

DRINKING WATER STATE REVOLVING FUND
SRF ANNUAL REPORT
STATE FISCAL YEAR ENDED JUNE 30, 2023

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, 2023. This report describes how Kentucky met the goals as identified in the 2023 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 \$484,806,040 in DWSRF first use funds (Exhibit 8) which are comprised of capitalization grants \$264,931,162, state match \$56,061,840, program administration \$12,199,424, other set asides \$71,613,614, and leverage bond proceeds \$80,000,000.

Exhibit 1 shows that the Commonwealth of Kentucky made nine new binding commitments and two commitment increases for a total of \$28,012,966 to provide assistance for construction of drinking water projects during the year. Five commitments totaling \$11,405,256 came from the Base program, four commitments totaling \$16,507,710 came from the Supplemental program, and one commitment of \$100,000 came from the Lead Service Line Replacement program. The average interest rate on funds committed during the year was 1.35%. 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 \$32,062,176.

In an effort to assist small systems and disadvantaged communities, KIA provided binding commitments to six small systems and eight disadvantaged communities, some of which are also small systems (Exhibit 1). Binding commitments for small systems totaled \$11,926,406 or 43% of total binding commitments. Binding commitments for disadvantaged communities totaled \$18,161,973 or 65% of total binding commitments.

During 2023 six loans totaling \$18,608,723 were approved that were subsidized with principal forgiveness of \$12,699,404 (Exhibit 4).

Since the inception of the program, the Commonwealth has issued 272 binding commitments totaling \$634,444,886. Cumulative set-asides made available from capitalization grant funds total \$83,813,038 (Exhibit 7). The program administration set-aside totals \$12,199,424 while the balance of \$71,613,614 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 2023 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 2023 fiscal year, the 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 and closing procedures. A new staff attorney was hired and began to help reviewing and drafting Assistance Agreements as well as focusing on the Build America, Buy America implementation. Other employees also began to learn policies and procedures as it relates to SRF loan compliance and closing. Monthly meetings were held between KIA and DOW to discuss the status of loans approved but not yet under Assistance Agreement. This collaboration helped members of KIA and DOW understand the roles of staff and streamline the loan closing process.

In addition to the reorganization of personnel, language in the Assistance Agreements have been revised to document compliance expectations.

After meeting with representatives from Morgan Stanley, KIA's Underwriter in SFY23, staff decided to keep interest rates the same. At that time it looked as though rates might begin to stabilize and the decision was made to monitor market data and further evaluate interest rates the following year. The overall costs of projects continued to escalate and the hope was that a lower interest rate might help offset some of the price increases borrowers are facing. Supply chain and labor issues have continued to cause loan closing delays. 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. 41 of the 137 projects submitted during the Call for Projects received points for green components.

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

During the 2023 SFY, KIA 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 Governor's Local Issues Conference, 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.

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 continue to be monitored for efficiencies and possibly 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.
9. Study and revise the disadvantaged community criteria and incorporate those changes into the WRIS.

Historically KIA has defined a disadvantaged community as any system with a service area MHI at or below the State's MHI. The implementation of BIL has forced most states to redefine disadvantaged community with the increase in the amount of principal forgiveness that must be awarded with each new program. During SFY23 Kentucky defined a disadvantaged community as any system with a service area MHI below the State's MHI or any project area with an MHI below the State's MHI. Affordability Index was also taken into consideration. The disadvantaged community criteria will continue to be reviewed in future years.

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 typically 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. Introductory meetings were not held in SFY23 but the plan is to start those again in SFY24.

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.
7. Identify systems with emerging contaminants and provide assistance and funding to those systems to develop feasible ways to eliminate those contaminants.

IV. SET-ASIDE ACTIVITY

Exhibit 9 shows the administrative and set-aside disbursements for 2023. Since the inception of the program, Kentucky has disbursed administrative and other (state programs, local assistance and technical assistance) set-asides of \$83,813,038 (Exhibit 7) as compared to \$80,233,468 in 2022.

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 2023. 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 four loans are currently past due. Exhibit 9 shows the administrative and set-aside disbursements for 2023.

B. Financial Statements

Exhibits 10 and 11 present the 2023 unaudited balance sheet and statement of revenues, expenses, and changes in retained earnings for the Kentucky Infrastructure Authority.

C. Revenue Bond Funding

No bonds were issued in 2023.

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 153% 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. \$32,063,176 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, 2023" 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 2023, \$28,203,830 in construction draw requests was reimbursed to DWSRF participants of which \$0, or 0.00% was reimbursed to MBE contractors and \$0 or 0% 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. An example of the professional relationships that exists is the one 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
- Updates on cost of materials and supply chain
- Update ACEC on new digital interface at the KIA
- Discussion of principal forgiveness
- Compliance assistance

Moving into the 2023 – 2024 year, the KIA leadership is solidly in place. The ACEC Executive Director is Russ Romine, and Clay Kelly is responsible for 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 2023 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, 2022 - June 30, 2023
Item Views this Period	994
Average Item Views Per Day	2.73

- 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, 2022 - June 30, 2023
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Item Views this Period	167
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, 2022 - June 30, 2023
Item Views this Period	105
Average Item Views Per Day	0.29

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 27 active drinking water loan projects in various stages of the DWSRF process at the end of SFY23. The projects are sponsored by the following systems:

SFY 2023 Active DWSRF Projects	
Adair County Water District	City of Scottsville
Cannonsburg Water District	City of South Shore
City of Albany	City of Whitesburg
City of Cynthiana	City of Whitesburg
City of Fleming-Neon	City of Whitesburg
City of Harlan	Grayson County Water District
City of Harlan	Hyden-Leslie County Water District
City of Harrodsburg	Letcher County Water and Sewer District
City of Hazard	Letcher County Water and Sewer District
City of London	Lyon County Water District
City of Monticello	McKinney Water District
City of Nicholasville	Northern Kentucky Water District
City of Paris	Warren County Water District

2. Loan applications have been reviewed for all of the projects listed above. Nine drinking water projects were closed out during the 2023 state fiscal year.
3. Nine DWSRF environmental reviews were conducted during the SFY 2023 for drinking water infrastructure projects.
4. Fourteen drinking water projects were reviewed by Water Infrastructure Branch Engineering Section from July 1, 2022 to June 30, 2023. The Engineering

Section also performed associated project management responsibilities including attending preconstruction meetings, project inspections, review of invoices and change orders, etc.

SFY 2023 Project Review Summary	
Distribution- Line Extension	0
Distribution- Major Construction	6
Replacement/Rehabilitation	3
Tank	3
Water Treatment- Modifications, New, Preliminary	2

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

Kentucky used the Technical Assistance set-aside as follows:

- ◆ Provided approximately 542 instances of technical assistance, training and consultation, covering technical, managerial, and financial capacity. 169 of which were at small systems (< 10,000) and 167 of which were at very small system (<3,300).
- ◆ Of the 144 sanitary surveys conducted in SFY 2023 26% were conducted at small drinking water systems (less than 10,000 population). 46% were in very small systems with less than 3,300 population.
- ◆ In calendar year 2023, 68 public drinking water systems serving over 1.74 million Kentuckians achieved microbial Area-Wide Optimization Program (AWOP) goals and 263 public drinking water systems serving more than 3.16 million Kentuckians achieved AWOP Disinfection By-Product goals.
- ◆ The Division of Water's drinking water staff provided training events with a focus on small systems:

Date	Title	Location
Sep-22	KWWOA Drinking Water Updates and LCRR	Virtual
Oct-22	KWWOA Drinking Water Updates	Virtual
Oct-22	RCAP Lead Basics	In person
Oct-22	RCAP Lead Reduction in Schools	In person
Oct-22	DOW LCRR Inventory	In person
Oct-22	KWWOA Drinking Water Updates and LCRR	In person
Nov-22	RCAP CW and DW SRF Priority Guidance Update	In person
Nov-22	RCAP/AWWA Small System Operator Training	In person
Nov-22	KRWA LSLI - Using the DOW template	Virtual
Dec-22	Purchase ADD LCRR overview for ADDs	In person
Dec-22	Pennyrile ADD LCRR overview for ADDs	Virtual
Dec-22	Region 4 Overview of KY work on LCRR compliance	Virtual
Jan-23	KIPDA LCRR overview for ADDs	In person

Jan-23	BTADD LCRR overview for ADDs	In person
Jan-23	BGADD LCRR overview for ADDs	In person
Jan-23	BTADD WIIN grant program	In person
Jan-23	KRADD LCRR overview for ADDs	Virtual
Jan-23	RCAP CW and DW SRF Priority Guidance Update	In person
Feb-23	LCRR Inventory	In person
Mar-23	BRADD LCRR overview for ADDs	In person
Mar-23	RCAP CW and DW SRF Priority Guidance Update	In person
Mar-23	LCADD LCRR overview for ADDs	In person
Mar-23	RCAP Small system operator training	In person
Mar-23	FIVCO LCRR overview for ADDs	In person
Mar-23	PFAS Rule	In person
Mar-23	CVADD LCRR overview for ADDs	In person
Apr-23	Georgetown Water LCRR	In person
Apr-23	Purchase ADD LCRR overview for ADDs	In person
Apr-23	RCAP Small system operator training	In person
Apr-23	KCADD ADD training	In person
May-23	KWVOA Kentucky Area-Wide Optimization Program	In person
May-23	KWVOA Kentucky Area-Wide Optimization Program	In person
May-23	KWVOA LCRR overview and DOW outreach	In person
May-23	KWVOA Proposed PFAS Rule & Potential Impacts to KY Water Systems	In person
May-23	KRADD LCRR overview for ADDs	In person
May-23	LTADD LCRR overview for ADDs	In person
May-23	RCAP Small System Operator Training	In person
May-23	LCRR training for field inspectors	Virtual
Jun-23	GWADD LCRR overview for ADDs	In person
Jun-23	Jamestown Water LCRR	In person
Jun-23	GRADD LCRR overview for ADDs	In person
Jun-23	GRADD Proposed PFAS Rule	In person

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

Date	Title
Jul-22	Lessons from the Field: Breaking the Language Barrier
Jul-22	Introduction to Green Asset Management
Aug-22	Resiliency Means Business! Preparing for Risks to Safe & Reliable Service
Aug-22	Workforce Webinar: The Role of Academic Institutions
Aug-22	RCAP Colonias Technical Assistance Webinar
Sep-22	Water Workforce Webinar: Utility and Community Partnerships to Help Build Water Careers
Sep-22	Lessons from the Field: Water Audits

Oct-22	Regionalization and the Power of Partnership
Oct-22	Connecting with Your Community
Oct-22	Lessons from the Field: Evolution of Sand Bioreactors
Nov-22	Long-Term Investment for Financial Resiliency
Nov-22	Training and Technical Assistance for PWS Webinar
Nov-22	Benefits and Pitfalls of Bulk Agreements for Small Wastewater Utilities
Dec-22	Tools for Locating & Managing Septic Systems in Your Service Area
Dec-22	December 2022 Water Workforce Webinar
Jan-23	Financial Benchmarking for Small Water and Wastewater Systems
Feb-23	Increasing Your Utility's Chances to Access Infrastructure Funding through Effective Utility Management
Feb-23	Strengthening the Water Sector Workforce in Kentucky: GRADD's Hire to Operate (H2O) Program
Feb-23	2023 Financial Capability (FCA) Guidance Webinar
Mar-23	Lessons from the Field: Small Water Distribution Preventative Maintenance
Mar-23	Applying Principles of Asset Management to Lead Service Line Inventories
Jun-23	Capacity Assessment and Metrics Meeting
Jun-23	Energy Efficiency as It Applies to Water and Wastewater Systems

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 433 public water systems:
 - All water systems are monitoring for Stage 2 DBP and Long Term 2 Enhanced Surface Water Treatment Rules.
 - Conducted 144 Sanitary Surveys from July 1, 2022 to June 30, 2023.
 - 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 7 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 256 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, 144 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.
 - ◆ The Division continued to provide funding to the Kentucky Rural Water Association to support a small system assistance program that focuses on geo-graphic information system-based asset management, lead service line detection, compliance, rate studies, and water loss management. Fifty-two small public drinking water systems have been targeted for assistance through the program with asset management, financial capacity, and compliance. An additional 195 systems were provided with technical assistance through compliance reporting and assessments. Nine trainings have been conducted covering topics on electronic reporting, chloramines, lead service line inventory, Geo-graphic information system-based asset management, risk and resiliency assessments, and per-and polyfluoroalkyl substances (PFAS and PFOA) in water and wastewater.

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 SFY2023, \$294,500 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 1,180 drinking water certification applications, administered 1,211 drinking water certification exams, and issued 248 new drinking water certificates during the 2023 state fiscal year. The drinking water certification program had an average pass rate of 55 percent.

◆ *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. Staff updated all fact sheets and contract operators lists. Staff is close to releasing the new Wastewater Treatment and Collection Training Manuals and Exams. The new Facility Update eForm 136 also went live during this fiscal year.

◆ *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. Staff have continued to seek input and share data within the Division of Water including drinking water compliance, water supply infrastructure, water supply planning,

water withdrawal, and groundwater protection programs. Staff also worked in cooperation with the Kentucky Rural Water Association to develop and implement wellhead protection plan requirements and compliance schedules.

Program staff continue to process program data, information, and plans in the Department's CGI TEMPO360™ (an environmental regulatory data management system). They also work with the GIS and Data Analysis Section to make 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 expanded available source water protection online resources, developing six new web modules that address source water protection basics, critical elements of planning, planning tools, funding, strategies, and success stories. In addition, print resources to educate the public on issues such as proper well abandonment, groundwater protection planning, and available DOW technical assistance to stakeholders were developed and made available to the public. Wellhead protection and surface water protection planning forms and guidance were updated in an effort to streamline processes and improve contaminant source inventory data collection. A new template for system specific wellhead protection plan informational brochures was rolled out for use by utilities in communication with customers. Staff also assisted with sampling and analyses required for the Kentucky Groundwater Monitoring Network. Additionally, staff attended numerous trainings and webinars to supporting their continuing education and awareness of program developments.

Wellhead staff also participated in the following:

- ◆ Attended the EPA drinking water workshop 08/30 – 08/31/2022
- ◆ Attended the Midwest & Missouri River Basin DEWS Partners Meeting
10/12 – 10/13/2022
- ◆ Presented at the Ohio River Valley Water Sanitation Commission
01/13/2023
- ◆ Presented at the Kentucky Source Water Protection Subcommittee meeting
03/30/2023
- ◆ Attended the US Drought Monitor Forum 04/11 – 04/13/2023
- ◆ Presented at the Bluegrass Area Development District Water Management
Council meeting 04/21/2023
- ◆ Presented at the Kentucky Water and Wastewater Operators Association
Meeting 05/02/2023

- Presented at the Lake Cumberland Area Development District Water Management Council meeting 06/01/2023

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	17	14	3
Total Population Served	7,640	63,521	87,971	289,073	901,746*

**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	12	6,056
Transient Non-Community Systems	35	4,288

Wellhead Protection Plans			
	Phase I Plan	Phase II Plan	Five Year Update
Developed	0	0	17
Reviewed	0	0	17
Approved	0	0	17

EXHIBIT 1
KENTUCKY INFRASTRUCTURE AUTHORITY
FEDERALLY ASSISTED DRINKING WATER LOAN PROGRAM
PROJECTS RECEIVING SRF FINANCIAL ASSISTANCE
FISCAL YEAR ENDED JUNE 30, 2023

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
Albany, City of	F21-045	\$268,000.00	7/7/2022	6/16/2022	6/16/2023	L(1)	0.25%	30	10,001 to 100,000	N	Y
Wilmore, City of	F21-060	\$10,250.00	7/7/2022	4/20/2022	10/6/2022	L(1)	2.00%	20	3,301 to 10,000	Y	Y
Nicholasville, City of	F22-001	\$4,165,910.00	7/7/2022	3/15/2023	8/15/2024	L	2.00%	20	10,001 to 100,000	N	N
Paris, City of	F22-019	\$3,275,000.00	7/7/2022	1/1/2023	1/1/2024	L	1.00%	20	10,001 to 100,000	N	Y
Cannonsburg Water District	F22-030	\$1,685,083.00	7/7/2022	6/1/2023	11/1/2023	L	2.00%	20	3,301 to 10,000	Y	N
Adair County Water District	F23-006S	\$4,377,650.00	2/2/2023	1/2/2024	7/1/2025	L	1.25%	20	10,001 to 100,000	N	Y
Hyden-Leslie County WD	F23-001	\$2,001,013.00	3/2/2023	12/1/2023	12/1/2024	L	0.50%	20	3,301 to 10,000	Y	Y
Lebanon, City of	F23-009S	\$3,850,060.00	3/2/2023	10/10/2023	9/30/2024	L	0.50%	30	3,301 to 10,000	Y	Y
Scottsville, City of	F23-119L	\$100,000.00	3/2/2023	10/31/2024	10/31/2024	L	0.50%	20	3,301 to 10,000	Y	Y
Harrodsburg, City of	F23-004S	\$4,280,000.00	5/4/2023	10/1/2023	7/1/2024	L	1.25%	20	3,301 to 10,000	Y	Y
Northern Kentucky Water District	F23-007S	\$4,000,000.00	5/4/2023	3/1/2024	3/1/2026	L	2.25%	20	100,001 & Above	N	N
TOTAL	11	\$28,012,966.00					1.35%				

<u>Summary</u>	<u>Total</u>	<u>Loan Count</u>	<u>% of Total</u>
Total Funding For Loans	\$28,012,966.00	11	
Total Funding For Small Communities	\$11,926,406.00	6	43%
Total Funding For Disadvantaged Communities	\$18,161,973.00	8	65%
Weighted Average Interest Rate	1.35%		
Type of Assistance			
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, 2023

RECIPIENT NAME	LOAN NUMBER	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	TOTAL	TYPE OF ASSISTANCE
Albany, City of	F21-045	\$ 268,000				\$ 268,000	L(1)
Wilmore, City of	F21-060	\$ 10,250				\$ 10,250	L(1)
Nicholasville, City of	F22-001	\$ 4,165,910				\$ 4,165,910	L
Paris, City of	F22-019	\$ 3,275,000				\$ 3,275,000	L
Cannonsburg Water District	F22-030	\$ 1,685,083				\$ 1,685,083	L
Adair County Water District	F23-006S			\$ 4,377,650		\$ 4,377,650	L
Hyden-Leslie County WD	F23-001			\$ 2,001,013		\$ 2,001,013	L
Lebanon, City of	F23-009S			\$ 3,850,060		\$ 3,850,060	L
Scottsville, City of	F23-119L			\$ 100,000		\$ 100,000	L
Harrodsburg, City of	F23-004S				\$ 4,280,000	\$ 4,280,000	L
Northern Kentucky Water District	F23-007S				\$ 4,000,000	\$ 4,000,000	L
TOTAL	12	\$ 9,404,243	\$ -	\$ 10,328,723	\$ 8,280,000	\$ 28,012,966	
PROGRAM ADMINISTRATION		\$ 29,717	\$ -	\$ 167,345	\$ 289,076	\$ 486,138	
SET-ASIDES		\$ -	\$ -	\$ 1,800,276	\$ 1,572,931	\$ 3,373,207	
TOTAL		\$ 9,433,960	\$ -	\$ 12,296,344	\$ 10,142,007	\$ 31,872,311	
CUMULATIVE TOTALS		\$ 9,433,960	\$ 9,433,960	\$ 21,730,304	\$ 31,872,311		
FEDERAL PAYMENTS - 2023		\$ 6,417,095	\$ 4,683,277	\$ 2,255,728	\$ 7,466,575	\$ 20,822,674	
CUMULATIVE FEDERAL PAYMENTS		\$ 6,417,095	\$ 11,100,372	\$ 13,356,100	\$ 20,822,674		
BINDING COMMITMENT % OF PAYMENTS			85%	163%	153%		

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, 2023

<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, 2023

<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, 2023

<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, 2023

<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, 2023

<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, 2023

RECIPIENT NAME / LOCATION	LOAN NUMBER	PROJECT NAME	AMOUNT OF ASSISTANCE	ORIGINAL SUBSIDY	INTEREST RATE	MHI	MHI AS % OF STATE	POPULATION
Adair County Water District	F23-006S	Phase 23 - Water Treatment Plant and System Improvements	\$ 4,377,650	\$ 3,149,864	1.25%	\$ 42,377	81.1%	16,841
Hyden-Leslie County WD	F23-001	Leslie Waterline Replacement Phase 1	\$ 2,001,013	\$ 2,001,013	0.50%	\$ 35,919	68.8%	9,677
Lebanon, City of	F23-009S	2022 WTP and Water System Improvements Project	\$ 3,850,060	\$ 2,770,245	0.50%	\$ 30,382	58.2%	6,412
Scottsville, City of	F23-119L	City of Scottsville - Lead Service Line Inventory	\$ 100,000	\$ 100,000	0.50%	\$ 33,866	64.8%	5,300
Harrodsburg, City of	F23-004S	Harrodsburg Water Main and Water Hydrant Replacements	\$ 4,280,000	\$ 3,079,601	1.25%	\$ 42,821	82.0%	8,684
Northern Kentucky Water District	F23-007S	Water Main Replacement - Newport and The Ovation	\$ 4,000,000	\$ 1,598,681	2.25%	\$ 66,417	127.1%	252,560
Average						\$ 37,073	71.0%	0

TOTALS

6

\$ 18,608,723 \$ 12,699,404

139.4%

All subsidies were provided in the form of loan forgiveness. A borrower's entire service area or project area must have a median household income less than \$52,238 to be eligible under the 2023 Intended Use Plan. See "Additional Subsidization" in the written IUP commentary for a detailed discussion of principal forgiveness for 2023.

EXHIBIT 5
KENTUCKY INFRASTRUCTURE AUTHORITY
FEDERALLY ASSISTED DRINKING WATER LOAN PROGRAM
TOTAL DISBURSEMENTS
FISCAL YEAR ENDED JUNE 30, 2023

PROJECT NAME	LOAN NUMBER	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	TOTAL
CAPITALIZATION GRANT FUNDS						
Adair County Water District	F20-009		27,029			27,029
Cave Run Water Commission	F20-021	269,495	49,688	51,889	10,326	381,398
Danville, City of	F19-042	173,382	85,310	7,998		266,690
Edmonton, City of	F19-004				117,435	117,435
Estill County Water District #1	F20-013		258,349	275,041		533,389
Fleming-Neon, City of	F21-004				360,159	360,159
Green-Taylor Water District	F19-018		211,569			211,569
Lancaster, City of	F18-017	294,731	25,000			319,731
Lebanon, City of	F20-002	676,337	615,256	236,234	711,593	2,239,420
McCreary County Water District	F21-025	6,112	77,059			83,171
Morehead, City of	F19-002	1,284,160	1,215,151	607,916	1,577,549	4,684,776
Mortons Gap, City of	F19-044	22,948				22,948
Paintsville, City of	F19-009	290,437	17,519	169,020		476,975
Salem, City of	F20-017	25,000				25,000
Somerset, City of	F20-019	1,457,215	1,068,785	404,368	647,823	3,578,191
South Shore, City of	F19-041	818,652		72,725	365,565	1,256,942
Western Pulaski County WD	F16-003	152,298			25,000	177,298
Albany, City of	F21-045	212,028	479,140			691,168
Cumberland Falls Highway WD	F16-002				302,708	302,708
Knox County Utility Commission	F22-017				188,523	188,523
Morgan County Water District	F21-002			772,317	1,297,888	2,070,205
Northern Kentucky Water District	F16-027	253,106				253,106
Wilmore, City of	F21-060	994,648	10,250			1,004,898
PROJECT TOTAL		\$ 6,930,551	\$ 4,140,104	\$ 2,597,507	\$ 5,604,568	\$ 19,272,730
PROGRAM ADMINISTRATION		\$ 29,717	\$ -	\$ 167,345	\$ 289,076	\$ 486,138
SET-ASIDES		\$ -	\$ -	\$ 1,800,276	\$ 1,572,931	\$ 3,373,207
FIRST USE TOTALS		\$ 6,960,268	\$ 4,140,104	\$ 4,565,129	\$ 7,466,574	\$ 23,132,074
CUMULATIVE TOTALS		\$ 6,960,268	\$ 11,100,372	\$ 15,665,500	\$ 23,132,074	

EXHIBIT 5
KENTUCKY INFRASTRUCTURE AUTHORITY
FEDERALLY ASSISTED DRINKING WATER LOAN PROGRAM
TOTAL DISBURSEMENTS
FISCAL YEAR ENDED JUNE 30, 2023

PROJECT NAME	LOAN NUMBER	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	TOTAL
REPAYMENT FUNDS						
Adair County Water District	F20-009		40,128	15,025		55,153
Burnside, City of	F19-005		47,084			47,084
Cave Run Water Commission	F20-021		372,863	345,780		718,643
Edmonton, City of	F19-004		98,806			98,806
Green-Taylor Water District	F19-018		65,378			65,378
Lebanon, City of	F20-002		243,003	305,399		548,402
Morehead, City of	F19-002		2,871,421	1,296,120		4,167,541
Somerset, City of	F20-019		806,574	608,999		1,415,573
South Shore, City of	F19-041		22,980	101,585		124,565
Western Pulaski County WD	F16-003	168,446		20,647		189,093
Albany, City of	F21-045		197,797	231,705	60,907	490,409
Morgan County Water District	F21-002			188,374		188,374
Olive Hill, City of	F17-007			125,579		125,579
Scottsville, City of	F21-026			696,500		696,500
PROJECT TOTAL		\$ 168,446	\$ 4,766,035	\$ 3,935,713	\$ 60,907	\$ 8,931,101
GRAND TOTAL		\$ 7,128,714	\$ 8,906,139	\$ 8,500,842	\$ 7,527,481	\$ 32,063,176

EXHIBIT 6
KENTUCKY INFRASTRUCTURE AUTHORITY
FEDERALLY ASSISTED DRINKING WATER LOAN PROGRAM
PROPORTIONATE FEDERAL SHARE THROUGH CASH DRAWS
FISCAL YEAR ENDED JUNE 30, 2023

	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	TOTAL
DISBURSEMENT SCHEDULE					
SELECT DISBURSEMENTS					
FIRST ROUND	\$ 6,930,551	\$ 4,140,104	\$ 2,597,507	\$ 5,604,568	\$ 19,272,730
ADMINISTRATION	29,717	0	167,345	289,076	486,138
SET-ASIDES	0	0	1,800,276	1,572,931	3,373,207
REPAYMENT	168,446	4,766,035	3,935,713	60,907	8,931,101
REVENUE BONDS	0	0	0	0	0
TOTAL SELECT DISBURSEMENTS	\$ 7,128,714	\$ 8,906,139	\$ 8,500,842	\$ 7,527,481	\$ 32,063,176
CUMULATIVE TOTAL	\$ 7,128,714	\$ 16,034,852	\$ 24,535,694	\$ 32,063,176	
CASH DRAW FROM LINE OF CREDIT	\$ 6,417,095	\$ 4,683,277	\$ 2,255,728	\$ 7,466,575	\$ 20,822,674
STATE SHARE	\$ -	\$ -	\$ 2,309,400	\$ -	\$ 2,309,400
CASH DRAWS AS % OF DISBURSEMENTS	90%	53%	27%	99%	65%

EXHIBIT 7
KENTUCKY INFRASTRUCTURE AUTHORITY
FEDERALLY ASSISTED DRINKING WATER LOAN PROGRAM
AMENDED FINANCIAL PROGRAM OVERVIEW
FISCAL YEAR ENDED JUNE 30, 2023

Reference	Capitalization Grant FFY:	2015	2016	2017	2018	2019	2020	2021	2022	Totals
	Capitalization Grant Award Date:	9/29/2015	9/27/2016	9/19/2017	8/14/2018	8/28/2019	9/30/2020	8/26/2021	2/8/2023	
	Capitalization Grant Award Amount:	\$13,680,000	\$12,941,000	\$12,830,000	\$18,303,000	\$18,132,000	\$18,144,000	\$18,294,000	\$11,547,000	\$348,744,200
	DWSRF Program Administration (4%):	547,200	517,640	513,200	732,120	725,280	725,760	725,080	461,880	12,199,424
1452(g)(2)	DOW (3%)	410,400	388,230	384,900	549,090	543,960	544,320	543,810	346,410	8,713,652
1452(g)(2)	KIA (1%)	136,800	129,410	128,300	183,030	181,320	181,440	181,270	115,470	3,485,772
	State Program Management (up to 10% available):	1,368,000	1,294,100	1,283,000	1,830,300	1,813,200	1,814,400	1,812,700	1,154,700	31,602,444
1452(g)(2)(A)	Supplement PWSS Program	1,368,000	1,294,100	1,283,000	1,830,300	1,813,200	1,814,400	1,812,700	1,154,700	30,657,617
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):	273,600	258,820	256,600	366,060	362,640	362,880	362,540	230,940	6,307,210
	State/Local Assistance (up to 15%-10% maximum):	2,052,000	1,941,150	1,924,500	2,745,450	2,719,800	2,721,600	2,719,050	1,732,050	33,703,960
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	410,400	388,230	384,900	549,090	543,960	544,320	543,810	346,410	6,299,695
1452(k)(2)(D)	Source Water Assessment Program:	273,600	258,820	256,600	366,060	362,640	362,880	362,540	230,940	3,908,692
1452(k)(2)(C)	Capacity Development – TMF assistance	1,368,000	1,294,100	1,283,000	1,830,300	1,813,200	1,814,400	1,812,700	1,154,700	22,735,943
	Total Grant Set-Asides:	4,240,800	4,011,710	3,977,300	5,673,930	5,620,920	5,624,640	5,619,370	3,579,570	83,813,038
	Project Funds:	9,439,200	8,929,290	8,852,700	12,629,070	12,511,080	12,519,360	12,674,630	7,967,430	264,931,162
	Kentucky Matching Dollars:	2,736,000	2,588,200	2,566,000	3,660,600	3,626,400	3,628,800	3,658,800	2,309,400	56,061,840
	Total Project Fund:	12,175,200	11,517,490	11,418,700	16,289,670	16,137,480	16,148,160	16,333,430	10,276,830	320,993,002

EXHIBIT 8
KENTUCKY INFRASTRUCTURE AUTHORITY
FEDERALLY ASSISTED DRINKING WATER LOAN PROGRAM
SOURCE AND ALLOCATION OF SRF FUNDS
FISCAL YEAR ENDED JUNE 30, 2023

CUMULATIVE SOURCES		FY 2023 DISBURSEMENTS				
	TOTAL	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	TOTAL
Capitalization Grants	\$ 264,931,162	\$ 6,387,378	\$ 4,683,277	\$ 288,107	\$ 5,604,568	\$ 16,963,330
State Matching Funds	56,061,840	0	0	2,309,400	0	2,309,400
Program Administration	12,199,424	29,717	0	167,345	289,076	486,138
Other Set Asides	71,613,614	0	0	1,800,276	1,572,931	3,373,207
Revenue Bond Proceeds (Net)	80,000,000	0	0	0	0	0
TOTALS	\$ 484,806,040	\$ 6,417,095	\$ 4,683,277	\$ 4,565,129	\$ 7,466,574	\$ 23,132,074

EXHIBIT 9
KENTUCKY INFRASTRUCTURE AUTHORITY
FEDERALLY ASSISTED DRINKING WATER LOAN PROGRAM
ADMINISTRATIVE AND SET-ASIDE EXPENSES
FISCAL YEAR ENDED JUNE 30, 2023

	SET-ASIDE DISBURSEMENTS				
	QTR 1	QTR 2	QTR 3	QTR 4	TOTAL
Administration	\$ 29,717	\$ -	\$ 167,345	\$ 289,076	\$ 486,138
Technical Assistance	0	0	0	230,940	230,940
State Programs	0	0	728,212	467,553	1,195,766
Local Assistance	0	0	1,072,063	874,438	1,946,501
Total Set-Aside Expenses	\$ 29,717	\$ -	\$ 1,967,621	\$ 1,862,007	\$ 3,859,345

EXHIBIT 10
KENTUCKY INFRASTRUCTURE AUTHORITY
BALANCE SHEET
JUNE 30, 2023
(UNAUDITED Statement of Net Position)

ASSETS

Current assets:

Cash and cash equivalents	\$ 140,156,593
Investments, current portion	-
Intergovernmental receivables	2,309,400
Accrued interest receivable, investments	574,388
Accrued interest receivable, assistance agreements	250,503
Current maturities of long-term receivables	13,551,370
Total current assets	<u>156,842,254</u>

Long-term receivables:

Assistance agreements receivable	218,058,597
Allowance for loan subsidy required by federal capitalization grants	(7,042,899)
Total long-term receivables	<u>211,015,698</u>

Total assets	<u><u>\$ 367,857,952</u></u>
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Deferred outflows of resources:

Pension related	\$ 293,173
Post-employment benefits other than pension	167,039
Unamortized deferred amount on refunding	413,974
Total deferred outflows of resources	<u><u>\$ 874,186</u></u>

Total assets and deferrals	<u><u>\$ 368,732,138</u></u>
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LIABILITIES

Current liabilities:

Current maturities of revenue bonds payable, net of unamortized premiums and discounts	\$ 5,655,732
Accrued interest payable	711,161
State treasury advances for capitalization grant matching funds	2,309,400
Total current liabilities	<u>8,676,293</u>

Long-term liabilities:

Revenue bonds payable, less current maturities and unamortized premiums and discounts	34,034,315
Net pension liability	2,718,885
Net post-employment benefits other than pension liability	462,738
Total liabilities	<u><u>\$ 45,892,231</u></u>

Deferred inflows of resources:

EXHIBIT 11
KENTUCKY INFRASTRUCTURE AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
FISCAL YEAR ENDED JUNE 30, 2023
(UNAUDITED Statement of Revenues, Expenses and Changes in Net Position)

Operating revenues:

Assistance agreements:

Servicing fee	\$ 541,043
Interest income	2,766,753
Total operating revenues	<u>3,307,796</u>

Operating expenses:

General and administrative	569,893
Intergovernmental administrative expense reimbursement	3,719,617
Revenue bonds payable:	
Amortization of bond premiums	(755,732)
Interest - revenue bonds payable	1,979,151
Total operating expenses	<u>5,512,929</u>
Operating income (loss)	(2,205,133)

Non-operating revenues (expenses):

Investment income	4,866,949
Federal grants	20,822,674
Loan subsidy required by federal capitalization grants	(3,390,362)
Intergovernmental revenue from the Commonwealth	2,309,400
Total non-operating revenues (expenses)	<u>24,608,661</u>
Change in net position	22,403,528
Net position, beginning of year	<u>300,254,786</u>
Net position, end of year	<u><u>\$ 322,658,314</u></u>

EXHIBIT 12
KENTUCKY INFRASTRUCTURE AUTHORITY
FEDERALLY ASSISTED DRINKING WATER REVOLVING LOAN PROGRAM
REPORT OF ANNUAL LOAN REPAYMENTS
FISCAL YEAR ENDED JUNE 30, 2023

Loan Number	Loans Outstanding	Total	Number of Days Past Due		
			0 - 30	31 - 120	121 and Over
F209-17	Greenup, City of	19,892	19,892	0	0
F15-064	Paducah, City of	71,861	71,861	0	0
F09-01	Paducah, City of	205,708	205,708	0	0
F12-06	Sturgis, City of	37,231	37,231	0	0
	TOTALS	<u>\$ 334,692</u>	<u>\$ 334,692</u>	<u>\$ -</u>	<u>\$ -</u>