

Kentucky Infrastructure Authority

Governor's Local Issues Conference
August 14, 2025



Authorization of KIA

- Created by General Assembly
 - Collaboration with DOW under Memorandum of Agreement
- Purpose:
 - Provide Financial Assistance for Water / Wastewater Facilities
 - Maintain Water Resources Information System
- 11 member Board of Directors

KIA Board – Ex-Officio Members

Five Ex-Officio members:

- Commissioner of Department for Local Government
- Secretary of Finance and Administration Cabinet
- Secretary of Cabinet for Economic Development
- Secretary of Energy and Environment Cabinet
- Executive Director of Public Service Commission

KIA Board – At Large Members

Six at-large members appointed by the Governor:

- Kentucky Association of Counties
- Kentucky League of Cities
 - 2 members from KLC one of whom represents a municipal utility that provides water and wastewater service
- Kentucky Rural Water Association
- Kentucky Section of the American Water Works Association
- For-Profit Water Companies

KIA Primary Functions

- Administer Loan Programs for eligible infrastructure projects
- Administer Grants identified by the General Assembly, including water and sewer projects
- Maintain the Water Resource Information System (WRIS) and provide technical support to the Water Management Councils

Overview of KIA

- \$1.68 billion in assets
- Administering 847 grants
- 578 active loans
 - 4 programs
 - 2 state programs, 2 federal programs
- 227 borrowers



Eligible Infrastructure Projects

- Construction or acquisition of treatment works, distribution facilities, water resources projects
- Solid waste projects, dams, storm water control treatment systems
- Gas or electric utility
- Or any other public utility or public service project which the authority finds would assist in carrying out the purposes set out in KRS 224A.300

Eligible Borrowers

- Governmental Agencies
 - City
 - County
 - Water and Sewer/Sanitation District
 - Water Association
 - Water Commission
- For the CWSRF or DWSRF Programs, the project **MUST BE** listed on the SRF Priority List

KIA Loan Programs

- Clean Water State Revolving Fund (Fund A) - Federal
- Drinking Water State Revolving Fund (Fund F) - Federal
- Infrastructure Revolving Fund (Fund B) - State
- Governmental Agencies Program (Fund C) - State

KIA Outstanding Loan Volume

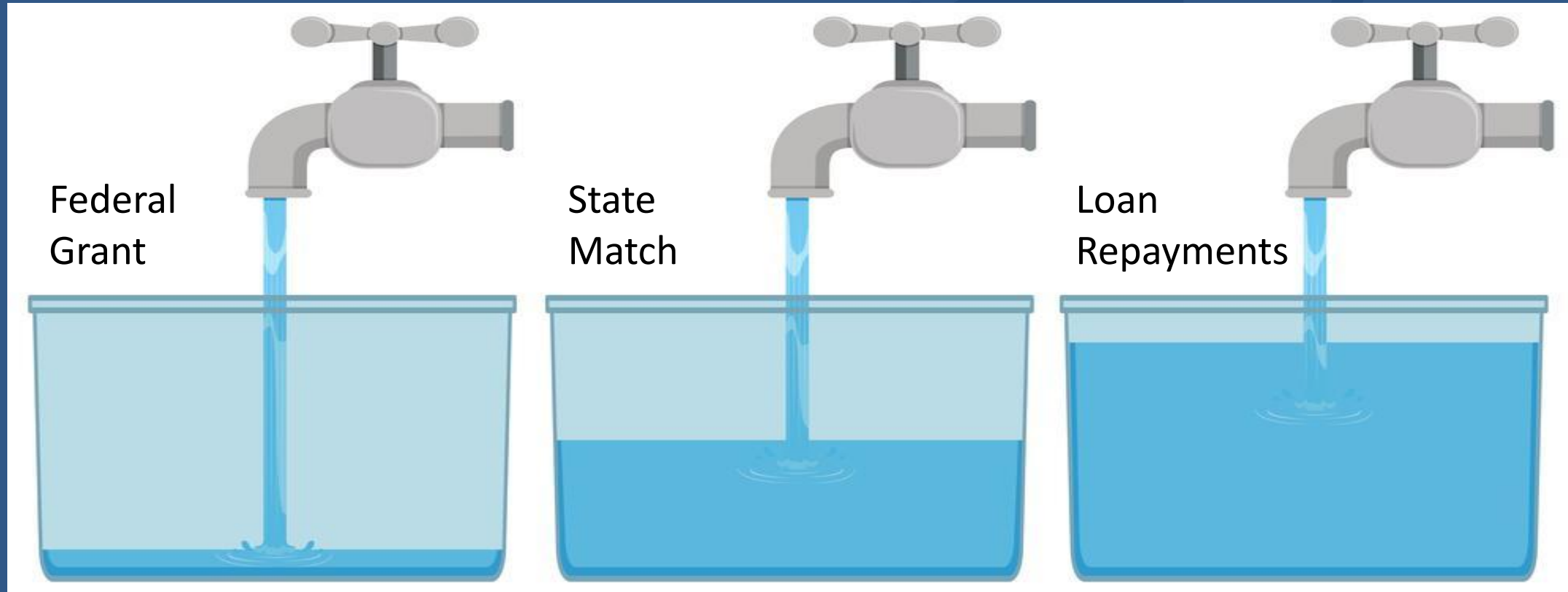
Loan Program	Number of Loans	Loan Amount
Fund A	258	\$819,843,510
Fund F	166	\$273,217,531
Fund B	128	\$75,965,092
Fund C	26	\$26,911,366
Total	578	\$1,195,937,499

Available Loan Funds

Loan Program	FY26 Funding
Fund A (CWSRF)	\$120,848,780
Fund F (DWSRF)	\$120,356,178*
Fund B	\$7,763,715
Fund C	\$11,498,034
Total	\$260,466,707

*estimated based on FY25 LSLR allotment; FY26 LSLR not determined

Where do we get our money? (Funds A & F)



Infrastructure Investment and Jobs Act (IIJA)

- Signed into law in November 2021
- Historic investment in drinking water and wastewater systems
- Over \$40 billion across United States
- \$500 million estimated to Kentucky
- 5 additional capitalization grants for over 5 years
- Additional principal forgiveness, federal requirements

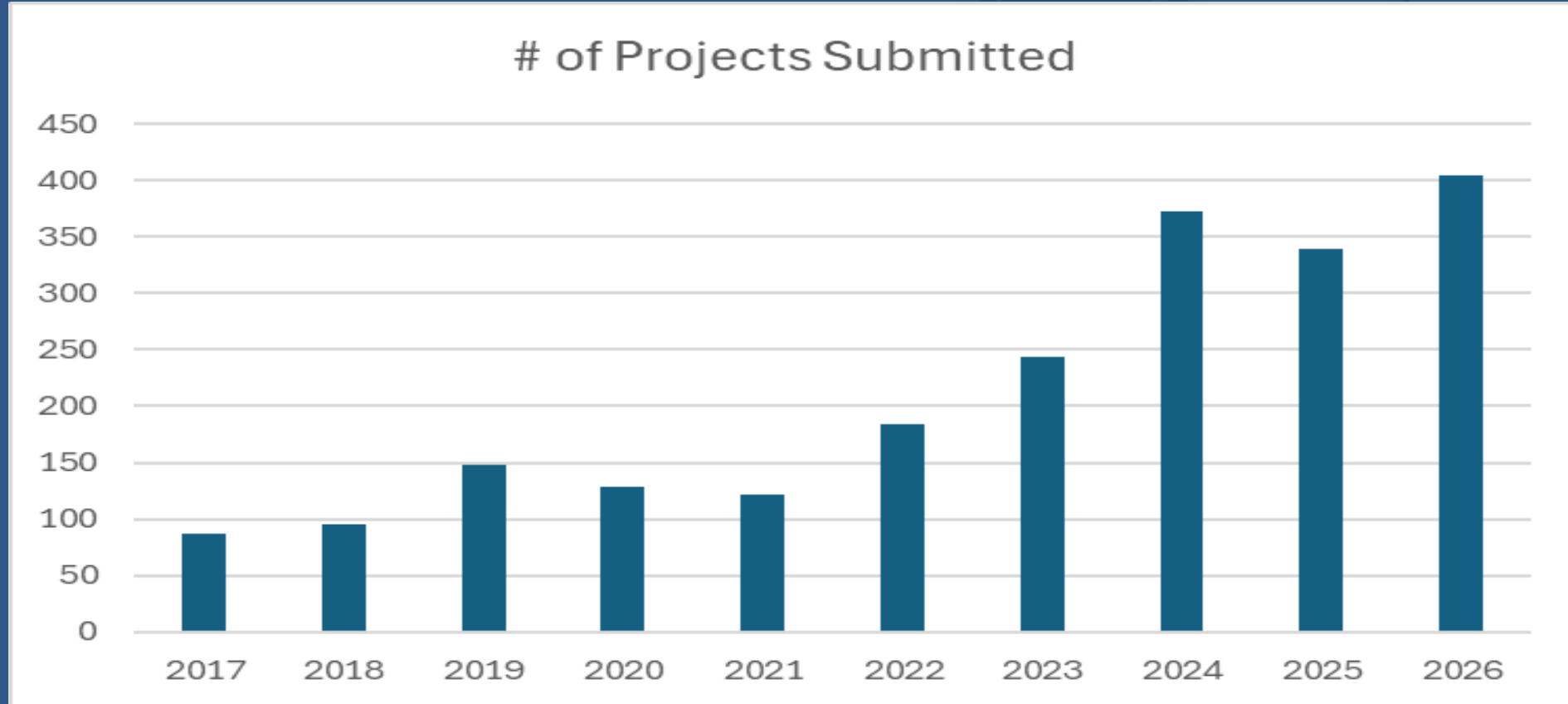
Where do we get our money? (Funds B & C)



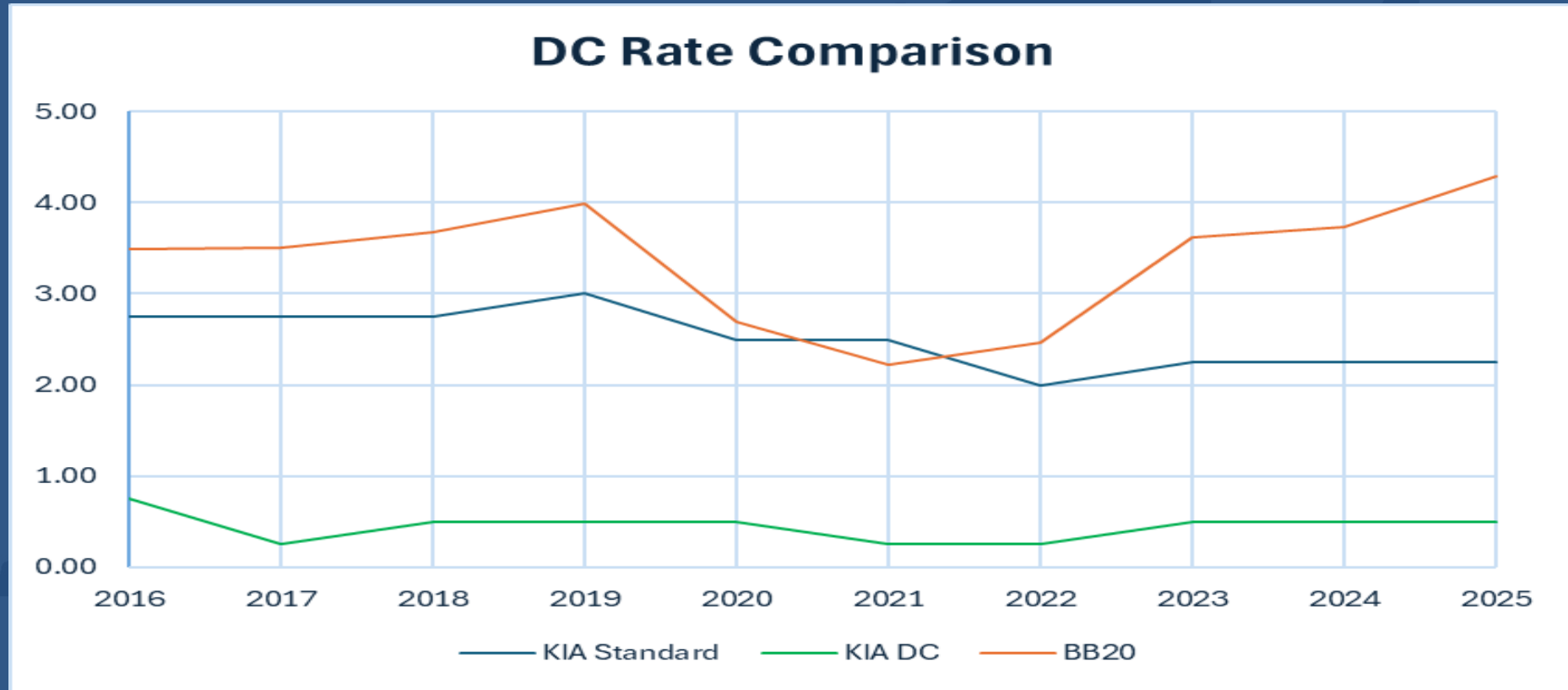
Current Interest Rates

- Funds A,B, and F
 - Standard rate - 2.75%
 - Non-standard (a) rate - 1.75%
 - Non-standard (b) rate - 1.00%
- Fund C
 - 1 – 5 years - 2.50%
 - 6 – 10 years - 3.00%
 - 11 – 20 years - 4.00%

SRF Program Demand



KIA vs Bond Market



Terms/Fees

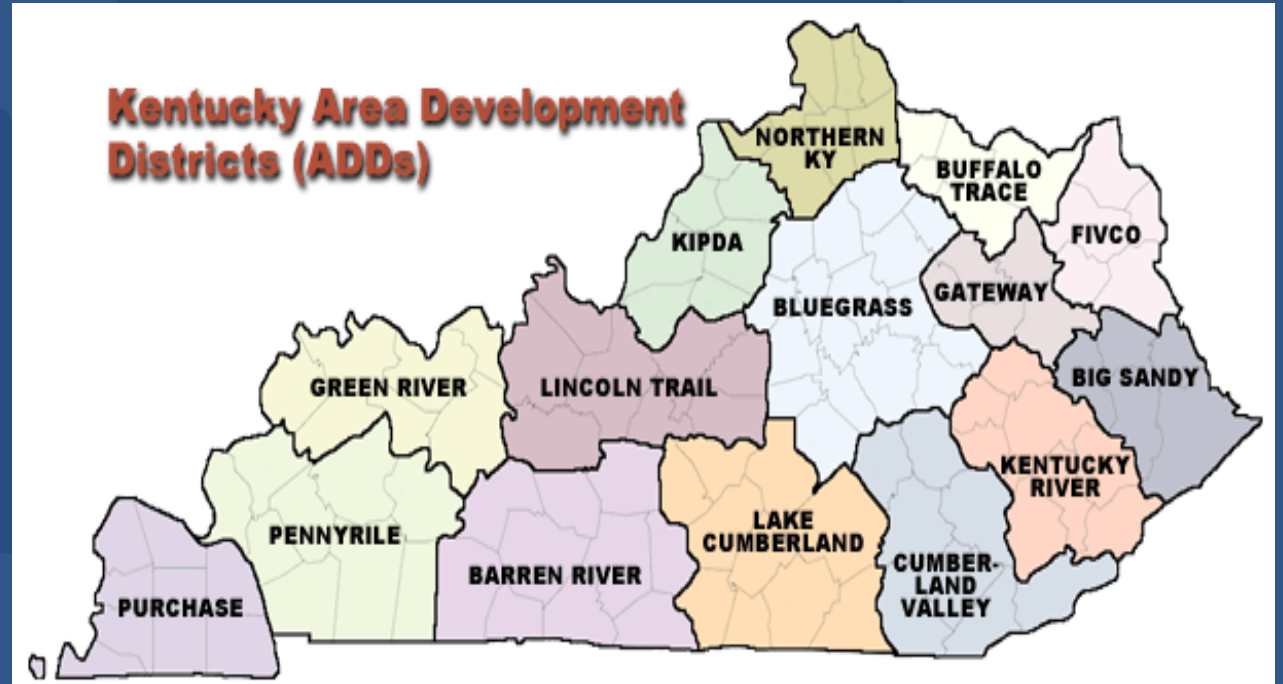
- Standard term is 20 years
- 30 year terms available for disadvantaged communities
- Fund F – 0.30% admin fee
- Funds A and C – 0.25% admin fee
- Fund B - 0.20% admin fee
- 5% annual reserve funded over 20 years

Principal Forgiveness

- Additional subsidization provided in disadvantaged communities
- System area MHI
- Project area MHI
- Affordability Index – Annual cost per 4,000 gallons/MHI

Getting Started

- Contact ADD Water Management Coordinator
- Pre-Application Form
 - Project goal/need
 - Budget
 - Project schedule
 - Detailed project info



WRIS Project Profiles

Project Title: **Ashland: Enlarge Sewer Treatment Plant to Eliminate Overflows**

Project Number: **SX21019065**

AWMPC: **FIVCO**

Funding Status: **Fully Funded**

Date Approved by AWMPC: **11.19.2014**

Project Status: **Approved**

Primary County: **Boyd**

Project Schedule: **0-2 Years**

Planning Unit: **Boyd**

E-ClearingHouse SAI: **KY202201070025**

ECH Status: **Approved**

Primary System: **KY0022373** City of Ashland

ADD WMC Contact: **Jasper Ball**

Legal Applicant: **City of Ashland**

Entity Type: **Incorporated City**

Narrative	Applicant	Administration	Budget & Schedule	Impacts	Components	Sustainable Infrastructure	Audit	Map
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Project Inventory (Mapped Features):

Point Features:

DOW PermitID	Count	FeatureType	Purpose	Status	Existing Capacity	Proposed Capacity	Units
KY0022373	1	SCADA	ENERGY EFF - SCADA	NEW			EA
KY0022373	1	SEWAGE TREATMENT PLANT	ENERGY EFF - SCADA	STP - UPGRADE	11.00	11.00	MGD
KY0022373	1	STP PUMP	ENERGY EFF - PUMP EFFICIENCY	REHAB			EA
KY0022373	1	STP PUMP	ENERGY EFF - VFD DEVICE	REHAB			EA

Linear Features:

DOW Permit ID	Line Type	Purpose	Activity	Size (in.)	Material	Length (LF)
KY0022373	FORCE	INTERCEPTOR	REHAB - REPLACE PROBLEM LINES	24.00	PVC	640
			Total Length			640

Operations & Management	Owner Entity	Fiscal Attributes	Planning	Asset Management	Maintenance	Projects	Map
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System Statistics	
Date Established:	05.31.1981
Employees:	27
Cost to consumer per 4,000 gallons:	
(a) Municipal System, customers within the municipality OR Non-Municipal System, all customers:	\$22.64
(b) Municipal system, customers outside the municipality:	\$34.04
Date of Last Rate Adjustment:	01.01.2022
Does this system:	
(a) Operate a wastewater treatment facility?	Yes
(b) Send wastewater to other systems to be treated?	No
(c) Treat wastewater from other systems?	Yes

Date Last Modified: **07.26.2022**

This system treats wastewater from the following KISOP customers:

Sender DOW Permit ID	Sender Name	Ann. Vol. Treated (MG)	Serviceable Population	Serviceable Households
KYP000044	Boyd County Sanitation District #4	410.349	11,006	4,263
Totals and Averages		410.349	11,006	4,263

System Demographics

Demographic Type	Population	Households
Directly Serviceable:	21,654	10,378
Indirectly Serviceable:	11,006	4,263
Total Serviceable:	32,660	14,641

Counties directly serviceable by this system: **1**

MHI Basis: **2026: ACS 2019-2023 5yr Estimates** ▼

County Name	Service Connections	Serviceable Population	Serviceable Households	Med HH Income	MHI MOE
Boyd	8,816	21,654	10,378	\$ 52,312	\$ 5,839
Totals / Weighted Average	8,816	21,654	10,378	\$ 52,312	\$ 5,839

Population and household counts are based on a proximity analysis of relevant service lines to census block boundaries published for the 2020 Census DEC Redistricting Data (PL 94-171) dataset.

Med HH Income (MHI) Source is from the American Community Survey 2019-2023 5 Yr Estimates (Table B19013) for the service area of this system.

MHI MOE = Med HH Income Margin of Error.



TEAM
KENTUCKY



SRF Loan Process

- Call for Projects
- DOW Scores/Ranks Projects
- KIA Project Priority List
- Loan Invitations
- Application Documents
- Credit Analysis
- Approvals (KIA/CPBOC)
- Loan Agreement



State Program Loan Process

- First Come, First Serve
- Letter of Intent
- Funding Invitation
- Application Documents
- Credit Analysis
- Approvals (KIA/CPBOC)
- Loan Agreement



Additional Funding Opportunities at KIA

KY WWATERS PROGRAM

Kentucky Water and Wastewater Assistance for Troubled or Economically Restrained Systems

- KIA accepts and reviews applications and performs credit analysis
- Kentucky General Assembly decides who gets loan funding during the 2026 Session
- KIA administers the financing after the session is ended (April 2026)
- \$53 million available in 2026

KY WWATERS Timeline

- Accept Applications through end of August
- December 1 – Provide project applications and scores to General Assembly
- January 2026 – April 2026 – General Assembly will select projects to receive funding
- April/May 2026 – KIA will contact the applicants

Eligible Applicant Must Have at least 1:

- Service Area MHI < State MHI;
- User rate affordability > 1% of annual MHI;
- No audit in at least one (1) of the prior three (3) years;
- Negative income in any two (2) of the previous five (5) years;
- Debt service coverage ratio < 1.1 in any three (3) of the previous five (5) years;
- Accounts payable turnover ratio < 1
- Days' sales in accounts receivable ratio > forty-five (45) days;
- Notice of violation or agreed order in the past year;
- Water loss percentage > thirty percent (30%);

What Type of Projects Can Be Funded by KY WWATERS?

- Capital Construction Projects and...
 - Developing technical, operational, and maintenance resources and expertise;
 - Improving utility infrastructure planning, repair, maintenance, renovation, and management of plants and assets;
 - Obtaining technical expertise in areas of rate-setting, cost-of-service, and proper utility accounting standards for the utility type;
 - Performing and correcting deficiencies from drinking water, wastewater, and financial audits;
- Performing and correcting deficiencies from drinking water, wastewater, and financial audits;
- Financial inadequacies, including debt service coverage through relief or refinance of debt;
- Payment assistance for excessive maintenance costs, fines and penalties from past violations, or consultants; and
- Inadequately maintained distribution, collection, or treatment works, including service extensions to unserved or underserved areas and the renovation of treatment works to conserve resources;

- Questions? Comments?

kia.ky.gov

502-573-0260