



KENTUCKY INFRASTRUCTURE AUTHORITY

Andy Beshear
Governor

100 Airport Road
Frankfort, Kentucky 40601
(502) 573-0260
kia.ky.gov

Sandy Williams
Executive Director

September 19, 2024

To Whom It May Concern:

Over \$178 million is anticipated to be available from the Clean Water State Revolving Fund (CWSRF) and Drinking Water State Revolving Fund (DWSRF) for projects submitted during the Call for Projects.

The CWSRF and DWSRF Call for Projects Will Be Open from September 19, 2024 to December 13, 2024

If you have a drinking water or clean water project and are seeking funding during the 2026 state fiscal year (July 1, 2025 through June 30, 2026), this is the time to submit for funding consideration. These are competitive programs. To qualify for a low-interest loan, your project must be ranked and listed on the 2026 Project Priority List developed collaboratively through the Division of Water (DOW).

A Project Profile is Required

To submit a project for inclusion on the Priority List please work with your local Area Development District (ADD) to complete or update a Project Profile (and related mapping) in the Water Resource Information System. All information needed by DOW to review and rank potential projects have been incorporated into the Project Profile template. Complete the [CWSRF](#) or [DWSRF](#) template for pre-application and send the information to your local Area Water Management Council (AWMC) before their next meeting. Please ensure that project cost estimates and scheduling have been updated.

Project Profile Must be Approved by the Area Water Management Council

For your project to be included in the Priority List your Project Profile must have AWMC approval. The Project Profile should be updated to include the information necessary to evaluate potential projects. Contact the ADD staff to get your updated profile on the next AWMC meeting agenda. You are strongly encouraged to review the [CWSRF](#) and [DWSRF](#) Priority System Guidance Documents before submitting the Project Profile to improve your project's overall score.

Current Interest Rates

Projected interest rates for the programs will be provided in each 2026 Intended Use Plan (IUP). Rates provided in each IUP are subject to approval by the KIA Board. KIA currently offers three interest rates for the programs. The standard rate of 2.25% is available for borrowers with a median household income (MHI) at or above \$60,183, the MHI of the Commonwealth according to U.S. Census. A 1.25% rate is offered to borrowers whose MHI is between \$48,147 and 60,182. The 1.25% rate also applies to those projects that facilitate compliance with an order or judgment addressing environmental non-compliance or those systems that are considered regional. To qualify for the 0.50% rate, the borrower must have an MHI at or below \$48,146.

BIL Funding

On November 15, 2021, the Infrastructure Investment and Jobs Act was signed into law and is also referred to as the Bipartisan Infrastructure Law (BIL). The BIL included an appropriation to the Environmental Protection Agency (EPA) to strengthen the nation's drinking water and wastewater systems. BIL dollars will flow through the CWSRF and the DWSRF. This historic investment in our nation's core infrastructure priorities will serve to construct infrastructure and create jobs while advancing important public policies.

The infusion of BIL funds will result in additional federal funding made available at below-market interest rate financing or as principal forgiveness for disadvantaged communities for the construction of eligible CWSRF and DWSRF projects.

BIL funding provides five federal grants through the SRF programs:

1. CWSRF Supplemental

All CWSRF eligible projects and activities may be funded under the CWSRF BIL Supplemental grant. Forty-nine percent of the Supplemental federal funding must be provided to borrowers as additional subsidy.

2. CWSRF Emerging Contaminants

BIL Emerging Contaminants (EC) funding is available for CWSRF eligible projects whose primary purpose is to address EC that are manufactured or naturally occurring physical, chemical, biological radiological, or nuclear materials, which are known or anticipated in the environment, that may pose newly identified or re-emerging risks to human health, aquatic life, or the environment. These include but are not limited to, groundwater or surface water contamination caused by perfluoroalkyl and polyfluoroalkyl substances (PFAS), pharmaceuticals, personal care products, and micro/nanoplastics. One hundred percent of the EC federal funding must be provided to borrowers as additional subsidy.

3. DWSRF Supplemental

All DWSRF eligible projects and activities may be funded under the DWSRF BIL Supplemental grant. Forty-nine percent of the Supplemental federal funding must be provided to borrowers as additional subsidy.

4. DWSRF – Emerging Contaminants

The BIL Emerging Contaminates (EC) funds must be used for eligible DWSRF projects with the primary purpose to address EC in drinking water. The funds must focus on projects addressing perfluoroalkyl and polyfluoroalkyl (PFAS) substances or any contaminant on [EPA's Contaminate Candidate Lists](#). One hundred percent of the EC federal funding must be provided to borrowers as additional subsidy.

5. DWSRF – Lead Service Line Replacement

The BIL lead service line replacement funds must be used for lead service line replacement projects only and their associated activities directly connected to the identification, planning, design, and replacement of lead service lines. Projects must be DWSRF eligible and full replacement of a lead line must occur. BIL requires that 49% of the lead service line replacement funding be provided as additional subsidization to borrowers that meet the state's disadvantaged community criteria.

Questions?

If you have questions about completing the questionnaire project eligibility for priority list inclusion, or the new BIL priority guidance, please contact Hollie Delaney (Hollie.Delaney@ky.gov) at DOW or call (502) 782-6595. For more information on loan requirements, terms or eligibility, please contact Sandy Williams (Sandy.Williams@ky.gov) at KIA or call (502) 892-3088.

Sincerely,

A handwritten signature in dark ink that reads "Sandy Williams". The signature is written in a cursive, flowing style.

Sandy Williams
Executive Director