

# Interest Rates Continue to be Attractive for Long-Term Financing

**R**ural water districts and municipalities have options available for financing construction and other improvement projects. Long-term financing is provided primarily through these State, Federal, and local options:

- **USDA Rural Development Loans and Grants for Water, Wastewater and Community Facilities**
- **The Kansas Public Water Supply Loan Fund administered through KDHE**
- **The Clean Water State Revolving Fund (for wastewater systems) administered through KDHE**
- **Commercial Financing –** Municipal bonds, available for both cities and rural water districts, bank loans for RWDs and capital leases for cities.

The above table is a summary of USDA Rural Development rates from 2018 to the first quarter of 2021.

The tables at the top of page 93 show the rates for the Kansas Public Water Supply Loan Fund and the Clean

**Interest Rates - USDA Rural Development**

| Period |                |          | Community Facilities Rates |                   |             | Water/Environmental Rates |                   |             |
|--------|----------------|----------|----------------------------|-------------------|-------------|---------------------------|-------------------|-------------|
| Year   | Effective Date | End Date | Poverty Rate               | Intermediate Rate | Market Rate | Poverty Rate              | Intermediate Rate | Market Rate |
| 2018   | 1/1            | 3/31     | 4.500%                     | 4.000%            | 3.500%      | 2.125%                    | 2.750%            | 3.500%      |
| 2018   | 4/1            | 6/30     | 4.500%                     | 4.125%            | 3.875%      | 2.375%                    | 3.125%            | 3.875%      |
| 2018   | 7/1            | 9/30     | 4.500%                     | 4.125%            | 3.875%      | 2.375%                    | 3.125%            | 3.875%      |
| 2018   | 10/1           | 12/31    | 4.500%                     | 4.250%            | 4.000%      | 2.375%                    | 3.250%            | 4.000%      |
| 2019   | 1/1            | 3/31     | 4.500%                     | 4.375%            | 4.250%      | 2.500%                    | 3.375%            | 4.250%      |
| 2019   | 4/1            | 6/30     | 4.500%                     | 4.375%            | 4.250%      | 2.500%                    | 3.375%            | 4.250%      |
| 2019   | 7/1            | 9/30     | 4.500%                     | 4.000%            | 3.500%      | 2.125%                    | 2.750%            | 3.375%      |
| 2019   | 10/1           | 12/31    | 4.500%                     | 3.750%            | 3.000%      | 1.750%                    | 2.375%            | 3.000%      |
| 2020   | 1/1            | 3/31     | 4.500%                     | 3.625%            | 2.750%      | 1.625%                    | 2.250%            | 2.750%      |
| 2020   | 4/1            | 6/30     | 4.500%                     | 3.375%            | 2.375%      | 1.375%                    | 1.875%            | 2.375%      |
| 2020   | 7/1            | 9/30     | 4.500%                     | 3.375%            | 2.250%      | 1.125%                    | 1.500%            | 1.875%      |
| 2020   | 10/1           | 12/31    | 4.500%                     | 3.250%            | 2.125%      | 1.250%                    | 1.750%            | 2.125%      |
| 2021   | 1/1            | 3/31     | 4.500%                     | 3.250%            | 2.125%      | 1.250%                    | 1.750%            | 2.125%      |

Water State Revolving Loan Fund. The 20-year rates are based on 60 percent of the average of the previous three months of the 20-Bond Buyer Index. The 30-year rates are based on 70 percent of the average of the previous three months of the 20-Bond Buyer Index.

In 2021, rates for the 20-year KDHE loan program were 1.33% in January and dropped to 1.30% in February.

The 30-year loan interest rate was 1.56% in January and dropped to 1.52% in February.

The 40-year loan interest rate was 1.78% in January and dropped to 1.73% in February. The 30- and 40-year amortization lengths are only available on the drinking water systems. The 40-year option is only available to Disadvantaged Systems which require having a population of less than 150.

The chart on the following page shows the interest rates for both the 20-year public water and wastewater programs from 2010 to February 2021.

The second chart shown on the following page is a summary of recent yield data for public sale of municipal bonds. This table shows rates for investment grade yield for the month of January.

On February 1, 2020, competitive bids were taken to prepay two previously issued general obligation bond issue for the city of

## WaterWise Enterprises

**PROVIDING QUALITY WATER TREATMENT SOLUTIONS  
THROUGHOUT THE MIDWEST**

**Featuring Carus and Omni lines of Phosphates**

**WaterWise Enterprises offers a full-line of chemical treatment agents for potable, waste and swimming pool water.**

- ✳ **Technical Support on Chemical Sales**
- ✳ **Laboratory Testing Available**
- ✳ **Stenner repair and Liquid Metronic pump parts**
- ✳ **On-Site Delivery with liftgate service**
- ✳ **Pumping and Product Transfer Capabilities**

**Waterwise Enterprises, LLC**  
 605 W. Main  
 Oxford, KS 67119  
 Phones: Jenelle (316) 393-0625  
 (jsummerow@waterwiseenterprises.com)  
 Diane (316) 706-0259  
 (dpatton@waterwiseenterprises.com)



[www.waterwiseenterprises.com](http://www.waterwiseenterprises.com)

