

DRINKING WATER STATE REVOLVING FUND
SRF ANNUAL REPORT
STATE FISCAL YEAR ENDED JUNE 30, 2022

Prepared by the Commonwealth of Kentucky
For EPA Region IV

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KENTUCKY DRINKING WATER SRF ANNUAL REPORT

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DWSRF ANNUAL REPORT

I. INTRODUCTION

The Commonwealth of Kentucky respectfully submits the Drinking Water State Revolving Fund (DWSRF) Annual Report for State Fiscal Year (SFY) ended June 30, 2022. This report describes how Kentucky met the goals as identified in the 2022 Intended Use Plan (IUP) and presents the actual use of funds.

II. EXECUTIVE SUMMARY

The Kentucky Infrastructure Authority (KIA) is the responsible agency for the DWSRF program in Kentucky. Daily program activities are administered by KIA and DOW via a Memorandum of Agreement. KIA oversees \$473,259,040 in DWSRF first use funds (Exhibit 8) which are comprised of capitalization grants \$256,963,732, state match \$56,061,840, program administration \$11,737,544, other set asides \$68,495,924, and leverage bond proceeds \$80,000,000.

Exhibit 1 shows that the Commonwealth of Kentucky made eight new binding commitments and four commitment increases for a total of \$43,172,810 to provide assistance for construction of drinking water projects during the year. The average interest rate on funds committed during the year was 0.38%. Exhibit 2 reflects commitments by quarter. Exhibit 5 shows disbursements from the SRF to various recipients, program administration and other set-aside activities during 2022 totaling \$17,783,966.

In an effort to assist small systems and disadvantaged communities, KIA provided binding commitments to seven small systems and twelve disadvantaged communities, some of which are also small systems (Exhibit 1). Binding commitments for small systems totaled \$28,169,438 or 65% of total binding commitments. Binding commitments for disadvantaged communities totaled \$43,172,810 or 100% of total binding commitments.

During 2022 two loans totaling \$8,424,000 were approved that were subsidized with principal forgiveness of \$1,596,500 (Exhibit 4). The allowable subsidization was 50% of the loan amount per project up to the 2021 maximum amount established in the IUP (\$1 million) allocated in priority order to disadvantaged communities on the priority list based on median household income information and affordability of water or sewer rates.

Since the inception of the program, the Commonwealth has issued 261 binding commitments totaling \$606,431,920. Cumulative set-asides made available from capitalization grant funds total \$80,233,468 (Exhibit 7). The program administration set-aside totals \$11,737,544 while the balance of \$68,495,924 has been for technical assistance, environmental support and management (Exhibit 8).

III. GOALS AND ACCOMPLISHMENTS

The primary goal of the DWSRF program is to assist public water systems (PWS) in providing safe drinking water at an affordable cost to their customers. The program offers low-cost financing to PWS for eligible drinking water infrastructure construction projects. Through set-aside funds, the DWSRF is also used to improve environmental programs that support the goals of the Safe Drinking Water Act (SDWA). Examples include capacity development, operator certification, source water protection, and wellhead protection. Effective and efficient administration of the DWSRF program, combined with below market interest rates and long term financing, will assist PWS to provide sufficient quality and quantity of affordable potable water throughout Kentucky.

A. Short Term Goals and Accomplishments

The 2022 IUP describes eight short-term goals to be achieved by the SRF. The State continues to make significant progress toward successful completion of these goals as described below:

1. Enhance loan closing procedures and refine repayment terms.

During the 2022 fiscal year, the major reorganization implemented in 2018 continued to affirm the roles and responsibilities of Regional Compliance Coordinators. Each Regional Compliance Coordinator is responsible for all loans within a defined geographic area of the state. This part of the reorganization shifted internal job duties to focus on loan compliance, loan closing procedures, and refining repayment terms. The structure also allows for a redundancy of loan processing to minimize interruptions when an employee leaves the KIA. A new Deputy Executive Director, Milward Dedman, was appointed to oversee KIA operations.

In addition to the reorganization of personnel, language in the assistance agreements has been revised to document compliance expectations. As a shift in KIA policy, any principal forgiveness amount will be credited to the loan balance upon release of liens on all contracts and disbursement of the final draw request by KIA to the borrower. All interest and principal repayments are mandated through the Automatic Clearing House (ACH) transfers. Estimated amortization schedules provided at the time of assistance agreements are initiated based on estimated repayment dates.

2. Promote the principles of United States Environmental Protection Agency (EPA)'s Sustainable Infrastructure (SI) Initiative to loan recipients through education and outreach so that SI practices are considered in planning, design, and construction activities.

As a way to promote the SI Initiatives to all communities, a SI brochure is distributed with the Call for Projects. The SI brochure is also available on the KIA and DOW websites. It explains the four pillars and examples of how projects planning can be modified to address more sustainable infrastructure and providing additional savings to utilities related to costs, future operation and maintenance expenses.

With the introduction of the Green Project Reserve requirement in the FFY 2010 Capitalization Grant the integrated project priority ranking system was modified to incorporate Energy Efficiency, Water Efficiency, Sustainable/Green Infrastructure and asset management/full cost pricing to promote the principles of EPA's Sustainable Infrastructure Initiative. The Green Project Reserve is not currently a requirement for the DWSRF, but Kentucky has continued to include green project scoring to promote SI. The projects that incorporated components of sustainable infrastructure received bonus points on the project priority ranking. Fifty-two of the one hundred four projects submitted during the Call for Projects received points for green components. Eight projects received points for incorporating two or more green components, while forty-three projects incorporated one green component. The primary green category was for water efficiency for which 29 of the 104 (28%) projects were awarded points.

3. Improve SRF training to borrowers, project administrators, Area Development Districts, and the engineering community.

During the 2022 SFY, KIA continuously met with Area Development District (ADD) planners, Water Management Councils, and water system officials to provide guidance on how to apply for an SRF loan through the WRIS. The primary emphasis during training this year has been continuous planning and preparation for the entire loan process.

Additionally, KIA staff took advantage of numerous opportunities to speak to engineers, utilities, and other stakeholders throughout the state. Among the groups to which the presentations were made included the Kentucky Rural Water Association, the Kentucky Water Resources Symposium, the Utilities Management Institute, the Kentucky Drinking Water Infrastructure Legislative Taskforce, and the Kentucky Capital Projects and Bond Oversight Legislative Committee.

Compliance related training and information has been provided through introductory meetings with each SRF borrower as well as reiterated during the preconstruction meetings held at the time the construction contracts are executed. A "Best Practices" document for Davis Bacon compliance and reporting has been distributed to borrowers throughout the loan process.

The Water Resource Information System (WRIS) uses Esri's mapping & spatial analytics software for its geographic information system (GIS). Our GIS provides the fundamental data needed for the Kentucky WRIS Portal to include water resources, drinking water systems, wastewater treatment systems, project development, emergency response, regulations, and planning.

Esri has announced their ArcMap version 10.8.2 will be the last major release for ArcMap and will not be supported after March 1, 2026. Esri has released ArcGIS Pro and ArcGIS Online and will be their flagship platform going forward. To remain current, the WRIS must migrate our processes from ArcMap to ArcGIS Pro by March 2026.

To accomplish moving to a new ArcGIS version, KIA plans to research and develop an ArcGIS Pro solution for WRIS within FY2023; Migrate all processes associated with our disconnected editing routine to the new ArcGIS Pro platform; Replace the custom ArcMap Add-In toolbar with a native solution in ArcGIS Pro.

4. Identify distressed borrowers through compliance monitoring and provide targeted financial and managerial guidance.

DOW reviewed each entity that submitted projects for funding for technical, managerial and financial capacity based on sanitary survey results. Any entity that did not have capacity was asked to meet that capacity before the start of construction of the said project. In future, DOW will work with KIA to come up with a process to identify distressed borrowers upfront.

Loan assistance efforts include KIA borrower visits by the Kentucky Rural Water staff, which was funded through a grant from the Appalachian Regional Commission. The inspections include targeted financial assistance for borrowers that have undergone changes in their management, Board or other decision makers. Services include rate studies, property inspections, training and technical assistance.

The reorganization of the loan compliance personnel discussed under item 1 above also has helped identify distressed borrowers by having one Regional Compliance Coordinator responsible for all compliance on a given loan, rather than having different personnel responsible for compliance of different components.

5. Develop a focused marketing strategy in conjunction with the Energy and Environment Cabinet (EEC) to target systems with compliance and energy efficiency needs.

Kentucky plans to provide SRF training to not only highlight compliance but to also market programmatic changes, including targeting systems with compliance and energy needs. Interagency meetings with Division of Water, Division of Enforcement and Public Service Commission are held regularly to prioritize distressed borrowers.

6. Work toward the use of electronic forms and data as opposed to paper documents, where possible.

The SRF Call for Projects, project ranking and project tracking have been integrated into the Water Resource Information System (WRIS). The projects are submitted through WRIS and ranked in the portal. DOW and KIA staff have access to the data collected in the WRIS and are working together toward making the portal user-friendly for the staff to access all documents.

KIA has worked for several funding cycles to develop an electronic application process for borrowers. Application information will be pulled automatically from WRIS Project Profile to populate an electronic application after the borrower has worked with the Area Development District to update it. From there, the borrower downloads the PDF application and reaches an attachment page with clickable links to additional documents required for the application. The borrower then submits the entire electronic application package to KIA via email. The paperless application reduces paper usage, improve timeliness of submittal, and eases the burden of excessive paperwork during the process. KIA had fully implemented the electronic application process in the 2020 funding cycle. Going forward, this process will allow for a transition to electronic web submission of application information rather than emailing pdf files.

7. Increase inspection pace and achieve at least two inspections per project; one at 50% completion and the other at 100% completion.
8. Improve the pace of the program by identifying tasks to commit more available funds in the current fiscal year.

B. Long Term Goals and Accomplishments

The IUP describes six long-term goals:

1. Work with the EEC to explore solutions to increase energy efficiency for drinking water utilities and future non-compliance issues under the SDWA.

The use of energy efficient methods and equipment is encouraged for DWSRF funded projects. Additional points are assigned during the ranking process for those projects utilizing energy efficient designs.

2. Streamline loan processes and improve communication and the sharing of data between KIA and DOW.

DOW and KIA provide administrative and technical assistance to borrowers by conducting an Introductory Meeting before work begins to instruct the borrowers

on compliance with applicable rules (to both the borrower and contractors) during the construction process, by reviewing each payment to ensure the invoices provided substantiate the amount requested, and by conducting an administrative file review before the final payment is made to ensure that all required elements of the process have been satisfied.

The implementation of the use of electronic communication to streamline efforts have improved for the call for projects, bypassing procedures, loan applications, change orders, and draw requests. The existing priority ranking system is evaluated annually to target the major environmental needs of the State with an emphasis on the applicant's readiness to proceed. The data collected in the WRIS is available as a tool in determining project rankings.

3. Create a utility portal within the Water Resources Information System (WRIS) to improve communication and reporting between the utility, KIA, and regulatory agencies.

Kentucky is planning a utility portal within the Water Resources Information System. The portal will give utility personnel direct access to WRIS for entering current information on projects. Currently each utility must provide information to their respective ADD Water Management Coordinator. By allowing direct access to utility personnel the information in the WRIS Portal will be more accurate and current. The geographic information in the WRIS is continuously reviewed for quality assurance by KIA and ADD personnel while the asset management tool will be evaluated for modifications to improve user-friendly measures.

4. Analyze and implement recommendations from the Infrastructure Task Force.
5. Establish a relationship with other funding agencies to coordinate project funding with multiple resources.
6. Identify priority watershed reach out to the municipalities for project development and funding assistance.

IV. SET-ASIDE ACTIVITY

Exhibit 9 shows the administrative and set-aside disbursements for 2022. Since the inception of the program, Kentucky has disbursed administrative and other (state programs, local assistance and technical assistance) set-asides of \$80,233,468 (Exhibit 7) as compared to 70,863,336 in 2021.

A. State Program Management Set-Aside

Section 1452(g)(2) of the Safe Drinking Water Act (SDWA) allows up to 4% of the DWSRF capitalization grant to be allotted to the state to cover the reasonable

costs of administration of the programs under this section and up to 10% of the DWSRF capitalization grant to be set aside to support other program initiatives of the SDWA. An additional set-aside of up to 2% may be taken to provide technical assistance to small PWS serving populations less than 10,000. For a program overview of amounts for each set-aside category see Exhibit 9. Activities under Section 1452(g)(2) are listed in Attachment 1.

B. Local Assistance and Other Programs Set-Aside

Section 1452(k)(2) of the SDWA allows up to 15% of the DWSRF capitalization grant to be set-aside to support local assistance and other program initiatives of the SDWA. Activities under Section 1452(k)(2) are listed in Attachment 2.

V. ASSISTANCE ACITIVITY

A. Fund Financial Status

Exhibit 8 shows the allocation of first use SRF funds for 2022. Exhibit 12 is the Accounts Receivable Aging list. If a borrower experiences late payments, KIA will work with them to assess rate structures or revise repayment schedules. To date, KIA has had no defaults and no loans are currently past due. Exhibit 9 shows the administrative and set-aside disbursements for 2022.

B. Financial Statements

The 2022 Statement of Net Position and Statement of Revenues, Expenses, and Changes in Net Position for the Clean Water State Revolving Fund of the Kentucky Infrastructure Authority will be submitted separately upon KIA Board approval of the information, anticipated on November 4, 2022.

C. Revenue Bond Funding

No bonds were issued in 2022.

D. Provisions of the Operating Agreement/Conditions of the Grant

The Commonwealth of Kentucky entered into the operating agreement and each grant agreement with the EPA. All specific conditions of the agreements have been met.

1. State Matching Funds

The Commonwealth of Kentucky appropriated sufficient funds to meet the 20% State Match requirement.

2. Binding Commitments within One Year

The Commonwealth of Kentucky entered into binding commitments to provide assistance from the SRF in amounts equal to 230% of the grant payments within one year after receipts of all federal payments (Exhibit 2).

3. Expeditious and Timely Expenditure

The Commonwealth of Kentucky disbursed all cash draws and other available SRF funds in a timely and expeditious manner. \$17,783,966 was disbursed to the borrowers for project expenses and to the state for program administration and other set-asides (Exhibit 5). Exhibit 1 "Projects Receiving SRF Financial Assistance for State Fiscal Year Ended June 30, 2022" demonstrates that SRF projects have moved in an expeditious and timely manner to start construction. Kentucky is monitoring the projects to ensure timely initiation of operations in accordance with the established schedules.

4. Eligible Activities of the State Revolving Fund

Projects identified in the annual IUP to be funded are included in Exhibit 3 of this report. All projects met eligibility requirements.

5. Disadvantaged Business Enterprises (DBE), Minority Business Enterprise and Women's Business Enterprise (MBE/WBE):

Kentucky negotiated with EPA an overall fair share proportion of the capitalization grant which is targeted for Women and Minority Business (MBE/WBE) or Disadvantaged Business Enterprises (DBE) as applicable. The State has developed procedures to ensure that loan recipients and prime contractors follow the six affirmative action steps to identify and utilize MBE/WBE or DBE firms. During 2022, \$16,925,344.35 in construction draw requests was reimbursed to DWSRF participants of which \$0, or 0.00% was reimbursed to MBE contractors and \$35,811.36 or 0.21% was reimbursed to WBE contractors. Kentucky is continuing to educate borrowers on the goal of an overall fair share proportion of the capitalization grant for MBE/WBE or DBE firms.

6. Other Federal Laws and Authorities

Kentucky and all recipients of SRF funds directly made available by the capitalization grant have complied with applicable federal authorities. Recipients agreed to do this in their loan agreement with the Commonwealth. The Regional Compliance Coordinators assist in monitoring projects for compliance.

VI. PROPOSED AND ONGOING IMPROVEMENTS

A. Median Household Income Determination Guidance

KIA has developed the Median Household Income (MHI) Determination Guidance for CWSRF and DWSRF loan projects. MHI is used to determine the interest rate, principal forgiveness eligibility, and extended loan term eligibility for the CWSRF and DWSRF programs. The guidance document identifies and describes three accepted methodologies applicants can use to determine the MHI for a project area or for the entire system area. The methodologies include:

- 1) Default Weighted Proximity Analysis (DWPA);
- 2) Modified Weighted Proximity Analysis (MWPA); and
- 3) Census or Sample Income Survey (IS).

The DWPA and MWPA are GIS based methodologies that use system mapping (waterlines, sewer lines, or meter points) to calculate the MHI based on 5-year American Community Survey census tract MHI estimates. The IS is modeled after Kentucky's Community Development Block Group program guidance. The DWPA is calculated for all projects in the WRIS Portal and is considered the primary MHI determination methodology; however, if the DWPA is insufficient, applicants may collaborate with KIA staff to select the MWPA or IS as an alternative.

To maintain the integrity of MHI determinations, the MHI Determination Guidance includes the hierarchy of the methodologies and the required conditions to proceed with each method. Additional forms and informational materials have been developed to ensure that the methodologies are applied consistently. Most notably, KIA has collaborated with other federal funding sources including Kentucky's Community Development Block Grant and USDA's Rural Development program to develop a single multi-agency income survey form to streamline income surveys for projects with multiple funding sources. The form has also been translated into Spanish.

B. KIA and ACEC-KY Partnership

In Kentucky we are fortunate to have a wide open line of communication between technical professionals and State agencies. A perfect example of the professional relationships that exists is the relationship between the Kentucky Infrastructure Authority and the Kentucky Chapter of the American Society of Consulting Engineers.

Throughout the reporting period, these two entities have strategically met every other month with the express purpose of helping each other meet their

goals and fulfill their responsibilities. The typical agenda for each meeting includes discussions of: current regulatory issues, current legislative issues, specific funding sources, potential funding sources, identification of functional problems with the system, identification of opportunities to improve application and use of funds, opportunities to improve the functionality and scheduled use of funds.

This open forum has allowed for clear and candid discussion of current relevant issues that both entities are facing along with a chance for both sides of the issues to be put on the table and addressed. The leadership and staff at the KIA are working to build professional relationships with the engineering community in order to facilitate the functionality and purpose of the KIA. Some of the highlights from this past reporting period are included below.

- Discussion of design/build and the viability of projects of this nature using KIA dollars
- Public private partnership (PPP) funding
- Update ACEC and KIA staff on staffing changes for both entities
- Project profile and ranking updates and assistance
- Update ACEC on new digital interface at the KIA
- Discussion of principal forgiveness
- Compliance assistance

COVID-19 will have lasting impacts on how our Country operates and how people interact. This partnership was forced to miss one of its regularly scheduled meetings due to COVID. The partnership did switch to a virtual format without problems and has since met regularly and successfully. The two entities were able to share experiences related to COVID which helps everyone understand that we are all fighting the same battles.

Going into the 2022 – 2023 year, the KIA leadership is solidly in place. The ACEC Executive Director is new, Russ Romine has reassumed leadership of the organization, and Chris Stewart will be heading up the ACEC/KIA coordination for ACEC.

C. KIA WRIS Funding Dashboards

The WRIS Funding Dashboards were created as a proof of concept in 2018 for using GIS technology to help present information that illustrates Kentucky's water and wastewater infrastructure funding needs over the next 20 years. Three dashboards have been active on KIA's website since 2019 and are a model for WRIS to provide more engaging ways to interpret, interact, and analyze data with WRIS. These funding dashboards aggregate and display the WRIS information. The dashboards present information in a comprehensive and transparent manner using existing data sets relative to drinking water and wastewater utilities in Kentucky.

Each innovative dashboard is linked directly to Project Profiles in the WRIS portal. When the data is revised the components are updated in real-time allowing users to view projects based on current information via three separate mediums. The function of each version and number of web hits in FY 2022 is detailed below:

- By Region – This dashboard allows the user to filter down by Area Development District, County, Applicant, and/or Project Number. With each descending filter, all components of the dashboard update. Also included is a list of projects with basic details such as title, cost, and description that are seeking funding. Upon filtering to a specific project, the map symbolizes the project. Graphs are designed to show the number of projects listed in the WRIS portal by their schedule (0-2 years, 3-5 years, etc.) and the associated funding needs.

Usage details for the period	July 1, 2021 - June 30, 2022
Item Views this Period	930
Average Item Views Per Day	2.55

- By Region via mobile or tablet – This dashboard is a replica of the first dashboard but optimized for mobile viewing on a tablet or phone.

Usage details for the period	July 1, 2021 - June 30, 2022
Item Views this Period	157
Average Item Views Per Day	0.43

- WRIS Projects by Legislative Districts – The dashboard filters the WRIS data either by House or Senate Legislative District and the District number. It allows quick access to visualize water and wastewater needs in that District. The process is similar to the first and second dashboards in that all of the same information is present.

Usage details for the period	July 1, 2021 - June 30, 2022
Item Views this Period	179
Average Item Views Per Day	0.49

**Attachment 1
Activities Under Section 1452(g)(2)
of the Safe Drinking Water Act**

A. DWSRF Administration – Section 1452 (g)(2) – 4 percent maximum

The Kentucky Infrastructure Authority (KIA) has a Memorandum of Agreement with the Energy and Environment Cabinet, Department for Environmental Protection, Division of Water (DOW), to perform the technical aspects of the DWSRF program. KIA and DOW staff meet regularly to discuss the development, maintenance, and administration of the DWSRF program. Activities included developing reports, payment processing, pre-application activities, travel, application review, engineering review, environmental review, construction progress inspection, training, portfolio management, audit management, cash management, securities management, financial management, financial analysis and capacity review.

The Water Infrastructure Branch of the Kentucky DOW performed the following:

1. There were 41 active drinking water loan projects in various stages of the DWSRF process at the end of the 2022 state fiscal year (SFY). The projects are sponsored by the following systems:

SFY 2022 Active DWSRF Projects		
Allen County Water District	City of Lebanon	City of West Liberty
Cave Run Water Commission	City of Morehead	City of Whitesburg
City of Burnside	City of Mortons Gap	Columbia Adair County Water Commission
City of Campbellsville	City of Nicholasville	Cumberland Falls Highway Water District
City of Cynthiana	City of Olive Hill	Estill Co Water District #1
City of Danville	City of Paintsville	Frankfort Electric/Water Plant Board
City of Edmonton	City of Pineville	Green-Taylor Water District
City of Evarts	City of Salem	Hopkinsville Water Environmental Authority
City of Hardinsburg	City of Salyersville	Lebanon Water Works
City of Irvine	City of Somerset	Lyon County Water District
City of Jamestown	City of South Shore	Northern Kentucky Water District
City of Lancaster	City of Stanford	Western Pulaski County Water District

2. Loan applications have been reviewed for all of the projects listed above. Five drinking water projects were closed out during the 2022 state fiscal year.
3. Sixteen DWSRF environmental reviews were conducted during the SFY 2020 for drinking water infrastructure projects.
4. Twelve drinking water projects were reviewed by Water Infrastructure Branch Engineering Section from July 1, 2021 to June 30, 2022. The Engineering Section also performed associated project management responsibilities including attending preconstruction meetings, project inspections, review of invoices and change orders, etc.

SFY 2022 Project Review Summary	
Distribution- Line Extension	2
Distribution- Major Construction	3
Replacement/Rehabilitation	3
Tank	14
Water Treatment- Modifications, New, Preliminary	3

B. Technical Assistance – Section 1452(g)(2) – 2 percent maximum

Kentucky used the Technical Assistance set-aside as follows:

- ◆ Provided approximately 483 instances of technical assistance, training and consultation, covering technical, managerial, and financial capacity. 403 of which were at small systems (< 10,000) and 217 of which were at very small system (<3,300).
- ◆ Of the 136 sanitary surveys conducted in SFY 2022 27% were conducted at small drinking water systems (less than 10,000 population). Fifty-four percent were in very small systems with less than 3,300 population.
- ◆ Seventy drinking (68) water treatment plants achieved Area-Wide Optimization Program (AWOP) turbidity goals, resulting in safer drinking water for 1.74 million Kentucky citizens.
- ◆ Two hundred and forty-seven (263) water treatment plants achieved AWOP distribution system disinfection by-product goals, resulting in safer drinking water for 3.16 million Kentucky citizens.
- ◆ Conducted Jar testing at 10 public water systems, 5 Level 2 Assessments conducted, 4 hold studies conducted, OCCT assistance at 2 public water systems and a filter assessment at 1 public water system.
- ◆ The Division of Water’s drinking water staff provided training events with a focus on small systems:

Title	Date	Location
Presented at 18th Annual EPA Drinking Water Workshop	Aug-21	Virtual
Presented at KRWA Chloramine Seminar, presented on Legionella	Apr-22	In person
Presented at RCAP/AWWA Small System Operator Training LCRR/LSLI Hazard, KY	Apr-22	In person
Presented at RCAP/AWWA Small System Operator Training LCRR/LSLI Somerset, KY	May-22	In person
Presented at KWWOA Annual Conference, presented on AWOP.	May 22	In person
Presented during 19th Annual EPA Drinking Water Workshop	Aug-22	in person

Presented at EPA Microbial and Disinfection Byproducts Public Meeting

August-21

Virtual

- ◆ The Division of Water's drinking water personnel and attended and/or participated in training events with a focus on small systems:

Title	Date	Location
9th Biennial AWOP National Meeting	July21	Virtual & in-person
Funding to Assist Schools & Child Care Facilities with Lead Testing and Remediation in Drinking Water	Jul-21	Virtual
18th Annual EPA Drinking Water Workshop (Virtual)	AUG-21	Virtual
Drinking water training and technical assistance	Sep-21	Virtual
DMUC 2021: SDWIS Training	Sep-21	Virtual
Turbidity Spikes: Real or Artifacts?	Oct 21	Virtual
ASDWA Annual Conference 2021: California SAFER	Oct 21	Virtual
ASDWA Annual Conference 2021: PFAS	Oct 21	Virtual
R4 AWOP Multi-State Meeting	Nov-21	Webinar
ASDWA EBTB LCRR and LCRI	Dec-21	Webinar
Public Notification Rule Overview	Dec-21	Webinar
Analytical Preparedness Full-Scale Exercise (AP-FSE) Toolkit Training	Dec-21	Webinar
Emerging Contaminants: A Look at Microplastics	Jan-22	Webinar
Building Your Plan to Stay Compliant with LCRR	Jan-22	Webinar
Leak detection using flow meters, listening devices, and asset management	Jan-22	Webinar
LSLI Symposium: Overview of LCRR	Feb-22	Webinar
LSLI Symposium: Notes from the Field - State and Utility Experiences with Existing LSLI Rules	Feb-22	Webinar
Sampling Guidance for Unknown Contaminants in Drinking Water	Feb-22	Webinar
LSLI Symposium: Capitalizing in Innovations for LSL Inventories	Feb-22	Webinar
LSLI Symposium: Small Systems, Big Challenges: Implementing LSL Inventories and Replacements at Small Systems	Feb-22	Webinar
EPA ORD Small Systems Webinar: Very Small Drinking Water Systems	Feb-22	Webinar
PFAS Basics, Part 1	Feb-22	Webinar
LSLI Symposium: Water System Inventory Case Studies	Feb-22	Webinar
LSLI Symposium: Show Me the Money: Funding for LSL Inventories and Replacement	Feb-22	Webinar
LSLI Symposium: The Other Side of the Meter: Practical Tools for Collecting Private-Side Service Line Material	Feb-22	Webinar
LSLI Symposium: Tell Me About It: Mapping and Communicating Your LSL Inventory and Replacements	Feb-22	Webinar

Water Loss Series for Small Water Systems: Developing a Results Oriented Water Loss Control Program	Feb-22	Webinar
EPA ORD Small Systems Webinar: Very Small Drinking Water Systems	Feb-22	Webinar
PFAS Sample Collection, State of the Science, Part 2	Feb-22	Webinar
R4 AWOP Multi-State Meeting	Mar-22	Webinar
Small Systems Aren't Small Potatoes-Why Rural Water Utilities Need Cybersecurity & What to Do About It	Mar-22	Webinar
UCMR 5 Public Stakeholder Meeting Session 1	Mar-22	Webinar
UCMR 5 Public Stakeholder Meeting Session 2	Mar-22	Webinar
Water Loss Series for Small Water Systems: Taking Action to Address Apparent Losses	Mar-22	Webinar
Water Loss Series for Small Water Systems: Taking Action to Address Real Losses	Apr-22	Webinar
Source Water Protection and Harmful Algal Blooms	Apr-22	Webinar

C. State Program Management – Section 1452(g)(2)(A) – (D) – 10 percent maximum (Public Water System Supervision Program)

Kentucky used the Supplemental Public Water System Supervision Program set-aside to fund the following drinking water program activities:

- ◆ Overall administration of the drinking water program, including implementation of work plans, tracking of regulatory developments and coordinating inter-and intra-division activities.
- ◆ Assessed SDWA compliance of 440 public water systems:
 - All water systems are monitoring for Stage 2 DBP and Long Term 2 Enhanced Surface Water Treatment Rules.
 - Conducted 122 Sanitary Surveys from July 1, 2021 to June 30, 2022.
 - Submitted federal SDWIS data to EPA on time each quarter.
- ◆ Conducted inspections, investigated complaints, and assisted with drinking water compliance activities at the DOW Regional Office level.
- ◆ Continued to implement and support the Microbiology, Chemistry, and Cryptosporidium Laboratory Certification Programs. In SFY 2022 there were 345 Microbiology Laboratories audited by DOW Certification Officers.

Attachment 2

Activities Under Section 1452(k)(2) of the Safe Drinking Water Act

*State/Local Assistance Sections 1452(k)(2)(A) – (E)
15 percent maximum*

A. Capacity Development Program – Technical, Managerial, and Financial Assistance

State/Local Assistance set-aside funds were utilized to provide assistance to small systems.

- ◆ Reviewed 184 projects through Federal Assistance Review requests from the Kentucky e-Clearinghouse to ensure projects applying for funding have adequate capacity.
- ◆ The Capacity Development Program staff evaluate utilities using a section of the Kentucky Sanitary Survey form. For this year, 140 surface water systems, groundwater systems, and subsequent systems were reviewed.
- ◆ The DOW's Capacity Development Section provided assistance to public water systems throughout the state related to managerial and financial capacity. Technical capacity was offered through inspections, on-site assistance, and AWOP activities. All drinking water systems are inspected annually.
 - ◆ DWSRF set-aside funds were used for conference travel for DOW drinking water staff to attend and/or present at various conferences as previously mentioned.
 - ◆ Continued to provide funding to the Kentucky Rural Water Association (KRWA) to support a small system assistance program focusing on Disinfection By-Products (DBPs) treatment, leak detection, water loss, operation and maintenance manuals, and rate studies. Targeted DBP assistance was provided to approximately 30 small public water systems and additional assistance was provided to multiple systems upon request.
 - ◆ Created 12 GIS based asset management projects. These projects not only build the GIS framework but populates infrastructure inventory data from the source to the customer location which gives the utility a sustainable system of data analytic dashboards to support operations and management. Implementing asset management has changed the way these systems do business. The days of handwritten notes and paper inspection forms that end up in a desk or lost has been replaced with a paperless system cloud-based system that transforms data into useful information. Project decisions formerly made from operator memory can now be backed by solid data. The GIS tablet has become a tool that is as

important as the shovel. Each system maintains an ArcGIS Online account and owns all their data.

- ◆ Assisted three PWSs in updating their Operations and Maintenance (O&M) Manuals.
- ◆ Assisted 17 PWSs in reviewing their rates, charges, and debt consolidation, with five PWSs receiving additional assistance in filing for rate increases. The recovered revenue totaled \$369,000.
- ◆ Assisted 115 PWSs in the preparation and reporting of compliance data, public notifications, Consumer Confidence Reports (CCR), Operational Level Evaluation Reports, Level 1 Assessments and reviewing Sample Site Plans. The PWS savings for CCRs alone totaled \$88,500.
- ◆ Conducted 50 on-site technical assistance visits totaling 365 hours to address compliance issues and conduct asset management inventories.
- ◆ Responded to the western Kentucky Tornado and the City of Marion water supply emergencies by providing on-site assistance and coordinating materials and equipment to 10 PWSs.
- ◆ Conducted two training sessions that offered 13 continuing education hours to the 129 attendees. The topics presented covered Electronic Reporting of Drinking Water Compliance (1hr CEU / 97 attendees) and Chloramination for the Treatment to the Tap (12hrs CEU / 32 attendees).

B. Source Water Assessment Program

The Division of Water provides support to the United States Geological Survey's real-time stream gauging network with funding from DWSRF set-asides. During SFY2022, \$299,500 was provided in network support with a 40/60 cost share by the USGS. In addition to allocating funds, the DOW coordinates with USGS in the placement of gauging stations with an emphasis on optimization of the network's data collection capabilities. This ongoing partnership has helped to produce a system where both scientific and regulatory interests are served.

C. Operator Certification Program

◆ License Administration

- The Division of Compliance Assistance (DCA), Operator Certification Program received and processed 412 drinking water certification applications, administered 384 drinking water certification exams, and issued 204 new drinking water certificates during the 2022 state fiscal year. The drinking water certification program had an average pass rate of 53 percent.
- The administrative staff was responsible for entering the operator training hours which are used for the renewal process, as well as operator updates

into the department database. They processed 971 online drinking water renewals, and issued wallet cards.

◆ ***Training***

The DCA staff prepared and published the Kentucky Operator Certification Program training schedule which outlines all training events offered by the program. A post card was mailed to all certified operators making them aware the schedule was available on the Division's Website. DCA technical staff conducted 3 drinking water training events during this timeframe totaling approximately 54 training hours with 171 operators or potential operators in attendance. In addition, staff within the program, along with the Kentucky Board of Certification of Water Treatment and Distribution System Operators, approved 782 hours from third-party training providers seeking approval of courses for continuing education credit.

◆ ***National Involvement***

- Staff within the certification program continues to promote the importance of operator certification in Kentucky as well as nationwide. Staff attends the Drinking Water and Wastewater Advisory Council meetings once a quarter as well as engaged with vendors, operators, and others in the certification field at various events.

D. Wellhead Protection Program

The Wellhead Protection Program (WHPP) staff continue to provide assistance to public water systems and other agencies on source water and wellhead protection plan development and implementation, education and outreach, and public meeting facilitation throughout the state. During this fiscal year, program staff have continued to develop programmatic integration with drinking water compliance, water supply infrastructure, water supply planning, water withdrawal, and groundwater protection planning programs. Staff is actively developing an updated guidance, plan templates, checklists, and training. Staff is providing administrative and technical assistance in coordination with Kentucky Rural Water Association's Source Water Protection Specialist to develop and implement plan requirements and compliance schedules.

Program staff continues to work on assisting public water systems with updating source water and wellhead protection plans according to the program's compliance schedule, and processing program data, information, and plans in the Department's CGI TEMPO360™ (an environmental regulatory data management system). Also, in a continued effort to develop, manage, and maintain correct and accurate programmatic data and information, staff have conducted numerous systems visits and inspections. They have also worked closely with the GIS and Data Analysis Section to make regular updates to ArcMap GIS data layer files for the Source Water and Wellhead Protection Areas, as well as updating the Groundwater Database.

Program staff have developed training modules for the source water and wellhead protection programs, but did not host or participate in training events this fiscal year. Staff focused on developing compliance matrices, electric form (eForms) and eSearch options for plans, a groundwater-based public water system requirements checklist, a source water supply and shortage workgroup, a workgroup to review and update sources of water in system details in SDWIS and TEMPO360™ for data and information standardization and consistency. Staff has also assisted with sampling and analyses required for the Kentucky Groundwater Monitoring Network and the compliance reviews associated with Consumer Confidence Reports (CCRs). Additionally, staff has also continued to work the U.S. Department of Agriculture (USDA), Natural Resources Conservation Service (NRCS) state technical committee to identify local priorities and implement the 2018 Farm Bill that requires that nationally 10 percent (~\$4 billion) of funds authorized for conservation programs that protect sources of drinking water. Additionally, staff attended numerous webinars to supporting their continuing education and awareness of program developments.

Program staff have also piloted the application of established groundwater modeling programs (United States Geological Survey, MODFLOW and MODPATH) that can help with determining potential impacts of water withdrawals and particle tracking by using these applications within wellhead protection areas. Staff also began exploring the use of drones to conduct wellfield inspections and identify the presence and influence of springs in water resource assessments.

Wellhead staff also participated in the following:

- ◆ Wastewater & Drinking Water Joint Advisory Council Meetings
- ◆ U.S. Environmental Protection Agency, DWSRF and Capacity Building in Action Webinar Series- DWSRF Set-Asides 101
- ◆ Source Water Protection Sub-Committee of the Drinking Water Advisory Council- Developed list serves and wrote and shared stories of source water protection activities
- ◆ State Source Water Protection (SWP) Coordinators, NRCS Regional and State Conservationists, and EPA Headquarters and Regions in the Southeast NRCS Region- Southeastern States Source Water Protection Meeting
- ◆ U.S. Environmental Protection Agency, National Capacity Development and Operator Certification Virtual Workshop: Targeting Disadvantaged Systems to Develop Capacity and Compliance
- ◆ United States Geological Survey Water-Use Data and Research program (WUDR)- Open Forum - Consumptive Water Use: Refining Virginia's Water Supply Estimates with Discharge and Withdrawal Data

- ◆ U.S. Environmental Protection Agency, 17th Annual Drinking Water Workshop: Small System Challenges and Solutions
- ◆ U.S. Environmental Protection Agency, Wildfires and Resulting Impacts to Water Bodies Used as Drinking Water Sources
- ◆ United States Geological Survey Water-Use Data and Research program (WUDR)- Open Forum - Estimated Groundwater Withdrawals from Principal Aquifers in the United States, 2015
- ◆ Association of State Drinking Water Administrators (ASDWA) & Ground Water Protection Council (GWPC)- Source Water Committee Meeting (2)
- ◆ Association of State Drinking Water Administrators (ASDWA) 2020 Annual Conference: States Adapting to Change - The Human Factor
- ◆ Association of State Drinking Water Administrators (ASDWA) 2020 Annual Conference: State Experiences - Manganese and Other Emerging Contaminants (States & EPA Only)
- ◆ U.S. Environmental Protection Agency, Water System Partnership Handbook: How to Support Water System Partnerships
- ◆ United States Geological Survey Water-Use Data and Research program (WUDR)- Water-Use Program updates and data delivery
- ◆ Association of State Drinking Water Administrators (ASDWA)- Overview of Current Research and Innovation at the Water Research Foundation
- ◆ U.S. Environmental Protection Agency, State Revolving Funds: New Opportunities for Source Water Protection
- ◆ Forestry Webinars- How to Engage Corporation in Your Watershed
- ◆ Source Water Collaborative- Source Water Protection Through Forestry Partnerships
- ◆ Source Water Collaborative- Benefits of Forests for Drinking Water
- ◆ Arc Hydro: Flooding & Forecasting
- ◆ Association of Clean Water Administrators- 2022 Mid-Year Meeting
- ◆ U.S. Environmental Protection Agency, Region 3 Source Water Leadership Forum

- ◆ Source Water Collaborative- The Catawba-Wateree Initiative - A Case Study of Forests & Drinking Water Collaboration
- ◆ U.S. Environmental Protection Agency, DWSRF and Capacity Building in Action Webinar Series: Asset Management
- ◆ USDA NRCS Science and Technology- Hydrology, Geology, and Biology of Springs
- ◆ Source Water Collaborative- Opportunities for Engagement with NRCS to Identify New NWQI Watersheds
- ◆ U.S. Environmental Protection Agency, Releases to Sources of Drinking Water: National Occurrence and Resources to Identify Risks
- ◆ Source Water Collaborative- SWC Utilities in Action
- ◆ Kentucky Geological Survey- 2022 Annual Conference
- ◆ U.S. Environmental Protection Agency, Consumer Confidence Report Rule Annual Webinar
- ◆ Association of Public Health Laboratories (APHL)- State Strategies to Build PFAS Testing Programs
- ◆ Kentucky Association of Mitigation Managers (KAMM)- Nature Based Solutions Webinar #1, #2, & #3
- ◆ U.S. Environmental Protection Agency, DWSRF Building Capacity in Action: Source Water Protection

The following data and information reflects the most current program statistics:

Community Water Systems Utilizing Groundwater Sources					
	Population Served				
	25 – 1,000	1,001 – 3,300	3,301 – 10,000	10,001 – 50,000	Over 50,000
Number of Community GW Supplies	24	31	21	12	3
Total Population Served	7,640	63,521	113,830	257,006	899,503*

**Includes Louisville Water Company, which uses a combination of groundwater and surface water sources.*

Non-Community Water Systems Utilizing Groundwater Sources		
	Number of Systems	Population
Non-Transient Non-Community Systems	13	5,806
Transient Non-Community Systems	32	3,629

Wellhead Protection Plans			
	Phase I Plan	Phase II Plan	Five Year Update
Developed	1	0	20
Reviewed	0	0	12
Approved	0	0	12

**EXHIBIT 1
KENTUCKY INFRASTRUCTURE AUTHORITY
FEDERALLY ASSISTED DRINKING WATER LOAN PROGRAM
PROJECTS RECEIVING SRF FINANCIAL ASSISTANCE
FISCAL YEAR ENDED JUNE 30, 2022**

RECIPIENT NAME	LOAN NUMBER	AMOUNT OF ASSISTANCE	BINDING COMMITMENT DATE	ESTIMATED CONSTRUCTION START DATE	ESTIMATED INITIATE OPERATION	TYPE OF ASSISTANCE	INTEREST RATE	LOAN TERM	POPULATION CATEGORY	SMALL SYSTEM	DISADVANTAGED COMMUNITY
Lebanon, City of	F20-002	\$1,602,975.00	08/05/2021	09/07/2021	08/31/2023	L(1)	0.50%	30	3,301 to 10,000	Y	Y
Somerset, City of	F20-019	\$2,482,122.00	09/23/2021	10/27/2021	06/01/2023	L(1)	0.50%	30	10,001 to 100,000	N	Y
Cave Run Water Commission	F20-021	\$868,750.00	09/23/2021	03/01/2022	12/01/2023	L(1)	1.50%	20	0	Y	Y
Morehead, City of	F19-002	\$16,570,000.00	02/09/2022	01/01/2022	10/30/2024	L(1)	0.50%	30	3,301 to 10,000	Y	Y
Grayson County Water District	F22-002	\$7,231,000.00	02/09/2022	03/01/2023	03/01/2024	L	0.25%	30	10,001 to 100,000	N	Y
Whitesburg, City of	F22-011	\$1,660,000.00	02/09/2022	10/01/2022	10/01/2023	L	0.25%	30	501 to 3,300	Y	Y
London, City of	F22-015	\$2,904,000.00	02/09/2022	08/01/2022	08/01/2023	L	0.25%	20	3,301 to 10,000	Y	Y
Knox County Utility Commission	F22-017	\$1,193,000.00	02/09/2022	07/01/2022	02/01/2023	L	0.25%	20	3,301 to 10,000	Y	Y
Hazard, City of	F22-003	\$1,000,000.00	03/03/2022	03/15/2023	03/31/2024	L	0.25%	30	10,001 to 100,000	N	Y
Monticello, City of	F22-005	\$2,340,250.00	03/03/2022	11/01/2022	11/01/2023	L	0.25%	30	10,001 to 100,000	N	Y
Hazard, City of	F22-012	\$1,950,000.00	03/03/2022	09/01/2022	09/01/2023	L	0.25%	30	10,001 to 100,000	N	Y
Cynthiana, City of	F22-028	\$3,370,713.00	05/05/2022	09/01/2022	09/01/2023	L	0.25%	30	3,301 to 10,000	Y	Y
TOTAL	12	\$43,172,810.00					0.38%				

** FY20 IUP project funded in FY21 due to COVID-19 constraints.

<u>Summary</u>	<u>Total</u>	<u>Loan Count</u>	<u>% of Total</u>
Total Funding For Loans	\$43,172,810.00	12	
Total Funding For Small Communities	\$28,169,438.00	7	65%
Total Funding For Disadvantaged Communities	\$43,172,810.00	12	100%
Weighted Average Interest Rate	0.38%		
<u>Type of Assistance</u>			
L = Loan			
(1) = Increase / (Decrease)			
(2) = Planning & Design			

EXHIBIT 2
KENTUCKY INFRASTRUCTURE AUTHORITY
FEDERALLY ASSISTED DRINKING WATER LOAN PROGRAM
BINDING COMMITMENTS BY QUARTER
FISCAL YEAR ENDED JUNE 30, 2022

RECIPIENT NAME	LOAN NUMBER	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	TOTAL	TYPE OF ASSISTANCE
Lebanon, City of	F20-002	\$ 1,602,975				\$ 1,602,975	L(1)
Somerset, City of	F20-019	\$ 2,482,122				\$ 2,482,122	L(1)
Cave Run Water Commission	F20-021	\$ 868,750				\$ 868,750	L(1)
Morehead, City of	F19-002			\$ 16,570,000		\$ 16,570,000	L(1)
Grayson County Water District	F22-002			\$ 7,231,000		\$ 7,231,000	L
Whitesburg, City of	F22-011			\$ 1,660,000		\$ 1,660,000	L
London, City of	F22-015			\$ 2,904,000		\$ 2,904,000	L
Knox County Utility Commission	F22-017			\$ 1,193,000		\$ 1,193,000	L
Hazard, City of	F22-003			\$ 1,000,000		\$ 1,000,000	L
Monticello, City of	F22-005			\$ 2,340,250		\$ 2,340,250	L
Hazard, City of	F22-012			\$ 1,950,000		\$ 1,950,000	L
Cynthiana, City of	F22-028				\$ 3,370,713	\$ 3,370,713	L
TOTAL	12	\$ 4,953,847	\$ -	\$ 34,848,250	\$ 3,370,713	\$ 43,172,810	
PROGRAM ADMINISTRATION		\$ 67,976	\$ 220,977	\$ 413,086	\$ 156,582	\$ 858,621	
SET-ASIDES		\$ -	\$ -	\$ -	\$ -	\$ -	
TOTAL		\$ 5,021,823	\$ 220,977	\$ 35,261,336	\$ 3,527,295	\$ 44,031,431	
CUMULATIVE TOTALS		\$ 5,021,823	\$ 5,242,800	\$ 40,504,136	\$ 44,031,431		
FEDERAL PAYMENTS - 2022		\$ 2,828,358	\$ 7,585,099	\$ 5,650,798	\$ 3,104,993	\$ 19,169,249	
CUMULATIVE FEDERAL PAYMENTS		\$ 2,828,358	\$ 10,413,458	\$ 16,064,256	\$ 19,169,249		
BINDING COMMITMENT % OF PAYMENTS			50%	252%	230%		

Type of Assistance

- L = Loan
- (1) = Increase / (Decrease)
- (2) = Planning & Design

EXHIBIT 3
KENTUCKY INFRASTRUCTURE AUTHORITY
FEDERALLY ASSISTED DRINKING WATER LOAN PROGRAM
PROJECT PRIORITY LIST STATUS REPORT
FISCAL YEAR ENDED JUNE 30, 2022

<u>Rank</u>	<u>Applicant</u>	<u>Project Title</u>	<u>Invitation Status</u>
0	Green-Taylor Water District	Green-Taylor Water District - Distribution Upgrades	N/A
0	Harlan, City of	Harlan Municipal Water Distribution System Improvements	N/A
0	Harlan, City of	Harlan Municipal Water Treatment Plant and Raw Water Intake Impr	N/A
0	Scottsville, City of	AMR and Smart Meter Water Meter Replacement	N/A
0	Louisville Water Company	Roe Hill Road Area Water Main Extension & Pump Station Project	N/A
0	Wilmore, City of	Wilmore Elevated Storage Tank Rehabilitation	N/A
1	Nicholasville, City of	Nicholasville 24" Parallel Transmission Main	Accepted
2	Grayson County Water District	GCWD East - West Improvements II	Accepted
3	Hazard, City of	Buckhorn Middle Fork WTP to Chavies Transmission Line	Accepted
4	Western Fleming County Water District	Western Fleming Water District-Phase 2 AC Line Replacement	Declined
5	Monticello, City of	New Powersburg BPS, Wray Hill BPS and Storage Tank Replacements, and Miscellaneous Water Line Improvements	Accepted
6	Edmonton, City of	Cast Iron Pipe Replacement and Hydrant Installation	Declined
7	Edmonson County Water District	Edmonson County Water District - Edmonson, Hart, & Grayson System Improvements	Declined
8	Estill County Water District #1	ECWD - Phase 12 System Improvements	Withdrawn
9	Nortonville, City of	Nortonville Waterline Replacement Project	Withdrawn
10	Monroe County Water District	Monroe County Water District Improvements - Water Storage Tanks	Withdrawn
11	Whitesburg, City of	Waterline Replacement Phase 1	Accepted
12	Hazard, City of	Lothair Waterline Replacement	Accepted
13	Simpson County Water District	Water System Improvements	Declined
14	Madisonville Municipal Utilities	Madisonville - Water Loss and Asset Management Analysis	Expired
15	London Utility Commission	L.U.C. Water Treatment Plant Improvements	Accepted
16	McLean County Fiscal Court	Beech Grove Water System Storage Tank Addition	Withdrawn
17	Knox County Utility Commission	Barbourville Connection - KY 225	Accepted
18	Hazard, City of	Christopher Waterline Replacement	Declined
19	Paris, City of	Paris Water System Improvements	Accepted
20	Letcher County Water & Sewer District	Letcher - Hwy 510/Gordon Water Line Extensions	Declined

EXHIBIT 3
KENTUCKY INFRASTRUCTURE AUTHORITY
FEDERALLY ASSISTED DRINKING WATER LOAN PROGRAM
PROJECT PRIORITY LIST STATUS REPORT
FISCAL YEAR ENDED JUNE 30, 2022

<u>Rank</u>	<u>Applicant</u>	<u>Project Title</u>	<u>Invitation Status</u>
21	Providence, City of	Providence Cast Iron Pipe Rehab	Accepted
22	Paducah Water Works	Midtown Area Water Main Replacement	Expired
23	Carroll County Water District #1	Ghent Improvements	Withdrawn
24	La Center, City of	La Center Municipal Water- AC Line Replacement Phase II	Declined
25	Fordsville, City of	Fordsville Water Tank Rehab Project	Declined
26	Greenup, City of	City of Greenup new Water Treatment Plant	Accepted
27	Butler, City of	Tank Rehabilitation	Withdrawn
28	Cynthiana, City of	Cynthiana - Industrial Park Water Tank and WTP Upgrade	Accepted
29	La Center, City of	LaCenter Municipal Water-Ac Line Replacement Phase I	Declined
30	Cannonsburg Water District	Phase II - Shoppes Road Water Line Replacement	Accepted
31	Russell, City of	Russell: Upgrade Water Treatment Plant and System Improvements	N/A
32	Salyersville Water Works	Salyersville Water Aging Water Main Phase III	N/A
33	Ashland, City of	Ashland: Debord Hill Water Tank Upgrade	N/A
34	Beattyville, City of	Beattyville - Bear Track Waterline Replacement	N/A
35	Flatwoods, City of	City of Flatwoods Water Tank Rehab Project	N/A
36	Elkhorn City, City of	City of Elkhorn City - Water Improvements - Radio Read Meters	N/A
37	Booneville, City of	Booneville Water Treatment Plant Rehabilitation	N/A
38	Benton, City of	Water Tank Rehabilitation	N/A
39	Versailles, City of	Automatic Meter Reading (AMR) System	N/A
40	Martin, City of	City of Martin Radio Read	N/A
41	Jackson, City of	North Jackson Water Improvement Project	N/A
42	Dexter-Almo Heights Water District	Dexter-Almo Heights Water District- Boggess Drive Loop	N/A
43	Bullock Pen Water District	Bullock Pen Water Treatment Plant Replacement - Design Loan	N/A
44	Jackson, City of	Jackson Water Treatment Plant Upgrade	N/A
45	Irvine Municipal Utilities Commission	ECWD/IMU - Master Meter Relocation and River Crossing	N/A
46	Pendleton County Water District	Campbell County Water Line Extension	N/A
47	Uniontown, City of	Uniontown New Booster Pump Station Project	N/A

EXHIBIT 3
KENTUCKY INFRASTRUCTURE AUTHORITY
FEDERALLY ASSISTED DRINKING WATER LOAN PROGRAM
PROJECT PRIORITY LIST STATUS REPORT
FISCAL YEAR ENDED JUNE 30, 2022

<u>Rank</u>	<u>Applicant</u>	<u>Project Title</u>	<u>Invitation Status</u>
48	Horse Cave, City of	Horse Cave - Water Line Improvements	N/A
49	Carlisle, City of	City of Carlisle Raw Water Intake Improvements	N/A
50	Stanton, City of	Stanton - Water Improvements Project	N/A
51	Auburn, City of	Auburn Water Meter, Remote Read Project	N/A
52	Dixon, City of	Dixon Water Line Upgrade	N/A
53	Caldwell County Water District	Caldwell County WD - Leak Detection Meter Installation Project	N/A
54	Ohio County Water District	Ohio County Water District Intake Line Rebuilding Project	N/A
55	Hardinsburg, City of	City of Hardinsburg - Extension Area A	N/A
56	Morgantown, City of	Morgantown - Water Plant Improvements	N/A
57	Mayfield, City of	HIGHWAY 1276 / KEY BOTTOM ROAD WATER MAIN REPLACEMENT	N/A
58	Hazard, City of	Buckhorn Water Treatment Plant	N/A
59	Hopkinsville Water Environment Authority	HWEA SRF Phase V Water System Improvements	N/A
60	Western Pulaski County Water District	WPCWD-Water System Improvements Radio Read Meter System	N/A
61	Hartford, City of	Hartford Water Tank Reduction Project	N/A
62	Louisa, City of	Louisa Lock Ave. Water Line Replacement	N/A
63	Carroll County Water District #1	500K Carroll and Gallatin County Hwy. 42 Elevated Industrial Tan	N/A
64	Barbourville Utility Commission	Barbourville Utilities Sampson Hill Water Tank Replacement	N/A
65	Barbourville Utility Commission	Barbourville Utilities RECC Water Tank Replacement	N/A
66	Versailles, City of	Versailles - Water Distribution System Improvements Phase 2	N/A
67	Versailles, City of	Versailles - Water Distribution System Improvements - Low Pressu	N/A
68	Fountain Run Water District #1	Fountain Run Water District #1 - Repaint/Rehab Existing Tank	N/A
69	Burnside, City of	Burnside – Tank Cleaning & Painting Project	N/A
70	Lynch, City of	Lynch - Backwash at WTP	N/A
71	Lynch, City of	City of Lynch - Water Treatment Plant Rehabilitation	N/A
72	Lewisburg, City of	Coating Inside/Outside of Downtown Water Tower	N/A
73	Western Pulaski County Water District	WPCWD-Water System Improvements Master Meter Installation	N/A
74	Paducah Water Works	Paducah Water Work-Mayfield Road	N/A

EXHIBIT 3
KENTUCKY INFRASTRUCTURE AUTHORITY
FEDERALLY ASSISTED DRINKING WATER LOAN PROGRAM
PROJECT PRIORITY LIST STATUS REPORT
FISCAL YEAR ENDED JUNE 30, 2022

<u>Rank</u>	<u>Applicant</u>	<u>Project Title</u>	<u>Invitation Status</u>
75	Versailles, City of	Versailles - Water Treatment Plant Improvements - Generators	N/A
76	Edmonton, City of	Edmonton - Joe Fields and Lone Star Line Replacement	N/A
77	Murray, City of	Murray WTP Electrical Upgrade	N/A
78	Grayson Utilities Commission	WTP Lagoons and Sludge Handling	N/A
79	Glasgow Water and Sewer Commission	Glasgow Water Improvement - 24-Inch Transmission Line Pritchardsville to Old Cavalry Drive (Phase 5 of 6)	N/A
80	Hardinsburg, City of	Hardinsburg Water Treatment Plant Expansion Phase I	N/A
81	Calvert City, City of	City of Calvert City-Meter Replacement Program	N/A
82	Henderson County Water District	Spottsville Bridge Crossing Project	N/A
83	Edmonson County Water District	Wax WTP Replacement and Distribution System Improvements	N/A
84	Bowling Green Municipal Utilities	New South Pressure Zone 1.0 Million Gallon Tank	N/A
85	Franklin, City of	City of Franklin - Morgantown Rd Water Line	N/A
86	Edmonson County Water District	Edmonson County Water District - Edmonson and Hart Extensions #2	N/A
87	Irvine Municipal Utilities Commission	IMU - East Irvine Redundant Water Supply	N/A
88	Burnside, City of	Burnside Water Storage Tank	N/A
89	Sacramento, City of	Sacramento Tank Repainting	N/A
90	Glasgow Water and Sewer Commission	Glasgow Water Improvement - 1 Million Gallon Tank-Grandview	N/A
91	Lewisport, City of	County Booster Station Improvement	N/A
92	Nebo Water District	Nebo - Pump Station Replacement, SCADA and AMR Project	N/A
93	Peaks Mill Water District	Sulfur Lick Booster Pump Station	N/A
94	Raceland, City of	System Loop along US 23 from Caroline Road to Legion Drive	N/A
95	Calvert City, City of	City of Calvert City-Relocating Water Treatment Plant	N/A
96	Jonathan Creek Water District	Jonathan Creek-Phase III Expansion (Near KY-402)	N/A
97	Leitchfield, City of	Leitchfield Bypass Development Waterline	N/A
98	Russellville, City of	Russellville City Park Tank	N/A
99	Williamstown, City of	Humes Ridge Water Tank Replacement	N/A
100	Western Pulaski County Water District	Faubush/Nancy Area Water Transmission Main	N/A

**EXHIBIT 3
KENTUCKY INFRASTRUCTURE AUTHORITY
FEDERALLY ASSISTED DRINKING WATER LOAN PROGRAM
PROJECT PRIORITY LIST STATUS REPORT
FISCAL YEAR ENDED JUNE 30, 2022**

<u>Rank</u>	<u>Applicant</u>	<u>Project Title</u>	<u>Invitation Status</u>
101	Western Pulaski County Water District	WPCWD-Bourbon Water Storage Tank Replacement	N/A
102	Berea, City of	Berea Utilities - Owsley Fork Reservoir (Red Lick Creek MPS No. 1) Rehabilitation	N/A
103	Paducah Water Works	Noble Road Transmission Improvements	N/A
104	Warren County Water District	WCWD - Smiths Grove / Little Knob Improvements	N/A

**EXHIBIT 4
 KENTUCKY INFRASTRUCTURE AUTHORITY
 FEDERALLY ASSISTED DRINKING WATER LOAN PROGRAM
 LOAN COMMITMENTS WITH PRINCIPAL FORGIVENESS SUBSIDY
 FISCAL YEAR ENDED JUNE 30, 2022**

RECIPIENT NAME / LOCATION	LOAN NUMBER	PROJECT NAME	AMOUNT OF ASSISTANCE	ORIGINAL SUBSIDY	INTEREST RATE	MHI	MHI AS % OF STATE	POPULATION
Grayson County Water District	F22-002	GCWD East - West Improvements II	\$ 7,231,000	\$ 1,000,000	0.25%	\$ 39,371	97.3%	14,246
Knox County Utility Commission	F22-017	Barbourville Connection - KY 225	\$ 1,193,000	\$ 596,500	0.25%	\$ 22,335	55.2%	7,853
Average						\$ 30,853	76.2%	0
TOTALS		<u>2</u>	<u>\$ 8,424,000</u>		<u>\$ 1,596,500</u>		<u>82.3%</u>	

All subsidies were provided in the form of loan forgiveness. A borrower's entire service area must have a median household income (MHI) less than \$37,228 to be eligible under the 2020 Intended Use Plan. See "Additional Subsidization" in the written IUP commentary for a detailed discussion of principal forgiveness for 2020.

**EXHIBIT 5
KENTUCKY INFRASTRUCTURE AUTHORITY
FEDERALLY ASSISTED DRINKING WATER LOAN PROGRAM
TOTAL DISBURSEMENTS
FISCAL YEAR ENDED JUNE 30, 2022**

PROJECT NAME	LOAN NUMBER	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	TOTAL
CAPITALIZATION GRANT FUNDS						
Adair County Water District	F20-009	403,323	692,158	275,296	23,824	1,394,601
Allen County Water District	F19-025	19,707	137,399	33,351		190,457
Burnside, City of	F19-005	109,063				109,063
Cave Run Water Commission	F20-021			61,708	648,153	709,860
Danville, City of	F19-042	1,092,103	323,698	149,279	610,960	2,176,040
Edmonton, City of	F19-004	667,800	642,700	154,000	217,000	1,681,500
Estill County Water District #1	F20-013	260,257	1,153,349	279,438	93,948	1,786,991
Green-Taylor Water District	F18-005				27,746	27,746
Green-Taylor Water District	F19-018			139,526	124,431	263,957
Lancaster, City of	F18-017			93,027		93,027
Lebanon, City of	F18-006			20,000		20,000
Lebanon, City of	F20-002		1,654,375	281,825	671,096	2,607,296
McCreary County Water District	F21-025				161,829	161,829
Morehead, City of	F18-004		39,588			39,588
Morehead, City of	F19-002			850,070	1,050,755	1,900,825
Mortons Gap, City of	F19-044	4,150	10,975		44,649	59,774
Paintsville, City of	F19-009		718,446	247,840	338,708	1,304,994
Pineville, City of	F18-003	32,056				32,056
Salem, City of	F20-017	171,924	304,577		37,791	514,293
Somerset, City of	F20-019				1,198,563	1,198,563
South Shore, City of	F19-041				417,063	417,063
Western Pulaski County WD	F16-003		26,302		40,260	66,562
PROJECT TOTAL		\$ 2,760,383	\$ 5,703,566	\$ 2,585,360	\$ 5,706,775	\$ 16,756,084
PROGRAM ADMINISTRATION		\$ 67,976	\$ 220,977	\$ 413,086	\$ 156,582	\$ 858,621
SET-ASIDES		\$ -	\$ -	\$ -	\$ -	\$ -
FIRST USE TOTALS		\$ 2,828,358	\$ 5,924,543	\$ 2,998,446	\$ 5,863,357	\$ 17,614,705
CUMULATIVE TOTALS		\$ 2,828,358	\$ 8,752,902	\$ 11,751,348	\$ 17,614,705	

**EXHIBIT 5
 KENTUCKY INFRASTRUCTURE AUTHORITY
 FEDERALLY ASSISTED DRINKING WATER LOAN PROGRAM
 TOTAL DISBURSEMENTS
 FISCAL YEAR ENDED JUNE 30, 2022**

PROJECT NAME	LOAN NUMBER	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	TOTAL
REPAYMENT FUNDS						
Mortons Gap, City of	F19-044		67,376	101,885		169,261
PROJECT TOTAL		\$ -	\$ 67,376	\$ 101,885	\$ -	\$ 169,261
GRAND TOTAL		\$ 2,828,358	\$ 5,991,919	\$ 3,100,331	\$ 5,863,357	\$ 17,783,966

EXHIBIT 6
KENTUCKY INFRASTRUCTURE AUTHORITY
FEDERALLY ASSISTED DRINKING WATER LOAN PROGRAM
PROPORTIONATE FEDERAL SHARE THROUGH CASH DRAWS
FISCAL YEAR ENDED JUNE 30, 2022

	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	TOTAL
DISBURSEMENT SCHEDULE					
SELECT DISBURSEMENTS					
FIRST ROUND	\$ 2,760,383	\$ 5,703,566	\$ 2,585,360	\$ 5,706,775	\$ 16,756,084
ADMINISTRATION	67,976	220,977	413,086	156,582	858,621
SET-ASIDES	0	0	0	0	0
REPAYMENT	0	67,376	101,885	0	169,261
REVENUE BONDS	0	0	0	0	0
TOTAL SELECT DISBURSEMENTS	\$ 2,828,358	\$ 5,991,919	\$ 3,100,331	\$ 5,863,357	\$ 17,783,966
CUMULATIVE TOTAL	\$ 2,828,358	\$ 8,820,278	\$ 11,920,608	\$ 17,783,966	
CASH DRAW FROM LINE OF CREDIT	\$ 2,828,358	\$ 7,585,099	\$ 5,650,798	\$ 3,104,993	\$ 19,169,249
STATE SHARE	\$ -	\$ -	\$ -	\$ 3,658,800	\$ 3,658,800
CASH DRAWS AS % OF DISBURSEMENTS	100%	127%	182%	53%	108%

**EXHIBIT 7
KENTUCKY INFRASTRUCTURE AUTHORITY
FEDERALLY ASSISTED DRINKING WATER LOAN PROGRAM
AMENDED FINANCIAL PROGRAM OVERVIEW
FISCAL YEAR ENDED JUNE 30, 2022**

Reference	Capitalization Grant FFY:	2014	2015	2016	2017	2018	2019	2020	2021	Totals
	Capitalization Grant Award Date:	09/02/2014	09/29/2015	09/27/2016	09/19/2017	08/14/2018	08/28/2019	09/30/2020	08/26/2021	
	Capitalization Grant Award Amount:	\$13,770,000	\$13,680,000	\$12,941,000	\$12,830,000	\$18,303,000	\$18,132,000	\$18,144,000	\$18,294,000	\$337,197,200
	DWSRF Program Administration (4%):	413,100	547,200	517,640	513,200	732,120	725,280	725,760	725,080	11,737,544
1452(g)(2)	DOW (3%)	275,400	410,400	388,230	384,900	549,090	543,960	544,320	543,810	8,367,242
1452(g)(2)	KIA (1%)	137,700	136,800	129,410	128,300	183,030	181,320	181,440	181,270	3,370,302
	State Program Management (up to 10% available):	1,377,000	1,368,000	1,294,100	1,283,000	1,830,300	1,813,200	1,814,400	1,812,700	30,447,744
1452(g)(2)(A)	Supplement PWSS Program	1,377,000	1,368,000	1,294,100	1,283,000	1,830,300	1,813,200	1,814,400	1,812,700	29,502,917
1452(g)(2)(B)	SWP Technical Assistance	0	0	0	0	0	0	0	0	251,176
1452(g)(2)(C)	Develop/Implement Capacity Development Strategy	0	0	0	0	0	0	0	0	344,023
1452(g)(2)(D)	Develop/Implement Operator Certification Program	0	0	0	0	0	0	0	0	349,628
1452(g)(2)(D)	Small Systems Technical Assistance (2% maximum):	275,400	273,600	258,820	256,600	366,060	362,640	362,880	362,540	6,076,270
	State/Local Assistance (up to 15%-10% maximum):	2,065,500	2,052,000	1,941,150	1,924,500	2,745,450	2,719,800	2,721,600	2,719,050	31,971,910
1452(k)(2)(A)	Land Acquisition and Conservation Easements	0	0	0	0	0	0	0	0	759,630
1452(k)(2)(E)	Wellhead Protection Program	413,100	410,400	388,230	384,900	549,090	543,960	544,320	543,810	5,953,285
1452(k)(2)(D)	Source Water Assessment Program:	268,515	273,600	258,820	256,600	366,060	362,640	362,880	362,540	3,677,752
1452(k)(2)(C)	Capacity Development – TMF assistance	1,383,885	1,368,000	1,294,100	1,283,000	1,830,300	1,813,200	1,814,400	1,812,700	21,581,243
	Total Grant Set-Asides:	4,131,000	4,240,800	4,011,710	3,977,300	5,673,930	5,620,920	5,624,640	5,619,370	80,233,468
	Project Funds:	9,639,000	9,439,200	8,929,290	8,852,700	12,629,070	12,511,080	12,519,360	12,674,630	256,963,732
	Kentucky Matching Dollars:	2,754,000	2,736,000	2,588,200	2,566,000	3,660,600	3,626,400	3,628,800	3,658,800	56,061,840
	Total Project Fund:	12,393,000	12,175,200	11,517,490	11,418,700	16,289,670	16,137,480	16,148,160	16,333,430	313,025,572

**EXHIBIT 8
KENTUCKY INFRASTRUCTURE AUTHORITY
FEDERALLY ASSISTED DRINKING WATER LOAN PROGRAM
SOURCE AND ALLOCATION OF SRF FUNDS
FISCAL YEAR ENDED JUNE 30, 2022**

CUMULATIVE SOURCES		FY 2022 DISBURSEMENTS				
TOTAL	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	TOTAL	
Capitalization Grants	\$ 256,963,732	\$ 2,760,383	\$ 5,703,566	\$ 2,585,360	\$ 2,047,975	\$ 13,097,284
State Matching Funds	56,061,840	0	0	0	3,658,800	3,658,800
Program Administration	11,737,544	67,976	220,977	413,086	156,582	858,621
Other Set Asides	68,495,924	0	0	0	0	0
Revenue Bond Proceeds (Net)	80,000,000	0	0	0	0	0
TOTALS	<u>\$ 473,259,040</u>	<u>\$ 2,828,358</u>	<u>\$ 5,924,543</u>	<u>\$ 2,998,446</u>	<u>\$ 5,863,357</u>	<u>\$ 17,614,705</u>

EXHIBIT 9
KENTUCKY INFRASTRUCTURE AUTHORITY
FEDERALLY ASSISTED DRINKING WATER LOAN PROGRAM
ADMINISTRATIVE AND SET-ASIDE EXPENSES
FISCAL YEAR ENDED JUNE 30, 2022

	SET-ASIDE DISBURSEMENTS				
	QTR 1	QTR 2	QTR 3	QTR 4	TOTAL
Administration	\$ 67,976	\$ 220,977	\$ 413,086	\$ 156,582	\$ 858,621
Technical Assistance	0	142,717	223,163	0	365,880
State Programs	0	592,170	1,305,402	20,000	1,917,573
Local Assistance	0	925,669	1,123,786	880,436	2,929,891
Total Set-Aside Expenses	\$ 67,976	\$ 1,881,533	\$ 3,065,439	\$ 1,057,018	\$ 6,071,965

EXHIBIT 12
KENTUCKY INFRASTRUCTURE AUTHORITY
FEDERALLY ASSISTED DRINKING WATER REVOLVING LOAN PROGRAM
REPORT OF ANNUAL LOAN REPAYMENTS
FISCAL YEAR ENDED JUNE 30, 2022

Loan Number	Loans Outstanding	Total	Number of Days Past Due		
			0 - 30	31 - 120	121 and Over
		\$ -	\$ -	\$ -	\$ -
TOTALS		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No principal amounts delinquent as of June 30, 2018.