

Kansas Public Water Supply Loan Fund



Loan Application

Applicant Information

Municipality Name: City of Topeka

Address: 215 SE 7th Ave Topeka KS 66603
Street or PO Box City State Zip

Contact Person Jennifer Barger Management Analyst
Name Title

Contact Info 785-368-1919 jlbarger@topeka.org
Phone No. Email

Congressional District of Municipality Second

Tax ID No. 48-6028701 Engineering Consultant Firm Black & Veatch

Unique Entity ID (SAM.gov) LVW6MFLCJN23 Engineering Contact Name Emily Tummons

Engineering Contact Phone No. 913-458-3160

Engineering Contact Email TummonsEN@BV.com

Engineering Contact Mailing Address 11401 Lamar Avenue, Overland Park, KS 66211

Project Title: Public Water Supply Loan Fund Application - LSL Replacement

Project Description:

The Lead Service Line Replacement Project aims to replace lead and galvanized requiring replacement (GRR) service lines throughout the City of Topeka. The project will address both city-owned and privately-owned service lines. It will target the replacement of 92 known city-owned lead service lines, as well as up to an additional 268 city-owned service lines where the material is currently being determined through ongoing inventory processes. .

In addition to city-owned lines, the project will offer financial assistance for the replacement of customer-owned lead and GRR service lines. Assistance will be targeted to households that meet LMI requirements. The amount of assistance available will be dependent on the number of qualifying households, and the amount of SRF loan forgiveness. There are 200 customer-owned lead service lines that have been identified, as well as approximately 2,800 customer-owned lines of unknown material that are being determined though ongoing inventory processes.

Out of approximately 57,500 service lines in the City of Topeka water distribution system, there are 92 public and 200 private known lead service lines. There are 810 known GRR lines. Replacing these lines in accordance with the Lead and Copper Rule Improvements (LCRI) reduces health risks associated with potential lead exposure and modernizes water infrastructure.

Requested Loan Repayment Term

20-year repayment 30-year repayment 40-year repayment Interim financing (loan will be repaid when project is complete)
(Disadvantaged Only)

The interest rate for a 20-year repayment term will be set at 60% of the market rate, a 30-year repayment term will be set at 70% of the market rate, and a 40-year term will be set at 80% of the market rate.

Project Details

Estimated Project Costs

Construction Cost	\$ 52,701,660	Contingencies	\$ 9,656,400
Engineering Planning & Design	\$ 11,884,800	Administrative & Legal	\$
Construction Engineering & Inspection	\$	Other	\$ 37,140
		Total Project Cost	\$
		Loan Reserve*	\$ 7,428,000

* Water Districts must maintain a 140% debt service coverage or include a loan reserve equal to 11.111% of the Project Cost – see instructions.

List all Anticipated Funding Sources Which are Intended to be Utilized to Complete this Project

KDHE SRF Loan (include loan reserve if applicable)	\$ 74,280,000
Cash on Hand	\$
Community Development Block Grant (CDBG)	\$
USDA Rural Development Grant**	\$
Other	\$
Total	\$ 74,280,000

** Do not include USDA Rural Development loan amounts if the SRF loan will be interim financing for the Rural Development loan

Anticipated Project Schedule

	Date (month/year)
Notice of Public Hearing Issued	_____
Public Hearing Held	11/12/2024
Environmental Review Letters Sent	9/11/2024
Final Plans and Specifications Submitted to KDHE	_____
Duration of Construction (in months)	_____

Number of Customers (connections) for the Previous 3 Years

Year	Residential	Commercial	Other	Total
2023	49,631	4,071	36	53,738
2022	49,676	4,102	36	53,814
2021	49,547	4,080	35	53,662

List any single customer that provides 5% or more of the utility's revenue from water sales
N/A

Water Production History for the Previous 3 Years

Year	Gallons Produced/ Purchased	Gallons Sold	Gallons Flushed or Accounted For	Water Loss	Unaccounted for Water Loss Ratio
2023	7,803,608,000	5,896,950,000	14,779,000	2,094,254,000	27
2022	7,406,520,000	5,847,654,000	14,619,000	1,544,247,000	21
2021	7,211,371,000	5,848,414,000	14,621,000	1,348,337,000	19

Valuations for Previous 3 Years (for Cities Only)

Year	Assessed Valuation of Taxable Tangible Property (within City Limits)	Tangible Valuation of Motor Vehicles (within City Limits)	Total for Year
2023	1,461,265,995	121,283,894	1,582,549,889
2022	1,339,576,689	120,066,026	1,459,642,715
2021	1,228,379,655	126,402,426	1,354,782,081

Attachments

The following documents must be submitted for the application to be considered complete.

Document	Attached	Will be Submitted Separately
Preliminary Engineering Report (not required for lead service line inventory loans)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
List of Outstanding Debt Paid by Water Utility and Repayment Schedules	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Water Purchase/Sales Contracts (if applicable)	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Attachments Continued

The following documents must be submitted for the application to be considered complete.

Document	Attached	Will be Submitted Separately
Current Water Rates	<input checked="" type="checkbox"/>	<input type="checkbox"/>
All Previous Water Rates in Effect over the last 4 years	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Public Hearing Notice Proof of Publication	<input type="checkbox"/>	<input type="checkbox"/>
Minutes from Public Hearing	<input type="checkbox"/>	<input type="checkbox"/>
Copy of Resolution Authorizing Application	<input type="checkbox"/>	<input type="checkbox"/>
Copy of Outgoing Environmental Review Letters (not required for lead service line inventory Loans)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Copy of Environmental Review Responses (not required for lead service line inventory Loans)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Lobbying Certification Form	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Capacity Development Survey	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Design Life Statement (if not located in the preliminary engineering report)	<input type="checkbox"/>	<input type="checkbox"/>
Previous 3 years of financial statements (if not accessible from KS Dept of Admin)	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Lead Service Line Projects

If the project is for lead service line replacement only (otherwise leave blank)

- indicate the date that the service line inventory spreadsheet was submitted to KDHE 10/16/2024

- will the cost of any private side lead service line replacement be paid by the owner of the property? yes

Signature

I certify that I am authorized to sign this application on behalf of the governing body. To the best of my knowledge and belief, the data in this application is true and accurate.

Signature: _____ Date: _____

Title: _____

Submit this application and all required attachments to:

KDHE/BOW
 Attn: Kansas SRF Program
 1000 SW Jackson St., Suite 420
 Topeka, KS 66612-1367

Instructions for Completing the Kansas Public Water Supply Loan Fund Application

1. The Unique Entity Identifier (UEI) is a federal ID number assigned by the System for Award Management (SAM) which is the official U.S. Government site for tracking federal awards.
 - If the municipality is currently registered in SAM.gov the UEI has already been assigned. View your entity registration record in [SAM.gov](https://sam.gov).
 - If the municipality does not have an UEI the municipality will need to register at [SAM.gov](https://sam.gov) to obtain the UEI.
2. Complete the application by filling in the requested contact and project information in the blanks provided.
3. Estimated Project Costs - Loan Reserve (page 2). **Non-taxing Municipalities Only.** Water Districts are required to either establish a loan reserve calculated at 10% of the loan amount while maintaining an annual debt service coverage of 125% OR maintain an annual debt service coverage of 140% without a loan reserve.

If a loan reserve is required, it is typically borrowed as part of the loan. Since the loan reserve is 10% of the loan amount (NOT 10% of the project cost), the cost of the reserve is calculated at 11.1111% of the total project cost. If the non-taxing municipality does not wish to borrow the loan reserve, it must provide the funds to KDHE prior to the first disbursement. If the municipality chooses to maintain a 140% debt service coverage without a loan reserve or provide the funds for the loan reserve from cash on hand, enter "140% DSC" or "CASH" in the blank for Loan Reserve.

The loan reserve is held by KDHE and can only be used to prevent a default in the municipality's loan repayment. Any interest earnings the loan reserve receives will be credited to the municipality to reduce the semi-annual loan repayment amount. If the loan reserve is never used to prevent a payment default, it will be used to prepay the loan during the final years of repayments (typically the last 3 payments).

4. Cities can obtain valuation information (table on page 3) from their County government offices.
5. There are several documents that will need to be submitted with the application form before the application is considered complete. Below is a brief explanation for each required attachment.
 - a. Preliminary Engineering Report, a preliminary engineering report describing the water system, need for the project, alternatives considered, design life of the project, and environmental area associated with the project site should be attached. If the project will generate a new or alter and existing waste stream, a consensus regarding waste stream disposal must be reached with KDHE, PRIOR to final version of the engineering report. The consensus must be documented in the engineering report. For more information on the waste stream summary review visit <https://www.kdhe.ks.gov/510/Waste->

Stream-Summary-Review . A preliminary engineering report is not required for loans providing assistance to complete lead service line inventories.

- b. List of Outstanding Debt Paid by Water Utility and Repayment Schedules. Debt repayments that are supported by the water utility should be listed and a copy of the repayment schedule for each debt should be included. If debt payments are only partially paid by the water utility provide details about how the debt service is paid.
- c. Water Purchase or Sales Contracts. If the loan applicant has wholesale water purchases or sales, please include a copy of those agreements.
- d. Water Rates. A copy of each water rate structure that was in effect during the time period covered by the required financial statements (item m), current water rate structure, if different, and any proposed future water rate structure should be attached.
- e. Public Hearing Notice Proof of Publication. Copy of Affidavit of Publication for the public hearing notice (template is contained in these instructions).
- f. Minutes from Public Hearing. Copy of minutes from the public hearing (can be an excerpt – template is contained in these instructions).
- g. Copy of Resolution Authorizing the Application. Copy of the resolution authorizing the completion of the application (template is contained in these instructions).
- h. Copy of Outgoing Environmental Review Letters. The loan applicant must send environmental review letters that describe the project and the associated project area (using Section, Township, and Range), include a map of the project area and a summary of the total cost for the project, to certain intergovernmental agencies. You must allow at least 30 days for the agencies to respond. Instructions for this process are attached. KDHE must have a copy of the letters, including all attachments, that were sent. Environmental Review Letters are not required for loans providing assistance to complete lead service line inventories.
- i. Copy of Environmental Review Responses. A copy of all the responses received from the environmental review letters must be provided to KDHE for the application. Environmental Review Letter responses are not required for loans providing assistance to complete lead service line inventories.
- j. Lobbying Certification Form. This form must be filled out to certify that no Kansas Public Water Supply Loan funds were used for lobbying.
- k. Capacity Development Survey. Drinking water systems are asked to fill out this survey every 3 years on a voluntary basis, however the Kansas Public Water Supply Loan Fund requires a current survey be on file with the loan application. The survey is attached to these instructions.
- l. Design Life Statement. If the preliminary engineering report does not indicate the design life of the project, a separate statement from a licensed professional engineer indicating the design life of the project must be attached. Design life statements are not required for loans providing assistance to complete lead service line inventories.
- m. Previous 3 years of financial statements. If the municipal financial audits (or annual budgets for municipalities that do not have financial audits performed) are not accessible from the Kansas

Department of Administration's Municipal Services web site, then a copy of the previous 3 years of financial statements will need to be submitted with the loan application.

6. Lead Service Line Inventory and private side cost. If the application is for a lead service line replacement project, a service line inventory spreadsheet must be submitted to KDHE before a loan can be executed. The approved format must be submitted to KDHE electronically through the Public Water Supply Data Collector, **it should not be attached to the application.** The applicant does need to write the date the service line inventory was submitted to KDHE. The applicant will also need to indicate if any of the cost of the private side of any lead service line replacement will paid by the property owner.
7. The application form must be signed by an authorized official of the loan applicant.