

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

Intended Use Plan  
for  
The Kansas Water Pollution  
Control Revolving Loan  
Program

Final State Fiscal Year 2008

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October, 2007



## Intended Use Plan

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## I. INTRODUCTION

Section 606(c) of the Water Quality Act of 1987 requires the states to prepare an annual plan to identify the intended uses of the capitalization grants and other moneys within the states' revolving funds.

The primary purpose of this Intended Use Plan (IUP) is to identify the intended uses of the Kansas Water Pollution Control Revolving Fund (KWPCRF) current FY 2007 available monies.

The secondary purpose of this IUP is to supplement the Kansas Capitalization Grant application with prospective projects and payment information.

This IUP is based on a total of \$38,368,234 fund amount projected to be available for direct loans from the current FY 2007 Capitalization Grant and State Match, prior and future sale of Leveraging Bonds, and repayments of loan principal and interest as of September 28, 2007. This includes the current 2007 Capitalization Grant of \$9,658,400 and State Match of \$1,931,680. Also, the Kansas Department of Health and Environment (KDHE) continues to receive repayments, with the interest portion dedicated to repay State Match borrowing, the interest and principal repay Leveraging Bond borrowing, and the remaining monies are placed in the Fund and available for new Loans. As of September 28, 2007 there is approximately \$38,368,234 of funds available for new loans including the future sale of leveraging bonds. The total anticipated costs of projects wishing to proceed with KWPCRF low interest loans exceeds available monies, therefore, KDHE is planning a future sale of approximately \$63 M of leveraging bonds in mid 2008.

With this Final SFY 2008 IUP, KDHE is continuing to pursue the funding of the Non-Point Source Pollution Control Projects. The Environmental Initiatives Fund (EIF) has now been used to fund certain projects, and the intent is to develop a "Linked Deposit" funding system to allow the KWPCRF provide low interest loan funding to non-governmental borrowers.

KDHE has employed financial advisors and legal counsel to implement the feasibility of continued "leveraging" in the Kansas Water Pollution Control Revolving Fund. "Leveraging" is the process of revenue bonding State Match monies beyond the minimum 20% required by EPA, up to as much as the market will bear. KDHE has been successful in marketing Leveraging Revenue Bonds many times in the past and continues to study future opportunities.

Congress continues to debate legislation to revise the SRF program, which may include additional funding for the Clean Water State Revolving fund program. If additional funding is received, it will be quickly utilized to fund the numerous projects included on Table I and the Leveraging Projects, which in total exceed the funding capability of the KWPCRF.

## II. LIST OF PROJECTS

With the total projected fund amount currently available for FY 2007 program of \$38,368,234 as of September 28, 2007, KDHE is proposing to assist communities and the administration of the Kansas Water Pollution Control Revolving Fund. Table I lists the specific projects funded in the recent past and considered for potential funding in the future including many projects carried over from the Draft FY '07 IUP. Non-Point Source Pollution Control Management Plan projects will also be included in Table I, at this time no projects have been identified for funding.

The interest rates on all loans are and will continue to be determined in accordance with K.A.R. 28-16-113. In conformance with the intent of the State Legislation establishing the KWPCRF, KDHE will insure a minimum 10% of the total "Basic Program" and "Leveraging Program" monies will be made available to Municipalities of 5,000 population or less.

The total estimated cost for projects listed in Table I exceeds the available fund projection by 184 percent. This "over listing" approach is used to assure that adequate projects are readily available to proceed to utilize funding available from the KWPCRF. Project readiness will determine the assistance order. Please note, in past years KDHE policy was to fund all projects on Table I, and to carry unfunded projects forward onto the next year's IUP. Projects were retained on the IUP until funded by the KWPCRF, funded by another source, or the wastewater treatment issue was otherwise resolved. The number and cost of wastewater improvement projects currently necessary and pursuing KWPCRF low interest loan financing continues to exceed available funding. Therefore, several larger cost projects have been denied funding, and have not been placed on the IUP. These projects have proceeded with local funds.

The added number of required improvement projects is the direct result of new and more stringent regulatory requirements including the 1992 EPA Part 503 Domestic Sewage Sludge Reuse and Disposal regulations and recent revisions to the Kansas Surface Water Quality Standards regulations, as well as continuing growth and replacement needs. The primary source of new funding for KWPCRF loans is Capitalization Grants from EPA, which has been reduced in recent years and we expect will continue to be reduced in the future. Placing a project on the IUP is the KDHE commitment funds are available to that project, and KDHE is making every effort to meet that commitment.

Rural Hardship Assistance Grants (RHAG) projects have previously been funded. KDHE can not consider additional projects to be funded by the RHAG program as all available funds have been committed.

The projects included on Table I include many small projects in communities with less than 5,000 population as directed by the enabling state legislation. Funding has not been available for several larger cost projects due to reduced Federal Grants and reduced interest earnings. The projects are listed in alphabetical order in Table I, and in Priority Order in Appendix A. As indicated above, project readiness will determine the assistance order.

Preliminary review for the proposed projects listed in Table I indicates no need for requiring the preparation of an Environmental Impact Statement (EIS) for any of these projects.

TABLE I  
KWPCRL PROJECT FUNDING

Basic Program

1.	Alden *	1766 01	PS Repl.	100,000
2.	Anthony *	1775 01	Int. & Coll.	400,000
3.	Arlington *	1771 01	I/I Corr.	300,000
4.	Atchison (Relia.)	1305 01	Sewer Rehab.	2,500,000
5.	Baldwin City *	1748 01	I/I Corr.	1,000,000
6.	Basehor *	1767 01	WWTP Impvts.	4,000,000
7.	Baxter Springs *	1755 01	WWTP Impvts.	550,000
8.	Benton *	1483 01	WWTP Impvts.	1,250,000
9.	Burlington *	1752 01	I/I Corr.	5,000,000
10.	Butler Co. SD #8 *	1754 01	PS & FM	100,000
11.	Carbondale *	1751 01	WWTP/I/I Corr.	500,000
12.	Cherokee Co. SD #1 *	1745 01	PS Repl.	200,000
13.	Coolidge *	1703 01	WWTP Impvts.	400,000
14.	Downs Ind. Park +	1679 01	WWTP Impvts.	200,000
15.	Emmett *	1765 01	WWTP Impvts.	85,000
16.	Fredonia - Ph. 2 *	1750 01	I/I Corr.	500,000
17.	Garden Plain *	1716 01	WWTP Impvts.	1,200,000
18.	Goddard *	1734 01	WWTP Impvts.	3,000,000
19.	Goodland *	1383 01	WWTP Impvts.	2,500,000
20.	Great Bend	1768 01	Sewer Rehab.	1,000,000
21.	Greeley *	1763 01	Sewer Rehab.	166,637
22.	Haven *	1671 01	WWTP Impvts.	300,000
23.	Hesston *	1643 01	Sl. Handl. Impvts.	425,000
24.	Hillsboro *	1641 02	WWTP Impvts. Const.	3,000,000
25.	Hoisington *	1717 01	Sewer Rehab.	795,910
26.	Horton *	1665 01	WWTP Impvts.	1,727,300

27.	Hoyt * (FUNDED)	1757 01	WWTP Impvts.	400,000
28.	Jeff. Co. S.D. #7 *	1557 01	WWTP Impvts.	438,550
29.	Jetmore *	1579 01	WWTP Impvts.	1,500,000
30.	LaCrosse *	1206 01	WWTP Impvts.	2,000,000
31.	Latham *	1718 01	WWTP Impvts.	207,000
32.	Lawrence - Wakarusa	1776 01	Int. & Inf. PS	18,000,000
33.	Liberal	1391 01	WWTP Impvts.	12,000,000
34.	McPherson	1474 01	WWTP Impvts.	10,106,384
35.	Moscow *	1762 01	WWTP Impvts.	100,000
36.	Natoma *	1714 01	WWTP Impvts.	200,000
37.	Neosho Rapids *	1761 01	WWTP Impvts.	1,180,000
38.	Newton (Ph. I)	1747 02	WWTP Impvts.	3,500,000
39.	Newton	1747 01	Interceptor	3,500,000
40.	Olathe (CC Exp. Ph I)	1728 01	WWTP Impvts.	5,000,000
41.	Osage City *	1667 01	WWTP Impvts.	500,000
42.	Osborne *	1760 01	Sewer Rehab.	246,000
43.	Oskaloosa * (Ph. I)	1637 01	I/I Corr.	220,000
44.	Quinter * (FUNDED)	1758 01	WWTP Impvts.	800,007
45.	Rantoul *	1570 01	WWTP Impvts.	200,000
46.	Riley Co - Konza II *	1769 01	Interceptor	517,000
47.	Rose Hill *	1720 01	WWTP Impvts.	4,355,000
48.	Rush Center *	1400 01	WWTP Impvts.	300,000
49.	Severy *	1724 01	WWTP Impvts.	171,222
50.	Sharon *	1654 01	WWTP Impvts.	100,000
51.	Smolan *	1719 01	WWTP Impvts.	870,000
52.	Soldier *	1759 01	Sewer Rehab.	93,000
53.	Spivey *	1715 01	I/I Corr.	100,000
54.	Spring Hill *	1743 01	Interceptor	1,000,000
55.	Sterling *	1460 01	WWTP Impvts.	1,020,348
56.	St. George *	1713 01	WWTP Impvts.	1,700,000

57.	Summerfield *	1640 01	WWTP Impvts.	85,000
58.	Ulysses	1676 01	WWTP Impvts.	594,300
59.	Viola *	1692 01	WWTP Impvts.	200,000
60.	Weir *	1744 01	PS Repl.	40,000
61.	Wellington	1722 01	WWTP Impvts.	3,500,000
62.	Woodston *	1770 01	WWTP Rehab.	100,000
			TOTAL	<u>\$110,263,698</u>
			TOTAL TO BE FUNDED	\$109,063,691**

Leveraging Bond Issue - Est. Amount \$63M - Scheduled Mid 2008

Funds Remaining as of September 28, 2007 Including  
Funds Available from Future Leveraging Bond Issue 38,368,234

\* 5000 or Less Population

\*\* 284% of Program Available Funding of approximately \$38,368,234 as of September 28, 2007.

+ Project to be Funded from Environmental Initiatives Fund

The listing is not in a priority order, readiness will determine the actual assistance order. Projects from the Kansas Project Priority List may be substituted for the projects on this list.

Note: The project funded by the KWPCRF at Rose Hill also received EPA grant funding from Congress.

III. GOALS OF THE STATE REVOLVING FUND

A. Long-term Goals

1. To maintain a self-supporting revolving loan program through the Kansas Water Pollution Control Revolving Fund in order to improve and protect water quality and public health.

Planned Actions: KDHE Staff have routinely reviewed this issue in the past. In the future KDHE in conjunction with KDFA and the legal and financial consultants to the KWPCRF will continue to review the long-term capabilities of the KWPCRF to meet all financial obligations of the leveraged borrowings and also generate adequate service fee revenue to support the program in the future. This is planned to occur with the next Leveraging Bond issue, currently tentatively planned for mid 2008.

2. To establish and manage an effective and efficient State Revolving Fund Program, provided that its revolving nature is assured in perpetuity.

Planned Actions: KDHE in conjunction with KDFA and the legal and financial consultants to the KWPCRF have always reviewed this issue in the past in conjunction with each leveraging bond issue. These efforts will continue in the future with every leveraging bond issue. The next leveraging bond issue is currently tentatively planned for mid 2008.

KDHE in conjunction with the Kansas Department of Administration has contracted for annual independent audits of the KWPCRF, and will continue into perpetuity. The availability of the Independent Auditors Report is scheduled to allow the Audit Report to be included in the Annual Report.

3. To provide the type and amount of assistance most advantageous to local communities consistent with assuring the long-term purchasing power stability of the fund.

Planning Actions: Continue the current program, which has proven to be useful and successful.

4. To continue to fund water quality improvement, sludge handling improvements, and public health protection projects on a priority basis as presented in the Project Priority List.

Planned Actions: Continue the current program, which is proving successful in resolving water quality impairments, improving compliance with EPA Part 503 regulations, and improving the sanitary conditions of Kansas streams.

5. To support implementation of Water Quality improvements plans as presented within the Kansas Water Plan and TMDL plans written by KDHE and approved by EPA.

Planned Actions: The KWPCRF hopes to increase activity to implement Water Quality improvement plans by utilizing the Environmental Initiatives Fund opportunity to fund Non-Point Source pollution control projects. Funding for water pollution reduction projects as recommended by TMDL plans is being accomplished and will continue into the future.

6. To provide funding to non-traditional borrowers for water quality improvement and public health protection projects, including non-point source pollution control projects, through the Environmental Initiatives Fund.

Planned Actions: The Environmental Initiatives Fund has been established, and will continue to fund projects for the non-traditional borrowers and projects.

#### B. Short-term Goals

1. To provide financial assistance to water quality improvement projects for discharge to streams and water bodies within "high quality watersheds" consistent with the provisions of the Project Priority System.

Planned Actions: Continue the successful implementation of this goal.

2. To provide financial assistance for sewerage facilities to municipalities with population less than 5,000.

Planned Actions: Continue the successful implementation of this goal.

3. To assure compliance with Water Quality Standards and effluent limitations through encouraging construction of sewerage improvements in support of KDHE Permitting and Enforcement activities.

Planned Actions: Continue the successful implementation of this goal.

4. To encourage municipalities to use the KWPCRF for solving problems related to public health protection, water quality improvement, sludge handling improvements, and wastewater treatment facilities compliance through the construction of sewerage projects.

Planned Actions: Continue the successful implementation of this goal.

5. To assure compliance with domestic sewage sludge reuse criteria and disposal practices through construction of any necessary sludge handling improvements to comply with the 40 CFR Part 503 EPA regulations.

Planned Actions: Continue the successful implementation of this goal.

6. To fully utilize all available RHAG funds for public sewer systems in unsewered communities to resolve potential public health threats.

Planned Actions: This goal has been met, all RHAG funds have been offered to projects.

7. To develop and implement a linked-deposit procedure to fund projects with non-traditional borrowers.

Planned Actions: KDHE will reconsider the efforts necessary to implement this goal, and renew the effort to develop a linked-deposit procedure.

#### IV. INFORMATION ON ACTIVITIES TO BE SUPPORTED

Information pertinent to each proposed KWPCRF project to be funded is in Appendix A. As detailed in the Capitalization Grant Application, the State of Kansas intends to use 4% of the federal funds for administering the KWPCRF. A projected payment schedule is listed in Appendix B. Appendix C is a Multi-Year Payment Schedule of Actual and Projected Increases in the SRF Automated Clearinghouse. Appendix D is the sources and Uses of Funds Summary, and the Loan Administration Fees Summary.

Interest in use of the SRF continues as shown by the number of loan agreements and the list of projects on Table I. The EPA Domestic Sewage Sludge Reuse and Disposal regulations continue to encourage sludge handling improvement projects, typically completed with a comprehensive project for a mechanical wastewater treatment facility. KDHE continues to adopt revisions to the Surface Water Quality Standards regulations, which are requiring major capital outlays for numerous treatment plant improvement projects. The funds available to the KWPCRF could not meet these projected needs, and so KDHE proceeded to both "leverage", or increase the percentage of State funding in the Program by issuing additional revenue bonds,

and also review the status and timing of projects to be included in Table I.

KDHE, in conjunction with the Kansas Development Finance Authority (KDFA), conducted extensive financial and legal analysis of the concept of again "leveraging" additional monies for the Kansas SRF Program, i.e. borrowing more than the basic required 20% State Match to the EPA Capitalization Grant. The KWPCRF has sold Leveraging Bonds many times in the past and is planning to sell additional Leveraging Bonds in mid 2008. Even with efforts to maximize leveraging borrowing of the KWPCRF, many larger projects associated with growth cannot be funded by the KWPCRF, and are not included in this IUP.

#### V. CRITERIA AND METHODS FOR DISTRIBUTING FUNDS

The Kansas Department of Health and Environment has developed a Final SFY 2008 Project Priority Ranking System and a Final SFY 2007 Project Priority List. These documents provide a clear, objective order of ranking for wastewater facilities projects. Appendix E is by reference the Final SFY 2007 Project Priority Ranking System and Appendix F is by reference the Final SFY 2007 Project Priority List.

The funding order of projects may not be identical to the project ranking in the priority list. Readiness to proceed is an over-riding factor, however, the general order of the priority ranking is followed. There are several reasons "lower ranked" projects from the Priority List are included on the IUP. This is primarily due to the requirement up to 10% of monies in the fund must be made available to Cities of less than 5,000 population (Reference Table I projects noted with an \*). Past KDHE policy was to fund all projects on Table I and so any project included on the Final IUP Table I which did not receive funding this fiscal year would typically be carried over to next year's IUP. Table I has been revised to insure timely use of monies, and funding in priority order. All proposed projects are listed in the priority list.

#### VI. ASSURANCES AND SPECIFIC PROPOSALS

The Kansas Department of Health and Environment provides the necessary assurances and certifications in detail within the Operating Agreement. The Operating Agreement also includes the following requirements reiterated here:

1) 602(a) - Environmental Review

The KDHE will conduct environmental reviews in accordance with K.A.R. 28-16-13 the Kansas Environmental Review Procedure.

2) 602(b)(3) - Binding Commitment

The KDHE will enter into binding commitments equal to at least 120% of each quarterly capitalization grant payment within one year after receipt of the payment.

3) 602(b)(4) - Expeditious and Timely Expenditures

The KDHE will expend all funds in the KWPCRLF in an expeditious and timely manner.

4) 602(b)(5) - First Use for Enforceable Requirements

Funds will first be used to assure maintenance of progress toward compliance with enforceable deadlines, goals and requirements of the Clean Water Act.

5) 602(b)(6) - Compliance with Title II Requirements

EPA has clarified the "Title II Requirements" of Section 602(b)(6) are no longer applicable for loan projects executed after October 1, 1994. There are no projects included in Appendix A that include "Title II Reqmts."

6) Other Federal Requirements (Cross cutters)

EPA has also clarified the Federal "Cross Cutting" authorities (that is, other Federal laws and authorities that apply by their own terms in Federal financial assistance programs) are separate issues. Even though the "Title II Requirements" have now "sunsetting", all projects funded with funds "directly made available by" capitalization grants must also comply with these Federal "Cross Cutting" laws and authorities. These "Cross Cutters" are listed in the October 2003 Cross-Cutting Federal Authorities Handbook.

7) Environmental Benefits Reporting

The KDHE will provide Environmental Benefits reporting to EPA by completing the "one-pager" information submittal to the web-based information collection system, and add this spreadsheet as an Appendix to the Annual Report.

The KWPCRF project requirements to manage a loan project have been updated. The KWPCRLF "Procurement Procedures" were reviewed and revised in FFY '98 and loan projects must now comply with the "Cross Cutters" as listed in the October 2003 Cross-Cutting Federal Authorities Handbook, as additional Federal monies has increased the amounts of funds "directly made available by" EPA capitalization grants. Therefore, all projects in this IUP are identified as required to comply with "Cross Cutters".

VII. PUBLIC REVIEW AND COMMENT

A public hearing was held at 10:00 A.M. in the Azure Conference Room, 4<sup>th</sup> Floor, Curtis Building, 1000 SW Jackson, Topeka, Kansas, and comments were be received on the Priority System, Priority List, and IUP, and the Environmental Initiatives Fund. A summary of the hearing and other appropriate comments has been forwarded to EPA.

APPENDIX A  
 KWPCRF PROJECT INFORMATION  
 PROJECTS TO BE FUNDED  
 SFY 2008  
 LISTED ALPHABETICALLY

Application Name	Project Number	Loan Amount	Priority Points
Alden *	1766 01	100,000	24.00
Anthony *	1775 01	400,000	15.00
Arlington *	1771 01	300,000	48.00
Atchison (Relia.)	1305 01	2,500,000	31.00
Baldwin City *	1748 01	1,000,000	17.10
Basehor *	1767 01	4,000,000	37.00
Baxter Springs *	1755 01	2,000,000	77.00
Benton *	1483 01	1,250,000	23.05
Burlington *	1752 01	5,000,000	50.00
Butler Co. SD #8 *	1754 01	100,000	19.00
Carbondale *	1751 01	500,000	62.53
Cherokee Co. SD #1 *	1745 01	200,000	34.00
Coolidge *	1703 01	400,000	42.00
Downs Ind. Park +	1679 01	200,000	27.00
Emmett *	1765 01	85,000	44.10
Fredonia - Ph. 2 *	1750 01	500,000	27.11
Garden Plain *	1716 01	1,200,000	37.53
Goddard *	1734 01	3,000,000	38.84
Goodland *	1383 01	2,500,000	15.00
Great Bend	1768 01	1,000,000	10.00
Greeley *	1763 01	166,637	14.00
Haven *	1671 01	300,000	37.11
Hesston *	1643 01	425,000	28.10
Hillsboro *	1641 02	3,000,000	52.52
Hoisington *	1717 01	795,910	9.00
Horton *	1665 01	1,727,300	51.21

Hoyt * (Funded)	1757 01	400,000	36.10
Iola (Funded)	1618 01	2,751,000	57.47
Jeff. Co. S.D. #7 *	1557 01	438,550	65.00
Jetmore *	1579 01	1,500,000	63.58
LaCrosse *	1206 01	2,000,000	28.84
Latham *	1718 01	207,000	29.00
Lawrence - Wakarusa	1776 01	18,000,000	33.00
Liberal	1391 01	12,000,000	63.00
McPherson	1474 01	10,106,384	43.00
Moscow *	1762 01	100,000	14.00
Natoma *	1714 01	200,000	46.47
Neosho Rapids *	1761 01	1,180,000	42.50
Newton (Ph. I)	1747 02	3,500,000	43.00
Newton	1747 01	3,500,000	11.00
Olathe (CC Exp. Ph I)	1728 01	5,000,000	56.00
Osage City *	1667 01	500,000	44.11
Osborne *	1760 01	246,000	14.00
Oskaloosa * (Ph. I)	1637 01	220,000	54.47
Quinter * (FUNDED)	1758 01	819,047	42.50
Rantoul *	1570 01	200,000	47.00
Riley Co. (KONZA II)	1769 01	517,000	15.00
Rose Hill *	1720 01	4,355,000	47.00
Rush Center *	1400 01	300,000	15.00
Severy *	1724 01	171,222	15.00
Sharon *	1654 01	100,000	22.00
Smolan *	1719 01	870,000	9.00

Soldier *	1759 01	93,000	24.00
Spivey *	1715 01	100,000	35.00
Spring Hill *	1743 01	1,000,000	10.00
Sterling *	1460 01	1,020,348	10.00
St. George *	1713 01	1,700,000	62.00
Summerfield *	1640 01	85,000	62.53
Ulysses	1676 01	594,300	42.00
Viola *	1692 01	200,000	67.00
Weir *	1744 01	40,000	9.00
Wellington	1722 01	3,500,000	39.10
Woodston *	1770 01	100,000	14.00
		110,263,698	

SFY 2008  
APPENDIX A  
KWPCRF PROJECT INFORMATION  
PROJECTS TO BE FUNDED  
LISTED PRIORITY RANKING

Application Name	Project Number	Loan Amount	Priority Points
Baxter Springs *	1755 01	2,000,000	77.00
Viola *	1692 01	200,000	67.00
Jeff. Co. S.D. #7 *	1557 01	438,550	65.00
Jetmore *	1579 01	1,500,000	63.58
Liberal	1391 01	12,000,000	63.00
Carbondale *	1751 01	500,000	62.53
Summerfield *	1640 01	85,000	62.53
St. George *	1713 01	1,700,000	62.00
Iola (Funded)	1618 01	2,751,000	57.47
Olathe (CC Exp. Ph I)	1728 01	5,000,000	56.00
Oskaloosa * (Ph. I)	1637 01	220,000	54.47
Hillsboro *	1641 02	3,000,000	52.52
Horton *	1665 01	1,727,300	51.21
Burlington *	1752 01	5,000,000	50.00
Arlington *	1771 01	300,000	48.00
Rantoul *	1570 01	200,000	47.00
Rose Hill *	1720 01	4,355,000	47.00
Natoma *	1714 01	200,000	46.47
Osage City *	1667 01	500,000	44.11
Emmett *	1765 01	85,000	44.10
McPherson	1474 01	10,106,384	43.00
Newton (Ph. I)	1747 02	3,500,000	43.00
Neosho Rapids *	1761 01	1,180,000	42.50
Quinter * (FUNDED)	1758 01	819,047	42.50
Coolidge *	1703 01	400,000	42.00
Ulysses	1676 01	594,300	42.00

Wellington	1722 01	3,500,000	39.10
Goddard *	1734 01	3,000,000	38.84
Garden Plain *	1716 01	1,200,000	37.53
Haven *	1671 01	300,000	37.11
Basehor *	1767 01	4,000,000	37.00
Hoyt * (Funded)	1757 01	400,000	36.10
Spivey *	1715 01	100,000	35.00
Cherokee Co. SD #1 *	1745 01	200,000	34.00
Lawrence - Wakarusa	1776 01	18,000,000	33.00
Atchison (Relia.)	1305 01	2,500,000	31.00
Latham *	1718 01	207,000	29.00
LaCrosse *	1206 01	2,000,000	28.84
Hesston *	1643 01	425,000	28.10
Fredonia - Ph. 2 *	1750 01	500,000	27.11
Downs Ind. Park +	1679 01	200,000	27.00
Soldier *	1759 01	93,000	24.00
Alden *	1766 01	100,000	24.00
Benton *	1483 01	1,250,000	23.05
Sharon *	1654 01	100,000	22.00
Butler Co. SD #8 *	1754 01	100,000	19.00
Baldwin City *	1748 01	1,000,000	17.10
Anthony *	1775 01	400,000	15.00
Riley Co. (KONZA II)	1769 01	517,000	15.00
Rush Center *	1400 01	300,000	15.00
Goodland *	1383 01	2,500,000	15.00
Severy *	1724 01	171,222	15.00

Moscow *	1762 01	100,000	14.00
Greeley *	1763 01	166,637	14.00
Woodston *	1770 01	100,000	14.00
Osborne *	1760 01	246,000	14.00
Newton	1747 01	3,500,000	11.00
Great Bend	1768 01	1,000,000	10.00
Sterling *	1460 01	1,020,348	10.00
Spring Hill *	1743 01	1,000,000	10.00
Hoisington *	1717 01	795,910	9.00
Smolan *	1719 01	870,000	9.00
Weir *	1744 01	40,000	9.00
		110,263,698	

APPENDIX B

Proposed Payment Schedule  
(Increases in ACH Ceiling)  
SFY 2008

Quarter (FFY)	Month/Yr.	Administration	Project	Total
1st - 2008	Oct. 2007	386,336		386,336
1st - 2008	Oct. 2007		5,513,664	5,513,664
4th - 2008	July 2008		3,758,400	3,758,400
TOTALS		386,336	9,272,064	9,658,400

APPENDIX C: MULTI-YEAR PAYMENT SCHEDULE OF ACTUAL  
AND PROJECTED INCREASES IN SRF AUTOMATED CLEARINGHOUSE (ACH) (\$000)

		ACH Payments															
TOTAL		FY 1989 (A)				FY 1990 (A)				FY 1991 (A)				FY 1992 (A)			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
89 GRANT OFFER & AMENDMENT NO. 1	8,783			9		4,740	3,751			283							
90 GRANT OFFER & AMENDMENT NO. 1	9,077							6,558	1,667	571				281			
91 GRANT OFFER	18,524											5,140	4,400	8,984			
92 GRANT OFFER	17,538																17,538

		ACH Payments															
TOTAL		FY 1993 (A)				FY 1994 (A)				FY 1995 (A)				FY 1996 (A)			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
93 GRANT OFFER	17,349				4,000			5,100		5,100	3,149						
94 GRANT OFFER	10,764											5,000	5,764				
95 GRANT OFFER	11,117											500		10,617			
96 GRANT OFFER	18,211														6,471		5,212

		ACH Payments															
		FY 1997 (A)				FY 1998 (A)				FY 1999 (A)				FY 2000 (A)			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
96 GRANT OFFER		1,873	4,655														
97 GRANT OFFER			4,482					1,100									
98 GRANT OFFER								12,154									
99 GRANT OFFER											9,845			2,310	381		
00 GRANT OFFER														12,155			

	FY 2001 (A)				FY 2002 (A)				FY 2003 (A)				FY 2004 (A)			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
01 GRANT OFFER	12,007															
02 GRANT OFFER					12,033											
03 GRANT OFFER									3,665		8,291					
04 GRANT OFFER													504		11,458	

	FY 2005 (A)				FY 2006 (A)				FY 2007 (A)				FY 2008 (P)			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
05 GRANT OFFER	11,500															
06 GRANT OFFER					7,884											
07 GRANT OFFER													5,933		3,72€	

(A) - Actual  
(P) - Projected

APPENDIX D

KWPCRF  
Sources and Uses of Funds  
For Program Year 2008  
As of September 28, 2007

Sources:

Capitalization Grants Received Prior to 2007	\$	0
FFY 2007 Cap. Grant (w/o 604b - \$100,000)	\$	9,658,400
State Match for 2007 Cap. Grant – On Account	\$	1,186,535
Future Borrowing S. M. for 2007 Cap. Grant – Mid 2008	\$	745,145
Future Borrowing Net Leveraging Bond Proceeds – Mid 2008		\$63,000,000
Recycled Loan Account		<u>\$ 6,013,629</u>
		\$80,603,709

Uses:

Committed Loan Funds (Signed Loan Agreements)		\$41,849,139
2007 State Management [603(d)(7)]	\$	386,336
2007 Cap. Grant – New Loans	\$	9,272,064
2007 State Match – New Loans	\$	1,931,680
Recycled Loan Fund – New Loans	\$	6,013,629
Future Borrowing Leveraging Bonds – New Loans		<u>\$21,150,861</u>
		\$80,603,709

Total Amount Available for New Loans as of 09/28/07 is \$38,368,234.

## APPENDIX D

### Loan Administration Fees

On October 20, 2005, the Environmental Protection Agency issued guidance relative to the administrative fees charged by the states to recipients of CWSRF program assistance. The service fees collected by the Kansas Water Pollution Control Revolving Fund are not included as principal in the loans, but rather are paid as a portion of the total semi-annual repayments. The KWPCRF service fee is 0.25% of the remaining principal of the loan, and is included as part of the interest rate charged on a specific loan. The EPA guidance is somewhat complex, in that dependent upon the source of the funding for a loan, the service fee may be considered to be "program income." As shown in the following table, the administration fees collected are considered as either:

- program income earned during the Capitalization Grant period;
- program income earned after the Capitalization Grant period; or
- non-program income.

"During the grant period" is defined as "the time between the effective date of the grant award and the ending date of the award reflected in the final grant financial report."

Program income earned during the grant period may only be used for eligible KWPCRF activities, as defined in the Federal Clean Water Act, and KWPCRF program administration. Program income earned after the grant period, as well as non-program income, may also be used for eligible KWPCRF activities, as well as for a broad range of water-quality related purposes. The state must obtain approval from the Environmental Protection Agency to use program income earned after the grant period for water-quality related activities other than those currently identified as being eligible for the SRF program.

In prior years, EPA Region 7 had approved the use of KWPCRF service fees for staff time and efforts in support of the municipal NPDES permit program. The department will continue this request to USEPA to utilize program income earned after the grant period to supplement the department's water quality initiatives in SFY 2008. It is anticipated that \$205,000 of non-program income will be expended during SFY 2008.

Sources and Distribution of Loan Service Fees				
Service Fee Income	Program Income Earned During Grant Period	Program Income Earned After Grant Period	Non-Program Income	Totals
10/20/05 - 06/30/06	\$46,890	\$143,845	\$524,277	\$715,012
07/01/06 - 06/30/07	\$89,320	\$250,371	\$902,393	\$1,242,084
Total	\$136,210	\$394,216	\$1,426,670	\$1,957,096
Anticipated 07/01/07 - 06/30/08	\$90,000	\$260,000	\$950,000	\$1,300,000
Expenses				
Program Administration				
Est. 10/20/05 - 06/30/06	N/A	N/A	N/A	\$218,547
Est. 07/01/06 - 06/30/07	N/A	N/A	N/A	\$211,483
Est. 07/01/07 - 06/30/08	\$220,000	\$0	\$0	\$220,000
Water Quality Related				
Est. 10/20/05 - 06/30/06	N/A	N/A	N/A	\$174,242
Est. 07/01/06 - 06/30/07	N/A	N/A	N/A	\$202,221
Est. 07/01/07 - 06/30/08	\$0	\$0	\$205,000	\$205,000
Total				
Est. 10/20/05 - 06/30/06	N/A	N/A	N/A	\$392,789
Est. 07/01/06 - 06/30/07	N/A	N/A	N/A	\$413,704
Est. 07/01/07 - 06/30/08	\$220,000	\$0	\$205,000	\$425,000

N/A - Not Available  
Est. - Estimated

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09/18/07