



Kentucky Infrastructure Authority Program Updates

KY Water and Wastewater Assistance for Troubled or Economically Restrained Systems

Interim Joint Committee on General Government, Finance, Personnel, and Public Retirement
July 1, 2026



Program Updates

- KY WWATERS - KY Water and Wastewater Assistance for Troubled or Economically Restrained Systems



KY WWATERS - Overview

- Created in 2024 Session
- Amended in 2026 Session
- Provides a funding application and evaluation process for eligible public water and wastewater systems to seek funding from the General Assembly.
- Funding available to economically restrained systems



KY WWATERS – 2025 Overview

- 34 projects approved
- \$87,283,000
- 23 projects completed Assistance Agreement process (68%)
- \$64,263,600 (74%)
- 11 projects working on documentation (32%)
- \$23,019,400 (26%)



KY WWATERS – 2025 Success Stories

- City of Livingston
 - KY WWATERS funding to repay debt
 - Regional water provider purchased the city's system to secure water source
- Mercer County Sanitation District
 - KY WWATERS funding to install new sanitary sewers
 - Environmental and recreational benefits at Lake Herrington
- City of Sturgis
 - KY WWATERS funding to replace aging and leaking waterlines
 - Reduction of water loss saves treatment costs



KY WWATERS – 2026 Overview

- 17 projects approved
- \$52,502,260
- 15 Grants (88%)
- \$48,494,870 (92%)
- 2 Loans (12%)
- \$4,007,390 (8%)



KY WWATERS - 2027 Timeline

- June 15 through August 31 – Accept Applications
- November – take projects to KIA Board for Scoring and Funding Recommendation
- December 1 – Provide project applications and scores with funding recommendation to General Assembly
- January 2025 – March 2025 – General Assembly will select projects to receive funding
- April 2025 – KIA will contact the applicants with approved terms



FY2027 KY WWATERS Interest Rates

- **KY WWATERS**
 - Standard rate - 2.25%
 - Non-standard (a) rate - 1.25%
 - Non-standard (b) rate - 0.50%

Eligible Funding Recipient

PUBLIC WATER OR WASTEWATER SYSTEM

1. A water district, water association, or joint water commission formed under KRS Chapter 74;
2. A sewer district or sanitation district formed under KRS Chapter 67, 76, or 220;
3. A municipal water utility and water works, sewer utility, sewage system or works, or combined electric and water plant formed under KRS Chapter 96; and
4. Any combination of two (2) or more of the entities listed in subparagraphs 1. to 3. of this paragraph.

MEETS 3 OR MORE CRITERIA:

1. Service Area MHI < State MHI;
2. User rate affordability > 1% of annual MHI;
3. No audit in at least one (1) of the prior three (3) years;
4. Negative income in any two (2) of the previous five (5) years;
5. Debt service coverage ratio < 1.1 in any three (3) of the previous five (5) years;
6. Notice of violation, agreed order or consent decree and the funding will contribute to resolving the violation;
7. Water loss percentage > thirty percent (30%);
8. Amount of stormwater inflow and groundwater infiltration entering the funding applicant's system seriously impairs its effectiveness

Scoring Criteria

1. Service Area MHI < State MHI;
2. User rate affordability > 1% of annual MHI;
3. No audit in at least one (1) of the prior three (3) years;
4. Negative income in any two (2) of the previous five (5) years;
5. Debt service coverage ratio < 1.1 in any three (3) of the previous five (5) years;
6. Notice of violation, agreed order or consent decree **and the funding will contribute to resolving the violation;**
7. Water loss percentage > thirty percent (30%);
8. **Amount of stormwater inflow and groundwater infiltration entering the funding applicant's system seriously impairs its effectiveness;**
9. **Project funding costs are similar to recently completed projects**
10. **Phased project previously completed successfully**
11. **Cost and timeline estimates reviewed by PE**
12. Funding will be able to fully resolve the pending issues in the application
13. Proposed project demonstrates a high level of community or regional impact potential
14. Use funding for regionalization, consolidation, or partnerships



KY WWATERS – Online Resources

Application Related Resources

<https://kia.ky.gov/kentuckywwaters/Pages/Forms.aspx>

[Handbook](#)

[Application](#)

[Application Instructions](#)

[Authorizing Resolution \(Sample\)](#)

Reports

<https://kia.ky.gov/kentuckywwaters/Pages/Reports.aspx>

[December 1, 2025 Report](#)

[December 1, 2024 Report](#)

[Quarterly Report 6-30-26](#)



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