

Kansas Water Pollution Control Revolving Fund  
Responsiveness Summary and  
Funding Availability Discussion  
SFY 2009 Intended Use Plan

A public hearing was held on November 5, 2008, in the offices of the Kansas Department of Health and Environment to discuss and receive comments on the Draft 2009 Project Priority System, Project Priority List, and Intended Use Plan. These documents were also subject to continued review by KDHE staff, as well as EPA Region 7.

EPA comments encourage a review of the goals of this funding program. KDHE will continue to coordinate the use of the Kansas Water Pollution Control Revolving Fund (KWPCRF) to fund capital construction improvements in support of Kansas' water quality and public health protection priorities. These priorities include continued support of water quality improvements imposed through National Pollutant Discharge Elimination System (NPDES) and other improvements required by the Kansas Water Pollution Control (KWPC) permits, the new requirements being developed through the Total Maximum Daily Load (TMDL) processes, and the goals of the Kansas Nutrient Reduction Plan.

As a result of the public hearing, several projects are added to the Intended Use Plan and certain information is updated for other projects. During the time following the Public Hearing, KDHE sold revenue bonds to provide state match and leveraging funds, which significantly helped to clarify the financial capacity of the KWPCRF at this time. This bond sale provided state match for Federal grants and insures adequate cash is available for ongoing project costs and expenses. The information generated for the Bond Sale also helps to clarify the future capability to sell additional leveraging bonds by developing a "borrowing capacity analysis" for the program, as best can be accomplished in the current market conditions. Municipal bond market conditions are very uncertain, and the future even more so. The end result of the capacity analysis is the KWPCRF can expect to sell a maximum additional \$90 M leveraging bonds in the future, assuming no additional funding beyond 2009 is received from EPA. Also note, the current 2009 Cap. Grant is not entirely available at this time (late December 2008), but is expected to be provided in full in the near future, and there is no assurance of additional appropriations in 2010 or beyond. Given this reality, it was decided to reduce the "over-listing" of projects to be funded on the 2009 IUP, to insure the KWPCRF is not "over extended" beyond the financial capacity of the program.

Also at this time (late December 2008) there is a great amount of discussion regarding new "economic stimulus" funding from Congress for public works projects, including the Clean Water SRF program. If additional funding is provided by Congress, KDHE will develop an "Update to the FY 2009 IUP" to include additional projects to receive funding and any program changes as a result of the additional funding, if any. The updated documents will be made available to the public and all interested parties.