

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

**Meeting Date/Location:**     **April 7, 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. Marty T. Ivy, representing the Kentucky Municipal Utilities Association  
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  
Ms. Linda C. Bridwell, representing for-profit private water companies

**Members absent:**

Mr. Jody Jenkins, Union County Judge Executive, representing the Kentucky Association  
    of Counties, (KACO)

**Guests:**

Mr. Jim Askins, Department for Local Government  
Mr. Thomas Clark, Office of State Budget Director  
Ms. Bethany Couch, Office of Financial Management  
Ms. Annette Dupont-Ewing, Kentucky Municipal Utilities Association  
Mr. Woodrow E. Fields, City of Evarts  
Mr. David Gardner, Salyersville Water Works  
Mr. Kevin Leonard, Mayfield Electric and Water  
Ms. Cindy McDonald, Division of Water  
Ms. Denise Pitts, Office of Financial Management  
Mr. Shawn Roe, City of Salyersville  
Mr. James Shepherd, City of Salyersville  
Mr. James Smith, City of Cynthia  
Mr. Bob Sturdivant, HDR Engineering, Inc.  
Mr. Ken Taylor, Kenvirons, City of Evarts

## **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 March 3, 2016**

*Mayor David Cartmell moved to approve the minutes of the March 3, 2016, regular board meeting. Mr. Mark Bunning seconded, and the motion carried unanimously.*

#### **2. APPROVAL OF MINUTES**

**For: KIA Executive Committee Meeting on March 30, 2016**

*Mr. Ron Lovan moved to approve the minutes of the March 30, 2016 executive committee meeting. Ms. Linda Bridwell 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 THE CHAIR TO EXECUTE AGREEMENTS OF BEHALF OF THE AUTHORITY**

**Section 1:** That the Chair is hereby authorized to execute agreements on behalf of the Authority.

**Section 2:** That any prior Resolutions by the Board of Directors granting Signatory Authority to any person other than the Chair or the Executive Director are hereby revoked.

**Section 3:** This resolution shall take effect immediately upon its approval and passage.

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

#### **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 (A16-026) IN THE AMOUNT OF \$415,000**

**TO THE REGIONAL WATER RESOURCE AGENCY, DAVIESS COUNTY, KENTUCKY**

Ms. Anshu Singh, DOW, and Ms. Brandi Norton, KIA, discussed the Regional Water Resource Agency's (RWRA) request for a Fund "A" planning and design loan in the amount of \$415,000 for the Ravine Sewer Upgrade project. The project will design the future reconstruction and upgrade of the Ravine Interceptor Sewer that conveys combined sewage to the north portion of the Owensboro sewer system. The condition of the current line is unstable and has various structural issues due to improper pipe sizing during installation. The existing line crosses several City blocks that do not have dedicated easements, which is problematic during repair efforts. The project will ultimately separate storm water and waste water into separate pipes conveying the storm water out of the combined sewer system. The construction portion of the project will be approximately \$3 million dollars.

RWRA was created by the enactment of identical ordinances by the City of Owensboro and Daviess County Fiscal Court on October 18, 1994 and October 5, 1994, respectively, for the purpose of managing, controlling and operating 1 regional comprehensive wastewater facilities within Daviess County. RWRA is considered a related organization of the City of Owensboro and Daviess County. All operations of the RWRA are managed by its own professional staff and governed by a board of directors, which consists of four city board appointments and three county board appointments. RWRA revenue is derived 100% from its ratepayers who reside in areas of Daviess County inside and outside of the city limits.

RWRA is a regionalization model for other counties in Kentucky and nationally. The Wastewater Treatment Plant was highlighted in EPA's 2004 Annual Report on the Clean Water State Revolving Fund Programs.

***Mr. Mark Bunning moved to approve the Fund "A" Loan, (A16-026) in the amount of \$415,000 to the Regional Water Resource Agency with the standard conditions. Ms. Linda Bridwell 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 (A16-077) IN THE AMOUNT OF \$615,230 TO THE CITY OF SALYERSVILLE, MAGOFFIN COUNTY, KENTUCKY**

Ms. Anshu Singh, DOW, and Ms. Debbie Landrum, KIA, discussed the City of Salyersville's request for a fund "A" loan in the amount of \$615,230 for the Grinder Pump Replacement and Line Extension project. This project will replace approximately 527 grinder pumps. The existing pumps were installed between 2005 and 2008 and are experiencing excessive failures leaving the utility responsible for an exorbitant repair expense. The project will also purchase approximately 5,000 linear feet of sewer pipe for an extension on KY Route 30,

adding 13 households and replace the discharge piping in the Dixie Pump Station as well as two submersible pumps at Royalton and Allen Drive Station.

The City supplies water to 4,750 households within Magoffin, Floyd, Johnson, and Morgan counties. Sewer services are supplied to 1,340 customers within Magoffin County.

***Mr. Paul Lashbrooke moved to approve the Fund “A” Loan, (A16-077) in the amount of \$615,230 to the City of Salyersville with the standard conditions and the following special condition: The City of Salyersville implements a CPI clause in which both water and sewer rates are increased a minimum of 3% annually. Ms. Linda Bridwell 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 GOVERNMENTAL AGENCIES PROGRAM FUND C LOAN (C16-001) IN THE AMOUNT OF \$1,410,530 TO THE CITY OF MAYFIELD F/B/O MAYFIELD ELECTRIC & WATER SYSTEMS, GRAVES COUNTY, KENTUCKY**

Mr. Marty Ivy, excused himself from the room and recused himself from voting.

Ms. Sarah Aitken, KIA, discussed Mayfield Electric & Water Systems’ request for a Fund “C” loan in the amount of \$1,410,530 for the Pinelake, 12th Street and Fuller Tank Rehab project. The project will include cleaning, repairing and coating the water tank’s interior and exterior. This project is necessary to maintain the quality of service and to keep the tanks in the best operating conditions.

The Utility supplies water to 5,015 households within the corporate city limits and 2,133 households within the Graves County Water District.

***Mr. Ron Lovan moved to approve the Fund “C” Loan, (C16-001) in the amount of \$1,410,530 to the City of Mayfield F/B/O Mayfield Electric & Water Systems with the standard conditions. Ms. Linda Bridwell 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 DRINKING WATER REVOLVING FUND LOAN (F16-036) OF \$275,000 TO THE CITY OF EVARTS, HARLAN COUNTY, KENTUCKY**

Ms. Anshu Singh, DOW, and Ms. Sarah Aitken, KIA, discussed the City of Evarts’ request for a fund “F” loan in the amount of \$275,000 for the Water Supply Well and Treatment Plant Refurbishing project. The project will include development of a new well and/or modification on existing well to assure raw water supply availability and improvements to the WTP (water treatment plant). The WTP

improvements include refurbishing the flocculators, valves, pumps and basins. The current plant is 20 plus years old and is in need of refurbishing.

The City supplies water to 1,403 households within Harlan County and 1,154 households within the Black Mountain Utility District.

***Mr. Mark Bunning moved to approve the Fund “F” Loan, (F16-0036) in the amount of \$275,000 to the City of Evarts with the standard conditions and the following special condition: The City of Evarts will generate \$11,000 or 2% of additional revenue effective July 1, 2019 and July 1, 2020. Ms. Linda Bridwell 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 (F16-038) IN THE AMOUNT OF \$50,000 TO THE CITY OF SALYERSVILLE, MAGOFFIN COUNTY, KENTUCKY**

Ms. Anshu Singh, DOW, and Ms. Debbie Landrum, KIA, discussed the City of Salyersville’s request for a fund “F” planning and design loan in the amount of \$50,000, for a future water storage tank replacement project.

After the design phase, the construction project will replace an aging 200,000 gallon water storage tank with a 500,000 gallon tank. A hydrology model study will be conducted to determine the most favorable location of the new tank.

The City supplies water to 4,750 households within Magoffin, Floyd, Johnson, and Morgan counties. Sewer services are supplied to 1,340 customers within Magoffin County.

***Ms. Linda Bridwell moved to approve the Fund “F” Loan, (F16-0038) in the amount of \$50,000 to the City of Salyersville with the standard conditions and the following special condition: The City of Salyersville implements a CPI clause in which both water and sewer rates are increased a minimum of 3% annually. Mr. Marty Ivy seconded, and the motion was unanimously 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 (F16-041) OF \$1,056,658 TO THE CITY OF CYNTHIANA, HARRISON COUNTY, KENTUCKY**

Ms. Anshu Singh, DOW, and Ms. Sarah Aitken, KIA, discussed, the City of Cynthiana’s request for a fund “F” loan in the amount of \$1,056,658 for the West By-Pass Water Main project. The project will install approximately 13,000 linear feet of 12-inch PVC water main that will parallel the new by-pass on the west side of the City. The interconnections will improve pressures and flows to the west side of the City and to the Harrison County Water Association.

The water utility produces approximately 537 million gallons of water per year, of which 370 million gallons are sold to the Harrison County Water Association.

***Ms. Linda Bridwell moved to approve the Fund “F” Loan, (F16-0041) in the amount of \$1,056,658 to the City of Cynthiana 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 (F16-049) IN THE AMOUNT OF \$2,887,200 TO THE CITY OF HARRODSBURG, MERCER COUNTY, KENTUCKY**

Ms. Anshu Singh, DOW, and Ms. Brandi Norton, KIA, discussed the City of Harrodsburg’s request for a Fund “F” loan in the amount of \$2,887,200 for the Water Distribution Main 2015 project. The project will replace and install approximately 26,000 linear feet of aged water lines with 6 inch PVC pipe. The existing cast iron lines were installed in the 1940’s and has corroded causing line breaks and leaks.

The City’s water system has about 3,745 customers and also provides service for the Burgin Water Department, which has 467 customers, the Lake Village Water Association, which has 2,095 customers and the North Mercer Water District, which has 4,023 customers.

***Mr. Ron Lovan moved to approve the Fund “F” Loan, (F16-0049) in the amount of \$2,887,200 to the City of Harrodsburg with the standard conditions Ms. Linda Bridwell seconded, and the motion was unanimously approved.***

**9. 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>
Regional Water Resource Agency	A16-026	\$ 415,000
City of Salyersville	A16-077	\$ 614,230
City of Mayfield	C16-001	\$ 1,410,530
City of Evarts	F16-036	\$ 275,000
City of Salyersville	F16-038	\$ 50,000
City of Cynthiana	F16-041	\$ 1,056,658
City of Harrodsburg	F16-049	\$ 2,887,200

***Ms. Linda Bridwell moved to approve the resolution. Mayor David Cartmell seconded, and the motion carried unanimously.***

**Board Discussion:**

Ms. Linda Bridwell expressed her appreciation to KIA staff for providing a monitor to display project details to the Board. She asked if it would be possible to obtain an additional monitor so that members of the audience would be able to view as well. Commissioner Dunahoo said that has been a recent discussion among staff and that pricing can be pursued at the Board's recommendation.

Ms. Bridwell also asked about the possibility of moving to electronic board books. Mr. Mark Bunning mentioned he has met with the Commonwealth Office of Technology (COT) about the possibility of electronic board books for all boards of directors. Mr. Ron Lovan said his board has been using digital board books for some time and Mr. Marty Ivy stated his board has been using electronic board books for 3 years. Mr. Bunning noted that the Return on Investment of moving to digital versus paper copies is with the period of a year.

**II. EXECUTIVE DIRECTOR'S REPORT**

Adam Scott, KIA Secretary was unable to attend. Updates on the funds were available in the back of the Board book.

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

**IV. ANNOUNCEMENTS/NOTIFICATIONS**

- Next scheduled KIA board meeting:  
Tentatively set for Thursday, May 5, 2016  
1024 Capital Center Drive, Suite 340  
Frankfort, Kentucky

***There being no further business Mr. Linda Bridwell moved to adjourn. Mr. Mark Bunning seconded and the motion carried unanimously. The April 7, 2016, regular meeting of the Board of the Kentucky Infrastructure Authority was adjourned.***

Submitted by:



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Adam J. Scott, Secretary  
Kentucky Infrastructure Authority

05/02/2016

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Date