



Testimony Submitted to the
House Committee on Agriculture and Natural Resources
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Kansas Municipal Utilities

Testimony in Support of SB 120

Good afternoon Mr. Chairman, Vice-Chair and Ranking Member, thank you for the opportunity to appear before you this afternoon in support of SB 120, which is the companion bill to HB 2047 which this committee passed last month and which passed with House 120-2. SB 120 passed the Senate 37-3.

Kansas Municipal Utilities (KMU) is the statewide association representing Kansas cities and other public or not-for-profit agencies involved in the ownership and operation of municipal utilities across Kansas. Formed in 1928, KMU provides assistance and information to members with regard to legislative and regulatory issues, training and educational programs, and numerous other services toward the advancement of municipal utilities to achieve maximum benefits for the customer-owners served by our utilities. Our membership ranges in size from some of the largest utilities in the state such as those operated by the Kansas City Board of Public Utilities and the City of Wichita down to some of the smallest utility systems in the state serving fewer than 100 customers.

On behalf of the city-owned utilities across the state, KMU would like to express its support of SB 120 as it amends K.S.A. 65-3326 to increase the amortization period for loans from the Kansas Water Pollution Control Revolving Fund from a maximum of 20 years to 30 years. In addition, the bill makes a meaningful change within K.S.A. 65-163 allowing a city with a qualified professional engineer on staff to certify not just extensions of water distribution systems but also replacements of segments of those systems without an additional permit.

Project applicants to the Kansas Water Pollution Control Revolving Fund are using this program as one of the mechanisms for financing wastewater infrastructure projects in Kansas. Many of these projects are financing infrastructure with an expected life cycle well in excess of 30 years. Although there may be additional interest charges for a longer term, there may be benefits for communities to take advantage of a longer-term amortization structure. Our organization believes that it is important to provide communities with that flexibility in financing these long-term assets with terms most appropriate to their financial condition and needs.

Cities are comfortable having a Kansas Department of Health and Environment (KDHE) engineer certify distribution system extensions. However, it is widely acknowledged that it is difficult to attract and retain qualified engineers as well as certified professional engineers in public service. K.S.A. 65-163 was changed to allow a city with its own qualified engineer to certify water extensions, and we are now asking for that ability to be expanded to replacements of segments of systems as well. This change will expedite the overall process and reduce the burden on KDHE, and the ability to certify extensions has already shown that this process works, is safe, and can be done effectively.

Thank you and we would stand for questions.