



KENTUCKY INFRASTRUCTURE AUTHORITY

Andy Beshear
Governor

100 Airport Road
Frankfort, Kentucky 40601
(502) 573-0260
kia.ky.gov

Sandy Williams
Executive Director

April 8, 2022

Chairman Barry Drury,
South Woodford Water District
117 D Crossfield Dr
Versailles, KY 40383

KENTUCKY INFRASTRUCTURE AUTHORITY INFRASTRUCTURE REVOLVING LOAN FUND CONDITIONAL COMMITMENT LETTER (B22-002)

Dear Chairman Drury:

The Kentucky Infrastructure Authority ("the Authority") commends your efforts to improve public service facilities in your community. On April 7, 2022, the Authority approved your loan for the SWWD - Comprehensive System Rehabilitation Project subject to the conditions stated in Attachment A to this letter. The total cost of the project shall not exceed \$2,705,000, without prior authorization of the Authority, of which the Authority loan shall provide \$2,230,000 of the funding. Other anticipated funding for the project is reflected in Attachment B. The final loan amount will be equal to the Authority's portion of estimated project cost applied to the actual project cost. Attachment B incorporated herein by reference fully describes the project.

An Assistance Agreement will be executed between the Authority and the South Woodford Water District upon satisfactory performance of the conditions set forth in Attachment A. You must meet the conditions set forth in Attachment A and enter into an Assistance Agreement by April 8, 2023 (twelve months from the date of this letter). A one-time extension of up to six months may be granted for applicants that experience extenuating circumstances. Funds will be available for disbursement only after execution of the Assistance Agreement.

TEAM
KENTUCKY™

An Equal Opportunity Employer M/F/D

Please inform the Authority of any changes in your financing plan as soon as possible. We wish you every success for this project which will benefit both your community and the Commonwealth as a whole.

Sincerely,



Sandy Williams
Executive Director

Attachments

cc: Karyn Leverenz, Bluegrass ADD
Haworth, Meyer & Boleyn, Inc., Jeff Reynolds

Please sign and return a copy of this letter indicating your acceptance of this commitment and its terms. Complete the attached "Authorization for Electronic Deposit of Vendor Payment Form" and the "ACH Debit Authorization Form" **and return to the US Bank address at the bottom of each form.** Also included are the "Legal Counsel Certification Letter" sample and the "Statement of Approval of Projections of Revenue and Expenses" for you to complete at the appropriate time. These forms and an SRF loan checklist guide can be found in Attachment C of this letter.


Accepted

5/10/22
Date

ATTACHMENT A

Conditions

South Woodford Water District B22-002

The Assistance Agreement and this commitment shall be subject, but not limited to, the following terms:

1. The Authority project loan shall not exceed \$2,230,000.
2. The loan shall bear interest at the rate of 2.0% per annum commencing with the first draw of funds.
3. The loan shall be repaid over a period not to exceed 20 years from the date of the last draw of funds.
4. Interest shall be payable on the amount of actual funds received. The first payment shall be due on June 1, or December 1, immediately succeeding the date of the initial draw of funds, provided that if such June 1, or December 1, shall be less than three months since the date of the initial draw of funds, then the first interest payment date shall be the June 1, or December 1, which is at least six months from the date of the initial draw of funds. Interest payments will be due each six months thereafter until the loan is repaid. KIA requires the use of Automated Clearing House (ACH) debits for payment of all balances due on the loan. This will ensure that payments are credited timely to your account without the risk of incurring late payment fees. If the due date falls on a weekend or holiday your account will be debited on the next business day. Please complete and return the authorization form in Attachment C of this letter to U.S. Bank for processing.
5. Full principal payments will commence on June 1, or December 1, immediately succeeding the date of the last draw of funds, provided that if such June 1, or December 1, shall be less than three months since the date of the last draw of funds, then the first principal payment date shall be the June 1, or December 1, which is at least six months from the date of the last draw of funds. Full payments will be due each six months thereafter until the loan is repaid.
6. A loan servicing fee of 0.20% of the outstanding loan balance shall be payable to the Authority as a part of each interest payment.
7. Loan funds will only be disbursed after execution of the Assistance Agreement as project costs are incurred.

8. The Authority loan funds must be expended within six months of the official date of initiation of operation.
9. The Authority requires that an annual financial audit be provided for the life of the loan.
10. The final Assistance Agreement must be approved by ordinance or resolution, as applicable, of the city council or appropriate governing board.
11. The borrower must maintain a 1.1 debt coverage ratio throughout the life of the KIA loan. All borrowers are subject to at least an annual financial review for compliance.

The following is a list of the standard conditions to be satisfied prior to execution of the Assistance Agreement or incorporated in the Assistance Agreement. Any required documentation must be submitted to the party designated.

1. Upon completion of final design of the facilities in the attached project description, favorable approval shall be obtained of such design by all appropriate parties as required by Kentucky statute or administrative regulation.
2. The Borrower must provide certification from their legal counsel stating that the procurement procedures, including those for construction, land, equipment and professional services that are a part of the project, are in compliance with applicable state and local procurement laws.
3. Documentation of final funding commitments from all parties other than the Authority as reflected in the Attachment B description shall be provided prior to preparation of the Assistance Agreement and disbursement of the loan monies. Rejections of any anticipated project funding, or any new funding sources not reflected in Attachment B shall be immediately reported and may cause this loan to be subject to further consideration.
4. Upon receipt of construction bids a tabulation of such bids and engineer's recommendations on compliance with bid specifications and recommendation for award, shall be forwarded to the Authority for final approval and sizing of this loan and the project.

5. The loan must undergo review by the Capital Projects and Bond Oversight Committee of the Kentucky Legislature prior to the state's execution of the Assistance Agreement. The Committee meets monthly. Any special conditions listed in Attachment B must be satisfied before the project is presented before the Committee.
6. Any required adjustment in utility service rates shall be adopted by ordinance, municipal order or resolution by the appropriate governing body of the Borrower. Public hearings as required by law shall be held prior to the adoption of the service rate ordinance, order, or resolution. Any required approvals by the Kentucky Public Service Commission shall be obtained.
7. Based on the final "as bid" project budget, the borrower must provide satisfactory proof, based on then existing conditions, that the revenue projections in the attached descriptions are still obtainable and that the projections of operating expenses have not materially changed. The "as bid" project budget shall be reviewed and approved by your consultant engineer.
8. All easements or purchases of land shall be completed prior to commencement of construction. Certification of all land or easement acquisitions shall be provided to the Authority.
9. The Borrower must provide documentation of Clearinghouse Endorsement and Clearinghouse Comments.
10. The Borrower must complete and return the "Authorization for Electronic Deposit of Borrower Payment" form in Attachment C of this letter to U.S. Bank.
11. The Borrower will implement the Kentucky Uniform System of Accounting (KUSoA), or an alternative approved by the Authority and assure that rates and charges for services are based upon the cost of providing such service.
12. The Borrower will provide Final Design Plans in an AutoCAD Drawing File Format (DWG), referenced to the appropriate (North, South or Single) Kentucky State Plane Coordinate System (NAD83-Survey Feet) on a Compact Disc (CD). The recipient shall provide the Authority a digital copy (pdf) of the record drawings from the project within three months of construction completion.

Any special conditions listed in Attachment B must be resolved.

ATTACHMENT B

Executive Summary and Credit Analysis

South Woodford Water District
B22-002

EXECUTIVE SUMMARY
KENTUCKY INFRASTRUCTURE AUTHORITY
FUND B, INFRASTRUCTURE
REVOLVING LOAN FUND

Reviewer John Brady
 Date April 7, 2022
 KIA Loan Number B22-002
 WRIS Number WX21239038

BORROWER SOUTH WOODFORD WATER DISTRICT
 WOODFORD COUNTY

BRIEF DESCRIPTION

The South Woodford Water District (SWWD) is requesting a Fund B loan in the amount of \$2,230,000 for the Comprehensive System Rehabilitation project. This project consists of repairs to several components within the water system necessary to maintain adequate service to customers. These include the rehabilitation of two storage tanks and a pump station and the replacement of all water meters. Radio read meters and leak detection meters will be installed to improve reading accuracy and help control the SWWD's issue with excess water loss.

PROJECT FINANCING		PROJECT BUDGET			
			RD Fee %	Actual %	
Fund B Loan	\$2,230,000	Administrative Expenses			\$25,000
CWP Grant	225,000	Legal Expenses			10,000
ARPA	250,000	Land, Easements			5,000
		Planning			15,000
		Eng - Design / Const	7.5%	6.0%	145,000
		Eng - Insp	4.4%	2.7%	65,000
		Construction			2,375,000
		Contingency			30,000
		Other			35,000
TOTAL	\$2,705,000	TOTAL			\$2,705,000

REPAYMENT Rate 2.00% Est. Annual Payment \$140,292
 Term 20 Years 1st Payment 6 Mo. after first draw

PROFESSIONAL SERVICES Engineer Haworth, Meyer & Boleyn, Inc.
 Bond Counsel Rubin & Hays

PROJECT SCHEDULE Bid Opening Sep-22
 Construction Start Jan-23
 Construction Stop Jul-23

DEBT PER CUSTOMER Existing \$438
 Proposed \$1,704

OTHER DEBT See Attached

RESIDENTIAL RATES Current Users 1,638 Avg. Bill \$30.46 (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 2018	137,485	117,972	19,513	1.2
Audited 2019	97,679	117,000	(19,321)	0.8
Audited 2020	66,537	106,065	(39,528)	0.6
Projected 2021	53,790	82,095	(28,305)	0.7
Projected 2022	133,972	82,745	51,227	1.6
Projected 2023	211,173	152,684	58,489	1.4
Projected 2024	251,661	223,684	27,977	1.1
Projected 2025	244,744	223,851	20,893	1.1

**SOUTH WOODFORD WATER DISTRICT
FINANCIAL SUMMARY (DECEMBER YEAR END)**

	Audited 2018	Audited 2019	Audited 2020	Projected 2021	Projected 2022	Projected 2023	Projected 2024	Projected 2025
Balance Sheet								
Assets								
Current Assets	197,420	193,402	123,517	117,850	135,395	154,593	164,189	168,367
Other Assets	3,182,353	3,095,802	3,080,888	2,957,898	2,898,534	5,487,954	5,347,964	5,202,307
Total	3,379,773	3,289,204	3,204,405	3,075,748	3,033,929	5,642,547	5,512,153	5,370,674
Liabilities & Equity								
Current Liabilities	193,468	213,639	185,603	189,826	193,326	309,526	313,826	318,126
Long Term Liabilities	767,367	717,000	667,900	615,800	561,400	2,622,000	2,449,600	2,274,200
Total Liabilities	960,835	930,639	853,503	805,626	754,726	2,931,526	2,763,426	2,592,326
Net Assets	2,418,938	2,358,565	2,350,902	2,270,122	2,279,203	2,711,021	2,748,727	2,778,348
Cash Flow								
Revenues	836,853	883,687	856,470	856,470	943,170	1,032,618	1,079,887	1,079,887
Operating Expenses	716,439	794,969	812,484	818,874	825,392	837,640	844,421	851,338
Other Income	17,071	8,961	22,551	16,194	16,194	16,195	16,195	16,195
Cash Flow Before Debt Service	137,485	97,679	66,537	53,790	133,972	211,173	251,661	244,744
Debt Service								
Existing Debt Service	117,972	117,000	106,065	82,095	82,745	82,538	83,392	83,559
Proposed KIA Loan	0	0	0	0	0	70,146	140,292	140,292
Total Debt Service	117,972	117,000	106,065	82,095	82,745	152,684	223,684	223,851
Cash Flow After Debt Service	19,513	(19,321)	(39,528)	(28,305)	51,227	58,489	27,977	20,893
Ratios								
Current Ratio	1.0	0.9	0.7	0.6	0.7	0.5	0.5	0.5
Debt to Equity	0.4	0.4	0.4	0.4	0.3	1.1	1.0	0.9
Days Sales in Accounts Receivable	28.2	30.4	30.7	30.7	30.7	30.7	30.7	30.7
Months Operating Expenses in Unrestricted Cash	1.6	1.2	0.8	0.7	0.8	1.0	1.0	1.1
Debt Coverage Ratio	1.2	0.8	0.6	0.7	1.6	1.4	1.1	1.1

Reviewer: John Brady
Date: April 7, 2022
Loan Number: B22-002

**KENTUCKY INFRASTRUCTURE AUTHORITY
INFRASTRUCTURE REVOLVING LOAN FUND (FUND B)
SOUTH WOODFORD WATER DISTRICT, WOODFORD COUNTY
PROJECT REVIEW
WX21239038**

I. PROJECT DESCRIPTION

The South Woodford Water District (SWWD) is requesting a Fund B loan in the amount of \$2,230,000 for the Comprehensive System Rehabilitation project. This project consists of repairs to several components within the water system necessary to maintain adequate service to customers.

Both the Mortonville and KY33 water tanks are in dire need of repair. The Mortonville tank is currently out of service and needs to be sanitized and painted before it can be put back into service. Rehabilitation of the KY33 pump station will include replacing the backup pump and piping. All meters will be replaced to greatly enhance the accuracy of readings. Current meters are not working properly and some are not working at all. Leak detection meters will also be installed throughout the system to help control the SWWD's issue with excess water loss.

The SWWD currently serves over 1,600 residential and commercial customers.

II. PROJECT BUDGET

	<u>Total</u>
Administrative Expenses	\$ 25,000
Legal Expenses	10,000
Land, Easements	5,000
Planning	15,000
Engineering Fees - Design	115,000
Engineering Fees - Construction	30,000
Engineering Fees - Inspection	65,000
Construction	2,375,000
Contingency	30,000
Other	35,000
Total	\$ 2,705,000

III. PROJECT FUNDING

	Amount	%
Fund B Loan	\$ 2,230,000	82%
CWP Grant	225,000	8%
ARPA	250,000	9%
Total	\$ 2,705,000	100%

IV. KIA DEBT SERVICE

Construction Loan	\$ 2,230,000
Less: Principal Forgiveness	0
Amortized Loan Amount	\$ 2,230,000
Interest Rate	2.00%
Loan Term (Years)	20
Estimated Annual Debt Service	\$ 135,832
Administrative Fee (0.20%)	4,460
Total Estimated Annual Debt Service	\$ 140,292

V. PROJECT SCHEDULE

Bid Opening	September 2022
Construction Start	January 2023
Construction Stop	July 2023

VI. RATE STRUCTURE

A. Customers

Customers	Current
Residential	1,617
Commercial	21
Total	1,638

B. Rates

Water	Proposed	Current	Prior
Date of Last Rate Increase	07/01/22	08/01/18	07/01/13
Minimum (2,000 gallons)	\$22.82	\$20.48	\$20.20
Over 2,000 gallons (per 1,000)	5.56	4.99	4.85
Cost for 4,000 gallons	\$33.94	\$30.46	\$29.90
Increase %	11.4%	1.9%	
Affordability Index (Rate/MHI)	0.5%	0.5%	

VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2016-2020, the Utility's service area population was 3,906 with a Median Household Income (MHI) of \$81,030. The median household income for the Commonwealth is \$50,589. The project will qualify for a 2.00% interest rate.

VIII. FINANCIAL ANALYSIS

Financial information was obtained from the audited financial statements for the years ended January 1, 2018 through December 31, 2020. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

HISTORY

Water revenues increased 2.3% from \$836,853 in 2018 to \$856,470 in 2020. Operating expenses increased 13.4% from \$716,439 to \$812,484 during the same period due to costs associated with excess water loss. The debt coverage ratio was 1.2, 0.8, and 0.6 in 2018, 2019, and 2020.

The balance sheet reflects a current ratio of 0.7, a debt to equity ratio of 0.4, 30.7 days of sales in accounts receivable, and 0.8 months of operating expenses in unrestricted cash.

PROJECTIONS

Projections are based on the following assumptions:

- 1) Water revenues will increase 5.7% in both 2022 and 2023 due to a proposed rate increase with an anticipated effective date of July 1, 2022.
- 2) Water loss reduction surcharge of \$3.87 per customer per month will generate an additional \$77,000 each year for four years.
- 3) Revenues will increase approximately \$50,000 in 2024 to maintain the 1.1 debt coverage ratio requirement.
- 4) SWWD receives Public Service Commission (PSC) approval documentation.
- 5) Operating expenses will increase 2% annually due to inflation.
- 6) Debt service coverage is 1.4 in 2023 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.

The SWWD is regulated by the PSC and will need to apply to the PSC, pursuant to KRS 278.300, for debt authorization for the \$2,230,000 loan. The SWWD must receive a Certificate of Public Convenience and Necessity, pursuant to KRS 278.020.

REPLACEMENT RESERVE

The replacement reserve will be 5% (\$112,000 total) of the final amount borrowed to be funded annually (\$5,600 yearly) each December 1 for 20 years and maintained for the life of the loan.

IX. DEBT OBLIGATIONS

	<u>Outstanding</u>	<u>Maturity</u>
1996A Revenue Bonds	\$ 137,000	2026
1996B Revenue Bonds	35,700	2026
1999A Revenue Bonds	211,000	2039
1999B Revenue Bonds	37,300	2039
KRWFC Note	<u>296,000</u>	2037
Total	\$ 717,000	

X. CONTACTS

Legal Applicant

Entity Name	South Woodford Water District
Authorized Official	Barry Drury (Chairman)
County	Woodford
Email	barry.drury@me.com
Phone	(859) 618-9722
Address	117 D Crossfield Dr Versailles, KY 40383

Applicant Contact

Name	Matthew Coyle
Organization	South Woodford Water District
Email	office@southwoodfordwater.com
Phone	(859) 873-1308
Address	117 D Crossfield Dr Versailles, KY 40383

Project Administrator

Name	Karyn Leverenz
Organization	Bluegrass ADD
Email	kleverenz@bgadd.org
Phone	(859) 269-8021
Address	699 Perimeter Dr Lexington, KY 40517

Consulting Engineer

PE Name	Jeff Reynolds
Firm Name	Haworth, Meyer & Boleyn, Inc.
Email	jdreynolds@hmbpe.com
Phone	(502) 695-9800
Address	3 Hmb Circle Frankfort, KY 40601

XI. RECOMMENDATIONS

KIA staff recommends approval of the loan with the standard conditions and the following special condition:

By May 31, 2022, the SWWD will need a resolution from the SWWD Board, demonstrating their intentions to increase revenues as necessary and authorized by the PSC 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 \$50,000 annually by January 1, 2024, which equates to an approximate rate increase of 5%, to meet expenses and maintain the 1.1 debt coverage ratio in 2024.

ATTACHMENT C

Forms

South Woodford Water District
B22-002

Fund B/C LOAN CONDITIONS CHECKLIST

Congratulations on receiving a conditional commitment of funding from KIA's Fund B/C Loan Program. Borrowers will now be assigned a Compliance Analyst to help guide them through the rest of the loan process based on which Area Development District (ADD) they are located. Please submit all documents to one of the following contacts:

- Julie Bickers (Julie.Bickers@ky.gov, 502-892-3455): Purchase, Pennyrite, Green River, Barren River, Lake Cumberland, Big Sandy, Kentucky River, Cumberland Valley
- Debbie Landrum (Debbie.Landrum@ky.gov, 502-892-3454): Lincoln Trail, KIPDA, Northern KY, Bluegrass, Buffalo Trace, Gateway, FIVCO

After all of the conditions of the Conditional Commitment Letter have been fulfilled, KIA will initiate the Assistance Agreement with the borrower. The Assistance Agreement must be fully executed before any funds may be disbursed. The following is a list of items needed to process your loan (forms can be found here <https://kia.ky.gov/FinancialAssistance/Pages/Forms.aspx>):

Before bid opening, submit the following items to the designated agency.

Submit To:		
KIA	<input type="checkbox"/>	Conditional Commitment Letter (this letter is sent to the borrower via email shortly following KIA board approval and is to be signed by the authorizing official)
USBANK	<input type="checkbox"/>	Authorization for Electronic Deposit/Debit of Borrower Disbursements/ Payment (these forms are attached to the loan commitment letter sent after KIA board approval and are to be signed by the authorizing official and forwarded to US Bank)
KIA	<input type="checkbox"/>	Eclearinghouse Endorsement (if not already submitted with loan application)
DOW	<input type="checkbox"/>	Plans and specifications (Kentucky Division of Water will review and KIA will need copy of approval letter)
KIA	<input type="checkbox"/>	Proof of compliance with any special condition identified in the Conditional Commitment Letter (e.g. adopted ordinance).

After the project has opened bids, please submit the following items to the designated agency assigned below. It is imperative that the remaining standard conditions are fulfilled by the deadlines set forth in the Conditional Commitment Letter.

Submit To:		
KIA	<input type="checkbox"/>	Bid Advertisement
KIA	<input type="checkbox"/>	Bid Tabulation and Engineer's Recommendation
KIA	<input type="checkbox"/>	As-Bid Budget
KIA	<input type="checkbox"/>	Procurement Certification (KIA sends to borrower after bid opening for signature.)
KIA	<input type="checkbox"/>	Certification of obtainable revenue projections (KIA sends to borrower after bid opening for signature.)
KIA	<input type="checkbox"/>	Certification of clear site (KIA sends to borrower after bid opening for signature.)
	<input type="checkbox"/>	
	<input type="checkbox"/>	

KIA **Plans and specifications approval** from the Kentucky Division of Water

KIA **Public Service Commission (PSC) approval**, (CPCN and Authorization to Incur Debt) if applicable.

**AUTHORIZATION FOR ELECTRONIC DEPOSIT
OF BORROWER PAYMENT
KENTUCKY INFRASTRUCTURE AUTHORITY
KIA Loan # _____**

Borrower Information:

Name: _____

Address: _____

City: _____ State: KY Zip: _____

Federal I.D. #: _____ Telephone: _____

Contact Name: _____

Email: _____

Financial Institution Information:

Bank Name: _____

Branch: _____ Telephone: _____

City: _____ State: KY Zip: _____

Transit / ABA No: _____

Account Name: _____

Account Number: _____

I, the undersigned, authorize payments directly to the account indicated above and to correct any errors which may occur from the transactions. I also authorize the Financial Institution to post these transactions to that account.

Signature: _____ Date: _____

Name Printed: _____ Job Title: _____

Send to: U.S. Bank via Email

KentuckyInfrastructureAuth@usbank.com

KIA Loan # _____

ACH DEBIT AUTHORIZATION FORM

**AUTHORIZATION AGREEMENT FOR PRE-ARRANGED PAYMENTS
(DEBITS)**

The undersigned hereby authorizes U.S. Bank National Association Corporate Trust Department ("U.S. Bank") to initiate debit entries to the Checking Savings (specify type) account indicated below at the bank named below:

BANK NAME _____ BRANCH _____

CITY _____ STATE _____ ZIP CODE _____

BANK TRANSIT/ABA NO. _____ ACCOUNT NO. _____

This authority is to remain in full force and effect until U.S. Bank has received written notification from the undersigned of its termination in such time and in such manner as to afford U.S. Bank a reasonable opportunity to act. The undersigned has the right to stop payment of a debit entry by reasonable prior written notification to U.S. Bank. After the above account has been charged, the undersigned has the right to have the amount of any erroneous debit immediately credited to its account by U.S. Bank up to 30 days following issuance of a statement.

NAME OF ENTITY: _____

ADDRESS _____

TAX IDENTIFICATION NUMBER: _____

By _____

Dated _____

Authorized Signer

Send to: U.S. Bank via Email

KentuckyInfrastructureAuth@usbank.com

TRANSPARENCY ACT REPORTING INFORMATION FORM

CLEAN WATER STATE REVOLVING FUND AND DRINKING WATER STATE REVOLVING FUND

This form is required for projects funded in whole or in part from the Clean Water State Revolving Fund or the Drinking Water State Revolving Fund. This form is to be completed and returned with the signed Conditional Commitment Letter from the Kentucky Infrastructure Authority.

Borrower Information:

Name:	
Unique Entity ID (generated by SAM.gov)*:	
KIA Loan Number:	
Street Address	
City, State and Zip (Zip must include 4 digit extension)	
Federal Congressional District(s) of Borrower Utility Service Area:	

*If the Unique Entity ID provided above is registered under a different name than the recipient of funding, please provide the registration name below:

Unique Entity ID Name	
-----------------------	--

*If the recipient has not yet obtained a Unique Entity ID, please do so no later than 30 days after the KIA Board approval date of your loan request and provide notification to KIA of the number once issued.

Physical Location of Project (Primary Place of Performance)

Street Address	
City, State and Zip (Zip must include 4 digit extension)	
Federal Congressional District(s) of Project Location	

Reliance upon Federal Assistance (please answer the below questions Yes or No):

Did recipient receive 80% or more of its annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards) during the last fiscal year?	
Did recipient receive \$25 million or more in annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards) during the last fiscal year?	
Does the public have access to compensation of senior executives of the recipient through periodic reports filed under Section 13A or 15D of the Securities Exchange Act of 1934 or Section 6104 of the Internal Revenue Code of 1986?	

Unique Entity ID Registration Information: <https://sam.gov>

COMPLETE AFTER BID OPENING

**STATEMENT OF APPROVAL
OF PROJECTIONS OF REVENUE AND EXPENSES**

Borrower Name: _____

Loan No.: _____

I hereby certify that the revenue projections in the attached descriptions are still obtainable and that projections of operating expenses have not materially changed based on the "as-bid" budget submitted for the Project.

Signed: _____

Borrower

Date

SAMPLE LETTER

[Letterhead of Counsel for Water Utility]

[Date]

Kentucky Infrastructure Authority
1024 Capital Center Drive, Suite 340
Frankfort, Kentucky 40601

RE: SRF Loan#
City of xxxxx

Ladies and Gentlemen:

The undersigned is an attorney at law duly admitted to the practice of law in the Commonwealth of Kentucky and is legal counsel to the XXXXXXXXXXXXX, hereinafter referred to as the "Water Utility ". I am familiar with the organization and existence of the Water Utility and the laws of the Commonwealth applicable thereto. Additionally I am familiar with the water project (the "Project") with respect to which the funding commitment by and between the Kentucky Infrastructure Authority ("Authority") and the Water Utility.

I have reviewed the commitment letter by and between the Authority and the Water Utility and the documentation regarding wage rates and procurement with respect to the Project.

Based upon my review I am of the opinion that:

The Water Utility has prepared construction specifications in accordance with all applicable federal wage rate laws and that the procurement procedures including those for construction, land, equipment and professional services that are a part of the project are in compliance with all applicable federal, state and local procurement laws.

Respectfully,