

SERVICE

COLLABORATION

LEADERSHIP

TEAMWORK

DEDICATION

Celebrating
50 *Years*

Federal
Funding
Roundtable:
Rural
Development



USDA Rural Development

Overview of Water & Environmental Programs

Water & Environmental Program (WEP)



Water & Environmental Programs

- Provide loan and grant funds to construct, enlarge, extend or otherwise improve water and waste systems, resulting in reasonable user costs for rural residents, rural businesses, and other rural users.

Eligible Purposes Include:

- Lines for water and/or sewer
- Water storage tanks
- Treatment plants for water and/or sewer
- Engineering
- Interest
- Legal and Administrative
- Refinancing (subject to certain criteria)

Eligible Entities:

Public Bodies Include:

- Municipalities
(Population < 10,000)
- Counties
- Special District
- Authorities

Not-for-Profits Include:

- Associations
- Private Corporations
- Cooperatives

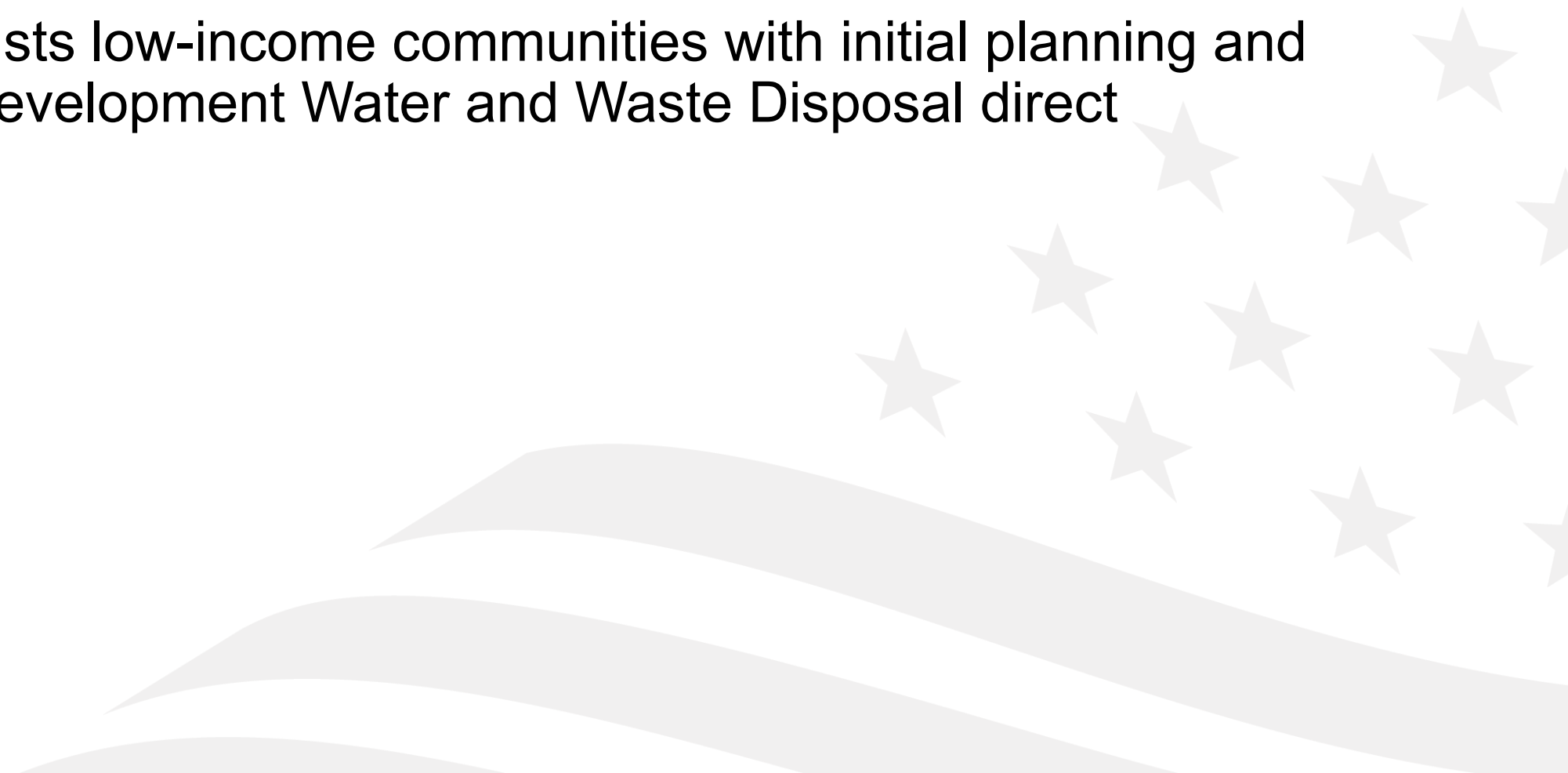
**Grant eligibility is determined by Median Household Income of service area*

Direct Water and Wastewater Disposal Loan and Grant Program

- Direct Loans – provides direct low-interest loans to eligible applicants for infrastructure project in rural areas with fewer.
 - Loan Terms can go up to useful life of the project or to 40 years which can allow more affordable payments for the applicants.
 - No Pre-Payment Penalty.
- Direct Grants – usually in conjunction with Direct Loans for projects that serve lower income areas and usually have a health and safety issue.
- Loan Guarantee - This program helps private lenders provide affordable financing to improve access to clean, reliable water and waste disposal systems in rural areas with fewer than 50,000 residents.
 - Eligible use of funds and entities are the same as the direct program.
 - Interested borrowers can ask their lender about the USDA Water and Waste Disposal Loan Guarantee Program.

Water & Environmental Programs – Grant Opportunities

- Emergency Community Water Assistance Grants (ECWAG) – helps communities prepare, or recover from, an emergency that threatens the availability of safe, reliable drinking water.
- Special Evaluation Assistance for Rural Communities and Households (SEARCH) – helps very small financially distressed rural communities with predevelopment feasibility studies, design and technical assistance on proposed water and waste disposal projects.
- Predevelopment Planning Grants (PPG) – assists low-income communities with initial planning and development of applications for USDA Rural Development Water and Waste Disposal direct loan/grant and guarantee programs.

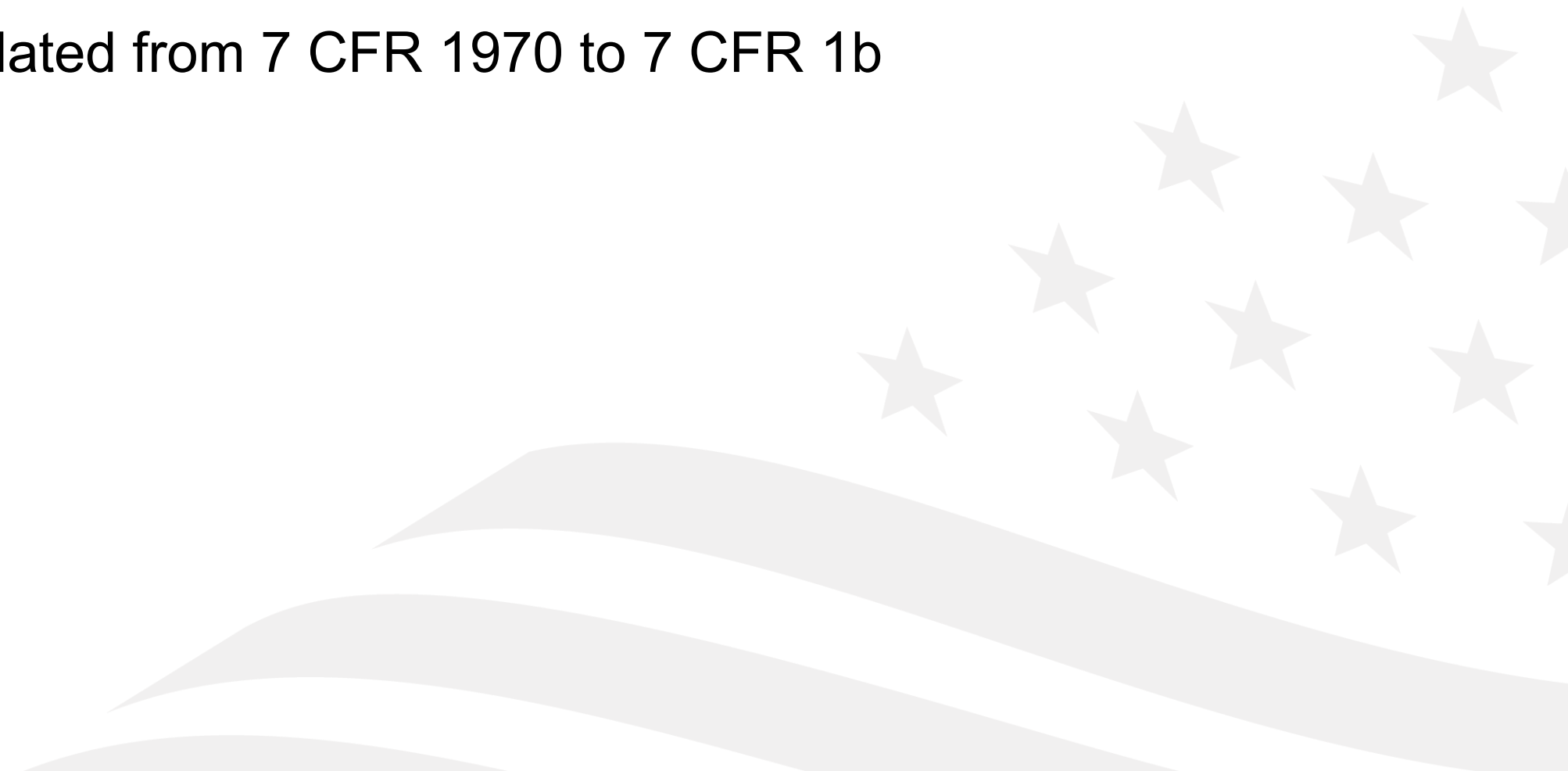


Fund Leveraging

- WEP has few restrictions when it comes to leveraging, if any.
 - Economic Development Administration Grants
 - Community Development Block Grants (CDBG)
 - Kentucky Infrastructure Authority (KIA)
 - Regional Authority Grants – Delta Regional Authority or Appalachian Regional Commission
 - Federal Emergency Management Authority (FEMA)
 - Abandoned Mine Lands
 - Congressionally Direct Spending
 - State Appropriations
- Applicant Contribution
 - Tap Fees
 - Capital Improvement Project Funds
 - Capital Campaigns
- Public – Private Partnerships (PPP)

Updates

- Preliminary Engineering Report (PER) – Required by 7 CFR 1780.33(c) and 1780.55 for funding.
 - Bulletin 1780-2 was recently updated to provide options for the PER
- All projects receiving WEP funds must complete an Environmental Review and must comply with federal environmental laws and regulations, including the National Environmental Policy Act (NEPA).
 - April 2026 Environmental Regulations updated from 7 CFR 1970 to 7 CFR 1b



Community Program Contacts:

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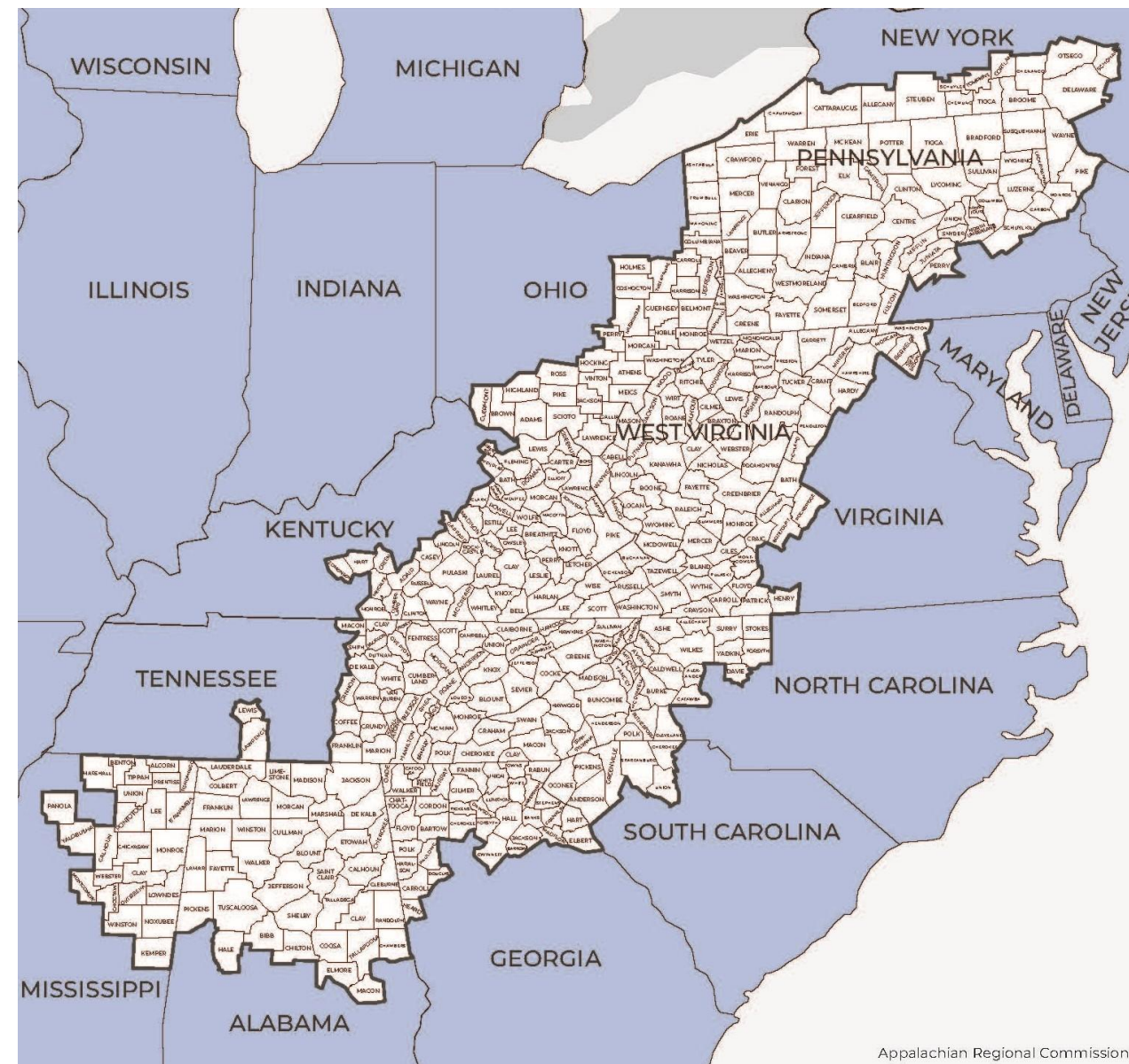
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Federal
Funding
Roundtable:
ARC

About ARC

- Created in 1965 by the Appalachian Regional Development Act
- State-federal partnership with 13 states and 423 counties
- Funds allocated by Congress



Eligibility

Eligible applicants for ARC funding include the following:

- Local development districts (LDDs)
- Indian tribes or a consortium of Indian tribes
- States, counties, cities, or other political subdivisions of a state, including a special purpose unit of a state or local government engaged in economic or infrastructure development activities, or a consortium of political subdivisions
- Institutions of higher education or a consortium of institutions of higher education
- Public or private nonprofit organizations or associations, including but not limited to faith-based organizations.

ARC does not award grants to the following:

- Individuals
- For-profit entities
- Projects serving only Appalachian counties designated as attainment counties
- Proposed projects outside of the Appalachian Region
- Proposed projects that fully or partially duplicate or overlap with open or previously awarded ARC grants

Program Types

- Federally competitive programs
 - POWER
 - ARISE
 - INSPIRE
 - READY
- State-led program (KY Department for Local Government)
 - Area Development Program



Appalachian
Regional
Commission

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Federal Funding
Roundtable:
Kentucky
Infrastructure
Authority

Kentucky Infrastructure Authority

-Debbie Landrum
Regional Compliance Coordinator



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 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

- \$1.99 billion in assets
- Administering 517 active grants
- 591 active loans
 - 4 programs
 - 2 state programs, 2 federal programs
- 231 borrowers



Eligibility

Projects

- Construction or acquisition of treatment works, distribution facilities, water resources
- Carrying out the purposes set in KRS 224A.300

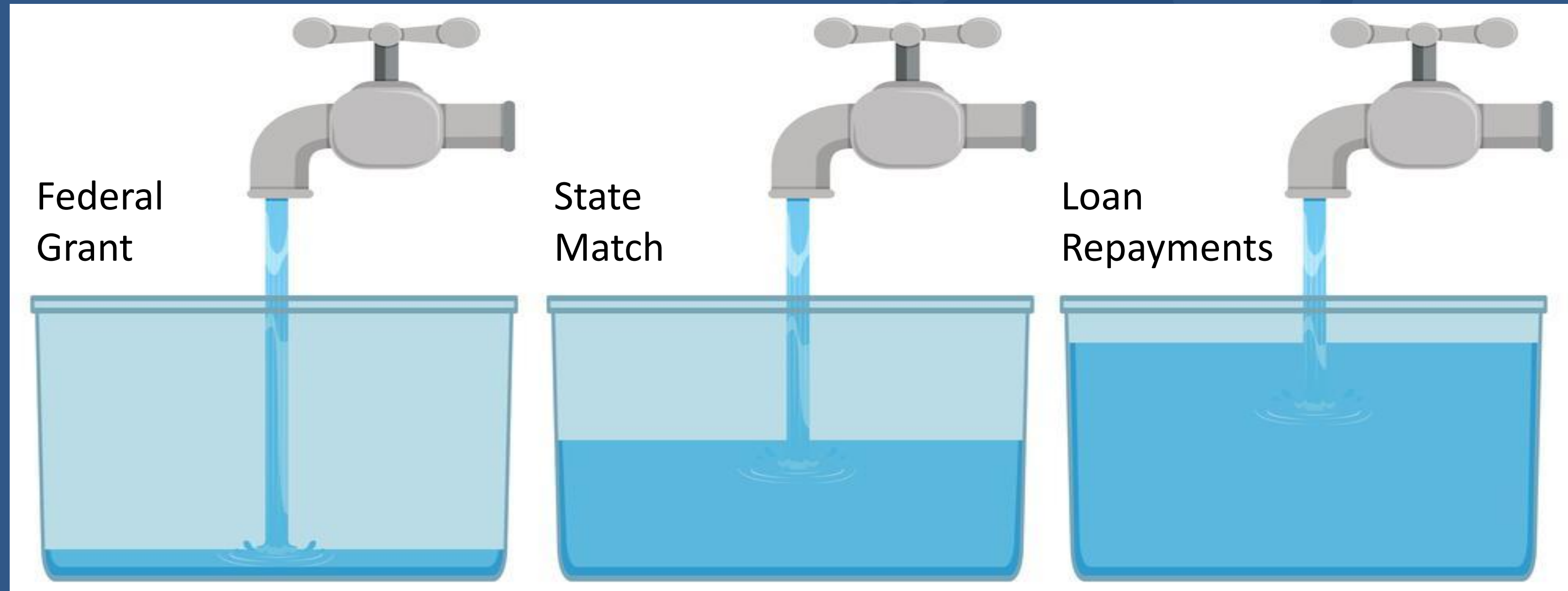
Borrowers – Governmental Agencies

- City
- County
- Water and Sewer/Sanitation District
- Water Association
- Water Commission

KIA 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
- Water & Wastewater Assistance for Troubled or Economically Retrained Systems (WWATERS) - State

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



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



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



State Program Loan Process

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



Interest Rates & Principal Forgiveness

Fund	Category	Interest Rate
Fund A - CWSRF	Standard	2.75%
Fund B	Non-standard (a) rate	1.75%
Fund F - DWSRF	Non-standard (b) rate	1.00%
Fund C	1 - 5 Years	2.50%
	6 - 10 Years	3.00%
	11 - 20 Years	4.00%
KY WWATERS	Standard	2.25%
	Non-standard (a) rate	1.25%
	Non-standard (b) rate	0.50%

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TEAM
KENTUCKY



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CDBG

CDBG Public Facilities

Community Development Block Grant (CDBG)

Public Facilities (Infrastructure)

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CDBG Public Facilities

- Eligible applicants are units of local governments (cities/counties) except “Entitlement” communities. They receive CDBG funds directly from HUD.
- Entitlements Communities
 - Ashland
 - Bowling Green
 - Covington
 - Elizabethtown
 - Henderson
 - Hopkinsville
 - Owensboro
 - Paducah
 - Lexington/Fayette County
 - Louisville/Jefferson County Metro Government

Eligible applicants are units of local governments (cities/counties) except “Entitlement” communities. They receive CDBG funds

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CDBG Public Facilities

- Partnerships
 - Cities and Counties
 - City and Districts
 - County and Districts
- Challenge applicants are units of local governments (cities/counties) except for Indian tribal communities. The

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50 Years

CDBG Public Facilities

National Objective

Benefit to low and moderate income (LMI) persons

LMI as defined by HUD is a family whose annual income is below the 80% of the area family median income.

Each project activity must meet the federally mandated national objective of at least 51% LMI of the area benefit.

Example: If you have 100 customers at least 51 must meet the LMI criterion.

CDBG Public Facilities

LMI National Objective

Ways to accomplish:

1st Step is to define the project service area

LMI by HUD definition

Census tracts

Survey:

Door-to-door income surveys of all residential
customers

MUST contact DLG prior

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CDBG Public Facilities

\$1.25 million Maximum

Installation or rehabilitation of water lines, water storage facilities, pump/lift stations and sewer lines

Stormwater separation

\$1.5 Million Maximum

Construction or upgrades of water/sewer plants

CDBG Public Facilities

➤ CDBG Public Facilities can partner with other funding sources

Kentucky Infrastructure Authority (KIA)

Appalachian Regional Commission (ARC)

US Rural Development (RD)

Economic Development Agency (EDA)

Abandoned Mine Lands (AML)

Corps of Engineering (COE)

State and local funds



➤ Now let's talk funding packages
and how to make them work!



Franklin County-Farmdale Sewer Interceptor



Franklin County-Farmdale Sewer Interceptor Multi-Phase

Funding:

CDBG \$1,250,000

GRANT \$1,250,000

CWP \$2,500,000

SRF Fund A \$950,000

Fund B \$4,000,000

Federal Earmark \$4,250,000

ARPA \$1,500,000

Total \$14,750,000

Lincoln County-McKinney Water Improvements



Lincoln County-McKinney Water improvements

Funding:

CDBG \$1,250,000

SRF Fund F \$2,491,916

CWP \$287,289

Local ARPA \$500,000

ARC (WD) \$500,000

Total \$5,029,205

Livingston County-Crit-Liv Water District



Livingston County-Crit-Liv Water District Multi-Phase

Phase 1 Funding:

CDBG	\$2,880,000
HB 1 Line Item	\$1,425,000
State Line Item	\$520,000
DRA	\$400,000
Total	4,705,000

Phase 3

HB Line	\$4,575,000
Fund F	\$19,437,310
Fund F	\$6,417,690 (Imergent contaminants)
Total	\$30,430,000

Phase 2-New WTP

Funding-TBD