

# Emerging Contaminants in Small or Disadvantaged Communities Grant Implementation Guidance for Public Water Systems

June 2026

## Overview

The Emerging Contaminants in Small or Disadvantaged Communities (EC-SDC) grant program provides funding to the Kentucky Division of Water (DOW) to assist public water systems (PWSs) in small or disadvantaged communities to address PFAS and other emerging contaminants.

The initial application period for 2026 funding is open until August 31, 2026. Additional applications will be reviewed after the close date if funding remains. Applicants must submit an EC-SDC Needs Survey, which includes a description, timeline, and budget for the proposed project. The EC-SDC Needs Survey must be filled out completely and signed by the applicant. Contact the DOW at [PFAS@ky.gov](mailto:PFAS@ky.gov) to discuss potential projects and next steps. Grant funding may be used for project activities that 1) are identified in the memorandum of agreement (MOA), and 2) are initiated **after** the MOA is completed. Additionally, contract procurement must follow the required competitive bidding processes for project costs to be eligible.

## Purpose

This document provides information to PWSs on the availability of EC-SDC grant funds under the Safe Drinking Water Act (SDWA) section 1459A. The EC-SDC grant program is a non-competitive and state-led program intended to support PWSs serving small or disadvantaged communities. Funding is available to help communities identify, monitor, treat, or mitigate emerging contaminants, such as per- and polyfluoroalkyl substances (PFAS) to ensure safe and reliable drinking water.

PFAS are a group of emerging contaminants that have been widely used in a variety of consumer products and have been found in finished drinking water and source waters. Exposure to certain PFAS over time may increase the risk for certain cancers, raise cholesterol levels, decrease fertility, lower birth weights, and reduce the immune system's ability to fight infections.

## Eligible Applicants

The DOW will provide grants based on available funding for eligible emerging contaminants projects and activities at PWSs that serve small or disadvantaged communities.

- A **small community** is defined as one with a population of less than 10,000 individuals that does not have the capacity to incur debt sufficient to finance the project or activity.
- A community is considered **disadvantaged** if it meets one or more of the criteria below.
  - A system-wide MHI less than the state's MHI as calculated in the Water Resource Information System (WRIS), or
  - A project-area MHI less than the state's MHI as calculated in the WRIS or by using census tract information, or
  - 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.

- EC-SDC funds are also intended to support disadvantaged neighborhoods within larger communities. Emerging contaminants projects that benefit a subset of a service area with an MHI less than the state’s MHI are also eligible for funding.

The DOW will review available information on PWSs and subpopulations of PWSs that qualify as disadvantaged or small communities with emerging contaminants in their drinking water. The DOW will also consider the technical, managerial, and financial capacities of the PWS to prioritize systems that can most benefit from EC-SDC funding.

Eligible PWSs are encouraged to collaborate and form partnerships with community organizations, academic institutions, government agencies, and other relevant stakeholders to ensure comprehensive and effective project implementation. Due to the limited funding available through the EC-SDC grant, PWSs are encouraged to apply for additional funding through the Drinking Water State Revolving Fund to assist with larger projects.

### Eligible Project Activities

To be eligible for EC-SDC grant funds, the project’s primary purpose must be to address one or more emerging contaminants in drinking water. Priority will be given to projects that address PFAS, but projects that address any contaminant listed on any EPA [Contaminant Candidate Lists](#) are eligible (i.e., CCL1, 2, 3, 4, and 5). In accordance with the statutory eligibilities under Section 1459A of the SDWA, activities may include but are not limited to the following categories for addressing emerging contaminants:

- Scoping and identification
- Testing or sampling for baseline assessment
- Research and testing
- Planning and design
- Treatment
- Source
- Storage
- Water system restructuring, consolidation, or creation
- Providing households access to drinking water services
- Technical assistance
- Public communication, engagement, and education

### Ineligible Project Activities

Grant funding may not be used for the following activities:

- Bottled water distribution
- Projects whose primary purpose is not to address emerging contaminants
- Remediation of contaminated groundwater or underlying aquifers
- Land purchases and appraisals
- Operations and maintenance costs (prohibited by statute)
- Lead service line replacement
- Replacement of premise plumbing
- Construction or rehabilitation of dams
- Activities needed primarily for fire protection
- Activities needed primarily to serve future population growth
- Activities conducted prior to the MOA completion.
- Unallowable Costs (e.g., lobbying and alcoholic beverages) under [2 CFR 200 Subpart E – Cost Principles](#)

## Prioritization Criteria

In addition to small or disadvantaged community criteria, projects will be prioritized based on factors such as the levels of PFAS in raw and finished drinking water samples, the need for financial assistance, and the presence of other emerging contaminants. PFAS results will be compared to the National Primary Drinking Water Regulation Maximum Contaminant Levels (MCLs) and Maximum Contaminant Level Goals (MCLGs) in Table 1. Addressing higher levels of PFAS and repeated exceedances of the MCLs will be the highest priority. In addition, the DOW will utilize current data for systems that have identified issues with other emerging contaminants, including manganese, harmful algal blooms, or other unregulated contaminants, for evaluation on a case-by-case basis (see the EPA [Contaminant Candidate Lists](#) for the full list of contaminants).

Table 1. Maximum Contaminant Levels (MCLs) and Maximum Contaminant Level Goals (MCLGs) for PFOA and PFOS.

Chemical	Maximum Contaminant Level Goal (MCLG)	Maximum Contaminant Level (MCL)
PFOA	0	4.0 ppt*
PFOS	0	4.0 ppt

\*ppt=parts per trillion (ng/L)

## Project Approval

PWSs that meet applicant eligibility requirements must submit a project proposal to the DOW demonstrating a viable plan for using grant funds to address PFAS and emerging contaminant challenges effectively within the grant timeframe. The proposal must include a project description, timeline, milestones, and budget. Public communication and engagement should also be addressed in the proposal.

The DOW reserves the right to accept or reject all project proposals, as well as the right to negotiate grant award terms and amounts consistent with the objectives of the grant and the availability of funding. Selected grant recipients will sign an MOA with the DOW that will include the grant requirements.

## Project Development Steps

**STEP 1:** Review the eligibility requirements to verify project eligibility.

**STEP 2:** Contact the DOW at [PFAS@ky.gov](mailto:PFAS@ky.gov) to discuss the proposed project.

**STEP 3:** Fill out the EC-SDC Needs Survey and provide information on the project(s) to address emerging contaminants in drinking water. The survey requests information on the project description, general timeline, and budget. Submit the survey to the DOW for review as soon as possible. The survey must be accurate and complete. Projects will be reviewed after the submittal deadline and then on a rolling basis while funding remains

**STEP 4:** The DOW will notify your water system if your project is approved for the grant award. The DOW will develop an MOA and provide additional information on funding and reporting requirements. Do not begin grant activities prior to the MOA being signed by the Energy and Environment Cabinet and the grant recipient.

## Funding Process

Noncompetitive EC-SDC grants will be awarded, until funds are exhausted, to PWSs that meet the eligibility criteria and have approved priority project plans. Cost sharing and match requirements do not apply to EC-

SDC grant funds. This is not a loan program so awarded funds will not accrue interest and will not need to be repaid. The grant award will cover eligible project costs on a reimbursement basis. Any costs accrued prior to the signed MOA will not be covered by the grant and are the responsibility of the PWS.

## Grant Funding Requirements

Recipients of federal grant funds must comply with federal and state requirements for project costs to remain eligible for funding. Requests for proposals, requests for quotes, solicitations of bids, and contract procurement must comply with the Code of Federal Regulations 2 CFR Part 200, “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards” and the Kentucky Model Procurement Code (KRS Chapter 45A), respectively. **The Commonwealth must approve all project-related contracts prior to implementation.** Recipients must also comply with requirements for Disadvantaged Business Enterprises (DBE) and the Build America, Buy America (BABA) Act. An approved quality assurance project plan is required before beginning any environmental data collection, production, or use funded through the grant. For a more complete list of requirements, see the links below.

- EC-SDC Implementation: <https://www.epa.gov/dwcapacity/emerging-contaminants-ec-small-or-disadvantaged-communities-grant-sdc>
- Federal Grant Terms and Conditions: <https://www.epa.gov/grants/grant-terms-and-conditions>
- EPA Subaward Policy: <https://www.epa.gov/grants/grants-policy-issuance-gpi-16-01-epa-subaward-policy-epa-assistance-agreement-recipients>

## Reporting Requirements

PWSs selected for EC-SDC grant assistance will be required to submit monthly progress reports and invoices to DOW during the project timeframe, with a final report required at the end of the project. Additional semi-annual and annual report information may also be needed to meet EPA requirements. Generally, reporting will include updates on milestones achieved, challenges encountered, and outcomes attained. Specific reporting requirements will be provided to recipients after grant award packages are complete.

## Contact Information

For more information on the EC-SDC grant, contact DOW at [PFAS@ky.gov](mailto:PFAS@ky.gov) or 502-564-3410.