Board Meeting Booklet

for

June 26, 2014

Kentucky Infrastructure Authority

1024 Capital Center Drive, Suite 340
Frankfort, Kentucky 40601-3646
502-573-0260
502-573-0157 fax
http://kia.ky.gov

AGENDA

KENTUCKY INFRASTRUCTURE AUTHORITY
FULL BOARD MEETING
1024 CAPITAL CENTER DRIVE, SUITE 340
June 26, 2014 – 1:00 p.m.

Call to Order: Chair Tony Wilder

- Confirmation of Press Notice
- Confirmation of Quorum
- Recognition of Members/Guests

I. BUSINESS *(Board Action Required)*

A. Minutes

1.	Consideration of Approval of the **Minutes** of the **Kentucky Infrastructure Authority Regular Board Meeting** of **May 1, 2014** ***(Attachment I.A.1.)***	Chair Tony Wilder	11

B. New Projects / Action Items

1.	Resolution and Order of the Board of Directors Authorizing Approval for the **Filing of an Application with the United States Environmental Protection Agency** for the Federal Fiscal Year 2014 Capitalization Grant for the **Drinking Water Revolving Fund** ***(Attachment I.B.1.)***	Mr. Jeff Abshire, KIA	19
2.	Resolution and Order of the Board of Directors Authorizing Approval for the **Filing of an Application with the United States Environmental Protection Agency** for the Federal Fiscal Year 2014 Capitalization Grant for the **Wastewater Revolving Fund** ***(Attachment I.B.2.)***	Mr. Jeff Abshire, KIA	23
3.	Resolution and Order of the Board of Directors for Approval for **Assumption of the Fund A loan (A00-04)** in the amount of **$904,691** to the **Greenup Joint Sewer Agency, Greenup County, Kentucky** (SX21089072) ***(Attachment I.B.3.)***	Mr. Jeff Abshire, KIA	27
4.	Resolution and Order of the Board of Directors for Approval for **Assumption of the Fund A loan (A02-07)** in the amount of **$980,247** to the **Greenup Joint Sewer Agency, Greenup County, Kentucky** (SX21089072) ***(Attachment I.B.4.)***	Mr. Jeff Abshire, KIA	39
5.	Resolution and Order of the Board of Directors for Approval of a **Fund B loan (B14-013)** in the amount of **$2,000,000** to the **Greenup Joint Sewer Agency, Greenup County, Kentucky** (SX21089072) ***(Attachment I.B.5.)***	Mr. Jeff Abshire, KIA	51

6.	Resolution and Order of the Board of Directors Authorizing an **Amendment** to a **Fund A loan (A13-015) increasing** the amount to **$31,801,000** to the **Lexington-Fayette Urban County Government, Fayette County, Kentucky** (SX21067041) ***(Attachment I.B.6.)***	Mr. Jeff Abshire, KIA	63
7.	Resolution and Order of the Board of Directors for Approval of a **Fund A loan (A14-001)** in the amount of **$19,837,063** to the **Lexington-Fayette Urban County Government, Fayette County, Kentucky** (SX21067049) ***(Attachment I.B.7.)***	Mr. Shafiq Amawi, DOW Mr. Jeff Abshire, KIA	79
8.	Resolution and Order of the Board of Directors for Approval of a **Fund B loan (B14-007)** in the amount of **$350,000** to the **City of Greensburg, Green County, Kentucky** (WX21087008) ***(Attachment I.B.8.)***	Ms. Brandi Armstrong, KIA	93
9.	Resolution and Order of the Board of Directors for Approval of a **Fund C loan (C14-002)** in the amount of **$3,000,000** to the **Glasgow Water Company, Barren County, Kentucky** (SX21009017) ***(Attachment I.B.9.)***	Ms. Brandi Armstrong, KIA	105
10.	Resolution and Order of the Board of Directors Authorizing an **Amendment** to a **Fund F loan (F13-002) increasing** the amount to **$2,703,422** to the **City of Harrodsburg, Mercer County, Kentucky** (WX21167022, WX21167026, WX21167027) ***(Attachment I.B.10.)***	Mr. Shafiq Amawi, DOW Ms. Brandi Armstrong, KIA	117
11.	Resolution and Order of the Board of Directors Authorizing an **Amendment** to a **Fund F loan (F13-011) increasing** the amount to **$12,467,849** to the **City of Danville, Boyle County, Kentucky** (WX21021017) ***(Attachment I.B.11.)***	Mr. Jeff Abshire, KIA	133
12.	Resolution and Order of the Board of Directors Authorizing an **Amendment** to a **Fund F loan (F13-012) increasing** the amount to **$8,000,000** to the **Northern Kentucky Water District, Kenton County, Kentucky** (WX21037003) ***(Attachment I.B.12.)***	Mr. Shafiq Amawi, DOW Mr. Jeff Abshire, KIA	149
13.	Resolution and Order of the Board of Directors for Authorization to **Amend** a **Fund F loan (F14-017)** in the amount of $680,000, **Decreasing the Interest Rate to .75%** to the **City of North Middletown, Bourbon County, Kentucky** (WX21017019) ***(Attachment I.B.13.)***	Ms. Brandi Armstrong, KIA	165
14.	Resolution and Order of the Board of Directors for Approval of a **Fund F loan (F14-044)** in the amount of **$325,000** to the **City of Flatwoods, Greenup County, Kentucky** (WX21089064) ***(Attachment I.B.14.)***	Mr. Shafiq Amawi, DOW Ms. Brandi Armstrong, KIA	179

	15. Resolution and Order of the Board of Directors Authorizing and Approving the Issuance of Obligations of the Kentucky Infrastructure Authority to **Reimburse Capital Expenditures** made by Governmental Agencies Pursuant to Loans made by the Kentucky Infrastructure Authority to such Governmental Agencies ***(Attachment I.B.15.)***	Mr. Jeff Abshire, KIA	193
II.	**JACKSON COUNTY WATER ASSOCIATION DISCUSSION**	Mr. John Covington, KIA	
III.	**EXECUTIVE DIRECTOR'S REPORT**	Mr. John Covington, KIA	
IV.	**STATUS REPORTS FOR FUNDS A, A2, B, B1, C, F, F2**	Mr. John Covington, KIA	197
V.	**ANNOUNCEMENTS/NOTIFICATIONS**	Mr. John Covington, KIA	
	Next KIA Board Meeting: ***Tentatively*** *set for* ***Thursday, August 7, 2014*** *Kentucky Infrastructure Authority* *1024 Capital Center Drive, Suite 340, Frankfort*		
VI.	**ADJOURN**	Chair Tony Wilder	

ATTACHMENT

I.A.1.

KENTUCKY INFRASTRUCTURE AUTHORITY
Minutes of the Full Board

Meeting Date/Location: **May 1, 2014 – 1:00 p.m.**
Kentucky Infrastructure Authority
1024 Capital Center Drive, Suite 340, Frankfort

Members present:

Mr. Damon Talley, representing the Kentucky Rural Water Association
Ms. Natalie Holloman, Finance and Administration Cabinet
(proxy for Secretary Lori H. Flanery, FAC)
Mr. Robert Aldridge, Economic Development Cabinet
(proxy for Secretary Larry Hayes, EDC)
Ms. Lona Brewer, Energy and Environment Cabinet
(permanent proxy for Secretary Leonard K. Peters, EEC)
Mr. Jeff Derouen, Executive Director, Public Service Commission
Mr. C. Ronald Lovan, representing the American Water Works Association

Members absent:

Mr. Tony Wilder, Commissioner, Department for Local Government
Mr. David W. Cartmell, Mayor, City of Maysville, representing the Kentucky League of Cities
Ms. Linda C. Bridwell, representing for-profit private water companies
Mr. Jody Jenkins, Union County Judge/Executive, representing the Kentucky Association of Counties
Mr. Marty T. Ivy, representing the Kentucky Municipal Utilities Association

Guests:

Mr. Shafiq Amawi, Division of Water
Mr. Steve Baker, London Utility Commission
Mr. Bruce Southworth, City of Midway
Mayor Tom Bozarth, City of Midway
Mr. Kyle Crager, Summit Engineering
Mr. Bryan Kirby, CEDA, Inc.
Mr. Bob Sturdivant, HDR Engineering
Mr. Kerry Odle, HMB Engineering
Mr. Will Hagan, HBM Engineering
Mr. Roger Recktenwald, Kentucky Association of Counties
Ms. Annette Dupont-Ewing, Kentucky Municipal Utilities Association
Mr. Josh Nacey, Legislative Research Commission
Ms. Katherine Halloran, Legislative Research Commission
Ms. Ruth Webb, 1st Kentucky Securities

PROCEEDINGS

Vice Chair Damon Talley called the meeting of the Kentucky Infrastructure Authority (KIA) Board to order. Vice Chair Talley asked board members and guests to introduce themselves. He confirmed that a quorum was present and the press had been notified regarding the meeting.

Mr. Rusty Anderson, KIA, made maps available for viewing via the Water Resource Information System (WRIS) which showed an overview of the water and sewer projects that were to be considered at this board meeting.

I. BUSINESS (Board Action Required)

A. 1. APPROVAL OF MINUTES
For: KIA Regular Board Meeting of April 3, 2014

Mr. Robert Aldridge moved to approve the minutes of the April 3, 2014 regular board meeting. Ms. Lona Brewer seconded, and the motion carried unanimously.

B. NEW PROJECTS/ACTION ITEMS

1. RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING AMENDMENT OF THE CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED DRINKING WATER REVOLVING FUND LOAN (F13-013) INCREASING THE AMOUNT TO $4,000,000 TO THE CITY OF WILLIAMSTOWN, GRANT COUNTY, KENTUCKY

Mr. Shafiq Amawi, DOW, and Mr. Jeff Abshire, presented the project to the Board. The City of Williamstown requested a $2,000,000 increase to their existing $2,000,000 Fund F loan for Phase II of a two-phase "Water Systems Improvements" project. Phase I was previously approved on June 19, 2013, and is for the construction of new sludge lagoons in process. The City is in the process of obtaining funding commitments for the entire project that has an estimated total project cost of $17.25 million. Phase II is for the construction of a new 4.0 million gallon per day water treatment plant, improvements to the raw water intake and pumping station, and a new 14-inch raw water main. The existing plant, with a capacity of 2.25 million gallons per day is approximately 50 years old and is nearing the end of its useful life. Process improvements will permit the City to comply with Stage 2 of the Disinfection By-products Rule. DOW and KIA staff recommended approval of the loan with the standard conditions and the following special conditions: The City will adjust rates to generate additional revenues as follows: $145,000 additional revenue, 10% of water revenues, by July 1, 2015; $145,000 additional revenue, 8.5% of water revenues, by July 1, 2016; and $208,000 additional revenue, 10.5% of water revenues, by July 1, 2017. All increases must be implemented prior to issuance of a Supplemental Assistance Agreement.

Mr. Ron Lovan moved to approve the Fund F (F13-013) loan increase with the standard conditions and the special conditions indicated in the staff

recommendations. Ms. Lona Brewer seconded, and the motion carried unanimously.

2. **RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED DRINKING WATER REVOLVING FUND LOAN (F14-052) IN THE AMOUNT TO $215,000 TO THE CITY OF MIDWAY, WOODFORD COUNTY, KENTUCKY**

   Mr. Shafiq Amawi, DOW, and Ms. Brandi Armstrong, presented the project to the Board. The City of Midway requested a $215,000 Fund F loan for the Higgins Street Waterline Replacement project. The project will replace 2,100 linear feet of aging four and six inch cast iron water lines with PVC lines. Additionally, the Higgins Street line, which is a dead end line, will be looped to another street thus eliminating the need for continual flushing. The City is experiencing poor water quality, breaks, and high water loss in this area. DOW and KIA staff recommended approval of the loan with the standard conditions.

   Vice Chair Talley asked Mayor Tom Bozarth if he wished to address the Board. Mayor Bozarth stated the project would greatly help the community of Midway and appreciated the Board's consideration and approval of the loan.

   Mr. Robert Aldridge moved to approve the Fund F (F14-052) loan with the standard conditions. Mr. Ron Lovan seconded, and the motion carried unanimously.

3. **RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR AN INFRASTRUCTURE REVOLVING FUND (B14-010) LOAN IN THE AMOUNT OF $1,100,300 TO THE CITY OF LONDON F/B/O LONDON UTILITY COMMISSION, LAUREL COUNTY, KENTUCKY**

   Ms. Brandi Armstrong, KIA, presented the project to the Board. The City of London f/b/o London Utility Commission requested a $1,100,300 Fund B loan for the Sampson Branch Storm Water project. The project involves the replacement of a failed 48" storm water corrugated vinyl line with a 60" diameter concrete line to reduce flooding potential for properties in the affected area. An existing failed line will be abandoned and back-filled with gravel, concrete or grout to reduce any future collapses. The existing line, which was installed without authorization by an unknown contractor between 1999 and 2004, is actively collapsing and has caused surface depressions along its current route. A civil suit was filed by various property owners and the Court ruled that the City is responsible for correcting the failed line and assumes liability for future damage that occurs until the project is resolved. KIA staff recommended approval of the loan with the standard conditions.

   Mr. Jeff Derouen moved to approve the Fund B (B14-010) loan with the standard conditions. Mr. Robert Aldridge seconded, and the motion carried unanimously.

4. **RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING AND APPROVING THE ISSUANCE OF OBLIGATIONS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY TO REIMBURSE CAPITAL EXPENDITURES MADE BY GOVERNMENTAL AGENCIES PURSUANT TO LOANS MADE BY THE KENTUCKY INFRASTRUCTURE AUTHORITY TO SUCH GOVERNMENTAL AGENCIES**

This is a routine resolution allowing KIA to reimburse expenses that are paid out of the Authority's funds with bond proceeds. The projects listed below are covered under this resolution:

APPLICANT	FUND	AMOUNT
City of Williamstown (Increase)	F13-013	$ 4,000,000
City of Midway	F14-052	$ 215,000
City of London f/b/o London Utility Commission	B14-010	$ 1,100,300

Mr. Ron Lovan moved to approve the resolution. Mr. Robert Aldridge seconded, and the motion carried unanimously.

II. EXECUTIVE DIRECTOR'S REPORT

Mr. John Covington, KIA, reported on the following items to the Board:

A. KIA received leverage bond authorization in the approved 2014-2016 Biennium Budget.

B. KIA Staff is in the process of preparing the 2015 Intended Use Plan for both Clean Water and Drinking Water SRF programs. For 2015, there will be approximately $32 million available for Drinking Water in construction funds; compared to $18 million last year. Clean Water will have approximately $39 million available in construction funds; compared to $21 million last year.

C. KIA's policy is to cap a loan request per capitalization grant from the Drinking Water SRF program to $4 million per borrower. After going through the entire project priority list there are some funds still available. Therefore, KIA staff has contacted previous potential borrowers to see if they needed more money and a couple of borrowers have indicated they would like to have additional funds for projects. There have been discussions with the City of Louisville about loaning them up to $8 million. Mr. Covington expressed that the policy of capping the loans at $4 million still stands, but if there is money leftover at the end of a funding cylce, then borrowers that needed more could be offered additional funds. It is not the intention of KIA staff to allow a large borrower to receive all funds available in one funding cycle.

D. Mr. Covington made the Board aware of two situations with two borrowers, the City of Wurtland and the City of Jamestown. The Fruit of the Loom plant had pulled out of Jamestown and has made a significant economic impact to the city. KIA has two loans with Jamestown and they are currently under construction. KIA, the Mayor of Jamestown, the Engineer for the project, and DOW have discussed Jamestown's needs and hope to resolve and come before the Board for action in the future. Sun

Chemical, a plant in Wurtland, just announced it would be leaving the City of Wurtland. The Sewer Plant in Wurtland was built specifically for Sun Chemical. It was a significant source of revenue for the sewer plant and a significant source of upflow. Wurtland has reached an agreement with the City of Greenup to merge and create a sanitation district and a regional solution. KIA and the City of Wurtland have been looking at all of their options and the only potential source of relief found to date would be to refinance their loan and extend the terms. KIA has received an application and it may be brought to the Board at the next board meeting.

E. KIA staff will be working at providing information to the Infrastructure Committee of the Eastern Kentucky SOAR Initiative using the Kentucky Water Management Plan. The Infrastructure Committee will be looking at water and wastewater infrastructure in eastern Kentucky. KIA staff attended a meeting in Somerset and was able to pull updated and detailed information from the Kentucky Water Management Plan to create a custom report for the SOAR area.

F. Mr. Covington attended the CIFA meeting in Washington, D.C. during the first part of April. One issue discussed was unliquidated obligations and Kentucky has made great improvements in set aside spending and is in good shape compared nationally. WIFIA (the Water Infrastructure Finance and Innovation Act) was discussed and is a concern for the SRF programs. The consensus was that a demonstration project very likely would be included in the WRDA Bill. The WIFIA proposal includes $50 million upon which larger borrowers would apply directly to EPA and a small number of larger projects ($20 million minimum) would be funded. EPA would directly administer the loans or loan guarantees. The state SRF programs are concerned their federal funding would be cut and thereby hurting small communities that could not otherwise obtain funding.

G. KIA staff is considering a $50 million bond issue to replenish the Fund C program and a resolution approving the bond issue may come before the Board in the future.

H. KIA's Underwriter and Bond Counsel contracts are still effective for the next fiscal year. The Financial Advisor contract will be going through the selection period this year. The current Financial Advisor is the PFM Group.

I. In the past KIA staff has asked to move the June Board Meeting toward the end of the month and canceled the July board meeting. Mr. Covington asked the Board Members' consideration for moving the regularly scheduled June 5th meeting to one day in the week of June 23-26th. KIA will send out an email to poll the Board Members for those dates. There are tentatively 12 loans that will be brought to the Board at the June meeting. Five of those loans are for only two borrowers.

J. Vice Chair Damon Talley announced that the Department for Local Government had released their training dates for House Bill No 1 which will be held in every area development district during the months of May and June.

III. STATUS REPORT FOR FUNDS A, A2, B, B1, C, F, F2

IV. ANNOUNCEMENTS/NOTIFICATIONS

- Next scheduled KIA board meeting:
  Tentatively scheduled for
  Thursday, June 5, 2014
  1024 Capital Center Drive, Suite 340
  Frankfort, Kentucky

There being no further business Mr. Ron Lovan moved to adjourn. Ms. Loan Brewer seconded and the motion carried unanimously. The May 1, 2014, regular meeting of the Board of the Kentucky Infrastructure Authority was adjourned.

Submitted by:

Jeffrey A. Abshire, Secretary
Kentucky Infrastructure Authority

6-12-14
Date

ATTACHMENT

I.B.1.

RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING APPROVAL FOR THE FILING OF AN APPLICATION WITH THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY FOR THE FEDERAL FISCAL YEAR 2014 CAPITALIZATION GRANT FOR THE DRINKING WATER REVOLVING FUND

WHEREAS, the Drinking Water Revolving Fund was established by an Act of the 1994 General Assembly as a program to be administered by the Kentucky Infrastructure Authority (the "Authority") with financial management responsibilities delegated to the Authority and responsibilities for environmental and technical assistance assigned to the Energy and Environment Cabinet (the "Cabinet"), and,

WHEREAS, the United States Environmental Protection Agency (EPA) capitalization grants are used to provide community loans from the Drinking Water Revolving Fund, and the Authority acts as contracting agent for loans and disbursements of funds to the participating communities, and,

NOW, THEREFORE, the Kentucky Infrastructure Authority does hereby resolve the following:

1. The Authority hereby approves the receipt of any monies awarded by the EPA regarding this capitalization grant for the Drinking Water Revolving Fund. The Authority shall administer the program for the benefit of participating communities.

2. The Authority staff is directed to submit required applications and supporting documentation to EPA Region IV to obtain the "State Revolving Fund" Capitalization Grant for federal fiscal year 2014, and to take such actions as necessary to direct receipt of monies due under current EPA grants to the Authority.

3. The Authority hereby directs the Executive Director to approve all needed drafting and language changes for any of the above referenced documents.

The above actions and declarations are hereby directed and resolved by the Kentucky Infrastructure Authority in a public meeting the 26th day of June, 2014.

_____
TONY WILDER, CHAIR
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

_____
JEFFREY A. ABSHIRE, SECRETARY
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

_____
PECK, SHAFFER & WILLIAMS, A DIVISION OF
DINSMORE & SHOHL, LLP, LEGAL COUNSEL TO
THE KENTUCKY INFRASTRUCTURE AUTHORITY

ATTACHMENT

I.B.2.

RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING APPROVAL FOR THE FILING OF AN APPLICATION WITH THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY FOR THE FEDERAL FISCAL YEAR 2014 CAPITALIZATION GRANT FOR THE WASTEWATER REVOLVING FUND

WHEREAS, the Wastewater Revolving Fund was established by an Act of the 1988 General Assembly as a program to be administered by the Kentucky Infrastructure Authority (the "Authority") with financial management responsibilities delegated to the Authority and responsibilities for environmental and technical assistance assigned to the Energy and Environment Cabinet (the "Cabinet"), and,

WHEREAS, the United States Environmental Protection Agency (EPA) capitalization grants are used to provide community loans from the Wastewater Revolving Fund, and the Authority acts as contracting agent for loans and disbursements of funds to the participating communities, and,

NOW, THEREFORE, the Kentucky Infrastructure Authority does hereby resolve the following:

1. The Authority hereby approves the receipt of any monies awarded by the EPA regarding this capitalization grant for the Wastewater Revolving Fund. The Authority shall administer the program for the benefit of participating communities.

2. The Authority staff is directed to submit required applications and supporting documentation to EPA Region IV to obtain the "State Revolving Fund" Capitalization Grant for federal fiscal year 2014, and to take such actions as necessary to direct receipt of monies due under current EPA grants to the Authority.

3. The Authority hereby directs the Executive Director to approve all needed drafting and language changes for any of the above referenced documents.

The above actions and declarations are hereby directed and resolved by the Kentucky Infrastructure Authority in a public meeting the 26th day of June, 2014.

_____
TONY WILDER, CHAIR
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

_____
JEFFREY A. ABSHIRE, SECRETARY
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

_____
PECK, SHAFFER & WILLIAMS, A DIVISION OF
DINSMORE & SHOHL, LLP, LEGAL COUNSEL TO
THE KENTUCKY INFRASTRUCTURE AUTHORITY

ATTACHMENT

I.B.3.

A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR ASSUMPTION OF THE FEDERALLY ASSISTED WASTEWATER REVOLVING FUND LOAN (A00-04) BY THE GREENUP JOINT SEWER AGENCY, GREENUP COUNTY, KENTUCKY

WHEREAS, the Kentucky Infrastructure Authority (the "Authority") has been duly created as a body corporate and politic constituting a public corporation and a governmental agency of the Commonwealth of Kentucky pursuant to Chapter 224A of the Kentucky Revised Statutes (the "Act"); and

WHEREAS, pursuant to the Act, the Authority is duly and legally authorized to make loans to Governmental Agencies for the purpose of providing funds for the construction and acquisition of sanitary sewer facilities, water facilities or other types of infrastructure, and in that regard, to enter into Assistance Agreements with such Governmental Agencies governing the provisions in respect of which such loans are to be made, the amounts thereof and the repayment provisions in respect thereto; and

WHEREAS, the Authority anticipates entering into an Assumption Agreement with the Greenup Joint Sewer Agency for the A00-04 loan under the Authority's Federally Assisted Wastewater Revolving Loan Program (Fund A) with the City of Wurtland; and

WHEREAS, the Authority will, in the near future, authorize and issue a series of its Infrastructure Authority Revenue Bonds for the purpose of funding loans to various governmental agencies, such series of Bonds to be known as Kentucky Infrastructure Authority Revenue Bonds with the appropriate Series designation; and

WHEREAS, the Authority wishes to establish terms and conditions on said Fund A loans prior to the issuance of Authority Revenue Bonds and recognizes that additional planning and design of the financed project are required.

NOW, THEREFORE, THE KENTUCKY INFRASTRUCTURE AUTHORITY, ACTING BY AND THROUGH ITS BOARD OF DIRECTORS AS ITS DULY AUTHORIZED AND EMPOWERED GOVERNING BODY, DOES HEREBY RESOLVE AND ORDER, AS FOLLOWS:

Section 1. All statements of fact set forth in the preambles to this Resolution and Order are incorporated herein by reference, the same as if set forth verbatim. All such statements of fact are hereby declared to be true and accurate in all material respects.

Section 2. The Authority hereby authorizes the issuance of a conditional Federally Assisted Wastewater Revolving Fund loan commitment to the Greenup Joint Sewer Agency for assumption of the A00-04 Fund A loan with the City of Wurtland. The

loan shall be subject to existing amortization schedule. Upon satisfaction of all conditions of the commitment, execution of an assumption agreement for this loan is authorized.

Section 3. The loan shall be repayable according to the terms of the existing amortization schedule.

Section 4. This Resolution and Order shall be in full force and effect from and after its adoption at a properly held meeting of the Kentucky Infrastructure Authority this 26th day of June 2014.

_____
TONY WILDER, CHAIR
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

_____
JEFFREY A. ABSHIRE, SECRETARY
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

_____
PECK, SHAFFER & WILLIAMS, A DIVISION OF
DINSMORE & SHOHL, LLP, LEGAL COUNSEL TO THE
KENTUCKY INFRASTRUCTURE AUTHORITY

EXECUTIVE SUMMARY
KENTUCKY INFRASTRUCTURE AUTHORITY
FUND A, FEDERALLY ASSISTED WASTEWATER
REVOLVING LOAN FUND

Reviewer	Jeff Abshire
Date	June 26, 2014
KIA Loan Number	A00-04 (Loan Assumption)
	A02-07 (Loan Assumption)
WRIS Number	SX21089072

BORROWER	GREENUP JOINT SEWER AGENCY GREENUP COUNTY

BRIEF DESCRIPTION

The Greenup Joint Sewer Agency (GJSA) proposes to acquire the wastewater treatment assets (equipment, land, debt covenant required cash reserves, repair parts inventory) and assume the associated KIA debt from the City of Wurtland. The GJSA will consolidate wastewater operations for the Cities of Greenup and Wurtland.

PROJECT FINANCING		PROJECT BUDGET	RD Fee %	Actual %	
Assume KIA #A00-04 (3.8%)	$904,691	Assume KIA #A00-04 (3.8%)			$904,691
Assume KIA #A02-07 (1.0%)	980,247	Assume KIA #A02-07 (1.0%)			980,247
TOTAL	$1,884,938	TOTAL			$1,884,938

REPAYMENT	Rate	3.8% and 1.0%	Est. Annual Payment	$225,105
	Term	20 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	Not Applicable		
	Bond Counsel	Peck, Shaffer, & Williams, a division of Dinsmore & Shohl, LLP		
PROJECT SCHEDULE	Acquisition Date	Jul-14		
DEBT PER CUSTOMER	Existing	$1,870		
	Proposed	$1,984		
OTHER DEBT		See Attached		
OTHER STATE-FUNDED PROJECTS LAST 5 YRS		See Attached		

RESIDENTIAL RATES		Users	Avg. Bill	
	Current	1,008	n/a	(for 4,000 gallons)
	Additional	0	n/a	(for 4,000 gallons)

REGIONAL COORDINATION This project is consistent with regional planning recommendations.

CASHFLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Projected 2015	(42,550)	0	(42,550)	n/a
Projected 2016	46,100	0	46,100	n/a
Projected 2017	124,700	122,951	1,749	1.0
Projected 2018	127,200	122,951	4,249	1.0
Projected 2019	129,800	122,951	6,849	1.1

Reviewer: Jeff Abshire
Date: June 26, 2014
Loan Number: A00-04 (Assumption)
A02-07 (Assumption)

KENTUCKY INFRASTRUCTURE AUTHORITY
WASTEWATER REVOLVING LOAN FUND (FUND "A")
GREENUP JOINT SEWER AGENCY, GREENUP COUNTY
PROJECT REVIEW
SX21089072

I. PROJECT DESCRIPTION

The Greenup Joint Sewer Agency (GJSA) requests to assume Fund A loan A00-04 for $904,691.01 and Fund A loan A02-07 for $980,247.10 from the City of Wurtland. GJSA will acquire wastewater treatment assets (equipment, land, debt covenant required cash reserves, repair parts inventory) from Wurtland upon the assumption of the two loans. A proposed Fund B loan will subsequently repay the two Fund A loans, extend the new loan repayment term to 20 years, and provide funds for necessary limited updates to the treatment plant. Repayment terms on the Fund A loans became prohibitive upon the March 2013 closure of a business that contributed 90% of Wurtland's wastewater treatment revenues.

Wurtland treatment capacity was increased with KIA loan funds in 2000 and 2002 to accommodate wastewater flows from PCI, aka Sun Chemical. Sun flow accounted for 90% of the influent to the plant. Sun terminated operations in March 2013 resulting in significant available capacity and an unsustainable debt structure. A rate increase in Wurtland that would be sufficient to support debt service for a standalone entity would create a significant hardship for the system's customers and would threaten the future of the multi modal Riverport's economic development activities. The best solution for the region is to consolidate wastewater treatment activities under a regional entity.

GJSA was formed to acquire the Wurtland wastewater treatment plant which would then provide service to both the Cities of Wurtland and Greenup. Each city will maintain its own collection system. The City of Greenup has had numerous violations in the past and the cost of building a new plant is prohibitive. Additionally, it is not prudent to add capacity in light of the underutilized capacity close by at the Wurtland plant. Completion of construction of an interconnect, force main and lift station from Greenup to the Wurtland plant in should be completed in early calendar year 2015. This construction is being funded by various coal severance grants and an EPA Special Appropriations grant. At some future point wastewater flow from the City of Lloyd, which is currently unserved, may be added.

Each city will be billed monthly for waste treatment and I&I. Each City will retain billing and collection responsibilities for its customers, continue to maintain their respective collection systems, and set user rates.

II. PROJECT BUDGET

	Total
Assume KIA #A00-04 (3.8%)	$ 904,691
Assume KIA #A02-07 (1.0%)	980,247
Total	**$ 1,884,938**

III. PROJECT FUNDING

	Amount	%
Assume KIA #A00-04 (3.8%)	$ 904,691	48%
Assume KIA #A02-07 (1.0%)	980,247	52%
Total	**$ 1,884,938**	**100%**

IV. KIA DEBT SERVICE

	A00-04	A02-07	Total
Amortized Loan Amount	$ 1,665,350	$1,782,872	$3,448,222
Interest Rate	3.80%	1.00%	
Loan Term (Years)	20	20	
Estimated Annual Debt Service	$ 119,631	$ 98,577	$ 218,208
Administrative Fee (0.20%)	3,331	3,566	6,896
Total Estimated Annual Debt Service	**$ 122,962**	**$ 102,143**	**$ 225,104**

V. PROJECT SCHEDULE

Acquisition Date	July 2014
Construction Start	Sept 2014
Construction Stop	Dec 2014

VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

A) Customers

Customers	Greenup	Wurtland	Total
Residential	548	437	985
Commercial		23	23
Total	548	460	1,008

B) Treatment Rates

	Current
Waste Treatment Rate Per 1,000 Gallons	$3.18
I&I Treatment Rate Per 1,000 Gallons	0.25

Retail sewer rates will continue to be set by each City.

VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2007-2011, Greenup's population was 1,128 with a Median Household Income (MHI) of $42,102 while Wurtland's population and MHI were 1,026 and $33,036, respectively. The weighted average MHI for the two communities is $37,784. The median household income for the Commonwealth is $42,248. The project will qualify for a 1.75% interest rate.

Population			Unemployment	
Year	County	% Change	Date	Rate
1980	39,132		June 2003	7.8%
1990	36,742	-6.1%	June 2008	6.6%
2000	36,891	0.4%	June 2012	8.6%
2010	36,910	0.1%	June 2013	9.2%
Current	36,974	0.2%		
Cumulative %		-5.5%		

VIII. FINANCIAL ANALYSIS (See Exhibit 1)

Financial information for the Greenup Joint Sewer Agency is on a proforma basis since there is no history.

Acquisition Transaction Assumptions

1) GJSA will acquire all of Wurtland's wastewater treatment facilities and related assets, including repair inventory (amount not specified) and cash reserves ($500,000) that are required by KIA loans #A00-04 and A02-07
2) GJSA will assume KIA loans as follows:
    a. A00-04 with a principal balance of $904,691.01
    b. A02-07 with a principal balance of $980,247.10
3) Subject to approved withdrawals, the original Fund A reserves will be maintained for the life of the Fund B loan
4) KIA will approve the release of $50,000 from reserves to fund working capital. This amount will have to be replenished within ten years from the date of withdrawal.

PROJECTIONS

Projections are based on the following assumptions:

1) Revenues will be flat for volume.

2) Rates will be adjusted annually to reflect operating costs, debt service and planned out of pocket capital expenditures.
3) The collection period from GJSA's two customers (Greenup and Wurtland) will be thirty days from date of billing. Each entity will remit their entire obligation to GJSA within this time period without consideration of their collection periods from their customers.
4) The cash flow assumes the immediate refinancing of the Fund A loans with a Fund B loan with a term of twenty years.
5) Debt service coverage is 1.0 in 2017 when principal and interest repayments begin.

Based on the proforma assumptions, the utility shows adequate cash flow to repay the KIA Fund A loan.

REPLACEMENT RESERVE

GJSA will be required to maintain the reserve amounts of $250,000 each that were originally required for KIA loans #A00-04 and #A02-07. If amounts are withdrawn from reserves GJSA will be required to replenish reserves over a period to be determined by KIA.

IX. DEBT OBLIGATIONS

	Outstanding	Maturity
KIA (A00-04)	$ 904,691	Dec 2021
KIA (A02-07)	980,247	Jun 2023
Total	$ 1,894,938	

X. OTHER STATE OR FEDERAL FUNDING IN PAST FIVE YEARS

None

XI. CONTACTS

Legal Applicant	
Name	Greenup Joint Sewer Agency
Address	Greenup County Court House, Room 102 Greenup, KY 41144
County	Greenup
Authorized Official	Chris Crum (Chairman)
Phone	(606) 473-6440
Email	chrisq.crum@ky.gov

Project Contact - Applicant	
Name	Bryan Kirby
Representing	CEDA, Inc.
Address	P.O. Box 855
	Richmond, KY 40476
Phone	(859) 624-3396
Email	bryan@cedainc.net

XII. RECOMMENDATIONS

KIA staff recommends approval of the loan with the standard conditions and the following special condition.

1) The GJSA acquisition components of the City of Wurtland's wastewater treatment facilities and related assets will include the following:
   a) Wastewater treatment plant, real estate and repair parts inventory.
   b) Restricted cash reserves totaling $500,000 associated with KIA loans #A00-04 and #A02-07.

GREENUP JOINT SEWER AGENCY
BALANCE SHEETS (JUNE YEAR END)

ASSETS	Acquisition Transaction 2014	2015	2016	2017	2018
Current Assets					
Cash	50,000	96,100	97,849	102,098	108,947
Accounts Receivable	0	16,685	24,378	31,660	32,285
Total Current Assets	50,000	112,785	122,227	133,758	141,232
Total Restricted Assets	450,000	450,000	450,000	450,000	450,000
Utility Plant					
Property, Plant and Equipment	1,385,938	1,385,938	1,385,938	1,385,938	1,385,938
Less Accumulated Depreciation ( )	0	(55,438)	(110,875)	(166,313)	(221,750)
Net Fixed Assets	1,385,938	1,330,500	1,275,063	1,219,625	1,164,188
Total Assets	1,885,938	1,893,285	1,847,290	1,803,383	1,755,420
LIABILITIES					
Current Liabilities					
Accounts Payable	0	10,600	10,800	11,000	11,200
Other Current Liabilities	0	5,000	5,000	5,000	5,000
Current Portion Long Term Debt	0	0	84,000	86,000	88,000
Total Current Liabilities	0	15,600	99,800	102,000	104,200
Total Long Term Liabilities	1,884,938	2,000,000	1,916,000	1,830,000	1,742,000
Total Liabilities	1,884,938	2,015,600	2,015,800	1,932,000	1,846,200
Total Retained Earnings	1,000	(122,315)	(168,510)	(128,617)	(90,780)
Total Liabilities and Equities	1,885,938	1,893,285	1,847,290	1,803,383	1,755,420
Balance Sheet Analysis					
Current Ratio	n/a	7.2	1.2	1.3	1.4
Debt to Equity	1,884.9	(16.5)	(12.0)	(15.0)	(20.3)
Days Sales in Accounts Receivable	n/a	30.0	30.0	30.0	30.0
Months Operating Expenses in Unrestricted Cash	n/a	4.7	4.7	4.8	5.0

EXHIBIT 1
GREENUP JOINT SEWER AGENCY
CASH FLOW ANALYSIS (JUNE YEAR END)

Operating Revenues	**Projected 2015**	**Projected 2016**	**Projected 2017**	**Projected 2018**	**Projected 2019**
Bulk Treatment - Wurtland	60,000	137,000	182,000	185,600	189,300
Bulk Treatment - Greenup	113,000	129,000	172,000	175,400	178,900
Septic System Haulers	30,000	30,600	31,200	31,800	32,400
Total Revenues	203,000	296,600	385,200	392,800	400,600
Operating Expenses					
Operating Expenses	245,550	250,500	255,500	260,600	265,800
Replacement Reserve	0	0	5,000	5,000	5,000
Total Expenses	245,550	250,500	260,500	265,600	270,800
Cash Available for Debt Service- Water	**(42,550)**	**46,100**	**124,700**	**127,200**	**129,800**
Total Debt Service	0	0	122,951	122,951	122,951
Income After Debt Service	(42,550)	46,100	1,749	4,249	6,849
Debt Coverage Ratio	n/a	n/a	1.0	1.0	1.1

ATTACHMENT

I.B.4.

A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR ASSUMPTION OF THE FEDERALLY ASSISTED WASTEWATER REVOLVING FUND LOAN (A02-07) BY THE GREENUP JOINT SEWER AGENCY, GREENUP COUNTY, KENTUCKY

WHEREAS, the Kentucky Infrastructure Authority (the "Authority") has been duly created as a body corporate and politic constituting a public corporation and a governmental agency of the Commonwealth of Kentucky pursuant to Chapter 224A of the Kentucky Revised Statutes (the "Act"); and

WHEREAS, pursuant to the Act, the Authority is duly and legally authorized to make loans to Governmental Agencies for the purpose of providing funds for the construction and acquisition of sanitary sewer facilities, water facilities or other types of infrastructure, and in that regard, to enter into Assistance Agreements with such Governmental Agencies governing the provisions in respect of which such loans are to be made, the amounts thereof and the repayment provisions in respect thereto; and

WHEREAS, the Authority anticipates entering into an Assumption Agreement with the Greenup Joint Sewer Agency for the A02-07 loan under the Authority's Federally Assisted Wastewater Revolving Loan Program (Fund A) with the City of Wurtland; and

WHEREAS, the Authority will, in the near future, authorize and issue a series of its Infrastructure Authority Revenue Bonds for the purpose of funding loans to various governmental agencies, such series of Bonds to be known as Kentucky Infrastructure Authority Revenue Bonds with the appropriate Series designation; and

WHEREAS, the Authority wishes to establish terms and conditions on said Fund A loans prior to the issuance of Authority Revenue Bonds and recognizes that additional planning and design of the financed project are required.

NOW, THEREFORE, THE KENTUCKY INFRASTRUCTURE AUTHORITY, ACTING BY AND THROUGH ITS BOARD OF DIRECTORS AS ITS DULY AUTHORIZED AND EMPOWERED GOVERNING BODY, DOES HEREBY RESOLVE AND ORDER, AS FOLLOWS:

Section 1. All statements of fact set forth in the preambles to this Resolution and Order are incorporated herein by reference, the same as if set forth verbatim. All such statements of fact are hereby declared to be true and accurate in all material respects.

Section 2. The Authority hereby authorizes the issuance of a conditional Federally Assisted Wastewater Revolving Fund loan commitment to the Greenup Joint Sewer Agency for assumption of the A02-07 Fund A loan with the City of Wurtland. The

loan shall be subject to existing amortization schedule. Upon satisfaction of all conditions of the commitment, execution of an assumption agreement for this loan is authorized.

Section 3. The loan shall be repayable according to the terms of the existing amortization schedule.

Section 4. This Resolution and Order shall be in full force and effect from and after its adoption at a properly held meeting of the Kentucky Infrastructure Authority this 26th day of June 2014.

_____
TONY WILDER, CHAIR
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

_____
JEFFREY A. ABSHIRE, SECRETARY
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

_____
PECK, SHAFFER & WILLIAMS, A DIVISION OF
DINSMORE & SHOHL, LLP, LEGAL COUNSEL TO THE
KENTUCKY INFRASTRUCTURE AUTHORITY

EXECUTIVE SUMMARY
KENTUCKY INFRASTRUCTURE AUTHORITY
FUND A, FEDERALLY ASSISTED WASTEWATER
REVOLVING LOAN FUND

Reviewer	Jeff Abshire
Date	June 26, 2014
KIA Loan Number	A00-04 (Loan Assumption)
	A02-07 (Loan Assumption)
WRIS Number	SX21089072

BORROWER	GREENUP JOINT SEWER AGENCY GREENUP COUNTY

BRIEF DESCRIPTION

The Greenup Joint Sewer Agency (GJSA) proposes to acquire the wastewater treatment assets (equipment, land, debt covenant required cash reserves, repair parts inventory) and assume the associated KIA debt from the City of Wurtland. The GJSA will consolidate wastewater operations for the Cities of Greenup and Wurtland.

PROJECT FINANCING		PROJECT BUDGET	RD Fee %	Actual %	
Assume KIA #A00-04 (3.8%)	$904,691	Assume KIA #A00-04 (3.8%)			$904,691
Assume KIA #A02-07 (1.0%)	980,247	Assume KIA #A02-07 (1.0%)			980,247
TOTAL	$1,884,938	TOTAL			$1,884,938

REPAYMENT	Rate	3.8% and 1.0%	Est. Annual Payment	$225,105
	Term	20 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	Not Applicable		
	Bond Counsel	Peck, Shaffer, & Williams, a division of Dinsmore & Shohl, LLP		
PROJECT SCHEDULE	Acquisition Date	Jul-14		
DEBT PER CUSTOMER	Existing	$1,870		
	Proposed	$1,984		
OTHER DEBT		See Attached		
OTHER STATE-FUNDED PROJECTS LAST 5 YRS		See Attached		

RESIDENTIAL RATES		Users	Avg. Bill	
	Current	1,008	n/a	(for 4,000 gallons)
	Additional	0	n/a	(for 4,000 gallons)

REGIONAL COORDINATION This project is consistent with regional planning recommendations.

CASHFLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Projected 2015	(42,550)	0	(42,550)	n/a
Projected 2016	46,100	0	46,100	n/a
Projected 2017	124,700	122,951	1,749	1.0
Projected 2018	127,200	122,951	4,249	1.0
Projected 2019	129,800	122,951	6,849	1.1

Reviewer: Jeff Abshire
Date: June 26, 2014
Loan Number: A00-04 (Assumption)
A02-07 (Assumption)

KENTUCKY INFRASTRUCTURE AUTHORITY
WASTEWATER REVOLVING LOAN FUND (FUND "A")
GREENUP JOINT SEWER AGENCY, GREENUP COUNTY
PROJECT REVIEW
SX21089072

I. PROJECT DESCRIPTION

The Greenup Joint Sewer Agency (GJSA) requests to assume Fund A loan A00-04 for $904,691.01 and Fund A loan A02-07 for $980,247.10 from the City of Wurtland. GJSA will acquire wastewater treatment assets (equipment, land, debt covenant required cash reserves, repair parts inventory) from Wurtland upon the assumption of the two loans. A proposed Fund B loan will subsequently repay the two Fund A loans, extend the new loan repayment term to 20 years, and provide funds for necessary limited updates to the treatment plant. Repayment terms on the Fund A loans became prohibitive upon the March 2013 closure of a business that contributed 90% of Wurtland's wastewater treatment revenues.

Wurtland treatment capacity was increased with KIA loan funds in 2000 and 2002 to accommodate wastewater flows from PCI, aka Sun Chemical. Sun flow accounted for 90% of the influent to the plant. Sun terminated operations in March 2013 resulting in significant available capacity and an unsustainable debt structure. A rate increase in Wurtland that would be sufficient to support debt service for a standalone entity would create a significant hardship for the system's customers and would threaten the future of the multi modal Riverport's economic development activities. The best solution for the region is to consolidate wastewater treatment activities under a regional entity.

GJSA was formed to acquire the Wurtland wastewater treatment plant which would then provide service to both the Cities of Wurtland and Greenup. Each city will maintain its own collection system. The City of Greenup has had numerous violations in the past and the cost of building a new plant is prohibitive. Additionally, it is not prudent to add capacity in light of the underutilized capacity close by at the Wurtland plant. Completion of construction of an interconnect, force main and lift station from Greenup to the Wurtland plant in should be completed in early calendar year 2015. This construction is being funded by various coal severance grants and an EPA Special Appropriations grant. At some future point wastewater flow from the City of Lloyd, which is currently unserved, may be added.

Each city will be billed monthly for waste treatment and I&I. Each City will retain billing and collection responsibilities for its customers, continue to maintain their respective collection systems, and set user rates.

II. PROJECT BUDGET

	Total
Assume KIA #A00-04 (3.8%)	$ 904,691
Assume KIA #A02-07 (1.0%)	980,247
Total	**$ 1,884,938**

III. PROJECT FUNDING

	Amount	%
Assume KIA #A00-04 (3.8%)	$ 904,691	48%
Assume KIA #A02-07 (1.0%)	980,247	52%
Total	**$ 1,884,938**	**100%**

IV. KIA DEBT SERVICE

	A00-04	A02-07	Total
Amortized Loan Amount	$ 1,665,350	$1,782,872	$3,448,222
Interest Rate	3.80%	1.00%	
Loan Term (Years)	20	20	
Estimated Annual Debt Service	$ 119,631	$ 98,577	$ 218,208
Administrative Fee (0.20%)	3,331	3,566	6,896
Total Estimated Annual Debt Service	**$ 122,962**	**$ 102,143**	**$ 225,104**

V. PROJECT SCHEDULE

Acquisition Date	July 2014
Construction Start	Sept 2014
Construction Stop	Dec 2014

VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

A) Customers

Customers	Greenup	Wurtland	Total
Residential	548	437	985
Commercial		23	23
Total	548	460	1,008

B) Treatment Rates

	Current
Waste Treatment Rate Per 1,000 Gallons	$3.18
I&I Treatment Rate Per 1,000 Gallons	0.25

Retail sewer rates will continue to be set by each City.

VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2007-2011, Greenup's population was 1,128 with a Median Household Income (MHI) of $42,102 while Wurtland's population and MHI were 1,026 and $33,036, respectively. The weighted average MHI for the two communities is $37,784. The median household income for the Commonwealth is $42,248. The project will qualify for a 1.75% interest rate.

Population			Unemployment	
Year	County	% Change	Date	Rate
1980	39,132		June 2003	7.8%
1990	36,742	-6.1%	June 2008	6.6%
2000	36,891	0.4%	June 2012	8.6%
2010	36,910	0.1%	June 2013	9.2%
Current	36,974	0.2%		
Cumulative %		-5.5%		

VIII. FINANCIAL ANALYSIS (See Exhibit 1)

Financial information for the Greenup Joint Sewer Agency is on a proforma basis since there is no history.

Acquisition Transaction Assumptions

1) GJSA will acquire all of Wurtland's wastewater treatment facilities and related assets, including repair inventory (amount not specified) and cash reserves ($500,000) that are required by KIA loans #A00-04 and A02-07
2) GJSA will assume KIA loans as follows:
    a. A00-04 with a principal balance of $904,691.01
    b. A02-07 with a principal balance of $980,247.10
3) Subject to approved withdrawals, the original Fund A reserves will be maintained for the life of the Fund B loan
4) KIA will approve the release of $50,000 from reserves to fund working capital. This amount will have to be replenished within ten years from the date of withdrawal.

PROJECTIONS

Projections are based on the following assumptions:

1) Revenues will be flat for volume.

2) Rates will be adjusted annually to reflect operating costs, debt service and planned out of pocket capital expenditures.
3) The collection period from GJSA's two customers (Greenup and Wurtland) will be thirty days from date of billing. Each entity will remit their entire obligation to GJSA within this time period without consideration of their collection periods from their customers.
4) The cash flow assumes the immediate refinancing of the Fund A loans with a Fund B loan with a term of twenty years.
5) Debt service coverage is 1.0 in 2017 when principal and interest repayments begin.

Based on the proforma assumptions, the utility shows adequate cash flow to repay the KIA Fund A loan.

REPLACEMENT RESERVE

GJSA will be required to maintain the reserve amounts of $250,000 each that were originally required for KIA loans #A00-04 and #A02-07. If amounts are withdrawn from reserves GJSA will be required to replenish reserves over a period to be determined by KIA.

IX. DEBT OBLIGATIONS

	Outstanding	Maturity
KIA (A00-04)	$ 904,691	Dec 2021
KIA (A02-07)	980,247	Jun 2023
Total	$ 1,894,938	

X. OTHER STATE OR FEDERAL FUNDING IN PAST FIVE YEARS

None

XI. CONTACTS

Legal Applicant	
Name	Greenup Joint Sewer Agency
Address	Greenup County Court House, Room 102 Greenup, KY 41144
County	Greenup
Authorized Official	Chris Crum (Chairman)
Phone	(606) 473-6440
Email	chrisq.crum@ky.gov

Project Contact - Applicant	
Name	Bryan Kirby
Representing	CEDA, Inc.
Address	P.O. Box 855
	Richmond, KY 40476
Phone	(859) 624-3396
Email	bryan@cedainc.net

XII. RECOMMENDATIONS

KIA staff recommends approval of the loan with the standard conditions and the following special condition.

1) The GJSA acquisition components of the City of Wurtland's wastewater treatment facilities and related assets will include the following:
   a) Wastewater treatment plant, real estate and repair parts inventory.
   b) Restricted cash reserves totaling $500,000 associated with KIA loans #A00-04 and #A02-07.

GREENUP JOINT SEWER AGENCY
BALANCE SHEETS (JUNE YEAR END)

ASSETS	Acquisition Transaction 2014	2015	2016	2017	2018
Current Assets					
Cash	50,000	96,100	97,849	102,098	108,947
Accounts Receivable	0	16,685	24,378	31,660	32,285
Total Current Assets	50,000	112,785	122,227	133,758	141,232
Total Restricted Assets	450,000	450,000	450,000	450,000	450,000
Utility Plant					
Property, Plant and Equipment	1,385,938	1,385,938	1,385,938	1,385,938	1,385,938
Less Accumulated Depreciation ( )	0	(55,438)	(110,875)	(166,313)	(221,750)
Net Fixed Assets	1,385,938	1,330,500	1,275,063	1,219,625	1,164,188
Total Assets	1,885,938	1,893,285	1,847,290	1,803,383	1,755,420
LIABILITIES					
Current Liabilities					
Accounts Payable	0	10,600	10,800	11,000	11,200
Other Current Liabilities	0	5,000	5,000	5,000	5,000
Current Portion Long Term Debt	0	0	84,000	86,000	88,000
Total Current Liabilities	0	15,600	99,800	102,000	104,200
Total Long Term Liabilities	1,884,938	2,000,000	1,916,000	1,830,000	1,742,000
Total Liabilities	1,884,938	2,015,600	2,015,800	1,932,000	1,846,200
Total Retained Earnings	1,000	(122,315)	(168,510)	(128,617)	(90,780)
Total Liabilities and Equities	1,885,938	1,893,285	1,847,290	1,803,383	1,755,420
Balance Sheet Analysis					
Current Ratio	n/a	7.2	1.2	1.3	1.4
Debt to Equity	1,884.9	(16.5)	(12.0)	(15.0)	(20.3)
Days Sales in Accounts Receivable	n/a	30.0	30.0	30.0	30.0
Months Operating Expenses in Unrestricted Cash	n/a	4.7	4.7	4.8	5.0

EXHIBIT 1
GREENUP JOINT SEWER AGENCY
CASH FLOW ANALYSIS (JUNE YEAR END)

	Projected 2015	Projected 2016	Projected 2017	Projected 2018	Projected 2019
Operating Revenues					
Bulk Treatment - Wurtland	60,000	137,000	182,000	185,600	189,300
Bulk Treatment - Greenup	113,000	129,000	172,000	175,400	178,900
Septic System Haulers	30,000	30,600	31,200	31,800	32,400
Total Revenues	203,000	296,600	385,200	392,800	400,600
Operating Expenses					
Operating Expenses	245,550	250,500	255,500	260,600	265,800
Replacement Reserve	0	0	5,000	5,000	5,000
Total Expenses	245,550	250,500	260,500	265,600	270,800
Cash Available for Debt Service- Water	**(42,550)**	**46,100**	**124,700**	**127,200**	**129,800**
Total Debt Service	0	0	122,951	122,951	122,951
Income After Debt Service	(42,550)	46,100	1,749	4,249	6,849
Debt Coverage Ratio	n/a	n/a	1.0	1.0	1.1

ATTACHMENT

I.B.5.

A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR AN INFRASTRUCTURE REVOLVING FUND LOAN (B14-013) OF $2,000,000 TO THE GREENUP JOINT SEWER AGENCY, GREENUP COUNTY, KENTUCKY

WHEREAS, the Kentucky Infrastructure Authority (the "Authority") has been duly created as a body corporate and politic constituting a public corporation and a governmental agency of the Commonwealth of Kentucky pursuant to Chapter 224A of the Kentucky Revised Statutes (the "Act"); and

WHEREAS, pursuant to the Act, the Authority is duly and legally authorized to make loans to Governmental Agencies for the purpose of providing funds for the construction and acquisition of sanitary sewer facilities, water facilities or other types of infrastructure, and in that regard, to enter into Assistance Agreements with such Governmental Agencies governing the provisions in respect of which such loans are to be made, the amounts thereof and the repayment provisions in respect thereto; and

WHEREAS, the Authority anticipates entering into an Assistance Agreement for a loan from the Authority's Infrastructure Revolving Loan Program with the Greenup Joint Sewer Agency, subject to final determination of amount when the factors involving such financing have been determined; and

WHEREAS, the Authority intends to utilize money in the Infrastructure Revolving Fund to make the loan to the governmental agency for the aforementioned purposes; and

WHEREAS, the Authority wishes to establish terms and conditions on said Infrastructure Revolving Fund loans.

NOW, THEREFORE, THE KENTUCKY INFRASTRUCTURE AUTHORITY, ACTING BY AND THROUGH ITS BOARD OF DIRECTORS AS ITS DULY AUTHORIZED AND EMPOWERED GOVERNING BODY, DOES HEREBY RESOLVE AND ORDER, AS FOLLOWS:

Section 1. All statements of fact set forth in the preambles to this Resolution and Order are incorporated herein by reference, the same as if set forth verbatim. All such statements of fact are hereby declared to be true and accurate in all material respects.

Section 2. The Authority hereby authorizes the issuance of a conditional Infrastructure Revolving Fund loan commitment for $2,000,000 of project expense, to the Greenup Joint Sewer Agency for the Wastewater Treatment Plant Acquisition project. Such amounts are subject to adjustment by further action of the Authority or may be adjusted by action of the Authority staff based on adjustment in project costs of

not more than (10%) ten percent of the project cost authorized by this resolution. Upon satisfaction of all conditions of the commitment, execution of an assistance agreement for this loan is authorized.

Section 3. The loan shall be repayable in 20 years at an annual interest rate of 1.75%. In addition to debt service, a 0.2% annual administration fee on the unpaid, principal balance will be charged. Greenup Joint Sewer Agency will be required to maintain the reserve amounts of $250,000 each that were originally required for KIA loans A00-04 and A02-07. If amounts are withdrawn from reserves, Greenup Joint Sewer Agency will be required to replenish reserves over a period to be determined by the Authority. These terms are subject to adjustment upon execution of the loan agreement, upon changes in the project conditions or determination that the project will require authority financing to be done on a taxable basis.

Section 4. This Resolution and Order shall be in full force and effect from and after its adoption at a properly held meeting of the Kentucky Infrastructure Authority this 26th day of June, 2014.

_____
TONY WILDER, CHAIR
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

_____
JEFFREY A. ABSHIRE, SECRETARY
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

_____
PECK, SHAFFER & WILLIAMS, A DIVISION OF
DINSMORE & SHOHL, LLP, LEGAL COUNSEL TO THE
KENTUCKY INFRASTRUCTURE AUTHORITY

EXECUTIVE SUMMARY		Reviewer	Jeff Abshire
KENTUCKY INFRASTRUCTURE AUTHORITY		Date	June 26, 2014
FUND B, INFRASTRUCTURE		KIA Loan Number	B14-013
REVOLVING LOAN FUND		WRIS Number	SX21089072

BORROWER	GREENUP JOINT SEWER AGENCY GREENUP COUNTY

BRIEF DESCRIPTION

The Greenup Joint Sewer Agency proposes to obtain a Fund B loan with a twenty year maturity to replace two Fund A loans that were assumed from the City of Wurtland and have maturities in 2021 and 2023. The wastewater treatment plant assets that support the loan have a remaining life in excess of twenty years. The original loans to Wurtland funded a wastewater treatment plant expansion to support a business that ceased operations in March 2013. The debt service on the Fund A loans with the limited remaining terms is prohibitive to the region's customer base. As part of the restructuring of wastewater treatment operations the City of Greenup's treatment plant will discontinue operations and waste will be routed to the Wurtland plant.

The request includes funds for limited repairs and upgrades to the GJSA (Wurtland) plant.

PROJECT FINANCING		PROJECT BUDGET	RD Fee %	Actual %	
Fund B Loan	$2,000,000	Administrative Expenses			$20,000
		Legal Expenses			5,000
		Land, Easements			1,884,938
		Construction			90,062
TOTAL	$2,000,000	TOTAL			$2,000,000

REPAYMENT	Rate	1.75%	Est. Annual Payment	$122,951
	Term	20 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	Not Selected		
	Bond Counsel	Peck, Shaffer, & Williams, a division of Dinsmore & Shohl, LLP		
PROJECT SCHEDULE	Acquisition Date	Jul-14		
	Construction Start	Sep-14		
	Construction Stop	Dec-14		
DEBT PER CUSTOMER	Existing	$1,870		
	Proposed	$1,984		
OTHER DEBT		See Attached		
OTHER STATE-FUNDED PROJECTS LAST 5 YRS		See Attached		

RESIDENTIAL RATES		Users	Avg. Bill	
	Current	1,008	n/a	(for 4,000 gallons)
	Additional	0	n/a	(for 4,000 gallons)

REGIONAL COORDINATION This project is consistent with regional planning recommendations.

CASHFLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Projected 2015	(42,550)	0	(42,550)	n/a
Projected 2016	46,100	0	46,100	n/a
Projected 2017	124,700	122,951	1,749	1.0
Projected 2018	127,200	122,951	4,249	1.0
Projected 2019	129,800	122,951	6,849	1.1

Reviewer: Jeff Abshire
Date: June 26, 2014
Loan Number: B14-013

KENTUCKY INFRASTRUCTURE AUTHORITY
INFRASTRUCTURE REVOLVING LOAN FUND (FUND "B")
GREENUP JOINT SEWER AGENCY, GREENUP COUNTY
PROJECT REVIEW
SX21089072

I. PROJECT DESCRIPTION

The Greenup Joint Sewer Agency (GJSA) is requesting a Fund B loan for $2,000,000 for the Wastewater Treatment Plant Acquisition Project. GJSA will acquire wastewater treatment assets (equipment, land, debt covenant required cash reserves, repair parts inventory) from Wurtland upon the assumption of the two loans. A proposed Fund B loan will subsequently repay the two Fund A loans, extend the new loan repayment term to 20 years, and provide funds for necessary limited updates to the treatment plant. Repayment terms on the Fund A loans became prohibitive upon the March 2013 closure of a business that contributed 90% of Wurtland's wastewater treatment revenues.

Wurtland treatment capacity was increased with KIA loan funds in 2000 and 2002 to accommodate wastewater flows from PCI, aka Sun Chemical. Sun flow accounted for 90% of the influent to the plant. Sun terminated operations in March 2013 resulting in significant available capacity and an unsustainable debt structure. A rate increase in Wurtland that would be sufficient to support debt service for a standalone entity would create a significant hardship for the system's customers and would threaten the future of the multi modal Riverport's economic development activities. The best solution for the region is to consolidate wastewater treatment activities under a regional entity.

GJSA was formed to acquire the Wurtland wastewater treatment plant which would then provide service to both the Cities of Wurtland and Greenup. Each city will maintain its own collection system. The City of Greenup has had numerous violations in the past and the cost of building a new plant is prohibitive. Additionally, it is not prudent to add capacity in light of the underutilized capacity close by at the Wurtland plant. Completion of construction of an interconnect, force main and lift station from Greenup to the Wurtland plant in should be completed in early calendar year 2015. This construction is being funded by various coal severance grants and an EPA Special Appropriations grant. At some future point wastewater flow from the City of Lloyd, which is currently unserved, may be added.

Each city will be billed monthly for waste treatment and I&I. Each City will retain billing and collection responsibilities for its customers, continue to maintain their respective collection systems, and set user rates.

II. PROJECT BUDGET

	Total
Administrative Expenses	$ 20,000
Legal Expenses	5,000
Asset Acquisition	1,884,938
Construction	90,062
Total	**$ 2,000,000**

III. PROJECT FUNDING

	Amount	%
Fund B Loan	$ 2,000,000	100%
Total	**$ 2,000,000**	**100%**

IV. KIA DEBT SERVICE

	Total
Amortized Loan Amount	$ 2,000,000
Interest Rate	1.75%
Loan Term (Years)	20
Estimated Annual Debt Service	$ 118,951
Administrative Fee (0.20%)	4,000
Total Estimated Annual Debt Service	**$ 122,951**

V. PROJECT SCHEDULE

Acquisition Date	July 2014
Construction Start	Sept 2014
Construction Stop	Dec 2014

VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

A) Customers

Customers	Greenup	Wurtland	Total
Residential	548	437	985
Commercial		23	23
Total	548	460	1,008

B) Bulk Treatment Rates

	Current
Waste Treatment Rate Per 1,000 Gallons	$3.18
I&I Treatment Rate Per 1,000 Gallons	0.25

Retail sewer rates will continue to be set by each City.

VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2007-2011, Greenup's population was 1,128 with a Median Household Income (MHI) of $42,102 while Wurtland's population and MHI were 1,026 and $33,036, respectively. The weighted average MHI for the two communities is $37,784. The median household income for the Commonwealth is $42,248. The project will qualify for a 1.75% interest rate.

Population			Unemployment	
Year	County	% Change	Date	Rate
1980	39,132		June 2003	7.8%
1990	36,742	-6.1%	June 2008	6.6%
2000	36,891	0.4%	June 2012	8.6%
2010	36,910	0.1%	June 2013	9.2%
Current	36,974	0.2%		
Cumulative %		-5.5%		

VIII. FINANCIAL ANALYSIS (See Exhibit 1)

Financial information for the Greenup Joint Sewer Agency is on a proforma basis since there is no history.

Acquisition Transaction Assumptions

1) GJSA will acquire all of Wurtland's wastewater treatment facilities and related assets, including repair inventory (amount not specified) and cash reserves ($500,000) that are required by KIA loans #A00-04 and A02-07
2) GJSA will assume KIA loans as follows:
    a. A00-04 with a principal balance of $904,691.01
    b. A02-07 with a principal balance of $980,247.10
3) Subject to approved withdrawals, the original Fund A reserves will be maintained for the life of the Fund B loan
4) KIA will approve the release of $50,000 from reserves to fund working capital. This amount will have to be replenished within ten years from the date of withdrawal.

PROJECTIONS

Projections are based on the following assumptions:

1) Revenues will be flat for volume.
2) Rates will be adjusted annually to reflect operating costs, debt service and planned out of pocket capital expenditures.
3) The collection period from GJSA's two customers (Greenup and Wurtland) will be thirty days from date of billing. Each entity will remit their entire obligation to GJSA within this time period without consideration of their collection periods from their customers.
4) Debt service coverage is 1.0 in 2017 when principal and interest repayments begin.

Based on the proforma assumptions, the utility shows adequate cash flow to repay the KIA Fund A loan.

REPLACEMENT RESERVE

GJSA will be required to maintain the reserve amounts of $250,000 each that were originally required for KIA loans #A00-04 and #A02-07. If amounts are withdrawn from reserves GJSA will be required to replenish reserves over a period to be determined by KIA.

IX. DEBT OBLIGATIONS

	Outstanding	Maturity
KIA (A00-04)	$ 904,691	Dec 2021
KIA (A02-07)	980,247	Jun 2023
Total	$ 1,894,938	

X. OTHER STATE OR FEDERAL FUNDING IN PAST FIVE YEARS

None

XI. CONTACTS

Legal Applicant	
Name	Greenup Joint Sewer Agency
Address	Greenup County Court House, Room 102
	Greenup, KY 41144
County	Greenup
Authorized Official	Chris Crum (Chairman)
Phone	(606) 473-6440
Email	chrisq.crum@ky.gov

Project Contact - Applicant	
Name	Bryan Kirby
Representing	CEDA, Inc.
Address	P.O. Box 855
	Richmond, KY 40476
Phone	(859) 624-3396
Email	bryan@cedainc.net

XII. RECOMMENDATIONS

KIA staff recommends approval of the loan with the standard conditions and the following special conditions:

1) The Fund B loan shall not be executed until the GJSA has assumed the assets and debt as specified in the Special Conditions of the Fund A assumptions (KIA A00-04 and A02-07).

GREENUP JOINT SEWER AGENCY
BALANCE SHEETS (JUNE YEAR END)

ASSETS	Acquisition Transaction 2014	2015	2016	2017	2018
Current Assets					
Cash	50,000	96,100	97,849	102,098	108,947
Accounts Receivable	0	16,685	24,378	31,660	32,285
Total Current Assets	50,000	112,785	122,227	133,758	141,232
Total Restricted Assets	450,000	450,000	450,000	450,000	450,000
Utility Plant					
Property, Plant and Equipment	1,385,938	1,385,938	1,385,938	1,385,938	1,385,938
Less Accumulated Depreciation ( )	0	(55,438)	(110,875)	(166,313)	(221,750)
Net Fixed Assets	1,385,938	1,330,500	1,275,063	1,219,625	1,164,188
Total Assets	1,885,938	1,893,285	1,847,290	1,803,383	1,755,420
LIABILITIES					
Current Liabilities					
Accounts Payable	0	10,600	10,800	11,000	11,200
Other Current Liabilities	0	5,000	5,000	5,000	5,000
Current Portion Long Term Debt	0	0	84,000	86,000	88,000
Total Current Liabilities	0	15,600	99,800	102,000	104,200
Total Long Term Liabilities	1,884,938	2,000,000	1,916,000	1,830,000	1,742,000
Total Liabilities	1,884,938	2,015,600	2,015,800	1,932,000	1,846,200
Total Retained Earnings	1,000	(122,315)	(168,510)	(128,617)	(90,780)
Total Liabilities and Equities	1,885,938	1,893,285	1,847,290	1,803,383	1,755,420
Balance Sheet Analysis					
Current Ratio	n/a	7.2	1.2	1.3	1.4
Debt to Equity	1,884.9	(16.5)	(12.0)	(15.0)	(20.3)
Days Sales in Accounts Receivable	n/a	30.0	30.0	30.0	30.0
Months Operating Expenses in Unrestricted Cash	n/a	4.7	4.7	4.8	5.0

EXHIBIT 1
GREENUP JOINT SEWER AGENCY
CASH FLOW ANALYSIS (JUNE YEAR END)

	Projected 2015	Projected 2016	Projected 2017	Projected 2018	Projected 2019
Operating Revenues					
Bulk Treatment - Wurtland	60,000	137,000	182,000	185,600	189,300
Bulk Treatment - Greenup	113,000	129,000	172,000	175,400	178,900
Septic System Haulers	30,000	30,600	31,200	31,800	32,400
Total Revenues	203,000	296,600	385,200	392,800	400,600
Operating Expenses					
Operating Expenses	245,550	250,500	255,500	260,600	265,800
Replacement Reserve	0	0	5,000	5,000	5,000
Total Expenses	245,550	250,500	260,500	265,600	270,800
Cash Available for Debt Service- Water	**(42,550)**	**46,100**	**124,700**	**127,200**	**129,800**
Total Debt Service	0	0	122,951	122,951	122,951
Income After Debt Service	(42,550)	46,100	1,749	4,249	6,849
Debt Coverage Ratio	n/a	n/a	1.0	1.0	1.1

ATTACHMENT

I.B.6.

A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING AN AMENDMENT TO THE CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED WASTEWATER REVOLVING FUND A LOAN (A13-015) INCREASING THE AMOUNT TO $31,801,000 TO THE LEXINGTON FAYETTE URBAN COUNTY GOVERNMENT, FAYETTE COUNTY, KENTUCKY

WHEREAS, the Kentucky Infrastructure Authority (the "Authority") has been duly created as a body corporate and politic constituting a public corporation and a governmental agency of the Commonwealth of Kentucky pursuant to Chapter 224A of the Kentucky Revised Statutes (the "Act"); and

WHEREAS, pursuant to the Act, the Authority is duly and legally authorized to make loans to Governmental Agencies for the purpose of providing funds for the construction and acquisition of sanitary sewer facilities, water facilities or other types of infrastructure, and in that regard, to enter into Assistance Agreements with such Governmental Agencies governing the provisions in respect of which such loans are to be made, the amounts thereof and the repayment provisions in respect thereto; and

WHEREAS, the Authority previously approved a Federally Assisted Waste Water Revolving Fund Loan (A13-015) to the Lexington Fayette Urban County Government on March 7, 2013 in the amount of $21,640,030 and the Lexington Fayette Urban County Government has requested to increase loan A13-015 by $10,159,970; and

WHEREAS, the Authority anticipates entering into an Assistance Agreement for a loan from the Authority's Federally Assisted Wastewater Revolving Loan Program (Fund A) with the Lexington Fayette Urban County Government, subject to final determination of amount when the factors involving such financing have been determined; and

WHEREAS, the Authority will, in the near future, authorize and issue a series of its Infrastructure Authority Revenue Bonds for the purpose of funding loans to various governmental agencies, such series of Bonds to be known as Kentucky Infrastructure Authority Revenue Bonds with the appropriate Series designation; and

WHEREAS, the Authority wishes to establish terms and conditions on said Fund A loans prior to the issuance of Authority Revenue Bonds and recognizes that additional planning and design of the financed projects are required.

NOW, THEREFORE, THE KENTUCKY INFRASTRUCTURE AUTHORITY, ACTING BY AND THROUGH ITS BOARD OF DIRECTORS AS ITS DULY AUTHORIZED AND EMPOWERED GOVERNING BODY, DOES HEREBY RESOLVE AND ORDER, AS FOLLOWS:

Section 1. All statements of fact set forth in the preambles to this Resolution and Order are incorporated herein by reference, the same as if set forth verbatim. All such statements of fact are hereby declared to be true and accurate in all material respects.

Section 2. The Authority hereby authorizes the Amendment of a conditional Federally Assisted Wastewater Revolving Fund loan increasing the amount to $31,801,000 of project expense including capitalized interest for the construction period, to the Lexington Fayette Urban County Government for the Phase I Town Branch Wastewater Treatment Plant Wet Weather Storage Tanks Project. Such amounts are subject to adjustment by further action of the Authority or may be adjusted by action of the Authority staff at the time of the issuance of bonds based on adjustment in project costs of not more than (10%) ten percent of the project cost authorized by this resolution. Upon satisfaction of all conditions of the commitment, execution of an assistance agreement for this loan is authorized.

Section 3. The loan shall be repayable over 20 years at an interest rate of 1.75%. In addition to debt service, a .20% annual administration fee on the unpaid loan balance will be charged. From annual revenues, $80,000 must be set aside in a borrower held replacement reserve each December 1 until the balance reaches $800,000 and maintained for the life of the loan. These terms are subject to adjustment upon execution of the loan agreement, upon changes in the project conditions or determination that the project will require authority financing to be done on a taxable basis.

Section 4. This Resolution and Order shall be in full force and effect from and after its adoption at a properly held meeting of the Kentucky Infrastructure Authority this 26th day of June, 2014.

_____
TONY WILDER, CHAIR
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

_____
JEFFREY A. ABSHIRE, SECRETARY
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

_____
PECK, SHAFFER & WILLIAMS, A DIVISION OF
DINSMORE & SHOHL LLP, LEGAL COUNSEL TO
THE KENTUCKY INFRASTRUCTURE AUTHORITY

STEVEN L. BESHEAR
GOVERNOR

LEONARD K. PETERS
SECRETARY

ENERGY AND ENVIRONMENT CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION
DIVISION OF WATER
200 FAIR OAKS LANE, 4TH FLOOR
FRANKFORT, KENTUCKY 40601
www.kentucky.gov

June 16, 2014

Mr. John Covington
Executive Director
Kentucky Infrastructure Authority
1024 Capital Center Drive, Suite 340
Frankfort, Kentucky 40601

Re: CWL13008, A13-015
Lexington Town Branch WWTP--1073
Activity ID: FGL20100026
HUC11: 05100206270
Watershed Name: South Elkhorn Creek
Binding Commitment Increase

Dear Mr. Covington:

The Division of Water (DOW) hereby certifies that the LFUCG - Division of Water Quality is entitled to receive priority for funding for their LFUCG Town Branch Wastewater Treatment Flow Equalization Storage Tank Phase 1 project and is eligible to receive an additional $10,159,970 from the Clean Water State Revolving Fund. The following information is provided:

1. Project specific environmental information (CED) was approved on 4/4/2014.

2. Plans and specifications were approved on 4/10/2014.

3. Construction bids are expected to be opened in November 2014.

The KIA conditional commitment letter should include the following general conditions to satisfy federal requirements:

1. The Authority to Award (bid) package, including the Disadvantaged Business Enterprise (DBE) reviews, must be approved by DOW prior to the contract being awarded. DOW must conduct a preconstruction and project management conference.

2. Documentation of final funding commitments from all parties other than the Kentucky Infrastructure Authority (KIA) as reflected in the credit analysis shall be provided to KIA prior to their loan closing and disbursement of the loan monies. Rejections of any anticipated project funding shall be immediately reported to KIA and may cause this loan to be subject to further consideration.

5. The borrower must complete and submit any missing or incomplete parts of the Application to KIA upon request.

6. The Loan Agreement must be executed within six (6) months from bid opening.

7. The city must agree to expend all loan funds within six months of the date of initiation of operation.

Upon compliance with the general conditions, the DOW will issue its final project certification prior to finalizing the loan agreement.

The SRF application review has been completed by staff of the KIA. If you have any questions or concerns regarding missing items or additional submission requirements, please contact Jeff Abshire, at (502) 573-0260. Should you have any questions concerning this letter, do not hesitate to contact Cathy Arnett, Project Manager, at (502) 564-3410, extension 4594.

Sincerely,

Peter Goodmann, Director
Division of Water

PG/BG:CA

c: Mr. Charles H Martin

EXECUTIVE SUMMARY		Reviewer	Jeff Abshire
KENTUCKY INFRASTRUCTURE AUTHORITY		Date	June 26, 2014
FUND A, FEDERALLY ASSISTED WASTEWATER		KIA Loan Number	A13-015 (Increase)
REVOLVING LOAN FUND		WRIS Number	SX21067041

BORROWER	LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT FAYETTE COUNTY

BRIEF DESCRIPTION

The Lexington Fayette Urban County Government is requesting an increase in loan funding of $10,159,970 for the Town Branch Wastewater Treatment Flow Equalization Storage Tanks project. The increase will replace local funds that were originally budgeted for the project. The total project cost has not increased. The original project description is below.

This project involves the design and construction of Phase I of a multi-phase wastewater storage facility at the Town Branch Wastewater Treatment Plant on Lisle Industrial Avenue. The first phase includes the relocation of existing facilities, environmental assessments, soil remediation and the construction of a 22 million gallon wet weather storage tank. The existing sewer system lacks the capacity to meet LFUCG's EPA mandated Capacity Assurance Program.

PROJECT FINANCING		PROJECT BUDGET	RD Fee %	Actual %	
Fund A Loan	$31,801,000	Administrative Expenses			$209,000
		Legal Expenses			1,047,000
		Land, Easements			1,250,000
		Eng - Design / Const	6.4%	6.4%	1,700,000
		Eng - Insp	3.0%	3.0%	800,000
		Eng - Other			250,000
		Construction			20,395,000
		Contingency			6,150,000
TOTAL	$31,801,000	TOTAL			$31,801,000

REPAYMENT	Rate	1.75%	Est. Annual Payment	$1,954,986
	Term	20 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	GRW Engineers, Inc.		
	Bond Counsel	Peck, Shaffer, & Williams, a division of Dinsmore & Shohl, LLP		
PROJECT SCHEDULE	Bid Opening	Nov-14		
	Construction Start	Jan-15		
	Construction Stop	Jul-16		
DEBT PER CUSTOMER	Existing	$566		
	Proposed	$1,270		
OTHER DEBT		See Attached		
OTHER STATE-FUNDED PROJECTS LAST 5 YRS		See Attached		

RESIDENTIAL RATES		Users	Avg. Bill	
	Current	103,470	$21.34	(for 4,000 gallons)
	Additional	0	$21.34	(for 4,000 gallons)

REGIONAL COORDINATION This project is consistent with regional planning recommendations.

CASHFLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2011	17,223,538	7,117,597	10,105,941	2.4
Audited 2012	17,849,520	9,171,020	8,678,500	1.9
Audited 2013	23,886,945	5,813,948	18,072,997	4.1
Projected 2014	21,395,480	5,789,643	15,605,837	3.7
Projected 2015	22,203,180	5,772,469	16,430,711	3.8
Projected 2016	22,992,030	11,522,922	11,469,108	2.0
Projected 2017	23,700,130	12,726,684	10,973,446	1.9
Projected 2018	24,592,330	12,713,139	11,879,191	1.9

Reviewer: Jeff Abshire
Date: June 26, 2014
Loan Number: A13-015 Increase

KENTUCKY INFRASTRUCTURE AUTHORITY
WASTEWATER REVOLVING LOAN FUND (FUND "A")
LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT, FAYETTE COUNTY
PROJECT REVIEW
SX21067041

I. PROJECT DESCRIPTION

The Lexington-Fayette Urban County Government (Government) is requesting an increase of $10,159,970 in Clean Water SRF funds for Phase I of the Town Branch Wastewater Treatment Plant Wet Weather Storage Tanks project. The increase will replace utility generated funds that were originally planned for use on the project. The project budget in total did not change. The Government has utilized a value engineering approach throughout the project development phase which has, to date, reduced the estimated cost per gallon capital cost from $2.52 to $1.45. Value engineering through the completion of final design will occur with further project cost reductions likely to be offset by increased costs associated with American Iron and Steel (AIS) provisions of P.L. 113-76, Consolidated Appropriations Act, 2014 which are applicable to the project. The project did not qualify for exemption from the AIS provisions when the Act became effective on January 17, 2014.

Original Project Description

The Lexington-Fayette Urban County Government (Government) is requesting $21,641,030 in Clean Water SRF funds for Phase I of the Town Branch Wastewater Treatment Plant Wet Weather Storage Tanks project. The existing sewer system lacks the capacity to meet LFUCG's EPA mandated Capacity Assurance Program. The project is a component of the Remedial Measures Plan that was submitted to the U.S. Environmental Protection Agency to comply with the Consent Decree, which is discussed below.

The project involves the design and construction of a multi-phase wet weather storage facility at the Town Branch Wastewater Treatment Plant on Lisle Industrial Avenue. The first phase includes the relocation of existing facilities, environmental assessments, soil remediation and the construction of a 22 million gallon wet weather storage tank. When all phases are complete, total storage volume will be approximately 44 million gallons with a projected cost to exceed $111 million. Phase I includes some design costs for project components that must be compatible between all phases.

The United States Environmental Protection Agency (EPA) and the Kentucky Environmental and Public Protection Cabinet (KYEPPC) filed suit in federal court against the Government in 2006 alleging various violations of the Clean Water Act. The

Government completed negotiations with EPA and KYEPPC to resolve the alleged violations. The resulting Consent Decree agreement was entered in the United States District Court – Eastern District of Kentucky on January 3, 2011. The settlement agreement requires the Government to undertake extensive studies, sewer improvement projects, and management plans to correct the problems that were alleged. The settlement affords the Government up to 13 years to correct the problems. The Government has estimated that the cost of remedial measures would approach $600 million over the life of the Consent Decree. The Government increased sanitary sewer rates to fund obligations under the Consent Decree and also adopted a storm water management fee.

II. PROJECT BUDGET

	Total
Administrative Expenses	$ 209,000
Legal Expenses	1,047,000
Land, Easements	1,250,000
Engineering Fees – Design / Const	1,360,000
Engineering Fees - Const / Inspection	1,140,000
Engineering Fees - Other	250,000
Construction	20,395,000
Contingency	6,150,000
Total	**$ 31,801,000**

III. PROJECT FUNDING

	Amount	%
Fund A Loan	$31,801,000	100%
Total	**$31,801,000**	**100%**

IV. KIA DEBT SERVICE

Construction Loan	$ 31,801,000
Interest Rate	1.75%
Loan Term (Years)	20
Estimated Annual Debt Service	$ 1,891,384
Administrative Fee (0.20%)	63,602
Total Estimated Annual Debt Service	**$ 1,954,986**

V. PROJECT SCHEDULE

Bid Opening	November 2014
Construction Start	January 2015
Construction Stop	July 2016

VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

A) Customers

Customers	Current
Residential	95,745
Commercial	7,710
Industrial	15
Total	103,470

B) Rates

Residential	**Current**	**Prior**
Date of Last Rate Increase	07/01/13	07/01/12
First 100 Cubic Feet (CF)	$4.99	$4.94
Each Additional 100 CF	3.76	3.72
Cost for 4,000 gallons	$21.34	$21.11
Increase %	1.1%	2.2%
Affordability Index (Rate/MHI)	0.5%	
Commercial and Industrial		
First 100 Cubic Feet (CF)	$6.05	$5.99
Each Additional 100 CF	4.56	4.51
Increase %	2.3%	2.3%

Rates are adjustable each July 1 based on the Consumer Price Index for All Urban Consumers for the prior twelve months ending in April before the adjustment.

VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2007-2011, the County's population was 292,370 with a Median Household Income (MHI) of $48,306. The median household income for the Commonwealth is $42,248. The project will qualify for a 1.75% interest rate.

Population			Unemployment	
Year	City	% Change	Date	Rate
1980	204,165		June 2003	5.2%
1990	225,366	10.4%	June 2008	5.4%
2000	260,512	15.6%	June 2012	6.6%
2010	295,803	13.5%	June 2013	7.1%
Current	305,489	3.3%		
Cumulative %		49.6%		

VIII. 2012 CAPITALIZATION GRANT EQUIVALENCIES

1) Green Project Reserve - This project qualifies for Green Project Reserve (GPR) funding for $405,000. The breakdown of the GPR to the respective "green" categories is listed below:
    a. Green Infrastructure - $50,000
    b. Water Efficiency - $5,000
    c. Energy Efficiency - $350,000
    d. Environmentally Innovative - $0

2) Additional Subsidization – This project does not qualify for additional subsidization.

IX. FINANCIAL ANALYSIS (See Exhibit 1)

Financial information was obtained from the City's audited financial statements for the years ended June 30, 2011 through 2013 for the Sewer Fund. The Storm Water fund is reported separately.

HISTORY

Revenues increased 8% from $48.8 million in 2011 to $52.9 million in 2013. Rate increases of about 4% and non-recurring fees made up the increase. Operating expenses declined 10% from $32.2 million to $28.8 million during the same period. The debt coverage ratio was 2.4, 1.9, and 4.1, respectively from 2011 through 2013. Debt service was $7.1 million, $9.1 million and $5.8 million, respectively from 2011 through 2013.

The balance sheet reflects a current ratio of 7.8 and a debt to equity ratio of 0.3. Months of operating expenses in unrestricted cash and investments is 19.6. Restricted funds are maintained for maintenance and operations, sinking funds, construction, depreciation, and debt service. Total restricted funds at the end of 2013 was $21.9 million of which $7.2 million was held for maintenance and operations and $2.3 million for depreciation.

PROJECTIONS

Projections are based on the following assumptions:

1) Revenues will increase 2% annually for inflation and .8% for growth.
2) Expenses will increase 2% annually for inflation.
3) The annual replacement cost for all approved and proposed Sewer Fund loans is $244,070.
4) Debt service includes $1.2M annually for a pending application for KIA #A14-001.
5) Debt service coverage is 1.9 in 2017 when principal and interest repayments on all projects begin.

Based on the proforma assumptions, the utility shows adequate cash flow to repay the KIA Fund A loan.

REPLACEMENT RESERVE

The annual replacement cost for this loan is $80,000. This amount should be added to the replacement account each December 1 until the balance reaches $800,000 and maintained for the life of the loan.

X. DEBT OBLIGATIONS

	Outstanding	Maturity
2009 A Sewer Revenue Bonds	$ 33,170,000	2024
2010 A Sewer Revenue Bonds	13,220,000	2021
KIA (A09-01)	13,180,027	2030
KIA (A10-08 i/a/o $10.5M)	0	TBD
KIA (A12-16 i/a/o $1.9M)	0	TBD
KIA (A13-002, i/a/o $13.7M)	0	TBD
KIA (A13-003, i/a/o $10.2M)	0	TBD
KIA (A13-015, i/a/o $21.6M)	0	TBD
KIA (A13-018, i/a/o $6.0M)	0	TBD
Total	**$ 59,570,027**	

XI. OTHER STATE OR FEDERAL FUNDING IN PAST FIVE YEARS

Project Title	Funding Source	Amount	Type
Expansion Area 2A Class A Pump Station and Trunk Sewer	HB608	3,100,000	Grant
Leesway Neighborhood Underserved Areas	HB608	600,000	Grant
South Elkhorn Pump Station and Force Main	EPA	1,146,000	Grant

XII. CONTACTS

Legal Applicant	
Name	Lexington-Fayette Urban County Government
Address	200 East Main Street Lexington, KY 40507
County	Fayette
Authorized Official	Jim Gray (Mayor)
Phone	(859) 258-3100
Email	Mayor@lexingtonky.gov

Project Contact – Applicant / Administrator	
Name	Charles H. Martin, P.E.
Representing	Lexington-Fayette Urban County Government
Address	125 Lisle Industrial Avenue, Suite 180
	Lexington, KY 40511
Phone	(859) 425-2455
Email	chmartin@lexingtonky.gov
Project Administrator / Engineer	
Name	Joe Henry
Address	GRW Engineers, Inc.
	801 Corporate Drive
Contact	Lexington, KY 40503
Phone	(859) 223-3999
Email	jhenry@grwinc.com

XIII. RECOMMENDATIONS

KIA staff recommends approval of the loan with the standard conditions.

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT (SANITARY SEWER SYSTEM FUND)
BALANCE SHEETS (JUNE YEAR END)

ASSETS	Audited 2011	Audited 2012	Audited 2013	Upon Completion 2017
Current Assets				
Cash	3,329,716	5,044,605	7,951,711	8,410,208
Investments	36,917,243	34,216,964	39,221,291	42,454,000
Receivables	2,799,165	2,631,377	4,457,513	4,603,500
Internal Balances	2,903,087	0	0	0
Inventories	5,739	87,058	90,814	100,000
Total Current Assets	45,954,950	41,980,004	51,721,329	55,567,708
Total Restricted Assets	26,760,890	29,807,120	21,953,584	23,991,480
Utility Plant				
Property, Plant and Equipment	355,077,881	360,167,326	381,466,895	524,153,681
Less Accumulated Depreciation ( )	(140,513,274)	(147,610,272)	(155,252,354)	(190,402,354)
Net Fixed Assets	214,564,607	212,557,054	226,214,541	333,751,327
Unamortized Bond Costs and Discount, Net	1,656,407	1,484,617	0	0
Total Assets	288,936,854	285,828,795	299,889,454	413,310,515
LIABILITIES				
Current Liabilities				
Accounts Payable	1,886,667	973,351	4,458,870	4,826,400
Accrued Payroll	313,333	310,630	236,441	255,900
Due to Other Funds	0	2,454,595	1,592,622	1,723,900
Unearned Revenues & Other	550,001	595,849	43,664	47,200
Compensated Absences	350,392	349,204	327,301	354,200
Total Current Liabilities	3,100,393	4,683,629	6,658,898	7,207,600
Liabilities Payable - Restricted Assets				
Accounts, Contracts and Retainage Payable	269,096	124,250	854,974	1,000,000
Current Portion - Long Term Debt	5,990,000	3,401,676	3,505,220	7,179,944
Interest Payable	1,329,282	850,162	831,646	850,000
Total Liabilities Payable - Restricted Assets	7,588,378	4,376,088	5,191,840	9,029,944
Long Term Liabilities				
Unearned Revenues & Other	458,935	746,677	257,658	250,000
Long Term Debt	67,831,388	58,204,441	55,075,205	124,262,175
Compensated Absences	808,307	805,572	755,042	796,000
Total Long Term Liabilities	69,098,630	59,756,690	56,087,905	125,308,175
Total Liabilities	79,787,401	68,816,407	67,938,643	141,545,719
Total Retained Earnings	209,149,453	217,012,388	231,950,811	271,764,796
Total Liabilities and Equities	288,936,854	285,828,795	299,889,454	413,310,515
Balance Sheet Analysis				
Current Ratio	14.8	9.0	7.8	7.7
Debt to Equity	0.4	0.3	0.3	0.5
Days Sales in Accounts Receivable	20.9	20.4	30.7	30.7
Months Operating Expenses in Unrestricted Cash	15.0	15.6	19.6	19.6

EXHIBIT 1
LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT (SANITARY SEWER SYSTEM FUND)
CASH FLOW ANALYSIS (JUNE YEAR END)

	Audited 2011	% Change	Audited 2012	% Change	Audited 2013	Projected 2014	Projected 2015	Projected 2016	Projected 2017	Projected 2018
Operating Revenues										
Total Revenues	48,849,035	-4%	47,044,497	13%	52,927,780	50,354,400	51,750,400	53,185,400	54,660,600	56,177,100
Operating Expenses										
Operating Expenses	32,198,460	-6%	30,140,328	-4%	28,839,110	29,415,900	30,004,200	30,604,300	31,216,400	31,840,700
Depreciation	7,214,960	1%	7,299,442	5%	7,683,896	8,398,200	8,441,100	9,012,500	9,298,200	9,869,600
Replacement Reserve	0		43,020		43,020	43,020	43,020	89,070	244,070	244,070
Total Expenses	39,413,420	-5%	37,482,790	-2%	36,566,026	37,857,120	38,488,320	39,705,870	40,758,670	41,954,370
Net Operating Income	9,435,615	1%	9,561,707	71%	16,361,754	12,497,280	13,262,080	13,479,530	13,901,930	14,222,730
Total Non-Operating Income & Expenses	572,963	73%	988,371	-116%	(158,705)	500,000	500,000	500,000	500,000	500,000
Add Non-Cash Expenses										
Depreciation	7,214,960	1%	7,299,442	5%	7,683,896	8,398,200	8,441,100	9,012,500	9,298,200	9,869,600
Cash Available for Debt Service- Water	**17,223,538**	**4%**	**17,849,520**	**34%**	**23,886,945**	**21,395,480**	**22,203,180**	**22,992,030**	**23,700,130**	**24,592,330**
Total Debt Service	7,117,597		9,171,020		5,813,948	5,789,643	5,772,469	11,522,922	12,726,684	12,713,139
Income After Debt Service	10,105,941		8,678,500		18,072,997	15,605,837	16,430,711	11,469,108	10,973,446	11,879,191
Debt Coverage Ratio	2.4		1.9		4.1	3.7	3.8	2.0	1.9	1.9

A T T A C H M E N T

I.B.7.

A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED WASTEWATER REVOLVING FUND LOAN (A14-001) OF $19,837,063 TO THE LEXINGTON FAYETTE URBAN COUNTY GOVERNMENT, FAYETTE COUNTY, KENTUCKY

WHEREAS, the Kentucky Infrastructure Authority (the "Authority") has been duly created as a body corporate and politic constituting a public corporation and a governmental agency of the Commonwealth of Kentucky pursuant to Chapter 224A of the Kentucky Revised Statutes (the "Act"); and

WHEREAS, pursuant to the Act, the Authority is duly and legally authorized to make loans to Governmental Agencies for the purpose of providing funds for the construction and acquisition of sanitary sewer facilities, water facilities or other types of infrastructure, and in that regard, to enter into Assistance Agreements with such Governmental Agencies governing the provisions in respect of which such loans are to be made, the amounts thereof and the repayment provisions in respect thereto; and

WHEREAS, the Authority anticipates entering into an Assistance Agreement for a loan from the Authority's Federally Assisted Wastewater Revolving Loan Program (Fund A) with the Lexington Fayette Urban County Government, subject to final determination of amount when the factors involving such financing have been determined; and

WHEREAS, the Authority will, in the near future, authorize and issue a series of its Infrastructure Authority Revenue Bonds for the purpose of funding loans to various governmental agencies, such series of Bonds to be known as Kentucky Infrastructure Authority Revenue Bonds with the appropriate Series designation; and

WHEREAS, the Authority wishes to establish terms and conditions on said Fund A loans prior to the issuance of Authority Revenue Bonds and recognizes that additional planning and design of the financed projects are required.

NOW, THEREFORE, THE KENTUCKY INFRASTRUCTURE AUTHORITY, ACTING BY AND THROUGH ITS BOARD OF DIRECTORS AS ITS DULY AUTHORIZED AND EMPOWERED GOVERNING BODY, DOES HEREBY RESOLVE AND ORDER, AS FOLLOWS:

Section 1. All statements of fact set forth in the preambles to this Resolution and Order are incorporated herein by reference, the same as if set forth verbatim. All such statements of fact are hereby declared to be true and accurate in all material respects.

Section 2. The Authority hereby authorizes the issuance of a conditional Federally Assisted Wastewater Revolving Fund loan for $19,837,063 of project expense including capitalized interest for the construction period, to the Lexington Fayette Urban County

Government for the Phase 1 Lower Cane Run Wastewater Storage Tank Project. Such amounts are subject to adjustment by further action of the Authority or may be adjusted by action of the Authority staff at the time of the issuance of bonds based on adjustment in project costs of not more than (10%) ten percent of the project cost authorized by this resolution. Upon satisfaction of all conditions of the commitment, execution of an assistance agreement for this loan is authorized.

Section 3. The loan shall be repayable over 20 years at an interest rate of 1.75%. In addition to debt service, a 0.2% annual administration fee on the unpaid loan balance will be charged. From annual revenues, $50,000 must be set aside in a borrower held replacement reserve each December 1 until the balance reaches $500,000 and maintained for the life of the loan. These terms are subject to adjustment upon execution of the loan agreement, upon changes in the project conditions or determination that the project will require authority financing to be done on a taxable basis.

Section 4. This Resolution and Order shall be in full force and effect from and after its adoption at a properly held meeting of the Kentucky Infrastructure Authority this 26th day of June 2014.

_____
TONY WILDER, CHAIR
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

_____
JEFFREY A. ABSHIRE, SECRETARY
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

_____
PECK, SHAFFER & WILLIAMS, A DIVISION OF
DINSMORE & SHOHL LLP, LEGAL COUNSEL TO
THE KENTUCKY INFRASTRUCTURE AUTHORITY

STEVEN L. BESHEAR
GOVERNOR

LEONARD K. PETERS
SECRETARY

ENERGY AND ENVIRONMENT CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION
DIVISION OF WATER
200 FAIR OAKS LANE, 4TH FLOOR
FRANKFORT, KENTUCKY 40601
www.kentucky.gov

June 12, 2014

Mr. John Covington
Executive Director
Kentucky Infrastructure Authority
1024 Capital Center Drive, Suite 340
Frankfort, Kentucky 40601

Re: A14-001
Lexington Town Branch WWTP--1073
Activity ID: FGL20140003
HUC11: 0510020520
Watershed Name: N. Elkhorn Creek
Binding Commitment

Dear Mr. Covington:

The Division of Water (DOW) hereby certifies that the Lexington Fayette Urban County Government is entitled to receive priority for funding for their Lower Cane Run Wet Weather Storage Tank project and is eligible to receive $19,837,063 from the Clean Water State Revolving Fund. The following information is provided:

1. Project specific environmental information is expected to be submitted to DOW in August 2014.

2. Plans and specifications are expected to be submitted to DOW in September 2014.

3. Construction bids are expected to be opened in November 2014.

The KIA conditional commitment letter should include the following general conditions to satisfy federal requirements:

1. The entire project must have undergone a complete environmental review resulting in a Categorical Exclusion Determination (CED), a State Planning and Environmental Assessment Report (SPEAR), or an Environmental Impact Statement (EIS) with a Record of Decision issued by the Department for Environmental Protection prior to advertising for bids.

2. The borrower must receive DOW approval of the Plans and Specifications with regard to SRF funding for each identified contract prior to advertising for bids.

3. The Authority to Award (bid) package, including the Disadvantaged Business Enterprise (DBE) reviews, must be approved by DOW prior to the contract being awarded. DOW must conduct a preconstruction and project management conference.

4. Documentation of final funding commitments from all parties other than the Kentucky Infrastructure Authority (KIA) as reflected in the credit analysis shall be provided to KIA prior to their loan closing and disbursement of the loan monies. Rejections of any anticipated project funding shall be immediately reported to KIA and may cause this loan to be subject to further consideration.

5. The borrower must complete and submit any missing or incomplete parts of the Application to KIA upon request.

6. The Loan Agreement must be executed within six (6) months from bid opening.

7. The city must agree to expend all loan funds within six months of the date of initiation of operation.

Upon compliance with the general conditions, the DOW will issue its final project certification prior to finalizing the loan agreement.

The SRF application review has been completed by staff of the KIA. If you have any questions or concerns regarding missing items or additional submission requirements, please contact Jeff Abshire at (502) 573-0260. Should you have any questions concerning this letter, do not hesitate to contact Cathy Arnett, Project Manager, at (502) 564-3410, extension 4594.

Sincerely,

Peter Goodmann, Director
Division of Water

PG/BG:CA

c: Honorable Jim Gray, Mayor
Charles H. Martin, LFUCG
Courtney Thatcher, LFUCG

EXECUTIVE SUMMARY		Reviewer	Jeff Abshire
KENTUCKY INFRASTRUCTURE AUTHORITY		Date	June 26, 2014
FUND A, FEDERALLY ASSISTED WASTEWATER		KIA Loan Number	A14-001
REVOLVING LOAN FUND		WRIS Number	SX21067049
BORROWER	LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT FAYETTE COUNTY		

BRIEF DESCRIPTION

This project involves the design and construction of Phase I of a multi-phase wastewater storage facility at the Lower Cane Run pump station. The first phase consists of an approximately 5.1 million gallon concrete storage tank. When all phases are complete the total estimated storage capacity will be 10.2 million gallons. The project is a component of LFUCG's Remedial Measures Plan submitted to the US EPA on April 13, 2012.

PROJECT FINANCING		PROJECT BUDGET	RD Fee %	Actual %	
Fund A Loan	$19,837,063	Eng - Design / Const	6.4%	6.2%	1,152,533
		Eng - Insp	3.0%	1.3%	236,061
		Construction			18,448,469
TOTAL	$19,837,063	TOTAL			$19,837,063

REPAYMENT	Rate	1.75%	Est. Annual Payment	$1,219,495
	Term	20 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	HDR Engineering, Inc.		
	Bond Counsel	Peck, Shaffer, & Williams, a division of Dinsmore & Shohl, LLP		
PROJECT SCHEDULE	Bid Opening	Oct-14		
	Construction Start	Dec-14		
	Construction Stop	Dec-15		
DEBT PER CUSTOMER	Existing	$566		
	Proposed	$1,270		
OTHER DEBT		See Attached		
OTHER STATE-FUNDED PROJECTS LAST 5 YRS		See Attached		

RESIDENTIAL RATES		Users	Avg. Bill	
	Current	103,470	$21.34	(for 4,000 gallons)
	Additional	0	$21.34	(for 4,000 gallons)

REGIONAL COORDINATION This project is consistent with regional planning recommendations.

CASHFLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2011	17,223,538	7,117,597	10,105,941	2.4
Audited 2012	17,849,520	9,171,020	8,678,500	1.9
Projected 2013	23,886,945	5,813,948	18,072,997	4.1
Projected 2014	21,395,480	5,789,643	15,605,837	3.7
Projected 2015	22,203,180	5,772,469	16,430,711	3.8
Projected 2016	22,992,030	11,522,922	11,469,108	2.0
Projected 2017	23,700,130	12,726,684	10,973,446	1.9
Projected 2018	24,592,330	12,713,139	11,879,191	1.9

Reviewer: Jeff Abshire
Date: June 26, 2014
Loan Number: A14-001

KENTUCKY INFRASTRUCTURE AUTHORITY
WASTEWATER REVOLVING LOAN FUND (FUND "A")
LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT, FAYETTE COUNTY
PROJECT REVIEW
SX21067049

I. PROJECT DESCRIPTION

The Lexington-Fayette Urban County Government (Government) is requesting $19,837,063 in Clean Water SRF funds for Phase I of the Lower Cane Run Wastewater Storage Tank project. The existing sewer system lacks the capacity to meet LFUCG's EPA mandated Capacity Assurance Program. The project is a component of the Remedial Measures Plan that was submitted to the U.S. Environmental Protection Agency to comply with the Consent Decree, which is discussed below.

The project involves the design and construction of a multi-phase wet weather storage facility at the Lower Cane Run pump station. The first phase consists of an approximately 5.1 million gallon concrete storage tank. When all phases are complete, total storage capacity will be approximately 10.2 million gallons

The United States Environmental Protection Agency (EPA) and the Kentucky Environmental and Public Protection Cabinet (KYEPPC) filed suit in federal court against the Government in 2006 alleging various violations of the Clean Water Act. The Government completed negotiations with EPA and KYEPPC to resolve the alleged violations. The resulting Consent Decree agreement was entered in the United States District Court – Eastern District of Kentucky on January 3, 2011. The settlement agreement requires the Government to undertake extensive studies, sewer improvement projects, and management plans to correct the problems that were alleged. The settlement affords the Government up to 13 years to correct the problems. The Government has estimated that the cost of remedial measures would approach $600 million over the life of the Consent Decree. The Government increased sanitary sewer rates to fund obligations under the Consent Decree and also adopted a storm water management fee.

II. PROJECT BUDGET

	Total
Engineering Fees - Design / Const	$ 1,152,533
Engineering Fees - Inspection	236,061
Construction	18,448,469
Total	**$ 19,837,063**

III. PROJECT FUNDING

	Amount	%
Fund A Loan	$19,837,063	100%
Total	**$19,837,063**	**100%**

IV. KIA DEBT SERVICE

Construction Loan	$ 19,837,063
Interest Rate	1.75%
Loan Term (Years)	20
Estimated Annual Debt Service	$ 1,179,821
Administrative Fee (0.20%)	39,674
Total Estimated Annual Debt Service	**$ 1,219,495**

V. PROJECT SCHEDULE

Bid Opening	October 2014
Construction Start	December 2014
Construction Stop	December 2015

VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

A) Customers

Customers	Current
Residential	95,745
Commercial	7,710
Industrial	15
Total	103,470

B) Rates

Residential	**Current**	**Prior**
Date of Last Rate Increase	07/01/13	07/01/12
First 100 Cubic Feet (CF)	$4.99	$4.94
Each Additional 100 CF	3.76	3.72
Cost for 4,000 gallons	$21.34	$21.11
Increase %	1.1%	2.2%
Affordability Index (Rate/MHI)	0.5%	
Commercial and Industrial		
First 100 Cubic Feet (CF)	$6.05	$5.99
Each Additional 100 CF	4.56	4.51
Increase %	2.3%	2.3%

Rates are adjustable each July 1 based on the Consumer Price Index for All Urban Consumers for the prior twelve months ending in April before the adjustment.

VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2007-2011, the County's population was 292,370 with a Median Household Income (MHI) of $48,306. The median household income for the Commonwealth is $42,248. The project will qualify for a 1.75% interest rate.

Population			Unemployment	
Year	City	% Change	Date	Rate
1980	204,165		June 2003	5.2%
1990	225,366	10.4%	June 2008	5.4%
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2010	295,803	13.5%	June 2013	7.1%
Current	305,489	3.3%		
Cumulative %		49.6%		

VIII. 2013 CAPITALIZATION GRANT EQUIVALENCIES

1) Green Project Reserve - This project will not be reported for Green Project Reserve (GPR) funding.

2) Additional Subsidization – This project does not qualify for additional subsidization.

IX. FINANCIAL ANALYSIS (See Exhibit 1)

Financial information was obtained from the City's audited financial statements for the years ended June 30, 2011 through 2013 for the Sewer Fund. The Storm Water fund is reported separately.

HISTORY

Revenues increased 8% from $48.8 million in 2011 to $52.9 million in 2013. Rate increases of about 4% and non-recurring fees made up the increase. Operating expenses declined 10% from $32.2 million to $28.8 million during the same period. The debt coverage ratio was 2.4, 1.9, and 4.1, respectively from 2011 through 2013. Debt service was $7.1 million, $9.1 million and $5.8 million, respectively from 2011 through 2013.

The balance sheet reflects a current ratio of 7.8 and a debt to equity ratio of 0.3. Months of operating expenses in unrestricted cash and investments is 19.6. Restricted funds are maintained for maintenance and operations, sinking funds, construction,

depreciation, and debt service. Total restricted funds at the end of 2013 was $21.9 million of which $7.2 million was held for maintenance and operations and $2.3 million for depreciation.

PROJECTIONS

Projections are based on the following assumptions:

1) Revenues will increase 2% annually for inflation and .8% for growth.
2) Expenses will increase 2% annually for inflation.
3) The annual replacement cost for all approved and proposed Sewer Fund loans is $244,070.
4) Debt service coverage is 1.9 in 2017 when principal and interest repayments on all projects begin.

Based on the proforma assumptions, the utility shows adequate cash flow to repay the KIA Fund A loan.

REPLACEMENT RESERVE
The annual replacement cost for this loan is $50,000. This amount should be added to the replacement account each December 1 until the balance reaches $500,000 and maintained for the life of the loan.

X. DEBT OBLIGATIONS

	Outstanding	Maturity
2009 A Sewer Revenue Bonds	$ 33,170,000	2024
2010 A Sewer Revenue Bonds	13,220,000	2021
KIA (A09-01)	13,180,027	2030
KIA (A10-08 i/a/o $10.5M)	0	TBD
KIA (A12-16 i/a/o $1.9M)	0	TBD
KIA (A13-002, i/a/o $13.7M)	0	TBD
KIA (A13-003, i/a/o $10.2M)	0	TBD
KIA (A13-015, i/a/o $21.6M)	0	TBD
KIA (A13-018, i/a/o $6.0M)	0	TBD
Total	**$ 59,570,027**	

XI. OTHER STATE OR FEDERAL FUNDING IN PAST FIVE YEARS

Project Title	Funding Source	Amount	Type
Expansion Area 2A Class A Pump Station and Trunk Sewer	HB608	3,100,000	Grant
Leesway Neighborhood Underserved Areas	HB608	600,000	Grant
South Elkhorn Pump Station and Force Main	EPA	1,146,000	Grant

XII. CONTACTS

Legal Applicant	
Name	Lexington-Fayette Urban County Government
Address	200 East Main Street
	Lexington, KY 40507
County	Fayette
Authorized Official	Jim Gray (Mayor)
Phone	(859) 258-3100
Email	Mayor@lexingtonky.gov

Project Contact – Applicant / Administrator	
Name	Charles H. Martin, P.E.
Representing	Lexington-Fayette Urban County Government
Address	125 Lisle Industrial Avenue, Suite 180
	Lexington, KY 40511
Phone	(859) 425-2455
Email	chmartin@lexingtonky.gov

Consulting Engineer	
Name	Richard Kyle Smith
Firm	HDR Engineering, Inc.
Address	2417 Sir Barton Way
	Lexington, KY 40509
Phone	(859) 223-3755
Email	rich.smith@hdrinc.com

XIII. RECOMMENDATIONS

KIA staff recommends approval of the loan with the standard conditions.

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT (SANITARY SEWER SYSTEM FUND)
BALANCE SHEETS (JUNE YEAR END)

ASSETS	Audited 2011	Audited 2012	Audited 2013	Upon Completion 2017
Current Assets				
Cash	3,329,716	5,044,605	7,951,711	8,410,208
Investments	36,917,243	34,216,964	39,221,291	42,454,000
Receivables	2,799,165	2,631,377	4,457,513	4,603,500
Internal Balances	2,903,087	0	0	0
Inventories	5,739	87,058	90,814	100,000
Total Current Assets	45,954,950	41,980,004	51,721,329	55,567,708
Total Restricted Assets	26,760,890	29,807,120	21,953,584	23,991,480
Utility Plant				
Property, Plant and Equipment	355,077,881	360,167,326	381,466,895	524,153,681
Less Accumulated Depreciation ( )	(140,513,274)	(147,610,272)	(155,252,354)	(190,402,354)
Net Fixed Assets	214,564,607	212,557,054	226,214,541	333,751,327
Unamortized Bond Costs and Discount, Net	1,656,407	1,484,617	0	0
Total Assets	288,936,854	285,828,795	299,889,454	413,310,515
LIABILITIES				
Current Liabilities				
Accounts Payable	1,886,667	973,351	4,458,870	4,826,400
Accrued Payroll	313,333	310,630	236,441	255,900
Due to Other Funds	0	2,454,595	1,592,622	1,723,900
Unearned Revenues & Other	550,001	595,849	43,664	47,200
Compensated Absences	350,392	349,204	327,301	354,200
Total Current Liabilities	3,100,393	4,683,629	6,658,898	7,207,600
Liabilities Payable - Restricted Assets				
Accounts, Contracts and Retainage Payable	269,096	124,250	854,974	1,000,000
Current Portion - Long Term Debt	5,990,000	3,401,676	3,505,220	7,179,944
Interest Payable	1,329,282	850,162	831,646	850,000
Total Liabilities Payable - Restricted Assets	7,588,378	4,376,088	5,191,840	9,029,944
Long Term Liabilities				
Unearned Revenues & Other	458,935	746,677	257,658	250,000
Long Term Debt	67,831,388	58,204,441	55,075,205	124,262,175
Compensated Absences	808,307	805,572	755,042	796,000
Total Long Term Liabilities	69,098,630	59,756,690	56,087,905	125,308,175
Total Liabilities	79,787,401	68,816,407	67,938,643	141,545,719
Total Retained Earnings	209,149,453	217,012,388	231,950,811	271,764,796
Total Liabilities and Equities	288,936,854	285,828,795	299,889,454	413,310,515
Balance Sheet Analysis				
Current Ratio	14.8	9.0	7.8	7.7
Debt to Equity	0.4	0.3	0.3	0.5
Days Sales in Accounts Receivable	20.9	20.4	30.7	30.7
Months Operating Expenses in Unrestricted Cash	15.0	15.6	19.6	19.6

EXHIBIT 1
LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT (SANITARY SEWER SYSTEM FUND)
CASH FLOW ANALYSIS (JUNE YEAR END)

	Audited 2011	% Change	Audited 2012	% Change	Audited 2013	Projected 2014	Projected 2015	Projected 2016	Projected 2017	Projected 2018
Operating Revenues										
Total Revenues	48,849,035	-4%	47,044,497	13%	52,927,780	50,354,400	51,750,400	53,185,400	54,660,600	56,177,100
Operating Expenses										
Operating Expenses	32,198,460	-6%	30,140,328	-4%	28,839,110	29,415,900	30,004,200	30,604,300	31,216,400	31,840,700
Depreciation	7,214,960	1%	7,299,442	5%	7,683,896	8,398,200	8,441,100	9,012,500	9,298,200	9,869,600
Replacement Reserve	0		43,020		43,020	43,020	43,020	89,070	244,070	244,070
Total Expenses	39,413,420	-5%	37,482,790	-2%	36,566,026	37,857,120	38,488,320	39,705,870	40,758,670	41,954,370
Net Operating Income	9,435,615	1%	9,561,707	71%	16,361,754	12,497,280	13,262,080	13,479,530	13,901,930	14,222,730
Total Non-Operating Income & Expenses	572,963	73%	988,371	-116%	(158,705)	500,000	500,000	500,000	500,000	500,000
Add Non-Cash Expenses										
Depreciation	7,214,960	1%	7,299,442	5%	7,683,896	8,398,200	8,441,100	9,012,500	9,298,200	9,869,600
Cash Available for Debt Service- Water	**17,223,538**	**4%**	**17,849,520**	**34%**	**23,886,945**	**21,395,480**	**22,203,180**	**22,992,030**	**23,700,130**	**24,592,330**
Total Debt Service	7,117,597		9,171,020		5,813,948	5,789,643	5,772,469	11,522,922	12,726,684	12,713,139
Income After Debt Service	10,105,941		8,678,500		18,072,997	15,605,837	16,430,711	11,469,108	10,973,446	11,879,191
Debt Coverage Ratio	2.4		1.9		4.1	3.7	3.8	2.0	1.9	1.9

ATTACHMENT

I.B.8.

A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR AN INFRASTRUCTURE REVOLVING FUND LOAN (B14-007) OF $350,000 TO THE CITY OF GREENSBURG, GREEN COUNTY, KENTUCKY

WHEREAS, the Kentucky Infrastructure Authority (the "Authority") has been duly created as a body corporate and politic constituting a public corporation and a governmental agency of the Commonwealth of Kentucky pursuant to Chapter 224A of the Kentucky Revised Statutes (the "Act"); and

WHEREAS, pursuant to the Act, the Authority is duly and legally authorized to make loans to Governmental Agencies for the purpose of providing funds for the construction and acquisition of sanitary sewer facilities, water facilities or other types of infrastructure, and in that regard, to enter into Assistance Agreements with such Governmental Agencies governing the provisions in respect of which such loans are to be made, the amounts thereof and the repayment provisions in respect thereto; and

WHEREAS, the Authority anticipates entering into an Assistance Agreement for a loan from the Authority's Infrastructure Revolving Loan Program with the City of Greensburg, subject to final determination of amount when the factors involving such financing have been determined; and

WHEREAS, the Authority intends to utilize money in the Infrastructure Revolving Fund to make the loan to the governmental agency for the aforementioned purposes; and

WHEREAS, the Authority wishes to establish terms and conditions on said Infrastructure Revolving Fund loans.

NOW, THEREFORE, THE KENTUCKY INFRASTRUCTURE AUTHORITY, ACTING BY AND THROUGH ITS BOARD OF DIRECTORS AS ITS DULY AUTHORIZED AND EMPOWERED GOVERNING BODY, DOES HEREBY RESOLVE AND ORDER, AS FOLLOWS:

Section 1. All statements of fact set forth in the preambles to this Resolution and Order are incorporated herein by reference, the same as if set forth verbatim. All such statements of fact are hereby declared to be true and accurate in all material respects.

Section 2. The Authority hereby authorizes the issuance of a conditional Infrastructure Revolving Fund loan commitment for $350,000 of project expense, to the City of Greensburg for the Truck Stop Lift Station Replacement project. Such amounts are subject to adjustment by further action of the Authority or may be adjusted by action of the Authority staff based on adjustment in project costs of not more than (10%) ten percent of the project cost authorized by this resolution. Upon satisfaction of all

percent of the project cost authorized by this resolution. Upon satisfaction of all conditions of the commitment, execution of an assistance agreement for this loan is authorized.

Section 3. The loan shall be repayable in 20 years at an annual interest rate of .75%. In addition to debt service, a 0.2% annual administration fee on the unpaid, principal balance will be charged. From annual revenues, $900 must be set aside in a borrower held replacement reserve each December 1 until the balance reaches $9,000 and maintained for the life of the loan. These terms are subject to adjustment upon execution of the loan agreement, upon changes in the project conditions or determination that the project will require authority financing to be done on a taxable basis.

Section 4. This Resolution and Order shall be in full force and effect from and after its adoption at a properly held meeting of the Kentucky Infrastructure Authority this 26th day of June, 2014.

_____
TONY WILDER, CHAIR
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

_____
JEFFREY A. ABSHIRE, SECRETARY
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

_____
PECK, SHAFFER & WILLIAMS, A DIVISION OF
DINSMORE & SHOHL, LLP, LEGAL COUNSEL TO THE
KENTUCKY INFRASTRUCTURE AUTHORITY

EXECUTIVE SUMMARY		Reviewer	Brandi Armstrong
KENTUCKY INFRASTRUCTURE AUTHORITY		Date	June 26, 2014
FUND B, INFRASTRUCTURE		KIA Loan Number	B14-007
REVOLVING LOAN FUND		WRIS Number	WX21087008

BORROWER	CITY OF GREENSBURG GREEN COUNTY

BRIEF DESCRIPTION

This project will construct a two million gallon water treatment plant, a 12 inch transmission main, and a new raw water intake and pump station. The plant was originally constructed in the 1960's and many of the unit processes within the plant do not meet current standards and are in poor condition. There is no room at the existing site to permit modifications to the plant. Because of the plant's condition, the City of Greensburg is anticipating an agreed order from the Kentucky Division of Water. The raw water intake is approximately 50 years old, nearing the end of its useful life, and it is at full capacity. The project is currently under construction and expenses are higher than anticipated. The proposed loan will cover the overage amount.

PROJECT FINANCING		PROJECT BUDGET	RD Fee %	Actual %	
Fund B Loan	$350,000	Administrative Expenses			$170,000
USDA	4,344,000	Legal Expenses			30,000
CDBG	1,000,000	Land, Easements			120,000
EDA	2,000,000	Eng - Design / Const	6.6%	6.3%	414,800
		Eng - Insp	3.3%	1.5%	100,000
		Eng - Other			278,800
		Construction			6,266,443
		Contingency			313,957
TOTAL	$7,694,000	TOTAL			$7,694,000

REPAYMENT	Rate	0.75%	Est. Annual Payment	$19,578
	Term	20 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	Bell Engineering		
	Bond Counsel	Peck, Shaffer, & Williams, a division of Dinsmore & Shohl, LLP		
PROJECT SCHEDULE	Bid Opening	Dec-13		
	Construction Start	Mar-14		
	Construction Stop	Sep-15		
DEBT PER CUSTOMER	Existing	$2,579		
	Proposed	$5,310		
OTHER DEBT		See Attached		
OTHER STATE-FUNDED PROJECTS LAST 5 YRS		See Attached		

RESIDENTIAL RATES		Users	Avg. Bill	
	Current	1,053	$21.42	(for 4,000 gallons)
	Additional	0	$21.42	(for 4,000 gallons)

REGIONAL COORDINATION This project is consistent with regional planning recommendations.

CASHFLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2011	121,450	181,576	(60,126)	0.7
Audited 2012	118,774	171,224	(52,450)	0.7
Audited 2013	234,193	173,988	60,205	1.3
Projected 2014	221,507	210,031	11,476	1.1
Projected 2015	244,391	190,689	53,702	1.3
Projected 2016	269,405	264,709	4,696	1.0
Projected 2017	285,449	284,857	592	1.0
Projected 2018	313,779	285,467	28,312	1.1

Reviewer: Brandi Armstrong
Date: June 26, 2014
Loan Number: B14-007

KENTUCKY INFRASTRUCTURE AUTHORITY
INFRASTRUCTURE REVOLVING LOAN FUND (FUND "B")
CITY OF GREENSBURG, GREEN COUNTY
PROJECT REVIEW
WX21087008

I. PROJECT DESCRIPTION

The City of Greensburg is requesting a $350,000 Fund “B” loan for the Greensburg New Water Treatment Plant project. This project will construct a two million gallon water treatment plant, a 12 inch transmission main, and a new raw water intake and pump station. The plant was originally constructed in the 1960’s and many of the unit processes within the plant do not meet current standards and are in poor condition. There is no room at the existing site to permit modifications to the plant. Because of the plant’s condition, the City of Greensburg is anticipating an agreed order from the Kentucky Division of Water. The raw water intake is approximately 50 years old, nearing the end of its useful life, and it is at full capacity. The project is currently under construction and expenses are higher than anticipated. The proposed loan will cover the overage amount.

The City serves approximately 1,062 customers and provides wholesale water service to the Green-Taylor Water District. Approximately 57% of water sold is to the District.

II. PROJECT BUDGET

	Total
Administrative Expenses	$ 170,000
Legal Expenses	30,000
Land, Easements	120,000
Engineering Fees - Design / Const	414,800
Engineering Fees - Inspection	100,000
Engineering Fees - Other	278,800
Construction	6,266,443
Contingency	313,957
Total	**$ 7,694,000**

III. PROJECT FUNDING

		Amount	%
Fund B Loan	$	350,000	5%
USDA		4,344,000	56%
CDBG		1,000,000	13%
EDA		2,000,000	26%
Total	**$**	**7,694,000**	**100%**

IV. KIA DEBT SERVICE

Construction Loan	$	350,000
Interest Rate		0.75%
Loan Term (Years)		20
Estimated Annual Debt Service	$	18,878
Administrative Fee (0.20%)		700
Total Estimated Annual Debt Service	**$**	**19,578**

V. PROJECT SCHEDULE

Bid Opening	December 2013
Construction Start	March 2014
Construction Stop	September 2015

VI. RATE STRUCTURE

A. Customers

Customers	Current
Residential	916
Commercial	137
Industrial	0
Total	1,053

B. Rates

	In City	Out of City
Date of Last Rate Increase	Aug 2013	
Minimum (2,000 gallons)	$11.78	$20.40
Next 3,000 Gallons	4.82	8.50
Next 5,000 Gallons	4.34	6.80
Next 10,000 Gallons	3.93	6.80
Next 25,000 Gallons	3.59	6.80
Cost for 4,000 gallons	$21.42	$37.40
Increase %	1.2%	1.2%
Affordability Index (Rate/MHI)	0.9%	1.5%

VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2007 - 2011, the City's population was 2,593 with a Median Household Income (MHI) of $29,044. The median household income for the Commonwealth is $42,248. The project will qualify for a 0.75% interest rate.

	Population				Unemployment	
Year	City	% Change	County	% Change	Date	Rate
1980	2,377		11,043		June 2003	7.1%
1990	1,990	-16.3%	10,371	-6.1%	June 2008	7.7%
2000	2,396	20.4%	11,518	11.1%	June 2012	8.4%
2010	2,163	-9.7%	11,258	-2.3%	June 2013	8.5%
Current	2,593	19.9%	11,334	0.7%		
Cumulative %		9.1%		2.6%		

VIII. FINANCIAL ANALYSIS (See Exhibit 1)

Financial information was obtained from the audited financial statements for the City's Proprietary Fund, the Greensburg Water and Sewer System, for the years ended June 30, 2011 through 2013. The fund includes water and sewer services.

HISTORY

Revenues increased 10% from $1,103,933 in 2011 to $1,217,805 in 2013 while operating expenses decreased 7% from $1,090,196 in 2011 to $1,012,053 in 2013. The debt coverage ratio in 2011 and 2012 was 0.7 with cash flow shortfalls of $50,000

to $60,000 being offset by contributions from the City's general fund. The ratio improved to 1.3 in 2013.

The balance sheet reflects a current ratio of 3.1, debt to equity ratio of 1.3 and the number of months of operating expenses in unrestricted cash and investments is 5.1.

PROJECTIONS

Projections are based on the following assumptions:

1) Revenues for 2014 reflect budged amounts. Revenues thereafter reflect minimal growth and will be adjusted annually for inflation.
2) Expenses will increase 2% per year.
3) The City will continue to supplement any cash flow shortfalls in the utility.
4) Debt service coverage is 1.0 in 2017 when full year principal and interest repayments begin.

Based on the proforma assumptions, the utility shows adequate cash flow to repay the KIA Fund B loan.

REPLACEMENT RESERVE

The annual replacement cost is $900. This amount should be added to the replacement account each December 1 until the balance reaches $9,000 and maintained for the life of the loan.

IX. DEBT OBLIGATIONS

	Outstanding	Maturity
1993 RD Bond	$ 1,284,000	2031
2011 RD Bond	$ 434,100	2048
KIA (C89-20)	$ 364,583	2016
2007 KLC Note	$ 72,271	2026
2011 RD Bond	$ 450,000	2051
Forcht Bank Loan	$ 119,806	2014
Greensburg CEF Fund	$ 24,271	2014
RD WTP Bond	$ -	2053
Adjustment (Bond Discount)	$ (9,248)	
Total	**$ 2,739,783**	

X. OTHER STATE OR FEDERAL FUNDING IN PAST FIVE YEARS

Project Title	Funding Source	Amount	Type
Downtown Water	CDBG, RD	2,000,000	Grant, Loan
Hospital and Dental Clinic Sewer	EDA, RD	1,500,000	Grant, Loan
Water Treatment Plant	EDD	2,000,000	Grant
Water Treatment Plant	CDBG	1,000,000	Grant
Water Treatment Plant	RD	3,738,000	Loan

XI. CONTACTS

Legal Applicant	
Name	Mayor George Cheatham
Address	110 W Court Street
	Greensburg, KY 42743
County	Green
Authorized Official	Mayor George Cheatham
Phone	(270) 932-4298
Email	Mayor@Greensburgonline.com

Project Administrator	
Name	Ronnie Grant
Address	Bell Engineering
	203 Burkesville St, Suite 121
Contact	Columbia, KY 42728
Phone	(270) 250-1358
Email	rgrant@hkbell.com

Consulting Engineer	
Name	Mike Wilmoth
Firm	Bell Engineering
Address	2480 Fortune Drive, Suite 350
	Lexington, KY 40509
Phone	(859) 278-5412
Email	mwilmoth@hkbell.com

XII. RECOMMENDATIONS

KIA staff recommends approval of the loan with the standard conditions.

CITY OF GREENSBURG
BALANCE SHEETS (JUNE YEAR END)

ASSETS	Audited 2011	Audited 2012	Audited 2013
Current Assets			
Cash	209,326	318,936	173,096
Receivables	20,092	16,844	229,571
Investments	250,879	262,425	254,085
Prepaid Expenses	0	0	3,296
Grant Receivable	0	309,574	199,708
Total Current Assets	480,297	907,779	859,756
Restricted Assets			
Restricted Cash	0	0	64,806
Water Bond Sinking Fund	83,829	104,099	124,550
Due from other Funds	0	0	147,956
Other	13,289	10,789	0
Total Restricted Assets	97,118	114,888	337,312
Utility Plant			
Property, Plant and Equipment	9,720,733	11,180,996	11,462,759
Less Accumulated Depreciation ( )	(5,966,602)	(6,338,335)	(6,714,747)
Net Fixed Assets	3,754,131	4,842,661	4,748,012
Other Assets			
Unamortized Loss on Debt	16,387	12,293	0
Unamortized Bond Costs and Discount, Net	3,133	2,091	0
Total Other Assets	19,520	14,384	0
Total Assets	4,351,066	5,879,712	5,945,080
LIABILITIES			
Current Liabilities			
Accounts Payable	48,558	16,621	14,929
Customer Deposits	51,817	50,926	50,559
Current Portion Long Term Debt	55,085	128,735	183,476
Interfund Payable	0	0	24,271
Accrued Expense	58,166	2,024	1,927
FEMA Reimbursment	0	56,519	0
Total Current Liabilities	213,626	254,825	275,162
Long Term Liabilities			
Notes and Bonds Payable	2,214,128	2,724,497	2,532,036
Due to Funds	123,928	265,096	490,723
Unamortized Gain on Loan Restructure	87,573	78,816	0
Notes Payable - KIA	0	0	0
Other	10,789	10,789	26,797
Total Long Term Liabilities	2,436,418	3,079,198	3,049,556
Total Liabilities	2,650,044	3,334,023	3,324,718
Retained Earnings:			
Invested in Capital Assets Net of Related Debt	1,484,918	1,925,425	2,032,500
Restricted	2,575,481	208,818	168,369
Unrestricted	(2,359,377)	411,446	419,493
Total Retained Earnings	1,701,022	2,545,689	2,620,362
Total Liabilities and Equities	4,351,066	5,879,712	5,945,080
Balance Sheet Analysis			
Current Ratio	2.2	3.6	3.1
Debt to Equity	1.6	1.3	1.3
Days Sales in Accounts Receivable	6.6	5.3	68.8
Months Operating Expenses in Unrestricted Cash	5.1	6.4	5.1

EXHIBIT 1
CITY OF GREENSBURG
CASH FLOW ANALYSIS (JUNE YEAR END)

	Audited	%	Audited	%	Audited	Projected	Projected	Projected	Projected	Projected
Operating Revenues	**2011**	**Change**	**2012**	**Change**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Water Revenues	779,996	3%	799,936	5%	836,285	836,285	867,228	899,315	933,039	968,028
Sewer Revenues	311,403	12%	349,165	4%	364,516	364,516	378,003	391,989	406,689	421,940
Other	12,534	36%	17,095	-1%	17,004	20,000	20,000	20,000	20,000	20,000
Rate Increase	0		0		0	0	0	0	0	0
Total Revenues	1,103,933	6%	1,166,196	4%	1,217,805	1,220,801	1,265,231	1,311,304	1,359,728	1,409,968
Operating Expenses										
Operating Expenses	1,090,196	0%	1,089,900	-7%	1,012,053	1,032,294	1,052,940	1,073,999	1,095,479	1,117,389
Depreciation	322,361	17%	376,869	1%	381,548	381,548	383,000	383,000	575,350	575,350
Replacement Reserve	0		0		0	0	900	900	11,800	11,800
Total Expenses	1,412,557	4%	1,466,769	-5%	1,393,601	1,413,842	1,436,840	1,457,899	1,682,629	1,704,539
Net Operating Income	(308,624)	-3%	(300,573)	-42%	(175,796)	(193,041)	(171,609)	(146,595)	(322,901)	(294,571)
Non-Operating Income and Expenses										
Interest Income	5,211		4,457		3,383	3,000	3,000	3,000	3,000	3,000
Other	102,502		38,021		25,058	30,000	30,000	30,000	30,000	30,000
Total Non-Operating Income & Expenses	107,713	-61%	42,478	-33%	28,441	33,000	33,000	33,000	33,000	33,000
Add Non-Cash Expenses										
Depreciation	322,361	17%	376,869	1%	381,548	381,548	383,000	383,000	575,350	575,350
Cash Available for Debt Service	**121,450**	**-2%**	**118,774**	**97%**	**234,193**	**221,507**	**244,391**	**269,405**	**285,449**	**313,779**
Debt Service										
Existing Principal	74,404		55,445		54,071	91,444	70,843	114,916	119,606	123,293
Existing Interest	107,172		115,779		119,917	114,145	110,963	140,910	136,790	133,713
KIA B14-004	0		0		0	4,442	8,883	8,883	8,883	8,883
Proposed KIA Loan	0		0		0	0	0	0	19,578	19,578
Total Debt Service	181,576		171,224		173,988	210,031	190,689	264,709	284,857	285,467
Income After Debt Service	(60,126)		(52,450)		60,205	11,476	53,702	4,696	592	28,312
Debt Coverage Ratio	0.7		0.7		1.3	1.1	1.3	1.0	1.0	1.1

ATTACHMENT

I.B.9.

A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A GOVERNMENTAL AGENCIES PROGRAM LOAN (FUND C14-002) OF $3,000,000 TO THE CITY OF GLASGOW, BARREN COUNTY, KENTUCKY

WHEREAS, The Kentucky Infrastructure Authority (the "Authority") has been duly created as a body corporate and politic constituting a public corporation and a governmental agency of the Commonwealth of Kentucky pursuant to Chapter 224A of the Kentucky Revised Statutes (the "Act"); and

WHEREAS, pursuant to the Act, the Authority is duly and legally authorized to make loans to Governmental Agencies for the purpose of providing funds for the construction and acquisition of sanitary sewer facilities, water facilities or other types of infrastructure, and in that regard, to enter into Assistance Agreements with such Governmental Agencies governing the provisions in respect of which such loans are to be made, the amounts thereof and the repayment provisions in respect thereto; and

WHEREAS, the Authority anticipates entering into an Assistance Agreement for a loan from the Authority's Governmental Agencies Program with the City of Glasgow for a wastewater project, subject to final determination of amount when the factors involving such financing have been determined; and

WHEREAS, the Authority may, in the near future, authorize and issue a series of its Infrastructure Authority Revenue Bonds for the purpose of funding loans to various governmental agencies, such series of Bonds to be known as Kentucky Infrastructure Authority Revenue Bonds with the appropriate Series designation; and

WHEREAS, the Authority may, in the near future, authorize and issue a series of its Infrastructure Authority Revenue Bond Anticipation Notes (“Notes”) for the purpose of funding construction loans to various governmental agencies until Revenue Bonds are sold to provide permanent financing, such series of Notes to be known as Kentucky Infrastructure Authority Revenue Bond Anticipation Notes with the appropriate Series designation.

NOW, THEREFORE, THE KENTUCKY INFRASTRUCTURE AUTHORITY, ACTING BY AND THROUGH ITS BOARD OF DIRECTORS AS ITS DULY AUTHORIZED AND EMPOWERED GOVERNING BODY, DOES HEREBY RESOLVE AND ORDER, AS FOLLOWS:

Section 1. All statements of fact set forth in the preambles to this Resolution and order are incorporated herein by reference, the same as if set forth verbatim. All such statements of fact are hereby declared to be true and accurate in all material respects.

Section 2. The Authority hereby authorizes issuance of Governmental Agencies Program (Fund C) conditional loan commitment to the City of Glasgow for the Glasgow Peak Storage Basin Project. The cost of the project shall not exceed $3,364,860 of which the Authority loan shall provide up to $3,000,000.

Section 3. Upon satisfaction of all conditions of the above loan commitment, the Authority hereby authorizes execution of an assistance agreement by and between the Authority and the City of Glasgow. The cost of said project to be provided by this loan shall not exceed $3,000,000. Such amounts are subject to adjustment by further action of the Authority or may be adjusted by action of the Authority staff based on adjustment in project costs of not more than (10%) ten percent of the project cost authorized by this resolution and are subject to adjustment by further action of the Authority or may be reduced by action of the Authority staff at the time of the issuance of bonds based on reductions in project costs or financing costs.

Section 4. Upon execution of an assistance agreement, and in anticipation of the issuance of bonds by the Authority for the project, the Authority hereby authorizes interim advances to the City of Glasgow, from the proceeds of the Authority's Notes in an amount not to exceed the loan amount. Such interim advances shall bear interest at the rate or rates established for the Notes or other source of funding, or from other funds available to the Authority for such purposes, until repaid from either borrower revenues or the proceeds of the Assistance Agreement upon the issuance of bonds. Such interim interest charges shall be payable each June 1 and December 1, following the initial advance unless the borrower elects to include such costs in the principal amount of the loan.

Section 5. At such time as the Authority's Bonds are issued, there shall be retired from the proceeds of the Authority's Bonds such Notes as have been issued pursuant to the provisions of this Resolution and Order.

Section 6. This Resolution and Order shall be in full force and effect from and after its adoption at a properly held meeting of the Kentucky Infrastructure Authority this 26th day of June 2014.

_____
TONY WILDER, CHAIR
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

_____
JEFFREY A. ABSHIRE, SECRETARY
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

_____
PECK, SHAFFER & WILLIAMS, A DIVISION OF
DINSMORE & SHOHL LLP, LEGAL COUNSEL TO
THE KENTUCKY INFRASTRUCTURE AUTHORITY

EXECUTIVE SUMMARY		Reviewer	Brandi Armstrong
KENTUCKY INFRASTRUCTURE AUTHORITY		Date	June 26, 2014
FUND C, GOVERNMENTAL AGENCIES FUND		KIA Loan Number	C14-002
REVOLVING LOAN FUND		WRIS Number	SX21009017

BORROWER	CITY OF GLASGOW BARREN COUNTY

BRIEF DESCRIPTION

This project will construct a seven million gallon peak storage basin to mitigate increased sanitary sewer overflow during wet weather events. The basin will also provide the recommended storage capacity to support an interceptor project.

PROJECT FINANCING		PROJECT BUDGET	RD Fee %	Actual %	
Fund C Loan	$3,000,000	Eng - Design / Const	7.2%	3.9%	$126,260
Local Funds	364,860	Eng - Insp	3.9%	0.7%	21,600
		Construction			3,067,000
		Contingency			150,000
TOTAL	$3,364,860	TOTAL			$3,364,860

REPAYMENT	Rate	3.00%	Est. Annual Payment	$206,563
	Term	20 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	Cannon & Cannon, Inc		
	Bond Counsel	Peck, Shaffer, & Williams, a division of Dinsmore & Shohl, LLP		
PROJECT SCHEDULE	Bid Opening	Sep-13		
	Construction Start	Sep-14		
	Construction Stop	Jun-15		
DEBT PER CUSTOMER	Existing	$936		
	Proposed	$2,315		
OTHER DEBT		See Attached		
OTHER STATE-FUNDED PROJECTS LAST 5 YRS		See Attached		

RESIDENTIAL RATES		Users	Avg. Bill	
	Current	5,903	$14.64	(for 4,000 gallons)
	Additional	0	$14.64	(for 4,000 gallons)

REGIONAL COORDINATION This project is consistent with regional planning recommendations.

CASHFLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2011	2,375,416	1,083,577	1,291,839	2.2
Audited 2012	1,865,016	767,371	1,097,645	2.4
Audited 2013	2,630,762	777,332	1,853,430	3.4
Projected 2014	2,796,596	1,006,849	1,789,747	2.8
Projected 2015	2,806,158	1,102,418	1,703,740	2.5
Projected 2016	2,805,635	1,313,631	1,492,004	2.1
Projected 2017	2,809,843	1,145,569	1,664,274	2.5
Projected 2018	2,811,085	1,148,469	1,662,616	2.4

Reviewer: Brandi Armstrong
Date: June 26, 2014
Loan Number: C14-002

KENTUCKY INFRASTRUCTURE AUTHORITY
GOVERNMENTAL AGENCIES LOAN FUND (FUND "C")
CITY OF GLASGOW, BARREN COUNTY
PROJECT REVIEW
SX21009017

I. PROJECT DESCRIPTION

The City of Glasgow f/b/o Glasgow Water Company is requesting a $3,000,000 Fund "C" loan for the Glasgow Peak Storage Basin project. The project will construct a seven million gallon basin to mitigate sanitary sewer overflows (SSO) during wet weather events. The basin will permit flow equalization into the wastewater treatment plant and reduce ongoing maintenance on an aged interceptor.

II. PROJECT BUDGET

	Total
Engineering Fees – Design / Const	$ 126,260
Engineering Fees - Inspection	21,600
Construction	3,067,000
Contingency	150,000
Total	**$ 3,364,860**

III. PROJECT FUNDING

	Amount	%
Fund C Loan	$ 3,000,000	100%
Total	**$ 3,000,000**	**100%**

IV. KIA DEBT SERVICE

Construction Loan	$ 3,000,000
Interest Rate	3.00%
Loan Term (Years)	20
Estimated Annual Debt Service	$ 200,563
Administrative Fee (0.20%)	6,000
Total Estimated Annual Debt Service	**$ 206,563**

V. PROJECT SCHEDULE

Bid Opening	September 2013
Construction Start	September 2014
Construction Stop	June 2015

The storage was bid as part of a larger project. However, construction for this component will not occur until a later stage of construction.

VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

A) Customers

	Current
Residential	5,015
Commercial	827
Industrial	61
Total	5,903

B) Rates

Water	**Inside City**		**Outside City**	
	Current	**Prior**	**Current**	**Prior**
Date of Last Rate	10/01/12	01/01/03	10/01/12	04/01/03
First 2,000 Gallons	$8.42	$7.02	$12.03	$10.53
Next 18,000 Gallons	3.11	2.26	3.89	3.39
Next 80,000 Gallons	2.46	1.46	2.91	2.19
Cost for 4,000 gallons	**$14.64**	**$11.54**	**$19.81**	**$17.31**
Increase %	26.9%		14.4%	
Affordability Index	0.6%		0.8%	

Sewer	**Inside City**		**Outside City**	
	Current	**Prior**	**Current**	**Prior**
Date of Last Rate	10/01/12	01/01/09	10/01/12	04/01/09
First 2,000 Gallons	$11.15	$8.40	$14.15	$12.60
Over 2,000 Gallons	3.95	2.80	4.80	4.20
Cost for 4,000 gallons	**$19.05**	**$14.00**	**$23.75**	**$21.00**
Increase %	36.1%		13.1%	
Affordability Index	0.8%		0.9%	

VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2007-2011, the City's population was 13,991 with a Median Household Income (MHI) of $30,391. The median household income for the Commonwealth is $42,248. All Fund "C" loans are offered at a 3% interest rate.

	Population				Unemployment	
Year	City	% Change	County	% Change	Date	Rate
1980	34,009		12,958		June 2003	5.6%
1990	34,001	0.0%	12,351	-4.7%	June 2008	6.6%
2000	38,033	11.9%	13,019	5.4%	June 2012	8.2%
2010	42,173	10.9%	14,028	7.8%	June 2013	8.5%
Current	42,229	0.1%	14,026	0.0%		
Cumulative %		24.2%		8.2%		

VIII. FINANCIAL ANALYSIS (See Exhibit 1)

Financial information is from the audited financial statements for the year's ended June 30, 2011 through 2013 for Glasgow Water Company.

HISTORICAL

Revenues increased 14% from $7.5 million in 2011 to $8.5 million in 2013 with the bulk of the increase being due to rate increases. Operating expenses increased 16% from $5.2 million to $6.0 million during the same period. The debt coverage ratio was 2.2 in 2011, 2.4 in 2012 and 3.4 in 2013 with the improvement in 2013 being due to the rate increase.

The balance sheet reflects a current ratio of 8.2 and debt to equity ratio of 0.1. The number of months of operating expenses in unrestricted cash is 6.5.

PROJECTED

Projections are based on the following assumptions.

1) Revenues will increase 5% in 2014 for rate increases that were approved in fiscal 2013 and will then increase 3% annually thereafter.
2) Expenses will increase 4% annually for inflation and volume.
3) Debt service coverage is 2.1 in 2016 when the first full year of principal and interest repayments begin.

REPLACEMENT RESERVE

The annual replacement cost is $7,500. This amount should be added to the replacement account each December 1 until the balance reaches $75,000 and maintained for the life of the loan.

IX. DEBT OBLIGATIONS

	Outstanding	Maturity
Series 2009 Water Revenue Bonds	$ 455,000	2014
Series 2003A Water Revenue Bonds	400,000	2016
Series 2012 Water Revenue Bonds	4,430,000	2023
Series 2013 Water Revenue Bonds(i/a/o $6,500,000)	0	2043
Total	**$ 4,885,000**	

X. OTHER STATE OF FEDERAL FUNDING IN PAST FIVE YEARS

Project Title	Funding Source	Amount	Type
Wastewater Treatment Plant Improvement	EDA	1,944,000	Grant
Wastewater Treatment Plant Improvement	HB265	455,661	Grant

XI. CONTACTS

Legal Applicant	
Name	City of Glasgow
Address	126 E. Public Square
	Glasgow, KY 42141
County	Barren
Authorized Official	Rhonda Riherd Trautman (Mayor)
Phone	(270) 651-5131
Email	mayortrautman@glasgow-ky.com

Project Contact - Applicant	
Name	Jeffrey Reed
Representing	Glasgow Water Company
Address	PO Box 819
	Glasgow, KY 42142
Phone	(270) 651-3727
Email	jeffa@glasgowh2o.com

Consulting Engineer	
Name	Cannon and Cannon Inc
Firm	Tim Tucker
Address	8550 Kingston Pike
	Knoxville, TN 37919
Phone	(856) 670-8555
Email	ttucke@cannon-cannon.com

XII. RECOMMENDATIONS

KIA staff recommends approval of the loan with the standard conditions.

CITY OF GLASGOW
BALANCE SHEETS (JUNE YEAR END)

ASSETS	Audited 2011	Audited 2012	Audited 2013	Projected 2015
Current Assets				
Cash	2,652,804	3,058,095	3,294,047	3,887,534
Accounts Receivable	407,590	416,090	536,723	579,800
Other Receivables	96,805	31,909	249,795	50,000
Inventory	224,666	216,449	219,678	220,000
Prepaids	217,076	0	236,171	230,000
Total Current Assets	3,598,941	3,722,543	4,536,414	4,967,334
Total Restricted Assets	882,258	510,187	864,610	850,000
Utility Plant				
Property, Plant and Equipment	68,268,707	70,603,420	72,643,042	85,043,042
Less Accumulated Depreciation ( )	(27,792,900)	(29,060,631)	(30,414,715)	(33,324,715)
Net Fixed Assets	40,475,807	41,542,789	42,228,327	51,718,327
Other Assets				
Source of Water Supply	1,453	985	518	0
Unamortized Bond Costs and Discount, Net	69,532	58,983	0	0
Total Other Assets	70,985	59,968	518	0
Total Assets	45,027,991	45,835,487	47,629,869	57,535,661
LIABILITIES				
Current Liabilities				
Accounts Payable	395,498	205,603	283,681	300,000
Accrued Liabilites	151,034	211,527	164,633	165,000
Customer Deposits	102,970	102,950	102,940	103,000
Total Current Liabilities	649,502	520,080	551,254	568,000
Liabilities Payable - Restricted Assets				
Accounts Payable-Construction	30,735	20,499	241,738	200,000
Accrued Interest Payable	31,168	29,209	3,439	5,000
Current Portion of Long Term Debt	515,000	530,000	585,000	750,000
Total Liabilities Payable - Restricted Assets	576,903	579,708	830,177	955,000
Long Term Liabilities				
Long Term Debt	5,790,000	5,260,000	4,700,000	12,715,000
Unamortized Bond Premium	0	0	108,107	0
Total Long Term Liabilities	5,790,000	5,260,000	4,808,107	12,715,000
Total Liabilities	7,016,405	6,359,788	6,189,538	14,238,000
Total Retained Earnings	38,011,586	39,475,709	41,440,331	43,297,661
Total Liabilities and Equities	45,027,991	45,835,497	47,629,869	57,535,661
Balance Sheet Analysis				
Current Ratio	5.5	7.2	8.2	8.7
Debt to Equity	0.2	0.2	0.1	0.3
Days Sales in Accounts Receivable	19.7	20.4	22.8	22.8
Months Operating Expenses in Unrestricted Cash	6.1	6.5	6.5	7.1

EXHIBIT 1
CITY OF GLASGOW
CASH FLOW ANALYSIS (JUNE YEAR END)

	Audited 2011	% Change	Audited 2012	% Change	Audited 2013	Projected 2014	Projected 2015	Projected 2016	Projected 2017	Projected 2018
Operating Revenues										
Water Revenues	5,428,992	-4%	5,227,831	16%	6,056,906	6,359,751	6,550,544	6,747,060	6,949,472	7,157,956
Sewer Revenues	1,839,515	5%	1,936,996	18%	2,282,606	2,396,736	2,456,655	2,518,071	2,581,023	2,645,548
Other	264,910	5%	277,080	-8%	254,617	267,348	275,368	283,629	292,138	300,902
Total Revenues	7,533,417	-1%	7,441,907	15%	8,594,129	9,023,835	9,282,567	9,548,761	9,822,633	10,104,407
Operating Expenses										
Operating Expenses	5,220,420	8%	5,627,103	7%	6,037,730	6,279,239	6,530,409	6,791,625	7,063,290	7,345,822
Depreciation	1,402,831	4%	1,465,776	0%	1,467,081	1,460,000	1,450,000	1,580,000	1,600,000	1,600,000
Replacement Reserve	0		0		0	0	0	7,500	7,500	7,500
Total Expenses	6,623,251	7%	7,092,879	6%	7,504,811	7,739,239	7,980,409	8,379,125	8,670,790	8,953,322
Net Operating Income	910,166	-62%	349,028	212%	1,089,318	1,284,596	1,302,158	1,169,635	1,151,843	1,151,085
Non-Operating Income and Expenses										
Interest Income-Water	62,419	-20%	50,212	48%	74,363	52,000	54,000	56,000	58,000	60,000
Total Non-Operating Income & Expenses	62,419	-20%	50,212	48%	74,363	52,000	54,000	56,000	58,000	60,000
Add Non-Cash Expenses										
Depreciation	1,402,831	4%	1,465,776	0%	1,467,081	1,460,000	1,450,000	1,580,000	1,600,000	1,600,000
Cash Available for Debt Service- Water	**2,375,416**	**-21%**	**1,865,016**	**41%**	**2,630,762**	**2,796,596**	**2,806,158**	**2,805,635**	**2,809,843**	**2,811,085**
Debt Service										
Existing Principal	810,000		515,000		505,000	720,000	735,000	750,000	605,000	620,000
Existing Interest	273,577		252,371		272,332	286,849	367,418	357,068	334,006	321,906
Proposed KIA Loan	0		0		0	0	0	206,563	206,563	206,563
Total Debt Service	1,083,577		767,371		777,332	1,006,849	1,102,418	1,313,631	1,145,569	1,148,469
Income After Debt Service	1,291,839		1,097,645		1,853,430	1,789,747	1,703,740	1,492,004	1,664,274	1,662,616
Debt Coverage Ratio	2.2		2.4		3.4	2.8	2.5	2.1	2.5	2.4

A T T A C H M E N T

I.B.10.

A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING AMENDMENT OF THE CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED DRINKING WATER REVOLVING FUND LOAN (F13-002) INCREASING THE AMOUNT TO $2,703,422 TO THE CITY OF HARRODSBURG, MERCER COUNTY, KENTUCKY

WHEREAS, the Kentucky Infrastructure Authority (the "Authority") has been duly created as a body corporate and politic constituting a public corporation and a governmental agency of the Commonwealth of Kentucky pursuant to Chapter 224A of the Kentucky Revised Statutes (the "Act"); and

WHEREAS, pursuant to the Act, the Authority is duly and legally authorized to make loans to Governmental Agencies for the purpose of providing funds for the construction and acquisition of sanitary sewer facilities, water facilities or other types of infrastructure, and in that regard, to enter into Assistance Agreements with such Governmental Agencies governing the provisions in respect of which such loans are to be made, the amounts thereof and the repayment provisions in respect thereto; and

WHEREAS, the Authority previously approved a Federally Assisted Drinking Water Revolving Fund Loan (F13-002) to the City of Harrodsburg on March 7, 2013 in the amount of $1,688,950; and the City of Harrodsburg has requested an increase to the Federally Assisted Drinking Water Revolving Fund Loan (F13-002) in the amount of $1,014,472;

WHEREAS, the Authority anticipates entering into an Assistance Agreement for a loan from the Authority's Federally Assisted Drinking Water Revolving Loan Program (Fund F) with the City of Harrodsburg, subject to final determination of amount when the factors involving such financing have been determined; and

WHEREAS, the Authority will, in the near future, authorize and issue a series of its Infrastructure Authority Revenue Bonds for the purpose of funding loans to various governmental agencies, such series of Bonds to be known as Kentucky Infrastructure Authority Revenue Bonds with the appropriate Series designation; and

WHEREAS, the Authority wishes to establish terms and conditions on said Fund F loans prior to the issuance of Authority Revenue Bonds and recognizes that additional planning and design of the financed projects are required.

NOW, THEREFORE, THE KENTUCKY INFRASTRUCTURE AUTHORITY, ACTING BY AND THROUGH ITS BOARD OF DIRECTORS AS ITS DULY AUTHORIZED AND EMPOWERED GOVERNING BODY, DOES HEREBY RESOLVE AND ORDER, AS FOLLOWS:

Section 1. All statements of fact set forth in the preambles to this Resolution and Order are incorporated herein by reference, the same as if set forth verbatim. All such statements of fact are hereby declared to be true and accurate in all material respects.

Section 2. The Authority hereby authorizes the Amendment of a conditional Federally Assisted Drinking Water Revolving Fund loan increasing the amount to $2,703,422 of project expense including capitalized interest for the construction period, to the City of Harrodsburg for the North Main Water Storage Tank project. Such amounts are subject to adjustment by further action of the Authority or may be adjusted by action of the Authority staff at the time of the issuance of

of the Authority or may be adjusted by action of the Authority staff at the time of the issuance of bonds based on adjustment in project costs of not more than (10%) ten percent of the project cost authorized by this resolution. Upon satisfaction of all conditions of the commitment, execution of an assistance agreement for this loan is authorized.

Section 3. Principal forgiveness of 10% will be deducted from the approved loan amount. The unforgiven principal balance of $1,688,950 shall be repaid.

Section 4. The unforgiven principal shall be repayable over 20 years at an interest rate of 1.75%. In addition to debt service, a 0.25% annual administration fee on the unpaid, unforgiven balance will be charged. From annual revenues, $6,800 must be set aside in a borrower held replacement reserve each December 1 until the balance reaches $68,000 and maintained for the life of the loan. These terms are subject to adjustment upon execution of the loan agreement, upon changes in the project conditions or determination that the project will require authority financing to be done on a taxable basis.

Section 4. This Resolution and Order shall be in full force and effect from and after its adoption at a properly held meeting of the Kentucky Infrastructure Authority this 26th day of June, 2014.

_____
TONY WILDER, CHAIR
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

_____
JEFFREY A. ABSHIRE, SECRETARY
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

_____
PECK, SHAFFER & WILLIAMS, A DIVISION OF
DINSMORE & SHOHL LLP, LEGAL COUNSEL TO
THE KENTUCKY INFRASTRUCTURE AUTHORITY

STEVEN L. BESHEAR
GOVERNOR

LEONARD K. PETERS
SECRETARY

ENERGY AND ENVIRONMENT CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION
DIVISION OF WATER
200 FAIR OAKS LANE, 4TH FLOOR
FRANKFORT, KENTUCKY 40601
www.kentucky.gov

June 16, 2014

Mr. John Covington
Executive Director
Kentucky Infrastructure Authority
1024 Capital Center Drive, Suite 340
Frankfort, Kentucky 40601

Re: DWL13007, (F13-002)
Harrodsburg Municipal Water Department--3146
Activity ID: FGL20110006
HUC11: 05140102010
Watershed Name: Salt River, Harrodsburg
Binding Commitment

Dear Mr. Covington:

The Division of Water (DOW) hereby certifies that the City of Harrodsburg is entitled to receive priority for funding for their North Main Tank & Distribution Improvements project and is eligible to receive an additional $1,014,500.00 from the Drinking Water State Revolving Fund. This is a loan increase from the original loan amount of $1,688,950.00 making a total of $2,703,450.00. The following information is provided:

1. Project specific environmental information was approved by the DOW on December 27, 2013.

2. Plans and specifications were approved by the DOW on July 19, 2013.

3. Construction bids were opened on September 18, 2013.

The KIA conditional commitment letter should include the following general conditions to satisfy federal requirements:

1. The Authority to Award (bid) package, including the Disadvantaged Business Enterprise (DBE) reviews, must be approved by DOW prior to the contract being awarded. DOW must conduct a preconstruction and project management conference.

2. Documentation of final funding commitments from all parties other than the Kentucky Infrastructure Authority (KIA) as reflected in the credit analysis shall be provided to KIA prior to their loan closing and disbursement of the loan monies. Rejections of any anticipated

project funding shall be immediately reported to KIA and may cause this loan to be subject to further consideration.

3. The borrower must complete and submit any missing or incomplete parts of the Application to KIA upon request.

4. The Loan Agreement must be executed within six (6) months from bid opening.

5. The city must agree to expend all loan funds within six months of the date of initiation of operation.

Upon compliance with the general conditions, the DOW will issue its final project certification prior to finalizing the loan agreement.

The SRF application review has been completed by staff of the KIA. If you have any questions or concerns regarding missing items or additional submission requirements, please contact Jeff Abshire at (502) 573-0260. Should you have any questions concerning this letter, do not hesitate to contact Amber Vaughn, Project Manager, at (502) 564-3410, extension 4591.

Sincerely,

Peter Goodmann, Director
Division of Water

PG/BG:av

c: Honorable Eddie Long, Mayor
Laura Gilkerson, GRW Engineers, Inc.
Ryan Carr, GRW Engineers, Inc.

EXECUTIVE SUMMARY **KENTUCKY INFRASTRUCTURE AUTHORITY** **FUND F, FEDERALLY ASSISTED DRINKING WATER REVOLVING LOAN FUND**		Reviewer Date KIA Loan Number WRIS Number	Brandi Armstrong June 26, 2014 F13-002 (Increase) WX21167022, WX21167026, WX 21167027

BORROWER	CITY OF HARRODSBURG MERCER COUNTY

BRIEF DESCRIPTION

The City of Harrodsburg is requesting an increase of $1,014,472 to an existing $1,688,950 Fund "F" loan. An additional 15,000 linear feet of waterlines were identified as needing replacement the preliminary design stage of the project. The six inch lines will be replaced with eight inch PVC lines. The current lines were installed in the 1940's and have deteriorated causing breaks and water leaks. The original project summary is below:

This project involves two components to improve the City's water system. First, approximately 24,000 linear feet of water lines in older sections of the system will be replaced with eight inch PVC. Valves and fire hydrants will also be replaced. Second, a storage tank will be refurbished by removing the existing lead based interior and exterior paint, repainting the tank, and proper disposal of the lead based residue.

PROJECT FINANCING		PROJECT BUDGET	RD Fee %	Actual %	
Fund F Loan	$2,703,422	Eng - Design / Const	7.5%	7.8%	185,405
		Eng - Inspection	4.4%	5.0%	118,883
		Eng - Other			32,000
		Construction			2,196,545
		Contingency			170,589
TOTAL	$2,703,422	TOTAL			$2,703,422

REPAYMENT	Rate	1.75%	Est. Annual Payment	$150,792
	Term	20 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	GRW Engineers, Inc.		
	Bond Counsel	Peck, Shaffer, & Williams, a division of Dinsmore & Shohl, LLP		
PROJECT SCHEDULE	Bid Opening	Mar-14		
	Construction Start	May-14		
	Construction Stop	May-15		
DEBT PER CUSTOMER	Existing	$4,114		
	Proposed	$4,748		
OTHER DEBT		See Attached		
OTHER STATE-FUNDED PROJECTS LAST 5 YRS		See Attached		

RESIDENTIAL RATES		Users	Avg. Bill	
	Current	3,964	$20.55	(for 4,000 gallons)
	Additional	0	$20.55	(for 4,000 gallons)

REGIONAL COORDINATION This project is consistent with regional planning recommendations.

CASHFLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2011	1,222,706	732,273	490,433	1.7
Audited 2012	1,060,373	845,286	215,087	1.3
Audited 2013	1,887,552	826,494	1,061,058	2.3
Projected 2014	1,891,731	1,287,099	604,632	1.5
Projected 2015	1,874,893	1,221,087	653,806	1.5
Projected 2016	1,864,001	1,358,316	505,686	1.4
Projected 2017	1,852,223	1,334,098	518,125	1.4
Projected 2018	1,839,520	1,323,233	516,288	1.4

Reviewer: Brandi Armstrong
Date: June 26, 2014
Loan Number: F13-002 Increase

KENTUCKY INFRASTRUCTURE AUTHORITY
DRINKING WATER STATE REVOLVING FUND (FUND "F")
CITY OF HARRODSBURG, MERCER COUNTY
PROJECT REVIEW
WX21167022, WX21167026, WX21167027

I. PROJECT DESCRIPTION

The City of Harrodsburg is requesting an increase of $1,014,472 to an existing $1,688,950 Fund "F" loan for the Water Distribution Improvements and North Main Water Storage Tank projects. The funds will permit the replacement of an additional 15,000 linear feet of six inch water lines with eight inch PVC lines. The current lines were installed in the 1940's and have deteriorated causing breaks and water leaks. The additional lines were identified during the preliminary design stage of the project. The original project summary is below.

Original Project Description

The City of Harrodsburg is requesting a Fund F loan in the amount of $1,688,950 for the Water Distribution Improvements and North Main Water Storage Tank projects. The first project involves replacement of approximately 24,000 linear feet of water lines in older sections of the system with eight inch PVC lines. Valves and fire hydrants will also be replaced. The water supply is affected when lines break and the risk of public health danger exists. The second project will refurbish a storage tank by removing the existing lead based interior and exterior paint, repainting the tank, and proper disposal of the lead based residue.

The City supplies water to the North Mercer and Lake Village Water Districts, both of which are regulated by the PSC. They also sell water to the City of Burgin.

II. PROJECT BUDGET

	Revised	Increase	Original
Engineering Fees - Design / Const	185,405	84,555	100,850
Engineering Fees - Inspection	118,883	783	118,100
Engineering Fees - Other	32,000	10,000	22,000
Construction	2,196,545	872,545	1,324,000
Contingency	170,589	46,589	124,000
Total	**$ 2,703,422**	**$ 1,014,472**	**$ 1,688,950**

III. PROJECT FUNDING

	Amount	%
Fund F Loan	$ 2,703,422	100%
Total	**$ 2,703,422**	**100%**

IV. KIA DEBT SERVICE

	Revised	Increase	Original
Construction Loan	$ 2,703,422	$ 1,014,472	$ 1,688,950
Less: Principal Forgiveness (10%)	270,342	101,447	168,895
Amortized Loan Amount	$ 2,433,080	$ 913,025	$ 1,520,055
Interest Rate	1.75%	0.00%	1.75%
Loan Term (Years)	20	0	20
Estimated Annual Debt Service	$ 144,709	$ 54,303	$ 90,406
Administrative Fee (0.25%)	6,083	2,283	3,800
Total Estimated Annual Debt Service	**$ 150,792**	**$ 56,586**	**$ 94,206**

V. PROJECT SCHEDULE

Bid Opening	March 2014
Construction Start	May 2014
Construction Stop	May 2015

VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

A) Customers

Customers	Current
Residential	3,577
Commercial	364
Industrial	23
Total	3,964

B) Rates

Retail Water	Current	Prior
Date of Last Rate Increase	06/14/2012	04/30/2010
First 250 cubic feet (per 100 cf)	9.87	8.78
Next 750 cubic feet	3.75	3.33
Next 3,000 cubic feet	3.26	2.90
Next 6,000 cubic feet	2.77	2.46
Next 25,000 cubic feet	2.36	2.10
Next 25,000 cubic feet	1.97	1.75
All over 60,000 cubic feet	1.58	1.40
Cost for 4,000 gallons	**$20.55**	**$18.26**
Increase %	12.5%	40.0%
Affordability Index (Rate/MHI)	0.7%	

Wholesale water rates increased 40% in August 2010 to an average of $1.87 per thousand gallons (rates are tiered based on volume) then increased 12.8% in September 2012 to an average of $2.11 per thousand. Sewer rates increased 19.5% in October 2011 from $19.14 to $22.86 for 4,000 gallons.

VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2007 - 2011, the City's population was 8,316 with a Median Household Income (MHI) of $29,929. The median household income for the Commonwealth is $42,248. The project will retain the 1.75% interest rate from the original loan.

	Population				Unemployment	
Year	City	% Change	County	% Change	Date	Rate
1980	2,377		11,043		June 2003	7.1%
1990	1,990	-16.3%	10,371	-6.1%	June 2008	7.7%
2000	2,396	20.4%	11,518	11.1%	June 2012	8.4%
2010	2,163	-9.7%	11,258	-2.3%	June 2013	8.5%
Current	2,593	19.9%	11,334	0.7%		
Cumulative %		9.1%		2.6%		

VIII. 2012 CAPITALIZATION GRANT EQUIVALENCIES

1) Green Project Reserve - The 2012 Drinking Water capitalization grant does not contain a “green” requirement.

2) Additional Subsidization – This project qualifies for additional subsidization (in the amount of $270,345.

IX. FINANCIAL ANALYSIS (See Exhibit 1)

Financial information was obtained from City’s audited financial statements for the years ended June 30, 2011 through 2013. The analysis includes combined results for the City’s water and sewer operations.

HISTORY

Water revenues increased 28% from 2011 to 2013 from $1.86 million to $2.38 million. Sewer revenues increased 66% from 2011 to 2013 from $1.18 million to $1.96 million. Operating expenses increased 34% from $1.96 million to $2.62 million. The increase is due to higher contracted maintenance services along with increases in personnel costs. The debt coverage ratio increased from 1.7 in 2011 to 2.3 in 2013.

The balance sheet reflects a current ratio of 1.9, a debt to equity ratio of 0.9 and unrestricted cash equals 4.2 months of operating expenses.

PROJECTIONS

Projections are based on the following assumptions:

1) Water and sewer revenues reflect existing rate increases plus 0.5% for volume.
2) Operating expenses will increase by 3% per year.
3) Debt service coverage is 1.4 in 2016 when principal and interest repayments begin.

Based on the proforma assumptions, the utility shows adequate cash flow to repay the KIA Fund F loan.

REPLACEMENT RESERVE

The annual replacement cost is $6,800. This amount should be added to the replacement account each December 1 until the balance reaches $68,000 and maintained for the life of the loan.

X. DEBT OBLIGATIONS

	Outstanding	Maturity
2008 Capital Lease	1,288,212	2023
KIA (A02-06)	1,823,734	2023
Note Payable	121,940	2016
2004 Bonds	1,165,000	2021
2006 Bonds	1,024,000	2044
2006 Bonds	2,291,500	2045
2012 Bonds	7,700,000	2051
KIA Loan (A12-07) (i/a/o $706,000)	315,000	2032
KIA Loan (F11-17) (i/a/o $438,000)	284,700	2031
KIA Loan (A11-21) (i/a/o $418,500)	294,604	2031
KIA Loan (F13-022 i/a/o $1,520,055)	0	TBD
Total	**$ 16,308,690**	

XI. OTHER STATE OR FEDERAL FUNDING IN PAST FIVE YEARS

Project Title	Funding Source	Amount	Type
WWTP Improvements	EPA STAG	1,300,000	Grant
WTP Upgrade	CDBG	1,000,000	Grant
WTP Upgrade	Rural Development	4,300,000	Grant
WWTP Improvements	Rural Development	288,000	Grant

XII. CONTACTS

Legal Applicant	
Name	City of Harrodsburg
Address	208 South Main Street Harrodsburg, KY 40330
County	Mercer
Authorized Official	Eddie Long (Mayor)
Phone	(859) 734-2383
Email	2longbranch@roadrunner.com

Project Contact - Applicant	
Name	Troy Gowins
Representing	City of Harrodsburg
Address	208 South Main Street Harrodsburg, KY 40330
Phone	(859) 734-3042
Email	tgowins@att.net

Project Administrator	
Name	GRW Engineers, Inc.
Address	801 Corporate Drive Lexington, KY 40503
Contact	Laura Gilkerson
Phone	(859) 223-3999
Email	lgilkerson@grwinc.com

Consulting Engineer	
Name	Ryan Carr
Firm	GRW Engineers, Inc.
Address	801 Corporate Drive Lexington, KY 40503
Phone	(859) 223-3999
Email	rcarr@grwinc.com

XIII. RECOMMENDATIONS

KIA staff recommends approval of the loan with the standard conditions.

CITY OF HARRODSBURG
BALANCE SHEETS (JUNE YEAR END)

ASSETS	Audited 2011	Audited 2012	Audited 2013	Upon Completion 2015
Current Assets				
Cash	629,098	242,012	547,920	1,201,726
Accounts Receivable	340,743	396,059	498,747	514,200
Certificates of Deposit	367,865	371,788	374,210	400,000
Grants Receivable	0	655,573	144,498	0
Prepaid	138,603	155,019	188,717	145,000
Total Current Assets	1,476,309	1,820,451	1,754,092	2,260,926
Restricted Assets				
Bond Sinking Fund	314,150	314,089	301,037	302,000
Depreciation Fund	110,045	130,730	151,228	152,000
Repairs and Maintenance Fund	586,864	1,008,706	702,810	700,000
Total Restricted Assets	1,011,059	1,453,525	1,155,075	1,154,000
Net Fixed Assets	24,898,077	31,449,495	34,242,632	35,860,112
Bond Issue Costs	75,378	86,143	46,561	34,561
Total Assets	27,460,823	34,809,614	37,198,360	39,309,599
LIABILITIES				
Current Liabilities				
Accounts Payable and Accrued Liabilities	75,657	96,925	113,105	100,000
Accounts Payable - Construction	396,845	1,272,858	306,974	100,000
Payroll Liabilities	37,908	40,081	58,023	42,500
Due to Other Funds	19,138	35,000	35,000	35,000
Customer Deposits	245,948	253,000	253,363	255,000
Leases and Loans Payable	2,340,729	158,349	164,744	35,000
Total Current Liabilities	3,116,225	1,856,213	931,209	567,500
Liabilities Payable - Restricted Assets				
Accrued Interest Payable	58,160	56,046	43,717	50,000
Loan Payable	162,306	163,933	165,576	210,000
Bonds Payable	187,500	194,000	323,900	404,888
Total Liabilities Payable - Restricted Assets	407,966	413,979	533,193	664,888
Long Term Liabilities				
Bonds, Leases, and Loans Payable	8,245,686	15,429,384	15,654,470	14,468,694
Proposed KIA Loan	0	0	0	1,520,055
Proposed KIA Loan	0	0	0	2,183,080
Total Long Term Liabilities	8,245,686	15,429,384	15,654,470	18,171,829
Total Liabilities	11,769,877	17,699,576	17,118,872	19,404,217
Total Retained Earnings	15,690,946	17,110,038	20,079,488	19,905,382
Total Liabilities and Equities	27,460,823	34,809,614	37,198,360	39,309,599
Balance Sheet Analysis				
Current Ratio	0.5	1.0	1.9	4.0
Debt to Equity	0.8	1.0	0.9	1.0
Days Sales in Accounts Receivable	42.3	40.8	40.1	40.1
Months Operating Expenses in Unrestricted Cash	6.1	3.3	4.2	6.9

EXHIBIT 1
CITY OF HARRODSBURG
CASH FLOW ANALYSIS (JUNE YEAR END)

	Audited	%	Audited	%	Audited	Projected	Projected	Projected	Projected	Projected
Operating Revenues	**2011**	**Change**	**2012**	**Change**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Water Revenues	1,863,865	1%	1,882,725	27%	2,384,870	2,444,492	2,505,604	2,568,244	2,632,450	2,698,262
Sewer Revenues	1,183,417	12%	1,320,149	49%	1,962,073	1,971,883	1,981,743	1,991,651	2,001,610	2,011,618
Other	128,229	-2%	125,849	54%	193,182	193,182	193,182	193,182	193,182	193,182
Total Revenues	3,175,511	5%	3,328,723	36%	4,540,125	4,609,557	4,680,529	4,753,078	4,827,242	4,903,061
Operating Expenses										
Water Expenses	1,293,415	1%	1,312,509	22%	1,599,778	1,647,771	1,697,204	1,748,121	1,800,564	1,854,581
Sewer Expenses	665,480	42%	946,691	8%	1,021,898	1,052,555	1,084,132	1,116,656	1,150,155	1,184,660
Depreciation	1,364,842	0%	1,368,172	4%	1,417,971	1,417,971	1,417,971	1,485,571	1,485,571	1,485,571
Replacement Reserve	68,000		68,000		68,000	68,000	74,800	74,800	74,800	74,800
Total Expenses	3,391,737	9%	3,695,372	11%	4,107,647	4,186,297	4,274,107	4,425,147	4,511,090	4,599,612
Net Operating Income	(216,226)	70%	(366,649)	-218%	432,478	423,260	406,422	327,930	316,152	303,449
Non-Operating Income and Expenses										
Interest Income	12,876	-25%	9,646	-39%	5,863	5,500	5,500	5,500	5,500	5,500
Other	61,214		49,204		31,240	45,000	45,000	45,000	45,000	45,000
Total Non-Operating Income & Expenses	74,090	-21%	58,850	-37%	37,103	50,500	50,500	50,500	50,500	50,500
Add Non-Cash Expenses										
Depreciation	1,364,842	0%	1,368,172	4%	1,417,971	1,417,971	1,417,971	1,485,571	1,485,571	1,485,571
Cash Available for Debt Service- Water	**1,222,706**	**-13%**	**1,060,373**	**78%**	**1,887,552**	**1,891,731**	**1,874,893**	**1,864,001**	**1,852,223**	**1,839,520**
Total Debt Service	732,273		845,286		826,494	1,287,099	1,221,087	1,358,316	1,334,098	1,323,233
Income After Debt Service	490,433		215,087		1,061,058	604,632	653,806	505,686	518,125	516,288
Debt Coverage Ratio	1.7		1.3		2.3	1.5	1.5	1.4	1.4	1.4

ATTACHMENT

I.B.11.

A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING AMENDMENT OF THE CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED DRINKING WATER REVOLVING FUND LOAN (F13-011) INCREASING THE AMOUNT TO $12,467,849 TO THE CITY OF DANVILLE, BOYLE COUNTY, KENTUCKY

WHEREAS, the Kentucky Infrastructure Authority (the "Authority") has been duly created as a body corporate and politic constituting a public corporation and a governmental agency of the Commonwealth of Kentucky pursuant to Chapter 224A of the Kentucky Revised Statutes (the "Act"); and

WHEREAS, pursuant to the Act, the Authority is duly and legally authorized to make loans to Governmental Agencies for the purpose of providing funds for the construction and acquisition of sanitary sewer facilities, water facilities or other types of infrastructure, and in that regard, to enter into Assistance Agreements with such Governmental Agencies governing the provisions in respect of which such loans are to be made, the amounts thereof and the repayment provisions in respect thereto; and

WHEREAS, the Authority previously approved a Federally Assisted Drinking Water Revolving Fund Loan (F13-011) to the City of Danville on February 7, 2013 in the amount of $4,000,000; on February 6, 2014 the Authority approved a $4,000,000 increase to the Federally Assistance Drinking Water Revolving Fund Loan (F13-011) to the City of Danville, and the City of Danville has requested a second increase to the Federally Assisted Drinking Water Revolving Fund Loan (F13-011) in the amount of $4,467,849;

WHEREAS, the Authority anticipates entering into an Assistance Agreement for a loan from the Authority's Federally Assisted Drinking Water Revolving Loan Program (Fund F) with the City of Danville, subject to final determination of amount when the factors involving such financing have been determined; and

WHEREAS, the Authority will, in the near future, authorize and issue a series of its Infrastructure Authority Revenue Bonds for the purpose of funding loans to various governmental agencies, such series of Bonds to be known as Kentucky Infrastructure Authority Revenue Bonds with the appropriate Series designation; and

WHEREAS, the Authority wishes to establish terms and conditions on said Fund F loans prior to the issuance of Authority Revenue Bonds and recognizes that additional planning and design of the financed projects are required.

NOW, THEREFORE, THE KENTUCKY INFRASTRUCTURE AUTHORITY, ACTING BY AND THROUGH ITS BOARD OF DIRECTORS AS ITS DULY AUTHORIZED AND EMPOWERED GOVERNING BODY, DOES HEREBY RESOLVE AND ORDER, AS FOLLOWS:

Section 1. All statements of fact set forth in the preambles to this Resolution and Order are incorporated herein by reference, the same as if set forth verbatim. All such statements of fact are hereby declared to be true and accurate in all material respects.

Section 2. The Authority hereby authorizes the Amendment of a conditional Federally Assisted Drinking Water Revolving Fund loan increasing the amount to $12,467,849 of project expense including capitalized interest for the construction period, to the City of Danville for the Water Treatment Plant and Raw Water Intake project. Such amounts are subject to adjustment by further action of the Authority or may be adjusted by action of the Authority staff at the time of the issuance of bonds based on adjustment in project costs of not more than (10%) ten percent of the project cost authorized by this resolution. Upon satisfaction of all conditions of the commitment, execution of an assistance agreement for this loan is authorized.

Section 3. Principal forgiveness of $400,000 will be deducted from the approved loan amount. The unforgiven principal balance of $12,067,849 shall be repaid.

Section 4. The unforgiven principal shall be repayable over 20 years at an interest rate of 1.75%. In addition to debt service, a 0.25% annual administration fee on the unpaid, unforgiven balance will be charged. From annual revenues, $31,200 must be set aside in a borrower held replacement reserve each December 1 until the balance reaches $312,000 and maintained for the life of the loan. These terms are subject to adjustment upon execution of the loan agreement, upon changes in the project conditions or determination that the project will require authority financing to be done on a taxable basis.

Section 4. This Resolution and Order shall be in full force and effect from and after its adoption at a properly held meeting of the Kentucky Infrastructure Authority this 26th day of June, 2014.

_____
TONY WILDER, CHAIR
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

_____
JEFFREY A. ABSHIRE, SECRETARY
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

_____
PECK, SHAFFER & WILLIAMS, A DIVISION OF
DINSMORE & SHOHL LLP, LEGAL COUNSEL TO
THE KENTUCKY INFRASTRUCTURE AUTHORITY

STEVEN L. BESHEAR
GOVERNOR

LEONARD K. PETERS
SECRETARY

ENERGY AND ENVIRONMENT CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION
DIVISION OF WATER
200 FAIR OAKS LANE, 4TH FLOOR
FRANKFORT, KENTUCKY 40601
www.kentucky.gov

June 9, 2014

Mr. John Covington
Executive Director
Kentucky Infrastructure Authority
1024 Capital Center Drive, Suite 340
Frankfort, Kentucky 40601

Re: DWL13001, F13-011
Danville City Water Works--367
Activity ID: FGL20130003
HUC11: 05100205190
Watershed Name: Clarks Run
Binding Commitment

Dear Mr. Covington:

The Division of Water (DOW) hereby certifies that the City of Danville is entitled to receive priority for funding for their Danville Water Treatment Plant and Raw Water Improvement Project and is eligible to receive an additional $4,467,849.00 from the Drinking Water State Revolving Fund. This is a second loan increase from the original loan amounts of $4,000,000.00 each. The following information is provided:

1. Project specific environmental information was approved by the DOW on March 21, 2013.

2. Plans and specifications were approved by the DOW on October 2, 2012.

3. Construction bids were opened on October 8, 2013.

The KIA conditional commitment letter should include the following general conditions to satisfy federal requirements:

1. The Authority to Award (bid) package, including the Disadvantaged Business Enterprise (DBE) reviews, must be approved by DOW prior to the contract being awarded. DOW must conduct a preconstruction and project management conference.

2. Documentation of final funding commitments from all parties other than the Kentucky Infrastructure Authority (KIA) as reflected in the credit analysis shall be provided to KIA prior to their loan closing and disbursement of the loan monies. Rejections of any anticipated project funding shall be immediately reported to KIA and may cause this loan to be subject to further consideration.

3. The borrower must complete and submit any missing or incomplete parts of the Application to KIA upon request.

4. The Loan Agreement must be executed within six (6) months from bid opening.

5. The city must agree to expend all loan funds within six months of the date of initiation of operation.

Upon compliance with the general conditions, the DOW will issue its final project certification prior to finalizing the loan agreement.

The SRF application review has been completed by staff of the KIA. If you have any questions or concerns regarding missing items or additional submission requirements, please contact Jeff Abshire at (502) 573-0260. Should you have any questions concerning this letter, do not hesitate to contact Amber Vaughn, Project Manager, at (502) 564-3410, extension 4591.

Sincerely,

for Shafiq Sabuni

Peter Goodmann, Director
Division of Water

PG/BG:av

c: Honorable Bernie Hunstad, Mayor
Ron Scott, City of Danville
Robert J. Sturdivant, HDR Engineering, Inc.

EXECUTIVE SUMMARY		Reviewer	Jeff Abshire
KENTUCKY INFRASTRUCTURE AUTHORITY		Date	June 26, 2014
FUND F, FEDERALLY ASSISTED DRINKING WATER REVOLVING LOAN FUND		KIA Loan Number	F13-011 (Increase #2)
		WRIS Number	WX21021017
BORROWER	CITY OF DANVILLE BOYLE COUNTY		

BRIEF DESCRIPTION

The City of Danville is requesting an increase of $4,467,849 in KIA funds for the Water Treatment Plant and Raw Water Intake Project. This increase will replace previously proposed bond funding of the same amount. The project was ranked tenth on the 2014 Drinking Water State Revolving Fund Priority List and was eligible for the additional $4.0 million amount. There is no change in the original project budget total. The original project description is below.

This project involves the renovation of the City of Danville's water treatment plant and raw water intake, a capacity increase and the addition of advanced treatment methods to insure compliance with new water quality regulations. The existing plant was constructed in 1924 with subsequent renovations or expansions in 1952, 1957, 1966, 1983, and 1990 and is deteriorating.

PROJECT FINANCING		PROJECT BUDGET	RD Fee %	Actual %	
Fund F Loan (F14-010)	$4,000,000	Administrative Expenses			$125,000
Fund F Loan (F13-011)	4,000,000	Legal Expenses			125,000
Rural Development	15,000,000	Eng - Design / Const	6.4%	7.3%	1,906,892
F14-010 Increase	4,467,849	Eng - Insp	4.1%	0.0%	-
Utilities Fund	1,140,322	Construction			23,789,000
		Contingency			2,250,779
		Other			411,500
TOTAL	$28,608,171	TOTAL			$28,608,171

REPAYMENT	Rate	1.75%	Est. Annual Payment	$247,902
	Term	20 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	HDR Engineering, Inc.		
	Bond Counsel	Peck, Shaffer, & Williams		
PROJECT SCHEDULE	Bid Opening	Oct-13		
	Construction Start	Feb-14		
	Construction Stop	Aug-16		
DEBT PER CUSTOMER	Existing	$709		
	Proposed	$2,981		
OTHER DEBT		See Attached		
OTHER STATE-FUNDED PROJECTS LAST 5 YRS		See Attached		

RESIDENTIAL RATES		Users	Avg. Bill	
	Current	10,166	$18.46	(for 4,000 gallons)
	Additional	0	$18.46	(for 4,000 gallons)

REGIONAL COORDINATION This project is consistent with regional planning recommendations.

CASHFLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2011	1,162,755	1,307,500	(144,745)	0.9
Audited 2012	2,054,903	1,316,546	738,357	1.6
Audited 2013	2,477,701	1,310,304	1,167,397	1.9
Projected 2014	2,151,753	1,369,686	782,067	1.6
Projected 2015	2,429,984	795,794	1,634,190	3.1
Projected 2016	2,577,886	866,638	1,711,248	3.0
Projected 2017	2,526,832	1,502,464	1,024,368	1.7
Projected 2018	2,385,691	2,073,232	312,459	1.2

Reviewer: Jeff Abshire
Date: June 26, 2014
Loan Number: F13-011 (Increase #2)

KENTUCKY INFRASTRUCTURE AUTHORITY
DRINKING WATER STATE REVOLVING FUND (FUND "F")
CITY OF DANVILLE, BOYLE COUNTY
PROJECT REVIEW
WX21021017

I. PROJECT DESCRIPTION

The City of Danville is requesting a Drinking Water SRF loan in the amount of $4,467,849 for the Water Treatment Plant and Raw Water Intake project. This funding will replace bond funding that was originally proposed resulting in a significant reduction in debt service costs. The Kentucky Infrastructure Authority funded $4,000,000 during the fiscal 2013 funding cycle when the project was ranked eleventh (F13-011) out of sixty-two projects and an additional $4,000,000 during the 2014 funding cycle when the project ranked tenth (F14-010) out of fifty-three projects. In an effort to reduce administrative burdens this request will be reported as an increase to the project that was funded during fiscal 2013 (F13-011).

The project involves the renovation and expansion of the City's water treatment plant and raw water intake, a capacity increase from 10 to 12 million gallons per day (MGD) and the addition of advanced treatment methods. The design will permit capacity to be increased to 15 MGD if required in the future. The project will ensure compliance with the EPA's Stage 2 Disinfectants / Disinfection By-Products Rule. The existing plant was constructed in 1924 with subsequent renovations or expansions in 1952, 1957, 1966, 1983, and 1990 and is deteriorating. The project includes the following components:

1) New raw water pump station and intake line to provide needed redundancy to the system.
2) Replace chemical feed, storage building and HVAC system. The current facility is not sized to supply the expanded capacity. The new feed system will accommodate liquid chemicals (current system is dry feed) which will reduce operating expenses because liquid chemicals can be purchased in bulk for less than their dry feed counterparts. Additionally, maintenance associated with liquid feed systems is less than dry feed systems. The HVAC units in the existing building are also inefficient and / or non-functioning.
3) Install clarification system with lamella plate settlers which will produce a single hydraulic grade across the clarification basins to encourage even flow distribution and better performance. The existing flocculators and sedimentation basins in the pre-1966 section are deteriorating and need to be replaced while the newer section is also exhibiting signs of concrete deterioration and equipment replacement needs.

4) Replace filters in the pre-1966 section that are at the end of their useful life with seven filters that will use conventional mixed media granular filtration. The new filters will be comparable in size to the existing filters in the newer section and will

enable the plant to meet KDOW redundancy requirements. The filter building will also be renovated.

5) Add a 1,000,000 gallon clearwell to achieve the recommended total clearwell storage volume of 15% of treatment capacity.
6) Install granular activated carbon (GAC) post-filter contactors for trace organic compound reduction as well as for taste and odor reduction.

Project bids were opened October 8, 2013. The project budget will remain unchanged in total from the originally proposed budget and the contingency will remain at approximately ten percent of construction cost. With the original section of the water treatment plant having been constructed in the 1920's and the entire site being located on karst topography, the discovery of even a small unforeseen condition could be costly to mitigate. Retaining the contingency until the construction process has surpassed these risk stages is more practical than reducing the proposed budget and then requiring a loan increase at a later date.

Approximately 26% (400 million gallons) of water is sold at an average of $1.61 per thousand gallons to wholesale customers which include the Parksville Water District, Garrard County and Lake Village Water Associations, and Hustonville Water Works. Wholesale rates will increase to $2.176 per thousand gallons at the beginning of fiscal 2015. A cost of service study will be conducted in late fiscal 2014 to ensure the adequacy of the rate. A retail rate increase of approximately 40% was effective in July 2011.

II. PROJECT BUDGET

	Total
Administrative Expenses	$ 125,000
Legal Expenses	125,000
Engineering Fees - Design	1,419,084
Engineering Fees - Const / Inspection	487,808
Construction	23,789,000
Contingency	2,250,779
Other	411,500
Total	**$ 28,608,171**

III. PROJECT FUNDING

	Amount	%
Fund F Loan (F14-010)	$ 4,000,000	14%
Fund F Loan (F13-011)	4,000,000	14%
Rural Development	15,000,000	52%
Fund F Loan (F14-010 Increase)	4,467,849	16%
Utilities Fund	1,140,322	4%
Total	**$ 28,608,171**	**100%**

IV. KIA DEBT SERVICE

	2013 IUP (2012 Cap Grant)	2014 IUP (2013 Cap Grant)	Total
Construction Loan	$ 4,000,000	$ 8,467,849	$ 12,467,849
Less: Principal Forgiveness (0%)	400,000	0	400,000
Amortized Loan Amount	$ 3,600,000	$ 8,467,849	$ 12,067,849
Interest Rate	1.75%	1.75%	1.75%
Loan Term (Years)	20	20	20
Estimated Annual Debt Service	$ 214,112	$ 503,630	$ 717,742
Administrative Fee (0.25%)	9,000	21,170	30,170
Total Estimated Annual Debt Service	**$ 223,112**	**$ 524,800**	**$ 747,912**

V. PROJECT SCHEDULE

Bid Opening	October 2013
Construction Start	February 2014
Construction Stop	August 2016

VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

A) Customers

Customers	Current
Residential	8,826
Commercial	1,322
Industrial	18
Total	10,166

B) Rates

	Residential and Commercial		Junction City /
	Current	Prior	Perryville
Date of Last Rate Increase	07/01/13	07/01/12	07/01/13
First 100 cu. ft. (min. bill)	$8.20	$8.06	$13.74
Next 200	2.73	2.69	4.58
Next 1,500	2.05	2.00	3.43
All Over 1,800	1.74	1.71	2.92
Cost for 4,000 gallons	$18.46	$18.12	$30.95
Increase %	1.9%	3.3%	1.0%
Affordability Index (Rate/MHI)	0.6%	0.6%	1.1%

The City's water and sewer rate ordinance requires that rates be adjusted each July

1 for cost of living adjustments as published by the Commonwealth.

VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2007-2011, the City's population was 16,123 with a Median Household Income (MHI) of $38,333. The median household income for the Commonwealth is $42,248. The project will qualify for a 1.75% interest rate.

Other selected demographic history for the City and for Boyle County is as follows:

	Population				Unemployment	
Year	City	% Change	County	% Change	Date	Rate
1980	12,942		25,066		June 2003	11.1%
1990	12,420	-4.0%	25,641	2.3%	June 2008	7.2%
2000	15,477	24.6%	27,697	8.0%	June 2012	10.0%
2010	16,218	4.8%	28,432	2.7%	June 2013	10.0%
Current	16,123	-0.6%	28,345	-0.3%		
Cumulative %		24.6%		13.1%		

VIII. 2013 CAPITALIZATION GRANT EQUIVALENCIES

1) Green Project Reserve - The 2013 Drinking Water capitalization grant does not contain a "green" requirement.

2) Additional Subsidization – This amount being funded under the 2013 capitalization grant does not qualify for additional subsidization. The original loan approval of $4.0 million under the 2012 grant qualified for $400,000 (10%) in principal forgiveness.

IX. FINANCIAL ANALYSIS (See Exhibit 1)

Financial information was obtained from the City's audited financial statements for the years ended June 30, 2011 through 2013 for the City's Utilities Fund. The Utilities Fund accounts for the activities of the water and sewer services provided to residents of the City and surrounding areas. The City also has a storm water fund which is reported separately and is not part of this analysis.

HISTORY

Revenues increased 18% from $6.4 million in 2011 to $7.6 million in 2013 primarily due to rate increases that were passed at the beginning of fiscal 2012. Approximately 20%, or $662 thousand, of water sales are to wholesale customers. Operating expenses averaged $5.3 million each year and varied minimally. Debt service was about $1.3 million each year and the debt coverage ratio improved from 0.9 in 2011 to 1.6 and 1.9 in 2012 and 2013, respectively, as a result of the rate increases.

The balance sheet reflects a current ratio of 1.1 and a debt to equity ratio of 0.3. The number of months operating expenses in unrestricted cash is 2.0.

PROJECTIONS

Projections are based on the following assumptions:

1) Revenues will increase 2.5% annually for inflation while retail growth will be marginal. Wholesale water rates will increase 35% at the beginning of fiscal 2015. Wholesale revenues will increase about $100,000 in 2016 for the addition of one customer that has committed to purchase 150,000 gallons per day.
2) Expenses will increase 2.5% annually for inflation. Additionally, operating expenses will increase by $175,000 beginning in 2018 for periodic reactivation of the GAC filters.
3) Debt service on KIA loans for the project is estimated at $471,015 annually. Total debt service for the Utility Fund will increase to slightly over $2.1 million upon completion of the project.
4) Debt service coverage is 1.2 in 2018 which is the first full year of principal and interest repayments on the project.

Based on the proforma assumptions, the utility shows adequate cash flow to repay the KIA Fund F loan.

REPLACEMENT RESERVE

The annual replacement cost is $31,200 (based on the entire $12,467,849 KIA loan). This amount should be added to the replacement account each December 1 until the balance reaches $312,000 and maintained for the life of the loan. This amount is incremental to reserve requirements on other debt components.

X. DEBT OBLIGATIONS

	Outstanding	Maturity
Series 1995 Revenue Bonds	$ 408,000	2034
Series 2000 Revenue Bonds	391,300	2040
Series 2003 Revenue Bonds	435,000	2014
Series 2008 RD Bonds	1,432,900	2049
Series 2010 RD Bonds	592,000	2050
KIA (C88-06)	185,000	2014
KIA (A98-08)	3,603,978	2021
KIA (F13-011, i/a/o $8.0 M)	0	TBD
Series 2012 Anticipation Note	200,000	TBD
Total	**$ 7,248,178**	

XI. OTHER STATE OR FEDERAL FUNDING IN PAST FIVE YEARS

Project Title	Funding Source	Amount	Type
Ball's Branch Sewer	HB267	800,000	Grant
Airport Road Water	HB608	200,000	Grant
Ball's Branch Sewer	HB608	300,000	Grant
Spear's Creek Pump Station and Lagoon	HB608	1,000,000	Grant
Phylben Village Sewer	KIA / ARC	800,000	Grant

XII. CONTACTS

Legal Applicant	
Name	City of Danville
Address	P.O. Box 670
	Danville, KY 40423
County	Boyle
Authorized Official	Bernie Hunstad (Mayor)
Phone	(859) 238-1200
Email	Mayor@danvilleky.org

Project Contact - Applicant	
Name	Earl Coffey
Representing	City of Danville
Address	P.O. Box 670
	Danville, KY 40423
Phone	(859) 936-6836
Email	ecoffey@danvilleky.org

Project Administrator	
Name	City of Danville
Address	P.O. Box 670
	Danville, KY 40423
Contact	Ron Scott
Phone	(859) 238-1200
Email	rscott@danvilleky.org

Consulting Engineer	
Name	Robert Sturdivant
Firm	HDR Engineering, Inc.
Address	2517 Sir Barton Way
	Lexington, KY 40509
Phone	(859) 223-3755
Email	bob.sturdivant@hdrinc.com

XIII. RECOMMENDATIONS

KIA staff recommends approval of the loan with the standard conditions.

CITY OF DANVILLE
BALANCE SHEETS (JUNE YEAR END)

ASSETS	Audited 2011	Audited 2012	Audited 2013	Upon Completion 2017
Current Assets				
Cash	886,064	422,882	647,818	1,709,369
Investments	0	0	258,676	258,676
Accounts Receivable	903,654	594,767	744,560	849,900
Inventory	211,412	241,915	198,365	210,000
Total Current Assets	2,001,130	1,259,564	1,849,419	3,027,945
Total Restricted Assets	1,696,755	1,806,755	1,605,972	1,860,000
Utility Plant				
Property, Plant and Equipment	49,779,148	50,764,171	52,229,349	83,787,520
Less Accumulated Depreciation ( )	(21,427,319)	(22,541,920)	(23,684,964)	(29,611,064)
Net Fixed Assets	28,351,829	28,222,251	28,544,385	54,176,456
Total Assets	32,049,714	31,288,570	31,999,776	59,064,401
LIABILITIES				
Current Liabilities				
Accounts Payable	1,048,208	361,899	405,952	493,400
Customer Deposits	46,450	48,550	40,350	52,500
Accrued Expenses	54,940	64,042	75,056	91,100
C.P. Long Term Debt	888,592	918,394	1,050,548	545,482
C.P. Compensated Absences	3,171	3,227	3,234	4,500
Interest Payable	72,715	65,190	58,090	75,000
Note Payable	0	0	0	0
Due to Other Funds	23,465	0	0	0
Total Current Liabilities	2,137,541	1,461,302	1,633,230	1,261,982
Long Term Liabilities				
Long Term Debt	7,929,306	7,010,912	6,160,367	29,762,433
Compensated Absences	60,249	61,314	61,444	65,000
Total Long Term Liabilities	7,989,555	7,072,226	6,221,811	29,827,433
Total Liabilities	10,127,096	8,533,528	7,855,041	31,089,415
Retained Earnings:				
Invested in Capital Assets Net of Related Debt	19,533,931	20,292,945	21,333,470	23,868,541
Restricted	1,696,755	1,806,755	1,605,972	1,860,000
Unrestricted	691,932	655,342	1,205,293	2,246,445
Total Retained Earnings	21,922,618	22,755,042	24,144,735	27,974,986
Total Liabilities and Equities	32,049,714	31,288,570	31,999,776	59,064,401
Balance Sheet Analysis				
Current Ratio	0.9	0.9	1.1	2.4
Debt to Equity	0.5	0.4	0.3	1.1
Days Sales in Accounts Receivable	51.5	29.8	35.8	48.9
Months Operating Expenses in Unrestricted Cash	2.0	1.0	2.0	3.9

EXHIBIT 1
CITY OF DANVILLE
CASH FLOW ANALYSIS (JUNE YEAR END)

	Audited	%	Audited	%	Audited	Projected	Projected	Projected	Projected	Projected
Operating Revenues	**2011**	**Change**	**2012**	**Change**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Water Sales	3,068,407	25%	3,842,335	5%	4,043,057	4,116,900	4,445,400	4,644,800	4,747,000	4,854,900
Water Surcharge	215,465	12%	241,989	4%	251,567	258,359	265,335	272,499	279,856	287,412
Sewer Charges	2,792,993	2%	2,845,056	3%	2,943,633	3,017,224	3,092,655	3,169,971	3,249,220	3,330,451
Connection Fees	55,558		56,882		57,541	60,000	60,000	60,000	60,000	60,000
Other	268,337		293,019		288,028	295,805	303,792	311,994	320,418	329,069
Total Revenues	6,400,760	14%	7,279,281	4%	7,583,826	7,748,288	8,167,182	8,459,264	8,656,494	8,861,832
Operating Expenses										
Operating Expenses	5,272,728	0%	5,281,673	4%	5,489,302	5,626,535	5,767,198	5,911,378	6,059,162	6,385,641
Depreciation	1,050,876	6%	1,114,601	3%	1,143,044	1,175,000	1,175,000	1,583,700	1,992,400	1,992,400
Replacement Reserve	0		0		0	0	0	0	100,500	120,500
Total Expenses	6,323,604	1%	6,396,274	4%	6,632,346	6,801,535	6,942,198	7,495,078	8,152,062	8,498,541
Net Operating Income	77,156	1044%	883,007	8%	951,480	946,753	1,224,984	964,186	504,432	363,291
Total Non-Operating Income & Expenses	34,723	65%	57,295	569%	383,177	30,000	30,000	30,000	30,000	30,000
Add Non-Cash Expenses										
Depreciation	1,050,876	6%	1,114,601	3%	1,143,044	1,175,000	1,175,000	1,583,700	1,992,400	1,992,400
Cash Available for Debt Service	**1,162,755**	**77%**	**2,054,903**	**21%**	**2,477,701**	**2,151,753**	**2,429,984**	**2,577,886**	**2,526,832**	**2,385,691**
Debt Service										
Existing Principal	909,669		925,852		955,655	1,087,812	490,170	505,751	524,380	545,482
Existing Interest	397,831		390,694		354,649	281,874	238,124	218,387	197,878	176,588
Proposed KIA Loan(s)	0		0		0	0	67,500	142,500	373,956	747,912
RD Debt	0		0		0	0	0	0	406,250	603,250
Total Debt Service	1,307,500		1,316,546		1,310,304	1,369,686	795,794	866,638	1,502,464	2,073,232
Income After Debt Service	(144,745)		738,357		1,167,397	782,067	1,634,190	1,711,248	1,024,368	312,459
Debt Coverage Ratio	0.9		1.6		1.9	1.6	3.1	3.0	1.7	1.2

ATTACHMENT

I.B.12.

A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING AMENDMENT OF THE CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED DRINKING WATER REVOLVING FUND LOAN (F13-012) INCREASING THE AMOUNT TO $8,000,000 TO THE CITY OF NORTHERN KENTUCKY WATER DISTRICT, KENTON COUNTY, KENTUCKY

WHEREAS, the Kentucky Infrastructure Authority (the "Authority") has been duly created as a body corporate and politic constituting a public corporation and a governmental agency of the Commonwealth of Kentucky pursuant to Chapter 224A of the Kentucky Revised Statutes (the "Act"); and

WHEREAS, pursuant to the Act, the Authority is duly and legally authorized to make loans to Governmental Agencies for the purpose of providing funds for the construction and acquisition of sanitary sewer facilities, water facilities or other types of infrastructure, and in that regard, to enter into Assistance Agreements with such Governmental Agencies governing the provisions in respect of which such loans are to be made, the amounts thereof and the repayment provisions in respect thereto; and

WHEREAS, the Authority previously approved a Federally Assisted Drinking Water Revolving Fund Loan (F13-012) to the Northern Kentucky Water District on May 2, 2013 in the amount of $4,000,000; and the Northern Kentucky Water District has requested an increase to the Federally Assisted Drinking Water Revolving Fund Loan (F13-012) in the amount of $4,000,000;

WHEREAS, the Authority anticipates entering into an Assistance Agreement for a loan from the Authority's Federally Assisted Drinking Water Revolving Loan Program (Fund F) with the Northern Kentucky Water District, subject to final determination of amount when the factors involving such financing have been determined; and

WHEREAS, the Authority will, in the near future, authorize and issue a series of its Infrastructure Authority Revenue Bonds for the purpose of funding loans to various governmental agencies, such series of Bonds to be known as Kentucky Infrastructure Authority Revenue Bonds with the appropriate Series designation; and

WHEREAS, the Authority wishes to establish terms and conditions on said Fund F loans prior to the issuance of Authority Revenue Bonds and recognizes that additional planning and design of the financed projects are required.

NOW, THEREFORE, THE KENTUCKY INFRASTRUCTURE AUTHORITY, ACTING BY AND THROUGH ITS BOARD OF DIRECTORS AS ITS DULY AUTHORIZED AND EMPOWERED GOVERNING BODY, DOES HEREBY RESOLVE AND ORDER, AS FOLLOWS:

Section 1. All statements of fact set forth in the preambles to this Resolution and Order are incorporated herein by reference, the same as if set forth verbatim. All such statements of fact are hereby declared to be true and accurate in all material respects.

Section 2. The Authority hereby authorizes the Amendment of a conditional Federally Assisted Drinking Water Revolving Fund loan increasing the amount to $8,000,000 of project expense including capitalized interest for the construction period, to the Northern Kentucky Water

District for the Kenton and Campbell County Water Main Projects. Such amounts are subject to adjustment by further action of the Authority or may be adjusted by action of the Authority staff at the time of the issuance of bonds based on adjustment in project costs of not more than (10%) ten percent of the project cost authorized by this resolution. Upon satisfaction of all conditions of the commitment, execution of an assistance agreement for this loan is authorized.

Section 3. The loan shall be repayable over 20 years at an interest rate of 1.75%. In addition to debt service, a 0.25% annual administration fee on the unpaid loan balance will be charged. Based on the District's current reserve funding practice a replacement reserve will not be required for this loan. These terms are subject to adjustment upon execution of the loan agreement, upon changes in the project conditions or determination that the project will require authority financing to be done on a taxable basis.

Section 4. This Resolution and Order shall be in full force and effect from and after its adoption at a properly held meeting of the Kentucky Infrastructure Authority this 26th day of June 2014.

_____
TONY WILDER, CHAIR
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

_____
JEFFREY A. ABSHIRE, SECRETARY
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

_____
PECK, SHAFFER & WILLIAMS, A DIVISION OF
DINSMORE & SHOHL LLP, LEGAL COUNSEL TO
THE KENTUCKY INFRASTRUCTURE AUTHORITY

STEVEN L. BESHEAR
GOVERNOR

LEONARD K. PETERS
SECRETARY

ENERGY AND ENVIRONMENT CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION
DIVISION OF WATER
200 FAIR OAKS LANE, 4TH FLOOR
FRANKFORT, KENTUCKY 40601
www.kentucky.gov

June 13, 2014

Mr. John Covington
Executive Director
Kentucky Infrastructure Authority
1024 Capital Center Drive, Suite 340
Frankfort, Kentucky 40601

Re: DWL13060, F13-012
Northern KY Water Service--2485
Activity ID: FGL20130003
HUC11: 05100101270
Watershed Name: Licking River, near mouth
Binding Commitment

Dear Mr. Covington:

The Division of Water (DOW) hereby certifies that the Northern Kentucky Water District is entitled to receive priority for funding for their Kenton & Campbell County Water Main Project and is eligible to receive $8,000,000.00 from the Drinking Water State Revolving Fund. The following information is provided:

1. Project specific environmental information was approved by DOW on February 3, 2014.

2. Plans and specifications were submitted to DOW on February 21, 2014.

3. Construction bids are expected to be opened on July 17, 2014.

The KIA conditional commitment letter should include the following general conditions to satisfy federal requirements:

1. The Authority to Award (bid) package, including the Disadvantaged Business Enterprise (DBE) reviews, must be approved by DOW prior to the contract being awarded. DOW must conduct a preconstruction and project management conference.

2. Documentation of final funding commitments from all parties other than the Kentucky Infrastructure Authority (KIA) as reflected in the credit analysis shall be provided to KIA prior to their loan closing and disbursement of the loan monies. Rejections of any anticipated project funding shall be immediately reported to KIA and may cause this loan to be subject to further consideration.

3. The borrower must complete and submit any missing or incomplete parts of the Application to KIA upon request.

4. The Loan Agreement must be executed within six (6) months from bid opening.

5. The city must agree to expend all loan funds within six months of the date of initiation of operation.

Upon compliance with the general conditions, the DOW will issue its final project certification prior to finalizing the loan agreement.

The SRF application review has been completed by staff of the KIA. If you have any questions or concerns regarding missing items or additional submission requirements, please contact Jeff Abshire, Financial Analyst at (502) 573-0260. Should you have any questions concerning this letter, do not hesitate to contact Bill Averell, Project Manager, at (502) 564-3410, extension 4980.

Sincerely,

Peter Goodmann, Director
Division of Water

PG/BG: ba

c: Northern Kentucky Water District
Burgess & Niple, Inc. Engineers
HDR Engineers, Inc.
Arcadis US, Inc. Engineers

EXECUTIVE SUMMARY		Reviewer	Jeff Abshire
KENTUCKY INFRASTRUCTURE AUTHORITY		Date	June 26, 2014
FUND F, FEDERALLY ASSISTED DRINKING WATER		KIA Loan Number	F13-012 (Increase)
REVOLVING LOAN FUND		WRIS Number	WX21037003
BORROWER	NORTHERN KENTUCKY WATER DISTRICT KENTON COUNTY		

BRIEF DESCRIPTION

The Northern Kentucky Water District is requesting an increase in loan funding of $4,000,000 for the Kenton and Campbell County Water Main Project. The increase will fund additional costs that were identified during the geotechnical evaluation process. Also, additional improvements were identified for the Taylor Mill treatment plant which will permit the deferral of approximately $6.4 million in other capital spending requirements by ten years and will reduce electric consumption by about $70,000 per year.

This project includes the installation of new raw and finished water transmission mains along with equipment upgrades at the Taylor Mill treatment plant. The project will provide a more reliable water supply to wholesale customers and give the District flexibility in conveying raw water between reservoirs which will facilitate the temporary removal of the north reservoir from service for maintenance and a more even distribution of water storage between the north and south reservoirs.

PROJECT FINANCING		PROJECT BUDGET	RD Fee %	Actual %	
Fund F Loan	$8,000,000	Administrative Expenses			$6,000
Local Funds	1,824,000	Legal Expenses			5,000
		Land, Easements			50,000
		Eng - Design / Const	6.4%	4.9%	450,000
		Eng - Constr / Insp	3.0%	1.1%	105,000
		Construction			8,421,514
		Contingency			786,486
TOTAL	$9,824,000	TOTAL			$9,824,000

REPAYMENT	Rate	1.75%	Est. Annual Payment	$495,805
	Term	20 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	N/A		
	Bond Counsel	Peck, Shaffer, & Williams, a division of Dinsmore & Shohl, LLP		
PROJECT SCHEDULE	Bid Opening	Feb-14		
	Construction Start	Jul-14		
	Construction Stop	Jul-15		
DEBT PER CUSTOMER	Existing	$2,951		
	Proposed	$3,051		
OTHER DEBT		See Attached		
OTHER STATE-FUNDED PROJECTS LAST 5 YRS		See Attached		

RESIDENTIAL RATES		Users	Avg. Bill	
	Current	80,833	$32.19	(for 4,000 gallons)
	Additional	0	$32.19	(for 4,000 gallons)

REGIONAL COORDINATION This project is consistent with regional planning recommendations.

CASHFLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2011	24,901,248	14,986,158	9,915,090	1.7
Audited 2012	28,151,693	17,076,648	11,075,045	1.6
Audited 2013	28,341,354	17,310,103	11,031,251	1.6
Projected 2014	29,867,820	20,782,130	9,085,690	1.4
Projected 2015	31,171,773	20,777,742	10,394,031	1.5
Projected 2016	32,535,062	21,527,811	11,007,251	1.5
Projected 2017	33,960,276	21,521,706	12,438,570	1.6
Projected 2018	35,450,113	21,384,229	14,065,884	1.7

Reviewer: Jeff Abshire
Date: June 26, 2014
Loan Number: F13-012 Increase

KENTUCKY INFRASTRUCTURE AUTHORITY
DRINKING WATER STATE REVOLVING FUND (FUND "F")
NORTHERN KENTUCKY WATER DISTRICT, KENTON COUNTY
PROJECT REVIEW
WX21037003

I. PROJECT DESCRIPTION

The Northern Kentucky Water District is requesting an increase of $4,000,000 to their originally approved $4,000,000 Drinking Water SRF loan for the Kenton and Campbell County Water Main Projects. The increase will fund additional costs that were identified during the geotechnical evaluation process and other miscellaneous cost increases. Also, additional improvements were identified for the Taylor Mill treatment plant which will permit the deferral of approximately $6.4 million in other capital spending requirements by ten years and will reduce electric consumption by about $70,000 per year.

Licking River Crossing - During the geotechnical evaluation the District determined that the location of rock beneath the river would increase the length of required horizontal directional drilling by 660 feet. Additionally, the requirement for restrained joint pipe increased by 1,600 feet, site restoration costs increased, and the American Iron and Steel provisions of P.L. 113-76, Consolidated Appropriations Act, 2014 became applicable to the project. The items in aggregate increased the project cost by $1.5 million.

Taylor Mill Treatment Plant Improvements - The cost of these improvements increased by approximately $2.1 million. Additional concrete repairs were recommended that will extend the life of the pretreatment basins by approximately ten years and permit deferral of construction of a new $6.4 million basin. Other electrical and structural improvements will reduce electric consumption, increase operating efficiency and reduce wear on components.

Other project costs increased in aggregate by about $250,000.

Original Project Description

The project includes the installation of new finished and raw water transmission mains and improvements to the Taylor Mill treatment plant. A thirty six inch water transmission main will provide a redundant transmission main across the Licking River to provide a more reliable supply of water from Campbell to Kenton County. The raw water transmission main at the Fort Thomas Treatment plant in Campbell County will allow a higher percentage of raw water to be conveyed to the south raw water reservoir, facilitating the District's plan to temporarily remove the north reservoir from service for

maintenance and for providing a more even distribution of water storage between the two reservoirs. The motor control centers for six pumps that convey water to the distribution system located at the Taylor Mill treatment plant in Kenton County will be moved to an indoor location which will improve reliability (three cabinets are currently outdoors). Improvements to the flocculation and sedimentation basis including replacement of tube settlers, replacement of concrete water stops and miscellaneous repairs will also be made.

The District provides service to Campbell and Kenton counties and portions of Boone, Grant and Pendleton counties and is regulated by the Public Service Commission. Wholesale service is provided to the City of Walton and the Bullock Pen and Pendleton County Water Districts.

II. PROJECT BUDGET

	Total
Administrative Expenses	$ 6,000
Legal Expenses	5,000
Land, Easements	50,000
Engineering Fees - Design	450,000
Engineering Fees - Const / Inspection	105,000
Construction	8,421,514
Contingency	786,486
Total	**$ 9,824,000**

III. PROJECT FUNDING

	Amount	%
Fund F Loan	$ 8,000,000	81%
Local Funds	1,824,000	19%
Total	**$ 9,824,000**	**100%**

IV. KIA DEBT SERVICE

Construction Loan	$ 8,000,000
Interest Rate	1.75%
Loan Term (Years)	20
Estimated Annual Debt Service	$ 475,805
Administrative Fee (0.25%)	20,000
Total Estimated Annual Debt Service	**$ 495,805**

V. PROJECT SCHEDULE

Bid Opening	February 2014
Construction Start	July 2014
Construction Stop	July 2015

VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

A) Customers

Customers	Current
Residential	75,988
Commercial	4,734
Industrial	111
Total	80,833

B) Rates

	Prior	Prior	Current
Date of Last Rate Increase	01/01/12	01/01/13	01/01/14
Fixed Service Charge (Monthly Billing)	$13.00	$13.60	$14.20
Fixed Service Charge (Quarterly Billing)	26.00	27.20	28.40
First 1,500 Cubic Feet (per hundred CF)	4.02	4.14	4.25
Next 163,500 Cubic Feet (per hundred CF)	3.27	3.40	3.53
Over 165,000 Cubic Feet (per hundred CF)	2.58	2.65	2.72
Cost for 4,000 gallons - Monthly Billing	$34.50	$35.74	$36.93
Percent Increase	6.5%	3.6%	3.3%
Affordability Index (Rate/MHI)	0.7%	0.8%	0.8%
Cost for 4,000 gallons - Quarterly Billing	$30.16	$31.20	$32.19
Percent Increase	11.2%	3.4%	3.2%
Affordability Index (Rate/MHI)	0.7%	0.7%	0.7%
Wholesale Rate	$3.13	$3.20	$3.26
Percent Increase	2.6%	2.1%	2.0%

The district also has a Subdistrict Monthly Surcharge that ranges from $8.55 to $36.22 depending on location.

VII. DEMOGRAPHICS

Census data was taken from the American Community Survey 5-Year Estimate 2007-2011. The District provides service to Campbell and Kenton counties and portions of Boone, Grant and Pendleton counties.

County	Population	MHI
Kenton	159,008	53,375
Campbell	89,598	53,018
Boone	114,723	66,549
Grant	24,720	43,755
Pendleton	14,840	48,354
Total / Weighted MHI	402,889	$56,272

The median household income for the Commonwealth is $42,248. The District is a regional provider and the project will qualify for a 1.75% interest rate.

Population			Weighted Average Unemployment	
Year	Counties	% Change	Date	Rate
1980	290,514		June 2003	5.8%
1990	311,259	7.1%	June 2008	6.0%
2000	362,845	16.6%	June 2012	7.7%
2010	408,406	12.6%	June 2013	7.3%
Current	411,547	0.8%		
Cumulative %		41.7%		

VIII. 2012 CAPITALIZATION GRANT EQUIVALENCIES

1) Green Project Reserve - The 2012 Drinking Water capitalization grant does not contain a “green” requirement.

2) Additional Subsidization – This project does not qualify for additional subsidization.

IX. FINANCIAL ANALYSIS (See Exhibit 1)

Financial information was obtained from the audited financial statements for the years ended December 31, 2011 through 2013. Interim financing balances were reclassified to long term debt for presentation since the amounts were replaced by the issuance of bonds.

HISTORY

Revenues increased 9% from $44.5 million in 2011 to $48.6 million in 2013 with the bulk of the increase being due to rate increases. Operating expenses averaged $23.5 million each year during the same period. The debt coverage ratio was consistent at

1.7, 1.6, and 1.6 for 2011, 2012 and 2013, respectively.

The balance sheet reflects a current ratio of 2.5 and a debt to equity ratio of 1.5. Months of operating expenses in unrestricted cash is 11.0. The District maintains various restricted accounts, primarily related to its bond covenants, and an Improvement, Repair and Replacement Reserve account. This account had a balance of $12.8 million, or 3% of in service fixed assets, at the end of 2013. Capital spending from 2011 through 2013 was $64 million.

PROJECTIONS

Projections are based on the following assumptions:

1) Revenues will increase 4% for inflation (rates) and volume each year
2) Expenses will increase 3% for inflation and volume.
3) Debt service coverage is 1.5 in 2016 when principal and interest repayments begin.

Based on the proforma assumptions, the utility shows adequate cash flow to repay the KIA Fund F loan.

REPLACEMENT RESERVE

The District maintains an “Improvement, Repair and Replacement account to make major repairs and replacements and to pay the cost of construction of additions, extensions and improvements to the water system. During the past three years the balance has averaged $11.6 million. As a percentage of in service fixed assets the balance has increased from .9% in 2008 to 3.0% in 2011, 2012 and 2013. Based on the District’s current reserve funding practice a reserve will not be required for the proposed loan.

X. DEBT OBLIGATIONS

	Outstanding	Maturity
Series 2003C Revenue Bonds	10,805,000	2020
Series 2004 Revenue Bonds	7,760,000	2029
Series 2006 Revenue Bonds	23,945,000	2031
Series 2009 Revenue Bonds	25,560,000	2033
Series 2011 Revenue Bonds	29,155,000	2035
Series 2012 Revenue Bonds	53,115,000	2039
Series 2013A Revenue Bonds	26,400,000	2038
Series 2013B Revenue Bonds	24,120,000	2028
Rural Development Loan	1,951,000	2039
Taylor Mill Purchase Financing	750,000	2018
KIA Fund F Loan (F06-03)	3,134,219	2028
KIA Fund F Loan (F08-07)	3,818,383	2032
KIA Fund C Loan (C08-01)	4,384,707	2020
KIA Fund F Loan (F09-02, i/a/o $24M)	23,509,066	2033
KIA (F13-012, i/a/o $4.0M)	0	TBD
KIA (F14-015, i/a/o $4.0M)	0	TBD
Deferred Note Payable	100,000	TBD
Total	**$238,507,375**	

XI. OTHER STATE OR FEDERAL FUNDING IN PAST FIVE YEARS

Project Title	Funding Source	Amount
Unserved and Underserved Projects	HB 608	$500,000
Pike Street – Bromley	HB 608	300,000
Robbins Street Water Project	HB 608	300,000
Campbell Co. Unserved/Underserved Improvements	HB 608	1,000,000
Campbell Co. System Improvements	HB 608	1,200,000
Campbell Co. Unserved/Underserved Improvements	HB 608	750,000

XII. CONTACTS

Legal Applicant	
Name	Northern Kentucky Water District
Address	2835 Crescent Springs Road
	Erlanger, KY 41018
County	Kenton
Authorized Official	Jack Bragg (V.P. of Finance)
Phone	(859) 426-2758
Email	jbragg@nkwater.org

Project Administrator	
Name	Northern Kentucky Water District
Address	2835 Crescent Springs Road
	Erlanger, KY 41018
Contact	Richard Harrison, P.E.
Phone	(859) 578-5458
Email	rharr@nkwater.org

XIII. RECOMMENDATIONS

KIA staff recommends approval of the loan with the standard conditions.

NORTHERN KENTUCKY WATER DISTRICT
BALANCE SHEETS (DECEMBER YEAR END)

ASSETS	Audited 2011	Audited 2012	Audited 2013	Upon Completion 2015
Current Assets				
Cash and Cash Equivalents	14,822,171	18,846,682	21,351,218	22,596,939
Accounts Receivable	10,370,535	10,854,735	10,892,552	11,781,400
Assessments Receivable	98,760	104,778	110,953	110,000
Inventory	1,198,490	1,241,516	1,537,704	1,500,000
Prepaid Items	280,028	231,973	382,334	350,000
Total Current Assets	26,769,984	31,279,684	34,274,761	36,338,339
Restricted Assets				
Boone Florence Settlement	1,613,621	743,592	307,729	307,700
Bond Proceeds Fund	26,460,229	14,761,474	8,728,696	8,728,700
Debt Service Reserve Account	17,557,818	16,727,770	18,403,286	18,403,300
Debt Service Account	12,768,211	13,258,210	14,751,172	14,751,200
Improvement, Repair & Replacement	10,278,024	11,618,535	12,826,064	13,306,100
Total Restricted Assets	68,677,903	57,109,581	55,016,947	55,497,000
Utility Plant				
Property, Plant and Equipment	412,280,824	432,348,757	443,020,051	473,254,051
Less Accumulated Depreciation ( )	(92,727,220)	(101,451,833)	(111,130,615)	(134,833,867)
Net Fixed Assets	319,553,604	330,896,924	331,889,436	338,420,184
Deferred Charges	6,684,376	0	0	0
Total Assets	421,685,867	419,286,189	421,181,144	430,255,523
LIABILITIES				
Current Liabilities				
Bonded Indebtedness	7,974,000	7,926,000	8,828,000	9,392,000
Notes Payable	878,563	1,081,548	2,102,031	2,192,255
Accounts Payable	1,959,482	1,813,604	1,806,803	1,916,800
Accrued Payroll and Taxes	347,903	366,801	366,970	389,300
Other Accrued Liabilities	212,381	225,469	230,196	244,200
Customer Deposits	0	0	404,228	435,000
Total Current Liabilities	11,372,329	11,413,422	13,738,228	14,569,555
Liabilities Payable - Restricted Assets				
Accounts Payable	5,846,148	1,084,940	1,176,843	1,248,500
Accrued Interest Payable	3,994,015	3,703,241	3,814,960	4,047,300
Total Liabilities Payable - Restricted Assets	9,840,163	4,788,181	4,991,803	5,295,800
Long Term Liabilities				
Bonded Indebtedness	194,412,000	177,976,000	193,983,000	175,581,000
Notes Payable	54,659,908	35,687,309	33,594,344	59,489,501
Notes Payable (Interim Financing)	0	25,615,000	0	0
Miscellaneous Deferred Charges	0	2,371,462	4,382,753	3,750,000
Total Long Term Liabilities	249,071,908	241,649,771	231,960,097	238,820,501
Total Liabilities	270,284,400	257,851,374	250,690,128	258,685,856
Total Retained Earnings	151,401,467	161,434,815	170,491,016	171,569,667
Total Liabilities and Equities	421,685,867	419,286,189	421,181,144	430,255,523
Balance Sheet Analysis				
Current Ratio	2.4	2.7	2.5	2.5
Debt to Equity	1.8	1.6	1.5	1.5
Days Sales in Accounts Receivable	85.1	80.8	81.8	81.8
Months Operating Expenses in Unrestricted Cash	7.7	9.3	11.0	11.0

EXHIBIT 1
NORTHERN KENTUCKY WATER DISTRICT
CASH FLOW ANALYSIS (DECEMBER YEAR END)

Operating Revenues	**Audited 2011**	**% Change**	**Audited 2012**	**% Change**	**Audited 2013**	**Projected 2014**	**Projected 2015**	**Projected 2016**	**Projected 2017**	**Projected 2018**
Total Revenues	44,471,055	10%	49,009,681	-1%	48,598,030	50,541,951	52,563,628	54,666,173	56,852,820	59,126,933
Operating Expenses										
Operating Expenses	23,003,045	6%	24,384,581	-5%	23,227,312	23,924,131	24,641,855	25,381,111	26,142,544	26,926,820
Depreciation	9,498,005	5%	10,010,201	11%	11,101,626	11,601,626	12,101,626	12,601,626	13,101,626	13,601,626
Total Expenses	32,501,050	6%	34,394,782	0%	34,328,938	35,525,757	36,743,481	37,982,737	39,244,170	40,528,446
Net Operating Income	11,970,005	22%	14,614,899	-2%	14,269,092	15,016,194	15,820,147	16,683,436	17,608,650	18,598,487
Non-Operating Income and Expenses										
Investment Income	811,145		831,929		807,778	800,000	800,000	800,000	800,000	800,000
Miscellaneous Non-Operating Income	(239,673)		(384,846)		(256,650)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)
Capital Contributions	2,861,766		3,079,510		2,419,508	2,750,000	2,750,000	2,750,000	2,750,000	2,750,000
Total Non-Operating Income & Expenses	3,433,238	3%	3,526,593	-16%	2,970,636	3,250,000	3,250,000	3,250,000	3,250,000	3,250,000
Add Non-Cash Expenses										
Depreciation	9,498,005	5%	10,010,201	11%	11,101,626	11,601,626	12,101,626	12,601,626	13,101,626	13,601,626
Cash Available for Debt Service- Water	**24,901,248**	**13%**	**28,151,693**	**1%**	**28,341,354**	**29,867,820**	**31,171,773**	**32,535,062**	**33,960,276**	**35,450,113**
Total Debt Service	14,986,158		17,076,648		17,310,103	20,782,130	20,777,742	21,527,811	21,521,706	21,384,229
Income After Debt Service	9,915,090		11,075,045		11,031,251	9,085,690	10,394,031	11,007,251	12,438,570	14,065,884
Debt Coverage Ratio	1.7		1.6		1.6	1.4	1.5	1.5	1.6	1.7

ATTACHMENT

I.B.13.

A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED DRINKING WATER REVOLVING FUND LOAN (F14-017) OF $680,000 TO THE CITY OF NORTH MIDDLETOWN, BOURBON COUNTY, KENTUCKY

WHEREAS, the Kentucky Infrastructure Authority (the "Authority") has been duly created as a body corporate and politic constituting a public corporation and a governmental agency of the Commonwealth of Kentucky pursuant to Chapter 224A of the Kentucky Revised Statutes (the "Act"); and

WHEREAS, pursuant to the Act, the Authority is duly and legally authorized to make loans to Governmental Agencies for the purpose of providing funds for the construction and acquisition of sanitary sewer facilities, water facilities or other types of infrastructure, and in that regard, to enter into Assistance Agreements with such Governmental Agencies governing the provisions in respect of which such loans are to be made, the amounts thereof and the repayment provisions in respect thereto; and

WHEREAS, the Authority anticipates entering into an Assistance Agreement for a loan from the Authority's Federally Assisted Drinking Water Revolving Loan Program (Fund F) with the City of North Middletown, subject to final determination of amount when the factors involving such financing have been determined; and

WHEREAS, the Authority will, in the near future, authorize and issue a series of its Infrastructure Authority Revenue Bonds for the purpose of funding loans to various governmental agencies, such series of Bonds to be known as Kentucky Infrastructure Authority Revenue Bonds with the appropriate Series designation; and

WHEREAS, the Authority wishes to establish terms and conditions on said Fund F loans prior to the issuance of Authority Revenue Bonds and recognizes that additional planning and design of the financed projects are required.

NOW, THEREFORE, THE KENTUCKY INFRASTRUCTURE AUTHORITY, ACTING BY AND THROUGH ITS BOARD OF DIRECTORS AS ITS DULY AUTHORIZED AND EMPOWERED GOVERNING BODY, DOES HEREBY RESOLVE AND ORDER, AS FOLLOWS:

Section 1. All statements of fact set forth in the preambles to this Resolution and Order are incorporated herein by reference, the same as if set forth verbatim. All such statements of fact are hereby declared to be true and accurate in all material respects.

Section 2. The Authority hereby authorizes the issuance of a conditional Federally Assisted Drinking Water Revolving Fund loan for $680,000 of project expense including capitalized interest for the construction period, to the City of North Middletown for the Water Tank Reconstruction and SCADA project. Such amounts are subject to adjustment by further action of the Authority or may be adjusted by action of the Authority staff at the

time of the issuance of bonds based on adjustment in project costs of not more than (10%) ten percent of the project cost authorized by this resolution. Upon satisfaction of all conditions of the commitment, execution of an assistance agreement for this loan is authorized.

Section 3. The loan shall be repayable over 20 years at an interest rate of.75%. In addition to debt service, a 0.25% annual administration fee on the unpaid loan balance will be charged. From annual revenues, $1,700 must be set aside in a borrower held replacement reserve each December 1 until the balance reaches $17,000 and maintained for the life of the loan. These terms are subject to adjustment upon execution of the loan agreement, upon changes in the project conditions or determination that the project will require authority financing to be done on a taxable basis.

Section 4. This Resolution and Order shall be in full force and effect from and after its adoption at a properly held meeting of the Kentucky Infrastructure Authority this 26th day of June 2014.

_____
TONY WILDER, CHAIR
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

_____
JEFFREY A. ABSHIRE, SECRETARY
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

_____
ECK, SHAFFER & WILLIAMS, A DIVISION OF
DINSMORE & SHOHL LLP, LEGAL COUNSEL TO
THE KENTUCKY INFRASTRUCTURE AUTHORITY

STEVEN L. BESHEAR
GOVERNOR

LEONARD K. PETERS
SECRETARY

ENERGY AND ENVIRONMENT CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION
DIVISION OF WATER
200 FAIR OAKS LANE, 4TH FLOOR
FRANKFORT, KENTUCKY 40601
www.kentucky.gov

January 28, 2014

Mr. John Covington
Executive Director
Kentucky Infrastructure Authority
1024 Capital Center Drive, Suite 340
Frankfort, Kentucky 40601

Re: F14-017
N Middletown Water Dept--33798
Activity ID: FGL20140003
HUC11: 05100102020
Watershed Name: Stoner Creek
Binding Commitment

Dear Mr. Covington:

The Division of Water (DOW) hereby certifies that the City of North Middletown is entitled to receive priority for funding for their Water Tank Rehab and SCADA project and is eligible to receive $680,000.00 from the Drinking Water State Revolving Fund. The following information is provided:

1. Project specific environmental information is expected to be submitted to DOW in March 2014.

2. Plans and specifications are expected to be submitted to DOW in June 2014.

3. Construction bids are expected to be opened on August 2014.

The KIA conditional commitment letter should include the following general conditions to satisfy federal requirements:

1. The entire project must have undergone a complete environmental review resulting in a Categorical Exclusion Determination (CED), a Finding of No Significant Impact (FONSI), or an Environmental Impact Statement (EIS) with a Record of Decision issued by the Department for Environmental Protection prior to advertising for bids.

2. The borrower must receive DOW approval of the Plans and Specifications with regard to SRF funding for each identified contract prior to advertising for bids.

3. The Authority to Award (bid) package, including the Disadvantaged Business Enterprise (DBE) reviews, must be approved by DOW prior to the contract being awarded. DOW must conduct a preconstruction and project management conference.

4. Documentation of final funding commitments from all parties other than the Kentucky Infrastructure Authority (KIA) as reflected in the credit analysis shall be provided to KIA prior to their loan closing and disbursement of the loan monies. Rejections of any anticipated project funding shall be immediately reported to KIA and may cause this loan to be subject to further consideration.

5. The borrower must complete and submit any missing or incomplete parts of the Application to KIA upon request.

6. The Loan Agreement must be executed within six (6) months from bid opening.

7. The city must agree to expend all loan funds within six months of the date of initiation of operation.

Upon compliance with the general conditions, the DOW will issue its final project certification prior to finalizing the loan agreement.

The SRF application review has been completed by staff of the KIA. If you have any questions or concerns regarding missing items or additional submission requirements, please contact Brandi Armstrong at (502) 573-0260. Should you have any questions concerning this letter, do not hesitate to contact Buddy Griffin, Project Manager, at (502) 564-3410, extension 4971.

Sincerely,

Peter Goodmann, Acting Director
Division of Water

PG/BG:bg

c: Jeff McFarland, Mayor
Betsy Laski, Bluegrass ADD
Ray Bascom, HMB Professional Engineers

EXECUTIVE SUMMARY
KENTUCKY INFRASTRUCTURE AUTHORITY

FUND F, FEDERALLY ASSISTED DRINKING WATER REVOLVING LOAN FUND

Reviewer	Brandi Armstrong
Date	June 26, 2014
KIA Loan Number	F14-017 (Interest Rate Adjustment)
WRIS Number	WX21017019

BORROWER	CITY OF NORTH MIDDLETOWN BOURBON COUNTY

BRIEF DESCRIPTION

This project will rehabilitate and repaint two elevated water storage tanks and provide SCADA which will monitor the water level in the tanks to improve water system operational efficency. The improvements will minimize water tank overflows and provide energy savings.

PROJECT FINANCING		PROJECT BUDGET	RD Fee %	Actual %	
Fund F Loan	$680,000	Administrative Expenses			$5,000
		Legal Expenses			10,000
		Land, Easements			1,500
		Planning			10,000
		Eng - Design/ Const	10.2%	9.3%	51,000
		Eng - Inspection	7.3%	6.7%	37,000
		Construction			500,000
		Contingency			50,500
		Other			15,000
TOTAL	$680,000	TOTAL			$680,000

REPAYMENT	Rate	0.75%	Est. Annual Payment	$38,377
	Term	20 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	HMB Professional Engineers		
	Bond Counsel	Peck, Shaffer, & Williams		
PROJECT SCHEDULE	Bid Opening	Aug-14		
	Construction Start	Mar-15		
	Construction Stop	Nov-15		
DEBT PER CUSTOMER	Existing	$1,371		
	Proposed	$2,868		
OTHER DEBT		See Attached		
OTHER STATE-FUNDED PROJECTS LAST 5 YRS		See Attached		

RESIDENTIAL RATES		Users	Avg. Bill	
	Current	394	$48.37	(for 4,000 gallons)
	Additional	0	$48.37	(for 4,000 gallons)

REGIONAL COORDINATION This project is consistent with regional planning recommendations.

CASHFLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2011	66,539	44,936	21,603	1.5
Audited 2012	27,521	53,201	(25,680)	0.5
Audited 2013	85,257	46,376	38,881	1.8
Projected 2014	94,771	50,084	44,687	1.9
Projected 2015	87,025	47,455	39,570	1.8
Projected 2016	99,346	83,676	15,670	1.2
Projected 2017	91,128	79,519	11,609	1.1
Projected 2018	82,663	77,443	5,220	1.1

Reviewer: Brandi Armstrong
Date: June 26, 2014
Loan Number: F14-017 (Interest Rate Adjustment)

KENTUCKY INFRASTRUCTURE AUTHORITY
DRINKING WATER STATE REVOLVING FUND (FUND "F")
CITY OF NORTH MIDDLETOWN, BOURBON COUNTY
PROJECT REVIEW
WX21017019

I. PROJECT DESCRIPTION

The City of North Middletown is requesting a Fund "F" loan in the amount of $680,000 for the Water Tank Reconstruction and SCADA project. The project will rehabilitate and repaint two existing elevated water storage tanks and provide SCADA which will monitor the water level in both tanks to improve water system operational efficiency. The improvements will minimize water tank overflows and provide energy savings.

The City provides retail water service to about 400 customers and wholesale service to the Judy Water Association. Approximately sixty percent of water volume sold is to the Judy Water Association. The City purchases all of its water from Kentucky American Water Company.

II. PROJECT BUDGET

	Total
Administrative Expenses	$ 5,000
Legal Expenses	10,000
Land, Easements	1,500
Planning	10,000
Engineering Fees - Design	51,000
Engineering Fees - Const / Inspection	37,000
Construction	500,000
Contingency	50,500
Other	15,000
Total	**$ 680,000**

III. PROJECT FUNDING

		Amount	%
Fund F Loan	$	680,000	100%
Total	**$**	**680,000**	**100%**

IV. KIA DEBT SERVICE

Construction Loan	$	680,000
Interest Rate		0.75%
Loan Term (Years)		20
Estimated Annual Debt Service	$	36,677
Administrative Fee (0.25%)		1,700
Total Estimated Annual Debt Service	**$**	**38,377**

V. PROJECT SCHEDULE

Bid Opening	August 2014
Construction Start	March 2015
Construction Stop	November 2015

VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

A) Customers

Customers	Current
Residential	387
Commercial	7
Industrial	0
Total	394

B) Rates

	Water and Sewer Customers		Water or Sewer Only Customers	
	Current 10/01/2013	Prior 11/01/2010	Current 10/01/2013	Prior 11/01/2010
Minimum- 2000 Gallons	$26.25	$26.17	$30.86	$30.82
Next 3,000 Gallons	11.06	11.02	11.35	11.31
Next 5,000 Gallons	9.89	9.85	10.18	10.14
Over 10,000 Gallons	8.43	8.39	8.74	8.68
Cost for 4,000 gallons	$48.37	$48.21	$53.56	$53.44
Increase %	0.3%		0.2%	
Affordability Index (Rate/MHI)	1.4%	1.4%	1.5%	1.5%

VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2007-2011, the City's population was 706 with a Median Household Income (MHI) of $41,583. The median household income for the Commonwealth is $42,248.

In May of 2014 the City conducted an income survey to show the majority of its citizen's fall below the state Median Household Income of $42,248. Out of the 208 households surveyed, 150 or 72% of households had an income lower than the state median. The results of the survey qualify the City for a .75% interest rate.

	Population				Unemployment	
Year	City	% Change	County	% Change	Date	Rate
1980	637		19,405		June 2003	6.7%
1990	602	-5.5%	19,236	-0.9%	June 2008	5.9%
2000	562	-6.6%	19,360	0.6%	June 2012	8.2%
2010	643	14.4%	19,985	3.2%	June 2013	8.0%
Current	706	9.8%	19,987	0.0%		
Cumulative %		10.8%		3.0%		

VIII. 2013 CAPITALIZATION GRANT EQUIVALENCIES

1) Green Project Reserve - The 2013 Drinking Water capitalization grant does not contain a "green" requirement.

2) Additional Subsidization – This project qualifies does not qualify for additional subsidization.

IX. FINANCIAL ANALYSIS (See Exhibit 1)

Financial information was obtained from the City's audited financial statements for the Water Funds for the years ended June 30, 2010 through June 30, 2013.

HISTORY

Revenues increased 3% from $596,611 in 2011 to $615,882 in 2013. Purchased water cost averaged $277,000 for the three years with average unit cost increasing from $3.95 per thousand gallons in 2011 to $4.14 in 2013. Operating expenses were $243,127 in 2011, $288,002 in 2012 and $250,688 in 2013 with the increase in cost in 2012 being due to higher sewer system management costs. The City subsequently entered into a lower cost management agreement with a different service provider. The debt coverage ratio was 1.5 in 2011, 0.5 in 2012 and 1.8 in 2013. The improvement in 2013 was the result of slightly higher revenues, operating expense reductions and a slight decrease in debt service costs.

The balance sheet reflects a current ratio of 0.6 and a debt to equity ratio of 0.3. Months of operating expenses (including purchased water) in unrestricted cash are 0.8.

PROJECTIONS

Projections are based on the following assumptions:

1) Revenues will be flat for volume.
2) Purchased water cost increases will immediately pass through to customers.
3) Expenses will increase 3% annually.
4) Based on the above project it appears that a rate increase of about $22,000, or 4% of total service revenues, will be required by 2016. The City will need to make a determination of what utility component(s) contribute to the shortfall.
5) Debt service coverage is 1.2 in 2016 when principal and interest repayments begin.

Based on the proforma assumptions, the utility shows adequate cash flow to repay the KIA Fund F loan.

REPLACEMENT RESERVE

The annual replacement cost is $1,700. This amount should be added to the replacement account each December 1 until the balance reaches $17,000 and maintained for the life of the loan.

X. DEBT OBLIGATIONS

	Outstanding	Maturity
KLC 2000	270,000	2020
KLC 2002	270,000	2029
Total	**$ 540,000**	

XI. OTHER STATE OR FEDERAL FUNDING IN PAST FIVE YEARS

Project Title	Funding Source	Amount	Type
Wastewater Collection System Improvement	CDBG	829,000	Grant
Wastewater Collection System Improvement	RD	779,000	Grant

XII. CONTACTS

Legal Applicant	
Name	City of North Middletown
Address	3287 North Middletown Rd/PO Box 69 North Middletown, KY 40357
County	Bourbon
Authorized Official	Jeff McFarland
Phone	(859) 362-7007
Email	fivebugles306@yahoo.com

Project Administrator	
Name	Betsy Laski
Address	Bluegrass Area Development District 699 Perimeter Drive
Contact	Lexington, KY 40517
Phone	(859) 269-8021
Email	blaski@bgadd.org

Consulting Engineer	
Name	HMB Professional Engineers
Firm	Ray Bascom
Address	3 HMB Circle Frankfort, KY 40601
Phone	(502) 695-9800
Email	rbascom@hmbpe.com

XIII. RECOMMENDATIONS

KIA staff recommends approval of the loan with the standard conditions.

CITY OF NORTH MIDDLETOWN
BALANCE SHEETS (JUNE YEAR END)

ASSETS	Audited 2011	Audited 2012	Audited 2013	Upon Completion 2016
Current Assets				
Cash	33,430	19,813	36,079	106,079
Accounts Receivable	42,844	40,448	57,073	59,000
Total Current Assets	76,274	60,261	93,152	165,079
Restricted Assets				
Cash	13,471	11,221	113,260	70,000
Total Restricted Assets	13,471	11,221	113,260	70,000
Utility Plant				
Property, Plant and Equipment	2,806,270	3,365,811	4,129,422	4,809,422
Less Accumulated Depreciation ( )	(1,485,979)	(1,552,543)	(1,617,888)	(1,813,923)
Net Fixed Assets	1,320,291	1,813,268	2,511,534	2,995,499
Total Assets	1,410,036	1,884,750	2,717,946	3,230,578
LIABILITIES				
Current Liabilities				
Accounts Payable / Accrued Expenses	6,726	4,885	1,896	6,000
Customer Deposits	33,599	33,599	33,599	33,599
Inter Fund Payable	71,774	79,798	79,798	75,000
Current Portion Long Term Debt	30,000	40,000	30,000	30,000
Total Current Liabilities	142,099	158,282	145,293	144,599
Liabilities Payable - Restricted Assets				
Notes and Bonds Payable	570,000	520,000	510,000	420,000
Accrued Interest Payable	0	96	63	100
Total Liabilities Payable - Restricted Assets	570,000	520,096	510,063	420,100
Long Term Liabilities				
Notes Payable - KIA	0	0	0	680,000
Total Long Term Liabilities	0	0	0	680,000
Total Liabilities	712,099	678,378	655,356	1,244,699
Retained Earnings:				
Invested in Capital Assets Net of Related Debt	720,291	1,253,172	1,971,471	2,545,399
Restricted	(20,128)	(22,378)	79,661	36,401
Unrestricted	(2,226)	(24,422)	11,458	(595,921)
Total Retained Earnings	697,937	1,206,372	2,062,590	1,985,879
Total Liabilities and Equities	1,410,036	1,884,750	2,717,946	3,230,578
Balance Sheet Analysis				
Current Ratio	0.5	0.4	0.6	1.1
Debt to Equity	1.0	0.6	0.3	0.6
Days Sales in Accounts Receivable	26.2	25.4	33.8	33.8
Months Operating Expenses in Unrestricted Cash	0.8	0.4	0.8	2.4

EXHIBIT 1
CITY OF NORTH MIDDLETOWN
CASH FLOW ANALYSIS (JUNE YEAR END)

	Audited	%	Audited	%	Audited	Projected	Projected	Projected	Projected	Projected
Operating Revenues	**2011**	**Change**	**2012**	**Change**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Service	585,927	-3%	569,402	5%	598,154	599,754	599,754	621,754	621,754	621,754
Other	10,684		10,799		17,728	15,000	15,000	15,000	15,000	15,000
Total Revenues	596,611	-3%	580,201	6%	615,882	614,754	614,754	636,754	636,754	636,754
Operating Expenses										
Purchased Water	286,989	-8%	264,760	6%	280,143	261,824	261,824	261,824	261,824	261,824
Operating Expenses	243,127	18%	288,002	-13%	250,688	258,209	265,955	273,934	282,152	290,617
Depreciation	66,567	-1%	65,890	-1%	65,345	65,345	65,345	82,345	82,345	82,345
Replacement Reserve	0		0		0	0	0	1,700	1,700	1,700
Total Expenses	596,683	4%	618,652	-4%	596,176	585,378	593,124	619,803	628,021	636,486
Net Operating Income	(72)	53304%	(38,451)	-151%	19,706	29,376	21,630	16,951	8,733	268
Non-Operating Income and Expenses										
Interest Income	44		82		206	50	50	50	50	50
Total Non-Operating Income & Expenses	44	86%	82	151%	206	50	50	50	50	50
Add Non-Cash Expenses										
Depreciation	66,567	-1%	65,890	-1%	65,345	65,345	65,345	82,345	82,345	82,345
Cash Available for Debt Service	**66,539**	**-59%**	**27,521**	**210%**	**85,257**	**94,771**	**87,025**	**99,346**	**91,128**	**82,663**
Debt Service (enter as positive #'s)										
Existing Principal	30,000		40,000		20,000	30,000	30,000	30,000	30,000	30,000
Existing Interest	14,936		13,201		26,376	20,084	17,455	15,299	11,142	9,066
Proposed KIA Loan	0		0		0	0	0	38,377	38,377	38,377
Total Debt Service	44,936		53,201		46,376	50,084	47,455	83,676	79,519	77,443
Income After Debt Service	21,603		(25,680)		38,881	44,687	39,570	15,670	11,609	5,220
Debt Coverage Ratio	1.5		0.5		1.8	1.9	1.8	1.2	1.1	1.1

ATTACHMENT

I.B.14.

A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED DRINKING WATER REVOLVING FUND LOAN (F14-044) IN THE AMOUNT OF $325,000 TO THE CITY OF FLATWOODS, GREENUP COUNTY, KENTUCKY

WHEREAS, the Kentucky Infrastructure Authority (the "Authority") has been duly created as a body corporate and politic constituting a public corporation and a governmental agency of the Commonwealth of Kentucky pursuant to Chapter 224A of the Kentucky Revised Statutes (the "Act"); and

WHEREAS, pursuant to the Act, the Authority is duly and legally authorized to make loans to Governmental Agencies for the purpose of providing funds for the construction and acquisition of sanitary sewer facilities, water facilities or other types of infrastructure, and in that regard, to enter into Assistance Agreements with such Governmental Agencies governing the provisions in respect of which such loans are to be made, the amounts thereof and the repayment provisions in respect thereto; and

WHEREAS, the Authority anticipates entering into an Assistance Agreement for a loan from the Authority's Federally Assisted Drinking Water Revolving Loan Program (Fund F) with the City of Flatwoods, subject to final determination of amount when the factors involving such financing have been determined; and

WHEREAS, the Authority will, in the near future, authorize and issue a series of its Infrastructure Authority Revenue Bonds for the purpose of funding loans to various governmental agencies, such series of Bonds to be known as Kentucky Infrastructure Authority Revenue Bonds with the appropriate Series designation; and

WHEREAS, the Authority wishes to establish terms and conditions on said Fund F loans prior to the issuance of Authority Revenue Bonds and recognizes that additional planning and design of the financed projects are required.

NOW, THEREFORE, THE KENTUCKY INFRASTRUCTURE AUTHORITY, ACTING BY AND THROUGH ITS BOARD OF DIRECTORS AS ITS DULY AUTHORIZED AND EMPOWERED GOVERNING BODY, DOES HEREBY RESOLVE AND ORDER, AS FOLLOWS:

Section 1. All statements of fact set forth in the preambles to this Resolution and Order are incorporated herein by reference, the same as if set forth verbatim. All such statements of fact are hereby declared to be true and accurate in all material respects.

Section 2. The Authority hereby authorizes the issuance of a conditional Federally Assisted Drinking Water Revolving Fund loan for $325,000 of project expense including capitalized interest for the construction period, to the City of Flatwoods for the Jones Street Waterline Upgrade project. Such amounts are subject to adjustment by further action of

the Authority or may be adjusted by action of the Authority staff at the time of the issuance of bonds based on adjustment in project costs of not more than (10%) ten percent of the project cost authorized by this resolution. Upon satisfaction of all conditions of the commitment, execution of an assistance agreement for this loan is authorized.

Section 3. The loan shall be repayable over 20 years at an interest rate of 1.75%. In addition to debt service, a 0.25% annual administration fee on the unpaid loan balance will be charged. From annual revenues, $800 must be set aside in a borrower held replacement reserve each December 1 until the balance reaches $8,000 and maintained for the life of the loan. These terms are subject to adjustment upon execution of the loan agreement, upon changes in the project conditions or determination that the project will require authority financing to be done on a taxable basis.

Section 4. This Resolution and Order shall be in full force and effect from and after its adoption at a properly held meeting of the Kentucky Infrastructure Authority this 26th day of June 2014.

_____
TONY WILDER, CHAIR
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

_____
JEFFREY A. ABSHIRE, SECRETARY
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

_____
PECK, SHAFFER & WILLIAMS, A DIVISION OF
DINSMORE & SHOHL LLP, LEGAL COUNSEL TO
THE KENTUCKY INFRASTRUCTURE AUTHORITY

STEVEN L. BESHEAR
GOVERNOR

LEONARD K. PETERS
SECRETARY

ENERGY AND ENVIRONMENT CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION
DIVISION OF WATER
200 FAIR OAKS LANE, 4TH FLOOR
FRANKFORT, KENTUCKY 40601
www.kentucky.gov

June 10, 2014

Mr. John Covington
Executive Director
Kentucky Infrastructure Authority
1024 Capital Center Drive, Suite 340
Frankfort, Kentucky 40601

Re: City of Flatwoods F14-044
Flatwoods Water Co--33896
Activity ID: FGL20140003
HUC11: 05090103040
Watershed Name: Ohio River, Near Greenup
Binding Commitment

Dear Mr. Covington:

The Division of Water (DOW) hereby certifies that the City of Flatwoods is entitled to receive priority for funding for their Jones St. Waterline Upgrade project and is eligible to receive $325,000 from the Drinking Water State Revolving Fund. The following information is provided:

1. Project specific environmental information is expected to be submitted to DOW on 11/28/2014.

2. Plans and specifications are expected to be submitted to DOW on 3/30/2015.

3. Construction bids are expected to be opened on 5/29/2015.

The KIA conditional commitment letter should include the following general conditions to satisfy federal requirements:

1. The entire project must have undergone a complete environmental review resulting in a Categorical Exclusion Determination (CED), a Finding of No Significant Impact (FONSI), or an Environmental Impact Statement (EIS) with a Record of Decision issued by the Department for Environmental Protection prior to advertising for bids.

2. The borrower must receive DOW approval of the Plans and Specifications with regard to SRF funding for each identified contract prior to advertising for bids.

3. The Authority to Award (bid) package, including the Disadvantaged Business Enterprise (DBE) reviews, must be approved by DOW prior to the contract being awarded. DOW must conduct a preconstruction and project management conference.

4. Documentation of final funding commitments from all parties other than the Kentucky Infrastructure Authority (KIA) as reflected in the credit analysis shall be provided to KIA prior to their loan closing and disbursement of the loan monies. Rejections of any anticipated project funding shall be immediately reported to KIA and may cause this loan to be subject to further consideration.

5. The borrower must complete and submit any missing or incomplete parts of the Application to KIA upon request.

6. The Loan Agreement must be executed within six (6) months from bid opening.

7. The city must agree to expend all loan funds within six months of the date of initiation of operation.

Upon compliance with the general conditions, the DOW will issue its final project certification prior to finalizing the loan agreement.

The SRF application review has been completed by staff of the KIA. If you have any questions or concerns regarding missing items or additional submission requirements, please contact Brandi Armstrong, Financial Analyst at (502) 573-0260. Should you have any questions concerning this letter, do not hesitate to contact Cathy Arnett, Project Manager, at (502) 564-3410, extension 4594.

Sincerely,

for Peter Goodmann, Director
Division of Water

PG/BG:CA

c: Bobby F. Crager, Mayor
Paul Amburgey, E. L. Robinson Engineering

EXECUTIVE SUMMARY		Reviewer	Brandi Armstrong
KENTUCKY INFRASTRUCTURE AUTHORITY		Date	June 26, 2014
FUND F, FEDERALLY ASSISTED DRINKING WATER		KIA Loan Number	F14-044
REVOLVING LOAN FUND		WRIS Number	WX21089064

BORROWER	CITY OF FLATWOODS GREENUP COUNTY

BRIEF DESCRIPTION

This project will replace 3,500 linear feet of two and four inch lines with six inch PVC lines along Jones and Pine Street and install two fire hydrants. The existing lines have a history of breaks and are undersized resulting in low pressure to approximately 70 customers.

PROJECT FINANCING		PROJECT BUDGET	RD Fee %	Actual %	
Fund F Loan	$325,000	Administrative Expenses			$7,655
		Planning			4,500
		Eng - Design / Const	11.7%	11.6%	29,500
		Eng - Insp	9.5%	9.1%	23,195
		Eng - Other			5,500
		Construction			231,950
		Contingency			22,700
TOTAL	$325,000	TOTAL			$325,000

REPAYMENT	Rate	1.75%	Est. Annual Payment	$20,142
	Term	20 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	E.L. Robinson Engineering Co.		
	Bond Counsel	Peck, Shaffer, & Williams, a division of Dinsmore & Shohl, LLP		
PROJECT SCHEDULE	Bid Opening	May-15		
	Construction Start	Oct-15		
	Construction Stop	Apr-16		
DEBT PER CUSTOMER	Existing	$116		
	Proposed	$195		
OTHER DEBT		See Attached		
OTHER STATE-FUNDED PROJECTS LAST 5 YRS		See Attached		

RESIDENTIAL RATES		Users	Avg. Bill	
	Current	3,105	$25.91	(for 4,000 gallons)
	Additional	0	$25.91	(for 4,000 gallons)

REGIONAL COORDINATION This project is consistent with regional planning recommendations.

CASHFLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2011	223,605	86,226	137,379	2.6
Audited 2012	332,285	61,652	270,633	5.4
Audited 2013	(28,682)	66,258	(94,940)	-0.4
Projected 2014	45,619	33,892	11,727	1.3
Projected 2015	150,438	65,251	85,187	2.3
Projected 2016	129,603	64,261	65,342	2.0
Projected 2017	107,552	83,413	24,139	1.3
Projected 2018	85,875	82,123	3,752	1.0

Reviewer: Brandi Armstrong
Date: June 26, 2014
Loan Number: F14-044

KENTUCKY INFRASTRUCTURE AUTHORITY
DRINKING WATER STATE REVOLVING FUND (FUND "F")
CITY OF FLATWOODS, GREENUP COUNTY
PROJECT REVIEW
WX21089064

I. PROJECT DESCRIPTION

The City of Flatwoods is requesting a Fund "F" loan in the amount of $325,000 for the Jones Street Waterline Upgrade project. The project will replace 3,500 linear feet of two and four inch lines with six inch PVC lines along Jones and Pine Street and install two fire hydrants. The existing lines have a history of breaks and are undersized resulting in low pressure to approximately 70 customers.

The City serves approximately 3,100 customers and purchases all of its water from the Cities of Ashland and Russell. They also sell water to the Cities of Raceland and Wurtland.

II. PROJECT BUDGET

		Total
Administrative Expenses	$	7,655
Planning		4,500
Engineering Fees – Design / Const		25,000
Engineering Fees - Inspection		27,695
Engineering Fees - Other		5,500
Construction		231,950
Contingency		22,700
Total	**$**	**325,000**

III. PROJECT FUNDING

		Amount	%
Fund F Loan	$	325,000	100%
Total	**$**	**325,000**	**100%**

IV. KIA DEBT SERVICE

Amortized Loan Amount	$	325,000
Interest Rate		1.75%
Loan Term (Years)		20
Estimated Annual Debt Service	$	19,330
Administrative Fee (0.25%)		813
Total Estimated Annual Debt Service	**$**	**20,142**

V. PROJECT SCHEDULE

Bid Opening	May 2015
Construction Start	October 2015
Construction Stop	April 2016

VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

A) Customers

Customers	Current
Residential	2,955
Commercial	150
Industrial	0
Total	3,105

B) Rates

	Inside City		Outside City	
	Current	Previous	Current	Previous
Date of Last Rate Increase	12/03/13	12/01/11	12/03/13	12/01/11
Minimum 2,000 Gallons	$14.83	$12.89	$22.54	$18.79
2,000 to 3,000 gallons	5.54	4.82	6.27	5.20
Over 3,000 gallons	3.00	2.67	3.54	2.96
Cost for 4,000 Gallons	**$25.91**	**$22.53**	**$35.08**	**$29.19**
Increase	15.0%		20.2%	
Affordability Index (Rate/MHI)	0.8%	0.7%	1.1%	0.9%

VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2007-2011, the City's population was 7,422 with a Median Household Income (MHI) of $39,900. The median household income for the Commonwealth is $42,248. The project will qualify for a 1.75% interest rate.

	Population				County Unemployment	
Year	City	% Change	County	% Change	Date	Rate
1980	1,445		17,778		June 2003	7.8%
1990	1,290	-10.7%	19,955	12.2%	June 2008	6.6%
2000	1,620	25.6%	23,208	16.3%	June 2012	8.6%
2010	1,641	1.3%	24,939	7.5%	June 2013	9.2%
Current	1,839	12.1%	36,914	48.0%		
Cumulative %		27.3%		107.6%		

VIII. 2013 CAPITALIZATION GRANT EQUIVALENCIES

1) Green Project Reserve - The 2013 Drinking Water capitalization grant does not contain a “green” requirement.

2) Additional Subsidization – This project does not qualify for additional subsidization.

IX. FINANCIAL ANALYSIS (See Exhibit 1)

Financial information was obtained from the audited financial statements for the years ended June 30, 2011 through 2013. Water, sewer and sanitation services are combined as one “Public Utilities” group.

HISTORY

Revenues increased 14% from $2,533,109 in 2011 to $2,891,639 in 2013 while operating expenses increased 26% from $2,354,378 to $2,961,290. Debt service coverage was 2.6, 5.4 and -0.4 in 2011, 2012 and 2013, respectively. Water rate adjustments did not keep pace with purchased water cost increases. The balance sheet reflects a current ratio of 2.8, debt to equity ratio of 0.1 and unrestricted cash and investments of 4.3 months of operating expenses..

PROJECTIONS

Projections are based on the following assumptions:

1) Water revenues will increase 15% from 2013 to 2015 due to a previously approved rate increase but will otherwise be flat for volume.
2) Water rates will be adjusted within thirty days of any purchased water rate increase.
3) Expenses will increase by 2% each year.
4) Debt service coverage is 1.3 in 2017 when principal and interest repayments begin.

Based on the proforma assumptions, the utility shows adequate cash flow to repay the KIA Fund F loan.

REPLACEMENT RESERVE

The annual replacement cost is $800. This amount should be added to the replacement account each December 1 until the balance reaches $8,000 and maintained for the life of the loan.

X. DEBT OBLIGATIONS

	Outstanding	Maturity
KIA (A12-21, i/a/o $440,000)	$ 17,436	TBD
KIA (B11-04)	128,701	2032
Sewer Revenue Bonds	215,000	2020
Total	**$ 361,137**	

XI. OTHER STATE OR FEDERAL FUNDING IN PAST FIVE YEARS

Project Title	Funding Source	Amount	Type
500,000 Gallon Water Storage Tank	HB608	$300,000	Grant
Sewer Pump Station Upgrades	HB608	$100,000	Grant
Espy Lane Sewer Rehab	HB380	$200,000	Grant

XII. CONTACTS

Legal Applicant	
Name	City of Flatwoods
Address	2513 Reed Street Flatwoods, KY 41139
County	Greenup
Authorized Official	Bobby F. Crager (Mayor)
Phone	(606) 836-9661
Email	bcrager@flatwoods.org

Project Administrator / Engineer	
Name	Paul Amburgey
Representing	Director of Engineering
Address	3145 Greenup Avenue Ashland, KY 41101
Phone	(606) 326-1890
Email	pamburgey@elrobinson.com

XIII. RECOMMENDATIONS

KIA staff recommends approval of the loan with the standard conditions.

CITY OF FLATWOODS
BALANCE SHEETS (JUNE YEAR END)

ASSETS	Audited 2011	Audited 2012	Audited 2013	Upon Completion 2016
Current Assets				
Cash	563,699	493,816	453,509	615,765
Accounts Receivable	353,101	402,518	388,006	428,300
Certificates of Deposit	46,635	47,482	47,908	50,308
Total Current Assets	963,435	943,816	889,423	1,094,373
Total Restricted Assets	446,174	496,449	388,625	496,449
Utility Plant				
Property, Plant and Equipment	10,407,916	10,510,617	11,511,101	12,307,665
Less Accumulated Depreciation ( )	(5,947,996)	(6,178,965)	(6,416,378)	(7,036,988)
Net Fixed Assets	4,459,920	4,331,652	5,094,723	5,270,677
Total Assets	5,869,529	5,771,917	6,372,771	6,861,499
LIABILITIES				
Current Liabilities				
Accounts Payable	155,239	64,269	103,384	64,269
Wages Payable	4,478	7,078	8,832	7,078
Accrued Interest	43,830	45,733	46,556	45,733
Other Accrued Expenses	40,010	28,419	31,913	28,419
Customer Deposits	94,945	96,725	99,235	96,725
C.P. Long Term Debt	38,259	41,902	25,000	30,000
Total Current Liabilities	376,761	284,126	314,920	272,224
Total Long Term Liabilities	274,717	232,815	336,137	576,137
Total Liabilities	651,478	516,941	651,057	848,361
Retained Earnings:				
Invested in Capital Assets Net of Related Debt	4,146,944	4,056,935	4,733,586	4,664,540
Restricted	283,399	327,991	217,834	496,449
Unrestricted	787,708	870,050	770,294	852,149
Total Retained Earnings	5,218,051	5,254,976	5,721,714	6,013,138
Total Liabilities and Equities	5,869,529	5,771,917	6,372,771	6,861,499
Balance Sheet Analysis				
Current Ratio	2.6	3.3	2.8	4.0
Debt to Equity	0.1	0.1	0.1	0.1
Days Sales in Accounts Receivable	50.9	51.8	49.0	49.0
Months Operating Expenses in Unrestricted Cash	7.2	4.9	4.3	5.6

EXHIBIT 1
CITY OF FLATWOODS
CASH FLOW ANALYSIS (JUNE YEAR END)

Operating Revenues	**Audited 2011**	**% Change**	**Audited 2012**	**% Change**	**Audited 2013**	**Projected 2014**	**Projected 2015**	**Projected 2016**	**Projected 2017**	**Projected 2018**
Water	1,133,083	3%	1,165,493	2%	1,193,350	1,282,851	1,379,065	1,379,065	1,379,065	1,379,065
Sewer	1,062,550	22%	1,292,316	1%	1,304,596	1,304,596	1,330,688	1,357,302	1,384,448	1,412,137
Sanitation	335,308	8%	361,924	5%	381,227	409,819	440,555	440,555	440,555	440,555
Other	2,168	650%	16,256	-23%	12,466	13,401	14,406	14,406	14,406	14,406
Total Revenues	2,533,109	12%	2,835,989	2%	2,891,639	3,010,667	3,164,714	3,191,328	3,218,474	3,246,163
Operating Expenses										
Purchased Water	547,982	6%	583,184	17%	680,971	680,971	680,971	680,971	680,971	680,971
Sewage Treatment	396,820	58%	627,546	-6%	592,360	604,207	616,291	628,617	641,189	654,013
Landfill Charges	279,331	3%	288,605	19%	343,489	350,359	357,366	364,513	371,803	379,239
Operating Expenses	1,130,245	0%	1,129,988	19%	1,344,470	1,371,359	1,398,786	1,426,762	1,455,297	1,484,403
Depreciation	211,564		209,410		206,870	206,870	206,870	206,870	214,995	214,995
Replacement Reserve	0		0		0	0	2,710	2,710	3,510	3,510
Total Expenses	2,565,942	11%	2,838,733	12%	3,168,160	3,213,766	3,262,994	3,310,443	3,367,765	3,417,131
Net Operating Income	(32,833)	-92%	(2,744)	9977%	(276,521)	(203,099)	(98,280)	(119,115)	(149,291)	(170,968)
Non-Operating Income and Expenses										
Interest Income	5,336	-17%	4,440	-25%	3,348	3,348	3,348	3,348	3,348	3,348
Water and Sewer Taps	13,825		18,050		10,175	12,500	12,500	12,500	12,500	12,500
Intergovernmental Revenue	25,713		26,686		27,446	26,000	26,000	26,000	26,000	26,000
Proceeds from Sales of Assets	0		76,443		0	0	0	0	0	0
Total Non-Operating Income & Expenses	44,874	180%	125,619	-67%	40,969	41,848	41,848	41,848	41,848	41,848
Add Non-Cash Expenses										
Depreciation	211,564	-1%	209,410	-1%	206,870	206,870	206,870	206,870	214,995	214,995
Cash Available for Debt Service	**223,605**	**49%**	**332,285**	**-109%**	**(28,682)**	**45,619**	**150,438**	**129,603**	**107,552**	**85,875**
Debt Service										
Existing Principal	63,793		39,000		59,717	25,000	30,000	30,000	30,000	30,000
Existing Interest	22,433		22,652		6,541	8,892	7,570	6,580	5,590	4,300
KIA A12-21	0		0		0	0	27,681	27,681	27,681	27,681
Proposed KIA Loan	0		0		0	0	0	0	20,142	20,142
Total Debt Service	86,226		61,652		66,258	33,892	65,251	64,261	83,413	82,123
Income After Debt Service	137,379		270,633		(94,940)	11,727	85,187	65,342	24,139	3,752
Debt Coverage Ratio	2.6		5.4		(0.4)	1.3	2.3	2.0	1.3	1.0

A T T A C H M E N T

I.B.15.

A RESOLUTION OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING AND APPROVING THE ISSUANCE OF OBLIGATIONS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY TO REIMBURSE CAPITAL EXPENDITURES MADE BY GOVERNMENTAL AGENCIES PURSUANT TO LOANS MADE BY THE KENTUCKY INFRASTRUCTURE AUTHORITY TO SUCH GOVERNMENTAL AGENCIES

WHEREAS, the Board of Directors of the Kentucky Infrastructure Authority (the "Authority") has heretofore approved the undertaking of the projects described in further detail in Exhibit A (collectively, the "Project"); and

WHEREAS, the Authority anticipates making loans to governmental agencies pursuant to the provisions of Chapter 224A of the Kentucky Revised Statutes (the "Act") for the Project and the governmental agencies may be expected to pay and/or incur costs with respect to the Project ("Prior Capital Expenditures") on or after the date of this resolution and prior to the issuance of the obligations (the "Obligations") which will finance the Project.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Kentucky Infrastructure Authority as follows:

Section 1. The Board of Directors hereby approves the use of the Obligations to finance the costs of the Project in the maximum principal amount set forth in Exhibit A plus costs of issuance related thereto and amounts required to fund a debt service reserve, if any, and declares its intent that any Prior Capital Expenditures made by the governmental agencies pursuant to loans made by the Authority will be made in anticipation of the issuance of such Obligations to reimburse said Prior Capital Expenditures. This declaration is made pursuant to Treas. Reg. ∋1.150-2.

Section 2. The Executive Director and Treasurer of the Authority are hereby authorized and directed to reimburse, not later than eighteen months after the later of (i) the date of the expenditure or (ii) the date the item was placed in service, but in any event not later than three years after the original expenditure, only those Prior Capital Expenditures made with respect to assets having a reasonably expected economic life of at least one year, and in addition, eligible preliminary expenditures paid and incurred prior to commencement of the Project.

Section 3. The Authority finds and determines that, consistent with the Authority's budgetary and financial circumstances, it does not have funds currently available and does not expect to have funds available in the future that may be allocated on a long-term basis, other than the proceeds of the Obligations, to finance the Prior Capital Expenditures.

Section 4. The Authority hereby directs the Executive Director, Secretary, and Treasurer to take the following action at the time the Prior Capital Expenditures are reimbursed from proceeds of the Obligations: (i) evidence the reimbursement on the books and records maintained with respect to the Obligations, and (ii) identify either the actual prior expenditure to be reimbursed or, in the case of reimbursement of a fund or account, the fund or account from which the expenditure was paid.

Section 5. The books, records and proceedings of the Authority with respect to this resolution shall be made reasonably available by the Authority for its inspection by the general public at the Authority's administrative office every business day during normal business hours commencing no later than 30 days after the passage of this resolution. Said books, record and proceedings of the Authority with respect to this resolution will continue to be reasonably available to the general public until the date of issuance of the Obligations.

Section 6. This Resolution shall be in full force and effect from and after its adoption.

Passed and adopted this 26th day of June, 2014.

_____
TONY WILDER, CHAIR
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

_____
JEFFREY A. ABSHIRE, SECRETARY
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

_____
PECK, SHAFFER & WILLIAMS, A DIVISION OF
DINSMORE & SHOHL, LLP, LEGAL COUNSEL TO THE
KENTUCKY INFRASTRUCTURE AUTHORITY

EXHIBIT A

APPLICANT	FUND	AMOUNT
Lexington Fayette Urban County Government (Increase)	A13-015	$31,801,000
Lexington Fayette Urban County	A14-001	$19,837,063
City of Greenburg	B14-007	$ 350,000
Greenup Joint Sewer Agency	B14-013	$ 2,000,000
Glasgow Water Company	C14-002	$ 3,000,000
City of Harrodsburg	F13-002	$ 2,703,422
City of Danville (Increase)	F13-011	$12,467,849
Northern Kentucky Water District (Increase)	F13-012	$ 8,000,000
City of Flatwoods	F14-044	$ 325,000
≤10% Increases (Approved by Executive Director)		
City of Owensboro (Increase)	A07-04	$24,350,578
City of Hardinsburg (Increase)	F11-01	$ 4,114,000

FUNDS A, A2, B, B1, B2, C, F, F2

Kentucky Infrastructure Authority
Amounts Available to Loan
6/20/2014

Clean Water State Revolving Fund (Fund A)	
Trustee Funds Not Committed	$51,023,741
Adjustments **	($44,781,428)
Funds Available to Loan	$6,242,313
Infrastructure Revolving Fund (Fund B)	
Trustee Funds Not Committed	$4,714,521
Applications In-house	($3,750,000)
Funds Available to Loan	$964,521
Governmental Agencies Program (Fund C)	
Trustee Funds Not Committed	$5,914,592
Applications In-house	($4,000,000)
Funds Available to Loan	$1,914,592
Drinking Water State Revolving Fund (Fund F)	
Trustee Funds Not Committed	$20,617,834
Adjustments **	($21,133,785)
Funds Available to Loan	($515,951)

** Adjustments include in-house applications; debt service; and projected repayments

Fund A Loans for construction of wastewater infrastructure, 20-year max term, must be on CWSRF priority list – Federal funds with 20% state match

Fund B Planning, design and construction loans for all infrastructure projects as defined by KRS 224A.011 – State funds

Fund C Market rate pooled loan program with surplus funds for direct loans for infrastructure projects as defined by KRS 224A.011

Fund F Loans for construction of drinking water infrastructure, 20-year term (may be 30 years if disadvantaged), must be on DWSRF priority list – Federal funds with 20% state match

KENTUCKY INFRASTRUCTURE AUTHORITY
FEDERALLY ASSISTED WASTEWATER REVOLVING LOAN FUND ---- (FUND A)

AVAILABLE FUNDS FFY 1989:	
FEDERAL TITLE VI GRANT FUNDS	$33,237,382
UNUSED TITLE II GRANT FUNDS	$5,873,998
BOND PROCEEDS (20%)	$7,822,276
ADMINISTRATION (4%)	($1,564,455)
NET 89 SRF FUNDS	$45,369,201
AVAILABLE FUNDS FFY 1990:	
FEDERAL TITLE VI GRANT FUNDS	$17,798,449
BOND PROCEEDS (20%)	$3,559,690
ADMINISTRATION (4%)	($711,938)
NET 90 SRF FUNDS	$20,646,201
AVAILABLE FUNDS FFY 1991:	
FEDERAL TITLE VI GRANT FUNDS	$31,258,282
BOND PROCEEDS (20%)	$6,251,656
ADMINISTRATION (4%)	($1,250,331)
NET 91 SRF FUNDS	$36,259,607
AVAILABLE FUNDS FFY 1992:	
FEDERAL TITLE VI GRANT FUNDS	$25,429,111
BOND PROCEEDS (20%)	$5,085,822
ADMINISTRATION (4%)	($1,017,164)
NET 92 SRF FUNDS	$29,497,769
AVAILABLE FUNDS FFY 1993:	
FEDERAL TITLE VI GRANT FUNDS	$24,462,603
BOND PROCEEDS (20%)	$4,892,521
ADMINISTRATION (4%)	($978,504)
NET 93 SRF FUNDS	$28,376,620
AVAILABLE FUNDS FFY 1994:	
FEDERAL TITLE VI GRANT FUNDS	$15,178,779
BOND PROCEEDS (20%)	$3,035,756
ADMINISTRATION (4%)	($607,151)
NET 94 SRF FUNDS	$17,607,384
AVAILABLE FUNDS FFY 1995:	
FEDERAL TITLE VI GRANT FUNDS	$15,676,353
BOND PROCEEDS (20%)	$3,135,271
ADMINISTRATION (4%)	($627,054)
NET 95 SRF FUNDS	$18,184,570
AVAILABLE FUNDS FFY 1996:	
FEDERAL TITLE VI GRANT FUNDS	$25,678,432
BOND PROCEEDS (20%)	$5,135,686
ADMINISTRATION (4%)	($1,027,137)
NET 96 SRF FUNDS	$29,786,981
ADDITIONAL FUNDS FFY 1997:	
FEDERAL TITLE VI GRANT FUNDS	$7,912,200
BOND PROCEEDS (20%)	$1,582,440
ADMINISTRATION (4%)	($316,488)
NET ADD'L 97 SRF FUNDS	$9,178,152
AVAILABLE FUNDS FFY 1998:	
FEDERAL TITLE VI GRANT FUNDS	$17,138,187
BOND PROCEEDS (20%)	$3,427,637
ADMINISTRATION (4%)	($685,527)
NET 98 SRF FUNDS	$19,880,297
AVAILABLE FUNDS FFY 1999:	
FEDERAL TITLE VI GRANT FUNDS	$17,139,573
BOND PROCEEDS (20%)	$3,427,914
ADMINISTRATION (4%)	($685,582)
NET 98 SRF FUNDS	$19,881,905
AVAILABLE FUNDS FFY 2000:	
FEDERAL TITLE VI GRANT FUNDS	$17,081,460
BOND PROCEEDS (20%)	$3,416,292
ADMINISTRATION (4%)	($683,258)
NET 00 SRF FUNDS	$19,814,494
AVAILABLE FUNDS FFY 2001:	
FEDERAL TITLE VI GRANT FUNDS	$16,929,594
BOND PROCEEDS (20%)	$3,385,919
ADMINISTRATION (4%)	($677,184)
NET 01 SRF FUNDS	$19,638,329

AVAILABLE FUNDS FFY 2002:	
FEDERAL TITLE VI GRANT FUNDS	$16,967,313
BOND PROCEEDS (20%)	$3,393,463
ADMINISTRATION (4%)	($678,692)
NET 02 SRF FUNDS	$19,682,084
AVAILABLE FUNDS FFY2003:	
FEDERAL TITLE VI GRANT FUNDS	$16,857,027
BOND PROCEEDS (20%)	$3,371,405
ADMINISTRATION (4%)	($674,281)
NET 03 SRF FUNDS	$19,554,151
AVAILABLE FUNDS FFY2004:	
FEDERAL TITLE VI GRANT FUNDS	$16,867,224
BOND PROCEEDS (20%)	$3,373,445
ADMINISTRATION (4%)	($674,688)
NET 04 SRF FUNDS	$19,565,981
AVAILABLE FUNDS FFY2005:	
FEDERAL TITLE VI GRANT FUNDS	$13,714,668
BOND PROCEEDS (20%)	$2,742,934
ADMINISTRATION (4%)	($548,586)
NET 05 SRF FUNDS	$15,909,016
AVAILABLE FUNDS FFY2006:	
FEDERAL TITLE VI GRANT FUNDS	$11,145,123
BOND PROCEEDS (20%)	$2,229,025
ADMINISTRATION (4%)	($445,804)
NET 06 SRF FUNDS	$12,928,344
AVAILABLE FUNDS FFY2007:	
FEDERAL TITLE VI GRANT FUNDS	$13,621,905
BOND PROCEEDS (20%)	$2,724,381
ADMINISTRATION (4%)	($544,876)
NET 07 SRF FUNDS	$15,801,410
AVAILABLE FUNDS FFY2008:	
FEDERAL TITLE VI GRANT FUNDS	$8,648,100
BOND PROCEEDS (20%)	$1,729,620
ADMINISTRATION (4%)	($345,924)
NET 08 SRF FUNDS	$10,031,796
AVAILABLE FUNDS FFY2009:	
FEDERAL TITLE VI GRANT FUNDS	$8,648,100
BOND PROCEEDS (20%)	$1,729,620
ADMINISTRATION (4%)	($345,924)
NET 09 SRF FUNDS	$10,031,796
AVAILABLE FUNDS FFY2010:	
FEDERAL TITLE VI GRANT FUNDS	$25,932,000
BOND PROCEEDS (20%)	$5,186,400
ADMINISTRATION (4%)	($1,037,280)
NET 10 SRF FUNDS	$30,081,120
AVAILABLE FUNDS FFY2011:	
FEDERAL TITLE VI GRANT FUNDS	$18,794,000
BOND PROCEEDS (20%)	$3,758,800
ADMINISTRATION (4%)	($751,760)
NET 11 SRF FUNDS	$21,801,040
AVAILABLE FUNDS FFY2012:	
FEDERAL TITLE VI GRANT FUNDS	$17,987,000
BOND PROCEEDS (20%)	$3,597,400
ADMINISTRATION (4%)	($719,480)
NET 12 SRF FUNDS	$20,864,920
AVAILABLE FUNDS FFY2013:	
FEDERAL TITLE VI GRANT FUNDS	$16,992,000
BOND PROCEEDS (20%)	$3,398,400
ADMINISTRATION (4%)	($679,680)
NET 13 SRF FUNDS	$19,710,720
NET FY 1989-2013 SRF FUNDS	**$530,083,888**
CURRENT REVOLVING/SURPLUS FUND BALANC	**$274,409,466**
Leverage Bonds - Balance	**$0**
Trustee Funds Not Committed	**$51,023,741**

		TOTAL PROJECT AMOUNT	KIA LOAN AMOUNT		DATE APPROVED	
	PROJECTS APPROVED IN SFY 1989:					
1	PIKEVILLE, CITY OF (1)	$3,047,285	$3,199,217	(c)	05-03-89	(AMD. 11-19-90 & 9-16-91)
2	MANCHESTER, CITY OF	$4,451,803	$2,209,119	(c)	5-03-89	
3	JENKINS, CITY OF	$2,724,307	$1,654,780	(c)	5-03-89	
	TOTALS	**$10,223,395**	**$7,063,116**			
	PROJECTS APPROVED IN SFY 1990:					
4	MT. WASHINGTON, CITY OF	$1,957,322	$908,187	(c)	8-07-89	
5	MAYFIELD, CITY OF	$4,067,194	$3,425,343	(c)	8-07-89	(AMD. 8-16-90)
6	DANVILLE, CITY OF	$634,900	$418,055	(c)	8-07-89; 70/7/04	Assumed from Perryville
7	JACKSON, CITY OF (1)	$3,241,350	$1,606,068	(c)	9-27-89	(AMD. 11-12-92)
8	SOUTH SHORE, CITY OF	$2,982,085	$2,031,315	(c)	12-13-89	(AMD. 6-20-91)
	TOTALS	**$12,882,851**	**$8,388,968**			
	PROJECTS APPROVED IN SFY 1991:					
9	LEWISBURG, CITY OF	$751,974	$667,388	(c)	8-16-90	
10	PROVIDENCE, CITY OF (1)	$3,803,625	$2,828,680	(c)	8-16-90	
11	PROVIDENCE, CITY OF (2)	$820,069	$820,069	(c)	8-16-90	
12	CAMPTON, CITY OF	$669,615	$367,641	(c)	8-16-90	(AMD. 11-19-90)
13	BOWLING GREEN, CITY OF (1)	$9,459,163	$6,570,011	(c)	11-19-90	
14	BOWLING GREEN, CITY OF (2)	$2,616,756	$2,616,756	(c)	11-19-90	
15	ELIZABETHTOWN, CITY OF	$9,851,000	$9,226,158	(c)	1-31-91	
16	PINEVILLE, CITY OF (1)	$3,169,900	$2,293,544	(c)	3-28-91	(AMD. 11-12-92 & 12-1-93)
17	BUTLER, CITY OF	$373,850	$187,950	(c)	3-28-91	
18	LONDON, CITY OF	$7,148,495	$6,305,753	(c)	6-20-91	
	TOTALS	**$38,664,447**	**$31,883,950**			
	PROJECTS APPROVED IN SFY 1992:					
19	BOYD COUNTY FISCAL COURT	$3,789,000	$2,237,342	(c)	7-24-91	
20	WILLIAMSBURG, CITY OF	$1,024,110	$931,344	(c)	9-16-91	
21	GREENUP, CITY OF	$453,800	$442,739	(c)	9-16-91	(AMD. 1-23-93)
22	GEORGETOWN, CITY OF	$6,009,300	$6,119,705	(c)	9-16-91	
23	STANFORD, CITY OF	$1,177,312	$685,289	(c)	9-16-91	
24	HICKMAN, CITY OF	$2,641,171	$1,779,494	(c)	9-18-91	(AMD. 11-12-92)
25	BRANDENBURG, CITY OF	$2,091,294	$1,802,290	(c)	11-01-91	(AMD. 5-13-92)
26	MIDDLESBORO, CITY OF	$832,085	$175,785	(c)	11-01-91	
27	CAMPBELL/KENTON S.D. (MELBOURNE)	$1,196,365	$773,156	(c)	11-01-91	(AMD. 9-10-92)
28	MURRAY, CITY OF	$5,121,690	$5,161,272	(c)	11-01-91	
29	CUMBERLAND, CITY OF	$1,366,700	$680,417	(c)	12-04-91	
30	WHEELWRIGHT, CITY OF	$971,000	$361,675	(c)	12-04-91	
31	EMINENCE, CITY OF	$4,071,300	$1,328,600	(c)	2-25-92	(REAP. 2-16-94)
32	PADUCAH-MCCRACKEN JOINT SEWER AGENCY	$1,889,950	$1,495,501	(c)	5-13-92	(ASSUMED FROM REIDLAND)
33	FLEMINGSBURG, CITY OF	$1,128,194	$1,142,183	(c)	5-13-92	
34	WEBSTER COUNTY FISCAL COURT	$3,211,937	$2,378,237	(c)	5-13-92	(REAP. 9-27-94)
	TOTALS	**$36,975,208**	**$27,495,029**			
	PROJECTS APPROVED IN SFY 1993:					
35	FRANKLIN, CITY OF (1)	$497,979	$497,979	(c)	9-10-92	AMD.
36	CORINTH, CITY OF	$1,089,866	$200,766	(c)	11-12-92	
37	PLEASUREVILLE, CITY OF	$2,976,200	$785,200	(c)	11-12-92	(AMD. 3-31-95)
38	HOPKINSVILLE, CITY OF (1)	$9,845,968	$9,693,741	(c)	12-17-92	(AMD. 9-1-94)
39	MARTIN, CITY OF	$2,295,847	$579,212	(c)	12-17-92	
40	OLIVE HILL, CITY OF	$3,245,120	$2,426,003	(c)	01-29-93	(AMD 10/6/05)
41	NICHOLASVILLE PUBLIC UTILITIES	$16,340,413	$15,740,449	(c)	05-05-93	(REAP. 3-31-95)(AMD.12-18-98)
	TOTALS	**$36,291,393**	**$29,923,350**			
	PROJECTS APPROVED IN SFY 1994:					
42	PINEVILLE, CITY OF (2)	$940,000	$418,542	(c)	07-07-93	(REAP. 3-31-95)
43	IRVINE, CITY OF	$2,883,563	$1,658,248	(c)	08-31-93	(REAP. 3-31-95 & AMD. 8-29-96)
44	BENHAM, CITY OF	$1,916,066	$853,191	(c)	08-31-93	(REAP. 3-31-95)
45	PRINCETON, CITY OF (Part 1)	$3,722,362	$2,365,520	(c)	12-01-93	(REAP. 5-30-95)
46	PRINCETON, CITY OF (Part 2)	$1,045,618	$597,712	(c)	12-01-93	(REAP. 5-30-95)
47	HOPKINSVILLE, CITY OF	$885,720	$646,748	(c)	02-16-94; 4-7-11	(REAP. 8-30-95) Assumed from Crofton
48	LEDBETTER SANITATION DISTRICT #1	$4,767,980	$3,624,359	(c)	05-11-94	(AMD.5-30-95)(AMD.7-13-98)
49	HAZARD, CITY OF	$7,746,540	$6,511,067	(c)	05-11-94	
50	SHELBY COUNTY SANITATION DISTRICT #1	$2,100,000	$1,402,737	(c)	05-11-94	(Assumed from Shelby Co SD #1
51	LAGRANGE, CITY OF	$898,515	$832,777	(c)	06-29-94	(AMD. 7-17-95)
52	MADISONVILLE, CITY OF	$15,713,000	$15,552,994	(c)	06-29-94	
53	DAWSON SPRINGS, CITY OF	$846,480	$816,170	(c)	06-29-94	
54	CATLETTSBURG, CITY OF	$5,678,656	$3,200,000	(s)	06-29-94	(REAP. 12-5-95)(AMD.12-4-96)
	TOTALS	**$49,144,500**	**$38,480,065**			

		TOTAL PROJECT AMOUNT	KIA AMOUNT		DATE APPROVED	
	PROJECTS APPROVED IN SFY 1995:					
55	HOPKINSVILLE, CITY OF	$401,000	$240,264	(c)	08-30-94; 4-7-11	Assumed from Pembroke
56	MT. STERLING, CITY OF	$1,110,540	$1,055,969	(c)	08-30-94	
57	WEST LIBERTY, CITY OF	$737,972	$329,764	(c)	08-30-94	(AMD. 2-26-96)
58	MT. VERNON, CITY OF	$998,650	$652,162	(c)	08-30-94	(REAP. 2-26-96) (REAP.3-6-97)
59	WORTHINGTON, CITY OF	$790,000	$388,332	(c)	08-30-94	
60	SOMERSET, CITY OF	$2,759,200	$2,631,067	(c)	08-30-94	
61	PERRY COUNTY S.D. #1	$845,790	$601,673	(c)	08-30-94	(AMD. 6/1/97)
62	BOYD COUNTY (PHASE II)	$6,990,000	$6,270,000	(s)	09-27-94	(AMD. 2-2-95)(AMD 12-10-99)
63	FRANKLIN, CITY OF (2)	$2,600,080	$2,572,240	(c)	09-27-94	
64	BRODHEAD, CITY OF	$899,411	$502,650	(c)	11-29-94	
65	NEWPORT, CITY OF	$1,759,645	$1,596,327	(c)	11-29-94	(AMD. 8-29-96)
66	PIKEVILLE, CITY OF (2)	$3,466,413	$2,134,015	(c)	11-29-94	(AMD. 8-30-95)
67	PADUCAH-MCCRACKEN JOINT SEWER AGENCY	$3,798,069	$3,516,117	(c)	11-29-94	(AMD.6-19-97)(ASSUMED FROM REIDLAND)
68	HOPKINSVILLE, CITY OF (2)	$3,715,533	$3,191,098	(c)	02-02-95	
69	JENKINS, CITY OF (2)	$719,755	$719,755	(c)	02-02-95	
70	RUSSELL, CITY OF	$244,730	$71,666	(c)	02-02-95	
71	LEBANON, CITY OF	$6,491,336	$5,805,838	(c)	03-31-95	
72	REGIONAL WATER RESOURCE AGENCY (O'BORO)	$11,885,276	$7,160,493	(c)	03-31-95	
73	MOREHEAD, CITY OF (RCSD)	$3,347,424	$3,130,152	(c)	03-31-95	(Assumed from RCSD)
74	GREENUP CO. ENVIRONMENTAL COMMISSION	$3,798,920	$3,370,168	(c)	5-30-95	(AMD. 3/16/99)
75	BOYD / GREENUP SANITATION DISTRICT #1	$391,116	$371,573	(c)	5-30-95	
76	PIKEVILLE, CITY OF	$1,953,260	$462,584	(c)	5-30-95; 3/2/06	Assumed from Mtn WD
	TOTALS	**$59,704,120**	**$46,773,907**			
	PROJECTS APPROVED IN SFY 1996:					
	NONE	$0	$0			
	TOTALS	**$0**	**$0**			
	PROJECTS APPROVED IN SFY 1997:					
77	HARLAN, CITY OF	$6,053,575	$2,546,299	(c)	7-18-96	(REAP. 4-27-98)
78	HAWESVILLE, CITY OF	$871,000	$435,000	(c)	7-18-96	
79	EMINENCE, CITY OF	$1,381,339	$945,408	(c)	7-18-96	
80	SCOTTSVILLE, CITY OF	$4,608,815	$3,959,472	(c)	7-18-96	
81	ELKHORN CITY, CITY OF	$926,726	$926,726	(c)	7-18-96	(AMD 4-1-98)
82	GRAYSON, CITY OF	$3,635,970	$3,424,567	(s)	7-18-96	(AMD. 9-1-98)
83	MOREHEAD, CITY OF	$2,357,176	$781,381	(c)	7-18-96	
84	JACKSON, CITY OF	$719,287	$681,983	(c)	8-29-96	
85	LAWRENCE, COUNTY OF	$1,566,000	$868,219	(c)	3-6-97	(AMD 11/1/01)
86	GREENUP CO. ENVIRONMENTAL COMMISSION	$2,368,793	$2,331,195	(c)	3-6-97	
87	HARDIN CO WATER DISTRICT 1	$4,846,450	$4,809,652	(c)	6-19-97; 3/6/08	Assumed from Radcliff
88	WARREN COUNTY WATER DISTRICT (1)	$1,082,400	$980,781	(c)	6-19-97	
		$30,417,531	**$22,690,683**			
	PROJECTS APPROVED IN SFY 1998:					
89	CRESTWOOD, CITY OF	$351,516	$351,516	(c)	8-14-97; 3/2/06	(A1) Assump. fell through
90	PARIS, CITY OF	$723,734	$402,667	(c)	11-10-97	(A1)
91	LEWISPORT, CITY OF	$2,279,000	$1,074,308	(c)	11-10-97	
92	MAYSVILLE, CITY OF	$12,538,828	$11,722,252	(c)	2-26-98	
93	WARREN COUNTY WATER DISTRICT (2)	$265,000	$253,057	(c)	2-26-98	
94	PRESTONSBURG, CITY OF	$4,392,500	$919,183	(s)	2-26-98	
95	CRESTWOOD, CITY OF	$10,358,404	$6,146,750	(+)	4-27-98; 3/2/06	Assump. fell through
	TOTALS	**$30,908,982**	**$20,869,733**			
	PROJECTS APPROVED IN SFY 1999:					
96	PARIS, CITY OF	$7,528,385	$5,943,287	(c)	9-1-98	
97	MIDWAY, CITY OF	$282,250	$141,125	(c)	10-13-98	(A1)
98	MAYFIELD, CITY OF	$1,401,962	$1,160,472	(c)	10-13-98	
99	***GREENUP JOINT SEWER AGENCY***	***$125,900***	***$103,950***	***(c)***	***12/18/98; 6/26/14 (A1)***	***Assumed from Wurtland***
100	DANVILLE, CITY OF	$7,712,132	$7,615,106	(c)	12-18-98	(AMD 01/8/04)
101	LEWIS COUNTY SANITATION DIST NO. 1	$2,924,800	$620,001	(c)	04-27-99	AMD 10/7/99
	TOTALS	**$19,975,429**	**$15,583,941**			
	PROJECTS APPROVED IN SFY 2000:					
102	MOREHEAD, CITY OF	$1,100,372	$279,000	(c)	09-01-99	
103	HOPKINSVILLE, CITY OF	$889,478	$834,891	(c)	09-01-99	AMD 6/8/00
104	RWRA-OWENSBORO	$26,264,248	$25,963,257	(c)	12/10/99	AMD 6/2/05
105	SOUTH SHORE, CITY OF	$502,790	$188,849	(c)	12/10/99	
106	MOREHEAD, CITY OF	$592,695	$257,300	(c)	4/4/00	
107	MIDWAY, CITY OF	$4,337,596	$702,589	(c)	6/6/2000	
	TOTALS	**$33,687,179**	**$28,225,886**			

		TOTAL PROJECT AMOUNT	KIA AMOUNT		DATE APPROVED	
	PROJECTS APPROVED IN SFY 2001:					
108	PIKEVILLE, CITY OF	$1,205,484	$1,116,574	(c)	07/18/2000; 5/16/01 9/6/01; 3/2/06	Assumed from Mtn WD
109	***GREENUP JOINT SEWER AGENCY***	***$1,717,540***	***$1,561,400***	***(c)***	***7/18/00; 6/26/14***	***Assumed from Wurtland***
110	LEITCHFIELD, CITY OF	$6,146,196	$5,355,560	(c)	8/29/00	
111	CLOVERPORT, CITY OF	$57,500	$57,500	(c)	11/22/00	(A1)
112	WHITE PLAINS, CITY OF	$2,250,400	$669,700	(c)	12/21/00	
113	MANCHESTER, CITY OF	$5,060,376	$1,053,589	(c)	1/25/01	
114	ARLINGTON, CITY OF	$677,333	$167,567	(c)	6/7/01	
	TOTALS	**$17,114,829**	**$9,981,890**			
	PROJECTS APPROVED IN SFY2002:					
115	CARROLLTON, CITY OF	$6,997,101	$2,518,301	(c)	8/9/01	AMD 9/6/01
116	MT. STERLING WAT & SEW COMMISSION	$13,908,185	$11,936,783	(c)	2/7/02	
117	SHEPHERDSVILLE, CITY OF	$9,976,728	$7,581,466	(c)	2/7/02	
118	MARION, CITY OF	$312,715	$312,715	(c)	3/7/02	(A1) AMD 1/9/03
119	GREENVILLE, CITY OF	$2,242,571	$2,223,347	(c)	3/7/02	
120	LEBANON JUNCTION, CITY OF	$2,898,419	$1,813,385	(c)	4/4/02	AMD 7/1/05
121	HARRODSBURG, CITY OF	$4,418,916	$3,314,760	(c)	5/2/02	
122	***GREENUP JOINT SEWER AGENCY***	***$1,782,900***	***$1,782,872***	***(c)***	***6/6/02; 6/26/14***	***Assumed from Wurtland***
	TOTALS	**$42,537,535**	**$31,483,629**			
	PROJECTS APPROVED IN SFY 2003					
123	SALYERSVILLE, CITY OF	$7,662,832	$2,035,486	(c)	8/15/02	AMD 9/19/03
124	LONDON, CITY OF	$15,262,069	$9,864,503	(c)	10/3/02	
125	Paducah McCracken Joint Sewer Agency	$1,497,900	$1,382,413	(c)	2/6/03	
126	Boyd & Greenup Co Sanitation Dist #1	$849,503	$694,844	(c)	5/1/03	
	TOTALS	**$25,272,304**	**$13,977,246**			
	PROJECTS APPROVED IN SFY 2004					
127	HOPKINSVILLE, CITY OF	$4,979,920	$4,682,517	(c)	8/7/03	
128	MOUNTAIN WATER DISTRICT	$729,158	$184,695	(c)	9/4/03	
129	BENTON, CITY OF	$1,823,194	$293,902	(c)	12/4/03; 10/7/04	
130	PADUCAH-MCCRACKEN JSA	$1,401,000	$1,229,425	(c)	12/4/03	
131	MARION, CITY OF	$1,775,704	$515,296	(c)	3/4/04	
132	MOREHEAD, CITY OF	$11,233,204	$7,189,123	(c)	3/4/04; AMD 11/05	
133	PADUCAH-MCCRACKEN JSA	$1,040,275	$908,403	(c)	3/4/04	
134	JESSAMINE-SOUTH ELKHORN WAT DIST	$298,200	$196,861	(c)	4/1/04	(A1)
135	BEREA, CITY OF	$9,011,045	$5,000,000	(c)	4/1/04; 1/6/05	
136	HOPKINSVILLE WATER ENV AUTH	$2,469,924	$2,469,924	(c)	05/06/04; 3/2/06	
137	SOUTHERN WAT & SEW DIST	$3,750,000	$68,037	(c)	05/06/04	
	TOTALS	**$38,511,624**	**$22,738,183**			
	PROJECTS APPROVED IN SFY 2005					
138	LAWRENCEBURG, CITY OF	$8,319,703	$7,889,974	(c)	7/1/04	
139	LORETTO, CITY OF	$5,563,468	$2,245,865	(c)	7/1/04; 9/14/05	
140	SANITATION DISTRICT #1	$39,028,077	$32,401,491	(c)	8/5/04; 10/1/06	
141	HODGENVILLE, CITY OF	$2,639,104	$968,539	(c)	10/7/04	
142	CARROLLTON, CITY OF	$10,870,148	$4,288,600	(c)	5/5/05	
143	WINCHESTER MUNICIPAL UTILITIES	$23,212,000	$21,000,000	(c)	6/23/05	
	TOTALS	**$89,632,500**	**$68,794,469**			
	PROJECTS APPROVED IN SFY 2006					
144	ALEXANDRIA, CITY OF	$2,535,785	$426,220	(c)	7/7/05	
145	PAINTSVILLE, CITY OF	$954,415	$429,715	(c)	10/6/05	
146	CYNTHIANA, CITY OF	$10,902,650	$5,671,622	(c)	12/1/05	
147	WESTERN MASON SD	$4,644,000	$802,000	(c)	12/1/05	
148	LEDBETTER WATER DISTRICT	$3,326,078	$2,326,078		3/2/06	
149	RICHMOND, CITY OF	$2,152,200	$2,152,200		6/1/06	(A1)
	TOTALS	**$24,515,128**	**$11,807,835**			

			TOTAL PROJECT AMOUNT	KIA AMOUNT		DATE APPROVED	
	PROJECTS APPROVED IN SFY 2007						
150	REGIONAL WAT RES AGENCY		$9,405,000	$7,196,879	(c)	7/13/06	
151	N MADISON CO SD		$1,925,000	$307,952	(c)	8/3/06	
152	BOYD CO SANITATION DIST #2		$1,918,000	$666,811	(c)	10/5/06	
153	N MADISON CO SD		$12,736,123	$8,104,622	(c)	10/5/06; 12/7/06	
154	OHIO CO REG WASTEWATER DIST		$15,940,000	$6,607,612	(c)	11/2/06	
155	CITY OF NICHOLASVILLE		$12,459,352	$12,053,913	(c)	12/7/06; 4/1/09	
156	CITY OF BOWLING GREEN		$5,155,190	$5,130,100	(c)	12/7/06	
157	CITY OF BEAVER DAM		$1,311,900	$597,921	(c)	6/21/07	
158	CITY OF FALMOUTH		$5,619,316	$2,812,236	(c)	6/21/07	
		TOTAL	**$66,469,881**	**$43,478,046**			
	PROJECTS APPROVED IN SFY 2008						
159	CITY OF BARLOW		$169,500	$168,954	(c)	9/6/07	(A1)
160	CITY OF WHITESBURG		$7,474,000	$1,040,900	(c)	9/6/07	
161	CITY OF OWENSBORO		$24,531,634	$22,900,578		10/4/07	
162	CITY OF ALEXANDRIA		$316,441	$186,073	(c)	11/1/07	
163	CITY OF MURRAY		$1,469,778	$1,227,741	(c)	11/1/07	
164	CITY OF RICHMOND		$57,843,022	$54,690,822		11/1/07	
165	REGIONAL WATER RESOURCE AGENCY		$1,709,375	$1,425,488	(c)	11/1/07	
166	Paducah McCracken JSA		$4,146,560	$1,600,000	(c)	2/7/08	
167	Bowling Green, City of		$54,235,960	$53,881,569	(c)	4/3/08; 11/12/09; 8/4/11	
168	Sanitation District #1		$83,147,554	$69,403,566	(c)	4/3/08; 6/4/09	
169	Elizabethtown, City of		$21,192,000	$21,192,000		4/3/08	
170	Nicholasville, City of		$9,554,625	$7,494,225		4/3/08	
171	Somerset, City of		$14,897,000	$8,138,274	(c)	4/3/08	
172	Williamstown, City of		$18,748,000	$15,214,408	(c)	6/2/08	
		TOTAL	**$299,435,449**	**$258,564,598**			
	PROJECTS APPROVED IN SFY 2009						
173	Hopkinsville, City of		$4,916,100	$0		9/4/08; withdrawn 5/11/10	
174	Lexington-Fayette Urban County Govt		$18,354,000	$14,045,119	(c)	1/8/09	
175	Paducah McCracken JSA		$14,323,800	$10,000,000		4/9/09	
176	Mt Washington, City of		$15,000,000	$9,061,772	(c)	5/7/09; 9/1/10	
177	Sanitation District #1		$5,802,300	$4,920,300	(c)	6/4/09; 6/30/11	
178	Sanitation District #1		$7,062,000	$5,459,988	(c)	6/4/09	
179	Sanitation District #1		$20,108,000	$12,735,256	(c)	6/4/09	
180	Sanitation District #1		$6,968,000	$4,726,828	(c)	6/4/09	
181	Sanitation District #1		$3,287,000	$2,149,345	(c)	6/4/09	
182	Sanitation District #1		$12,065,000	$8,069,123	(c)	6/4/09	
		TOTAL	**$107,886,200**	**$71,167,731**			
	PROJECTS APPROVED IN SFY 2010						
183	Kentucky Horse Park		$1,950,000	$717,039.80	(c)	8/6/09	
184	Maysville, City of		$11,000,000	$11,000,000		9/3/09	
185	Prestonsburg, City of		$272,000	$272,000	(c)	10/1/09; 2/4/10	
186	Prestonsburg, City of		$786,000	$786,000	(c)	10/1/09; 2/4/10	
187	Louisville & Jefferson Co. Metro. Sewer Dist.		$4,847,095	$0		10/1/09	withdrawn 10/12/10
188	Hopkinsville, City of		$7,500,000	$7,500,000		11/12/09	
189	Hardinsburg, City of		$550,000	$549,594	(c)	11/12/09	
190	Princeton, City of		$2,475,000	$683,354	(c)	12/3/09; 2/4/10	
191	Ashland, City of		$7,720,231	$6,644,995	(c)	1/7/10; 2/3/11	
192	Winchester, City of		$37,000,000	$36,600,000	(c)	2/4/10	
193	Prestonsburg, City of		$4,530,405	$1,860,405	(c)	2/4/10	
194	Oldham Co Env Auth	SX21185017	$2,846,174	$2,843,153	(c)	5/6/10; 7/7/11;6/7/12	
195	Oldham Co Env Auth -	SX21185029	$1,477,000	$1,000,000	(c)	5/6/10; 1/5/12	
196	Oldham Co Env Auth	SX21185050; SX21185036	$2,601,420	$2,538,415	(c)	5/6/10;1/5/12;6/7/12	
197	Lexington Fayette Urban County Government		$10,500,000	$10,500,000		6/3/10; 10/14/10	
198	Lexington Fayette Urban County Government		$7,028,375	$0		6/3/10; 10/14/10	withdrawn 1/31/12
		Total	**$103,083,700**	**$83,494,956**			

			TOTAL PROJECT AMOUNT	KIA AMOUNT		DATE APPROVED	
	PROJECTS APPROVED IN SFY 2011						
199	Oldham Env Auth	SX21185028	$500,000	$121,419	(c)	7/1/10;1/5/12	
200	Sanitation District #1	SX21117126	$19,935,700	$17,146,500		7/1/10	
201	Bardstown, City of	SX21179019	$1,800,000	$1,800,000	(c)	12/9/10; 6/10/11	
202	LaCenter, City of	SX21007015	$895,000	$895,000	(c)	12/9/10	
203	Livermore, City of	SX21049008	$2,105,000	$1,062,219	(c)	12/9/10	
204	Morehead, City of	SX21205034	$3,000,000	$3,000,000	(c)	12/9/10	
205	Regional Water Resource Agency		$6,331,887	$6,037,387		12/9/10;3/1/12;8/1/13	
206	Campton, City of		$3,217,200	$1,400,000		2/3/11	
207	Hardinsburg, City of		$400,000	$394,849	(c)	2/3/11	
208	Louisa, City of		$2,058,580	$1,400,000		2/3/11	
209	Flemingsburg, City of		$10,619,600	$10,619,600		3/3/11;12/6/12	
210	Louisville-Jefferson Co MSD		$3,400,000	$0		3/3/11	withdrawn 2/3/12
211	Vanceburg, City of		$3,400,000	$2,000,000		3/3/11	
212	Williamsburg, City of		$1,035,517	$955,960	(c)	3/3/11	
213	Hopkinsville, City of		$500,000	$483,710	(c)	4/7/11	
214	Hopkinsville, City of		$26,641,000	$26,641,000		4/7/11	
215	Hopkinsville, City of		$8,010,000	$7,100,000		4/7/11;5/9/12	The 5/9/12 increase was rescinded
216	Pineville, City of		$500,000	$500,000		5/5/11	
217	Sanitation District #1		$17,225,660	$14,188,155		5/5/11	
218	Sanitation District #1		$19,000,000	$15,187,500		5/5/11	
219	Sanitation District #1		$9,572,000	$7,778,000		5/5/11	
220	West Liberty, City of		$3,937,950	$3,011,505		5/5/11; revised for ARRA fdg	
		Total	**$144,085,094**	**$121,722,805**			
	PROJECTS APPROVED IN SFY 2012						
221	Oldham Co Env Authority	SX21185037	$670,588	$670,588	(c)	7/7/11;6/7/12	
222	Southern Water & Sewer		$3,750,087	$1,094,143	(c)	8/4/11;4/12/12	
223	Hodgenville, City of		$1,635,000	$1,635,000		11/10/11	
224	Burkesville, City of		$1,000,000	$1,000,000		11/10/11	
225	Bloomfield, City of		$0	$0		11/10/11	**Request for funds withdrawn**
226	Harrodsburg, City of		$418,500	$418,500	(c)	12/8/11	
227	Grant Co Sanitary SD		$1,276,449	$1,211,449		1/5/12; 10/3/13	
228	Barbourville, City of	SX21121139	$6,800,000	$6,800,000		2/2/12; 11/1/12	
229	Sanitation District #1 of Northern Ky		$1,001,717	$851,857	(c)	2/2/12	
230	Sanitation District #1 of Northern Ky		$0	$0		2/2/12	**Request for funds withdrawn**
231	Winchester, City of		$1,010,000	$537,235	(c)	2/2/12	
232	Harrodsburg, City of		$1,157,000	$706,000		2/2/12	
233	Jamestown, City of		$2,500,000	$2,500,000		2/2/12	
234	Paducah McCracken County JSA		$8,400,000	$8,000,000		2/2/12	
235	Ashland, City of		$0	$0		3/1/12	**Request for funds withdrawn**
236	Murray, City of		$46,000,000	$46,000,000		3/1/12	
237	Grant Co Sanitary SD		$0	$0		3/1/12	**Request for funds withdrawn**
238	Lexington-Fayette Urban Co Govt		$2,530,000	$1,930,000		3/1/12	
239	Regional Water Resource Agency		$619,070	$357,335		3/1/12	
240	Regional Water Resource Agency		$1,802,125	$1,586,875		3/1/12	
241	Flemingsburg, City of		$2,000,000	$500,000		4/12/12	
242	Jackson, City of		$1,200,000	$700,000		4/12/12	
243	Russell Springs, City of		$719,000	$719,000		4/12/12	
244	South Shore, City of		$4,006,000	$3,006,000		4/12/12	
245	Worthington, City of		$500,000	$500,000		4/12/12	
246	Flatwoods, City of	SX21089082	$445,000	$440,000		5/3/12;10/25/13	
247	Grayson, City of	SX21043032	$785,000	$785,000		5/3/12	
248	Oak Grove, City of	SX21047025	$0	$0		5/3/12	**Request for funds withdrawn**
249	Russell, City of	SX21089091	$970,000	$970,000		5/3/12	
250	Earlington, City of	SX21107017	$1,575,000	$825,000		6/7/12	
251	Lawrenceburg, City of	SX21005007	$2,000,000	$2,000,000		6/7/12	
252	Perry County Sanitation District	SX21193100	$3,060,000	$1,675,000		6/7/12; 2/6/14	
		Total	**$97,830,536**	**$87,418,982**			

			TOTAL PROJECT AMOUNT	KIA AMOUNT	DATE APPROVED
	PROJECTS APPROVED IN SFY 2013				
253	Jenkins, City of	SX21133013	$1,500,000	$500,000	8/2/12
254	Frankfort, City of	SX21073058	$9,500,000	$8,000,000	2/7/13
255	Regional Water Resource Agency	SX21059031	$1,655,565	$1,655,565	2/7/13
256	Lexington-Fayette Urban Co Govt	SX21067045 SX21067047	$5,232,640	$4,657,640	3/7/13
257	Lexington-Fayette Urban Co Govt	SX21067043	$13,674,302	$13,674,302	3/7/13
258	Lexington-Fayette Urban Co Govt	SX21067039	$10,194,421	$10,194,421	3/7/13
259	***Lexington-Fayette Urban Co Govt***	***SX21067041***	***$31,801,000***	***$31,801,000***	***3/7/13; 6/26/14***
260	Lexington-Fayette Urban Co Govt	SX21067006	$9,100,000	$6,000,000	3/7/13
261	Pineville, City of	SX21013151	$2,233,485	$533,485	4/4/13
262	Regional Water Resource Agency	SX21059014	$1,538,750	$1,538,750	5/2/13
263	Oldham Co Env Auth	SX21185052	$6,650,000	$6,500,000	5/2/13
264	Lincoln County Sanitation District	SX21137001	$4,433,000	$2,000,000	6/19/13
		Total	**$97,513,163**	**$87,055,163**	
	PROJECTS APPROVED IN SFY 2014				
265	Frankfort, City of	SX21073059	$4,905,000	$4,905,000	10/3/13
266	London, City of	SX21125001	$3,785,500	$3,765,250	10/3/13
267	Regional Water Resource Agency	SX21059044	$525,000	$525,000	3/6/14
268	City of Vanceburg	SX21135009	$665,000	$665,000	4/3/14
269	***Lexington-Fayette Urban Co Govt***	***SX21067049***	***$19,837,063***	***$19,837,063***	***6/26/14***
		Total	**$29,717,563**	**$29,697,313**	
	GRAND TOTALS - COMMITMENTS		**$1,542,480,541**	**$1,218,761,474**	

bold, italics - pending board approval

(c) - Final amounts; Loan has been closed

(s) - Amount represented in the assistance agreement

(A1) - Planning and Design Loan

(+)-Const Amt; AA amnt represents Const + Plan & Design

KENTUCKY INFRASTRUCTURE AUTHORITY
FEDERALLY ASSISTED WASTEWATER REVOLVING LOAN FUND ---- (FUND A2)
AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009

AVAILABLE FUNDS FFY 2009:

FEDERAL ARRA GRANT FUNDS	$49,878,100
ADMINISTRATION (4%)	($1,995,124)
Transferred from Admin to Construction	$910,506
NET ARRA FUNDS	$48,793,482

		TOTAL PROJECT AMOUNT	KIA AMOUNT		FIRST USE FUNDS	DATE APPROVED
	PROJECTS APPROVED IN SFY 2009:					
1	Sanitation District #1	$395,000	$395,000	(c)	$395,000	6/4/09
2	Sanitation District #1	$1,755,545	$1,371,545	(c)	$1,371,545	6/4/09; 1/7/10; 1/25/10
3	Sanitation District #1	$1,578,539	$1,474,916	(c)	$1,474,916	6/4/09
4	Sanitation District #1	$834,241	$834,241	(c)	$834,241	6/4/09
5	Lexington Fayette Urban Co Govt	$2,620,000	$2,620,000	(c)	$2,620,000	6/25/09
6	Lexington Fayette Urban Co Govt	$537,000	$237,000	(c)	$237,000	6/25/09
7	Louisa, City of	$1,150,000	$1,139,716	(c)	$1,139,716	6/25/09
8	Pineville, City of	$2,193,000	$2,193,000	(c)	$2,193,000	6/25/09; 1/7/10
9	Shepherdsville, City of	$8,500,000	$3,000,000	(c)	$3,000,000	6/25/09
	TOTALS	**$19,563,325**	**$13,265,418**		**$13,265,418**	
	PROJECTS APPROVED IN SFY 2010:					
10	Calvert City, City of	$1,083,128	$986,831	(c)	$986,831	7/9/09; 1/7/10
11	Princeton, City of	$2,475,000	$1,103,744	(c)	$1,103,744	7/9/09; 2/4/10
12	Northern Madison Co Sanitation District	$510,000	$510,000	(c)	$510,000	8/6/09
13	Kentucky Horse Park	$1,950,000	$950,000	(c)	$950,000	8/6/09
14	Sanitation District #4 of Boyd County	$475,000	$400,000	(c)	$400,000	8/6/09
15	Ashland, City of	$250,252	$246,646	(c)	$246,646	8/20/09; 1/25/10
16	Covington, City of	$1,200,000	$1,197,390	(c)	$1,197,390	8/20/09
17	Bowling Green, City of	$134,996	$134,996	(c)	$134,996	8/20/09
18	Frankfort, City of	$962,035	$800,000	(c)	$800,000	8/20/09
19	Wilder, City of	$215,889	$114,302	(c)	$114,302	9/3/09; 1/25/10
20	Richmond, City of	$125,000	$125,000	(c)	$125,000	9/3/09
21	Maysville, City of	$2,000,000	$500,000	(c)	$500,000	9/3/09
22	Prestonsburg, City of	$4,530,405	$2,670,000	(c)	$2,670,000	10/1/09
23	Kentucky Department of Parks	$500,000	$500,000	(c)	$500,000	10/1/09
24	Kentucky Department of Parks	$358,008	$355,867	(c)	$355,867	10/1/09; 1/25/10
25	Kentucky Department of Parks	$1,457,402	$1,331,773	(c)	$1,331,773	10/1/09; 1/25/10
26	Morehead, City of	$801,203	$801,203	(c)	$801,203	10/1/09
27	Morehead, City of	$1,293,013	$1,293,013	(c)	$1,293,013	10/1/09
28	Winchester, City of	$693,000	$600,000	(c)	$600,000	10/1/09
29	Russellville, City of	$952,300	$799,967	(c)	$799,967	10/1/09
30	Kuttawa, City of	$530,000	$300,000	(c)	$300,000	10/1/09
31	Paintsville, City of	$1,400,000	$1,150,000	(c)	$1,150,000	10/1/09
32	Louisville & Jefferson Co. Metro. Sewer Dist.	$17,500,000	$5,000,000	(c)	$5,000,000	10/1/09
33	Falmouth, City of	$611,898	$611,898	(c)	$611,898	10/1/09; 11/12/09
34	Calvert City, City of	$850,000	$816,069	(c)	$816,069	10/1/09; 12/16/09
35	Sacramento, City of	$750,000	$749,991	(c)	$749,991	10/1/09
36	Grant Co. Sanitary Sewer Dist.	$2,114,713	$433,176	(c)	$433,176	10/1/09;3/1/12
37	Mayfield, City of	$975,000	$975,000	(c)	$975,000	10/1/09
38	Warsaw, City of	$3,927,907	$2,146,907	(c)	$2,146,907	11/12/09;2/4/10;5/9/12
39	Madisonville, City of	$3,800,000	$3,800,000	(c)	$3,800,000	11/12/09
40	Meade Co Riverport Authority	$482,642	$482,642	(c)	$482,642	12/3/09; 1/25/10
41	Troublesome Creek Env Authority	$3,425,000	$1,500,000	(c)	$1,500,000	12/3/09
42	Ohio Co Regional Waste Water District	$465,303	$465,303	(c)	$465,303	12/3/09; 1/25/10; 2/17/11
43	Mountain Water District	$750,000	$749,903	(c)	$749,903	12/3/09; 2/4/10
44	West Libery, City of	$3,937,950	$926,445		$926,445	5/5/11; revised from base fdg
	TOTALS	**$63,487,044**	**$35,528,064**		**$35,528,064**	
	GRAND TOTALS - COMMITMENTS	**$83,050,369**	**$48,793,482**		**$48,793,482**	
	BALANCE AVAILABLE FOR LOAN				**$0**	

bold, italics - pending board approval
(c) - Final amounts; Loan has been closed
(s) - Amount represented in the assistance agreement

KENTUCKY INFRASTRUCTURE AUTHORITY
INFRASTRUCTURE REVOLVING LOAN FUND ----- (FUND B)

TOTAL AUTHORIZATIONS FYS 1989-90:	$20,000,000
TOTAL AUTHORIZATIONS FYS 1991-92:	$14,000,000
TOTAL AUTHORIZATIONS FYS 1993-94:	$15,000,000
TOTAL DEAUTHORIZATION FYS 1995-96:	($3,504,592)
TOTAL 1989-2014:	**$45,495,408**
Revolving Available to Loan/Grant Before Current Meeting	**$4,714,521**

		TOTAL INFRASTRUCTURE AMOUNT	KIA Grnt/Prin Forg AMOUNT	KIA Loan AMOUNT		GENERATED PRIVATE INVESTMENT	JOBS CREATED	DATE APPROVED	COMMENTS
	PROJECTS APPROVED IN FY 1989:								
1	WILMORE, CITY OF	$1,059,938		$407,770	(c)	$13,700,000	257	12-21-88	
2	AUBURN, CITY OF	$2,175,540		$1,475,540	(c)	$2,225,000	96	12-21-88	
3	SOMERSET, CITY OF	$2,402,764		$1,500,000	(c)	$75,000,000	326	12-21-88	
4	HENRY COUNTY	$775,627		$287,984	(c)	$4,380,000	210	03-22-89	(REAP. 1-31-91 & AMD. 6-20-91)
5	GRAVES COUNTY	$3,717,000		$3,717,000	(c)	$31,037,070	600	05-03-89	
	TOTALS	**$10,130,869**		**$7,388,294**		**$126,342,070**	**1,489**		
	PROJECTS APPROVED IN FY 1990:								
6	LAWRENCEBURG, CITY OF	$301,000		$86,114	(c)	$426,187	30	08-07-89	
7	LEITCHFIELD, CITY OF	$1,296,200		$699,674	(c)	$2,470,000	200	08-07-89	
8	LIBERTY, CITY OF	$319,573		$163,822	(c)	$1,533,133	140	08-07-89	
9	BEREA, CITY OF	$1,200,000		$340,000	(c)	$0	750	08-07-89	
10	GAMALIEL, CITY OF	$2,040,263		$490,425	(c)	$2,000,000	125	09-27-89	(REAP. 3-28-91 & AMD. 6-26-92)
11	GRAYSON, CITY OF (1)	$1,875,000		$1,000,000	(c)	$10,000,000	300	12-13-89	
12	LEBANON JUNCTION, CITY OF	$701,900		$148,649	(c)	$7,500,000	200	04-25-90	
13	MT. VERNON, CITY OF	$864,347		$456,480	(c)	$20,000,000	154	04-25-90	(AMD. 3-28-91)
14	RUSSELLVILLE, CITY OF	$1,591,673		$1,434,750	(c)	$0	0	04-25-90	
	TOTALS	**$10,189,956**		**$4,819,914**		**$43,929,320**	**1,899**		
	PROJECTS APPROVED IN FY 1991:								
15	RICHMOND, CITY OF	$1,508,300		$250,000	(c)	$1,500,000	100	09-26-90	
16	WARREN COUNTY W.D. (Chg)	$638,035		$229,035	(c)	$14,000,000	280	09-26-90	
17	LAUREL COUNTY FISCAL COURT	$964,742		$319,969	(c)	$2,900,000	74	09-26-90	
18	MOUNTAIN WATER DISTRICT (Mtn. Top E	$890,977		$186,711	(c)	$2,250,000	500	11-19-90	
19	MONTICELLO, CITY OF (1)	$336,450		$366,293	(c)	$2,300,000	432	06-20-91	
20	JEFFERSON COUNTY / KROGER	$1,425,575		$1,310,251	(c)	$23,950,000	101	06-20-91	(AMD. 3-17-93)
	TOTALS	**$5,764,079**		**$2,662,259**		**$46,900,000**	**1,487**		
	PROJECTS APPROVED IN FY 1992:								
21	NEWPORT, CITY OF	$4,017,704		$2,931,899	(c)	$2,931,899	220	09-16-91	(AMD. 7-23-92; 6-29-94; 12/9/04)
22	HODGENVILLE, CITY OF	$125,900		$114,931	(c)	$400,000	16	11-01-91	
23	SCOTTSVILLE, CITY OF	$4,252,173		$2,660,800	(c)	$0	260	12-04-91	
24	MONTICELLO, CITY OF (2)	$2,610,040		$1,495,628	(c)	$0		12-04-91	
25	WARREN COUNTY WATER DISTRICT (W	$121,000		$92,809	(c)	$32,000,000	200	02-25-92	
26	WARREN COUNTY WATER DISTRICT (Se	$297,000		$203,233	(c)	$0		02-25-92	
27	LIVERMORE, CITY OF	$86,039		$86,039	(c)	$0	12	06-26-92	
	TOTALS	**$11,509,856**		**$7,585,339**		**$35,331,899**	**708**		
	PROJECTS APPROVED IN FY 1993:								
28	MARION, CITY OF	$1,218,460		$379,510	(c)	$1,412,000	40	12-17-92	
29	DAVIESS COUNTY FISCAL COURT	$1,765,510		$1,634,610	(c)	$340,000,000	280	01-29-93	
30	COVINGTON, CITY OF	$516,140		$460,327	(c)	$18,000,000	500	01-29-93	
31	HOPKINSVILLE, CITY OF	$8,688,679		$5,000,000	(c)	$0	500	05-05-93	(REAP. 3-31-95)
	TOTALS	**$12,188,789**		**$7,474,447**		**$359,412,000**	**1,320**		
	PROJECTS APPROVED IN FY 1994:								
32	GRAYSON, CITY OF (2)	$1,712,759		$1,412,759	(c)	$0	155	08-31-93	
33	PIKEVILLE, CITY OF	$5,037,889		$611,397	(c)	$4,396,000	93	08-31-93	
34	LANCASTER, CITY OF	$1,710,420		$781,462	(c)	$0	100	09-29-93	
35	GALLATIN COUNTY	$4,089,434		$4,000,000	(c)	$400,089,434	400	09-29-93	(AMD. 6-29-94, REAP. 3-31-95)
36	CAMPBELLSVILLE, CITY OF	$4,905,000		$1,905,000	(s)	$0	295	12-05-95	(REAP.)(AMD. 7-13-98)
	TOTALS	**$38,849,110**		**$21,645,392**		**$781,897,434**	**3,363**		
	PROJECTS APPROVED IN FY 1995:								
30	HENDERSON, CITY OF (phase 1)	$7,445,372		$3,188,731	(c)	$0	1,500	08-30-94	(AMD. 7-5-96)
	(phase 2)			$581,512	(c)	$0		08-30-94	
* 31	WEBSTER COUNTY WATER DISTRICT	$1,268,460		$638,000	(c)	$0	58	05-30-95	
	TOTALS	**$8,713,832**		**$4,408,243**		**$0**	**1,558**		

			INFRASTRUCTURE AMOUNT	Grnt/Prin Forg AMOUNT	Loan AMOUNT	PRIVATE INVESTMENT	JOBS CREATED	DATE APPROVED	COMMENTS
		PROJECTS APPROVED IN FY 1996:							
*	#REF!	OAK GROVE, CITY OF	$787,990		$498,295 (c)	$0	134	05-14-96	
	#REF!	MOUNT STERLING, CITY OF	$2,467,009		$2,467,009 (c)	$0	400	05-14-96	
		TOTALS	**$3,254,999**		**$2,965,304**	**$0**	**534**		
		PROJECTS APPROVED IN FY 1997:							
	#REF!	CORBIN, CITY OF	$583,878		$300,000 (c)	$0	30	8-29-96	
	42	GRAVES CO WATER DISTRICT	$1,028,000		$528,000 (c)	$0	95	12-4-96; 4/4/13	REAP 9-1-98; assumed from Hickory
		TOTALS	**$1,611,878**		**$828,000**	**$0**	**125**		
		PROJECTS APPROVED IN FY 1998:							
*	42	PRESTONSBURG, CITY OF	$4,392,500		$600,000 (c)	$0	77	2-26-98	$50M inc. app. 2-5-99
*	43	PAINTSVILLE, CITY OF	$8,070,950		$1,772,800 (c)	$0	400	2-26-98	(REAP. 12-10-99)
		TOTALS	**$12,463,450**		**$2,372,800**	**$0**	**477**		
		PROJECTS APPROVED IN FY 1999:							
*	44	HARDINSBURG, CITY OF	$5,239,680		$131,231 (c)	$0	14	7-13-98	
*	45	PRESTONSBURG, CITY OF	$1,591,200		$795,600 (c)		400	4-27-99	
		TOTALS	**$6,830,880**		**$926,831**	**$0**	**414**		
		PROJECTS APPROVED IN FY 2000:							
*	46	GALLATIN CO WATER DISTRICT	$1,100,000		$744,796 (c)	$95,000,000	130	09/01/1999; AMD 4/4/00	
*	47	CARROLTON, CITY OF (CELOTEX)	$184,300		$112,200 (c)	$75,000,000	122	12/10/1999; AMD 9/1/01	
		TOTALS	**$1,284,300**		**$856,996**	**$170,000,000**	**122**		
		PROJECTS APPROVED IN FY2005:							
*	48	UNION COUNTY FISCAL COURT	$1,550,000		$0	$0 NA		11/4/2004	commitment expired
*	40	OWENTON, CITY OF	$736,890		$0	$0 NA		11/4/2004	commitment expired
*	41	HART CO FISCAL COURT	$3,192,000		$2,170,999 (c)	$0 NA		3/3/2005	
*	42	BOONE COUNTY WATER DISTRICT	$3,548,148		$2,506,118 (c)	$0 NA		6/2/05; 7/1/10	assumed from Boone Co FC
		TOTALS	**$9,027,038**		**$4,677,117**	**$0**			
		PROJECTS APPROVED IN FY2006:							
*	43	GRAVES CO WATER DISTRICT	$596,776		$596,776 (c)	$0 NA		1/2005; 7/26/06; 10/2/08	Assumed from Fancy Farm WD
*	44	GRAVES CO WATER DISTRICT	$152,176		$152,176 (c)	$0 NA		9/1/2005; 10/2/08	Assumed from Fancy Farm WD
*	45	WESTERN MASON SANITATION DIST	$4,644,000		$560,272 (c)	$0 NA		12/1/2005	
*	46	BONNIEVILLE, CITY OF	$3,160,000		$0	$0 NA		12/1/2005	commitment expired
*	47	Elkton, City of	$808,000		$808,000 (c)	$0 NA		3/2/2006	
*	48	MT VERNON, CITY OF	$2,055,000		$945,000 (c)	$0 NA		5/4/2006	
		TOTALS	**$11,415,953**		**$3,062,225**	**$0**			
		PROJECTS APPROVED IN FY2007:							
*	49	GUTHRIE, CITY OF	$640,000		$0	$0 NA		8/3/2006	Withdrawn
*	50	OWINGSVILLE, CITY OF	$4,367,250		$797,250 (c)	$0 NA		006;10/01/2009	338,997 In; 50,000 grant
*	51	JAMESTOWN, CITY OF	$13,065,000		$3,588,700 (c)	$0 NA		12/7/2006	3,038,700 In; 550,000 grant
*	52	CONNECTGRADD	$2,400,000		$837,856 (c)	$0 NA		2/8/2007	broadband
*	53	ALBANY, CITY OF	$7,366,000		$749,947 (c)	$0 NA		5/10/2007	EO 2007-298 GF
*	54	GRAVES CO WATER DISTRICT	$849,154		$849,154 (c)	$0 NA		5/10/2007; 10/2/08	S Graves WD
		TOTALS	**$28,687,403**		**$6,822,906**	**$0**			
		PROJECTS APPROVED IN FY2008:							
*	55	CAVELAND ENVIRONMENTAL	$2,910,000		$125,000 (c)	$0 NA		9/6/2007	sewer
*	56	HOPKINSVILLE ELECT & EN NET	$3,000,000		$3,000,000 (c)	$0 NA		10/4/2007	fiber optic communications
*	57	MARION CO WATER DISTRICT	$750,000		$340,000 (c)	$0 NA		10/4/2007	water
*	58	WILLIAMSBURG, CITY OF	$3,237,440		$400,000 (c)	$0 NA		10/4/2007	water
*	59	LOGAN TODD REG WAT COMM	$1,500,000		$400,000 (c)	$0 NA		11/1/2007	water
*	60	BURGIN, CITY OF	$50,000		$50,000 (c)	$0 NA		11/1/2007	water
	61	PRESTONSBURG, CITY OF	$2,700,000		$2,700,000 (c)	$0 NA		12/6/2007	purchase Auxier Water
	62	GLASGOW, CITY OF	$1,200,000		$1,200,000 (c)	$0 NA		2/7/2008; 10/9/08	broadband
	63	LANCASTER, CITY OF	$690,000		$490,000 (c)	$0 NA		3/6/2008	sewer
	64	WHITLEY CO WATER DISTRICT	$2,708,000		$932,800 (c)	$0 NA		3/6/08; 7/27/11	water
	65	HINDMAN, CITY OF	$500,000		$500,000 (c)	$0 NA		4/3/2008	water
	66	WALTON, CITY OF	$4,000,000		$1,000,000 (c)	$0 NA		6/5/2008	sewer
		TOTALS	**$23,245,440**		**$11,137,800**	**$0**			

		TOTAL INFRASTRUCTURE AMOUNT	KIA Grnt/Prin Forg AMOUNT	KIA Loan AMOUNT		GENERATED PRIVATE INVESTMENT	JOBS CREATED	DATE APPROVED	COMMENTS
	PROJECTS APPROVED IN FY2009:								
67	CARROLLTON, CITY OF	$2,949,731		$867,091	(c)	$0	NA	8/7/08; 12/8/11	sewer
68	LOUISA, CITY OF	$1,075,000		$972,330	(c)	$0	NA	8/7/2008	sewer
69	PRESTONSBURG, CITY OF	$841,000		$841,000	(c)	$0	NA	10/2/2008	water meters
70	LEBANON, CITY OF	$1,119,707		$582,883	(c)	$0	NA	12/4/2008	water
71	MuniNet	$2,500,000		$2,500,000	(c)	$0	NA	06/25/09; 4/7/11	broadband; assumed from Murray
72	PINEVILLE, CITY OF	$350,000		$0		$0	NA	6/25/2009	sewer - withdrawn 9/24/09
	TOTALS	**$8,835,438**		**$5,763,304**		**$0**			
	PROJECTS APPROVED IN FY2010:								
73	Prestonsburg, City of	$2,670,000		$0		$0	NA	10/1/2009	sewer
74	Falmouth, City of	$564,835		$564,835	(c)	$0	NA	10/1/2009	sewer
75	Bullitt Co Sanitation District	$500,000		$500,000	(c)	$0	NA	2/4/2010	sewer
76	Hart Co Industrial Authority	$2,300,000		$1,000,000		$3,000,000	40	2/4/2010	sewer
77	Marshall Co. Fiscal Court	$1,075,000	$800,000	$275,000		$0	NA	6/3/10;12/6/12	80% grant/ 20% loan
	TOTALS	**$7,109,835**	**$800,000**	**$2,339,835**		**$3,000,000**	***40***		
	PROJECTS APPROVED IN FY2011:								
78	Bullitt Co Sanitation District	$500,000	$0	$500,000	(c)	$0	NA	8/5/2010	sewer
79	Greenville, City of	$1,226,500	$0	$1,226,500		$0	NA	10/14/10;10/25/13	sewer
80	Marion, City of	$2,100,000	$0	$1,246,754		$0	NA	10/14/2010	water
81	Princeton, City of	$430,645	$0	$401,674	(c)	$0	NA	10/14/10; 7/1/11	sewer
82	Bracken Co Water District	$475,000	$380,000	$95,000	(c)	$0	NA	12/9/2010	water
83	Caneyville, City of	$445,000	$0	$110,000	(c)	$0	NA	12/9/2010	sewer
84	Crab Orchard, City of	$1,660,000	$400,000	$410,000		$0	NA	12/9/2010	water
85	Flatwoods, City of	$887,500	$514,800	$128,700	(c)	$0	NA	2/3/2011; 8/2/12	
86	Graves County Water District	$1,111,266	$220,000	$780,000	(c)	$0	NA	2/3/2011	
87	Mt. Washington, City of	$700,000	$560,000	$140,000	(c)	$0	NA	2/3/2011	
88	White Plains, City of	$657,000	$525,600	$131,400		$0	NA	2/3/2011	
89	Beattyville, City of	$675,000	$140,000	$35,000	(c)	$0	NA	3/3/2011	water
90	Elkton, City of	$141,700	$0	$136,761	(c)	$0	NA	3/3/2011	water
91	Nicholas County Sanitation District	$2,641,000	$0	$550,000	(c)	$0	NA	3/3/2011	sewer
92	North McLean Co WD	$737,871	$200,000	$50,000	(c)	$0	NA	3/3/2011	water
93	MuniNet	$2,033,947	$0	$2,033,947		$0	NA	4/7/2011	broadband
	TOTALS	**$16,422,429**	**$2,940,400**	**$7,975,736**		**$0**			
	PROJECTS APPROVED IN FY2012:								
94	Crittenden-Livingston Water District	$300,000	$0	$300,000	(c)	$0	NA	8/4/2011	water
95	Lewisburg, City of	$220,000	$0	$0		$0	NA	3/1/2012	water - withdrawn 12/2/13
96	Olive Hill, City of	$505,000	$0	$505,000		$0	NA	3/1/2012	water
97	Mount Olivet, City of	$1,100,000	$0	$350,000	(c)	$0	NA	4/12/2012	water
98	Nebo Water District	$92,000	$0	$92,000	(c)	$0	NA	6/7/2012	water - WX21107002
	TOTALS	**$2,217,000**	**$0**	**$1,247,000**		**$0**			
	PROJECTS APPROVED IN FY2013:								
99	East Pendleton Water District	$160,000	$0	$160,000	(c)	$0	NA	8/2/2012	water WX21191002
100	Marion County Water District	$548,180	$0	$548,180	(c)	$0	NA	8/2/2012	water - WX21155031
101	Symsonia Water District	$895,000	$0	$300,000		$0	NA	8/2/2012	water - WX21083055
102	Scottsville, City of	$716,000	$0	$261,068	(c)	$0	NA	8/2/2012	sewer - SX21003032
103	South Shore, City of	$1,600,000	$0	$1,600,000		$0	NA	8/2/2012	purchase water system
104	City of Elkton	$352,000	$0	$352,000		$0	NA	3/7/13;10/25/13	water - WX21219030
105	Bullitt Co Sanitation District	$89,217	$84,756	$4,461	(c)	$0	NA	3/7/2013	sewer - SX21029031
106	Pineville, City of	$1,380,000	$0	$1,380,000		$0	NA	4/4/2013	water - WX21013926
107	Green River Valley Water District	$1,175,000	$0	$1,175,000		$0	NA	4/4/2013	water - WX21099037
108	Burkesville, City of	$1,500,000	$0	$500,000		$0	NA	5/2/2013	sewer - SX21057003
109	Scottsville, City of	$2,093,465	$0	$1,416,540		$0	NA	5/2/2013	sewer - SX21003027
	TOTALS	**$10,508,862**	**$84,756**	**$7,697,249**		**$0**			
	PROJECTS APPROVED IN FY2014:								
110	Paradise Park Reg Industrial Dev Auth	$853,585	$0	$350,000		$0	NA	9/5/2013	water - WX21177029
111	US 60 Water District	$1,605,810	$0	$1,300,000		$0	NA	9/5/2013	water - WX21211033
112	Greensburg, City of	$83,813	$0	$83,813		$0	NA	2/6/2014	water - WX21087018
113	Edmonton, City of	$235,207	$0	$213,307		$0	NA	2/6/2014	water - WX21169031
114	Dawson Springs, City of	$450,000	$0	$350,000		$0	NA	3/6/2014	water - WX21107035
115	Wickliffe, City of	$150,000	$0	$150,000		$0	NA	3/6/2014	water - WX21007006
116	Lebanon Junction, City of	$200,000	$0	$200,000		$0	NA	4/3/2014	sewer - SX21029032
117	Grand Rivers, City of	$263,000	$0	$263,000		$0	NA	4/3/2014	water - WX21139017
118	Mount Olivet, City of	$65,000	$0	$65,000		$0	NA	4/3/2014	sewer - SX21201007
119	Hickman, City of	$55,000	$0	$55,000		$0	NA	4/3/2014	water - WX21075017
120	London, City of	$1,100,300	$0	$1,100,300		$0	NA	5/1/2014	sewer - SX21125004
121	***Greenup Joint Sewer Agency***	***$2,000,000***	***$0***	***$2,000,000***		***$0***	***NA***	***6/26/2014***	***sewer - SX21089072***
122	***Greensburg, City of***	***$7,694,000***	***$0***	***$350,000***		***$0***	***NA***	***6/26/2014***	***water - WX21087008***
	TOTALS	**$14,755,715**	**$0**	**$6,480,420**		**$0**			
	GRAND TOTALS	**$255,017,111**	**$3,825,156**	**$121,137,412**		**$1,566,812,723**	**13,536**		

bold, italics - pending board approval
* Bonds have not been sold for these projects
+ Projects were funded under the master note
(c) - Final amounts; Loan has been closed
(s) - Amount represented in the assistance agreement

TOTAL AUTHORIZATION FYS 1991-94	$6,000,000	
TOTAL DEAUTHORIZATION FYS 95-96	($78,822)	
TOTAL AUTHORIZATION FYS 1997-98	$0	
TOTAL AUTHORIZATION FYS 1998-2000	$13,000,000	(rlf)
TOTAL AUTHORIZATION FYS 2001-2002	$3,925,000	(rlf)
	$22,846,178	

KENTUCKY INFRASTRUCTURE AUTHORITY
WATER RESOURCES GRANT--------- (FUND B1)

		TOTAL INFRASTRUCTURE AMOUNT	KIA AMOUNT		DATE APPROVED	COMMENTS
	PROJECTS APPROVED JULY 1, 1991 THROUGH JUNE 30, 1992:					
1	ELKHORN WATER DISTRICT	$383,000	$151,233	(c)	9-16-91	
2	BEAVER-ELKHORN WATER DISTRICT (PH II)	$2,262,200	$1,383,547	(c)	9-16-91	(REAP. 5-5-93)
3	BEAVER-ELKHORN WATER DISTRICT (PH III)	$3,386,325	$616,453	(c)	9-16-91	(REAP. 5-5-93)
4	WACO WATER DISTRICT	$304,525	$300,000	(c)	9-16-91	
5	NORTH MERCER WATER DISTRICT	$1,833,000	$500,000	(c)	9-16-91	
6	WEBSTER COUNTY WATER DISTRICT	$2,269,500	$1,500,000	(c)	9-16-91	
7	ANDERSON COUNTY	$361,638	$270,000	(c)	9-16-91	
8	GEORGETOWN, CITY OF	$3,474,350	$400,000	(c)	9-16-91	
9	LYNCH, CITY OF	$502,500	$499,945	(c)	9-16-91	
	TOTALS	**$14,777,038**	**$5,621,178**			
	PROJECTS APPROVED JULY 1, 1992 THROUGH JUNE 30, 1994:					
10	DAVIESS COUNTY FISCAL COURT	$300,000	$300,000	(c)	11-12-92	(AMD. 9-29-93)
	(East Daviess County Water Association) **TOTALS**	**$300,000**	**$300,000**			
	PROJECTS PER SPECIAL PROVISIONS DURING 1998 GENERAL SESSION					
11	MEADE COUNTY FISCAL COURT	$4,204,225	$2,500,000		12/18/1998	
12	CITY OF RICHMOND	$8,400,000	$4,000,000		9/1/1998	
13	CITY OF MIDWAY	$4,760,971	$3,500,000		6/6/2000	
14	CITY OF HINDMAN	$3,000,000	$3,000,000		7/28/1999	
	TOTALS	**$20,365,196**	**$13,000,000**	(rlf)		
	PROJECTS APPROVED JULY 1, 1998 THROUGH JUNE 30, 1999:					
15	WATER RESOURCE DEV COMMISSION	$1,053,000	753,000	(rlf)	4-27-99	
	TOTALS	**$1,053,000**	**753,000**			
	PROJECTS PER SPECIAL PROVISIONS DURING 2000 GENERAL SESSION					
16	HORTON CAMP INF AT GREEN RIVER ST PARK	650,000.00	650,000.00		6/6/2000	
17	FLEMING CO WATER COMM	75,000.00	75,000.00		2/1/2001	(AA date)
18	FLEMING CO '201' SEWER PLANNING	50,000.00	50,000.00		10/1/2001	(AA date)
19	CITY OF WURTLAND	25,000.00	25,000.00		10/1/2001	(AA date)
20	SPURLOCK & LITTLE MUD CREEK	300,000.00	300,000.00		8/17/2001	(AA date)
21	PIKE COUNTY - TAYLOR FORK	50,000.00	50,000.00		8/6/2001	(AA date)
22	SOUTHERN MADISON WATER DISTRICT	200,000.00	200,000.00		3/1/2001	(AA date)
23	HENDERSON CO WATER DISTRICT	500,000.00	500,000.00		8/20/2001	(AA date)
24	LEWIS CO WATER & SEWER	500,000.00	500,000.00		11/22/2000	
25	GREEN CO WATER & SEWER	500,000.00	500,000.00		8/6/2001	(AA date)
26	LARUE COUNTY FISCAL COURT	750,000.00	750,000.00		8/6/2001	(AA date)
27	CARROL COUNTY FISCAL COURT	250,000.00	250,000.00		8/1/2001	(AA date)
28	CITY OF RACELAND	25,000.00	25,000.00		9/21/2001	(AA date)
29	CITY OF WORTHINGTON	25,000.00	25,000.00		8/6/2001	(AA date)
30	CITY OF FLATWOODS	25,000.00	25,000.00		10/1/2001	(AA date)
	TOTALS	**3,925,000.00**	**3,925,000.00**	(rlf)		

			TOTAL INFRASTRUCTURE AMOUNT	KIA AMOUNT	DATE APPROVED	COMMENTS
	PROJECTS APPROVED JULY 1, 2001 THROUGH JUNE 30, 2002:					
31	Columbia-Campbellsville	WX21001008	$3,415,000	$55,000	12/6/2001	
32	Bath County Water District	WX21011002	$2,253,000	$1,150,000	12/6/2001	
33	City of Paris	WX21017002	$2,300,000	$1,000,000	12/6/2001	
34	City of Ashland	WX21019006	$2,362,626	$750,000	12/6/2001	
35	Bracken County Water District	WX21023001	$1,810,000	$93,500	12/6/2001	
36	City of Murray	WX21035005	$1,126,000	$0	12/6/2001	
37	Center Ridge Water District	WX21035011	$262,200	$262,200	12/6/2001	
38	West Carroll Water District	WX21041301	$2,200,000	$500,000	12/6/2001	
39	Rattlesnake Ridge Water District	WX21043001	$4,130,000	$440,000	12/6/2001	
40	Christian County Water District	WX21047011	$2,200,000	$1,000,000	12/6/2001	
41	Owensboro Municipal Utilities	WX21059001	$2,500,000	$1,000,000	12/6/2001	
42	Consumers Water District	WX21083002	$1,117,868	$1,000,000	12/6/2001	
43	City of Caneyville	WX21085001	$486,000	$186,000	12/6/2001	
44	Grayson County Water District	WX21085009	$2,878,000	$1,000,000	12/6/2001	
45	City of Cumberland	WX21095662	$1,600,000	$400,000	12/6/2001	
46	Henderson Water Utility	WX21101005	$600,000	$600,000	12/6/2001	
47	Wood Creek water District	WX21125527	$350,364	$350,364	12/6/2001	
48	Louisa Water District	WX21127001	$5,570,570	$1,000,000	12/6/2001	
49	Electric Plant Board of the City of Vanceburg	WX21135001	$4,077,000	$977,000	12/6/2001	
50	City of Sacramento	WX21149002	$150,000	$150,000	12/6/2001	
51	Western Lewis Rectorville Water District	WX21161001	$1,399,000	$275,000	12/6/2001	
52	Edmonton Water Works	WX21169001	$2,222,782	$595,782	12/6/2001	
53	Tri-Village Water District	WX21187205	$1,800,000	$800,000	12/6/2001	
54	City of Falmouth	WX21191311	$1,000,000	$300,000	12/6/2001	
55	City of Hazard	WX21193009	$5,500,000	$250,000	12/6/2001	
56	Buffalo Trail Water Association	WX21201005	$1,500,000	$750,000	12/6/2001	
57	US 60 Water District	WX21211026	$1,375,000	$650,000	12/6/2001	
58	Taylorsville Water Works	WX21215087	$3,500,000	$430,400	12/6/2001	
59	Campbellsville-Greensburg	WX21217004	$3,181,900	$0	12/6/2001	
60	Cadiz-Trigg County Regional Water Commissio	WX21221002	$14,000,000	$70,000	12/6/2001	
61	City of Midway	WX21239003	$766,000	$150,000	12/6/2001	
62	City of Booneville	WX21189002	$687,000	$130,000	6/6/2002	
		TOTALS	**$78,320,310**	**$16,315,246** (rlf)		
	PROJECTS APPROVED JULY 1, 2006 THROUGH JUNE 30, 2007:					
63	Knott Co Water & Sewer		$500,000	$500,000	10/5/2006	
64	Bath Co WD		$514,340	$250,000	12/7/2006	
65	Western Pulaski Co Water District		$620,000	$620,000	5/10/07; 6/21/07	
66	City of Harlan		$200,000	$200,000	6/21/2007	
		TOTALS	**$1,834,340**	**$1,570,000** (rlf)		
	PROJECTS APPROVED IN FY2008:					
67	City of Arlington		$190,750	$190,750	7/19/2007	
68	City of Elkton		$200,000	$200,000	7/19/2007	
69	City of Georgetown		$80,000	$80,000	7/19/2007	
70	Morehead Utility Plant Board		$373,900	$373,900	7/19/2007	
		TOTALS	**$844,650**	**$844,650**		
		GRAND TOTALS	**$121,419,534**	**$41,484,424**		

bold, italics - pending board approval
(s) - Amount represented in the assistance agreement
(c) - Grant has been closed.
(rlf) - To be funded out of the revolving loan funds

KENTUCKY INFRASTRUCTURE AUTHORITY
WATER RESOURCES LOAN ------ (FUND B2)
GATEWAY, BIG SANDY, KENTUCKY RIVER AND CUMBERLAND VALLEY DEVELOPMENT DISTRICTS

TOTAL AUTHORIZATION FYS 1991-94	$30,000,000
TOTAL DEAUTHORIZATION FYS 1995-96	($1,716,586)
TOTAL AUTHORIZATION FYS 1997-98	$0
TOTAL AUTHORIZATION FYS 1998-99	$0
TOTAL 1991 - 1998	**$28,283,414**

			TOTAL INFRASTRUCTURE AMOUNT	KIA AMOUNT		INTEREST RATE	AREA DEVELOPMENT DISTRICT	DATE APPROVED	COMMENTS
	PROJECTS APPROVED JULY 1, 1991 THROUGH JUNE 30, 1992:								
1	MOUNTAIN WATER DISTRICT (Indian Creek)		$2,712,760	$337,760	(c)	3.0%	BIG SANDY	07-24-91	
2	MARTIN COUNTY WATER DISTRICT NO. 2		$2,481,566	$1,329,826	(c)	3.0%	BIG SANDY	09-16-91	(REAP. 5-5-93)
3	HYDEN / LESLIE CO. WATER DISTRICT		$2,196,941	$1,965,619	(c)	3.0%	KY. RIVER	09-16-91	
4	SOUTHERN WATER & SEWER	(Phase I)	$1,045,700	$514,888	(c)	3.0%	BIG SANDY	09-16-91	(REAP. 1-29-93), Assumed from Beaver Elkhorn 12-21-00
5	SOUTHERN WATER & SEWER	(Phase II)	$2,262,200	$847,982	(c)	3.0%	BIG SANDY	09-16-91	(REAP. 5-5-93), Assumed from Beaver Elkhorn 12-21-00
6	SOUTHERN WATER & SEWER	(Phase III)	$3,386,325	$2,831,354	(c)	3.0%	BIG SANDY	09-16-91	(REAP. 5-5-93 & 2-2-95)), Assumed from Beaver Elkhorn 12-21-00
7	MANCHESTER, CITY OF		$1,766,705	$970,439	(c)	2.9%	CUMB. VALLEY	11-01-91	
8	MOREHEAD, CITY OF		$449,442	$359,646	(c)	2.9%	GATEWAY	11-01-91	
9	MOUNTAIN WATER DISTRICT (Multi-Area)		$5,165,093	$5,165,093	(c)	2.9%	BIG SANDY	11-01-91	
10	PIKEVILLE, CITY OF		$903,718	$897,868	(c)	2.9%	BIG SANDY	11-01-91	
11	PINEVILLE, CITY OF		$829,099	$829,099	(c)	2.9%	CUMB. VALLEY	11-01-91	
12	BARBOURVILLE, CITY OF		$4,500,000	$1,924,831	(c)	2.9%	CUMB. VALLEY	11-01-91	
13	CORBIN, CITY OF		$1,449,838	$833,000	(c)	2.9%	CUMB. VALLEY	12-04-91	
14	PRESTONSBURG, CITY OF		$2,173,278	$1,960,288	(c)	2.9%	BIG SANDY	12-04-91	
15	HARLAN, CITY OF		$1,434,170	$1,434,170	(c)	2.9%	CUMB. VALLEY	12-04-91	
16	WHITESBURG, CITY OF		$1,332,179	$932,179	(c)	2.7%	KY. RIVER	05-13-92	
17	CLAY COUNTY FISCAL COURT (North Manchester Water Association)		$2,805,321	$2,621,001	(c)	2.95%	CUMB. VALLEY	05-13-92	
18	ROCKCASTLE COUNTY FISCAL COURT (Western Rockcastle Water Association)		$778,500	$364,572	(c)	2.95%	CUMB. VALLEY	05-13-92	
		TOTALS	**$37,672,835**	**$26,119,616**					
	PROJECTS APPROVED JULY 1, 1992 THROUGH JUNE 30, 1993:								
19	JACKSON COUNTY FISCAL COURT (Jackson County Water Association)		$1,858,645	$1,792,633	(c)	2.45%	KY. RIVER	11-12-92	
		TOTALS	**$1,858,645**	**$1,792,633**					
	PROJECTS APPROVED JULY 1, 1993 THROUGH JUNE 30, 1994:								
20	LAUREL COUNTY WATER DISTRICT NO. 2		$1,324,000	$450,000	(c)	1.6%	CUMB. VALLEY	5-11-94	(REAP. 12-5-95)
		TOTALS	**$1,324,000**	**$450,000**					
		GRAND TOTALS	**$40,855,480**	**$28,362,249**					

(s) - Amount represented in the assistance agreement.
(c) - Final Amount; Loan has been closed.

KENTUCKY INFRASTRUCTURE AUTHORITY
GOVERNMENTAL AGENCIES PROGRAM ---------- (FUND C)

		TOTAL PROJECT AMOUNT	KIA AMOUNT		DATE APPROVED	COMMENTS
	Fd C Available to Loan/Grant Before Current Meeting		$5,914,592			
	ORIGINAL KENTUCKY POLLUTION ABATEMENT AUTHORITY LOANS (42) REFINANCED BY THE KENTUCKY INFRASTRUCTURE AUTHORITY (1989)		**$32,025,000**			
	PROJECTS APPROVED IN FY 1989:					
1	CAMPBELLSVILLE, CITY OF	$3,450,000	$2,500,000	(c)		
2	CARLISLE, CITY OF	$3,958,731	$1,764,950	(c)		
3	CRITTENDEN, CITY OF	$1,725,300	$913,800	(c)		
4	EDMONTON, CITY OF	$740,728	$505,728	(c)		
5	FULTON, CITY OF	$1,200,000	$380,000	(c)		
6	INEZ, CITY OF	$5,692,657	$825,477	(c)		
7	PADUCAH-MCCRACKEN JOINT SEWER COM	$1,844,500	$1,844,500	(c)		ASSUMED FROM CITY OF PADUCAH
8	RUSSELL, CITY OF	$2,851,000	$2,851,000	(c)		
9	STANFORD, CITY OF	$1,782,000	$590,000	(c)		
10	TOMPKINSVILLE, CITY OF	$720,000	$445,000	(c)		
11	WEST LIBERTY, CITY OF	$3,086,995	$1,805,854	(c)		
12	HARDIN COUNTY WATER DISTRICT #2	$3,597,502	$932,502	(c)		
13	PADUCAH-MCCRACKEN JOINT SEWER COM	$1,528,626	$1,528,626	(c)		ASSUMED FROM MCCRACKEN CO SEWER
14	PADUCAH-MCCRACKEN JOINT SEWER COM	$2,099,125	$2,099,125	(c)		ASSUMED FROM MCCRACKEN CO SEWER
15	OLDHAM COUNTY WATER DISTRICT	$1,191,282	$1,330,500	(c)		
16	LOUISVILLE WATER COMPANY	$2,593,497	$1,094,330	(c)		ASSUMED FROMKENTUCKY TURNPIKE WATER DISTRICT 3/7/02
	TOTALS	**$38,061,943**	**$21,411,392**			
	PROJECTS APPROVED IN FY 1990:					
17	BULLOCK-PEN WATER DISTRICT	$779,649	$399,049	(c)	08-07-89	
18	BOYD COUNTY SANITATION DISTRICT #2	$2,525,506	$1,477,350	(c)	08-07-89	(AMD. 8-16-90 & 12-4-91)
19	FLEMINGSBURG, CITY OF	$1,218,286	$1,066,000	(c)	08-07-89	
20	FRANKLIN, CITY OF	$695,690	$687,204	(c)	05-03-89	(AMD. 8-7-89)
21	PINEVILLE, CITY OF	$3,099,590	$308,767	(c)	09-27-89	
22	EDMONSON COUNTY WATER DISTRICT	$860,117	$507,767	(c)	12-13-89	
23	HENDERSON COUNTY WATER DISTRICT #4	$581,609	$550,000	(c)	12-13-89	(AMD. 6-20-91)
24	EAST LOGAN COUNTY WATER DISTRICT	$1,253,120	$514,303	(c)	12-13-89	
25	MCKEE, CITY OF	$562,789	$185,289	(c)	04-25-90	
	TOTALS	**$11,576,356**	**$5,695,729**			
	PROJECTS APPROVED IN FY 1991:					
26	U.S. 60 WATER DISTRICT	$391,065	$202,400	(c)	08-16-90	
27	EDMONTON, CITY OF	$727,621	$502,621	(c)	08-16-90	
28	MUNFORDVILLE, CITY OF	$107,320	$100,850	(c)	09-26-90	
29	LEXINGTON-SOUTH ELKHORN WATER DIST	$1,750,000	$1,712,000	(c)	03-28-91	
30	PADUCAH-MCCRACKEN JOINT SEWER COM	$583,445	$450,884	(c)	03-28-91	ASSUMED FROM REIDLAND WSD
31	SOUTH GRAVES COUNTY WATER DISTRICT	$728,605	$728,605	(c)	06-20-91	(REAP. 12-17-92)(AMD. 11-10-97)(AMD 8-7-03)
32	TRIMBLE COUNTY WATER DISTRICT	$342,103	$328,603	(c)	06-20-91	(REAP. 9-16-91)
33	HENDERSON COUNTY WATER DISTRICT #2	$633,013	$325,000	(c)	06-20-91	
	TOTALS	**$5,263,172**	**$4,350,963**			
	PROJECTS APPROVED IN FY 1992:					
34	TOMPKINSVILLE, CITY OF	$648,200	$306,200	(c)	07-24-91	
35	WALTON, CITY OF	$140,577	$140,577	(c)	07-24-91	
36	WILMORE, CITY OF	$745,155	$228,355	(c)	09-16-91	
37	EDMONSON COUNTY WATER DISTRICCT	$197,959	$92,747	(c)	09-16-91	
38	PADUCAH WATER WORKS	$596,100	$556,100	(c)	11/1/91;6/7/12	(assumed from Hendron Water District 6/7/12)
39	BULLOCK-PEN WATER DISTRICT	$1,067,019	$518,169	(c)	11-01-91	
40	U.S. 60 WATER DISTRICT	$494,603	$459,905	(c)	12-04-91	
41	FULTON, CITY OF	$409,587	$384,508	(c)	05-13-92	
42	BULLOCK-PEN WATER DISTRICT	$62,111	$29,254	(c)	05-13-92	
	TOTALS	**$4,361,311**	**$2,715,815**			
	PROJECTS APPROVED IN FY 1993:					
43	GEORGETOWN, CITY OF	$554,870	$162,870	(c)	11-12-92	(AMD. 6-29-94)(Assumed from Stamping Ground 3/2/06)
44	PIKEVILLE, CITY OF	$1,317,639	$419,771	(c)	11-12-92	
45	NORTH MARSHALL COUNTY WATER DISTRI	$1,414,199	$1,414,199	(c)	12-17-92	
46	TAYLORSVILLE, CITY OF	$188,000	$188,000	(c)	03-03-93	
47	WURTLAND, CITY OF	$336,885	$264,145	(c)	05-05-93	
	TOTALS	**$3,811,593**	**$2,448,985**			

			TOTAL PROJECT AMOUNT	KIA AMOUNT		DATE APPROVED	COMMENTS
		PROJECTS APPROVED IN FY 1994:					
	48	WHITESBURG, CITY OF	$1,701,993	$381,855	(c)	09-29-93	
	49	JONATHAN CREEK WATER DISTRICT	$2,768,000	$2,302,500	(c)	09-29-93	(AMD 9/7/03)
	50	NORTHERN ROCKCASTLE COUNTY WATER	$455,226	$265,226	(c)	09-29-93	
	51	Shelbyville, City of	$2,100,000	$697,263	(c)	05-11-94	Assumed from Shelby Co SD #1
	52	LAUREL COUNTY WATER DISTRICT #2	$1,324,000	$900,950	(c)	05-11-94	(AMD. 12-5-95)
		TOTALS	**$8,349,219**	**$4,547,794**			
		PROJECTS APPROVED IN FY 1995:					
	53	CARLISLE, CITY OF	$715,000	$425,895	(c)	11-29-94	
**	54	HENRY COUNTY WATER DISTRICT #2	$8,426,000	$5,026,000	(s)(n)	03-31-95	(AMD. 12-5-95)
	55	CALHOUN, CITY OF	$506,100	$453,299	(c)	5-30-95	
		TOTALS	**$9,647,100**	**$5,905,194**			
		PROJECTS APPROVED IN FY 1996:					
	56	OLDHAM COUNTY WATER DISTRICT	$1,174,500	$1,062,256	(c)	2-26-95	
	57	HOPKINSVILLE, CITY OF	$1,156,400	$912,970	(c)	12-4-96; 4-7-11	assumed from Oak Grove
		TOTALS	**$2,330,900**	**$1,975,226**			
		PROJECTS APPROVED IN FY 1997:					
	58	EAST PENDLETON WATER DISTRICT	$202,004	$219,856	(c)	6-19-97	
		TOTALS	**$202,004**	**$219,856**			
		PROJECTS APPROVED IN FY 1998:					
		TOTALS	**$0**	**$0**			
		PROJECTS APPROVED IN FY 1999:					
	59	LOUISA, CITY OF	$387,500	$442,857	(c)	7/13/98	(AMD 9-1-99)
*	60	WEBSTER COUNTY WATER DISTRICT	$6,165,911	$4,000,000	(c)	9/1/98	
	61	MEADE COUNTY WATER DISTRICT	$4,204,225	$407,608	(c)	12/18/98	
		TOTALS	**$10,757,636**	**$4,850,465**			
		PROJECTS APPROVED IN FY 2001:					
	62	BARLOW, CITY OF	$416,000	$237,714	(c)	3/1/01	
		TOTALS	**$416,000**	**$237,714**			
		PROJECTS APPROVED IN FY 2002:					
	63	OLDHAM COUNTY WATER DISTRICT	$7,043,642	$5,560,339	(c)	7/12/01	
		TOTALS	**$7,043,642**	**$5,560,339**			
		PROJECTS APPROVED IN FY 2003:					
*	64	MCCREARY COUNTY FISCAL COURT	7,996,000	1,474,999	(c)	9/5/2002	
*	65	NICHOLASVILLE, CITY OF	4,310,000	4,160,000	(c)	10/3/2002	
	66	SOUTHERN WATER & SEWER	6,874,900	0		1/9/2003	Withdrawn - Replaced with Coal Sev
	67	MEADE COUNTY WATER DISTRICT	919,760	0		6/5/2003	Withdrawn - Replaced with Fd F loan
		TOTAL	**$7,996,000**	**$5,634,999**			
		PROJECTS APPROVED IN FY 2004:					
	68	KNOTT CO WATER & SEWER DISTRICT	$2,628,821	$640,367		8/7/2003	
*	69	CAWOOD WATER DISTRICT	$2,020,000	$500,000		12/4/2003	
*	70	BLACK MTN UTILITIES DISTRICT	$2,295,000	$250,000	(c)	1/8/2004	
		TOTAL	**$6,943,821**	**$1,390,367**			
		PROJECTS APPROVED IN FY 2005:					
*	71	NORTONVILLE, CITY OF	$5,300,000	$2,768,556	(c)	9/2/2004	
*	72	JOHNSON CO FISCAL COURT	$1,317,000	$0		12/9/2004	Withdrawn
*	73	PEAKS MILL WATER DISTRICT	$1,626,900	$946,900	(c)	5/5/2005	
		TOTAL	**$8,243,900**	**$3,715,456**			
		PROJECTS APPROVED IN FY 2007:					
*	74	MAYFIELD, CITY OF	$393,250	$389,255	(c)	5/10/2007	broadband
		TOTAL	**$393,250**	**$389,255**			

			TOTAL PROJECT AMOUNT	KIA AMOUNT		DATE APPROVED	COMMENTS
		PROJECTS APPROVED IN FY 2008:					
*	75	SOUTHEAST DAVIESS CO WD	$1,219,995	$796,140	(c)	11/1/2007	water
*	76	WEST DAVIESS CO WD	$1,378,708	$948,348	(c)	11/1/2007	water
*	77	NORTHERN KY WATER DISTRICT	$6,000,000	$6,000,000	(c)	6/5/2008	water
		TOTAL	**$8,598,703**	**$7,744,488**			
		PROJECTS APPROVED IN FY 2009:					
*	78	UNION, CITY OF	$1,147,500	$248,294	(c)	10/2/2008	sewer
		TOTAL	**$1,147,500**	**$248,294**			
		PROJECTS APPROVED IN FY 2010:					
*	79	BARDSTOWN, CITY OF	$1,800,000	$1,800,000	(c)	10/01/2009; 8/4/2011	industrial park transmission
*	80	BARDSTOWN, CITY OF	$5,050,000	$3,500,000	(c)	10/1/2009	water
		TOTAL	**$6,850,000**	**$5,300,000**			
		PROJECTS APPROVED IN FY 2011:					
*	81	Bracken Co Water District	$621,000	$621,000	(c)	3/3/2011	water main replacement
		TOTAL	**$621,000**	**$621,000**			
		PROJECTS APPROVED IN FY 2012:					
*	82	Warren Co Water District	$1,114,400	$823,900	(c)	10/6/2011	Buchanon Park Sewer Extension
*	83	Muninet Fiber Agency	$3,173,049	$3,173,049		2/2/2012	Cable Build Project #2
*	84	Worthington, City of	$600,000	$600,000		4/12/2012	Filters Upgrade
		TOTAL	**$4,887,449**	**$4,596,949**			
		PROJECTS APPROVED IN FY 2014:					
*	85	Bowling Green, City of	$1,192,485	$1,192,485		2/6/2014	WX21227077 - Reservoir Hill Piping Renovation Project
*****	***86***	***Glasgow, City of***	***$3,364,860***	***$3,000,000***		***6/26/2014***	***SX21009017 - New sewer basin***
		TOTAL	**$4,557,345**	**$4,192,485**			
		KIA TOTALS	**$152,059,844**	**$93,752,764**			
		GRAND TOTALS (including KPAA)		**$125,777,764**			
		Funds committed; not issued:		**$37,192,925**			

bold, italics - pending board approval

* Bonds have not been sold for these projects.

** Withdrew from bond sale.

(s) - Amount represented in the assistance agreement.

(c) - Final Amount. Includes capitalized interest and Note Program costs.

(n) - Participating in BAN's

KENTUCKY INFRASTRUCTURE AUTHORITY
SAFE DRINKING WATER STATE REVOLVING FUND CFDA #66.468 ---- (FUND F)

AVAILABLE FUNDS FY 1997:	
FEDERAL TITLE VI GRANT FUNDS	$12,558,800
BOND PROCEEDS (20%)	$2,511,760
ADMINISTRATION (4%)	($502,352)
OTHER SET ASIDES (As Amended)	($1,928,773)
NET 97 SRF FUNDS	$12,639,435
AVAILABLE FUNDS FY 1998:	
FEDERAL TITLE VI GRANT FUNDS	$10,851,600
BOND PROCEEDS (20%)	$2,170,320
ADMINISTRATION (4%)	($434,064)
OTHER SET ASIDES	($1,085,160)
NET 98 SRF FUNDS	$11,502,696
AVAILABLE FUNDS FY 1999:	
FEDERAL TITLE VI GRANT FUNDS	$11,373,500
BOND PROCEEDS (20%)	$2,274,700
ADMINISTRATION (4%)	($454,940)
OTHER SET ASIDES	($808,335)
LAND ACQUISITION SET ASIDE	$357,500
NET 98 SRF FUNDS	$12,742,425
AVAILABLE FUNDS FY 2000:	
FEDERAL TITLE VI GRANT FUNDS	$11,820,400
BOND PROCEEDS (20%)	$2,364,080
ADMINISTRATION (4%)	($472,816)
OTHER SET ASIDES	($1,296,086)
LAND ACQUISITION SET ASIDE	$0
NET 00 SRF FUNDS	$12,415,578
AVAILABLE FUNDS FY 2001:	
FEDERAL TITLE VI GRANT FUNDS	$11,869,300
BOND PROCEEDS (20%)	$2,373,860
ADMINISTRATION (4%)	($474,772)
OTHER SET ASIDES	($1,913,832)
LAND ACQUISITION SET ASIDE	$252,130
NET 01 SRF FUNDS	
	$12,106,686
AVAILABLE FUNDS FY 2002:	
FEDERAL TITLE VI GRANT FUNDS	$9,805,100
BOND PROCEEDS (20%)	$1,961,020
ADMINISTRATION (4%)	($392,204)
OTHER SET ASIDES	($1,372,714)
NET 02 SRF FUNDS	$10,001,202
AVAILABLE FUNDS FY 2003:	
FEDERAL TITLE VI GRANT FUNDS	$9,746,200
BOND PROCEEDS (20%)	$1,949,240
ADMINISTRATION (4%)	($389,848)
OTHER SET ASIDES	($1,383,960)
NET 03 SRF FUNDS	$9,921,632
AVAILABLE FUNDS FY 2004:	
FEDERAL TITLE VI GRANT FUNDS	$10,110,200
BOND PROCEEDS (20%)	$2,022,040
ADMINISTRATION (4%)	($404,408)
OTHER SET ASIDES	($1,668,183)
NET 04 SRF FUNDS	$10,059,649
AVAILABLE FUNDS FY 2005:	
FEDERAL TITLE VI GRANT FUNDS	$10,088,800
BOND PROCEEDS (20%)	$2,017,760
ADMINISTRATION (4%)	($403,552)
OTHER SET ASIDES	($1,715,096)
NET 05 SRF FUNDS	$9,987,912

AVAILABLE FUNDS FY 2006:	
FEDERAL TITLE VI GRANT FUNDS	$8,630,300
BOND PROCEEDS (20%)	$1,726,060
ADMINISTRATION (4%)	($345,212)
OTHER SET ASIDES	($1,855,515)
NET 06 SRF FUNDS	$8,155,633
AVAILABLE FUNDS FY 2007:	
FEDERAL TITLE VI GRANT FUNDS	$8,630,000
BOND PROCEEDS (20%)	$1,726,000
ADMINISTRATION (4%)	($345,200)
OTHER SET ASIDES	($1,596,550)
NET 07 SRF FUNDS	$8,414,250
AVAILABLE FUNDS FY 2008:	
FEDERAL TITLE VI GRANT FUNDS	$8,543,000
BOND PROCEEDS (20%)	$1,708,600
ADMINISTRATION (4%)	($341,720)
OTHER SET ASIDES	($1,836,745)
NET 08 SRF FUNDS	$8,073,135
AVAILABLE FUNDS FY 2009:	
FEDERAL TITLE VI GRANT FUNDS	$8,543,000
BOND PROCEEDS (20%)	$1,708,600
ADMINISTRATION (4%)	($85,430)
OTHER SET ASIDES	($2,281,788)
NET 09 SRF FUNDS	$7,884,382
AVAILABLE FUNDS FY 2010:	
FEDERAL TITLE VI GRANT FUNDS	$19,592,000
BOND PROCEEDS (20%)	$3,918,400
ADMINISTRATION (4%)	($783,680)
OTHER SET ASIDES	($4,564,936)
NET 10 SRF FUNDS	$18,161,784
AVAILABLE FUNDS FY 2011:	
FEDERAL TITLE VI GRANT FUNDS	$13,595,000
BOND PROCEEDS (20%)	$2,675,800
ADMINISTRATION (4%)	($535,160)
OTHER SET ASIDES	($3,210,960)
NET 11 SRF FUNDS	$12,524,680
AVAILABLE FUNDS FY 2012:	
FEDERAL TITLE VI GRANT FUNDS	$12,956,000
BOND PROCEEDS (20%)	$2,591,200
ADMINISTRATION (4%)	($388,680)
OTHER SET ASIDES	($3,362,082)
NET 12 SRF FUNDS	$11,796,438
AVAILABLE FUNDS FY 2013:	
FEDERAL TITLE VI GRANT FUNDS	$12,156,000
BOND PROCEEDS (20%)	$2,431,200
ADMINISTRATION (4%)	($364,680)
OTHER SET ASIDES	($2,911,362)
NET 13 SRF FUNDS	$11,311,158
NET FY 97-13 SRF FUNDS	$187,698,675
CURRENT REVOLV/SURPL FUND BALANCE	$ 69,039,249
Leverage Fund Balance	$0
TRUSTEE FDS NOT COMMITTED	**$ 20,617,834**

		TOTAL PROJECT AMOUNT	KIA LOAN AMOUNT		DATE APPROVED	COMMENTS
	PROJECTS APPROVED IN FY 2000					
1	HICKMAN, CITY OF	$52,500	$31,500	(s)	12/10/1999	F1
2	BOWLING GREEN, CITY OF	$3,441,785	$3,049,314	(c)	04/04/00	
3	PROVIDENCE, CITY OF	$130,880	$58,440	(c)	04/04/00	F1
4	GRAYSON, CITY OF	$170,000	$88,000	(c)	04/04/00	F1
	TOTALS	**$3,795,165**	**$3,227,254**			
	PROJECTS APPROVED IN FY2001					
5	PRINCETON, CITY OF	$3,858,000	$1,500,000	(c)	07/18/2000	
6	HARDINSBURG, CITY OF	$2,096,910	$500,000	(c)	07/18/2000	
7	PROVIDENCE, CITY OF	$3,442,422	$2,383,982	(c)	9/29/00	
8	SPRINGFIELD, CITY OF	$5,791,000	$610,000	(c)	8/29/00	
9	MOREHEAD, CITY OF	$13,325,000	$5,500,000	(c)	9/29/00; Amd 5/16/01; Amd 5/1/03	Combined from 2 proj.
10	HICKMAN, CITY OF	$1,642,623	$869,023	(c)	9/29/00	
11	GREATER FLEMING CO REG WAT COM	$357,500	$357,500	(c)	12/21/00; 2/1/05	Land Acq Set Aside
12	ASHLAND, CITY OF	$2,512,626	$2,190,384	(c)	3/1/01	
13	GRAYSON COUNTY WATER DISTRICT	$4,400,000	$3,930,850	(c)	4/5/01	
14	PINEVILLE, CITY OF	$173,222	$173,222	(c)	5/3/01	
	TOTALS	**$37,599,303**	**$18,014,961**			
	PROJECTS APPROVED IN FY2002					
15	LOGAN/TODD REG WAT COM	$7,773,200	$6,442,400	(c)	07/12/01	
16	CRITTENDEN/LIVINGSTON CO WD	$1,500,000	$1,451,881	(c)	07/12/01	
17	BULLOCK PEN WATER DISTRICT	$408,088	$350,367	(c)	10/4/01	
18	MOUNTAIN WATER DISTRICT	$5,369,590	$1,197,072	(c)	10/4/01	
19	GRAYSON, CITY OF	$5,896,855	$2,808,855	(c)	11/1/01; 12/12/02 Exec Com	
20	LOGAN/TODD REG WAT COM	$27,369,858	$4,000,000	(c)	2/7/02	
21	NORTH LOGAN WATER DIST	$800,000	$447,000	(c)	3/7/02	
22	TAYLORSVILLE, CITY OF	$2,800,000	$1,241,766	(c)	5/2/02	
23	HOPKINSVILLE, CITY OF	$1,513,593	$1,513,593	(c)	6/6/02	
24	LOUISA, CITY OF	$6,736,238	$3,645,811	(c)	6/6/02	
25	BOONEVILLE, CITY OF	$687,000	$554,103	(c)	6/6/02	
	TOTALS	**$60,854,422**	**$23,652,849**			
	PROJECTS APPROVED IN FY2003					
26	MADISON CO UTILITY DISTRICT	$3,560,000	$3,299,999	(c)	7/11/02; 1/1/05	
27	BOWLING GREEN MUNICIPAL UTILITIES	$12,244,000	$3,980,000	(c)	9/25/02	
28	GREATER FLEMING REG WAT COMM	$252,130	$252,130	(c)	10/3/02	Land Acq Set Aside
29	BRACKEN CO WATER DISTRICT	$928,000	$928,000	(c)	10/3/02	
30	BULLOCK PEN WATER DISTRICT	$1,229,000	$1,210,604	(c)	12/12/02 Exec Com	
31	CITY OF ASHLAND	$14,459,550	$4,000,000	(c)	6/5/03	
	TOTALS	**$32,672,680**	**$13,670,733**			
	PROJECTS APPROVED IN FY2004					
32	CARROLL CO WATER DISTRICT	$1,956,156	$1,908,662	(c)	9/4/03	
33	PAINTSVILLE, CITY OF	$1,056,500	$500,000	(c)	9/4/03	F1
34	EDDYVILLE, CITY OF	$3,768,000	$1,563,625	(c)	11/6/03	
35	HARLAN, CITY OF	$5,020,000	$1,597,552	(c)	11/6/03	
36	GREATER FLEMING REG WAT COM	$13,059,330	$4,000,000	(c)	12/4/03; 1/8/04	
37	MEADE COUNTY WATER DISTRICT	$919,760	$394,760	(c)	12/4/03	
38	HENDERSON WATER UTILITY	$1,541,362	$0		2/12/04	withdrawn
	TOTALS	**$27,321,108**	**$9,964,599**			
	PROJECTS APPROVED IN FY2005					
39	MCCREARY CO WATER DISTRICT	$4,206,815	$1,455,400	(c)	10/7/04	
40	MANCHESTER, CITY OF	$359,500	$359,500	(c)	3/3/05	F1
41	RICHMOND, CITY OF	$14,690,222	$8,000,000	(c)	5/5/05	
	TOTALS	**$19,256,537**	**$9,814,900**			
	PROJECTS APPROVED IN FY 2006					
42	HARDINSBURG, CITY OF	$14,498,150	$4,400,000	(c)	12/1/05; amd 8/1/07	
43	ADAIR CO WD DBA COLUMBIA/ADAIR UTIL DIST	$14,000,000	$4,520,000	***(c)***	6/1/06; 11/1/12	assumed from Columbia-Adiar Wat Com
44	HOPKINSVILLE, CITY OF	$6,844,310	$4,000,000	(c)	6/1/06	
	TOTALS	**$35,342,460**	**$12,920,000**			

			TOTAL PROJECT AMOUNT	KIA AMOUNT		DATE APPROVED	COMMENTS
	PROJECTS APPROVED IN FY 2007						
45	NORTHERN KY WATER DISTRICT		$6,865,000	$4,000,000	(c)	10/5/06	
46	ADAIR CO WATER DISTRICT		$3,302,000	$1,000,000	(c)	6/21/07	
47	JESSAMINE SOUTH ELKHORN WD		$1,750,000	$1,746,043	(c)	6/21/07	
		TOTALS	**$11,917,000**	**$6,746,043**			
	PROJECTS APPROVED FY 2008						
48	LETCHER CO WAT & SEW DISTRICT		$1,193,000	$781,000	(c)	10/4/07	
49	RICHMOND, CITY OF		$7,108,951	$4,000,000	(c)	10/4/07	
50	MADISON CO UTILITY DIST		$1,284,510	$1,105,016	(c)	11/1/07; 10/9/08	
52	NICHOLASVILLE, CITY OF		$13,090,400	$8,800,000	(c)	11/1/07; 4/1/09	
53	BULLOCK PEN WATER DISTRICT		$2,320,700	$2,192,700	(c)	12/6/07	
54	HARDINSBURG, CITY OF		$4,165,000	$1,999,250	(c)	12/6/07	
55	BEREA, CITY OF		$9,739,630	$5,000,000	(c)	2/7/08; inc 11/6/08	
56	FRANKFORT, CITY OF		$6,841,000	$6,743,307	(c)	2/7/08	
57	MANCHESTER, CITY OF		$7,849,078	$1,989,578	(c)	2/7/08; 2/5/09	
58	MEADE CO WATER DISTRICT		$2,480,949	$753,447	(c)	2/7/08	
59	WESTERN FLEMING WATER DISTRICT		$2,568,000	$2,518,000	(c)	2/7/08	
60	HOPKINSVILLE, CITY OF		$14,000,000	$8,800,000	(c)	3/6/08; 5/7/09; 12/1/11	
61	NORTHERN KY WATER DISTRICT		$6,565,000	$4,000,000	(c)	3/6/08	
62	OHIO CO WATER DISTRICT		$19,698,500	$4,146,831	(c)	3/6/08; 6/4/09	
63	CENTERTOWN, CITY OF		$2,866,652	$1,097,430		3/6/08; 6/25/09	
		TOTALS	**$101,771,370**	**$53,926,559**			
	PROJECTS APPROVED FY2009						
64	PAINTSVILLE, CITY OF		$29,135,364	$6,519,566		12/4/08	
		TOTALS	**$29,135,364**	**$6,519,566**			
	PROJECTS APPROVED FY2010						
65	PADUCAH, CITY OF		$7,510,000	$7,500,000		9/3/09	
66	HARDINBURG, CITY OF		$4,700,500	$3,251,590		11/12/09	
67	NORTHERN KY WATER DISTRICT		$45,300,000	$24,000,000	(c)	12/3/09; 12/9/10; 10/6/11	
68	ADAIR CO WD DBA COLUMBIA/ADAIR UTIL DIST		$1,694,000	$1,694,000	(c)	6/3/10; 11/1/12	assumed from Columbia-Adiar Wat Com
		TOTALS	**$59,204,500**	**$36,445,590**			
	PROJECTS APPROVED FY2011						
69	Adair Co Water District		$4,133,000	$4,000,000	(c)	7/1/10	
70	Louisa, City of		$1,690,629	$1,690,629	(c)	7/1/10	
71	Madison County Utilities District		$940,225	$940,225	(c)	12/9/10	
72	Hardinsburg, City of		$4,198,000	$4,000,000		2/3/11	
73	Williamstown, City of		$2,250,000	$1,786,300	(c)	3/3/11	
74	Bullock Pen Water District		$1,876,300	$1,796,300		4/7/11; 11/01/12	
75	Brandenburg, City of		$0	$0		4/7/11	Request for funds withdrawn
76	Barbourville, City of	WX21007022	$6,000,000	$4,000,000		5/5/11	
77	Barlow, City of	WX21007020	$520,000	$430,000		5/5/11; 3/7/13	
78	West Liberty, City of		$3,050,300	$2,365,763		5/5/11; revised for ARRA fdg	
		TOTALS	**$24,658,454**	**$21,009,217**			
	PROJECTS APPROVED FY2012						
79	Breathitt Co Water District		$2,500,000	$2,500,000		7/7/11	
80	Adair Co WD dba Columbia Adair Utilities		$3,439,000	$1,500,000		8/4/11	
81	Jessamine South Elkhorn WD		$3,025,300	$3,025,300		11/10/11	
82	Hodgenville, City of		$774,183	$774,183		11/10/11	
83	East Casey County WD		$1,545,000	$1,545,000		11/10/11	
84	Nicholasville, City of		$0	$0		11/10/11	rescinded
85	Harrodsburg, City of	WX21167013	$518,000	$518,000	(c)	12/8/11; 3/7/13	
86	Bowling Green Municipal Utilities		$1,316,378	$1,066,250	(c)	12/8/11	
87	Carrollton, City of		$1,850,270	$1,850,270		12/8/11	

			TOTAL PROJECT AMOUNT	KIA AMOUNT		DATE APPROVED	COMMENTS
	PROJECTS APPROVED IN FY 2012 (Continued)						
88	Mount Vernon, City of		$2,600,000	$2,600,000		1/5/12	
89	Lyon Co WD		$2,000,000	$2,000,000		1/5/12	
90	Campbellsville, City of	WX21217003	$1,875,000	$1,875,000		3/1/12	
91	Centertown, City of	WX21183030; WX21183031	$922,850	$922,850	(c)	3/1/12	
92	Sturgis, City of	WX21225034	$4,000,000	$3,000,000		3/1/12	
93	Hartford, City of	WX21183020	$564,150	$564,150		6/7/12	
		TOTALS	**$26,930,131**	**$23,741,003**			
	PROJECTS APPROVED IN FY 2013						
94	Adair Co WD dba Columbia Adair Util	WX21001024	$4,000,000	$4,000,000		11/1/12	
95	Nicholasville, City of	WX21113042	$939,000	$444,000		12/6/12; 3/6/14	
96	Nicholasville, City of	WX21113041	$110,000	$110,000		12/6/12; 3/6/14	
97	***Danville, City of***	***WX21021017***	***$28,608,171***	***$12,467,849***		***2/7/13; 2/6/14; 6/26/14***	
98	Madison Co Utility District	WX21151051	$876,528	$856,528		2/7/13	
99	Vanceburg, City of	WX21135017	$850,000	$850,000		2/7/13	
100	***City of Harrodsburg***	***WX21167022 WX21167026 WX21167027***	***$2,703,422***	***$2,703,422***		***3/7/13; 6/26/14***	
101	Frankfort Electric & Water Plant Boar	WX21073018	$4,000,000	$4,000,000		3/7/13	
102	Henry Co Water District #2	WX21103039	$3,340,000	$2,855,000		3/7/13	
103	Sebree, City of	WX21233108	$1,835,738	$885,738		4/4/13	
104	Carrollton, City of	WX21041001	$1,538,817	$1,538,817		5/2/13	
105	***Northern Ky Water District***	***WX21037003***	***$9,824,000***	***$8,000,000***		***5/2/13; 6/26/14***	
106	Hopkinsville, City of	WX21047010	$6,000,000	$4,000,000		5/2/13	
107	Williamstown, City of	WX21081001	$17,250,000	$4,000,000		6/19/13; 5/1/14	
		TOTALS	**$81,875,676**	**$46,711,354**			
	PROJECTS APPROVED IN FY 2014						
108	Garrison-Quincy KY-O-Heights WD	WX21135013	$831,000	$831,000		10/3/13	
109	Carrollton, City of	WX21041002	$963,931	$963,931		12/5/13	
110	Hardinsburg, City of	WX21027014	$1,190,000	$1,190,000		12/5/13	
111	Northern Ky Water District	WX21037004	$5,734,000	$4,000,000		12/5/13	
112	***North Middletown, City of***	***WX21017019***	***$680,000***	***$680,000***		***2/6/14; 6/26/14***	***Interest rate reduction to .75%***
113	Jenkins, City of	WX21133043	$2,400,000	$2,400,000		3/6/14	
114	Bullock Pen Water District	WX21081006	$869,600	$849,600		3/6/14	
115	Midway, City of	WX21239027	$215,000	$215,000		5/1/14	
116	***Flatwoods, City of***	***WX21089064***	***$325,000***	***$325,000***		***6/26/14***	
		TOTALS	**$13,208,531**	**$11,454,531**			
	GRAND TOTALS - COMMITMENTS		**$565,542,701**	**$297,819,159**			

bold, italics - pending board approval

(c) - Final amounts; Loan has been closed

(s) - Amount represented in the assistance agreement

(F1) - Planning and Design Loan

KENTUCKY INFRASTRUCTURE AUTHORITY
SAFE DRINKING WATER STATE REVOLVING FUND CFDA #66.468 ---- (FUND F2)
AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009

AVAILABLE FUNDS FFY 2009:	
FEDERAL ARRA GRANT FUNDS	$20,450,000
ADMINISTRATION (4%)	($818,000)
OTHER SET ASIDES	($715,750)
Transferred from Admin to Construction	$369,683
NET ARRA FUNDS	$19,285,933

		TOTAL PROJECT AMOUNT	KIA AMOUNT		FIRST USE FUNDS	DATE APPROVED
	PROJECTS APPROVED IN SFY 2009:					
1	CENTERTOWN, CITY OF	$2,866,652	$222,606	(c)	$222,606	6/25/09
2	SPRINGFIELD, CITY OF	$4,000,000	$947,901	(c)	$947,901	6/25/09
	TOTALS	**$6,866,652**	**$1,170,507**		**$1,170,507**	
	PROJECTS APPROVED IN SFY 2010:					
3	BREATHITT CO WATER DISTRICT	$1,322,000	$572,000	(c)	$572,000	7/9/09; 11/24/09
4	WHITESBURG, CITY OF	$171,840	$171,794	(c)	$171,794	7/9/09
5	MCKEE, CITY OF	$1,100,000	$1,099,903	(c)	$1,099,903	8/6/09
6	BLACK MTN UTILITY DISTRICT	$2,650,000	$500,000	(c)	$500,000	8/6/09
7	ELKTON, CITY OF	$174,800	$174,374	(c)	$174,374	8/20/09
8	BLUEGRASS STATION	$3,498,452	$1,855,004	(c)	$1,855,004	8/20/09
9	DAWSON SPRINGS, CITY OF	$2,120,000	$2,120,000	(c)	$2,120,000	8/20/09
10	BURKESVILLE, CITY OF	$1,153,000	$1,153,000	(c)	$1,153,000	9/3/09
11	LOUISVILLE WATER COMPANY	$18,508,832	$4,173,200	(c)	$4,173,200	9/3/09; 2/4/10
12	JACKSON, CITY OF	$1,500,000	$1,500,000	(c)	$1,500,000	9/3/09
13	PRESTONBURG, CITY OF	$805,000	$805,000	(c)	$805,000	10/1/09
14	WINCHESTER, CITY OF	$1,100,000	$741,450	(c)	$741,450	10/1/09
15	CAMPTON, CITY OF	$6,966,088	$683,200	(c)	$683,200	10/1/09
16	WESTERN MASON WATER DISTRICT	$578,000	$500,000	(c)	$500,000	10/1/09
17	GREENUP, CITY OF	$2,915,099	$1,381,963	(c)	$1,381,963	11/12/09
18	WEST LIBERTY, CITY OF	$3,050,300	$684,537		$684,537	5/5/11; revised from base fdg
	TOTALS	**$44,563,111**	**$18,115,426**		**$18,115,426**	
	GRAND TOTALS - COMMITMENTS	**$51,429,763**	**$19,285,933**		**$19,285,933**	
	BALANCE AVAILABLE FOR LOAN				**$0**	

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(c) - Final amounts; Loan has been closed
(s) - Amount represented in the assistance agreement