

1 AN ACT relating to financial assistance and making an appropriation therefor.

2 *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

3 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 224A IS CREATED TO  
4 READ AS FOLLOWS:

5 *(1) In furtherance of the goal of making access to potable water and wastewater*  
6 *treatment available to all Kentuckians, the General Assembly finds and declares*  
7 *that governmental agencies should provide to water and wastewater systems the*  
8 *requisite financial resources to:*

9 *(a) Develop the technical, managerial, and operational expertise needed to*  
10 *properly operate and maintain their drinking water and wastewater systems;*

11 *(b) Conserve, protect, and maximize the resources needed to offer drinking*  
12 *water and wastewater systems and services;*

13 *(c) Upgrade drinking water and wastewater systems and services to prevent*  
14 *water loss from degrading infrastructure; and*

15 *(d) Leverage existing finance with anticipated federal dollars or with other*  
16 *sources as may be available from time to time to create a larger pool of*  
17 *finance for water and wastewater systems to make improvements while*  
18 *keeping customer rates affordable.*

19 *(2) The Kentucky Infrastructure Authority shall implement a program to assist*  
20 *governmental agencies that provide drinking water and wastewater services with*  
21 *the financial resources for both capital and non-capital expenses, including but*  
22 *not limited to:*

23 *(a) Developing technical, operational, and maintenance resources and*  
24 *expertise;*

25 *(b) Improving utility infrastructure planning, repair, maintenance, renovation,*  
26 *and management of plants and assets;*

27 *(c) Obtaining technical expertise in areas of rate-setting, cost-of-service, and*

- 1           proper utility accounting standards for the utility type;  
 2           (d) Performing and correcting deficiencies from drinking water, wastewater,  
 3           and financial audits;  
 4           (e) Providing finance for financial inadequacies, including debt service  
 5           coverage through relief or refinance of the drinking water or wastewater  
 6           system's debt;  
 7           (f) Payment assistance for other financial inadequacies such as excessive  
 8           maintenance costs, fines and penalties from past violations, or consultants;  
 9           and  
 10           (g) Extending finance for inadequately maintained distribution, collection, or  
 11           treatment works, including service extensions to unserved or underserved  
 12           areas and the renovation of treatment works to conserve resources.

13           ➔SECTION 2. A NEW SECTION OF KRS CHAPTER 224A IS CREATED TO  
 14 READ AS FOLLOWS:

- 15           (1) The water management assistance fund shall be established in the State Treasury  
 16           and shall be administered by the authority.  
 17           (2) The fund shall be a dedicated fund, and all moneys in the fund shall be allocated  
 18           for and dedicated to providing financial assistance for both capital and non-  
 19           capital expenses for governmental agencies that:  
 20           (a) Provide public drinking water or wastewater services to ratepayers in the  
 21           Commonwealth; and  
 22           (b) Are considered financially at risk.  
 23           (2) The fund may receive donations and gifts, state and federal appropriations,  
 24           federal grants or loans, and revenues or proceeds from the sale of bonds or from  
 25           other financial instruments. The fund may receive proceeds from the authority's  
 26           revolving fund, as available, and if not contrary to the requirements which  
 27           establish and govern the management and use of those funds.

1 **(3) Moneys in the fund shall not lapse but shall be carried forward to the next fiscal**  
2 **year and used solely for the stated purposes in this section and Section 1 of this**  
3 **Act.**

4 ➔Section 3. KRS 91A.040 is amended to read as follows:

5 (1) Except as provided in subsections (2) to (4) of this section, each city shall, after the  
6 close of each fiscal year, cause each fund of the city to be audited by the Auditor of  
7 Public Accounts or a certified public accountant. The audit shall be completed by  
8 February 1 immediately following the fiscal year being audited. The city shall  
9 forward an electronic copy of the audit report to the Department for Local  
10 Government for information purposes by no later than March 1 immediately  
11 following the fiscal year being audited.

12 (2) In lieu of the annual audit requirements in subsection (1) of this section, a city with  
13 a population equal to or less than one thousand (1,000) based upon the most recent  
14 federal decennial census may elect to have an audit performed every other fiscal  
15 year in the following manner:

16 (a) After the close of each odd-numbered fiscal year, the city shall for that odd-  
17 numbered year cause each fund of the city to be audited by the Auditor of  
18 Public Accounts or a certified public accountant. The audits shall be  
19 completed by February 1 immediately following the fiscal year to be audited.  
20 The city shall forward an electronic copy of the audit report to the Department  
21 for Local Government for information purposes by no later than March 1  
22 immediately following the fiscal year being audited; and

23 (b) After the close of each even-numbered fiscal year, the city shall not be  
24 required to complete an annual audit but shall forward an electronic copy of  
25 its financial statement prepared in accordance with KRS 424.220 to the  
26 Department for Local Government by no later than October 1 immediately  
27 following the close of the even-numbered fiscal year.

- 1 (3) In lieu of the annual audit requirements in subsection (1) of this section, a city with  
2 a population of more than one thousand (1,000) but less than two thousand (2,000)  
3 based upon the most recent federal decennial census may elect to have an audit  
4 performed every other fiscal year to cover the two (2) fiscal years occurring since  
5 the prior audit in the following manner:
- 6 (a) After the close of each odd-numbered fiscal year, the city shall cause each  
7 fund of the city to be audited by the Auditor of Public Accounts or a certified  
8 public accountant. The audit shall include both fiscal years since the prior  
9 audit and shall be completed by February 1 immediately following the fiscal  
10 years to be audited. The city shall forward an electronic copy of the audit  
11 report to the Department for Local Government for information purposes by  
12 no later than March 1 immediately following the fiscal years being audited;  
13 and
- 14 (b) After the close of each even-numbered fiscal year, the city shall not be  
15 required to complete an annual audit but shall forward an electronic copy of  
16 its financial statement prepared in accordance with KRS 424.220 to the  
17 Department for Local Government by no later than October 1 immediately  
18 following the close of the even-numbered fiscal year.
- 19 (4) Any city, which for any fiscal year receives and expends, from all sources and for  
20 all purposes, less than seventy-five thousand dollars (\$75,000), and which has no  
21 long-term debt, whether general obligation or revenue debt, shall not be required to  
22 audit each fund of the city for that particular fiscal year. Each city exempted in  
23 accordance with this subsection shall annually prepare a financial statement in  
24 accordance with KRS 424.220 and shall, not later than October 1 following the  
25 conclusion of the fiscal year, forward one (1) electronic copy to the Department for  
26 Local Government for information purposes.
- 27 (5) If a city is required by another provision of law to audit its funds more frequently or

1 more stringently than is required by this section, the city shall also comply with the  
2 provisions of that law.

3 (6) The Department for Local Government shall, upon request, make available  
4 electronic copies of the audit reports and financial statements received by it under  
5 subsections (1) to (4) of this section to the Legislative Research Commission to be  
6 used for the purposes of KRS 6.955 to 6.975 or to the Auditor of Public Accounts.

7 (7) Each city required by this section to conduct an annual or biennial audit shall enter  
8 into a written contract with the selected auditor. The contract shall set forth all  
9 terms and conditions of the agreement which shall include but not be limited to  
10 requirements that:

11 (a) The auditor be employed to examine the basic financial statements, which  
12 shall include the government-wide and fund financial statements;

13 (b) The auditor shall include in the annual or biennial city audit report an  
14 examination of local government economic assistance funds granted to the  
15 city under KRS 42.450 to 42.495. The auditor shall include a certification  
16 with the annual or biennial audit report that the funds were expended for the  
17 purpose intended;

18 (c) All audit information be prepared in accordance with generally accepted  
19 governmental auditing standards which include tests of the accounting records  
20 and auditing procedures considered necessary in the circumstances. Where the  
21 audit is to cover the use of state or federal funds, appropriate state or federal  
22 guidelines shall be utilized;

23 (d) The auditor shall prepare a typewritten or printed report embodying:

24 1. The basic financial statements and accompanying supplemental and  
25 required supplemental information;

26 2. The auditor's opinion on the basic financial statements or reasons why  
27 an opinion cannot be expressed; and

- 1           3. Findings required to be reported as a result of the audit;
- 2           (e) The completed audit and all accompanying documentation shall be presented
- 3           to the city legislative body at a regular or special meeting; and
- 4           (f) Any contract with a certified public accountant for an audit shall require the
- 5           accountant to forward a copy of the audit report and management letters to the
- 6           Auditor of Public Accounts upon request of the city or the Auditor of Public
- 7           Accounts, and the Auditor of Public Accounts shall have the right to review
- 8           the certified public accountant's work papers upon request.
- 9           (8) A copy of an audit report which meets the requirements of this section shall be
- 10          considered satisfactory and final in meeting any official request to a city for
- 11          financial data, except for statutory or judicial requirements, or requirements of the
- 12          Legislative Research Commission necessary to carry out the purposes of KRS 6.955
- 13          to 6.975.
- 14          (9) Each city shall, within thirty (30) days after the presentation of an audit to the city
- 15          legislative body, publish an advertisement in accordance with KRS Chapter 424
- 16          containing:
- 17          (a) The auditor's opinion letter;
- 18          (b) The "Budgetary Comparison Schedules-Major Funds," which shall include the
- 19          general fund and all major funds;
- 20          (c) A statement that a copy of the complete audit report, including financial
- 21          statements and supplemental information, is on file at city hall and is available
- 22          for public inspection during normal business hours;
- 23          (d) A statement that any citizen may obtain from city hall a copy of the complete
- 24          audit report, including financial statements and supplemental information, for
- 25          his personal use;
- 26          (e) A statement which notifies citizens requesting a personal copy of the city
- 27          audit report that they will be charged for duplication costs at a rate that shall

1 not exceed twenty-five cents (\$0.25) per page; and

2 (f) A statement that copies of the financial statement prepared in accordance with  
3 KRS 424.220, when a financial statement is required by KRS 424.220, are  
4 available to the public at no cost at the business address of the officer  
5 responsible for preparation of the statement.

6 (10) Any resident of the city or owner of real property within the city may bring an  
7 action in the Circuit Court to enforce the provisions of this section. Any person who  
8 violates any provision of this section shall be fined not less than fifty dollars (\$50)  
9 nor more than five hundred dollars (\$500). In addition, any officer who fails to  
10 comply with any of the provisions of this section shall, for each failure, be subject  
11 to a forfeiture of not less than fifty dollars (\$50) nor more than five hundred dollars  
12 (\$500), in the discretion of the court, which may be recovered only once in a civil  
13 action brought by any resident of the city or owner of real property within the city.  
14 The costs of all proceedings, including a reasonable fee for the attorney of the  
15 resident or property owner bringing the action, shall be assessed against the  
16 unsuccessful party.

17 (11) In the event of extenuating circumstances that prevent a city from completing and  
18 submitting a required audit or financial statement in compliance with the applicable  
19 deadlines in subsections (1) to (4) of this section, the city may submit a written  
20 request for an extension of time to the Department for Local Government on a form  
21 prescribed by the Department for Local Government. The Department for Local  
22 Government shall approve the request if it is submitted on or before the applicable  
23 deadline and, in the judgment of the Department for Local Government, the request  
24 is warranted by extenuating circumstances beyond the control of the city.  
25 Extensions granted under this subsection shall not exceed nine (9) months from the  
26 original due date of the audit or financial statement. If the Department for Local  
27 Government approves an extension for a city and the city fails to complete and

1 submit the required audit or financial statement in compliance with that extended  
2 deadline, then the provisions of subsection (12) of this section shall apply.

3 (12) If a city fails to complete an audit or financial statement and submit it to the  
4 Department for Local Government as required in subsections (1) to (4) and (11) of  
5 this section, the Department for Local Government shall notify the Finance and  
6 Administration Cabinet that the city has failed to comply with the audit  
7 requirements of this section, and that any funds in the possession of any agency,  
8 entity, or branch of state government ~~may~~shall be withheld from the city until  
9 further notice. The Department for Local Government shall immediately notify the  
10 Finance and Administration Cabinet when the city complies with the requirements  
11 of subsections (1) to (4) and (11) of this section for all prior fiscal years it has failed  
12 to comply with the audit requirements of this section, and the Finance and  
13 Administration Cabinet shall direct the reinstatement of payments to the city,  
14 including any funds that were withheld due to the noncompliance.

15 (13) Within a reasonable time after the completion of a special audit or examination  
16 conducted pursuant to KRS 43.050, the Auditor shall bill the city for the actual  
17 expense of the audit or examination conducted. The actual expense shall include the  
18 hours of work performed on the audit or examination as well as reasonable  
19 associated costs, including but not limited to travel costs. The bill submitted to the  
20 city shall include a statement of the hourly rate, total hours, and total costs for the  
21 entire audit or examination.

22 ➔Section 4. KRS 224A.011 is amended to read as follows:

23 As used in this chapter, unless the context requires otherwise:

24 (1) "Administrative fee" means a fee assessed and collected by the authority from  
25 borrowers and applicants under assistance agreements, to be used for operational  
26 expenses of the authority;

27 (2) "Applicable interest rate" means the rate of interest which shall be used as part of



- 1           the repayment criteria for an assistance agreement between a governmental agency  
2           and the authority, and shall be determined by the authority pertinent to the source of  
3           funds from which the assistance agreement is funded;
- 4       (3) "Applicant" means a governmental agency or private sector entity that has  
5           submitted an application to the authority for a grant from the broadband deployment  
6           fund;
- 7       (4) "Application" means an application submitted by an applicant for a grant from the  
8           broadband deployment fund;
- 9       (5) "Assistance agreement" means the agreement to be made and entered into by and  
10           between a governmental agency or a private entity and the authority, as authorized  
11           by this chapter, providing for a lease, loan, services, or grant to a governmental  
12           agency or a private entity or for the purchase of obligations issued by the  
13           governmental agency, and for the repayment thereof to the authority by the  
14           governmental agency or a private entity;
- 15       (6) "Authority" means the Kentucky Infrastructure Authority, which is created by this  
16           chapter;
- 17       (7) "Authority revenues" means the totality of all:
- 18           (a) Service charges;
- 19           (b) Utility tax receipts, to the extent not otherwise committed and budgeted by the  
20           authority during any fiscal period of the authority;
- 21           (c) Any gifts, grants, or loans received, to the extent not otherwise required to be  
22           applied;
- 23           (d) Any and all appropriations made to the authority by the General Assembly of  
24           the Commonwealth of Kentucky, to the extent not otherwise required to be  
25           applied;
- 26           (e) All moneys received in repayment of and for interest on any loans made by the  
27           authority to a governmental agency, except as provided in KRS 224A.111,

- 1           224A.1115, and 224A.112, or as principal of and interest on any obligations  
2           issued by a governmental agency and purchased by the authority, or as receipts  
3           under any assistance agreement;
- 4           (f) The proceeds of bonds or long-term debt obligations of governmental  
5           agencies pledged to the payment of bond anticipation notes issued by the  
6           authority on behalf of the said governmental agency to provide interim  
7           construction financing; and
- 8           (g) Payments under agreements with any agencies of the state and federal  
9           government;
- 10       (8) "Borrower or borrowing entity" means any agency of the state or its political  
11       subdivisions, any city, or any special district created under the laws of the state  
12       acting individually or jointly under interagency or interlocal cooperative agreements  
13       to enter into assistance agreements with the authority;
- 14       (9) "Broadband" means any wireline or fixed terrestrial technology having a capacity to  
15       transmit data from or to the Internet with a minimum speed of twenty-five (25)  
16       megabits per second downstream and three (3) megabits per second upstream as  
17       defined by the Federal Communications Commission or the United States  
18       Department of Agriculture and any amendments to those definitions. If the agencies  
19       use different speed definitions, the faster speed definition shall apply to KRS  
20       224A.110, 224A.112, and 224A.1121;
- 21       (10) "Broadband deployment fund" means a fund to assist with the construction,  
22       development, or improvement of broadband infrastructure, broadband services, or  
23       technologies that constitute a part of, or are related to, broadband infrastructure or  
24       broadband services, to provide for broadband service in underserved or unserved  
25       areas of the Commonwealth;
- 26       (11) "Broadband deployment project" means a proposed deployment of broadband  
27       service infrastructure set forth in an application for grant funding under KRS

1 224A.112;

2 (12) "Broadband deployment project area" means a geographic area determined by  
3 census block or shapefile geospatial data for which grant funding has been  
4 authorized under this section and KRS 224A.110, 224A.112, and 224A.1121;

5 (13) "Census block" means the smallest geographic unit used by the United States  
6 Census Bureau that is reported on the Federal Communications Commission (FCC)  
7 Form 477 relating to fixed broadband deployment data;

8 (14) "Community flood damage abatement project" means any structural or nonstructural  
9 study, plan, design, construction, development, improvement, or other activity to  
10 provide for flood control;

11 (15) "Construction" means and includes but is not limited to:

12 (a) Preliminary planning to determine the economic and engineering feasibility of  
13 infrastructure projects, the engineering, architectural, legal, fiscal, and  
14 economic investigations, and studies necessary thereto, and surveys, designs,  
15 plans, working drawings, specifications, procedures, and other actions  
16 necessary to the construction of infrastructure or solid waste projects;

17 (b) The erection, building, acquisition, alteration, remodeling, improvement, or  
18 extension of infrastructure or solid waste projects; and

19 (c) The inspection and supervision of the construction of infrastructure or solid  
20 waste projects and all costs incidental to the acquisition and financing of  
21 same. This term shall also relate to and mean any other physical devices or  
22 appurtenances in connection with, or reasonably attendant to, infrastructure or  
23 solid waste projects;

24 (16) "Dams" means any artificial barrier, including appurtenant works, which does or  
25 can impound or divert water, and which either:

26 (a) Is or will be twenty-five (25) feet or more in height from the natural bed of the  
27 stream or watercourse at the downstream toe of the barrier, as determined by

- 1           the Energy and Environment Cabinet; or
- 2           (b) Has or will have an impounding capacity at maximum water storage elevation
- 3           of fifty (50) acre feet or more;
- 4   (17) "Distribution facilities" means all or any part of any facilities, devices, and systems
- 5           used and useful in obtaining, pumping, storing, treating, and distributing water for
- 6           agricultural, industrial, commercial, recreational, public, and domestic use;
- 7   (18) "Energy and Environment Cabinet" means the Kentucky Energy and Environment
- 8           Cabinet, or its successor, said term being meant to relate specifically to the state
- 9           agency which is designated as the water pollution agency for the Commonwealth of
- 10          Kentucky, for purposes of the federal act;
- 11   (19) "Federal act" means the Federal Clean Water Act (33 U.S.C. secs. 1251 et seq.) as
- 12          said federal act may be amended from time to time in the future, or any other
- 13          enactment of the United States Congress providing funds that may assist in carrying
- 14          out the purposes of the authority;
- 15   (20) "Federally assisted wastewater revolving fund" means that fund which will receive
- 16          federal and state funds or the proceeds from the sale of revenue bonds of the
- 17          authority for the purpose of providing loans to finance construction of publicly
- 18          owned treatment works as defined in Section 212 of the federal act and for the
- 19          implementation of a management program established under Section 319 of the
- 20          federal act and for the development and implementation of a conservation and
- 21          management plan under Section 320 of the federal act;
- 22   (21) "Governmental agency" means any incorporated city or municipal corporation, or
- 23          other agency, or unit of government within or a department or a cabinet of the
- 24          Commonwealth of Kentucky, now having or hereafter granted, the authority and
- 25          power to finance, acquire, construct, or operate infrastructure or solid waste
- 26          projects. This definition shall specifically apply but not by way of limitation to
- 27          incorporated cities; counties, including any counties containing a metropolitan

1 sewer district; sanitation districts; water districts; water associations ~~[if these~~  
2 ~~associations are permitted to issue interest bearing obligations which interest would~~  
3 ~~be excludable from gross income under Section 103 of the Internal Revenue Code~~  
4 ~~of 1986 as amended]~~; sewer construction districts; metropolitan sewer districts;  
5 sanitation taxing districts; a regional wastewater commission established under  
6 KRS 65.8901 to 65.8923; and any other agencies, commissions, districts, or  
7 authorities (either acting alone, or in combination with one another in accordance  
8 with any regional or area compact, or intergovernmental cooperative agreements),  
9 now or hereafter established in accordance with the laws of the Commonwealth of  
10 Kentucky having and possessing the described powers described in this subsection;

11 (22) "Industrial waste" means any liquid, gaseous, or solid waste substances resulting  
12 from any process of industry, manufacture, trade, or business, or from the mining or  
13 taking, development, processing, or recovery of any natural resources, including  
14 heat and radioactivity, together with any sewage as is present therein, which  
15 pollutes the waters of the state, and specifically, but not by way of limitation, means  
16 heat or thermal differentials created in the waters of the state by any industrial  
17 processing, generating, or manufacturing processes;

18 (23) "Infrastructure project" means any construction or acquisition of treatment works,  
19 facilities related to the collection, transportation, and treatment of wastewater as  
20 defined in KRS 65.8903, distribution facilities, or water resources projects instituted  
21 by a governmental agency or an investor-owned water utility which is approved by  
22 the authority and, if required, by the Energy and Environment Cabinet, Public  
23 Service Commission, or other agency; solid waste projects; dams; storm water  
24 control and treatment systems; gas or electric utility; broadband deployment project;  
25 or any other public utility or public service project which the authority finds would  
26 assist in carrying out the purposes set out in KRS 224A.300;

27 (24) "Infrastructure revolving fund" means that fund which will receive state funds, the

- 1 proceeds from the sale of revenue bonds of the authority or other moneys earmarked  
2 for that fund for the purpose of providing loans or grants to finance construction or  
3 acquisition of infrastructure projects as defined in this section;
- 4 (25) "Loan or grant" means moneys to be made available to governmental agencies by  
5 the authority for the purpose of defraying all or any part of the total costs incidental  
6 to construction or acquisition of any infrastructure project;
- 7 (26) "Market interest rate" means the interest rate determined by the authority under  
8 existing market conditions at the time the authority shall provide financial  
9 assistance to a governmental agency;
- 10 (27) "Obligation of a governmental agency" means a revenue bond, bond anticipation  
11 note, revenue anticipation note, lease, or other obligation issued by a governmental  
12 agency under KRS 58.010 et seq. or other applicable statutes;
- 13 (28) "Person" means any individual, firm, partnership, association, corporation, or  
14 governmental agency;
- 15 (29) "Pollution" means the placing of any noxious or deleterious substances  
16 ("pollutants"), including sewage and industrial wastes, in any waters of the state or  
17 affecting the properties of any waters of the state in a manner which renders the  
18 waters harmful or inimical to the public health or to animal or aquatic life, or to the  
19 use, present or future, of these waters for domestic water supply, industrial or  
20 agricultural purposes, or recreational purposes;
- 21 (30) "Prioritization schedules" means the list of wastewater treatment works, distribution  
22 facilities and water resources projects which the Energy and Environment Cabinet  
23 has evaluated and determined to be of priority for receiving financial assistance  
24 from the federally assisted wastewater revolving fund and the federally assisted  
25 drinking water revolving fund, or the list of infrastructure projects which the  
26 authority has evaluated and determined to be of priority for receiving financial aid  
27 from the infrastructure revolving fund. The evaluation by the authority of

- 1 infrastructure projects for water systems shall be undertaken with input from the  
2 appropriate area development district;
- 3 (31) "Recovered material" means those materials which have known current use, reuse,  
4 or recycling potential, which can be feasibly used, reused, or recycled, and which  
5 have been diverted or removed from the solid waste stream for sale, use, reuse, or  
6 recycling, whether or not requiring subsequent separation and processing but does  
7 not include materials diverted or removed for purposes of energy recovery or  
8 combustion except refuse-derived fuel (RDF), which shall be credited as a  
9 recovered material in an amount equal to that percentage of the municipal solid  
10 waste received on a daily basis at the processing facility and processed into RDF;  
11 but not to exceed fifteen percent (15%) of the total amount of the municipal solid  
12 waste received at the processing facility on a daily basis;
- 13 (32) "Recovered material processing facility" means a facility engaged solely in the  
14 storage, processing, and resale or reuse of recovered material but does not mean a  
15 solid waste facility if solid waste generated by a recovered material processing  
16 facility is managed in accordance with KRS Chapter 224 and administrative  
17 regulations adopted by the cabinet;
- 18 (33) "Revenue bonds" means special obligation bonds issued by the authority as  
19 provided by the provisions of this chapter, which are not direct or general  
20 obligations of the state, and which are payable only from a pledge of, and lien upon,  
21 authority revenues as provided in the resolution authorizing the issuance of the  
22 bonds, and shall include revenue bond anticipation notes;
- 23 (34) "Service charge" means any monthly, quarterly, semiannual, or annual charge to be  
24 imposed by a governmental agency, or by the authority, for any infrastructure  
25 project financed by the authority, which service charge arises by reason of the  
26 existence of, and requirements of, any assistance agreement;
- 27 (35) "Sewage" means any of the waste products or excrements, or other discharges from

- 1 the bodies of human beings or animals, which pollute the waters of the state;
- 2 (36) "Shapefile" means a file format for storing, depicting, and analyzing geospatial data  
3 showing broadband coverage;
- 4 (37) "Solid waste" means "solid waste" as defined by KRS 224.1-010(30)(a);
- 5 (38) "Solid waste facility" means any facility for collection, handling, storage,  
6 transportation, transfer, processing, treatment, or disposal of solid waste, whether  
7 the facility is associated with facilities generating the waste or otherwise, but does  
8 not include a container located on property where the waste is generated and which  
9 is used solely for the purpose of collection and temporary storage of that solid waste  
10 prior to off-site disposal, or a recovered material processing facility;
- 11 (39) "Solid waste project" means construction, renovation, or acquisition of a solid waste  
12 facility which shall be instituted and owned by a governmental agency;
- 13 (40) "Solid waste revolving fund" means that fund which shall receive state funds, the  
14 proceeds from the sale of revenue bonds of the authority, or other moneys  
15 earmarked for the purpose of providing loans or grants to finance solid waste  
16 projects defined in this section;
- 17 (41) "State" means the Commonwealth of Kentucky;
- 18 (42) "System" means the system owned and operated by a governmental agency with  
19 respect to solid waste projects, treatment works, or infrastructure projects financed  
20 as provided by the assistance agreement between the governmental agency and the  
21 authority;
- 22 (43) "Treatment works" or "wastewater treatment works" means all or any part of any  
23 facilities, devices, and systems used and useful in the storage, treatment, recycling,  
24 and reclamation of wastewater or the abatement of pollution, including facilities for  
25 the treatment, neutralization, disposal of, stabilization, collecting, segregating, or  
26 holding of wastewater, including without limiting the generality of the foregoing,  
27 intercepting sewers, outfall sewers, pumping power stations, and other equipment



1 and their appurtenances; extensions, improvements, remodeling, additions, and  
2 alterations thereof, and any wastewater treatment works, including site acquisition  
3 of the land that will be an integral part of the wastewater treatment process, or is  
4 used for ultimate disposal of residues resulting from wastewater treatment, together  
5 with any other facilities which are deemed to be treatment works in accordance with  
6 the federal act;

7 (44) "Underserved area" means any project area where fixed, terrestrial broadband  
8 service with a minimum twenty-five (25) megabits per second downstream and  
9 three (3) megabits per second upstream is not available;

10 (45) "Unserved area" means any project area where fixed, terrestrial broadband service  
11 with a minimum ten (10) megabits per second downstream and one (1) megabit per  
12 second upstream is not available;

13 (46) "Utility tax" means the tax which may be imposed by the authority on every  
14 purchase of water or sewer service in the Commonwealth of Kentucky;

15 (47) "Variable rate revenue bonds" means revenue bonds the rate of interest on which  
16 fluctuates either automatically by reference to a predetermined formula or index or  
17 in accordance with the standards set forth in KRS 224A.120;

18 (48) "Wastewater" means any water or liquid substance containing sewage, industrial  
19 waste, or other pollutants or contaminants derived from the prior use of these  
20 waters;

21 (49) "Water resources" means all waters of the state occurring on the surface, in natural  
22 or artificial channels, lakes, reservoirs, or impoundments, and in subsurface  
23 aquifers, which are available, or which may be made available to agricultural,  
24 industrial, commercial, recreational, public, and domestic users;

25 (50) "Water resources project" means any structural or nonstructural study, plan, design,  
26 construction, development, improvement, or any other activity including programs  
27 for management, intended to conserve and develop the water resources of the state

1 and shall include all aspects of water supply, facilities to collect, transport, and treat  
 2 wastewater as defined in KRS 65.8903, flood damage abatement, navigation, water-  
 3 related recreation, and land conservation facilities and measures; and

4 (51) "Waters of the state" means all streams, lakes, watercourses, waterways, ponds,  
 5 marshes, wells, springs, irrigation systems, drainage systems, and all other bodies or  
 6 accumulations of water, surface and underground, natural or artificial, which are  
 7 situated wholly or partly within, or border upon, this state, or are within its  
 8 jurisdiction, except those private waters which do not combine or effect a junction  
 9 with natural, surface, or underground waters.

10 ➔Section 5. KRS 224A.035 is amended to read as follows:

11 **(1)** The Kentucky Infrastructure Authority is created solely to perform essential  
 12 governmental functions and to serve the public purpose of engaging in a program of  
 13 assistance to governmental agencies in the state with respect to the:

14 **(a)** Construction, ~~and~~ acquisition, **and maintenance** of infrastructure projects;  
 15 **and**

16 **(b) Technical, managerial, and operational capacity of the agency's public**  
 17 **drinking water and wastewater systems.**

18 **(2)** In accomplishing ~~these~~ ~~such~~ purposes, the Kentucky Infrastructure Authority shall  
 19 be and constitute a de jure municipal corporation and political subdivision of the  
 20 state.

21 ➔Section 6. KRS 224A.040 is amended to read as follows:

22 The authority may, pursuant to the terms, conditions, restrictions and requirements of this  
 23 chapter, **assist with the construction or acquisition of infrastructure projects or with the**  
 24 **improvement of the technical, managerial, or operational capacity of public drinking**  
 25 **water and wastewater systems by:**

26 **(1) Leasing** ~~lease~~ an infrastructure project; or

27 **(2) Making** ~~make~~ loans or grants as funds are available, to any governmental

1           agency:~~[,]~~ or  
2       **(3) Purchasing**~~[purchase]~~ obligations of a governmental agency, **provided that any**  
3       **financial assistance supplied to the governmental agency, as defined in Section 4**  
4       **of this Act, will not cause the interest on current or future state agency or**  
5       **authority obligations, if excludable from gross income for federal tax purposes, to**  
6       **be included in gross income for federal tax purposes**~~[to assist the governmental~~  
7       ~~agency to carry out the construction or acquisition of infrastructure projects].~~