



**TO: LINDA GORTON, MAYOR
URBAN COUNTY COUNCIL**

**FROM: THERESA REYNOLDS, DIRECTOR
DIVISION OF GRANTS AND SPECIAL PROGRAMS**

DATE: MAY 14, 2026

**SUBJECT: Reallocation of Grant Funds Kentucky Cleaner Water Grant from American
Rescue Funds**

Request: Council authorization for the Mayor to sign any and all documents necessary for the reallocation of all Kentucky Cleaner Water Grant funds so that the excess funds assigned to completed projects can be reallocated to active projects that are not fully grant funded. The total value of the awarded grant is \$37,805,834, which is providing funding for nine (9) distinct, Kentucky Infrastructure Authority (KIA) approved stormwater and sanitary sewer projects.

Purpose of Request: In 2021, Senate Bill (SB) 36 allocated \$250 million of the state's American Rescue Plan Act (ARPA) funds for improvements to drinking water and wastewater systems across the Commonwealth. SB36 was branded as the Cleaner Water Kentucky Program.

The program provided grant funding on a county-by-county basis. Ultimately, Fayette County was allocated over \$37M in grant funding. That grant funding was further allocated on a project-by-project basis, with each project approved for funding using criteria adopted by KIA.

In August 2021, Fayette County received its first grant award, over the next three years, eight additional projects were awarded grant funding. In all cases, the grant awards were based on **estimated** project costs. As the projects moved through design and construction, it became clear that some projects had excess grant funding while others were underfunded. The purpose of this request is to request authorization for the Mayor to sign any and all documents necessary to make sure each of the nine projects is 100% grant funded. See Exhibit A for the project list and the current, proposed funding reallocation.

What is the cost in this budget year and future budget years? There is no additional cost associated with this action. In two instances, approval of the grant reallocations would replace project funding currently charged to the Sewer Construction Fund (Fund 4003) and would replace funding currently allocated to the Water Quality Management Fee construction fund.

Are the funds budgeted? Yes, all grant funds are budgeted. ARMSTRG_PS_2023, FURLONG_2023, BROWNFLDS_2023, VETERAN_PK_2023, UV_GRANT_2024.

File Number: 0416-26



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KY Cleaner Water Grant Reallocation

Director/Commissioner: Sanders/Martin