

**Kentucky Infrastructure Authority  
Projects for June 2026  
Capital Projects and Bond Oversight Committee**

▪ **Fund A Loan**

<b>Loan #</b>	<b>Borrower</b>	<b>Amount Requested</b>	<b>Amount Loan Total</b>	<b>County</b>
A26-008	Adair County Water District	\$ 5,008,330	\$ 5,008,330	Adair
A26-009	City of Dawson Springs	\$ 1,820,000	\$ 1,820,000	Hopkins

▪ **Fund B Loan**

<b>Loan #</b>	<b>Borrower</b>	<b>Amount Requested</b>	<b>Amount Loan Total</b>	<b>County</b>
B25-009	City of Paris	\$ 1,500,000	\$ 1,500,000	Bourbon
B26-010	Mercer County Sanitation District	\$ 1,250,100	\$ 1,250,100	Mercer

▪ **Fund F Loan**

<b>Loan #</b>	<b>Borrower</b>	<b>Amount Requested</b>	<b>Amount Loan Total</b>	<b>County</b>
F25-010S	Logan-Todd Regional Water Commission (Increase)	\$ 9,000,000	\$ 13,471,056	Todd
F26-031	Adair County Water District	\$ 7,835,000	\$ 7,835,000	Adair



**Kentucky Infrastructure Authority  
Loan Programs  
Fiscal Year Ended June 30, 2026**

The Kentucky Infrastructure Authority (KIA) was created in 1988 to provide the mechanism for funding construction of local public works projects. KIA is continually growing and expanding its services. Through the various programs currently offered, KIA has become a major provider for local financing needs.

Program Designation		Fund A (CWSRF)	Fund F (DWSRF)	Fund B	Fund C	
Description of Program Federal / State		Clean Water Federal	Drinking Water Federal	Infrastructure State	Governmental Agencies State	
Selection Basis		Priority List	Priority List	First Come First Served	First Come First Served	
Types of Infrastructure		Wastewater	Drinking Water	Various <sup>(1)</sup>	Various <sup>(1,3)</sup>	
<b>Fiscal 2026</b>						
Terms <sup>(4)</sup>	Interest Rates	Income Based	Income Based	Income Based	Terms	Market Rate
20 years	Standard (> or = \$62,417)	2.75%	2.75%	2.75%	1-5 years	2.50%
20 years	Non-standard (\$49,934 - \$62,416) <sup>(2)</sup>	1.75%	1.75%	1.75%	6-10 years	3.00%
20 to 30 years	Disadvantage (< or = \$49,933)	1.00%	1.00%	1.00%	11-20 years	4.00%
20 years	Broadband Projects	N/A	N/A	5.25%	20 years	5.25%
Administration Fees (on principal)		0.25%	0.30%	0.20%	0.25%	
Principal Forgiveness		depends on MHI/affordability index		N/A	N/A	
<b>Lending Capacity</b>						
Estimated Annual Availability		\$120,848,780	\$89,671,079	\$11,391,124	\$11,457,830	
Significant Federal Requirements		Davis Bacon Environmental Review American Iron and Steel Fiscal Sustainability Plan Build America Buy America	Davis Bacon Environmental Review American Iron and Steel Build America Buy America			

(1) Includes planning, design, and construction of solid waste projects; dams; storm water control treatment systems; gas or electric utility; broadband deployment project; or any other public utility or public service project. Broadband project interest rates are at the non-standard rate of 5.25%.

(2) Other reasons include regionalization, consent decrees, agreed orders, or other criteria relating to public health or financial considerations. Rate less than Kentucky MHI but greater than 80% of MHI.

(3) Fund C interest rates are based on term and not MHI.

(4) The 30 year terms are only available for Disadvantaged Communities, depending on factors such as life expectancy of assets being funded and affordability.

**2021 Cleaner Water Program Grants - Water**

<b>Grant Number</b>	<b>Grantee</b>	<b>Project Title</b>	<b>Amount</b>	<b>County</b>	<b>Allocation Pool</b>
21CWW372	Paintsville Utilities Commission	Miscellaneous Water Line Extensions - Phase 3	\$ 54,689.90	Johnson	Supplemental - R
21CWW373	City of Wickliffe	City of Wickliffe - Radio Read Meters	\$ 53,673.00	Ballard	County - R

**2022 Cleaner Water Program Grants - Water**

<b>Grant Number</b>	<b>Grantee</b>	<b>Project Title</b>	<b>Amount</b>	<b>County</b>	<b>Allocation Pool</b>
22CWW169	Henry County Water District #2	Bowling Branch Road Water Line Extension	\$ 72,355.00	Henry	County - R
22CWW404	City of Wickliffe	City of Wickliffe - Radio Read Meters	\$ 117,359.00	Ballard	County - R
22CWW405	City of Brandenburg	Old Ekron Road Waterline Improvements	\$ 112,752.00	Meade	County - R
22CWW406	City of Brandenburg	Water Plant Upgrade and Well	\$ 36,058.00	Meade	County - R

**2022 HB1 RS LINE ITEM Grants (Federal) - Sewer**

<b>Grant Number</b>	<b>Grantee</b>	<b>Project Title</b>	<b>Amount</b>	<b>County</b>	<b>Allocation Pool</b>
22KFS003	Powell's Valley Water District	2020 Red River Destination Resort Sewer Project	\$ 1,297,600.00	Powell	HB 1 - 2022 RS Line Item

<b>EXECUTIVE SUMMARY</b>		Reviewer	John Brady	
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		Date	June 11, 2026	
<b>FUND A, FEDERALLY ASSISTED WASTEWATER</b>		KIA Loan Number	A26-008	
<b>REVOLVING LOAN FUND</b>		WRIS Number	SX21001015	
BORROWER	ADAIR COUNTY WATER DISTRICT ADAIR COUNTY			
BRIEF DESCRIPTION				
The Adair County Water District (ACWD) is requesting a Fund A loan in the amount of \$5,008,330 for the Downtown Sewer System Improvements Phase 4 project. The project consists of both Wastewater Treatment Plant (WWTP) improvements and collection system improvements. Work at the WWTP includes upgrades to the clarifiers and new screw pumps with variable frequency devices. New smart meters will be installed to monitor sludge, influent, and effluent. This will optimize treatment processes, manage aeration, and ensure compliance with discharge regulations. The mechanical bar screen will be replaced, and a new SCADA system will replace outdated equipment currently being used. Work related to the collection system includes the rehabilitation of approximately 2,000 linear feet of gravity sewer and public service laterals. This is necessary to eliminate health and safety threats from sewer overflows in an area of the system with excessive inflow and infiltration. Other project components include the rehabilitation of 10 manholes and 7 lift stations.				
PROJECT FINANCING		PROJECT BUDGET		
Fund A Loan	\$5,008,330	Administrative Expenses	\$20,000	
		Legal Expenses	5,000	
		Planning	25,000	
		Eng - Design / Const	362,830	
		Eng - Insp	206,500	
		Eng - Other	40,000	
		Construction	3,599,000	
		Contingency	750,000	
TOTAL	<u>\$5,008,330</u>	TOTAL	<u>\$5,008,330</u>	
REPAYMENT	Rate	1.00%	Est. Annual Payment	\$157,415
	Term	30 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	Kentucky Engineering Group		
	Bond Counsel	Dinsmore & Shohl, LLP		
PROJECT SCHEDULE	Bid Opening	Nov-26		
	Construction Start	Feb-27		
	Construction Stop	Jan-28		
DEBT PER CUSTOMER	Existing	\$2,008		
	Proposed	\$2,780		
OTHER DEBT	See Attached			
RESIDENTIAL RATES	Current	<u>Users</u> 1,749	<u>Avg. Bill</u> \$54.46	(for 4,000 gallons)
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.			
CASHFLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2022	2,125,461	1,682,752	442,709	1.3
Audited 2023	2,576,960	1,693,138	883,822	1.5
Audited 2024	3,054,905	1,689,141	1,365,764	1.8
Projected 2025	2,937,899	1,661,968	1,275,931	1.8
Projected 2026	2,786,973	1,636,612	1,150,362	1.7
Projected 2027	2,639,202	1,816,068	823,134	1.5
Projected 2028	2,462,290	1,859,091	603,200	1.3
Projected 2029	2,312,607	1,817,734	494,873	1.3

Reviewer: John Brady  
Date: June 11, 2026  
Loan Number: A26-008

**KENTUCKY INFRASTRUCTURE AUTHORITY  
WASTEWATER REVOLVING LOAN FUND (FUND A)  
ADAIR COUNTY WATER DISTRICT  
PROJECT REVIEW  
SX21001015**

**I. PROJECT DESCRIPTION**

The Adair County Water District (ACWD) is requesting a Fund A loan in the amount of \$5,008,330 for the Downtown Sewer System Improvements Phase 4 project. The project consists of both Wastewater Treatment Plant (WWTP) improvements and collection system improvements. Work at the WWTP includes upgrades to the clarifiers and new screw pumps with variable frequency devices. New smart meters will be installed to monitor sludge, influent, and effluent. This will optimize treatment processes, manage aeration, and ensure compliance with discharge regulations. The mechanical bar screen will be replaced, and a new SCADA system will replace outdated equipment currently being used.

Work related to the collection system includes the rehabilitation of approximately 2,000 linear feet of gravity sewer and public service laterals. This is necessary to eliminate health and safety threats from sewer overflows in an area of the system with excessive inflow and infiltration. Other project components include the rehabilitation of 10 manholes and new pumps, controls, and internal piping in 7 existing lift stations.

The ACWD currently provides sewer service to 1,492 residential customers and 257 commercial customers.

**II. PROJECT BUDGET**

	<b>Total</b>
Administrative Expenses	\$ 20,000
Legal Expenses	5,000
Planning	25,000
Engineering Fees - Design	253,981
Engineering Fees - Construction	108,849
Engineering Fees - Inspection	206,500
Engineering Fees - Other	40,000
Construction	3,599,000
Contingency	750,000
<b>Total</b>	<b>\$ 5,008,330</b>

### III. PROJECT FUNDING

	<u>Amount</u>	<u>%</u>
Fund A Loan	\$ 5,008,330	100%
<b>Total</b>	<b>\$ 5,008,330</b>	<b>100%</b>

### IV. KIA DEBT SERVICE

Construction Loan	\$ 5,008,330
Less: Principal Forgiveness	<u>1,184,384</u>
Amortized Loan Amount	\$ 3,823,946
Interest Rate	1.00%
Loan Term (Years)	<u>30</u>
Estimated Annual Debt Service	\$ 147,855
Administrative Fee (0.25%)	<u>9,560</u>
<b>Total Estimated Annual Debt Service</b>	<b>\$ 157,415</b>

### V. PROJECT SCHEDULE

Bid Opening:	November 2026
Construction Start:	February 2027
Construction Stop:	January 2028

### VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

#### A) Customers

<u>Customers</u>	<u>Current</u>
Residential	1,492
Commercial	257
Industrial	<u>0</u>
<b>Total</b>	<b>1,749</b>

## B) Rates

<b>Sewer</b>	Current	Prior
Date of Last Rate Increase	02/09/24	02/09/23
Minimum Bill	\$10.66	\$9.44
Per 1,000 Gallons	10.95	9.70
Cost for 4,000 Gallons	\$54.46	\$48.24
Increase %	12.9%	
Affordability Index (Rate/MHI)	1.4%	1.3%

  

<b>Water</b>	Current	Prior
Date of Last Rate Increase	02/10/24	02/10/23
Minimum Bill (First 1,000 Gallons)	\$25.76	\$23.80
Next 4,000 Gallons (Per 1,000)	9.06	8.38
Cost for 4,000 Gallons	\$52.94	\$48.94
Increase %	8.2%	
Affordability Index (Rate/MHI)	1.4%	1.3%

## VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2019-2023, the Utility's service area population for the sewer system is 5,060 with a Median Household Income (MHI) of \$45,513. The MHI for the Commonwealth is \$62,417. The loan will qualify for a 1.00% interest rate.

## VIII. 2025 CAPITALIZATION GRANT EQUIVALENCIES

- 1) Green Project Reserve - This project qualifies for Green Project Reserve funding for \$2,285,000.
- 2) Additional Subsidization – This project qualifies for additional subsidization. Principal forgiveness of 23.6% of the assistance amount, not to exceed \$1,184,384, will be credited to the loan balance.

## IX. FINANCIAL ANALYSIS

Financial information was obtained from the audited financial statements for the years ended December 31, 2022 through December 31, 2024. The non-cash impacts of GASB 68 – Accounting and Financial Reporting for Pensions and GASB 75 – Accounting and Financial Reporting for Other Postemployment Benefit have been removed from the operating expenses. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

## HISTORY

Total revenues increased 24% from \$5.95 million in 2022 to \$7.38 million in 2024 due to rate adjustments and growth. Operating expenses increased 15.7% from \$3.83 million to \$4.43 million during the same period due to salary increases and system repair costs. The debt coverage ratio was 1.3, 1.5, and 1.8 in 2022, 2023, and 2024.

The balance sheet reflects a current ratio of 1.2, a debt-to-equity ratio of 1.1, 30.3 days of sales in accounts receivable, and 2.3 months of operating expenses in unrestricted cash.

## PROJECTIONS

Projections are based on the following assumptions:

- 1) Sewer revenues will increase 2.1% in 2025 due to an existing rate increase.
- 2) Water revenues will increase 1.4% in 2025 due to an existing rate increase.
- 3) Operating expenses will increase 3% annually due to inflation and general system expenses.
- 4) Debt service coverage is 1.3 in 2029 when the first full year of principal and interest repayments begin.

Based on the pro forma assumptions, the utility shows adequate cash flow to repay the KIA Fund A loan.

The ACWD is regulated by the Public Service Commission (PSC) and will need to apply to the PSC, pursuant to KRS 278.300, for debt authorization for the \$5,008,330 loan and must receive a Certificate of Public Convenience and Necessity, pursuant to KRS 278.020.

## REPLACEMENT RESERVE

The replacement reserve will be 5% (\$250,000 total) of the final amount borrowed (prior to principal forgiveness) to be funded annually (\$12,500 yearly) each December 1 for 20 years and maintained for the life of the loan.

## X. DEBT OBLIGATIONS

	<u>Outstanding</u>	<u>Maturity</u>
Series 2009 Bonds	\$ 865,400	2050
Series 2011 Bonds	952,500	2051
Series 2012 Bonds	1,191,500	2052
Series 2013D Bonds	1,475,000	2040
Series 2014 Bonds	586,000	2054

Series 2020 Bonds	1,832,500	2061
Series 2020G Bonds	4,550,000	2045
KIA Loan A20-016	1,814,826	2052
KIA Loan F06-01	857,971	2028
KIA Loan F07-01	216,269	2028
KIA Loan F10-01	1,696,320	2032
KIA Loan F10-02	675,152	2032
KIA Loan F11-10	609,199	2034
KIA Loan F12-04	2,037,239	2044
KIA Loan F20-009	768,043	2052
KIA Loan A24-007 (i.a.o. \$1,977,032)		TBD
KIA Loan F23-006S (i.a.o. \$1,948,182)		TBD
KIA Loan F26-031 (i.a.o. \$5,070,817)		TBD
<b>Total</b>	<b>\$20,127,919</b>	

**XI. CONTACTS**

<b>Legal Applicant</b>	
Entity Name	Adair County Water District
Authorized Official	Tim Baker (Chairman)
County	Adair
Email	Utility@caud.net
Phone	(270) 384-2181
Address	109 Grant Lane Columbia, KY 42728

<b>Applicant Contact</b>	
Name	Bradley Miller
Organization	Adair County Water District
Email	bradley.miller@caud.net
Phone	(270) 384-2181
Address	PO Box 567 Columbia, KY 42728

**Project Administrator**

Name	Holly Nicholas
Organization	Kentucky Engineering Group
Email	hnicholas@kyengr.com
Phone	(859) 333-9742
Address	PO Box 1034 Versailles, KY 40383

**Consulting Engineer**

PE Name	Jim Thompson
Firm Name	Kentucky Engineering Group
Email	jthompson@kyengr.com
Phone	(859) 251-4127
Address	101 High St Versailles, KY 40383

**XII. RECOMMENDATIONS**

KIA staff recommends approval of the loan with the standard conditions.

**ADAIR COUNTY WATER DISTRICT  
FINANCIAL SUMMARY (DECEMBER YEAR END)**

	<u>Audited</u> <u>2022</u>	<u>Audited</u> <u>2023</u>	<u>Audited</u> <u>2024</u>	<u>Projected</u> <u>2025</u>	<u>Projected</u> <u>2026</u>	<u>Projected</u> <u>2027</u>	<u>Projected</u> <u>2028</u>	<u>Projected</u> <u>2029</u>
<b>Balance Sheet</b>								
<b>Assets</b>								
Current Assets	2,313,933	2,838,240	2,423,076	2,687,574	2,917,647	3,082,273	3,202,913	3,301,888
Other Assets	46,059,526	44,603,905	44,494,903	43,260,135	41,785,470	48,232,116	58,775,162	56,388,217
<b>Total</b>	<b>48,373,459</b>	<b>47,442,145</b>	<b>46,917,979</b>	<b>45,947,709</b>	<b>44,703,117</b>	<b>51,314,390</b>	<b>61,978,076</b>	<b>59,690,105</b>
<b>Liabilities &amp; Equity</b>								
Current Liabilities	1,802,128	1,828,099	1,997,950	1,943,270	1,978,614	2,059,459	2,161,063	2,059,531
Long Term Liabilities	25,833,607	23,808,230	22,094,198	20,853,314	19,582,086	22,160,327	29,811,713	28,475,168
<b>Total Liabilities</b>	<b>27,635,735</b>	<b>25,636,329</b>	<b>24,092,148</b>	<b>22,796,584</b>	<b>21,560,700</b>	<b>24,219,786</b>	<b>31,972,776</b>	<b>30,534,699</b>
<b>Net Assets</b>	<b>20,737,724</b>	<b>21,805,816</b>	<b>22,825,831</b>	<b>23,151,125</b>	<b>23,142,417</b>	<b>27,094,604</b>	<b>30,005,299</b>	<b>29,155,406</b>
<b>Cash Flow</b>								
Revenues	5,953,698	6,591,506	7,382,029	7,493,877	7,493,877	7,493,877	7,493,877	7,493,877
Operating Expenses	3,832,783	4,042,222	4,433,060	4,602,030	4,752,956	4,900,728	5,077,640	5,227,323
Other Income	4,546	27,676	105,936	46,053	46,053	46,053	46,053	46,053
<b>Cash Flow Before Debt Service</b>	<b>2,125,461</b>	<b>2,576,960</b>	<b>3,054,905</b>	<b>2,937,899</b>	<b>2,786,973</b>	<b>2,639,202</b>	<b>2,462,290</b>	<b>2,312,607</b>
<b>Debt Service</b>								
Existing Debt Service	1,682,752	1,693,138	1,689,141	1,661,968	1,636,612	1,816,068	1,780,383	1,660,319
Proposed KIA Loan	0	0	0	0	0	0	78,708	157,415
<b>Total Debt Service</b>	<b>1,682,752</b>	<b>1,693,138</b>	<b>1,689,141</b>	<b>1,661,968</b>	<b>1,636,612</b>	<b>1,816,068</b>	<b>1,859,091</b>	<b>1,817,734</b>
<b>Cash Flow After Debt Service</b>	<b>442,709</b>	<b>883,822</b>	<b>1,365,764</b>	<b>1,275,931</b>	<b>1,150,362</b>	<b>823,134</b>	<b>603,200</b>	<b>494,873</b>
<b>Ratios</b>								
Current Ratio	1.3	1.6	1.2	1.4	1.5	1.5	1.5	1.6
Debt to Equity	1.3	1.2	1.1	1.0	0.9	0.9	1.1	1.0
Days Sales in Accounts Receivable	32.5	31.5	30.3	30.3	30.3	30.3	30.3	30.3
Months Operating Expenses in Unrestricted Cash	3.7	1.9	2.3	2.9	3.4	3.7	3.9	4.0
Debt Coverage Ratio	1.3	1.5	1.8	1.8	1.7	1.5	1.3	1.3

<b>EXECUTIVE SUMMARY</b>		Reviewer	Jeremy Skinner	
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		Date	June 11, 2026	
<b>FUND A, FEDERALLY ASSISTED WASTEWATER</b>		KIA Loan Number	A26-009	
<b>REVOLVING LOAN FUND</b>		WRIS Number	SX21107043	
BORROWER	CITY OF DAWSON SPRINGS HOPKINS COUNTY			
BRIEF DESCRIPTION				
<p>The City of Dawson Springs is requesting a Fund A loan in the amount of \$1,820,000, to fund the Dawson Springs Wastewater System Improvements project. The project consists of multiple improvements to the City's wastewater system and wastewater treatment plant (WWTP) that are expected to reduce system inflow and infiltration (I/I), as well as chemical and energy usage, and to address elevated levels noted in a 2024 Division of Water (DOW) Agreed Order (DOW 21-3-0095).</p> <p>Improvements to the WWTP include the replacement of the motor control center, controls, and associated wiring, as well as the cleaning and replacement of valves at the clarifiers. System improvements include the replacement and rehabilitation of approximately 5,000 linear feet (LF) of sewer lines and related manholes that are prone to I/I. Additionally, the project includes the replacement of the Hayes Hardware Lift Station, which has been associated with sanitary sewer overflows. Upgrades to the lift station include replacing existing pumps with more energy-efficient pumps equipped with variable frequency drives (VFD), along with the improvement and/or replacement of piping and the electrical system, and the installation of a control panel with SCADA. Other upgrades to the lift station include energy-efficient lighting, enclosures, site clean-up, and bypass pumping.</p>				
PROJECT FINANCING		PROJECT BUDGET		
Fund A Loan	\$1,820,000	Administrative Expenses	\$20,000	
		Eng - Design / Const	250,000	
		Eng - Insp	150,000	
		Construction	1,350,000	
		Contingency	50,000	
TOTAL	\$1,820,000	TOTAL	\$1,820,000	
REPAYMENT	Rate	1.00%	Est. Annual Payment	\$57,204
	Term	30 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	GRW Engineers, Inc.		
	Bond Counsel	Dinsmore & Shohl, LLP		
PROJECT SCHEDULE	Bid Opening	Dec-27		
	Construction Start	Feb-28		
	Construction Stop	Feb-29		
DEBT PER CUSTOMER	Existing	\$2,819		
	Proposed	\$3,927		
OTHER DEBT	See Attached			
RESIDENTIAL RATES		<u>Users</u>	<u>Avg. Bill</u>	
	Current	673	\$41.33 (for 4,000 gallons)	
	Additional	0	\$41.33 (for 4,000 gallons)	
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.			
CASHFLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2023	24,086	250,034	(225,948)	0.1
Audited 2024	267,575	241,746	25,829	1.1
Audited 2025	220,241	215,767	4,474	1.0
Projected 2026	448,054	221,225	226,829	2.0
Projected 2027	448,431	224,108	224,323	2.0
Projected 2028	384,497	220,676	163,821	1.7
Projected 2029	314,376	200,043	114,333	1.6
Projected 2030	248,915	199,242	49,673	1.2

Reviewer: Jeremy Skinner  
Date: June 11, 2026  
Loan Number: A26-009

**KENTUCKY INFRASTRUCTURE AUTHORITY  
WASTEWATER REVOLVING LOAN FUND (FUND A)  
CITY OF DAWSON SPRINGS, HOPKINS COUNTY  
PROJECT REVIEW  
SX21107043**

**I. PROJECT DESCRIPTION**

The City of Dawson Springs is requesting a Fund A loan in the amount of \$1,820,000, to fund the Dawson Springs Wastewater System Improvements project. The project consists of multiple improvements to the City’s wastewater system and wastewater treatment plant (WWTP) intended to reduce system inflow and infiltration (I/I), decrease chemical and energy usage, and to address elevated levels identified in a 2024 Division of Water (DOW) Agreed Order (DOW 21-3-0095).

Improvements to the WWTP include the replacement of the motor control center, controls, and associated wiring, as well as the cleaning and replacement of valves at the clarifiers. System improvements include the replacement and rehabilitation of approximately 5,000 linear feet (LF) of sewer lines and related manholes that are prone to I/I. Additionally, the project includes the replacement of the Hayes Hardware Lift Station, which has been associated with sanitary sewer overflows. Upgrades to the lift station include replacing existing pumps with more energy-efficient pumps equipped with variable frequency drives (VFD), along with the improvement and/or replacement of piping and the electrical system, and the installation of a control panel with SCADA. Other upgrades to the lift station include energy-efficient lighting, enclosures, site clean-up, and bypass pumping.

The City of Dawson Springs provides sewer services to 568 residential, 81 commercial, and 24 institutional/other customers. Additionally, the City provides water services to 665 residential and 115 commercial/other customers while also providing wholesaler water services to the South Hopkins Water District.

**II. PROJECT BUDGET**

	<u>Total</u>
Administrative Expenses	\$20,000
Engineering Fees – Design	150,000
Engineering Fees – Construction	100,000
Engineering Fees – Inspection	150,000
Construction	1,350,000
Contingencies	50,000
<b>Total</b>	<b>\$1,820,000</b>

**III. PROJECT FUNDING**

	<u>Amount</u>	<u>%</u>
KIA Fund A Loan	\$1,820,000	100.0
<b>Total</b>	<b>\$1,820,000</b>	<b>100.0</b>

**IV. KIA DEBT SERVICE**

Construction Loan	\$1,820,000
Less: Principal Forgiveness	<u>430,399</u>
Amortized Loan Amount	\$1,389,601
Interest Rate	1.00%
Loan Term (Years)	<u>30</u>
Estimated Annual Debt Service	\$53,730
Administrative Fee (0.25%)	<u>3,474</u>
<b>Total Estimated Annual Debt Service</b>	<b>\$57,204</b>

**V. PROJECT SCHEDULE**

Bid Opening:	December 2027
Construction Start:	February 2028
Construction Stop:	February 2029

**VI. CUSTOMER COMPOSITION AND RATE STRUCTURE**

**A) Customers**

	<u>Current</u>
Residential	568
Commercial	81
Institutional/Other	<u>24</u>
<b>Total</b>	<b><u>673</u></b>

**B) Rates**

<b>Sewer</b>	Proposed	Current	Prior	Prior
Date of Last Rate Increase	8/01/2026	8/01/2025	7/01/2023	1/01/2019
Minimum (1 <sup>st</sup> 267 Cubic Feet (CF))	\$22.19	\$21.65	\$21.12	\$18.80
Next 401 CF	0.0753	0.0735	0.0717	0.0637
Cost for 4,000 gallons	\$42.35	\$41.33	\$40.42	\$35.85
Increase %	2.5%	2.5%	12.4%	
Affordability Index (Rate/MHI)	1.6%	1.6%	1.5%	1.4%

<b>Water</b>	Proposed	Current	Prior	Prior
Date of Last Rate Increase	8/01/2026	8/01/2025	7/01/2023	1/01/2019
Minimum (1 <sup>st</sup> 267 Cubic Feet (CF))	\$17.55	\$17.12	\$16.70	\$15.44
Next 401 CF	0.0568	0.0554	0.0540	0.0499
Cost for 4,000 gallons	\$32.76	\$31.95	\$31.16	\$28.81
Increase %	2.5%	2.6%	8.1%	
Affordability Index (Rate/MHI)	1.2%	1.2%	1.2%	1.1%

<b>Wholesale Water*</b>	Current	Prior	Prior
Date of Last Rate Increase	8/01/2025	5/18/2023	7/01/2019
Per 1,000 Gallons	\$3.00	\$2.33	\$2.16
Increase %	28.8%	7.9%	

\* The City of Dawsons Springs sells water to the South Hopkins Water District.

**VII. DEMOGRAPHICS**

Based on current Census data from the American Community Survey 5-Year Estimate 2019-2023, the Utility’s service area population is 2,363 with a Median Household Income (MHI) of \$31,743. The MHI for the Commonwealth is \$62,417. The loan will qualify for a 1.00% interest rate and a 30-year loan term.

**VIII. 2025 CAPITALIZATION GRANT EQUIVALENCIES**

- 1) Green Project Reserve - This project does not qualify for Green Project Reserve funding.
- 2) Additional Subsidization – This project qualifies for additional subsidization. Principal forgiveness of 23.7% of the assistance amount, not to exceed \$430,399, will be credited to the loan balance.

**IX. FINANCIAL ANALYSIS**

Financial information was obtained from the audited financial statements for the years ended June 30, 2023, through June 30, 2025. The non-cash impacts of GASB 68 – Accounting and Financial Reporting for Pensions and GASB 75 – Accounting and

Financial Reporting for Other Postemployment Benefit have been removed from the operating expenses. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

## HISTORY

Total operating revenues for the City's utility system increased 24 percent from \$1.47 million in fiscal year (FY) 2023 to \$1.83 million in FY 2025. The increase was driven primarily by retail sewer/water and wholesale water rate increases and, to a lesser extent, increased customer demand. Retail sewer revenues increased nearly 28 percent over the period from \$373,410 in FY 2023 to \$476,371 in FY 2025. Water revenues increased nearly 22% from \$1.08 million in FY 2023 to \$1.31 million in FY 2025. The growth in water revenues over the period was due primarily to wholesale water sales, which account for 70-75 percent of total water revenues. Operating revenues outpaced operating expenses during the review period, which increased 14 percent FY 2023 through FY 2025.

As of fiscal year-end 2025, the City's utility system carried nearly \$1.9 million in outstanding debt, including three KIA loans with a combined balance of approximately \$937,000. All three KIA loans have been fully disbursed and are in repayment. A wastewater loan with KRWFC will be paid in full in FY 2028, significantly reducing the City's annual debt service requirements.

The debt service coverage ratio was 0.1, 1.1, and 1.0 for FYs 2023, 2024, and 2025, respectively. The City's utility system cash flow available for debt service is expected to improve in the coming years due to recently implemented and scheduled rate increases.

The balance sheet reflects a current ratio of 1.5, a debt-to-equity ratio of 0.5, 35.5 days of sales in accounts receivable, and 1.6 months of operating expenses in unrestricted cash.

## PROJECTIONS

Projections are based on the following assumptions:

- 1) Retail sewer and water revenues will increase 2.3% in FY 2026, 2.5 percent in FY 2027, and 0.2% in FY 2028 as a result of rate increases implemented in August 2025 and scheduled for August 2026.
- 2) Wholesale water revenues will increase 25.2 percent in FY 2026 and 3.6 percent in FY 2027 due to a rate increase that took effect in mid-August 2025. Beginning in FY 2027, wholesale water purchases are assumed to decline 2.5 percent annually as the City's wholesale customer improves system water loss. *Note: This assumption is deemed to be conservative in nature as a decrease in wholesale water purchases will likely result in decreased operating expenses.*
- 3) Operating expenses will increase 2.0 percent annually due to inflation and

general cost increases.

- 4) Debt service coverage is **1.6** in 2029 when principal and interest repayments begin.

Based on the pro forma assumptions, the utility shows sufficient cash flow to repay the KIA Fund A loan.

### REPLACEMENT RESERVE

The replacement reserve will be 5% (\$92,000 total) of the final amount borrowed prior to principal forgiveness, to be funded annually (\$4,600 yearly) each December 1 for 20 years and maintained for the life of the loan.

## X. DEBT OBLIGATIONS

	<u>Outstanding</u>	<u>Maturity</u>
Revenue Bonds of 2004	\$331,500	2045
Revenue Bonds of 2007	406,000	2047
KRWFC Loan 2012C	220,000	2028
KIA F209-12 (ARRA)	288,065	2031
KIA B14-002	161,652	2036
KIA A20-019	497,958	2053
<b>Total</b>	<b>\$1,895,174</b>	

## XI. CONTACTS

### Legal Applicant

Name	City of Dawson Springs
Address	100 E Arcadia Ave. Dawson Springs, KY 42408
County	Hopkins
Authorized Official	Mayor Jenny Sewell
Phone	(270) 797-27981
Email	mayor@dawsonspringsky.com

<b>Project Contact - Applicant</b>	
Name	Zach Bivens
Representing	Dawson Springs City Sewer and Water
Address	100 E Arcadia Ave. Dawson Springs, KY 42408
Phone	(270) 797-2844
Email	cityofdawsonspri@bellsouth.net

<b>Project Administrator</b>	
Name	Mike G Goode
Representing	Pennyrile Area Development District
Address	300 Hammond Drive Hopkinsville, KY 42240
Phone	(270) 886-9484
Email	mike.goode@ky.gov

<b>Consulting Engineer</b>	
Name	James Wesley Hilborn
Firm	GRW Engineers, Inc.
Address	801 Corporate Drive Lexington, KY 40503
Phone	(859) 223-3999
Email	jhilborn@grwinc.com

**XII. RECOMMENDATIONS**

KIA staff recommends approval of the loan with the standard conditions.

**CITY OF DAWSON SPRINGS  
FINANCIAL SUMMARY (JUNE YEAR END)**

	<u>Audited 2023</u>	<u>Audited 2024</u>	<u>Audited 2025</u>	<u>Projected 2026</u>	<u>Projected 2027</u>	<u>Projected 2028</u>	<u>Projected 2029</u>	<u>Projected 2030</u>
<b>Balance Sheet</b>								
<b>Assets</b>								
Current Assets	345,611	505,429	466,433	537,819	585,983	615,847	635,714	642,749
Other Assets	9,304,374	8,557,555	8,303,039	8,050,173	7,795,986	7,448,412	8,881,632	8,443,413
<b>Total</b>	<b>9,649,985</b>	<b>9,062,984</b>	<b>8,769,472</b>	<b>8,587,992</b>	<b>8,381,970</b>	<b>8,064,259</b>	<b>9,517,346</b>	<b>9,086,162</b>
<b>Liabilities &amp; Equity</b>								
Current Liabilities	268,427	268,655	320,557	329,425	332,332	261,246	310,586	287,630
Long Term Liabilities	3,939,057	3,022,737	2,699,521	2,519,335	2,338,125	2,229,868	3,463,827	3,333,084
<b>Total Liabilities</b>	<b>4,207,484</b>	<b>3,291,392</b>	<b>3,020,078</b>	<b>2,848,760</b>	<b>2,670,457</b>	<b>2,491,114</b>	<b>3,774,413</b>	<b>3,620,714</b>
<b>Net Assets</b>	<b>5,442,501</b>	<b>5,771,592</b>	<b>5,749,394</b>	<b>5,739,231</b>	<b>5,711,513</b>	<b>5,573,145</b>	<b>5,742,933</b>	<b>5,465,447</b>
<b>Cash Flow</b>								
Revenues	1,469,912	1,627,364	1,829,877	2,096,987	2,131,072	2,101,521	2,071,070	2,041,381
Operating Expenses	1,447,736	1,389,323	1,652,371	1,691,668	1,725,376	1,759,759	1,799,429	1,835,201
Other Income	1,910	29,534	42,735	42,735	42,735	42,735	42,735	42,735
<b>Cash Flow Before Debt Service</b>	<b>24,086</b>	<b>267,575</b>	<b>220,241</b>	<b>448,054</b>	<b>448,431</b>	<b>384,497</b>	<b>314,376</b>	<b>248,915</b>
<b>Debt Service</b>								
Existing Debt Service	250,034	241,746	215,767	221,225	224,108	220,676	142,839	142,038
Proposed KIA Loan	0	0	0	0	0	0	57,204	57,204
<b>Total Debt Service</b>	<b>250,034</b>	<b>241,746</b>	<b>215,767</b>	<b>221,225</b>	<b>224,108</b>	<b>220,676</b>	<b>200,043</b>	<b>199,242</b>
<b>Cash Flow After Debt Service</b>	<b>(225,948)</b>	<b>25,829</b>	<b>4,474</b>	<b>226,829</b>	<b>224,323</b>	<b>163,821</b>	<b>114,333</b>	<b>49,673</b>
<b>Ratios</b>								
Current Ratio	1.3	1.9	1.5	1.6	1.8	2.4	2.0	2.2
Debt to Equity	0.8	0.6	0.5	0.5	0.5	0.4	0.7	0.7
Days Sales in Accounts Receivable	34.0	35.0	35.5	35.5	35.5	35.5	35.5	35.5
Months Operating Expenses in Unrestricted Cash	1.4	2.4	1.6	1.9	2.2	2.4	2.5	2.5
Debt Coverage Ratio	0.1	1.1	1.0	2.0	2.0	1.7	1.6	1.2

<b>EXECUTIVE SUMMARY</b>		Reviewer	Jeremy Skinner	
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		Date	June 11, 2026	
<b>FUND B, INFRASTRUCTURE</b>		KIA Loan Number	B25-009	
<b>REVOLVING LOAN FUND</b>		WRIS Number	SX21017022	
BORROWER	CITY OF PARIS BOURBON COUNTY			
BRIEF DESCRIPTION				
<p>The City of Paris is requesting a Fund B loan in the amount of \$1,500,000, which will be used in conjunction with nearly \$2,000,000 in additional project funding, including grant proceeds or other financing sources, to fund the Millersburg Road Sanitary Sewer Extension project. The project will provide wastewater infrastructure necessary to support the development of approximately 300 acres designated for public recreational use. Planned park amenities are expected to include athletic facilities, walking trails, and other community recreational features. The project includes the construction of a pump station and force main to convey wastewater flows from the park area to the existing City of Paris wastewater collection system. The proposed sewer improvements will provide sanitary sewer service to the site and support future public use and development of the park.</p>				
PROJECT FINANCING		PROJECT BUDGET		
Fund B Loan	\$1,500,000	Administrative Expenses	\$0	
Other	1,994,688	Legal Expenses	-	
		Eng - Design / Const	145,000	
		Eng - Insp	75,000	
	-	Construction	2,619,750	
	-	Contingency	654,938	
TOTAL	<u>\$3,494,688</u>	TOTAL	<u>\$3,494,688</u>	
REPAYMENT	Rate	1.00%	Est. Annual Payment \$85,937	
	Term	20 Years	1st Payment 6 Mo. after first draw	
PROFESSIONAL SERVICES	Engineer	Strand Associates, Inc.		
	Bond Counsel	Dinsmore & Shohl, LLP		
PROJECT SCHEDULE	Bid Opening	Oct-26		
	Construction Start	Nov-26		
	Construction Stop	Dec-27		
DEBT PER CUSTOMER	Existing	\$1,364		
	Proposed	\$1,932		
OTHER DEBT	See Attached			
RESIDENTIAL RATES		<u>Users</u>	<u>Avg. Bill</u>	
	Current	5,235	\$38.50 (for 4,000 gallons)	
	Additional	0	\$38.50 (for 4,000 gallons)	
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.			
CASHFLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2022	(697,572)	208,656	(906,228)	-3.3
Audited 2023	1,207,432	212,063	995,369	5.7
Audited 2024	652,936	187,691	465,246	3.5
Projected 2025	1,072,604	256,597	816,007	4.2
Projected 2026	1,935,508	316,687	1,618,822	6.1
Projected 2027	2,648,067	433,938	2,214,129	6.1
Projected 2028	2,511,292	713,950	1,797,342	3.5
Projected 2029	2,374,328	829,708	1,544,620	2.9

Reviewer: Jeremy Skinner  
Date: June 11, 2026  
Loan Number: B25-009

**KENTUCKY INFRASTRUCTURE AUTHORITY  
INFRASTRUCTURE REVOLVING LOAN FUND (FUND B)  
CITY OF PARIS, BOURBON COUNTY  
PROJECT REVIEW  
SX21017022**

**I. PROJECT DESCRIPTION**

The City of Paris is requesting a Fund B loan in the amount of \$1,500,000, which will be used in conjunction with nearly \$2,000,000 in additional project funding, including grant proceeds or other financing sources, to fund the Millersburg Road Sanitary Sewer Extension project.

The project will provide wastewater infrastructure necessary to support the development of approximately 300 acres designated for public recreational use. The planned park is expected to include athletic facilities, walking trails, and other community recreational features.

The project includes the construction of a pump station and approximately 12,500 linear feet (LF) of force main to convey wastewater flows from the park area to the existing City of Paris wastewater collection system. The proposed sewer improvements will provide sanitary sewer service to the site and support future public use and development of the park.

The City of Paris provides sewer services to 4,214 residential, 483 commercial, and 538 industrial/other customers. Additionally, the City provides water services to 4,509 residential and 747 commercial customers while also providing wholesaler water services to the Harrison County Water Association and Kentucky American Water – Millersburg.

**II. PROJECT BUDGET**

	<u>Total</u>
Engineering Fees – Design	\$100,000
Engineering Fees – Construction	45,000
Engineering Fees – Inspection	75,000
Construction	2,619,750
Contingency	654,938
<b>Total</b>	<b>\$3,494,688</b>

**III. PROJECT FUNDING**

	Amount	%
KIA Fund B Loan	\$1,500,000	42.9%
Other Financing	1,994,668	57.1%
<b>Total</b>	<b>\$3,494,668</b>	<b>100.0%</b>

**IV. KIA DEBT SERVICE**

Construction Loan	\$1,500,000
Less: Principal Forgiveness	N/A
Amortized Loan Amount	\$1,500,000
Interest Rate	1.00%
Loan Term (Years)	20
Estimated Annual Debt Service	\$82,937
Administrative Fee (0.20%)	3,000
<b>Total Estimated Annual Debt Service</b>	<b>\$85,937</b>

**V. PROJECT SCHEDULE**

Bid Opening:	October 2026
Construction Start:	November 2026
Construction Stop:	December 2027

**VI. RATE STRUCTURE**

**A. Customers**

Customers	Current	Proposed	Total
Residential	4,214	0	4,214
Commercial	483	0	483
Industrial/Other	538	1	539
<b>Total</b>	<b>5,235</b>	<b>1</b>	<b>5,236</b>

**B. Rates**

**SEWER – Residential – City  
(3/4 & 7/8-Inch Meter)**

	Scheduled	Current	Prior	Prior
Date of Last Rate Increase	7/01/2026	7/01/2025	10/01/2024	7/01/2023
Customer Charge	\$10.50	\$8.00	\$6.10	\$3.70
Per 1,000 Gallons	7.00	6.60	6.20	5.60
Cost for 4,000 gallons	\$38.50	\$34.40	\$30.90	\$26.10
Increase %	11.9%	11.3%	18.4%	
Affordability Index (Rate/MHI)	0.9%	0.8%	0.7%	0.6%

**SEWER – Residential – County  
(3/4 & 7/8-Inch Meter)**

	Scheduled	Current	Prior	Prior
Date of Last Rate Increase	7/01/2026	7/01/2025	10/01/2024	7/01/2023
Customer Charge	\$13.50	\$10.30	\$7.90	\$4.80
Per 1,000 Gallons	7.00	6.60	6.20	5.60
Cost for 4,000 gallons	\$41.50	\$36.70	\$32.70	\$27.20
Increase %	13.1%	12.2%	20.2%	
Affordability Index (Rate/MHI)	1.0%	0.9%	0.8%	0.7%

**WATER – Residential – City  
(3/4 & 7/8-Inch Meter)**

	Scheduled	Current	Prior	Prior
Date of Last Rate Increase	7/01/2026	7/01/2025	10/01/2024	7/01/2023
Customer Charge	\$11.00	\$8.00	\$5.00	\$3.00
Per 1,000 Gallons	3.72	3.61	3.50	3.40
Cost for 4,000 gallons	\$25.88	\$22.44	\$19.00	\$16.60
Increase %	15.3%	18.1%	14.5%	
Affordability Index (Rate/MHI)	0.6%	0.5%	0.5%	0.4%

**WATER – Residential – County  
(3/4 & 7/8-Inch Meter)**

	Scheduled	Current	Prior	Prior
Date of Last Rate Increase	7/01/2026	7/01/2025	10/01/2024	7/01/2023
Customer Charge	\$15.40	\$11.20	\$7.00	\$4.20
Per 1,000 Gallons	5.20	5.05	4.90	4.76
Cost for 4,000 gallons	\$36.20	\$31.40	\$26.60	\$23.24
Increase %	15.3%	18.0%	14.5%	
Affordability Index (Rate/MHI)	0.9%	0.8%	0.6%	0.6%

**VII. DEMOGRAPHICS**

Based on current Census data from the American Community Survey 5-Year Estimate 2019-2023, the Utility’s service area population is 10,698 with a Median Household Income (MHI) of \$49,868. The MHI for the Commonwealth is \$62,417. The loan will qualify for a 1.00% interest rate.

**VIII. FINANCIAL ANALYSIS**

Financial information was obtained from the audited financial statements for the years ended June 30, 2022 through June 30, 2024. The non-cash impacts of GASB 68 – Accounting and Financial Reporting for Pensions and GASB 75 – Accounting and Financial Reporting for Other Postemployment Benefit have been removed from the operating expenses. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

## HISTORY

Total operating revenues for the City's sewer and water systems increased 22 percent from \$3.83 million in fiscal year (FY) 2022 to \$4.68 million in FY 2024 due to rate adjustments and increased customer demand. Sewer revenues increased nearly 19 percent over the period from \$1.93 million in FY 2022 to \$2.29 million in FY 2024. Water revenues increased 25 percent from \$1.9 million in FY 2022 to \$2.39 million in FY 2024. Sewer and water revenues are expected to increase going forward due to rate increases implemented in October 2024 and July 2025 and scheduled for July 2026.

The City's sewer and water debt consists of revenue bonds with a combined balance of \$7,035,000. Additionally, the City has an active KIA construction loan (F22-019) in the amount of \$4,085,545. As of May 29, 2026, approximately \$3.5 million in loan funds have been disbursed with a little over \$500,000 in remaining funds available for future draws. The borrower anticipates that the loan will be fully-drawn by the end of the calendar year. The debt service ratio was (3.3), 5.7, and 3.5 for FYs 2022, 2023, and 2024, respectively. The negative debt service coverage ratio in FY 2022 was due to non-recurring expenses and are not reflective of the utility's overall financial position.

The balance sheet reflects a current ratio of 1.3, a debt-to-equity ratio of 8.9, 114.7 days of sales in accounts receivable, and 2.6 months of operating expenses in unrestricted cash.

## PROJECTIONS

Projections are based on the following assumptions:

- 1) Sewer revenues will increase 13.8 percent in FY 2025, 15.9 percent in FY 2026, and 11.9 percent in FY 2027 due to rate increases implemented in October 2024, July 2025, and scheduled for July 2026.
- 2) Sewer revenues will be flat in FYs 2028 and 2029 due to there being no revenues adjustments planned beyond July 2026.
- 3) Water revenues will increase 10.8 percent in FY 2025, 21.7 percent in FY 2026, and 15.3 percent in FY 2027 due to rate increases implemented in October 2024, July 2025, and scheduled for July 2026.
- 4) Water revenues will be flat in FYs 2028 and 2029 due to there being no revenues adjustments planned beyond July 2026.
- 5) Operating expenses will increase 3.0 percent annually due to inflation and general cost increases.
- 6) The debt service coverage ratio calculation assumes that the system will obtain an additional \$1,994,688 in debt financing to fund the remaining project costs. For calculation purposes, the additional debt is assumed to be for a 20-year term at a 4.75% interest rate.
- 7) Debt service coverage is **2.9** in FY 2029 when principal and interest repayments begin.

Based on the pro forma assumptions, the utility shows adequate cash flow to repay the KIA Fund B loan.

**REPLACEMENT RESERVE**

The replacement reserve will be 5% (\$76,000 total) of the final amount borrowed to be funded annually (\$3,800 yearly) each December 1 for 20 years and maintained for the life of the loan.

**IX. DEBT OBLIGATIONS**

	<u>Outstanding</u>	<u>Maturity</u>
Series 2024 Revenue Bond*	\$6,775,000	2054
Series 2014 Revenue Bond*	260,000	2054
KIA DWSRF Loan (F22-019)^	3,544,490	TBD
<b>Total</b>	<b>\$10,579,490</b>	

\* Loan balances as of FYE 2024.

^ Loan balance as of May 2026.

**X. CONTACTS**

<b>Legal Applicant</b>	
Name	City of Paris
Address	525 High St Paris, KY 40361
County	Bourbon
Authorized Official	John A. Plummer
Phone	(859) 987-2110
Email	mayorplummer@paris.ky.gov

<b>Project Contact - Applicant</b>	
Name	Matt Belcher
Representing	City of Paris
Address	525 High St Paris, KY 40361
Phone	(859) 987-2110
Email	mbelcher@paris.ky.gov

<b>Project Administrator</b>	
Name	Logan Hart
Representing	Bluegrass Area Development District
Address	699 Perimeter Drive Lexington, KY 40517
Phone	(859) 810-2531
Email	lhart@bgadd.org

<b>Consulting Engineer</b>	
Name	Michael Lee Davis
Firm	Strand Associates, Inc.
Address	651 Perimeter Drive, Ste 220 Lexington, KY 40517
Phone	(859) 225-8500
Email	mike.davis@strand.com

**XI. RECOMMENDATIONS**

KIA staff recommends approval of the loan with the standard conditions.

**CITY OF PARIS  
FINANCIAL SUMMARY (JUNE YEAR END)**

	<u>Audited</u> <u>2022</u>	<u>Audited</u> <u>2023</u>	<u>Audited</u> <u>2024</u>	<u>Projected</u> <u>2025</u>	<u>Projected</u> <u>2026</u>	<u>Projected</u> <u>2027</u>	<u>Projected</u> <u>2028</u>	<u>Projected</u> <u>2029</u>
<b>Balance Sheet</b>								
<b>Assets</b>								
Current Assets	1,983,891	1,925,408	3,269,532	3,629,293	4,280,108	5,007,516	5,384,204	5,710,693
Other Assets	15,228,734	16,176,725	19,696,368	19,625,636	20,197,157	21,157,556	25,279,213	25,704,005
<b>Total</b>	<b>17,212,625</b>	<b>18,102,133</b>	<b>22,965,900</b>	<b>23,254,929</b>	<b>24,477,265</b>	<b>26,165,072</b>	<b>30,663,418</b>	<b>31,414,698</b>
<b>Liabilities &amp; Equity</b>								
Current Liabilities	1,416,182	4,436,466	2,508,552	2,518,294	2,661,083	2,844,372	3,040,341	3,071,662
Long Term Liabilities	14,525,874	11,862,547	18,126,814	18,100,380	17,956,072	17,653,892	20,676,345	20,199,306
<b>Total Liabilities</b>	<b>15,942,056</b>	<b>16,299,013</b>	<b>20,635,366</b>	<b>20,618,674</b>	<b>20,617,155</b>	<b>20,498,264</b>	<b>23,716,687</b>	<b>23,270,969</b>
<b>Net Assets</b>	<b>1,270,569</b>	<b>1,803,120</b>	<b>2,330,534</b>	<b>2,636,256</b>	<b>3,860,110</b>	<b>5,666,809</b>	<b>6,946,731</b>	<b>8,143,729</b>
<b>Cash Flow</b>								
Revenues	3,829,573	4,585,420	4,676,861	5,250,662	6,238,907	7,090,768	7,090,768	7,090,768
Operating Expenses	4,572,260	3,406,827	4,056,367	4,178,058	4,303,399	4,442,701	4,579,476	4,716,440
Other Income	45,115	28,839	32,442	0	0	0	0	0
<b>Cash Flow Before Debt Service</b>	<b>(697,572)</b>	<b>1,207,432</b>	<b>652,936</b>	<b>1,072,604</b>	<b>1,935,508</b>	<b>2,648,067</b>	<b>2,511,292</b>	<b>2,374,328</b>
<b>Debt Service</b>								
Existing Debt Service	208,656	212,063	187,691	256,597	316,687	433,938	670,982	743,771
Proposed KIA Loan	0	0	0	0	0	0	42,969	85,937
<b>Total Debt Service</b>	<b>208,656</b>	<b>212,063</b>	<b>187,691</b>	<b>256,597</b>	<b>316,687</b>	<b>433,938</b>	<b>713,950</b>	<b>829,708</b>
<b>Cash Flow After Debt Service</b>	<b>(906,228)</b>	<b>995,369</b>	<b>465,246</b>	<b>816,007</b>	<b>1,618,822</b>	<b>2,214,129</b>	<b>1,797,342</b>	<b>1,544,620</b>
<b>Ratios</b>								
Current Ratio	1.4	0.4	1.3	1.4	1.6	1.8	1.8	1.9
Debt to Equity	12.5	9.0	8.9	7.8	5.3	3.6	3.4	2.9
Days Sales in Accounts Receivable	85.7	56.8	114.7	114.7	114.7	114.7	114.7	114.7
Months Operating Expenses in Unrestricted Cash	1.3	1.6	2.6	3.0	3.8	4.9	5.7	6.3
Debt Coverage Ratio	(3.3)	5.7	3.5	4.2	6.1	6.1	3.5	2.9

<b>EXECUTIVE SUMMARY</b>		Reviewer	Jeremy Skinner	
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		Date	June 11, 2026	
<b>FUND B, INFRASTRUCTURE</b>		KIA Loan Number	B26-009	
<b>REVOLVING LOAN FUND</b>		WRIS Number	SX21167019	
BORROWER	MERCER COUNTY SANITATION DISTRICT MERCER COUNTY			
BRIEF DESCRIPTION				
The Mercer County Sanitation District is requesting a Fund B loan in the amount of \$1,250,100, to be used in conjunction with over \$3.8 million in combined Cleaner Water Program grants and a Kentucky Division of Water (DOW) Sewer Overflow and Stormwater Reuse Municipal Grant (OSG), to fund the Gwinn Island Road Sanitary Sewer Extension project.				
The project will extend sanitary sewer service to multiple unserved areas within the Mocks Creek and Herrington Lake watersheds in Boyle and Mercer Counties that are currently serviced by septic systems and holding tanks. Upon completion, the project will eliminate 117 individual septic systems and six holding tanks, as well as reduce infiltration, protect public health, and improve the water quality of Herrington Lake.				
PROJECT FINANCING		PROJECT BUDGET		
Fund B Loan	\$1,250,100	Administrative Expenses	\$10,000	
21CWS011	1,276,592	Legal Expenses	30,000	
22CWS002	275,064	Land, Easements	-	
DOW OSG Grant	2,284,367	Relocation Expense & Payments	-	
		Planning	25,000	
		Eng - Design / Const	183,030	
		Eng - Insp	315,000	
	-	Construction	4,017,091	
	-	Contingency	206,002	
		Other	300,000	
TOTAL	\$5,086,123	TOTAL	\$5,086,123	
REPAYMENT	Rate	1.75%	Est. Annual Payment	\$76,851
	Term	20 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	Strand Associates		
	Bond Counsel	Dinsmore & Shohl, LLP		
PROJECT SCHEDULE	Bid Opening	Jul-25		
	Construction Start	Nov-25		
	Construction Stop	Oct-26		
DEBT PER CUSTOMER	Existing	\$5,434		
	Proposed	\$5,681		
OTHER DEBT	See Attached			
RESIDENTIAL RATES		<u>Users</u>	<u>Avg. Bill</u>	
	Current	895	\$70.76	(for 4,000 gallons)
	Additional	114	\$70.76	(for 4,000 gallons)
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.			
CASHFLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2022	172,317	249,893	(77,576)	0.7
Audited 2023	265,728	231,541	34,187	1.1
Audited 2024	291,319	273,714	17,605	1.1
Projected 2025	287,737	249,883	37,854	1.2
Projected 2026	280,820	261,079	19,741	1.1
Projected 2027	485,630	338,791	146,839	1.4
Projected 2028	477,534	338,573	138,961	1.4
Projected 2029	469,276	337,833	131,443	1.4

Reviewer: Jeremy Skinner  
Date: June 11, 2026  
Loan Number: B26-009

**KENTUCKY INFRASTRUCTURE AUTHORITY  
INFRASTRUCTURE REVOLVING LOAN FUND (FUND B)  
MERCER COUNTY SANITATION DISTRICT, MERCER COUNTY  
PROJECT REVIEW  
SX21167019**

**I. PROJECT DESCRIPTION**

The Mercer County Sanitation District is requesting a Fund B loan in the amount of \$1,250,100, to be used in conjunction with over \$3.8 million in combined Cleaner Water Program grants and a Kentucky Division of Water (DOW) Sewer Overflow and Stormwater Reuse Municipal Grant (OSG), to fully fund the Gwinn Island Road Sanitary Sewer Extension project after bids came in over budget.

The project will extend sanitary sewer service to multiple unserved areas within the Mocks Creek and Herrington Lake watersheds in Boyle and Mercer Counties that are currently serviced by septic systems and holding tanks. The project includes the construction of approximately 21,700 linear feet (LF) of low-pressure sewer collection line and installation of at least 79 grinder pump stations along Gwin Island Road in northeast Boyle County. The project will include sewer service to the Gwinn Island Marina and Resort, which includes a marina, rental cabins and RV park facilities.

Additionally, the project includes approximately 5,550 LF of low-pressure sewer line extensions in southern Mercer County and Harrodsburg, including service to properties along Cold Springs Drive, Beaumont Avenue, South College Street, and Bellows Mill Road. If funding is available, the project will also include the extension of service to an industrial facility in Burgin, including approximately 875 LF of force main and a duplex grinder station.<sup>1</sup>

In all, the project will eliminate at least 117 individual septic systems and six holding tanks, as well as reduce infiltration, protect public health, and improve the water quality of Herrington Lake.

The Mercer County Sanitation District currently serves 872 residential and 23 commercial customers. The Gwinn Island Road Sanitary Sewer Extension project will add over 100 residential and commercial customers to the system's customer base. The District is also underway on another extension project – the Herrington Lake Sanitary Sewer Force Main project (SX21167028) – which will bring sanitary sewer services to an additional 250 customers and is fully funded by the Kentucky

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1. As it not known at this time if sufficient funding will be available for extension of sewer services to the Burgin industrial facility, potential revenues for the industrial facility are not included in the financial projections.

WWATERS program.

## II. PROJECT BUDGET

	<u>Total</u>
Administrative Expenses	\$10,000
Legal Expenses	30,000
Planning	25,000
Engineering Fees – Design	128,121
Engineering Fees – Construction	54,909
Engineering Fees – Inspection	315,000
Construction	4,017,091
Contingency	206,002
Other	300,000
<b>Total</b>	<b>\$5,086,123</b>

## III. PROJECT FUNDING

	<u>Amount</u>	<u>%</u>
KIA Fund B Loan	\$1,250,100	25%
Cleaner Water Grant (21CWS011)	1,276,592	25%
Cleaner Water Grant (22CWS002)	275,064	5%
DOW OSG	2,284,367	45%
<b>Total</b>	<b>\$5,086,123</b>	<b>100.0%</b>

## IV. KIA DEBT SERVICE

Construction Loan	\$1,250,100
Less: Principal Forgiveness	0
Amortized Loan Amount	\$1,250,100
Interest Rate	1.75%
Loan Term (Years)	20
Estimated Annual Debt Service	\$74,350
Administrative Fee (0.20%)	2,500
<b>Total Estimated Annual Debt Service</b>	<b>\$76,851</b>

## V. PROJECT SCHEDULE

Bid Opening:	July 2025
Construction Start:	November 2025
Construction Stop:	October 2026

## VI. RATE STRUCTURE

### A. Customers

Customers	Current	Proposed*	Total
Residential	872	109	981
Commercial	23	5	28
Industrial	0	0	0
Total	895	114	1,009

\* The Proposed column only includes expected new customers from the Gwinn Island Road extension project. Another project – the Herrington Lake Sanitary Sewer Service Force Main project – is expected to add an additional 250 customers.

### B. Rates

<b>Sewer – All Customers</b>	Current	Prior
Date of Last Rate Increase	6/8/2023	12/13/2022
Minimum Bill (0 – 2,000 gallons)	\$39.44	\$37.60
2,000 – 20,000 Gallons (per 1,000 gallons)	15.66	14.93
Above 20,000 Gallons (per 1,000 gallons)	9.16	8.73
Cost for 4,000 gallons	\$70.76	\$67.46
Increase %	4.9%	
Affordability Index (Rate/MHI)	1.5%	1.4%

## VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2019-2023, the Utility's service area population is 961 with a Median Household Income (MHI) of \$56,793. The MHI for the Commonwealth is \$62,417. The loan will qualify for a 1.75% interest rate.

## VIII. FINANCIAL ANALYSIS

Financial information was obtained from the audited financial statements for the years ended June 30, 2022 through June 30, 2024. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

### HISTORY

Operating revenues increased 27 percent from \$494,606 in 2022 to \$630,375 in 2024, outpacing total operating expenses (less depreciation and other non-cash items) which increased 5.2 percent over the same period. The increases in operating revenues were primarily due to rate increases which took effect in December 2022

and June 2023, respectively. Roughly half of operating expenses consist of treatment costs paid to the Harrodsburg Sewer Department and the Danville Municipal Sewer System, with remaining operating expenses consisting of administrative costs and repairs/maintenance. Treatment costs increased 8 percent from \$162,726 in FY 2022 to \$175,779 in FY 2024 while general administrative expenses increased 2.3 percent over the same period. The debt service coverage ratio 0.7, 1.1, and 1.1 for 2022, 2023, and 2024, respectively.

The District's existing debts consist of revenue bonds with a combined balance of just over \$4,000,000, notes payable with KRWFC and a local bank totaling \$231,000, and a KIA Clean Water SRF loan (A16-004) with a balance of \$565,290. The District's loan with KIA is fully drawn with ongoing principal and interest payments.

The balance sheet reflects a current ratio of 0.4, a debt-to-equity ratio of 0.9, 61.6 days of sales in accounts receivable, and 0.7 months of operating expenses in unrestricted cash.

## PROJECTIONS

Projections are based on the following assumptions:

- 1) Sewer revenues will remain flat for FYs 2025 and 2026 due to there being no scheduled rate adjustments.
- 2) Sewer revenues will increase by \$260,000 starting in 2027 due to the addition of new customers added by the Gwinn Island (appr. \$95,000 annually) and Herrington Lake (appr. \$165,000 annually) projects, respectively.
- 3) While no rate increases are imminent, it is assumed that treatment costs will increase 2.0 percent annually based on historical trends related to customer demand. Additionally, treatment costs will increase by \$45,000 starting in 2027 due to treatment costs for new customers added by the Gwinn Island and Herrington Lake projects.
- 4) Operating expenses will increase 2.0 percent annually for inflation and general cost increases.
- 5) Debt service coverage is **1.4** in 2027 when principal and interest repayments begin.

Based on the pro forma assumptions, the utility shows adequate cash flow to repay the KIA Fund B loan.

## REPLACEMENT RESERVE

The replacement reserve will be 5% (\$62,000 total) of the final amount borrowed to be funded annually (\$3,100 yearly) each December 1 for 20 years and maintained for the life of the loan.

**IX. DEBT OBLIGATIONS**

	Outstanding*	Maturity
2008 Sewer System Revenue Bonds	\$354,000	2049
2015 Series A Sewer System Revenue Bonds	98,000	2055
2015 Series B Sewer System Revenue Bonds	97,000	2055
2016 Series A Sewer System Revenue Bonds	3,038,000	2056
2016 Series B Sewer System Revenue Bonds	480,200	2056
KRWFC Note Payable	134,000	2045
KIA Note Payable (A16-004)	565,290	2040
Farmer's National Bank Note Payable	97,288	2032
<b>Total</b>	<b>\$4,863,778</b>	

\* Balances as of FYE 2024.

**X. CONTACTS**

<b>Legal Applicant</b>	
Name	Mercer County Sanitation District
Address	PO Box 303 Burgin, KY 40310
County	Mercer
Authorized Official	James Dunn (Chairman)
Phone	(859) 748-9654
Email	jamesd1965@hotmail.com

<b>Project Contact - Applicant</b>	
Name	Mike D. Sanford
Representing	Mercer County Sanitation District
Address	PO Box 303 Burgin, KY 40310
Phone	(859) 748-9654
Email	mike@lakevillagewater.org

<b>Project Administrator</b>	
Name	Mike D. Sanford
Address	Mercer County Sanitation District PO Box 303
Contact	Burgin, KY 40310
Phone	(859) 748-9654
Email	mike@lakevillagewater.org

<b>Consulting Engineer</b>	
Name	Elizabeth Ann Dienst
Firm	Strand Associates
Address	651 Perimeter Drive #220 Lexington, KY 40517
Phone	(859) 225-8500
Email	liz.dienst@strand.com

**XI. RECOMMENDATIONS**

KIA staff recommends approval of the loan with the standard conditions.

**MERCER COUNTY SANITATION DISTRICT  
FINANCIAL SUMMARY (JUNE YEAR END)**

	<u>Audited</u> <u>2022</u>	<u>Audited</u> <u>2023</u>	<u>Audited</u> <u>2024</u>	<u>Projected</u> <u>2025</u>	<u>Projected</u> <u>2026</u>	<u>Projected</u> <u>2027</u>	<u>Projected</u> <u>2028</u>	<u>Projected</u> <u>2029</u>
<b>Balance Sheet</b>								
<b>Assets</b>								
Current Assets	83,427	90,995	155,907	148,744	158,657	276,019	345,544	411,311
Other Assets	11,523,412	11,130,636	10,757,794	10,364,870	9,962,890	25,737,428	25,267,904	24,794,622
<b>Total</b>	<b>11,606,839</b>	<b>11,221,631</b>	<b>10,913,701</b>	<b>10,513,614</b>	<b>10,121,546</b>	<b>26,013,447</b>	<b>25,613,448</b>	<b>25,205,933</b>
<b>Liabilities &amp; Equity</b>								
Current Liabilities	367,455	353,922	385,698	394,398	398,751	465,518	469,890	474,673
Long Term Liabilities	5,042,596	4,928,600	4,803,022	4,674,305	4,542,235	5,594,498	5,393,289	5,188,297
<b>Total Liabilities</b>	<b>5,410,051</b>	<b>5,282,522</b>	<b>5,188,720</b>	<b>5,068,703</b>	<b>4,940,986</b>	<b>6,060,016</b>	<b>5,863,179</b>	<b>5,662,970</b>
<b>Net Assets</b>	<b>6,196,788</b>	<b>5,939,109</b>	<b>5,724,981</b>	<b>5,444,911</b>	<b>5,180,560</b>	<b>19,953,431</b>	<b>19,750,269</b>	<b>19,542,963</b>
<b>Cash Flow</b>								
Revenues	494,606	588,817	630,375	635,375	635,375	895,340	895,340	895,340
Operating Expenses	322,296	323,089	339,056	347,638	354,555	409,710	417,806	426,064
Other Income	7	0	0	0	0	0	0	0
<b>Cash Flow Before Debt Service</b>	<b>172,317</b>	<b>265,728</b>	<b>291,319</b>	<b>287,737</b>	<b>280,820</b>	<b>485,630</b>	<b>477,534</b>	<b>469,276</b>
<b>Debt Service</b>								
Existing Debt Service	249,893	231,541	273,714	249,883	261,079	261,940	261,722	260,982
Proposed KIA Loan	0	0	0	0	0	76,851	76,851	76,851
<b>Total Debt Service</b>	<b>249,893</b>	<b>231,541</b>	<b>273,714</b>	<b>249,883</b>	<b>261,079</b>	<b>338,791</b>	<b>338,573</b>	<b>337,833</b>
<b>Cash Flow After Debt Service</b>	<b>(77,576)</b>	<b>34,187</b>	<b>17,605</b>	<b>37,854</b>	<b>19,741</b>	<b>146,839</b>	<b>138,961</b>	<b>131,443</b>
<b>Ratios</b>								
Current Ratio	0.2	0.3	0.4	0.4	0.4	0.6	0.7	0.9
Debt to Equity	0.9	0.9	0.9	0.9	1.0	0.3	0.3	0.3
Days Sales in Accounts Receivable	60.7	55.2	61.6	61.6	61.6	61.6	61.6	61.6
Months Operating Expenses in Unrestricted Cash	0.0	0.0	0.7	1.4	1.7	3.6	5.6	7.3
Debt Coverage Ratio	0.7	1.1	1.1	1.2	1.1	1.4	1.4	1.4

<b>EXECUTIVE SUMMARY</b>		Reviewer	Sandy Rankin	
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		Date	June 11, 2026	
<b>FUND F, FEDERALLY ASSISTED DRINKING WATER</b>		KIA Loan Number	F25-010S Increase	
<b>REVOLVING LOAN FUND</b>		WRIS Number	WX21219042	
BORROWER	LOGAN/TODD REGIONAL WATER COMMISSION TODD COUNTY			
BRIEF DESCRIPTION				
The Logan/Todd Regional Water Commission (LTRWC) is requesting a Fund F loan increase in the amount of \$9,000,000 for the LTRWC Additional Sedimentation Train/General Plant Expansion project. The original loan of \$4,471,056 was approved by the KIA Board on October 3, 2024. This increase will bring their total KIA loan amount up to \$13,471,056 and will fully fund the project. No additional work is being funded. The Commission will expand the plant capacity from 13 to 15 MGD by adding membrane filtration and granular activated carbon to address emerging contaminants, primarily PFOS and PFOA. This expansion includes the addition of a third sedimentation train along with upgrades to plant components.				
PROJECT FINANCING		PROJECT BUDGET		
Fund F Loan	\$13,471,056	Administrative Expenses	\$50,000	
F24-064E	6,501,690	Planning	295,000	
		Eng - Design / Const	1,250,000	
		Eng - Insp	650,000	
		Eng - Other	180,000	
		Construction	15,500,000	
		Contingency	2,047,746	
TOTAL	\$19,972,746	TOTAL	\$19,972,746	
REPAYMENT	Rate	1.25%	Est. Annual Payment	\$552,112
	Term	20 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	McGhee Engineering, Inc.		
	Bond Counsel	Dinsmore & Shohl, LLP		
PROJECT SCHEDULE	Bid Opening	Jan-27		
	Construction Start	May-27		
	Construction Stop	Aug-28		
DEBT PER CUSTOMER	Existing	\$3,195		
	Proposed	\$3,358		
OTHER DEBT	See Attached			
WHOLESALE RATES	Current	<u>Users</u>	13	
			\$3.36 (for 1,000 gallons)	
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.			
CASHFLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2023	5,389,904	3,281,294	2,108,610	1.6
Audited 2024	4,960,330	3,604,452	1,355,878	1.4
CFS 2025	5,486,282	3,716,778	1,769,504	1.5
Projected 2026	4,756,276	3,718,271	1,038,005	1.3
Projected 2027	4,653,888	3,721,969	931,919	1.3
Projected 2028	4,166,078	3,727,625	438,453	1.1
Projected 2029	4,809,527	4,287,064	522,463	1.1
Projected 2030	4,710,009	4,297,805	412,204	1.1

Reviewer: Sandy Rankin  
 Date: June 11, 2026  
 Loan Number: F25-010S Increase

**KENTUCKY INFRASTRUCTURE AUTHORITY  
 DRINKING WATER STATE REVOLVING FUND (FUND F)  
 LOGAN/TODD REGIONAL WATER COMMISSION, TODD COUNTY  
 PROJECT REVIEW  
 WX21219042**

**I. PROJECT DESCRIPTION**

The Logan/Todd Regional Water Commission (LTRWC) is requesting a Fund F loan increase in the amount of \$9,000,000 for the LTRWC Additional Sedimentation Train/General Plant Expansion project. The original loan of \$4,471,056 was approved by the KIA Board on October 3, 2024. This increase will bring their total KIA loan amount up to \$13,471,056 and will fully fund the project. No additional work is being funded.

The Commission will expand the plant capacity from 13 to 15 MGD by adding membrane filtration and granular activated carbon to address emerging contaminants, primarily PFOS and PFOA. This expansion includes the addition of a third sedimentation train along with upgrades to plant components.

The LTRWC currently serves 13 wholesale customers which includes Logan, Todd and Christian counties in Kentucky and Springfield, Tennessee.

**II. PROJECT BUDGET**

	<b>Total</b>
Administrative Expenses	\$ 50,000
Planning	295,000
Engineering Fees - Design	800,000
Engineering Fees - Construction	450,000
Engineering Fees - Inspection	650,000
Engineering Fees - Other	180,000
Construction	15,500,000
Contingency	2,047,746
<b>Total</b>	<b>\$19,972,746</b>

**III. PROJECT FUNDING**

	<b>Amount</b>	<b>%</b>
Fund F Loan	\$13,471,056	67%
F24-064E	6,501,690	33%
<b>Total</b>	<b>\$19,972,746</b>	<b>100%</b>

**IV. KIA DEBT SERVICE**

Construction Loan	\$13,471,056
Less: Principal Forgiveness	<u>4,217,596</u>
Amortized Loan Amount	\$ 9,253,460
Interest Rate	1.25%
Loan Term (Years)	<u>20</u>
Estimated Annual Debt Service	\$ 524,351
Administrative Fee (0.30%)	<u>27,760</u>
<b>Total Estimated Annual Debt Service</b>	<b>\$ 552,112</b>

**V. PROJECT SCHEDULE**

Bid Opening: January 2027  
Construction Start: May 2027  
Construction Stop: August 2028

**VI. CUSTOMER COMPOSITION AND RATE STRUCTURE**

**A) Customers**

Customers	Current	Proposed	Total
Wholesale	<u>13</u>	<u>0</u>	<u>13</u>
Total	13	0	13

**B) Rates**

	Current	Prior	Prior
Date of Last Rate Increase	<u>01/01/25</u>	<u>04/01/20</u>	<u>01/01/14</u>
Cost per 1,000 Gallons	\$3.36	\$3.33	\$3.91
Increase %	0.9%	-14.8%	

**VII. DEMOGRAPHICS**

Based on current Census data from the American Community Survey 5-Year Estimate 2018-2022, the Utility's service area population is 46,782 with a Median Household Income (MHI) of \$50,128. The MHI for the Commonwealth is \$60,183. The loan will qualify for a 1.25% interest rate.

## **VIII. 2023 CAPITALIZATION GRANT EQUIVALENCIES**

- 1) Green Project Reserve - The Drinking Water capitalization grant does not contain a “green” requirement.
- 2) Additional Subsidization – This project qualifies for additional subsidization. Principal forgiveness not to exceed \$4,217,596 will be credited to the loan balance.

## **IX. FINANCIAL ANALYSIS**

Financial information was obtained from the audited/compiled financial statements for the years ended December 31, 2023 through December 31, 2025. The non-cash impacts of GASB 68 – Accounting and Financial Reporting for Pensions and GASB 75 – Accounting and Financial Reporting for Other Postemployment Benefit have been removed from the operating expenses. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

### **HISTORY**

Total revenues increased 4.6% from \$8.56 million in 2023 to \$8.96 million in 2025 primarily due to an increase in sales and rates. Operating expenses increased 18.9% from \$3.55 million to \$4.22 million during the same period primarily due to increases in transmission lines and meters, insurance and maintenance. The debt coverage ratio was 1.6, 1.4, and 1.5 in 2023, 2024 and 2025.

The balance sheet reflects a current ratio of 2.6, a debt-to-equity ratio of 5.1, 42.4 days of sales in accounts receivable, and 17.0 months of operating expenses in unrestricted cash.

### **PROJECTIONS**

Projections are based on the following assumptions:

- 1) Water revenues will increase approximately 9%, or \$700,000, prior to completion of the project.
- 2) Expenses will increase 2% annually due to inflation and expected increases in general operational expenses. GAC operations will add an estimated \$400,000 per year when the project is complete.
- 3) Debt service coverage is 1.1 in 2029 when principal and interest repayments begin.

Based on the pro forma assumptions, the utility shows adequate cash flow to repay the KIA Fund F loan.

## REPLACEMENT RESERVE

The replacement reserve will be 5% (\$674,000 total) of the final amount borrowed (prior to principal forgiveness, if any) to be funded annually (\$33,700 yearly) each December 1 for 20 years and maintained for the life of the loan.

## X. DEBT OBLIGATIONS

	<u>Outstanding</u>	<u>Maturity</u>
KIA Loan F01-04	\$ 1,953,120	2033
KIA Loan F02-01	1,115,525	2033
Citigroup Global Markets, Inc.	36,440,000	2047
USDA Rural Development - 08	4,916,000	2059
USDA Rural Development - 09	8,428,000	2059
USDA Rural Development - 10	7,492,000	2059
USDA Rural Development - 12	1,223,000	2061
USDA Rural Development - 21	2,928,000	2063
<b>Total</b>	<b>\$64,495,645</b>	

## XI. CONTACTS

<b>Legal Applicant</b>	
Entity Name	Logan/Todd Regional Water Commission
Authorized Official	John Mason Barnes (Chairman)
County	Todd
Email	nsummers@ltrwc.org
Phone	270-483-6990
Address	PO Box 400 Guthrie, KY 42234

<b>Applicant Contact</b>	
Name	Kyle Kenner
Organization	Logan/Todd Regional Water Commission
Email	kkenner@ltrwc.org
Phone	270-483-6990
Address	PO Box 400 Guthrie, KY 42234

**Project Administrator**

Name	Amy Frogue
Organization	Pennyrile Area Development District
Email	amy.frogue@ky.gov
Phone	270-886-9484
Address	300 Hammond Drive Hopkinsville, KY 42240

**Consulting Engineer**

PE Name	Chris Wilcutt
Firm Name	McGhee Engineering, Inc.
Email	chris.wilcutt@mcgheeengineering.com
Phone	270-483-6990
Address	202 S Ewing Street Guthrie, KY 42234

**XII. RECOMMENDATIONS**

KIA staff recommends approval of the loan with the standard conditions (and the following special rate conditions).

The Logan/Todd Regional Water Commission must pass a resolution demonstrating their intention to increase revenues as necessary to meet the loan requirements over the life of the loan. KIA staff review currently indicates that revenues will need to increase by an estimated \$700,000 annually, which equates to an approximate rate increase of 9%, to maintain the 1.1 debt coverage ratio in 2029.

**LOGAN/TODD REGIONAL WATER COMMISSION  
FINANCIAL SUMMARY (DECEMBER YEAR END)**

	<u>Audited</u> <u>2023</u>	<u>Audited</u> <u>2024</u>	<u>CFS</u> <u>2025</u>	<u>Projected</u> <u>2026</u>	<u>Projected</u> <u>2027</u>	<u>Projected</u> <u>2028</u>	<u>Projected</u> <u>2029</u>	<u>Projected</u> <u>2030</u>
<b>Balance Sheet</b>								
<b>Assets</b>								
Current Assets	4,920,126	6,030,118	8,235,793	7,344,786	7,531,170	7,618,861	7,813,254	7,895,695
Other Assets	75,626,368	77,298,290	74,517,654	72,830,362	77,485,741	88,715,713	86,042,518	83,281,116
Total	<u>80,546,494</u>	<u>83,328,408</u>	<u>82,753,447</u>	<u>80,175,148</u>	<u>85,016,911</u>	<u>96,334,574</u>	<u>93,855,772</u>	<u>91,176,811</u>
<b>Liabilities &amp; Equity</b>								
Current Liabilities	2,974,688	3,126,150	3,183,726	3,261,184	3,343,761	3,894,207	3,989,158	3,966,531
Long Term Liabilities	67,032,913	67,962,809	66,032,268	64,112,101	62,074,281	68,743,675	66,068,958	63,421,268
Total Liabilities	<u>70,007,601</u>	<u>71,088,959</u>	<u>69,215,994</u>	<u>67,373,285</u>	<u>65,418,042</u>	<u>72,637,882</u>	<u>70,058,116</u>	<u>67,387,799</u>
Net Assets	<u>10,538,893</u>	<u>12,239,449</u>	<u>13,537,453</u>	<u>12,801,863</u>	<u>19,598,869</u>	<u>23,696,692</u>	<u>23,797,656</u>	<u>23,789,012</u>
<b>Cash Flow</b>								
Revenues	8,563,128	8,436,487	8,958,546	8,652,720	8,652,720	8,652,720	9,427,435	9,427,435
Operating Expenses	3,549,864	3,931,051	4,220,011	4,330,511	4,432,899	4,920,709	5,051,975	5,151,493
Other Income	376,640	454,894	747,747	434,067	434,067	434,067	434,067	434,067
Cash Flow Before Debt Service	<u>5,389,904</u>	<u>4,960,330</u>	<u>5,486,282</u>	<u>4,756,276</u>	<u>4,653,888</u>	<u>4,166,078</u>	<u>4,809,527</u>	<u>4,710,009</u>
<b>Debt Service</b>								
Existing Debt Service	3,281,294	3,604,452	3,716,778	3,718,271	3,721,969	3,727,625	3,734,952	3,745,693
Proposed KIA Loan	0	0	0	0	0	0	552,112	552,112
Total Debt Service	<u>3,281,294</u>	<u>3,604,452</u>	<u>3,716,778</u>	<u>3,718,271</u>	<u>3,721,969</u>	<u>3,727,625</u>	<u>4,287,064</u>	<u>4,297,805</u>
Cash Flow After Debt Service	<u>2,108,610</u>	<u>1,355,878</u>	<u>1,769,504</u>	<u>1,038,005</u>	<u>931,919</u>	<u>438,453</u>	<u>522,463</u>	<u>412,204</u>
<b>Ratios</b>								
Current Ratio	1.7	1.9	2.6	2.3	2.3	2.0	2.0	2.0
Debt to Equity	6.6	5.8	5.1	5.3	3.3	3.1	2.9	2.8
Days Sales in Accounts Receivable	33.5	31.3	42.4	42.4	42.4	42.4	42.4	42.4
Months Operating Expenses in Unrestricted Cash	13.3	15.7	17.0	17.2	17.4	15.9	15.8	16.0
Debt Coverage Ratio	1.6	1.4	1.5	1.3	1.3	1.1	1.1	1.1

<b>EXECUTIVE SUMMARY</b>		Reviewer	John Brady	
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		Date	June 11, 2026	
<b>FUND F, FEDERALLY ASSISTED DRINKING WATER</b>		KIA Loan Number	F26-031	
<b>REVOLVING LOAN FUND</b>		WRIS Number	WX21001033	
BORROWER	ADAIR COUNTY WATER DISTRICT ADAIR COUNTY			
BRIEF DESCRIPTION				
<p>The Adair County Water District (ACWD) is requesting a Fund F loan in the amount of \$7,835,000 for the Phase 25 Water Treatment Plant and System Improvements project. This project consists of the rehabilitation of approximately 12,000 linear feet (LF) of problematic water main. This includes 3,200 LF of 4", 6,500 LF of 6", and 1,600 LF of 8" that are prone to leaks and that will be replaced with PVC. Approximately 2,200 LF of 4" and 2,400 LF of 6" water main extensions will be installed to provide service to an area of the system that currently doesn't have access. Loops in the distribution system will be created to provide more adequate flow and reduce potential disinfection byproduct issues. Work at the WTP will include a more efficient and economical way of removing sludge as well as adding variable frequency drives to both the raw water and high service pumps. Two tanks will be rehabilitated to extend their useful life. The overall project will improve water quality, provide service to an unserved area, and allow for more efficient pumping and sludge removal.</p>				
PROJECT FINANCING		PROJECT BUDGET		
Fund F Loan	\$7,835,000	Administrative Expenses	\$25,000	
		Legal Expenses	5,000	
		Planning	45,000	
		Eng - Design / Const	400,000	
		Eng - Insp	200,000	
		Eng - Other	40,000	
		Construction	5,920,000	
		Contingency	1,200,000	
TOTAL	<u>\$7,835,000</u>	TOTAL	<u>\$7,835,000</u>	
REPAYMENT	Rate	1.00%	Est. Annual Payment \$219,612	
	Term	30 Years	1st Payment 6 Mo. after first draw	
PROFESSIONAL SERVICES	Engineer	Kentucky Engineering Group		
	Bond Counsel	Dinsmore & Shohl, LLP		
PROJECT SCHEDULE	Bid Opening	Dec-26		
	Construction Start	Mar-27		
	Construction Stop	Feb-28		
DEBT PER CUSTOMER	Existing	\$2,008		
	Proposed	\$2,780		
OTHER DEBT	See Attached			
RESIDENTIAL RATES		<u>Users</u>	<u>Avg. Bill</u>	
	Current	8,437	\$52.94 (for 4,000 gallons)	
	Additional	25	\$52.94 (for 4,000 gallons)	
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.			
CASHFLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2022	2,125,461	1,682,752	442,709	1.3
Audited 2023	2,576,960	1,693,138	883,822	1.5
Audited 2024	3,054,905	1,689,141	1,365,764	1.8
Projected 2025	2,937,899	1,661,968	1,275,931	1.8
Projected 2026	2,786,973	1,636,612	1,150,362	1.7
Projected 2027	2,639,202	1,816,068	823,134	1.5
Projected 2028	2,462,290	1,859,091	603,200	1.3
Projected 2029	2,312,607	1,817,734	494,873	1.3

Reviewer: John Brady  
Date: June 11, 2026  
Loan Number: F26-031

**KENTUCKY INFRASTRUCTURE AUTHORITY  
DRINKING WATER STATE REVOLVING FUND (FUND F)  
ADAIR COUNTY WATER DISTRICT  
PROJECT REVIEW  
WX21001033**

**I. PROJECT DESCRIPTION**

The Adair County Water District (ACWD) is requesting a Fund F loan in the amount of \$7,835,000 for the Phase 25 Water Treatment Plant and System Improvements project. This project consists of the rehabilitation of approximately 12,000 linear feet (LF) of problematic water main. This includes 3,200 LF of 4", 6,500 LF of 6", and 1,600 LF of 8" that are prone to leaks and that will be replaced with PVC. Approximately 2,200 LF of 4" and 2,400 LF of 6" water main extensions will be installed to provide service to an area of the system that currently doesn't have access. Loops in the distribution system will be created to provide more adequate flow and reduce potential disinfection byproduct issues.

Work at the WTP will include a more efficient and economical way of removing sludge as well as adding variable frequency drives to both the raw water and high service pumps. Two tanks will be rehabilitated to extend their useful life. The overall project will improve water quality, provide service to an unserved area, and allow for more efficient pumping and sludge removal.

The ACWD currently provides water service to 8,011 residential customers and 426 commercial and industrial customers.

**II. PROJECT BUDGET**

	<b>Total</b>
Administrative Expenses	\$ 25,000
Legal Expenses	5,000
Planning	45,000
Engineering Fees - Design	280,000
Engineering Fees - Construction	120,000
Engineering Fees - Inspection	200,000
Engineering Fees - Other	40,000
Construction	5,920,000
Contingency	1,200,000
<b>Total</b>	<b>\$ 7,835,000</b>

**III. PROJECT FUNDING**

	<u>Amount</u>	<u>%</u>
Fund F Loan	\$ 7,835,000	100%
<b>Total</b>	<b>\$ 7,835,000</b>	<b>100%</b>

**IV. KIA DEBT SERVICE**

Construction Loan	\$ 7,835,000
Less: Principal Forgiveness	<u>2,564,183</u>
Amortized Loan Amount	\$ 5,270,817
Interest Rate	1.00%
Loan Term (Years)	<u>30</u>
Estimated Annual Debt Service	\$ 203,799
Administrative Fee (0.30%)	<u>15,812</u>
<b>Total Estimated Annual Debt Service</b>	<b>\$ 219,612</b>

**V. PROJECT SCHEDULE**

Bid Opening:	December 2026
Construction Start:	March 2027
Construction Stop:	February 2028

**VI. CUSTOMER COMPOSITION AND RATE STRUCTURE**

**A) Customers**

<u>Customers</u>	<u>Current</u>
Residential	8,011
Commercial	410
Other	<u>16</u>
<b>Total</b>	<b>8,437</b>

**B) Rates**

<b>Water</b>	<u>Current</u>	<u>Prior</u>
Date of Last Rate Increase	02/10/24	02/10/23
Minimum Bill (First 1,000 Gallons)	\$25.76	\$23.80
Next 4,000 Gallons (Per 1,000)	<u>9.06</u>	<u>8.38</u>
Cost for 4,000 Gallons	\$52.94	\$48.94
Increase %	8.2%	
Affordability Index (Rate/MHI)	1.3%	1.2%

<b>Sewer</b>	<u>Current</u>	<u>Prior</u>
Date of Last Rate Increase	02/09/24	02/09/23
Minimum Bill	\$10.66	\$9.44
Per 1,000 Gallons	10.95	9.70
Cost for 4,000 Gallons	\$54.46	\$48.24
Increase %	12.9%	
Affordability Index (Rate/MHI)	1.3%	1.2%

**VII. DEMOGRAPHICS**

Based on current Census data from the American Community Survey 5-Year Estimate 2019-2023, the Utility’s service area population is 16,841 with a Median Household Income (MHI) of \$48,609. The MHI for the Commonwealth is \$62,417. The loan will qualify for a 1.00% interest rate.

**VIII. 2025 CAPITALIZATION GRANT EQUIVALENCIES**

- 1) Green Project Reserve - The Drinking Water capitalization grant does not contain a “green” requirement.
- 2) Additional Subsidization – This project qualifies for additional subsidization. Principal forgiveness of 32.7% of the assistance amount, not to exceed \$2,564,183, will be credited to the loan balance.

**IX. FINANCIAL ANALYSIS**

Financial information was obtained from the audited financial statements for the years ended December 31, 2022 through December 31, 2024. The non-cash impacts of GASB 68 – Accounting and Financial Reporting for Pensions and GASB 75 – Accounting and Financial Reporting for Other Postemployment Benefit have been removed from the operating expenses. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

**HISTORY**

Total revenues increased 24% from \$5.95 million in 2022 to \$7.38 million in 2024 due to rate adjustments and growth. Operating expenses increased 15.7% from \$3.83 million to \$4.43 million during the same period due to salary increases and system repair costs. The debt coverage ratio was 1.3, 1.5, and 1.8 in 2022, 2023, and 2024.

The balance sheet reflects a current ratio of 1.2, a debt-to-equity ratio of 1.1, 30.3 days of sales in accounts receivable, and 2.3 months of operating expenses in unrestricted cash.

## PROJECTIONS

Projections are based on the following assumptions:

- 1) Sewer revenues will increase 2.1% in 2025 due to an existing rate increase.
- 2) Water revenues will increase 1.4% in 2025 due to an existing rate increase.
- 3) Operating expenses will increase 3% annually due to inflation and general system expenses.
- 4) Debt service coverage is 1.3 in 2029 when the first full year of principal and interest repayments begin.

Based on the pro forma assumptions, the utility shows adequate cash flow to repay the KIA Fund F loan.

The ACWD is regulated by the Public Service Commission (PSC) and will need to apply to the PSC, pursuant to KRS 278.300, for debt authorization for the \$7,835,000 loan and must receive a Certificate of Public Convenience and Necessity, pursuant to KRS 278.020.

## REPLACEMENT RESERVE

The replacement reserve will be 5% (\$392,000 total) of the final amount borrowed (prior to principal forgiveness) to be funded annually (\$19,600 yearly) each December 1 for 20 years and maintained for the life of the loan.

## X. DEBT OBLIGATIONS

	<u>Outstanding</u>	<u>Maturity</u>
Series 2009 Bonds	\$ 865,400	2050
Series 2011 Bonds	952,500	2051
Series 2012 Bonds	1,191,500	2052
Series 2013D Bonds	1,475,000	2040
Series 2014 Bonds	586,000	2054
Series 2020 Bonds	1,832,500	2061
Series 2020G Bonds	4,550,000	2045
KIA Loan A20-016	1,814,826	2052
KIA Loan F06-01	857,971	2028
KIA Loan F07-01	216,269	2028
KIA Loan F10-01	1,696,320	2032
KIA Loan F10-02	675,152	2032
KIA Loan F11-10	609,199	2034
KIA Loan F12-04	2,037,239	2044
KIA Loan F20-009	768,043	2052
KIA Loan A24-007 (i.a.o. \$1,977,032)		TBD
KIA Loan F23-006S (i.a.o. \$1,948,182)		TBD
KIA Loan A26-008 (i.a.o. \$3,709,418)		TBD
<b>Total</b>	<b>\$20,127,919</b>	

**XI. CONTACTS**

<b>Legal Applicant</b>	
Entity Name	Adair County Water District
Authorized Official	Tim Baker (Chairman)
County	Adair
Email	Utility@caud.net
Phone	(270) 384-2181
Address	109 Grant Lane Columbia, KY 42728

<b>Applicant Contact</b>	
Name	Bradley Miller
Organization	Adair County Water District
Email	bradley.miller@caud.net
Phone	(270) 384-2181
Address	PO Box 567 Columbia, KY 42728

<b>Project Administrator</b>	
Name	Holly Nicholas
Organization	Kentucky Engineering Group
Email	hnicholas@kyengr.com
Phone	(859) 333-9742
Address	PO Box 1034 Versailles, KY 40383

<b>Consulting Engineer</b>	
PE Name	Jim Thompson
Firm Name	Kentucky Engineering Group
Email	jthompson@kyengr.com
Phone	(859) 251-4127
Address	101 High St Versailles, KY 40383

**XII. RECOMMENDATIONS**

KIA staff recommends approval of the loan with the standard conditions.

**ADAIR COUNTY WATER DISTRICT  
FINANCIAL SUMMARY (DECEMBER YEAR END)**

	<u>Audited</u> <u>2022</u>	<u>Audited</u> <u>2023</u>	<u>Audited</u> <u>2024</u>	<u>Projected</u> <u>2025</u>	<u>Projected</u> <u>2026</u>	<u>Projected</u> <u>2027</u>	<u>Projected</u> <u>2028</u>	<u>Projected</u> <u>2029</u>
<b>Balance Sheet</b>								
<b>Assets</b>								
Current Assets	2,313,933	2,838,240	2,423,076	2,687,574	2,917,647	3,082,273	3,202,913	3,301,888
Other Assets	46,059,526	44,603,905	44,494,903	43,260,135	41,785,470	48,232,116	58,775,162	56,388,217
<b>Total</b>	<b>48,373,459</b>	<b>47,442,145</b>	<b>46,917,979</b>	<b>45,947,709</b>	<b>44,703,117</b>	<b>51,314,390</b>	<b>61,978,076</b>	<b>59,690,105</b>
<b>Liabilities &amp; Equity</b>								
Current Liabilities	1,802,128	1,828,099	1,997,950	1,943,270	1,978,614	2,059,459	2,161,063	2,059,531
Long Term Liabilities	25,833,607	23,808,230	22,094,198	20,853,314	19,582,086	22,160,327	29,811,713	28,475,168
<b>Total Liabilities</b>	<b>27,635,735</b>	<b>25,636,329</b>	<b>24,092,148</b>	<b>22,796,584</b>	<b>21,560,700</b>	<b>24,219,786</b>	<b>31,972,776</b>	<b>30,534,699</b>
<b>Net Assets</b>	<b>20,737,724</b>	<b>21,805,816</b>	<b>22,825,831</b>	<b>23,151,125</b>	<b>23,142,417</b>	<b>27,094,604</b>	<b>30,005,299</b>	<b>29,155,406</b>
<b>Cash Flow</b>								
Revenues	5,953,698	6,591,506	7,382,029	7,493,877	7,493,877	7,493,877	7,493,877	7,493,877
Operating Expenses	3,832,783	4,042,222	4,433,060	4,602,030	4,752,956	4,900,728	5,077,640	5,227,323
Other Income	4,546	27,676	105,936	46,053	46,053	46,053	46,053	46,053
<b>Cash Flow Before Debt Service</b>	<b>2,125,461</b>	<b>2,576,960</b>	<b>3,054,905</b>	<b>2,937,899</b>	<b>2,786,973</b>	<b>2,639,202</b>	<b>2,462,290</b>	<b>2,312,607</b>
<b>Debt Service</b>								
Existing Debt Service	1,682,752	1,693,138	1,689,141	1,661,968	1,636,612	1,816,068	1,749,285	1,598,122
Proposed KIA Loan	0	0	0	0	0	0	109,806	219,612
<b>Total Debt Service</b>	<b>1,682,752</b>	<b>1,693,138</b>	<b>1,689,141</b>	<b>1,661,968</b>	<b>1,636,612</b>	<b>1,816,068</b>	<b>1,859,091</b>	<b>1,817,734</b>
<b>Cash Flow After Debt Service</b>	<b>442,709</b>	<b>883,822</b>	<b>1,365,764</b>	<b>1,275,931</b>	<b>1,150,362</b>	<b>823,134</b>	<b>603,200</b>	<b>494,873</b>
<b>Ratios</b>								
Current Ratio	1.3	1.6	1.2	1.4	1.5	1.5	1.5	1.6
Debt to Equity	1.3	1.2	1.1	1.0	0.9	0.9	1.1	1.0
Days Sales in Accounts Receivable	32.5	31.5	30.3	30.3	30.3	30.3	30.3	30.3
Months Operating Expenses in Unrestricted Cash	3.7	1.9	2.3	2.9	3.4	3.7	3.9	4.0
Debt Coverage Ratio	1.3	1.5	1.8	1.8	1.7	1.5	1.3	1.3

<b>EXECUTIVE SUMMARY</b>		Reviewer	Julie Bickers
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		CPBOC Date	June 18, 2026
<b>DRINKING WATER AND WASTEWATER GRANT PROGRAM</b>		KIA Grant Number	21CWW372
<b>CLEANER WATER PROGRAM GRANT</b>		WRIS Number	WX21115015
GRANTEE	PAINTSVILLE UTILITIES COMMISSION JOHNSON COUNTY		
BRIEF DESCRIPTION			
The project will provide public water service to approximately 40 new customers. The new customers will be served through 2-inch and 3-inch waterlines. The areas of Johnson County to be served include Stapleton Lane at Elna, Jackson Fork Road at Riceville, and Kimbler Lane at US 23. The project will also provide service for the new Johnson Central High School campus which will be served by a combination of 6", 12", and 14" lines. The project will install approximately 10200 linear feet of waterline.			
PROJECT FINANCING		PROJECT BUDGET	RD Fee % Actual %
CWP - Water Grant - 21CWW372	\$54,689.90	Legal Expenses	\$5,000
CWP Grant 22CWW071	1,244,470.00	Eng - Design / Const	8.5% 7.4% 92,820.00
Local	115,410.10	Eng - Insp	5.3% 4.3% 54,600.00
		Construction	1,168,140.00
		Contingency	94,010.00
TOTAL	\$1,414,570	TOTAL	\$1,414,570
PROFESSIONAL SERVICES	Engineer	Bell Engineering	
PROJECT SCHEDULE	Bid Opening	February 24, 2026	
	Construction Start	April 15, 2026	
	Construction Stop	October 15, 2026	
RESIDENTIAL RATES		<u>Users</u>	<u>Avg. Bill</u>
	Current	8,411	\$ 39.51 (for 4,000 gallons)
	Additional	8	
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.		
Allocation Source	Allocated County	Allocated Amount	
Supplemental Pool		\$ 54,689.90	
	Total	\$ 54,689.90	
Notes:			
This grant is a reallocation of remaining funds from a previously approved grant. Previous Grantee: Paintsville Utilities Commission Previous Grant #21CWW104 Previous Project: Sugar Grove BPS & Water Supply Line Replacement Previous WRIS #WX21115019 Prior Approval Date: June 20, 2024			



<b>EXECUTIVE SUMMARY</b>		Reviewer	Julie Bickers
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		CPBOC Date	June 18, 2026
<b>DRINKING WATER AND WASTEWATER GRANT PROGRAM</b>		KIA Grant Number	22CWW169
<b>CLEANER WATER PROGRAM GRANT</b>		WRIS Number	WX21103065
GRANTEE	HENRY COUNTY WATER DISTRICT #2 HENRY COUNTY		
BRIEF DESCRIPTION			
Funds will be to install approximately 6,500' of 3" PVC to provide water to four to six new homes that currently are not provided water by the District. This project/price is contingent upon an easement being given to the Henry County Water District #2 from Shelby Rural Electric.			
PROJECT FINANCING		PROJECT BUDGET	RD Fee % Actual %
CWP - Water Grant - 22CWW169	\$60,000	Administrative Expenses	\$1,500
CWP Supplemental Increase	72,355	Eng - Design / Const	#DIV/0! 4.4% 5,500
		Construction	125,355
TOTAL	\$132,355	TOTAL	\$132,355
PROFESSIONAL SERVICES	Engineer	TBD	
PROJECT SCHEDULE	Bid Opening	TBD	
	Construction Start	TBD	
	Construction Stop	TBD	
RESIDENTIAL RATES		<u>Users</u>	<u>Avg. Bill</u>
	Current	6,831	\$ 46.33 (for 4,000 gallons)
	Additional	2	
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.		
Allocation Source	Allocated County	Allocated Amount	
County Allocation Pool	Henry County	\$ 60,000.00	
County Allocation Pool	Reallocation	\$ 72,355.00	
	Total	\$ 132,355.00	
Notes:			
This grant is being allocated additional funds through the reallocation of funds from a previously approved grant. Previous Grantee: Henry County Water District #2 Previous Grant #22CWW170 Previous Project: Pleasureville Area Water System Improvements Previous WRIS #WX21103066 Prior Approval Date: December 27, 2022			



<b>EXECUTIVE SUMMARY</b>		Reviewer	Julie Bickers
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		CPBOC Date	June 18, 2026
<b>DRINKING WATER AND WASTEWATER GRANT PROGRAM</b>		KIA Grant Number	22CWW405
<b>CLEANER WATER PROGRAM GRANT</b>		WRIS Number	WX21163025
GRANTEE	BRANDENBURG, CITY OF MEADE COUNTY		
BRIEF DESCRIPTION			
The proposed project will replace and upgrade approximately 1,000 l.f. of 8" main along Old Ekron Rd, in the City of Brandenburg. The existing mains are old, inadequate in performance (due to age), and prone to breaks. The improvements will replace cast iron and galvanized pipe with new pvc to provide more adequate and reliable water service to these areas.			
PROJECT FINANCING		PROJECT BUDGET	RD Fee % Actual %
CWP - Water Grant - 22CWW405	\$112,752	Administrative Expenses	\$16,000
CWP Grant 21CWW243	350,000	Eng - Design / Const	10.7% 8.1% 31,881
		Eng - Insp	8.1% 4.8% 18,921
		Eng - Other	3,250
		Construction	357,000
		Contingency	35,700
TOTAL	\$462,752	TOTAL	\$462,752
PROFESSIONAL SERVICES	Engineer	Smith Engineering & Land Surveys, Inc.	
PROJECT SCHEDULE	Bid Opening	May 21, 2026	
	Construction Start	June 1, 2026	
	Construction Stop	August 30, 2026	
RESIDENTIAL RATES	Current	<u>Users</u> 1,592	<u>Avg. Bill</u> \$ 27.61 (for 4,000 gallons)
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.		
Allocation Source	Allocated County	Allocated Amount	
County Allocation Pool	Meade County	\$ 112,752.00	
	Total	\$ 112,752.00	
Notes:			
This grant is a reallocation from a previously approved grant. Previous Grantee: City of Brandenburg Previous Grant #22CWS153 Previous Project: Brandenburg SCADA & Telemetry Upgrades Previous WRIS #SX21163009 Prior Approval Date: March 29, 2023			

<b>EXECUTIVE SUMMARY</b>		Reviewer	Julie Bickers
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		CPBOC Date	June 18, 2026
<b>DRINKING WATER AND WASTEWATER GRANT PROGRAM</b>		KIA Grant Number	22CWW406
<b>CLEANER WATER PROGRAM GRANT</b>		WRIS Number	WX21163044
GRANTEE	BRANDENBURG, CITY OF MEADE COUNTY		
BRIEF DESCRIPTION			
This project will upgrade the City's water plant to treat high levels of manganese and iron. It will also put the City in a position to upgrade the plant production to 2 million gallons per day. This project includes a new well for the City.			
PROJECT FINANCING		PROJECT BUDGET	RD Fee % Actual %
CWP - Water Grant - 22CWW406	\$36,058	Eng - Design / Const	11.0% 4.6% \$57,390
HB1 ARPA SFRF Line Item - Water Grant - 22KFW003	2,000,000	Eng - Other	7,620
		Construction	1,210,396
		Equipment	720,652
		Contingency	40,000
TOTAL	\$2,036,058	TOTAL	\$2,036,058
PROFESSIONAL SERVICES	Engineer	GRW Engineers, Inc.	
PROJECT SCHEDULE	Bid Opening	May 1, 2023	
	Construction Start	August 1, 2023	
	Construction Stop	TBD	
RESIDENTIAL RATES	Current	<u>Users</u> 1,592	<u>Avg. Bill</u> \$ 27.61 (for 4,000 gallons)
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.		
Allocation Source	Allocated County	Allocated Amount	
County Allocation Pool	Meade County	\$ 36,058.00	
	Total	\$ 36,058.00	
Notes:			
This grant is being allocated additional funds through the reallocation of funds from a previously approved grant. Previous Grantee: City of Brandenburg Previous Grant #22CWS153 Previous Project: Brandenburg SCADA & Telemetry Upgrades Previous WRIS #SX21163009 Prior Approval Date: March 29, 2023			

<b>EXECUTIVE SUMMARY</b> <b>KENTUCKY INFRASTRUCTURE AUTHORITY</b> <b>ARPA STATE FISCAL RECOVERY FUND</b> <b>HB1 2022 RS LINE ITEM - FEDERAL</b>		Reviewer CPBOC Date KIA Grant Number WRIS Number	Julie Bickers June 18, 2026 22KFS003 SX21197019
GRANTEE	POWELL'S VALLEY WATER DISTRICT POWELL COUNTY		
BRIEF DESCRIPTION			
The Red River Destination Resort has requested sewer service for its facilities to be located near the Mountain Parkway Slade exit. It requires sewer main extensions and improvements in the area. Also, the existing wastewater treatment plant will be expanded to accommodate the additional biologic and hydraulic loading from the facilities. In order to transport the Red River Destination Resort effluent to the Powells Valley Water District (PVWD) WWTP, this project includes: 1.) a new lift station at the Red River Destination Resort and a force main to the closest PVWD gravity main manhole. (see project map) There will be a new Lift Station located at the base of the hill below the Red River Destination Resort development. There will also be a renovation/expansion of an existing Powells Valley Water District lift station. (see map) 2.) gravity main collection for the Red River Destination Resort new service area, 3.) renovation of existing PVWD Lift Station (see project map)			
PROJECT FINANCING		PROJECT BUDGET	RD Fee % Actual %
HB1 ARPA SFRF Line Item - Sewer Grant - 22KFS003	\$1,702,400	Land, Easements	\$20,000
HB1 ARPA Line Item Supplemental Funds	1,297,600	Planning	25,000
		Eng - Design / Const	7.9% 5.3% 141,627
		Eng - Insp	4.8% 4.0% 106,663
		Eng - Other	40,000
		Construction	2,503,733
		Contingency	162,977
TOTAL	\$3,000,000	TOTAL	\$3,000,000
PROFESSIONAL SERVICES	Engineer	MSE of Kentucky, Inc.	
PROJECT SCHEDULE	Bid Opening	TBD	
	Construction Start	TBD	
	Construction Stop	TBD	
RESIDENTIAL RATES	Current	<u>Users</u>	<u>Avg. Bill</u>
	Additional	139	\$ 58.82 (for 4,000 gallons)
		1	
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.		
Allocation Source	County	Allocated Amount	
HB 1 - 2022 RS Line Item	Powell	\$ 1,702,400.00	Approved January 24, 2023
HB 1 - 2022 RS Line Item	Reallocation	\$ 1,297,600.00	Pending Approval June 18, 2026
	Total	\$ 3,000,000.00	
Notes:			
This grant is being allocated additional funds through the reallocation of funds from a previously approved grant. Previous Grantee: Powell's Valley Water District Previous Grant #22KFS002 Previous Project: 2020 Natural Bridge State Park Sewer Project Previous WRIS #SX21197018 Prior Approval Date: January 24, 2023			