

224A.1115 Creation of federally assisted water supply revolving fund -- Purpose -- Duties of authority.

- (1) The federally-assisted water supply revolving fund shall be established in the State Treasury and shall be administered by the authority under an agreement with the Energy and Environment Cabinet to assure compliance with the federal act.
- (2) The fund shall be a dedicated fund and all moneys in the fund shall be dedicated solely to securing the payment of the principal of, interest on, and premium, if any, of revenue bonds issued by the authority under subsection (5) of this section which are to be secured solely by loan payments made by governmental agencies that have been deposited in the fund, making transfers to the federally-assisted water supply revolving fund, and providing financial assistance to government agencies for the construction of publicly-owned water supply projects.
- (3) The authority may enter into grant agreements with the administrator of the United States Environmental Protection Agency and accept capitalization grants for the revolving fund in accordance with payment schedules established with the administrator of the United States Environmental Protection Agency.
- (4) All payments from the administrator of the United States Environmental Protection Agency pursuant to subsection (3) of this section shall be deposited in the dedicated revolving fund.
- (5) The authority may issue its revenue bonds or seek appropriations for deposit into the revolving fund, including the amounts required to match the capitalization grants from the administrator of the United States Environmental Protection Agency. An amount not exceeding the amount permitted by the federal act may be used for the reasonable costs of administering the fund, for reviewing and regulating project construction and for other reasonable costs of complying with the federal act.
- (6) The authority shall make any loan from the revolving fund subject to those conditions established by state or federal law.
- (7) The revolving fund shall be established, maintained, and credited with repayments and the fund balance shall be available in perpetuity solely for its stated purposes.
- (8) Financial assistance may be provided from the fund only for those infrastructure projects which the Finance and Administration Cabinet has approved from the prioritization schedule prepared by the Energy and Environment Cabinet.
- (9) The authority shall establish fiscal controls and accounting procedures sufficient to assure proper accounting during appropriate accounting periods for payments and disbursements received and made by the revolving fund and for fund balances at the beginning and end of the accounting period.
- (10) The authority or the Energy and Environment Cabinet may make or prepare any necessary or required plan or report.
- (11) The authority or the Energy and Environment Cabinet or the loan recipient shall make available to the administrator of the United States Environmental

Protection Agency records which the administrator reasonably requires to review in order to determine compliance with any applicable provision of law.

- (12) The authority may enter into any necessary or required agreement and give or make any necessary or required assurance or certification with any person to receive payments or grants or to make or provide any financial assistance.
- (13) The authority may enter into any necessary or required agreement with federal or state agencies or persons to carry out the provisions of this section.
- (14) If the loan is made from the federally-assisted water supply revolving fund which will finance the cost of facility planning and the preparation of plans, specifications, and estimates for construction of publicly-owned water supply projects, the state shall ensure that if the recipient of the loan receives a grant under the federal act for construction of those water supply projects and an allowance under the federal act for nonfederal funds expended for the planning and preparation, the recipient shall promptly repay the loan to the extent of the allowance.
- (15) Financial assistance may be provided from the federally-assisted water supply revolving fund only with respect to a project which is consistent with plans, if any, developed under the federal act, as amended.
- (16) The authority shall require as a condition of making a loan or providing other assistance, as described in KRS 224A.100(6), from the fund that the recipient of the assistance shall maintain project accounts in accordance with generally-accepted governmental accounting standards.
- (17) Assistance may be provided from the fund to a governmental agency with respect to the nonfederal share of the costs of a water supply system project for which the governmental agency is receiving assistance from the administrator of the United States Environmental Protection Agency under any other authority only if the assistance is necessary to allow the project to proceed, as determined by the Finance and Administration Cabinet.

Effective: July 15, 2010

History: Amended 2010 Ky. Acts ch. 24, sec. 388, effective July 15, 2010. -- Amended 2003 Ky. Acts ch. 38, sec. 2, effective June 24, 2003. -- Created 1994 Ky. Acts ch. 373, sec. 8, effective July 15, 1994.