

Kentucky Infrastructure Authority

Governor's Local Issues Conference
August 19, 2026



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

- \$1.99 billion in assets
- Administering 487 active grants
- 589 active loans
 - 4 programs
 - 2 state programs, 2 federal programs
- 230 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

Fund A - CWSRF

- Created in 1988 to further goals of the CWA
- 487 loans/\$2.14 billion
- Treatment plant rehab/expansion, sewer lines, lift stations
- No min or max request, annual funding cap
- Finance 10-20 projects per year



Fund F - DWSRF

- Created in 1996 to further goals of the SDWA
- 280 loans/\$777 million
- Treatment plant rehab/construction, pump stations, water lines, tanks
- No min or max request, annual funding cap
- Finance 15-20 projects each year



Fund B – Infrastructure Revolving Fund

- Combination of water/sewer
- Good option for “smaller” projects, urgent projects, funding gaps
- 194 loans/\$239.2 million
- More flexibility, quicker turnaround than SRF



Fund C – Governmental Agencies Fund

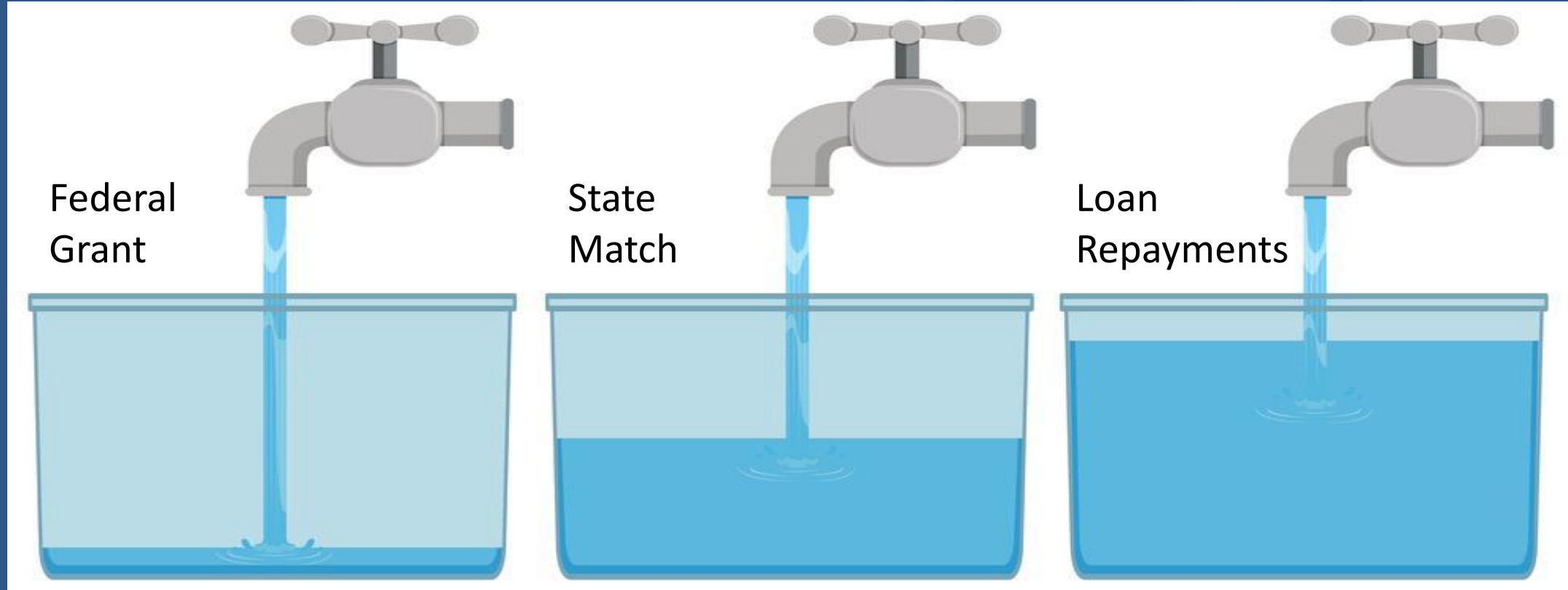
- Created as a pooled loan financing program
- Rates/terms tied to market
- Lower cost of issuance, streamlines financing process



KIA Outstanding Loan Volume

Loan Program	Number of Loans	Loan Amount
Fund A	252	\$813,062,705
Fund F	182	\$274,089,477
Fund B	131	\$92,176,240
Fund C	24	\$24,566,232
Total	589	\$1,203,894,654

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



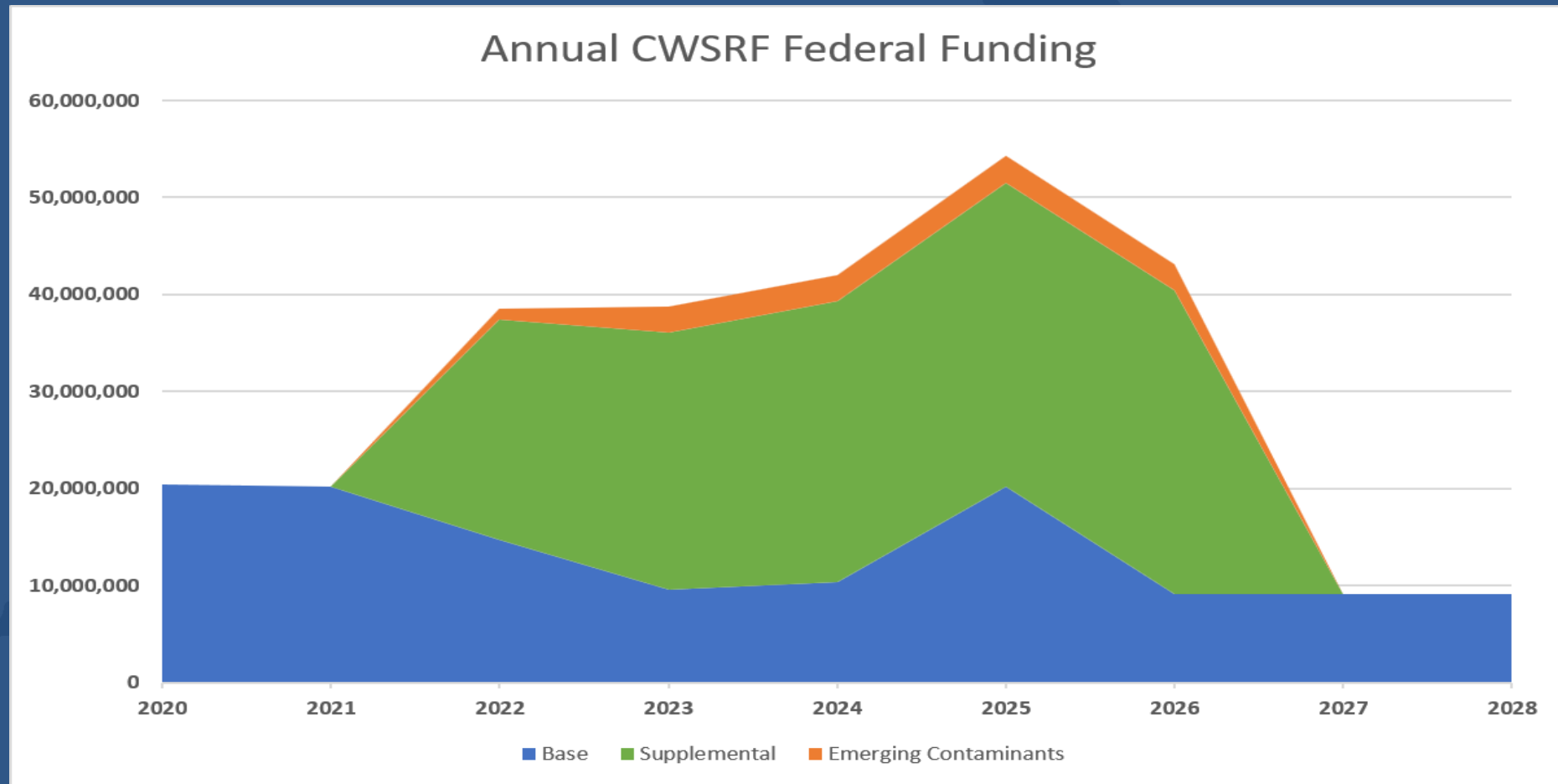
Where do we get our money? (Funds B & C)



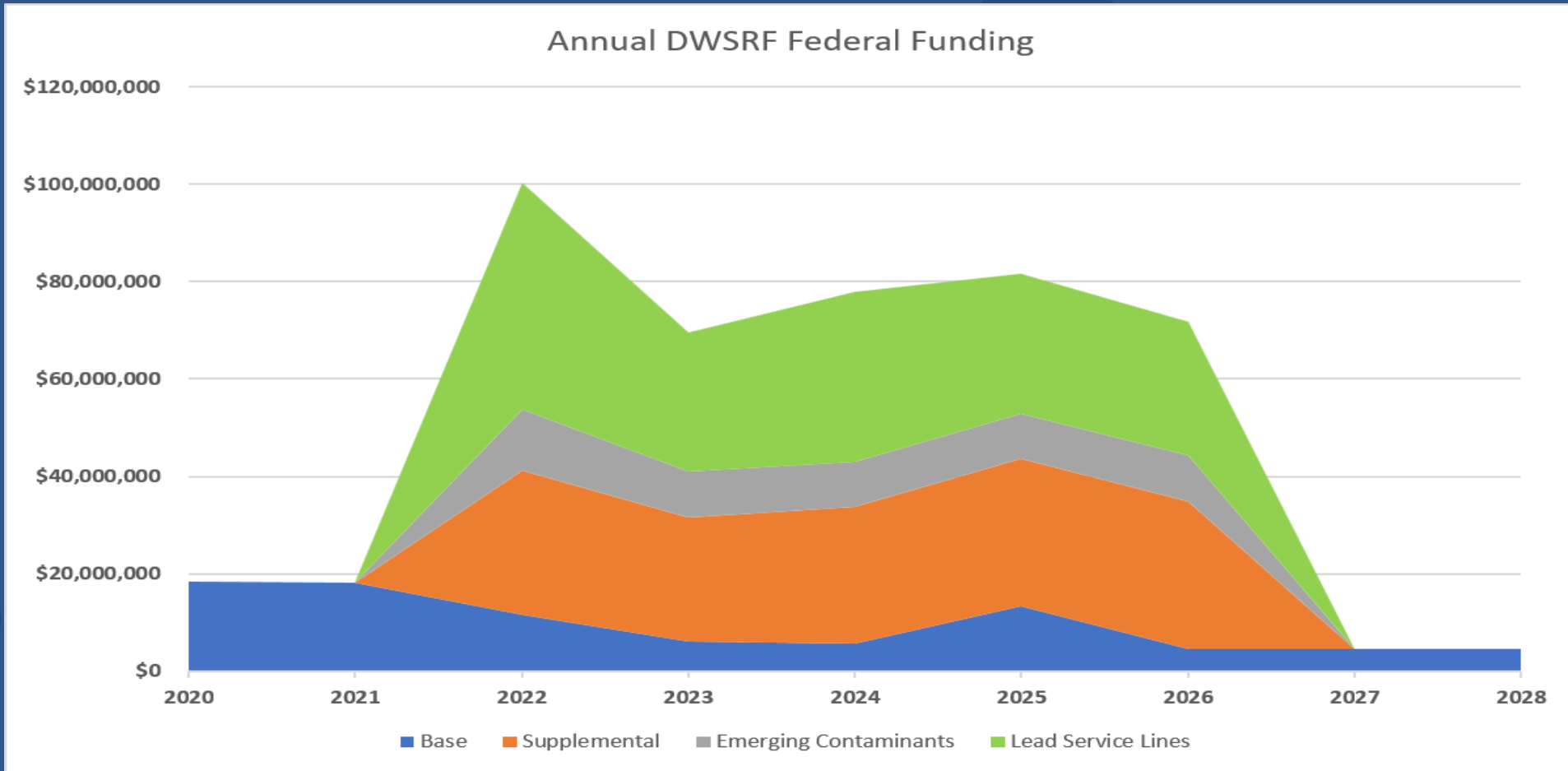
Available Loan Funds

Loan Program	FY27 Funding
Fund A (CWSRF)	\$109,661,576
Fund F (DWSRF)	\$84,305,532
Fund B	\$4,616,576
Fund C	\$5,359,991
Total	\$203,943,675

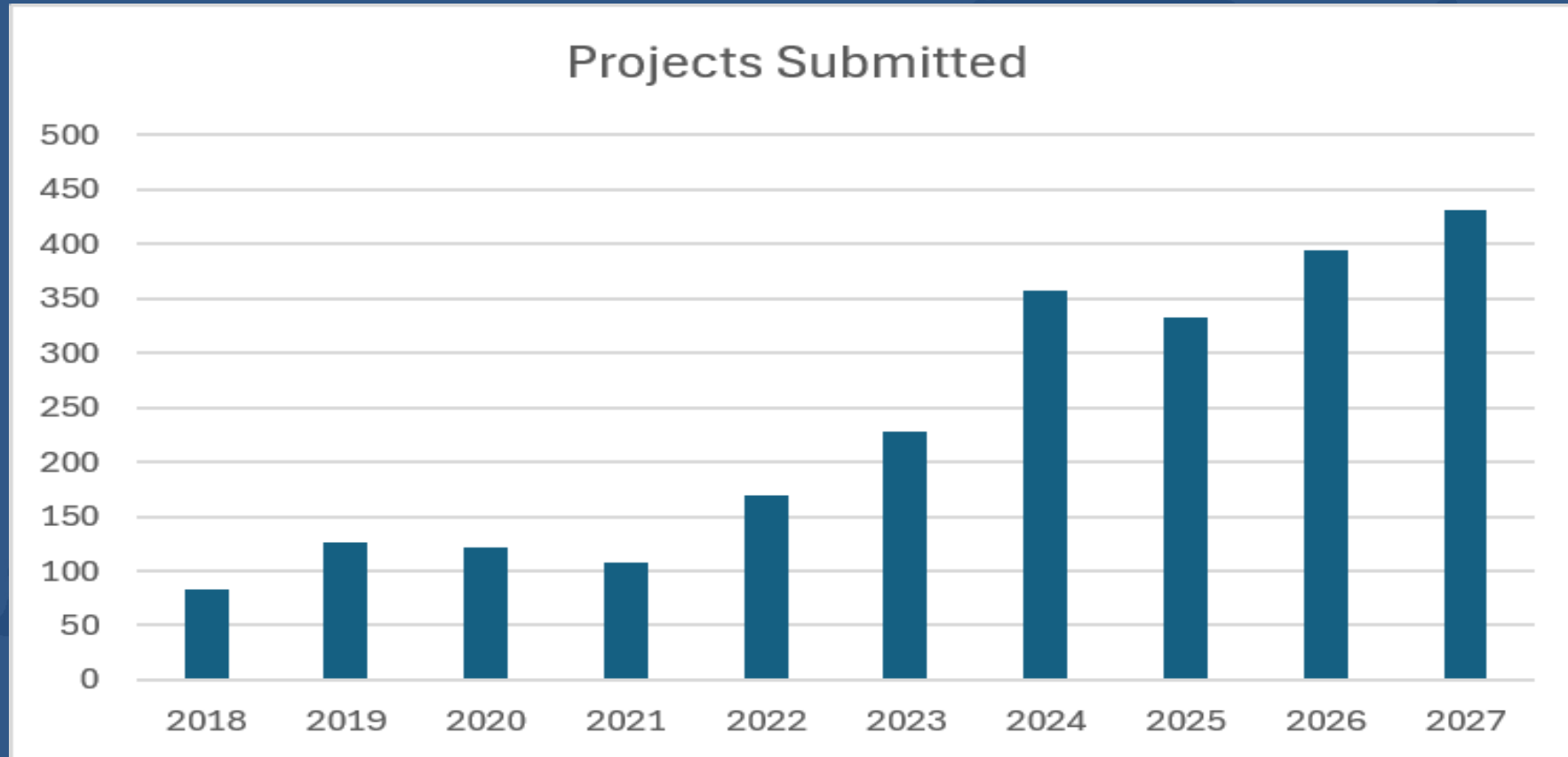
CWSRF Funding Cliff



DWSRF Funding Cliff



SRF Program Demand



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

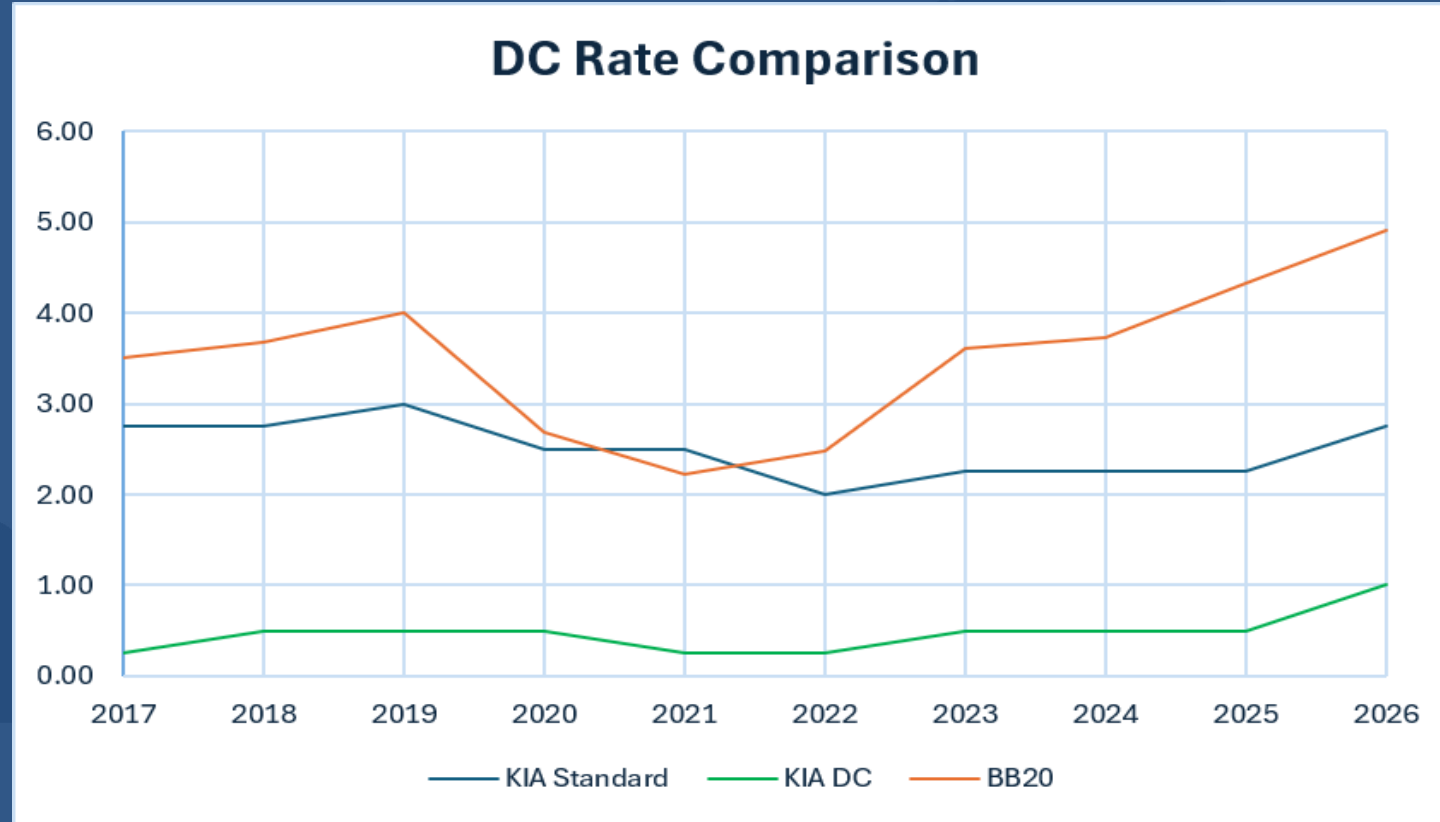
- First Come, First Serve
- Letter of Intent
- Funding Invitation
- Application Documents
- Credit Analysis
- Approvals (KIA/CPBOC)
- Loan Agreement



Current Interest Rates

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

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

KY WWATERS Program Overview

Kentucky Water and Wastewater Assistance for Troubled or Economically Restrained Systems

- Established in 2024 by the General Assembly and administered by KIA
- Goal is to provide structured process for funding public water and wastewater projects
- Projects are scored and ranked and then submitted to General Assembly for consideration

Eligible Funding Recipient

PUBLIC WATER OR WASTEWATER SYSTEM

1. A water district, water association, or joint water commission formed under KRS Chapter 74;
2. A sewer district or sanitation district formed under KRS Chapter 67, 76, or 220;
3. A municipal water utility and water works, sewer utility, sewage system or works, or combined electric and water plant formed under KRS Chapter 96; and
4. Any combination of two (2) or more of the entities listed in subparagraphs 1. to 3. of this paragraph.

MEETS 3 OR MORE CRITERIA:

1. Service Area MHI < State MHI;
2. User rate affordability > 1% of annual MHI;
3. No audit in at least one (1) of the prior three (3) years;
4. Negative income in any two (2) of the previous five (5) years;
5. Debt service coverage ratio < 1.1 in any three (3) of the previous five (5) years;
6. Notice of violation, agreed order or consent decree and the funding will contribute to resolving the violation;
7. Water loss percentage > thirty percent (30%);
8. Amount of stormwater inflow and groundwater infiltration entering the funding applicant's system seriously impairs its effectiveness

KY WWATERS Program Funding

- 38 project approved in 2025
 - \$95,009,949
- 18 project approved in 2026
 - \$53,382,260
- House Bill 900
 - \$45 m FY27 and FY28
 - \$90m total

KY WWATERS - 2027 Timeline

- June 15 through August 31 2026 – Accept Applications
- November – take projects to KIA Board for Scoring and Funding Recommendation
- December 1 – Provide project applications and scores with funding recommendation to General Assembly
- January 2027 – March 2027 – General Assembly will select projects to receive funding
- April 2027 – KIA will contact the applicants with approved terms

Line-Item Grants

Year Authorized	2022	2024	2026
Total Funding	\$59.8m	\$183.9m	\$253.5m
# of Grants	17	40	58

CWP Grants

- Year 1 435 total CWP grants administered
- Year 1 \$247,513,184
- Year 2 504 total CWP grants administered
- Year 2 \$249,925,000

Questions? Comments?

kia.ky.gov

502-573-0260