

KENTUCKY INFRASTRUCTURE AUTHORITY

Steven L. Beshear Governor

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John E. Covington, III

Executive Director

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To Whom It May Concern:

The Kentucky Infrastructure Authority and the Kentucky Division of Water are announcing the 2016 Drinking Water State Revolving Fund Call for Projects.

The Drinking Water State Revolving Fund Call for Projects Will Be Open from October 1, 2014, to December 12, 2014

If you have a drinking water project that will need funding during the 2016 state fiscal year (July 1, 2015 thru June 30, 2016), we want to hear from you as your project may be eligible for funding from the Drinking Water State Revolving Fund (DWSRF). The DWSRF is a competitive program. To qualify to apply for a low interest DWSRF loan, your project MUST be ranked and listed on the 2016 DWSRF Priority List developed by the Division of Water (DOW). Projects will not be carried forward from the 2015 project priority list to the 2016 project priority list.

You Will Need a Project Profile for Your Project

To submit a project for inclusion on the DWSRF Priority List you must work with your local Area Water Management Council (AWMC) through the Area Development District (ADD) to complete or update a Project Profile (and related mapping) in the Water Resource Information System (WRIS). The Project Profile includes the information necessary to evaluate potential DWSRF projects. All information needed by DOW to review and rank potential DWSRF projects has been incorporated into the Project Profile template. If you do not have a Project Profile, you can complete the fill in template and then send the information to your AWMC before their next meeting. Please ensure that project cost estimates have been updated.

Your Project Profile MUST be Approved by the Area Water Management Council

For your project to be included in the DWSRF Priority List your Project Profile must have AWMC approval. To give the ADD staff time to get your profile approved by the AWMC, you must get the profile information to your AWMC before their next meeting.

DOW strongly encourages you to read the <u>Priority System Guidance Document</u> before you submit your Project Profile as you might obtain some useful ideas to improve your project's overall score. **Only those projects that can start construction by March 31, 2017, will be considered for funding.**



Current Interest Rates

<u>Interest rates for the 2016 SRF funding cycle have not yet been determined.</u> Projected interest rates for the program will be provided in the 2016 DWSRF Intended Use Plan (IUP) which will be available late spring of 2015. Rates provided in the IUP are subject to approval by the KIA Board.

As an example, KIA currently offers three interest rates for the DWSRF program. The standard rate of 2.75% is available for borrowers with a median household income (MHI) at or above \$42,610, the MHI of the Commonwealth based on U.S. Census, American Community Survey, 5-year estimates. A 1.75% rate is offered to borrowers whose MHI is between \$42,609 and \$34,088. The 1.75% 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 0.75% rate, the borrower must have an MHI below \$34,088. Keep in mind these figures may change in the coming funding cycle.

Sustainable Infrastructure Initiative

A brochure that highlights the <u>Sustainable Infrastructure</u> (SI) initiative launched by EPA and the Kentucky Division of Water in 2008 is available on KIA's and DOW's websites. Projects that incorporate some of the practices and recommendations described in the SI brochure might receive additional points, resulting in a higher ranking on the DWSRF Project Priority List. The DOW encourages you to contact them with any questions or feedback regarding the SI initiative.

Ouestions?

If you have questions about completing the questionnaire or project eligibility for priority list inclusion, please contact Cindy McDonald (<u>cindy.mcdonald@ky.gov</u>) or Shafiq Amawi (<u>shafiq.amawi@ky.gov</u>) at the Water Infrastructure Branch or call (502) 564-3410. For more information on loan requirements, terms or eligibility, please contact Jeff Abshire (<u>jeff.abshire@ky.gov</u>) or Brandi Armstrong (<u>brandi.armstrong@ky.gov</u>) at KIA or call (502) 573-0260.

Sincerely,

John E. Covington, III, Executive Director Kentucky Infrastructure Authority

