehab	\$3,000,000	210	14.8%		1,137,273	\$900,000	\$13,948,419.03
Copeland	3114	40	New Water Supply Well to Reduce Nitrate Levels	\$914,536	297	3.3%	\$274,360	\$862,913		\$13,948,419.03
Randall	3096	39	New Well to Reduce DBP's, Storage Tower, Waterline Replacement	\$980,000	62	34.2%		\$862,913	\$500,000	\$13,448,419.03
Oakley	3151	37	Nitrate Removal Water Treatment Plant and Well Improvements	\$6,860,886	2,076	9.2%	\$1,000,000	(\$137,087)		\$13,448,419.03
Wallace	3242	22	New Well (Second Source) and Disinfection Facility	\$500,000	45	29.3%			\$500,000	\$12,948,419.03
Geary Co. Water District #2	3210	22	Waterlines replacement, meters, new well and storage tower improvements	\$2,013,320	78	29.7%			\$603,996	\$12,344,423.03
Barber Co. RWD #1	3022	18	Replace Distribution System to Eliminate Drip Distribution System and Expand	\$6,285,000	275	7.6%				\$12,344,423.03
Waterville	3229	18	New Water Treatment Plant or Blending to Reduce Nitrates	\$4,000,000	656	5.9%				\$12,344,423.03
St. George	3259	17	New WTP to Reduce Nitrates	\$5,000,000	998	10.9%				\$12,344,423.03
Leon	3221	16	Waterline Replacement	\$2,300,000	667	30.3%			\$690,000	\$11,654,423.03
Eureka	3215	16	Treatment Plant Rehab, Transmission and Distribution Pipe Replacement	\$5,000,000	5236	24.5%			\$1,000,000	\$10,654,423.03
Tescott	3250	15	New Disinfection Facility and Rehab Wells	\$1,200,000	271	19.6%			\$360,000	\$10,294,423.03
Osborne	3218	14	Replace Water Treatment Plant and Water Towers	\$6,794,800	1324	17.7%			\$1,000,000	\$9,294,423.03
Marion	3194	14	Rehab WTP and install two Pureflow Ozone generating equipment	\$1,200,000	1,902	9.0%				\$9,294,423.03
Girard	3266	14	Replace Water Treatment Plant and Waterlines	\$16,693,000	2497	12.0%			\$1,000,000	\$8,294,423.03
Elgin	3265	13	Replace Well, Rehab Standpipe	\$94,843	56	12.1%			\$94,843	\$8,199,580.03
Bartlett	3020	13	Distribution Mains and Service Connections Replacement	\$500,000	74	53.3%			\$500,000	\$7,699,580.03
Olmitz	3219	13	Phase 2 Waterline Replacement and Well Rehabilitation	\$500,000	91	10.3%			\$500,000	\$7,199,580.03
Rush County RWD #1	3254	13	Replace Well, Rehab Standpipe, Install Generator, Replace Waterlines	\$500,000	150	6.2%			\$500,000	\$6,699,580.03
Arkansas City	3246	13	Water Treatment Plant Improvements to Reduce Manganese	\$2,089,000	11,929	13.7%			\$626,700	\$6,072,880.03
Winfield	3158	13	Replace Failing Ozone Generating Equipment	\$1,500,000	11,943	19.1%			\$450,000	\$5,622,880.03
Topeka	3230	13	Waterline Replacement and Water Treatment Plant Rehabilitation	\$27,883,180	125,963	15.2%			\$1,000,000	\$4,622,880.03
Alton	3244	12	Replace Waterlines	\$500,000	100	19.3%			\$500,000	\$4,122,880.03
Park	3222	12	Phase 4 Waterline and Meter Replacement	\$500,000	117	16.1%			\$500,000	\$3,622,880.03
Ottawa Co. RWD #1	3225	12	Waterline Replacement	\$500,000	128	19.8%			\$500,000	\$3,122,880.03
Kirwin	3262	12	Replace Waterlines	\$500,000	132	6.4%			\$500,000	\$2,622,880.03
McPherson Co RWD #1	3258	12	Waterline Replacement and Well Rehab	\$500,000	135	14.5%			\$500,000	\$2,122,880.03
Potwin	3235	12	Water Tower Rehabilitation and Waterline Replacement	\$1,800,000	424	15.7%			\$540,000	\$1,582,880.03
Cottonwood Falls	3214	12	Waterline Replacement	\$1,000,000	821	8.5%				\$1,582,880.03
Stafford	3261	12	Water Tower Rehabilitation	\$284,900	936	18.8%			\$85,470	\$1,497,410.03
Hays	3190	12	Construction of 65 miles of 20-inch diameter of raw water transmission line	\$101,000,000	20,795	17.6%			\$1,000,000	\$497,410.03
Hays	3191	12	14 new wells, raw water storage tank, pump station and appurtenances	\$34,000,000	20,795	17.6%			\$1,000,000	(\$502,589.97)
McDonald	3241	11	Replace Waterlines and Meters	\$546,600	116	23.7%			\$500,000	(\$1,002,589.97)
Rantoul	3204	11	Well rehabilitation and aging waterlines replacement and appurtenances.	\$1,000,000	168	12.3%			\$300,000	(\$1,302,589.97)
Doniphan Co. RWD #3	3216	11	Blending and Disinfection Treatment Facility	\$35,000	437	17.4%			\$10,500	(\$1,313,089.97)
Silver Lake	3238	11	Replace Waterlines	\$1,925,313	1,337	5.1%				(\$1,313,089.97)
Caney	3231	11	Waterline Replacement	\$8,500,000	1,756	10.2%				(\$1,313,089.97)
Caney	3023	11	Pump Station and Water Storage Improvements, Waterline Replacement	\$1,500,000	1,991	10.2%				(\$1,313,089.97)

2024 KPWSLF Base Project Priority List

July 3, 2023

Municipality Name	Project #	Rating	Project Description	Loan Request \$	Population Served	Poverty Rate %	Loan Forgiveness (Discretionary)	Available Loan Forgiveness (Discretionary)	Loan Forgiveness (Disadvantaged Community)	Available Loan Forgiveness (Disadvantaged Community)
Council Grove	3248	11	Waterline Replacement	\$2,200,000	2,111	11.6%			\$660,000	(\$1,973,089.97)
Osborne Co RWD#1A	3206	10	New Water Storage Tank and Booster Pumpstation; Waterline Replacement	\$500,000	81	13.0%			\$500,000	(\$2,473,089.97)
Republic	3224	10	Phase 2 Waterline and Meter Replacement	\$500,000	83	7.1%			\$500,000	(\$2,973,089.97)
Portis	3223	10	Phase 4 Waterline and Meter Replacement	\$500,000	86	12.8%			\$500,000	(\$3,473,089.97)
Woodston	3227	10	Meter Replacement	\$290,000	95	6.4%			\$290,000	(\$3,763,089.97)
Glen Elder	3243	10	Replace Waterlines	\$460,000	359	9.6%				(\$3,763,089.97)
Logan	3245	10	Replace Waterlines	\$1,970,000	440	29.6%			\$591,000	(\$4,354,089.97)
Washington Co RWD#2	3164	10	Replace Waterlines	\$550,000	567	6.9%				(\$4,354,089.97)
Mount Hope	3066	10	Waterline Replacement and AMR System	\$400,000	783	3.8%				(\$4,354,089.97)
Mankato	3178	10	Replace Waterlines and Water Meters	\$6,182,247	816	11.0%				(\$4,354,089.97)
Fredonia	3247	10	Replace Waterlines	\$10,500,000	2,111	23.6%			\$1,000,000	(\$5,354,089.97)
Johnson Co RWD#7	3162	10	Expand Water Treatment Plant at Hillsdale Reservoir	\$6,000,000	6,457	4.7%				(\$5,354,089.97)
Parsons	3207	10	Citywide 4,824 Meter Replacement with Cellular Endpoint	\$2,900,000	9,479	21.3%			\$870,000	(\$6,224,089.97)
WaterOne	3121	10	New Membrane and Controls at Wolcott Water Treatment Plant	\$7,701,320	469,000	5.7%				(\$6,224,089.97)
McPherson Co RWD #3	3255	9	Replace Waterlines	\$500,000	28	0.0%			\$500,000	(\$6,724,089.97)
Oketo	3226	9	Phase 3 Waterline Replacement	\$500,000	65	4.0%			\$500,000	(\$7,224,089.97)
Jamestown	3228	9	Waterline Replacement	\$1,416,000	234	15.4%			\$424,800	(\$7,648,889.97)
Frankfort	3200	9	Water Distribution System Rehabilitation	\$5,315,000	723	8.1%				(\$7,648,889.97)
Perry	3192	9	Water Distribution System Rehabilitation	\$1,784,292	858	9.8%				(\$7,648,889.97)
Cherokee Co. RWD#4	3079	9	New Storage Tank and Transmission Main	\$1,999,092	1,500	3.7%				(\$7,648,889.97)
Plainville	3196	9	Waterlines and service connections replacement, rehab pump station	\$3,300,000	1,762	2.5%				(\$7,648,889.97)
Ottawa Co RWD#2	3208	9	Four new wells, electrical and piping improvements to the distribution system	\$1,200,000	1,794	6.9%				(\$7,648,889.97)
Leavenworth Co. RWD #9	3195	9	Two new groundwater wells, storage tower rehab and waterlines replacment	\$2,100,000	2,000	6.6%				(\$7,648,889.97)
Ellsworth	3249	9	Waterline Replacement	\$2,000,000	2,992	9.4%				(\$7,648,889.97)
Hugoton	3253	9	Replace Waterlines	\$7,700,000	3764					(\$7,648,889.97)
Sedgwick Co RWD#2	3205	8	Replacement of 26,740 linear feet waterlines, valves and hydrants	\$2,200,000	1,460	1.5%				(\$7,648,889.97)
Riley Co RWD#1	3197	8	Two new water storage towers with related appurtenances	\$2,585,550	1,512	5.0%				(\$7,648,889.97)
St. Mary's	3239	8	Replace Waterlines	\$3,836,000	2,781	4.6%				(\$7,648,889.97)
Newton	3150	8	Waterline Replacement and Tower Rehabilitation	\$5,882,500	18,861	10.7%				(\$7,648,889.97)
Hutchinson	3260	8	Replace Waterlines Between Maple and Cochran	\$1,200,000	40343	13.1%			\$360,000	(\$8,008,889.97)
Altamont	3234	7	Meter Replacement	\$284,605	1,044	7.0%				(\$8,008,889.97)
Osawatomie	3257	7	Replace Meters with Advanced Metering System	\$1,500,000	4280	12.5%			\$450,000	(\$8,458,889.97)
Johnson Co RWD#7	3163	7	Waterline Replacement along Columbia Rd, South of 223rd Street	\$1,500,000	6,457	4.7%				(\$8,458,889.97)
Jefferson Co. RWD # 9	3240	6	Replace Meters	\$56,600	352	0.0%				(\$8,458,889.97)
Franklin Co RWD#4	3203	6	Water distribution system looping and rehabilitation	\$2,300,000	2,281	2.2%				(\$8,458,889.97)
Hutchinson	3025	6	Waste and Raw Water Line Improvements at the Water Treatment Plant	\$1,500,000	41,258	13.1%			\$450,000	(\$8,908,889.97)
Gardner	3232	5	New Water Transmission Main	\$9,350,000	26,442	5.9%				(\$8,908,889.97)
WaterOne	3120	5	New 3,000 KW Natural Gas Engine Backup Generator at Wyss Pumpstation	\$9,273,840	469,000	5.7%				(\$8,908,889.97)



2024 KPWSLF Base Project Priority List

July 3, 2023

Municipality Name	Project #	Rating	Project Description	Loan Request \$	Population Served	Poverty Rate %	Loan Forgiveness (Discretionary)	Available Loan Forgiveness (Discretionary)	Loan Forgiveness (Disadvantaged Community)	Available Loan Forgiveness (Disadvantaged Community)
Palco	3104	40	New WTP to Reduce Nitrate	\$2,118,353	267	18.0%			\$635,506	
Russell Co RWD #3	3167	14	Replace Waterlines - Post Merger Improvements with Barton Co RWD#1	\$900,000	1,300	13.0%			\$270,000	
Peabody	3097	11	Replace Distribution Mains, Service Lines, and Meters	\$6,000,000	1,101	12.5%			\$1,000,000	
Russell Co RWD #4	3145	10	Replace Waterlines, Rehab Water Storage Standpipe	\$500,000	90	4.4%			\$500,000	
Sawyer	3127	10	Replace Water Meters, Sets, and Pits	\$500,000	131	0.8%			\$500,000	
Oketo	3147	9	Emergency Power, Rehabilitate Well and Storage, and Replace Waterlines	\$500,000	63	0.0%			\$500,000	
Hutchinson	3182	8	Replace Waterlines	\$1,205,000	40,383	14.0%			\$361,500	
WaterOne	3113	7	Waterline Replacement in Disadvantaged Communities	\$1,646,000	469,000	14.9%			\$45,000	

█ \$517,025,652                      \$1,558,460                      \$26,068,927

- Loan written during 2023 program year but not yet executed.
- Loans that met the application Deadline for the 2023 IUP and will be funded regardless of 2024 Funding Line
- Municipality must resolve compliance issue before project can be funded

17.65% of funds on above funding line for systems serving population of less than 5,000 for Base PPL  
 28.66% of funds above funding line for systems serving population of less than 10,000 for Base PPL

Over all PPLS

20.54% of funds above funding lines for systems serving population of less than 5,000 for all 3 PPLS  
 31.82% of funds above funding lines for systems serving population of less than 10,000 for all 3 PPLS

2024 KPWSLF Lead Service Line Project Priority List

July 3, 2023

Municipality Name	Project #	Rating	Project Description	Loan Request \$	Population Served	Poverty Rate %	Loan Forgiveness (Disadvantaged Community)
Hutchinson	3199	45	Loan to Conduct Service Line Inventory	\$350,000	39,712	13.1%	\$171,500
Kansas City BPU	3161	45	Galvanized Service Line Replacement From the Main to the House	\$6,034,000	152,960	16.8%	\$2,956,660
Bourbon County RWD #2C	3264	41	Loan to Conduct Service Line Inventory	\$150,000	7,050	7.3%	
Salina	3184	40	Lead Service Line Replacement to Replace Identified 1,400 Service Lines	\$7,100,000	46,550	12.1%	\$3,479,000
Olathe	3126	40	Lead Service Line Replacement in Qualifying Census Tracts	\$3,162,000	140,545	11.6%	\$1,549,380
Kansas City BPU	3161.2	40	Loan to Conduct Service Line Inventory	\$750,000	152,960	16.8%	\$367,500
Parsons	3193	38	Loan to Conduct Service Line Inventory	\$200,000	9,479	21.3%	\$98,000
Osage City	3144	30	Loan to Conduct Service Line Inventory	\$100,000	2,809	22.1%	\$49,000
Lyon Co RWD#3	3188	25	Loan to Conduct Service Line Inventory	\$100,000	479	3.0%	
Wilson	3201	25	Lead service lines replacement project and all its associated appurtenances	\$1,800,000	836	18.5%	\$882,000
St. John	3137	23	Remove all Lead Service Lines and Materials	\$250,000	1,176	13.6%	\$122,500
Strong City	3180	20	Loan to Conduct Service Line Inventory	\$250,000	455	7.9%	
Humboldt	3183	20	Loan to Conduct Service Line Inventory	\$100,000	1,762	24.5%	\$49,000
Fredonia	3168	20	Loan to Conduct Service Line Inventory	\$1,000,000	2,225	23.6%	\$490,000
Eureka	3159	20	Loan to Conduct Service Line Inventory	\$100,000	2,346	24.5%	\$49,000
Edgerton	3173	18	Loan to Conduct Service Line Inventory	\$55,000	1,784	3.8%	
Girard	3267	18	Replace Lead Service Lines	\$8,200,000	2,497	12.0%	\$4,018,000
Osawatomie	3256	16	Loan to Conduct Service Line Inventory	\$500,000	4,287	12.5%	\$245,000
Baldwin City	3139	16	Loan to Conduct Service Line Inventory	\$100,000	4,700	8.7%	
Delphos	3169	15	Replace Galvanized Service Connections From Meter to House Foundations	\$1,000,000	330	14.6%	\$490,000
Lawrence	3236	15	Cost Share Program for Private Side Lead Service Line Replacements	\$500,000	98,219	19.1%	\$245,000
Hays	3189	12	Loan to Conduct Service Line Inventory	\$150,000	20,795	17.6%	\$73,500
La Harpe	3263	10	Loan to Conduct Service Line Inventory	\$100,000	484	9.6%	
Salina	3185	30	Loan to Conduct Service Line Inventory	\$250,000	46,550	11.6%	\$122,500
Lawrence	3174	10	Loan to Conduct Service Line Inventory	\$500,000	98,219	18.8%	\$245,000

	Loan written during 2023 program year but not yet executed.						
	Municipality must resolve compliance issue before project can be funded						
				\$32,801,000			\$15,702,540

41.63% of funds on PPL for systems serving population of less than 5,000 for LSL PPL  
 42.70% of funds on PPL for systems serving population of less than 10,000 for LSL PPL

**2024 KPWSLF Emerging Contaminants Project Priority List**

July 3, 2023

Municipality Name	Project #	Rating	Project Description	Loan Request \$	Population Served	Loan Forgiveness	Available Loan Forgiveness
Pratt	3220	51	New well to Replace PFOS Contaminated Well	\$3,000,000	6,573	\$3,000,000	10,597,000
Jetmore	3136	30	New Well to Resolve Manganese Contamination in the Existing Well	\$1,176,160	813	\$1,176,160	9,420,840
Smith Center	3198	28	New Raw Water Line and Sequestration Treatment to resolve Manganese build up.	\$3,800,000	1,572	\$3,000,000	6,420,840
Valley Center	3202	26	Replace Treatment for Manganese	\$1,500,000	7,419	\$1,500,000	4,920,840
Ness City	3141	23	New Water Treatment Plant with Catalytic Filtration System for Manganese Removal	\$2,864,050	1,303	\$2,864,050	2,056,790
Seneca	3172	23	New Water Treatment Plant with Catalytic Filtration System for Manganese Removal	\$3,850,000	2,075	\$3,000,000	(943,210)
Canton	3135	20	New Wells with Lower Manganese Levels	\$900,000	695	\$900,000	(1,843,210)
Arkansas City	3246	19	Water Treatment Plant Improvements to Reduce Manganese	\$2,089,000	11,929	\$2,089,000	(3,932,210)
Osborne	3217	18	New Water Treatment Plant to Remove Manganese	\$5,265,700	1,324	\$3,000,000	(6,932,210)
Vermillion	3176	15	Water distribution system replacement to get rid of manganese build up in the system	\$3,425,864	102	\$3,000,000	

✔ \$24,444,910

✔ \$20,529,210

Loan written during 2023 program year but not yet executed.

72.21% of available funds on PPL for systems serving population of less than 5,000 for EC PPL

100.00% of available funds on PPL for systems serving population of less than 10,000 for EC PPL

100.00% of available loan forgiveness on EC PPL will be awarded to systems serving population of 25,000 or less

## Appendix B

### Sources and Uses Table

## Sources and Uses

### For Program Year 2023

#### Sources:

Beginning Cash and Investments	\$91,500,524
Interest Earnings (other than loan repayments)	\$500,000
2020 Grant	\$110,260
2021 Grant	\$198,138
2022 Grants	\$43,605,448
2023 Grants	\$66,160,000
2024 Grants (estimated)	\$68,178,000
Loan Repayments	\$36,073,880
Service Fees	\$2,200,000
Bond Proceeds	\$170,000,000

**Total Sources**      **\$478,526,250**

#### Uses:

Loan Disbursements	\$140,000,000
SRF Administration	\$1,150,000
Public Water Supply Supervision Assistance	\$7,146,112
SRF Debt Service Payments	\$18,392,727
Investments	\$311,837,411

**Total Uses**      **\$478,526,250**

## **Appendix C**

### **Project Priority System**

**State of Kansas**  
**Kansas Department of Health and Environment**  
**Division of Environment**  
**Bureau of Water**

State Fiscal Year 2024  
Kansas Public Water Supply Loan  
Fund Project Priority System

July 1, 2023

**Kansas Department of Health and  
Environment Kansas Public Water  
Supply Loan Fund Project Priority  
System  
FY 2024**

**I. INTRODUCTION**

The SDWA and Kansas Statutes establishing the public water supply loan fund require KDHE to develop a project priority system; including ranking criteria to determine which projects should receive loans. The ranking criteria found in previous Intended Use Plans evaluated different types of projects and benefits realized for those project types. Because the Infrastructure Investment and Jobs Act provides federal funds reserved for specific project types, separate ranking criteria is needed to be able to rank projects of the same type adequately. This priority system will have different criteria established for base program projects, emerging contaminant projects, and lead service line replacement projects. In preparing a priority list, the Secretary is required to exclude projects from applicants who have not adopted and implemented water conservation plans consistent with Kansas Water Office guidelines. KDHE is also required to ensure that at least 20% of loan fund monies are made available to communities of less than 5,000 people.

**II. PRIORITY RATING CRITERIA FOR BASE PROGRAM PROJECTS**

The priority rating criteria for base program projects are used to numerically rank projects for potential funding assistance from the Kansas Public Water Supply Loan Fund. State law and the SDWA both provide guidance on factors to be considered when ranking projects.

The SDWA requires priority be given to projects that address the most serious risks to human health, that are necessary to assure compliance with requirements of the SDWA (national primary drinking water regulations) and to assist public water supplies most in need, on a per household basis according to state affordability criteria. The priority ranking process is weighted regarding the health benefits related to project types, however, projects can be comprised of multiple project types that have different levels of benefits. Project ranking will only reflect the ranking points for the project type that ranks the highest. For example, a project that adds a treatment process to reduce a contaminant that is above the Maximum Contaminant Level (MCL) will have high ranking points, but a project that replaces aging waterlines will have lower ranking points. A project that includes both an MCL resolving treatment process and an aging waterline replacement project, will only be ranked according the treatment scope of the project. Note, that for systems with MCL violations that submit a pre-application for a project with multiple types, KDHE cannot provide loan funds for other types of the project until the MCL violations have been resolved.

Kansas statutes require KDHE to give consideration to projects consistent with the public water supply regionalization strategies developed in the Kansas Water Plan. Since no regionalization strategies have been proposed, the rating criteria cannot address this issue. However, the rating criteria do award points for system consolidation.



The Bureau of Water will consider the following factors in determining the numerical scores of each project:

- 1) Water quality issues, including compliance with maximum contaminant levels, treatment techniques, aesthetic factors, and unregulated contaminants.
- 2) Consolidation of systems;
- 3) Improvements to reliability;
- 4) State median and applicant household income levels;
- 5) Special categories; and
- 6) KDHE adjustment

### **III. PRIORITY RATING CRITERIA FOR EMERGING CONTAMINANT PROJECTS**

The priority rating criteria for emerging contaminant projects are used to numerically rank projects for potential funding assistance from the Kansas Public Water Supply Loan Fund. Because the projects in this category will have similar health related benefits, ranking criteria will evaluate system specific conditions to differentiate between projects adequately.

The Bureau of Water will consider the following factors in determining the numerical scores of each project:

- 1) Whether contaminant levels exceed EPA Health Advisory levels;
- 2) If the contaminant is a cyanotoxin, whether the system's source water has reported Harmful Algal Blooms;
- 3) Projects that reduce PFAS contaminants;
- 4) If the System serves census tracts that have been determined to be Disadvantaged Communities by EPAs [Climate and Economic Justice Screening Tool](#);
- 5) If the system serves a population of 25,000 or less;
- 6) If the project will use treatment or replacement to address the contaminant.

### **IV. PRIORITY RATING CRITERIA FOR LEAD SERVICE LINE REPLACEMENTS**

The priority rating criteria for lead service line replacement projects are used to numerically rank projects for potential funding assistance from the Kansas Public Water Supply Loan Fund. Because the projects in this category will have similar health related benefits, ranking criteria will evaluate system specific conditions to differentiate between projects adequately.

The Bureau of Water will consider the following factors in determining the numerical

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scores of each project:

- 1) Lead service line replacements or galvanized service lines considered lead service lines;
- 2) If the system has had a lead action limit exceedance;
- 3) If the system has completed the service line inventory at the time the SRF pre-application was submitted;
- 4) If the System serves census tracts or the project location has census tracts that have been determined to be Disadvantaged Communities by the Council on Environmental Quality's [Climate and Economic Justice Screening Tool](#);
- 5) If the system serves a population of 10,000 or less;
- 6) If the system will replace the private side of lead service lines without any additional cost to the user;
- 7) The degree of poverty for the system.

## **V. IDENTIFICATION OF POTENTIAL PROJECTS**

Potential projects for inclusion on the project priority list may be identified by public water supply officials, by KDHE, through participation in national needs surveys, through routine inspection and special studies; or by federal, state, or local agencies.

Projects may also be identified by the Secretary of KDHE as necessary for correction of an emergency condition.

## **VI. ADMINISTRATIVE PROCEDURES**

KDHE will use the following procedures in administering the priority system.

1. The Bureau of Water will prepare annually, a priority list of all projects to be included in the Intended Use Plan for possible funding during the state fiscal year. The Project Priority List (PPL) will include the rank for each project.
2. The Bureau of Water will give public notice of the Intended Use Plan and hold a minimum of one public hearing to receive comments. The Bureau of Water will provide information upon request, on the detailed calculation of the priority rank of a project.
3. If the PPL includes a funding line based on estimated money available, the highest ranking projects equal to the funds available will be given the first opportunity to apply for funding. If there is no funding line in the PPL, all projects will have an opportunity to apply for funding.
4. The Secretary of KDHE may amend the PPL and the Intended Use Plan to include a project requested by the Bureau of Water as needed to protect public health, or to meet emergency needs.
5. A project must be listed in the PPL prepared by KDHE to receive a loan; unless

funded under the emergency provision or bypass provision.

6. If projects above the funding line (if there is a funding line) in the PPL fail to apply for or execute loans, those funds will be made available to the highest ranked projects ready to proceed that are below the funding line. This ability to bypass projects is necessary to assure available funds are obligated on a timely basis.
7. Kansas law requires 20% of available loan funds to be made available to public water suppliers that serve less than 5,000 people. If available, projects serving less than 5,000 people, totaling at least 30% of available loan funds, will be included above the funding line in the PPL to assure sufficient projects to meet the 20% requirement. Projects from public water suppliers serving less than 5,000 population will be indicated on the Project Priority List and may be placed above the funding line (if a funding line exists) regardless of priority ranking, if necessary to meet the 20% requirement.
8. Projects with identical ranking scores will be listed and prioritized according to the system population with lower population ranked above higher populations.

## VII. PROJECT RATING PROCEDURE FOR BASE PROGRAM PROJECTS

Projects identified as Base Program Projects, will be ranked by the rating system set forth below. The highest point total denotes the highest priority for funding. A separate ranking will be prepared for each project. Projects will receive points for each applicable category.

### 1. Water quality issues:

Acute MCL or treatment technique violation corrected	35 points
Chronic MCL or treatment technique violation corrected	30 points
Impending MCL violation corrected	20 points
Intermittent MCL violation corrected	15 points
Compliance with administrative order/Significant Deficiency	13 points
Unregulated contaminant reduction	12 points

### 2. Consolidation:

System consolidation of two or more water systems	10 points each
Source consolidation by system interconnection	5 points

### 3. Reliability improvement:

Second source for single source systems	15 points
Low water pressure (less than 20 psi)	13 points
Treatment Plant rehabilitation	10 points
Additional Storage (if current is less than 24 hours)	10 points
Connecting to an additional source	9 points
Correct excessive water loss (over 20%)	9 points
Replace inoperable/failing well	8 points

Storage Rehab/Replacement	7 points
Aging Pipe Replacement	7 points
Rehab Pumpstation	6 points
Distribution system looping	5 points
Replace meters/upgrade to AMI	5 points
Water restrictions in last 3 years	5 points
Emergency Power	5 points

4. Beneficiary Measures:

Poverty % over 30%	4 points
< 80% of State Median Household Income (SMHI)	3 points
Poverty % over 20%	2 points
Population less than 1,000	2 points
> 80% of SMHI but < SMHI	1 point
Population between 5,000 and 1,000	1 point

5. Special categories:

Extend distribution system to unserved area	15 points
Upgrade to meet future regulations	10 points
Plant expansion	10 points
Water treatment waste discharges	5 points

6. KDHE point adjustment (case by case special circumstances) Up to 35 points

System implements an Asset Management Program	10 points
System received Congressionally Directed Spending that came from the national SRF Appropriation within the last 3 years. This will remove ranking points.	-10 points

**BACKGROUND**

The following background is provided to explain the factors KDHE will consider when awarding points under the project rating criteria.

**1. Water Quality Issues**

This group considers a project’s ability to correct violations of drinking water standards. Acute MCL and treatment technique violations are those violations which may have an immediate public health impact, or which require public notices to be given under the acute MCL violation provision of the public notification regulations. Only nitrate MCL violations and acute coliform MCL violations are covered by this provision at the present time. Violations of surface water treatment requirements will be included as an acute violation. Chronic MCL violations are those MCL violations which have health impacts over a longer period of time. Projects to provide treatment for an impending violation will also be considered in this category. Generally, an impending violation would be scored if an identifiable plume of contamination was threatening a water source. Projects to resolve intermittent MCL violations are for systems that have MCL violations within the last 3

years, but current levels of contaminants are within limits due to operation improvements or natural variation of contaminants in the source water. Existence of an administrative order to correct a non MCL violation, or a significant deficiency from a KDHE Sanitary Survey, will also be considered in this category. KDHE will also consider projects providing treatment for unregulated contaminants which may have health impacts under this category. Extensions of distribution systems to areas with documented water quality problems may also receive points under this section.

## **2. Consolidation**

Kansas law requires the department to encourage regional cooperative projects. Ten points will be added for each system to be consolidated by a project. (Two systems that consolidate into 1 system would receive 20 points; 3 systems that consolidate into 1 system would receive 30 points). Five points will be added for projects in which systems remain separate but purchase water with a permanent interconnection.

## **3. Reliability Issues**

Projects which add supplemental sources of water to systems with single sources are important to assure the reliability of a system and will receive points under this category. KDHE will consider the level of water restriction imposed when awarding points under this category. Restrictions on domestic consumption will receive ranking points but outdoor restrictions will not. KDHE will also consider efforts made by an applicant to locate and reduce water losses and promote water conservation. Projects which rehabilitate treatment plants, add storage to meet peak needs, and loop dead end lines are also considered to improve reliability. KDHE will give greater weight to projects which correct low pressure problems, when the problems are documented by field measurements.

## **4. Beneficiaries Income**

This section allows additional points to be awarded based on the applicant's median household income compared to the state median household income. Points will also be awarded for high percentages of poverty found on the U.S. Census Bureau web site, using the most current American Community Survey data.

## **5. Special Categories**

Projects can receive additional ranking points if they meet any of these special categories.

## **6. KDHE point adjustment**

This category allows KDHE to award a maximum of 35 discretionary points when circumstances exist which are not adequately accommodated by the categories described above. These circumstances can include but are not limited to extra points for systems that utilize asset management programs, completing KanCap board member training classes, or adding treatment for unregulated contaminants that are covered by an EPA health advisory. This category will also be used to remove ranking points for systems that have received Congressionally Directed Spending grants (earmarks) in the last 3 years, the source of which came from the national SRF appropriation amount. The grants that have been

funded in this manner reduce the funds allocated to SRF programs. Kansas as seen a 50% reduction in the annual DW SRF capitalization grant because of Congressionally Directed Spending grants. The reduction in SRF ranking points will provide other systems that did not receive such grants an advantage in receiving SRF funding.

## VIII. PROJECT RATING PROCEDURE FOR EMERGING CONTAMINANTS PROJECTS

Projects identified as Emerging Contaminants Projects will be ranked by the rating system set forth below. The highest point total denotes the highest priority for funding. A separate ranking will be prepared for each project. Projects will receive points for each applicable category.

1. EPA Health Advisories:
 

Concentration above an EPA health advisory value	15 points
Concentration below an EPA Health advisory value	5 points
  
2. Cyanobacterial Toxin contaminants:
 

Source has reported at least 1 HAB for 3 consecutive yrs.	15 points
Source has reported at least 1 HAB for 2 consecutive yrs.	10 points
Source Water has reported a HAB in last 3 years	5 points
  
3. PFAS Contaminants:
 

PFAS contaminant issue	20 points
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4. Climate and Economic Justice Screening Tool designated Disadvantaged Community:
 

Threshold exceeded for each category	5 points each
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5. Population:
 

System serves population 1,000 or less	10 points
System serves population 3,000 or less	8 points
System serves population 10,000 or less	6 points
System serves population 20,000 or less	4 points
System served population 25,000 or less	2 points
  
6. Treatment and replacement:
 

Project will use treatment to reduce contaminant	10 points
Project will replace infrastructure to reduce contaminant	5 points

### BACKGROUND

The following background is provided to explain the factors KDHE will consider when

awarding points under the project rating criteria for Emerging Contaminants.

**1. EPA Health Advisories**

EPA publishes health advisories for many contaminants that are not regulated. These advisories are based on health risks that may be increased due to consumption of a specific contaminant. These risks are calculated at different levels based on one day, ten day, or lifetime exposure. If the levels of the contaminant in finished water are higher than the lifetime exposure in an EPA health advisory, more points will be awarded to the project. Health advisories for Cyanotoxins will use the 10-day adult exposure since short term exposure is more consistent with cyclical sources of cyanotoxins. Projects that do not have documented contaminant levels of finished water above zero will not get ranking points in this category.

**2. Cyanobacterial Toxin Contaminants**

If the project will resolve an issue with cyanobacterial toxins, it can receive extra ranking points based on the system's source water history of having harmful algal blooms (HAB). If the source has had consistent HABs over 3 years it will receive more ranking points than sources with less frequent HABs.

**3. PFAS Contaminants**

Because the law that created this special funding category also indicated a priority for addressing PFAS contaminants, all projects that addresses a PFAS contaminant with documented levels in finished water (above method detection limits) will receive extra ranking points.

**4. Climate and Economic Justice Screening Tool designated Disadvantaged Community**

The Council on Environmental Quality (CEQ) created a [Climate and Economic Justice Screening Tool](#) as directed by Executive Order 14008 to help identify disadvantaged communities. The determination of a disadvantaged community by this tool is not related to KDHE's determination of a disadvantaged community through the affordability criteria described in the Intended Use Plan. However, if a system or part of a system is located in one of the census tracts that the screening tool has determined is a disadvantaged community, the project will receive additional ranking points. Ranking points will be awarded based on how many categories exceeded the disadvantaged community threshold for the qualifying census tract.

**5. Population**

The law that created this special funding category requires that 25% of the funds be directed to disadvantaged communities as determined by the Intended Use Plan, or public water systems serving fewer than 25,000 persons. Extra ranking points are provided based on population of the system to help meet this requirement.

**6. Treatment and Replacement**

Addressing an emerging contaminant issue can be accomplished by either removing the contaminant with treatment of the source water, changing source infrastructure that does not contain the contaminant, or replacing contaminated infrastructure. More ranking points will be awarded for projects that use treatment to remove contaminants than projects that change source water infrastructure or replace contaminated infrastructure. Projects that replace existing treatment systems that currently addresses an emerging contaminant will be considered replacement of infrastructure instead of using treatment to remove contaminants. This will reflect that reducing contaminant levels through treatment where there is currently no treatment is a higher priority than replacing treatment infrastructure that currently reduces contaminant levels for its users.

**IX. PROJECT RATING PROCEDURE FOR LEAD SERVICE LINE REPLACEMENT PROJECTS**

Projects identified as lead service line replacement Projects, will be ranked by the rating system set forth below. The highest point total denotes the highest priority for funding. A separate ranking will be prepared for each project. Projects will receive points for each applicable category.

1. Lead Service Lines (LSL):

Actual LSL replacement	15 points
Projects for completing inventories	10 points
Galvanized service line replacement	5 points

2. Lead Action Limit:

Lead Action Limit Exceedance in last 3 years	5 points
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3. Service Line Inventory:

If the system has completed the inventory	15 points
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4. Climate and Economic Justice Screening Tool designated Disadvantaged Community:

Threshold exceeded for each category in highest DC census tract for project area	5 points each
--	---------------

5. Population:

System serves population 500 or less	10 points
System serves population 1,000 or less	8 points
System serves population 3,000 or less	6 points
System serves population 5,000 or less	4 points
System serves population 10,000 or less	2 points



- |    |                                 |           |
|----|---------------------------------|-----------|
| 6. | Cost of Private LSL:            |           |
|    | No charge for private LSL costs | 10 points |
| 7. | Degree of Poverty:              |           |
|    | Poverty % over 30%              | 4 points  |
|    | Poverty % over 20%              | 2 points  |

**BACKGROUND**

The following background is provided to explain the factors KDHE will consider when awarding points under the project rating criteria for lead service line replacement projects.

**1. Lead Service Lines (LSL)**

Projects for the replacement of lead service lines, replacement galvanized service lines that were ever downstream of any lead service line or service line of unknown material, or for activities to complete service line inventories are eligible to use these special funds. Actual lead service line replacement will have the most priority, inventory activities will have the next priority, and replacing eligible galvanized lines will have the least priority.

**2. Lead Action Limit Exceedance**

If the system has exceeded a lead action limit in the previous 3 years.

**3. Service Line Inventory Completion**

Having a completed service line inventory for the system at the time of pre-application submittal is a clear indication that the system is ready to proceed with a project. This category is for systems that have the inventory completed and submitted using the required KDHE template.

**4. Climate and Economic Justice Screening Tool designated Disadvantaged Community**

The Council on Environmental Quality (CEQ) created a [Climate and Economic Justice Screening Tool](#) as directed by Executive Order 14008 to help identify disadvantaged communities. The determination of a disadvantaged community by this tool is not related to KDHE’s determination of a disadvantaged community through the affordability criteria described in the Intended Use Plan. However, if the project area is known and is located in one of the census tracts that the screening tool has determined is a disadvantaged community, the project will receive additional ranking points. Ranking points will be awarded based on how many categories exceeded the disadvantaged community threshold for the highest qualifying census tract in the project.

**5. Population**

Smaller populations will likely have a larger burden in planning and executing lead service line replacement projects. Systems serving a population of 10,000 or less will be prioritized.

**6. Private Side Replacement Costs to Owner**

To address household affordability concerns and to minimize adverse public health effects, points will be awarded to LSL replacement projects that do not charge any additional costs to the owner for construction activities of the private side replacement of the service line.

**7. Degree of Poverty**

The degree of poverty of disadvantaged communities will be considered if the percentage of the population in poverty is over 20% and 30%.

## **Appendix D**

### **Public Participation Summary**

## State of Kansas

## Department of Transportation

## Notice to Contractors

Electronic copies of the letting proposals and plans are available on the Kansas Department of Transportation (KDOT) website at <https://kdotapp.ksdot.org/Proposal/Proposal.aspx>. The website will allow the contractor to request approval from KDOT to bid as a prime contractor and be included on the "Bid Holders List," or to be included on the "Non-Bid Holders List" as a subcontractor/supplier. KDOT's approval is required to bid as a prime contractor. To bid as a prime contractor, KDOT needs to be notified of the intent to bid no later than the close of business on the Monday preceding the scheduled letting date. Failure to obtain prior approval to bid as a prime contractor on any projects listed below will be reason to reject your bid. The Secretary reserves the right to reject bids that do not comply with all requirements for preparing a bidding proposal as specified in the 2015 edition of the Kansas Department of Transportation *Standard Specifications for State Road and Bridge Construction*.

KDOT will only accept electronic internet proposals using the Bid Express website at <https://bidx.com/ks/main> until 1:00 p.m. (Central Time) on letting day. The KDOT bid letting will be conducted remotely by audio broadcast only at 3:00 p.m. (Central Time) on letting day. For the conference call information see <https://www.ksdot.org/bureaus/burconsmain/lettinginfo.asp>. KDOT has tested the process, but in the event of an unforeseen issue, KDOT will provide updates.

Each bidder shall certify that such person, firm, association, or corporation has not, either directly or indirectly, entered into any agreement, participated in any collusion, or otherwise taken any action in restraint of free competitive bidding in connection with the submitted bid. This certification shall be in the form of a required contract provision provided by the state to each prospective bidder. Failure to complete the required contract provision and certify the completeness of the preceding statement when electronically signing the proposal will make the bid nonresponsive and not eligible for award consideration.

## Projects for the June 21, 2023, letting:

## District One – Northeast

Jefferson – 24-44 KA-3542-01 – US-24, from the Shawnee/Jefferson County line east to 1.8 miles east of the Shawnee/Jefferson County line, pavement reconstruction, 1.8 miles. (Federal Funds)

Johnson – 35-46 KA-6074-02 – I-35, from 2.6 miles south of 151st Street north to 151st Street, guard fence, 2.6 miles. (State Funds)

Shawnee – 24-89 KA-3236-01 – US-24, from 0.1 mile east of the US-24/Topeka Boulevard intersection east to the Shawnee/Jefferson County line, pavement reconstruction, 3.7 miles. (Federal Funds)

## District Two – North Central

Lincoln – 14-53 KA-6854-01 – City of Lincoln sidewalks, special, 0.6 mile. (State Funds)

Marion – 57 C-5127-01 – Indigo Road near 130th Road, grading and surfacing, 1 mile. (Federal Funds)

Washington – 36-101 KA-6779-01 – US-36, bridge #043 over Camp Creek and bridge #045 over Mill Creek located 4.8 and 5.7 miles east of the west K-15 junction, bridge repair. (State Funds)

## District Three – Northwest

Sherman – 70-91 KA-6777-01 – I-70, bridge #027 and bridge #028 located 2 miles east of K-27, bridge repair. (Federal Funds)

## District Four – Southeast

Allen – 169-1 KA-6885-01 – US-169, two light towers located 0.2 mile north and 0.01 mile north of US-54, lighting, 1 mile. (State Funds)

Cherokee – 11 C-5135-01 – Signing, on local roads located east of K-7, signing, 98 miles. (Federal Funds)

Neosho – 47-67 KA-6855-01 – City of St. Paul sidewalks, pedestrian improvements, 0.5 mile. (State Funds)

## District Five – South Central

Butler – 254-8 KA-6981-01 – K-254, from the Sedgwick/Butler County line to the west city limits of El Dorado, pavement marking, 14.0 miles. (Federal Funds)

## District Six – Southwest

Statewide – 83-106 KA-6234-01 – US-83, from the US-83/US-50/US-400 junction in Garden City north to the I-70/US-83 junction in Thomas County, ITS, 89.5 miles. (Federal Funds)

Calvin Reed  
Acting Secretary  
Department of Transportation

Doc. No. 051158

## State of Kansas

## Department of Health and Environment

## Notice of Hearing

A public hearing is scheduled to be conducted at 11:00 a.m. Wednesday, June 28, 2023, in the Azure Conference Room, 4th floor, Curtis State Office Building, 1000 SW Jackson St., Topeka, Kansas, to discuss the 2024 Intended Use Plans (IUP) for the Kansas Public Water Supply Loan Fund (KPWSLF) and the Kansas Water Pollution Control Revolving Fund (KWPCRF). These IUPs will make additions to the Project Priority List of each program, include estimates and uses of anticipated capitalization grants from EPA (including grants from the Infrastructure Investment and Jobs Act), establish criteria for loan forgiveness, and establish the procedures for ranking projects. Copies of the draft IUPs can be obtained online at <https://www.kdhe.ks.gov/518/Loan-Fund-Administration-Documents>.

Comments can be presented at the hearing or in writing prior to the hearing. Written comments are recommended. 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 or emailed to [KDHE.KansasSRF@ks.gov](mailto:KDHE.KansasSRF@ks.gov). Anyone needing special accommodations should contact the Kansas Department of Health and Environment at least five business days in advance of the hearing at 785-296-5514, fax 785-559-4258 or TTY 711.

Janet Stanek  
Secretary

Department of Health and Environment

Doc. No. 051164

State of Kansas

## Department of Health and Environment

### Notice of Hearing

The Kansas Dept of Health and Environment (KDHE) annually receives federal Centers for Disease Control and Prevention grant dollars to address national health objectives. This funding provides support for a variety of public health programs, infrastructure, and staff salaries. Each year KDHE is required to submit a work plan outlining proposed objectives and activities for the following federal fiscal year. An advisory committee reviews the plan and provides guidance, and the final draft of the work plan is made available for comment in a public hearing.

The public hearing will take place from 11:00 a.m. to 11:45 a.m. Wednesday, June 7, 2023, via Zoom Webinar. The meeting is open to the public, but you must register to attend at [https://us02web.zoom.us/join/register/tZ0rdO-rqDsuHN1k5s3sawW7pGqCGh-aQPc\\_-](https://us02web.zoom.us/join/register/tZ0rdO-rqDsuHN1k5s3sawW7pGqCGh-aQPc_-).

The final draft of the work plan will be available to review after Wednesday, May 24, 2023, and will be posted to the KDHE website at <https://kdhe.ks.gov/1336> or may be requested from [Julie.Sergeant@ks.gov](mailto:Julie.Sergeant@ks.gov).

Joan Duwve, MD  
State Health Officer

Department of Health and Environment

Doc. No. 051153

State of Kansas

## Department of Health and Environment

### Notice Concerning Proposed Kansas Air Quality Class I Operating Permit Renewal

Notice is hereby given that the Kansas Department of Health and Environment (KDHE) is soliciting comments regarding a proposed air quality operating permit. Sunflower Electric Power Corporation – Clifton Station has applied for a Class I operating permit renewal in accordance with the provisions of K.A.R. 28-19-510 et al. The purpose of a Class I permit is to identify the sources and types of regulated air pollutants emitted from the facility; the emission limitations, standards, and requirements applicable to each source; and the monitoring, record keeping, and reporting requirements applicable to each source as of the effective date of permit issuance.

Sunflower Electric Power Corporation – Clifton Station, PO Box 430, 2440 Holcomb Lane, Holcomb, KS 67851, owns and operates a fossil fuel electric power generation facility located at 319 Eagle Rd., SE 1/4, Section

14, Township 5S, Range 1E, Clifton, Washington County, KS 66937.

A copy of the proposed permit, permit application, all supporting documentation, and all information relied upon during the permit application review process are available for public review during normal business hours of 8:00 a.m. to 5:00 p.m. at the KDHE, Bureau of Air (BOA), 1000 SW Jackson, Suite 310, Topeka, KS 66612-1366 and at the North Central District Office, 3040 Enterprise Dr., Salina, KS 67041. To obtain or review the proposed permit and supporting documentation, contact Eric Parker, 785-296-4174, at the central office of the KDHE or Jessica Fair, 785-827-9639, at the North Central District Office. The standard departmental cost will be assessed for any copies requested. The proposed permit, accompanied with supporting information, is available, free of charge, at the KDHE BOA Public Notice website at <https://www.kdhe.ks.gov/413/Public-Notices>.

Please direct written comments or questions regarding the proposed permit to Eric Parker, KDHE, BOA, 1000 SW Jackson, Suite 310, Topeka, KS 66612-1366. In order to be considered in formulating a final permit decision, written comments must be received no later than 12:00 p.m. Monday, June 26, 2023.

A person may request a public hearing be held on the proposed permit. The request for a public hearing shall be in writing and set forth the basis for the request. The written request must be submitted to Eric Parker, KDHE BOA, 1000 SW Jackson, Suite 310, Topeka, KS 66612-1366, no later than 12:00 p.m. Monday, June 26, 2023, in order for the Secretary of Health and Environment to consider the request.

The U.S. Environmental Protection Agency (EPA) has a 45-day review period, which will start concurrently with the public comment period, within which to object to the proposed permit. If the EPA has not objected in writing to the issuance of the permit within the 45-day review period, any person may petition the administrator of the EPA to review the permit. The 60-day public petition period will directly follow the EPA's 45-day review period. Interested parties may contact KDHE to determine if the EPA's 45-day review period has been waived.

Any such petition shall be based only on objections to the permit that were raised with reasonable specificity during the public comment period provided for in this notice, unless the petitioner demonstrates that it was impracticable to raise such objections within such period, or unless the grounds for such objection arose after such period. Contact Keith Johnson, U.S. EPA, Region 7, Air Permitting and Compliance Branch, 11201 Renner Blvd., Lenexa, KS 66219, phone 913-551-7960, to determine when the 45-day EPA review period ends and the 60-day petition period commences.

Janet Stanek  
Secretary

Department of Health and Environment

Doc. No. 051161

## State of Kansas

## Department of Health and Environment

## Notice of Hearing

A public hearing is scheduled to be conducted at 11:00 a.m. Wednesday, July 5, 2023, in the Azure Conference Room, 4th floor, Curtis State Office Building, 1000 SW Jackson St., Topeka, Kansas, to discuss the 2024 Intended Use Plans (IUP) for the Kansas Public Water Supply Loan Fund (KPWSLF) and the Kansas Water Pollution Control Revolving Fund (KWPCRF). These IUPs will make additions to the Project Priority List of each program, include estimates and uses of anticipated capitalization grants from EPA (including grants from the Infrastructure Investment and Jobs Act), establish criteria for loan forgiveness, and establish the procedures for ranking projects. Copies of the draft IUPs can be obtained online at <https://www.kdhe.ks.gov/518/Loan-Fund-Administration-Documents>.

Comments can be presented at the hearing or in writing prior to the hearing. Written comments are recommended. 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 or emailed to [KDHE.KansasSRF@ks.gov](mailto:KDHE.KansasSRF@ks.gov). Anyone needing special accommodations should contact the Kansas Department of Health and Environment at least five business days in advance of the hearing at 785-296-5514, fax 785-559-4258 or TTY 711.

Janet Stanek  
Secretary

Department of Health and Environment

Doc. No. 051192

## State of Kansas

## Kansas Development Finance Authority

## Notice of Hearing

A public hearing will be conducted at 9:00 a.m. Tuesday, June 20, 2023, in the offices of the Kansas Development Finance Authority (KDFA), 534 S. Kansas Ave., Suite 800, Topeka, Kansas, on the proposal for the KDFA to issue its Agricultural Development Revenue Bond for the project numbered below in the respective maximum principal amount. The bond will be issued to assist the borrower named below (who will be the owner and operator of the project) to finance the cost in the amount of the bond, which is then typically purchased by a lender bank who then, through the KDFA, loans the bond proceeds to the borrower for the purposes of acquiring the project. The project shall be located as shown:

Project No. 001113 Maximum Principal Amount: \$480,191.40. Owner/Operator: Justin A. and Cynthia A. Meyer; Description: Acquisition of 218.9 acres of agricultural land and related improvements and equipment to be used by the owner/operator for farming purposes (the "Project"). The Project is being financed by the Lender for Justin A. and Cynthia A. Meyer (the "Beginning Farmer") and is located at the Southwest Quarter of the Northwest

Quarter, and the Southwest Quarter of Section 8, Township 1, Range 5, and Outlot 7 in the Northeast Quarter of Section 18, Township 1, Range 5, Washington County, Kansas, approximately five miles north of Hanover, Kansas on All American Road, then two miles west on 27th Road, then one mile north to 28th Road.

The bond, when issued, will be a limited obligation of the KDFA and will not constitute a general obligation or indebtedness of the state of Kansas or any political subdivision thereof, including the KDFA, nor will it be an indebtedness for which the faith and credit and taxing powers of the state of Kansas are pledged. The bond will be payable solely from amounts received from the respective borrower, the obligation of which will be sufficient to pay the principal of, interest and redemption premium, if any, on the bond when it becomes due.

Interested individuals may participate in the public hearing in person or via conference call. Please call 844-621-3956 and use conference identification number 145 880 8929 followed by # to join the conference.

All individuals who appear at the hearing will be given an opportunity to express their views concerning the proposal to issue the bond to finance the project, and all written comments previously filed with the KDFA at its offices at 534 S. Kansas Ave., Suite 800, Topeka, KS 66603, will be considered. Additional information regarding the project may be obtained by contacting the KDFA.

Rebecca Floyd  
President

Kansas Development Finance Authority

Doc. No. 051195

(Published in the Kansas Register June 1, 2023.)

## City of Atchison, Kansas

Notice of Intent to Seek Private Placement  
General Obligation Bonds, Series 2023-A

Notice is hereby given that the City of Atchison, Kansas (the "Issuer") proposes to seek a private placement of the above-referenced bonds (the "Bonds"). The maximum aggregate principal amount of the Bonds shall not exceed \$1,425,000. The proposed sale of the Bonds is in all respects subject to approval of a bond purchase agreement between the Issuer and the purchaser of the Bonds and the passage of an ordinance and adoption of a resolution by the governing body authorizing the issuance of the Bonds and the execution of various documents necessary to deliver the Bonds.

Dated May 15, 2023.

Tina Fitzpatrick  
Clerk  
City of Atchison

Doc. No. 051183

FY2024 IUP  
Summary of Public Hearing  
June 28, 2023

No members of the Public were present for the public hearing on June 28, 2023 so no presentation was made.

FY2024 IUP  
Summary of Public Hearing  
July 5, 2023

No members of the Public were present for the public hearing on July 5, 2023 so no presentation was made.

## **Appendix E**

### **List of Ineligible Projects and Activities**



## **List of Ineligible Projects and Activities**

In accordance with K.A.R. 28-15-56, the following projects and activities are ineligible for participation in the Kansas Public Water Supply Loan Fund.

Dams, or rehabilitation of dams;

Water rights, except if the water rights are owned by a system that is being purchased through consolidation as part of a capacity development strategy;

Reservoirs, except for finished water reservoirs and those reservoirs that are part of the treatment process and are located on the property where the treatment facility is located;

Laboratory fees for routine monitoring; Operation and maintenance expenses;

Projects needed mainly for fire protection;

Projects for systems that lack adequate technical, managerial and financial capability, unless assistance will ensure compliance;

Projects for systems in significant non-compliance, unless funding will ensure compliance;

Projects primarily intended to serve future growth.

Source: 40CFR Part 35.3500, 35.3520 (e), and (f)

## **Appendix F**

### **History of Credits Toward Future Grants**

### History of Credits Toward Future Grants

Year of Capitalization Grant	Technical Assistance Set-Aside	State Program Management Set-Aside	Administration Set-Aside
1997		\$422,071.00	
1998		\$485,000.00	
1999		\$485,000.00	
2000	\$145,717.00	\$485,000.00	
2001			\$1,674.00
2002		\$181,626.00	\$369,388.00
2003	\$183,584.00	\$485,000.00	
2004	\$190,442.00		
2005	(\$50,000.00)		(\$371,062.00)
2006	(\$125,422.00)		
2007	(\$60,420.00)		
2008	(\$62,080.00)		
2009	(\$84,500.00)		
ARRA	\$390,000.00		\$780,000.00
2010		\$1,660,500.00	
2011	(\$57,610.00)		(\$25,147.00)
2012	(\$70,380.00)		\$200,000.00
2013	(\$93,960.00)		
2014			\$201,600.00
2015			
2016			(\$189,460.00)
2017	(\$93,920.00)		
2018			\$65,480.00
2019			\$60,640.00
2020	\$255,500.00		\$261,000.00
2021	\$155,260.00		\$210,520.00
<b>Totals</b>	<b>\$622,211</b>	<b>\$4,204,197</b>	<b>\$1,564,633</b>

## **Appendix G**

### **Cash Flow Analysis Summary**



Kansas Development Finance Authority  
MFI Bonds - DW  
Cashflow Analysis

Period Ending	(Semiannual Rollover)											
	MFI DW Loan Interest Repayments	MFI DW Earnings	MFI DW State Match Debt Service	Transfer from Interest Acct to Principal Acct.	Revenue Fund Principal Beg Balance	MFI DW Loan Principal Repayments	Lev. Bonds Debt Service	MFI DW Periodic Surplus	MFI DW Annual Surplus	MFI DW Annual SM Coverage	MFI DW Annual Lev Coverage	
10/31/2022	1,844,285				4,940,110			1,844,285				
5/1/2023	1,288,385		2,262,250		4,940,110	13,096,118	6,935,120	10,127,243	11,971,529	1.38 : 1	2.60 : 1	
11/1/2023	1,262,672		70,008	204,517		22,178,516	5,161,500	18,209,680				
5/1/2024	1,311,860		2,300,008		17,221,533	11,320,832	11,616,500	(1,283,816)	16,925,865	1.09 : 1	2.01 : 1	
11/1/2024	1,592,472		47,150	827,539		9,270,575	5,000,125	5,815,772				
5/1/2025	1,604,367		2,322,150		5,097,989	9,230,245	10,150,125	(1,637,664)	4,178,108	1.35 : 1	1.28 : 1	
11/1/2025	1,833,636		23,831	1,230,435		24,790,638	4,871,375	21,729,068				
5/1/2026	1,769,462		2,348,831		21,149,698	12,794,023	11,731,375	483,278	22,212,346	1.52 : 1	2.34 : 1	
11/1/2026	1,707,110			1,707,110		12,063,216	4,699,875	9,070,451				
5/1/2027	1,715,045			1,715,045	9,070,451	12,074,107	13,449,875	339,276	9,409,728		1.52 : 1	
11/1/2027	1,729,892			1,729,892		11,862,659	4,481,125	9,111,426				
5/1/2028	1,864,171			1,864,171	9,111,426	11,944,159	13,561,125	247,205	9,358,631		1.52 : 1	
11/1/2028	1,985,875			1,985,875		12,058,178	4,254,125	9,789,928				
5/1/2029	2,063,304			2,063,304	9,789,928	11,468,920	13,904,125	(371,901)	9,418,026		1.52 : 1	
11/1/2029	2,371,845			2,371,845		11,596,474	4,012,875	9,955,444				
5/1/2030	2,296,626			2,296,626	9,955,444	11,530,076	14,287,875	(461,172)	9,494,271		1.52 : 1	
11/1/2030	2,208,104			2,208,104		11,615,714	3,756,000	10,067,818				
5/1/2031	2,119,075			2,119,075	10,067,818	11,642,248	14,406,000	(644,677)	9,423,141		1.52 : 1	
11/1/2031	2,030,194			2,030,194		11,695,739	3,489,750	10,236,183				
5/1/2032	1,941,294			1,941,294	10,236,183	11,797,514	14,594,750	(855,943)	9,380,240		1.52 : 1	
11/1/2032	1,851,588			1,851,588		11,302,543	3,212,125	9,942,006				
5/1/2033	1,771,059			1,771,059	9,942,006	11,440,913	14,152,125	(940,153)	9,001,853		1.52 : 1	
11/1/2033	1,689,232			1,689,232		11,353,915	2,938,625	10,104,522				
5/1/2034	1,608,736			1,608,736	10,104,522	11,259,284	14,123,625	(1,255,604)	8,848,918		1.52 : 1	
11/1/2034	1,529,335			1,529,335		11,176,965	2,659,000	10,047,299				
5/1/2035	1,450,682			1,450,682	10,047,299	10,733,774	13,729,000	(1,544,544)	8,502,755		1.52 : 1	
11/1/2035	1,376,718			1,376,718		10,619,951	2,382,250	9,614,418				
5/1/2036	1,304,053			1,304,053	9,614,418	10,612,382	13,362,250	(1,445,814)	8,168,604		1.52 : 1	
11/1/2036	1,231,671			1,231,671		10,201,193	2,107,750	9,325,113				
5/1/2037	1,164,046			1,164,046	9,325,113	10,242,750	12,932,750	(1,525,954)	7,799,159		1.52 : 1	
11/1/2037	1,096,206			1,096,206		10,560,806	1,837,125	9,819,887				
5/1/2038	1,025,559			1,025,559	9,819,887	9,923,072	13,047,125	(2,098,494)	7,721,393		1.52 : 1	
11/1/2038	961,256			961,256		9,995,505	1,556,875	9,399,886				
5/1/2039	896,460			896,460	9,399,886	10,007,935	12,836,875	(1,932,480)	7,467,406		1.52 : 1	
11/1/2039	831,326			831,326		9,824,202	1,274,875	9,380,653				
5/1/2040	768,314			768,314	9,380,653	9,819,831	12,714,875	(2,126,730)	7,253,923		1.52 : 1	
11/1/2040	705,495			705,495		8,675,948	988,875	8,392,568				
5/1/2041	654,295			654,295	8,392,568	8,693,367	11,343,875	(1,996,214)	6,396,354		1.52 : 1	
11/1/2041	603,222			603,222		8,753,598	730,000	8,626,820				
5/1/2042	553,158			553,158	8,626,820	8,290,688	11,255,000	(2,411,154)	6,215,666		1.52 : 1	
11/1/2042	505,708			505,708		8,252,089	466,875	8,290,922				
5/1/2043	458,614			458,614	8,290,922	7,685,668	10,661,875	(2,517,593)	5,773,329		1.52 : 1	
11/1/2043	415,224			415,224		6,746,814	212,000	6,950,038				
5/1/2044	376,359			376,359	6,950,038	5,986,748	8,692,000	(2,328,894)	4,621,144		1.52 : 1	
	61,367,987		9,374,228	51,123,340		476,189,890	333,581,370	199,542,390	199,542,390			