

# Kansas Public Water Supply Loan Fund 2026 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 KPWSLF. This IUP covers activities during the 2026 program year, or state fiscal year, which is July 1, 2025, through June 30, 2026. 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 2026 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) was signed on November 15, 2021, which provides DW SRF programs with 3 additional capitalization grants for federal fiscal years 2022 through 2026. The 2025 allotments for IIJA General Supplemental (\$27,768,000 which can be used for any eligible project), IIJA Emerging Contaminants (\$8,521,000 which can only be used for addressing emerging contaminant issues), and the regular, or base, appropriation allotment (\$12,163,000) were all provided on May 15, 2025. The allotments associated with the federal fiscal year 2022 and 2023 reallotment funds (\$1,341,000 for Lead Service Line Replacements and \$18,000 for Emerging Contaminants) were provided by EPA on December 20, 2024.

KDHE applied for the 2022 IJA Emerging Contaminants and Lead Service Line Replacement capitalization re-allotment grants on June 5, 2025. The 2025 IJA General Supplemental and 2025 base capitalization grant applications were also submitted June 5, 2025. The 2023 IJA reallotment grant application was submitted June 24, 2025.

Allotments for the Federal Fiscal Year 2025 IJA Lead Service Line Replacement and all of the 2026 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 2026 capitalization grant amounts will be \$27,500,000 for the IJA General Supplemental, \$28,650,000 for IJA Lead Service Lines, \$8,521,000 for the IJA Emerging Contaminants, and \$12,163,000 for the base appropriation. KDHE also assumes the 2025 IJA Lead Service Line capitalization grant will be \$28,650,000.

As of May 31, 2023, Kansas had been awarded \$493,451,011 in capitalization grants from FFY 1997 thru FFY 2025.

This Intended Use Plan can be amended to add projects or other provisions as needed after a public hearing. KDHE will amend this IUP to add any new Emerging Contaminant or Lead Service Line Replacement projects to the Project Priority Lists.

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

In March of 2025, 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 2025 program year loan applications that were received but not fully processed into executed loan agreements to create the 2025 Project Priority Lists (PPLs). 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. Ninety additional projects for \$494M were submitted for consideration and placement on the 2026 PPLs. Projects are listed in order of project ranking and projects with the same ranking are further sorted by system population (low to high). The top section of each PPL contains projects (highlighted in purple) that were listed from the 2025 Intended Use Plan and submitted complete applications before the required deadline; however, KDHE was not able to process the applications and execute loan agreements before the program year ended. These loans will be executed during the 2026 program year regardless of project ranking or the funding line that is drawn for new projects. The 2026 PPLs can be found in Appendix A.

KDHE will have limited capacity to fund new executed loans for each of the PPLs. Funding lines have been established to determine which systems get first availability to apply for project financing and submit complete applications by October 15, 2025. 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 for all projects ranked 13 or higher. The Emerging Contaminants PPL will have a funding line that includes all projects listed. The Lead Service Line Replacement PPL will have a

funding line that includes all projects listed.

If projects above the funding line on the Base PPL miss the application deadline or notify KDHE that it will not meet the application deadline, the listed loan amount for those projects will be made available to projects below the funding line of the Base PPL. The projects below the funding line will be given a deadline to complete a loan application and if that deadline is not met, funds will again be made available to the next highest ranked project.

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, 2025, the KPWSLF had \$118M of existing (unrestricted) funds available for disbursement to Base program projects but a total loan commitment to disburse to Base program projects of \$280M. This means there would be a shortage of approximately \$162M 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 capitalization grants applied for (\$50M). A significant amount 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 possibly 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. 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 2026 PPL funding lines for a total of \$115M. Projects for systems serving populations of 5,000 or less represent 59% of the estimated amount of available loan funds in the 2026 IUP and projects for systems that serve less than 10,000 represent 44% of the estimated available loan funds in the 2026 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 IJA requires 49% of the capitalization grant for the IJA General Supplemental and IJA 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 and a partial amount of the 2024 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, 2025, KDHE, had 475 loan agreements or offers in place for a total of \$1,487,184,535.43. Loans have been finalized (projects completed) for 361 of those agreements and 245 of the loans have been repaid in full. Existing loan agreements had a commitment balance amount of approximately \$299M (amount needed to fully disburse existing loan commitments).

For the 2026 PPLs, the KPWSLF will assume the cumulative funding line amounts of the PPLs, \$127M, 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 2026 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 IJA LSL grant funds. For the EC PPL, the IJA 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 2024 Base Program and IJA General Supplemental capitalization grants, the loan portion of the 2025 Base Program and IJA General Supplemental capitalization grants, and the set aside portions of the 2022 capitalization grants, during the program year. Since the IJA LSL and IJA EC grant funds will only be disbursed to specific projects, it will likely take longer to disburse those funds.

With the anticipation of a bond issue, a cash flow analysis for the next 20-year period will be performed to aid in making long- and short-term financial decisions for the Fund. The last cash flow analysis was performed in August 2024 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. A separate capacity analysis is

performed each year to help determine the funds available and establish funding lines for the PPLs.

More detailed financial information can be found in the KPWSLF Annual Report. The most recent report covers the program year through June 30, 2024. 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 IJIA LSL and IJIA General Supplemental capitalization grants require that the mandatory additional subsidy be provided to Disadvantaged Communities. Projects listed on the IJIA 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 using the following discretionary criteria, (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 45% of the disbursed loan amount associated with the qualifying portion of project, up to a maximum principal forgiveness amount of \$2,250,000. 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 45% of the qualifying disbursed loan amount. While the 2025 Base Program appropriation has a congressionally mandated additional subsidy requirement, it is possible the 2026 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 \$800,000 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 2026 IUP). Values will be determined using the 2023 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 45% loan forgiveness up to a maximum amount of \$2.25M 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 still be \$2.25M and the project will not be eligible for additional principal forgiveness in future loans. Disadvantaged Communities will receive 51% 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 2026 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 45% loan forgiveness up to a maximum amount of \$2.25M for projects on the Base Program Project Priority List. These municipalities will receive 51% 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 on the next page provides summary information on known additional subsidy requirements and estimated dates of finalization.

### 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             | \$797,517.97                                                         | \$797,517.97                                 | \$0.00                             | Final                                          |
| 2020 Base           | \$766,500                          | \$4,471,250.00             | \$813,584.86                                                         | \$813,584.86                                 | \$0.00                             | Final                                          |
| 2021 Base           | \$779,700                          | \$4,507,650.00             | \$798,349.00                                                         | \$0.00                                       | \$0.00                             | Aug-25                                         |
| 2022 Base           | \$975,600                          | \$2,845,500.00             | \$1,295,000.00                                                       | \$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        | \$17,450,860                       | \$17,450,860.00            | \$11,085,485.84                                                      | \$0.00                                       | \$6,365,374.16                     | No Estimate                                    |
| 2023 Base           | \$660,840                          | \$1,927,450.00             | \$690,000.00                                                         | \$0.00                                       | \$0.00                             | No Estimate                                    |
| 2023 BIL Gen        | \$11,506,180                       | \$11,506,180.00            | \$11,506,180.00                                                      | \$85,485.60                                  | \$0.00                             | No Estimate                                    |
| 2023 BIL LSL        | \$14,038,500                       | \$14,038,500.00            | \$0.00                                                               | \$0.00                                       | \$14,038,500.00                    | No Estimate                                    |
| 2024 Base           | \$623,760                          | \$1,819,300.00             | \$623,760.00                                                         | \$0.00                                       | \$0.00                             | No Estimate                                    |
| 2024 BIL Gen        | \$12,560,660                       | \$12,560,660               | \$12,560,660.00                                                      | \$0.00                                       | \$0.00                             | No Estimate                                    |
| 2024 BIL LSL        | \$14,038,500                       | \$14,038,500.00            | \$0.00                                                               | \$0.00                                       | \$14,038,500.00                    | No Estimate                                    |
| 2025 Base           | \$1,459,560                        | \$4,257,050.00             | \$0.00                                                               | \$0.00                                       | \$1,459,560.00                     | No Estimate                                    |
| 2025 BIL Gen        | \$13,606,320                       | \$13,606,320.00            | \$12,884,481.47                                                      | \$0.00                                       | \$721,838.53                       | No Estimate                                    |
| 2025 BIL LSL (Est.) | \$14,038,500                       | \$14,038,500.00            | \$0.00                                                               | \$0.00                                       | \$14,038,500.00                    | No Estimate                                    |
| 2026 Base (Est.)    | \$1,459,560                        | \$4,257,050.00             | \$0.00                                                               | \$0.00                                       | \$1,459,560.00                     | No Estimate                                    |
| 2026 BIL Gen (Est.) | \$13,606,320                       | \$13,606,320.00            | \$0.00                                                               | \$0.00                                       | \$13,606,320.00                    | No Estimate                                    |
| 2026 BIL LSL (Est.) | \$14,038,500                       | \$14,038,500.00            | \$0.00                                                               | \$0.00                                       | \$14,038,500.00                    | No Estimate                                    |
| Totals              | \$142,611,530.00                   | \$163,707,040.00           | \$63,283,769.14                                                      | \$1,696,588.43                               | \$79,766,652.69                    |                                                |

### 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-27                                         |
| 2017 Base          | \$1,878,400.00                     | \$1,878,400.00                                                       | \$1,403,196.00                               | \$0.00                | Aug-27                                         |
| 2018 Base          | \$2,577,400.00                     | \$2,577,400.00                                                       | \$446,904.50                                 | \$0.00                | Aug-27                                         |
| 2019 Base          | \$2,576,400.00                     | \$2,576,400.00                                                       | \$737,080.00                                 | \$0.00                | Aug-27                                         |
| 2020 Base          | \$1,788,500.00                     | \$1,788,500.00                                                       | \$0.00                                       | \$0.00                | Aug-27                                         |
| 2021 Base          | \$1,803,060.00                     | \$1,803,060.00                                                       | \$689,009.11                                 | \$0.00                | Aug-27                                         |
| 2022 Base          | \$1,138,200.00                     | \$1,138,200.00                                                       | \$0.00                                       | \$0.00                | No Estimate                                    |
| 2022 BIL EC        | \$8,824,000.00                     | \$8,824,000.00                                                       | \$0.00                                       | \$0.00                | No Estimate                                    |
| 2023 Base          | \$770,980.00                       | \$770,980.00                                                         | \$0.00                                       | \$0.00                | No Estimate                                    |
| 2023 BIL EC        | \$8,521,000.00                     | \$8,521,000.00                                                       | \$0.00                                       | \$0.00                | No Estimate                                    |
| 2024 Base          | \$727,720.00                       | \$727,720.00                                                         | \$0.00                                       | \$0.00                | No Estimate                                    |
| 2024 BIL EC        | \$8,521,000.00                     | \$8,521,000.00                                                       | \$0.00                                       | \$0.00                | No Estimate                                    |
| 2025 Base          | \$1,702,820.00                     | \$635,007.41                                                         | \$0.00                                       | \$1,067,812.59        | No Estimate                                    |
| 2025 BIL EC        | \$8,521,000.00                     | \$6,830,000.00                                                       | \$0.00                                       | \$1,691,000.00        | No Estimate                                    |
| 2026 Base (Est.)   | \$1,702,820.00                     | \$0.00                                                               | \$0.00                                       | \$1,702,820.00        | No Estimate                                    |
| 2026 BIL EC (Est.) | \$8,521,000.00                     | \$0.00                                                               | \$0.00                                       | \$8,521,000.00        | No Estimate                                    |
| Totals             | \$51,245,080.00                    | \$48,486,267.41                                                      | \$5,119,595.25                               | \$2,758,812.59        |                                                |

Possible projects above the funding line on the 2026 PPLs are eligible for an estimated \$55.8M 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 2026 Intended Use Plan for eligible loans meeting the application submittal deadline of October 15, 2025. If that deadline is not met by loan applicants, funds will be made available to the next highest ranked projects.

## **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 2025 and 2026 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 3 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, 2025, the Fund had approximately \$110M in revolved funds available for disbursement and anticipates another \$26M to be added during the 2026 program year.

The KPWSLF has historically utilized pre-spending of bond proceeds using revolved 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 2026 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, 2024, and 2025 grants. Funds from previous grants and work plans will be spent in addition to (or prior to) the reserved amounts for the 2023, 2024, and 2025 grants. It is KDHE's goal to have approximately 2 years of funds reserved in any set-aside to minimize unliquidated obligations.

For the 2022 IJA Lead Service Line 2<sup>nd</sup> Round Re-allotment capitalization grant no set asides will be reserved.

For the 2022 IJA Emerging Contaminants 2<sup>nd</sup> Round Re-allotment capitalization grant no set asides will be reserved.

For the 2025 IJA Lead Service Line capitalization grant no set asides will be reserved.

For the 2025 Base Program capitalization grant, the KPWSLF will use \$500,000 for SRF Program Administration, \$300,000 (<3%) for Other Authorized Activities, and \$1,216,300 (10%) for State Program Management.

For the 2025 IJA General Supplemental capitalization grant the KPWSLF will use \$1,000,000 for SRF Program Administration, and \$2,613,400 (10%) for State Program Management.

For the 2025 IJA Emerging Contaminants capitalization grant no set asides will be reserved.

For the 2026 capitalization grants, the KPWSLF anticipates taking set asides from the 2026 IJA General Supplemental grant and the Base grant of 4% and 10% respectively. These amounts are subject to change once KDHE is provided with the actual 2026 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 IJA General Supplemental and 2023 IJA Lead Service Line Replacement grants, 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 Infrastructure Investment and Jobs Act.

### **SRF Administration Set-Aside Spending Plan**

| <b>Grant</b>        | <b>Amount Available</b> | <b>FY2026 Spending</b> | <b>FY2027 Spending</b> | <b>FY2028 Spending</b> |
|---------------------|-------------------------|------------------------|------------------------|------------------------|
| 2022 IJA Gen        | \$80,000                | \$80,000               |                        |                        |
| 2022 IJA LSL        | \$550,000               | \$550,000              |                        |                        |
| 2023 IJA LSL        | \$1,146,000             | \$500,000              | \$646,000              |                        |
| 2024 IJA Gen        | \$150,000               | \$150,000              |                        |                        |
| 2025 IJA Gen        | \$1,000,000             | \$400,000              | \$600,000              |                        |
| 2025 Base           | \$500,000               |                        | \$100,000              | \$400,000              |
| 2026 IJA Gen (Est.) | \$1,150,720             |                        |                        | \$800,000              |
| 2026 Base (Est.)    | \$486,520               |                        |                        | \$100,000              |

### **FY Spending Totals**

\$1,680,000      \$1,346,000      \$1,300,000

### **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 IJA General Supplemental and the 2022 and 2023 IJA 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 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

| Grant         | Amount Available | FY2026 Spending | FY2027 Spending | FY2028 Spending |
|---------------|------------------|-----------------|-----------------|-----------------|
| 2022          | \$55,000         | \$55,000        |                 |                 |
| 2022 IIJA LSL | \$120,000        | \$120,000       |                 |                 |
| 2023 IIJA Gen | \$100,000        | \$20,000        | \$80,000        |                 |
| 2023 IIJA LSL | \$573,000        |                 | \$573,000       |                 |

|                           |  |           |           |     |
|---------------------------|--|-----------|-----------|-----|
| <b>FY Spending Totals</b> |  | \$195,000 | \$653,000 | \$0 |
|---------------------------|--|-----------|-----------|-----|

### 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

| Grant                | Amount Available | FY2026 Spending | FY2027 Spending | FY2028 Spending |
|----------------------|------------------|-----------------|-----------------|-----------------|
| 2024 IIJA Gen        | \$600,000        | \$600,000       |                 |                 |
| 2025                 | \$1,216,300      | \$1,000,000     | \$216,300       |                 |
| 2025 IIJA Gen        | \$2,776,800      |                 | \$1,400,000     |                 |
| 2026 (est.)          | \$1,216,300      |                 |                 | \$1,216,300     |
| 2026 IIJA Gen (est.) | \$2,613,400      |                 |                 | \$400,000       |

|                           |  |             |             |             |
|---------------------------|--|-------------|-------------|-------------|
| <b>FY Spending Totals</b> |  | \$1,600,000 | \$1,616,300 | \$1,616,300 |
|---------------------------|--|-------------|-------------|-------------|

#### **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>FY2025 Spending</b> | <b>FY2026 Spending</b> | <b>FY2027 Spending</b> |
|---------------|-------------------------|------------------------|------------------------|------------------------|
| 2024 IIJA Gen | \$580,000               | \$400,000              | \$180,000              |                        |
| 2025          | \$300,000               |                        | \$200,000              | \$100,000              |

|                           |           |           |           |
|---------------------------|-----------|-----------|-----------|
| <b>FY Spending Totals</b> | \$400,000 | \$380,000 | \$100,000 |
|---------------------------|-----------|-----------|-----------|

#### **Summary of Capitalization Grant Uses**

##### **IIJA LSL 2nd Round Reallotment FFY 2022**

|                             |             |
|-----------------------------|-------------|
| Direct Loan                 | \$1,341,000 |
| Administration              | \$0         |
| Technical Assistance        | \$0         |
| State Program Management    | \$0         |
| Other Authorized Activities | \$0         |
| Total                       | \$1,341,000 |

##### **IIJA EC 2nd Round Reallotment FFY 2022**

|                             |          |
|-----------------------------|----------|
| Direct Loan                 | \$18,000 |
| Administration              | \$0      |
| Technical Assistance        | \$0      |
| State Program Management    | \$0      |
| Other Authorized Activities | \$0      |
| Total                       | \$18,000 |

##### **IIJA LSL FFY2025 (Est.)**

|                             |              |
|-----------------------------|--------------|
| Direct Loan                 | \$28,650,000 |
| Administration              | \$0          |
| Technical Assistance        | \$0          |
| State Program Management    | \$0          |
| Other Authorized Activities | \$0          |
| Total                       | \$28,650,000 |

##### **Base FFY 2025**

|                             |              |
|-----------------------------|--------------|
| Direct Loan                 | \$10,146,700 |
| Administration              | \$500,000    |
| Technical Assistance        | \$0          |
| State Program Management    | \$1,216,300  |
| Other Authorized Activities | \$300,000    |
| Total                       | \$12,163,000 |

**IIJA Gen FFY2025**

|                             |              |
|-----------------------------|--------------|
| Direct Loan                 | \$23,991,200 |
| Administration              | \$1,000,000  |
| Technical Assistance        | \$0          |
| State Program Management    | \$2,776,800  |
| Other Authorized Activities | \$0          |
| Total                       | \$27,768,000 |

**IIJA EC FFY2025**

|                             |             |
|-----------------------------|-------------|
| Direct Loan                 | \$8,521,000 |
| Administration              | \$0         |
| Technical Assistance        | \$0         |
| State Program Management    | \$0         |
| Other Authorized Activities | \$0         |
| Total                       | \$8,521,000 |

**IIJA EC FFY 2026 (Est.)**

|                             |             |
|-----------------------------|-------------|
| Direct Loan                 | \$8,521,000 |
| Administration              | \$0         |
| Technical Assistance        | \$0         |
| State Program Management    | \$0         |
| Other Authorized Activities | \$0         |
| Total                       | \$8,521,000 |

**Base FFY2026 (Est.)**

|                             |              |
|-----------------------------|--------------|
| Direct Loan                 | \$10,460,180 |
| Administration              | \$486,520    |
| Technical Assistance        | \$0          |
| State Program Management    | \$1,216,300  |
| Other Authorized Activities | \$0          |
| Total                       | \$12,163,000 |

**IIJA Gen FFY 2026 (Est.)**

|                             |              |
|-----------------------------|--------------|
| Direct Loan                 | \$24,003,880 |
| Administration              | \$1,150,720  |
| Technical Assistance        | \$0          |
| State Program Management    | \$2,613,400  |
| Other Authorized Activities | \$0          |
| Total                       | \$27,768,000 |

**BIL LSL FFY2026 (Est.)**

|                             |              |
|-----------------------------|--------------|
| Direct Loan                 | \$28,650,000 |
| Administration              | \$0          |
| Technical Assistance        | \$0          |
| State Program Management    | \$0          |
| Other Authorized Activities | \$0          |
| Total                       | \$28,650,000 |

**IIJA EC 1st Round Reallotment FFY 2023**

|                             |           |
|-----------------------------|-----------|
| Direct Loan                 | \$236,000 |
| Administration              | \$0       |
| Technical Assistance        | \$0       |
| State Program Management    | \$0       |
| Other Authorized Activities | \$0       |
| Total                       | \$236,000 |

**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 was 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, 2025, there was a balance of \$379,600.37 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, 2025, the balance of the service fee account was \$5,772,547.48. None of those funds are 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, 2024 and 2025 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 IJA Implementation Memo prohibits transfer of federal appropriations

calculated for the IIJA Lead Service Line Replacement grants, there is no prohibition on transferring non-federal funds based on the amount of such grants because no federal appropriations will be transferred.

|                                        | <b>DW SRF Capitalization<br/>Grant Amount</b> | <b>Potential Non-<br/>federal Transfer<br/>from CW to DW<br/>SRF</b> |
|----------------------------------------|-----------------------------------------------|----------------------------------------------------------------------|
| 2019                                   | \$12,882,000                                  | \$4,251,060.00                                                       |
| 2020                                   | \$12,775,000                                  | \$4,215,750.00                                                       |
| 2021                                   | \$12,879,000                                  | \$4,250,070.00                                                       |
| 2022                                   | \$8,130,000                                   | \$2,682,900.00                                                       |
| 2022 IIJA General Supplemental         | \$20,875,000                                  | \$6,888,750.00                                                       |
| 2022 IIJA LSL Replacement              | \$32,891,000                                  | \$10,854,030.00                                                      |
| 2022 IIJA LSL Replacement Reallotment  | \$2,723,000                                   | \$898,590.00                                                         |
| 2022 IIJA Emerging Contaminants        | \$8,824,000                                   | \$2,911,920.00                                                       |
| 2023 Base                              | \$5,507,000                                   | \$1,817,310.00                                                       |
| 2023 IIJA General Supplemental         | \$23,482,000                                  | \$7,749,060.00                                                       |
| 2023 IIJA LSL Replacement              | \$28,650,000                                  | \$9,454,500.00                                                       |
| 2023 IIJA Emerging Contaminants        | \$8,521,000                                   | \$2,811,930.00                                                       |
| 2024 Base                              | \$5,198,000                                   | \$1,715,340.00                                                       |
| 2024 IIJA General Supplemental         | \$25,634,000                                  | \$8,459,220.00                                                       |
| 2024 IIJA LSL Replacement              | \$28,650,000                                  | \$9,454,500.00                                                       |
| 2024 IIJA Emerging Contaminants        | \$8,521,000                                   | \$2,811,930.00                                                       |
| 2025 IIJA General Supplemental         | \$27,768,000                                  | \$9,163,440.00                                                       |
| 2025 IIJA LSL Replacement              | \$28,650,000                                  | \$9,454,500.00                                                       |
| 2025 IIJA Emerging Contaminants        | \$8,521,000                                   | \$2,811,930.00                                                       |
| 2025 Base                              | \$12,163,000                                  | \$4,013,790.00                                                       |
| 2026 IIJA General Supplemental (Est.)  | \$27,768,000                                  | \$9,163,440.00                                                       |
| 2026 IIJA LSL Replacement (Est.)       | \$28,650,000                                  | \$9,454,500.00                                                       |
| 2026 IIJA Emerging Contaminants (Est.) | \$8,521,000                                   | \$2,811,930.00                                                       |
| <b>Total Transfer Authority</b>        |                                               | <b>\$128,100,390</b>                                                 |

## **XII. STATE MATCH REQUIREMENTS**

State match for the 2025 Infrastructure Investment and Jobs Act (IIJA) General Supplemental grant and the 2025 Base grant will be made with bond proceeds (\$8,000,000) from the state match proceeds of the 2024 bond issue. The 2026 Infrastructure Investment and Jobs Act (IIJA) General Supplemental grant and the 2026 Base grant will be matched using eligible services fees. As of May 22, 2025, there was \$1,960,371.46 deposited and

disbursed for state match for this purpose. By August 30, 2025, there will be an additional \$3,145,157 deposited and available for state match. By February 28, 2026, and additional \$3,480,034 is estimated to be deposited and used for state match. The state match sources are shown in the table below:

|                       | <b>EPA Grant</b> | <b>Grant Award<br/>Date</b> | <b>SM<br/>requirement</b> | <b>2024 SM Bond<br/>10/08/2024<br/>\$8,000,000</b> | <b>Service Fees<br/>May 22,2025<br/>\$1,960,371</b> | <b>Service Fees<br/>August 30,<br/>2025 Estimated<br/>\$3,145,157</b> | <b>Service Fees<br/>February 28,<br/>2026 Estimated<br/>\$3,480,034</b> |
|-----------------------|------------------|-----------------------------|---------------------------|----------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------------------------|-------------------------------------------------------------------------|
| FFY 2025              | \$12,163,000     | TBD                         | \$2,432,600               | 2,432,600.00                                       |                                                     |                                                                       |                                                                         |
| FFY 2025 IIJA Gen Sup | \$27,768,000     | TBD                         | \$5,553,600               | 5,553,600.00                                       |                                                     |                                                                       |                                                                         |
| FFY 2026              | \$12,163,000     | TBD                         | \$2,432,600               | 13,800.00                                          | \$1,960,371                                         | \$458,429                                                             |                                                                         |
| FFY 2026 IIJA Gen Sup | \$27,768,000     | TBD                         | \$5,553,600               |                                                    |                                                     | \$2,686,728                                                           | \$2,866,872                                                             |

Red text indicates estimated amounts

### **XIII. PUBLIC REVIEW**

A public hearing on the FY2026 Intended Use Plan and Priority Ranking System was held on June 30, 2025. A copy of the meeting notice was 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**



2026 KPWSLF Base Project Priority List

July 1, 2025

| 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) |
|--------------------|-----------|--------|-----------------------------------------------------------------------------|-----------------|-------------------|----------------|----------------------------------|--------------------------------------------|--------------------------------------------|------------------------------------------------------|
| Olmitz             | 3219      |        | Phase 2 Waterline Replacement and Well Rehabilitation                       | \$900,000       | 91                | 10.3%          |                                  | \$3,567,813                                | \$900,000                                  | \$21,191,500                                         |
| Stafford           | 3261      |        | Water Tower Rehabilitation                                                  | \$284,900       | 936               | 18.8%          |                                  | \$3,567,813                                | \$142,450                                  | \$21,049,050                                         |
| Oakley             | 3151      |        | Nitrate Removal Water Treatment Plant and Well Improvements                 | \$6,860,886     | 2,076             | 9.2%           | \$2,500,000                      | \$1,067,813                                |                                            | \$21,049,050                                         |
| Caney              | 3338      |        | Interconnect with Coffeyville                                               | \$7,869,325     | 1,756             | 11.7%          |                                  | \$1,067,813                                | \$2,500,000                                | \$18,549,050                                         |
| Wallace            | 3242      |        | New Well (Second Source) and Disinfection Facility                          | \$900,000       | 45                | 36.0%          |                                  | \$1,067,813                                | \$900,000                                  | \$17,649,050                                         |
| Hoyt               | 3282      |        | Replace Lead Service Lines                                                  | \$1,780,800     | 599               | 7.7%           |                                  | \$1,067,813                                |                                            | \$17,649,050                                         |
| Barber Co. RWD #1  | 3022      |        | Replace Distribution System to Eliminate Drip Distribution System and       | \$6,285,000     | 275               | 9.4%           |                                  | \$1,067,813                                |                                            | \$17,649,050                                         |
| Gaylord            | 3332      |        | Replace Water Treatment Plant                                               | \$900,000       | 83                | 19.0%          |                                  | \$1,067,813                                | \$900,000                                  | \$16,749,050                                         |
| Belpre             | 3353      |        | Water Treatment Plant Rehabilitation                                        | \$900,000       | 98                | 7.9%           |                                  | \$1,067,813                                | \$900,000                                  | \$15,849,050                                         |
| St. George         | 3394      | 37     | New Water Treatment Plant to address MCL for Nitrates                       | \$5,000,000     | 998               | 8.0%           | \$2,250,000                      | (\$1,182,187)                              |                                            | \$15,849,050                                         |
| Beverly            | 3366      | 35     | Test Well, Design to Reconstruct 3 wells or Search for New Water Source     | \$1,375,000     | 135               | 10.1%          |                                  |                                            | \$800,000                                  | \$15,049,050                                         |
| Montezuma          | 3447      | 25     | Replace Lead Service Lines                                                  | \$200,000       | 951               | 7.2%           |                                  |                                            |                                            | \$15,049,050                                         |
| Garden City        | 3444      | 21     | Replace Lead Service Lines                                                  | \$2,991,000     | 35,126            | 11.4%          |                                  |                                            |                                            | \$15,049,050                                         |
| Nicodemus Township | 3441      | 20     | New Primary Well, New Chlorination Building and Install Generator New W     | \$2,380,000     | 24                | 11.3%          |                                  |                                            | \$800,000                                  | \$14,249,050                                         |
| Pawnee Rock        | 3413      | 20     | New Well and New Transmission Main                                          | \$4,100,000     | 190               | 28.3%          |                                  |                                            | \$1,845,000                                | \$12,404,050                                         |
| Fontana            | 3425      | 16     | Standpipe and Waterline Replacement                                         | \$1,300,000     | 216               | 41.7%          |                                  |                                            | \$585,000                                  | \$11,819,050                                         |
| Hutchinson         | 3405      | 16     | New Water Main to Cottonwood Hills Neighborhood                             | \$7,000,000     | 39,712            | 15.2%          |                                  |                                            | \$2,250,000                                | \$9,569,050                                          |
| Hutchinson         | 3406      | 16     | Extend Water Service to 56th Avenue Corridor                                | \$5,500,000     | 39,712            | 15.2%          |                                  |                                            | \$2,250,000                                | \$7,319,050                                          |
| Liebenthal         | 3432      | 15     | Replacement of POU RO Units and Water Meters                                | \$215,000       | 92                | 10.6%          |                                  |                                            | \$215,000                                  | \$7,104,050                                          |
| St. Paul           | 3421      | 15     | Rehab WTP and Waterline Replacement                                         | \$2,500,000     | 597               | 7.3%           |                                  |                                            |                                            | \$7,104,050                                          |
| Gaylord            | 3393      | 14     | Phase 2 New Treatment/disinfection Equipment                                | \$900,000       | 83                | 22.4%          |                                  |                                            | \$800,000                                  | \$6,304,050                                          |
| Sylvan Grove       | 3378      | 14     | Waterline Replacement                                                       | \$2,000,000     | 285               | 23.6%          |                                  |                                            | \$900,000                                  | \$5,404,050                                          |
| Potwin             | 3428      | 14     | Waterline Replacement                                                       | \$2,000,000     | 424               | 21.4%          |                                  |                                            | \$900,000                                  | \$4,504,050                                          |
| Cawker City        | 3407      | 14     | Waterline Replacement                                                       | \$2,700,000     | 447               | 24.2%          |                                  |                                            | \$1,215,000                                | \$3,289,050                                          |
| Burlinton          | 3442      | 14     | Water Treatment Plant Rehabilitation                                        | \$7,000,000     | 2,641             | 11.8%          |                                  |                                            | \$2,250,000                                | \$1,039,050                                          |
| Mount Hope         | 3375      | 13     | Waterline Replacement and New Meters                                        | \$2,309,000     | 783               | 36.5%          |                                  |                                            | \$1,039,050                                | (\$0)                                                |
| Abilene            | 3435      | 13     | Water Treatment Plant Rehabilitation                                        | \$2,000,000     | 6,468             | 8.1%           |                                  |                                            |                                            | (\$0)                                                |
| Aurora             | 3419      | 12     | Phase 1 Rehab Water Storage Tower, Water Meters and Waterline Replacem      | \$900,000       | 53                | 3.1%           |                                  |                                            | \$800,000                                  | (\$800,000)                                          |
| Esbon              | 3401      | 12     | Phase 2 Replace Entire Distribution System                                  | \$1,537,080     | 68                | 8.5%           |                                  |                                            | \$800,000                                  | (\$1,600,000)                                        |
| Olmitz             | 3380      | 12     | Waterline Replacement and Looping                                           | \$900,000       | 91                | 0.0%           |                                  |                                            | \$800,000                                  | (\$2,400,000)                                        |
| Windom             | 3357      | 12     | New Water Tower                                                             | \$1,250,000     | 93                | 17.3%          |                                  |                                            | \$800,000                                  | (\$3,200,000)                                        |
| Woodston           | 3358      | 12     | Water Tower Rehab and Meter Replacement                                     | \$500,000       | 95                | 4.2%           |                                  |                                            | \$500,000                                  | (\$3,700,000)                                        |
| Alton              | 3372      | 12     | Replace Waterlines, Meters, and New Generator                               | \$900,000       | 100               | 18.3%          |                                  |                                            | \$800,000                                  | (\$4,500,000)                                        |
| Kirwin             | 3391      | 12     | Waterline Replacement and New Meters Phase 2                                | \$900,000       | 132               | 16.0%          |                                  |                                            | \$800,000                                  | (\$5,300,000)                                        |
| Rush Co. RWD #1    | 3369      | 12     | Standpipe and Waterline Replacement                                         | \$900,000       | 150               | 14.8%          |                                  |                                            | \$800,000                                  | (\$6,100,000)                                        |
| West Mineral       | 3420      | 12     | Standpipe and Waterline Replacement                                         | \$1,450,000     | 150               | 9.0%           |                                  |                                            | \$800,000                                  | (\$6,900,000)                                        |
| McCracken          | 3408      | 12     | Replace Waterlines and Meters with option to upgrade to AMI                 | \$900,000       | 154               | 15.8%          |                                  |                                            | \$405,000                                  | (\$7,305,000)                                        |
| Norwich            | 3412      | 12     | Waterline Replacement and Meters                                            | \$900,000       | 159               | 11.8%          |                                  |                                            | \$405,000                                  | (\$7,710,000)                                        |
| Robinson           | 3362      | 12     | Waterline Replacement                                                       | \$1,878,970     | 181               | 12.1%          |                                  |                                            | \$845,537                                  | (\$8,555,537)                                        |
| Coldwater          | 3368      | 12     | Replace Waterlines                                                          | \$1,624,500     | 672               | 6.5%           |                                  |                                            |                                            | (\$8,555,537)                                        |
| Butler Co. RWD #1  | 3365      | 12     | Replace Waterlines, Rehab Tower, New Generator, New Pump station            | \$5,400,000     | 782               | 7.9%           |                                  |                                            |                                            | (\$8,555,537)                                        |
| Garden Plain       | 3437      | 12     | New Ground Storage Tank and Two New Water Supply Wells and Distributi       | \$8,809,000     | 941               | 13.1%          |                                  |                                            | \$2,250,000                                | (\$10,805,537)                                       |
| Osage City         | 3411      | 12     | Rehab Water Treatment Plant and New Clearwell                               | \$3,000,000     | 2,809             | 16.8%          |                                  |                                            | \$1,350,000                                | (\$12,155,537)                                       |
| Hays               | 3370      | 12     | 7 Wells, Storage, Pumpstation, 69 miles of raw water transmission lines, an | \$135,000,000   | 21,040            | 19.9%          |                                  |                                            | \$2,250,000                                | (\$14,405,537)                                       |

2026 KPWSLF Base Project Priority List

July 1, 2025

| 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) |
|-----------------------------|-----------|--------|---------------------------------------------------------------------------|-----------------|-------------------|----------------|----------------------------------|--------------------------------------------|--------------------------------------------|------------------------------------------------------|
| McPherson Co. RWD #3        | 3373      | 11     | Waterline Replacement                                                     | \$675,000       | 28                | 20.4%          |                                  |                                            | \$675,000                                  | (\$15,080,537)                                       |
| Collyer                     | 3418      | 11     | Replace Metering & Valve Equipment From Two Supply Wells and Backup G     | \$200,000       | 94                | 17.2%          |                                  |                                            | \$200,000                                  | (\$15,280,537)                                       |
| Galva                       | 3392      | 11     | Phase 2 New Water Supply Main to RWD                                      | \$1,950,000     | 870               | 6.0%           |                                  |                                            |                                            | (\$15,280,537)                                       |
| Caldwell                    | 3371      | 11     | Waterline Replacement                                                     | \$14,250,000    | 1,019             | 18.2%          |                                  |                                            | \$2,250,000                                | (\$17,530,537)                                       |
| Silver Lake                 | 3397      | 11     | Waterline Replacement Phase 1                                             | \$2,500,000     | 1,337             | 5.6%           |                                  |                                            |                                            | (\$17,530,537)                                       |
| Caney                       | 3414      | 11     | Waterline Replacement, New Booster Pump Station, New Elevated Storage     | \$16,230,000    | 1,756             | 13.9%          |                                  |                                            | \$2,250,000                                | (\$19,780,537)                                       |
| Council Grove               | 3396      | 11     | Waterline Replacement                                                     | \$3,500,000     | 2,111             | 12.4%          |                                  |                                            | \$1,575,000                                | (\$21,355,537)                                       |
| Hosington                   | 3359      | 11     | Waterline Replacement                                                     | \$2,400,000     | 2,657             | 15.1%          |                                  |                                            | \$1,080,000                                | (\$22,435,537)                                       |
| Columbus                    | 3417      | 11     | Waterline Replacement or Comprehensive Valve Replacement project          | \$4,200,000     | 2,882             | 19.4%          |                                  |                                            | \$1,890,000                                | (\$24,325,537)                                       |
| Maize                       | 3399      | 11     | New Elevated Storage Tank                                                 | \$9,000,000     | 6,060             | 9.9%           |                                  |                                            |                                            | (\$24,325,537)                                       |
| Wellington                  | 3443      | 11     | Chickaskia River Dam stablization                                         | \$15,000,000    | 7,664             | 14.3%          |                                  |                                            | \$2,250,000                                | (\$26,575,537)                                       |
| PWWSD #12                   | 3429      | 11     | Upgrade WTP and Distribution Improvements                                 | \$30,000,000    | 8,411             | 9.7%           |                                  |                                            |                                            | (\$26,575,537)                                       |
| Hutchinson                  | 3402      | 11     | Pump Discharge Improvements at the WTP and Two New Standby Generato       | \$6,194,000     | 39,712            | 15.2%          |                                  |                                            | \$2,250,000                                | (\$28,825,537)                                       |
| Isabel                      | 3427      | 10     | Waterline Replacement and Water Storage Rehabilitation                    | \$720,000       | 66                | 6.8%           |                                  |                                            | \$720,000                                  | (\$29,545,537)                                       |
| Republic                    | 3374      | 10     | Storage Tank Rehab and Replace Water Distribution System Components       | \$900,000       | 83                | 9.0%           |                                  |                                            | \$800,000                                  | (\$30,345,537)                                       |
| Norcatur                    | 3422      | 10     | Waterline Replacement                                                     | \$2,700,000     | 159               | 15.3%          |                                  |                                            | \$1,215,000                                | (\$31,560,537)                                       |
| Reno Co. RWD No. 3          | 3433      | 10     | Install Variable Frequency Drives                                         | \$127,000       | 450               | 3.8%           |                                  |                                            |                                            | (\$31,560,537)                                       |
| Downs                       | 3410      | 10     | Waterline Replacement and Meters                                          | \$1,250,000     | 804               | 9.0%           |                                  |                                            |                                            | (\$31,560,537)                                       |
| Jewell Co. RWD #1           | 3424      | 10     | Standpipe Replacement                                                     | \$1,453,000     | 959               | 18.4%          |                                  |                                            | \$653,850                                  | (\$32,214,387)                                       |
| Miami Co. RWD #3            | 3423      | 10     | Connection to Miami Co. RWD #2 and Waterline Replacement                  | \$5,661,672     | 2,435             | 7.0%           |                                  |                                            |                                            | (\$32,214,387)                                       |
| St. Marys                   | 3398      | 10     | Waterline Replacement and Replace Well #7, Wellhouse and Chlorination     | \$2,830,000     | 2,781             | 7.9%           |                                  |                                            |                                            | (\$32,214,387)                                       |
| Maize                       | 3400      | 10     | New Well, Disinfection Facility, and Emergency Generator                  | \$1,800,000     | 6,060             | 9.9%           |                                  |                                            |                                            | (\$32,214,387)                                       |
| Eudora                      | 3438      | 10     | WTF Including clear well, waterlines from WTF to Distribution system, and | \$52,137,625    | 6,449             | 8.3%           |                                  |                                            |                                            | (\$32,214,387)                                       |
| Johnson Co. RWD #7          | 3388      | 10     | Expand Water Treatment Plant at Hillsdale Reservoir                       | \$9,000,000     | 6,457             | 4.6%           |                                  |                                            |                                            | (\$32,214,387)                                       |
| Abilene                     | 3436      | 10     | Replace Waterlines and Replace two water towers                           | \$15,000,000    | 6,468             | 8.1%           |                                  |                                            |                                            | (\$32,214,387)                                       |
| Independence                | 3382      | 10     | Waterline Replacement and New Meters                                      | \$2,800,000     | 8,464             | 16.3%          |                                  |                                            | \$1,260,000                                | (\$33,474,387)                                       |
| Arkansas City               | 3364      | 10     | New Water Tank and Looping; New Pumps and Rehab Chestnut Storage Tar      | \$4,760,000     | 11,929            | 16.9%          |                                  |                                            | \$2,142,000                                | (\$35,616,387)                                       |
| Coats                       | 3439      | 9      | Water Tower Rehab, Install Variable Frequency Drives and Replace Meters   | \$650,000       | 68                | 14.2%          |                                  |                                            | \$292,500                                  | (\$35,908,887)                                       |
| Geary Co. Water District #2 | 3381      | 9      | Waterlines replacement, meters, new well and storage tower improvemen     | \$2,596,590     | 78                | No Data        |                                  |                                            | \$800,000                                  | (\$36,708,887)                                       |
| Osborne Co. RWD #1A         | 3360      | 9      | New Water Storage Tank and Booster Pumpstation; Waterline and Disinfec    | \$1,650,000     | 81                | 18.4%          |                                  |                                            | \$800,000                                  | (\$37,508,887)                                       |
| Portis                      | 3390      | 9      | Phase 4 Waterline and Meter Replacement                                   | \$250,000       | 86                | 6.9%           |                                  |                                            | \$250,000                                  | (\$37,758,887)                                       |
| McPherson Co. RWD #1        | 3363      | 9      | Phase 4 Waterline Replacement                                             | \$900,000       | 176               | 8.6%           |                                  |                                            |                                            | (\$37,758,887)                                       |
| Rexford                     | 3377      | 9      | Waterline Replacement , Standby Generator and Water Tower Repair          | \$1,900,000     | 198               | 8.0%           |                                  |                                            |                                            | (\$37,758,887)                                       |
| Glen Elder                  | 3376      | 9      | Waterline Replacement                                                     | \$615,000       | 359               | 6.9%           |                                  |                                            |                                            | (\$37,758,887)                                       |
| Cloud Co. RWD #1            | 3379      | 9      | New Elevated Storage Tank                                                 | \$1,213,000     | 411               | 3.0%           |                                  |                                            |                                            | (\$37,758,887)                                       |
| Montgomery Co. RWD #9       | 3426      | 9      | Waterline Replacement, Upgrade Metering Equipment & Addressing Water      | \$1,500,000     | 430               | No Data        |                                  |                                            |                                            | (\$37,758,887)                                       |
| Neosho Co. RWD #7           | 3430      | 9      | New Booster Pump Station, Telemetry and Replacement of Waterlines Fro     | \$975,000       | 625               | 7.0%           |                                  |                                            |                                            | (\$37,758,887)                                       |
| Belle Plaine                | 3361      | 9      | Waterline and Meter Replacement                                           | \$8,750,000     | 1,468             | 14.5%          |                                  |                                            | \$2,250,000                                | (\$40,008,887)                                       |
| Johnson Co. RWD #7          | 3385      | 9      | New Waterline and Interconnect to Douglas Co. RWD #4                      | \$600,000       | 6,457             | 4.6%           |                                  |                                            |                                            | (\$40,008,887)                                       |

**2026 KPWSLF Base Project Priority List**

**July 1, 2025**

| 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) |
|------------------------|-----------|--------|---------------------------------------------------------------------------|----------------------|-------------------|----------------|----------------------------------|--------------------------------------------|--------------------------------------------|------------------------------------------------------|
| Dickinson Co. RWD #2   | 3416      | 8      | New Elevated Storage Tower                                                | \$1,450,000          | 1,703             | 4.6%           |                                  |                                            |                                            | (\$40,008,887)                                       |
| Leavenworth Co. RWD #7 | 3389      | 8      | Replace Waterlines and Rehab Treatment Facilities                         | \$1,100,000          | 3,000             | 7.5%           |                                  |                                            |                                            | (\$40,008,887)                                       |
| Hugoton                | 3354      | 8      | Replace Waterlines                                                        | \$6,960,551          | 3,764             | 15.7%          |                                  |                                            | \$2,250,000                                | (\$42,258,887)                                       |
| PWWSD #25              | 3409      | 8      | Replace Water Well                                                        | \$550,000            | 6,849             | No Data        |                                  |                                            |                                            | (\$42,258,887)                                       |
| Hutchinson             | 3403      | 8      | Rehab Water Storage Tower(s)                                              | \$4,000,000          | 39,712            | 15.2%          |                                  |                                            | \$1,800,000                                | (\$44,058,887)                                       |
| Hutchinson             | 3404      | 8      | Waterline Replacement                                                     | \$5,000,000          | 39,712            | 15.2%          |                                  |                                            | \$2,250,000                                | (\$46,308,887)                                       |
| Reno Co. RWD No. 3     | 3434      | 7      | Replace Valves and Fire Hydrants                                          | \$50,260             | 450               | 3.8%           |                                  |                                            |                                            |                                                      |
| Johnson Co. RWD #7     | 3384      | 7      | Waterline Replacement along Columbia Rd, South of 223rd Street            | \$2,200,000          | 6,457             | 4.6%           |                                  |                                            |                                            |                                                      |
| Johnson Co. RWD #7     | 3386      | 7      | Replace Waterlines Along 223rd St                                         | \$3,000,000          | 6,457             | 4.6%           |                                  |                                            |                                            |                                                      |
| Johnson Co. RWD #7     | 3387      | 7      | Replace Waterlines Along 135th St                                         | \$6,950,000          | 6,457             | 4.6%           |                                  |                                            |                                            |                                                      |
| Cowley Co. RWD #3      | 3383      | 6      | Water distribution system looping                                         | \$500,000            | 2,500             | No Data        |                                  |                                            |                                            |                                                      |
| Utica                  | 3415      | 3      | Water System Master Plan Engineering Study, Distribution Main Survey, and | \$104,000            | 101               | 9.2%           |                                  |                                            |                                            |                                                      |
|                        |           |        |                                                                           | <b>\$505,603,159</b> |                   |                | <b>\$4,750,000</b>               |                                            | <b>\$68,400,387</b>                        |                                                      |

Loans written in 2025 application period that were not executed by 6/30/2025

77.62% of funds on above funding line for systems serving population of less than 5,000 for Base PPL

80.18% of funds above funding line for systems serving population of less than 10,000 for Base PPL

**2026 KPWSLF Lead Service Line Project Priority List**

July 1, 2025

| Municipality Name | Project # | Rating | Project Description                       | Loan Request \$ | Population Served | Poverty Rate % | Loan Forgiveness (Disadvantaged Community) | Available Loan Forgiveness |
|-------------------|-----------|--------|-------------------------------------------|-----------------|-------------------|----------------|--------------------------------------------|----------------------------|
| Coffeyville       | 3294      | 33     | Replace Lead Service Lines                | \$7,000,000     | 8,847             | 22.6%          | \$3,542,000                                | \$25,974,934               |
| Topeka            | 3333      | 25     | Replace Lead Service Lines                | \$11,010,000    | 125,963           | 17.7%          | \$5,571,060                                | \$23,945,874               |
| Caney             | 3449      | 13     | Replace Lead Service Lines                | \$2,090,000     | 1,756             | 13.9%          | \$1,065,900.00                             | \$28,451,034               |
| Galena            | 3446      | 13     | Replace Lead Service Lines                | \$4,187,000     | 2,743             | 17.0%          | \$2,135,370.00                             | \$27,381,564               |
| Independence      | 3445      | 11     | Replace Lead and Galvanized Service Lines | \$8,200,000     | 8,464             | 16.3%          | \$4,182,000.00                             | \$25,334,934               |

Loans written in 2025 application period but were not executed by June 30,2025

\$32,487,000

\$16,496,330

19.32% of funds on PPL for systems serving population of less than 5,000 for LSL PPL

66.11% of funds on PPL for systems serving population of less than 10,000 for LSL PPL

## 2026 KPWSLF Emerging Contaminants Project Priority List

July 1, 2025

| Municipality Name | Project # | Rating | Project Description                                                                   | Loan Request<br>\$ | Population<br>Served | Loan<br>Forgiveness | Available<br>Loan<br>Forgiveness |
|-------------------|-----------|--------|---------------------------------------------------------------------------------------|--------------------|----------------------|---------------------|----------------------------------|
| Canton            | 3135      | 20     | New Wells with Lower Manganese Levels                                                 | \$1,800,000        | 699                  | \$1,800,000         | 12,242,000                       |
| Arkansas City     | 3246      | 19     | Water Treatment Plant Improvements to Reduce Manganese                                | \$2,089,000        | 11,929               | \$2,089,000         | 10,153,000                       |
| Smith Center      | 3448      | 13     | Phase 2 New Raw Water Line and Sequestration Treatment to resolve Manganese build up. | \$1,350,000        | 1,572                | \$1,350,000         | 8,803,000                        |

\$5,239,000

\$5,239,000

Loans offered in 2025 application period that were not executed by June 30, 2025

60.13% of available loan forgiveness on PPL for systems serving population of less than 5,000 for EC PPL

46.28% of available Loan Forgiveness 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 2026

#### Sources:

|                                                   |                      |
|---------------------------------------------------|----------------------|
| Beginning Cash and Investments                    | \$167,450,651        |
| Interest Earnings (other than loan repayments)    | \$6,000,000          |
| Additional Revolved Funds                         | \$26,000,000         |
| 2022 Grants                                       | \$36,554,072         |
| 2023 Grants                                       | \$35,895,447         |
| 2024 Grants                                       | \$51,198,399         |
| 2025 Grants and 2022 Reallotments (To be Awarded) | \$78,461,000         |
| 2026 Grants (Estimated)                           | \$77,102,000         |
| Loan Repayments                                   | \$59,035,592         |
| Service Fees (includes state match)               | \$5,000,000          |
| Bond Proceeds                                     | \$100,000,000        |
| <b>Total Sources</b>                              | <b>\$642,697,161</b> |

#### Uses:

|                                            |                      |
|--------------------------------------------|----------------------|
| Loan Disbursements (includes state match)  | \$150,000,000        |
| Loan Commitments Undisbursed               | \$229,000,000        |
| SRF Administration                         | \$1,400,000          |
| Public Water Supply Supervision Assistance | \$3,000,000          |
| SRF Debt Service Payments                  | \$37,230,787         |
| Undrawn Grants                             | \$130,000,000        |
| Investments                                | \$92,066,374         |
| <b>Total Uses</b>                          | <b>\$642,697,161</b> |

## **Appendix C**

### **Project Priority System**

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

State Fiscal Year 2026  
Kansas Public Water Supply Loan  
Fund Project Priority System

July 1, 2025

**Kansas Department of Health and  
Environment Kansas Public Water  
Supply Loan Fund Project Priority  
System  
FY 2026**

**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 a population of 25,000 or less;
- 5) 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 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 serves a population of 10,000 or less;
- 4) If the system will replace the private side of lead service lines without any additional cost to the user;
- 5) 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  |
| Project for Lead Service Line Replacement but the System is not a Disadvantaged Community                                                                 | 20 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 has 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 |
|------------------------|-----------|

4. 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  |

5. 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. 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.

**5. 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  |
| 3. | 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  |
| 4. | Cost of Private LSL:                         |           |
|    | No charge for private LSL costs              | 10 points |
| 5. | 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. 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.

**4. 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.

**5. 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**

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State of Kansas

## Department of Health and Environment

### Notice of Hearing

A public hearing is scheduled to be conducted at 1:30 p.m. Monday June 30, 2025, in the Cottonwood Conference Room, 4th Floor, Curtis State Office Building, 1000 SW Jackson St., Topeka, Kansas, to discuss the 2026 Intended Use Plans for the Kansas Public Water Supply Loan Fund (KPWSLF) and the Kansas Water Pollution Control Revolving Fund (KWPCRF). These Intended Use Plans will make additions to the Project Priority List of each program, 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 Intended Use Plans will be available 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. 053198

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Estado de Kansas

## Departamento de Salud y Medio Ambiente de Kansas

### Aviso de audiencia

Una audiencia pública está programada para llevarse a cabo a las 1:30 p.m. el Martes 30 de junio del 2025, en la sala de conferencias Cottonwood del Curtis State Office Building en 1000 SW Jackson St., en el 4. piso, en Topeka, Kansas, para discutir los Planes de Uso Previsto del 2025 para el Fondo de préstamo para suministro público de agua de Kansas (Kansas Public Water Supply Loan Fund, KPWSLF) y el Fondo Rotatorio para el Control de la Contaminación del Agua de Kansas (Kansas Water Pollution Control Revolving Fund, KWPCRF). Estos Planes de Uso Previsto harán adiciones a la Lista de Prioridades de Proyectos de cada programa, incluirán estimaciones y usos de las subvenciones de capitalización anticipadas de la Agencia de Protección Ambiental de Estados Unidos (United States Environmental Protection Agency, EPA) (incluidas las subvenciones de la Ley de Inversión en Infraestructuras y Empleos), establecerán criterios para la condonación de préstamos y establecerán los procedimientos para clasificar proyectos. Copias de los proyectos de los IUPs, por sus siglas en inglés, estarán disponibles en línea en <https://www.kdhe.ks.gov/518/Loan-Fund-Administration-Documents>.

Los comentarios pueden presentarse en la audiencia o por escrito antes de la audiencia. Se recomiendan comentarios escritos. Los comentarios escritos deben dirigirse a William Carr, Bureau of Water, Kansas Department of Health and Environment, 1000 SW Jackson St, Suite 420, Topeka, KS 66612 o enviarse por correo electrónico al: [KDHE.KansasSRF@ks.gov](mailto:KDHE.KansasSRF@ks.gov). Las personas que necesiten adaptaciones especiales deben ponerse en contacto con el Departamento de Salud y Medio Ambiente de Kansas al menos cinco días hábiles antes de la audiencia llamando al 785-296-5514, fax 785-559-4258 o TTY 711.

Janet Stanek  
Secretaria

Departamento de Salud y Medio Ambiente de Kansas

Doc. No. 053199

## Summary of Public Hearing

### Attendance List

| <u>Name</u>    | <u>From</u> |
|----------------|-------------|
| Cara Hendricks | KDHE        |
| Brenda Diegel  | KDHE        |
| William Carr   | KDHE        |

No individuals from the public were present at the public hearing so no presentation was made.  
No comments were received for the public hearing.

## **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 unless the reservoir's primary purpose is for drinking water supply and owned by the public water supply system;

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<br>Capitalization<br>Grant | Technical<br>Assistance<br>Set-Aside | State Program<br>Management<br>Set-Aside | Administration<br>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**

**Projected Revenue Coverage**

| (Semiannual Rollover) |               |           |              |                  |              |                |              |             |            |             |              |              |
|-----------------------|---------------|-----------|--------------|------------------|--------------|----------------|--------------|-------------|------------|-------------|--------------|--------------|
| Period                | MFI DW        | MFI DW    | MFI DW       | Transfer from    | Revenue Fund | MFI DW         | Lev. Bonds   | MFI DW      | MFI DW     | MFI DW      | MFI DW       | MFI DW       |
| Ending                | Loan Interest | Earnings  | State Match  | Interest Acct to | Principal    | Loan Principal | Debt Service | Periodic    | Annual     | Annual      | Annual       | Annual       |
|                       | Repayments    |           | Debt Service | Principal Acct.  | Beg Balance  | Repayments     |              | Surplus     | Surplus    | SM Coverage | Lev Coverage | Lev Coverage |
| 5/23/2025             | 1,139,319     |           |              |                  |              |                |              | 1,139,319   |            |             |              |              |
| 11/1/2025             | 2,018,605     | 1,290,508 | 203,206      | 5,504,397        |              | 37,154,450     | 6,683,000    | 33,577,356  |            |             |              |              |
| 5/1/2026              | 2,094,028     | 3,032,668 | 2,728,206    | 2,398,490        | 34,716,675   | 17,768,510     | 27,967,125   | (7,800,125) | 25,777,231 | 2.88 : 1    | 1.81 : 1     | 1.81 : 1     |
| 11/1/2026             | 2,112,808     | 2,014,095 | 174,375      | 3,952,527        |              | 16,259,628     | 8,528,000    | 11,684,155  |            |             |              |              |
| 5/1/2027              | 2,154,610     | 2,404,855 | 1,789,375    | 2,770,090        | 11,684,155   | 17,525,563     | 16,508,000   | 3,787,653   | 15,471,808 | 4.42 : 1    | 1.62 : 1     | 1.62 : 1     |
| 11/1/2027             | 2,194,279     | 1,348,747 | 134,000      | 3,409,027        |              | 32,166,561     | 8,328,500    | 27,247,087  |            |             |              |              |
| 5/1/2028              | 2,228,495     | 1,195,083 | 1,834,000    | 1,589,578        | 27,247,087   | 18,786,868     | 27,321,750   | (6,945,304) | 20,301,783 | 3.54 : 1    | 1.57 : 1     | 1.57 : 1     |
| 11/1/2028             | 2,308,282     | 891,012   | 91,500       | 3,107,795        |              | 22,875,037     | 9,614,875    | 16,367,957  |            |             |              |              |
| 5/1/2029              | 2,247,232     | 840,088   | 1,876,500    | 1,210,820        | 16,367,957   | 19,224,056     | 20,224,875   | 210,001     | 16,577,958 | 3.19 : 1    | 1.56 : 1     | 1.56 : 1     |
| 11/1/2029             | 3,881,236     | 611,426   | 46,875       | 4,445,787        |              | 49,969,913     | 9,349,625    | 45,066,075  |            |             |              |              |
| 5/1/2030              | 4,221,216     | 915,341   | 1,921,875    | 3,214,682        | 45,066,075   | 19,654,943     | 27,779,625   | (4,910,000) | 40,156,075 | 4.89 : 1    | 2.08 : 1     | 2.08 : 1     |
| 11/1/2030             | 4,354,822     | 861,359   |              | 5,216,181        |              | 19,708,428     | 8,888,875    | 16,035,734  |            |             |              |              |
| 5/1/2031              | 4,660,181     | 1,037,780 |              | 5,697,961        | 16,035,734   | 20,190,362     | 25,263,875   | 624,448     | 16,660,182 |             | 1.49 : 1     | 1.49 : 1     |
| 11/1/2031             | 4,667,645     | 1,044,678 |              | 5,712,323        |              | 19,959,090     | 8,479,500    | 17,191,913  |            |             |              |              |
| 5/1/2032              | 4,791,753     | 1,233,817 |              | 6,025,569        | 17,191,913   | 20,524,931     | 26,264,500   | 286,001     | 17,477,913 |             | 1.50 : 1     | 1.50 : 1     |
| 11/1/2032             | 4,649,556     | 1,236,991 |              | 5,886,547        |              | 19,740,174     | 8,034,875    | 17,591,847  |            |             |              |              |
| 5/1/2033              | 4,505,757     | 1,430,530 |              | 5,936,287        | 17,591,847   | 20,351,442     | 26,294,875   | (7,147)     | 17,584,700 |             | 1.51 : 1     | 1.51 : 1     |
| 11/1/2033             | 4,398,087     | 1,430,480 |              | 5,828,567        |              | 19,969,547     | 7,578,375    | 18,219,739  |            |             |              |              |
| 5/1/2034              | 4,276,654     | 1,630,925 |              | 5,907,579        | 18,219,739   | 20,393,088     | 26,838,375   | (537,708)   | 17,682,031 |             | 1.51 : 1     | 1.51 : 1     |
| 11/1/2034             | 4,111,962     | 1,625,039 |              | 5,737,001        |              | 20,019,273     | 7,096,875    | 18,659,399  |            |             |              |              |
| 5/1/2035              | 3,950,697     | 1,830,321 |              | 5,781,018        | 18,659,399   | 20,067,694     | 26,976,875   | (1,128,163) | 17,531,236 |             | 1.51 : 1     | 1.51 : 1     |
| 11/1/2035             | 3,789,558     | 1,817,940 |              | 5,607,498        |              | 19,649,029     | 6,599,875    | 18,656,652  |            |             |              |              |
| 5/1/2036              | 3,632,526     | 2,023,192 |              | 5,655,718        | 18,656,652   | 20,142,435     | 27,124,875   | (1,326,722) | 17,329,930 |             | 1.51 : 1     | 1.51 : 1     |
| 11/1/2036             | 3,471,127     | 2,008,626 |              | 5,479,753        |              | 19,421,034     | 6,086,750    | 18,814,038  |            |             |              |              |
| 5/1/2037              | 3,317,341     | 2,215,610 |              | 5,532,951        | 18,814,038   | 19,973,108     | 27,226,750   | (1,720,691) | 17,093,347 |             | 1.51 : 1     | 1.51 : 1     |
| 11/1/2037             | 3,158,603     | 2,196,711 |              | 5,355,314        |              | 19,876,465     | 5,558,250    | 19,673,529  |            |             |              |              |
| 5/1/2038              | 3,000,889     | 2,413,148 |              | 5,414,038        | 19,673,529   | 20,005,845     | 27,918,250   | (2,498,367) | 17,175,162 |             | 1.51 : 1     | 1.51 : 1     |
| 11/1/2038             | 2,842,383     | 2,385,695 |              | 5,228,079        |              | 19,767,265     | 4,999,250    | 19,996,093  |            |             |              |              |
| 5/1/2039              | 2,686,258     | 2,605,681 |              | 5,291,939        | 19,996,093   | 20,311,589     | 28,434,250   | (2,830,722) | 17,165,371 |             | 1.51 : 1     | 1.51 : 1     |
| 11/1/2039             | 2,524,860     | 2,574,543 |              | 5,099,403        |              | 19,802,734     | 4,413,375    | 20,488,762  |            |             |              |              |
| 5/1/2040              | 2,368,576     | 2,799,920 |              | 5,168,496        | 20,488,762   | 20,293,397     | 28,873,375   | (3,411,482) | 17,077,280 |             | 1.51 : 1     | 1.51 : 1     |
| 11/1/2040             | 2,207,919     | 2,762,393 |              | 4,970,312        |              | 18,873,700     | 3,801,875    | 20,042,137  |            |             |              |              |
| 5/1/2041              | 2,061,381     | 2,982,857 |              | 5,044,238        | 20,042,137   | 19,443,580     | 28,186,875   | (3,699,057) | 16,343,080 |             | 1.51 : 1     | 1.51 : 1     |
| 11/1/2041             | 1,909,843     | 2,942,167 |              | 4,852,010        |              | 19,015,849     | 3,192,250    | 20,675,609  |            |             |              |              |
| 5/1/2042              | 1,763,226     | 3,169,599 |              | 4,932,825        | 20,675,609   | 19,321,201     | 28,662,250   | (4,408,224) | 16,267,385 |             | 1.51 : 1     | 1.51 : 1     |
| 11/1/2042             | 1,612,901     | 3,121,109 |              | 4,734,010        |              | 19,183,122     | 2,555,500    | 21,361,632  |            |             |              |              |
| 5/1/2043              | 1,464,762     | 3,356,086 |              | 4,820,849        | 21,361,632   | 19,762,240     | 29,545,500   | (4,962,411) | 16,399,221 |             | 1.51 : 1     | 1.51 : 1     |
| 11/1/2043             | 1,310,096     | 3,301,500 |              | 4,611,596        |              | 18,643,052     | 1,880,750    | 21,373,898  |            |             |              |              |
| 5/1/2044              | 1,164,125     | 3,536,613 |              | 4,700,738        | 21,373,898   | 18,806,516     | 29,100,750   | (5,593,496) | 15,780,401 |             | 1.51 : 1     | 1.51 : 1     |
| 11/1/2044             | 1,013,769     | 3,475,084 |              | 4,488,853        |              | 17,847,948     | 1,200,250    | 21,136,551  |            |             |              |              |
| 5/1/2045              | 872,407       | 3,707,586 |              | 4,579,993        | 21,136,551   | 22,034,837     | 31,180,250   | (4,565,420) | 16,571,132 |             | 1.51 : 1     | 1.51 : 1     |
| 11/1/2045             | 691,295       | 3,657,367 |              | 4,348,662        |              | 8,206,860      | 450,750      | 12,104,772  |            |             |              |              |
| 5/1/2046              | 622,297       | 3,790,519 |              | 4,412,817        | 12,104,772   | 8,052,877      | 16,720,750   | (4,255,056) | 7,849,716  |             | 1.46 : 1     | 1.46 : 1     |
| 11/1/2046             | 554,175       | 3,743,714 |              | 4,297,889        |              | 6,106,115      | 44,000       | 10,360,003  |            |             |              |              |
| 5/1/2047              | 507,368       | 3,857,674 |              | 4,360,041        | 10,360,003   | 6,150,151      | 1,804,000    | 8,706,197   | 19,066,196 |             | 11.32 : 1    | 11.32 : 1    |