

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

**Meeting Date/Location: March 3, 2017 – 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. Jerry Martin, (proxy for Secretary Terry Gill), Cabinet for Economic Development  
Ms. Talina Mathews, Executive Director, Public Service Commission  
Mr. Paul Lashbrooke, representing the Kentucky Rural Water Association  
Ms. Linda C. Bridwell, representing for-profit private water companies  
Mr. David A. Voegele, representing Kentucky Association of Counties  
Mr. Claude Christensen, representing Kentucky League of Cities  
Mr. Robert A. Amato, representing Kentucky Municipal Utilities Association

**Members absent:**

Mr. C. Ronald Lovan, representing the American Water Works Association  
Mr. Bruce Scott, Energy and Environment Cabinet  
(proxy for Secretary Charles Snavelly, EEC)

**Guests:**

Mr. Jory Becker, Division of Water  
Mr. Jay Blalock, South Hopkins Water District  
Mr. Vernon Brown, Department for Local Government  
Mr. Bob Casher, Bluegrass Area Development District  
Mr. Alan Bryan, GRW Engineers  
Ms. Bethany Couch, Office of Financial Management  
Mr. Dean Hall, Southern Water & Sewer District  
Mr. Brandon Hamilton, Kenvirons  
Mr. Ryan Helfenbein, Department for Local Government  
Mr. Jay Hoffman, Wet or Dry  
Mr. Troy Hogg, KEG  
Mr. Robert J. Tucker, South Hopkins Water District  
Mr. Jamie Lawrence, Pennyryle Area Development District  
Mr. Ora Main, Nesbitt Engineering  
Mr. W. J. Noland, City of Irvine

Mr. Ryan Owens, Stanford Water  
Mr. Bob Smallwood, GRW Engineers  
Mr. John Steinmetz, Banks Engineering  
Mr. Billy Williams, City of Irvine  
Mr. Vaughn Williams, Kenvirons  
Mr. Jack Withrow, Stanford Water  
Ms. Amanda Workman, South Hopkins Water District

## **PROCEEDINGS**

Chair Sandra Dunahoo called the meeting of the Kentucky Infrastructure Authority (KIA) Board to order. Ms. Dunahoo asked guests to introduce themselves. It was noted that the press had been notified regarding the meeting and a quorum was confirmed as well.

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

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

**For: KIA Regular Board Meeting of February 2, 2017**

*Ms. Linda Bridwell moved to approve the minutes of the February 2, 2017, regular board meeting. Mr. Claude Christensen seconded, and the motion carried unanimously.*

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

Chair Dunahoo announced there were two additional resolutions that required the Board's attention.

The first was to appoint a new Acting Secretary to replace Ms. Brandi Norton who has tendered her resignation effective March 16, 2017.

#### **1a. A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING THE APPOINTMENT OF SECRETARY OF THE KENTUCKY INFRASTRUCTURE AUTHORITY**

*Ms. Linda Bridwell moved to nominate Ms. Chris Kellogg, as Acting Secretary. Mr. Mark Bunning seconded the nomination, the motion carried unanimously.*

**The additional resolution was to approve the selection of the Authority's Executive Director, Ms. Donna McNeil.**

**1b. A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING THE APPOINTMENT OF EXECUTIVE DIRECTOR OF THE KENTUCKY INFRASTRUCTURE AUTHORITY.**

*Mr. David Voegele moved to approve the Resolution to appoint Ms. Donna McNeil as Executive Director of the Authority, effective February 16, 2017. Ms. Linda Bridwell seconded and the motion carried unanimously.*

**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 (A17-037) IN THE AMOUNT OF \$1,095,462 TO THE CITY OF STANTON, POWELL COUNTY, KENTUCKY**

Mr. Jory Becker, DOW, and Ms. Brandi Norton, KIA, discussed the City of Stanton's request for a Fund "A" loan in the amount of \$1,095,462 for the Sanitary Sewer Service Area Expansion, Phase I project. This project will install approximately 2.9 miles of 8" gravity sewer, over 2.2 miles of force main, 45 residential grinder pumps, three small duplex pump stations and one large duplex pump station to provide sewer service to 100 homes and a brick manufacturing plant. These homes are currently using onsite treatment or straight pipes to provide their sewerage disposal needs.

The City of Stanton purchases 189 million gallons of water annually from Beech Fork Water Commission and serves approximately 1,166 sewer customers.

*Ms. Linda Bridwell moved to approve the Fund "A" Loan, (A17-037) in the amount of \$1,095,462 to the City of Stanton with the standard conditions and the following special conditions: revenues will be increased: 3% or \$50,000 by July 1, 2017, 3% or \$60,000 by July 1, 2018, and 2% or \$32,000 by July 1, 2019. All increases shall be passed by July 1, 2017. Mr. Claude Christensen 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 AN INFRASTRUCTURE REVOLVING FUND LOAN (B17-011) OF \$765,000 TO SOUTH HOPKINS WATER DISTRICT, HOPKINS COUNTY, KENTUCKY**

Ms. Ashley Adams, KIA, discussed the South Hopkins Water District's request for a Fund "B" loan in the amount of \$765,000 for the Water Tank Rehabilitation and Improvement project. This project will rehabilitate two existing water tanks. The first is an elevated water tank and is in need of immediate attention. Work to this tank will include replacing the existing riser, raising the fill pipe, and repairing sheet metal in addition to being cleaned and painted. The second tank is a ground tank rehabilitation which will include the installation of a mixing system in order to reduce disinfection byproducts, sand blasting, cleaning, and painting of the tank.

South Hopkins Water District is PSC regulated and sells water to the Earlington Water & Sewer Department, Mortons Gap Water Department, and the Caldwell County Water District. Most of the District's water is purchased from the City of Dawson Springs with a small amount purchased from the City of Madisonville.

***Ms. Talina Mathews abstained from voting. Ms. Linda Bridwell moved to approve the Fund "B" Loan, (B17-011) in the amount of \$765,000 to the South Hopkins Water District with the standard conditions. Mr. Paul Lashbrooke 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 DRINKING WATER REVOLVING FUND LOAN (F17-001) IN THE AMOUNT OF \$553,000 TO THE CITY OF NICHOLASVILLE, JESSAMINE COUNTY, KENTUCKY**

Mr. Jory Becker, DOW, and Mr. Jeff Abshire, KIA, discussed the City of Nicholasville's request for a \$553,000 loan for the Jessamine-South Elkhorn Interconnect project. The project will construct approximately 2,100 linear feet of twelve inch water main and a bidirectional booster pump station which will permit either utility to supply the other in the event of an emergency need. The booster station will have high efficiency pumps and will be equipped with dual telemetry controls to each system.

The City has approximately 13,600 water customers of which approximately 350 are in Fayette County. They produce about 1.5 billion gallons of water per year and purchase an additional 40 million gallons

from Kentucky-American Water Company. They also sell approximately 250 million gallons per year to the Jessamine County Water District #1 and Jessamine-South Elkhorn Water Districts.

***Mr. Robert Amato excused himself from the room during the discussion and vote. Ms. Linda Bridwell recused herself from the vote. Mr. Mark Bunning moved to approve the Fund “F” Loan, (F17-001) in the amount of \$553,000 to the City of Nicholasville with the standard conditions. Mr. David Voegele 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 DRINKING WATER REVOLVING FUND LOAN (F17-005) OF \$2,690,000 TO THE CITY OF STANFORD, LINCOLN COUNTY, KENTUCKY**

Mr. Jory Becker, DOW, and Ms. Ashley Adams, KIA, discussed the City of Stanford’s request for a Fund “F” loan in the amount of \$2,690,000 for the Water System Upgrade project. This project will help improve water pressure and replace aging and tuberculated cast iron waterlines that have been in service since the 1950’s. A major portion of this project will be replacing a cross-country 8” cast iron waterline, which provides water directly to the City from the water treatment plant, with PVC. This waterline needs to be replaced very soon due to multiple breaks and age. The remainder of the project will be various system wide replacements and connections of dead-end waterlines to create loops throughout the system.

Stanford provides service to 3,420 customers in Lincoln County. They also have a forty year agreement to supply water to the McKinney Water District at a current rate of \$2.80 per 1,000 gallons. In addition, the City provides an emergency connection to the City of Crab Orchard.

***Mr. Claude Christensen moved to approve the Fund “F” Loan, (F17-005) in the amount of \$2,690,000 to the City of Stanford with the standard conditions and the following special condition: The City of Stanford will increase rates enough to generate a minimum of \$200,000 in additional annual revenue (approximately 15% of water revenue or 10% of overall revenues) by July 1, 2017. Ms. Talina Mathews 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 (F17-006) OF \$5,732,000 TO THE CITY OF IRVINE, ESTILL COUNTY, KENTUCKY**

Mr. Jory Becker, DOW, and Ms. Ashley Adams, KIA, discussed the City of Irvine's request for the benefit of Irvine Municipal Utilities for a Fund "F" loan in the amount of \$5,732,000 for the Water Plant Modernization project. The Water Treatment Plant (WTP) will undergo an array of improvements including expansion of the existing filter buildings, upgrade of two existing filters, construction of a third new filter, as well as improvements to the existing raw water and treated water pumping facilities, chemical feed/storage facilities, and flocculation and sedimentation basins. In addition, the project will install approximately 20,100 LF of 12 inch PVC main, and add a 500,000 gallon water storage tank which will replace an existing 200,000 gallon tank. These improvements will address water quality issues at the WTP and in the distribution system by reducing disinfection byproducts, add needed capacity to meet current regulations and aid in maintenance and redundancy needs, eliminate existing water transmission hydraulic bottlenecks, and facilitate water storage tank turnover.

Irvine Municipal Utilities serves approximately 4,500 customers. They also provide Estill County Water District No. 1 with approximately 255 million gallons of water annually at a rate of \$2.587/1,000 gallons (approximately 50% of total water revenue).

***Ms. Linda Bridwell moved to approve the increase to Fund "F" Loan, (F17-006) in the amount of \$5,732,000 to the City of Irvine with the standard conditions and the following special condition: The City of Irvine will increase rates enough to generate a minimum of \$160,000 in additional revenue (approximately 14% of water revenues or 8% of total revenues) effective July 1, 2017. This increase will be in addition to the already approved CPI rate increase for Fiscal Year 2018. The ordinance for this increase must be passed no later than May 1, 2017. Mr. Paul Lashbrooke 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 (F17-012) IN**

**THE AMOUNT OF \$1,350,000 TO THE SOUTHERN WATER & SEWER DISTRICT, FLOYD COUNTY, KENTUCKY**

Mr. Jory Becker, DOW, and Ms. Brandi Norton, KIA, discussed the Southern Water & Sewer District’s request for a Fund “F” loan in the amount of \$1,350,000 for the Lackey to Wayland Water Line Replacement Project. This project will replace approximately 20,000 linear feet of existing 8-10 inch PVC/asbestos/concrete lines with 6 and 8 inch PVC waterline along Route 7 to the city of Wayland. The replacement is necessary to correct pressure and volume issues for customers. The District also has a history of water loss, approximately 40%; this project will assist in remediation efforts.

Southern Water & Sewer District provides water service to approximately 6,751 customers within Floyd, Knott, Letcher and Pike Counties. The District is regulated by the Kentucky Public Service Commission.

***Ms. Talina Mathews recused herself from the vote. Ms. Linda Bridwell moved to approve the Fund “F” Loan, (F17-012) in the amount of \$1,350,000 to the Southern Water & Sewer District with the standard conditions. Mr. Paul Lashbrooke seconded, and the motion was unanimously approved.***

**7. 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 Stanton	A17-037	\$ 1,095,462
South Hopkins Water District	B17-011	\$ 765,000
City of Nicholasville	F17-001	\$ 553,000
City of Stanford	F17-005	\$ 2,690,000
City of Irvine	F17-006	\$ 5,732,000
Southern Water & Sewer District	F17-012	\$ 1,350,000

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

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

#### I. DISCUSSION

Chair Dunahoo thanked Ms. Norton for her service to KIA and wished her the best in her future endeavors.

The floor was turned over to Executive Director Donna McNeil for an update. Ms. McNeil noted it had been a busy two weeks since assuming the position. Ms. McNeil has met with each staff member individually and is conducting weekly staff meetings. Staff has many good ideas about streamlining and automating processes. There are several vacancies, which will be a priority to get filled as quickly as possible. Staff has requested training to better perform their job duties. There has been discussion about a Board member orientation and implementation of a Board Policy Book. Ms. McNeil asked if anyone would be interested in serving on an Ad Hoc Committee on Board Policy. Ms. Linda Bridwell and Mr. Mark Bunning agreed to participate. Mr. Robert Amato said he would consider serving as well.

The last item for discussion was the next meeting of the KIA Board. Staff has noted there is a light project load and to best use Board members' time has recommended cancelling the April meeting and put the April projects on the May agenda.

***Mr. Robert Amato moved to approve the postponement of the April agenda items. Mr. Mark Bunning seconded and the motion passed unanimously.***

#### ANNOUNCEMENTS/NOTIFICATIONS

- Next scheduled KIA board meeting:  
Thursday, May 4, 2017, 1:00 p.m.  
1024 Capital Center Drive, Suite 340  
Frankfort, Kentucky

***There being no further business, Ms. Linda Bridwell moved to adjourn. Mr. Mark Bunning seconded and the motion carried unanimously. The March 2, 2017, regular meeting of the Board of the Kentucky Infrastructure Authority was adjourned.***



Submitted by:

Brandi Norton

Brandi Norton, Secretary  
Kentucky Infrastructure Authority

3/13/17

Date