Final Project Priority System for the Kansas Water Pollution Control Revolving Loan Program

State Fiscal Year 2019

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STATE OF KANSAS
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FINAL SFY 2019
KANSAS WATER POLLUTION CONTROL REVOLVING FUND
PROJECT PRIORITY SYSTEM
(Appendix J)

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I. INTRODUCTION

The Federal Water Pollution Control Act, the Clean Water Act as amended through 1987, requires states to develop and utilize a priority system to identify and schedule publicly-owned sewerage facilities for State Revolving Fund loan assistance.

The Water Quality Act of 1987 (Act) became law on February 4, 1987. A major part of the Act was establishment of Title VI - State Water Pollution Control Revolving Funds (SRF). The Act requires a potential loan project be identified on the Priority List. Federal appropriations for SRF began in FFY 1989 and have continued through FFY 2017. K.S.A. 65-3321 through 65-3329 authorizes the Kansas Water Pollution Control Revolving Fund (KWPCRF) in Kansas.

This FINAL SFY 2019 "Kansas Water Pollution Control Revolving Fund Project Priority System" supersedes the prior DRAFT SFY 2019 "Kansas Water Pollution Control Revolving Fund Project Priority System" dated March 16, 2018. The priority system for state revolving fund loans makes provisions for the following:

(1) Consideration of water use impairment.
(2) Emphasis on discharges to priority water bodies.
(3) Technology considerations.
(4) County-wide Wastewater Management Plan completion.
(5) Category of projects.
(6) Population affected.
(7) Public health effects.
(8) Discharge to high quality watersheds.

The KWPCRF loan will be for 100% of eligible costs for water pollution control facilities including planning, design, and construction costs. Also, all reasonable costs of administrative support directly provided for the project are allowable. The costs of full time employees of the Municipality and the purchase price of land and easements, as well as interest expense associated with the purchase price of land and easements, are not allowable within the Kansas SRF Program. Projects will be encouraged to consider innovative or alternative technologies; however there is no added financial incentive from the KWPCRF for utilizing I/A technology.

Please also note the “Principal Forgiveness Policy and Green Project Reserve Procedures Applicable to the FFY 2016 Federal Funding Provided to the Kansas Water Pollution Control Revolving Fund” document is attached to the FINAL SFY 2019 Intended Use Plan.

This project priority ranking system will also be used to identify and rank on a priority basis projects to abate non-point sources of pollution. Non-Point Source Pollution Control Implementation Plan projects are eligible to receive low interest loan financing from the Kansas

Water Pollution Control Revolving Fund, subject to all other terms and conditions of Federal and State Law and Regulations.

KWPCRF loan eligibility will be limited to exclude other than the most cost-effective alternative.

The Combined Sewer Overflow Correction/Control and Storm Water Pollution Control projects will continue to be included on the overall list with all other types of projects. Also, projects to eliminate or upgrade wastewater and sludge discharges from municipally-owned drinking water treatment facilities are allowable and are included on the overall list with all other types of projects. Only construction necessary to improve or eliminate the discharge is an allowable cost of the Clean Water SRF. However, construction and costs to expand or enhance water production is an allowable project under the new Drinking Water SRF also administered by KDHE and ranked by an entirely separate process.

Up to 10% of total available monies will be made available to communities of less than 5,000 population. These "small communities" will be identified on the priority list. Even if a project has a low environmental priority, a project for a community of less than 5,000 may receive a loan to satisfy this program requirement.

No projects will be eligible for KWPCRF funding unless they are in compliance with the Kansas Water Quality Management Plan, the 208 Area-wide Water Quality Management Plan, an applicable County-wide Wastewater Management Plan, and any formally adopted County environmental plan.

II. PRIORITY RATING CRITERIA

The priority rating criteria numerically ranks projects identified for KWPCRF funding eligibility. In determining the numerical score of each project, the Bureau of Water will consider the following factors: 1) impairment of designated water uses; 2) discharges to priority water bodies; 3) technology considerations; 4) completion of county-wide plan; 5) category of projects; 6) population affected; 7) public health effects; 8) discharge to high quality watersheds; and 9) allowance for the Director of the Bureau of Water to add supplemental points to insure adjustment for achieving:

(1) Zero discharge.

(2) Major water quality objectives.

(3) The elimination of health hazard conditions.

(4) The use of land disposal of treated wastewater.

(5) Reuse of treated wastewater in water shortage areas.

(6) The elimination of existing dry weather raw sewage discharges into waters of the state.

(7) Significant progress in local water pollution control abatement program.

EPA has requested the Project Priority System for the state revolving fund programs be revised to consider higher priorities for discharge into a stream reach or watershed identified as a high quality water body, or identified as a relatively higher priority watershed. In July 1999, KDHE completed the revisions to the Kansas Surface Water Quality Standards regulations, and within these new regulations have identified high environmental quality water bodies as "Outstanding Natural Resource Waters" (ONRW), “Exceptional State Waters” (ESW) and higher valued aquatic life use stream reaches as "Special Aquatic Life Use" (SALU). This priority system will provide additional priority points for projects which improve the quality of or eliminate discharges into ONRW, ESW, and SALU water bodies.

III. PRIORITY RATING CRITERIA (Non-Point Source Pollution Control Management Plan Implementation)

The policies and procedures for priority ranking of Non-Point Source Pollution Control Management Plan Implementation projects are being developed, and will be added following public review and input, and Public Hearing to solicit comments.

IV. ADMINISTRATIVE PROCEDURES

The following procedures will be observed in the administration of the priority system:

(1) The Bureau of Water will, by July 1 of each year, prepare a tentative priority list of all publicly-owned sewerage projects to be included for possible receipt of financial assistance during the following federal fiscal year. The projects will be ranked and the list will incorporate the priority score for each project.

(2) The Bureau of Water will give public notice of the priority list prepared under Section V(1) of this document and will hold one or more public hearings to receive comments on the list. The Bureau of Water will, upon request, provide information on the detailed calculations of the priority standing for a project.

(3) The Bureau of Water will, by October 1 of each year, provide EPA with a copy of the priority list.

(4) The Secretary of the Kansas Department of Health and Environment may amend the priority list to include a project(s) requested by the Bureau of Water as needed to protect the public health, meet emergency community needs or reflect changes in federal regulations, laws or allocations.

(5) The Bureau of Water intends to obligate available loan funds within the first year of their availability. Projects will be elevated to the Intended Use Plan (IUP) for funding based both on priority ranking and readiness to proceed.

(6) Any project on the Priority List may be funded as a KWPCRF loan project regardless of priority ranking. However, to receive a loan, a project must be contained within the Intended Use Plan (IUP) prepared by KDHE and approved by EPA.

(7) Available monies will be provided to projects on the IUP that are ready to proceed.

(8) Adequate wastewater treatment capacity must be pre-existing or must be constructed concurrently with a collection system project.

(9) As required by the Kansas enabling legislation, up to 10% of the total monies available for SRF projects on an annual basis must be made available to communities of less than 5,000 population. The monies targeted for the "Less than 5,000" population projects will be separately identified in the priority list.

V. IDENTIFICATION OF PROJECTS

Projects to be placed on the priority list may be identified by: 1) municipal officials; 2) KDHE, through the assessment of municipal sewerage needs (Needs Survey) prepared in accordance with Section 516 of the Federal Water Pollution Control Act; and 3) studies or inspections conducted by the Bureau of Water or by the request of federal, state or local agencies, agents or private individuals as confirmed by appropriate studies and/or investigations by the Bureau of Water.

Projects may also be identified by the Secretary of KDHE in accordance with Section IV(4) of this document, as necessary, for the elimination of a health emergency or as a necessary project for meeting a community need which was not foreseen or identified during the planning stage.

The Bureau of Water, from time to time, will inform the municipalities of the type of projects eligible to be placed on the priority list.

The priority list will identify all projects available for funding and the list will be updated annually.

VI. PROJECT RATING PROCEDURE

Projects identified in accordance with provisions of Section IV, other than those under Section IV(4), will be ranked in accordance with the rating system set forth in this Section. The ranking will be in descending order with the highest point total having the highest priority for funding. The following ranking procedure will be applied to each project to determine relative standing:

1. Priority for Impairment of Designated Water Use.

   A. Project located _____ River Basin;

      Discharging _____.

   B. Water Uses Affected.

      Identify the water uses the project affects or potentially affects. (Designated water use of the effluent receiving water).

Reference

a) Drinking Water _____
b) Aquatic Life/Fishing _____
c) Swimming & Wading _____
d) Boating _____
e) Agric. Water Supply _____
f) Indust. Water Supply _____
g) Shoreline Recreation _____

C. Project Pollutant Removal.

Determine project pollutant removal factor.

	(a) Pre-Project Condition (1)	(b) Post-Project Condition (1)	(c)* 1 - b/a
BOD	_____	_____	_____
Heavy Metals(2)	_____	_____	_____
Toxic Organics(3)	_____	_____	_____
Ammonia	_____	_____	_____
Fecal Coliform(4)	_____	_____	_____
Other	_____	_____	_____

*If zero (0) or less than 0.01 use 0.01

(1) Condition can be effluent concentration, wasteload, discharge volume, etc.; this condition must reflect capability of treatment units rather than poor operation of facility.

(2) Sum of all heavy metals present (if known). Recurring failure of bioscreens or effluent toxicity analyses, use 0.5 in Column (c).

(3) Sum of all known toxic organics (if known).

(4) Indicate disinfection need, use 0.9 in Column (c) if disinfection required.

D. Determine Projects Water Quality Impact.

(a) Enter pollutant removal factors (c) calculated under C, above, in the following tables for the uses identified under B.

	BOD	Heavy Metals	Toxic Organics	Ammonia	Fecal Colif.	Other
Drinking Water				//////	//////	
Aquatic Life/Fishing					//////	
Swimming/Wading		//////		//////		
Boating		//////		//////	//////	
Agric. Water Supply				//////	//////	
Indust. Water Supply				//////	//////	
Shoreline Recreation		//////	//////	//////	//////	

(b) Sum of all entries in table _____

(c) Divide sum by 19 _____

(d) Water quality impact points _____
(Multiply (c) x 500)

2. Discharge to Priority Water Bodies.

If any entry is made under Section I. B. a), b) or c), add 10 points.

3. Technology Consideration.

Add the following points for innovative project:

	Points
Innovative/Alternative Project*	10
Lagoon	5
Regional Plant	5

Maximum points -- 15.

* Shall be in proportion to the ratio between the total project and the I/A part of the project.

4. Countywide Plan / Local Environmental Protection Program Consideration.

Five (5) points will be awarded projects located within a County which has completed a Countywide Wastewater Management Plan or is developing a Local Environmental Protection Plan in conformance with the KDHE Local Environmental Protection Program.

5. Category of Projects.

Category	Points
Secondary Treatment	10
More Stringent Treatment, e.g. Ammonia Removal, Nutrient Removal, Toxicity Control	10
Sludge Handling Improvements	8
I/I Correction	8
New Collector	3
New Interceptor	3
Reliability Related Support Facilities e.g., pump station monitoring, administration buildings	2

Only one category can be considered for rating points.
Maximum points -- 10.

6. Population Affected.

Population of the grantee entity in which the project is located.

	Points
Greater than 75,000	10
50,000 to 75,000	8
25,000 to 50,000	6
10,000 to 25,000	3
0 to 10,000	2

Maximum points -- 10.

7. Public Health Effect.

	Points
Actual Health Hazard Declared by Local Health Dept. or KDHE	20
Potential Health Problem Declared by Local Health Dept. or KDHE	15
Groundwater Protection Determined Necessary by KDHE	10
Unsanitary Condition Identified by Local Health Dept.	7 ½
Unsanitary Condition Identified by KDHE	5

Only one category can be considered.

Maximum points -- 20.

8. Discharge to High Quality Watersheds.

	Points
If the stream reach or waterbody receiving the discharge from a wastewater treatment plant is designated as an Outstanding Natural Resource Water (ONRW), Exceptional State Water (ESW), or Special Aquatic Life Use (SALU) within the Kansas Surface Water Quality Standards regulations, add 10 points.	10
Section 303(d) of the Clean Water Act requires development of a list of water bodies that do not achieve applicable water quality standards after application of technology-based effluent limitations and best management practices. Any project for pollution abatement, either point-source or non-point source, identified within a Total Maximum Daily Load (TMDL) study as necessary to restore or protect the stream segment water quality condition receives 10 additional priority points.	10

(Note, these criteria are additive, i.e. a total 30 points can be added to the Priority Ranking (PRANK) from this category.)

PROJECT PRIORITY SCORE SUMMARY

(General Projects)

1. Use Impairment/Restoration _____

2. Discharge to Priority Water Bodies _____

3. Technology Consideration _____

4. County-wide Plan/Local Environmental Protection Program _____

5. Category of Projects _____

6. Population Affected _____

7. Public Health Effect _____

8. Discharge to High Quality Watershed _____

9. Bureau of Water Point Adjustment* _____

TOTAL PROJECT SCORE (sum of 1 through 9) _____

*Provide reasoning; maximum adjustment is 15 points.