DRINKING WATER STATE REVOLVING FUND

State Fiscal Year 2024 Draft Intended Use Plan

Base Program
Supplemental Base Program
Emerging Contaminants
Lead Service Line Replacement

COMMONWEALTH OF KENTUCKY

Prepared by the

KENTUCKY INFRASTRUCTURE AUTHORITY
&
ENERGY AND ENVIRONMENT CABINET

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INTRODUCTION

The 2024 Intended Use Plan (IUP) for the Drinking Water State Revolving Fund Program (DWSRF) is used to communicate Kentucky's DWSRF plan for state fiscal year 2024 to potential borrowers from the DWSRF, the public water systems (PWSs), the public, the U.S. Environmental Protection Agency (USEPA), and other interested parties. The IUP is prepared in accordance with the provisions of the Safe Drinking Water Act (SDWA), the America's Water Infrastructure Act of 2018, and the Further Consolidated Appropriations Act, 2020 (Pub. L. 116-94, December 20, 2019).

The DWSRF plan for FY 2024 will include the Base Program as well as additional funding provided through the Bipartisan Infrastructure Law (BIL) as Supplemental Base funding, Emerging Contaminants funding., and Lead Service Line Replacement funding. Projects to be considered for funding through the DWSRF are submitted during the initial call for projects. Projects are reviewed for eligibility and ranked for funding priorities. Three hunded seventy nine projects were considered for funding from the DWSRF. The total amount requested is approximately $923.5 million. The total project need from all funding sources is approximately $1,019 million. The requests are primarily to fund construction but include planning and design. The IUP identifies how the funds will be used to support the goals of the DWSRF and documents the list of projects anticipated for funding as shown on the Comprehensive Project Priority List. This Project Priority List (PPL) is provided in Appendix A. For State Fiscal Year (SFY) 2024, the Fund has $61.1 million available with $14.7 million available in Base funding, $20.2 million available in Supplemental Base funding, $6.4 million available in Emerging Contaminants funding., and $19.8 million available in Lead Service Line Replacement funding.

An annual Intended Use Plan is required by Section 1452 of the SDWA and is an integral part of the process to request these funds. Each year, the US Congress authorizes funding for the DWSRF through the USEPA. USEPA then prepares allocations for states to receive the funds by way of a Capitalization Grant. The current IUP is for the 2023 Capitalization Grant, which is the 2023 Federal Fiscal Year (FFY) of October 1, 2023 through September 30, 2024. This IUP identifies how the funds available to Kentucky's DWSRF will be used during the 2024 state fiscal year (SFY) of July 1, 2023 through June 30, 2024.

The IUP will identify how the funds available to Kentucky's DWSRF will be used during each SFY to support the goals of the DWSRF. The 2024 IUP includes:

1. A description of the short and long term goals of the DWSRF;
2. The criteria and methods established for selecting projects;
3. Administration and operation policies of the DWSRF, including set-aside activities, established by the KIA for compliance with requirements of the US Congress authorization as administered by the USEPA;
4. The public participation process;
5. The sources and uses of available funds; and,

6. The Project Priority List - a list of eligible projects whose sponsors expressed interest in low interest rate loans from the DWSRF.

What is the Drinking Water State Revolving Fund?

The DWSRF is a national program by which the USEPA provides grants to states to further the goals of the SDWA. The national DWSRF originated in 1996, as recognition of SDWA compliance costs led to support for a DWSRF program. The EPA implements the national DWSRF program in such a manner that preserves for states a high degree of flexibility to operate their programs in accordance with each state's unique needs and circumstances.

Kentucky's DWSRF financing program provides low interest loans for infrastructure projects that are considered a priority based on public health criteria outlined in the SDWA. Projects identified to receive funding are selected from the ranked group of Project Profiles submitted during an annual Call for Projects. The DWSRF is administered by the KIA. By Memorandum of Agreement, the Kentucky Energy and Environment Cabinet (EEC), through the Division of Water (DOW), perform environmental and technical reviews on projects that seek assistance from the DWSRF. Since its inception in 1997, Kentucky's DWSRF has committed funds to 215 drinking water infrastructure projects, totaling more than $564.9 million (through March, 2022).

Eligibility

Only projects listed in the IUP are eligible for funding. Examples of eligible projects include:

- Planning, design, and construction of drinking water intake, treatment, or distribution systems
- Purchase of water systems by other public water systems
- Storage tanks and clearwells
- Drilled wells and wellhead areas
- Security related activities
- Emergency measures for the protection of public health
- Refinancing or buying eligible debt obligations of a public water system
- Any other structure or facility that the DOW considers necessary for efficient and sanitary operations

An eligible borrower or borrowing entity means any agency of the state or its political subdivisions, any city, or any special district created under the laws of the state acting individually or jointly under interagency or interlocal cooperative agreements to enter into assistance agreements with the authority as defined in KRS 224A.011(6). Some examples include:

- Municipal corporations
- Cities

- Agencies
- Commissions
- Authorities
- Associations
- Districts

An eligible borrower must demonstrate the technical, financial and managerial capability to ensure compliance with the requirements of the Safe Drinking Water Act, unless the completion of the project receiving financial assistance will ensure compliance and the owners or operators of the systems agree to undertake feasible and appropriate changes in operations to ensure compliance over the long term. Contact the KIA if you need assistance determining your utility's eligibility status.

Ineligible Projects

DWSRF funds shall not be used for:

- Projects not listed on the Project Priority List except for emergency projects.
- Dams or rehabilitation of dams unless subject to the Class Exception.
- Water rights.
- Reservoirs, except for finished water reservoirs and those reservoirs that are part of a treatment process and are located on the property where the treatment facility is located.
- Laboratory fees and other monitoring expenses.
- Operation and maintenance expenses.
- Projects needed mainly for fire protection.
- Projects for systems that lack adequate capacity, unless financial assistance will assure capacity and compliance.
- Land acquisition where eminent domain is necessary.
- Projects primarily intended to finance the expansion of any public water system in anticipation of future population growth.
- Projects not favorably considered by the area water management council unless the KIA Board finds circumstance that justify overriding the council's recommendation.

Significant Federal Components and Requirements

Bipartisan Infrastructure Law Funding Highlights:

On November 15, 2021, President Biden signed into law the $1.2 trillion Infrastructure Investment and Jobs Act (IIJA) of 2021 (H.R. 3694) also known as the Bipartisan Infrastructure Law (BIL). BIL provides supplemental funding for the Drinking Water State Revolving Fund which is in addition to the annual SRF capitalization grants. The additional funding is federally appropriated and will be available over five federal fiscal years (2022 – 2026). The additional funding will expand SRF program capacity for loans and loan forgiveness while adhering to existing SRF project eligibilities.

American Iron and Steel (AIS) Utilization

BIL makes the American Iron and Steel (AIS) procurement requirement permanent for ***all*** DWSRF construction projects going forward. Additional USEPA guidance can be found at the link below:

https://www.epa.gov/cwsrf/state-revolving-fund-american-iron-and-steel-ais-requirement#guidance

Davis-Bacon Prevailing Wage Labor Laws Compliance

Federal labor laws regarding prevailing wages, hours of work, and rates of pay are collectively known as the Davis-Bacon laws. All projects funded in whole or in part with assistance from DWSRF will be required to comply with Davis-Bacon laws and incorporate their provisions into any project work that has been or will be contracted. For more information on Davis Bacon laws, please visit: http://www.dol.gov/whd/regs/compliance/whdfs66.pdf.

Build America, Buy America Act (BABA)

BIL also expands domestic sourcing requirements with the inclusion of the Build America, Buy America Act (BABA). As of **May 14, 2022**, all steel, iron, manufactured products, non-ferrous metals, plastic and polymer-based products (including polyvinylchloride, composite building materials, and polymers used in fiber optic cables), glass (including optic glass), lumber, and drywall used in infrastructure projects for federal financial assistance programs must be produced in the United States. Final implementation guidance was published on August 14, 2023 and is available at the website: https://www.whitehouse.gov/wp-content/uploads/2023/08/REV_2-CFR-Guidance-Pre-publication-version-8.13.pdf. For additional BABA information, please visit: https://www.epa.gov/grants/epas-identification-federal-financial-assistance-infrastructure-programs-subject-build. A number of generally applicable waivers have been published by the EPA and borrowers may apply for project specific waivers under certain circumstances.

Additional Subsidization

To be eligible for additional subsidization, a community must be a disadvantaged community. Disadvantaged Communities are those that meet at least one of the three disadvantaged community criteria.

1. A system wide MHI less than the state's MHI (55,454) as calculated by the WRIS, or
2. A project area MHI less than the state's MHI (55,454) as calculated by the WRIS or by using census tract information, or
3. An affordability index ratio of 1.0 or greater calculated as the annual 4,000 gallon water rate divided by the system MHI rounded to the nearest tenth.

KIA will use the same definition for disadvantaged community across all available funding sources (base, supplemental, emerging contaminants., and lead service line replacement) for the state fiscal year 2024 funding cycle.

The total amount of principal forgiveness available for Base and Supplemental borrowers will be distributed such that each qualifying borrower will receive the same percentage of principal forgiveness. This funding cycle, the percentage is approximately 52%. To arrive at the same percentage, the Base borrowers may also receive principal forgiveness from the Supplemental program.

1. Base Program

The authorization of the base federal capitalization grant requires that beyond the subsidization provided through the low interest financing, additional subsidization is to be provided to utilities in disadvantaged communities. The amount of the capitalization grant received from the federal government that is available for additional subsidization varies each year based on the allowable range authorized by the federal grant, and the amount decided upon by the Commonwealth of Kentucky. BIL raised the minimum Safe Drinking Water Act requirement for additional subsidy to disadvantaged communities from 6% to 12%, establishing an additional subsidy range of 12% to 35% for the annual base DWSRF capitalization grants. An additional Congressional subsidization amount of 14% is required to be provided as authorized by the 2023 appropriation. Total additional subsidization for FFY 2023 that must be awarded ranges between 26%, or $1,563,120, and 49%, or $2,945,880.

This additional subsidization is provided through forgiveness of a portion of the principal loan amount. The KIA Board sets the amount of additional subsidization to be provided, and determines the maximum amount to any single borrower as well as the criteria for determining the projects that will be offered additional subsidization. For SFY 2024 the total amount of base program additional subsidization that will be awarded is approximately 30%, or $1,803,600. The table below consists of the projects being invited to submit a loan application that includes base program additional

subsidization. All borrowers receiving additional subsidization have a system area MHI below the State's MHI.

Loan Number	WRIS #	Applicant	Requested Loan Amount	Invited Loan Amount	System Service Area MHI	Principal Forgiveness Amount	Cumulative Principal Forgiveness
F24-005	WX21229024	Springfield Water and Sewer Commission	$2,894,924	$2,894,924	$55,273	$601,200	$601,200
F24-006	WX21123030	Larue County Water District #1	$1,692,500	$1,692,500	$55,382	$601,200	$1,202,400
F24-043	WX21027044	Hardinsburg, City of	$13,675,000	$2,619,892	$51,690	$601,200	$1,803,600

Principal forgiveness will be reallocated in subsequent invitations as available.If a loan is eligible for principal forgiveness, it will be allocated only once. This includes projects receiving financing over multiple funding cycles, not individual increments. Principal forgiveness will not be provided on loan increase requests.

2. Supplemental Base Program – Additional Subsidy

BIL mandates that 49% of funds provided through the DWSRF General Supplemental Funding must be provided as additional subsidization to disadvantaged communities. The table below consists of projects being invited to submit a loan application that includes supplemental base program additional subsidization. All borrowers have a system area MHI below the State's MHI. A portion of the principal forgiveness will be awarded to borrowers receiving a loan invitation from the base program.

Loan Number	WRIS #	Applicant	Requested Loan Amount	Invited Loan Amount	System Service Area MHI	Principal Forgiveness Amount	Cumulative Principal Forgiveness
F24-001	WX21155045	Lebanon, City of	$16,016,179	$7,500,000	$32,733	$3,923,472	$3,923,472
F24-007	WX21193065	Hazard, City of	$7,544,616	$7,500,000	$44,969	$3,923,472	$7,846,944
F24-012	WX21133069	Fleming-Neon, City of	$2,777,000	$2,777,000	$35,453	$1,452,731	$9,299,675
F24-013	WX21229026	Springfield Water and Sewer Commission	$4,277,500	$2,473,070	$55,273	$1,293,736	$10,593,411
F24-005	WX21229024	Springfield Water and Sewer Commission			$55,273	$913,220	$11,506,631
F24-006	WX21123030	Larue County Water District #1			$55,382	$284,197	$11,790,828
F24-043	WX21027044	Hardinsburg, City of			$51,690	$769,343	$12,560,171

3. Lead Service Line Replacement Program – Additional Subsidy

BIL mandates that 49% of funds provided through the DWSRF Lead Service Line Replacement (LSLR) Funding must be provided as additional subsidization. The table below consists of projects being invited to submit a loan application that includes LSLR program additional subsidization. All borrowers have either a system service area MHI or project service area MHI below the State's MHI. Qualifying borrowers invited for lead service line inventory loans will receive 100% principal

forgiveness. Qualifying borrowers invited for lead service line replacement loans will receive approximately 57% principal forgiveness.

WRIS #	Applicant	Requested Loan Amount	Invited Loan Amount	System Service Area MHI	Project Service Area MHI	Principal Forgiveness Amount	Cumulative Principal Forgiveness
WX21117011	Northern Kentucky Water District	$5,400,000	$3,000,000		$47,917	$1,724,685	$1,724,685
WX21037013	Northern Kentucky Water District	$4,500,000	$4,500,000		$44,095	$2,587,028	$4,311,713
WX21085047	Grayson County Water District	$220,000	$220,000	$40,654		$220,000	$4,531,713
WX21205060	Rowan Water Inc	$100,000	$100,000	$43,041		$100,000	$4,631,713
WX21159018	Martin County Water District	$299,250	$299,250	$41,569		$299,250	$4,930,963
WX21115033	Paintsville Utilities Commission	$418,000	$418,000	$40,122		$418,000	$5,348,963
WX21021040	Danville, City of	$214,000	$214,000	$47,002		$214,000	$5,562,963
WX21229016	Springfield Water and Sewer Commission	$855,000	$855,000	$55,273		$491,535	$6,054,498
WX21027061	Hardinsburg, City of	$1,300,702	$1,300,702	$51,690		$747,767	$6,802,265
WX21011046	Bath County Water District	$100,000	$100,000	$46,522		$100,000	$6,902,265
WX21071022	Southern Water & Sewer District	$247,575	$247,575	$35,060		$247,575	$7,149,840
WX21071025	Prestonsburg City's Utilities Commission	$416,250	$416,250	$39,277		$416,250	$7,566,090
WX21073037	Frankfort Plant Board	$1,050,077	$1,050,077		$51,731	$603,684	$8,169,774
WX21043058	Grayson Utilities Commission	$450,000	$450,000	$36,287		$450,000	$8,619,774
WX21199155	Western Pulaski County Water District	$275,000	$275,000	$45,534		$275,000	$8,894,774
WX21173183	Mount Sterling Water and Sewer	$100,000	$100,000	$45,879		$57,490	$8,952,264
WX21195064	Pikeville, City of	$119,902	$119,902	$40,792		$119,902	$9,072,166
WX21183062	Ohio County Water District	$185,000	$185,000	$51,802		$185,000	$9,257,166
WX21063013	Sandy Hook Water District	$450,000	$450,000	$52,305		$450,000	$9,707,166
WX21059104	Owensboro Municipal Utilities	$1,000,000	$1,000,000	$48,267		$1,000,000	$10,707,166
WX21019064	Ashland, City of	$1,245,000	$874,130	$48,535		$874,130	$11,581,296
WX21019072	Big Sandy Water District	$460,000	$460,000	$52,305		$460,000	$12,041,296
WX21195066	Mountain Water District	$435,720	$435,720	$37,514		$435,720	$12,477,016
WX21161052	Maysville, City of	$227,500	$227,500	$44,036		$227,500	$12,704,516
WX21021039	Danville, City of	$3,250,000	$2,320,394	$47,002		$1,333,983	$14,038,499

The table below consists of borrowers who submitted projects to be ranked for LSLR inventory funding. The Division of Water (DOW) will conduct direct technical assistance from LSLR program set-asides to assist these borrowers. The borrowers selected by DOW have a system service area MHI less than 80% of the State's MHI and a system service area population less than 10,000.

Loan Number	WRIS #	Applicant	System Service Area Population	System Service Area MHI
F24-015L	WX21011045	Owingsville, City of	2,064	$36,120
F24-016L	WX21011047	Sharpsburg Water District	3,538	$41,275
F24-017L	WX21173185	Montgomery County Water District #1	1,662	$42,475
F24-018L	WX21175061	West Liberty, City of	3,343	$43,649
F24-020L	WX21071024	Martin, City of	482	$27,171
F24-021L	WX21165031	Frenchburg, City of	5,230	$42,713
F24-024L	WX21195065	Elkhorn City, City of	1,416	$29,783
F24-025L	WX21153041	Magoffin County Water District	9,435	$31,048
F24-028L	WX21053022	Albany, City of	9,042	$34,796
F24-029L	WX21033032	Princeton Water & Wastewater Commission	6,904	$41,967
F24-032L	WX21173184	Jeffersonville, City of	4,883	$44,956
F24-034L	WX21153042	Salyersville Water Works	2,000	$28,472
F24-035L	WX21127032	Louisa, City of	6,060	$36,161
F24-039L	WX21089129	South Shore, City of	4,164	$36,768
F24-040L	WX21071026	Wheelwright Utilities Commission	707	$42,189
F24-044L	WX21025072	Jackson, City of	4,780	$30,480
F24-045L	WX21119032	Knott County Water & Sewer District	9,996	$35,253
F24-049L	WX21133079	Jenkins, City of	2,300	$30,305
F24-059L	WX21095019	Harlan Municipal Water Works	4,109	$26,975
F24-060L	WX21133078	Whitesburg, City of	2,583	$28,698
F24-061L	WX21131018	Hyden-Leslie County Water District	9,677	$35,537
F24-062L	WX21193075	Perry County Fiscal Court	2,881	$35,545
F24-012L	WX21133069	Fleming-Neon, City of	2,774	$35,453
F24-070L	WX21237019	Campton, City of	5,910	$25,452
F24-071L	WX21129012	Beattyville, City of	6,787	$28,751
F24-072L	WX21189017	Booneville, City of	4,046	$29,880
F24-073L	WX21025071	Breathitt County Water District	7,256	$32,498
F24-074L	WX21193077	Buckhorn, City of	826	$32,665
F24-075L	WX21119033	Hindman, City of	2,722	$33,226
F24-076L	WX21133077	Fleming-Neon, City of	2,774	$35,453
F24-077L	WX21133080	Letcher County Water & Sewer District	9,568	$36,453
F24-078L	WX21225062	Sturgis, City of	2,278	$39,841
F24-079L	WX21183063	Fordsville, City of	846	$44,031
F24-069L	WX21177051	Greenville Utilities Commission	4,694	$37,684
F24-081L	WX21043060	Rattlesnake Ridge Water District	9,926	$39,755
F24-082L	WX21225061	Uniontown, City of	1,071	$40,540
F24-083L	WX21089128	Wurtland, City of	1,475	$41,785
F24-084L	WX21043059	Olive Hill, City of	4,910	$42,077
F24-054L	WX21169048	Edmonton, City of	7,299	$40,861
F24-113L	WX21025066	Jackson, City of	4,780	$30,480

4. Emerging Contaminants Program – Additional Subsidy

BIL mandates that 100% of funds provided through the DWSRF Emerging Contaminants Funding must be provided as additional subsidization. A minimum of 25 percent of funds must go towards disadvantaged communities or public water systems serving fewer than 25,000 people. Emerging Contaminants funding and additional subsidization will be awarded to the project below, whose system service area MHI is below the State's MHI.

Loan Number	WRIS #	Applicant	Requested Loan Amount	Invited Loan Amount	System Service Area MHI	Principal Forgiveness Amount	Cumulative Principal Forgiveness
F24-064	WX21219042	Logan-Todd Regional Water Commission	$19,475,000	$6,417,690	$45,769	$6,417,690	$6,417,690

Single Audit Requirement

If more than $750,000 of Federal funds is disbursed during any one (borrower) fiscal year, the borrower is required to have a single or program-specific audit conducted for that year in accordance with 2 CFR 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. This a the Federal requirement, however, KIA requires all borrowers to complete an annual audit for the life of the loan.

Federal Compliance

1. The Commonwealth of Kentucky entered into the operating agreement and will enter into the FY23 grant agreement with the EPA. All specific conditions of the agreements will be addressed in FFY23.
2. The Authority will update EPA's SRF Data System at least quarterly to report financial information about the program and projects, loan information, and project activities and benefits.
3. The Authority agrees that all loan repayments will begin within 1 year of initiation of operations. Project closeout is monitored by the Authority and the Division of Water. The repayment dollars for loans in repayment will be considered as available loan funds for the funding cycle.
4. The available funds include the capitalization grant, the state match, the anticipated repayment funds from all loans currently in repayment and estimated interest earmings for the year.
5. Leverage bond debt service payments are paid from principal and interest repayments from borrowers directly financed with bond proceeds (leverage loans). Any additional interest debt service payments is repaid solely from interest earnings generated from non-leverage loans. Calculations showing that the fund is maintained in perpetuity were provided to EPA prior to issuance of the bonds.
6. The Authority anticipates that 100% of the capitalization grant will be drawn in the first quarter of the FFY.

DRINKING WATER STATE REVOLVING FUND GOALS

The following are goals for implementation of the DWSRF. Some goals address improvements and enhancements to the process of administering the DWSRF by the KIA, while other goals address the overall priorities of meeting drinking water goals for the citizens of the Commonwealth of Kentucky.

The Sustainable Infrastructure Initiative

The primary goal of the DWSRF program is to assist PWSs in providing safe drinking water at an affordable cost to their customers. The loan program offers low cost financing to PWSs for eligible drinking water infrastructure construction projects, planning and design costs relating to eligible projects, and eligible security projects. Through set-aside funds, the DWSRF is also used to improve environmental programs that support the goals of the SDWA. Examples include capacity development, operator certification, source water and wellhead protection. Effective and efficient administration of the DWSRF program, combined with below-market interest rates and long-term financing, will assist PWSs in providing sufficient quality and quantity of affordable potable water throughout Kentucky. Progress is reported for each SFY in the Annual Report to the USEPA.

Kentucky is working to provide knowledge and tools to ensure that the investments made in our water infrastructure move us toward a more sustainable footing. The goal can be achieved through strong infrastructure planning and management practices. Some of the key areas for action are:

- Asset Management - A management framework that ensures the right investments are made at the right time.
- Water & Energy Efficiency - Ensuring that water sector systems adopt sustainable practices and technologies for improving their efficiency, reducing costs, and addressing future needs.
- Infrastructure Financing & the Price of Water Services - Options to pay for water infrastructure needs.
- Alternative Technologies & Assessment - Using the best, newest, and most innovative solutions when investing in water infrastructure.

Short-Term Goals

Goal #1: Enhance loan closing procedures and refine repayment procedures.

Goal #2: Promote the principles of 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.

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

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

Goal #5: Develop a focused marketing strategy in conjunction with EEC to target systems with compliance and energy efficiency needs.

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

Goal #7: Increase inspection pace and achieve at least two inspections per project; one at 50% completion and the other at 100% completion.

Goal #8: Improve the pace of the program by identifying tasks to commit more available funds in the current fiscal year.

Goal #9: Study and revise the disadvantaged community criteria and incorporate those changes into the WRIS.

Long-Term Goals

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

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

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

Goal #4: Analyze and implement recommendations from the Infrastructure Task Force.

Goal #5: Establish a relationship with other funding agencies to coordinate project funding with multiple resources.

Goal #6: Identify priority watershed reach out to the municipalities for project development and funding assistance.

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

PROJECT PRIORITY LIST

Following the USEPA's recommendation, Kentucky developed the Priority System Guidance Document (Appendix C) designed to determine the order in which projects are evaluated for funding based on the following criteria:

1. Most serious risk to human health;
2. Compliance with the requirements of the SDWA; and
3. Systems most in need on a per-household basis according to state affordability criteria.

Each year, the KIA issues a Call for Projects where potential borrowers are invited to submit DWSRF project information via the WRIS. The 2024 Call for Projects occurred October 3, 2022 through December 16, 2022. To communicate this Call for Projects, a press release through the Governor's Office was issued. Additionally, an email distribution was sent to all water utilities, ADDs, mayors, county judge executives, and the engineering community.

The Project Priority List is comprised of one list which serves as both a "fundable list" and a "comprehensive list." The fundable list is defined as a list of projects eligible for funding with available funds from the DWSRF. The projects on the comprehensive list may receive funding in the event that a project from the fundable list is withdrawn, deemed ineligible, or unable to meet the DWSRF program requirements within the given time frame.

Properly submitted projects were considered for funding and eligible projects placed on the Project Priority List. Projects were evaluated and assigned a score based upon the ranking criteria in the Priority System Guidance Document (Appendix C). In the event of a tie, the following factors were used to priority rank each project:

1. The size of service of a small system as defined by population;
2. Projects with existing enforcement actions (i.e. Agreed Orders, Consent Decrees);
3. Water quality impacts of the project; and
4. Financial need as evidenced by the median household income of the applicant.

The 2024 Project Priority List (Appendix A) shows that Kentucky has sufficient eligible projects to meet the binding commitment requirements of the FFY 2023 Capitalization Grants. A brief description of the following fields will be helpful in reviewing the list:

Rank: Rank of project on the comprehensive Project Priority List.
Score: Total number of points the project received using the ranking criteria in Appendix C.
Loan Number: Priority list tracking number for project. This is the assigned loan number for the project throughout the process and should be referred to on all correspondence regarding the project.

WRIS #: The WRIS number is the identification number assigned to each project profile by an Area Water Management Council after a project has received endorsement. Information stored in the WRIS database includes geographic information system (GIS) data, information on water resources, and drinking and wastewater facilities. It is used by different entities and provides much of the information needed for all aspects of water resource planning.

Applicant: Name of applicant identified on the Project Profile Form or the community in which the project is associated.

Project Title: Short description of project components.

Requested Loan Amount: Amount of desired SRF loan identified on the Project Profile Form.

Invited Loan Amount: The amount of DWSRF funds that KIA has allocated to the proposed project. If this field lists a dollar amount greater than zero, then the project is invited for funding.

Principal Forgiveness Amount: Estimated amount of principal forgiveness that a project is eligible to receive. Eligibility does not guarantee that a project will be offered principal forgiveness due to the amount of funds available. (Noted in a separate table under Additional Subsidization above).

The 2025 IUP process will begin September 18, 2023 with the annual Call for Projects and will conclude on December 15, 2023 for projects to be considered in the SFY 2025 funding cycle. The following schedule is tentative:

2025 Call for Projects	September 18, 2023 – December 15, 2023
Creation of Project Priority List	January 1, 2024 - March 31, 2024
Public Notice Period for IUP	May 2, 2024 - June 1, 2024
Finalize 2025 IUP and send to EPA	Prior to June 30, 2024

Email notifications will be sent in September 2023 to all water utilities, ADDs, mayors, county judge executives, economic development directors, the engineering community and other stakeholders announcing the Call for Projects.

DWSRF ADMINISTRATION AND OPERATION

As required by the SDWA, to the maximum extent practicable, highest priority projects are funded first, as ranked in the Project Priority List. Projects are vetted and many variables are considered prior to distribution of loan invitations.

Administrative Considerations

Funding Limits

This year, Kentucky's DWSRF funding limit will be $7.5 million per borrower. This limit applies across the board for all DWSRF funding sources. Funding limits may also be imposed on borrowers that have outstanding loan balances or loan commitments that increase the concentration risk for the total KIA loan portfolio.

Addition of New Projects to the Project Priority List

The Project Priority List may be amended during the year to add eligible projects. Major revisions to the IUP require public notice.

Emergency Projects

The Project Priority List may be amended during the year for declarations of emergencies designated by the Governor or the Secretary of EEC. An emergency project might involve an unanticipated failure requiring immediate attention to protect public health. The emergency project must meet all eligibility and loan requirements, but the additional public review and comment requirement may be waived. The EPA must approve these deviations.

Refinancing

Governmental agencies may request to refinance non-KIA loans through the DWSRF. Refinancing projects will be considered by KIA only when all the following criteria are met:

- There are sufficient funds available in the DWSRF to meet all other identified project needs for the program year;
- The applicant can show significant savings as a result of the refinancing;
- The applicant can identify an environmental problem within their jurisdiction that they are willing to immediately address with the savings achieved through the refinancing; and
- Projects, as constructed, met all the applicable program requirements.

Small Systems

To the extent possible, a minimum of 15 percent of all funds credited to the project fund will be used to assist systems serving fewer than 10,000 persons.

Financial Terms of Loans

Interest Rates

The KIA Board sets the interest rates provided through the DWSRF. The KIA Board must review and approve the interest rates at least annually. Rates are based on prevailing market conditions with the Bond Buyer 20 Bond General Obligation Index as a reference rate. Kentucky has one standard interest rate and two non-standard interest rates for the DWSRF program dependent upon the community's Median Household Income (MHI). Information is provided in the next section for Kentucky's methodology for MHI determination.

1. The standard rate is applied when the MHI is equal to or above the Kentucky MHI of $55,454.

2. The first non-standard rate is applied for the following reasons:
    a. When the MHI is greater than 80% but less than the Kentucky MHI;
    b. Projects that meet the definition for regionalization; or
    c. Projects necessary for compliance with an Agreed Order or Consent Decree.

3. The second non-standard rate is applied when the MHI is equal to or below 80% of the Kentucky MHI. This rate is also known as the Disadvantaged Community rate (DCR).
    a. Projects that qualify for the DCR are eligible for principal forgiveness consideration and may request a loan amortization up to 40 years but not beyond the expected design life of the project.

The following interest rates were approved by the KIA Board on July 6, 2023 for this funding cycle:

Interest rate	MHI Threshold	Loan Type
2.25 (Standard)	> or = $55,454	Construction
1.25 (Non-standard)	$44,364 to $55,453	Construction
0.50 (Non-standard-DCR)	< or = $44,363	Construction
2.25	NA	Planning and Design

MHI Determination

Each project's MHI threshold is calculated automatically in the WRIS Portal. The calculation uses a Default Weighted Proximity Analysis (DWPA). This analysis uses the water distribution/sewer collection lines in the project profile mapping to perform a spatial analysis that estimates the serviceable population of the project area. This is done by applying 2020 census blocks and a weighted MHI value using the applicable 5-Year American Community Survey Estimates. The MHI values generated using the DWPA method are in the WRIS Project Profiles.

If the applicant or representative has concerns with the default method, two alternative options are available: Modified Weighted Proximity Analysis or MHI Income Survey. Borrowers should not proceed with either alternative MHI methodology without first contacting KIA Staff. The Modified Weighted Proximity Analysis is a GIS based assessment that uses customer meters or address points to calculate an estimated MHI for the project or service area. The second option is to complete an MHI Income Survey using a multi-funding source questionnaire for the project service area.

Repayment Terms

Planning and design loans will be amortized over five years. If the planning and design loan is rolled into a KIA funded construction loan, the term for the planning and design amount will convert to the term approved for the construction loan. Construction loans will have a standard 20 year repayment term. No repayment term can exceed the expected design life of the project. At the KIA Board's discretion, the repayment term for a construction loan may be extended to 30 years for any DWSRF-eligible project or up to 40 years in the case of a disadvantage community. Principal and interest payments on each loan will commence no later than the date specified in the Assistance Agreement.

Loan Servicing Fees

A loan servicing fee of 0.30 percent on the annual outstanding loan balance will be charged as a part of each semi-annual loan payment in accordance with 200 KAR 17:070, Section 12. The fee is assessed to recover administrative expenses incurred over the life of the loan. These fees are accounted for outside of the program fund and will be used for necessary DWSRF program expenses.

Large Project Financing

Due to statewide demand, KIA may not have the capacity to offer the full amount of the construction loan for large projects during a single funding cycle. As such, large project funding may be restricted in the amount of funding provided each year. These amounts will be negotiated at the time of the loan approval and each year's availability will be detailed in the Assistance Agreement.

Planning and Design (P&D) Loans

KIA recognizes that larger or particularly complex projects may require a lengthy planning and design process and thus may not be ready for construction within the allotted twelve months after the Conditional Commitment Letter is issued or perhaps even with a six month extension period.

P&D loans provide an opportunity for utilities to determine their exact needs without the time constraints in the project funding process. For ranked projects that require funding for planning and design, before funding is available to draw (under a construction loan), KIA encourages applicants to apply for a P&D loan rather than a full construction loan.

P&D loans can cover initial engineering assessments of the facilities, regionalization studies, alternative analyses, water supply evaluations, and rate studies for affordability. Additionally, P&D loans can be utilized to move forward into project design. This is specifically helpful for projects that may involve significant renovations at existing facilities or phased projects. P&D loans can also include easement acquisition and legal costs. Borrowers may draw funds throughout the planning process, however, only 50% of design costs may be drawn until plans and specifications have been approved by the DOW.

The standard interest rate will apply during the five-year term of the loan. However, if the applicant initiates construction within a prescribed timeframe (generally one year) after approval of plans and specifications for the project, the P&D loan may be added to a construction loan with the applicable interest rate for which the applicant would otherwise qualify and the term established in the Conditional Commitment Letter. After the 2024 funding cycle, projects with an existing P&D loan through the DWSRF or any other KIA loan fund will not receive a priority funding position to apply for a construction loan in a subsequent year's Intended Use Plan and must go through the ranking process for the construction portion of their loan. Construction loans will be subject to interest rates and principal forgiveness amounts for the funding cycle in which the construction loan is reviewed by the KIA board.

Loan Invitations

Bypass Process

Once the projects are ranked in the Project Priority List, the KIA issues conditional invitations to apply for funding. A high-priority project that does not demonstrate readiness to proceed within the given timeframe will be bypassed. This bypass may occur at the request of the utility or as a decision from the KIA staff.

A bypassed project becomes ineligible for DWSRF funding in the current funding year. Bypassed project profiles will remain in the WRIS portal, but the utility must reapply through the annual Call for Projects process to be re-ranked for future funding cycles. Some examples that justify a bypass include, but are not limited to the following:

- Project is fully funded;
- Incomplete or unavailable audits (2020, 2021, and 2022);
- Borrower does not demonstrate readiness to proceed based upon project schedule;
- Non-compliance or delinquent payment on an existing KIA loan;
- Incomplete loan application;
- Applicant unresponsiveness;
- Applicant cannot establish a dedicated source of revenue for the repayment of the loan;
- Applicant has multiple projects under construction; or
- Applicant voluntarily postpones accepting invitation.

Two projects are being bypassed during the first round of invitations because they received funding in a prior funding cycle.

Invitation Process

An invitation letter is emailed to potential borrowers with specific instructions.

Applicants that do not meet the deadline requirements may also be bypassed and subsequent eligible project(s) receive second round invitations. The Comprehensive Priority List in Appendix A reflects invitations for the first round. This process will continue until all estimated available funds have been allocated. If, upon receipt of the loan application, the project scope differs significantly from information originally scored in the ranked project profile, KIA reserves the right to have the project reassessed by DOW. Changes in project scope can potentially impact funding priority.

Upon receipt of a complete loan application, KIA staff will review the information and prepare a credit analysis. KIA staff will present financial analysis and any conditional requirements for each loan to the KIA Board. Upon KIA Board approval, a Conditional Commitment Letter will assure that funding will remain committed to the project for a period established in the letter, provided all of the conditions are met. All DWSRF program requirements must be met by the term outlined in the Conditional Commitment Letter. An extension of up to six months for approved applicants that experience extenuating circumstances may be granted.

Actual project funding amounts may vary from amounts presented in the Project Priority List due to updated cost estimates and funding received from other sources. Increases to existing loans must be approved prior to the date of initiation of operation. The application invitation process is designed to commit available funds as soon as possible with limited invitation iterations.

Given an uncertain invitation acceptance rate, KIA will invite significantly more project dollars than are available to fund. If more projects than anticipated accept an invitation to apply it is possible that presentation of an invited project or projects to the KIA Board will be delayed until later in the year.

Invitation List

The table at Appendix A indicates the projects that will receive a first round invitation to participate in the DWSRF for SFY 2024.

Structure of the DWSRF Program in Kentucky

KIA administers the DWSRF under a Memorandum of Agreement with DOW, pursuant to Kentucky Revised Statute (KRS) 224A.1115 and Kentucky Administrative Regulation (KAR) 200 KAR 17:070[1]. The following contacts can assist with DWSRF inquiries:

Contact	Agency	
Sandy Williams Executive Director (502) 892-3088 Sandy.Williams@ky.gov	KIA	General Information
John Brady Financial Analyst (502) 892-3177 John.brady@ky.gov	KIA	Intended Use Plan, Loan Application, Financial Terms, Interest Rates
Don Schierer WRIS Resource Management Analyst (502) 892-3486 Donald.Schierer@ky.gov	KIA	Project Profile Submittal
Jory Becker Water Infrastructure Branch Manager (502) 782-6887 Jory.Becker@ky.gov	DOW	Request for Proposals (RFPs), Asset Management, Package Treatment Plants
Russell Neal Environmental Control Supervisor (502) 782-7026 Russell.Neal@ky.gov	DOW	Environmental Review, Regional Facility Plans

Borrower Loan Compliance and Financial Monitoring

The borrower's ability to repay its loans has a direct effect on the financial condition of the DWSRF. Additionally, maintaining a positive operating cash flow and capital asset reserve funding program

[1] KRS Ch. 224A.1115 and 200 KAR 17:070 may be found on the Internet at https://kia.ky.gov/Information/Pages/Legislation-and-Regulations.aspx.

will protect both the utility and its customers financially against unforeseen capital replacements in the future. Upon acceptance of a loan, each borrower agrees to a number of post-closing conditions, some of which are noted below, to remain in compliance with the terms of the loan.

a) The borrower must provide audited financial statements to KIA within six months of the entity's fiscal year end date. KIA will review each borrower's financial performance and, if necessary, will work with them to identify ways to remedy any non-compliance issues.

b) Borrowers are required to fund a repair and replacement reserve account equal to 5 percent of the KIA loan amount over 20 years and maintained for the life of the loan. This requirement may be waived if a documented replacement program is in place and being actively funded at a level that is acceptable to KIA.

KIA has two staff that will be responsible to monitor borrower loan compliance as well as process specific loan documents such as the loan assistance agreements, draw requests, closeout documents, and required audit information. The compliance coordinators have been assigned borrowers geographically by ADDs. Their contact information is as follows:

Regional Compliance Coordinator
Debbie Landrum (502) 892-3454 Debbie.Landrum@ky.gov
Julie Bickers (502) 892-3455 Julie.Bickers@ky.gov

Fund Transfers between the CWSRF and the DWSRF

Transfers between the SRF programs are allowed up to a maximum of 33 percent of the total DWSRF capitalization grants received. KIA reserves the right to transfer the maximum allowable 33 percent of uncommitted repayment funds from the CWSRF to the DWSRF repayment fund as loan demand arises. This decision will be evaluated annually by KIA and DOW. These funds will be distributed using the same criteria and method as described in the governing IUP. Funds not transferred within one fiscal year of receipt of a capitalization grant award shall be reserved for transfer in future years.

SET-ASIDE ACTIVITIES

Under the 1996 Amendments to the SDWA, Congress allowed states to "set-aside" a portion of their DWSRF capitalization grants to support water systems with non-infrastructure needs. Section 1452 of the SDWA, as amended, contains the provisions governing the DWSRF Program. Federal regulations allow states to "set aside" up to 31 percent of each capitalization grant for various programs, aside from project loans, and can use these funds to hire state staff or to contract with third party technical experts.

Kentucky will set aside 31 percent of the 2023 capitalization grants. Any set-aside funds that are not taken in one year or are transferred into the construction account will be reserved for use in a future year. Required set-aside work plans are included as Appendix D.

The four types of set-asides:

Set-Aside Description	Maximum Allotment
Administration and Technical Assistance	4.0%
State Program Management	10.0%
Small Systems Technical Assistance	2.0%
Local Assistance and Other State Programs	15.0%
Total	31.0%

DWSRF set-asides are not allowed to be used for water system infrastructure projects, except for planning and design activities. The set-aside activities are to support activities to ensure safe and affordable drinking water by:

- Providing states with flexible tools to assist water systems with training, technical assistance and pre-construction activities, and

- Extending and enhancing the impact of DWSRF funding by ensuring that water systems have the technical, managerial, and financial capacity to obtain a loan and to effectively maintain their resources.

Administration and Technical Assistance – 4% maximum

The Administration and Technical Assistance set-aside allows states to use up to 4 percent of the capitalization grant, $400,000, or 1/5th percent of the current valuation of the fund (whichever is greater), for costs associated with administering and implementing the state's DWSRF Program and providing technical assistance to systems of all sizes. Most states reserve this set-aside to cover a portion of the loan program administration costs that can include direct technical assistance to water systems in completing DWSRF loan applications. While this set-aside has been typically used only for state program administration, there is an opportunity to support technical

assistance to water systems serving more than 10,000 persons. The maximum four percent is set-aside to be divided with one percent to the KIA and three percent or to EEC for administration activities of the DWSRF Programs (base, supplemental, lead service line replacement, and emerging contaminants).

Small System Technical Assistance – 2% maximum

This set-aside is for small water systems serving 10,000 or fewer persons. These systems typically face greater challenges than larger systems due to limited economies of scale. This set-aside allows states to use up to 2 percent of the capitalization grant to provide technical assistance and training to help small systems build the capacity they need to provide safe drinking water. States provide technical assistance to small water systems, including assistance in planning new infrastructure projects, payments to third-party technical assistance providers and specialized small system training. Kentucky will set-aside the maximum two percent to EEC as noted in the workplan located in Appendix D.

State Program Management – 10% maximum

The State Program Management set-aside allows states to use up to 10 percent of their annual allotment to develop and implement water system Capacity Development and Operator Certification Programs, administer Source Water Protection Programs or support other state drinking water program activities. There is a broad range of eligible activities for administering and implementing the state PWSS Program. Kentucky will set-aside the maximum ten percent or to EEC as noted in the workplan located in Appendix D.

Local Assistance and Other State Programs - 15%

The Local Assistance and Other State Programs set-aside allows states to use up to 15 percent of their annual capitalization grant to assist in the development and implementation of local drinking water initiatives and other state programs, (e.g., capacity development and source water protection). This set-aside can also be used for direct financial assistance to water systems. A maximum of 10 percent out of the 15 percent set-aside funds can be spent on any single effort. An advantage of this set-aside is that source water and wellhead protection activities are more broadly defined compared to the State Program Management set-aside requirements. Examples of activities include: developing and implementing asset management plans for communities, providing grants to systems considering regionalization or consolidation and providing loans for the implementation of source water quality protection efforts. Kentucky will set-aside the maximum fifteen percent to EEC as noted in the workplan located in Appendix D for the following programs:

- Capacity Development – TMF and Operator Certification
- Source Water Assessment
- Wellhead Protection

FUNDS AVAILABLE TO BE COMMITTED AND DISBURSED

Kentucky's DWSRF is capitalized by appropriations from the U.S. Congress and the Kentucky General Assembly. The fund provides, in perpetuity, financial assistance to Kentucky's eligible DWSRF projects. As of June 30, 2022 the DWSRF had a total net position of $300,254,000. During SFY 2024, Kentucky will rely on funding as outlined in Tables A through D to provide financial assistance and to support the operations of KIA and DOW.

Table A

Kentucky DWSRF Sources and Uses of Funds for SFY 2024

Base Program

July 1, 2023 through June 30, 2024

Funding Sources	Federal Contribution	State Contribution	DCWSRF Fund	Total
FFY 2023 Base Capitalization Grant	6,012,000	1,202,400		7,214,400
Loan Repayments (P&I)			15,684,023	15,684,023
Reallotment of Wyoming Capitalization Grant	167,000	33,400		200,400
Under Commitment of Prior Year Loan Funds				
Investment Interest Earnings			100,000	100,000
Banked Prior Year Administration Funds (Base)	258,321			258,321
Total Funding Sources	6,437,321	1,235,800	15,784,023	23,457,144
Funding Uses				
Financial Assistance - Base	4,315,280	1,235,800	9,156,236	14,707,316
Leverage Bond Debt Service			6,627,788	6,627,788
Banked Prior Year Administration Funds - Base	258,321			258,321
FFY 2023 Administration - Base (4%)	240,480			240,480
FFY 2023 State Program Management - Base (10%)	601,200			601,200
FFY 2023 Technical Assistance - Base (2%)	120,240			120,240
FFY 2023 Local and Other Assistance - Base (15%)	901,800			901,800
Total Funding Uses	6,437,321	1,235,800	15,784,023	23,457,144

During the 2024 IUP funding cycle, KIA will have an estimated $14,707,316 available to fund eligible 2024 DWSRF projects. This is comprised of the 2023 capitalization grant of $6,012,000, state match funds of $1,235,800, reallotment of the State of Wyoming's capitazliation grant of $167,000 estimated loan repayments of $15,684,023 and $100,000 interest earnings on existing cash balances. Funding is reduced by leverage bond debt service of $6,627,788, administrative costs of $240,480 (4 percent) and other set-aside costs totaling $1,623,240 (27 percent). Any set-aside funds that are not taken in one year or are transferred into the construction account will be reserved for use in a future year. KIA and DOW will have $258,321 in banked Set-Aside funds from prior capitalization grants for administration of the program.

The $1,235,800 state match will consist of proceeds from the sale of tax-exempt revenue bonds with debt service provided by the Commonwealth. The anticipated submission date for the 2023 capitalization grant application is July 31, 2023, with the grant award being made available on October 1, 2023

KIA will request budgetary authorization to issue agency leverage bonds during the 2024-2026 biennium in an amount not to exceed $30 million per year. Any bond proceeds will be deposited into the fund and used to make eligible DWSRF loans. For this authorization to become effective, KIA must obtain approval from the Kentucky Infrastructure Authority Board, the Capital Projects and Bond Oversight Committee, the Office of the State Budget Director and the Office of Financial Management in the Finance and Administration Cabinet with respect to the timing and amount of the leverage bond issuance. KIA may elect to defer issuance of bonds or to not commit the entire authorization amount.

Table B

Kentucky DWSRF Sources and Uses of Funds for SFY 2024

Base Supplemental Program

July 1, 2023 through June 30, 2024

Funding Sources	Federal Contribution	State Contribution	Total
FFY 2023 Supplemental Base Capitalization Grant	25,633,000	2,563,300	28,196,300
Total Funding Sources	25,633,000	2,563,300	28,196,300
Funding Uses			
Financial Assistance - Base Supplemental	17,686,770	2,563,300	20,250,070
FFY 2023 Administration - Supplemental Base (4%)	1,025,320		1,025,320
FFY 2023 State Program Management - Supplemental Base (10%)	2,563,300		2,563,300
FFY 2023 Technical Assistance - Supplemental Base (2%)	512,660		512,660
FFY 2023 Local and Other Assistance - Supplemental Base (15%)	3,844,950		3,844,950
Total Funding Uses	25,633,000	2,563,300	28,196,300

During the 2024 IUP funding cycle, KIA will have an estimated $20,250,070 in the Base Supplemental Program available to fund eligible 2024 DWSRF projects.

Funding is provided from the FFY 2023 capitalization grant of $25,633,000 and state match funds of $2,563,300. Funding is reduced by administrative costs of $1,025,320 (4 percent) and other set-aside costs totaling $6,920,910 (27 percent). Any set-aside funds that are not taken in one year or are transferred into the construction account will be reserved for use in a future year.

The $2,563,300 state match is provided from bond proceeds from the sale of tax-exempt revenue bonds with debt service provided by the Commonwealth.

Table C

Kentucky DWSRF Sources and Uses of Funds for SFY 2024

Lead Service Line Replacement Program

July 1, 2023 through June 30, 2024

Funding Sources	Federal Contribution	Total
FFY 2023 Lead Service Line Replacement Capitalization Grant	28,650,000	28,650,000
Total Funding Sources	28,650,000	28,650,000
Funding Uses		
Financial Assistance - Lead Service Line Replacement	19,768,500	19,768,500
FFY 2023 Administration - Lead Service Line Replacement (4%)	1,146,000	1,146,000
FFY 2023 State Program Management - Lead Service Line Replacement (10%)	2,865,000	2,865,000
FFY 2023 Technical Assistance - Lead Service Line Replacement (2%)	573,000	573,000
FFY 2023 Local and Other Assistance - Lead Service Line Replacement (15%)	4,297,500	4,297,500
Total Funding Uses	28,650,000	28,650,000

During the 2024 IUP funding cycle, KIA will have an estimated $19,768,500 in the Lead Service Line Replacement Program available to fund eligible 2024 DWSRF projects.

Funding is provided from the FFY 2023 capitalization grant of $28,650,000. Funding is reduced by administrative costs of $1,146,000 (4 percent) and other set-aside costs totaling $7,735,500 (27 percent). Any set-aside funds that are not taken in one year or are transferred into the construction account will be reserved for use in a future year.

No state match is required for this capitalization grant.

Table D

Kentucky DWSRF Sources and Uses of Funds for SFY 2024

Emerging Contaminants Program

July 1, 2023 through June 30, 2024

Funding Sources	Federal Contribution	Total
FFY 2023 Emerging Contaminants Capitalization Grant	9,301,000	9,301,000
Total Funding Sources	9,301,000	9,301,000
Funding Uses		
Financial Assistance - Emerging Contaminants	6,417,690	6,417,690
FFY 2023 Administration - Emerging Contaminants (4%)	372,040	372,040
FFY 2023 State Program Management - Emerging Contaminants (10%)	930,100	930,100
FFY 2023 Technical Assistance - Emerging Contaminants (2%)	186,020	186,020
FFY 2023 Local and Other Assistance - Emerging Contaminants (15%)	1,395,150	1,395,150
Total Funding Uses	9,301,000	9,301,000

During the 2024 IUP funding cycle, KIA will have an estimated $6,417,690 in the Emerging Contaminants Program available to fund eligible 2024 DWSRF projects.

Funding is provided from the FFY 2023 capitalization grant of $9,301,000. Funding is reduced by administrative costs of $372,040 (4 percent) and other set-aside costs totaling $2,511,270 (27 percent). Any set-aside funds that are not taken in one year or are transferred into the construction account will be reserved for use in a future year.

No state match is required for this capitalization grant.

PUBLIC PARTICIPATION

The draft 2024 DWSRF IUP including the Project Priority List was available for public review and comment on the KIA website at www.kia.ky.gov from September 14, 2023 through October 13, 2023. A public meeting will be held Thursday September 28, 2023, at 10:00 a.m. EST as a virtual Zoom meeting, which will be accessible via link found on the KIA website, at kia.ky.gov. No written or verbal comments were received during the public comment period or during the public meeting. Written comments may be submitted to Sandy Williams, Executive Director, by email to KIA.executivedirectors@ky.gov.

APPENDIX A

COMPREHENSIVE PROJECT PRIORITY LIST

2024 DWSRF Project Priority Lists for Base, Supplemental, Lead Service Line Replacement, and Emerging Contaminants

Rank	Score	KIA Loan Number	WRIS PNum	Applicant	Project Title	Total Project Cost	Total Funding Sources	Requested Loan Amount	Invite Round No. Bypassed	Invited Loan Amount - Base	Cumulative Invited Loan Amount - Base	Invited Loan Amount - Supplemental	Cumulative Invited Loan Amount - Supplemental	Invited Loan Amount - Emerging Contaminants	Cumulative Invited Loan Amount - Emerging Contaminants	Invited Loan Amount - LSLR	Cumulative Invited Loan Amount - LSLR	System Service Area Population	System Service Area MHI	Principal Forgiveness Amount	Green Amount
0		F19-042	WX21021010	Danville, City of	Danville - Perryville Standpipe Replacement and Water Main	$4,918,257	$11,136,514	$4,918,257	Bypassed									24,951	$47,002	$0	$2,000,000
0		F20-034	WX21143017	Lyon County Water District	LCWD - Water System and Storage Tank Improvements Project	$1,338,805	$6,003,525	$1,814,175	Bypassed									4,114	$55,937	$0	$0
1	1032	F24-001	WX21155045	Lebanon, City of	Lebanon Water Works 2023 Improvements	$18,610,900	$59,391,758	$16,016,179	1			$7,500,000	$7,500,000					6,412	$32,733	$3,923,472	$1,789,900
2	618	F24-002	WX21081022	Bullock Pen Water District	Bullock Pen Water Treatment Plant Replacement - Design and Const	$18,365,000	$32,125,536	$13,760,536	1	$7,500,000	$7,500,000							20,054	$68,253	$0	$840,000
3	445	F24-003	WX21117011	Northern Kentucky Water District	Covington Private Lead Service Line Replacement	$5,400,000	$10,800,000	$5,400,000	1							$3,000,000	$3,000,000	252,560	$69,048	$1,724,685	$0
4	443	F24-004	WX21037013	Northern Kentucky Water District	Newport Private Lead Service Line Replacement	$4,500,000	$9,000,000	$4,500,000	1							$4,500,000	$7,500,000	252,560	$69,048	$2,587,028	$0
5	439	F24-005	WX21229024	Springfield Water and Sewer Commission	Water Main Assessment, Replacement Planning & Design - WTP & Priority Area 1	$3,105,500	$8,895,348	$2,894,924	1	$2,894,924	$10,394,924							10,757	$55,273	$1,514,420	$10,000
6	435	F24-006	WX21123030	Larue County Water District #1	LCWD- New Treatment Plant	$31,057,000	$1,692,500	$1,692,500	1	$1,692,500	$12,087,424							10,663	$55,382	$885,396	$2,590,000
7	420	F24-007	WX21193065	Hazard, City of	Allais Waterline Replacement (Known Lead) Economically Disadvantaged Area	$7,544,616	$15,089,232	$7,544,616	1			$7,500,000	$15,000,000					23,450	$44,969	$3,923,472	$35,950
8	414	F24-008	WX21037012	Northern Kentucky Water District	Newport Water Main and Full Lead Service Line Replacement	$7,320,000	$17,210,000	$6,770,000	Bypassed									252,560	$69,048	$0	$0
9	411	F24-009	WX21193078	Hazard, City of	North Main/Walkertown/Wabaco/Hiner/Bulan (Known Lead) Economically Disadvantaged Area	$6,338,358	$12,676,716	$6,338,358	Bypassed									23,450	$44,969	$0	$21,600
10	397	F24-010	WX21193063	Hazard, City of	Combs Waterline Replacement (Known Lead) Economically Disadvantaged Area	$7,476,142	$14,952,284	$7,476,142	Bypassed									23,450	$44,969	$0	$34,913
11	389	F24-011	WX21193064	Hazard, City of	Airport Gardens Waterline Replacement (Known Lead) Economically Disadvantaged Area	$5,866,980	$11,733,960	$5,866,980	Bypassed									23,450	$44,969	$0	$34,783
12	383	F24-012	WX21133069	Fleming-Neon, City of	McRoberts Waterline Replacement Project (Lead Status Unknown)	$2,777,000	$8,331,000	$2,777,000	1			$2,777,000	$17,777,000					2,774	$35,453	$1,452,731	$0
13	375	F24-013	WX21229026	Springfield Water and Sewer Commission	Water Main Assessment, Replacement Planning & Design - WTP & Priority Area 2	$4,277,500	$8,555,000	$4,277,500	1			$2,473,070	$20,250,070					10,757	$55,273	$1,293,736	$10,000
14	365	F24-014	WX21085047	Grayson County Water District	Lead Inventory/Replacement Plan	$220,000	$440,000	$220,000	1							$220,000	$7,720,000	16,538	$40,654	$220,000	$0
15	355	F24-015	WX21011045	Owingsville, City of	Owingsville Lead/Copper Line and Components Assessment	$100,000	$200,000	$100,000	1									2,064	$36,120	$0	$70,000
16	355	F24-016	WX21011047	Sharpsburg Water District	Sharpsburg Water Lead/Copper Line and Components Assessment	$100,000	$200,000	$100,000	1									3,538	$41,275	$0	$70,000
17	355	F24-017	WX21173185	Montgomery County Water District #1	MCWD # 1 Lead/Copper Line and Components Assessment	$100,000	$200,000	$100,000	1									1,662	$42,475	$0	$30,000
18	355	F24-018	WX21175061	West Liberty, City of	West Liberty Lead/Copper Line and Components Assessment	$100,000	$200,000	$100,000	1									3,343	$43,649	$0	$70,000
19	355	F24-019	WX21205060	Rowan Water Inc	Rowan Water Inc Lead/Copper Line and Components Assessment	$100,000	$200,000	$100,000	1							$100,000	$7,820,000	16,803	$43,041	$100,000	$70,000
20	350	F24-020	WX21071024	Martin, City of	City of Martin - Lead Service Line Inventory	$31,500	$63,000	$31,500	1									482	$27,171	$0	$0
21	350	F24-021	WX21165031	Frenchburg, City of	Frenchburg Lead/Copper Line and Components Assessment	$100,000	$200,000	$100,000	1									5,230	$42,713	$0	$70,000
22	350	F24-022	WX21159018	Martin County Water District	Martin County Water District - Lead Service Line Inventory	$299,250	$598,500	$299,250	1							$299,250	$8,119,250	11,203	$41,569	$299,250	$0
23	350	F24-023	WX21027061	Hardinsburg, City of	City of Hardinsburg - Lead Inventory/Replacement Plan	$1,300,702	$2,601,404	$1,300,702	1							$1,300,702	$9,419,952	12,307	$51,690	$747,767	$780,000
24	345	F24-024	WX21195065	Elkhorn City, City of	Elkhorn City - Lead Service Line Inventory	$54,744	$109,488	$54,744	1									1,416	$29,783	$0	$0
25	345	F24-025	WX21153041	Magoffin County Water District	Magoffin County Water District - Lead Service Line Inventory	$294,000	$588,000	$294,000	1									9,435	$31,048	$0	$0
26	345	F24-026	WX21115033	Paintsville Utilities Commission	Paintsville Utilities - Lead Service Line Inventory	$418,000	$836,000	$418,000	1							$418,000	$9,837,952	21,295	$40,122	$418,000	$0
27	345	F24-027	WX21021040	Danville, City of	Danville LCCR Inventory & Assessment Project	$214,000	$428,000	$214,000	1							$214,000	$10,051,952	24,951	$47,002	$214,000	$0
28	340	F24-028	WX21053022	Albany, City of	Albany Lead Service Line Inventory	$200,000	$400,000	$200,000	1									9,042	$34,796	$0	$0
29	340	F24-029	WX21033032	Princeton Water & Wastewater Commission	Princeton - Lead Service Line Inventory	$600,000	$1,200,000	$600,000	1									6,904	$41,967	$0	$0
30	340	F24-030	WX21229016	Springfield Water and Sewer Commission	Lead Service Line Replacement- All Services	$855,000	$1,710,000	$855,000	1							$855,000	$10,906,952	10,757	$55,273	$491,535	$0
31	332	F24-031	WX21193055	Hazard, City of	Backwoods Waterline Replacement (Known Lead) Economically Disadvantaged Area	$3,074,480	$6,148,960	$3,074,480	Bypassed									23,450	$44,969	$0	$9,266
32	330	F24-032	WX21173184	Jeffersonville, City of	Jeffersonville Lead/Copper Line and Components Assessment	$100,000	$200,000	$100,000	1									4,883	$44,956	$0	$70,000
33	330	F24-033	WX21011046	Bath County Water District	BCWD Lead/Copper Line and Components Assessment	$100,000	$200,000	$100,000	1							$100,000	$11,006,952	10,083	$46,522	$100,000	$70,000

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34	325	F24-034	WX21153042	Salyersville Water Works	Salyersville Water Works - Lead Service Line Inventory	$89,250	$178,500	$89,250	1									2,000	$28,472	$0	$0
35	325	F24-035	WX21127032	Louisa, City of	Louisa Lead Service Line Inventory/Study	$458,000	$916,000	$458,000	1									6,060	$36,161	$0	$0
36	325	F24-036	WX21071022	Southern Water & Sewer District	Southern Water & Sewer District - Lead Service Line Inventory	$250,075	$495,150	$247,575	1							$247,575	$11,254,527	16,784	$35,060	$247,575	$0
37	325	F24-037	WX21071025	Prestonsburg City's Utilities Commission	Prestonsburg City Utilities Commission - Lead Service Line Inven	$416,250	$832,500	$416,250	1							$416,250	$11,670,777	17,230	$39,277	$416,250	$0
38	325	F24-038	WX21073037	Frankfort Plant Board	FPB - Logan/E. 3rd Street - Water Main and LCSL Replacement	$1,050,077	$2,100,154	$1,050,077	1							$1,050,077	$12,720,854	38,606	$58,947	$603,684	$0
39	320	F24-039	WX21089129	South Shore, City of	South Shore Lead Service Line Inventory & Assessment	$450,000	$900,000	$450,000	1									4,164	$36,768	$0	$0
40	320	F24-040	WX21071026	Wheelwright Utilities Commission	Wheelwright Utilities Commission - Lead Service Line Inventory	$28,350	$56,700	$28,350	1									707	$42,189	$0	$0
41	320	F24-041	WX21043058	Grayson Utilities Commission	Grayson Lead Service Line Inventory/Survey	$450,000	$900,000	$450,000	1							$450,000	$13,170,854	10,995	$36,287	$450,000	$0
42	320	F24-042	WX21199155	Western Pulaski County Water District	Western Pulaski Lead Service Line Inventory	$275,000	$550,000	$275,000	1							$275,000	$13,445,854	17,482	$45,534	$275,000	$0
43	318	F24-043	WX21027044	Hardinsburg, City of	Hardinsburg Water Treatment Plant Expansion Phase I & Distribution System Improvements	$13,675,000	$27,434,240	$13,675,000	1	$2,619,892	$14,707,316							12,307	$51,690	$1,370,542	$1,520,000
44	315	F24-044	WX21025072	Jackson, City of	City of Jackson - Lead Service Line Inventory	$186,270	$372,540	$186,270										4,780	$30,480	$0	$0
45	315	F24-045	WX21119032	Knott County Water & Sewer District	Knott County - Lead Service Line Inventory	$320,250	$640,500	$320,250										9,996	$35,253	$0	$0
46	315	F24-046	WX21173183	Mount Sterling Water and Sewer	MSWS Lead/Copper Line and Components Replacement	$100,000	$200,000	$100,000								$100,000	$13,545,854	13,152	$45,879	$57,490	$70,000
47	310	F24-047	WX21073034	Peaks Mill Water District	Peaks Mill WD - Service Line Inventory	$65,000	$100,000	$50,000								$50,000	$13,595,854	2,846	$70,634	$0	$20,000
48	310	F24-048	WX21195064	Pikeville, City of	City of Pikeville - Lead Service Line Inventory	$119,902	$239,804	$119,902								$119,902	$13,715,756	10,600	$40,792	$119,902	$0
49	305	F24-049	WX21133079	Jenkins, City of	City of Jenkins - Lead Service Line Inventory	$131,250	$262,500	$131,250										2,300	$30,305	$0	$0
50	305	F24-050	WX21173186	Reid Village Water District	RVWD Lead/Copper Line and Components Assessment	$100,000	$200,000	$100,000								$100,000	$13,815,756	2,612	$56,139	$0	$70,000
51	305	F24-051	WX21183062	Ohio County Water District	Lead Service Line Asset Management & Inventory Project	$185,000	$370,000	$185,000								$185,000	$14,000,756	15,002	$51,802	$185,000	$0
52	305	F24-052	WX21063013	Sandy Hook Water District	Sandy Hook Water District Lead Service Line Study/Inventory	$458,000	$900,000	$450,000								$450,000	$14,450,756	13,499	$52,305	$450,000	$0
53	305	F24-053	WX21117014	Northern Kentucky Water District	Taylor Mill Treatment Plant Advanced Treatment Improvements	$29,500,000	$52,500,000	$23,000,000										252,560	$69,048	$0	$500,000
54	302	F24-054	WX21169048	Edmonton, City of	2025 Water System Improvements	$2,330,000	$4,660,000	$2,330,000										7,299	$40,861	$0	$0
55	300	F24-055	WX21059104	Owensboro Municipal Utilities	OMU Lead Service Line Inventory Project	$1,000,000	$2,000,000	$1,000,000								$1,000,000	$15,450,756	60,473	$48,267	$1,000,000	$0
56	300	F24-056	WX21019064	Ashland, City of	Lead Service Line Inventory & Assessment	$1,245,000	$2,490,000	$1,245,000								$874,130	$16,324,886	34,926	$48,535	$874,130	$0
57	300	F24-057	WX21019072	Big Sandy Water District	Asset Management for Lead Service Line Inventory	$460,000	$920,000	$460,000								$460,000	$16,784,886	13,499	$52,305	$460,000	$0
58	297	F24-058	WX21193057	Hazard, City of	Hazard Downtown Water Replacement Project Ph 1 (Known Lead) Economically Disadvantaged Area	$1,654,490	$4,689,880	$1,654,490										23,450	$44,969	$0	$30,096
59	295	F24-059	WX21095019	Harlan Municipal Water Works	Harlan Municipal Water Works - Lead Service Line Inventory	$775,000	$1,550,000	$775,000										4,109	$26,975	$0	$0
60	295	F24-060	WX21133078	Whitesburg, City of	City of Whitesburg - Lead Service Line Inventory	$152,250	$304,500	$152,250										2,583	$28,698	$0	$0
61	295	F24-061	WX21131018	Hyden-Leslie County Water District	Leslie County - Lead Service Line Inventory	$236,250	$472,500	$236,250										9,677	$35,537	$0	$0
62	295	F24-062	WX21193075	Perry County Fiscal Court	Perry County Water & Sewer - Lead Service Line Inventory	$131,250	$262,500	$131,250										2,881	$35,545	$0	$0
63	295	F24-063	WX21195066	Mountain Water District	Mountain Water District - Lead Service Line Inventory	$435,720	$871,440	$435,720								$435,720	$17,220,606	35,094	$37,514	$435,720	$0
64	290	F24-064	WX21219042	Logan-Todd Regional Water Commission	LTRWC - Additional Sedimentation Train/General Plant Expansion	$19,475,000	$38,950,000	$19,475,000	1					$6,417,690	$6,417,690					$6,417,690	$1,500,000
65	290	F24-065	WX21161052	Maysville, City of	Maysville Lead Service Line Inventory	$227,500	$455,000	$227,500								$227,500	$17,448,106	11,097	$44,036	$227,500	$0
66	285	F24-066	WX21021039	Danville, City of	Danville Lead & Copper Replacements	$3,250,000	$6,500,000	$3,250,000								$2,320,394	$19,768,500	24,951	$47,002	$1,333,983	$250,000
67	285	F24-067	WX21167032	North Mercer Water District	NMWD - Brentwood Water Main Replacement	$966,000	$1,932,000	$966,000										10,271	$63,002	$0	$0
68	282	F24-068	WX21193060	Hazard, City of	Hazard Downtown Water Replacement Project Ph 2 (Known Lead) Economically Disadvantaged Area	$1,616,130	$4,725,260	$1,616,130										23,450	$44,969	$0	$2,376
69	280	F24-069	WX21177051	Greenville Utilities Commission	Greenville - Service Line Replacement Project	$187,437	$1,500,555	$500,000										4,694	$37,684	$0	$0
70	275	F24-070	WX21237019	Campton, City of	City of Campton - Lead Service Line Inventory	$257,250	$514,500	$257,250										5,910	$25,452	$0	$0

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71	275	F24-071	WX21129012	Beattyville, City of	City of Beattyville - Lead Service Line Inventory	$288,750	$577,500	$288,750										6,787	$28,751	$0	$0
72	275	F24-072	WX21189017	Booneville, City of	City of Booneville - Lead Service Line Inventory	$170,520	$341,040	$170,520										4,046	$29,880	$0	$0
73	275	F24-073	WX21025071	Breathitt County Water District	Breathitt County - Lead Service Line Inventory	$236,250	$472,500	$236,250										7,256	$32,498	$0	$0
74	275	F24-074	WX21193077	Buckhorn, City of	City of Buckhorn - Lead Service Line Inventory	$70,770	$141,540	$70,770										826	$32,665	$0	$0
75	275	F24-075	WX21119033	Hindman, City of	City of Hindman- Lead Service Line Inventory	$131,250	$262,500	$131,250										2,722	$33,226	$0	$0
76	275	F24-076	WX21133077	Fleming-Neon, City of	City of Fleming-Neon - Lead Service Line Inventory	$135,450	$270,900	$135,450										2,774	$35,453	$0	$0
77	275	F24-077	WX21133080	Letcher County Water & Sewer District	Letcher County - Lead Service Line Inventory	$320,250	$640,500	$320,250										9,568	$36,453	$0	$0
78	275	F24-078	WX21225062	Sturgis, City of	City of Sturgis - Lead Service Line Inventory Project	$55,000	$110,000	$55,000										2,278	$39,841	$0	$0
79	275	F24-079	WX21183063	Fordsville, City of	City of Fordsville - Lead Service Line Inventory Project	$30,000	$60,000	$30,000										846	$44,031	$0	$0
80	275	F24-080	WX21125040	Wood Creek Water District	Wood Creek Water District - Lead Service Line Inventory	$2,976,759	$5,953,518	$2,976,759										12,552	$41,167	$0	$0
81	270	F24-081	WX21043060	Rattlesnake Ridge Water District	Rattlesnake Ridge Lead Service Line Inventory/Survey	$450,000	$900,000	$450,000										9,926	$39,755	$0	$0
82	270	F24-082	WX21225061	Uniontown, City of	City of Uniontown - Lead Service Line Inventory Project	$30,000	$60,000	$30,000										1,071	$40,540	$0	$0
83	270	F24-083	WX21089128	Wurtland, City of	Wurtland Lead Service Line Inventory & Assessment	$450,000	$900,000	$450,000										1,475	$41,785	$0	$0
84	270	F24-084	WX21043059	Olive Hill, City of	Olive Hill Lead Service Line Inventory/Survey	$306,000	$612,000	$306,000										4,910	$42,077	$0	$0
85	270	F24-085	WX21089125	Flatwoods, City of	Flatwoods Lead Service Line Inventory & Assessment	$450,000	$900,000	$450,000										7,948	$55,867	$0	$0
86	270	F24-086	WX21089124	Raceland, City of	Raceland Lead Service Line Inventory & Assessment	$450,000	$900,000	$450,000										3,067	$57,100	$0	$0
87	270	F24-087	WX21019071	Cannonsburg Water District	Canonsburg Water Lead Line Study/Inventory	$460,000	$920,000	$460,000										8,919	$66,480	$0	$0
88	270	F24-088	WX21089126	Russell, City of	Russell Lead Service Line Inventory & Assessment	$600,000	$1,200,000	$600,000										5,181	$79,605	$0	$0
89	270	F24-089	WX21083081	Mayfield Electric & Water Systems	Lead and Copper Rule effect on MEWS	$7,500,000	$15,000,000	$7,500,000										10,647	$38,202	$0	$0
90	270	F24-090	WX21061034	Edmonson County Water District	ECWD- Lead and Copper Vac Truck	$178,500	$535,500	$178,500										17,849	$42,380	$0	$0
91	270	F24-091	WX21101140	Henderson Water Utility	HWU - Lead Service Line Inventory Project	$420,000	$840,000	$420,000										29,237	$44,117	$0	$0
92	270	F24-092	WX21193076	Hazard, City of	City of Hazard - Lead Service Line Inventory	$371,443	$945,000	$472,500										23,450	$44,969	$0	$0
93	260	F24-093	WX21111210	Louisville Water Company	B.E. Payne Water Treatment Plant Powdered Activated Carbon Treatment	$4,500,000	$9,000,000	$4,500,000										852,003	$64,855	$0	$0
94	255	F24-094	WX21125041	East Laurel Water District	East Laurel Water District - Lead Service Line Inventory	$7,128,888	$14,257,776	$7,128,888										14,180	$44,492	$0	$0
95	250	F24-095	WX21183064	Beaver Dam, City of	City of Beaver Dam - Lead Service Line Inventory	$100,000	$200,000	$100,000										3,649	$46,573	$0	$0
96	250	F24-096	WX21225063	Morganfield, City of	City of Morganfield - Lead Service Line Inventory Project	$100,000	$200,000	$100,000										4,701	$46,974	$0	$0
97	250	F24-097	WX21225064	Union County Water District	Union County Water District - Lead Service Line Inventory Project	$120,000	$240,000	$120,000										5,203	$50,424	$0	$0
98	250	F24-098	WX21089130	Greenup, City of	Greenup Lead Service Line Inventory & Assessment	$450,000	$900,000	$450,000										9,719	$53,129	$0	$0
99	250	F24-099	WX21125039	Laurel County Water District #2	LCWD#2-Lead Service Line Inventory	$775,000	$1,550,000	$775,000										15,541	$47,561	$0	$0
100	240	F24-100	WX21177053	Central City Municipal Water & Sewer System	Central City - GAC Filter Addition Project	$7,650,000	$15,300,000	$7,650,000										5,674	$55,717	$0	$910,000
101	238	F24-101	WX21091105	Lewisport, City of	City of Lewisport New Water Treatment Plant	$12,124,800	$26,249,600	$12,124,800										2,735	$56,256	$0	$0
102	230	F24-102	WX21235009	Whitley County Water District	WCWD 2021 System Improvements Project	$4,125,210	$7,584,242	$3,315,173										11,293	$38,882	$0	$0
103	225	F24-103	WX21023055	Bracken County Water District	BCWD Lead Service Line Inventory	$133,000	$266,000	$133,000										6,005	$61,758	$0	$0
104	220	F24-104	WX21089127	Worthington, City of	Worthington Lead Service Line Inventory & Assessment	$450,000	$900,000	$450,000										1,504	$58,585	$0	$0
105	220	F24-105	WX21239043	Northeast Woodford County Water District	NEWCWD - Lead service lines Inventory	$244,000	$488,000	$244,000										2,195	$62,522	$0	$0
106	220	F24-106	WX21125042	West Laurel Water Association Inc	West Laurel Water Association - Lead Service Line Inventory	$6,695,922	$13,391,844	$6,695,922										13,313	$57,094	$0	$0
107	217	F24-107	WX21061014	Edmonson County Water District	Wax WTP Replacement and Distribution System Improvements	$43,800,000	$48,800,000	$43,800,000										17,849	$42,380	$0	$0
108	210	F24-108	WX21065010	Estill County Water District #1	ECWD - Phase 12 System Improvements	$1,850,000	$5,539,192	$1,850,000										9,079	$35,736	$0	$0
109	196	F24-109	WX21029241	Mount Washington, City of	Mount Washington Water System Improvements	$8,446,000	$8,446,000	$8,446,000										21,182	$83,989	$0	$0

Rank	Score	KIA Loan Number	WRIS PNum	Applicant	Project Title	Total Project Cost	Total Funding Sources	Requested Loan Amount	Invite Round No. Bypassed	Invited Loan Amount - Base	Cumulative Invited Loan Amount - Base	Invited Loan Amount - Supplemental	Cumulative Invited Loan Amount - Supplemental	Invited Loan Amount - Emerging Contaminants	Cumulative Invited Loan Amount - Emerging Contaminants	Invited Loan Amount - LSLR	Cumulative Invited Loan Amount - LSLR	System Service Area Population	System Service Area MHI	Principal Forgiveness Amount	Green Amount
110	195	F24-110	WX21089102	Greenup, City of	City of Greenup new Water Treatment Plant	$14,599,000	$72,395,000	$14,599,000										9,719	$53,129	$0	$245,000
111	194	F24-111	WX21025067	Jackson, City of	KY 476 Waterline Replacement Project	$3,255,000	$6,510,000	$3,255,000										4,780	$30,480	$0	$0
112	193	F24-112	WX21235008	Williamsburg, City of	Williamsburg, KY - Downtown Water System Improvements	$9,900,000	$15,934,130	$5,400,000										5,273	$31,352	$0	$40,000
113	192	F24-113	WX21025066	Jackson, City of	Quicksand Waterline Replacement (Lead Status Unknown)	$2,803,000	$8,409,000	$2,803,000										4,780	$30,480	$0	$0
114	186	F24-114	WX21003022	Allen County Water District	Old KY 231 Water Line Replacement	$1,490,000	$2,980,000	$1,490,000										13,790	$54,073	$0	$0
115	173	F24-115	WX21189016	Booneville, City of	Booneville Waterline Replacement Phase 2	$2,109,000	$1,551,000	$1,551,000										4,046	$29,880	$0	$0
116	170	F24-116	WX21189012	Booneville, City of	Telemetry Improvement Project	$1,000,000	$2,600,000	$753,923										4,046	$29,880	$0	$0
117	168	F24-117	WX21237017	Campton, City of	KY 715 Water Line Replacement - Phase 2	$2,400,000	$2,400,000	$2,400,000										5,910	$25,452	$0	$0
118	168	F24-118	WX21147041	McCreary County Water District	Stearns and Pine Knot Waterline Replacements	$3,657,000	$3,657,000	$3,657,000										15,175	$34,636	$0	$0
119	163	F24-119	WX21221017	Barkley Lake Water District	BLWD - Lakeside Waterline Replacement	$4,055,093	$7,733,546	$3,678,442										9,879	$58,081	$0	$0
120	161	F24-120	WX21135020	Garrison-Quincy-Ky-O-Heights Water District	Eastern Lewis-Garrison Water Extension	$2,800,000	$3,829,080	$770,920										2,379	$37,986	$0	$0
121	161	F24-121	WX21027060	Hardinsburg, City of	Water Loss Reduction Project	$3,356,620	$1,800,410	$1,800,410										12,307	$51,690	$0	$0
122	158	F24-122	WX21237016	Campton, City of	KY 715 Water Line Replacement - Phase 1	$3,200,000	$3,200,000	$2,550,000										5,910	$25,452	$0	$0
123	157	F24-123	WX21133068	Whitesburg, City of	Whitesburg Waterline Improvement Downtown (Lead Status Unknown)	$2,375,000	$4,750,000	$2,121,111										2,583	$28,698	$0	$15,000
124	155	F24-124	WX21053019	Albany, City of	Duvall Valley Road Water Line Replacement - Phase 2	$5,176,000	$7,651,000	$5,176,000										9,042	$34,796	$0	$1,950,000
125	155	F24-125	WX21107058	White Plains, City of	White Plains - Water Line and Service Replacement Project	$2,405,000	$4,810,000	$2,405,000										1,491	$40,866	$0	$0
126	153	F24-126	WX21033021	Princeton Water & Wastewater Commission	Princeton - Water Line Improvements	$3,143,000	$4,569,000	$3,143,000										6,904	$41,967	$0	$0
127	150	F24-127	WX21031025	Butler County Water System Inc	BCWS - Small Diameter Water Line Replacement, Phase 2	$635,000	$985,962	$635,000										10,343	$49,330	$0	$0
128	145	F24-128	WX21047040	Hopkinsville Water Environment Authority	HWEA SRF Phase V Water System Improvements	$22,527,000	$67,581,000	$22,527,000										34,959	$40,686	$0	$60,000
129	145	F24-129	WX21173166	Mount Sterling Water and Sewer	Mount Sterling Water and Sewer WTP Expansion Project	$9,184,671	$18,369,342	$9,184,671										13,152	$45,879	$0	$4,165,000
130	144	F24-130	WX21129011	Beattyville, City of	Southside Waterline Replacement Project Phase 1	$2,539,000	$4,000,000	$2,000,000										6,787	$28,751	$0	$25,000
131	143	F24-131	WX21097029	Harrison County Water Association Inc	US 27 & KY 353 Water Main Replacement and Extension Project	$3,319,456	$3,993,990	$3,299,456										13,937	$56,298	$0	$5,890,965
132	140	F24-132	WX21099040	Munfordville, City of	Munfordville Water Meter Replacement	$657,215	$1,820,214	$499,999										1,575	$25,212	$0	$395,000
133	140	F24-133	WX21235007	Corbin City Utilities Commission	Corbin Water Treatment Plant Sodium Hypochlorite Disinfection Fa	$2,923,968	$5,847,936	$2,923,968										15,137	$45,158	$0	$1,000
134	139	F24-134	WX21043053	Olive Hill, City of	Olive Hill Leak Detection and Repair	$2,300,000	$2,300,000	$1,000,000										4,910	$42,077	$0	$0
135	135	F24-135	WX21003033	Scottsville, City of	City of Scottsville - WTP Improvements 22	$2,862,000	$2,862,000	$2,486,695										5,300	$33,383	$0	$0
136	132	F24-136	WX21199138	Western Pulaski County Water District	Faubush/Nancy Area Water Transmission Main	$4,750,000	$9,500,000	$3,674,301										17,482	$45,534	$0	$0
137	130	F24-137	WX21095015	Evarts, City of	Evarts New Water Treatment Plant Project	$6,048,000	$8,048,000	$6,048,000										3,338	$29,086	$0	$0
138	130	F24-138	WX21053020	Albany, City of	Albany - Water Treatment Plant (A & B) Improvements - Phase 2	$4,555,000	$4,555,000	$4,555,000										9,042	$34,796	$0	$0
139	128	F24-139	WX21199146	South Eastern Water Association Inc	Sandy Gap Area Improvements - Phase 1	$5,371,000	$5,371,000	$5,371,000										15,217	$46,577	$0	$3,330,000
140	127	F24-140	WX21139028	Grand Rivers, City of	Grand Rivers - Waterline Replacement & AMR System	$667,500	$1,802,500	$667,500										1,914	$48,605	$0	$160,000
141	125	F24-141	WX21199151	South Eastern Water Association Inc	Sandy Gap Area Improvements - Phase 3	$4,038,000	$4,828,094	$4,038,000										15,217	$46,577	$0	$0
142	125	F24-142	WX21229025	Springfield Water and Sewer Commission	Springfield - Lebanon Water Interconnect Project	$1,814,500	$1,814,500	$1,814,500										10,757	$55,273	$0	$0
143	122	F24-143	WX21107059	Nortonville, City of	Nortonville Waterline Replacement Project	$944,150	$3,536,350	$944,150										1,927	$41,393	$0	$1,908,200
144	122	F24-144	WX21069044	Fleming County Water Association Inc	2022 Distribution Systems Improvement Project	$2,015,000	$4,030,000	$2,015,000										9,788	$47,024	$0	$0
145	121	F24-145	WX21133037	Fleming-Neon, City of	Waterline Improvement Project Phase 2	$2,000,000	$4,000,000	$1,000,000										2,774	$35,453	$0	$0
146	121	F24-146	WX21107062	South Hopkins Water District	SHWD - Water System Improvements and New Administration Office	$12,475,000	$12,140,743	$11,350,000										6,674	$49,985	$0	$0
147	120	F24-147	WX21025053	Jackson, City of	North Jackson Water Improvement Project	$1,833,000	$2,200,000	$1,000,000										4,780	$30,480	$0	$1,560
148	119	F24-148	WX21167033	Lake Village Water Association Inc	Contract 15 - Water Distribution System Improvements Project	$2,470,700	$2,543,289	$2,470,700										5,510	$56,523	$0	$0
149	115	F24-149	WX21129004	Beattyville, City of	Beattyville - Bear Track Waterline Replacement	$700,000	$2,012,000	$700,000										6,787	$28,751	$0	$3,000
150	115	F24-150	WX21129010	Beattyville, City of	Beattyville Tank Rehab	$1,500,000	$1,892,000	$1,167,396										6,787	$28,751	$0	$0
151	115	F24-151	WX21189011	Booneville, City of	Booneville Water Treatment Plant Rehabilitation	$1,739,000	$5,217,000	$1,739,000										4,046	$29,880	$0	$1,800

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152	115	F24-152	WX21011042	Sharpsburg Water District	Reynoldsville Tank and Whetstone Tank Rehab Project	$500,000	$1,000,000	$500,000										3,538	$41,275	$0	$0
153	115	F24-153	WX21219014	Trenton, City of	Trenton - Water System Improvements	$3,270,000	$9,040,000	$2,500,000										552	$67,121	$0	$0
154	112	F24-154	WX21177042	Drakesboro, City of	Drakesboro - Water System Improvements	$1,062,450	$5,812,807	$1,062,450										662	$60,206	$0	$307,000
155	109	F24-155	WX21225054	Union County Water District	KY 109 Water Improvements Project	$1,700,000	$1,700,000	$1,564,936										5,203	$50,424	$0	$0
156	106	F24-156	WX21001031	Adair County Water District	CAUD - Scattered Water Main Extensions	$2,634,150	$5,744,951	$2,634,150										16,841	$45,845	$0	$0
157	100	F24-157	WX21031060	Morgantown, City of	Water Treatment Plant Improvements- Phase 1	$520,000	$520,000	$520,000										2,279	$26,387	$0	$0
158	100	F24-158	WX21133067	Jenkins, City of	Jenkins Waterline Replacement Phase 6	$1,000,000	$1,000,000	$1,000,000										2,300	$30,305	$0	$0
159	100	F24-159	WX21003014	Scottsville, City of	City of Scottsville - Maysville Rd Tank Painting and Old Tank Demolition	$1,100,000	$1,100,000	$1,100,000										5,300	$33,383	$0	$0
160	100	F24-160	WX21207016	Jamestown, City of	Jamestown – Creelsboro Area	$945,000	$2,835,000	$945,000										7,256	$35,520	$0	$0
161	100	F24-161	WX21131017	Hyden-Leslie County Water District	Leslie Water Treatment Plant Improvements	$2,030,000	$4,060,000	$2,030,000										9,677	$35,537	$0	$52,000
162	100	F24-162	WX21089119	South Shore, City of	South Shore to Portsmouth Permanent Interconnect	$16,155,000	$24,745,500	$7,564,500										4,164	$36,768	$0	$0
163	100	F24-163	WX21225056	Sturgis, City of	Backwash Pump and Motor Replacement	$30,000	$30,000	$30,000										2,278	$39,841	$0	$0
164	95	F24-164	WX21225048	Uniontown, City of	Uniontown New Booster Pump Station Project	$314,350	$1,936,250	$314,350										1,071	$40,540	$0	$0
165	95	F24-165	WX21141076	Lewisburg, City of	System-Wide Meter Replacement Project	$535,000	$720,150	$535,000										2,390	$44,424	$0	$720,000
166	94	F24-166	WX21157047	Calvert City, City of	City of Calvert City- Riverport Water Line Extensions	$4,190,000	$4,190,000	$4,190,000										3,419	$43,272	$0	$0
167	94	F24-167	WX21199150	South Eastern Water Association Inc	Sandy Gap Area Improvements - Phase 2	$3,168,000	$3,168,000	$3,168,000										15,217	$46,577	$0	$0
168	93	F24-168	WX21233056	Providence, City of	Providence Cast Iron Pipe Rehab	$3,196,000	$9,588,000	$3,196,000										3,353	$44,510	$0	$0
169	91	F24-169	WX21183055	Ohio County Water District	Goshen Road and Maple Leaf Lake Lane Water Line Replacements	$1,653,471	$1,653,471	$1,653,471										15,002	$51,802	$0	$0
170	90	F24-170	WX21197007	Clay City, City of	City of Clay City - 150,000 Gallon Elevated Water Storage Tank	$1,448,103	$1,996,623	$671,380										1,679	$20,954	$0	$0
171	90	F24-171	WX21101128	Henderson Water Utility	Washington/Vine Water Main	$1,776,720	$3,553,440	$1,776,720										29,237	$44,117	$0	$0
172	90	F24-172	WX21021012	Danville, City of	Danville Automatic Meter Read System Implementation	$500,000	$1,500,000	$500,000										24,951	$47,002	$0	$500,000
173	90	F24-173	WX21003029	Allen County Water District	Walkers Chapel Water Tank Project	$1,173,000	$2,846,000	$1,173,000										13,790	$54,073	$0	$0
174	88	F24-174	WX21031052	Butler County Fiscal Court	Butler Water Line Extensions 1	$1,048,000	$1,048,000	$1,048,000										10,343	$49,330	$0	$0
175	87	F24-175	WX21211102	West Shelby Water District	Water System Rehabilitation - Shelbyville	$2,521,000	$2,521,000	$2,521,000										5,849	$89,973	$0	$0
176	85	F24-176	WX21129009	Beattyville, City of	Water Treatment Plant Phase 2	$1,101,500	$6,703,000	$1,101,500										6,787	$28,751	$0	$0
177	85	F24-177	WX21119031	Hindman, City of	Hindman Waterline Extension Phase 2	$1,721,500	$3,443,000	$1,721,500										2,722	$33,226	$0	$0
178	85	F24-178	WX21131015	Hyden-Leslie County Water District	Meter Replacement Project Phase I	$2,000,000	$4,000,000	$2,000,000										9,677	$35,537	$0	$25,000
179	85	F24-179	WX21225057	Sturgis, City of	Filter Media Replacement	$150,000	$150,000	$150,000										2,278	$39,841	$0	$0
180	85	F24-180	WX21225058	Sturgis, City of	Flow Meter Replacement	$70,000	$70,000	$70,000										2,278	$39,841	$0	$30,000
181	85	F24-181	WX21095018	Benham, City of	Benham Water System Improvements	$1,250,000	$2,500,000	$1,250,000										701	$41,996	$0	$0
182	85	F24-182	WX21175056	West Liberty, City of	City of West Liberty Raw Water Intake Rehab	$1,938,500	$1,938,500	$1,938,500										3,343	$43,649	$0	$0
183	85	F24-183	WX21055021	Crittenden-Livingston County Water District	CLWD - Water Treatment Plant Expansion-Phase II	$21,500,000	$21,500,000	$21,500,000										8,347	$45,535	$0	$0
184	85	F24-184	WX21143020	Kuttawa, City of	Kuttawa - KY 295 Water System Interconnect	$706,000	$1,412,000	$706,000										680	$54,518	$0	$0
185	85	F24-185	WX21147039	McCreary County Water District	WTP - A Expansion	$14,579,000	$14,579,000	$14,579,000										15,175	$34,636	$0	$0
186	85	F24-186	WX21147040	McCreary County Water District	WTP-B Sludge Dewatering Improvements	$1,022,000	$1,022,000	$1,022,000										15,175	$34,636	$0	$0
187	85	F24-187	WX21137064	Danville, City of	Danville Standford Rd. Booster Pump	$894,500	$894,500	$894,500										24,951	$47,002	$0	$0
188	85	F24-188	WX21031050	Butler County Water System Inc	BCWS - Muhlenberg Tank Replacement	$550,000	$1,000,000	$550,000										10,343	$49,330	$0	$0
189	84	F24-189	WX21219039	Elkton, City of	Elkton - Waterline Replacements Project	$423,500	$500,000	$500,000										2,033	$35,173	$0	$0
190	84	F24-190	WX21101009	Henderson Water Utility	HWU - South Water Treatment Plant Expansion	$3,500,000	$3,500,000	$3,500,000										29,237	$44,117	$0	$0
191	84	F24-191	WX21101130	Henderson Water Utility	Raw Water Intake & Pipeline Project	$9,510,000	$9,510,000	$7,442,758										29,237	$44,117	$0	$0
192	80	F24-192	WX21095017	Cawood Water District	US 421 Tank & H.M.W.W. Emergency Feed Upgrade Project	$1,194,725	$2,389,450	$1,194,725										4,575	$26,258	$0	$0
193	80	F24-193	WX21149073	Island, City of	Island Water Meter Replacement	$213,000	$213,000	$172,354										1,040	$55,098	$0	$0
194	80	F24-194	WX21043048	Grayson Utilities Commission	WTP Lagoons and Sludge Handling	$2,140,000	$5,640,000	$2,140,000										10,995	$36,287	$0	$0
195	80	F24-195	WX21003030	Allen County Water District	Maysville Rd Booster Station Replacement	$476,000	$476,000	$476,000										13,790	$54,073	$0	$0
196	79	F24-196	WX21233024	Providence, City of	Providence Water System Improvements	$766,545	$1,533,090	$766,545										3,353	$44,510	$0	$0
197	78	F24-197	WX21213051	Simpson County Water District	Sportsmans Lake Rd and Nashville Rd Line Replacement	$1,485,000	$2,970,000	$1,485,000										7,650	$52,304	$0	$0
198	77	F24-198	WX21047019	Oak Grove, City of	Oak Grove - Hugh Hunter Road Waterline Replacement	$1,400,000	$3,130,000	$1,400,000										8,500	$37,533	$0	$0
199	77	F24-199	WX21199153	South Eastern Water Association Inc	2023 Various Waterline Upgrades	$1,913,000	$1,913,000	$1,913,000										15,217	$46,577	$0	$0
200	75	F24-200	WX21199048	Burnside, City of	Burnside Water Storage Tank	$1,194,000	$2,811,094	$1,194,000										1,314	$43,054	$0	$0

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201	75	F24-201	WX21073012	Frankfort Plant Board	Frankfort Plant Board Water Storage Improvement Project	$7,454,880	$24,782,711	$4,000,000										38,606	$58,947	$0	$3,450,000
202	75	F24-202	WX21073023	Frankfort Plant Board	Frankfort Plant Board Ammonia and Sulfuric Improvements Project	$1,950,000	$1,950,000	$1,950,000										38,606	$58,947	$0	$0
203	72	F24-203	WX21125023	Laurel County Water District #2	Oak Ridge Church Road & Cardinal Heights Area Water System Improvements	$2,175,000	$6,525,000	$2,175,000										15,541	$47,561	$0	$0
204	71	F24-204	WX21211098	West Shelby Water District	U.S. 60 Meter Reconnects & AC Waterline Replacement	$306,000	$306,000	$306,000										5,849	$89,973	$0	$0
205	70	F24-205	WX21073027	Peaks Mill Water District	Peaks Mill Stownwall Subdivision rebuild	$582,950	$582,950	$582,950										2,846	$70,634	$0	$0
206	70	F24-206	WX21233033	Clay, City of	Short Nall Road	$12,000	$12,000	$12,000										1,143	$32,256	$0	$0
207	70	F24-207	WX21119029	Hindman, City of	Hindman Radio Read Meter Project	$1,955,000	$3,390,000	$1,955,000										2,722	$33,226	$0	$0
208	70	F24-208	WX21053021	Albany, City of	Water Treatment Plant Emergency Generator	$2,900,000	$5,800,000	$2,900,000										9,042	$34,796	$0	$0
209	70	F24-209	WX21131016	Hyden-Leslie County Water District	SCADA Improvement Project	$1,400,000	$2,800,000	$1,400,000										9,677	$35,537	$0	$25,000
210	70	F24-210	WX21149078	McLean County Regional Water Commission	MCRWC Clearwell Elevated Tank Rehab	$350,000	$350,000	$200,000										5	$43,750	$0	$0
211	70	F24-211	WX21047044	Hopkinsville Water Environment Authority	Commerce Park II - 20" Water Main Extension	$20,200,000	$29,450,000	$20,200,000										34,959	$40,686	$0	$0
212	70	F24-212	WX21101132	Henderson Water Utility	Graham Hill Tank Painting & Repair Project	$700,000	$700,000	$700,000										29,237	$44,117	$0	$0
213	70	F24-213	WX21021011	Danville, City of	East Boyle County Water Tank	$5,886,000	$11,773,000	$5,886,000										24,951	$47,002	$0	$0
214	70	F24-214	WX21107073	Madisonville Municipal Utilities	Madisonville - Peewee Lake Raw Water Intake Rehabilitation	$3,320,000	$3,320,000	$3,320,000										21,456	$47,395	$0	$0
215	66	F24-215	WX21125022	Laurel County Water District #2	North Corbin Area Water System Improvements	$1,100,000	$3,300,000	$1,100,000										15,541	$47,561	$0	$0
216	65	F24-216	WX21233031	Clay, City of	132 W. Elm to W. College Street Cast Iron Pipe Replacement	$340,725	$340,725	$340,725										1,143	$32,256	$0	$0
217	65	F24-217	WX21003001	Scottsville, City of	Holland Road New Pump Station Project	$2,083,500	$5,501,180	$2,083,500										5,300	$33,383	$0	$0
218	65	F24-218	WX21035042	Murray, City of	Outland School Rd. Loop to connect W.D.#1 and W.D.#2 to provide	$3,979,300	$3,979,300	$2,480,490										22,078	$39,967	$0	$0
219	63	F24-219	WX21125029	Laurel County Water District #2	Old Union Church Road Water System Improvements	$650,000	$1,950,000	$650,000										15,541	$47,561	$0	$48,000
220	61	F24-220	WX21211074	West Shelby Water District	Water System Rehabilitation - Simpsonville	$1,197,000	$1,197,000	$1,197,000										5,849	$89,973	$0	$0
221	60	F24-221	WX21157031	Calvert City, City of	City of Calvert City-Lone Valley Road Interconnect	$408,500	$408,500	$408,500										3,419	$43,272	$0	$0
222	60	F24-222	WX21047043	Hopkinsville Water Environment Authority	HWEA SRF Phase VI Water System Improvements	$18,700,000	$37,400,000	$18,700,000										34,959	$40,686	$0	$0
223	60	F24-223	WX21125032	Laurel County Water District #2	Oak Ridge Storage Tank Replacement	$2,500,000	$5,000,000	$2,500,000										15,541	$47,561	$0	$0
224	60	F24-224	WX21217030	Campbellsville, City of	Water System Improvements - WTP Filter & Sed Basin Renovations	$1,223,000	$2,738,383	$395,803										22,246	$52,346	$0	$0
225	55	F24-225	WX21099047	Munfordville, City of	Harlen Street Water Line Extension	$75,000	$110,000	$75,000										1,575	$25,212	$0	$0
226	55	F24-226	WX21017024	Harrison County Water Association Inc	HCWA - US 27 Water Main Replacement Project	$1,963,655	$1,963,655	$1,963,655										13,937	$56,298	$0	$0
227	55	F24-227	WX21179039	Bardstown, City of	Water Treatment Plant Sludge Pump Station Improvements	$1,620,000	$3,240,000	$1,620,000										26,995	$59,232	$0	$0
228	52	F24-228	WX21101126	Henderson County Water District	Henderson County Water District Scattered Lines Project	$2,254,200	$6,762,600	$2,254,200										15,526	$61,453	$0	$0
229	50	F24-229	WX21073025	Peaks Mill Water District	Peaks Mill Chemical Feed building	$150,000	$150,000	$150,000										2,846	$70,634	$0	$0
230	50	F24-230	WX21149077	Calhoun, City of	Calhoun KY 138 West Automatic Water Salesman Installation	$40,000	$40,000	$40,000										904	$46,140	$0	$0
231	50	F24-231	WX21089073	Russell, City of	City of Russell Intake Pier Rehab Project	$8,500,000	$15,500,000	$8,500,000										5,181	$79,605	$0	$0
232	48	F24-232	WX21031045	Butler County Water System Inc	BCWS - Hwy 231 Water Line Replacement, Phase 2	$170,000	$340,000	$170,000										10,343	$49,330	$0	$0
233	46	F24-233	WX21149072	Sacramento, City of	Highway 85 Line Replacement	$264,170	$528,340	$156,812										1,691	$54,847	$0	$0
234	45	F24-234	WX21149067	Island, City of	Island Water Tank Project	$701,630	$1,403,260	$701,630										1,040	$55,098	$0	$0
235	45	F24-235	WX21199152	South Eastern Water Association Inc	Upper Line Creek/Matthew Meece Roads Waterline Extensions	$1,789,000	$1,789,000	$1,789,000										15,217	$46,577	$0	$0
236	44	F24-236	WX21113055	Wilmore, City of	Wilmore 12" Water Main Replacement	$634,211	$634,211	$634,211										6,601	$57,850	$0	$483,000
237	42	F24-237	WX21125021	Laurel County Water District #2	Hanes Baker Road Area Water System Improvements	$300,000	$900,000	$300,000										15,541	$47,561	$0	$0
238	40	F24-238	WX21139035	Ledbetter Water District	Ledbetter Water Well Improvements	$675,700	$2,027,100	$675,700										2,631	$62,977	$0	$0
239	35	F24-239	WX21227107	Warren County Water District	WCWD - TWN Transmission Replacement	$200,000	$200,000	$200,000										76,855	$64,328	$0	$0
240	32	F24-240	WX21089110	Flatwoods, City of	Rock Gate Area Water System Expansion	$594,668	$1,784,004	$594,668										7,948	$55,867	$0	$0
241	30	F24-241	WX21211103	West Shelby Water District	Midland Industrial Road Waterline Loop	$256,000	$256,000	$256,000										5,849	$89,973	$0	$0
242	30	F24-242	WX21227041	Warren County Water District	WCWD - Detour Road Water Line Extension	$263,000	$263,000	$263,000										76,855	$64,328	$0	$0
243	25	F24-243	WX21239037	Northeast Woodford County Water District	Northeast Woodford Tank painting	$218,000	$518,459	$200,000										2,195	$62,522	$0	$0

Rank	Score	KIA Loan Number	WRIS PNum	Applicant	Project Title	Total Project Cost	Total Funding Sources	Requested Loan Amount	Invite Round No. Bypassed	Invited Loan Amount - Base	Cumulative Invited Loan Amount - Base	Invited Loan Amount - Supplemental	Cumulative Invited Loan Amount - Supplemental	Invited Loan Amount - Emerging Contaminants	Cumulative Invited Loan Amount - Emerging Contaminants	Invited Loan Amount - LSLR	Cumulative Invited Loan Amount - LSLR	System Service Area Population	System Service Area MHI	Principal Forgiveness Amount	Green Amount
244	24	F24-244	WX21101137	Henderson County Water District	HCWD Pruitt Agnew Extension	$330,000	$330,000	$330,000										15,526	$61,453	$0	$0
245	20	F24-245	WX21149076	Beech Grove Water System Inc	Beech Grove Water Storage Tank Repainting	$150,000	$150,060	$87,177										1,225	$56,509	$0	$0
246	20	F24-246	WX21239042	Northeast Woodford County Water District	NEWWD Tank Repainting	$300,000	$400,000	$300,000										2,195	$62,522	$0	$0
247	20	F24-247	WX21097030	Harrison County Water Association Inc	HCWA - KY 353 Water Main Extension Project	$1,750,477	$1,750,477	$1,750,477										13,937	$56,298	$0	$0
248	18	F24-248	WX21179037	Bardstown, City of	Bardstown Downtown Water Line Improvements Phase 2	$1,040,000	$2,080,000	$1,040,000										26,995	$59,232	$0	$0
249	10	F24-249	WX21179038	Bardstown, City of	Bardstown North Side Interconnect	$1,167,000	$2,334,000	$1,167,000										26,995	$59,232	$0	$0
250	10	F24-250	WX21227055	Warren County Water District	WCWD - Smiths Grove / Little Knob Improvements	$1,046,000	$3,138,000	$1,046,000										76,855	$64,328	$0	$1,046,000
251	10	F24-251	WX21227082	Warren County Water District	WCWD - Three Springs Transmission Improvements	$729,000	$1,458,000	$729,000										76,855	$64,328	$0	$0
252	8	F24-252	WX21059091	Whitesville, City of	Melba Lane Waterline Extension	$150,000	$150,000	$150,000										3,597	$68,574	$0	$0
253	0	F24-253	WX21133070	Jenkins, City of	Raven Rock Water Extension	$1,473,000	$2,946,000	$1,473,000										2,300	$30,305	$0	$0
254	0	F24-254	WX21003012	Scottsville, City of	City of Scottsville - WTP Emergency Generator Project	$1,139,000	$6,541,626	$1,139,000										5,300	$33,383	$0	$91,300
255	0	F24-255	WX21003028	Scottsville, City of	City of Scottsville - Lead Service Line Inventory	$100,000	$300,000	$100,000										5,300	$33,383	$0	$70,000
256	0	F24-256	WX21197021	Powell's Valley Water District	2020 Water Expansion and Improvements Project	$2,295,610	$5,591,220	$2,295,610										5,787	$39,507	$0	$1,766,100
257	0	F24-257	WX21197023	Powell's Valley Water District	PVWD - 2020 Red River Destination Resort Water Project	$2,030,142	$4,060,284	$2,030,142										5,787	$39,507	$0	$0
258	0	F24-258	WX21171051	Monroe County Water District	MCWD - Highway 163 Bypass Water Main Addition	$2,326,500	$2,498,681	$2,326,500										8,144	$41,498	$0	$0
259	0	F24-259	WX21181004	Carlisle, City of	City of Carlisle Raw Water Intake Improvements	$7,428,352	$21,907,620	$7,428,352										2,063	$41,808	$0	$0
260	0	F24-260	WX21213054	Simpson County Water District	Stone-Givens Industrial Park Improvements Project - Water	$750,000	$750,000	$750,000										7,650	$52,304	$0	$0
261	0	F24-261	WX21149069	Island, City of	Island Fire Hydrant Replacement Project	$100,000	$100,000	$100,000										1,040	$55,098	$0	$0
262	0	F24-262	WX21197025	Beech Fork Water Commission	Beech Fork New Water Treatment Plant	$135,000	$268,087	$135,000												$0	$0
263	0	F24-263	WX21021026	Danville, City of	Danville - Corporate Drive Water Main Extension Project	$2,269,170	$9,076,680	$2,269,170										24,951	$47,002	$0	$0
264	0	F24-264	WX21021033	Danville, City of	Daville - Corporate Drive Water Main - Phase II (US127 By-Pass)	$538,788	$1,077,576	$538,788										24,951	$47,002	$0	$0
265	0	F24-265	WX21021034	Danville, City of	Danville - Corporate Drive Water Main - Phase 2A	$606,900	$1,213,800	$606,900										24,951	$47,002	$0	$0
266	0	F24-266	WX21021036	Danville, City of	Danville Fourth St. Connector Main Extension	$768,600	$1,537,200	$768,600										24,951	$47,002	$0	$0
267	0	F24-267	WX21021037	Danville, City of	Danville Water Line Replacements	$1,240,000	$2,480,000	$1,240,000										24,951	$47,002	$0	$0
268	0	F24-268	WX21021038	Danville, City of	Danville 2168 Bypass Water Main Extension	$1,575,000	$4,109,638	$1,575,000										24,951	$47,002	$0	$0
269	0	F24-269	WX21017025	Paris, City of	Millersburg Rd Tank Project	$8,400,000	$13,006,936	$8,400,000										12,483	$49,323	$0	$0

APPENDIX B

PRIORITY SYSTEM GUIDANCE DOCUMENT

KENTUCKY
Priority System Guidance Document

For Drinking Water Projects
Eligible To Be Funded By The

KENTUCKY DRINKING WATER
STATE REVOLVING FUND

2024 Funding Cycle

ENERGY AND ENVIRONMENT CABINET
Department for Environmental Protection
Division of Water

300 Sower Boulevard – 3rd Floor
Frankfort, Kentucky 40601
Phone: (502) 564-3410
Fax: (502) 564-4245
water.ky.gov

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INTRODUCTION

PURPOSE

The priority system is designed to prioritize eligible projects for funding through the Drinking Water State Revolving Fund (DWSRF). The DWSRF is intended to facilitate public water systems (PWS) in achieving and maintaining technical, managerial, and financial (TMF) capacity, enabling PWS to consistently maintain compliance with the Safe Drinking Water Act (SDWA). This includes compliance with existing and future national drinking water standards, as well as other activities that significantly further the health protection objectives of the SDWA.

Additions to the priority system include lead service line (LSL) inventory, LSL replacement, and projects that primarily address perfluoroalkyl and polyfluoroalkyl (PFAS) substances and other emerging contaminants. Projects utilizing the DWSRF for LSL replacement must replace the entire LSL, not just a portion. The EPA has expanded the eligible uses of the DWSRF for replacing LSL beyond the regulatory definition of a LSL in the Lead and Copper Rule Revisions of the SDWA. Eligible projects also include the replacement of lead goosenecks, pigtails, and connectors as eligible expenses, whether standalone or connected to a LSL.

METHODOLOGY

The structure of the priority system incorporates the rules and initiatives promulgated since the 1996 amendments to the SDWA, including America's Water Infrastructure Act of 2018, and the Bipartisan Infrastructure Law of 2021. The amendments encompass financial, managerial, and technical capacity; Surface Water Treatment Rule; Total Coliform Rule and Revised Total Coliform Rule; Lead and Copper Rule Revision; Asbestos Standard; Enhanced Surface Water Treatment Rule; Disinfectants and Disinfection Byproducts Rule; Groundwater Rule; and best available and affordable technology. A proactive approach has been developed to determine priority based on infrastructure needs to address the goals of the SDWA. Projects are prioritized based on scores derived from a comprehensive review of each project using the DWSRF ranking criteria described in this document.

APPLYING THE PRIORITY SYSTEM TO PROJECTS

The Division of Water (DOW) assigns points in each of fourteen categories: Regionalization; Public Health Criteria – Source Water; Public Health Criteria – Treatment; Public Health Criteria – Distribution; Lead Service Line Inventory; Lead Service Line and Lead Components Replacement; Security; Compliance and Enforcement; Lead Compliance; Disadvantaged Community Financial Need; Planning; Sustainable Infrastructure; Project Readiness; and, Project Readiness – Lead Service Line and Lead Components Replacement (see Table 1, DWSRF Ranking Criteria). Points are based on information provided by PWS and/or their consultants. During the annual call for projects, project profiles are submitted for review by the local area development districts through the Water Resources Information System (WRIS). No additional projects may be submitted after the call for projects deadline. Project profiles must be complete with all pertinent information. Once the project review process begins, project profiles will be locked and cannot be modified. The total score for a project is the sum of all points received for each of the fourteen categories.

Priority points will not be cumulative for both LSL inventory development and LSL replacement/LSL components replacement projects. Projects containing both LSL inventory development and LSL replacement/LSL components will not be accepted and the area development district will be directed to resubmit the projects through the WRIS separately. replacement This is to ensure that LSL inventory development projects can be competitively funded along with LSL replacement/LSL components replacement projects.

TIE BREAKER

It is possible the ranking process could result in two or more projects having the same total score. A tie breaker method has been developed for this situation considering the following factors: maintaining priorities to be funded in the order as set forth by the priority formula, expending DWSRF dollars to maximize

the benefit toward compliance with the SDWA, and providing funding of projects that are affordable to the households that benefit from the project.

Those PWSs serving a population of 10,000 people or less are prioritized over those serving populations over 10,000. Consideration is then given to those projects with existing enforcement actions (i.e., Agreed Orders). Lastly, the financial need of the applicant, as evidenced by the median household income (MHI) according to the current American Community Survey 5-Year Estimates, is taken into consideration.

PROJECT PROFILES

The project profile must have sufficient detail to ensure the proposed project receives the maximum amount of points and is scored properly. The Project Description within the Narrative tab should provide a clear and detailed explanation of the proposed project. The Need for Project must describe how the proposed project promotes public health or achieves/maintains compliance with the SDWA. Any major changes to system capacity (i.e., storage volume, line replacements due to size, water treatment plant design capacity, etc.) must include a detailed justification. **The information provided in the narrative must provide sufficient detail of the project and must exactly match the information provided in the components, impacts, and sustainable infrastructure tabs in the WRIS. Projects components must also be accurately represented in the mapping tab of the WRIS. Project profiles that contain inconsistent information may not be scored and automatically by-passed for funding.**

I. REGIONALIZATION

This category allows affordable alternatives for a PWS to achieve and maintain technical, managerial, and financial capacity to comply with the SDWA through mergers, interconnections, and emergency planning.

A. Elimination of a PWS through a merger or acquisition (elimination of a PWSID)

Under this category, points will be provided to projects promoting regionalization. This is not the same as an interconnection where two or more water systems provide potable water supplies to one another, but retain their own individual identities and PWSIDs. The merger must result in the dissolution of the PWSID of the receiving PWS. (Example: Sun Water Works is extending a transmission main to Beach Water Works because their wells are contaminated. Under formal agreement, the entire Beach Water Works service area will now be converted to the Sun Water Works service area and the wells and treatment plant will be closed. Beach Water Works will no longer be in the business of producing water or maintaining a distribution system and therefore will not have a PWSID number.)
Points Received: 100

B. Elimination of a water treatment plant to primarily address perfluoroalkyl and polyfluoroalkyl (PFAS) substances or other emerging contaminants

Points can be applied in this category to water systems, presently contaminated with PFAS or other emerging contaminants, that merge with another system that either does not have emerging contaminants present or has removal capability of emerging contaminants.
Points Received: 100

C. Elimination of a water treatment plant as a result of an interconnection

This section applies points to a project that will result in the elimination of a water treatment plant, as a result of an interconnection, that is in need of rehabilitation, modification or expansion to comply with the SDWA. This is different from a merger in that both utilities will remain solvent with individual PWSIDs. (Example: Coral Water Works is extending a transmission main to the Reef Water Works system that will allow the aging water treatment plant to be closed down. Coral Water Works will provide all of the water to the Reef Water Works distribution system under a purchase contract, however, Reef Water Works will remain in business as a distribution system only and will retain a PWSID number.)
Points Received: 50

D. Acquisition of a supplemental or emergency potable water supply
Points Received: 30 per new connection

E. Replacement or supplemental raw water supply
Points Received: 30

II. PUBLIC HEALTH CRITERIA – SOURCE WATER

A. Development of a new source water or replacement of a source water to address PFAS substances or other emerging contaminants

This includes construction of a new, or replacement of, a well or intake structure(s)
Points Received: 75 (Preventatively address PFAS or other emerging contaminants)
Points Received: 100 (Address current presence PFAS or other emerging contaminants)

B. Rehabilitation of a dam or reservoir

The dam or reservoir's primary purpose must be for drinking water supply and must be owned by the public water system. Some examples of dam/reservoir rehabilitation projects could include, but

is not limited to, spillway reconstruction or repair, dam resurfacing or repair, repair or replacement of drainage systems, and sedimentation dredging.
Points Received: 25

III. PUBLIC HEALTH CRITERIA – TREATMENT

This category provides points to treatment projects that will provide improved compliance with the National Drinking Water Standards of the SDWA.

A. Treatment Facilities

i) Construction of a new water treatment plant (where one does not presently exist)
Construction of a new water treatment facility to address present contamination by PFAS or other emerging contaminants is given a great priority than construction of a new treatment facility to preventatively address PFAS or other emerging contaminants. The DOW will determine evidence of current contamination by PFAS or other emerging contaminants based upon best available data.

(a) Points Received: 75 (New WTP to preventatively address emerging contaminants)
(b) Points Received: 100 (New WTP to address the current presence of emerging contaminants)

ii) Rehabilitation of the water treatment plant
Water treatment plant rehabilitation projects are limited to 30 points unless the proposed project is needed to acquire or maintain compliance with the National Drinking Water Standards of the SDWA. In such cases, additional points may be applied under Section B below.

Examples may include, but are not limited to, the functional replacement of treatment processes due to age/condition, the upgrade of any treatment process to meet drinking water standards with *no increase in treatment capacity*, etc.
Points Received: 30

iii) Redundant processes/emergency power generators
Redundant processes and/or emergency power generators at the treatment facilities.
Points received: 10 for each unit

iv) Replacement of raw waterline
Points Received: 10 points for up to the first 1,000 linear feet plus 2 points for each additional 1,000 linear feet (rounded to the nearest 1,000).

B. Treatment – Upgrades/Modifications

i) Infrastructure options to meet Cryptosporidium removal/inactivation requirements
Examples of treatment projects include, but are not limited to, installation of membrane technology, additional filtration, improvements to sedimentation basins such as softening or construction of a pre-sedimentation basin, ozone, UV, chlorine dioxide, etc.
Points Received: 25

ii) Modifications to meet CT inactivation requirement
Disinfection techniques need to comply with CT inactivation requirements of the Surface Water Treatment Rule and the Groundwater Rule. Examples of treatment projects include, but are not limited to, alternate disinfection feed points, baffling of clearwells, etc.
Points Received: 20

iii) Modifications to address disinfection byproducts requirements
Examples of treatment projects include, but are not limited to, changing disinfectants, modification of disinfection feed points, Granular Activated Carbon (GAC), coagulation, etc.
Points Received: 25

iv) Modifications to address VOC, IOC, SOC, radionuclide requirements
Examples of treatment projects include, but are not limited to, aeration, improved coagulation, non-conventional treatments, air stripping, new chemical feed, etc.
Points Received: 15

v) Modifications to address secondary contaminants
Examples of treatment projects to address Secondary Contaminants include, but are not limited to, water softening, sedimentation basin covers, corrosion control systems, green sand filters, new chemical feed system for manganese removal, etc.
Points Received: 10

vi) Modifications to address emerging contaminants
Points in this category can be applied to projects that primarily address perfluoroalkyl and polyfluoroalkyl (PFAS) substances or other emerging contaminants.
Points Received: 75 (Preventatively address PFAS or other emerging contaminants)
Points Received: 100 (Address current presence PFAS or other emerging contaminants)

RESTRICTIONS: Points will be assigned to project components under Section B only where a need for the project can be adequately demonstrated. A history of non-compliance may be required for certain treatment applications in order to receive points. In some cases, specific monitoring must warrant the need for the project in order to receive points.

IV. PUBLIC HEALTH CRITERIA – DISTRIBUTION

This category provides points to distribution projects that will provide improved compliance with the National Drinking Water Standards of the SDWA.

A. Hydraulics/Storage

Examples of projects under this category include waterline replacements, new water storage tanks or pump stations, and rehabilitation of existing storage tanks or pump stations. The applicant must be prepared to demonstrate the need for the project. For waterline replacement projects, scores are applied based upon the total linear feet of line to be replaced. Additional points may be applied for projects addressing excessive water loss and for projects replacing lead service lines.

i) Replacement, cured-in-place, or in situ water line repair of inadequately sized water lines, lines with leaks, breaks, or restrictive flows due to age, or asbestos-cement pipe
Points Received: 10 points for up to the first 1,000 linear feet plus 2 points for each additional 1,000 linear feet (rounded to the nearest 1,000).

ii) Water loss
Additional points may be applied for projects replacing lines to address excessive water loss due to line leaks/breaks and unaccounted-for water loss. (Twelve months of water loss calculations must be provided to receive points for water loss):

- **16-30% water loss: 10 points**
- **31-45% water loss: 15 points**
- **46-60% water loss: 20 points**
- **>60% water loss: 25 points**

iii) Rehabilitation of a water storage tank
Points Received: 20 for each tank

iv) New water storage tank
Significant increases of system storage capacity must include a detailed justification.
Points Received: 10 for each tank

v) New or rehabilitated pump station (not associated with a new tank)
Points Received: 10 for each pump station

vi) Locating, exercising, installing, and/or replacing various distribution system appurtenances, such as meters, valves, backflow prevention devices, etc.
Points available for projects that are not associated with a waterline replacement project.
Points Received: 15 applied once

B. Finished Water Quality

i) Infrastructure to address inadequate turnover and disinfection byproducts (DBPs)
Examples include the installation of a water storage tank mixing system to address a DBP issue or looping of waterlines to improve service. If unable to comply with the DBP Rule, then information should be provided in the project profile to support the need.
Points Received: 20

ii) Redundant equipment/emergency power generators
Provide redundancy or emergency power within the distribution system
Points Received: 10 for each unit

C. Extension of Service

This section applies points to waterline extension projects. Points for waterline extensions are only applicable for existing households and to serve areas where existing potable water supplies such as wells or cisterns are contaminated or where there is insufficient financial and technical capability to maintain a compliant water supply system. The first 10 households will receive 2 points each. Every 10 households thereafter will accumulate two additional points, to be added to the total score.
Points Received: 2 points per household up to the first 10 existing homes plus 2 points for every additional 10 existing homes

Example:
Project A is extending waterline to 55 existing homes.

First 10 homes	*20 pts*
45 remaining homes (4x2pts=8pts)	*8 pts*
Total	*28 pts*

RESTRICTIONS: The DWSRF cannot fund waterline extension projects to primarily serve future population growth, nor can it fund projects needed primarily for fire protection.

V. SERVICE LINE INVENTORY

A. Inventory Development

Points can be applied in this category for developing a process to inventory service lines, including locating and mapping lead service lines (LSL). The inventory process can include:

- Records review
- Developing processes to inventory service line materials during day to day operations and maintenance
- Establishing clear and effective methods to engage with customers
- Creating digital/electronic service line inventory documentation procedures
- Creating GIS methods and procedures for documenting service line materials
- Developing water quality sampling procedures (non-compliance purposes)
- Incorporating vacuum or hydro-excavation procedures and capabilities
- Statistical analysis*
- Creating or instituting emerging technologies and methods*

* Notify the DOW of use of emerging technologies and statistical analysis methods.
Points Received: 220

B. Pitcher Filters and Point-of-Use Devices

Points can be applied in this category for the supply of temporary pitcher filters or point-of-use devices* to reduce lead during LSL inventory development.
Points Received: 10

VI. REPLACEMENT OF LEAD SERVICE LINE AND LEAD COMPONENTS

A. Lead Service Line and/or Lead Components

Points can be applied in this category for the complete removal of LSL (public and privately-owned portions) and service lines made of galvanized iron or galvanized steel that are currently, or were previously, downstream of lead components*. A "lead service line" is defined in the Lead and Copper Rule Revisions as a service line which connects the water main to the building inlet.

For the purposes of the DWSRF, the federal definition of "lead service line" is expanded to include the replacement of lead goosenecks, pigtails, and connectors as eligible expenses, whether they are connected to a "lead service line" or stand-alone. Points can be applied in this category for the removal of lead or galvanized goosenecks, pigtails, and connectors.

- 1 up to 100 LSL and/or lead components replacements **Points Received: 200**
- 101 to 500 LSL and/or components replacements **Points Received: 210**
- Greater than 500 LSL and/or components replacement – **Points Received: 220**

VII. SECURITY

A. Measures taken at the water treatment plant facilities or within the distribution system

This category allows points to be applied to a project for measures taken at the physical location of water treatment plant facilities or within the distribution system to prevent, deter, and/or readily respond to theft, trespassing, vandalism, or terroristic acts. Examples include, but are not limited to, the installation of fencing, video surveillance of treatment and/or storage facilities, alarms, signs, lock gates, radio intercom systems, and cyber security to protect against the unauthorized use of systems, networks, programs, and devices.
Points Received: 5 for each component per location. 5 for cyber security can be applied once.

RESTRICTIONS: Salaries for security personnel are not eligible for funding through the DWSRF.

VIII. COMPLIANCE AND ENFORCEMENT

A. Entities with executed Orders

Project must achieve full or partial compliance with an active Order (i.e., Court Order, Agreed Order or PSC Order) or other enforcement action by addressing terms of the Order.
Points Received: 50

B. Primary system has not received any SWDA Notices of Violation within the previous state fiscal year (July through June)
Points Received: 25

IX. LEAD COMPLIANCE

A. Lead Action Level Exceedance

Primary system has had an action level exceedance (lead concentrations exceed an action level of 15 ppb in more than 10% of customer taps sampled) within the last compliance period.
Points Received: 50

B. Lead Trigger Level Exceedance

Primary system has received a lead trigger level exceedance (lead concentrations exceed a trigger level of 10 ppb in more than 10% of customer taps sampled) within the last compliance period.
Points Received: 25

X. DISADVANTAGED COMMUNITY FINANCIAL NEED

System-wide census data or project-based census data may be used to determine financial need.

A. Median Household Income (MHI) below 80 percent of the Commonwealth's MHI.

(Determined by the current American Community Survey (ACS) 5-Year Estimate.)
Points Received: 50

B. MHI between 80 and 100 percent of the Commonwealth's MHI.

(Determined by the current American Community Survey (ACS) 5-Year Estimate.)
Points Received: 30

XI. PLANNING

Points can be applied in this category if the water system has a documented asset management plan, which includes an asset inventory, strategic plan, and capital improvement plan. Points can be applied for each component of an asset management plan. Supporting documents must be uploaded into the WRIS or submitted independently to the Division of Water for verification.

The intent of providing priority points in this category is to encourage water systems to develop and implement asset management planning. A complete inventory of assets is not required in order to obtain points in this category. However, water systems should have an established inventory of known assets and be actively updating their asset inventory as unknown assets are discovered and new assets are added. The DOW must verify documentation of an asset management plan implemented by the public water system in order to receive points in this category. The asset management plan or a letter verifying implementation of an asset management plan are both acceptable and may be uploaded into the WRIS or sent to the DOW.

A. Asset Management Plan

- **Asset Inventory**: a list of above and belowground assets, which, includes as available the date constructed/installed, identifying information, location, remaining useful life, condition, estimated cost to replace, and priority rating, based on criticality.
  Points Received: 20

- **Strategic Plan**: at a minimum, must include a mission statement, level of service goals for the system that are SMART (Specific, Measureable, Attainable, Realistic, and Time-bound), and preventive maintenance program.
  Points Received: 20

- **Capital Improvement Plan**: a list of capital projects for the next five (5) years or more years which includes project title, anticipated year of construction, cost estimate, and sources of potential funding).
  Points Received: 20

B. Monthly bill, based on 4,000 gallons, as a percentage of system-wide or project-based Median Household Income is:

- Greater than or equal to 2% **Points Received: 10**
- Between 1 and 1.99% **Points Received: 5**
- Below 1% **Points Received: 0**

C. System has specifically allocated funds for the rehabilitation and replacement of aging and deteriorating infrastructure

To obtain points under this category, supporting documents such as official budget or relevant pages of financial audits, with pertinent information highlighted, must be uploaded into the WRIS. To qualify for points under this category, the funds *cannot* be a requirement of a current loan.
Points Received: 25

XII. SUSTAINABLE INFRASTRUCTURE

A. Green Infrastructure

Green stormwater infrastructure includes a wide array of practices at multiple scales managing wet weather and maintaining and restoring natural hydrology by infiltration, evapotranspiration, and harvesting and reuse. On a regional scale, green infrastructure is the preservation and restoration of natural landscape features, such as forests, floodplains, and wetlands, coupled with policies such as infill and redevelopment that reduce overall imperviousness in a watershed. On the local scale, green infrastructure consists of site- and neighborhood-specific practices, such as bioretention, trees, green roofs, permeable pavement, and cisterns.
Points Received: 10 each with a maximum of 50

Examples:

- *Pervious or porous pavement*
- *Bioretention*
- *Green roofs*
- *Rainwater harvesting/cisterns*
- *Gray water use*
- *Xeriscape*
- *Landscape conversion programs*
- *Retrofitting or replacing existing irrigation systems with moisture and rain sensing equipment*

Projects That Do Not Meet the Definition of Green Infrastructure:

- Stormwater controls that have impervious or semi-impervious liners and provide no compensatory evapotranspirative or harvesting function for stormwater retention.
- Stormwater ponds that serve an extended detention function and/or extended filtration. This includes soil-lined detention basins.
- In-line and end-of-pipe treatment systems that only filter or detain stormwater.
- Underground stormwater control and treatment devices such as swirl concentrators, hydrodynamic separators, baffle systems for grit, trash removal/floatables, oil and grease, inflatable booms and dams for in-line underground storage and diversion of flows.

- Stormwater conveyance systems that are not soil/vegetation based (swales) such as pipes and concrete channels. Green infrastructure projects that include pipes to collect stormwater may be justified as innovative environmental projects.

B. Water Efficiency

EPA's WaterSense program defines water efficiency as the use of improved technologies and practices to deliver equal or better services with less water. Water efficiency encompasses conservation and reuse efforts, as well as water loss reduction and prevention, to protect water resources for the future.
Points Received: 15 each with no maximum

Examples:

- *Installing or retrofitting water efficient devices such as plumbing fixtures and appliances, for example: showerheads, toilets, urinals, and other plumbing devices*
- *Implementation of incentive programs to conserve water such as rebates*
- *Installing WaterSense labeled products (https://www.epa.gov/watersense)*
- *Installing any type of water meter in previously unmetered areas if rate structures are based on metered use or includes backflow prevention devices if installed in conjunction with water meter.*
- *Replacing existing broken/malfunctioning water meters with Automatic Meter Reading systems (AMR), meters with built in leak detection, or backflow prevention devices if installed in conjunction with water meter replacement.*
- *Retrofitting/adding AMR capabilities or leak equipment to existing meters (not replacing the meter itself).*
- *Conducting water utility audits, leak detection studies, and water use efficiency baseline studies, which are reasonably expected to result in a capital project or in a reduction in demand to alleviate the need for additional capital investment.*
- *Developing conservation plans/programs reasonably expected to result in a water conserving capital project or in a reduction in demand to alleviate the need for additional capital investment.*
- *Recycling and water reuse projects that replace potable sources with non-potable sources such as gray water, condensate, and wastewater effluent reuse systems (where local codes allow the practice) and extra treatment costs and distribution pipes associated with water reuse.*
- *Retrofit or replacement of existing landscape irrigation systems to more efficient landscape irrigation systems, including moisture and rain sensing controllers.*
- *Projects that result from a water efficiency related assessments (such as water audits, leak detection studies, conservation plans, etc.) as long as the assessments adhered to the standard industry practices referenced above.*
- *Distribution system leak detection equipment, portable or permanent.*
- *Automatic flushing systems (portable or permanent).*
- *Pressure reducing valves (PRVs).*
- *Internal plant water reuse (such as backwash water recycling).*
- *Water meter replacement with traditional water meters**
- *Distribution pipe replacement or rehabilitation to reduce water loss and prevent water main breaks**
- *Storage tank replacement/rehabilitation to reduce water loss**
- *New water efficient landscape irrigation system (where there currently is not one).**

Projects That Do Not Meet the Definition of Water Efficiency:

- Covering open, finished water reservoirs

**Business case may be required – see EPA's DWSRF Green Project Reserve Example Business Cases*

C. Energy Efficiency

Energy efficiency is the use of improved technologies and practices to reduce the energy consumption of water projects, use energy in a more efficient way, and/or produce/utilize renewable energy.
Points Received: 15 each with no maximum

Examples:

- *Renewable energy projects, which are part of a public health project, such as wind, solar, geothermal, and micro-hydroelectric that provide power to a utility (http://www.epa.gov/cleanenergy). Micro-hydroelectric projects involve capturing the energy from pipe flow.*
- *Utility-owned renewable energy projects can be located on-site or off-site, includes the portion of a publicly owned renewable energy project that serves the utility's energy needs, and must feed into the grid that the utility draws from and/or there is a direct connection.*
- *Utility energy management planning, including energy assessments, energy audits, optimization studies, and sub-metering of individual processes to determine high energy use areas, which are reasonably expected to result in energy efficiency capital projects or in a reduction in demand to alleviate the need for additional capital investment.*
- *Energy efficient retrofits, upgrades, or new pumping systems and treatment processes (including variable frequency drives (VFDs)).**
- *Pump refurbishment to optimize pump efficiency (such as replacing or trimming impellers if pumps have too much capacity, replacing damaged or worn wearing rings/seals/bearings, etc.).**
- *Projects that result from an energy efficiency related assessments (such as energy audits, energy assessment studies, etc).**
- *Projects that cost effectively eliminate pumps or pumping stations. **
- *Projects that achieve the remaining increments of energy efficiency in a system that is already very efficient.**
- *Upgrade of lighting to energy efficient sources (such as metal halide pulse start technologies, compact fluorescent, light emitting diode, etc).**
- *Automated and remote control systems (SCADA) that achieve substantial energy savings (see AWWA M2 Instrumentation and Control).**

Projects That Do Not Meet the Definition of Energy Efficiency:

- Simply replacing a pump, or other piece of equipment, because it is at the end of its useful life, with something of average efficiency. (Note: replacing it with higher efficiency equipment requires a business case)
- Hydroelectric facilities, except micro-hydroelectric projects. Micro-hydroelectric projects involve capturing the energy from pipe flow.

**Business case may be required – see EPA's DWSRF Green Project Reserve Example Business Cases*

D. Environmentally Innovative

Environmentally innovative projects include those that demonstrate new and/or innovative approaches to delivering services or managing water resources in a more sustainable way.
Points Received: 10 each with a maximum of 50

Examples:

- *Total/integrated water resources management planning, or other planning framework where project life cycle costs (including infrastructure, energy consumption, and other operational costs) are minimized, which enables communities to adopt more efficient and cost-effective infrastructure solutions.*
- *Eligible source water protection planning, including periodic, updated, or more detailed source water delineation or assessment as part of a more comprehensive source water*

protection program; or source water monitoring (not compliance monitoring) and modeling as part of a more comprehensive source water protection program.

- *Planning activities by a utility to prepare for adaptation to the long-term effects of climate change and/or extreme weather.*
- *Utility Sustainability Plan consistent with EPA's SRF sustainability policy.*
- *Greenhouse gas (GHG) inventory or mitigation plan and submission of a GHG inventory to a registry (such as Climate Leaders or Climate Registry), as long as it is being done for a facility which is eligible for DWSRF assistance.*
- *Source Water Protection Implementation Projects such as voluntary, incentive based source water protection measures, where the state primacy agency has determined that the use of such measures will reduce or preclude the need for treatment.*
- *Construction of US Building Council LEED certified buildings, or renovation of an existing building, owned by the utility, which is part of an eligible DWSRF project. All building costs are eligible, not just stormwater, water efficiency and energy efficiency related costs. Costs are not limited to the incremental additional costs associated with LEED certified buildings. Any level of certification (Platinum, Gold, Silver, Certified) is eligible.*
- *Projects, or components of projects, that result from total/integrated water resources management planning (including climate change) that are DWSRF eligible.**
- *Projects that significantly reduce or eliminate the use of chemicals in water treatment.**
- *Treatment technologies or approaches that significantly reduce the volume of residuals, minimize the generation of residuals, or lower the amount of chemicals in the residuals.**
- *Trenchless or low impact construction technology.**
- *Using recycled materials or re-using materials on-site.**
- *Educational activities and demonstration projects for water or energy efficiency (such as rain gardens).**

**Business case may be required – see EPA's DWSRF Green Project Reserve Example Business Cases*

XIII. PROJECT READINESS

To be considered "project ready", the borrower must have completed a majority of the planning phase and be ready to bid the project. All three of the criteria under this category must be met in order to receive the full 30 points.

1. Borrower has submitted complete technical plans to the Division of Water; and,

2. Borrower has conducted a full environmental review for all components of the project or has completed the cross-cutter scoping process (including eClearinghouse, US Fish and Wildlife Service, National Resources Conservation Service, U. S. Fish and Wildlife, and U. S. Army Corps of Engineers); and,

3. Borrower has received funding commitments from other funding sources; or the DWSRF is the sole source of funding.

Points Received: 30

Note: A full environmental review does not have to be finalized, however, the cross-cutter scoping process must be complete. Plans do not have to be approved by the Division of Water, but they must have been submitted for review. Potential borrowers may be asked to provide proof to substantiate claims.

XIV. PROJECT READINESS – LEAD INVENTORY AND LEAD SERVICE LINE REPLACEMENT

Points can be applied if the following elements of a LSL inventory or replacement plan are submitted to the DOW or uploaded into the WRIS. Documents must be submitted to the Division of Water in order to receive points in this category.

A. Service Line Inventory

The following documents must be submitted to the DOW for proposed lead service line inventory projects:

1. A description of goals to be achieved and products to be created (e.g., electronic or GIS database; customer communication tools) when creating a lead service line inventory procedure, including a proposed timeline for achieving each goal.

Points Received: 50

B. Lead Service Line Replacement

The following documents must be submitted to the DOW for proposed lead service line replacement projects:

1. A strategy for informing customers before a LSLR and a template for an agreement with the private property owner to replace the LSL; and,

2. A process for documenting all property owners declining replacement of privately owned portion of LSL; and,

3. A procedure for customers to flush service lines and premise plumbing of particulate lead; and,

4. A proposed plan for conducting LSL replacement utilizing all requested funding; and,

5. A funding strategy for conducting LSLRs utilizing all requested funding.

Points Received: 50

Note: **Projects will *not be accepted* after the call for projects is closed.**

DWSRF Ranking Criteria

I	Regionalization	Possible Points
A	Elimination of a public water system (PWS) through a merger or acquisition (*Elimination of a PWSID)*	100
B	Elimination of a water treatment plant to address emerging contaminants	100
B	Elimination of a water treatment plant through an interconnection	50
C	Acquisition of a supplemental or emergency potable water supply	30
D	Replacement or supplemental raw water source	30

II	Public Health Criteria – Source Water	Possible Points
A	Development of a new source water or replacement of a source water to address emerging contaminants	100
B	Rehabilitation of a dam or reservoir	25

III	Public Health Criteria – Treatment	Possible Points
A	<u>Treatment Facilities</u> (i)(a) Construction of a new water treatment plant to preventatively address PFAS or other emerging contaminants (i)(b) Construction of a new water treatment plant to address current contamination by PFAS or other emerging contaminants (ii) Rehabilitation of the water treatment plant (iii) Redundant processes/emergency power generators (iv) Replacement of raw waterline	 75 100 30 10 10 (first 1000') +2 (per add'l 1000')
B	<u>Treatment –Public Health Risk</u> (i) Infrastructure options to meet Cryptosporidium removal/ inactivation requirements (ii) Modifications to meet CT inactivation requirement (iii) Modifications to address disinfection byproducts requirements (iv) Modifications to address VOC, IOC, SOC, radionuclide requirements (v) Modifications to address secondary contaminants (vi) Modifications to address PFAS or other emerging contaminants	 25 20 25 15 10 100

IV	Public Health Criteria – Distribution	Possible Points
A	<u>Hydraulics/Storage</u> (i) Replacement, cured-in-place, or in situ repair of inadequately sized waterlines, lines with leaks, breaks, or restrictive flows due to age, or lead or asbestos-cement pipe (ii) Water loss 16-30% 31-45% 46-60% >60% (iii) Rehabilitation of a water storage tank (iv) New water storage tank (v) New or rehabilitated pump station (not associated with a new tank) (vi) Locating, exercising, installing, and/or replacing various distribution system appurtenances	 10 (first 1000') +2 (per add'l 1000') 10 15 20 25 20 for each 10 for each 10 for each 15
B	<u>Finished Water Quality</u> (i) Infrastructure to address inadequate turnover and disinfection byproducts (ii) Redundant equipment/emergency power generators	 20 10
C	<u>Extension of Service</u> Waterline extensions to serve existing households with inadequate domestic water supplies such as contaminated wells or cisterns (Up to 10 existing homes)	2 per household (first 10) +2 (per add'l 10)

V	Service Line Inventory	Possible Points
A	Records review; Developing processes to inventory service line materials during day to day operations and maintenance; Establishing clear and effective methods to engage with customers; Creating digital/electronic service line inventory documentation procedures; Creating GIS methods and procedures for documenting service line materials; Developing water quality sampling procedures (non-compliance purposes); Incorporating vacuum or hydro-excavation procedures and capabilities; Statistical analysis*; and, Creating or instituting emerging technologies and methods.	220
B	Pitcher Filters and Point-of-Use Devices	10

VI	Replacement of Lead Service Line and Lead Components	Possible Points
A	Lead Service Lines and/or Lead Components 1. 1 up to 100 line replacements and/or lead components 2. 101 to 500 line replacements and/or lead components 3. Greater than 500 line replacements and/or lead components	 200 210 220

VII	Security	Possible Points
A	Measures taken at the water treatment plant facilities or within the distribution system	5

VIII	Compliance and Enforcement	Possible Points
A	Entities with executed Orders (*Project must address the terms of the Order*)	50
B	System has not received any Notices of Violation within the previous state fiscal year (July – June)	25

IX	Lead Compliance	Possible Points
A	Lead Action Level Exceedance	50
B	Lead Trigger Level Exceedance	25

X	Disadvantaged Community Financial Need	Possible Points
A	Borrowers with a median household income (MHI) below 80 percent of the Commonwealth's MHI as determined by the current American Community Survey (ACS) 5-Year Estimate	50
B	Borrowers with a MHI between 80 and 100 percent of the Commonwealth's MHI as determined by the current ACS 5-Year Estimate	30

XI	Planning	Possible Points
A	Asset Inventory	20
	Strategic Plan	20
	Capital Improvement Plan	20
B	System's monthly wastewater bill, based on 4,000 gallons, as a percentage of Median Household Income is:	
	Greater than or equal to 2.0%	10
	Between 1 and 1.99%	5
	Below 1%	0
C	System has specifically allocated funds for the rehabilitation and replacement of aging and deteriorating infrastructure	25

XII	Sustainable Infrastructure	Possible Points
A	Green Infrastructure: Green stormwater infrastructure includes a wide array of practices at multiple scales that manage wet weather and that maintains and restores natural hydrology by infiltrating, evapotranspiring and harvesting and using stormwater. On a regional scale, green infrastructure is the preservation and restoration of natural landscape features, such as forests, floodplains, and wetlands, coupled with policies such as infill and redevelopment that reduce overall imperviousness in a watershed. On the local scale, green infrastructure consists of site- and neighborhood-specific practices, such as: • Bioretention • Green streets • Green roofs • Permeable pavement • Cisterns	10 each (50 max)
B	Water Efficiency: The use of improved technologies and practices to deliver equal or better services with less water. Water efficiency encompasses conservation and reuse efforts, as well as water loss reduction and prevention, to protect water resources for the future. Examples include: • Installing or retrofitting water efficient devices such as plumbing fixtures and appliances (toilets, showerheads, urinals) • Installing any type of water meter in previously unmetered areas (can include backflow prevention if in conjunction with meter replacement) • Replacing existing broken/malfunctioning water meters with AMR or smart meters, meters with leak detection, backflow prevention • Retrofitting/adding AMR capabilities or leak equipment to existing meters • Conducting water utility audits, leak detection studies, and water use efficiency baseline studies, which are reasonably expected to result in a capital project or in a reduction in demand to alleviate the need for additional capital investment • Developing conservation plans/programs reasonable expected to result in a water conserving capital project or in a reduction in demand to alleviate the need for capital investment • Recycling and water reuse projects that replace potable sources with non-potable sources (Gray water, condensate, and wastewater effluent reuse systems, extra treatment or distribution costs associated with water reuse) • Retrofit or replacement of existing landscape irrigation systems to more efficient landscape irrigation systems • Water meter replacement with traditional water meters * • Distribution pipe replacement or rehabilitation to reduce water loss and prevent water main breaks* • Storage tank replacement/rehabilitation to reduce water loss* • New water efficient landscape irrigation system, where there currently is not one*	15 each (no max)
C	Energy Efficiency: Energy efficiency is the use of improved technologies and practices to reduce the energy consumption of water projects, use energy in a more efficient way, and/or produce/utilize renewable energy. Examples include: • Renewable energy projects, which are part of a public health project, such as wind, solar, geothermal, and micro-hydroelectric that provides power to a utility • Utility-owned or publically-owned renewable energy projects • Utility energy management planning, including energy assessments, energy audits, optimization studies, and sub-metering of individual processes to determine high energy use areas • Energy efficient retrofits, upgrades, or new pumping systems and treatment processes (including variable frequency drives (VFDs)* • Pump refurbishment to optimize pump efficiency* • Projects that result from an energy efficient related assessment* • Projects that cost effectively eliminate pumps or pumping stations* • Projects that achieve the remaining increments of energy efficiency in a system that is already very efficient* • Upgrade of lighting to energy efficient sources* • Automated and remote control systems (SCADA) that achieve substantial energy savings*	15 each (no max)

D	Environmentally Innovative: Environmentally innovative projects include those that demonstrate new and/or innovative approaches to delivering services or managing water resources in a more sustainable way. Examples include: • Total integrated water resources management planning, or other planning framework where project life cycle costs are minimized, which enables communities to adopt more efficient and cost-effective infrastructure solutions • Plans to improve water quantity and quality associated with water system technical, financial, and managerial capacity • Source water protection planning (delineation, monitoring, modeling) • Planning activities to prepare for adaptation to the long-term effects of climate change and/or extreme weather • Utility sustainability plan consistent with EPA's sustainability policy • Greenhouse gas inventory or mitigation plan and submission of a GHG inventory to a registry as long as it is being done for an SRF eligible facility • Construction of US Building Council LEED certified buildings, or renovation of an existing building • Projects that significantly reduce or eliminate the use of chemicals in water treatment* • Treatment technologies or approaches that significantly reduce the volume of residuals, minimize the generation of residuals, or lower the amount of chemicals in the residuals* • Trenchless or low impact construction technology* • Using recycled materials or re-using materials on-site* • Educational activities and demonstration projects for water or energy efficiency (such as rain gardens)* • Projects that achieve the goals/objectives of utility asset management plans*	10 each (50 max)

**Business case may be required – see EPA's DWSRF Green Project Reserve Example Business Cases*

XIII	Project Readiness	Possible Points
	A. Borrower has submitted complete technical plans and specifications to the Division of Water; and B. Borrower has conducted a full environmental review for all components of the project or has completed the cross-cutter scoping process (including eClearinghouse, USFWS, NRCS, and USACE); and C. Borrower has received funding commitments from other funding sources, or the DWSRF is the sole source of funding.	30

XIV	Project Readiness	Possible Points
A	Lead Service Line Inventory 1. A description of goals to be achieved and products to be created (e.g., electronic or GIS database; customer communication tools) when creating a lead service line inventory procedure, including a proposed timeline fo achieving each goal.	50
B	Lead Service Line Replacement 1. A strategy for informing customers before a LSLR and a template for an agreement with the private property owner to replace the LSL; and, 2. A process for documenting all property owners declining replacement of privately owned portion of LSL; and, 3. A procedure for customers to flush service lines and premise plumbing of particulate lead; and, 4. A proposed plan for conducting LSL replacement utilizing all requested funding; and, 5. A funding strategy for conducting LSLRs utilizing all requested funding.	50

APPENDIX C

SET-ASIDE WORK PLANS

KENTUCKY DIVISION OF WATER

2023 BASE WORKPLANS

	%	FFY 2023	Expended by:
Grant Amount $:		**$ 6,012,000**	
DWSRF Program Admin(4% max available)		**$ 240,480**	
DOW (max 3%)	**3**	**$ 180,360**	**October 2023**
KIA (1%)	**1**	**$ 60,120**	
Subtotal Amount:		**$ 180,360**	
State Program Mgt. (10% max available)		**$ 601,200**	
Supplement PWSS Program	**10**	**$ 601,200**	
DOW Personnel		**$ 576,200**	**August 2023**
Contractual		**$ 25,000**	
Subtotal Amount:		**$ 601,200**	
Small Systems Tech. Assist (2% max)		**$ 120,240**	
DOW Personnel	**2**	**$ 120,240**	**August 2023**
Subtotal Amount:		**$ 120,240**	
State/Local Assist (up to 15%-10% max):		**$ 901,800**	
Capacity Development - TMF Assistance	**10**	**$ 601,200**	
DOW Personnel		**$ 58,200**	**August 2023**
Travel		**$ 0**	
Contracts		**$ 246,000**	
Dev/Implement Operator Cert Program		**$ 297,000**	**September 2024**
Source Water Assessment Program	**4**	**$ 240,480**	**September 2024**
DOW Personnel		**$ 240,480**	
Contracts		**$ 0**	
Wellhead Protection Program	**1**	**$ 60,120**	**July 2024**
DOW Personnel		**$ 60,120**	
Equipment		**$ -**	
Travel		**$ -**	
Contracts		**$ -**	
Subtotal Amount:		**$ 901,800**	
Total Grant Set-Asides:	**31**	**$ 1,863,720**	
Total DOW Set Aside Amount:	30	$ 1,803,600	
Total KIA Set Aside Amount	1	$ 60,120	

Supplement to the Public Water System Supervision Program
State Program Management

Introduction

Kentucky's Public Water System Supervision Program (PWSS) conducts compliance determination and evaluation of public water systems, review of plans and specifications for public water system treatment and distribution facilities, and technical assistance.

The major activities projected for the PWSS program include the compliance activities associated with all current Safe Drinking Water Act (SDWA) regulations. The implementation of the SDWA, along with special primacy requirements, continues to impact Kentucky's staffing resources.

The Division of Water (DOW) will use the PWSS Supplement funds to provide additional resources for:

- Primacy package and state regulation development;
- Compliance determination and evaluation of public water systems;
- Sanitary surveys and inspections;
- Safe Drinking Water Information System (SDWIS) impacts;
- Drinking water data management issues;
- Drinking water laboratory certification;
- Review of plans and specifications for public water system treatment and distribution facilities, including water availability;
- Technical, managerial, and financial assistance to all public water systems as needed;
- Training for the drinking water industry upon request; and
- Planning and coordination of various DOW programs related to the SDWA.

Compliance Activities

The SDWA regulations require continued monitoring, evaluation, and reporting by both the public water systems and the primacy agency. Kentucky public water systems have the option of electronic submittal via an "eForm" on the Kentucky Online Gateway. All compliance documentation can be submitted in this manner and paper mail has been reduced by approximately 90% with the May 2020 implementation of the eForm. Approximately 85% of laboratory data is submitted in an electronic file, the remaining 15% is hand entered. Monthly Operating Reports (MOR) require 100% of data to be hand entered. The Energy and Environment Cabinet (EEC) maintains "data entry screens" which create files to interface with SDWIS for upload rather than

direct data entry into SDWIS. These screens are currently in the process of an update, the new system is called the Data Entry SDWIS Interface (DESI). Concurrently, EEC is in the process of implementing an Exchange Network grant in order to collect and store MOR data electronically. The cabinet maintains a separate application (TEMPO), efforts are currently being made to ensure the continuity of data between the two applications. Additionally, the Division of Water continues to improve data quality through review and update of existing data in SDWIS.

The Division expends resources to participate as a stakeholder in the EPA led SDWIS Modernization efforts and this effort is expected to continue for the next few years. Additionally, SDWIS updates are expected with the implementation of the Lead and Copper Rule Revisions and associated new data submittal requirements. Data management is a significant portion of the primacy agency's responsibilities.

The Division continues to implement the UPSEPA Enforcement Referral Policy (ERP). Systems identified by the Enforcement Tracking Tool (ETT) are referred through the Cabinet's Division of Compliance Assistance and Enforcement and the Division reports quarterly. The DOW is also responsible for the Drinking Water Laboratory Certification program, conducting chemistry, microbiology, and Cryptosporidium audits, and program coordination.

State Program Management funds will be used to continue refinement of the sanitary survey process and further development of such initiatives as water audits and drinking water sanctions, in coordination with the Drinking Water Branch, Field Operations Branch, Drinking Water Capacity Development Program.

Plans, Specifications and Water Quantity Review Activities

The DOW reviews plans and specifications for drinking water treatment and distribution facilities for compliance with federal and state drinking water standards. The technical review process is one of continuous improvement and is modified and enhanced as necessary to implement new strategies and initiatives. Activities to be conducted include:

- Review and approval of drinking water plans and specifications to maintain/obtain compliance with the SDWA,
- Water availability assessments in conjunction with the Watershed Management program,
- On-site construction inspections of infrastructure projects funded by the Drinking Water State Revolving Funds, and
- Development of standard operating procedures for the program.

Technical Assistance Program Activities

Technical Assistance staff approve all chemical changes, source water changes, alternate staffing plans, Optimal Corrosion Control Treatment assistance, and LT2 toolbox assistance including

ultra-violet treatment processes for public water systems, participate in sanitary surveys and limited emergency response.

The Drinking Water program participates in the Area-Wide Optimization Program (AWOP) with the USEPA. The program strives to optimize the treatment, maintenance, administration, and design of drinking water treatment plants. The initiative includes:

- Developing evaluation processes to insure the best possible water quality is provided to all customers by each water system;
- Providing technical assistance to surface water systems to enable them to meet, not only the regulatory turbidity and Disinfection Byproduct levels, but also the more stringent goals of the AWOP; and
- Preparing to implement Membrane treatment goals in the AWOP Program.

In addition, the Technical Assistance program continues to train DOW's staff in the goals, objectives, and technical aspects of water treatment plant and distribution system optimization. Based upon the same performance criteria, all surface water treatment systems are evaluated by a self-evaluation program, by DOW's personnel on-site.

Planning and Coordination Activities

The development of partnerships among various state programs is necessary to efficiently and effectively implement the SDWA. Kentucky's diverse programs for drinking water, groundwater, water quantity, water quality, enforcement, watershed, operator certification, and various other programs are required to coordinate their activities and products to support and enhance each other with the common goal of sufficient quantity and quality of potable water for all the citizens of the Commonwealth of Kentucky. Interagency coordination occurs with other state agencies including the Kentucky Infrastructure Authority, Public Service Commission, Division of Plumbing, and Division of Public Health and Safety as well as technical assistance providers and professional organizations.

Milestones

Surface water systems evaluated for optimization annually	Ongoing
Meet conditions of the USEPA Region 4 work plans allowing Kentucky to retain primacy for SDWA regulatory authority	Ongoing
Administer the Laboratory Certification Program	Ongoing
Develop and implement a plan to modernize drinking water data management. Evaluate the impact and utility of implementing SDWIS modernization updates	Ongoing
Incorporate the Enforcement Referral Policy/Targeting Tool into capacity development and technical assistance activities	Ongoing
Evaluate/modify the Capacity Development Program to improve effectiveness and efficiency in the provision of TMF assistance	Ongoing

Deliverables

Compliance monitoring, evaluation, and reporting for SDWA standards with inclusion in State regulations	Ongoing
Plans and specifications review and approval based on SDWA, Ten States Standards, approved technologies, and standard operational procedures	Ongoing
Water availability assessments	Ongoing
Maintain latest version of the SDWIS database while evaluating SDWIS Modernization efforts.	Ongoing
Surface and groundwater treatment plant evaluations for optimizing treatment processes	Ongoing
Updating Standard Operating Procedures for the planning and coordination of Division of Water programs to effectively and efficiently implement the SDWA requirements	Ongoing
Training to all interested drinking water industry stakeholders regarding new rules, implementation issues, and other miscellaneous professional updates	Ongoing
Coordination with state agencies and external partners to resolve drinking water issues of common concerns	Ongoing
Oversee the Laboratory Certification Program	Ongoing

Budget

The following funds were set-aside in the 2023 DWSRF Capitalization Grants to supplement the Public Water System Supervision Program under State Program Management.

Category:	**Amount:**
Personnel	$ 465,973
Contractual	$ 25,000
Total Direct Charges	**$ 626,200**
Indirect Charges (47.93%)	$ 110,227
Total	**$ 601,200**

Outlay Strategy:

Personnel:
$465,973: The average monthly payroll for employees working on this initiative is $262,000 per month. These funds are projected to be expended July 2022 through August 2023.

Contractual:
$25,000: Provides funding for the state microbiology primacy lab, Kentucky Department for Public Health, for emergency analysis.

Small System Technical Assistance Funds

Introduction

The Safe Drinking Water Act (SDWA) regulations continue to affect small systems serving less than 10,000 in population. New SDWA regulations including the Lead and Copper Revised Rule (LCRR) implementation, require inventory and lead service line replacement planning, new sample site plan requirements, sampling requirements, and increased reporting requirements. Previously, the Surface Water Treatment Rules and Disinfection Byproduct Rules lowered the Maximum Contaminant Levels (MCL) for total trihalomethanes, added new MCLs for haloacetic acids, chlorite and bromate, added Maximum Residual Disinfectant Limits (MRDL) for free chlorine, total chlorine and chlorine dioxide, lowered the Treatment Technique (TT) limits for turbidity and added individual filter effluent monitoring requirements. The Groundwater Rule had an impact on Kentucky's small drinking water systems as the majority of the very small systems with treatment plants use groundwater sources. The Revised Total Coliform Rule (RTCR) also affects small systems as a result of the tiered assessment process.

All water systems in Kentucky are impacted by the LCRR and will be impacted by upcoming LCRI and PFAS regulations. DOW drinking water technical assistance (TA) staff are tasked with ensuring Optimal Corrosion Control Treatment (OCCT) to all small public water systems. TA staff will also review OCCT as an additional part of the sanitary survey process as well as providing small system training for sampling techniques and compliance with all three regulations.

Historically, Kentucky has approximately 306 Public Water Systems impacted by the Surface Water Treatment rules. There are 143 providers (two of which are ground water under direct influence of surface water), and 163 purchasers. There are also 129 groundwater systems (108 providers and 21 purchasers) that must comply with the Groundwater Rule. This has resulted in a total of 184 purchasing systems that must comply with the Disinfection Byproduct regulations, sanitary survey requirements, with limited options for resolving distribution issues. In addition, the Revised Total Coliform Rule also applies to all small water systems. The set-aside funding under this category will be used to provide compliance/based assistance by DOW staff to small systems throughout the state.

Milestones

Utilize the Enforcement Targeting Tool (ETT) to prioritize technical assistance activities.	Ongoing
Provide training and guidance on disinfection by-products (DBP), turbidity, and the RTCR through one-on-one utility and group presentations.	Ongoing
Conduct on-site water plant and distribution evaluations for DBP, turbidity, and RTCR compliance and optimization.	Ongoing
Involve small water systems in the Area-Wide Optimization Program (AWOP) efforts toward turbidity optimization through Comprehensive Performance Evaluations (CPE).	Ongoing

Involve small water systems in the AWOP efforts toward turbidity optimization through Performance Based Training (PBT).	Ongoing
Involve small systems in the AWOP efforts towards disinfection by-product optimization.	Ongoing
Provide training to the DOW staff on treatment, regulations, and inspections.	Ongoing

Deliverables

Training and guidance for disinfection by-products (DBP) and turbidity	Ongoing
On-site water plant evaluations for DBPs and turbidity	Ongoing
Conduct 1 microbial/turbidity CPE per year if necessary	Ongoing
Performance Based Training (PBT) through the Area-Wide Optimization Program (AWOP) for microbial/turbidity	Ongoing
Performance Based Training (PBT) through the Area-Wide Optimization Program (AWOP) for DBPs	Ongoing
Conduct 1 DBP/CPE evaluation for small water system if necessary	Ongoing
Attend AWOP training and/or workshops	When Available

Budget

The following funds were set aside in the 2023 DWSRF Capitalization Grant in support of the Small System Technical Assistance Program.

Category:	**Amount:**
Personnel	$ 97,238
Total Direct Charges	**$ 97,238**
Indirect Charges (47.93%)	$ 23,002
Total	**$ 120,240**

Outlay Strategy:

Personnel:
$97,238: The average monthly payroll for employees working on this initiative is $77,000 per month. These funds are projected to be expended July 2022 through August 2023.

Capacity Development Program

Introduction

The Capacity Development Program is an initiative of the 1996 Amendments to the Safe Drinking Water Act (SDWA) that encompasses the technical, managerial, and financial (TMF) aspects of public water system (PWS) operation. The U.S. Congress recognized treatment and distribution of water for human consumption is an increasingly complex and expensive undertaking. Many PWSs do not have adequate TMF resources to continue to comply with requirements of the SDWA. Kentucky's Capacity Development Strategy is designed as a planning tool to identify PWSs with TMF related problems, address deficiencies, and determine how the drinking water needs of those systems' customers can best be met.

Review of Capacity Development Strategy

Kentucky's Capacity Development Strategy was approved by USEPA in 2022. The major objectives addressed by the strategy are:

- Prioritize systems most in need of improving capacity;
- Identify the factors that encourage or impair the capacity of water systems;
- Use the authority and resources of the SDWA to enhance technical, managerial, and financial capacity;
- Establish a baseline and measure the capacity improvements of systems in the state;
- Involve stakeholders in Kentucky's efforts to improve drinking water system capacity; and
- Evaluate PWS asset management planning and encourage development of asset management plans through technical assistance and training appropriate personnel.

Milestones and Deliverables

Submit annual Capacity Development Report to USEPA Region 4	Annually
Continue to conduct TMF evaluation of PWSs through the Sanitary Survey process	Ongoing
Develop guidance documents and tools to assist small public water systems in maintaining TMF capacity	Ongoing
Continue the review of the Sanitary Survey process; revise as necessary to improve effectiveness and efficiency	Ongoing
Review and revise the DOW Capacity Development Strategy with submittal to USEPA EPA Region 4	Completed
Update and develop the Sanitary Survey form with the capability for data extraction	Ongoing

Capacity Development Program Activities

The drinking water sanitary survey and assistance activities continue to be a prime focus of the Capacity Development Program. Division personnel have developed a variety of guidance materials to assist PWSs in efforts to improve capacity.

Capacity Development and GIS and Data Analysis (GDA) personnel in the Division have completed transferring the managerial and financial assessment document of the drinking water sanitary survey from a Microsoft Word document to a Survey 123 application and completed initial testing of the program. The app enhances the Division's ability to collect, extract, and analyze data from the sanitary survey more efficiently, improves internal process controls, and strengthens our ability to provide targeted assistance to water systems. The application will be stored on the new kygisportal, keeping the data in-house, instead of in the cloud. Further developments include: Integrating the Survey 123 app with the Collector app which will allow pre-population of identifying information. A database will be developed on the new kygisportal server to more efficiently store and extract data for reports and analysis.

Kentucky's Drinking Water Capacity Developed Strategy has been approved by EPA Region 4 and is being implemented to assistance public water systems to evaluate and improve their technical, managerial, and financial capability to consistently produce safe, reliable, and affordable drinking water. Integration of the sanitary survey with the Survey 123 application will help the Division to more efficiently target assistance to water system

Budget

The following funds were set aside in the 2023 DWSRF Capitalization Grant in support of Capacity Development efforts.

Category:	**Amount:**
Personnel	$ 47,067
Operator Certification*	$297,000
Contractual	$246,000
Total Direct Charges	**$830,251**
Indirect Charges (47.93%)	$ 11,133
Total	**$601,200**

*See Operator Certification workplan for details

Outlay Strategy:

Personnel:
$47,067: The average monthly payroll for employees working on this initiative is $50,000 per month. These funds are projected to be expended by the end of August 2023.

Operator Certification Program

Introduction

The Operator Certification Program was developed and implemented in accordance with KRS223.160 through 223.220. KRS 224.10-110 directs the Cabinet to enforce administrative regulations adopted by the Secretary for the regulation and control of the purification of water for public and semipublic use and for the certification of water plant operators. The USEPA approved the state's program in February of 2001.

There are 433 public water systems in Kentucky. The public water systems are classified into a primary series of I, II, III, and IV according to design capacity of the treatment plant and into a secondary series of A and B based on the type of filtration used in the treatment process. A primary series of I, II, III, and IV is also used for classification of the distribution portion of the system and is based on the number of people served. All public water systems must be operated with a minimal number of state certified operators in direct responsible charge. Such individuals must possess a current drinking water treatment, distribution, and/or bottled water certification for the classification level of the system under their charge, or possess one of a higher level in the appropriate series. Operators acquire these certifications by demonstrating fulfillment of specific minimum education and experience requirements and by passing a state administered examination. Once acquired, certifications must be renewed every two years. In order to renew these certificates, a specified number of continuing education hours must be completed by the certified operator.

The Division of Enforcement and Compliance Assistance (DENF) will use these funds to fund a portion of the costs to administer the drinking water operator certification program in the DENF. These moneys will fund administrative and technical staff within DENF, who will provide drinking water certification related services to operators of these public water systems.

Operator Certification Program Activities

The Operator Certification Program staff processes all applications and other forms related to registration of drinking water operators for certification exams and for renewal of previously earned certifications. They develop exams for each classification, administer the exams around the state, score the exams, and issue the certificates and/or letters with the results of the test. Classroom instruction is provided around the state to aid operators in preparation for exams and to help them acquire continued education credits necessary for certification renewal. Records are maintained on each operator. Certification efforts are designed to help protect public safety and health.

Deliverables

Review and process operator applications for certification testing.	On-going
Develop new questions for the exam question banks	On-going

Track operator training hours for continuing education credit toward certificate renewal	On-going
Update operator information in the department's database.	On-going
Produce and distribute operator certificates and wallet cards.	On-going
Provide certification training and administer certification exams.	On-going
Develop training materials and/or update existing materials.	On-going
Provide administrative support to the Kentucky Board of Certification of Water Treatment and Distribution System Operators	Monthly
Update existing certification exams as needed.	Annually
Develop new certification exams as needed.	Annually
Develop a testing and training schedule for operators.	Annually

Source Water Assessment Program

Introduction

Kentucky has approximately 442 public water systems with 141 served by groundwater sources and 304 by surface water sources. Wellhead assessments are developed using a community-based planning team attached to the public water system. Surface water source water assessments are developed by regional planning agencies) with oversight by planning councils that include county, city, and water system representatives.

Source Water Assessment Activities

Integral to source water protection is the knowledge of stream flow. Knowledge of flow, both current and historical, provides the necessary information for permitted withdrawals and projecting future availability. The network also provides flow data that can be used for water withdrawals, TMDLs, waste load allocations, drought and flood mitigation and other source water protection activities. The United States Geological Survey (USGS) maintains flow gages on the major rivers and lakes in Kentucky but the DOW is better positioned to identify and support in needed locations.

Milestones

- Physical site location and construction of gaging platform;
- Installation of equipment;
- Development of gage rating curves; and
- Full on-line service.

Deliverables

Implementation of routine stream gage operations and maintenance (such as rating curve calibrations and equipment and satellite uplink)	Ongoing
Stream flow data and associated products available on the USGS website.	Ongoing

Budget

The 2022 Source Water Assessment Program funds were set-aside from the State and Local Assistance Program.

Category:	**Amount:**
Personnel	$194,477
Total Direct Charges	**$194,477**
Indirect Charges (47.93%)	$ 46,003
Total	**$240,480**

Outlay Strategy

Personnel:
$194,477: The average monthly payroll for employees working on this initiative is $14,000 per month. These funds are projected to be expended July 2023 through September 2024.

Wellhead Protection Program

Introduction

The Division of Water (DOW) implemented the Wellhead Protection (WHP) program in 1993 after its approval by the U.S. Environmental Protection Agency (USEPA). This program is administered through Kentucky's water supply planning regulations (401 KAR 4:220). The Kentucky WHP program provides protection and planning assistance to communities reliant on groundwater sources for their drinking water. The Division's Watershed Management Branch is responsible for providing technical assistance for WHP development and implementation, education and outreach, public meeting facilitation, and reviewing and approving plans throughout the state.

There are currently 119 groundwater source-based Public Water Systems (PWSs) in Kentucky that are required to have a WHP plan. These WHP plans are required to be completed by PWSs in addition to community public notification and meetings, with assistance from the Division, local and regional planning agencies (e.g. Area Development Districts), and the Kentucky Rural Water Association (KRWA).

The DOW will provide technical assistance, programmatic guidance, standardized templates, and data and information management assistance to communities developing WHP plans. The DOW will assist in development and review of each WHP plan for the submittal and approval process.

Wellhead Protection Program Activities

The Kentucky WHP program intends to complete Phase I & II WHP plans for all new PWSs using groundwater, and to complete WHP plan updates for all PWSs scheduled on a 5-year basis. The Kentucky WHP program will assist PWSs in completing required 5-year updates to the WHP plans, with an emphasis on developing and implementing management and protection strategies within the WHP areas. In addition, groundwater under the direct influence (GUDI) determinations will be conducted and/or reviewed.

The Division provides technical and programmatic assistance to communities, PWSs, planning agencies, watershed groups, or other agencies involved in developing WHP plans. This assistance includes: providing guidance, coordination, and consultation to communities, PWSs, and local and regional planners; delineating WHP areas; conducting limited monitoring of groundwater sources; sponsoring technical workshops for wellhead protection; and providing maps and brochures, technical documents, education and outreach materials, and data to be included in WHP plans. The Division reviews all compliance schedules on an annual basis and WHP plans submitted for approval.

The Division will provide technical assistance and programmatic guidance to PWSs conducting WHP planning and protection, including updating the plan to incorporate changes in delineations, updating contaminant source inventories, and updating the susceptibility analysis. The Division

will focus on the development and implementation of management and protection strategies in the 5-year updates.

Delineations of WHP areas and Contaminant Source Inventories for all WHP areas in Kentucky are developed and maintained in GIS format to be available for internal and external users.

Public meetings and public notifications are a required element of each WHP plan. Technical and programmatic assistance will be provided by the DOW at public meetings as requested by local communities, PWSs, and planning agencies etc. Programmatic focus will be on the completion of all 5-year updates that will be due in 2023, as well as placement of Water Supply Protection Area signs in key areas around WHP areas if funding is available.

Activities

- Develop, maintain, and coordinate compliance schedules for WHP deadlines and processing in the Department's CGI TEMPO system, and
- Develop or update WHP plans with new or existing groundwater based PWSs per the compliance schedule
- Work with communities to develop and implement management strategies for the WHP area
- Work with KRWA, Source Water Protection Specialist to coordinate WHP activities and align these activities with the programmatic goals
- Coordinate and review wellhead plans submitted by KRWA
- Coordinate, assist, and review sampling, fieldwork, modeling, or analyses to assist PWSs with problems and issues related to groundwater quality and quantity
- Develop and maintain GIS delineated WHP areas
- Develop and maintain Contaminant Source Inventories (CSI) coverage for WHP areas in a GIS format to be used in education and planning processes
- Work with the Groundwater Protection Plan (GPP) program to prioritize or verify facilities or locations with the WHP that may be required to have a GPP
- Work with the Water Withdrawal Program to ensure all permits authorize active source locations and rates
- Work with PWSs and the DOW's Drinking Water Branch to determine GUDI status on systems using groundwater, as necessary
- Work with the DOW's Water Infrastructure Branch to ensure authorizations for PWSs infrastructure requirements

- Assist with sampling and analyses required for the Kentucky Groundwater Monitoring Network
- Assist with compliance reviews of Consumer Confidence Reports (CCRs)
- Report to USEPA on WHP activities
- Conduct public education and outreach, and training activities regarding groundwater protection and WHP through digital, virtual, print, and face-to-face platforms
- Participate in local, regional, and national trainings, webinars, and conferences regarding wellhead protection and source water protection

Deliverables

- All groundwater based PWSs will have an approved or required WHP plan.
- The DOW will provide technical assistance, programmatic guidance and standardized templates, and data and information management assistance to communities developing WHP plans.
- The DOW will assist in development and review of each WHP plan for the submittal and approval process.
- Delineations of WHP areas and Contaminant Source Inventories for all WHP areas in Kentucky are developed and maintained in GIS format to be available for internal and external use on digital and print platforms.

Budget
The following funds are set-aside in the 2023 DWSRF Capitalization Grant in support of the Wellhead Protection Program.

Category:	**Amount:**
Personnel	$48,619
Total Direct Charges	**$48,619**
Indirect Charges (47.93%)	$11,501
Total	**$60,120**

Outlay Strategy

Personnel:
$48,619: The average monthly payroll for employees working on this initiative is $25,000 per month. These funds are projected to be expended June 2024 through July 2024.

KENTUCKY DIVISION OF WATER

2023 BIL WORKPLANS

DWSRF Supplemental

Introduction

The inclusion of supplemental funding in the Bipartisan Infrastructure Law (BIL) provides additional opportunities for states to address a wide variety of local water quality and public health challenges, and allows states a great deal of flexibility in program administration. The BIL includes provisions to ensure that disadvantaged communities fully benefit from these historic investments in the water sector. The Division of Water will work to assist disadvantaged communities by building tools and providing technical assistance across the Commonwealth. Supplemental funding allows DOW to assist disadvantaged communities to build needed technical, managerial, and financial capacity as they develop projects, apply for funding, design and implement projects, and create training and career pathways.

Often, small and disadvantaged communities across the Commonwealth lack the capacity to leverage DWSRF resources into their systems because they have not completed a financial audit, which provides a barrier to participation in the SRF program. DOW will utilize these supplemental funds to provide assistance to public water systems to assess and perform financial audits for participation in the SRF program.

The Kentucky Water Resource Information System (WRIS) is the result of cooperative efforts from water and wastewater treatment systems and local, regional, and state agencies. The WRIS provides much of the information needed for all aspects of water resource planning – from watershed protection to infrastructure development – and is used for SRF project submission and ranking in Kentucky. The WRIS includes a geographic information system (GIS) component that communicates information on water resources, drinking water systems, wastewater treatment systems, project development, emergency response, regulations, and planning.

The WRIS is comprised of strategic plans, water resource maps and publications, systems management information, reporting and regulatory requirements, guidance and training documents, procedural guidance and forms for project implementation and funding, and internet links to support services. Interactive maps in the system support planning and regionalization efforts. The interactive maps also facilitate drought monitoring and response, and rapid response to contamination emergencies. The GIS data includes water and wastewater treatment facilities, main water lines, water sources, storage facilities, sewer lines, and a database of non-spatial systems information. These are the fundamental data needed for planning and emergency response activities and can be utilized in computer models to allow for cost-effective engineering alternatives analyses, and they facilitate the implementation Kentucky's infrastructure development.

The DOW will utilize DWSRF supplemental funds to collaborate with partners to enhance the WRIS to meet current needs of public water systems, with a specific emphasis on small, disadvantaged communities and systems. These tools will provide additional benefit to disadvantaged communities by allowing improved public access to planning and technical

information – helping to break down institutional barriers that may otherwise preclude these communities from equal access to CWA programs. Funds will also be used to assist local utilities in protection of Source Water through the Source Water Protection Assistance Program.

Activities

- Administer all SDWA programs within the Commonwealth
- Increase capacity of programs to facilitate the implementation of primacy for new rules.
- Provide technical and compliance assistance
- Provide assistance to small, disadvantaged systems on Financial Audits
- Finalize and implement agency Capacity Development Strategy
- Refine and improve electronic tools, including the WRIS and other GIS, with a focus on usability by disadvantaged communities
- Assist systems (focusing on disadvantaged) with development of sustainable fiscal management systems so they are capable of maintaining the technical, managerial, and financial capacity to consistently provide safe drinking water to the public.
- Administer an program to offer financial assistance with Source Water Protection within the Commonwealth

Deliverables

- Improvements in administration of all SDWA programs within Commonwealth
- Internal and external coordination of diverse programs for drinking water, groundwater, water quantity, water quality, enforcement, watershed, operator certification, and related program activities and products to support and enhance each other with the common goal of sufficient quantity, quality, and access to potable water for all the citizens of the Commonwealth
- Continued training for DOW staff in goals, objectives, and technical aspects of water treatment plant and distribution system optimization. DOW staff approve all chemical changes, source water changes, alternate staffing plans, and ultra-violet treatment processes for public water systems; and complete sanitary surveys and limited emergency response.
- Refine and improve the WRIS, electronic sanitary survey process, financial audits, and increased ability of small and disadvantaged systems to use electronic systems and GIS for managing activities such as capacity development
- Finalize and implement agency Capacity Development Strategy
- Assist systems (focusing on disadvantaged) with development of sustainable fiscal management systems to ensure adequate capacity is maintained toso they are capable of maintaining the technical, managerial, and financial capacity to consistently support technical, managerial, and financial activities that supportprovide safe drinking water to the public.

- Implement the Source Water Protection Assistance Program to address source water needs throughout the Commonwealth

Budget

	%	FFY 2023
Grant Amount $:		**$ 25,633,000**
DWSRF Program Admin(4% max available)		**$ 1,025,320**
DOW (max 3%)	**3**	**$ 768,990**
KIA (1%)	**1**	**$ 256,330**
Subtotal Amount:		**$ 768,990**
State Program Mgt. (10% max available)		**$ 2,563,300**
Supplement PWSS Program	**10**	**$ 2,563,300**
DOW Personnel		**$ 2,563,300**
Subtotal Amount:		**$ 2,563,300**
Small Systems Tech. Assist (2% max)		**$ 512,660**
DOW Personnel	**2**	**$ 492,660**
Equipment		**$ 20,000**
Subtotal Amount:		**$ 512,660**
State/Local Assist (up to 15%-10% max):		**$ 3,844,950**
Capacity Development - TMF Assistance	**10**	**$ 2,563,300**
DOW Personnel		**$ 2,166,300**
Travel		**$ 100,000**
Dev/Implement Operator Cert Program		**$ 297,000**
Source Water Assessment Program	**3**	**$ 768,990**
DOW Personnel		**$ 469,490**

Contracts		**$ 299,500**
Wellhead Protection Program	**2**	**$ 512,660**
DOW Personnel		**$ 332,660**
Contracts		**$ 180,000**
Subtotal Amount:		**$ 3,844,950**
Total Grant Set-Asides:	**31**	**$ 7,946,230**
Total DOW Set Aside Amount:	30	$ 7,689,900
Total KIA Set Aside Amount	1	$ 256,330

DWSRF Emerging Contaminants

Introduction

BIL Provision: "Provided further, that funds provided under this paragraph in this Act shall be to address emerging contaminants in drinking water with a focus on perfluoroalkyl and polyfluoroalkyl substances through capitalization grants under section 1452(t) of the Safe Drinking Water Act for the purposes described in section 1452(a)(2)(G) of such Act"

The BIL provides $5 billion through the SRFs to reduce people's exposure to perfluoroalkyl and polyfluoroalkyl substances (PFAS) and other emerging contaminants through their drinking water and to help address discharges through wastewater and, potentially, nonpoint sources. This is a unique opportunity to prioritize investment to local communities that are on the frontlines of PFAS contamination and that have few options to finance solutions through traditional programs.

Since 2019, the Division of Water has conducted several studies across the Commonwealth to determine the occurrence of PFAS chemicals in Kentucky waterbodies. The division will use these funds to continue investigating PFAS as an emerging contaminant and develop best practices and management strategies for drinking water supplies and public water systems.

Activities

- Determine/refine agency priority areas – source water, intakes, domestic supply, fish tissue
- Monitoring
- Analysis
- Mitigation activities, treatment
- Technical and compliance assistance

Deliverables

- Within the DOW, institutionalization of PFAS program elements across agency programs
- Continue to assess surface waters, PWS source water, finished drinking water, and fish tissue for PFAS
    - Continued development of laboratory capacity, methods, and equipment
    - Identification of priority areas of focus based on known or suspected impacts
- As practicable, incorporation of PFAS monitoring and analysis into agency monitoring programs
- Identification of treatment capabilities and mitigation activities for PFAS impacts
- Developed and enhanced technical and compliance assistance capacity within agency

Budget

	%	FFY 2023
Grant Amount $:		**$ 9,301,000**
DWSRF Program Admin(4% max available)		**$ 372,040**
DOW (max 3%)	**3**	**$ 279,030**
KIA (1%)	**1**	**$ 93,010**
Subtotal Amount:		**$ 279,030**
State Program Mgt. (10% max available)		**$ 930,100**
Supplement PWSS Program	**10**	**$ 930,100**
DOW Personnel		**$ 930,100**
Subtotal Amount:		**$ 930,100**
Small Systems Tech. Assist (2% max)		**$ 186,020**
DOW Personnel	**2**	**$ 186,020**
Subtotal Amount:		**$ 186,020**
State/Local Assist (up to 15%-10% max):		**$ 1,395,150**
Capacity Development - TMF Assistance	**10**	**$ 930,100**
DOW Personnel		**$ 633,100**
Dev/Implement Operator Cert Program		**$ 297,000**
Source Water Assessment Program	**3**	**$ 279,030**
DOW Personnel		**$ 279,030**
Wellhead Protection Program	**2**	**$ 186,020**
DOW Personnel		**$ 186,020**
Subtotal Amount:		**$ 1,395,150**

Total Grant Set-Asides:	**31**	**$ 2,883,310**
Total DOW Set Aside Amount:	30	$ 2,790,300
Total KIA Set Aside Amount	1	$ 93,010

DWSRF LSLR

Introduction

BIL Provision: "Provided further, that the funds provided under this paragraph in this Act shall be for lead service line replacement projects and associated activities directly connected to the identification, planning, design, and replacement of lead service lines"

On December 16, 2021, EPA announced next steps to strengthen the regulatory framework on lead in drinking water. Following the agency's review of the Lead and Copper Rule Revisions (LCRR) under Executive Order 13990, EPA has concluded that there are significant opportunities to improve the rule to support the overarching goal of proactively removing lead service lines and more equitably protecting public health.

The EPA has determined that lead service line (LSL) inventories are necessary to achieve 100% removal of LSLs. EPA has required information to be submitted in the initial lead service line inventory by an October 16, 2024 compliance date. Maintaining this compliance deadline ensures water systems will make continued progress to identify LSLs, which is integral to lead reduction efforts.

EPA recommends working closely with local water agencies to complete LSL inventories; as such, the DOW will utilize these funds to expediently advance progress in the Commonwealth. DOW will provide compliance assistance, tools, and collaborative partnerships to help local water systems develop LSL inventories and undertake LSL replacement planning. Preparing the inventory will allow systems to better identify sampling locations, begin planning for LSL mitigation actions, and apply for BIL funds.

Activities

- Increased capacity of drinking water program to facilitate implementation of primacy for the Lead and Copper Rule Revisions and determine compliance
- Identify areas of concern (including disadvantaged)
- Prioritize areas of need (including disadvantaged)
- Develop/improve electronic tools – GIS, WRIS
- Compliance assistance on LSL inventory, sampling plans, and replacement planning
- Develop partnerships with Area Development Districts, water systems, and others

Deliverables

- LSL data standards, assistance with inventory collection, and visualization tools
    - GIS mobile applications
    - GIS/mapping and data management tools
    - WRIS enhancements
    - Data sharing capabilities with water systems
- Enhanced technical and compliance assistance capacity within agency and with partners

	%	FFY 2023
Grant Amount $:		**$ 28,650,000**
DWSRF Program Admin(4% max available)		**$ 1,146,000**
DOW (max 3%)	**3**	**$ 859,500**
KIA (1%)	**1**	**$ 286,500**
Subtotal Amount:		**$ 859,500**
State Program Mgt. (10% max available)		**$ 2,865,000**
Supplement PWSS Program	**10**	**$ 2,865,000**
DOW Personnel		**$ 2,865,000**
Subtotal Amount:		**$ 2,865,000**
Small Systems Tech. Assist (2% max)		**$ 573,000**
DOW Personnel	**2**	**$ 523,000**
Equipment		**$ 25,000**
Supplies		**$ 25,000**
Subtotal Amount:		**$ 573,000**
State/Local Assist (up to 15%-10% max):		**$ 4,297,500**
Capacity Development - TMF Assistance	**10**	**$ 2,865,000**
DOW Personnel		**$ 1,318,000**
Equipment		**$ 250,000**
Contracts		**$ 1,000,000**
Dev/Implement Operator Cert Program		**$ 297,000**
Source Water Assessment Program	**3**	**$ 859,500**
DOW Personnel		**$ 859,500**
Wellhead Protection Program	**2**	**$ 573,000**
DOW Personnel		**$ 573,000**

Subtotal Amount:		**$ 4,297,500**
Total Grant Set-Asides:	**31**	**$ 8,881,500**
Total DOW Set Aside Amount:	30	$ 8,595,000
Total KIA Set Aside Amount	1	$ 286,500

APPENDIX D

PUBLIC COMMENT