

Kansas Water Authority

In-Person & Virtual Meeting April 20, 2022

Options For Audio:

- **Use Computer Audio via Zoom**
or
- **Use your phone:**

Dial: (346) 248-7799

Meeting ID: 842 5830 5864

Passcode: 823561



MEETING AGENDA

<i>Time</i>	<i>Agenda Item</i>	<i>Presenter</i>	<i>KWA Advice</i>	<i>KWA Decision</i>	<i>Page No.</i>
9:00 am	Call to Order/Roll Call	Dawn Buehler	--	--	--
9:05 am	Approval of Meeting Minutes				
	January 27, 2022 Meeting	Dawn Buehler		X	2
9:10 am	KWA Public Water Supply Committee Update	John Bailey			--
	<i>*Possible Action Item*</i>				--
9:30 am	KWA RAC Operations Committee	Jeremiah Hobbs			
	RAC Membership			X	4
	RAC Messages to the KWA			X	5
9:40 am	Kansas Water Plan Update	Connie Owen	X		--
9:45 am	Legislative Update				
	House Water Committee	Connie Owen	X		--
	FY 2022 & 2023 Appropriations Process	Matt Unruh	X		--
10:30 am	BREAK				
10:45 am	KWA SWPF FY 2024 Budget Recommendation Process	Matt Unruh	X		6
11:00 am	Kansas Drought Discussion				--
	Updated Governor's Drought Declaration	Connie Owen	X		--
	Drought Response	Richard Rockel	X		--
	Reservoir Water Supply Operations During Drought	Nathan Westrup	X		--
12:00 pm	LUNCH				
12:45 pm	Kansas Water Success Stories	Andy Lyon	X		--
1:05 pm	Federal Update				
	Federal Infrastructure Funding	Tom Stiles Connie Owen	X		--
	Tuttle Creek Water Injection Dredging	Josh Olson	X		--
	EPA Wetland Grant	Kirk Tjelmeland		X	7
1:35 pm	KWA Ex Officio Agency Updates				--
2:05 pm	Director's Report	Connie Owen	X		--
2:15 pm	New Business				
2:30 pm	Adjourn				

Call to Order/Roll Call

Call to Order/Roll Call; *Dawn Buehler*

Minutes

Presented by: Dawn Buehler



Action Needed

Approval of minutes from:
January 27, 2022

KWA Public Water Supply Committee

Presented by: John Bailey & Nathan Westrup



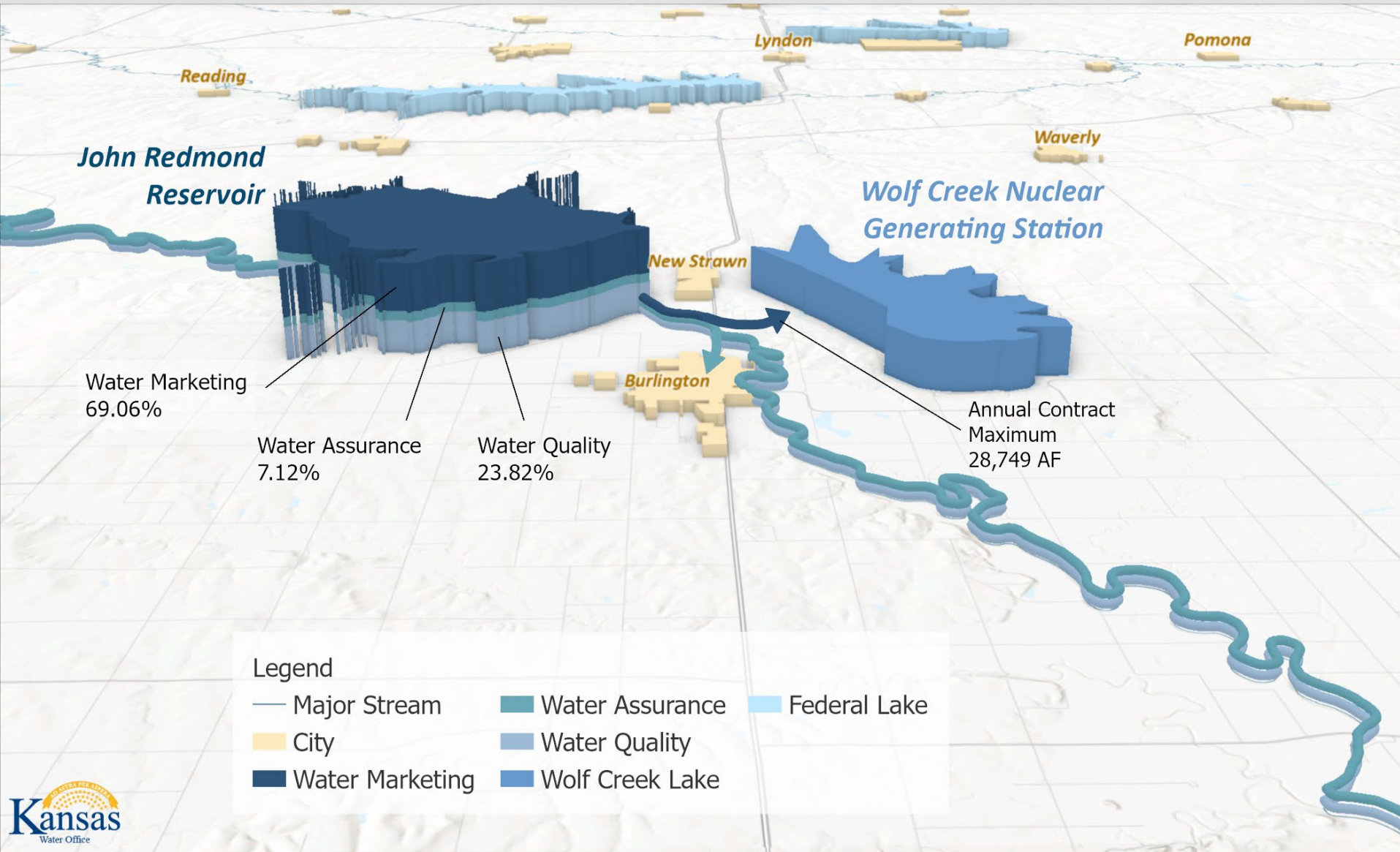
Action Needed

- Consider approval to negotiate an amendment of the contract term for Water Purchase Contract No. 17-2

Cottonwood/Neosho Water Supply



John Redmond / Wolf Creek



MEMO



DATE: April 18, 2022
TO: Kansas Water Authority
FROM: John Bailey, Chair, Public Water Supply Committee
Nathan Westrup
RE: Public Water Supply Committee Update

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Topeka, KS 66612
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Items Proposed for Action:

- Consider approval to negotiate an amendment of the contract term for Water Purchase Contract No. 17-2

Evergy has requested an extension of Water Purchase Contract (WPC) No. 17-2, the supplemental water supply for Wolf Creek Nuclear Generating Station. The source of supply for WPC No. 17-2 is John Redmond Reservoir and it is the sole source of make-up water for the power plant's cooling lake.

Water Marketing Contract No. 17-2

- o Original Term of 5 years (maximum 40)
- o Expires 12/31/22
- o Quantity: 9,368 MGY

Request for amendment

- o Article 2, extend contract term
 - o New thermal analysis of forced evaporation from cooling lake being conducted by Purchaser
 - o Incorporate new data into hydrologic model to determine how long John Redmond is sufficient to supply Wolf Creek
 - o Negotiations of the extended term will be based on both the additional number of years John Redmond yield is adequate and the Purchaser's desired extension
 - The Purchaser has been evaluating an alternative water supply program, membership with the Cottonwood and Neosho River Basins Water Assurance No. 3

The Public Water Supply Committee recommends the Director be approved to negotiate an amendment of Article 2 for Water Purchase Contract, No. 17-2

Additional topics of discussion at the PWS Committee meeting included following:

- 1) Negotiations of the City of Independence water purchase contract
 - a. Negotiations are on-going and anticipated to be complete by April 28th, 2022
 - b. If approved by the City Commission, will be brought to the June KWA meeting
- 2) Preliminary assessment of projected revenue and expenses of the Water Marketing Program for CY2023
 - a. Review of components necessary to determine the Water Marketing rate for CY2023
 - b. Recommended CY2023 rate will be proposed to the KWA at the June 2022 meeting
- 3) Discussed up-coming development of plans for the update to the Water Marketing Program Capital Development and Storage Maintenance Plan (statutory name), an update to the KWA-approved and published Public Water Supply Program Comprehensive Capital Development Plan – published in 2017
 - a. Workshop(s), possibly including persons with expertise beyond the PWS Committee members, were suggested to accomplish this work
- 4) Legislative session and potential contributions from SGF funds toward reservoir debt obligations

KWA RAC Operations Committee

Presented by: Jeremiah Hobbs & Angela Anderson



Action Needed

- RAC Membership
- RAC Messages to the KWA

The Kansas Water Authority Regional Advisory Committee (RAC) Operations Committee met April 4, 2022, via GoToMeeting. Discussion during the conference call focused on the following topics:

- Membership applications for the Equus-Walnut, Marais des Cygnes and Neosho RACs.
- RAC Messages to the KWA

The Committee reviewed and discussed applications for membership on the Equus-Walnut, Marais des Cygnes and Neosho RACs. The following membership recommendations were approved by the RAC Operations Committee for consideration and action by the full KWA:

- Recommend Tim Boese be considered for the Conservation/Environment (cc) category on the Equus-Walnut RAC with a term expiration of June 2025.
- Recommend Laura Hines be considered for Industry/Commerce (cc) category on the Marais des Cygnes with a term expiration of June 2023.
- Recommend Dean Grant be considered Water Assurance District (cc) category on the Neosho RAC with a term expiration of June 2023.

The KWA RAC Operations Committee recommends KWA approval of the applications for membership on the Equus-Walnut, Marais des Cygnes, and Neosho RACs as indicated above.

Message from the Upper Republican Regional Advisory Committee:

Message: *“The Upper Republican RAC would like to raise awareness on water quality issues that are being created by chemical applications and contaminations, the possible long-term effects, cost associated with issues that are caused, and how it is paid for.”*

Background: In response to water quality and contamination issues within the region in recent years, members of the Upper Republican RAC expressed concern over issues of chemical applications and fertilizers that could potentially create issues to water sources through exposure and cross-contamination.

Staff Input: Water quality is an important issue for the state of Kansas. Issues with water quality can affect both surface water and ground water and impede the safe use of those water resources for beneficial uses such as public and private drinking water. Communities should be aware of the current and potential contamination threats to their water resources. Various resources are available for communities and regions to gather information on potential contaminations to both ground and surface waters. The long-term effects and cost associated with the issues are dependent on the type of contamination, the beneficial use of the water resource, and the size of the contamination.

Response: The RAC Operations Committee determined that there is timeliness of this memo in regards to an article published on March 28, 2022 on the High Plains Public Radio titled, “As fertilizer pollutes tap water in small towns, rural Kansans pay the price.” The news piece highlighted Kansas towns with active drinking water violations and the cost to those rural towns in cleaning water supplies.

The KWA RAC Operations Committee recommended sharing this message with the full Kansas Water Authority as a topic to call to attention.

Kansas Water Plan Update

Presented by: Connie Owen

Legislative Update

Presented by: Connie Owen & Matt Unruh

- House Water Committee
- FY 2022 & 2023 Appropriations Process

SCHEDULED BREAK

Meeting will resume soon

KWA SWPF FY 2024 Budget Recommendations

Presented by: Matt Unruh



Action/Advice Needed

- FY 2024 KWA Budget Recommendation Development Process

FY 2024 KWA SWPF Budget Process Review

Included below for the KWA's reference and review is a proposed budget recommendation development process for FY 2024. KWA advice regarding this process is requested at this time prior to initiation.

FY 2024 KWA SWPF Budget Recommendation Process

April

- *KWA approves FY 2024 recommendation budget development process*
- KWA sets appropriation target (i.e. SGF/EDIF restoration or part thereof, pursuing BRFTF recommendation funding or other funding alternatives)
- KWA provides guidance on priorities / areas of funding

May

- Agencies develop funding requests
- Agencies convene to develop recommendations to KWA Budget Committee

May-June

- Research Coordination Group meets to develop research funding recommendations
- Recommendations provided to agencies and KWA Budget Committee

June

- KWA Budget Committee meets to develop draft budget recommendations

June-July

- RACs review draft budget recommendations and provide feedback to KWA Budget Committee

July-August

- KWA Budget Committee finalizes recommendations to full KWA
- Full KWA acts on recommendations

September

- KWA FY 2024 SWPF budget recommendations are submitted by agencies as part of agency administration budget process

Kansas Drought Discussion

Presented by: Connie Owen, Richard Rockel
& Nathan Westrup

- Updated Governor's Drought Declaration
- Drought Response
- Reservoir Water Supply Operations During Drought

LUNCH BREAK

Meeting will resume soon

Kansas Water Success Stories

Presented by: Andy Lyon

Federal Update

Presented by: Tom Stiles, Connie Owen,
Josh Olson & Kirk Tjelmeland

- Federal Infrastructure Funding
- Tuttle Creek WID
- EPA Wetland Grant (*KWA Action Requested*)



Federal Infrastructure Funding at KDHE

Kansas Water Authority| April 20, 2022



Kansas Public Water Supply Loan Fund



Drinking Water SRF (DWSRF)

Kansas Water Pollution Control Revolving Fund



Clean Water SRF (CWSRF)

Protect and improve the health and environment of all Kansans

Lets talk about BIL

- Senate Infrastructure Bill
- Passed by Senate August 10, 2021
- **Infrastructure Investment and Jobs Act**
- Bipartisan Infrastructure Deal
- Signed into Law November 15, 2021
- **Bipartisan Infrastructure Law**
 - Not a new grant/stimulus program
 - 5 Categories of funding
 - \$445M for KS over 5 years
 - Loan Forgiveness mostly limited to Disadvantaged Communities



CW Actual Appropriations for 5 Years

Year	KS CW Estimated Any Eligible Project	KS Estimated CW Forgiveness
2022	\$16,197,000.00	\$7,936,530
2023	\$18,751,731.86	\$9,188,349
2024	\$20,463,402.21	\$10,027,067
2025	\$22,166,556.78	\$10,861,613
2026	\$22,166,556.78	\$10,861,613
Total	\$99,745,248	\$48,875,171
2021	\$14,342,000	\$1,434,200
DEMAND	\$401,000,000	\$13,770,000
Year	KS CW Estimated Emerging Contaminants	KS Estimated CW Forgiveness
2022	850,000	All
2023	1,912,500	All
2024	1,912,500	All
2025	1,912,500	All
2026	1,912,500	All
Total	\$8,500,000	



Emerging Contaminants



- What are they?
 - PFAS and POPs
 - Biological contaminants and microorganisms
 - Pharmaceutical and personal care products
 - Nanomaterials
 - Microplastics
- EPA water quality criteria contaminants **not eligible**

CW SRF Loan Forgiveness 30% with Maximum \$1M

- Affordability Criteria (2 out of 4)
 - Municipality located in a Federal Opportunity Zone (Dept. of Commerce)
 - Municipality serves a population of 500 or less (using Kansas Certified Population Data by Division of Budget)
 - Median Household Income (MHI) less than 80% of the statewide MHI
 - County unemployment rate greater than 115% of the statewide average.



CW SRF Loan Forgiveness 30% with Maximum \$1M

- Sustainability (project scope)
 - Regionalization studies
 - Regional facilities
 - Converts <1 MGD mechanical treatment to lagoon treatment
 - Discharging lagoon to non-discharging lagoon



State Revolving Fund

DW Actual Appropriations for 5 Years

Year	KS DW Estimated Any Eligible Project	KS DW Estimated Forgiveness
2022	\$20,831,000	\$10,207,190
2023	\$24,116,647	\$11,817,157
2024	\$26,318,030	\$12,895,835
2025	\$28,508,461	\$13,969,146
2026	\$28,508,461	\$13,969,146
Total	\$128,282,599	\$62,858,473
2021	\$12,763,000	\$2,552,600
DEMAND	\$239,000,000	\$10,360,000
DIS ADV	\$10,000,000	\$7,400,000
Year	KS DW Estimated Emerging Contaminants	KS DW Estimated Forgiveness
2022	8,748,000	All
2023	8,748,000	All
2024	8,748,000	All
2025	8,748,000	All
2026	8,748,000	All
Total	\$43,740,000	

Year	KS DW Estimated Lead Service Lines	KS DW Estimated Forgiveness
2022	32,804,000	16,073,960
2023	32,804,000	16,073,960
2024	32,804,000	16,073,960
2025	32,804,000	16,073,960
2026	32,804,000	16,073,960
Total	\$164,020,000	\$80,369,800



Current DW SRF Loan Forgiveness



- Disadvantaged Community (Affordability Criteria)
 - 150 pop. \$500,000 max
- Project scope (30% up to \$1,000,000 max)
 - MCL resolution
 - Consent order resolution
 - System consolidation
 - Public Wholesale Water Supply District creation/expansion

Proposed DW SRF Affordability Criteria



- Disadvantaged Community
 - Municipal System with 150 pop. (\$500,000 max)
 - Municipal system that has poverty rate > the statewide poverty rate
 - Project area with benefits confined by census tracks that has a poverty rate > the statewide poverty rate
 - Few project types – LSL & distribution pipe replacement
 - Project area defined with pre-application



Timing

- Build America Buy America guidance expected in April/May
- Preapplication forms submitted before June 15.
 - <https://www.kdhe.ks.gov/DocumentCenter/View/2831/Kansas-SRF-Loan-Pre-Application-Form-PDF>
- 2023 Intended Use Plan July 2022
 - Will cover any remaining 2022 funds and anticipated 2023 funds

MEMO



DATE: April 14, 2022
TO: Kansas Water Authority
FROM: Kirk Tjelmeland
RE: EPA Wetland Grants

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Approval by the Kansas Water Authority, under KSA 74-2622, is required before the Kansas Water Office enters into agreements with the federal government. The KWO applied to receive funding 2021 Wetland Program Development Grant (WPDG) funding through Environmental Protection Agency (EPA) Region 7. The total amount of the grant is \$330,566.00, with a federal funding amount of \$247,924.00 and a non-federal matching fund obligation of \$82,642.00. All non-federal matches will be provided by in-kind service contributions. KWO has received notification from EPA of successful award of the grant.

The grant is entitled *Shoreline lacustrine wetlands in large Kansas reservoirs: status, trends and limiting factors* this would provide additional information to the 2015 WPDG which looked at wetlands in aging reservoirs. The proposed grant is looking wetland conditions in multiple reservoirs throughout the state.

Grant ideas were developed early in 2021 by a group of state agencies, interest groups and Kansas citizens with wetland knowledge. These grants address tasks identified in the Wetland Program Plan. KWO staff continue to work with the EPA and other wetland entities to accomplish tasks in the Wetland Program Plan to further the knowledge and understanding of wetlands and the water resource benefits they provide to the state of Kansas.

The KWO recommends the KWA authorize the Director to enter into an agreement with the U.S. EPA for the 2021 Wetland Program Development Grant.

Director's Report

Presented by: Connie Owen

New Business

Adjourn

Upcoming KWA Meetings:

- June 22, 2022 – Pittsburg
- August 17, 2022 – TBD
Kansas Governor's Summit on Agricultural Growth 8/18 in Manhattan
- October 19, 2022 – TBD
- December 14, 2022 TBD