

***FY2025-FY2026
HAZARDOUS WASTE
MANAGEMENT FUND***

A Report to the General Assembly



***Department for Environmental Protection
Division of Waste Management
502-564-6716
[https://eec.ky.gov/Environmental-
Protection/Waste/Pages/default.aspx](https://eec.ky.gov/Environmental-Protection/Waste/Pages/default.aspx)***

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Energy and Environment Cabinet Mandate

This report has been prepared as required by KRS 224.46-580(13)(c). The purpose of this report is to provide information related to the Commonwealth's Hazardous Waste Management Fund (HWMF). Specifically, the report includes information related to the expenditures and revenues of the Hazardous Waste Management Fund for Fiscal Years (FY) 2025 and 2026.

KRS 224.46-580(13)(c): "The cabinet shall file with the Legislative Research Commission a biennial report, beginning two (2) years after July 15, 2008, on the revenues and expenditures of the fund."

History and Purpose of Fund

The Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) was enacted by Congress in 1980 in response to the threat of hazardous waste sites. The two sites that caused the need for this legislation were Love Canal in upper New York state, and A.L. Taylor, Distler Farms (also known as the Valley of the Drums) in Shepherdsville, Kentucky. Precipitated by the discovery of the A.L. Taylor, Distler Farms site, the Kentucky State Superfund Program was initiated in 1981. There have been more than 6,652 sites that have been investigated, characterized, cleaned up, or are being investigated, remediated, or under long-term management since the program started. The Superfund Program maintains an inventory of these Superfund sites (See Figure 1).

In 1980 the General Assembly created the HWMF to provide the Energy and Environment Cabinet (the Cabinet) with the funds necessary to protect the health of the citizens and environment of the Commonwealth from threats associated with releases of hazardous substances, pollutants, and contaminants. Since then, almost \$85.0 million has been spent remediating 611 contaminated sites, making the Commonwealth of Kentucky a cleaner and safer place to live. In FY2025 and FY2026, the Cabinet registered seventy-six (76) new Superfund sites and oversaw remediation of 122 sites. In addition, the Cabinet performed 1164 technical site reviews, supervised managed closures for 331 sites, and designed and managed state-lead actions at thirty-one (31) sites. Additionally, the Cabinet finalized state-lead actions that resulted in the closing of one (1) state-lead site.

Superfund Sites 2025



Figure 1: Active, Managed, and Closed Superfund Sites in Kentucky

With the exception of recent appropriated money from the legislature for high-cost remedial actions, the HWMF is the sole source of funding to clean up sites where a release of hazardous substances, pollutants, or contaminants has been discovered where no viable responsible party is available. Specifically, HWMF funds are used throughout the Commonwealth for:

- Response to emergencies with releases of hazardous substances, pollutants, and contaminants;
- Assessments and remediation of contaminated sites where a viable responsible party cannot be identified;
- Technical reviews and oversight of state-lead and responsible party-driven remediation projects; and
- Provision of core funding for the Kentucky Pollution Prevention Center's (KPPC) technical assistance and outreach services as part of the University of Louisville's J.B. Speed School of Engineering.

To date, the HWMF has cumulatively provided more than \$11.4 million in funding for the Kentucky Pollution Prevention Center (KPPC). KPPC was established in 1994 to provide technical assistance to business and industry and promote pollution prevention technologies and procedures. The HWMF contributes a percentage of the assessment fee receipts to KPPC annually per the statute KRS 224.46-330 (Appendix, Table 2). For specific activities performed by KPPC, visit <https://kppc.org/>.

Revenues

The HWMF sources of revenue include the hazardous waste generator assessment fees, transfers from the Petroleum Storage Tank Environmental Assistance Fund (PSTEAF), Brownfield Redevelopment Program application fees, interest earned on the HWMF account, cost recoveries (monies recovered from responsible parties), returns from investment and capital closeout accounts (Appendix, Table 1).

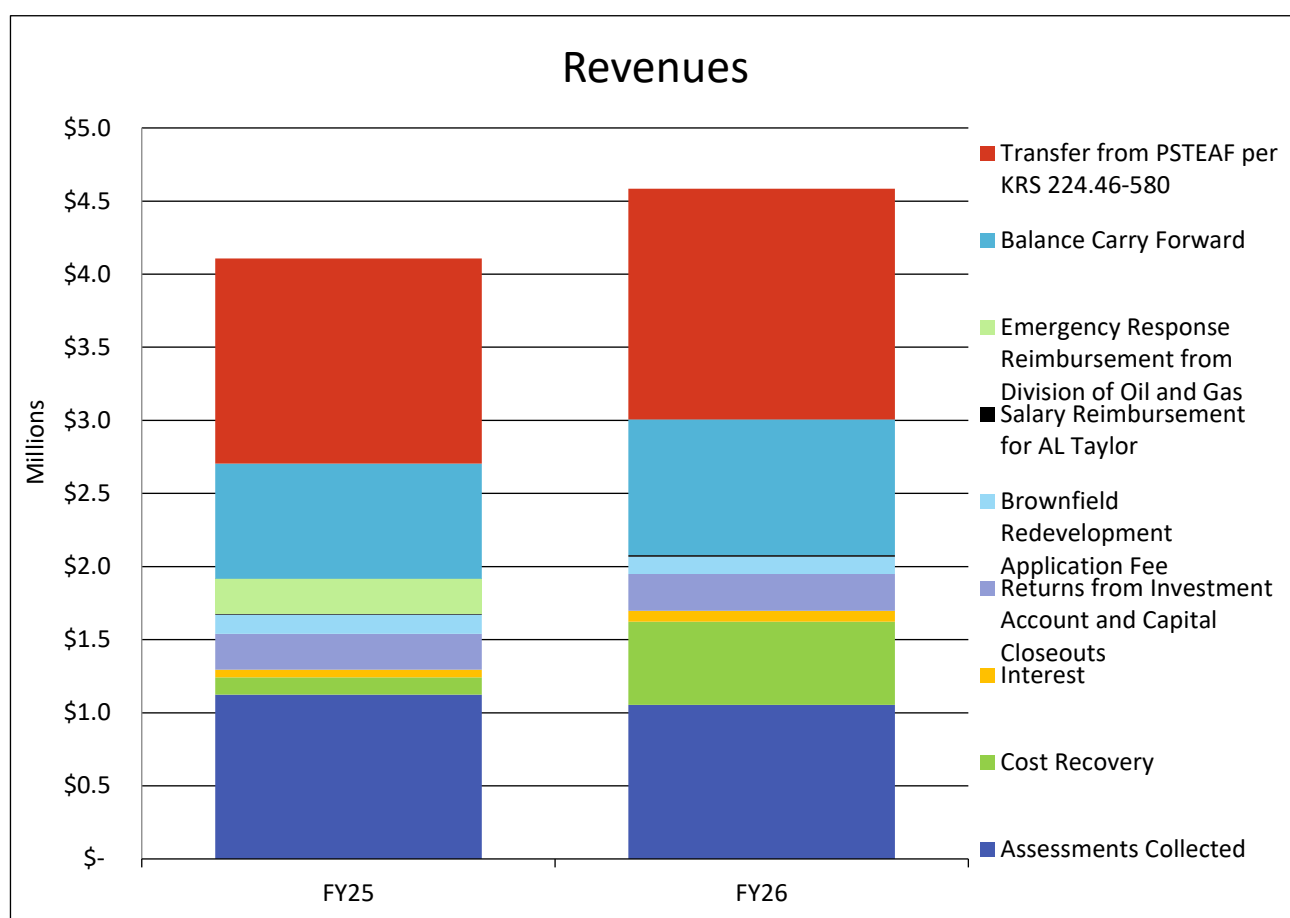


Figure 2: HWMF Revenues for FY2025 – FY2026

Hazardous Waste Generator Assessment Fee

The hazardous waste generator assessment fee is authorized as established in KRS 224.46-580(8) and is collected from generators of hazardous waste at the rate of one and two-tenths cents (\$0.012) per pound for liquid waste and two-tenths of a cent (\$0.002) per pound for solid waste.

During the last twenty years, there has been an overall steady decline in revenue generated annually through the HWMF assessment fee.

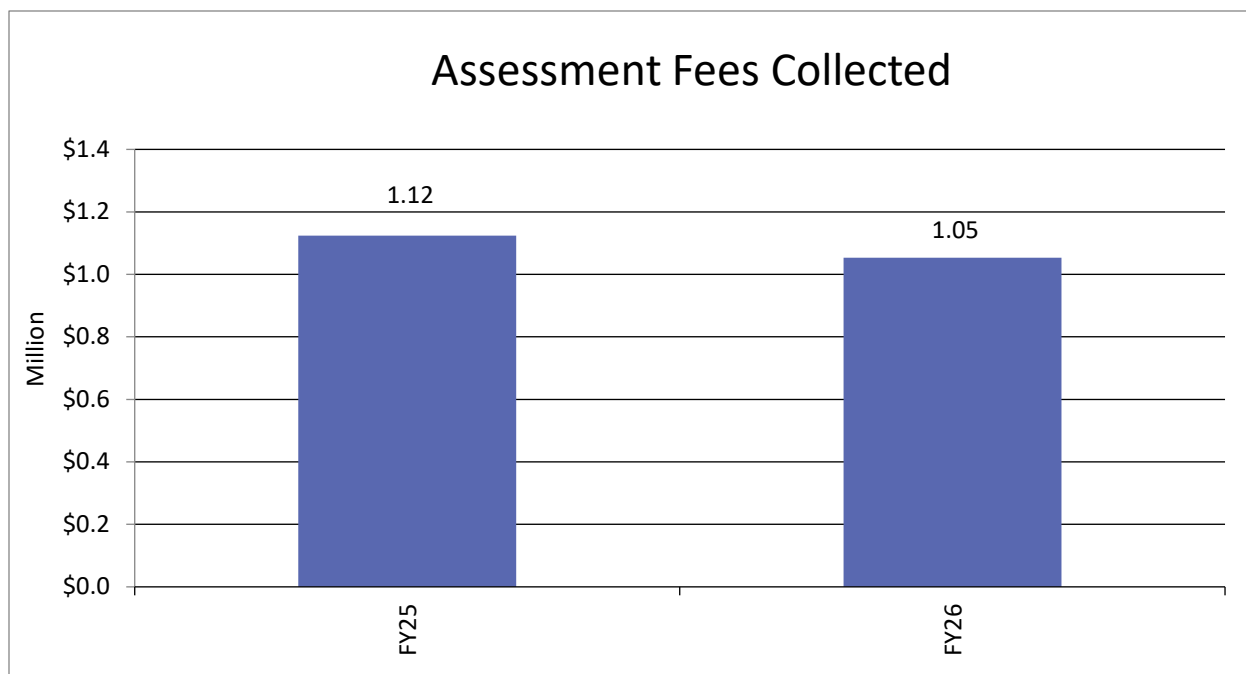


Figure 3: Hazardous Waste Assessment Fees Collected in FY2025 – FY2026

Declines in revenue can be explained by companies filing for bankruptcy, companies moving their operations out of state, a decline in the number of generators, and increases in waste minimization and recycling efforts. In recent years, the Cabinet’s cost recovery efforts have assisted in offsetting some of the decline in assessment fee revenue.

Expenditures

The Superfund Program, pursuant to KRS 224.1-400 and KRS 224.1-405, evaluates and oversees the cleanup of waste sites contaminated by the release of hazardous substances and petroleum, other than regulated underground storage tanks, that are risks to human health and the environment. In some cases, this means overseeing companies or individuals who have taken responsibility for cleaning up contamination found on their property. In many other cases where a responsible party cannot be found or is unable to act, the Superfund Branch takes a direct role in cleaning up a site. Abandoned hazardous waste sites are cleaned up using the Hazardous Waste Management Fund established under KRS 224.46-580. Additionally, pursuant to KRS 224.1-415, the Superfund Program is responsible for the safe and productive redevelopment and reuse of sites and properties on which releases have occurred, residual contamination remains, or there is the perceived presence of releases. The program promotes and assures this by evaluating and approving voluntary remedial actions and property management plans.

The Cabinet also utilizes HWMF monies to provide technical reviews and oversight of state-lead and responsible party-driven remediation projects. Many of these projects result from previous

heavy industrial activities such as wood treatment, metals plating, chemical production, and dry cleaning.

The Cabinet directly manages, as state-lead, the cleanup of contaminated sites if there are no viable responsible parties. When a significant amount of remediation is necessary, a capital project account is created and utilizes the HWMF (Appendix, Table 3). A capital project may include site investigation, site remediation, or a declared environmental emergency; typical costs range from \$20,000 to several millions of dollars per site. The costs may extend over multiple years, and do not include expenses for long-term monitoring, maintenance, operation, or costs for resources required at sites unable to achieve acceptable clean-up levels (i.e. unrestricted use). Project scope reductions or completions below projected costs will result in transfers of dollars back into the HWMF. Currently, due to limited funding, capital project expenditures are very minimal. HWMF expenditures have declined in direct proportion to the decline in revenue available. Figure 4 displays FY2025-FY2026 HWMF expenditures from data in Appendix Table 2.

The Cabinet provides a service to the citizens of Kentucky through technical and professional oversight activities, ensuring emergency response and cleanup projects are properly conducted. Cabinet personnel response typically includes the following:

- Contracting for and conducting state-lead cleanups in the role of an absentee responsible party;
- Assisting responsible parties in the cleanup of their sites, and
- Participating in emergency responses.

With the exception of the AL Taylor site, which utilizes an established fund by the Responsible Parties and the Consent Decree, the HWMF is also used to fund oversight and maintenance activities on federal Superfund sites that have been delisted by the United States Environmental Protection Agency (EPA). These sites are known as National Priority List (NPL) sites. The expenditures are likely to increase over time as more federal sites are delisted or reach the legal lifespan of federal oversight.

Large capital projects are a key component of state-lead oversight that the Cabinet performs, but small, remedial actions can be equally important; they constitute a substantial volume of the remediation work performed. These corrective actions include anything from site characterization to remediation. Sites requiring cleanup can range from causes such as wire burning operations, collection and disposal of mercury waste and transformer spills, to industrial chemical spills, and the removal and disposal of abandoned drums. Some of the contaminants discovered at these sites include toxic heavy metals, including lead, arsenic, and mercury, or toxic or cancer-causing chemicals, such as polychlorinated biphenyls, benzene, and

trichloroethylene. These sites have a strong potential to be immediately dangerous to residents, wildlife, and vegetation, and they pose long-term threats to both the public and the environment. To compound the problem, these sites are typically located along highways or waterways, which are easily accessible to people.

The Emergency Response Team (ERT) is tasked with responding to environmental emergencies including petroleum releases, landfill fires, train derailments, tanker truck releases, industrial chemical releases, crude oil releases, and many other environmental issues requiring immediate attention. During FY2025 and FY2026, ERT received 10,944 notifications; 925 required an emergency response. Of those, nine (9) were declared an emergency and addressed using HWMF monies. Superfund site remediation and responses to emergencies throughout the Commonwealth are costly expenditures. ERT was able to recover the costs associated with responses to four (4) of those declared emergencies through the EPA's Pollution Removal Funding Authorization.

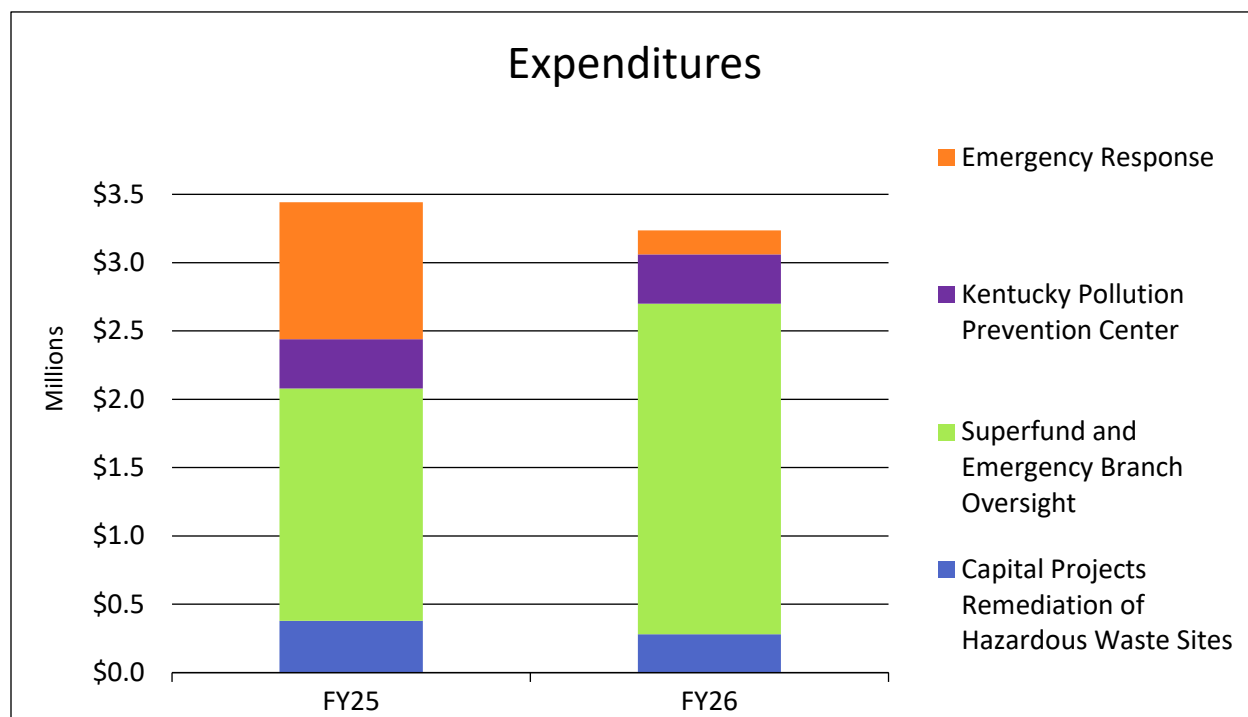


Figure 3: HWMF Expenditures FY2025 - FY2026

Emergency Projects

These projects typically consist of short-term immediate actions to contain and, if necessary, remediate a release that poses an immediate hazard to human health or the environment. The following are examples of emergency incidents where the Cabinet performed emergency actions to abate the immediate threat to human health and the environment.

Cynthiana Water Works – Drinking Water Intake Revitalization

Cynthiana, Harrison County

Expenditures FY2025-2026 - \$363,009.37

Cynthiana Water Works operates two drinking water intakes for their water treatment plant (WTP) located on Water Works Avenue. The primary intake is located at the WTP and draws from the South Fork of the Licking River; the backup intake draws from the Licking River and is located approximately fifteen (15) miles northeast of the WTP. Sampling conducted by the Department showed elevated concentrations of per- and polyfluoroalkyl substances (PFAS) in the Licking River source water during low-flow conditions. While PFAS concentrations in Licking River were much lower, the secondary drinking water intake was in disrepair and could not serve as a viable replacement. The Cabinet declared an emergency to revitalize the secondary intake on Licking River and replace both failing pumps and ancillary infrastructure. The project resulted in the secondary intake being able to provide the necessary raw water to the WTP to meet the treatment demands of all Cynthiana Water Works customers.



Photo: Cynthiana Water Works Licking River backup raw water intake



Photo: Inoperable pump pulled from Cynthia Water Works Licking River backup intake

Former Revelation Energy Site – Transformer Oil Spill

Hyden, Leslie County

Expenditures FY2026 - \$121,088.34

On July 23, 2025, ERT responded to the report of approximately 3,000 gallons of transformer oil that was released when vandals attempted to steal copper wiring from a former Revelation Energy mining site. Multiple, large electrical transformers were damaged, some releasing all of their contents to the ground. Because the previous property owner was bankrupt and the perpetrators could not be identified, the Cabinet declared an environmental emergency to hire a contractor for cleanup and disposal. Free product was recovered via vacuum truck and stored in totes on site, along with the oil that had remained in the damaged transformers. This oil was tested and determined to be non-polychlorinated biphenyl (non-PCB) oil. The impacted soil was excavated and stored on site in covered roll-off boxes, then sampled for profiling and proper disposal. Once the cleanup was completed the oil and contaminated soil were sent for proper disposal.



Photo: Non-PCB transformer oil spill at former Revelation Energy site.

Central Kentucky Landfill – Emergency Operation & Maintenance

Georgetown, Scott County

Expenditures FY2026 - \$165,314.84

The Division was required to take over operation and maintenance of the natural gas collection system and flare, as well as the leachate collection system at this landfill when it went bankrupt. The former owner walked away, leaving these systems in disrepair. Significant repairs were required to ensure functionality of the natural gas collection system and flare. These components eliminate the risk of dangerous gases escaping the landfill and impacting the surrounding residents and environment. The leachate collection system was inoperable, and a contractor was hired to maintain temporary pumps to deliver those fluids to the sanitary sewer for disposal. This emergency will remain active until bond monies can be utilized to properly close the landfill.

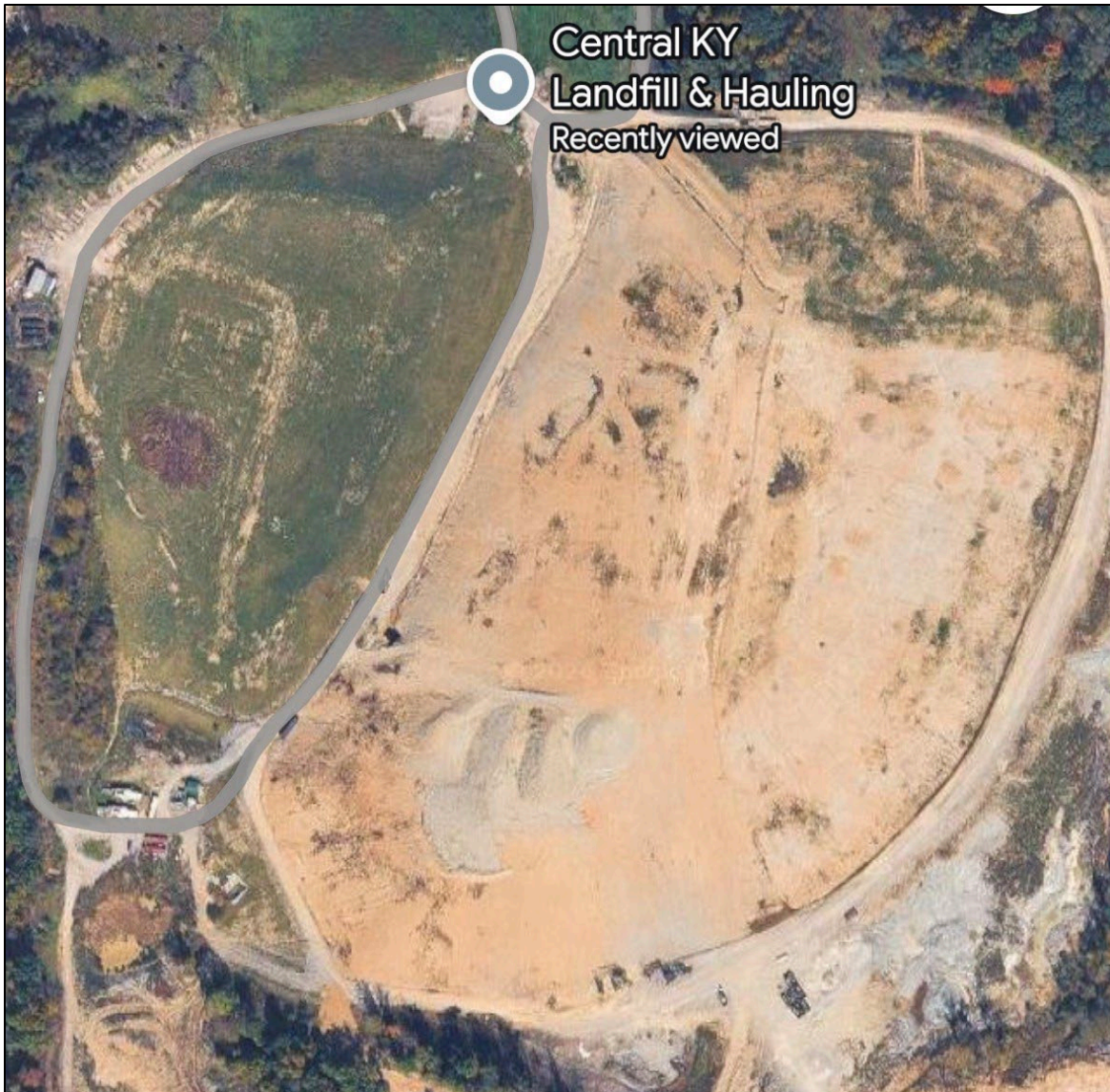


Photo: Google Earth image of Central Kentucky Landfill

Thoroughbred Disposal Landfill – Emergency Operation & Maintenance

Lexington, Fayette County

Expenditures FY2026 - \$5,134.22

The Division was required to take over operation and maintenance of the leachate collection system at this landfill when it went bankrupt. The former owner walked away, leaving the system in disrepair. Minor repairs were required to ensure functionality of the system and eliminate the risk of fluid discharge to the surrounding properties. A contractor was hired to maintain the leachate collection system and ensure proper disposal of waste fluids. This emergency will remain active until bond monies can be utilized to properly close the landfill.

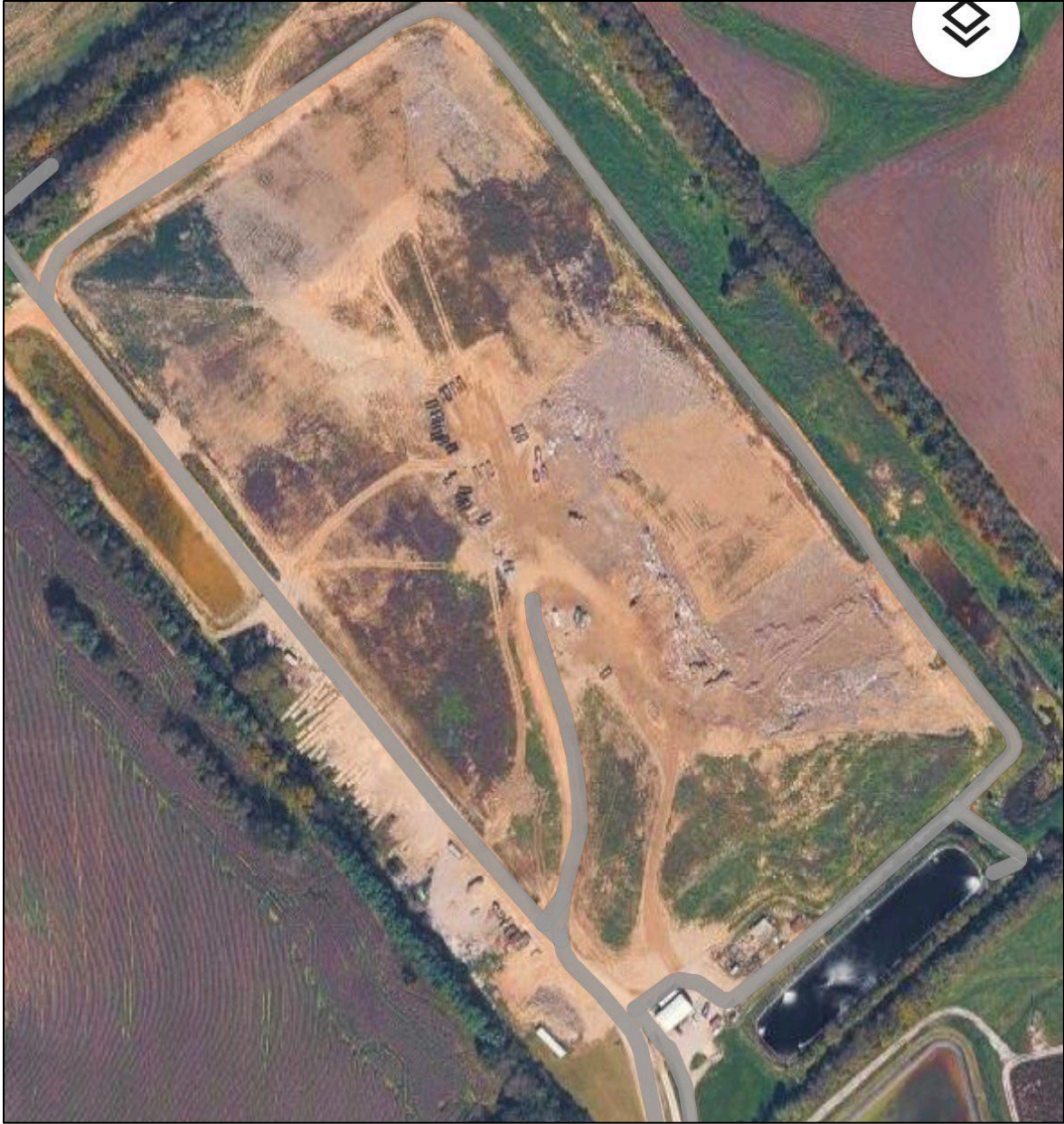


Photo: Google Earth image of Thoroughbred Disposal Landfill

Capital Projects

These projects have ongoing remedial activities necessary to protect human health and the environment. Several projects are presented on the subsequent pages of this section. Figure 5 summarizes active capital projects with expenditures for the period of FY2025-FY2026 with expenditures over \$20,000.

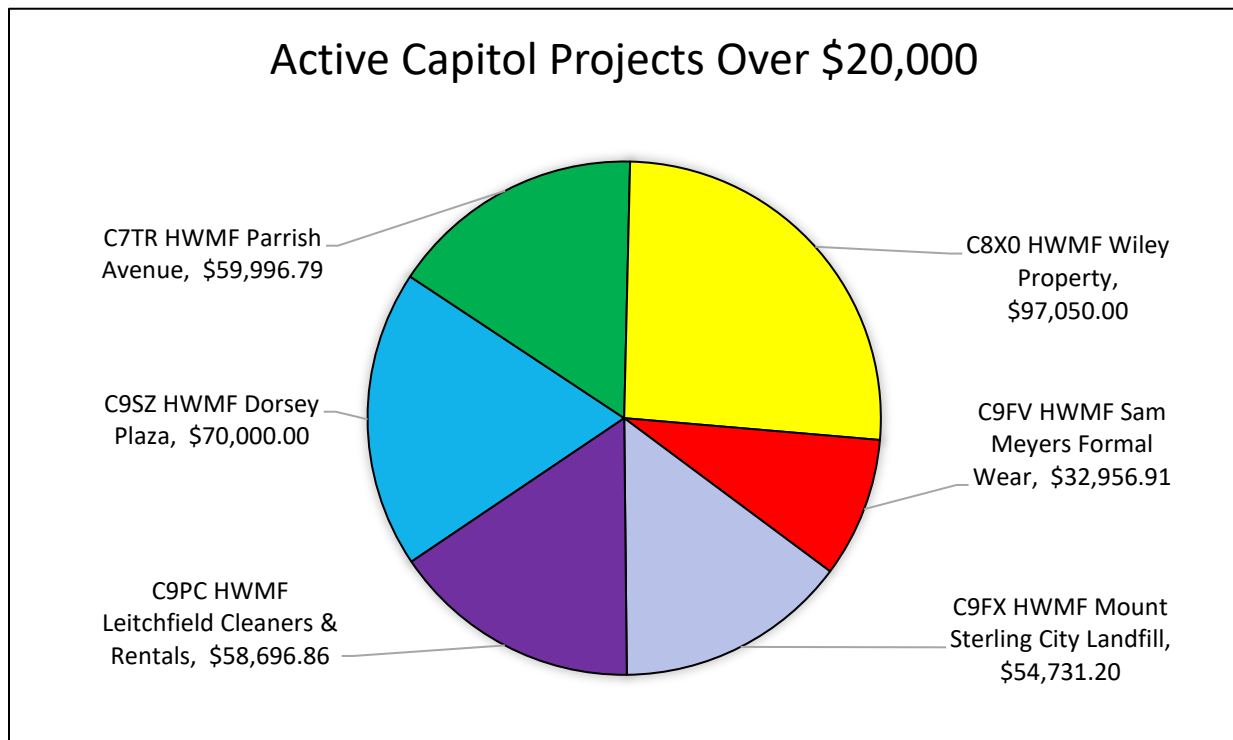


Figure 5: HWMF Active Capital Project Expenditures over \$20,000 FY2025-FY2026

Superfund Capital Construction Projects

Capital Construction Projects are state-lead projects that clean up properties with no viable owner. To spend the appropriated money in a timely manner, projects that were using HWMF were switched when possible. The Superfund Branch is in the process of shifting capital construction expenditures to temporary funds. This frees up more HWMF money to be utilized in emergency responses. During this biennium, over one million dollars were spent on projects that would have normally charged the HWMF. A few of the following sites were in progress and payments continued to charge HWMF.

Wiley Property (C8XO)

Hartford, Ohio County

Expenditures FY2026 - \$97,050

The Wiley project began in 2014 when the previous property owner contacted DWM regarding concerns of barren and discolored soil on the property. Upon sampling, it was discovered that the soil contained arsenic concentrations as high as 525,000 mg/kg. The EPA initiated partial clean-up in 2015-2016. In 2024, a contract was executed for \$511,600 through an RFP for engineering design and construction management oversight for remediation of the remaining arsenic contamination. In fall of 2025, the contractor had fully characterized the site and prepared a corrective action plan recommending removal of the arsenic contaminated soil.

Subsequently, the contractor prepared and submitted project plans and specifications for bid. On February 2, 2026, a construction contractor was awarded the contract for clean-up totaling \$1,039,193. Construction began on April 1, 2026.



Photo: Excavation activities currently taking place on the property.

Parrish Avenue (C7TR)

Owensboro, Daviess County

Expenditures FY2026 - \$59,996.79

Parrish Avenue is the location of a historic dry cleaner that was part of the Superfund Branch's Site Ranking Initiative. In 2011, a Phase 1 Environmental Site Assessment (ESA) was completed. This was followed by a Phase 2 ESA that included groundwater sampling, soil gas screening, and an electrical resistivity survey between 2012 and 2020. The ESAs identified environmental impacts of perchloroethylene (or "PCE") and its degradation products in both groundwater and soil gas. The contractor completed pilot injection testing in 2021. On May 15, 2024, a contract was executed for \$115,000 for the development of a remedial action plan, oversight of remediation, and preparation of a corrective action report. Superfund received a draft of the project plans and specifications for bid.

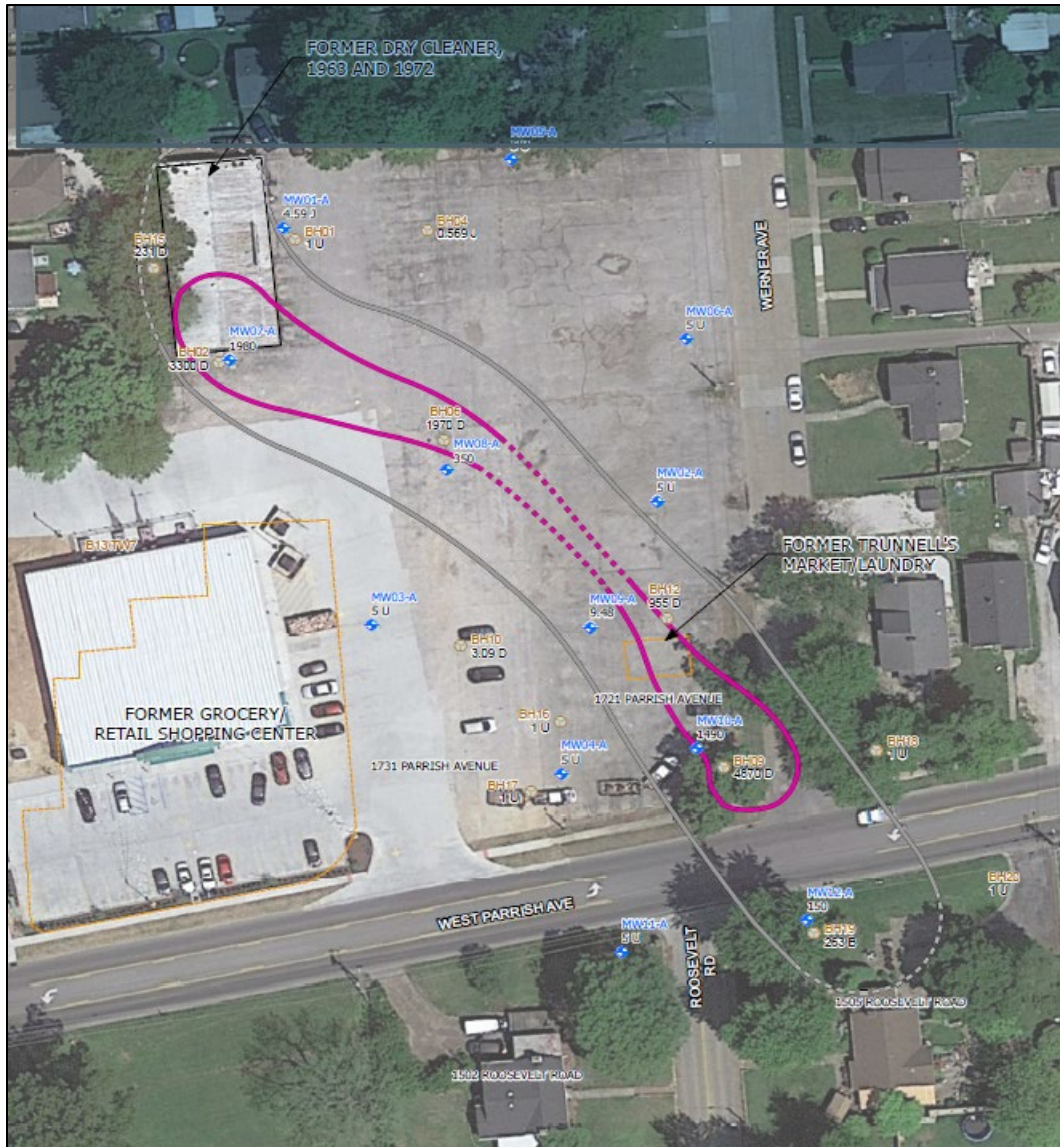


Photo: Perchloroethylene contamination plume.

Brownfield Redevelopment Sites

Brownfield Redevelopment is governed by KRS 224.1-415 and 401 KAR Chapter 102. This program allows for prospective purchasers and owners that have or had met the bona fide prospective purchaser defense as defined in 42 U.S.C. §§ 9601 (40), 9607 (r) to submit their environmental assessments and management plans to the Superfund Branch. The management plans are based on environmental assessments and certified by a registered engineer or geologist in the state of Kentucky. If the Superfund Branch concurs that the management plan allows for safe reuse, a notice of eligibility (prospective purchaser) or notice of concurrence (owner) is issued to the applicant. Application fees generated are allocated to the HWMF and pay for audits.

Flash Steel Works – Former Middlesboro Tannery

Middlesboro, Bell County

Program Entry: 2023

For more than a century, the former Middlesboro Tannery and later Kentucky Leather Company site was a cornerstone of industrial activity in Bell County, Kentucky. Established in 1890, shortly after the founding of the city of Middlesboro, the facility processed animal hides using vegetable tannins before transitioning to chromium-based tanning methods in the 1970s. Over the decades, tanning operations expanded across numerous buildings and waste settling ponds that became a defining feature of the property.

Beginning in the 1980s, the facility became the subject of regulatory enforcement actions and litigation concerning the discharge of untreated industrial waste into the municipal wastewater system. A class-action lawsuit filed by the Yellow Creek Concerned Citizens Group, a Consent Decree, and subsequent penalties for noncompliance placed increasing pressure on the company. Following a Chapter 11 bankruptcy filing in 1989, operations continued under Kentucky Leather Company beginning in 1993 but ultimately ceased by the late 1990s, ending more than 100 years of leather manufacturing on the site.

Following the tannery's closure, the property remained vacant and deteriorated rapidly. In 2001, inspections by the Kentucky Division of Waste Management revealed that the site had been used for illegal drum and container disposal, prompting a large-scale drum removal action by the U.S. EPA. Over the following decade, the abandoned facility attracted squatters and scavengers who stripped scrap metal from buildings and vehicles on the property, further contributing to site degradation. Conditions worsened in 2010 when a portion of the main building collapsed, releasing asbestos-containing materials and prompting the Division of Waste Management to declare an emergency. A \$1 million cleanup effort was initiated to safely demolish remaining structures, address environmental hazards, drain some of the sediment ponds, and prepare the site for long-term management. These actions marked the beginning of a transition from a blighted, environmentally challenged property toward future redevelopment opportunities through the Brownfields program.



Photo: Middlesboro Tannery site main building prior to cleanup efforts in 2010

By the end of 2011, a comprehensive cleanup and site stabilization effort had transformed the former tannery from a deteriorating and hazardous property into a site positioned for future redevelopment. The project included detailed site surveys, installation of new access roads, fencing, signage, and security measures to prevent trespassing. Remaining structures associated with the former wastewater treatment system were demolished, wastes were removed from trenches and sumps, and environmental abatement activities were completed. Sediment ponds were drained, filled, and secured as part of the site's long-term management strategy. With major environmental hazards addressed and the property stabilized, the site was ready to support new investment and reuse opportunities, paving the way for redevelopment efforts that began several years later.

Today, the property stands as one of southeastern Kentucky's most notable Brownfields success stories. The former tannery site is now home to Flash, an advanced steel manufacturing company developing ultra-high-strength, weldable steel products for defense and industrial applications. The company broke ground on its new Middlesboro facility in 2022 with plans to invest approximately \$12.1 million and create up to 250 full-time jobs, helping diversify the region's economy and expand advanced manufacturing opportunities in Bell County.

While redevelopment continues, the site remains subject to environmental management measures developed during the cleanup process. Future construction and expansion activities are conducted in coordination with the Kentucky Energy and Environment Cabinet to ensure

the property remains protective of human health and the environment. The transformation of the former Middlesboro Tannery from a deteriorated industrial site to the home of a cutting-edge steel manufacturer demonstrates how environmental remediation and strategic investment can create lasting economic opportunities and a renewed sense of optimism for the community.

1000 Delaware Avenue LLC – The Railyard mixed-use development

Lexington, Fayette County

Program Entry: 2025

This one-acre site in Lexington, formerly a long-vacant industrial property, faced the kinds of environmental uncertainty and redevelopment barriers that often discourage private investment. Since 1934, the historical uses of the property have included a stone cutting operation, a cement facility, a motor freight station, and an automotive repair facility with associated junk yard. Due to these past uses, it was necessary to perform an environmental characterization of the site. Environmental investigations determined that certain portions of the soil contained levels of lead and polycyclic aromatic hydrocarbons (PAHs) that were above residential screening levels.

A local developer worked in partnership with the city of Lexington and the Bluegrass Area Development District to complete the necessary environmental site assessments and secure funding and in-kind resources from the Targeted Brownfield Assessment program, as well as Lexington's Affordable Housing Fund, Public Infrastructure Program, and Stormwater Quality Incentive Grant. The planned reuse for the site is a mixed-use infill project featuring workforce housing, two commercial spaces, and community amenities including a dog park, a raised community garden, and EV charging stations. The development will consist of three (3) constructed buildings with thirty (30) residential units.



Photo: Rendering of The Railyard development projected to be complete by December 2026

The Railyard project helps to address Lexington’s growing housing demand by transforming a formerly abandoned site into new housing within the existing Urban Service Area. Importantly, the development includes twelve (12) workforce housing units reserved for households earning below 80% of the Area Median Income (AMI), helping provide affordable options for teachers, healthcare workers, service industry employees, and other middle-income residents. By creating affordable housing through infill redevelopment, the project supports both smart growth and long-term community sustainability.

Since entering the program, construction on the site has begun. The three buildings will be constructed on concrete slabs, while most of the remaining exterior areas of the property will be paved with asphalt. Areas of the site with no concrete or asphalt, including the raised community garden and dog park, will require a minimum of eighteen (18) inches of clean soil to serve as a protective barrier prior to those areas being constructed. This is necessary to prevent unintended exposure to potentially impacted soil. The Railyard project in Lexington demonstrates why the Brownfield Redevelopment Program is an essential tool for communities seeking to revitalize underutilized properties, address housing needs, and protect farmland from urban sprawl.

King’s Daughters Medical Center

Greenup, Greenup County

Program Entry: 2025

The future home of King’s Daughters Medical Center is 4.17 acres of land in Greenup, KY. The site was previously developed as a residential farm in 1953, but later was replaced by an excavation business storage yard in the 1990’s. Several decommissioned Underground Storage

Tanks (USTs) were identified during environmental assessment of the property, as well as evidence of an inground hydraulic lift. Over the years, the site was used to store uncontrolled/undocumented bulk fill materials collected from numerous locations across Greenup County.

The primary environmental concerns at the property are soil vapors. Several Volatile Organic Compounds (VOCs) were detected above both industrial and residential screening levels, as well as above vapor intrusion screening levels. Based on those concentrations, any building that is constructed on the site will need to include an adequate Vapor Mitigation System (VMS) or have additional assessments conducted to demonstrate that one is not necessary.

Rather than continue to let the site remain vacant, plans were set in motion to revitalize the site into a medical office facility that will benefit the surrounding community. Currently, the site consists of mostly undeveloped land with a portion covered with gravel that is being used as a construction staging area. The new medical center is expected to be a \$7 million project that improves access to high quality healthcare for the people in Greenup County and surrounding communities.



Photo: Future home of King's Daughters Medical Center, Greenup, KY

The future home of King's Daughters Medical Center demonstrated how brownfield liability protections can help turn environmentally challenged properties into valuable community assets. Environmental concerns at the site, including former underground storage tanks, historic industrial use, and the presence of VOCs requiring vapor mitigation measures, created risks that could have discouraged redevelopment. Through the protections and certainty provided by the Brownfield Redevelopment and Reuse Program, the project was able to move

forward with plans for a new medical office facility that will expand access to healthcare services and bring productive reuse to a long-vacant and underutilized property in Greenup County. The site will also be maintained through an ongoing Property Management Plan that will be updated as new discoveries or changes to the development occur, ensuring long-term environmental protection and safe, sustainable use of the property.

***Northern Kentucky Port Authority – Former Duro Bag Manufacturing Company
Covington, Kenton County***

Program Entry: 2026

One mile south of the Ohio River in a mixed commercial, residential, and business district in Covington, KY, is a former paper bag manufacturing facility. In the late 1800s, the property was originally developed as a railroad maintenance yard and Roundhouse for the adjacent Chesapeake & Ohio Railroad. Around 1939, the property use changed to the former Duro Bag Manufacturing site. This property is a highly visible, eight-acre landmark at the corner of 12th Street and Madison Avenue that has deep historical and economic significance to the city and the region. Founded in 1953 by David Shor, the facility was once the world's largest paper bag manufacturer, employing more than 2,500 people and serving as a major driver of local industry and jobs until its 2014 acquisition. The site is located at a critical intersection that leaders have identified as key to Covington's continued revitalization, particularly south of 12th Street.

During the site investigation phase of this project, evidence of chemical and oil releases in both buildings were observed. Stained and corroded floor and trench drains, closure reports for two 10,000-gallon diesel tanks, and the presence of an existing rail spur, waste shed, and empty oil barrels were all identified. A Property Management Plan was developed to mitigate the effects of any affected soil and/or groundwater documented to be present on the site. Subsurface soil at the site was found to contain VOCs, PAHs, heavy metals, and Polychlorinated Biphenyls (PCBs). An engineered vapor barrier will be installed beneath any areas of the site that are intended for multi-family residential use. Other areas of the site will be capped with soil, asphalt, concrete, or buildings.

The redevelopment of this site is an opportunity to reconnect and reinvest in long-standing neighborhoods that have historically been central to the city's working-class and industrial identity. Rather than allow the site to remain underutilized and in decline, its redevelopment is seen as a catalyst for broader community renewal, with the potential to unlock new mixed-use development, create jobs, strengthen surrounding neighborhoods, and honor the historic character of the existing structures while positioning the area for its next chapter of growth.



Photo 1: The former Duro Bag Factory in Covington, future mixed-use redevelopment

Given the known environmental conditions and the scale of redevelopment envisioned for this site – including housing, commercial uses, and neighborhood reinvestment – enrollment in the Brownfield Redevelopment and Reuse Program was a critical first step in the redevelopment process. It helps communities manage liability risks associated with historic contamination, provides a clearer path for redevelopment, and supports responsible cleanup and reuse.

FY2025-2026 Brownfield Initiatives

The Superfund Branch has an established audit process for Brownfield sites. An audit requires staff to review the existing property management plan to determine specific site management requirements. The participant is contacted by an auditor who arranges a site visit. The audit stresses compliance assistance rather than creating a confrontational inspection. Fines are not generated from the audits. If mismanagement is noted, the participant is allowed to correct the issue and submit verification of the correction. If extreme or blatant mismanagement of a subject site is noted, the authority to void brownfield status (concurrence) resides with the Director of the Division of Waste Management, as established in 401 KAR 102:010, Section 7. During FY2025 and FY2026, DWM conducted 107 audits. A total of 291 total audits have been conducted since the program's inception representing approximately 73% of all sites in the program. To date, there have been no sites referred to the Director's Office for possible voiding of brownfield status.

The Superfund Branch has also established an audit program for the 331 managed closure sites. During FY2025 and 2026, forty-eight (48) managed closure sites were inspected by central office staff. Although environmental covenants require the owners of these properties to certify that conditions of management are being met, no actual inspection or audit of site conditions by DWM had been occurring until 2019. This verification project has discovered

noncompliance but has not necessitated any notice of violations as problems are corrected and documentation of those corrections are submitted back to the Superfund Branch.

Costs of Cleanup

The Kentucky Superfund Program currently is working with a total of 303 active Superfund sites. Many variables affect the cost to complete a cleanup. Site-specific characteristics such as the mass of the contamination, the character of the contaminant, the geological setting, and the physical location of the site all influence costs. Using the historic Kentucky Superfund cost information, site costs range from \$10,000 to several million dollars. Certain category sites such as former wood treating facility average cleanup costs over \$20 million dollars per site. Additionally, larger industrial type sites range in cost from one million to tens of millions of dollars per site. Additionally, the state has eighteen (18) existing and delisted CERCLA National Priority List (NPL) Superfund sites whose long-term annually cyclic monitoring and maintenance liabilities, in one form or another, eventually fall to the state. Internal estimates of the annual cyclic, in perpetuity costs range from over \$10,000 to over \$500,000 per site, based on the CERCLA NPL Records of Decision (RODs).

Based on the HWMF current level of funding in 2025 and 2026 Fiscal Years, emergency sites addressed and other annual state-lead remedial actions, the Superfund Program is currently unable to adequately address the increasing number of state-lead clean-ups without continued supplemental funding.

Emerging Contaminants Per- and Polyfluoroalkyl Substances (PFAS)

Per- and polyfluoroalkyl substances (PFAS) are a group of over 5,000 man-made, fluorinated chemicals that, because of their unique chemical characteristics, are used in many consumer products and industrial applications. The widespread use of PFAS in many consumer, commercial and industrial products over the last seventy (70) years and recent concerns about the health effects of PFAS create challenges for federal and state agencies to address these emerging contaminants. The PFAS compounds are ubiquitous and persistent in the environment and do not break down easily within measurable timeframes. This group of chemicals impacts all the environmental media for which the Department for Environmental Protection regulates, including air, water, and land. Six (6) PFAS are currently regulated by EPA's Safe Drinking Water Act (SDWA), though the US EPA is currently proposing to rescind all but two. Two are listed as hazardous substances under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). Risk thresholds for individual PFAS are routinely updated or added to the EPA's Regional Screening Level table. There are now twenty-six (26) PFAS listed in the table.

PFAS Remediation, Treatment, Disposal and Land Use Management Annual Costs – Commonwealth of Kentucky

In the Commonwealth of Kentucky, many PFAS impacted sites will depend partially or entirely on Kentucky's Hazardous Waste Management Fund (HWMF) to protect human health and the environment in the Commonwealth of Kentucky. In many PFAS impact cases, there are or will be no financially viable responsible party(s). Also, many responsible party sources of PFAS have very limited financial resources that are insufficient to carry out the characterization and remediation necessary to address the complexity of PFAS impacts. Such sites would also need to be addressed through the HWMF. Lastly, PFAS is not the sole contaminant impact that utilizes the HWMF but will be a potentially overwhelming strain on the already overburdened HWMF.

Finally, due to the ubiquitous and persistent nature of PFAS (centuries to millennia) in the environment and natural resources; extremely low concentration levels of risk (part per trillion and parts per quadrillion) and complexity of PFAS; most if not all PFAS impacted sites will require long-term land and groundwater use management as part of their remedial design and implementation.

During FY2025 and FY2026, Superfund Branch staff sampled four (4) sites for PFAS. This included various industry types within the brownfield redevelopment program and a few sites within the orphan landfill program. Every site that had monitoring wells contained PFAS. PFAS typically exceeded CWA thresholds at dry cleaning sites and orphan landfill sites.

Future of the Fund

The HWMF was created to provide the Energy and Environment Cabinet with necessary funds to protect the health of the citizens and natural resources of the Commonwealth from threats associated with releases of hazardous substances, pollutants, and contaminants. The Cabinet uses the HWMF to provide technical reviews, oversight of responsible party-driven, and state-lead remediation projects. The HWMF is the Commonwealth's primary source of financial support for contaminated sites where there are either no known responsible or financially solvent parties available to take action. The HWMF finances regulatory oversight, emergency responses, state-lead, and time-critical remediation projects at sites throughout Kentucky. These projects range from large industrial sites and persistent dry cleaner plumes to small projects including roadside drums, orphan wastes, and transformers. There are no other current available funding sources to conduct emergency response, state-lead cleanup actions, or regulatory oversight.

In addition to evaluation and mitigation measures, HWMF funds are used to purchase leading-edge equipment to complement time-critical projects. The Superfund Branch also routinely

purchases passive soil gas vapor monitors to screen vapor at sites with the potential of releases from volatile constituents. These purchases allow this branch to quickly mobilize to screen or perform maintenance and operations on-site.

The HWMF has experienced challenges since 2008 resulting from decreases from exemptions and reductions of general and federal funds available to the Cabinet. Additional negative impacts include increased costs for:

- Cleanup;
- Growing numbers of non-viable and financially insolvent responsible parties from which to recover cost;
- Cyclic annual, in perpetuity cost for the long-term maintenance and monitoring of NPL sites;
- Potential large-scale sites and the number of Resource Conservation and Recovery Information System sites, and new superfund sites; and
- Future PFAS sites of varying industry type.

These impacts have resulted in the HWMF no longer being able to sustain and manage all existing and projected superfund backlogs. Insufficient funding to support large scale emergency remedial projects that arise unpredictably year-to-year, and the inability to reasonably fulfill its statutory mandate to protect human health and the environment continue to burden the funds.

The HWMF remains a critical component of Kentucky's corrective action program, providing financial resources necessary to support site investigations and remediation efforts that protect human health and the environment. In 2024, the General Assembly extended the fund through June 30, 2032, ensuring continued availability of dedicated funding to maintain these essential program functions and fulfill both state and federal hazardous waste management responsibilities. The recent extension preserves program stability, maintains regulatory effectiveness, and ensures Kentucky's ability to respond to current and future hazardous waste management challenges.

Credits and Acknowledgements

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Kentucky Department for Environmental Protection

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The mission of the Kentucky Division of Waste Management is to protect human health and the environment by minimizing adverse impacts on all citizens of the Commonwealth through the development and implementation of fair, equitable and effective waste management programs.

July 2026

Appendix

Table 1: Hazardous Waste Management Fund Revenues, FY2025-FY2026

	Assessments Collected	Balance Carry Forward	Cost Recovery	Interest	Return on Investment Account & Capital Closeouts	Brownfields Application Fees	Transfer from PSTEAF per KRS 224.46- 580	DOG Reimbursement	Salary Reimbursement for AL Taylor	TOTAL
FY25	\$1,124,471.33	\$788,165.60	\$117,466.92	\$51,567.44	\$246,665.26	\$130,000	\$1,401,429.42	\$240,904	\$5,873.65	\$4,106,543.62
FY26	\$1,053,336	\$928,791	\$569,591	\$73,756	\$251,572.28	\$120,000	\$1,576,972.81	N/A	\$9,246	\$4,583,265.09
GRAND TOTAL	\$2,177,807.33	\$1,716,956.60	\$687,057.92	\$125,323.44	\$498,237.54	\$250,000	\$2,978,402.23	\$240,904	\$15,119.65	\$8,689,808.71

Table 2: Hazardous Waste Management Fund Expenditures, FY2025-FY2026

	Capital Projects Remediation HW Sites	Superfund & ERT Technical/Professional Oversight *FY21-24 Salaries for SFB and HWMF %-ERT staff	Kentucky Pollution Prevention Center	Emergency Response	Total
FY25	\$379,663.60	\$1,699,752.36	\$360,000	\$1,002,327.73	\$3,441,743.69
FY26	\$281,287.58	\$2,418,369	\$360,000	\$176,988.01	\$3,263,644.59
GRAND TOTAL	\$660,951.18	\$4,118,121.36	\$720,000	\$1,179,315.74	\$6,678,388.28

Table 3: Cumulative Expenditures on Capital Project Accounts FY2025-FY2026

	Engineering	Construction	Analytical	Operational Transfers
C52F – Distler Brickyard	N/A	\$1,300	N/A	N/A
C52G – Distler Farm	N/A	\$800	N/A	N/A
C6AM – Jackson’s Pronto Cleaners	N/A	N/A	N/A	\$9,562.39
C7TR - Parrish Avenue	N/A	N/A	\$7,969.80	\$52,026.99
C7TS – Miracle Dry Cleaners	N/A	N/A	N/A	\$13,004.50
C83A – Former West Point Bank Property	\$17,450	N/A	N/A	\$N/A
C83G – King’s Dry Cleaners	N/A	N/A	N/A	\$9,403
C8X0 – Wiley Property	N/A	\$7,091.75	\$4,616.62	\$85,341.63
C9FV – Sam Meyers Formal Wear	N/A	N/A	N/A	\$32,956.91
C9FX – Mount Sterling City Landfill	\$54,731.20	N/A	N/A	N/A
C9PC – Leitchfield Cleaners & Rentals	\$500	\$8,920	N/A	\$49,276.86
C9SZ – Dorsey Plaza	N/A	N/A	N/A	\$70,000
CB2B – HWMF Minor Projects 2022-2024	N/A	\$49,605.36	\$1,431.41	\$176,665.26
CC6Y – HWMF Former Trimble County Newspaper	\$8,297.50	N/A	N/A	N/A
GRAND TOTAL	\$80,978.70	\$67,717.11	\$14,017.83	\$498,237.54



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