

Approved 2-2-88  
Date

MINUTES OF THE SENATE COMMITTEE ON ENERGY & NATURAL RESOURCES

The meeting was called to order by Senator Merrill Werts at  
Chairperson

8:00 a.m./~~p.m.~~ on January 22, 1988 in room 123-S of the Capitol.

All members were present except:

Committee staff present:

Ramon Powers - Research  
Don Hayward - Revisor  
Nancy Jones - Secretary  
Laura Howard - Research  
Raney Gilliland - Research

Conferees appearing before the committee:

E.A. Mosher, Exec. Director, League of Kansas Municipalities  
William Henry, Exec. Vice Preseident, Ks. Engineering Society, Inc.  
George Barbee, Exec. Director, Kansas Consulting Engineers  
Dan Ramlow, Kansas Contractors Asso.

Hearing continued with testimony by proponents on:

SB 472 - Establishing the Kansas Water Pollution Control Fund

E.A. Mosher stated enactment of SB 472 is a top priority of the League to insure receipt of capitalization grants from federal funds for the establisemnt of a revolving loan fund. Success of the fund depends on providing low interest rates and minimizing administrative cost. (ATTACHMENT I)

Mr. Mosher stated the intent expressed in Sec. 7(b) gives the KDHE Secretary the authority to aid municipalities by requesting an increase of sewer charges if the source of revenue for repayment to the revolving fund is insufficient. Authority is granted the Secretary to order municipalities to make repayment on a loan from the local ad valorem tax reduction fund. Discussion was held on other possible problems for initial funding by small municipalities.

William Henry stated amendments offered by Mr. Mosher gives flexibility to the state and municipalities for financing loans. In 1983 the Kansas Engineering Society developed a questionnaire on infrastructure needs spanning five years, but this did not include expansion needs, so the federal seed money for this program is needed. The revolving fund will serve as a tool for financing areas of need not included in present regulations. (ATTACHMENT II)

George Barbee testified in support of SB 472 and amendments proposed. He stated this program is a necessary source of funding for environmental needs throughout the state and it is necessary to make it attractive with low interest rates. Mr. Barbee further stated the program is designed to aid the smaller communities for funding of projects. Concern was expressed by committee members that the smaller communities will not have priority over the needs of larger cities. Mr. Barbee feels language and intent of the bill gives equal support to the small municipalities. (ATTACHMENT III)

Dan Ramlow, testifying as a proponent, stated funding is needed for emerging water quality problems as well as satisfying sewerage need shown to exist since 1984. (ATTACHMENT IV)

Senator Feleciano questioned the need of using 4% of the grant monies for administrative costs and feels more control is needed regarding growth and use of the fund. It was noted that funds cannot be leveraged for the first six years to allow a greater return to municipalities of funds loaned. Secretary Grant stated the purpose of the administrative allowance is to avoid funding from the general fund.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON ENERGY & NATURAL RESOURCES,  
room 123-S Statehouse, at 8:00 a.m./~~p.m.~~ on January 22, 1988

Willie Martin made written testimony available to the committee members in support of SB 472. (ATTACHMENT Y)

SB 182 - Concerning oil and gas

Senator Gaines had requested introduction of the bill in 1987 and has advised that the bill is no longer needed.

A motion was made by Senator Feleciano to report SB 182 adversely, seconded by Senator Langworthy. Motion carried.

SB 131 - Relating to the Division of Water Resources.

Chairman Werts stated this bill will remain in committee until action is taken by the House on SB 39 which is germane to this legislation.

Meeting adjourned. The next meeting will be January 26, 1988.

1-22-85  
Guest List

Bill Henry	Kansas Engineering Society	Topeka
George Barber	Kan. Consulting	Topeka
Alvin Butler	Kansas Contractors Assn.	Topeka
Dan Ramlow	Ks. Contractors Assn.	Topeka
Edie Smith	City of Topeka	Topeka
David Cortiss	League of Municipalities	"
Jan Johnson	Budget Division	Topeka
D. WAYNE ZIMMERMAN	KDOC	TOPEKA
Larry Conrad	KG&E	TOPEKA
Janet Stubbs	HBAK	"
DAVID NUSZ	KDHE	TOPEKA
Karl Muedener	"	"
Stan Grant	"	"
Don Dragg	KDOC	"
Allen Bell	KDFA	"
Glenn Hawkins	Cable Service	Tulsa
Ed Carter	League of Municipalities	



# League of Kansas Municipalities

**PUBLISHERS OF KANSAS GOVERNMENT JOURNAL/112 WEST SEVENTH ST., TOPEKA, KANSAS 66603/AREA 913-354-9565**

TO: Senate Committee on Energy and Natural Resources  
FROM: E.A. Mosher, Executive Director  
DATE: January 21, 1988  
RE: SB 472--Water Pollution Control Revolving Fund

The League is in support of SB 472, to establish a state water pollution control revolving fund. Presented below is our 1987 convention-adopted policy statement on this issue. Enactment of SB 472 is one of the top 1988 legislative priorities of the League and its member cities.

Since there are several conferees scheduled to follow me, and will comment on the need and importance of SB 472, I will use my limited time on the proposed amendments we would like to offer. I do want to note, however, that SB 472 is an authorization act. It does not deal with the appropriation or funding requirements to meet the 20% state share required by the federal law as a condition for receiving the federal funds, estimated at \$76.7 million.

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**Water Pollution—Financing.** Enactment of the federal Water Quality Act (WQA) of 1987 signaled a new era in the federal contribution toward financing water pollution control facilities and systems. While the WQA terminates direct federal construction grants by September 1990, it authorizes additional federal moneys to be distributed over a six-year period (FFY 89 - FFY 94) to the states as capitalization grants to establish revolving funds to assist in the correction of water quality problems and meet sewerage facility needs. The primary use envisioned for the state revolving fund is as a no-interest or low-interest loan pool for local governments that face the need to build and modernize water pollution control facilities and systems. Because the WQA requires a 20% state contribution to the perpetual fund in order to receive capitalization grants, we urge the legislature to enact and fund a state revolving fund. The success of a revolving fund largely depends on its ability to provide low interest rates on loans to municipalities. The legislation should minimize administrative costs and provide the 20% share from state revenue sources to make the revolving fund financially workable and practical.

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Attach I

1-22-88

## AMENDMENTS TO SB 472, PROPOSED BY THE LEAGUE OF KANSAS MUNICIPALITIES

Session of 1988

## SENATE BILL No. 472

By Joint Committee on Economic Development

12-22

0016 AN ACT establishing the Kansas water pollution control revolving  
0017 fund and providing for the uses, administration and man-  
0018 agement thereof; imposing certain powers, functions and  
0019 duties with respect thereto upon the secretary of health and  
0020 environment.

0021 *Be it enacted by the Legislature of the State of Kansas:*

0022 Section 1. As used in this act:

0023 (a) "Fund" means the Kansas water pollution control revolving  
0024 ing fund established by section 2 of this act.

0025 (b) "Municipality" means any city, county, township, sewer  
0026 district, improvement district, or other political subdivision of  
0027 the state, or any combination thereof, which is authorized by law  
0028 to construct, operate, and maintain wastewater treatment works.

0029 (c) "Wastewater treatment works" means any treatment  
0030 works, as defined in the federal act, which is publicly owned.

0031 (d) "Project" means the acquisition, construction, improve-  
0032 ment, repair, rehabilitation, or extension of a wastewater treat-  
0033 ment works.

0034 (e) "Project costs" means all costs or expenses which are  
0035 necessary or incident to a project and which are directly attrib-  
0036 utable thereto.

0037 (f) "Federal act" means the federal clean water act as  
0038 amended by the federal water quality act of 1987 and any acts  
0039 amendatory thereof or supplemental thereto.

0040 (g) "Administrator" means the administrator of the United  
0041 States environmental protection agency.

0042 (h) "Secretary" means the secretary of health and environ-  
0043 ment.

0044 Sec. 2. (a) There is hereby established in the state treasury a

## DEFINITION OF TREATMENT WORKS

(Information only--not an amendment)

Title VI, Section 601 of the Water Quality Act of 1987,  
provides in part (in 33 USCS § 1381):

"(a) Subject to the provisions of this title [33 USCS §§ 1381 et seq.] the Administrator shall make capitalization grants to each State for the purpose of establishing a water pollution control revolving fund for providing assistance (1) for construction of treatment works (as defined in section 212 of this Act [33 USCS § 1292]) which are publicly owned."

The following was originally section 212 of the Federal Water Pollution Control Act of 1948, as added by the Clean Water Act of 1972, and is codified at 33 USCS § 1292:

"As used in this title [33 USCS §§ 1281 et seq.]--

.....

(2)(A) The term "treatment works" means any devices and systems used in the storage, treatment, recycling, and reclamation of municipal sewage or industrial wastes of a liquid nature to implement section 201 of this Act [33 USCS § 1281], or necessary to recycle or reuse water at the most economical cost over the estimated life of the works, including intercepting sewers, outfall sewers, sewage collection systems, pumping, power, and other equipment, and their appurtenances; extensions, improvements, remodeling, additions, and alterations thereof; elements essential to provide a reliable recycled supply such as standby treatment units and clear well facilities; and any works, including site acquisition of the land that will be an integral part of the treatment process (including land used for the storage of treated wastewater in land treatment systems prior to land application) or is used for ultimate disposal of residues resulting from such treatment.

(B) In addition to the definition contained in subparagraph (A) of this paragraph, "treatment works" means any other method or system for preventing, abating, reducing, storing, treating, separating, or disposing of municipal waste, including storm water runoff, or industrial waste, including waste in combined storm water and sanitary sewer systems. Any application for construction grants which includes wholly or in part such methods or systems shall, in accordance with guidelines published by the Administrator pursuant to subparagraph (C) of this paragraph, contain adequate data and analysis demonstrating such proposal to be, over the life of such works, the most cost efficient alternative to comply with sections 301 or 302 of this Act [33 USCS §§ 1311 or 1312], or the requirements of section 201 of this Act [33 USCS § 1281].

0045 fund to be maintained in perpetuity and to be known as the  
0046 Kansas water pollution control revolving fund. The fund shall  
0047 consist of:

0048 (1) Amounts awarded or otherwise made available to this  
0049 state under the federal act for the purposes of the fund;

0050 (2) amounts appropriated or otherwise made available by the  
0051 legislature for the purposes of the fund;

0052 (3) the proceeds, if any, derived from the sale of bonds issued  
0053 by the Kansas development finance authority for the purposes of  
0054 the fund to the extent provided in any agreement entered into by  
0055 the secretary and the authority;

0056 (4) amounts of repayments made by municipalities of loans  
0057 received under this act, together with payments of interest  
0058 thereon, in accordance with agreements entered into by such  
0059 municipalities and the secretary;

0060 (5) amounts earned as a result of investments made by the  
0061 pooled money investment board of moneys in the fund; and

0062 (6) amounts contributed or otherwise made available by any  
0063 public or private entity for use in effectuating the purposes of the  
0064 fund.

0065 (b) Subject to the conditions and in accordance with ~~the~~ any applicable  
0066 requirements of the federal act ~~and the provisions of this act, the~~ , as may be amended in the future,  
0067 fund may be used only:

0068 (1) To make loans to municipalities for payment of all or a  
0069 part of project costs;

0070 (2) to carry out planning ~~required by the federal act,~~ for wastewater treatment works;

0071 (3) for implementation of nonpoint source pollution control  
0072 programs and estuary protection programs;

0073 (4) as a source of revenue or security for the payment of  
0074 principal and interest on bonds issued by the Kansas develop-  
0075 ment finance authority if, and to the extent that, the proceeds of  
0076 the sale of such bonds are deposited in the fund;

0077 (5) to earn interest on moneys in the fund; and

0078 (6) for the reasonable costs, in amounts not to exceed 4% of  
0079 all amounts awarded to the state for the fund under title VI of the  
0080 federal act, of administering the fund and conducting activities  
0081 under this act.

0082 (c) Moneys not currently needed for operation of the fund, or  
0083 otherwise obligated, may be invested and reinvested by the  
0084 pooled money investment board:

0085 (1) In obligations of the United States of America or obliga-  
0086 tions the principal and interest of which are guaranteed by the  
0087 United States of America;

0088 (2) in interest-bearing time deposits in any commercial bank  
0089 or trust company located in Kansas; or

0090 (3) if the board determines that it is impossible to deposit  
0091 such moneys in such time deposits, in repurchase agreements of  
0092 less than 30 days' duration with a Kansas bank or with a primary  
0093 government securities dealer which reports to the market reports  
0094 division of the federal reserve bank of New York for direct  
0095 obligations of, or obligations that are insured as to principal and  
0096 interest by, the United States government or any agency thereof.  
0097 Income or interest earned by the fund shall be credited to the  
0098 fund. Moneys in the fund, or payable to the fund, are hereby  
0099 specifically made exempt from any and all taxes authorized by  
0100 law to be levied or collected.

0101 (d) All payments and disbursements from the fund shall be  
0102 made upon warrants of the director of accounts and reports  
0103 issued pursuant to vouchers approved by the secretary or by a  
0104 person or persons designated by the secretary. Except for  
0105 amounts provided for under subsection (a)(2), amounts deposited  
0106 in or credited to the fund under this section shall not be subject  
0107 to any limitation imposed by any appropriation act of the legis-  
0108 lature. All payments and disbursements from the fund, and  
0109 beginning and ending balances thereof, shall be subject each  
0110 year to post audit in accordance with article 11 of chapter 46 of  
0111 the Kansas Statutes Annotated.

0112 Sec. 3. The secretary shall administer the provisions of this  
0113 act, shall be responsible for administration and management of  
0114 the fund, and is hereby authorized to:

0115 (a) Enter into agreements with the administrator, which  
0116 agreements shall include but not be limited to the specific  
0117 requirements of the federal act;

0118 (b) establish jointly with the administrator a schedule of

0119 payments under which the administrator will pay to the state the  
0120 amounts made available under the federal act;

0121 (c) accept amounts paid to the state in accordance with the  
0122 schedule of payments and cause such amounts to be deposited in  
0123 the state treasury and credited to the fund;

0124 (d) enter into binding commitments for the provision of loans  
0125 in accordance with the requirements of the federal act and the  
0126 provisions of this act;

0127 (e) review applications of municipalities for loans and select  
0128 the projects for which loans will be made available each year;

0129 (f) provide the administrator, the governor and the legislature  
0130 with the annual report prepared in accordance with section 8 of  
0131 this act and with copies of the audit required under section 2 of  
0132 this act; and

0133 (g) adopt rules and regulations necessary for effectuation of  
0134 the provisions of this act.

0135 Sec. 4. (a) The secretary shall develop a priority system for  
0136 projects, establish ranking criteria therefor, review applications  
0137 of municipalities for loans, and prepare a project priority list. The  
0138 project priority list shall be in conformance with applicable  
0139 provisions of the federal act and shall include a description of  
0140 each project, the purpose, cost and construction schedule there-  
0141 for, and the municipality to be served or benefited thereby. After  
0142 preparation of the project priority list, the secretary shall select  
0143 from such list the projects for which loans will be made avail-  
0144 able.

[ an annual

0145 (b) In performing the functions and duties required by sub-  
0146 section (a), the secretary shall ensure that a fair proportion, at  
0147 least but not limited to 10%, of the total dollar amount of loans to  
0148 be made available to municipalities from the fund in each year  
0149 will be made available for projects of municipalities having a  
0150 population of 5,000 or less. In the event the municipalities to  
0151 which this subsection applies are unable to utilize the total  
0152 amount made available under this subsection, the secretary is  
0153 authorized to make the unused amount available for projects of  
0154 other municipalities.

[ on the project priority list

0155 Sec. 5. After providing for public comment and review each



0156 year, the secretary shall prepare a plan identifying the intended  
0157 uses of the moneys available in the fund. The intended use plan  
0158 shall include, but not be limited to:

0159 (a) The project priority list;

0160 (b) a list of activities, if any, for which the fund is authorized  
0161 to be used under subsection (b)(3) of section 2 of this act;

0162 (c) a description of the short- and long-term goals and objec-  
0163 tives of the fund;

0164 (d) information on the projects and activities to be supported,  
0165 including a description thereof, terms of loans to be provided,  
0166 and municipalities to be served or benefitted;

0167 (e) assurances and specific proposals for meeting the re-  
0168 quirements of the federal act; and

0169 (f) the criteria and method established for the provision of  
0170 loans to be made from the fund.

0171 Sec. 6. (a) Municipalities which desire the provision of a  
0172 loan under this act shall submit an application therefor to the  
0173 secretary. Applications shall be in such form and shall include  
0174 such information as the secretary shall require and shall be  
0175 submitted in a manner and at a time to be determined by the  
0176 secretary.

0177 (b) The secretary may enter into agreements with any mu-  
0178 nicipality for the provision of a loan thereto for payment of all or  
0179 a part of project costs and any municipality may enter into such  
0180 an agreement and may accept such loan when so authorized by  
0181 its governing body. The purposes of the loan to be provided, the  
0182 amount thereof, the interest rate thereon, and the repayment  
0183 terms and conditions thereof, all of which may vary among  
0184 municipalities, shall be included in the agreements. Loans shall  
0185 be provided at or below market interest rates and may be pro-  
0186 vided interest free. All such agreements shall require that mu-  
0187 nicipalities establish a dedicated source of revenue for repay-  
0188 ment of the loans: ~~Such agreements shall further provide that~~  
0189 repayment of any loan received shall begin not later than one  
0190 year after receipt of the loan and that such loan shall be repaid in  
0191 full no later than 20 years thereafter.

0192 (c) In the event any municipality to which a loan is made

[ , as provided in section 7 of this act.

0193 available under this act fails to enter into an agreement with the  
0194 secretary for the provision of such loan in accordance with the  
0195 requirements of this act, the secretary is authorized to make the  
0196 amount of the loan available for one or more other projects on the  
0197 project priority list.

0198 (d) The secretary shall provide any municipality, upon its  
0199 request, with technical advice and assistance regarding a project  
0200 or an application for a loan for the payment of all or a part of  
0201 project costs.

0202 Sec. 7. (a) In order to ensure repayment by municipalities of  
0203 the amounts of loans provided under this act, the secretary, after  
0204 consultation with the governing body of any municipality which  
0205 receives a loan, may adopt charges to be levied against users of  
0206 the project. Any such charges shall remain in effect until the total  
0207 amount of the loan, and any interest thereon, has been repaid.  
0208 The charges shall, insofar as is practicable, be equitably as-  
0209 sessed. The governing body of any municipality which receives  
0210 a loan under this act shall collect charges as established by the  
0211 secretary and shall pay the moneys collected therefrom to the  
0212 secretary in accordance with procedures established by the sec-  
0213 retary.

0214 (b) ~~Notwithstanding the provisions of K.S.A. 79-2960 and~~  
0215 ~~79-2961, and amendments thereto, any municipality applying for~~  
0216 ~~the provision of a loan under this act may establish as a dedicated~~  
0217 ~~source of revenue for repayment of such loan all or such part of~~  
0218 ~~its share of the local ad valorem tax reduction fund as may be~~  
0219 ~~necessary for such purpose and, to the extent such fund is~~  
0220 ~~dedicated and used for such purpose, the municipality shall not~~  
0221 be required to make the tax levy reductions otherwise required  
0222 by K.S.A. 79-2960 and 79-2961, and amendments thereto. Taxes  
0223 levied by any municipality by reason of its failure to make such  
0224 reduction in its levies shall not be subject to or be considered in  
0225 computing the aggregate limitation upon the levy of taxes by  
0226 such municipality under the provisions of K.S.A. 79-5003, and  
0227 amendments thereto.

0228 (c) Municipalities which are provided with loans under this  
0229 act shall maintain project accounts in accordance with generally

The dedicated source of revenue for repayment of the loans may include service charges, connection fees, special assessments, property taxes, grants, or any other source of revenue lawfully available to the municipality for such purpose.

and may be in the form of a surcharge to the existing charges of the municipality any

Upon the failure of a municipality to meet the repayment terms and conditions of the agreement, the secretary may order the treasurer of the county in which the municipality is located to pay to the secretary such portion of the municipality's share of the local ad valorem tax reduction fund as may be necessary to meet the terms of the agreement, notwithstanding the provisions of K.S.A. 79-2960 and 79-2961 and amendments thereto. Upon the issuance of such an order,

0230 accepted government accounting standards.

0231 (d) Municipalities which receive a grant and an allowance  
0232 under the federal act with respect to project costs for which a  
0233 loan was provided under this act shall promptly repay such loan  
0234 to the extent of the allowance received under the federal act.

0235 Sec. 8. The secretary shall prepare an annual report de-  
0236 scribing how the state has met the goals and objectives for the  
0237 previous year as identified in the intended use plan prepared  
0238 pursuant to section 5 of this act. The secretary shall submit the  
0239 annual report to the administrator, the governor, and the legisla-  
0240 ture.

0241 Sec. 9. This act shall take effect and be in force from and  
0242 after its publication in the statute book.

(e) The amount of any loans received by a municipality under the provisions of this act shall not be included within any limitation on the bonded indebtedness of the municipality.



## Kansas Engineering Society, Inc.

627 S. Topeka, P.O. Box 477  
Topeka, Kansas 66601 (913) 233-1867

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### Testimony for the Energy & Natural Resources Committee January 21, 1988

Mr. Chairman, members of the committee I am Bill Henry, the Executive Vice President of the Kansas Engineering Society and I appear today before you in support of S.B. 472.

The members of our Society work in a variety of roles dealing with wastewater treatment in the state. Members of our organization work as governmental representatives in the operation, planning and inspection of these wastewater treatment facilities while other KES members serve the public as consultants to local units of government and plan and design these facilities.

While the federal government is a favorite target for criticism by engineers, and others I suspect, there is no doubt that without the funding of the Clean Water Act, Kansas communities would have even greater concerns today than they have without the past federal financing in this area of our infrastructure.

But after federal fiscal year 1990 the funds under this program will be terminated. Unfortunately, as our members can attest, the sewerage needs of Kansas local units of government will not have a similar sunset.

In 1984 a special committee of the Kansas Engineering Society worked with the Kansas Department of Economic Development in designing a research questionnaire on Kansas infrastructure needs. The results of that study identified between \$236 to \$400 million in sewage system needs through 1990 to serve our existing population. Other studies by state agencies and other non-profit organizations have identified at least a \$300 million needs list in this area.

To meet these needs there must of course be funding to finance the costs in wastewater treatment. One method of partially meeting these costs is to establish a state fund, capitalized by federal seed money, to loan local units of government the funds on a priority basis to meet wastewater treatment needs.

After analyzing S.B. 472 we feel this measure is worth supporting although it is certainly, as a financial mechanism by itself, insufficient to meet the total needs that exist today.

We would therefore recommend that this committee recommend favorable for passage S.B. 472 so that we may garner a share of some remaining federal funds to aid us in this venture.

Respectfully submitted

William M. Henry  
Executive Vice President

ATTACH II  
1-22-88



GEORGE BARBEE, EXECUTIVE DIRE.  
810 MERCHANTS NATIONAL BANK  
8TH & JACKSON  
TOPEKA, KANSAS 66612  
PHONE (913) 357-1824

DATE: January 21, 1988  
TO: Senate Committee on Energy & Natural Resources  
FROM: George Barbee, Executive Director  
RE: SB-472

Mr. chairman and members of the committee, my name is George Barbee, President of Barbee & Associates and I am representing the Kansas Consulting Engineers. I am appearing before you today in support of SB-472 which establishes the Kansas Water Pollution Control Revolving Fund.

The Kansas Consulting Engineers have been keenly involved with the drafting of legislation implementing a state revolving loan fund for Kansas. We ask for your help in implementing this program as a positive step to help Kansas water quality and sewerage needs for the state.

As others have already testified here today, the Federal Water Quality Act of 1987 eliminates the Federal Grants program after FY 1990, but does provide for a transition from grants to loans beginning in FY 1989. As you have heard, the only way for Kansas to receive federal assistance with our sewerage needs is for the state to adopt the Kansas Water Pollution Control Revolving Fund. It should be noted that this revolving fund can only be used for sewerage and water quality needs and must be set up in accordance with the Federal Water Quality Act of 1987.

Various reports have noted the Kansas sewerage needs over the next twenty years are in the neighborhood of \$300 million. The Kansas Water Pollution Control Revolving Fund coupled with the U.S. EPA's construction grants program could provide Kansas communities with up to \$92 million dollars over the next six years. Of this \$92 million Kansans would only be required to pay a 20 percent match or approximately \$15.34 million. The Kansas Consulting Engineers see this as a large step forward for meeting our sewerage needs at a fraction of the total cost.

I urge you to adopt SB-472 so that Kansas may continue to meet its growing sewerage needs.

AFFILIATED WITH:

KANSAS ENGINEERING SOCIETY    AMERICAN CONSULTING ENGINEERS COUNCIL    PROFESSIONAL ENGINEERS IN PRIVATE PRACTICE    NATIONAL SOCIETY OF PROFESSIONAL ENGINEERS

ATTACH-III  
1-22-88

# The Kansas Contractors Association, Inc.

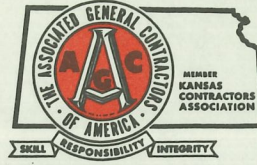
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## TESTIMONY BEFORE THE SENATE ENERGY AND NATURAL RESOURCES COMMITTEE

January 21, 1988  
Senate Bill 472

Dan Ramlow  
Kansas Contractors Association, Inc.

Thank you. Mr. Chairman and members of the committee, my name is Dan Ramlow and I am Assistant Manager of the Kansas Contractors Association located in Topeka. We appreciate this opportunity to express our support for the passage of Senate Bill 472, a bill which would establish the Kansas water pollution control revolving fund.

Our membership includes municipal-utility contractors who make their living constructing wastewater treatment facilities and sewer systems for communities throughout Kansas. The great majority of these type projects are constructed under the construction grants program of the U.S. Environmental Protection Agency. The EPA, as you have heard from prior testimony, is phasing out its current grants program, which since 1972 has provided Kansas with \$408 million in funds for communities to build their wastewater and sewer systems.

The Water Quality Act of 1987 ends the grants program after October 1, 1991, but provides for a transition from grants to loans beginning October 1, 1988. To take advantage of these federal funds, or capitalization grants, under the Water Quality Act, Kansas must establish by statute a water

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pollution control revolving fund. According to what is projected as federal money and the state match over the life of the loan program, a total of \$92.01 million could be available in a perpetual fund to finance correction of emerging water quality problems and to satisfy statewide sewerage needs.

Significant water quality and sewerage needs still persist across our state. In 1984 the Kansas Department of Economic Development surveyed communities throughout the state for their infrastructure needs, which included water and sewer needs. The "Kansas Infrastructure" study identified between \$236 to \$400 million in sewerage system needs over a 5-year period to service the existing population. I have included with my written remarks a copy of the executive summary of the KDED infrastructure study.

The state's needs in the way of wastewater and sewerage improvements were great in 1984, and the needs are even greater in 1988. Senate Bill 472 will give Kansas communities the chance to continue to use federal funds to help solve their infrastructure needs for water pollution control. Therefore, Mr. Chairman and members of the committee, we respectfully request your favorable passage of Senate Bill 472.

Thank you again and I will be happy to answer questions on this important subject.



SEDGWICK COUNTY, KANSAS

INTERGOVERNMENTAL COORDINATOR

WILLIE MARTIN

COUNTY COURTHOUSE • SUITE 315 • WICHITA, KANSAS 67203-3759 • TELEPHONE (316) 268-7552

January 21, 1988

TO: SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES

FROM: WILLIE MARTIN, INTERGOVERNMENTAL COORDINATOR  
SEDGWICK COUNTY

REF: SENATE BILL 472  
KANSAS WATER POLLUTION CONTROL REVOLVING FUND

Sedgwick County supports the establishment of a Kansas Water Pollution Control Revolving Fund to assist local communities with water quality problems and sewerage needs.

REVIEW OF ISSUE: Federal legislation passed in 1987 provides federal grant funds to participating states to establish revolving funds as a source of revenue for the correction of water quality problems and to satisfy sewerage facility needs. The grants are authorized for six years; through federal funding year 1994.

In order to receive this federal funding, Kansas must contribute 20 percent of the total grant funds to be used in this state. The federal and state funds combined in Kansas would provide \$92.1 million dollars available in low interest loan money to Kansas cities in the next six years; \$76.67 million from the federal government, and \$15.34 million from the State.

The State has two years in which to obligate authorized grant funds. To have the benefit of the full two years to obligate the FFY 89 monies, Kansas would need to establish its fund early in 1988.

Sedgwick County supports the Kansas Department of Health and Environment in its request for State legislation to establish a corresponding appropriation for the State's 20 percent contribution to this fund.

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