

**KANSAS WATER
POLLUTION CONTROL
REVOLVING FUND**

PROJECT PRIORITY LIST



Final State Fiscal Year 2012

**KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT
DIVISION OF ENVIRONMENT
Bureau of Water
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INTRODUCTION

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This Final State Fiscal Year 2012 Kansas Water Pollution Control Revolving Fund (KWPCRF) Project Priority List is based upon the Final Fiscal Year 2012 Kansas Water Pollution Control Project Priority System dated August 2011. The Priority List is prepared consistent with the April 29, 1988, guidance from EPA and the October 1996 Clean Water State Revolving Fund Funding Framework prepared by EPA. The American Recovery and Reinvestment Act of 2009 (ARRA) provided substantial additional funds to the KWPCRF, with substantial additional conditions and requirements, which prompted development of a unique priority system for those funds to encourage "green design" for projects. The ARRA funding was a one-time-only funding, and the additional requirements do not carry over to the ongoing program. However, the FFY 2010 Federal Appropriations Act also includes several new requirements for the KWPCRF, which are extended to the FFY 2011 Federal Appropriations Act.

The Water Quality Act of 1987 (WQA of 1987) became law on February 4, 1987. These amendments call for several minor changes and the phase-out of the construction grants program; however, the main thrust of the amendments was establishment of Title VI - State Water Pollution Control Revolving Funds (SRF's). K.S.A. 65-3321 through 65-3329 authorizes establishment of the Kansas Water Pollution Control Revolving Fund (KWPCRF), for which KDHE has accepted Title VI capitalization grants, and allows KDHE to administer this new low interest loan fund for construction of water pollution control projects.

The WQA of 1987 requires that for a specific project to be eligible to receive a loan of Clean Water Act SRF (KWPCRF) monies, the project must be identified on the Priority List. Projects are "targeted" or "chosen" for KWPCRF loans by being placed in the Intended Use Plan (IUP).

Kansas has now applied for the FFY '11 capitalization grant for the Kansas Clean Water SRF. Reauthorization of the Clean Water Act continues to be debated in Congress, and this Final SFY '12 Priority List and the Final SFY '12 Intended Use Plan are based on the FFY '11 Capitalization Grant amount of \$13,328,000 and the recent sale of \$5M of State Match and \$60 M Leveraging Bonds.

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.

Due to the continued popularity of the KWPCRF and continued requests for funding by high priority water quality and sludge treatment (biosolids) projects, KDHE will continue to review the financial capability of the Fund. This ongoing review, which also considers the present financial condition in the bond market resulted in the sale of additional \$5M State Match bonds in part to match the 2010 Cap. Grant, to match the 2011 Cap Grant, to match the 2012 Cap Grant, and perhaps future Cap Grants. Approximately \$60M of leveraging bonds were sold in December 2010.

A project must be included in the IUP to actually receive a KWPCRF loan. KDHE will continue to utilize the Priority Ranking System and Priority List to aid in identifying the projects with the greatest need to proceed with a project. Therefore, projects will be considered in order of priority from the list for inclusion on the IUP, and subsequent receipt of a low interest KWPCRF loan.

In response to comments during the FFY '93 Public Hearing, KDHE will now consider projects for the upgrade and elimination of wastewater and sludge discharges from municipally-owned drinking water treatment facilities allowable for KWPCRF low interest loans. Such projects are allowable under Title VI of the Clean Water Act, however only construction necessary to improve or eliminate the discharge is an allowable cost, i.e. construction to expand/enhance water production is not allowable from the Clean Water SRF. Such projects can be funded by the Drinking Water SRF also administered by KDHE.

The priority system is designed to give the highest weight to projects affecting stream quality, particularly streams identified for drinking water supplies, swimming and wading, and recognized fisheries. The impact of this approach is evident as the highest ranked projects are treatment plant upgrades to comply with Surface Water Quality Standards. As ongoing KDHE field studies, stream impact analyses, toxicity testing as required by NPDES permits, etc., and the Municipality's efforts in gathering additional effluent data and developing engineering studies become available, this new information is utilized in developing accurate, up to date rankings. Also, the WQA of 1987 requires States to develop individual control strategies for toxic pollutants. Available information is utilized in ranking projects and adding additional potential projects to the List.

The priority system ranking criteria for "Discharge to High Quality Watersheds" was revised in FFY 1996, to recognize the Governor's Initiative in the Kansas/Lower Republican River Basin by providing additional priority points for projects located within these river basins. This section was also expanded in FFY 1997 to provide priority points for projects which result from Total Maximum Daily Load (TMDL) studies. As these studies are completed any project for pollution abatement identified as necessary to satisfy a TMDL to restore or protect stream segment water quality conditions will be provided additional priority points. This section was revised again in FFY 1999 to better reflect the 1999 Kansas Surface Water Quality Standards. The EPA Funding Framework is the reference to allow and prioritize Non-point Source Pollution Control projects.

Projects correcting basement flooding, overflows and bypasses also receive a higher rank. Infiltration/inflow correction and/or sewage overflow correction projects are loan eligible. Innovative or alternative projects, lagoons and regional systems are awarded a higher rank to encourage their use. This is in conformance with the State Water Quality Management Plan. A higher rank is provided if the recipient's county or planning area has a Countywide Wastewater Management Plan, Local Environmental Protection Program, water pollution abatement plan, or a similar sewer and water development plan which has been implemented. Enforcement actions are not considered in developing priority rankings. A public health hazard declaration is an overriding factor in assigning priority points.

The WQA of 1987 required EPA develop sludge management program regulations and technical criteria regulations for disposal of municipal sanitary sewage sludge. These regulations of criteria are now complete, having been published in 40 CFR Part 503 dated February 19, 1993. Treatment facilities have been added to the list which, based on presently available information, may require upgrading to comply with these criteria.

Collection system projects were ranked on the basis of information available within the Bureau's files and known to Bureau staff. If additional information on particular projects is available which might not have been considered in ranking a project, please inform this Bureau. The information should be presented in a format consistent with the ranking procedure.

The priority system and priority list were revised in FFY 1996 to provide funding for Non-Point Source Pollution Control Management Plan Implementation projects. The Master Bond Resolution was revised in 2010 and a new Master Financing Indenture was developed which allows funding to Non-Point Source pollution control projects, and funding to "non-traditional" applicants in the daily course of business.

Clean Water SRF projects can receive a loan for 100% of project costs, but project costs are, of course, limited to administration, engineering, and construction costs of the water pollution control project. The enabling Federal legislation does not allow the cost of land or easements within a Clean Water SRF project.

To receive additional priority points for selection of an I/A alternative or a Green Project Reserve alternative, a majority of the project must be involved with the I/A or GPR concept. For example, a project will not receive extra points only because a sludge hauling vehicle or anaerobic digesters are utilized.

In years prior to FFY 1993, KDHE had made the policy decision projects specifically for combined sewer overflow (CSO) should not be allowable for Clean Water SRF low interest loans. Also, the WQA of 1987 included the Title II restriction CSO Correction and Control was not allowable unless these were "a major priority in a State". As these discharge points have been permitted through the NPDES program, studied in more detail, and EPA has issued a final CSO Control Strategy, KDHE is including CSO Correction and Control projects as eligible loan projects.

For Clean Water SRF low interest loan projects, all costs of project development (planning, design, financial capability, etc.) are initially the responsibility of the potential loan recipient, but can be included with total project costs when a loan is actually provided. The estimated loan amounts are reflected in the "Tot. \$" column, as loans would be for the total project cost.

The Clean Water SRF Program includes two State Management set-asides to be established. The 604(b) - State Management/Non-Point Source set-aside is 1% of the State of Kansas allotment of Title VI funds, or a minimum of \$100,000. The STATUS OF FUNDS sheet shows this FFY 2011 604(b) reserve.

The 603(d)(7) - SRF Management is the second set-aside and is 4% of the actual capitalization grant received by KDHE for the Clean Water SRF. For the FFY 2011 capitalization grant, we again propose to “reserve the right” to set-aside the maximum allowable 4% of the capitalization grant. KDHE is tracking use of Administrative monies very closely, and has established a fee to generate future administrative monies to use after the 603(d)(7) grant monies are depleted. Please note the funds from this set-aside can be used for Clean Water SRF management only, and if less than the total set-aside amount is actually used, the balance remains in the fund. EPA has now finalized a new Policy regarding these Service Fees, and Appendix D of the Intended Use Plan presents information on this subject.

K.S.A. 65-3324 requires a set-aside for Small Communities (5,000 or Less population) also be established which ensures at least 10% of the total dollar amount of loans each year be made available for projects of municipalities having a population of 5,000 or less. If these set-aside monies are not utilized by small communities, the unused amount is then available for projects of other municipalities. All communities with 5,000 or less population are identified on the list with one * next to the project name. We encourage communities of 5,000 or less to develop projects and utilize this funding source.

STATUS OF FUNDS

May 20, 2011

I. Funds Available:

State Revolving Fund

2010 Cap Grant Funds Remaining	\$11,575,000
2011 SRF Capitalization Grant	\$13,328,000
with Adm. - 603(d)(7)	
2011 State Match - \$2,665,000 *	\$ 0
2011 Required Principal Forgiveness Amount	
Minimum -	\$ 1,235,051
Maximum -	\$ 4,116,837

II. Reserves:

State Revolving Fund

2011 State Management [603(d)(7)]	553,120
2011 State Water Quality Management [604(b)]	135,000

III. Funds in Process -

Future 2010 Lev. Bonds	\$ 0
Future 2010 State Match Bonds	\$ 0
Repayments Available 5/20/11	\$ 5,100,000
Total Funds Available -	
From all Sources	\$30,000,000

IV. Non-Point Source Pollution Control - 20% of the total 2011 Cap. Grant, or \$2,665,000, is set aside to funds NPS projects.

NOTE: Of the estimated FFY 2011 Cap. Grant and State Match, \$1,332,800 will be made available to small communities, i.e. population of 5,000 or less.

* Previously utilized for payments to active projects

APPLICANT NAME	PD	PROJ. #	PRATE	NPDES #	CO	SD	CD	RB	ER	NEEDS #	TOTAL \$	I	II	IIIA	IIIB	IVA	IVB	V	VI	VI-A	VI-B
Glacial Hills RC&D Ph 3	27	1923-01									0.756										0.047
Horton, City of *	30	1943-01									0.612									0.612	
Hosington, City of *	28	1844-01									0.450									0.450	
Jo. Co. Parks & Recreation	28	1845-01		RO41007							0.030									0.030	
Jo. Co. Parks & Recreation	28	1846-01		RO41007							0.066									0.066	
Junction City, City of	27	1847-01		RO44010							0.397									0.397	
Junction City, City of	29	1848-01		RO44010							0.883									0.883	
Kansas St. Univ. Wesley Hous	28	1886-01									0.159									0.159	
Kansas State University	28	1888-01									0.150									0.150	
Kansas State University	28	1889-01									1.000									1.000	
Kansas State University	28	1890-01									0.454									0.454	
Kansas State University	28	1891-01									0.102									0.102	
Kansas State University	28	1892-01									0.013									0.013	
Kansas State University	28	1893-01									0.050									0.050	
Kansas State University	28	1894-01									0.079									0.079	
Kiowa, City of *	27	1849-01									0.380									0.380	
Lawrence Mountain Bike Club	27	1896-01									0.047										0.047
Lawrence, City of	27	1850-01		RO41014							0.200									0.200	
Lenexa, City of	28	1852-01		RO41016							1.381									1.381	
Manhattan, City of	28	1853-01		RO44012							0.600									0.600	
Manhattan, City of	28	1854-01		RO44012							0.816									0.816	
Mission Hills, City of	28	1855-01		RO41022							0.293									0.293	
Mission Hills, City of	28	1856-01		RO41022							0.337									0.337	
Mission Hills, City of	28	1857-01		RO41022							0.382									0.382	
Oswego, City of *	27	1859-01									0.652									0.652	
Pottawatomie County	28	1860-01									0.535									0.535	
Shawnee, City of	28	1863-01		RO41003							0.534									0.534	
Shawnee, City of	27	1864-01		RO41003							0.048									0.048	
Shawnee, City of	27	1865-01		RO41003							0.060									0.060	
Shawnee, City of	27	1866-01		RO41003							0.055									0.055	
Topeka, City of	28	1867-01		0093327							0.415									0.415	
Topeka, City of	28	1868-01		0093327							0.283									0.283	
Topeka, City of	28	1869-01		0093327							1.000									1.000	
U. G. of WY CO	28	1870-01		0095656							0.115									0.115	
U. G. of WY CO	27	1871-01		0095656							0.800									0.800	
U. G. of WY CO	28	1872-01		0095656							2.514									2.514	
U. G. of WY CO	28	1837-01		0095656							0.400									0.400	
U. G. of WY CO	30	1873-01		0095656							0.800									0.800	
U. G. of WY CO	28	1874-01		0095656							0.500									0.500	
U. G. of WY CO	28	1876-01		0095656							5.057									5.057	
U. G. of WY CO	28	1877-01		0095656							2.092									2.092	
University of Kansas	29	1898-01									0.027									0.027	
University of Kansas	28	1899-01									0.280									0.280	
University of Kansas	29	1900-01									0.100									0.100	

APPENDIX A
PRIORITY LIST KEY

APP NAME.....Applicant name, City, Sewer District, etc.

PD.....Project Description

01 Treatment Plant *	11 Treatment Plant, Extraneous Flow Facilities and/or Bypass	19 Standby Power	26 Water Quality Protection - Storm Sewers and Non-Point Source Projects
02 Pump Station **	12 Interceptor & Pump Station	20 Pump Station Monitoring System	27 NPS - Stormwater Treatment
03 Interceptor	13 Interceptor, Pump Station, Collectors	21 Water Quality Limited Stream Protection	28 NPS - Urban Stormwater Management
04 Collectors	14 Interceptor & Collectors	22 Laboratory/Administrative/Maintenance Facilities	29 NPS - Comprehensive Stream-back and Riparian Rehabilitation
05 Treatment Plant & Collectors	15 Interceptor and/or Collectors & Extraneous Flow Facilities	23 Major Sewer Rehabilitation	30 NPS - Storm Sewers
06 Treatment Plant, Collectors, Interceptors	16 Extraneous Flow Facilities and/or Bypass Containment	24 Combined Sewer Overflow Correction/Control	
07 Treatment Plant & Interceptor	17 I/I Correction	25 Treatment Plant and Sludge Processing Facilities	
08 Treatment Plant & Pump Station	18 Sludge Processing Facilities		
09 Treatment Plant, Pump Station Interceptor			
10 Treatment Plant, Pump Station, Interceptor, Collectors			

* Includes modification to existing treatment plant.
existing pump station.

** Includes force main and/or may include modification to existing pump station.

PROJECT #..... Assigned Project Identification Number

PRATE..... Project Rating Number, based on State Priority Ranking System. Determines project position on list.

NPDES..... NPDES Permit Number for the Plant Receiving the Wastewater in Question.

CO..... County Code Number

001 Allen	029 Cloud	057 Ford	085 Jackson	113 McPherson	141 Osborne	169 Saline	197 Wabaunsee
003 Anderson	031 Coffey	059 Franklin	087 Jefferson	115 Marion	143 Ottawa	171 Scott	199 Wallace
005 Atchison	033 Comanche	061 Geary	089 Jewell	117 Marshall	145 Pawnee	173 Sedgwick	201 Washington
007 Barber	035 Cowley	063 Gove	091 Johnson	119 Meade	147 Phillips	175 Seward	203 Wichita
009 Barton	037 Crawford	065 Graham	093 Kearny	121 Miami	149 Pottawatomie	177 Shawnee	205 Wilson
011 Bourbon	039 Decatur	067 Grant	095 Kingman	123 Mitchell	151 Pratt	179 Sheridan	207 Woodson
013 Brown	041 Dickinson	069 Gray	097 Kiowa	126 Montgomery	153 Rawlins	181 Sherman	209 Wyandotte
015 Butler	043 Doniphan	071 Greeley	099 Labette	127 Morris	155 Reno	183 Smith	
017 Chase	045 Douglas	073 Greenwood	101 Lane	129 Morton	157 Republic	185 Stafford	
019 Chautauqua	047 Edwards	075 Hamilton	103 Leavenworth	131 Nemaha	159 Rice	187 Stanton	
021 Cherokee	049 Elk	077 Harper	105 Lincoln	133 Neosho	161 Riley	189 Stevens	
023 Cheyenne	051 Ellis	079 Harvey	107 Linn	135 Ness	163 Rooks	191 Sumner	
025 Clark	053 Ellsworth	081 Haskell	109 Logan	137 Norton	165 Rush	193 Thomas	
027 Clay	055 Finney	083 Hodgeman	111 Lyon	139 Osage	167 Russell	195 Trego	

SD..... KANSAS DEPARTMENT OF HEALTH & ENVIRONMENT DISTRICT OFFICE

1 - Southwest.....	Dodge City	4 - Northeast.....	Lawrence
2 - South Central.....	Wichita	5 - North Central.....	Salina
3 - Southeast.....	Chanute	6 - Northwest.....	Hays

CD..... CONGRESSIONAL DISTRICT NUMBER

01 - 1ST DISTRICT	03 - 3RD DISTRICT
02 - 2ND DISTRICT	04 - 4TH DISTRICT

RB..... MAJOR RIVER BASIN DESIGNATION

KS - KANSAS	MC - MARAIS DES CYGNES	LR - LOWER REPUBLICAN	LA - LITTLE ARKANSAS
MO - MISSOURI	VE - VERDIGRIS	SO - SOLOMON	AR - LOWER ARKANSAS
BB - BIG BLUE	NE - NEOSHO	SA - SALINE	UA - UPPER ARKANSAS
SH - SMOKY HILL	WA - WALNUT	UR - UPPER REPUBLICAN	CI - CIMARRON

ER..... ENFORCEABLE REQUIREMENT TO BE SATISFIED BY PROJECT.

- A - Project will result in compliance with issued permit.
- B - Permit not issued but project would satisfy permit conditions.
- C - Permit not applicable but project necessary to meet BP WTT.
- D - Project does not meet enforceable requirements of the act.

The second position of ER is used to further describe the project. The two following alphabetic characters are included for this purpose.

Y - The project in its entirety satisfies the enforceable requirements of the Act for the condition stated in the preceding character position.

P - Portions of the project do not satisfy the enforceable requirements of the condition stated in the preceding character position.

NEEDS #..... Needs Survey Identification Number

TOTAL COST..... Total Project Cost, which also represents the KWPCRF estimated loan amount.

I -	Secondary Treatment (Including Sludge Handling Improvements)	IV B -	New Interceptor Sewers
II -	Higher than Secondary Treatment	V -	Combined Sewer Overflow Correction/Control
III A -	Correction of Infiltration/Inflow	VI -	Stormwater Management
III B -	Sewer Rehabilitation	VI A -	Conveyance Infrastructure
IV A -	New Collector Sewers	VI B -	Treatment Systems