

# DWSRF

DRINKING WATER STATE REVOLVING FUND

SFY 2009

## FINAL INTENDED USE PLAN



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Energy and Environment  
Cabinet

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Executive Director  
Kentucky Infrastructure  
Authority

LOGAN-TODD REGIONAL



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## INTRODUCTION

Kentucky's Intended Use Plan (IUP) for the Drinking Water State Revolving Fund (DWSRF) is prepared in accordance with the provisions of the Safe Drinking Water Act (SDWA) Amendments of 1996.<sup>1</sup> The IUP describes the sources and uses of funds for the 2009 state fiscal year (SFY) (July 1, 2008, to June 30, 2009) and provides specific details regarding the state's prioritization process for ranking projects, short-term and long-term goals, environmental benefits, set-aside activities and the listing of eligible projects. The purpose of this IUP is to communicate Kentucky's DWSRF plan for the 2009 funding cycle to the state's public water systems (PWSs), the public, EPA and other state agencies.

### *What is the Drinking Water State Revolving Fund?*

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

Kentucky's DWSRF financing program provides low interest loans for drinking water infrastructure projects that promote the goals of the SDWA. Projects identified to receive funding are selected from the ranked group of Project Questionnaires received during the Annual Call for Projects. The ranking is based on the public health criteria outlined in the SDWA. Since its inception in 1997, Kentucky's DWSRF has committed funds to over 60 drinking water infrastructure projects, totaling more than \$136 million.

### *Structure of the DWSRF...*

The Kentucky Infrastructure Authority (KIA) and the Kentucky Environmental and Public Protection Cabinet (EPPC) through the Division of Water (DOW) jointly administer the program via a Memorandum of Agreement in accordance with Kentucky Revised Statute (KRS) 224A.1115 and Kentucky Administrative Regulation (KAR) 200 KAR 17:070<sup>1</sup>.

The following contacts can assist you with your DWSRF inquiries:

Contact	Agency	Subject
Sandy Williams - (502) 573-0260 <a href="mailto:Sandy.williams@ky.gov">Sandy.williams@ky.gov</a>	KIA	Loan Application, Financial Terms, Rates
Amanda Yeary - (502) 564-3410 <a href="mailto:Amanda.yeary@ky.gov">Amanda.yeary@ky.gov</a>	DOW	Project Questionnaire, Priority List, Environmental Review
Lola Lyle - (502) 564-3410 <a href="mailto:Lola.lyle@ky.gov">Lola.lyle@ky.gov</a>	DOW	Loan Application, Procurement, Bidding Requirements
Mike Riley, PE - (502) 564-3410 <a href="mailto:Jmike.riley@ky.gov">Jmike.riley@ky.gov</a>	DOW	Plans and Specifications
Donna Marlin, DWB Mgr. - (502) 564-3410 <a href="mailto:Donna.marlin@ky.gov">Donna.marlin@ky.gov</a>	DOW	General Information, Set-Asides Activities, RFPs

<sup>1</sup> KRS Ch 224A.1115 and 200 KAR 17:070 may be found on the Internet from the Kentucky Legislature Home Page address: <http://lrc.ky.gov/home.htm>.

## ***Who is Eligible?***

An eligible borrower must be a public water system that is also a governmental agency. Some examples include:

- Municipal corporations
- Cities
- Agencies
- Commissions
- Authorities
- Districts
- Water associations permitted to issue interest bearing obligations which interest would be excluded from gross income under Section 103 of the Internal Revenue Code of 1986 as amended

Public water systems and water associations that are not governmental agencies will be eligible only when funded through an eligible borrower.

An eligible borrower must also 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. If you need assistance determining if your utility is eligible, contact Sandy Williams, KIA for help.

## ***What is Eligible?***

Some 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
- Clearwells
- Drilled wells and wellhead areas
- Security related facilities
- Emergency measures for the protection of public health
- Refinancing or buying eligible debt obligations of a public water system
- Any other structure of facility that the DOW considers necessary to the efficient and sanitary operation of a public water system

If you need assistance determining if your project is eligible for funding, contact Amanda Yeary at the DOW for more information.

## **I. DWSRF GOALS AND ACCOMPLISHMENTS**

The primary goal of the DWSRF program is to assist PWSs in providing safe drinking water at an affordable cost to their customers. The 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 protection 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 EPA.

### **A. Goals for the 2009 Funding Cycle**

#### **Short-Term Goals**

1. Work with EPA Region Four, the Office of the State Budget Director and the Office of Financial Management in the Finance and Administration Cabinet to complete the steps necessary to issue leverage bonds. If made available, leveraging will allow for approximately \$30 million in additional funds to make drinking water infrastructure loans.
2. Provide a comprehensive training conference for interested parties in the fall of 2008. The training will provide information regarding all aspects of the DWSRF program to water systems, area development districts, local officials and the engineering community.
3. Continue to define and develop specific environmental outcomes and measures that will demonstrate the protection of public health by category type through DWSRF funding.
4. Continue to issue and evaluate contracts associated with set-aside initiatives.
5. Continue to protect public health by providing funds for the supply of safe drinking water to the citizens of the commonwealth of Kentucky and loans to water systems for infrastructure improvements needed to comply with the SDWA.
6. Support components of the state drinking water and groundwater programs by directing the necessary resources toward the state's most pressing compliance and health needs.

#### **Long-Term Goals**

1. Restore, maintain or create a safe drinking water supply in Kentucky by developing a DWSRF program capable of funding and technically assisting systems that annually pose the most serious risk to public health and compliance with the SDWA.

2. Maintain the fiscal integrity of the DWSRF and preserve the fund to ensure funding availability in perpetuity. Progress toward this goal will be documented via the annually audited financial statements, loan monitoring activities and KIA Board changes to the lending rate policy.
3. Evaluate via trend analysis the environmental measures and outcomes used to demonstrate the protection of public health to determine ongoing environmental priorities.
4. Conduct the loan process with timely and consistent timeframes and deadlines each year.

**B. Accomplishments During the 2008 Funding Cycle**

1. Improved Pace: The DWSRF financed a record number of projects in the 2008 funding cycle. The KIA and DOW have worked together to establish funding for 14 drinking water projects during the 2008 funding cycle alone, even over-committed funds, using multiple capitalization grants and repayment dollars. See Figure 1.

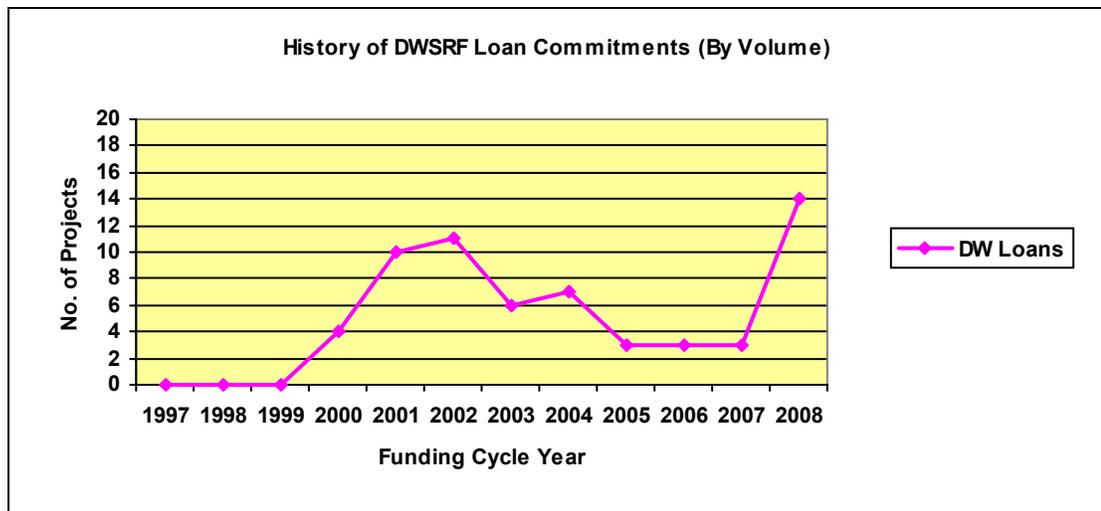


Figure 1

2. Improved Communication: Much of the recent success of the program is due to the improved working relationship between the KIA (grantee) and the DOW. Joint monthly meetings between the KIA and DOW have been conducted since the summer of 2007, to discuss projects status and processes refinement. The meetings are now vital to the functionality of the program.
3. Improved Marketing: The DWSRF program is becoming increasingly popular among public water systems and consultants seeking funding for infrastructure projects. We believe this is in part due to the annual “call for projects” that is distributed to all public water systems, local officials, area development districts, and the engineering community, advertising the DWSRF program and its benefits. Furthermore, the KIA

and DOW have conducted DWSRF presentations throughout the year at operator’s conferences, water management councils, and area development districts to educate the public about the program.

4. Consistency: It is our accomplishment and our goal to provide consistency throughout the program for our applicants. For the last three funding cycles, we have conducted a “call for projects” that the utilities have come to expect. We have been attempting to streamline as many processes as possible to make the loan process easier for applicants and more efficient for administrators.

## II. SFY 2009 PLAN OF ACTION

### A. Financial Status of the DWSRF

#### Sources and Uses of Funds

Capitalization grants are received each year through EPA. Figure 2, below, demonstrates the decline in allocations since the inception of the program in 1997. State allocations are based on the nation-wide Needs Survey and yearly congressional appropriations. The Needs Survey is conducted every four years.

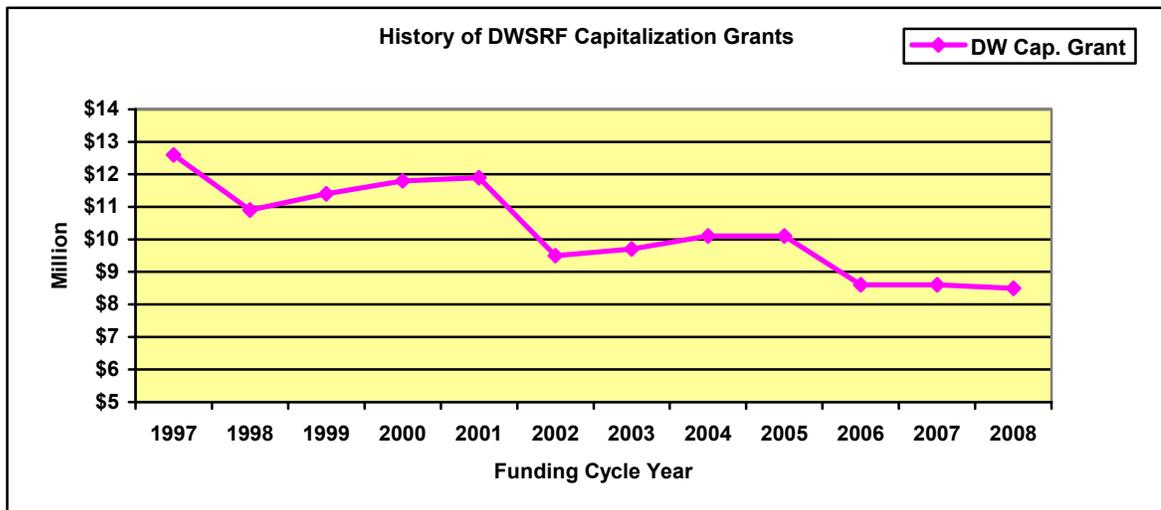


Figure 2

Kentucky’s DWSRF is capitalized by appropriations by the United States Congress. The Kentucky General Assembly provides the required 20% state match funding. The fund provides, in perpetuity, financial assistance to Kentucky’s PWSs. During 2009, Kentucky will rely on funding as outlined in Table 1 to provide financial assistance to communities, support operations in KIA and DOW, and support related program activities.

Table 1  
Kentucky DWSRF Sources and Uses of Funds for 2009  
July 1, 2008 through June 30, 2009

<b>Funding Sources</b>	<b>Federal Contribution</b>	<b>State Contribution</b>	<b>Other</b>	<b>Total</b>
Uncommitted Prior Year Cap. Grant Funds *			-	-
Loan Repayments**			-	-
Leverage Bond Proceeds			15,000,000	15,000,000
Banked Prior Year Set-Aside Funds			10,425,448	10,425,448
2009 Capitalization Grant (Estimated)	8,630,000	1,726,000		10,356,000
State Program Management Expenditure Match***		863,000		863,000
<b>Total Funding Sources</b>	<b>8,630,000</b>	<b>2,589,000</b>	<b>25,425,448</b>	<b>36,644,448</b>
<b>Funding Uses</b>				
Financial Assistance	5,977,138	1,726,000	15,000,000	22,703,138
Banked Prior Year Set-Aside Funds			10,425,448	10,425,448
Administration (4%)	345,200			345,200
State Program Management (10%)	863,000	863,000		1,726,000
Technical Assistance (2%)	172,600			172,600
Local and Other Assistance (14.74%)	1,272,062			1,272,062
<b>Total Funding Uses</b>	<b>8,630,000</b>	<b>2,589,000</b>	<b>25,425,448</b>	<b>36,644,448</b>

\* As of April 6, 2008, all prior year loan funds have been committed.

\*\* As of April 6, 2008, all repayment funds received to date have been committed. Also, anticipated repayment funds for 2009 have been committed.

\*\*\* The State Program Management Expenditure Match is an in kind match and does not represent funds available for construction projects.

In SFY 2009, KIA will have up to \$22,703,138 available to fund eligible DWSRF projects. This is comprised of the estimated 2009 capitalization grant of \$5,977,138 (after set-asides) *plus* state funds of \$1,726,000 and up to \$15,000,000 from leverage bond proceeds. From the capitalization grants, KIA and DOW will have an additional \$2,307,662 set-aside for environmental initiatives and \$345,200 for administration. Five percent of funds available for project assistance (\$1,135,157) will be designated for loans approved in FY 2008 that experience cost overruns or other extenuating circumstances that necessitate additional loan funds to allow the project to proceed.

The \$1,726,000 state match will consist of proceeds from the sale of tax-exempt revenue bonds with debt service provided by the commonwealth. KIA will coordinate with the Finance and Administration Cabinet regarding the anticipated sale date of the bonds. The 2008 capitalization grant application was submitted to EPA on May 16, 2008. The anticipated submission dates for the 2009 capitalization grant application is February 1, 2009. Grant awards are typically made within 90 days.

Transfers between the Clean Water State Revolving Fund and the Drinking Water State Revolving Fund programs are allowed up to a maximum of 33 percent of the total DWSRF capitalization grants received. While KIA reserves the right to transfer available funds, a transfer is not expected during the SFY 2009.

KIA requested budgetary authorization to issue agency leverage bonds during the 2008-2010 biennium in an amount not to exceed \$30 million. Bond proceeds would be deposited into the fund and would be used to make eligible DWSRF loans. This authorization was granted in the 2008-2010 biennial budget. For this authorization to become effective, KIA must obtain approval from EPA Region Four to operate a leverage bond SRF program. Next, KIA must acquire approval from the KIA Board, the Office of the State Budget Director and the Office of Financial Management in the Finance and Administration Cabinet as to the timing and amount of the leverage bonds issuance. KIA anticipates that approximately one-half of the authorization will be used in each state fiscal year.

Additionally, KIA reserves the right to defer the issuance of bonds based on conditions in the financial markets. Unstable market conditions could negatively impact the amount of funds available for loans. It is KIA's intention to maximize the amount of funding available for eligible projects.

## **Financial Terms of Loans**

### **1. Funding Limit**

Kentucky's DWSRF has a \$4,000,000 limit on the amount of funds that will be available to any one borrower from a specific capitalization grant. A funding limit was implemented to allow greater access to low-interest SRF funds to more projects and to maintain an acceptable risk level on the long-term viability of the DWSRF loan fund account.

### **2. Interest Rates**

The KIA Board must establish interest rates at least annually. Staff intends to present rates for Board consideration at the beginning of the state fiscal year. The rates are based on the prevailing market conditions, availability of funds and funding demand. Staff intends to recommend a standard rate of 3 percent with two non-standard rates at 2 percent and 1 percent to start off the 2009 fiscal year.

The standard rate will apply to all borrowers at or above the 2000 Census State Median Household Income (MHI) of \$33,672. To qualify for the non-standard rate of 2%, the project must assist the system to achieve compliance with an order or judgment addressing environmental noncompliance, or the borrower must have a MHI between \$33,672 and \$26,937 (80% of the State MHI) or be considered regional. To qualify for the non-standard rate of 1%, a borrower must have a MHI less than \$26,937. Qualifications for rates are subject to 200 KAR 17:070.

Planning and design loans will be made at the standard rate during the planning and design phase of the project. Should the planning and design loan be rolled into a construction

loan, the rate on the planning and design loan amount will revert to the rate approved for the construction loan.

### **3. Repayment Terms**

Planning and design loans will have a five-year repayment term. Should the planning and design loan be rolled into a construction loan, the term for the planning and design loan amount will revert to the term approved for the construction loan.

Construction loans will have a 20-year repayment term. At the KIA Board's discretion, the repayment term for a construction loan for disadvantaged communities may be extended to 30 years, but not beyond the expected design life of the project. At no time will an amount exceeding 30 percent of the capitalization grant be provided as subsidy to disadvantaged communities.

Principal and interest payments on each loan will commence not later than one year after initiation of operation of the project for which the loan was made. The recipient of each loan must establish a dedicated source of revenue for the repayment of the loan.

### **4. Loan Servicing Fees**

A loan servicing fee of 0.25 percent on the annual outstanding loan balance will be charged as a part of each semi-annual loan payment in accordance with 200 KAR 17:070, Section 12. The fee is assessed to recover administrative expenses incurred over the life of the loan. These fees are accounted for outside of the program fund and will be used for necessary DWSRF program expenses.

### **5. Financial Options of the Fund**

The SDWA provides guidelines under which the DWSRF program is to be operated. However, the specific implementation of those guidelines affects the long-term financial viability of the fund. The following are allowable options within the DWSRF and Kentucky's treatment of each.

- a. Loan Subsidies – While the SDWA allows up to 30 percent of the fund to be used for negative interest loans or principal forgiveness, Kentucky does not offer this type of subsidy.
- b. Set-Asides – The SDWA allows up to 31 percent of the fund to be used as set-asides. However, fund dollars used as set-asides, other than set-asides dedicated for loans for land acquisition and conservation easements for source water protection, are not available for loans. EPPC and KIA use a team approach to carefully plan and monitor the set-asides.
- c. Borrower Repayment – The borrower's ability to repay has a direct effect on the amount of funds available. A thorough credit analysis is performed for each borrower. Loan monitoring is performed throughout the life of the loan.

- d. Leveraging –KIA will consider leveraging the fund to increase the dollars available for financial assistance.

### **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 Clean Water SRF to the Drinking Water repayment fund as loan demand arises. This decision will be evaluated annually by DOW and KIA. 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.

## **B. Method for Distribution of Funds**

### **Project Prioritization- How is the project priority list created?**

A project priority ranking system was established to determine the order in which projects are evaluated for funding. Kentucky’s priority ranking formula was designed by DOW and is based on the following criteria: (1) most serious risk to human health; (2) ensure compliance with the requirements of the SDWA; and (3) assist systems most in need on a per-household basis according to state affordability criteria. A Project Priority List is produced annually based on this ranking system. The Project Priority List is comprised of one list which serves as both a “fundable list” and a “comprehensive list.” The fundable list is defined as a list of projects eligible for funding with available funds for the SFY 2009. The projects on the comprehensive list may receive funding in the event that a project from the fundable list is withdrawn, deemed ineligible, or unable to meet the DWSRF program requirements within the given time frame.

The Project Priority List is developed through an annual call for projects distributed to all PWSs, area development districts, mayors, county judges executive, and the engineering community. Only those applications submitted through the call for projects process were considered for funding and placement on the Project Priority List. Additionally, the applicant must develop a project profile, receive endorsement by the Area Water Management Council, and be included in the Water Resource Information System (WRIS) to be considered eligible for funding. Projects listed on the 2009 Project Priority List were evaluated and assigned a score based upon the priority formula. A table of the ranking categories and point system can be found under Appendix A of this document. The Project Priority List is located in Appendix B. All applicants will be notified of their ranking and status on the Project Priority List.

Projects that received a conditional commitment of funding from KIA during a prior funding cycle but have not completed the requirements necessary to enter into an Assistance Agreement have been re-ranked. In the event they do not complete the

requirements by the funding commitment expiration, they may be invited to re-apply if funding is available.

As required by the SDWA, to the maximum extent practicable, the highest priority projects are funded first. The projects chosen for funding are based on their readiness to proceed. In the event of ties in the ratings, priority will be given to the project serving the larger total population based on information maintained by EPPC.

Figure 3 demonstrates the categories of projects funded through the DWSRF since the inception of the program.

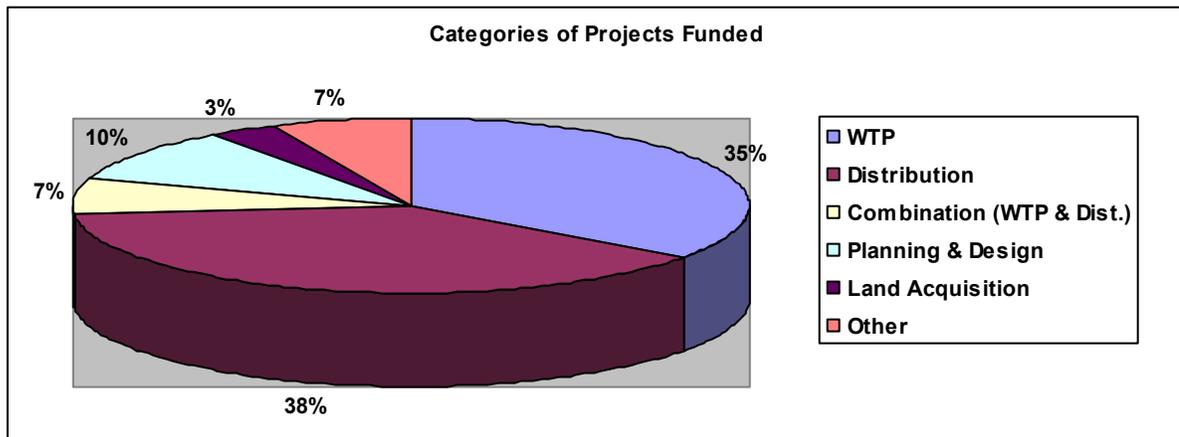


Figure 3

### Application Deadlines

In October of 2007, KIA and DOW invited all public water systems to submit their DWSRF project questionnaires through an open call for projects. Each project was scored and a ranked list of projects was created for inclusion in this 2009 IUP. Those applicants ranking high on the Project Priority List will be notified of their status on the list and be invited to submit a complete loan application package, including all supporting documentation required for consideration for financial assistance from the DWSRF. Applicants will be given 45 days from the date of the request to meet the application deadline. Those applicants that do not submit a loan application, complete with Kentucky e-Clearinghouse comments, by the 45-day deadline will be bypassed and the next eligible project will be invited with 45 days to submit a loan application.

Upon submittal of a complete loan application, the documents will be reviewed and a credit analysis performed. For those qualifying applicants, a loan request will be taken before the KIA Board for financial review and conditional approval. Upon board approval, a conditional binding commitment letter will assure that funding will be dedicated to that project for a period of 12 months provided all of the conditions of the loan are met.

Within three months of receipt of the conditional binding commitment letter, the applicant is required to have performed the following:

1. Meet with DWSRF personnel to discuss the environmental and technical requirements
2. Submit environmental information that conforms to the DOW's environmental review process, which includes:
  - a. Submission of the Environmental Information Document (EID) or Project Narrative for Categorical Exclusion (CE).
  - b. Federal cross-cutting agency scoping letters and responses

Within nine months of receipt of the conditional binding commitment letter, the applicant is required to have accomplished the following:

1. Environmental clearance
2. Obtain DOW approval for plans and specifications, including authorization to advertise the project to bid
3. Conduct bid opening and tentative award

All DWSRF program requirements must be met by the term outlined in the conditional binding commitment letter. A one-time extension of up to six months for approved applicants that experience extenuating circumstances may be granted. Those applicants not approved for an extension are no longer eligible for funding out of the current funding cycle and must re-apply during the next call for projects.

The 2010 IUP process will begin in October 2008. The call for projects will be open during October, November and December 2008, at which time project questionnaires will be accepted for the SFY 2010 funding cycle. The following schedule will apply:

<b>2010 Call for Projects</b>	<b>October 1, 2008- December 12, 2008</b>
<b>Creation of PPL and Capacity Dev. Review</b>	<b>December 12, 2008- March 31, 2009</b>
<b>Public Notice Period for IUP</b>	<b>May 1, 2009- June 1, 2009</b>
<b>Finalize 2010 IUP and send to EPA</b>	<b>Prior to June 30, 2009</b>

### **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. The Project Priority List contains the population for each project. Therefore, the number of small systems receiving funding can be easily tracked.

## **Bypass Process**

A high-priority project that does not demonstrate capacity or is not ready to proceed within the given timeframe will be bypassed. A bypassed project will become ineligible for DWSRF funding in the current funding year and will have to reapply through the annual call for projects process to be re-ranked for future funding cycles.

## **Emergency Projects**

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

## **Refinancing**

Refinancing of existing projects will be allowed only for debt incurred after July 1993. Any project requesting to refinance existing debt must be on the project priority list in a position high enough to be eligible to receive funding and meet all program requirements. Refinancing will only be offered for terms up to 20 years from the original debt issuance or the useful life of the equipment, whichever is less.

### **III. SET-ASIDE ACTIVITIES**

The federal authority to establish assistance priorities and to carry out oversight and related activities of the DWSRF program, other than financial administration of the fund, resides with the EPPC after consultation with other appropriate state agencies. Federal regulations allow states to “set aside” up to 31 percent of each capitalization grant for various programs, aside from project loans, that support the act. Kentucky will set aside 30.74 percent of the 2009 capitalization grant. The following is a list of Kentucky’s set-aside uses:

#### **A. DWSRF Administration - Sect. 1452(g)(2) – four percent maximum**

Section 1452(g)(2) of the SDWA allows up to four percent of a DWSRF capitalization grant to be set aside for administration of the DWSRF program.

Kentucky will set aside four percent from the 2009 capitalization grant for administration. The percent of each grant designated for the DOW and designated for the KIA will be agreed upon in the Memorandum of Agreement between the two parties.

The EPPC and KIA conduct regular activities to develop and maintain the DWSRF program. These include reporting activities, payment processing, pre-application activities, travel, application review, engineering review, environmental review, construction progress inspection, training, evaluating infrastructure needs for the Needs Survey; portfolio

management, audit management, cash management, securities management, financial management, financial analysis and capacity review.

Funds may be used for travel and equipment as specified in work plans. Funds not obligated within one fiscal year of receipt of a capitalization grant award shall be reserved for use in future years.

#### **B. State Program Management – Sect. 1452(g)(2)(A) - 10 percent maximum**

The act allows a state to set aside 10 percent of its annual capitalization grant to support other program initiatives of the SDWA, which include:

- Supplement Public Water System Supervision (PWSS) Program
- Technical Assistance through Source Water Protection
- Development/Implement Capacity Development Program
- Development/Implement Operator Certification Program

The program set-asides require an additional one-to-one state match. Thus, money diverted to these set-asides will demand a heavier investment of state funds. Kentucky will set aside 10 percent from the 2009 capitalization grant to supplement the DOW PWSS program, to include:

1. Conduct nonregulatory Surface Water Plant Comprehensive Performance Evaluation (CPE) in order to increase the number of surface water treatment plants that are in compliance with current federal regulations and prepare the plants for implementation of the Interim Enhanced Surface Water Treatment Rule. Perform an additional number of file reviews, plans reviews, inspections, sanitary surveys and complaint responses.
2. Other activities may include, but are not limited to, revising regulations, preparing primacy applications, tracking consumer confidence reports; preparing and issuing annual compliance reports; determining and approving log inactivation and removal credits for new or modified water treatment plants; enforcement activities; monitoring waivers/variances compliance determination; and tracking disinfection/disinfectant byproducts, arsenic, radon, *Cryptosporidium*, implementation of the Groundwater Rule, LT2, and DBP Stage 2 Rules; and others when regulations are promulgated by EPA.

Funds may be used for travel and equipment as specified in work plans. Funds not obligated within one fiscal year of receipt of a capitalization grant award shall be reserved for use in future years.

#### **C. Technical Assistance – Sect. 1452(g)(2)(D) - two percent maximum**

The act allows a state to set aside two percent of its annual capitalization grant to support technical assistance initiatives of the SDWA such as the following: leak detection and water loss reduction, non-community PWS groundwater under the direct influence of surface water determinations, compliance assistance as determined by the state, establishment of cross-connection control programs, development of environmental review

documents for DWSRF projects, and PWS financial and managerial evaluations. Kentucky will set aside two percent from the 2009 capitalization grant to provide technical assistance to small systems.

Funds may be used for travel and equipment as specified in work plans. Funds not obligated within one fiscal year of receipt of a capitalization grant award shall be reserved for use in future years.

**D. State/Local Assistance – Section 1452(k) - 15 percent total, 10 percent maximum for any one activity**

Section 1452(k) of the SDWA allows up to 15 percent of the DWSRF capitalization grant to be set aside to support local assistance and other program initiatives of the SDWA with a 10 percent maximum for the individual program areas as outlined below.

- Loans for source water protection through land acquisition or conservation easements
- Loans for Source Water Quality Program
- Technical, managerial or financial assistance for Capacity Development Program
- Wellhead Protection Program

Kentucky will set aside \$150,000 (approximately 1.74 percent) from the 2009 capitalization grant to support a loan for the Source Water Quality Program as allowed under 1452(k)(2)(B).

This project provides for a watershed basin study of the Green River basin watershed, with the specific purpose of evaluating the technical possibility and potential impacts of providing a water allocation, to Bowling Green Municipal Utilities (BGMU), within Barren River Lake. This allocation would be used by BGMU to provide for the future water quantity and quality needs of the Bowling Green and Warren County communities. The water allocation would be used by BGMU to supplement existing flows into the Barren River for the public water supply during periods of extended drought.

The watershed basin study would be conducted by the US Army Corps of Engineers (USACE). The elements of the study would include:

- Existing conditions within the Barren River lake and Green River Watershed
- Identification of Problems, Needs and Opportunities
- Formulation of Measures/Alternatives
- Assessment (Impacts)of Measures/Alternatives
- Evaluation (Trade-off Analyses) of Measures/Alternatives
- Prioritization/Recommendations of Measures/Alternatives
- Geographic Information System
- Project NEPA Compliance
- Project Recommendations

Several other public water systems will likely benefit from this study, which may also include the Nolin, Rough and Green reservoirs. The Project study is anticipated to start in October 2008 and will require approximately 18 months to complete. Funds under this set-aside that are not obligated within two fiscal years of receipt of the capitalization grant shall be transferred to the project loan account. If the applicant decides not to proceed with any or all portions of the study, likewise, any unobligated balance shall be transferred to the project loan account.

Kentucky will set aside 10.0 percent from the 2009 capitalization grant to support technical, managerial or financial assistance for the Capacity Development Program as allowed under 1452(k)(2)(C).

- Activities may include, but are not limited to, identification of PWSs that may need help in obtaining or maintaining financial, managerial, or technical capacity to operate in compliance with the SDWA; contracts to assist public water systems in obtaining or maintaining capacity; computer enhancements to track and assist public water systems; further development of a security peer review program, an operator recruitment program, and various training opportunities held, sponsored or contracted by EPPC. EPPC may limit the amount of participation for contracts funded by these activities.

Kentucky will set aside three percent of the 2009 capitalization grant to support the Wellhead Protection Program as allowed under 1452(k)(2)(E).

- Activities may include, but are not limited to, set up and maintain contact with PWSs to establish wellhead protection programs; assist with technical delineation of wellhead protection areas including performing pumping tests, geological and hydro-geologic write-ups, modeling and dye tracing; assist with development of management strategies to be used in wellhead protection; and provide public education assistance.

Funds may be used for travel and equipment as specified in work plans. State/Local Assistance Program funds for the Capacity Development and Wellhead Programs not obligated within four fiscal years of receipt of the capitalization grant shall be transferred to the project loan account.

## **E. Capacity Development Overview**

KRS Chapter 151 requires that the Kentucky DOW review any new water system to ensure they demonstrate technical, managerial and financial capacity to meet state and federal requirements. The Drinking Water Branch continues to require substantial documentation for any major reconstruction or reorganization of existing public water systems prior to issuing approvals for projects to continue. An industry stakeholder's workgroup was formed to assist EPPC in determining the direction for this program. The stakeholder's workgroup will consider industry ideas as well as ideas from various state government

agencies including EPPC, KIA, the Public Service Commission and others as deemed appropriate. The members of the stakeholder's workgroup were appointed by the Cabinet, in accordance with the authority granted in KRS 151.630.

The strategy for existing systems continues to be carried out. The Technical Assistance and Outreach Section of the Drinking Water Branch continues to participate in EPA's Area Wide Optimization Program (AWOP) to assist surface water PWS's in optimizing their treatment processes. The new Capacity Development Section is assisting with the managerial, financial and technical objectives through conducting portions of the Sanitary Survey and reviewing water systems for technical, managerial and financial capacity when applying for grants and loans. Other technical assistance efforts are ongoing through the Kentucky Rural Water Association, Western Kentucky University's Small System Technology Center, the Kentucky Association of Counties peer review program, the DOW groundwater and wellhead protection programs, the water management planning councils, and other technical assistance initiatives.

#### **IV. PUBLIC REVIEW AND COMMENT**

The 2009 DWSRF IUP including the project priority list was available for public review and comment on the Division of Water website at [www.water.ky.gov](http://www.water.ky.gov) and on the Kentucky Infrastructure Authority website at [www.kia.ky.gov](http://www.kia.ky.gov) from May 21, 2008, through June 20, 2008. After being available for public comment, a public meeting to discuss the plan contents was held on June 20, 2008, at 1:30 P.M. EST at the offices of the Kentucky Infrastructure Authority located at 1024 Capital Center Drive, Suite 340, Frankfort, Kentucky. Four written comments were received during the public comment period and are summarized below. No verbal comments were received during the public meeting.

Madison County Utilities District

June 6, 2008 – A comment regarding funding availability for prior year's projects

The District recommended funding be provided in the Intended Use Plan for construction bids that exceed the budget of previously approved projects. This request stems from the change in KIA's process of approving loans prior to receipt of construction bids. The District commented that costs could increase between loan approval and project bidding. Not having access to an additional ten percent of the approved loan amount could delay or stop a project.

CMW Inc.

June 6, 2008 - A comment regarding funding availability for prior year's projects

CMW recommended that funds from the 2009 funding cycle be set aside to be used if a ten percent increase is needed for a loan approved during the 2008 funding cycle. The firm commented that due to a time difference between submission of the DWSRF application and the construction bids, the possibility exists where the construction bid could be higher than the application's estimate.

Kentucky Municipal Utilities Association (KMUA)

June 16, 2008 – A comment regarding interest rates.

KMUA respectfully asked for the retention of the two existing KIA loan rates of 1 and 3 percent, elimination of the newly proposed 2% loan rate and reinstatement of the 1% loan rate for systems under consent decree. KMUA commented that the proposed increase in the interest rate and the elimination of the consent decree low interest loan rates put an undue hardship on municipal utilities that would result in increased fees to customers and a possible reduction in workforce.

Hopkinsville Water Environment Authority (HWEA)

June 17, 2008 A comment regarding the 2009 Project Priority List.

The requested loan amount for the US 41A Water Main Improvement and Interconnection project, DWL0942 was changed from \$400,000 to \$4,000,000 at the request of John Martin, HWEA. Mr. Martin also requested that the WRIS number for the Crofton Water Main Extension project, DWL0945 be changed from WX21047013 to WX21047004. Additionally, the Moss Water Treatment Plant Upgrade and Expansion project, DWL0950 was added to the 2009 Project Priority List with a score of 22 points.

No other comments regarding the IUP were received. This document is considered final and will be submitted to the US EPA Region IV Office for review and approval. The public notice follows.

**STEVEN L. BESHEAR**  
GOVERNOR

**JOHN E. COVINGTON III**  
EXECUTIVE DIRECTOR



**KENTUCKY INFRASTRUCTURE AUTHORITY**  
1024 CAPITAL CENTER DRIVE, SUITE 340  
FRANKFORT, KENTUCKY 40601  
[www.kia.ky.gov](http://www.kia.ky.gov)

**For Immediate  
Release  
May 21, 2008**

**Contact: Cindy  
Lanham  
502-573-2382**

**KIA Seeks Public Input for Drinking Water Intended Use Plan**

- WHO:** The Kentucky Infrastructure Authority (KIA) and the Division of Water of the Environmental and Public Protection Cabinet
- WHAT:** Public meeting to present and solicit comments on the draft 2009 Drinking Water State Revolving Fund Intended Use Plan (DWSRF-IUP)
- WHEN:** Friday, June 20, 2008, at 1:30 p.m. Eastern Time
- WHERE:** Kentucky Infrastructure Authority Conference Room  
1024 Capital Plaza Drive, Ste 340  
Frankfort, KY 40601

Kentucky's draft Intended Use Plan for the 2009 Drinking Water State Revolving Fund, including the project priority list, is available for public review and comment from May 21, 2008 through June 20, 2008. The plan and the priority list may be viewed online at [www.water.ky.gov](http://www.water.ky.gov) or [www.kia.ky.gov](http://www.kia.ky.gov). Copies of the plan and priority list may also be reviewed at the following locations:

Division of Water  
14 Reilly Road  
Frankfort, KY 40601

Kentucky Infrastructure Authority  
1024 Capital Center Drive, Suite 340  
Frankfort, KY 40601

or at any Division of Water field office or Area Development District office

Comments should be provided in writing to Sandy Williams, Kentucky Infrastructure Authority, by June 20, 2008, at the address given above. For questions, please contact Sandy Williams, Kentucky Infrastructure Authority, at (502) 573-0260.

## **APPENDIX A**

## **PRIORITY SYSTEM GUIDANCE**

### **PURPOSE**

The DWSRF priority system was developed to prioritize eligible projects for funding from the DWSRF. The DWSRF funds are intended to facilitate the ability of a PWS to obtain and maintain financial, managerial and technical capabilities for compliance with the SDWA. This includes compliance with existing and future national drinking water standards or other activities to significantly further the health protection objectives of the SDWA.

### **METHODOLOGY**

The structure of the priority system incorporates new rules and initiatives promulgated since the 1996 amendments to the SDWA. The amendments encompass financial, managerial and technical capacity; Surface Water Treatment Rule; Total Coliform Rule; Lead and Copper Rule; Asbestos Standard; capacity development; Enhanced Surface Water Treatment Rule; Disinfectants and Disinfection Byproducts Rule; Groundwater Rule; and best available and affordable technology. Projects are prioritized based on a priority formula.

### **PRIORITY FORMULA**

Violations of drinking water standards occur primarily as a result of inadequate infrastructure or poor operation. Projects to correct inadequate infrastructure qualify as fundable whereas projects resulting from poor operation are not. A proactive approach was developed to set priority based on infrastructure needs to achieve and maintain compliance with National Drinking Water Standards or otherwise promote the public health objectives of the SDWA.

### **TIE BREAKER**

The tie breaker was developed to consider the following three 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.

The tie breaker first considers the size of the PWS. PWSs that serve less than 10,000 people are prioritized higher than those serving populations of 10,000 or more. The tie breaker then calculates the DWSRF project cost per household that benefits from the project and assigns the highest priority to the project with the lowest cost per household.

### **APPLYING THE PRIORITY SYSTEM TO PROJECTS**

The DOW Drinking Water Branch assigns points in each of six categories: resource development, water treatment, water distribution, extension of service for public health protection, security, public water system financial need (see Table 1, Priority Points). Points are based on information supplied by PWSs, their consultants and local area development districts. The project priority points will be the sum of all points assigned to each of the six categories.

## **A. Resource Development**

This category allows affordable alternatives for a PWS to obtain and maintain financial, managerial and technical capabilities to comply with the SDWA. Projects may include, but not be limited to, intakes, wells, raw and finished water lines and pump stations.

1. *PWSs Under an executed Water Budget Agreed Order* – The proposed project must improve a PWS’s ability to achieve capacity to comply with existing and future national drinking water standards. The Agreed Order must be the result of a problem at the water treatment plant or within the distribution system causing a substantial risk to human health. As a result, the Agreed Order must also outline remedial measures with deadlines for return to compliance. The proposed project must rectify the problem/s within the PWS that resulted in the need for the Agreed Order and in order to receive the additional 15 points for this category, the Agreed Order must be eligible for termination upon completion of the proposed project.
2. *Elimination of Public Water Systems Through Mergers* -- A PWS with its own water supply (e.g., trailer park or church) may not be financially capable of complying with the SDWA. A solution could include merger with another willing PWS with the capability to maintain compliance.
3. *Interconnections* -- A PWS with a water treatment plant needing rehabilitation, modification or expansion to comply with the SDWA and meet existing demand may deem it more affordable to interconnect with another PWS to replace or supplement its water treatment facilities.
4. *Source Water Quantity and Quality* -- A PWS is responsible for ensuring, even in drought conditions, that sufficient quantity and quality of raw water are available to meet existing demands based on water treatment capabilities. An affordable solution may be to secure a new source to replace or supplement the existing source rather than provide additional treatment, interconnection or merger with another PWS. Reservoirs, dams, dam rehabilitation and water rights are prohibited from funding by the DWSRF.

## **B. Water Treatment**

This category allows a PWS to comply with the Surface Water Treatment Rule (SWTR) and the National Drinking Water Standards of the SDWA.

1. *Microbiological and Turbidity* - The subcategories listed allow a PWS to comply with the bacterial and viral contamination standards of the SWTR.
  - a) Treatment Prior to Filtration – Pre-filtration is included in this category. “Pre-filtration refers to treatment processes to comply with CT removal requirements of the SWTR. Treatment processes include but are not limited to new pre-settling

basins, rapid mix, flocculation, sedimentation, baffling of flocculation and sedimentation basins, and chemical feeders for proper coagulation.

- b) CT Inactivation Requirements – The disinfection process is included under this category. “Disinfection Process” refers to disinfection techniques to comply with CT inactivation requirements of the SWTR. Disinfection techniques include but are not limited to new pre-chlorination, post chlorination and baffling of clearwells.
  - c) New Water Treatment Facilities/ Finished Water Turbidity – “Filtration” refers to filtration processes to comply with turbidity requirements of the SWTR. Filtration processes include, but are not limited to new filter media, filter surface wash, backwash pumps, filter underdrains and continuous turbidity monitors. (See *RESTRICTION [a]* below regarding point limitations for new treatment facilities.)
  - d) Rehabilitation of Water Treatment Facilities – Rehabilitation to existing water treatment facilities refers to restoring or replacing treatment equipment to its original condition without an increase in the design capacity of the plant. Examples include but are not limited to the rehabilitation of filters and underdrains, clearwells, high- and low- service pumps, intake structures, carbon feed systems, and chemical feed systems.
2. *Best Available Technologies* – The subcategories listed allow a PWS to comply with chemical contamination standards of the SDWA. Treatment processes include but are not limited to aeration towers, ion-exchange, and iron and manganese removal.

***RESTRICTIONS:***

- (a) New water treatment plants are limited to Finished Water Turbidity (Table 1, 2[a][iii]) unless a need for best available technology based on raw water quality is demonstrated. Construction of new water treatment plants is allowed to replace existing facilities only when the cost of upgrading for compliance with the SDWA is not determined to be the best affordable alternative over the lifetime of the project or when a PWS demonstrates, for public health protection, that existing household water system contamination exists and no other PWS is capable of serving the area.
- (b) Expansion of existing water treatment plant is limited to Finished Water Turbidity (Table 1, 2[a][iii]) unless a need for best available technology based on raw water quality is demonstrated. Expansion of existing water treatment plants is allowed only when the flow rates of existing plants are reduced to comply with the SDWA, resulting in insufficient capacity to meet existing demands or when the state institutes a water line extension or water tap-on ban due to insufficient capacity to meet peak periods of existing demand.

**C. Water Distribution**

This category allows a PWS to comply with the Surface Water Treatment Rule (as it relates to disinfection residual), Total Coliform Rule, Lead and Copper Rule and the Asbestos Standard. Projects may include but are not limited to installation, refurbishment or replacement of raw and finished water lines; installation, refurbishment, replacement or baffling of potable water storage

facilities; installation, refurbishment, or replacement of pump stations in relation to storage facilities; elimination of constantly running or hydro-pneumatic pump stations; looping of water lines; flushing devices; and disinfection booster stations.

*RESTRICTIONS:*

- (a) Points for inadequately sized waterlines (Table 1, 3[a][i]) are allowed only when the need applies to at least 20 percent of all waterlines included in the project and documentation supports reduced pressures and flows that have resulted in or may result in noncompliance with the Total Coliform Rule or the Surface Water Treatment Rule (as it relates to disinfection residual).
- (b) Points for leaks, breaks or restrictive flows due to age (Table 1, 3[a][ii]) are allowed only when the need applies to at least 20 percent of all water lines included in the project and documentation supports reduced pressures and flows that have resulted in or may result in noncompliance with the Total Coliform Rule or the Surface Water Treatment Rule (as it relates to disinfection residual).
- (c) Points for the replacement of lead, copper or asbestos cement lines (Table 1, 3[b][iii]) are allowed only when the need applies to at least 20 percent of all water lines included in the project and documentation supports existing or potential noncompliance with the Lead and Copper Rule or the Asbestos Standard.
- (d) Points for inadequate distribution storage (Table 1, 3[a][iii]) will not be allowed for additional storage in excess of the one-day storage need for existing customers.

**D. Extension of Service for Public Health Protection**

This category allows points for water line extensions to serve areas where existing households have insufficient financial and technical capabilities to maintain water supply systems that comply with the SDWA. Ten points will be applied to a water line extension project under this category, for the first ten households. Every ten households thereafter will accumulate two additional points, to be added to the total score.

*RESTRICTION:* Points for source water quality and availability (Table 1, 4[a]) are allowed only when the need applies to at least 50 percent of the customers connecting to the proposed waterlines. Note: Bacteriological samples submitted in support of the project need must comply with the sample collection requirement as outlined in 401 KAR 8:200 Section 1(7).

**E. Security**

This category will allow points to be applied to a project for measures taken at the physical location of the water treatment facilities or the distribution system, with the intent to prevent, deter and readily respond to terroristic acts.

1. Measures at the water treatment plant may include but are not limited to fencing, video surveillance of treatment or storage facilities, alarms, signs, lock gates and radio intercom systems.
2. Distribution security measures may include but are not limited to fencing around water storage tanks and pump stations, video surveillance of water storage tanks and pump stations, and alarm systems at tanks and pumps.

*RESTRICTION:* Salaries for security personnel are not eligible for funding.

## **F. Public Water System Financial Need**

This category provides additional points based on the median household income of the PWS service area.

<b>Table 1- DWSRF Priority Points</b>	
Rating Factors	Points Available
1. Resource Development – to obtain and maintain financial, managerial, and technical capabilities to comply with the SDWA	
(a) Elimination of Public Water Systems Through Mergers	
(i) Systems Serving 500 or Fewer Population	25
(ii) Systems Serving 501-3,300 Population	20
(iii) Systems Serving 3,301-10,000 Population	15
(iv) Systems Serving 10,001 or Greater Population	10
(b) Interconnections	
(i) Elimination of Water Treatment Plants	25
(ii) Supplement Potable Water Supply	15
(iii) Emergency Backup Potable Water Supply	5
(c) Source Water Quantity and Quality	
(i) Replace Existing Raw Water Source	15
(ii) Supplement Existing Raw Water Source	15
2. Water Treatment – to comply with the Surface Water Treatment Rule (SWTR) and the national drinking water standards of the SDWA	
(a) Microbiological and Turbidity	
(i) Treatment Prior to Filtration	25
(ii) CT Inactivation Requirements	20
(iii) Finished Water Turbidity: The Upgrade or Construction of New Water Treatment Facilities (With increase in capacity)	20
(iv) Rehabilitation of Water Treatment Facilities, (No Increase in Capacity)	10
(b) Best Available Technologies for:	
(i) VOCs, IOCs, SOCs, and Radionuclides	20
(ii) Disinfectants and Disinfection By-Products	15
(iii) Secondary Contaminants	10
3. Water Distribution – to comply with the Surface Water Treatment Rule (as it relates to disinfection residual), Total Coliform Rule, Lead and Copper Rule, and the Asbestos Standard.	
(a) Pressure	
(i) Inadequately Sized Water Lines	10
(ii) Leaks, Breaks, or Restrictive Flows Due to Age	10
(iii) Inadequate Distribution Storage	10
(iv) Rehabilitation of Water Storage Tank or Pump Station	5
(b) Quality	
(i) Inadequate Turnover of Water	10
(ii) Inability to Maintain Disinfection Residual	10
(iii) Replace Lead, Copper, Asbestos Cement Lines	10
4. Extension of Service for Public Health Protection – to serve areas where existing households have insufficient financial and technical capabilities to maintain water supply systems that comply with the SDWA.	
(a) Source Water Quality and Availability (Up to 10 existing homes)	10
Two additional points for every additional 10 thereafter	2
5. Security – for measures taken at the physical location of the water treatment facilities or the distribution system, with the intent to prevent, deter, and respond to terrorist acts.	
(a) Measures taken at the Water Treatment Plant Facilities	4
(b) Measures taken within the Distribution System	4
6. Public Water System Financial Need	
(a) MHI less than 80% of the State Median	4
(b) MHI less than the State Median and 80% or More of the State Median	2

**APPENDIX B**

**PROJECT PRIORITY LIST**

Rank	Score	County	DWSRF #	WRIS#	PWSID#	Applying Entity	Project Title\ Description	Total Project Cost	Total SRF Loan Amount	Population
1	160	BRECKINRIDGE	DWL091	WX21027017 WX21027025	0140966	CITY OF HARDINSBURG	MCQUADY TO CLOVERPORT WATERLINE EXTENSION, WATERLINE EXTENSION-ROUGH RIVER/ROUTE 259 EAST AREA	\$4,751,590	\$3,251,590	2,345
2	67	WARREN	DWL0947	WX20227019 WX20227014 WX20227049 WX20227012 WX20227045	1140038	BOWLING GREEN MUNICIPAL UTILITIES	WATER SYSTEM IMPROVEMENTS PROJECT	\$3,825,000	\$3,825,000	49,269
3	59	ROCKCASTLE	DWL097	WX21203554	1020891	WESTERN ROCKCASTLE WATER ASSOCIATION	CONTRACT 9 WATER SYSTEM EXTENSIONS & IMPROVEMENTS	\$544,000	\$544,000	16,582
4	58	MONROE	DWL0939	WX21171027	0860150	MONROE CO. WATER DISTRICT	NEW REGIONAL WATER TREATMENT PLANT	\$14,000,000	\$4,000,000	11,756
5	57	OHIO	DWL0914 *	WX21183007	0920070	CITY OF CENTERTOWN	CENTERTOWN WATER SYSTEM IMPROVEMENTS	\$2,500,000	\$1,500,000	416
6	54	WOLFE	DWL0943	WX21237050	1190061	CITY OF CAMPTON	WATER TREATMENT PLANT PROJECT	\$4,560,000	\$2,000,000	424
7	53	JOHNSON	DWL0921	WX21115001	0580340	PAINTSVILLE UTILITIES	NEW WTP	\$23,062,700	\$3,500,000	4,132

Rank	Score	County	DWSRF #	WRIS#	PWSID#	Applying Entity	Project Title\ Description	Total Project Cost	Total SRF Loan Amount	Population
8	50	DAVISS	DWL0916	WX21059033	0300109	EAST DAVIESS CO. WATER ASSOCIATION	EDCWA DEBT REFINANCING	\$2,600,000	\$2,600,000	91,545
9	50	HARRISON	DWL0928	WX21097002	0490096	CITY OF CYNTHIANA	PHASE II WATER SYSTEM IMPROVEMENTS	\$2,356,000	\$2,356,000	6,258
10	49	HARDIN	DWL0912	WX21093030	0470440	CITY OF VINE GROVE	WATER SYSTEM IMPROVEMENTS PROJECT	\$1,320,000	\$520,000	4,169
11	45	HARLAN	DWL0923	WX21095048	0480565	CAWOOD WATER DISTRICT	KY 987 (SMITH) WATERLINE EXTENSION	\$2,525,000	\$1,260,000	33,202
12	45	BOONE	DWL0929	WX21015006	0410047	BULLOCK PEN WATER DISTRICT	BOONE CO. MASTER METER & IMPROVEMENTS	\$1,549,600	\$1,549,600	22,384
13	42	MERCER	DWL0913		0840048	CITY OF BURGIN	EAST WATER AND MILL STREET WATER PROJECT	\$58,000	\$58,000	874
14	42	BRACKEN	DWL0934	WX21023027	0120039	BRACKEN CO. WATER DISTRICT	PHASE I COUNTY CLEANUP	\$1,255,000	\$1,225,000	8,279

Rank	Score	County	DWSRF #	WRIS#	PWSID#	Applying Entity	Project Title\ Description	Total Project Cost	Total SRF Loan Amount	Population
15	42	BRACKEN	DWL0935	WX21023028	0120039	BRACKEN CO. WATER DISTRICT	PHASE II COUNTY CLEANUP	\$2,230,000	\$187,500	8,279
16	40	GRANT	DWL0930		0410047	BULLOCK PEN WATER DISTRICT	GRANT CO. IMPROVEMENTS PROJECT	\$1,663,000	\$1,663,000	22,384
17	39	ADAIR	DWL0936	WX21001016	0010702	ADAIR CO. WATER DISTRICT	COLUMBIA BYPASS TRANSMISSION MAIN & STORAGE TANK	\$5,584,000	\$4,000,000	17,244
18	39	MCCRACKEN	DWL0949	WX21145059	0730533	PADUCAH WATER WORKS	PADUCAH WATER REIDLAND INTERCONNECT	\$6,900,000	\$4,000,000	47,000
19	39	CLINTON	DWL098	WX21053010	0024295	CITY OF ALBANY	NEW RAW WATER INTAKE & NEW WTP	\$23,056,000	\$4,000,000	2,220
20	34	TAYLOR	DWL096	WX21217006	1000050	CITY OF CAMPBELLSVILLE	CAMPBELLSVILLE WATER STORAGE TANK IMPROVEMENTS	\$4,527,000	\$4,000,000	10,498
21	32	OHIO	DWL0925	WX21183004	0920332	OHIO CO. WATER DISTRICT	ROCKPORT, MCHENRY, TAYLOR MINES WATER EXPANSION	\$2,500,000	\$2,500,000	22,916

Rank	Score	County	DWSRF #	WRIS#	PWSID#	Applying Entity	Project Title\ Description	Total Project Cost	Total SRF Loan Amount	Population
22	32	PULASKI	DWL093	WX21199050 WX21199080	1000043	BRONSTON WATER ASSOCIATION	500,000 GALLON WATER STORAGE TANK, TWIN RIVERS & LOG HAVEN AREA IMPROVEMENTS	\$1,284,000	\$1,284,000	56,217
23	32	MADISON	DWL0940	WX21151021	0760672	KIRKSVILLE WATER ASSOCIATION	WATERLINE PROJECT, PHASE 7	\$1,961,000	\$1,961,000	70,872
24	24	HARDIN	DWL0911	WX21093024	0470393	HARDIN CO. WATER DISTRICT NO. 1	PIRTLE SPRING WATER TREATMENT PLANT RECONSTRUCTION	\$5,469,500	\$1,500,000	94,174
25	24	TAYLOR	DWL0919	WX21217011 WX21217012	1000050	CITY OF CAMPBELLSVILLE	NEW RAW WATER INTAKE AND TRANS. LINE	\$2,505,000	\$2,505,000	10,498
26	24	MAGOFFIN	DWL0933	WX21153515	0770566	CITY OF SALYERSVILLE	PHASE II SALYERSVILLE MAIN REPLACEMENT PROJECT	\$1,175,000	\$137,500	1,604
27	22	WEBSTER	DWL0910	WX21233032	1170995	WEBSTER COUNTY WATER DISTRICT	WEBSTER CO. W.D. LONG TERM WATER SYSTEM IMPROVEMENTS	\$3,125,000	\$3,125,000	14,120
28	22	LAWRENCE	DWL0924	WX21127008 WX21127011	0640257	CITY OF LOUISA	BACKUP POWER AT THE WTP & HOSPITAL PUMP STATION AND WATERLINE EXTENSION FROM TANK TO DIST. SYSTEM	\$418,300	\$418,300	2,018
29	22	MADISON	DWL0931	WX21151033	0760224	MADISON CO. UTILITIES DISTRICT	PHASE III IMPROVEMENTS PROJECT	\$1,190,225	\$1,190,225	70,872

Rank	Score	County	DWSRF #	WRIS#	PWSID#	Applying Entity	Project Title\ Description	Total Project Cost	Total SRF Loan Amount	Population
30	22	CHRISTIAN	DWL0942	WX21047013	0240201	HOPKINSVILLE WATER ENVIRONMENT AUTHORITY	US 41A WATER MAIN IMPROVEMENT & INTERCONNECTION	\$6,006,000	\$400,000	30,089
31	22	CHRISTIAN	DWL0950	WX21047028	0240201	HOPKINSVILLE WATER ENVIRONMENT AUTHORITY	MOSS WATER TREATMENT PLANT UPGRADE AND EXPANSION	\$14,700,000	\$4,000,000	30,089
32	22	CHRISTIAN	DWL0945	WX21047004	0240201	HOPKINSVILLE WATER ENVIRONMENT AUTHORITY	CROFTON WATER MAIN EXTENSION PROJECT	\$4,746,149	\$4,000,000	30,089
33	22	CHRISTIAN	DWL0946	WX21047027	0240201	HOPKINSVILLE WATER ENVIRONMENT AUTHORITY	CROFTON WATERLINE REPLACEMENT	\$4,110,995	\$4,000,000	30,089
34	20	DAVIESS	DWL0915	WX21091064	0300109	EAST DAVIESS CO. WATER ASSOCIATION	GATEWOOD AREA SYSTEM IMPROVEMENTS	\$800,000	\$800,000	91,545
35	20	JESSAMINE	DWL0917		0570315	CITY OF NICHOLASVILLE	ST. JOSEPH HOSPITAL WATERLINE EXTENSION AND NICHOLASVILLE WATER STORAGE TANK PROJECT	\$3,536,000	\$3,500,000	19,680
36	16	ROCKCASTLE	DWL094	WX21203519	1020288	EASTERN ROCKCASTLE WATER ASSOCIATION	E. ROCKCASTLE-WATERLINE EXTENSIONS	\$477,000	\$477,000	16,582
37	15		DWL0922	WX21049017	NA	BLUEGRASS WATER SUPPLY COMMISSION	INITIAL REGIONAL GRID SEGMENT-CONNECTING WINCHESTER	\$12,250,000	\$4,000,000	260,512

Rank	Score	County	DWSRF #	WRIS#	PWSID#	Applying Entity	Project Title\ Description	Total Project Cost	Total SRF Loan Amount	Population
38	14	CLINTON	DWL099	WX21053012	0024295	CITY OF ALBANY	KY HWY 90 WATER SYSTEM TRANS. AND IMPROVEMENTS	\$775,000	\$775,000	2,220
39	12	WARREN	DWL0948	WX20227044	1140038	BOWLING GREEN MUNICIPAL UTILITIES	NEW SOUTH CENTRAL 3 MILLION GALLON TANK	\$2,220,000	\$2,220,000	49,269
40	9	BALLARD	DWL0926	WX21007019	0040020	CITY OF BARLOW	BARLOW TANK REFURBISHMENT	\$100,000	\$100,000	715
41	9	CALLOWAY	DWL0937	WX21035019	0180306	CITY OF MURRAY	MURRAY CLEARWELL MAINTENANCE	\$950,000	\$700,000	14,950
42	8	ADAIR	DWL095		0011016	COLUMBIA/ADAIR COUNTY WATER COMMISSION	COLUMBIA/ADAIR CO. EMERGENCY GENERATORS	\$950,000	\$950,000	17,244
43	5	FRANKLIN	DWL0944	WX21073012	0370143	FRANKFORT ELECTRIC PLANT BOARD	RESERVOIR IMPROVEMENT PROJECT	\$1,000,000	\$1,000,000	50,706
44	4	CALLOWAY	DWL0938	WX21035017	0180306	CITY OF MURRAY	MURRAY SOUTHWEST WATER TANK- NEW	\$1,000,000	\$1,000,000	14,950

Rank	Score	County	DWSRF #	WRIS#	PWSID#	Applying Entity	Project Title\ Description	Total Project Cost	Total SRF Loan Amount	Population
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45	2	CHRISTIAN	DWL0941	WX21047003	0240201	HOPKINSVILLE WATER ENVIRONMENT AUTHORITY	WATER MAIN EXTENSION PROJECT	\$8,163,337	\$4,000,000	30,089
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- \* Project numbers marked by an “ \* ” represent re-ranked projects that received a conditional commitment of funding from KIA during a prior funding cycle but have not completed the requirements necessary to enter into an Assistance Agreement. In the event they do not complete the requirements by the funding commitment expiration, they may be invited to re-apply if funding is available.
- All applicants must receive endorsement by the Water Management Council and be included in the WRIS to be considered for funding. The four projects on this list without WRIS numbers must be included in the WRIS and assigned a number before a Binding Commitment can be made.
- Privately owned water systems and water associations included on the Project Priority List are only eligible for funding through the DWSRF when sponsored through an eligible borrower.