



KENTUCKY INFRASTRUCTURE AUTHORITY

Matthew G. Bevin
Governor

Capital Center Complex
1024 Capital Center Drive, Suite 340
Frankfort, Kentucky 40601
(502) 573-0260
(502) 573-0157 (fax)
kia.ky.gov

For Immediate Release

Contact: Sandy Dunahoo, Chair
502-573-2382

Kentucky Infrastructure Authority Approves Eleven Loans at February Meeting

(February 10, 2017)--The following loan applications were approved by the Kentucky Infrastructure Authority (KIA) at the February board meeting held last week 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 and a resource planning list developed between 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.

Regional Water Resource Agency, Daviess County

The authority approved the Regional Water Resource Agency's (RWRA) request for an increase to a previously approved loan granted in June 2015 for the Max Rhoads and David Hawes Wastewater treatment plants in Daviess County. In addition, the Hawes plant will undergo electrical remediation to support the new ultra violet (UV) system.

The original loan of \$3,296,951 was augmented by \$269,050, repayable over 20 years at a 1.75 percent interest rate, when the initial cost of engineering was expanded due to the complexity of the equipment needed for UV disinfection.

The newer process eliminates the need to store and handle hazardous chemicals at the treatment facilities and further mitigates any risk of contamination with the surrounding environment.

The City of Owensboro and the Daviess County Fiscal Court created the RWRA for the comprehensive management and operation of water facilities within the county. The agency is funded solely by ratepayers which includes residents in Daviess County living in and out of the city limits.

Presently the RWRA serves a total of 36,200 residential, commercial and industrial customers.

City of Frankfort, Franklin County

The City of Frankfort was approved for six loans which all address sanitary sewer and storm water issues throughout the city. The city is under an agreed order with the U.S. Environmental Protection Agency and the Kentucky Division of Enforcement in the Energy and Environment Cabinet.

Frankfort's wastewater system has about 14,000 customers and treats wastewater for an area of Woodford County that includes 21 customers.

The authority approved a loan of \$2,041,000 to rehabilitate and replace about 41,500 linear feet of old sewer lines with 12 to 24 inch PVC gravity lines to relieve flooding in the **Cloverdale and Cougar Lane areas**. The project will also eliminate the recurring sanitary sewer overflow and reduce the inflow/infiltration into sanitary sewers.

The loan is repayable over 20 years at an interest rate of 1.75 percent.

Bids will be advertised on December 31, 2017 with construction expected to begin a year later and be completed in February, 2018.

A loan of \$1,853,750 was approved for the **Franklin/Meagher Avenue** sanitary sewer improvements and the Willow Street storm water management project.

The loan is repayable over 20 years at a 1.75 percent interest rate.

The rehabilitation and replacement of about 4,200 linear feet of old sewer lines with 12 to 24 inch PVC gravity lines will relieve flooding conditions in the **Willow Street** subdivision. The project area is included in the Frankfort Sewer Department's efforts to reduce the infiltration and inflow of storm water entering the sanitary sewer lines in the **Thornhill** subdivision.

Bid opening is scheduled for December 2017 and construction is to begin in January 2018. Completion is scheduled for February 2019.

The board approved Frankfort's request for \$1,954,500 for the **Holly Hills and Meadowview** storm water management project to relieve flooding conditions for Holly Hills and reduce the inflow/infiltration into the sanitary sewer system in both neighborhoods.

The project will replace or rehabilitate about 43,500 linear feet of old sewer lines with PVC gravity lines that run from six to twelve inches and replace 216 manholes.

At present the Meadowview sewers flow into the West Frankfort pump station which has a recurring sanitary sewer overflow.

The loan was approved at a 1.75 percent interest rate repayable over 20 years.

Bids should be opened in December 2017 and the project completed by January 2019.

Frankfort's request for a loan for the amount of \$1,202,660 repayable over 20 years, was approved by the authority. The 1.75 percent loan provides funds for the replacement of the **Silverlake** subdivision pump station with a new, more reliable submersible pump station, the replacement of three or more manholes and about 100 linear feet of gravity sewer to route existing sewer lines to the new pump station.

The station will include a new valve vault, control building and stand-by generator with a backup power. It will accommodate maintenance without the need for confined space entry—a concern with the current station. Though the new pump station will have a smaller capacity overall, a larger wet well will be added.

Bids are expected to be opened in June 2016 and construction completed by August 2017.

The authority approved a \$2,175,965 loan for a project in the upper section of the **Two Creeks subdivision and Blanton Acres**. The 20 year-loan is repayable at a 1.75 percent interest rate.

The project will replace existing pipe linings, replace service connections and make repair to broken or fractured pipe lines. Lines in the Two Creeks area will be increased in size to reduce the risk of sanitary sewer overflow. The Blanton Acres storm water project will manage localized drainage, flooding and storm water issues and assist with the implementation of a pollution program.

Bid opening is scheduled for December 2017 and construction completed by August 2019.

The city's request for a loan of \$1.6 million was approved by the authority. The loan for the **East Main** interceptor project is repayable over 20 years at a 1.75 percent interest rate.

The project includes the construction of 2,900 linear feet of interceptor lines, a new lateral extension to provide service to downstream properties, and tests and repairs on existing lines. The construction site runs from near east Broadway to East Main Street near Martin Luther King Blvd.

Construction is scheduled to begin in July and be completed by August 2017.

Oldham County Environmental Authority

The Oldham County Environmental Authority (OCEA) received approval for a loan of \$6,675,000 for the third phase Orchard Grass Regional Wastewater Treatment Plant. The loan is repayable over 20 years at a 1.75 percent interest rate.

The project includes the construction of interceptor sewers from the Ash Avenue Waste Water Treatment Plant to the newly constructed South Oldham Regional Treatment Facility. The lines will end at the Orchard Grass plant.

The project will be managed in two contracts. One begins at the Friendship Manor nursing home where that package treatment plant will be taken off-line when the interceptor sewer and pump station is complete, going south to the Ash Avenue plant. The second contract also starts at Friendship Manner with a north interceptor line constructed to the Orchard Grass pump station. The Orchard Grass pump station is designed with capacity to pump flow to the new South Oldham regional treatment facility. A new pump station at the Ash Avenue plant site will shift flow to the Friendship Manor pump station and then the Ash Avenue will be decommissioned.

The OCEA plans to pursue working with the Kentucky Department of Corrections to build an interceptor line from the women's prison to the Ash Avenue pump station to decommission the prison's pump station. Interceptor lines will be constructed to manage the flow from the prison.

Construction is scheduled to begin in June 2017 and be completed in October 2018.

The OCEA serves about 5,900 residential, industrial and other customers.

City of Williamsburg, Whitley County

The authority approved a loan request for \$2,456,489 from the City of Williamsburg to improve existing infrastructure and replace sewer lines with larger PVC, man holes and a pump station. The loan is repayable over 20 years at a .25 interest rate. The funding will also be used to refinance an existing bond issued to the city in 2002 by the Rural Utility Service at a 4.5 percent interest rate which will reduce the annual debt service costs by about six percent.

The city is under an agreed order with the Kentucky Division of Enforcement in the state Environment and Energy Cabinet which was issued in 2010. An extension for compliance was allowed to December 2017 at which time the requirements of the order are to be completed.

The city serves about 1,500 residential, commercial and industrial customers with both water and sewer. They also provide about 155 million gallons of water each year to the Cumberland Falls Highway and Whitley County Water Districts. Both are regulated by the Kentucky Public Service Commission at a rate of \$2.50 per thousand gallons.

Bids are scheduled to be opened in May 2017 and the work should be completed by December.

Construction is scheduled to begin in January 2017 and finish in March 2018.

The system has 22,032 residential and commercial/industrial customers.

City of Lewisport, Hancock County

The board approved an application from the City of Lewisport for a \$152,500 increase to a previously approved loan of \$115,000 to rehabilitate a water tank. The 20-year loan is at a 2.75 percent interest rate.

Modifications to the existing, old service pumps are necessary to complete the project because the current equipment can't provide enough flow to supply customers while the water tank is out of service. Variable frequency drive controllers will be installed to high efficiency service pumps enabling the city to distribute water while the tank is out of service in cases of emergencies or maintenance. The initial loan for \$115,000 is to sandblast, recoat, chlorinate and paint the interior of the 200,000 gallon water tank. The tank's exterior will be sandblasted and painted as well.

The city system serves just over 1,000 residential, commercial and industrial customers.

The project was scheduled to begin this month and should be completed in August 2017.

City of Worthington, Greenup County

The City of Worthington was approved for a \$300,000 loan for improvements to the wastewater collection and transmission system including the installation of 2,500 linear feet of new pipe. The 20-year loan is repayable over 20 years at a 3 percent interest rate.

Four lift stations will have energy efficient pumps installed and be generally rehabilitated. The Melrose station in particular is in critical need of repair and has been declared an emergency. The city has begun work on the project and the budget will be reimbursed by the loan.

The Worthington utility serves about 700 residential, commercial and industrial customers. Construction should be completed in December 2017.

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, March 2 at the KIA office at 1024 Capital Center Drive, Suite 340 in Frankfort.

#####