DRINKING WATER STATE REVOLVING FUND

State Fiscal Year 2027
Final Intended Use Plan

Base Program
Supplemental Base Program
Lead Service Line Replacement
Emerging Contaminants

COMMONWEALTH OF KENTUCKY

Prepared by the

KENTUCKY INFRASTRUCTURE AUTHORITY
&
ENERGY AND ENVIRONMENT CABINET

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INTRODUCTION

The 2027 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 (SFY) 2027 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 SFY 2027 will include the Base Program as well as additional funding provided through the Infrastructure Investment and Jobs Act (IIJA) 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. 251 projects were considered for funding from the DWSRF. The total amount requested is approximately $1.29 billion. The total project need from all funding sources is approximately $1.48 billion. 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 SFY 2027, the Fund has $74.3 million available with $22 million available in Base funding, $26.9 million available in Supplemental Base funding, $6.4 million available in Emerging Contaminants funding, and $18.9 million available in Lead Service Line Replacement funding.

An annual IUP 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. The USEPA then prepares allocations for states to receive the funds by way of a Capitalization Grant. The current IUP is for the 2026 Capitalization Grant, which is the 2026 Federal Fiscal Year (FFY) of October 1, 2025 through September 30, 2026. This IUP identifies how the funds available to Kentucky's DWSRF will be used during the 2027 SFY of July 1, 2026 through June 30, 2027.

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 2027 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 PPL - 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 USEPA 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 Kentucky Infrastructure Authority (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 280 drinking water infrastructure projects, totaling more than $777 million (through March 31, 2026).

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 SDWA, 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 PPL except for emergency projects
- Dams or rehabilitation of dams unless subject to the Class Exception
- Purchase of water rights unless subject to the Class Exception
- 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

Infrastructure Investment and Jobs Act Funding Highlights:

On November 15, 2021, the $1.2 trillion IIJA of 2021 (H.R. 3694) was signed into law. IIJA provides supplemental funding for the DWSRF 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.

Meeting IIJA Priorities

The USEPA established several key priorities of IIJA that KIA has consistently worked to meet. One of the main goals of IIJA is to ensure that communities who may have not traditionally qualified for a loan may also benefit from the historic investment in water infrastructure. In the past four state fiscal years, KIA has committed over $233.7 million in DWSRF funding, $213.2 million of which went to these communities and areas in the state. During this period, KIA and DOW have continued to promotethe IIJA funding through outreach while also trying to simplify the application process.

One of the other main goals of IIJA is to make progress on lead service line replacement. KIA has spent a good portion of this calendar year assisting communities in applying for lead service line replacement program funding to help finance their inventory and replacement projects. DOW also setup a program to complete lead service line inventories for small systems using their technical assistance set-asides.

American Iron and Steel 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

IIJA 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. A number of generally applicable waivers have been published by the EPA and borrowers may apply for project specific waivers under certain circumstances.

Equivalency

Projects totaling an amount equivalent to the capitalization grants will be required to comply with all federal funding requirements applicable to that capitalization grant. KIA intends to select projects for equivalency that will impose the least amount of administrative or financial burden on a borrower. Many of the following factors are evaluated when making project selections for equivalency:

- Project type
- Project cost
- Project timeline
- Timing of loan execution
- Loan structure
- Federal co-funding
- Population of borrower
- Disadvantaged status of borrower
- Single audits

KIA will coordinate with borrowers during project planning to identify and assign projects for equivalency. Loans selected each year will be identified in the annual report.

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 criteria below:

1. A system wide MHI less than the state's MHI ($63,726) as calculated by the Water Resource Information System (WRIS), or
2. A project area MHI less than the state's MHI ($63,726) 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 2027 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 31%. 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. IIJA 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 2025 appropriation. Total additional subsidization for FFY 2026 that must be awarded ranges between 26%, or $1,216,020, and 49%, or $2,291,730.

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 2027 the total amount of base program additional subsidization that will be awarded is approximately 31%, or $1,403,100. 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.

Applicant	WRIS #	Invited Loan Amount	System Service Area MHI	Principal Forgiveness Amount	Cumulative Principal Forgiveness
Crittenden-Livingston County Water District	WX21055023	$10,000,000	$59,315	$1,403,100	$1,403,100

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

IIJA mandates that 49%, or $14,846,510, 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.

Applicant	WRIS #	Invited Loan Amount	System Service Area MHI	Principal Forgiveness Amount	Cumulative Principal Forgiveness
Owensboro Municipal Utilities	WX21059114	$1,800,000	$57,227	$562,529	$562,529
Lebanon, City of	WX21155058	$6,045,593	$46,428	$1,889,344	$2,451,873
Springfield Water and Sewer Commission	WX21229028	$7,500,000	$58,456	$2,343,869	$4,795,742
Williamsburg, City of	WX21235008	$5,500,000	$38,311	$1,718,837	$6,514,579
Monroe County Water District	WX21171049	$1,560,000	$51,960	$487,525	$7,002,104
Mountain Water District	WX21195045	$3,590,517	$44,214	$1,122,094	$8,124,198
Crittenden-Livingston County Water District	WX21055023		$59,315	$1,722,058	$9,846,256
East Logan Water District	WX21141095		$62,214	$1,875,095	$11,721,351
Albany, City of	WX21053029		$46,623	$3,125,159	$14,846,510

3. Lead Service Line Replacement Program

IIJA mandates that 49%, or $13,453,440, 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 for lead service line inventory loans will receive 100% principal forgiveness.

Applicant	WRIS #	Invited Loan Amount	System Service Area MHI	Project Area MHI	Principal Forgiveness Amount	Cumulative Principal Forgiveness
Louisa, City of	WX21127032	$458,000	$43,217		$458,000	$458,000
Cynthiana, City of	WX21097035	$1,459,900	$54,905		$1,109,046	$1,567,046
Northern Kentucky Water District	WX21117020	$15,646,740		$61,833	$11,886,394	$13,453,440

4. Emerging Contaminants Program

IIJA mandates that 100%, or $6,417,690, of available 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 in the table below, whose system service area MHI is below the State's MHI.

Applicant	WRIS #	Invited Loan Amount	System Service Area MHI	Principal Forgiveness Amount	Cumulative Principal Forgiveness
Crittenden-Livingston County Water District	WX21055023	$6,417,690	$59,315	$6,417,690	$6,417,690

Single Audit Requirement

If more than $1,000,000 of federal funds are disbursed during any borrower's 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 FFY26 grant agreement with the USEPA. All specific conditions of the agreements will be addressed in FFY26.
2. KIA will update USEPA's SRF Data System at least quarterly to report financial information about the program and projects, loan information, and project activities and benefits.
3. KIA agrees that all loan repayments will begin within 1 year of initiation of operations. Project closeout is monitored by the KIA and the DOW. 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 earnings 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 USEPA prior to issuance of the bonds.
6. KIA 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 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: 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 #2: Provide additional SRF training to borrowers, project administrators, Area Development Districts (ADD's), and the engineering community.

Goal #3: Provide additional guidance for compliance with BABA Act where applicable.

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

Goal #5: Refine the marketing strategy in conjunction with EEC to target systems with compliance and energy efficiency needs.

Goal #6: Increase inspection pace and achieve at least two inspections per project; one at 50% completion and the other at 100% completion.

Goal #7: Improve the pace of the program by identifying tasks to commit more available funds in the current fiscal year.

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

Goal #4: Identify priority watershed outreach to the municipalities for project development and funding assistance.

Goal #5: 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 2027 Call for Projects occurred September 25, 2025 through December 16, 2025. 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.

Properly submitted projects were considered for funding and eligible projects placed on the PPL. 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 2027 PPL (Appendix A) shows that Kentucky has sufficient eligible projects to meet the binding commitment requirements of the FFY 2026 capitalization grants. A brief description of the following fields will be helpful in reviewing the list:

Rank: Rank of project on the comprehensive PPL.
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 2028 IUP process will begin September 15, 2026 with the annual Call for Projects and will conclude on December 15, 2026 for projects to be considered in the SFY 2028 funding cycle. The following schedule is tentative:

2028 Call for Projects	September 15, 2026 – December 15, 2026
Creation of Project Priority List	January 1, 2027 - March 31, 2027
Public Notice Period for IUP	June 1, 2027 - June 30, 2027
Finalize 2028 IUP and send to EPA	Prior to July 1, 2027

Email notifications will be sent in September 2026 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 PPL. 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 $10 million per borrower for Base and Supplemental program funds. 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.

Amendments to the Project Priority List

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

When states do not have the program demand to meet their funding allotments, those funds can be turned back into the USEPA and redistributed to other states. At times in the past, Kentucky has applied for these additional funds to allocate towards projects on the PPL. If Kentucky does apply for these reallocated funds during SFY27, the IUP will not be amended.

Emergency Projects

The PPL 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 USEPA 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 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 $63,726.

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 disadvantaged community rate are eligible for principal forgiveness consideration and may request a loan amortization up to 30 years but not beyond the expected design life of the project.

The interest rates listed below were approved by the KIA Board on June 11, 2026 for the SFY27 funding cycle.

Interest rate	MHI Threshold	Loan Type
2.75 (Standard)	> or = $63,726	Construction
1.75 (Non-standard)	$50,982 to $63,725	Construction
1.00 (Non-standard-DCR)	< or = $50,981	Construction
2.75	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 (MWPA) or MHI Income Survey. Borrowers should not proceed with either alternative MHI methodology without first contacting KIA Staff. The MWPA 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 for the project service area which will need to be discussed with the KIA.

Repayment Terms

Planning and design (P&D) loans will be amortized over five years. If the P&D loan is rolled into a KIA funded construction loan, the term for the P&D 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. 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 salaries and other 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 and increased project costs, 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 P&D 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.

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. Projects with an existing P&D loan through the DWSRF or any other KIA loan fund no longer receive a priority funding position to apply for a construction loan in a subsequent year's IUP 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 PPL, KIA issues loan 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 SFY. 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:

- Incomplete or unavailable audits;
- Applicant 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 cannot secure additional financing necessary to full fund the project;
- Applicant has multiple projects under construction; or
- Applicant voluntarily postpones accepting invitation.

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. 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 PPL 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.

Invitation List

The table in Appendix A indicates the projects that will receive a first round invitation to participate in the DWSRF for SFY 2027.

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:

[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.

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
Hollie Delaney Water Infrastructure Branch Manager (502) 782-6595 Hollie.Delaney@ky.gov	DOW	Request for Proposals (RFPs), Asset Management, Package Treatment Plants
Jason Lambert Environmental Control Supervisor (502) 782-7011 Jason.Lambert2@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 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
Bobby Aldridge RobertV.Aldridge@ky.gov 502-892-3170

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 2026 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 , 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, 2025 the DWSRF had a total net position of $399,743,000 and 166 active loans. During SFY 2027, 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 2027
Base Program
July 1, 2026 through June 30, 2027

Funding Sources	Federal Contribution	State Contribution	DWSRF Fund	Total
FFY 2026 Base Capitalization Grant	4,677,000	935,400		5,612,400
Loan Repayments (P&I)			16,904,406	16,904,406
Investment Interest Earnings			5,900,000	5,900,000
Banked Prior Year Administration Funds (Base)	3,190,200			3,190,200
Total Funding Sources	7,867,200	935,400	22,804,406	31,607,006
Funding Uses				
Financial Assistance - Base	3,227,130	935,400	17,832,418	21,994,948
Leverage Bond Debt Service			4,971,988	4,971,988
Banked Prior Year Administration Funds - Base	3,190,200			3,190,200
FFY 2026 Administration - Base (4%)	187,080			187,080
FFY 2026 State Program Management - Base (10%)	467,700			467,700
FFY 2026 Technical Assistance - Base (2%)	93,540			93,540
FFY 2026 Local and Other Assistance - Base (15%)	701,550			701,550
Total Funding Uses	7,867,200	935,400	22,804,406	31,607,006

During the 2027 IUP funding cycle, KIA will have an estimated $21,994,948 available to fund eligible 2027 DWSRF projects. This is comprised of the 2026 capitalization grant of $4,677,000, state match funds of $935,400, estimated loan repayments of $16,904,406 and $5,900,000 interest earnings on existing cash balances. Funding is reduced by leverage bond debt service of $4,971,988, administrative costs of $187,080 and other set-aside costs totaling $1,262,790. Leverage bond debt service is paid out of loan repayments. 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 $3,190,200 in banked set-aside funds from prior capitalization grants for administration of the program.

The $935,400 state match will consist of proceeds from the sale of tax-exempt revenue bonds with debt service provided by the Commonwealth. If additional capitalization grant funding is made available, the required 20 percent state match will be provided to the full extent of the available capitalization grant.

Table B
Kentucky DWSRF Sources and Uses of Funds for SFY 2027
Base Supplemental Program
July 1, 2026 through June 30, 2027

Funding Sources	Federal Contribution	State Contribution	Total
FFY 2026 Supplemental Base Capitalization Grant	30,299,000	6,059,800	36,358,800
Total Funding Sources	30,299,000	6,059,800	36,358,800
Funding Uses			
Financial Assistance - Base Supplemental	20,906,310	6,059,800	26,966,110
FFY 2026 Administration - Supplemental Base (4%)	1,211,960		1,211,960
FFY 2026 State Program Management - Supplemental Base (10%)	3,029,900		3,029,900
FFY 2026 Technical Assistance - Supplemental Base (2%)	605,980		605,980
FFY 2026 Local and Other Assistance - Supplemental Base (15%)	4,544,850		4,544,850
Total Funding Uses	30,299,000	6,059,800	36,358,800

During the 2027 IUP funding cycle, KIA will have an estimated $26,966,110 in the Base Supplemental Program available to fund eligible 2027 DWSRF projects.

Funding is provided from the FFY 2026 capitalization grant of $30,299,000 and state match funds of $6,059,800. Funding is reduced by administrative costs of $1,211,960 and other set-aside costs totaling $8,180,730. 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 $6,059,800 state match is provided from bond proceeds from the sale of tax-exempt revenue bonds with debt service provided by the Commonwealth. If additional capitalization grant funding is made available, the required 20 percent state match will be provided to the full extent of the available capitalization grant.

Table C
Kentucky DWSRF Sources and Uses of Funds for SFY 2027
Lead Service Line Replacement Program
July 1, 2026 through June 30, 2027

Funding Sources	Federal Contribution	Total
FFY 2026 Lead Service Line Replacement Capitalization Grant	27,456,000	27,456,000
Banked Prior Year Administration Funds (LSLR)	2,742,900	2,742,900
Total Funding Sources	30,198,900	30,198,900
Funding Uses		
Financial Assistance - Lead Service Line Replacement	18,944,640	18,944,640
Banked Prior Year Administration Funds - LSLR	2,742,900	2,742,900
FFY 2026 Administration - LSLR (4%)	1,098,240	1,098,240
FFY 2026 State Program Management - LSLR (10%)	2,745,600	2,745,600
FFY 2026 Technical Assistance - LSLR (2%)	549,120	549,120
FFY 2026 Local and Other Assistance - LSLR (15%)	4,118,400	4,118,400
Total Funding Uses	30,198,900	30,198,900

During the 2027 IUP funding cycle, KIA will have an estimated $18,944,640 in the Lead Service Line Replacement Program available to fund eligible 2027 DWSRF projects.

Funding is provided from the estimated FFY 2026 capitalization grant of $27,456,000. Funding is reduced by administrative costs of $1,098,240 and other set-aside costs totaling $7,413,120. 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 2027
Emerging Contaminants Program
July 1, 2026 through June 30, 2027

Funding Sources	Federal Contribution	Total
FFY 2026 Emerging Contaminants Capitalization Grant	9,301,000	9,301,000
Banked Prior Year Administration Funds (Emerging Contaminants)	1,025,400	1,025,400
Total Funding Sources	10,326,400	10,326,400
Funding Uses		
Financial Assistance - Emerging Contaminants	6,417,690	6,417,690
Banked Prior Year Administration Funds (Emerging Contaminants)	1,025,400	1,025,400
FFY 2026 Administration - Emerging Contaminants (4%)	372,040	372,040
FFY 2026 State Program Management - Emerging Contaminants (10%)	930,100	930,100
FFY 2026 Technical Assistance - Emerging Contaminants (2%)	186,020	186,020
FFY 2026 Local and Other Assistance - Emerging Contaminants (15%)	1,395,150	1,395,150
Total Funding Uses	10,326,400	10,326,400

During the 2027 IUP funding cycle, KIA will have an estimated $6,417,690 in the Emerging Contaminants Program available to fund eligible 2027 DWSRF projects.

Funding is provided from the FFY 2026 capitalization grant of $9,301,000. Funding is reduced by administrative costs of $372,040 and other set-aside costs totaling $2,511,270. 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 2027 DWSRF IUP was available for public review and comment on the KIA website at www.kia.ky.gov from June 25, 2026 through July 25, 2026. A public meeting was held on Tuesday July 7, 2026 at 3:00 p.m. EST/2:00 p.m. CST as a virtual Zoom meeting. No verbal or written comments were received.

APPENDIX A

COMPREHENSIVE PROJECT PRIORITY LIST

2027 DWSRF Project Priority List

Rank	Score	WRIS Number	Applicant	Project Title	Total Project Cost	Requested Loan Amount	Invited Loan Amount - Base	Cumulative Invited Loan Amount -Base	Invited Loan Amount - Supplemental	Cumulative Loan Amount - Supplemental	Invited Loan Amount - EC	Cumulative Loan Amount - EC	Invited Loan Amount - LSLR	Cumulative Loan Amount - LSLR	Principal Forgiveness Amount	Bypass Reason	System Service Area MHI	Project Area MHI
1	465	WX21055021	Crittenden-Livingston County Water District	CLWD - System Expansion-Phase II (Plant Expansion)	$33,826,575	$31,826,575										4	$59,315	
2	353	WX21019078	Ashland, City of	Ashland Lead Service Line Phase 2: Replacement	$2,500,000	$2,500,000										4	$56,753	
3	351	WX21055023	Crittenden-Livingston County Water District	CLWD - Water System Expansion-Phase III	$40,430,000	$32,930,000	$10,000,000	$10,000,000			$6,417,690	$6,417,690			$9,542,848		$59,315	
4	315	WX21089075	Greenup County Water Commission	Regional Water Supply Evaluation	$360,000	$360,000										5		
5	251	WX21117022	Northern Kentucky Water District	Covington & Dayton Water Main and Full Lead Service Line Replace	$9,250,000	$5,750,000										2	$81,620	
6	249	WX21117021	Northern Kentucky Water District	Latonia Phase 2 Water Main and Full Lead Service Line Replacement	$8,500,000	$7,500,000										3	$81,620	
7	244	WX21225069	Sturgis, City of	Groundwater Treatment Plant & Water System Improvements	$12,038,000	$12,038,000										5	$40,008	
8	241	WX21117023	Northern Kentucky Water District	Covington Eastside Water Main and Full Lead Service Line Replace	$7,100,000	$3,000,000										2	$81,620	
9	235	WX21027064	Cloverport, City of	Cloverport Lead Service Line Inventory	$157,500	$157,500										2	$37,137	
10	228	WX21127032	Louisa, City of	Louisa Lead Service Line Inventory/Study	$458,000	$458,000							$458,000	$458,000	$458,000		$43,217	
11	228	WX21019074	Ashland, City of	Ashland: PFAS Project - Phase B Water Treatment Plant GAC Filtration	$10,125,000	$10,125,000										2	$56,753	
12	227	WX21143033	Lyon County Water District	Lyon County Water District - Meter Changeout and Lead Service Line Inventory	$1,270,000	$1,270,000			$1,000,000	$1,000,000			$300,000	$758,000			$65,831	
13	218	WX21059114	Owensboro Municipal Utilities	Emerging Contaminants and Capacity Well Improvements	$1,800,000	$1,800,000			$1,800,000	$2,800,000					$562,529		$57,227	
14	208	WX21097035	Cynthiana, City of	Cynthiana Lead-Galvanized Line Replacement	$1,459,900	$1,459,900							$1,459,900	$2,217,900	$1,109,046		$54,905	
15	206	WX21117020	Northern Kentucky Water District	NKWD F26 Lead Service Line Replacement Project	$54,000,000	$29,000,000							$15,646,740	$17,864,640	$11,886,394		$81,620	$61,833
16	203	WX21089126	Russell, City of	Russell Lead Service Line Inventory & Assessment	$600,000	$600,000							$600,000	$18,464,640			$81,835	
17	200	WX21137068	US 150 Water Commission	Transmission Waterline US 150 Corridor	$59,960,000	$20,000,000										4		
18	194	WX21219042	Logan-Todd Regional Water Commission	LTRWC - Additional Sedimentation Train/General Plant Expansion	$19,475,000	$8,502,254										2	$56,406	
19	185	WX21141095	East Logan Water District	System-wide Mega Upgrade Project	$21,000,000	$21,000,000	$6,000,000	$16,000,000							$1,875,095		$62,214	
20	184	WX21027044	Hardinsburg, City of	Hardinsburg Water Treatment Plant Expansion - Final Phase	$11,125,000	$10,125,000										1	$56,808	
21	181	WX21177053	Central City Municipal Water & Sewer System	Central City - GAC Filter Addition Project	$7,650,000	$7,650,000										4	$50,815	
22	150	WX21155058	Lebanon, City of	Water System Improvements Phase 2	$5,647,960	$5,647,960			$6,045,593	$8,845,593					$1,889,344		$46,428	
23	147	WX21229028	Springfield Water and Sewer Commission	Water Main Assessment, Replacement Planning & Design - WTP & Priority Area 4	$7,266,599	$5,215,000			$7,500,000	$16,345,593					$2,343,869		$58,456	
24	141	WX21235008	Williamsburg, City of	Williamsburg, KY - Downtown Water System Improvements	$10,000,000	$5,000,000			$5,500,000	$21,845,593					$1,718,837		$38,311	
25	134	WX21107044	White Plains, City of	White Plains - Red Hill Road Ph. III Christian County Interconnect	$158,625	$158,625										3	$42,810	
26	134	WX21139035	Ledbetter Water District	Ledbetter WTP Expansion and New Well Source	$2,337,860	$2,337,860										6	$71,941	
27	131	WX21081022	Bullock Pen Water District	Bullock Pen Water Treatment Plant Replacement - Design and Const	$16,297,000	$15,992,536										4	$77,625	
28	124	WX21061040	Edmonson County Water District	ECWD and WCWD Water Line Interconnection	$1,300,000	$1,300,000										2	$53,436	
29	121	WX21191027	East Pendleton Water District	Cast Iron Line Replacement to Kincaid Lake	$3,299,000	$3,299,000										3	$77,746	
30	117	WX21073038	Peaks Mill Water District	PMWD - Harmony Lane Finished Water Interconnection	$120,000	$120,000										3	$66,237	
31	116	WX21053029	Albany, City of	Albany - New 7MGD WTP and WTP-B Rehabilitation	$34,343,953	$31,843,953	$10,000,000	$26,000,000							$3,125,159		$46,623	
32	112	WX21047027	Hopkinsville Water Environment Authority	HWEA - Crofton Water Line Replacement	$12,500,000	$12,500,000										3	$49,732	
33	108	WX21107077	South Hopkins Water District	SHWD - Water System Improvements and New Administration Office	$29,020,300	$29,020,300										4	$58,922	
34	107	WX21171049	Monroe County Water District	New Automatic Read Meters	$1,560,000	$1,560,000			$1,560,000	$23,405,593					$487,525		$51,960	
35	106	WX21043053	Olive Hill, City of	Olive Hill Leak Detection and Repair	$2,150,000	$2,150,000										2	$59,393	
36	106	WX21055024	Marion, City of	Marion - WTP Upgrades and Waterline Replacement Project	$1,500,000	$300,000										2	$39,460	
37	104	WX21089141	Russell, City of	City of Russell Lead Service Line Replacement	$480,000	$480,000							$480,000	$18,944,640			$81,835	
38	104	WX21195045	Mountain Water District	MWD - Marrowbone to Ashcamp Connector / Marrowbone Service Line	$3,590,517	$3,590,517			$3,590,517	$26,996,110					$1,122,094		$44,214	
39	103	WX21171055	Tompkinsville, City of	Tompkinsville Line Replacement Project	$33,808,000	$33,800,000											$39,222	
40	101	WX21115031	Paintsville Utilities Commission	Connection to 24" Transmission Main at US 460 and KY 40W	$4,726,000	$4,726,000											$44,118	
41	99	WX21033037	Princeton Water & Wastewater Commission	Princeton - Water Treatment Plant Improvements	$3,500,000	$3,500,000											$48,142	
42	98	WX21033039	Princeton Water & Wastewater Commission	Princeton - Tank Rehabilitation Project	$3,120,000	$3,120,000											$66,524	
43	98	WX21047054	Hopkinsville Water Environment Authority	HWEA Phase V-D - Hopkinsville DWTP - High Service Pump Station	$9,500,000	$9,500,000											$49,732	
44	96	WX21017027	Paris, City of	Paris Water System 2026 Improvements	$6,765,000	$6,765,000											$58,650	
45	93	WX21107078	Dawson Springs City Water and Sewer	Dawson Springs - Tank Rehabilitation and Line Replacements	$3,497,000	$3,497,000											$32,980	

46	92	WX21029305	Mount Washington, City of	City of Mt. Washington AC Line Replacement & Ramblin Road Water Main Extension Project	$6,000,000	$6,000,000											$99,147	
47	91	WX21107058	White Plains, City of	White Plains - Water Line and Service Replacement Project	$4,950,000	$4,950,000											$42,810	
48	87	WX21199132	Science Hill, City of	KY 1247 Waterline Replacement	$4,760,000	$4,760,000											$42,603	
49	83	WX21047036	Christian County Water District	Christian County Water District-Princeton Rd Tank & System Upgrade	$5,500,000	$1,750,000											$71,095	
50	82	WX21161054	Maysville, City of	Mayslick Water Service Upgrade Project	$5,860,900	$3,398,400											$43,176	
51	81	WX21047032	Hopkinsville Water Environment Authority	HWEA - AMR/AMI Water Meter Replacement	$3,000,000	$3,000,000											$49,732	
52	80	WX21047053	Hopkinsville Water Environment Authority	HWEA Phase V-C - Hopkinsville DWTP - Settling Basin & Clearwell	$7,000,000	$7,000,000											$49,732	
53	78	WX21157061	Jonathan Creek Water District	Kentucky Lake Subdivision Water Main Replacement	$3,392,213	$3,392,213											$45,982	
54	78	WX21033021	Princeton Water & Wastewater Commission	Princeton - Water Line Improvements	$3,143,000	$3,143,000											$48,142	
55	77	WX21179042	Bardstown, City of	Bardstown - Maple Hill Water Line Replacement	$1,512,200	$1,512,200											$61,355	
56	76	WX21147043	McCreary County Water District	Bethel Church - Hollyhill Road Waterline Replacement	$1,230,870	$1,230,870											$35,772	
57	75	WX21233051	Providence, City of	Providence Water Line Rehab Project	$14,272,000	$14,272,000											$55,031	
58	75	WX21061014	Edmonson County Water District	WTP Water System Improvements Project	$14,430,500	$14,430,500											$53,436	
59	75	WX21155055	Marion County Water District	Marion County Water District 2023 Water System Improvements	$3,600,000	$3,600,000											$62,267	
60	74	WX21123030	Larue County Water District #1	LCWD- New Treatment Plant	$38,396,940	$38,396,940											$70,050	
61	74	WX21199166	Western Pulaski County Water District	FAUBUSH/NANCY AREA WATER TRANSMISSION MAIN - PHASE 3	$3,837,000	$3,837,000											$59,605	
62	73	WX21191025	Falmouth, City of	Water Storage Tanks and Treatment Plant	$1,236,000	$1,236,000											$35,511	
63	72	WX21095014	Harlan, City of	Harlan Municipal Water Distribution System Improvements	$1,685,262	$1,685,262											$42,011	
64	72	WX21049044	East Clark County Water District	Trapp Community & Morris Road Water Line Replacement	$2,518,000	$2,518,000											$84,887	
65	71	WX21227112	Bowling Green Municipal Utilities	WTP High Service Pump Station No. 3	$11,490,000	$11,490,000											$49,023	
66	70	WX21141062	Adairville, City of	Adairville Water System Improvements	$964,750	$964,750											$42,481	
67	70	WX21221010	Barkley Lake Water District	Barkley Lake Water District - Emergency Standby Generators	$643,500	$643,500											$61,556	
68	70	WX21147039	McCreary County Water District	WTP - A Expansion	$21,071,000	$21,071,000											$35,772	
69	69	WX21181006	Carlisle, City of	Phase 2 - Drinking Water System Improvements	$2,445,393	$2,351,958											$49,686	
70	69	WX21073041	Farmdale Water District	A.C. Water Line Replacement Phase II	$3,025,000	$3,025,000											$85,183	
71	69	WX21021012	Danville, City of	Perryville-Hedgeville Water Meter Replacement	$2,060,900	$2,060,900											$54,707	
72	68	WX21225071	Sturgis, City of	Sturgis Waterline Improvements Project- Phase 2	$2,972,000	$2,972,000											$40,008	
73	68	WX21135018	Garrison-Quincy-Ky-O-Heights Water District	GQWD- Phase II, AC Water Line Replacement- Old County Ln (In Qui	$1,130,000	$1,125,300											$57,800	
74	68	WX21167033	Lake Village Water Association Inc	Contract 15 - Water Distribution System Improvements Project	$4,614,589	$4,614,589											$73,576	
75	68	WX21085052	Grayson County Water District	East-West Interconnect Phase III Contract 2	$9,498,000	$8,000,000											$47,385	
76	68	WX21227067	Bowling Green Municipal Utilities	BGMU - Sedimentation Basin Cover 1 & 2	$3,088,500	$3,088,500											$49,023	
77	68	WX21179044	Bardstown, City of	12" New Haven Road Water Main Replacement	$6,458,940	$6,458,940											$61,355	
78	67	WX21029298	Lebanon Junction, City of	2026/27 Water System Improvements - Water Main & Leadite Jointed Pipe Replacement Project	$2,000,000	$2,000,000											$56,989	
79	67	WX21047035	Christian County Water District	Christian County Water District - Waterline Replacement & Extension	$3,818,000	$3,818,000											$71,095	
80	66	WX21003036	Scottsville, City of	City of Scottsville- WTP Rehabilitation	$4,073,000	$4,073,000											$40,304	
81	65	WX21227102	Bowling Green Municipal Utilities	WTP Filter Gallery Pipe Replacement	$11,750,000	$11,750,000											$49,023	
82	65	WX21047056	Hopkinsville Water Environment Authority	HWEA Phase V-F - Hopkinsville DWTP - Membrane Filtration Expansion	$18,225,000	$18,225,000											$49,732	
83	64	WX21019050	Ashland, City of	Ashland Significant Water Loss Reduction	$2,000,000	$2,000,000											$56,753	
84	63	WX21153054	Magoffin County Water District	MCWD - AMR Water Meters	$1,800,000	$1,800,000											$34,278	
85	63	WX21221022	Cadiz, City of	Cadiz - City of Cadiz Water Meter Replacement	$1,020,000	$1,020,000											$48,846	
86	63	WX21219039	Elkton, City of	Elkton - Waterline Replacements Project	$423,500	$423,500											$48,930	
87	63	WX21211098	West Shelby Water District	U.S. 60 Meter Reconnects & AC Waterline Replacement	$306,000	$306,000											$93,245	
88	63	WX21177059	Muhlenberg County Water District #1	South Weir Tank Addition & Line Upgrade	$4,525,000	$4,525,000											$52,511	
89	62	WX21079031	Lancaster, City of	Lancaster Water Meter Replacement	$924,000	$924,000											$44,763	
90	62	WX21107080	Madisonville Municipal Utilities	Madisonville - Peewee Lake Regional Source Water System Replacement	$18,195,000	$18,195,000											$53,382	
91	62	WX21019081	Big Sandy Water District	Whites Creek Waterline Replacement	$2,300,000	$2,300,000											$59,051	
92	62	WX21019076	Big Sandy Water District	Old U.S. 23 Water Transmission Line Replacement	$1,440,000	$1,440,000											$59,051	
93	61	WX21165040	Frenchburg, City of	Frenchburg System Wide Radio Read Meter Project	$600,000	$600,000											$41,327	
94	61	WX21221013	Cadiz, City of	Cadiz - Line Rehabilitation - Will Jackson Road Hwy 778	$962,500	$962,500											$48,846	

95	61	WX21239045	Northeast Woodford County Water District	Aiken Road/Hedden Road Water Line Replacement	$2,947,000	$2,947,000												$75,391	
96	61	WX21209018	South Woodford Water District	KY 33 (Troy Pike) Water Line Upgrade	$2,115,000	$2,115,000												$104,957	
97	61	WX21017026	Harrison County Water Association Inc	HCWA - US 62 North Water Main Replacement	$2,594,500	$2,594,500												$71,963	
98	60	WX21207041	Russell Springs, City of	City of Russell Springs 2025 Water System Improvements	$5,860,000	$5,860,000												$48,762	
99	60	WX21139018	Grand Rivers, City of	Grand Rivers - Newbern Road Water Line Extension	$411,600	$411,600												$54,907	
100	60	WX21219014	Trenton, City of	Trenton - Water System Improvements	$2,512,000	$1,262,000												$77,110	
101	59	WX21107082	Dawson Springs City Water and Sewer	Dawson Springs Water Storage Tank Improvements	$910,000	$910,000												$32,980	
102	59	WX21033036	Princeton, City of	Princeton - Cellular Meter Upgrades	$1,279,665	$1,279,665												$48,142	
103	57	WX21091094	Lewisport, City of	WPA Water Lines Replacement Project	$1,042,000	$1,042,000												$61,719	
104	57	WX21213055	Franklin, City of	Franklin Water Works WTP Covered Basins	$3,740,000	$3,740,000												$59,742	
105	56	WX21207042	Russell Springs, City of	KY 76 Waterline Loop	$942,000	$942,000												$48,762	
106	56	WX21045020	East Casey County Water District	Standby Generators & VFD Integration	$460,000	$460,000												$45,610	
107	56	WX21047052	Hopkinsville Water Environment Authority	HWEA Phase V-B - Hopkinsville DWTP - North Quarry Intake Improvements	$6,000,000	$6,000,000												$49,732	
108	55	WX21055010	Marion, City of	Marion - Emergency Standby Generators	$500,000	$500,000												$39,460	
109	55	WX21023047	Augusta, City of	Augusta Water Treatment Plant Improvements	$3,250,000	$3,250,000												$51,315	
110	55	WX21097031	Harrison County Water Association Inc	HCWA- KY 356 Water Main Replacement Project	$1,301,564	$1,301,564												$71,963	
111	55	WX21097033	Harrison County Water Association Inc	HCWA - US 62 South Water Main Replacement	$2,337,750	$2,337,750												$71,963	
112	54	WX21091106	Hawesville, City of	Regionalization Water System Improvements - Phase 1	$2,080,360	$2,080,360												$56,793	
113	54	WX21149058	Sacramento, City of	Sacramento Water Meter Replacement	$150,000	$150,000												$59,354	
114	54	WX21033040	Caldwell County Water District	CCWD - New KY Highway 293 Pressure Zone Upgrades	$4,115,000	$4,115,000												$66,524	
115	54	WX21239047	South Woodford Water District	Delaney Ferry Water Line Upgrade	$1,318,000	$1,318,000												$104,957	
116	53	WX21095025	Cawood Water District	CWD WTP Refurbishing Project	$3,081,000	$3,081,000												$42,493	
117	53	WX21187006	Owen County Fiscal Court	KY 1316 Water Main Extension	$1,150,923	$1,150,923												$65,781	
118	53	WX21179039	Bardstown, City of	Water Treatment Plant Sludge Pump Station Improvements	$1,620,000	$1,620,000												$61,355	
119	52	WX21095638	Lynch, City of	City of Lynch - Water Treatment Plant Rehabilitation	$1,000,000	$1,000,000												$30,809	
120	52	WX21191026	Falmouth, City of	Galvanized Main Replacement	$667,200	$667,200												$35,511	
121	52	WX21143030	Eddyville, City of	Eddyville - Sewer Plant Rd Water Main Replacement	$2,348,000	$2,348,000												$58,006	
122	52	WX21021042	Danville, City of	Battlefield Road Water Main Replacement	$1,066,900	$1,066,900												$54,707	
123	50	WX21035055	Dexter-Almo Heights Water District	Dexter Almo Water District - Radio Read Meters	$350,000	$350,000												$55,769	
124	50	WX21239039	South Woodford Water District	300K Gallon Elevated Tank	$4,937,000	$4,937,000												$104,957	
125	49	WX21057035	Burkesville, City of	Burkesville Raw Water Intake Control Station Replacement	$1,155,000	$1,155,000												$35,733	
126	49	WX21211110	West Shelby Water District	Scott Station Road AC Waterline Replacement	$814,000	$814,000												$93,245	
127	49	WX21021043	Danville, City of	Gun Range Road Water Main Extension	$2,133,539	$2,133,539												$54,707	
128	48	WX21047002	Hopkinsville Water Environment Authority	HWEA - Crofton Elevated Storage Tank	$4,250,000	$4,250,000												$49,732	
129	47	WX21089102	Greenup, City of	City of Greenup new Water Treatment Plant	$46,599,000	$46,599,000												$55,805	
130	47	WX21139042	Salem, City of	Salem - Phase II-Waterline Replacement Project	$850,000	$850,000												$61,706	
131	46	WX21011042	Sharpsburg Water District	Meter Replacement and Tank Rehabilitation Project	$1,690,000	$1,690,000												$50,876	
132	46	WX21035054	South 641 Water District	Barnett Street Watermain Replacement	$200,640	$200,640												$52,605	
133	46	WX21071019	Prestonsburg City's Utilities Commission	Prestonsburg City's Utilities Commission Water System Improvements	$5,009,808	$4,259,487												$44,139	
134	46	WX21227115	Bowling Green Municipal Utilities	Water Quality Improvements	$2,400,000	$2,400,000												$49,023	
135	45	WX21225065	Morganfield, City of	WTP Chemical Storage and Feed System	$485,000	$485,000												$65,365	
136	45	WX21211104	West Shelby Water District	Ardmore Lane AC Waterline Replacement	$697,000	$697,000												$93,245	
137	44	WX21219050	Logan-Todd Regional Water Commission	LTRWC - Second Raw Water Storage Basin Addition	$4,400,000	$4,400,000												$56,406	
138	44	WX21219052	Logan-Todd Regional Water Commission	KY848 Waterline Extension	$900,000	$900,000												$56,406	
139	44	WX21173196	Mount Sterling Water and Sewer	MSWS WTP Major Improvement Project	$10,000,000	$10,000,000												$54,900	
140	43	WX21153036	Magoffin County Water District	System Improvements - Pump Station Replacements	$3,264,000	$3,264,000												$34,278	
141	43	WX21211105	West Shelby Water District	Arlington & Hill 'N' Dale Drive AC Waterline Replacement	$642,000	$642,000												$93,245	
142	42	WX21107074	Madisonville Municipal Utilities	Madisonville - WTP Clear Well Rehabilitation Project	$367,500	$367,500												$53,382	
143	40	WX21027055	Irvington, City of	Irvington Tank Rehabilitation	$560,180	$560,180												$48,805	
144	40	WX21149073	Island, City of	Island Water Meter Replacement	$213,000	$213,000												$62,577	
145	40	WX21077012	Gallatin County Water District	Gallatin County Regional Airport Water Main Extension	$1,203,400	$882,800												$65,781	
146	39	WX21235014	Cumberland Falls Highway Water District	I-75 Goldbug Interconnection Project	$740,530	$740,530												$43,238	
147	39	WX21071021	Southern Water & Sewer District	Brush Creek Tank Replacement	$1,065,000	$1,065,000												$41,599	

148	38	WX21057034	Burkesville, City of	Burkesville Drinking Water Plant Generator Upgrade	$595,500	$595,500												$35,733	
149	38	WX21135031	Garrison-Quincy-Ky-O-Heights Water District	GQWD - Wells #5 and #6 Rehab Project	$250,000	$250,000												$57,800	
150	38	WX21233041	Slaughters, City of	Meter Box and Setter Unit Replacement	$150,000	$150,000												$60,694	
151	38	WX21019082	Big Sandy Water District	KY-3 Water Line Replacement	$1,100,000	$1,100,000												$59,051	
152	37	WX21095027	Lynch, City of	City of Lynch New Water Plant	$7,500,000	$7,500,000												$30,809	
153	37	WX21143021	Kuttawa, City of	Kutawa - WTP Electrical Control System Improvements	$717,000	$717,000												$76,180	
154	37	WX21159033	Martin County Water District	WWATERS - Martin County Water District - Repair and Paint Multiple Tanks	$939,550	$939,550												$39,397	
155	37	WX21199148	Somerset, City of	One Million Gallon Valley Oak Industrial Park Prestressed Concrete Water Storage Tank and 16-Inch Transmission Main	$8,714,500	$8,714,500												$41,275	
156	37	WX21195057	Mountain Water District	Pike Tunnel Road Waterline Extension	$184,000	$184,000												$44,214	
157	37	WX21195061	Mountain Water District	Penny Bottom Waterline Extension	$136,000	$136,000												$44,214	
158	36	WX21003001	Scottsville, City of	Holland Road New Pump Station Project	$3,534,000	$3,534,000												$40,304	
159	36	WX21125044	London Utility Commission	Laurel River Lake Raw Water Intake Improvements	$2,550,000	$2,550,000												$53,071	
160	36	WX21143013	Kuttawa, City of	City of Kuttawa - Automated Meter Reading System	$150,000	$150,000												$76,180	
161	36	WX21107008	Madisonville, City of	Madisonville Noel Ave Line Replacement	$587,600	$587,600												$53,382	
162	35	WX21221020	Cadiz, City of	Cadiz - Water Emergency Standby Generators	$500,000	$500,000												$48,846	
163	34	WX21113057	Wilmore, City of	City of Wilmore Generator Project (Environmental Resiliency)	$865,000	$865,000												$78,168	
164	33	WX21047040	Hopkinsville Water Environment Authority	HWEA SRF Phase V-A - Hopkinsville DWTP - 20MGD Expansion & PFAS Mitigation	$2,275,000	$2,275,000												$49,732	
165	33	WX21021036	Danville, City of	Danville Fourth St. Connector Main Extension	$768,600	$768,600												$54,707	
166	32	WX21057031	Burkesville, City of	Baker Street Water Tank Replacement	$1,883,000	$1,883,000												$35,733	
167	32	WX21089136	South Shore, City of	Morton Hill Tank Replacement	$1,490,000	$1,490,000												$42,173	
168	32	WX21221009	Cadiz, City of	Cadiz - IGA Water Tank Rehabilitation	$350,000	$350,000												$48,846	
169	32	WX21223041	Milton, City of	Craig Road Water Main Extension	$542,500	$542,500												$68,955	
170	32	WX21045015	East Casey County Water District	ECCWD - Phase 2 Automated Meters	$800,000	$800,000												$45,610	
171	31	WX21045019	East Casey County Water District	Crossroads Pump Station Replacement	$515,000	$515,000												$45,610	
172	30	WX21199168	Eubank, City of	300K Elevated Tank Project	$3,778,000	$3,778,000												$47,678	
173	30	WX21107053	South Hopkins Water District	Grapevine Tank Replacement and Line Upgrades	$1,531,641	$1,531,641												$58,922	
174	29	WX21219051	Guthrie, City of	Guthrie - Tiny Town Water System Enhancements	$575,000	$575,000												$36,679	
175	29	WX21229030	Springfield Water and Sewer Commission	SWSC AMR and Smart Meter Water Meter Replacement	$2,174,000	$2,174,000												$58,456	
176	28	WX21221014	Barkley Lake Water District	Barkley Lake Water District - Sludge Storage Lagoon Improvements	$349,901	$349,901												$61,556	
177	28	WX21221008	Barkley Lake Water District	Barkley Lake Water District - Water Line Extension	$3,850,000	$3,850,000												$61,556	
178	27	WX21043027	Olive Hill, City of	Olive Hill: Pressure Upgrade for Charlie Branch & Last Resort	$20,000	$20,000												$59,393	
179	27	WX21027048	Hardinsburg, City of	Hardinsburg: KY Hwy 86 North Extension	$4,683,770	$4,683,770												$56,808	
180	26	WX21077011	Gallatin County Water District	US-42 Water Main Extension	$302,275	$302,275												$65,781	
181	26	WX21043040	Grayson Utilities Commission	Grayson: Keyhoe Water Line Extension Phase 2	$150,000	$150,000												$40,420	
182	25	WX21107029	White Plains, City of	White Plains - Concord Tank & Pump Station	$770,000	$770,000												$42,810	
183	25	WX21077013	Warsaw, City of	Warsaw Tank Repainting	$835,000	$835,000												$61,023	
184	25	WX21011050	Bath County Water District	BCWD New Ore Mines Water Tank Project	$1,471,000	$1,471,000												$58,088	
185	24	WX21149082	Calhoun, City of	Calhoun Water Tank Interior Inspection and Cleaning	$110,000	$110,000												$57,559	
186	24	WX21143032	Lyon County Water District	LCWD - Champion Hills Storage Tank Improvements	$250,000	$250,000												$65,831	
187	24	WX21089097	Russell, City of	City of Russell Downtown Water Main Replacement Project	$495,545	$495,545												$81,835	
188	24	WX21155065	Marion County Water District	Danville Highway Water Storage Tank	$3,100,000	$3,100,000												$54,707	
189	23	WX21033033	Princeton Water & Wastewater Commission	Princeton - Water Loss Detection and Recovery	$402,600	$402,600												$48,142	
190	23	WX21089142	Raceland, City of	Raceland Ridge Road Tank Booster Pump	$250,000	$250,000												$58,041	
191	23	WX21139030	Crittenden-Livingston County Water District	CLWD - Water Tank Rehabilitation Project	$153,475	$153,475												$59,315	
192	22	WX21187002	Owen County Fiscal Court	Owen County Unserved Areas	$1,655,448	$1,655,448												$70,421	
193	21	WX21015035	Walton, City of	South Water Main Connection to NKWD	$1,008,000	$1,008,000												$78,301	
194	21	WX21089073	Russell, City of	City of Russell Permanent Raw Water Intake Structure	$8,530,000	$8,530,000												$81,835	
195	20	WX21089071	Greenup, City of	Greenup: Argillite Water Tank Replacement	$750,000	$750,000												$55,805	
196	20	WX21155064	Marion County Water District	Lebanon Bypass Water Storage Tank	$4,100,000	$4,100,000												$62,267	
197	19	WX21149081	Island, City of	Pressure Reducing Valve (PRV) Installation	$70,000	$70,000												$62,577	
198	18	WX21073036	Peaks Mill Water District	PMWD - Automated Meter Reading and Service Line Inventory	$650,000	$650,000												$66,237	
199	17	WX21037007	Pendleton County Water District	Campbell County Water Line Extension	$1,405,000	$1,405,000												$78,247	
200	13	WX21113058	Wilmore, City of	Raw Water Intake Valve Replacement	$365,000	$365,000												$109,940	
201	13	WX21059089	Daviess County Water District	Town & Country Lead Line Replacement	$690,000	$690,000												$86,162	

202	12	WX21143004	Lyon County Water District	Lyon County Water District - Emergency Standby Generators	$100,000	$100,000												$65,831	
203	12	WX21033016	Caldwell County Water District	Caldwell County WD - Leak Detection Meter Installation Project	$400,000	$400,000												$66,524	
204	10	WX21033035	Caldwell County Water District	Caldwell County Water District - Customer Meter Upgrade - Phase 2	$815,000	$815,000												$66,524	
205	8	WX21033017	Fredonia, City of	Fredonia - Tank Rehabilitation	$200,000	$200,000												$68,351	
206	7	WX21139032	Ledbetter Water District	Ledbetter - US 60 Water Tank Painting	$150,000	$150,000												$71,941	
207	6	WX21179016	Bloomfield, City of	City of Bloomfield Water Standpipe Replacement Project	$1,720,000	$1,720,000												$64,199	
208	6	WX21149057	North McLean County Water District	815 Water Line Extension	$1,100,000	$1,100,000												$65,414	
209	5	WX21107072	Hanson, City of	Hanson - Carhart Tank Bypass and Altitude Valve Project	$130,676	$130,676												$88,919	
210	5	WX21123038	Larue County Water District #1	LCWD - I65 Crossing Phase II - Water Tank	$3,129,500	$3,129,500												$70,050	
211	4	WX21179033	Larue County Water District #1	LCWD - New Tank Indian Hills	$2,517,500	$2,517,500												$70,050	
212	3	WX21113056	Wilmore, City of	City of Wilmore Water System Assessment	$167,000	$167,000												$109,940	
213	2	WX21123032	Larue County Water District #1	LCWD- New Elevated Tank	$13,200,000	$13,200,000												$70,050	
214	1	WX21191022	East Pendleton Water District	Pendleton County Regional Water Treatment Plant	$21,600,000	$7,500,000												$77,746	
215	1	WX21165034	Cave Run Water Commission	Regional Water Treatment Plant Rehab and Expansion	$36,335,000	$36,335,000													
216	0	WX21055013	Marion, City of	Marion - Sludge Basin Rehabilitation	$375,000	$375,000												$39,460	
217	0	WX21055014	Marion, City of	Marion - Clarifier Rehabilitation Project	$400,000	$400,000												$39,460	
218	0	WX21055019	Marion, City of	City of Marion - Lake George Dam Rehabilitation Project	$12,035,000	$11,522,951												$39,460	
219	0	WX21063008	Sandy Hook Water District	Well Rehabilitation	$933,000	$933,000												$42,459	
220	0	WX21063014	Elliott County Fiscal Court	Bob Bowling Road Water Line Extension	$107,700	$107,700												$42,459	
221	0	WX21155059	Lebanon, City of	Water Storage Tank - Northside	$3,533,210	$3,533,210												$46,428	
222	0	WX21155063	Lebanon, City of	Lebanon Water Works 2024 Improvements - Meters	$2,500,000	$2,500,000												$46,428	
223	0	WX21177044	Greenville, City of	Greenville - Country Club Lake Dredging	$501,000	$501,000												$48,482	
224	0	WX21177047	Greenville, City of	Greenville City Lake Dam Modification	$279,061	$279,061												$48,482	
225	0	WX21047047	Oak Grove, City of	Hwy 115 North and Carneal Lane Water Line Extension and Tank	$9,630,000	$7,730,000												$49,741	
226	0	WX21063016	Elliott County Fiscal Court	Bruin Hill/409 Water Connection	$162,800	$162,800												$52,615	
227	0	WX21063017	Elliott County Fiscal Court	Elliott County Line Extensions	$1,365,100	$1,365,100												$52,615	
228	0	WX21089013	Greenup, City of	Greenup: New Water Intake Structure	$16,000,000	$16,000,000												$55,805	
229	0	WX21219053	Todd County Water District	Todd County Water District - System Wide Mega Upgrade Project	$11,800,000	$11,800,000												$61,466	
230	0	WX21089115	Worthington, City of	New and Replacement Hydrants	$98,000	$98,000												$65,595	
231	0	WX21089127	Worthington, City of	Worthington Lead Service Line Inventory & Assessment	$450,000	$450,000												$65,595	
232	0	WX21033041	Caldwell County Water District	Caldwell County Water District - Pressure Zone Interconnection Project	$870,000	$870,000												$66,524	
233	0	WX21033038	Caldwell County Water District	Caldwell County Water District - Equipment Upgrades	$350,000	$350,000												$66,524	
234	0	WX21019068	Cannonsburg Water District	Midland Trail Line Replacement Phase 1	$2,035,000	$2,035,000												$70,467	
235	0	WX21019069	Cannonsburg Water District	Midland Trail Line Replacement Phase 2	$2,011,000	$2,011,000												$70,467	
236	0	WX21143018	Kuttawa, City of	Kuttawa - New Water Treatment Plant Project	$550,000	$550,000												$76,180	
237	0	WX21089135	Russell, City of	City of Russell - New Treatment Plant	$33,200,000	$33,200,000												$81,835	
238	0	WX21159029	Martin County Water District	WWATERS - Martin County Water District - Repayment of Capital and Non Capital Debt	$3,525,181	$3,525,181												$39,397	
239	0	WX21043037	Grayson Utilities Commission	Grayson: WTP Flocculation & Clarification System	$4,022,000	$4,022,000												$40,420	
240	0	WX21043063	Grayson Utilities Commission	Grayson General Water System Improvements	$4,000,000	$4,000,000												$40,420	
241	0	WX21115032	Paintsville Utilities Commission	Blanton Branch Road Water Line Extension	$280,000	$280,000												$44,118	
242	0	WX21045021	East Casey County Water District	Conntown Pump Station & System Improvements	$881,000	$881,000												$45,610	
243	0	WX21047043	Hopkinsville Water Environment Authority	HWEA SRF Phase VI 36" Water Main Extension	$20,000,000	$20,000,000												$49,732	
244	0	WX21047044	Hopkinsville Water Environment Authority	Commerce Park II - 20" Water Main Extension & Elevated Storage Tank	$30,000,000	$30,000,000												$49,732	
245	0	WX21021038	Danville, City of	Danville 2168 Bypass Water Main Extension	$1,575,000	$615,362												$54,707	
246	0	WX21027062	Hardinsburg, City of	City of Hardinsburg - US 60 Booster Pump Station	$555,000	$555,000												$56,808	
247	0	WX21229029	Springfield Water and Sewer Commission	Industry Park Waterline Improvements	$1,500,000	$1,500,000												$58,456	
248	0	WX21019077	Cannonsburg Water District	Climate Resiliency, Water Quality and Tank Rehabilitations Project	$2,061,000	$2,061,000												$59,051	
249	0	WX21123029	Larue County Water District #1	LCWD- Main Trunk Line	$11,110,000	$11,110,000												$70,050	

Project Bypass Reasons

1 Incomplete or unavailable audits
2 Project fully funded or received SRF funding in previous year
3 Applicant declined funding for FY27
4 Project is not ready to proceed
5 Applicant seeking funding from sources outside SRF
6 Previous non-compliance or delinquent payments

APPENDIX B

PRIORITY SYSTEM GUIDANCE DOCUMENT

Priority System Guidance Document

For Eligible Infrastructure Projects
To Be Funded By The

KENTUCKY DRINKING WATER STATE REVOLVING FUND
2027 Funding Cycle

TEAM KENTUCKY®
ENERGY AND ENVIRONMENT CABINET

Department for Environmental Protection
Division of Water

300 Sower Boulevard
Frankfort, KY 40601
Phone: 502-564-3410
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 service line (SL) inventory, lead service line (LSL) and galvanized requiring replacement (GRR) service line replacement, and projects that primarily address perfluoroalkyl and polyfluoroalkyl (PFAS) substances and other emerging contaminants. Projects utilizing the DWSRF for LSL or GRR replacement must replace the entire LSL/GRR, not just a portion. The EPA has expanded the eligible uses of the DWSRF for replacing SL beyond the regulatory definition of a LSL/GRR 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/GRR.

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 and Improvements (as proposed); Asbestos Standard; Enhanced Surface Water Treatment Rule; Disinfectants and Disinfection Byproducts Rule; Groundwater Rule; PFAS 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 the following categories: Regionalization; Public Health Criteria – Water Supply; 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.

Proposed PFAS, lead service line inventory, and lead service line replacement projects should NOT include other distribution components. Projects combining PFAS and Lead Service Line components <u>will be bypassed unless corrected</u> by the water system and Area Development District.

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 Narrative must encompass the entire scope of the project and be supported by the information contained in the Components, Impacts, Sustainable Infrastructure, and Mapping Tabs in WRIS. All checked boxes must be properly supported within those Tabs. Project Profiles containing inconsistent or absent information may not receive credit for those items and could be automatically bypassed for funding consideration.

Projects may not include the purchase of items such as skid steers, hydroexcavators, vehicles, wi-fi systems, or other similar equipment that do not directly contribute to the permanent infrastructure improvements of the proposed project. These types of items are considered ineligible, as their useful life typically falls short of the scope and timeline of the project and does not align with the intended purpose of infrastructure funding. Such purchases should not be included in the project scope, budget, or supporting documentation. However, equipment or vehicle rental fees may be included as part of the project costs.

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.

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.

Note: Proposed PFAS, lead service line inventory, and lead service line replacement projects must be submitted as independent projects. Projects combining these components with other components will be bypassed unless corrected by the water system and Area Development District. An analysis of a new water source to address PFAS must be conducted by a certified drinking water laboratory and submitted to the Division of Water prior to the Call for Projects in order to receive points in this category.

i) No emerging contaminants detected at plant tap
Points Received: 100

ii) PFOS or PFOA detected at plant tap
Points Received: 100 (plus additional points shown in table below, as appropriate)

PFOS or PFOA (ppt or ng/L)	Points
> 0 - 2	+15
2.01 - 4	+35
> 4	+100

iii) Other emerging contaminants detected at plant tap (unregulated contaminants on the EPA Contaminant Candidate List 5 which includes contaminants such as other PFAS, unregulated DBPs, manganese, etc.). Supporting documentation must be provided.
Points Received: 125

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

i) No emerging contaminants detected at plant tap
Points Received: 100

ii) PFOS or PFOA detected at plant tap
Points Received: 100 (plus additional points shown in table below, as appropriate)

PFOS or PFOA (ppt or ng/L)	Points
> 0 - 2	+15
2.01 - 4	+35
> 4	+100

iii) Other emerging contaminants detected at plant tap (unregulated contaminants on the EPA Contaminant Candidate List 5 which includes contaminants such as other PFAS, unregulated DBPs, manganese, etc.). Supporting documentation must be provided.
Points Received: 125

C. Consolidation of multiple PWS through a merger, acquisition, or common management
Under this category, points will be given for agreements between PWS that consolidate management to make improvements that benefit the consolidated group as a whole. This consolidation allows the individual PWS to retain their identities but function under a common management group.
Points Received: 100

II. PUBLIC HEALTH CRITERIA – WATER SUPPLY

A. Connection to a new raw water source
This refers to establishing a connection to a previously unused raw water supply, such as a different river or surface water body, newly developed groundwater wells, or other sources not currently utilized by the system.

i) No emerging contaminants detected at plant tap
Points Received: 100

ii) PFOS or PFOA detected
Points Received: 100 (plus additional points shown in table below, as appropriate)

PFOS or PFOA (ppt or ng/L)	Points
> 0 - 2	+15
2.01 - 4	+35
> 4	+100

An analysis of a new water source to address PFAS must be conducted by a certified drinking water laboratory and submitted to the Division of Water prior to the Call for Projects in order to receive points in this category.

B. Connection to a new potable water supply for purchase or sale
This refers to the establishment of a new interconnection for the purpose of purchasing or selling finished (potable) water between systems. This category does not include the construction of a new water treatment plant (WTP) and does not apply to projects that create redundant or backup connections.

i) No emerging contaminants detected
Points Received: 100

ii) PFOS or PFOA detected
Points Received: 100 (plus additional points shown in table below, as appropriate)

PFOS or PFOA (ppt or ng/L)	Points
> 0 - 2	+15
2.01 - 4	+35
> 4	+100

iii) Other emerging contaminants detected at plant tap (unregulated contaminants on the EPA Contaminant Candidate List 5 which includes contaminants such as other PFAS, unregulated DBPs, manganese, etc.) Supporting documentation must be provided.
Points Received: 125

An analysis of a new water source to address PFAS must be conducted by a certified drinking water laboratory and submitted to the Division of Water prior to the Call for Projects in order to receive points in this category. The proposed project must be a rehabilitation effort only and may not include system expansion.

C. 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: 10

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 PFOS/PFOA is given greater priority than construction of a new treatment facility to preventatively address PFOS/PFOA or other emerging contaminants. The DOW will determine evidence of current contamination by PFOS/PFOA or other emerging contaminants based upon best available data.

Note: Proposed PFOS/PFOA, lead service line inventory, and lead service line replacement projects must be submitted as independent projects. Projects combining these components with other components will be bypassed unless corrected by the water system and Area Development District. An analysis of a new water source to address PFOS/PFOA must be conducted by a certified drinking water laboratory and submitted to the Division of Water prior to the Call for Projects in order to receive points in this category.

a) No emerging contaminants detected
Points Received: 10

b) PFOS or PFOA detected
Points Received: see table below

PFOS or PFOA (ppt or ng/L)	Points
> 0 - 2	20
2.01 - 4	30
> 4	40

c) Other emerging contaminants detected at plant tap (unregulated contaminants on the EPA Contaminant Candidate List 5 which includes contaminants such as other PFAS, unregulated DBPs, manganese, etc.) Supporting documentation must be provided.
Points Received: 20

ii) Rehabilitation of the water treatment plant

Water treatment plant rehabilitation projects may include, but are not limited to, the functional replacement of treatment processes due to age/condition, the upgrade of any treatment process meet drinking water standards with no increase in treatment capacity, etc.

WTP Rehabilitation projects may only receive 5 points for treatment upgrades/modifications unless the 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 according to the restrictions mentioned therein.

Points Received: 25

iii) Redundant processes/emergency power generators and switches required for connection

Installation of redundant processes and/or emergency power generators at the treatment facilities.

Points received: 10

iv) Replacement of raw waterline

Points Received: 5

v) Replacement or rehabilitation of a raw water intake (cannot be combined with rehabilitation of a dam, reservoir, or a new water treatment plant)

Point Received: 10

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: 5

ii) Modifications to meet CT inactivation requirement

Disinfection techniques need to comply with CT inactivation requirements of the Surface Water Treatment Rule or the Groundwater Rule. Examples of treatment projects include, but are not limited to, alternate disinfection feed points, baffling of clearwells, etc.

Points Received: 5

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: 5

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: 5

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: 5

vi) Modifications to address emerging contaminants

Water treatment plant rehabilitation to address contamination by PFOS or PFOA is given greater priority. The DOW will determine evidence of current contamination by PFOS or PFOA or other emerging contaminants based upon best available data.

PFOS or PFOA detected
Points Received: 100 (plus additional points shown in table below, as appropriate)

PFOS or PFOA (ppt or ng/L)	Points
> 0 - 2	+15
2.01 - 4	+35
> 4	+100

Other emerging contaminants detected at plant tap (unregulated contaminants on the EPA Contaminant Candidate List 5 which includes contaminants such as other PFAS, unregulated DBPs, manganese, etc.) Supporting documentation must be provided.
Points Received: 125

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. If the total linear feet provided in the Narrative tab and the Components tab of WRIS are inconsistent, the lowest documented value will be used for scoring purposes.

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: 20 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). If the total linear feet provided in the Narrative tab and the Components tab of WRIS are inconsistent, the lowest documented value will be used for scoring purposes. Maximum of 60 points allowed.

ii) Water loss
Systems must submit twelve consecutive months of water loss data using an industry standard format (AWWA, KRWA, KY PSC, etc.) to receive additional points for projects replacing lines to address excessive water loss due to line leaks/breaks and unaccounted-for water loss.

- **16-30% water loss: 2 point**
- **31-45% water loss: 6 points**
- **>45% water loss: 10 points**

Water loss data as mentioned above must be uploaded to WRIS.

iii) Rehabilitation of a water storage tank and associated pump station
Points Received: 5 (1 point for each additional tank after the 1st with a maximum of 10 points)

iv) **New water storage tank/Replacement of water storage tank**
Significant increases of system storage capacity must include a detailed justification.
Points Received: 2 (per tank)
Points Received: 10 (consolidation of multiple tanks)

v) **New or rehabilitated pump station (not associated with a new tank)**
Points Received: 5 (1 point for each additional tank after the 1st with a maximum of 10 points)

vi) **Locating, exercising, installing, and/or replacing various distribution system appurtenances, such as meters, valves, backflow prevention devices, etc.**

Points are available for upgraded appurtenances not associated with waterline replacement. This category may also include SCADA-only upgrades where improvements are limited to control, monitoring, and communication systems within the existing distribution infrastructure.

Points Received: 5 (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.

a) DBP violations within the last state fiscal year
Points Received: 8

b) No DBP violations within the last state fiscal year
Points Received: 4

ii) **Redundant equipment/emergency power generators and switches required for connection**
Provide redundancy or emergency power within the distribution system.
Points Received: 10

C. Extension of Service

This section applies points to waterline extension projects. Eligible projects include extensions that provide service to potential customers that were previously unserved and not connected to a public water system.

If the total linear feet provided in the Narrative tab and the Components tab of WRIS are inconsistent, the lowest documented value will be used for scoring purposes.
Points Received: 10

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 improving or continuing work on service line inventories. The list must be in a digital/electronic format that includes all the fields required by the Lead and Copper Rule Improvements for a service line inventory (see below).

Service line ID (SLID)
Street address
City
ZIP code
Latitude (decimal format)
Longitude (decimal format)
System-owned Service line material
System-owned SL material verification method (Final)
Customer-owned Service line material
Customer-owned SL material verification method
Connector material (for all connectors per service line)
LCR Sampling point ID (aka Location Code)
Field verification date
Entire Service Line Material Classification (refers to both sections of SL)

Points Received: 200

B. Incorporating GIS to record inventory
Water systems using GIS procedures or methods to record the service line inventory:
Points Received: 10

C. Integrating service line inventory replacement into asset management planning
Points can be applied in this category for water systems that supply documentation detailing how the service line inventory has been incorporated into its asset management plan, or how an asset management plan is being developed as a result of the service line inventory process.
Points Received: 10

VI. REPLACEMENT OF LEAD SERVICE LINE AND LEAD COMPONENTS

A. Lead Service Line and/or Lead Components

Projects that are primarily lead/galvanized service line replacement projects should not include main line replacements or replacements of any other components than service lines or lead connectors/goosenecks. If a water system plans to replace main lines at the same time as lead/galvanized service lines, the main line components should be submitted as a separate project profile.

Points can be applied in this category for projects that include 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* (this is considered “galvanized requiring replacement,” or “GRR”). A “lead service line” is defined in the Lead and Copper Rule Improvements as a service line made entirely or partially of lead or is lead-lined, 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. Water systems are encouraged to develop any necessary mechanisms (legal, programmatic, etc.) to fund the replacement of customer-owned service lines as well as the utility-owned section.

- **GRR service line replacement – community MHI at or above Kentucky MHI. Points received: 50**

- **GRR service line replacement – community MHI is 80%-99% of Kentucky MHI. Points received: 65**
- **GRR service line replacement – community MHI less than 80% of Kentucky MHI. Points received: 80**
- **LSL and lead component replacement – community at or above Kentucky MHI. Points received: 100**
- **LSL and lead component replacement – community MHI between 80%-99% of Kentucky MHI. Points received: 125**
- **LSL and lead component replacement – community MHI less than 80% of Kentucky MHI. Points received: 150**

B. Plan in place for water system to fund replacement of customer-owned sections of LSLs or GRR SLs: Points received: 20

C. Integration of lead service line work (replacement and/or inventory updates) with other distribution system upgrades.

Points can be applied if the applicant can demonstrate that the service line project is being integrated into other existing or proposed distribution system projects (e.g., main line replacement or extensions; valve, backflow preventor, or meter replacements/installations; distribution system security measures; or projects that address hydraulic issues in the distribution system.

NOTE: the documentation must reference **other** projects or work; project profiles for lead service line inventory or replacement projects must be restricted to replacing service lines and connectors as described above ONLY, and may not include replacement of any other infrastructure.

Points received: 25

VII. LEAD COMPLIANCE

High Lead Levels

Primary system has lead concentrations that exceed 10 ppb in more than 10% of customer taps sampled within the last compliance period.
Points Received: 5

VIII. 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 - Water Treatment Plant (WTP)
5 - Distribution

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

IX. 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. Systems must upload the active Agreed Order to WRIS to receive consideration for points under this category.
Points Received: 5

B. Primary system has not received any SWDA Notices of Violation within the previous state fiscal year (July through June)
Points Received: 2

X. DISADVANTAGED COMMUNITY FINANCIAL NEED

System-wide census data or project-based census data may be used to determine financial need. Applicants should provide project area–specific census data when available. If project-specific data is not submitted or is unavailable, the system-wide data for the included water system(s) will be used for scoring purposes.

A. Median Household Income (MHI) below 80 percent of the Commonwealth's MHI.
(Determined by the **current DWSRF cycle** American Community Survey (ACS) 5-Year Estimate.)
Points Received: 25

B. MHI between 80 and 100 percent of the Commonwealth's MHI.
(Determined by the **current DWSRF cycle** American Community Survey (ACS) 5-Year Estimate.)
Points Received: 15

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 documentation must be uploaded into the WRIS or submitted independently to the Division of Water for verification.

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 below ground assets (not to include wastewater 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.
  Extra points awarded if the system's asset inventory is mapped into a GIS program.
  Systems must upload Asset Management Plan components or Asset Management Plan and Service Line Inventory Verification Form to WRIS
  Points Received: 5
  With GIS based asset inventory Points Received :10

- **Strategic Plan**: at a minimum, must include a mission statement, level of service goals for the system that are SMART (Specific, Measurable, Attainable, Realistic, and Time-bound), and preventive maintenance program.
  Systems must upload Strategic Plan components or Asset Management Plan and Service Line Inventory Verification Form to WRIS
  Points Received: 2

- **Capital Improvement Plan**: a list of capital projects for the next five (5) or more years which includes project title, anticipated year of construction, cost estimate, and sources of potential funding).
  Systems must upload Capital Improvement Plan components or Asset Management Plan and Service Line Inventory Verification Form to WRIS
  Points Received: 5

  Systems must upload Asset Management Plan, Strategic Plan, and/or Capital Improvement Plan components or Asset Management Plan and Service Line Inventory Verification Form to WRIS to receive those points.

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: 5**
- Between 1 and 1.99%: **Points Received: 2**
- Below 1%: **Points Received: 0**

C. System has allocated funds that are specifically dedicated for the rehabilitation and replacement of aging and deteriorating infrastructure within their budget.

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: 5

D. System financial audits

System has a completed financial audit for each of the last three years proposed projects not meeting this requirement may be ineligible for the DWSRF. System must submit verification that audits have been conducted as required by Kentucky Statute KRS 91A.040.

The system that will be the borrowing entity must upload their three most recent audits to WRIS.
Points Received: 1

XII. SUSTAINABLE INFRASTRUCTURE

To receive points in this category, elements related to sustainable infrastructure must also be clearly described and supported within the Project Narrative in WRIS. Information must align with and be substantiated by the details provided in the Sustainable Infrastructure tab. Failure to include and explain these elements in the Narrative tab may result in no points being awarded under this section.

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: 1 each with a maximum of 5

Examples:
- *Implementation of green streets.*
- *Wet Weather management systems for parking areas.*
- *Implementation of comprehensive urban forestry programs.*

- Stormwater harvesting and reuse.
- Downspout disconnection.
- Comprehensive retrofit programs designed to keep wet weather discharges out of sewer systems.
- Establishment or restoration of riparian buffers, floodplains, wetlands or other natural features.
- Management of wetlands.
- Purchase of land or easements on land that has a direct benefit to water quality.

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: 1 each with a maximum of 5

Examples:

- 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.
- Developing water audit and conservation plans, which are reasonably expected to result in a capital project.
- 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/agricultural systems to more efficient landscape/agricultural irrigation systems (rain and moisture sensing equipment)
*- Water meter replacement with traditional water meters.**
*- Projects that result from a water audit or water conservation plan.**
*- Storage tank replacement/rehabilitation to reduce water loss.**
*- New water efficient landscape/agricultural 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: 1 each with a maximum 5

Examples:

- Renewable energy projects such as wind, solar, geothermal, and micro-hydroelectric, and biogas combined heat and power systems that provide power to a POTW.
- POTW-owned renewable energy projects.
- Collection system infiltration/inflow (I/I) detection equipment.

- POTW energy management planning, including energy assessments, energy audits, optimization studies, and sub-metering of individual processes to determine high energy use areas
*- Projects that achieve a reduction in energy consumption (pumps, motors).**
*- Projects that cost effectively eliminate pumps or pumping stations.**
*- I/I correction projects that save energy from pumping and reduced treatment costs.**
*- I/I correction where excessive groundwater infiltration is contaminating the influent requiring otherwise unnecessary treatment processes.**
*- Replacing old motors with premium energy efficiency motors.**
*- Upgrade of POTW lighting to energy efficient sources.**
*- SCADA systems where substantial energy savings can be demonstrated.**
*- Variable Frequency Drive (VFD) controllers where substantial energy savings can be demonstrated.**

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. Item 2 and Item 13 are mutually exclusive. Checking one requires that documentation regarding the Asset Management program is uploaded to the project profile.
Points Received: 1 each with a maximum of 5

Examples:
- Total integrated water resources management planning likely to result in a capital project.
- 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.
- Planning activities by a POTW to prepare for adaptation to the long-term effects of climate change and/or extreme weather.
- Construction of US Building Council LEED certified buildings, or renovation of an existing building on POTW facilities.
- Decentralized wastewater treatment solutions to existing deficient or failing onsite wastewater systems.
*- Constructed wetlands projects used for municipal wastewater treatment, polishing, and/or effluent disposal.**
*- Projects that result from total/integrated water resource management planning consistent with the decision criteria for environmentally innovative projects and that are SRF eligible.**
*- Projects that facilitate adaptation of POTWs to climate change identified by a carbon footprint assessment or climate adaption study.**
*- POTW upgrades or retrofits that remove phosphorus for beneficial use, such as biofuel production with algae.**
*- Projects that significantly reduce or eliminate the use of chemicals in wastewater treatment.**
*- Treatment technologies that significantly reduce the volume of residuals, generation of residuals, or lower the amount of chemicals in the residuals.**
*- Educational activities and demonstration projects for water or energy efficiency.**
*- Projects that achieve the goals/objectives of utility asset management plans.**
*- Sub-surface land application of effluent and other means for groundwater recharge, such as spray irrigation and overland flow.**

**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, the appropriate checkboxes in the Impacts tab must be selected to indicate to Division staff that the plans have been submitted; 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 committed funds from other funding sources; or the DWSRF is the sole source of funding.

Points Received: 10 per section (Combined for a total of 30 points)

Projects that primarily consist of meter replacements, SCADA, or telemetry upgrades will be considered fully ready and will receive the full 30 points for project readiness.

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 with the project profile. Documents must be submitted to the Division of Water in order to receive points in this category.

A. Service Line Inventory

Demonstrate compliance with the 2024 Initial Service Line Inventory requirements of Lead and Copper Rule Revisions.
Points Received: 10

B. Lead Service Line Replacement

The following documents must be submitted to the DOW to receive project readiness points for proposed lead service line replacement (LSLR) projects:

1. A strategy to determine the material composition of any remaining lead-status-unknown service lines in the service line inventory; and

2. A proposed procedure for conducting full service line replacement using all requested funding, including a strategy for informing customers before a LSLR and a template for an agreement with the private property owner to replace the LSL; and

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

4. A procedure for customers to flush service lines and premise plumbing of particulate lead.

Note: Submitting a service line replacement plan that meets all the requirements of the LCRI (40 CFR 141.84(c)) in lieu of items 1-4 above would also qualify for LSLR project readiness points.

Points Received: 25

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

Note: If a project is being completed in phases, be sure to clarify what has already been completed and what still needs to be done.

SYSTEMS WILL ONLY BE RANKED ON THE PHASE WHICH IS CURRENTLY BEING COMPLETED. If the phase of the project is not clarified then the project will not be ranked, and it will be bypassed.

Note: Systems should not edit project profiles after the call for projects is closed until after the ranking process has been completed.

DWSRF Project Checklist

This checklist is a simplified reference tool and is not intended to replace the full guidance provided in the main document. Applicants must refer to the official document for all rules, requirements, scoring criteria, and submission procedures. In the event of any discrepancies, the information contained in the main document shall prevail.

☐ The contents of the Project Description under Narrative Tab and the Project Inventory under the Components Tabs in WRIS must match. Except in cases involving water line replacement/extension the linear footage mentioned in Narrative and Components must be within 10% of each other.

☐ If project plans and specs have been sent/reviewed by DOW, check the corresponding boxes under the Impact Tab

☐ Check any relevant boxes on the Impacts Tab under DW Specific Impacts and Project Readiness
LSL (Lead Inventory and Lead Service Line Replacement)

- If this project is necessary to achieve full or partial compliance with a court order, agreed order, or a judicial or administrative consent decree. Upload the agreed order under Sustainable Infrastructure Tab > Asset Management Tab
- If the system has not received any SDWA Notices of Violation within the previous state fiscal year (July through June) check the box under the Impacts tab
- Be sure to attach supporting documents listed in Sections XIII or XIV.

☐ Make sure all mapped aspects of the project are included in the Components Tab

☐ Check applicable boxes under the following categories in the Components Tab:

- Administrative Components, Regionalization Components, Water Source Protection, Water Treatment Components, and Water Distribution and Storage Components

☐ Upload the 3 most recent Audits from the borrowing entity under the Components Tab.

☐ Upload Water Loss in the Last 12 Months in the Components Tab

☐ Check applicable boxes under the following categories in the Sustainable Infrastructure Tab:

- Green Infrastructure, Water Efficiency, Energy Efficiency, and Environmentally Innovative Projects

Sustainable Infrastructure components MUST be mentioned in narrative.

☐ Upload the systems Asset Management Plan, Strategic Plan and Capital Improvement Plan under the Sustainable Infrastructure Tab > Asset Management Tab

- System can upload their own form of supporting documentation or use the State Revolving Fund Verification Form Asset Management Plan and Service Line Inventory Development which can be found on the WRIS Project Profile page (WRIS_AMP-SLI_VerificationForm.pdf)

☐ If the system has specifically allocated funds for the rehabilitation and replacement of aging and deteriorating infrastructure, be sure to check the box under Asset Management and upload supporting documentation under the Sustainable Infrastructure Tab > Asset Management Tab

REMINDER: **The DWSRF cannot fund waterline extension projects to primarily serve future population growth or to primarily serve projects needed for fire protection.**

DWSRF Ranking Criteria

I	Regionalization	General DWSRF Points	EC Points
A	Elimination of a public water system (PWS) through a merger or acquisition (*Elimination of a PWSID)*	100	115-200
B	Elimination of a water treatment plant through an interconnection	100	115-200
C	Consolidation of multiple PWS through a merger, acquisition, or common management	100	NA

II	Public Health Criteria – Water Supply	General DWSRF Points	EC Points
A	Connection to a new raw water supply	100	115 - 200
B	Connection to a new potable water supply	100	115 - 200
C	Rehabilitation of a dam or reservoir	10	NA

III	Public Health Criteria – Treatment	General DWSRF Points	EC Points
A	Treatment Facilities (i) Construction of a new water treatment plant (ii) Rehabilitation of the water treatment plant ▪ Infrastructure options to meet Cryptosporidium removal/ inactivation requirements ▪ Modifications to meet CT inactivation requirement ▪ Modifications to address disinfection byproducts requirements ▪ Modifications to address VOC, IOC, SOC, radionuclide requirements ▪ Modifications to address secondary contaminants (iii) Redundant processes/emergency power generators (iv) Replacement of raw waterline (v) Replacement or rehabilitation of a raw water intake	 10 25 10 5 10	20 - 40
B	Treatment Upgrades/Modifications (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	 5 5 5 5 	 115-200

IV	Public Health Criteria – Distribution	General DWSRF Points
A	Hydraulics/Storage (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% >45% (iii) Rehabilitation of a water storage tank (iv) New water storage tank/replacement of 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	 20-60 2 6 10 5-10 2-10 5-10 5
B	Finished Water Quality (i) Infrastructure to address inadequate turnover and disinfection byproducts (ii) Redundant equipment/emergency power generators	 4 or 8 10
C	Extension of Service Waterline extensions to serve existing households with inadequate domestic water supplies such as contaminated wells or cisterns	10

V	Service Line Inventory	Lead Points
A	Inventory Development	200
B	Incorporation GIS to record inventory	10
C	Integrating service line inventory into asset management planning	10

VI	Replacement of Lead Service Line and Lead Components	Lead Points
A	Galvanized Requiring Replacement (GRR) Service Lines 1. Community MHI at or above KY MHI 2. Community MHI 80%-99% of KY MHI 3. Community MHI < 80% of KY MHI Lead Service Lines and/or Lead Components 1. Community MHI at or above KY MHI 2. Community MHI 80%-99% of KY MHI 3. Community MHI < 80% of KY MHI	 50 65 80 100 125 150
B	Plan in place to fund replacement of customer-owned sections of LSLs or GRR SLs	20
C	Integration of SL replacement with other distribution system projects	25

VII	Lead Compliance	Lead Points
A	High Lead Levels	5

VIII	Security	General DWSRF
A	Measures taken at the water treatment plant facilities or within the distribution system	5 or 10

IX	Compliance and Enforcement	General DWSRF
A	Entities with executed Orders (*Project must address the terms of the Order*)	5
B	System has not received any Notices of Violation within the previous state fiscal year (July – June)	2

X	Disadvantaged Community Financial Need	General DWSRF
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	25
B	Borrowers with a MHI between 80 and 100 percent of the Commonwealth's MHI as determined by the current ACS 5-Year Estimate	15

XI	Planning	General DWSRF
A	Asset Inventory With GIS based asset inventory	5 10
	Strategic Plan	2
	Capital Improvement Plan	5
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%	5
	Between 1 and 1.99%	2
	Below 1%	0

C	System has specifically allocated funds for the rehabilitation and replacement of aging and deteriorating infrastructure	5
D	System financial audits	1

XII	Sustainable Infrastructure	General, DWSRF, Lead, EC 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: - Implementation of green streets. - Wet Weather management systems for parking areas. - Implementation of comprehensive urban forestry programs. - Stormwater harvesting and reuse. - Downspout disconnection. - Comprehensive retrofit programs designed to keep wet weather discharges out of sewer systems. - Establishment or restoration of riparian buffers, floodplains, wetlands or other natural features. - Management of wetlands. - Purchase of land or easements on land that has a direct benefit to water quality.	1 each (5max)
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. - Developing water audit and conservation plans, which are reasonably expected to result in a capital project. - 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/agricultural systems to more efficient landscape/agricultural irrigation systems (rain and moisture sensing equipment) - Water meter replacement with traditional water meters.* - Projects that result from a water audit or water conservation plan.* - Storage tank replacement/rehabilitation to reduce water loss.* - New water efficient landscape/agricultural irrigation system, where there currently is not one.*	1 each (5 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 such as wind, solar, geothermal, and micro-hydroelectric, and biogas combined heat and power systems that provide power to a POTW. - POTW-owned renewable energy projects. - Collection system infiltration/inflow (I/I) detection equipment. - POTW energy management planning, including energy assessments, energy audits, optimization studies, and sub-metering of individual processes to determine high energy use areas - Projects that achieve a reduction in energy consumption (pumps, motors).* - Projects that cost effectively eliminate pumps or pumping stations.* - I/I correction projects that save energy from pumping and reduced treatment costs.* - I/I correction where excessive groundwater infiltration is contaminating the influent requiring otherwise unnecessary treatment processes.* - Replacing old motors with premium energy efficiency motors.* - Upgrade of POTW lighting to energy efficient sources.* - SCADA systems where substantial energy savings can be demonstrated.* - Variable Frequency Drive (VFD) controllers where substantial energy savings can be demonstrated.*	1 each (5 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 likely to result in a capital project. - 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. - Planning activities by a POTW to prepare for adaptation to the long-term effects of climate change and/or extreme weather. - Construction of US Building Council LEED certified buildings, or renovation of an existing building on POTW facilities. - Decentralized wastewater treatment solutions to existing deficient or failing onsite wastewater systems. - Constructed wetlands projects used for municipal wastewater treatment, polishing, and/or effluent disposal.* - Projects that result from total/integrated water resource management planning consistent with the decision criteria for environmentally innovative projects and that are SRF eligible.* - Projects that facilitate adaptation of POTWs to climate change identified by a carbon footprint assessment or climate adaption study.* - POTW upgrades or retrofits that remove phosphorus for beneficial use, such as biofuel production with algae.* - Projects that significantly reduce or eliminate the use of chemicals in wastewater treatment.* - Treatment technologies that significantly reduce the volume of residuals, generation of residuals, or lower the amount of chemicals in the residuals.* - Educational activities and demonstration projects for water or energy efficiency.* - Projects that achieve the goals/objectives of utility asset management plans.* - Sub-surface land application of effluent and other means for groundwater recharge, such as spray irrigation and overland flow.*	1 each (5 max)

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

XIII	Project Readiness	General DWSRF
	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.	10 per section (Combined total of 30 points) *Exception for projects that do not need to go through this process. Ex: Meter replacements*

XIV	Lead Project Readiness	Lead 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 for achieving each goal.	10
B	Lead Service Line Replacement 1. A strategy to determine the material composition of any remaining lead-status-unknown service lines in the lead service line inventory; and, 2. A proposed procedure for conducting full service line replacement using all requested funding, including a strategy for informing customers before a LSLR and a template for an agreement with the private property owner to replace the LSL; and, 3. A process for documenting all property owners declining replacement of privately owned portion of LSL; and, 4. A procedure for customers to flush service lines and premise plumbing of particulate lead.	25

APPENDIX C

SET-ASIDE WORK PLANS

KENTUCKY DIVISION OF WATER

FY2026 BASE WORKPLANS

	%	FFY 2026
Grant Amount $:		$ 4,677,000
DWSRF Program Admin (4% max available)		$ 187,080
DOW (max 3%)	3	$ 140,310
KIA (1%)	1	$ 46,770
Subtotal Amount:		$ 187,080
State Program Mgt. (10% max available)		$ 467,700
Supplement PWSS Program	10	$ 467,700
DOW Personnel		$ 467.700
Subtotal Amount:		$ 467,700
Small Systems Tech. Assist (2% max)		$ 93,540
DOW Personnel	2	$ 93,540
Subtotal Amount:		$ 93,540
State/Local Assist (up to 15%-10% max):		$ 701,550
Capacity Development - TMF Assistance	10	$ 467,700
DOW Personnel		$ 170,700
Dev/Implement Operator Cert Program		$ 297,000
Source Water Assessment Program	3	$ 140,310
DOW Personnel		$ 140,310
Wellhead Protection Program	2	$ 93,540
DOW Personnel		$ 93,540
Subtotal Amount:		$ 701,550
Total Grant Set-Asides:	31	$ 1,449,870
Total DOW Set Aside Amount:	30	$ 1,403,100
Total KIA Set Aside Amount	1	$ 46,770

The tasks identified in this workplan address the following goal(s) and objective(s):

Goal 5: Ensure Clean and Safe Water for All Communities and
Objective 1: Ensure Safe Drinking Water and Reliable Water Infrastructure
Objective 2 Protect and Restore Waterbodies and Watersheds

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 USEPA 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 ensure 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

Category:	**Amount:**
Personnel	$467,700
Total Charges	**$467,700**

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

Category:	**Amount:**
Personnel	$ 93,540
Total Charges	**$ 93,540**

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 systems.

Budget

Category:	**Amount:**
Personnel	$170,700
Total Charges	**$170,700**

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 429 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 (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.	Semi-Annual

Budget

Category:	**Amount:**
Personnel	$ 297,000
Total Charges	**$ 297,000**

Source Water Assessment Program

Introduction

Kentucky has approximately 431 public water systems with 135 served by groundwater sources and 296 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

Category:	**Amount:**
Personnel	$ 140,310
Total Charges	**$ 140,310**

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 114 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 will 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, and education and outreach within the WHP areas.

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 compliance schedules on a continual basis and WHP plans submitted for approval.

The Division provides 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 2025.

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) 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 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

Category:	**Amount:**
Personnel	$ 93,540
Total Charges	**$ 93,540**

KENTUCKY DIVISION OF WATER

2026 SUPPLEMENTAL WORKPLANS

DWSRF Supplemental

Budget

	%	FFY 2026
Grant Amount $:		$ 30,299,000
DWSRF Program Admin(4% max available)		$ 1,211,960
DOW (max 3%)	3	$ 908,970
KIA (1%)	1	$ 302,990
Subtotal Amount:		$ 1,211,960
State Program Mgt. (10% max available)		$ 3,029,900
Supplement PWSS Program	10	$ 3,029,900
DOW Personnel		$ 2,984,900
Contractual		$ 45,000
Subtotal Amount:		$ 3,029,900
Small Systems Tech. Assist (2% max)		$ 605,980
DOW Personnel	2	$ 605,980
Subtotal Amount:		$ 605,980
State/Local Assist (up to 15%-10% max):		$ 4,544,850
Capacity Development - TMF Assistance	8	$ 2,423,920
DOW Personnel		$ 1,532,420
Travel		$ 92,500
Other		$ 502,000
Dev/Implement Operator Cert Program		$ 297,000
Source Water Assessment Program	4	$ 1,211,960
DOW Personnel		$ 851,960
Other		$ 360,000

Wellhead Protection Program	**3**	**$ 908,970**
DOW Personnel		**$ 728,970**
Other		**$ 180,000**
Subtotal Amount:		**$ 4,544,850**
Total Grant Set-Asides:	**31**	**$ 9,392,690**
Total DOW Set Aside Amount:	30	$ 9,089,700
Total KIA Set Aside Amount	1	$ 302,990

The tasks identified in this workplan address the following Environmental Protection Agency goal(s) and objective(s):

Goal 5: Ensure Clean and Safe Water for All Communities and

Objective 1: Ensure Safe Drinking Water and Reliable Water Infrastructure

Objective 2 Protect and Restore Waterbodies and Watersheds

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 a 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 so they are capable of maintaining the technical, managerial, and financial capacity to consistently support technical, managerial, and financial activities that support safe drinking water to the public.
- Implement the Source Water Protection Assistance Program to address source water needs throughout the Commonwealth
- Maintain latest version of the SDWIS database while evaluating SDWIS Modernization efforts.

IIJA Supplemental

Supplement to the Public Water System Supervision Program

State Program Management

Activities

- Administer all SDWA programs within the Commonwealth
- 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;
- Training for the drinking water industry upon request; and
- Planning and coordination of various DOW programs related to the SDWA.
- Maintain latest version of the SDWIS database while evaluating SDWIS modernization efforts.

Budget

The following funds were set-aside in the 2026 DWSRF Capitalization Grants to supplement the Public Water System Supervision Program under State Program Management.

Category:	**Amount:**
Personnel	$2,984,900
Other	$ 45,000
Total Charges	**$3,029,900**

Other:

$45,000: Provides funding for the state microbiology primacy lab, Kentucky Department for Public Health, for emergency analysis.

IIJA Supplemental

Small System Technical Assistance Funds

Activities:

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

Budget:

The following funds were set aside in the 2026 DWSRF Capitalization Grant in support of the Small System Technical Assistance Program.

Category:	**Amount:**
Personnel	$ 605,980
Total Charges	**$ 605,980**

Capacity Development Program

Activities:

- Finalize and implement agency Capacity Development Strategy
- 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.
- Collaborate with partners to enhance the WRIS to meet current needs of public water systems.
- Continue to conduct TMF evaluation of PWSs through the Sanitary Survey process
- Develop guidance documents and tools to assist small public water systems in maintaining TMF capacity
- Continue the review of the Sanitary Survey process; revise as necessary to improve effectiveness and efficiency
- Review and revise the DOW Capacity Development Strategy with submittal to USEPA EPA Region 4
- Update and develop the Sanitary Survey form with the capability for data extraction
- Increase capacity of programs to facilitate the implementation of primacy for new rules.
- Provide assistance to small, disadvantaged systems on Financial Audits as available and appropriate

Budget

The following funds were set aside in the 2026 DWSRF Capitalization Grant in support of Capacity Development efforts.

Category:	**Amount:**
Personnel	$1,532,420
Operator Certification*	$ 297,000
Travel	$ 92,500
Other	$ 502,000
Total Charges	**$2,423,920**

*See Operator Certification workplan for details

Travel:

$92,500: The Division of Water staff will need to remain current with regard to the technical, managerial, and financial aspects of public water systems. Our staff plans to attend:

- Council of Infrastructure Financing Authorities Conference
- USEPA Data Management Conference
- Association of Safe Drinking Water Administrators annual conference

- KY-TN Water Professionals Conference
- USEPA State Water Directors meetings
- USEPA Drinking Water Lab Auditor Training/Refresher Training
- TNI Auditor Training
- NELAC Conference
- USEPA Region 4 State Laboratory Manager/Assessor Meeting
- Area-Wide Optimization Program Meetings
- Area-Wide Optimization Program Annual Meeting
- Kentucky Water & Wastewater Operators' Association Conference and meetings
- Kentucky Water Resources Research Institute
- Out-of-state CPEs/PBTs
- Drinking Water Infrastructure Needs Survey meetings
- USEPA Drinking Water Workshop
- USEPA/ASDWA Data Management Users Conference
- USEPA Region 4 Meetings
- USEPA National Meetings
- Kentucky Area Development District Water Management Coordinators meetings
- Corrosion Control Treatment Workshop

All travel requests will include lodging, per diem, and transportation costs.

Other:

$492,000: Assistance for Small Water Systems program will go toward providing managerial, financial, and technical capabilities assistance.

$10,000: training registration fees

IIJA Supplemental

Operator Certification Program

Activities:

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

Budget:

The following funds were set aside in the 2026 DWSRF Capitalization Grant in support of Operator Certification efforts.

Category:	**Amount:**
Personnel	$297,000
Total	**$297,000**

IIJA Supplemental

Source Water Assessment Program

Activities:

- Physical site location and construction of gaging platform;
- Installation of equipment;
- Development of gage rating curves;
- Full on-line service;
- Implementation of routine stream gage operations and maintenance (such as rating curve calibrations and equipment and satellite uplink).

Budget

The 2026 Source Water Assessment Program funds were set-aside from the State and Local Assistance Program.

Category:	**Amount:**
Personnel	$ 851,960
Other	$ 360,000
Total	**$1,211,960**

Outlay Strategy

Other:

$360,000: The Division of Water will enter into an agreement with the United States Geological Survey (USGS). The USGS will maintain forty-one (41) gauging stations and one (1) water quality stations. These funds will be expended by June 2027.

IIJA Supplemental

Wellhead Protection Program

Activities:

- Develop, maintain, and coordinate compliance schedules for WHP deadlines and processing in the Department's CGI TEMPO system
- 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

- Administer a program to offer financial assistance within the Commonwealth to public water systems implementing protection activities.

Budget

The following funds are set-aside in the 2026 DWSRF Capitalization Grant in support of the Wellhead Protection Program.

Category:	**Amount:**
Personnel	$728,970
Other	$180,000
Total Charges	**$908,970**

Other:

$180,000: Implement the Source Water Assistance Program to assist public water systems with protection activities, including capping of abandoned wells.

KENTUCKY DIVISION OF WATER

2026 LEAD SERVICE LINE REPLACEMENT WORKPLANS

DWSRF Lead Service Line Replacement

Budget:

	%	FFY 2026
Grant Amount $:		$ 27,456,000
DWSRF Program Admin(4% max available)		$ 1,098,240
DOW (max 3%)	3	$ 823,680
KIA (1%)	1	$ 274,560
Subtotal Amount:		$ 1,098,240
State Program Mgt. (10% max available)		$ 2,745,600
Supplement PWSS Program	10	$ 2,745,600
DOW Personnel		$ 2,739,600
Other		$ 6,000
Subtotal Amount:		$ 2,745,600
Small Systems Tech. Assist (2% max)		$ 549,120
DOW Personnel	2	$ 285,120
Supplies		$ 14,000
Contracts		$ 250,000
Subtotal Amount:		$ 549,120
State/Local Assist (up to 15%-10% max):		$ 4,118,400
Capacity Development - TMF Assistance	10	$ 2,745,600
DOW Personnel		$ 225,600
Travel		$ 20,000

Contracts		**$**	**2,500,000**
Source Water Assessment Program	**3**	**$**	**823,680**
DOW Personnel		**$**	**823,680**
Wellhead Protection Program	**2**	**$**	**549,120**
DOW Personnel		**$**	**549,120**
Subtotal Amount:		**$**	**4,118,400**
Total Grant Set-Asides:	**31**	**$**	**8,511,360**
Total DOW Set Aside Amount:	30	$	8,236,800
Total KIA Set Aside Amount	1	$	274,560

The tasks identified in this workplan address the following goal(s) and objective(s):

Goal 5: Ensure Clean and Safe Water for All Communities
Objective 1: Ensure Safe Drinking Water and Reliable Water Infrastructure

Introduction

IIJA 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; therefore, the Lead and Copper Rule Improvements, which amend the provisions of the LCRR, were released in October 2024.

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 a baseline lead service line inventory by November 1, 2027 compliance date. Maintaining this compliance deadline ensures water systems will make continued progress to identify LSLs and make plans for their replacement, which is integral to lead reduction efforts.

EPA recommends working closely with local water agencies to complete LSL inventories, LSL replacement plans, and plans to sample for lead in the distribution system and at schools and child care facilities; 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, undertake LSL replacement planning, improve tap sample planning, provide public education, and adjust water quality to reduce lead in drinking water. Preparing the inventory will allow systems to better identify sampling locations, begin planning for LSL mitigation actions, and apply for IIJA funds.

Activities

- Increase capacity of drinking water program to facilitate implementation of primacy for the Lead and Copper Rule Improvements, and determine compliance
- Identify areas of concern (including disadvantaged)
- Prioritize areas of need (including disadvantaged)
- Develop/improve electronic & data management tools – GIS, WRIS, eForms, TEMPO, SDWS, etc.

- Provide compliance assistance on SL 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
    - Data management systems for SL inventories and sampling data

- Enhanced technical and compliance assistance capacity within agency and with partners
- Maintain latest version of the SDWIS database while evaluating SDWIS Modernization efforts.

Lead Service Line Replacement

Supplement to the Public Water System Supervision Program

State Program Management

Activities:

- Identify areas of concern (including disadvantaged)
- Prioritize areas of need (including disadvantaged)
- Compliance assistance on LSL inventory, sampling plans, and replacement planning
- Develop partnerships with Area Development Districts, water systems, and others
- Develop/improve electronic & data management tools – GIS, WRIS, eForms, TEMPO, SDWS, etc.

Budget

The following funds were set-aside in the 2026 DWSRF Lead Service Line Replacement Capitalization Grants to supplement the Public Water System Supervision Program under State Program Management.

Category:	**Amount:**
Personnel	$ 2,739,600
Other	$ 6,000
Total	**$ 2,745,600**

Other:

$6,000: printing services for communications materials.

BIL Lead Service Line Replacement

Small System Technical Assistance 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 & data management tools – GIS, WRIS, eForms, TEMPO, SDWS, etc.
- Compliance assistance on LSL inventory, sampling plans, and replacement planning

Budget

The following funds were set aside in the 2026 DWSRF Lead Service Line Replacement Capitalization Grant in support of the Small System Technical Assistance Program.

Category:	**Amount:**
Personnel	$ 285,120
Supplies	$ 14,000
Other (contracts)	$ 250,000
Total Charges	**$ 549,120**

Supplies: The $14,000 budgeted for Supplies will be used for field technical work.

Contracts: DOW will use the $250,000 budgeted to contract with partners to provide collaborative partnerships and tools to help local water systems develop LSL inventories and undertake LSL replacement planning.

BIL Lead Service Line Replacement

Capacity Development Program

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 & data management tools – GIS, WRIS, eForms, TEMPO, SDWS, etc.
- Compliance assistance on LSL inventory, sampling plans, and replacement planning

Budget

The following funds were set aside in the 2026 DWSRF Lead Service Line Replacement Capitalization Grant in support of Capacity Development efforts.

Category:	**Amount:**
Personnel	$ 225,600
Other (contract)	$ 2,500,000
Travel	$ 20,000
Total Direct Charges	**$ 2,745,600**

Other (contract): DOW will use the $2,500,000 budgeted to contract with partners to provide collaborative partnerships and tools to help local water systems develop LSL inventories and undertake LSL replacement planning.

Travel:

$20,000: The Division of Water staff will need to remain current with regard to the technical, managerial, and financial aspects of public water systems. Our staff plans to attend:

- Council of Infrastructure Financing Authorities Conference
- USEPA Data Management Conference
- Association of Safe Drinking Water Administrators annual conference
- KY-TN Water Professionals Conference
- USEPA State Water Directors meetings
- USEPA Drinking Water Lab Auditor Training/Refresher Training
- TNI Auditor Training
- NELAC Conference
- USEPA Region 4 State Laboratory Manager/Assessor Meeting

- Area-Wide Optimization Program Meetings
- Area-Wide Optimization Program Annual Meeting
- Kentucky Water & Wastewater Operators' Association Conference and meetings
- Kentucky Water Resources Research Institute
- Out-of-state CPEs/PBTs
- Drinking Water Infrastructure Needs Survey meetings
- USEPA Drinking Water Workshop
- USEPA/ASDWA Data Management Users Conference
- USEPA Region 4 Meetings
- USEPA National Meetings
- Kentucky Area Development District Water Management Coordinators meetings

Lead Service Line Replacement

Source Water Assessment Program

- Identify areas of concern (including disadvantaged)
- Prioritize areas of need (including disadvantaged)
- Develop/improve electronic & data management tools – GIS, WRIS, eForms, TEMPO, SDWS, etc.

Budget

The 2026 Lead Service Line Replacement Source Water Assessment Program funds were set-aside from the State and Local Assistance Program.

Category:	**Amount:**
Personnel	$ 823,680
Total Direct Charges	**$ 823,680**

BIL Lead Service Line Replacement

Wellhead Protection Program

- Identify areas of concern (including disadvantaged)
- Prioritize areas of need (including disadvantaged)
- Develop/improve electronic & data management tools – GIS, WRIS, eForms, TEMPO, SDWS, etc.

Budget

The following funds are set-aside in the 2026 DWSRF Lead Service Line Replacement Capitalization Grant in support of the Wellhead Protection Program.

Category:	**Amount:**
Personnel	$ 549,120
Total Direct Charges	**$ 549,120**

KENTUCKY DIVISION OF WATER

2026 EMERGING CONTAMINANTS WORKPLANS

DWSRF Emerging Contaminants

Budget

	%	FFY 2026
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	9	$ 837,030
DOW Personnel		$ 540,090
Dev/Implement Operator Cert Program		$ 297,000
Source Water Assessment Program	3	$ 279,030
DOW Personnel		$ 229,030
Other (contract)		$ 50,000
Wellhead Protection Program	3	$ 279,030
DOW Personnel		$ 279,030
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

The tasks identified in this workplan address the following goal(s) and objective(s):

Goal 5: Ensure Clean and Safe Water for All Communities
Objective 1: Ensure Safe Drinking Water and Reliable Water Infrastructure
Objective 2: Protect and Restore Waterbodies and Watersheds

Introduction

IIJA 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 IIJA 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
- Maintain latest version of the SDWIS database while evaluating SDWIS Modernization efforts.

Emerging Contaminants

Supplement to the Public Water System Supervision Program

State Program Management

Activities:

- PFAS monitoring and analysis
- Mitigation activities and treatment
- Institutionalization of PFAS program elements
- 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
- Develop and enhance technical and compliance assistance capacity within agency

Budget

The following funds were set-aside in the 2026 DWSRF Emerging Contaminants Capitalization Grants to supplement the Public Water System Supervision Program under State Program Management.

Category:	**Amount:**
Personnel	$ 930,100
Total	**$ 930,100**

Emerging Contaminants

Small System Technical Assistance Funds

Activities:

- Institutionalization of PFAS program elements
- Mitigation activities and treatment
- Continue to assess finished drinking water for PFAS
- Identification of priority areas of focus based on known or suspected impacts
- Identification of treatment capabilities and mitigation activities for PFAS impacts
- Develop and enhance technical and compliance assistance capacity within agency
- Technical and compliance assistance

Budget

The following funds were set aside in the 2026 DWSRF Emerging Contaminants Capitalization Grant in support of the Small System Technical Assistance Program.

Category:	**Amount:**
Personnel	$ 186,020
Total	**$ 186,020**

Emerging Contaminants

Capacity Development Program

Activities:

- Institutionalization of PFAS program elements
- Mitigation activities and treatment
- Continue to assess finished drinking water for PFAS
- Identification of priority areas of focus based on known or suspected impacts
- Identification of treatment capabilities and mitigation activities for PFAS impacts
- Develop and enhance technical and compliance assistance capacity within agency
- Technical and compliance assistance

Budget

The following funds were set aside in the 2026 DWSRF Emerging Contaminants Capitalization Grant in support of Capacity Development efforts.

Category:	**Amount:**
Personnel	$540,090
Operator Certification Program	$297,000
Total	**$837,090**

*See Operator Certification workplan for details

Emerging Contaminants

Operator Certification Program

Activities:

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

Budget

The following funds were set aside in the 2026 DWSRF Emerging Contaminants Capitalization Grant in support of Operator Certification efforts.

Category:	**Amount:**
Personnel	$297,000
Total	**$297,000**

Emerging Contaminants

Source Water Assessment Program

Activities:

- Institutionalization of PFAS program elements
- Mitigation activities and treatment
- Continue to assess PWS source water, and fish tissue for PFAS
- Identification of priority areas of focus based on known or suspected impacts
- Improve communication and public education about PFAS

Budget

The 2026 Source Water Assessment Program funds were set-aside from the State and Local Assistance Program.

Category:	**Amount:**
Personnel	$229,030
Other (contract)	$ 50,000
Total Charges	**$279,030**

Other: contract for Ohio River PFAS monitoring

Emerging Contaminants

Wellhead Protection Program

Activities:

- Institutionalization of PFAS program elements
- Mitigation activities and treatment
- Continue to assess surface waters for PFAS
- Identification of priority areas of focus based on known or suspected impacts
- Assist PWSs with education about PFAS to their communities

Budget

The following funds are set-aside in the 2026 DWSRF Emerging Contaminants Capitalization Grant in support of the Wellhead Protection Program.

Category:	**Amount:**
Personnel	$279,030
Total Direct Charges	**$279,030**

APPENDIX D

PUBLIC COMMENT