

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

Environmental Benefit Statement
pursuant to K.S.A. 77-416

Proposed Amendment of Permanent Regulations

K.A.R. 28-15-52
K.A.R. 28-15-53

October 2019

Executive Summary of Proposed Amended Regulations

The statute that sets the maximum prepayment period for loans made by the Kansas Public Water Supply Loan Fund was amended to extend the repayment period from 20 years to 40 years (K.S.A 65-163i) effective July 1, 2019.

In order for the Kansas Public Water Supply Loan Fund to make these extended loan repayment terms available to municipalities, K.A.R 28-15-53 needs to be amended to remove the maximum 20 year loan repayment period and set conditions for longer term loans to comply with federal laws. Additionally, KAR 28-15-52 is proposed to be amended to allow the Kansas Public Water Supply Loan Fund to set different interest rates based on the repayment length of the loans. The ability to set a different rate for 20, 30, and 40-year loans helps to mitigate the risk of inflation that can decrease value of the longer term loan repayments made to the Fund, without penalizing those municipalities that choose a shorter loan repayment term.

Environmental Benefit Statement

1) Need for proposed amendment and environmental benefit likely to accrue.

a. Need.

State statute was amended to allow for loans with a repayment term of 40 years. However, the implementing regulations still only allow for a maximum loan repayment period of 20 years.

b. Environmental benefit.

There will not be an environmental benefit due to these proposed regulation changes. The changes in the regulations effect a voluntary financing program for municipal drinking water infrastructure projects. Any impact or benefit to the environment made by these drinking water infrastructure projects would not change due to the length of the loan repayment term.

2) When applicable, a summary of the research or data indicating the level of risk to the public health or the environment being removed or controlled by the proposed regulations.

This section is not applicable.

3) If specific contaminants are to be controlled by the proposed regulations, a description indicating the level at which the contaminants are considered harmful according to current available research.

This section is not applicable.