

**STATE OF KANSAS  
DEPARTMENT OF HEALTH AND ENVIRONMENT  
DIVISION OF ENVIRONMENT  
BUREAU OF WATER**

**INTENDED USE PLAN  
FOR  
THE KANSAS PUBLIC WATER SUPPLY LOAN FUND  
AMENDMENT 1**

**FISCAL YEAR 2015**



**SAM BROWNBACK  
GOVERNOR**

**SUSAN MOSIER  
ACTING SECRETARY**

**JOHN W. MITCHELL, DIRECTOR  
DIVISION OF ENVIRONMENT**

**MIKE TATE, DIRECTOR  
BUREAU OF WATER**

**July 1, 2014  
Amendment 1 January 21, 2015**

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### Appendices Appended by this Amendment

- A. Project Priority List
- D. Public Participation Summary
- E. State Match

## **I. INTRODUCTION**

Amendment 1 adds the following paragraph at the end of the Introduction Section:

The 2015 IUP is amended on January 21, 2015 to include additional projects on the Project Priority List.

The 2014 EPA capitalization grant was awarded to KDHE on July 7, 2014 in the amount of \$10,080,000. The Kansas allotment for the FFY 2015 EPA capitalization grant is \$10,080,000.

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

Amendment 1 adds the following paragraph at the end of the List of KPWSLF Projects Section:

On November 15, 2014, letters soliciting projects were sent to over 800 public water suppliers eligible to receive assistance from the Kansas Public Water Supply Loan Fund. These projects will be combined with the projects left over from the original 2015 Project Priority List (PPL) to create the amended 2015 Project Priority List. Eleven additional projects for \$16.2M were submitted for consideration of placement on the amended 2015 IUP. All projects are listed in order of project ranking and projects with the same ranking are further sorted by increasing project amount. The amended 2015 PPL can be found in Appendix A.

## **III. CRITERIA AND METHODS FOR DISTRIBUTING FUNDS**

Amendment 1 does not change the Criteria and Methods for Distributing Funds Section.

## **IV. FINANCIAL STATUS OF THE KPWSLF**

Amendment 1 does not change the Financial Status of the KPWSLF Section.

## **V. INTEREST RATES AND ADDITIONAL SUBSIDY**

Amendment 1 adds the following sentence at the end of the Interest Rates and Additional Subsidy Section:

Total Organic Carbon (TOC) MCL violations will not qualify for principal forgiveness.

## **VI. EQUIVALENCY PROJECTS**

Amendment 1 adds the following sentence at the end of the Equivalency Projects Section:

The \$13,000,000 loan to the Kansas City Board of Public Utilities (KPWSLF 2823) will be the equivalency project for the 2014 capitalization grant.

## **VII. SHORT AND LONG-TERM GOALS OF THE KPWSLF**

Amendment 1 does not change the Short and Long-Term Goals of the KPWSLF Section.

#### **VIII. RECYCLED FUNDS**

Amendment 1 does not change the Recycled Funds Section.

#### **IX. DESCRIPTION OF NON-PROJECT ACTIVITIES TO BE FUNDED**

Amendment 1 does not change the Description of Non-Project Activities to be Funded Section.

#### **X. RATES AND USES OF FEES**

Amendment 1 does not change the Rates and Uses of Fees Section.

#### **XI. CROSS COLLATERALIZATION**

Amendment 1 does not change the Cross Collateralization Section.

#### **XII. CASH DRAW RATIO**

Amendment 1 adds the following paragraph at the end of the section:

On December 18, 2014, KDHE issued state match bonds that resulted in \$2,200,000 of bond proceeds that were deposited into the fund. On December 19, 2015, the entire \$2,200,000 of state match was disbursed among 2 loans to the City of Atchison. The entire state match requirement for the 2015 Capitalization Grant has been deposited and disbursed; therefore the grant will have a draw ratio of 100%.

#### **XIII. PUBLIC REVIEW**

Amendment 1 adds the following paragraph at the end of the Public Review Section:

A public hearing on Amendment 1 of the FY2015 Intended Use Plan and Priority Ranking System was held on January 20, 2015. A copy of the meeting notice was published in the Kansas Register. The hearing attendance list and a summary of the hearing are included in Appendix D.

## **Appendix A**

### **Project Priority List**

**2015 Project Priority List**

Amended January 21, 2015

Municipality Name	Project #	Priority Rating	Project Description	Loan Request \$	Accumulative Amount \$	Population Served	Potential PF \$
Mahaska	2867	38	Construct Blending System to Reduce Radium	\$300,000	\$300,000	83	\$90,000.0
Englewood	2880	38	Construct New Wells to Resolve Nitrate Compliance	\$1,000,000	\$1,300,000	77	\$300,000
Timken	2871	38	Interconnect to Reduce Uranium and Replace Waterlines	\$1,250,000	\$2,550,000	74	\$375,000.0
Hiawatha	2849	38	Water Supply/Treatment Improvements to Reduce Nitrate	\$6,952,500	\$9,502,500	5,086	\$2,085,750
Norwich	2832	36	New Water Treatment Plant to Remove Nitrates	\$2,500,000	\$12,002,500	490	\$750,000
Brown Co. RWD #2	2839	36	New Wells to meet Compliance with Nitrate MCL	\$2,882,938	\$14,885,438	1,111	\$864,881
Pretty Prairie	2859	36	WTP for Nitrate Removal, Distribution System and Storage Replacement	\$4,600,000	\$19,485,438	691	\$600,000.0
Chautauqua Co. RWD #4	2833	30	Connection to consolidate Montgomery Co. RWD #13		\$19,485,438	160	\$0
Vermillion	2868	28	Interconnect with Marshall Co. RWD #3, Replace Services, Rehab Storage	\$534,000	\$20,019,438	111	
Oketo	2866	25	Replace Waterline and Interconnect with Washington RWD #1	\$417,000	\$20,436,438	65	
Kensington	2881	23	New Well, Disinfection Facility and Transmission Main	\$522,032	\$20,958,470	451	\$120,000
Kansas City BPU	2823	23	Replace Aging Waterlines and Filter Improvements	\$13,000,000	\$33,958,470	146,453	
Johnson Co. RWD #7	2829	15	Waterline to Serve Morning Deer Valley	\$230,000	\$34,188,470	4,537	
Burrton	2870	15	Construct New Well and Transmission Main	\$300,000	\$34,488,470	900	
Johnson Co. RWD #7	2826	15	Alternate Supply Line , Serve unserved area, waterline replacement	\$1,712,676	\$36,201,146	4,537	
Bonner Springs	2798	15	Chlorine Contact Clearwell and Pumps, Morse Ave Loop	\$2,000,000	\$38,201,146	7,314	
Nemaha Co. RWD #3	2856	15	Waterline Replacement	\$2,264,895	\$40,466,041	4,605	
Chanute	2882	13	Waterline Loop along 21st St.	\$180,000	\$40,646,041	9,355	
Chanute	2883	13	Waterline Loop along 35th Rd.	\$225,000	\$40,871,041	9,355	
Coldwater	2889	13	New Pumpstation Construction	\$261,000	\$41,132,041	854	
McCracken	2861	13	New Well, Replace Waterlines, Rehabilitate Storage, and New Generator	\$315,000	\$41,447,041	190	
Coffeyville	2875	13	Replace Transmission Main	\$366,960	\$41,814,001	16,262	
Howard	2873	13	Replace Waterlines	\$500,000	\$42,314,001	855	
Galena	2886	13	Convert to AMR meters	\$500,000	\$42,814,001	2,994	
Chanute	2884	13	New Inake and Pump Station at Santa Fe Lake	\$1,000,000	\$43,814,001	9,355	
Almena	2863	13	Storage Rehab, Replace Waterlines and Meters	\$1,285,500	\$45,099,501	403	
Yates Center	2887	13	WTP Rehabilitation	\$1,500,000	\$46,599,501	3,942	
Neodesha	2860	13	Intake Structure Replacement, Presedimentation Basins, and Waterlines		\$46,599,501	3,663	
Netawaka	2878	11	Waterline Replacement and Storage Rehab	\$624,375	\$47,223,876	143	
Belvue	2858	11	Connect to Pottawatomie Co. RWD #4	\$707,362	\$47,931,238	208	
Atchison	2890	11	Filter Rehabilitation	\$760,000	\$48,691,238	14,790	

**2015 Project Priority List**

Amended January 21, 2015

Municipality Name	Project #	Priority Rating	Project Description	Loan Request \$	Accumulative Amount \$	Population Served	Potential PF \$
Ulysses	2874	11	Replace Waterlines	\$939,987	\$49,631,225	6,239	
Jetmore	2876	11	Replace Water Tower and Transmission Main	\$1,269,675	\$50,900,900	887	
Newton	2888	11	Water Storage Rehabilitation	\$1,985,000	\$52,885,900	19,177	
Ottawa	2877	11	Redundant Raw Waterline	\$2,900,000	\$55,785,900	15,493	
La Cygne	2879	11	Replace Waterlines	\$6,618,325	\$62,404,225	1,835	
Butler Co. RWD #6	2817	10	New Stoney Creek Rd Waterline to Increase Pressure	\$200,000	\$62,604,225	3,428	
Bonner Springs	2865	10	Waterline Replacement on Pine Ave	\$270,000	\$62,874,225	7,419	
Butler Co. RWD #5	2807	10	Replace Pumpstation	\$272,000	\$63,146,225	1,450	
Butler Co. RWD #6	2820	10	New Waterline to Increase Pressure to City of Latham	\$350,000	\$63,496,225	3,428	
Butler Co. RWD #6	2822	10	Upgrade Meters to Remote Read	\$400,000	\$63,896,225	3,428	
Reno Co. RWD #1	2853	10	Transmission Main and Pumpstation to Connect to Hutchinson	\$448,420	\$64,344,645	123	
Butler Co. RWD #6	2821	10	Replace Aging SCADA system	\$500,000	\$64,844,645	3,428	
Butler Co. RWD #6	2818	10	Replace Willett Pump Station to Increase Pressure	\$600,000	\$65,444,645	3,428	
Butler Co. RWD #6	2819	10	Replace Beaumont Standpipe	\$700,000	\$66,144,645	3,428	
Franklin Co. RWD #5	2869	10	Replace Standpipes	\$700,000	\$66,844,645	855	
Butler Co. RWD #5	2675	10	Replace VFD and Connect to 2nd Source	\$743,000	\$67,587,645	4,757	
Ottawa Co. RWD #2	2855	10	Replace Storage Tank	\$900,000	\$68,487,645	1,794	
Bonner Springs	2864	10	Waterline Replacement and Looping on Morse and Sheidley	\$1,000,000	\$69,487,645	7,419	
Butler Co. RWD #6	2816	10	Replace Keighley Standpipe	\$1,200,000	\$70,687,645	3,428	
Butler Co. RWD #6	2815	10	New Waterlines and Pumpstations Improvements to Increase Pressures	\$1,500,000	\$72,187,645	3,428	
Cowley Co. RWD # 3	2852	10	Replace Storage and Chlorination Facility	\$1,764,400	\$73,952,045	2,500	
Johnson Co. RWD #7	2730	10	New Water Tower	\$2,973,713	\$76,925,758	4,537	
Chapman	2842	10	New WTP to Remove Iron and New Storage Tank	\$5,500,000	\$82,425,758	1,394	
Johnson Co. RWD #7	2640	10	New Water Tower to Share with Spring Hill	\$6,702,812	\$89,128,570	4,537	
El Dorado/Regional Supply	2802	4	New Water Treatment Plant	\$50,000,000	\$139,128,570	13,021	

New Projects added by 2015 IUP Amendment #1

Total Potential Principal Forgiveness \$5,185,631.4

41% of funds on PPL for systems with population of less than 5,000 for entire list

50% of funds on PPL for systems with population of less than 10,000 for entire list

## **Appendix D**

### **Public Participation Summary**

## State of Kansas

Department of Health  
and Environment

## Request for Comments

The Kansas Department of Health and Environment is proposing to issue a five-year Phase II Acid Rain Permit to the Emporia Energy Center (Plant Code: 56502) pursuant to Title IV (Acid Deposition Control) of the Federal Clean Air Act and implementing regulations found in 40 CFR Parts 72 through 78. The effective date of the permit is from January 1, 2015 through December 31, 2019.

Seven (7) simple cycle combustion turbines are affected by this permit action, identified as EEC1, EEC2, EEC3, EEC4, EEC5, EEC6 and EEC7, located at 1685 Road 200, Emporia, Lyon County, KS 66801, and operated by Westar Energy, P.O. Box 889, Topeka, KS 66601, and would receive 0, 0, 0, 0, 0, 0 and 0 sulfur dioxide (SO<sub>2</sub>) allowances, respectively, for each year from 2015 through 2019. Emporia Energy Center proposes to comply with the Acid Rain Program emission requirements by holding enough allowances to cover all sulfur dioxide emissions.

This permit supersedes the acid rain permit issued to the facility on September 21, 2012, which was originally set to expire on December 31, 2017. The purpose of issuing this permit is to synchronize the acid rain permitting activities for all Kansas Westar Energy Centers.

Issuance of this permit would not affect the responsibility of Emporia Energy Center to meet all other existing local, state and federal sulfur dioxide emission requirements.

The designated representative for Emporia Energy Center is John T. Bridson.

A copy of the proposed permit, permit application, all supporting documentation and all information relied upon during the permit application review process is available for public review during normal business hours, 8 a.m. to 5 p.m., at the KDHE, Bureau of Air, 1000 S.W. Jackson, Suite 310, Topeka, and at the KDHE Southeast District Office, 1500 W. 7th St., Chanute. To obtain or review the proposed permit and supporting documentation contact Lynette Bayless, 785-296-3271, at the KDHE central office, or Doug Cole, 620-431-2390, at the KDHE Southeast District Office. The standard departmental cost will be assessed for any copies requested.

Written comments or questions regarding the proposed permit may be directed to Lynette Bayless, KDHE, Bureau of Air, 1000 S.W. Jackson, Suite 310, Topeka, 66612-1366. In order to be considered in formulating a final permit decision, written comments must be received not later than noon January 12.

A person may request a public hearing be held on the proposed permit. The request for a public hearing shall be in writing and set forth the basis for the request. The written request must be submitted to Lynette Bayless, KDHE, Bureau of Air, not later than noon January 12 in order for the secretary of health and environment to consider the request.

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

Doc. No. 043150

## State of Kansas

Department of Health  
and Environment

## Notice of Hearing

A public hearing will be conducted at 2 p.m. Tuesday, January 20, in the Azure Conference Room, fourth floor, Curtis State Office Building, 1000 S.W. Jackson, Topeka, to discuss an amendment to the Kansas Public Water Supply Loan Fund (KPWSLF) 2015 Intended Use Plan (IUP). The Amended Intended Use Plan will make additions to the Project Priority List and include estimates of the anticipated 2015 Capitalization Grant from the U.S. Environmental Protection Agency. Copies of the IUP can be obtained online at <http://www.kdheks.gov/pws/loan/loanfund.htm>

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

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

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

Doc. No. 043147

## State of Kansas

Department of Health  
and Environment

## Request for Comments

The Kansas Department of Health and Environment is soliciting comments regarding a proposed air quality construction permit. Coffeyville Resources Refining and Marketing, LLC has applied for an air quality construction permit in accordance with the provisions of K.A.R. 28-19-300. Emissions of nitrogen oxides (NO<sub>x</sub>), carbon monoxide (CO), volatile organic compounds (VOCs), oxides of sulfur (SO<sub>x</sub>), particulate matter (PM), particulate matter with an aerodynamic diameter of less than or equal to 10 microns (PM<sub>10</sub>) and hazardous air pollutants (HAPs) were evaluated during the permit review process.

Coffeyville Resources Refining and Marketing, LLC, 400 W. Linden St., Coffeyville, KS 67337, owns and operates a refinery at the same location, at which a new hydrogen generation unit is to be installed.

A copy of the proposed permit, permit application, all supporting documentation and all information relied upon during the permit application review process is available for public review from the date of publication during normal business hours at the KDHE, Bureau of Air, 1000 S.W. Jackson, Suite 310, Topeka, and at the KDHE Southeast District Office, 1500 W. 7th St., Chanute. To obtain or review the proposed permit and supporting documentation contact Ashley Eichman, 785-296-1713, at the KDHE central office, or Doug Cole, 620-431-2390, at

FY2015 IUP Amendment 1  
Summary of Public Hearing  
January 20, 2015

FY2015 IUP Public Hearing  
Attendance List

January 20, 2015

Name

William Carr

From

KDHE

No members from the public or other agencies attended the public hearing so no presentation was made.

## **Appendix G**

### **State Match**

