

KENTUCKY INFRASTRUCTURE AUTHORITY
Minutes of the Full Board

Meeting Date/Location: June 1, 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, (proxy for Secretary William Landrum), Finance and Administration Cabinet
Mr. Jerry Martin, (proxy for Secretary Terry Gill), Cabinet for Economic Development
Mr. Daryl Newby, (proxy for Executive Director Talina Mathews), Public Service Commission
Mr. Robert A. Amato, representing Kentucky Municipal Utilities Association
Ms. Linda C. Bridwell, representing for-profit private water companies
Mr. Claude Christensen, representing Kentucky League of Cities
Mr. Paul Lashbrooke, representing the Kentucky Rural Water Association
Mr. C. Ronald Lovan, representing the American Water Works Association

Members absent:

Mr. Bruce Scott, Energy and Environment Cabinet
(proxy for Secretary Charles Snaveley, EEC)
Mr. David A. Voegelé, representing Kentucky Association of Counties

Guests:

Mr. Jory Becker, Division of Water
Mr. Dean Behnke, Rural Water
Mr. Vernon Brown, Department for Local Government
Mr. Neal Cornett, Department for Local Government
Ms. Bethany Couch, Office of Financial Management
Ms. Amy Darnell, Paducah-McCracken Joint Sewer Agency
Mr. Ryan Helfenbein, Department for Local Government
Mr. Kevin Leonard, Mayfield Electric and Water
Mr. Roger Recktenwald, Kentucky Association of Counties
Mr. Adam Scott, Cann-Tech, LLC
Ms. Cheryl Sullivan, Campbellsville Water & Sewer
Ms. Ruth Webb, First Kentucky Securities
Mr. Tony Young, Campbellsville Water & Sewer

PROCEEDINGS

Chair Sandra Dunahoo called the meeting of the Kentucky Infrastructure Authority (KIA) Board to order.

Ms. Dunahoo asked DLG Staff Attorney Neal Cornett, to confirm the press notification and the presence of a quorum. Guests were asked to introduce themselves.

I. BUSINESS (Board Action Required)

A. 1. APPROVAL OF MINUTES

For: KIA Regular Board Meeting of May 4, 2017

Ms. Linda Bridwell moved to approve the minutes of the May 4, 2017, regular board meeting. Mr. Claude Christensen seconded, and the motion carried unanimously.

B. NEW PROJECTS/ACTION ITEMS

Chair Dunahoo noted a new item and asked Neal Cornett to read a Resolution in sympathy for Senator James Paul David Bunning.

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY EXPRESSING SYMPATHY ON THE DEATH OF JAMES (JIM) PAUL DAVID BUNNING, FATHER OF BOARD MEMBER MARK BUNNING

Mr. Ron Lovan moved to approve the resolution. 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 (A17-033) FOR AN AMOUNT UP TO \$9,100,000 TO THE PADUCAH MCCRACKEN JOINT SEWER AGENCY, MCCRACKEN COUNTY, KENTUCKY

Mr. Jory Becker, DOW, and Ms. Ashley Adams, KIA, discussed the Paducah McCracken Joint Sewer Agency’s request for a Fund A loan in the amount of \$9,100,000 for the Combined Sewer Storage Tank – Harrison Street Phase 1 project. This project will construct a 10 MG combined sewer storage tank along with related appurtenances. The project is the first project required under the

Agency's Long Term Control Plan (LTCP) and Consent Judgment (Civil Action 07-CI-1252). The primary purpose of the tank will be to receive future excess wet weather flows.

The Agency currently serves approximately 18,000 customers.

Ms. Linda Bridwell moved to approve the Fund “A” Loan, (A17-033) up to the amount of \$9,100,000 to the Paducah McCracken Joint Sewer Agency with the standard conditions. Mr. Paul Lashbrooke 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 (B17-013) FOR AN AMOUNT UP TO \$849,000 TO THE CITY OF MAYFIELD f/b/o MAYFIELD ELECTRIC & WATER SYSTEMS, GRAVES COUNTY, KENTUCKY

Ms. Ashley Adams, KIA, discussed the City of Mayfield f/b/o Mayfield Electric & Water Systems' request for a Fund “B” loan in the amount of \$849,000 for the Wastewater Treatment Plant - Screw Pump Replacement & Water Treatment Plant - New Water Well projects.

This loan will fund a wastewater project as well as a drinking water project. The wastewater portion will replace two screw pumps at the Mayfield Wastewater Treatment plant that have not had major rehabilitation since they were installed in the early 1990s. The drinking water portion of the project will construct two new water wells at the Mayfield Water Treatment Plant. The current wells have reached their daily capacity.

Ms. Linda Bridwell moved to approve the Fund “B” Loan, (B17-013) for an amount up to \$849,000 to the City of Mayfield f/b/o Mayfield Electric & Water Systems with the standard conditions. Mr. Claude Christensen seconded, and the motion was unanimously approved,

Commissioner Dunahoo noted two projects for Regional Water Resource Agency (RWRA) would be combined into one discussion.

3. 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 (B17-014) FOR AN AMOUNT UP TO \$500,000 TO REGIONAL WATER RESOURCE AGENCY, DAVIESS COUNTY, KENTUCKY

4. 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 (B17-015) FOR AN AMOUNT UP TO \$485,000 TO REGIONAL WATER RESOURCE AGENCY, DAVIESS COUNTY, KENTUCKY

Ms. Ashley Adams, KIA, discussed moving two loans approved in Fiscal Year 2016 for Regional Water Resource Agency from Fund A to Fund B Loans.

Ms. Linda Bridwell moved to approve the transfer of the two Fund A Loans to Fund B Loans for Regional Water Resource Agency with the standard conditions. Mr. Mark Bunning 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 (F17-014) FOR AN AMOUNT UP TO \$6,593,000 TO THE CITY OF CAMPBELLSVILLE, TAYLOR COUNTY, KENTUCKY

Mr. Jory Becker, DOW, and Ms. Ashley Adams, KIA, discussed the City of Campbellsville's request to make improvements to their existing water treatment plant as well as the urban area of the distribution system. Work at the treatment plant will include clarifier rehabilitation, filter control console replacements, pipe gallery valve replacements, raw water meter vault improvements, pre-filter chlorination upgrade, and upgrade of two existing high service pumps to capacity of 3,300 GPM. Along with this will be the addition of two sludge thickening basins, a filter belt press, as well as sludge and supernatant pumping facilities. Improvements to the distribution system include replacement of approximately 4,000 LF of aging and deteriorated cast iron pipes and appurtenances in several areas within the city with new PVC lines.

Campbellsville Municipal Water & Sewer System provides service to over 9,500 customers.

Ms. Linda Bridwell moved to approve the Fund "F" Loan, (F17-014) for in an amount up to \$6,593,000 to the City of Campbellsville with the standard conditions. Mr. Bob Amato 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 ASSUMPTION OF THE INFRASTRUCTURE REVOLVING FUND LOAN (A11-16) BY THE CITY OF PRESTONSBURG f/b/o PRESTONSBURG CITY’S UTILITYCOMMISSION, FLOYD COUNTY, KENTUCKY

This project was withdrawn from consideration at this time.

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:

APPLICANT	FUND	AMOUNT UP TO
Paducah McCracken Joint Sewer Agency	A17-033	\$ 9,100,000
City of Mayfield	B17-013	\$ 849,000
Regional Water Resource Agency	B17-014	\$ 500,000
Regional Water Resource Agency	B17-015	\$ 485,000
City of Campbellsville	F17-014	\$ 6,593,000

Ms. Linda Bridwell moved to approve the resolution. Mr. Ron Lovan seconded, and the motion carried unanimously.

II. EXECUTIVE DIRECTOR’S REPORT

Director McNeil addressed the group. She noted that KIA staff recently had Sheryl Parsons, EPA Region IV SRF Coordinator, on-site for the annual review. One minor issue was noted at the conclusion of Ms. Parsons’ visit, the KIA Annual Report was a month late. KIA ranked third in Region IV for both Clean Water and Drinking Water. The two other states ahead of KIA over-commit their funds, so they look into the next funding cycle. We were also told to revise our operating agreement with the Division of Water to incorporate federal updates. All the KIA files were in excellent order and Ms. Parsons was very pleased with the Kentucky detailed checklist and asked to share it with other states.

Interviews have been completed for two financial analyst positions and the hope is to have new staff in place mid-June to early July. With the addition of staff, the EPA plans to come back in September to do some training.

DOW has completed the rankings for the priority list for both Clean Water and Drinking Water. The draft for the Intended Use Plan should be out this month for public comment. The Capitalization (CAP) Grant should be ready for submission by August for both programs.

Director McNeil met with Pete Goodman from DOW and finalized the Memorandum of Agreement.

Starting this month, staff has designed a WRIS Utility Portal for utilities to input their information directly into the portal. Several individuals throughout the state have agreed to do beta testing. The goal is to have the portal completed and ready for the general public in spring 2018.

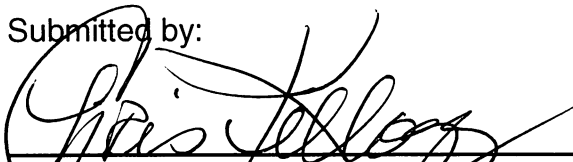
Last week, DLG/KIA had a new telephone system installed and now staff has direct line telephone numbers available.


ANNOUNCEMENTS/NOTIFICATIONS

- Next scheduled KIA board meeting:
Thursday, July 6, 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. Bob Amato seconded and the motion carried unanimously. The June 1, 2017, regular meeting of the Board of the Kentucky Infrastructure Authority was adjourned.

Submitted by:


Chris Kellogg, Acting Secretary
Kentucky Infrastructure Authority


Date