

Kansas Public Water Supply Loan Fund 2016 Intended Use Plan



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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 federal appropriation. 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, and;

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 2016 Intended Use Plan will also address requirements made through appropriation laws passed in recent years. Specifically, these requirements are (1) to make all Kansas Public Water Supply Loan Fund (KPWSLF) loans executed after October 30, 2009, comply with Davis-Bacon Act Requirements; (2) to provide additional subsidy in the form of a grant, principal forgiveness, or a negative interest rate loan; and (3) require all loans executed after January 16, 2014 to comply with American Iron and Steel (AIS) requirements.

Allotments for the FFY 2016 EPA capitalization grant have not been determined as of the date of publication of this document and any special conditions or required program changes are also unknown. For planning purposes this IUP will assume the 2016 capitalization grant will have the same conditions and dollar amounts as the 2015 capitalization grant as it was allotted.

As of June 30, 2015, Kansas had been awarded \$216,048,122 in capitalization grants from FFY 1997 thru FFY 2015.

This Intended Use Plan can be amended to add projects or other provisions as needed after a public hearing with 30 days' notice. KDHE anticipates amending this IUP in December 2016.

The operating agreement between EPA and KDHE was last amended on December 29, 2010 and still accurately reflects current operation of the Kansas Public Water Supply Loan Fund.

II. LIST OF KPWSLF PROJECTS

On March 13, 2015, letters soliciting projects were sent to over 800 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 2015 Project Priority List (PPL) to create the 2016 Project Priority List. Eleven additional eligible projects for \$51M were submitted for consideration of placement on the 2016 PPL. All projects are listed in order of project ranking and projects with the same ranking are further sorted by increasing project amount. The 2016 PPL can be found in Appendix A.

In order to maximize the use of available funds, all projects on the PPL will receive loan applications. This will ensure projects that are ready to proceed will have access to loan funds. If any of these projects do not submit the loan application by the deadline established in the application transmittal letter, or if any system notifies KDHE that they are no longer interested in a 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 October 30, 2009 will comply with Davis-Bacon Act Requirements as required by EPA and the Department of Labor. 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. The Project Priority System is attached as Appendix C.

The funding order of projects may not be identical to the priority ranking in the found in the PPL (Appendix A). Readiness to proceed is an important factor, however, the general order of project ranking will be followed to the extent a project's sponsor is ready to proceed. KDHE always reserves the right to fund lower priority ranking projects over higher priority ranking projects, if a higher priority project's sponsor 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.

The PPL lists all eligible and current projects that have been submitted for loan fund consideration. The KPWSLF has \$30M available (existing funds) for new loan commitments which is 37% of the total amount of projects on the IUP. Additional funds will be realized during the program year from the 2016 capitalization grant and the state match funds required for the 2016 capitalization grant (estimated \$12M total). Historically only 30% of the projects listed on the PPL complete loan applications due to project abandonment or delays due to project readiness to proceed. If complete applications are received in excess of the existing funds available, KDHE will issue bonds to make up any shortfall when cash is needed for disbursements. If municipalities that are provided with a loan application do not complete it by the deadline given to them, and they are otherwise nonresponsive, they will be bypassed and removed from the PPL. All projects are considered above the funding line.

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 5000 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 loan funding due to lack of available funds and KDHE does not anticipate that to change. Projects for systems with populations of 5,000 or less represent 40% of the estimated amount of available loan funds in the 2016 IUP and projects for systems that serve less than 10,000 represent 127% of the estimated available loan funds in the 2016 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 provides the opportunity to assist economically disadvantaged communities by allowing 30% of the capitalization grant to be used for loan subsidies, including principal forgiveness. The KPWSLF has not developed disadvantaged community criteria, but the KDHE project priority system includes a scoring criterion based on the applicant's median household income compared to the statewide median household income. This helps assure lower income communities have access to the Loan Fund.

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 monthly enforcement meetings. The project ranking criteria used in the Project Priority List (PPL) provides the highest ranking points to projects that would return a system to compliance with drinking water regulations. All projects listed on the 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.

IV. FINANCIAL STATUS OF THE KPWSLF

The KPWSLF is operating as both a leveraged reserve loan program and a cash flow leveraged loan program. In a leveraged reserve program, the EPA capitalization grant is not loaned to public water supply systems. Instead, the capitalization grant is deposited in a reserve account

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

The Fund anticipates issuing state match bonds during the program year to obtain matching funds for the 2016 capitalization grant. Leveraged bonds are issued according to cash flow needs (cash available 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. Although the Fund may need to issue bonds in the future to accommodate the cash flow needs of loans committed during the 2016 program year, KDHE does not anticipate the need to issue leveraged bonds during the program year as available cash exceeds the amount normally needed for loan disbursements in a typical year, which is \$20M to \$30M.

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.

The Leveraged Reserve account, which facilitates the part of the Fund that leverages through a reserve model, contained \$9,252,500 on June 30, 2015 which meets the leveraged reserve requirement based on 25% of outstanding old resolution bonds. As bonds are paid off, the Leveraged Reserve account will be reduced and those funds will be direct loaned to municipalities.

As of May 31, 2015, KDHE had 282 loan agreements or offers in place for a total of \$596,639,470.68. Loans have been finalized (projects completed) for 240 of those agreements and 125 of the loans have been repaid in full. Existing loan agreements had a commitment balance amount of \$77,744,719.99 (amount needed to fully disburse existing loans).

For the 2016 PPL, the KPWSLF estimates \$32M of available funds that that can be disbursed to new loans (existing sources – existing loan commitments). The Sources and Uses table in Appendix B shows estimated financial resources and the planned utilization of those resources for the 2016 program year. The table further separates amounts between loans, set-asides, and fees. The table shows existing loan disbursement sources from recycled and grant funds of \$109M, however to fully disburse all existing loan agreements and potential new loans for all of the projects on the PPL, \$157M would be needed. The \$48M shortfall of funds will be reduced by an estimated \$10M when the 2016 capitalization grant is awarded and the associated state match is deposited. The remaining shortfall of \$38M would be obtained by issuing bonds and future recycled funds – but bonds would only be issued when needed to meet cash flow needs which are not anticipated for 2016.

KDHE has discontinued the practice of committing 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 will allow for capitalization grant funds to be disbursed as a first priority therefore reducing unliquidated obligations of federal grants. KDHE expects to fully disburse the loan portion of the 2015 capitalization grant and the set aside portions of the 2013 and 2014 capitalization grants during the program year.

At least once a year, a cash flow analysis for the next 22 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 June 2015 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, 2014. This and future annual reports can be found on the KDHE web site www.kdheks.gov/pws/loan/loanfund.htm.

V. INTEREST RATES AND ADDITIONAL SUBSIDY

In accordance with K.A.R 28-15-52, the KPWSLF interest rate will be set at 60% of the previous three months' average of the Bond Buyers 20 Year General Obligation Bond Index. The 2010 and 2011 capitalization grants require the KPWSLF to provide at least 30% of those grants to be used as additional subsidy. The 2012 thru 2015 capitalization grants require at least 20% but no more than 30% to be used as additional subsidy. The Fund will meet this requirement by awarding principal forgiveness for projects (1) 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 with an ETT score greater than 10 on the EPA Enforcement Response Targeting Tool (as long as the project will put or maintain the system on the path of compliance), (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 or implement the creation and operation of a Public Wholesale Water Supply District. This will encourage projects that satisfy goals of both state and federal laws.

Principal forgiveness will be calculated at 30% of the disbursed loan amount associated with the qualifying portion of project. Principal forgiveness will only be available to qualifying loans as funds remain available. Qualifying loans that are executed after KDHE has met its minimum 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.

The additional subsidy requirements and progress towards satisfying them are tracked for each applicable grant and reported in the KPWSLF Annual Report. While KDHE estimates sufficient principal forgiveness amounts for the 2010, 2011, and 2012 capitalization grants will be provided to existing executed loans, the final amounts cannot be determined until projects are completed and loan agreements are amended to the final amounts used. Possible projects on the 2016 PPL are eligible for an estimated \$8,470,631 in principal forgiveness which would satisfy

the combined 2013 thru 2015 capitalization grant required additional subsidy minimum amount of \$6,092,400 and maximum amount of \$9,138,600.

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, and comply other federal crosscutter requirements. At the time of loan execution KDHE will determine if such loan will be required to comply with these requirements. Because it is unknown which projects listed on the PPL will actually execute loan agreements, it is not possible to list specific loans that will meet these requirements on the IUP. These 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 5000.
6. Spend down grant funds within 2 years from the date of the grant award for all open and future capitalization grants.
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 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. RECYCLED FUNDS

Recycled funds are revenues in excess of the amounts needed to make bond principal and interest payments and also include funds transferred/de-allocated from the Leveraged Reserve Fund as leveraged reserve bonds are retired. As of May 31, 2015, the Fund had approximately \$102M in recycled funds and anticipates another \$2M to be added during the 2016 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. Although no leveraged bond issues are expected in the near future, this practice will likely continue. The KPWSLF might also choose to pre-spend anticipated grant funds using recycled funds in the future. This will enhance the Fund's ability to expeditiously use cap grant funds.

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 program requirements. The following is a list of set-asides and uses that can be utilized:

- A. administration of the KPWSLF (up to 4%);
- 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%)

The state must provide a dollar for dollar match for any set-aside expenditures under item C, this is in addition to providing the 20% matching funds to receive the capitalization grant. At least half of the match must be in addition to the amount spent by the state to match its public water supply supervision grant in FY 93. There are no additional match requirements for the remainder of the set-asides. 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 2016 grant. Funds from previous grants and work plans will be spent in addition to (or prior to) the reserved amounts for the 2016 grant. It is KDHE's goal to have approximately 2 years of funds reserved in any set-aside to minimize unliquidated obligations.

For the 2016 capitalization grant the KPWSLF anticipates to reserve 4% for Administration (estimated at \$403,200), 2% for Technical Assistance (estimated at \$201,600), 3% (\$302,400) for State Program Management, and 3% (\$302,400) for Other Authorized Activities. These amounts are subject to change once KDHE is provided with the actual 2016 capitalization grant allotment amount. 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, National Information Management System (NIMS) and Project Benefits Reporting (PBR) data maintenance, updating the needs survey, processing of loan disbursements, and any other costs associated with the operation of the KPWSLF.

SRF Administration Set-Aside Spending Plan

Grant	Amount available	FY2016 Spending	FY2017 Spending	FY2018 Spending
2013	\$72,000	\$72,000		
2014	\$201,600	\$201,600		
2015	\$403,200	\$150,000	\$253,200	
2016 (est.)	\$403,200		\$200,000	\$203,200
FY spending Totals		\$423,600	\$453,200	\$203,200

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 continue to be implemented through contracts with service providers. Any balance not used during the program year will be used for continued technical assistance to small systems in the future. Assistance will be provided 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 will also be used to create and implement an Area-Wide Optimization Program (AWOP) that will provide assistance to optimize system performance and address public health risks to small systems that operate surface water treatment plants. Funds from this set aside could also be used to provide assistance in monitoring and analyzing harmful algal blooms.

Technical Assistance Set-Aside Spending Plan

Grant	Amount available	FY2016 Spending	FY2017 Spending	FY2018 Spending
2014	\$157,104	\$157,104		
2015	\$201,600		\$201,600	
2016 (est.)	\$201,600			\$201,600
FY spending Totals		\$157,104	\$201,600	\$201,600

C. State Program Management

Funds from this set-aside will be used to pay salary and costs for the Capacity Development Program Coordinator, and to pay salary and costs for the Public Water Supply Supervision Program which includes the Operator Certification Program. Up to 10% of the capitalization grant can be used for these activities, but available state match can limit the amount spent. Compliance with the match requirements for this set-aside will be demonstrated in the Annual Report. 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

Grant	Amount available	FY2016 Spending	FY2017 Spending	FY2018 Spending
2013	\$7,344	\$7,344		
2014	\$288,658	\$274,207		
2015	\$302,400		\$302,400	
2016 (est.)	\$302,400			\$302,400
FY spending Totals		\$281,551	\$302,400	\$302,400

D. Other Authorized Activities

Funds will be used to fund regional planning grants, individual planning grants for community public water systems serving populations 1,000 or less and have an ETT score greater than 10, KanCap training, asset management training, capacity development technical assistance, technical assistance with financial planning and rate setting, operator training, development and implementation of an AWOP as a component of the Capacity Development Strategy, development and implementation of a source 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

Grant	Amount available	FY2016 Spending	FY2017 Spending	FY2018 Spending
2013	\$42,000	\$42,000		
2014	\$201,600	\$201,600		
2015	\$302,400	\$50,000	\$252,400	
2016 (Est.)	\$302,400		\$100,000	\$202,400
FY spending Totals		\$293,600	\$352,400	\$202,400

SUMMARY OF CAPITALIZATION GRANT USES

	Estimated FFY 2016
Direct Loan	8,870,400
Administration	403,200
Technical Assistance	201,600
State Program Management	302,400
Other Authorized Activities	302,400
Total	\$10,080,000

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	
1998		\$485,000	
1999		\$485,000	
2000	\$145,717	\$485,000	
2001			\$1,674
2002		\$181,626	\$369,388
2003	\$183,584	\$485,000	
2004	\$190,442		
2005	-\$50,000		-\$371,062
2006	-\$125,422		
2007	-\$60,420		
2008	-\$62,080		
2009	-\$84,500		
ARRA	\$390,000		\$780,000
2010		\$1,660,500	
2011	-\$57,610		-\$25,147
2012	-\$70,380		\$200,000
2013	-\$93,960		
2014			\$201,600
2015			
2016			
Totals	\$305,371	\$4,204,197	\$1,156,453

X. RATES AND USES OF FEES

The KPWSLF charges up to three types of fees on loan recipients. Every recipient is charged a onetime 0.25% Loan Origination Fee (LOF) and pays 0.35% service fee on outstanding balances due semiannually (this service fee rate is included in the loan interest rate). For recipients that do not have taxing authority and do not purchase bond insurance for the loan agreement, or at risk cities, an additional one time 1% Financial Integrity Assurance Contract (FIAC) fee is required. The LOF and FIAC fee are typically capitalized in the loan amount, but recipients can make that payment from their own funds if desired.

Fees obtained from the LOF are used to pay for financial reviews and technical assistance in completing loan applications. As of May 31, 2015 there was a balance of \$298,562 in the Loan Origination Fee account. The 0.35% service fee on outstanding balances is used to pay for KPWSLF expenses such as accounting services, legal services associated with bonds, and annual bond service fees. The service fee account is also used for non-KPWSLF expenses such as software and computer equipment for the Public Water Supply program, salary, benefits and other operating costs for the Public Water Supply Supervision Program, and annual dues for the Association of State Drinking Water Administrators and the Western State Water Council. As of May 31, 2015 the balance of the service fee account was \$4,246,538. The FIAC fees are transferred to the Kansas Rural Water Finance Authority (KRWFA) to pay for costs of financial monitoring for recipients that enter into a FIAC agreement. As of May 31, 2015 there was a \$71,728 balance in the FIAC fee account.

XI. CROSS COLLATERALIZATION

The KPWSLF and KWPCRF have two cross collateralization mechanisms that are explained in detail in the Operating Agreement between KDHE and EPA.

The Master Bond Resolution and KPWSLF and Kansas Water Pollution Control Revolving Fund (KWPCRF) operating agreements allow funds that would normally be transferred to the Master Financing Indenture (MFI) each fiscal year, to be used to remedy a Master Bond Resolution bond payment default situation in the other SRF program. Those funds would then be paid back, without interest, once the defaulting program generates funds that would normally be transferred to the MFI. Transfers of funds due to the cross collateralization mechanism would not involve transfer of capitalization grant funds, only recycled funds. The impact of such a transfer would only affect the expansion of recycled loans until the transfer is repaid. No such transfers are anticipated to be made during the 2016 program year.

The entire MFI is structured as a cross-collateralization mechanism as all interest revenues are pledged to the MFI State Match bonds 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 needed to pay the State Match debt service of the program would be transferred from the corresponding program's Service Fee account to the State Match debt service account (Service Fees are an interest component of the loan repayments). This will assure that the assets of one program are not used, even temporarily, to pay for the other program's State Match 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).

XII. CASH DRAW RATIO

The non-set-aside portion of the 2016 capitalization grant will be direct loaned. KDHE will determine which loans receive 2016 capitalization grant funds at the time of disbursement. The estimated 2016 capitalization grant will require a state match of \$2,016,000. The Fund has \$2,200,000 of State Match that was deposited and disbursed in SFY2015 (used for loan disbursements among 2 loans) of which \$1,829,036.40 was designated as State Match to the 2015 capitalization grant. This leaves \$370,963.60 available for State Match of the 2016 capitalization grant. The remaining estimated amount of \$1,645,036.40 needed for the state match of the 2016 capitalization grant will come from bond proceeds that will be obtained and

disbursed prior to applying for the grant, therefore the draw ratio for the 2016 capitalization grant will be 100%. Documentation of the state match deposit and spending will be submitted with the 2016 grant application.

XIII. PUBLIC REVIEW

A public hearing on the FY2016 Intended Use Plan and Priority Ranking System was held on July 14, 2015. The draft FY2016 IUP was made available on the KPWSLF web site. The League of Kansas Municipalities, the Kansas Rural Water Association, the Kansas Rural Water Finance Authority, Kansas Municipal Utilities, Wichita State University Environmental Finance Center, and consulting engineers in the state of Kansas were also provided written notification of the hearing. A copy of the meeting notice was published in the Kansas Register. The hearing attendance list and a summary of the hearing are included in Appendix D.

Appendix A

Project Priority List

2016 Project Priority List

July 1, 2015

Municipality Name	Project #	Priority Rating	Project Description	Loan Request \$	Accumulative Amount \$	Population Served	Potential PF \$
Englewood	2880	38	Construct New Wells to Resolve Nitrate Compliance	\$1,000,000	\$1,000,000	77	\$300,000
Hiawatha	2849	38	Water Supply/Treatment Improvements to Reduce Nitrate	\$6,952,500	\$7,952,500	5,086	\$2,085,750
Brown Co. RWD #2/PWWS	2839	36	New Wells to meet Compliance with Nitrate MCL	\$2,882,938	\$10,835,438	1,111	\$864,881
Oketo	2866	25	Replace Waterline and Interconnect with Washington RWD #1	\$417,000	\$11,252,438	65	
Kensington	2881	23	New Well, Disinfection Facility and Transmission Main	\$522,032	\$11,774,470	451	\$120,000
Burrton	2870	15	Construct New Well and Transmission Main	\$300,000	\$12,074,470	900	
Bonner Springs	2798	15	Chlorine Contact Clearwell and Pumps, Morse Ave Loop	\$2,000,000	\$14,074,470	7,314	
Public Wholesale WSD # 25	2894	15	Create New Public Water Supply System	\$17,000,000	\$31,074,470	8,588	\$5,100,000.0
Chanute	2882	13	Waterline Loop along 21st St.	\$180,000	\$31,254,470	9,355	
Chanute	2883	13	Waterline Loop along 35th Rd.	\$225,000	\$31,479,470	9,355	
Coldwater	2889	13	New Pumpstation Construction	\$261,000	\$31,740,470	854	
Coffeyville	2875	13	Replace Transmission Main	\$366,960	\$32,107,430	16,262	
Galena	2886	13	Convert to AMR meters	\$500,000	\$32,607,430	2,994	
Moline	2892	13	Replace Waterlines and Meters	\$500,000	\$33,107,430	340	
Chanute	2884	13	New Inake and Pump Station at Santa Fe Lake	\$1,000,000	\$34,107,430	9,355	
Miltonvale	2901	13	Replace Waterlines and Meters	\$1,011,000	\$35,118,430	523	
Yates Center	2887	13	WTP Rehabilitation	\$1,500,000	\$36,618,430	3,942	
Aurora	2900	11	Well House Improvements	\$80,000	\$36,698,430	59	
Belvue	2858	11	Connect to Pottawatomie Co. RWD #4	\$707,362	\$37,405,792	208	
Atchison	2890	11	Filter Rehabilitation	\$760,000	\$38,165,792	14,790	
Jetmore	2876	11	Replace Water Tower and Transmission Main	\$1,269,675	\$39,435,467	887	
Baldwin City	2896	11	Waterline Replacement	\$1,476,955	\$40,912,422	6,374	
Newton	2888	11	Water Storage Rehabilitation	\$1,985,000	\$42,897,422	19,177	
Ottawa	2877	11	Redundant Raw Waterline	\$2,900,000	\$45,797,422	15,493	
Ellis	2899	11	New Wells for Drought	\$4,000,000	\$49,797,422	2,090	
Manhattan	2895	11	Water Treatment Plant Improvements	\$7,300,000	\$57,097,422	60,089	
Junction City	2893	11	Water Treatment Plant Improvements	\$13,236,000	\$70,333,422	27,321	
Bonner Springs	2898	10	Waterline Replacement on Morse Ave	\$420,000	\$70,753,422	7,480	
Bonner Springs	2897	10	Waterline Replacement on 134th St	\$480,000	\$71,233,422	7,480	
Bonner Springs	2864	10	Waterline Replacement and Looping	\$1,300,000	\$72,533,422	7,419	
Butler Co. RWD #6	2815	10	Waterlines, Pumpstation, and Meter Improvements to Increase Pressures	\$2,100,000	\$74,633,422	3,428	
Butler Co. RWD #5	2891	10	Connect to New Source	\$5,500,000	\$80,133,422	6,227	

Total Potential Principal Forgiveness \$8,470,631.4

21% of funds on PPL for systems with population of less than 5,000 for entire list

67% of funds on PPL for systems with population of less than 10,000 for entire list

Appendix B

Sources and Uses Tables

Sources and Uses

For Program year 2016
Amounts as of May 31, 2015

Recycled Funds Unexpended (repayments, interest earnings)	\$102,386,319
2015 Grant Unexpended - Loans	\$7,148,426
Estimated	
2016 Grant Unexpended - Loans (grant not allotted)	\$8,870,400
State Match Required for 2016 Grant (future bond proceeds based on estimated grant amount)	\$1,658,236
Future Leveraged Bond Proceeds (need not anticipated for 2016, listed only for balancing purposes)	\$35,814,760
Future Recycled Funds	\$2,000,000

Total Sources for Loans \$157,878,141

Funds Available to be Used for Set-asides and Fees

Existing

2013 Grant Unexpended -Administration, State Program Management, Other Authorized Activities	\$122,191
2014 Grant Unexpended - Administration, Technical Assistance, State Program Management, Other Authorized Activities	\$834,511
2015 Grant Unexpended - Administration, Technical Assistance, State Program Management, Other Authorized Activities	\$1,209,600
SRF Service Fees Unexpended	\$4,246,538
Loan Origination Fees Unexpended	\$298,562
FIAC Fees Unexpended	\$71,728

Estimated

2016 Grant Unexpended - Administration, Technical Assistance, State Program Management, Other Authorized Activities	\$1,209,600
Future Collection of SRF Service Fees	\$525,000
Future Collection of Loan Origination Fees	\$75,000
Future Collection of FIAC Fees	\$10,000

Total Sources for Set Asides and Fees \$8,602,730

Total Sources \$166,480,871

Uses:

Funds to be Used for Loans

Funds Needed to Meet Existing Loan Commitments	\$77,744,719
Funds Needed for Loan Disbursements to Fund 2016 PPL projects	\$80,133,422

Total Uses for Loans \$157,878,141

Funding Uses for Set Asides and Fees

SRF Administration thru SFY 2018	\$1,080,791
Technical Assistance thru SFY 2018	\$560,304
State Program Management thru SFY 2018	\$886,351
Other Authorized Activities thru SFY 2018	\$848,456
SRF and PWSS Administration from Fees	\$4,771,538
Loan Financial Reviews and Application TA	\$373,562
FIAC Costs	\$81,728

Total Uses for Set Asides and Fees \$8,602,730

Total Uses \$166,480,871

Appendix C

Project Priority System

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

State Fiscal Year 2016
Kansas Public Water Supply Loan Fund
Project Priority System

July 1, 2015

Kansas Department of Health and Environment
Kansas Public Water Supply Loan Fund
Project Priority System
FY 2016

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. 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 5000 people.

II. PRIORITY RATING CRITERIA

The priority rating criteria 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.

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. 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 in accordance with section IV.4 as necessary for correction of an emergency condition.

IV. ADMINISTRATIVE PROCEDURES

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

1. The Bureau of Water will prepare annually, a tentative priority list of all projects to be included in the Intended Use Plan for possible funding during state fiscal year. The tentative Project Priority List (PPL) will include the rank for each project.
2. The Bureau of Water will give public notice of the PPL 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 money 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. Projects will be elevated to the PPL for funding based on priority ranking and readiness to proceed.
6. A project must be listed in the PPL prepared by KDHE to receive a loan; unless funded under the emergency provision of IV.4 or the bypass provision of IV.7.
7. If available monies are not used by the projects identified in the PPL, those funds will be made available to the highest ranked projects ready to proceed. This ability to bypass projects is necessary to assure available funds are obligated on a timely basis.
8. Kansas law requires 20% of available loan funds to be made available to public water suppliers that serve less than 5000 people. If available, projects serving less than 5000 people, totaling at least 30% of available loan funds, will be included in the PPL to assure sufficient projects to meet the 20% requirement. Projects from public water suppliers serving less than 5000 population will be indicated on the Project Priority List and may be included in the PPL regardless of priority ranking, if necessary to meet the 20%

requirement.

V. PROJECT RATING PROCEDURE

Projects identified in accordance with Section IV, other than projects identified in accordance with section IV.4, 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, up to the stated maximum, for each applicable category.

1. Water quality issues:

Acute MCL or treatment technique violation corrected	Up to 35 points
Chronic MCL or treatment technique violation corrected	Up to 30 points
Impending MCL violation corrected	Up to 20 points
Unregulated contaminant correction	Up to 15 points
Compliance with existing administrative order	Up to 10 points
Secondary MCL correction	Up to 10 points

2. Consolidation of two or more water systems 10 points each

3. Reliability improvement:

Second source for single source systems	Up to 15 points
Low water pressure (less than 20 psi)	Up to 15 points
Water restrictions in last 3 years	Up to 10 points
Plant rehabilitation	Up to 10 points
Storage (less than 24 hours)	Up to 10 points
Excessive water loss	Up to 10 points
Distribution system looping	Up to 10 points

4. Beneficiaries income:

LT 80% of State Median Household Income (SMHI)	3 points
GT 80% of SMHI but LT SMHI	1 point

5. Special categories:

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

6. KDHE point adjustment Up to 35 points

BACKGROUND

The following background is provided to explain the factors KDHE will consider when awarding points under the project rating criteria. For some criteria, water quality issues for example, KDHE will award points up to a maximum value. For other rating criteria, consolidation for example, the points to be awarded are set in the criterion.

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. Secondary MCL violations are violations which cause aesthetic impacts. Existence of an administrative order to correct an MCL violation 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. Up to 10 points will be added for each system to be served by a project. (Two systems, maximum of 20 points)

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 are viewed as more significant than outdoor restrictions. 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 and the state median household income. Data found on the U.S. Census Bureau web site, will be used for this purpose.

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 and complete KanCap board member training classes.

Appendix D

Public Participation Summary

riod, 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 Ward Burns, U.S. EPA, Region 7, Air Permitting and Compliance Branch, 11201 Renner Blvd., Lenexa, KS 66219, 913-551-7960, to determine when the 45-day EPA review period ends and the 60-day petition period commences.

Susan Mosier, M.D.
Secretary of Health
and Environment

Doc. No. 043618

State of Kansas

Department of Health and Environment

Request for Comments

The Kansas Department of Health and Environment is soliciting comments regarding a proposed air quality operating permit. Magellan Pipeline Company, L.P. 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.

Magellan Pipeline Company, L.P., P.O. Box 22186, Tulsa, OK 74121, owns and operates Paola Station, a liquid petroleum products pipeline and pumping station located at 24303 W. 343rd St., Paola, KS 66071.

A copy of the proposed permit, permit application, all supporting documentation and all information relied upon during the permit application review process is available for public review during normal business hours, 8 a.m. to 5 p.m., at the KDHE, Bureau of Air, 1000 S.W. Jackson, Suite 310, Topeka, and at the KDHE Northeast District Office, 800 W. 24th St., Lawrence. To obtain or review the proposed permit and supporting documentation contact Cathy Richardson, 785-296-1947, at the KDHE central office, or Pat Simpson, 785-842-4600, at the KDHE Northeast District Office. The standard departmental cost will be assessed for any copies requested.

Written comments or questions regarding the proposed permit may be directed to Cathy Richardson, KDHE, Bureau of Air, 1000 S.W. Jackson, Suite 310, Topeka, 66612-1366. In order to be considered in formulating a final permit decision, written comments must be received not later than noon July 13.

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 Cathy Richardson, KDHE, Bureau of Air, not later than noon July 13 in order for the secretary of health and environment to consider the request.

The U.S. Environmental Protection Agency 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 Ward Burns, U.S. EPA, Region 7, Air Permitting and Compliance Branch, 11201 Renner Blvd., Lenexa, KS 66219, 913-551-7960, to determine when the 45-day EPA review period ends and the 60-day petition period commences.

Susan Mosier, M.D.
Secretary of Health
and Environment

Doc. No. 043619

State of Kansas

Department of Health and Environment

Notice of Hearing

A public hearing will be conducted at 1 p.m. Tuesday, July 14, in the Azure Conference Room of the Curtis State Office Building, 1000 S.W. Jackson, fourth floor, Topeka, to discuss the Kansas Public Water Supply Loan Fund (KPWSLF) 2016 Intended Use Plan (IUP). The IUP will make additions to the Project Priority List and include estimates and uses of anticipated Capitalization Grants from the EPA. Copies of the draft IUP can be obtained online at <http://www.kdheks.gov/pws/loan/loanfund.htm>.

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

Comments can be presented at the hearing or in writing prior to the hearing. Written comments should be addressed to Linda White, KDHE, Bureau of Water, 1000 S.W. Jackson, Suite 420, Topeka, 66612.

Susan Mosier, M.D.
Secretary of Health
and Environment

Doc. No. 043616

FY2016 IUP
Summary of Public Hearing
July 14, 2015

FY2016 IUP Public Hearing
Attendance List

July 14, 2015

<u>Name</u>	<u>From</u>
William Carr	KDHE

No one from the public attended the meeting.

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 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

State Match

Appendix G

Cash Flow Analysis Summary

	A	B	C	D	E	F	G	I	K	M	N	O	P	Q	R
1	Kansas Development Finance Authority														
2	Kansas Public Water Supply Revolving Loan Fund														
3	Projected Coverage (assumes Bond Data as of 3/1/2014 and Loan data as of 3/1/2014)											Prepayments \$ 20,171,365			
4															
5															
6	Projected Revenue Coverage														
7															
8	Period	Loan Interest		Interest	BAB Subsidy	State Match Bonds	Surplus	State Match DS	Loan Principal	Leveraged Bonds	Periodic	Leveraged DS	Leveraged DS	LRF	Coverage
9	Ending	Payments	Admin Fee	Earnings	Payment	Debt Service	W/ BAB paymt.	Coverage	Payments	Debt Service	Surplus	w/ BAB Paymt.	w/o BAB Paymt.	Draws	Including and LRF Draws
10	03/01/15														
11	4/1/2015	1,948,135	203,739	696,289	257,360	1,767,176	1,134,608	1.76 : 1	3,538,408	797,376	3,875,640	6.12 : 1	5.54 : 1	-	6.12 : 1
12	10/1/2015	1,851,782	193,945	690,849	257,360	85,351	2,714,641	35.08 : 1	3,606,099	793,276				-	
13	4/1/2016	1,790,183	187,657	696,358	257,360	2,052,351	691,551	1.43 : 1	3,672,331	796,276	9,095,071	6.96 : 1	6.40 : 1	-	6.96 : 1
14	10/1/2016	1,725,702	181,070	693,594	257,360	49,356	2,627,300	57.90 : 1	3,741,715	793,220				-	
15	4/1/2017	1,659,993	174,358	688,801	257,360	1,149,356	1,456,798	2.42 : 1	3,812,420	793,220	10,051,793	7.56 : 1	7.01 : 1	-	7.56 : 1
16	10/1/2017	1,593,032	167,519	686,013	257,360	35,606	2,500,800	75.94 : 1	3,884,472	793,220				-	
17	4/1/2018	1,524,796	160,551	684,045	257,360	990,606	1,475,595	2.65 : 1	3,957,897	793,220	10,232,323	7.66 : 1	7.13 : 1	-	7.66 : 1
18	10/1/2018	1,455,259	153,452	681,249	257,360	22,475	2,371,393	113.34 : 1	4,032,721	793,220				-	
19	4/1/2019	1,384,396	146,218	679,234	257,360	1,132,475	1,188,515	2.18 : 1	4,184,128	793,220	10,190,317	7.61 : 1	7.10 : 1	-	7.61 : 1
20	10/1/2019	1,311,052	138,716	676,428	257,360	7,213	2,237,628	330.48 : 1	4,150,465	793,220				-	
21	4/1/2020	1,238,488	131,270	679,226	257,360	342,213	1,832,862	6.74 : 1	4,217,120	793,220	10,851,634	8.01 : 1	7.52 : 1	-	8.01 : 1
22	10/1/2020	1,164,760	123,704	676,428	257,360	2,188	2,096,361	1015.89 : 1	4,173,975	793,220				-	
23	4/1/2021	1,091,916	116,210	679,167	257,360	142,188	1,886,256	15.08 : 1	4,156,571	793,220	10,726,723	7.91 : 1	7.44 : 1	-	7.91 : 1
24	10/1/2021	1,019,484	108,743	676,428	257,360		1,953,272		4,233,539	793,220				-	
25	4/1/2022	945,703	101,137	679,125	257,360		1,882,188		4,014,203	4,593,220	6,696,762	2.28 : 1	2.15 : 1	-	2.28 : 1
26	10/1/2022	876,964	93,912	676,428	227,770		1,781,163		3,967,982	702,020				-	
27	4/1/2023	809,410	86,764	683,125	227,770		1,720,306		3,985,487	5,852,020	4,900,898	1.78 : 1	1.68 : 1	-	1.78 : 1
28	10/1/2023	741,751	79,582	389,678	186,833		1,318,261		4,035,531	575,845				-	
29	4/1/2024	673,278	72,309	411,402	186,833		1,271,513		4,083,575	7,770,845	2,362,190	1.30 : 1	1.24 : 1	-	1.30 : 1
30	10/1/2024	604,047	64,947	238,710	128,472		971,230		4,126,423	395,970				-	
31	4/1/2025	534,141	57,506	241,061	128,472		903,674		3,565,033	7,395,970	1,774,421	1.24 : 1	1.19 : 1	-	1.24 : 1
32	10/1/2025	474,253	51,044	3,635	70,558		548,446		3,501,915	217,470				-	
33	4/1/2026	415,431	44,689	5,551	70,558		491,540		3,559,519	7,052,470	831,481	1.13 : 1	1.09 : 1	-	1.13 : 1
34	10/1/2026	355,639	38,228	346	12,900		368,885		3,433,440	39,760				-	
35	4/1/2027	298,021	31,984	2,227	12,900		313,148		2,852,365	459,760	6,468,318	14.09 : 1	13.90 : 1	-	14.09 : 1
36	10/1/2027	250,452	26,819	346	9,085		259,882		2,551,346	28,000				-	
37	4/1/2028	207,738	22,177	1,737	9,085		218,560		2,489,853	373,000	5,118,642	13.89 : 1	13.72 : 1	-	13.89 : 1
38	10/1/2028	165,962	17,640	346	5,950		172,258		2,276,805	18,340				-	
39	4/1/2029	127,475	13,472	1,561	5,950		134,987		1,457,009	673,340	3,349,380	5.89 : 1	5.83 : 1	-	5.89 : 1
40	10/1/2029	101,594	10,736	(0)			101,594		1,278,896					-	
41	4/1/2030	78,516	8,308	690			79,206		1,204,350		2,664,046			-	
42	10/1/2030	56,933	6,043				56,933		1,197,906					-	
43	4/1/2031	35,489	3,786	627			36,116		754,501		2,045,456			-	
44	10/1/2031	21,900	2,341				21,900		642,939					-	
45	4/1/2032	10,720	1,146	332			11,052		623,130		1,299,022			-	
46	10/1/2032													-	
47	4/1/2033													-	
48	10/1/2033													-	
49	4/1/2034													-	
50	10/1/2034													-	
51	4/1/2035													-	
52	10/1/2035													-	
53	4/1/2036													-	
54	10/1/2036													-	
55	4/1/2037													-	
56	10/1/2037													-	
57		28,544,396	3,021,722	12,921,038	5,143,542	7,778,552	38,830,423		110,964,070	47,260,377					
58															

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V
1	Kansas Development Finance Authority																					
2	MFI Bonds - DW																					
3	Cashflow Analysis																					
4																						
5																						
6																						
7																						
8	Projected Revenue Coverage																					
9	(Semiannual Rollover)																					
10	Period	Loan Interest	MFI DW Admin Fee	MFI DW Earnings	Portion of Excess KPWS Payments Avail for SM	State Match Government Int. Subsidy	MFI DW State Match Debt Service	Transfer from Interest Acc't to Principal Acct.	Revenue Fund Principal Beg Balance	MFI DW Loan Principal Repayments	Lev. Bonds Capitalized Int	Portion of Excess KPWS Payments Avail for Lev.	Leveraged Government Int. Subsidy	Lev. Bonds Debt Service	MFI DW Periodic Surplus	MFI DW Annual Surplus	w-Govt. Int. Subs. MFI DW Annual SM Coverage	w/o-Govt. Int. Subs. MFI DW Annual SM Coverage	w-Govt. Int. Subs. MFI DW Annual Lev Coverage	w/o-Govt. Int. Subs. MFI DW Annual Lev Coverage		
11	9/1/2015	428,203	76,542	52,572				27,750	453,025	1,007,458		7,175,198		2,165,410								
12	3/1/2016	632,852	114,210	43,810	3,230,135			3,618,842	287,955	1,429,258				6,125,410	2,881,211	2,881,211	1.20 : 1	1.20 : 1	1.25 : 1	1.25 : 1		
13	9/1/2016	1,084,181	183,173	40,363				13,950	1,110,594	2,227,471		6,181,379		2,068,410								
14	3/1/2017	1,324,290	221,399	31,601	3,406,192			1,408,950	3,353,133	6,340,440				6,308,410	9,688,860	2,881,211	4.14 : 1	4.14 : 1	1.86 : 1	1.86 : 1		
15	9/1/2017	1,295,967	216,639	40,879					1,336,846	2,785,136		6,242,694		1,993,910		9,688,860						
16	3/1/2018	1,267,297	211,820	32,117	4,084,099				5,383,513	7,033,920				7,138,910	11,856,703					2.03 : 1	2.03 : 1	
17	9/1/2018	1,238,275	206,944	46,941					1,285,216	2,853,207		6,394,239		1,867,785		11,856,703						
18	3/1/2019	1,208,896	202,008	46,941	3,976,394				5,232,232	7,379,661				9,567,785	9,493,929					1.63 : 1	1.63 : 1	
19	9/1/2019	1,179,157	197,012	64,984					1,244,141	2,922,956		6,630,409		1,706,285		9,493,929						
20	3/1/2020	1,149,052	191,955	64,984	3,559,908				4,773,944	7,847,080				10,896,285	8,022,603					1.47 : 1	1.47 : 1	
21	9/1/2020	1,118,578	186,836	79,802					1,198,380	2,994,424		6,781,145		1,500,035		8,022,603						
22	3/1/2021	1,087,729	181,656	79,802	4,070,490				5,238,021	8,275,533				10,725,035	8,886,242					1.57 : 1	1.57 : 1	
23	9/1/2021	1,056,501	176,412	97,346					1,153,847	3,067,654		6,744,107		1,269,770		8,886,242						
24	3/1/2022	1,024,889	171,104	97,346	3,982,617				5,104,852	8,541,990				11,969,770	7,553,149					1.45 : 1	1.45 : 1	
25	9/1/2022	992,889	165,732	112,186					1,105,075	3,142,690		2,861,302		1,003,758		7,553,149						
26	3/1/2023	960,495	160,295	112,186	3,835,460				4,908,141	5,000,234				7,963,758	7,560,376					1.69 : 1	1.69 : 1	
27	9/1/2023	927,704	154,791	127,704					1,055,466	3,189,195		1,399,429		864,558		7,560,376						
28	3/1/2024	894,825	149,273	127,704	3,501,468				4,524,056	3,210,384				8,019,558	5,663,037					1.51 : 1	1.51 : 1	
29	9/1/2024	861,724	143,719	138,999					1,000,723	3,249,429		554,750		721,458		5,663,037						
30	3/1/2025	828,217	138,098	138,999	2,362,190				3,329,406	3,082,721				3,171,458	8,533,619					2.93 : 1	2.93 : 1	
31	9/1/2025	794,297	132,407	157,824					952,122	3,326,121		522,000		672,458		8,533,619						
32	3/1/2026	759,990	126,653	157,824	1,774,421				2,692,235	3,175,663				5,102,458	5,910,446					1.86 : 1	1.86 : 1	
33	9/1/2026	726,355	121,012	170,272					896,627	3,301,049		6,578,260		583,858		5,910,446						
34	3/1/2027	692,306	115,303	170,272	831,481				1,694,059	9,295,451				8,388,858	7,658,671					1.76 : 1	1.76 : 1	
35	9/1/2027	657,839	109,524	187,368					845,207	3,381,881		5,786,285		427,758		7,658,671						
36	3/1/2028	622,946	103,675	187,368	682,033				1,492,347	8,740,408				7,002,758	8,139,204					2.01 : 1	2.01 : 1	
37	9/1/2028	587,624	97,755	206,114					793,738	3,464,710		4,640,199		296,258		8,139,204						
38	3/1/2029	551,868	91,762	206,114	478,443				1,236,424	7,808,651				6,156,258	7,675,219					2.11 : 1	2.11 : 1	
39	9/1/2029	515,671	85,696	224,087					739,758	3,549,585		3,733,815		179,058		7,675,219						
40	3/1/2030	479,028	79,556	224,087	307,245				1,010,360	7,104,343				5,154,058	7,637,519					2.37 : 1	2.37 : 1	
41	9/1/2030	441,934	73,342	242,320					684,254	3,636,538		2,483,247		77,070		7,637,519						
42	3/1/2031	404,383	67,051	242,320	180,800				827,502	6,042,735				3,747,070	7,705,732					2.96 : 1	2.96 : 1	
43	9/1/2031	366,369	60,684	261,041					627,410	3,725,681		1,266,070		3,817,007		7,705,732						
44	3/1/2032	327,887	54,240	261,041	93,050				681,978	5,678,088				10,873,465		10,873,465						
45	9/1/2032	288,931	47,716	287,937					576,868	3,771,065				8,891,569								
46	3/1/2033	249,495	41,113	287,937	32,952				570,384	5,083,077				8,863,514		10,182,673						
47	9/1/2033	209,573	34,430	313,172					522,744	3,891,569				8,817,494		10,182,673						
48	3/1/2034	169,200	27,669	313,172					482,371	3,891,569				8,776,278								
49	9/1/2034	129,635	21,045	334,957					464,592	3,313,786				8,776,278								
50	3/1/2035	94,125	15,155	334,957					429,082	3,196,082				7,439,742								
51	9/1/2035	60,425	9,588	353,466					413,891	2,710,813				7,439,742								
52	3/1/2036	31,406	4,926	353,466					384,872	2,100,414				5,624,504								
53	9/1/2036	8,330	1,333	367,491					375,821	809,081				5,624,504								
54	3/1/2037	430	84	367,491					367,921	48,268				1,602,509								
55	9/1/2037			371,494					371,494					1,602,509								
56	3/1/2038			371,494					371,494					742,988								
57		29,731,766		8,532,469	40,389,377			5,069,492	73,584,121	132,601,148		71,926,932		134,835,670								
58	3/1/2015 Principal and Interest Repayments include the respective fund beginning balances.																					