

**KENTUCKY INFRASTRUCTURE AUTHORITY**  
**Minutes of the Full Board**

**Meeting Date/Location: March 3, 2016 – 1:00 p.m.**  
**Kentucky Infrastructure Authority**  
**1024 Capital Center Drive, Suite 340, Frankfort**

**Members present:**

Ms. Sandra Dunahoo, Commissioner, Department for Local Government  
Mr. Mark Bunning, Finance and Administration Cabinet  
(proxy for Secretary William Landrum, FAC)  
Mr. Bruce Scott, Energy and Environment Cabinet  
(proxy for Secretary Charles Snavelly, EEC)  
Mr. John Fischer, Economic Development Cabinet  
(proxy for Acting Secretary Erik Dunnigan, EDC)  
Mr. Aaron Greenwell, Public Service Commission  
(proxy for Acting Executive Director James Gardner, PSC)  
Mr. C. Ronald Lovan, representing the American Water Works Association  
Mr. Paul Lashbrooke, representing the Kentucky Rural Water Association  
Mr. David W. Cartmell, Mayor, City of Maysville, representing the Kentucky League of Cities  
Mr. Jody Jenkins, Union County Judge Executive, representing the Kentucky Association  
of Counties, (KACO)  
Ms. Linda C. Bridwell, representing for-profit private water companies

**Members absent:**

Mr. Marty T. Ivy, representing the Kentucky Municipal Utilities Association

**Guests:**

Mr. Jim Askins, Department for Local Government  
Mr. Roy Bascom, HMB Engineers  
Mr. Mike Beck, Hopkinsville Water Environment Authority  
Mr. Charles Bryant, City of Elizabethtown  
Mr. Turner E. Campbell, Prestonsburg City Utilities Commission  
Mr. Matt Curtis, Kentucky Engineering Group  
Mr. Joe Grider, HMB Engineers  
Mr. Dean Hall, Southern Water and Sewer  
Mr. Benton Hansen, HDR Engineering, Inc.  
Mr. Jeff Hawkins, City of Elizabethtown  
Mr. Clay Kelly, Strand Associates  
Mr. Bryan Kirby, Community and Economic Development Associates  
Mr. Patrick Kirby, Community and Economic Development Associates  
Ms. Cindy McDonald, Division of Water  
Ms. Holly Nichols, Kentucky Engineering Group  
Mr. Scott Reynolds, City of Elizabethtown  
Mr. Jeff Schuchter, Northern Kentucky Water District

Mr. Bob Sturdivant, HDR Engineering, Inc.  
Mr. Derrick Watson, Hopkinsville Water Environment Authority  
Ms. Ashley Willoughby, Lincoln Trail Area Development District  
Ms. Lisa Wilson, Kenvirons

## **PROCEEDINGS**

Chairwoman Sandra Dunahoo called the meeting of the Kentucky Infrastructure Authority (KIA) Board to order. Ms. Dunahoo asked board members and guests to introduce themselves. Chairwoman Dunahoo confirmed that a quorum was present and that the press had been notified regarding the meeting.

### **I. BUSINESS (Board Action Required)**

#### **A. 1. APPROVAL OF MINUTES**

**For: KIA Regular Board Meeting of February 4, 2016**

*Ms. Linda Bridwell moved to approve the minutes of the February 4, 2016, regular board meeting. Mr. Ron Lovan seconded, and the motion carried unanimously.*

#### **B. NEW PROJECTS/ACTION ITEMS**

##### **1. A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED CLEAN WATER REVOLVING FUND “A” LOAN (A16-005) IN THE AMOUNT OF \$1,500,000 TO THE CITY OF HOPKINSVILLE f/b/o HOPKINSVILLE WATER ENVIRONMENT AUTHORITY, CHRISTIAN COUNTY, KENTUCKY**

Mr. Jory Becker, DOW, and Ms. Jami Johnson, KIA, presented the Fund “A” loan project to the Board. The City of Hopkinsville f/b/o Hopkinsville Water Environmental Authority (HWEA) requested a \$1,500,000 Fund “A” planning and design loan for the Phase VIII – Expand Hammond-Wood WWTP & Interceptor project. This project will upgrade and expand the Hammond-Wood WWTP, located on the North Fork of the Little River, south of Hopkinsville. This project will expand the plant from 6 million gallons daily (MGD) to 12 MGD with a hydraulic capacity of 32 MGD. The borrower will achieve the upgrades and expansion by replacing the existing inverted siphon under the North Fork Little River, installing submersible sewer pumping station, muffin monster/grit/debris removal system, and new oxidation ditch / clarifier, modify existing oxidation ditches for nutrient removal (phosphorus / nitrogen), and add a sludge press. The project would also include installing 9,000 linear feet (LF) of 36" and 48" interceptor sewers to Eagle Way Bypass and Lafayette Road. Estimated construction loan will be approximately \$39 million.

***Mr. Paul Lashbrooke moved to approve the Fund “A” Loan, (A16-005) in the amount of \$1,500,000 to the City of Hopkinsville f/b/o Hopkinsville Water Environmental Authority with the standard conditions. Ms. Linda Bridwell seconded, and the motion was unanimously approved.***

**2. A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED CLEAN WATER REVOLVING FUND “A” LOAN, (A16-059) IN THE AMOUNT OF \$3,000,000 TO THE CITY OF HAWESVILLE, HANCOCK COUNTY, KENTUCKY**

Mr. Jory Becker, DOW, and Ms. Sarah Aitken, KIA, presented the Fund “A” project to the Board. The City of Hawesville requested a Fund “A” loan in the amount of \$3,000,000 for the Hawesville Sewer Plant Rebuild Project. This project proposes to construct a new wastewater treatment plant adjacent to the City of Hawesville’s existing treatment facility. The existing plant is a 250,000 gallons per day (GPD) Cantex Package Treatment Plant that was built in 1970 and was rehabilitated in the 1990’s. The existing facility also includes a post aeration basin, UV channel, headworks, chlorination basin, flow meter, and drying beds. The plant has several issues with its internal piping and structure that are difficult to repair and maintain due to the lack of redundancy of the plant.

The components for the new 300,000 GPD wastewater treatment plant will include new headworks, a contact stabilization unit for aeration and clarification, a new UV disinfection system, influent and effluent flow meters, a 300 GPM effluent lift station, and approximately 3,000 LF of 8 inch HDPE force main from the treatment plant to a new outfall location on the Ohio River (the current discharge is in Lead Creek, a tributary to the Ohio River).

Following the construction and initiation of operation of the new wastewater treatment plant, the existing plant will be demolished with the exception of the drying beds which the City will continue to use for the sludge drying in the treatment process.

The City of Hawesville provides sewer services to approximately 390 households within Hancock County.

***Ms. Linda Bridwell moved to approve the Fund “A” loan, (A16-059) in the amount of \$3,000,000 to the City of Hawesville with the standard conditions and the following special condition: The City of Hawesville shall increase sewer rates sufficient to generate an additional \$20,000 in sewer revenue effective no later than July 1, 2019. The ordinance reflecting the future rate change must be passed by May of 2018. Mr. Mark Bunning seconded, and the motion was unanimously approved.***

**3. A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED CLEAN**

**WATER REVOLVING FUND “A” LOAN, (A16-076) IN THE AMOUNT OF \$251,000 TO THE CITY OF NEW HAVEN, NELSON COUNTY, KENTUCKY**

Mr. Jory Becker, DOW, and Ms. Jami Johnson, KIA, presented the Fund “A” loan project to the Board. The City of New Haven requested \$251,000 for the City of New Haven I & I Sewer Rehab Phase II. This project will rehabilitate and upgrade three main sewer collection and transmission lines, totaling 3,300 LF that have been previously identified as inadequate and or failing. These lines and associated manholes have a high amount of infiltration and inflow and are contributing to high discharge rates at the WWTP, resulting in more costly treatment, monitoring, and testing. Additionally, the lines function poorly causing problems with normal wastewater collection.

***Mayor David Cartmell moved to approve the Fund “A” Loan, (A16-076) in the amount of \$251,000 to the City of New Haven with the standard conditions. Mr. Ron Lovan seconded, and the motion was unanimously approved.***

4. **A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED CLEAN WATER REVOLVING FUND “A” LOAN, (A16-078) IN THE AMOUNT OF \$600,000 TO THE CITY OF PRESTONSBURG f/b/o PRESTONSBURG CITY’S UTILITIES COMMISSION, FLOYD COUNTY, KENTUCKY**

Mr. Jory Becker, DOW, and Ms. Brandi Norton, KIA, presented the Fund “A” loan project to the Board. The City of Prestonsburg f/b/o Prestonsburg City's Utilities Commission requested a Fund “A” loan in the amount of \$600,000 for the Big Sandy Regional Wastewater Treatment Plant project. This project will be the planning and design portion of a proposed new wastewater treatment plant. The current plant is near capacity and unable to expand the collection system. The new plant will operate at 1 MGD and will be able to extend sanitary sewer service to underserved areas, eliminate and reduce failing septic systems and straight pipes. Upon completion of the construction project, the City will operate two wastewater plants.

The Prestonsburg City's Utilities Commission provides sewer services to 2,772 customers within Floyd County.

***Ms. Linda Bridwell moved to approve the Fund “A” Loan (A16-078) in the amount of \$600,000 to the City of Prestonsburg f/b/o Prestonsburg City's Utilities Commission with the standard conditions along with the following special condition: The City of Prestonsburg f/b/o Prestonsburg City's Utilities Commission shall increase sewer rates sufficient to generate an additional \$80,000 in sewer revenue effective no later than July 1, 2017 (as stated in Special Condition for loans A16-003, A16-007 and A16-028). The ordinance reflecting the future rate change must be passed by May of 2016. Mr. John Fischer seconded, and the motion was unanimously approved.***

**5. A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED CLEAN WATER REVOLVING FUND “A” LOAN, (A16-081) IN THE AMOUNT OF \$11,005,500 TO THE CITY OF ELIZABETHTOWN, HARDIN COUNTY, KENTUCKY**

Mr. Jory Becker, DOW, and Ms. Brandi Norton, KIA, presented the Fund “A” loan project to the Board. The City of Elizabethtown requested a Fund “A” loan in the amount of \$11,005,500 for the Village and Poplar Drive Sewer Improvements project. The project will rehabilitate and improve sewer collection and conveyance lines within the Village and Poplar Drive areas of the City. The project will replace 18,000 linear feet of 8 inch gravity lines with 12 and 15 inch lines and will add 10,000 linear feet of force main with two peak flow pump stations to reduce inflow and infiltration. The improvements will develop customer areas that experience high flows during wet weather events. Lastly, the project will provide improvements to the non-potable water system at the Valley Creek wastewater treatment plant which re-uses a portion of water for onsite cleaning and maintenance applications.

The City of Elizabethtown provides sewer services to 12,358 households within Hardin County.

***Mr. Mark Bunning moved to approve the Fund “A” loan, (A16-081) in the amount of \$11,005,500 to the City of Elizabethtown with the standard conditions. Mr. Ron Lovan seconded, and the motion was unanimously approved.***

**6. 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, (F16-001) IN THE AMOUNT OF \$8,000,000 TO THE CITY OF HOPKINSVILLE f/b/o HOPKINSVILLE WATER ENVIRONMENT AUTHORITY, CHRISTIAN COUNTY, KENTUCKY**

Mr. Jory Becker, DOW, and Ms. Jami Johnson, KIA, presented the Fund “F” loan project to the Board. The City of Hopkinsville f/b/o Hopkinsville Water Environmental Authority (HWEA) requested a Fund “F” loan in the amount of \$8,000,000 for the US 41A Water Main Improvement, 2 MG Southpark Tank, Tank Rehabilitation project. This project will replace 23,557 linear feet of 8 inch and 12 inch water mains with 16 inch ductile iron pipe, install a new 2 million gallon (MG) elevated storage tank and booster station, modify the existing tanks including reconfiguration of the inlet / outlet piping, installation of mixing equipment to reduce TTHM / HAA5, and installation of external and internal coating systems.

***Ms. Linda Bridwell moved to approve the Fund “F” Loan, (F16-001) in the amount of \$8,000,000 to the City of Hopkinsville f/b/o Hopkinsville Water Environment Authority with the standard conditions. Mr. Paul Lashbrooke seconded, and the motion was approved.***

**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 DRINKING WATER REVOLVING FUND LOAN, (F16-027) OF \$4,000,000 TO THE NORTHERN KENTUCKY WATER DISTRICT, KENTON COUNTY, KENTUCKY**

Mr. Ron Lovan excused himself and left the room during consideration of the project by the Board.

Mr. Jory Becker, DOW, and Ms. Jami Johnson, KIA, presented the project to the Board. The Northern Kentucky Water District requested a Fund “F” loan in the amount of \$4,000,000 for the Campbell and Kenton County Water Main Replacement and SCADA Improvements project. The project will replace three water mains on two streets, replace a 36 inch cross country transmission main with a 24 inch main, and include SCADA improvements on approximately 65 sites. The water main replacements were broken down into multiple phases and contracts to mitigate the risk of delays in project completion. The project phases are listed below.

**Project Summaries:**

Phase 1 - Blossom Lane Water Main Replacement includes replacement of approximately 4,100 LF of 12 inch cast iron main with 12 inch ductile iron main along Blossom Lane from Alexandria Pike to Valley View Drive in Campbell County.

Phase 2 - 36 inch Concrete Water Main Replacement for 2,250 LF of 36 inch transmission main with new 24 inch cross- county main in Kenton County.

Phase 3 - Ann Street and Putnam Street Water Main Replacement will replace 2,160 LF of 4 inch main with 8 inch main on Ann Street.

Phase 4 - SCADA Improvements in Campbell and Kenton Counties which will replace equipment for security and remote operation of the distribution system including programmable logic controllers, radio equipment and sensors, and water quality analyzers for approximately 65 sites with tanks, pump stations or meter and regulator valves.

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.

***Mr. Aaron Greenwell recused himself from voting. Ms. Linda Bridwell moved to approve the Fund “F” Loan, (F16-027) in the amount of \$4,000,000 to the Northern Kentucky Water District with the standard conditions. Mr. Mark Bunning seconded, and the motion was unanimously approved.***

**8. 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, (F16-033) IN THE AMOUNT OF \$550,000 TO THE SOUTHERN WATER & SEWER DISTRICT, FLOYD COUNTY, KENTUCKY**

Mr. Jory Becker, DOW, and Mr. Jeff Abshire, KIA, presented the project to the Board. The Southern Water & Sewer District requested a Fund “F” loan in the amount of \$550,000 for the Mink Branch Tank Replacement Project.

This project will replace the existing Mink Branch storage tank with a new 250,000 gallon tank. The existing tank is approximately 30 years old. The system cannot function in the Mink Brach area without a functional tank in place, making rehabilitation of the current tank practically impossible.

Southern Water & Sewer District provides water service to approximately 6,901 households within Floyd, Knott, Letcher and Pike Counties.

***Mr. Aaron Greenwell recused himself from voting. Mr. Paul Lashbrooke moved to approve the Fund “F” Loan, (F16-033) in the amount of \$550,000 to Southern Water & Sewer District with the standard conditions. Mr. Mark Bunning seconded, and the motion was unanimously approved.***

**9. 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 (F16-045) IN THE AMOUNT OF \$3,624,000 TO THE CITY OF PRESTONSBURG f/b/o PRESTONSBURG CITY’S UTILITIES COMMISSION, FLOYD COUNTY, KENTUCKY**

Mr. Jory Becker, DOW, and Ms. Brandi Norton, KIA, presented the project to the Board. The City of Prestonsburg f/b/o Prestonsburg City's Utilities Commission requested a Fund “F” loan, (F16-045) in the amount of \$3,624,000 for the Water Treatment Plant Modifications project. The project will install a 1,000 Kv emergency generator, a sludge removal system, a new filter building with two additional filters and covers from the settling basin with a motor control center. The upgrades will provide additional capacity and assist in meeting present and future regulations. The project will also install other various pieces of equipment that will improve the current infrastructure.

The Prestonsburg City's Utilities Commission provides sewer services to 7,792 customers within Floyd County.

***Ms. Linda Bridwell moved to approve the Fund “F” loan, (F16-045) in the amount of \$3,624,000 to the City of Prestonsburg f/b/o the Prestonsburg City's Utilities Commission with the standard conditions along with the following special condition; the City of Prestonsburg f/b/o the Prestonsburg City's Utilities Commission shall increase water rates sufficient to generate an additional \$145,000 in water revenues effective no***

***later than July 1, 2018. The Ordinance reflecting the future increase must be passed by May of 2016. Mr. John Fischer seconded, and the motion was unanimously approved.***

**10. 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**

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:

<b>APPLICANT</b>	<b>FUND</b>	<b>AMOUNT</b>
City of Hopkinsville	A16-005	\$ 1,500,000
City of Hawesville	A16-059	\$ 3,000,000
City of New Haven	A16-076	\$ 251,000
City of Prestonsburg	A16-078	\$ 600,000
City of Elizabethtown	A16-081	\$11,005,500
City of Hopkinsville	F16-001	\$ 8,000,000
Northern Kentucky Water District	F16-027	\$ 4,000,000
Southern Water and Sewer District	F16-033	\$ 550,000
City of Prestonsburg	F16-045	\$ 3,624,000

***Ms. Linda Bridwell moved to approve the resolution. Mr. Jody Jenkins seconded, and the motion carried unanimously.***

**Board Discussion:**

**KIA Fiscal Year 2015 Audit**

Mr. Allen Norvell, Blue & Co., LLC presented their results from the KIA Fiscal Year 2015 Audit at the KIA February 4<sup>th</sup> meeting. Board members asked for additional time to review the findings and bring it back to the Board for the March KIA Board meeting.

***Ms. Linda Bridwell moved to accept the audit as originally submitted. Mr. David Cartmell seconded, and the motion carried unanimously.***

**II. EXECUTIVE DIRECTOR'S REPORT**

Kentucky Infrastructure Authority Secretary, Adam Scott noted the Status Report for Funds A, B, C and F can be found on page 145 of the Board Book. Mr. Scott and Jory Becker, DOW, have continued to have discussions with the Franklin County and Daviess County Fiscal Courts concerning five Package Treatments Plant abandonments. Both entities are interested in moving forward. Ms. Linda Bridwell asked Mr. Scott about the status of unallocated SRF funds. Mr. Scott stated that Fund "A" has approximately



\$25,000,000 left to fund projects. All invitations have been sent out and that the remaining funds will be added to our total available funds in the next fiscal year.

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

**Chairwoman Dunahoo made the motion to move into Executive Session to discuss personnel matters. Ms. Linda Bridwell seconded, and the motion carried unanimously.**

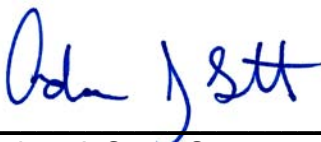
**After a brief Executive Session, Ms. Linda Bridwell made the motion to reconvene the KIA Board meeting. Mr. Ron Lovan seconded and the motion carried unanimously. No actions were taken by the Executive Committee at this time.**

### IV. ANNOUNCEMENTS/NOTIFICATIONS

- Next scheduled KIA board meeting:  
Tentatively set for Thursday, April 7, 2016  
1024 Capital Center Drive, Suite 340  
Frankfort, Kentucky

***There being no further business Mr. David Cartmell moved to adjourn. Mr. Paul Lashbrooke seconded and the motion carried unanimously. The March 3, 2016, regular meeting of the Board of the Kentucky Infrastructure Authority was adjourned.***

Submitted by:



---

Adam J. Scott, Secretary  
Kentucky Infrastructure Authority

3/30/2016

---

Date