State Revolving Fund

Kansas Public Water Supply Loan Fund

Kansas Public Water Supply Loan Fund 2023
Intended Use Plan

Kansas Water Pollution Control Revolving Fund

Intended Use Plan for the Kansas Water Pollution Control Revolving Loan Program
State Fiscal Year 2023

Drinking Water SRF (DWSRF)

Clean Water SRF (CWSRF)

Protect and improve the health and environment of all Kansans
Agenda

• Housekeeping Items
• Presentation for Kansas Water Pollution Control Revolving Fund 2023 Intended Use Plan
• Comments on Kansas Water Pollution Control Revolving Fund IUP
• Presentation for Kansas Public Water Supply Loan Fund 2023 Intended Use Plan
• Comments on Kansas Public Water Supply Loan Fund IUP
• Close of Public Hearing
• Time for questions regarding Kansas SRF programs
Kansas Water Pollution Control Revolving Fund (KWPCRF)

- $1.4 B in loans; $438 M in federal funds since inception
- Additional federal funds through the Infrastructure Investment and Jobs Act (IIJA), also known as the Bipartisan Infrastructure Law (BIL).
- FFY 2022 $16,065,000 BIL General Supplemental; $844,000 BIL Emerging Contaminants; $10,444,000 Base appropriation
- FFY 2023 estimate $18,500,000 BIL General Supplemental; $1,900,000 BIL Emerging Contaminants; $10,500,000 Base appropriation
List of Projects and Method for Distribution of Funds

- New - 31 Projects for and $447M
- Total PPL $863M
- New Project Priority List for Emerging Contaminants
- No Project ranking
- Loan Forgiveness $16.8M on PPL; $20M Estimated to be Available
- Application Deadline (October 15, 2022) to be considered for available loan forgiveness
Financial Status and Interest Rates

- 522 loans, $1.44B of assistance
- $91M currently available to commit to new loans
- Additional $80M to be added during the year
- Cash Flow managed program
- Interest rates set at 60% of the 3 month average of Bond Buyers 20 Year General Obligation Bond Index – current interest rate is 1.77%
Additional Subsidy – Loan Forgiveness

- No change in affordability criteria from last year
  - Kansas Opportunity Zone; population 500 or less; MHI < 80% of Kansas: unemployment > 115% of statewide average
- Sustainable Project Types
  - Regionalization studies and facilities; small mechanical treatment to lagoon treatment; discharging lagoon to non discharging lagoon
- 30% with a maximum of $1,000,000
- Emerging contaminants 100% loan forgiveness
Federal Required Topics on the IUP

- Equivalency requirements
- Short term and long term goals
- Fee description
- Cross collateralization
- Transfer from KWPCRF to Kansas Public Water Supply Loan Fund
- State match required deposit and spending
Comments Regarding the KWPCRF IUP
Kansas Public Water Supply Loan Fund

- $285.7M in federal funds since inception
- Additional federal funds through IIJA/BIL
- FFY 2022 $20,875,000 BIL General Supplemental; $8,765,000 BIL Emerging Contaminants; $32,891,000 BIL Lead Service Line Replacement; $8,130,000 Base appropriation
- FFY 2023 estimate $24,100,000 BIL General Supplemental; $8,765,000 BIL Emerging Contaminants; $32,891,000 BIL Lead Service Line Replacement; $8,130,000 Base appropriation
Project Priority Lists

- 79 new projects for $360M
- Total PPLs $411M
- 3 PPLs—base, lead service lines, emerging contaminants
- All projects are ranked – new priority system in Appendix C
- Additional subsidy/loan forgiveness - new criteria
  - (estimated $21M Base; $32M LSL; $17.4M EC)
- Application Deadline (October 15, 2022) to be considered for available loan forgiveness according to ranking
New Priority System

- Base program changes
  - Multi-scope projects only ranked by highest scope
  - Added more diversity in points awarded for reliability
  - Added more beneficiary measures for population and poverty
New Priority System

- Lead service line – new
  - Actual lead removal
  - Lead action limit exceedance
  - Service line inventory completed
  - Project area designated as disadvantaged by Climate & Economic Justice Screening Tool
- Population
- Cost of private side replacement
- Poverty
New Priority System – Emerging Contaminants

- EPA Health Advisory Levels
- Harmful algal blooms for cyanobacterial toxins
- PFAS contaminant
- System serves census tract determined to be disadvantaged by Climate & Economic Justice Screening Tool
- Population
- Treatment vs. replacement
Affordability Criteria and Loan Forgiveness

- 3 tiers for disadvantaged communities
  - Population served 150 or less ($500,000 loan forgiveness)
  - Municipality has poverty level at or above the statewide level (30% loan forgiveness with a maximum of $1M)
  - Specific project area has a poverty level at or above the statewide level (30% loan forgiveness with a maximum of $1M)
Financial Status and Interest Rates

- 338 loans for $1.01B of assistance since inception
- $134M shortfall to disburse to existing loans
- Additional $162M to be added during the year plus bond proceeds (est. $100M)
- Cash Flow managed program
- 20 year 60% of the 3 month market average – 1.77%
- 30 year 70% of the 3 month market average – 2.06%
- 40 year – Disadvantaged Only – 80% of the 3 month market average – 2.36%
Federally Required Topics

- Equivalency requirements
- Short term and long term goals
- Fee description
- Set-asides
- Cross collateralization
- Transfer from KWPCRF to Kansas Public Water Supply Loan Fund
- State match required deposit and spending
Comments Regarding the KPWSLF IUP
Close of Kansas SRF Public Hearing

Programmatic Questions

Kansas Public Water Supply Loan Fund

Kansas Water Pollution Control Revolving Fund

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