



KENTUCKY INFRASTRUCTURE AUTHORITY

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Kentucky Infrastructure Authority Approves Six Loans at March Meeting

(March 13, 2017)--The following loans listed below were approved by the Kentucky Infrastructure Authority (KIA) at the March board meeting held March 2 in Frankfort. KIA administers low interest loans for the construction, improvement and acquisition of sanitary sewer and water facilities and other types of infrastructure. Eligibility is based on a strategic project prioritization process and a resource planning list developed jointly with the state's area development districts, the Kentucky Department for Local Government, the Kentucky Division of Water, the Kentucky Rural Water Association and utilities which participate in regional water councils (kia.ky.gov/wris). Each project profile is listed at kia.ky.gov/board and loan programs at kia.ky.gov/loan.

Interest rates are based on the median household income (mhi) in the utility's service area as compared to Kentucky's statewide mhi of just over \$42,000.

City of Stanton - Powell County

The authority approved a Fund A loan for \$1.1 million for to extend sanitary sewer service to 100 residences and a brick manufacturing plant. The .25 percent loan is repayable over 20 years.

The expansion will replace onsite treatment and straight pipes with:

- 2.9 miles of eight-inch gravity sewer
- more than 2.2 miles of force main
- 45 residential grinder pumps
- three small duplex pump stations and
- a large duplex pump station

Bids are scheduled to be opened in August with construction beginning in September. The project should be completed by July 2018.

Stanton purchases 189 gallons of water annually from the Beech Fork Water Commission and presently serves 1,166 residential and commercial customers.

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South Hopkins Water District - Hopkins County

The South Hopkins Water District received approval from the KIA for a \$765,000, Fund B loan at a 1.75 percent interest rate repayable over 20 years, to fund the rehabilitation of two existing water tanks.

An elevated tank needs immediate attention including replacement of the riser, raising the fill pipe and sheet metal repairs in addition to cleaning and painting. The ground tank improvements will include the installation of a mixing system which will reduce disinfection byproducts and sand blasting, cleaning and painting the tank.

The district sells water to the Earlington Water and Sewer Department, the Morton's Gap Water Department and the Caldwell County Water District. It purchases most of its supply from the City of Dawson Springs and a small amount from Madisonville. It provides service to nearly 3,000 customers.

Project bids are scheduled to be opened in May with construction to begin in June. Completion date is scheduled for November 2017.

City of Nicholasville – Jessamine County

The City of Nicholasville received approval for a KIA Fund F loan of \$553,000 at a 1.75 percent interest rate for the Jessamine-South Elkhorn Interconnect project which will allow either utility to provide water supply for the other in case of an emergency. The loan is repayable over 20 years.

The project consists of the construction of about 2,100 linear feet of 12-inch water main and a bi-directional booster pump station with high efficiency pumps. Each system will be equipped with dual telemetry controls.

The utility provides water for about 13,500 residential and commercial customers.

Construction is scheduled to begin in May following a bid opening this month. The project is scheduled to be completed in December of this year.

City of Stanford – Lincoln County

The authority approved the City of Stanford's request for a Fund F loan of \$2,690,000 to upgrade water lines that were installed in the 1950's. The lines need to be replaced as soon as possible due to multiple breaks and loss of pressure. The loan is repayable over 20 years at a .25 interest rate and includes a principal forgiveness of \$1.3 million. Additional funding for the project will be provided by the USDA Rural Development program and the Appalachian Regional Commission.

The old cross-county line which provides water directly to the city from the water treatment plant will be replaced with PVC pipe. Additionally, various system-wide replacements and connections of dead-end lines will be altered to create loops. The project should be completed by July 2018.

The utility serves about 3,500 residential, commercial and industrial customers,

City of Irvine for Irvine Municipal Utilities – Estill County

KIA approved a Fund F loan for \$5,732,000 to make myriad improvements to Irvine

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Municipal Utilities' water treatment plant facility. The 20-year loan is at a .25 percent interest rate with \$1.1 million principal forgiveness.

Filter buildings will be expanded, two existing filters will be upgraded, a new filter will be added and improvements made to the existing raw water and treated water pumping facilities are included in the project. Approximately 20,100 linear feet of 12 inch PVC main will be installed and a 500,000 gallon water tank will be constructed to replace the existing 200,000-gallon tank. The improvements will decrease the need for disinfection products, add capacity to meet current regulations, reduce redundancy and make maintenance more efficient.

Irvine Municipal Utilities serves nearly 2,000 customers.

Bids are expected to be opened in December 2017 with project completion in June 2019.

Southern Water and Sewer District – Floyd County

The board approved the Southern Water and Sewer District's request for a Fund F loan for \$1.35 million for the Lackey to Wayland Water Line Replacement project. The loan is repayable over 20 years at a .25 interest rate.

The project includes the replacement of 20,000 linear feet of existing eight to ten inch lines with six and eight inch PVC pipe along Kentucky 7. The improvements will correct water pressure and volume issues and help remediate water loss of up to 40 percent annually.

The district provides water service to about 6,750 customers who reside in Floyd, Knott, Letcher and Pike counties. It's regulated by the Ky. Public Service Commission.

Bids are scheduled to be opened in September; the project should start in March 2018 and be completed by March 2019.

Information about the authority, drinking and waste water systems, planning and loans, a catalogue of existing and past projects, mapping, the Water Resource Information System and previous board actions is located on the website kia.ky.gov.

The next KIA meeting is scheduled for Thursday, May 4 at the KIA office at 1024 Capital Center Drive, Suite 340 in Frankfort. Regular meetings are generally held the first Thursday of each month.

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