

Kentucky Infrastructure Authority

Governor's Local Issues Conference

August 8, 2024



Grants Administered at KIA

- Cleaner Water Program (CWP)
- Kentucky Water and Wastewater Assistance for Troubled or Economically Restrained Systems (KY WWATERS)
- Line Item Grants
- Eastern Kentucky State Aid Funding for Emergencies (EKSAFE)
- Water Management Assistance Fund





Cleaner Water Program Grants

CWP Appropriation History

- CWP – Round 1
- 2021 Regular Session of the General Assembly (SB 36)
- \$250 million
 - \$150,000,000 County Allocation
 - \$50,000,000 unserved/consent decree
 - \$49,925,000 supplemental
 - \$75,000 administration
- CWP – Round 2
- 2022 Regular Session of the General Assembly (HB 1)
- \$250 million
 - \$249,925,000 County Allocation
 - \$75,000 administration



Key Dates to Remember – September 1, 2024

- KIA needs all outstanding grant agreements returned by September 1
- Grant Funds must be obligated by December 31, 2024
 - Grant Assistance Agreement **MUST** be Fully Executed by You and KIA
- Grant Funds must be spent by December 31, 2026



Draw Workbook Questions

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KY WWATERS

New 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 2025 Session
- KIA administers the financing after the session is ended (March 2025)
- \$75 million available in 2025 and 2026 (\$150 million total)



KY WWATERS Timeline

- Accept Applications through end of August
- December 1 – Provide project applications and scores to General Assembly
- January 2025 – March 2025 – General Assembly will select projects to receive funding
- April 2025 – KIA will contact the applicants with approved loan terms



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;
- 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.



Current KY WWATERS Interest Rates

- **KY WWATERS**
 - Standard rate - 1.75%
 - Non-standard (a) rate - 0.75%
 - Non-standard (b) rate - 0.00%



Line Item Grants

2024 Appropriation History

- \$183,932,500 in earmarks
- 40 grants to 32 utilities
- State Funding – no federal requirements



First Step – 2024 Line Item Grant

ATTACHMENT A

1. Primary Contact

Name: _____

Title: _____

Phone: _____

Email: _____

Address: _____

City/Zip: _____

2. Project(s) Funded By Grant

Project Name	Owner/Utility	WRIS Number	Amount
Total			

- Let KIA know what project or projects will be funded with the appropriated grant funding.
- Announcement Letters sent June 5
- Grant Agreements will be available soon.

KIA Contact Information for Grants

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- Questions? Comments?

kia.ky.gov

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TEAM
KENTUCKY

