

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

**Meeting Date/Location:      October 6, 2011 – 1:00 p.m.  
Kentucky Infrastructure Authority  
1024 Capital Center Drive, Suite 340, Frankfort**

**Members present:**

Mr. Tony Wilder, Commissioner, Department for Local Government  
Mr. Peter Goodmann, Energy and Environment Cabinet  
    (proxy for Secretary Leonard K. Peters, EEC)  
Mr. Jamie Link, Finance and Administration Cabinet  
    (permanent proxy for Secretary Lori H. Flanery, FAC)  
Mr. Joe Kelly, Economic Development Cabinet  
    (proxy for Secretary Larry Hayes, EDC)  
Mr. Jerry Wuetcher, Public Service Commission  
    (permanent proxy for Executive Director Jeff Derouen, PSC)  
Mr. C. Ronald Lovan, representing the American Water Works Association  
Ms. Linda C. Bridwell, representing for-profit private water companies  
Mr. Thomas P. Calkins, representing the Kentucky Municipal Utilities Association

**Members absent:**

Mr. Damon Talley, representing the Kentucky Rural Water Association  
Mr. Jody Jenkins, Union County Judge/Executive, representing the Kentucky  
    Association of Counties  
Mr. David W. Cartmell, Mayor, City of Maysville, representing the Kentucky League of Cities

**Guests:**

Mr. Shafiq Amawi, Division of Water  
Mr. Alan Vilines, Warren County Water District  
Mr. Richard Harrison, Northern Kentucky Water District  
Mr. Tom Midkiff, Office of Financial Management  
Ms. Jennifer Kantner, Officer of Financial Management

**PROCEEDINGS**

**Chair Tony Wilder called the meeting of the Kentucky Infrastructure Authority (KIA) Board to order. He noted that a quorum was present and that 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 August 4, 2011**

*Mr. Tom Calkins moved to approve the minutes of the August 4, 2011 regular board meeting. Ms. Linda Bridwell seconded, and the motion carried unanimously.*

Chair Tony Wilder asked board members and guests to introduce themselves.

**B. NEW PROJECTS/ACTION ITEMS**

**1. RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING THE ISSUANCE OF A CONDITIONAL COMMITMENT FOR A GOVERNMENTAL AGENCIES PROGRAM LOAN (C11-02) OF \$823,900 TO THE WARREN COUNTY WATER DISTRICT, WARREN COUNTY, KENTUCKY**

The Warren County Water District requested a Fund C loan in the amount of \$823,900 for the Buchanon Park Sewer Line Extension. This project consists of the construction of approximately 2,400 feet of 15", 4,875 feet of 12" and 2,425 feet of 8" gravity sewer with appurtenances. The project will provide sanitary sewer service to a public park and other previously unserved areas. The District serves areas in Warren County that are not served by Bowling Green Municipal Utilities (BGMU). They also purchase all water and sewer services from BGMU under an agreement that was renewed on March 17, 2003 for forty-one years. The term of the loan is 20 years with an interest rate of 3% and an estimated annual debt service payment of \$56,729. KIA staff recommended approval of the loan with the standard conditions.

*Ms. Linda Bridwell moved to approve the resolution with the standard conditions. Mr. Tom Calkins seconded, and the motion carried unanimously, with Mr. Jerry Weutcher abstaining. Mr. Wuetcher abstained due to any potential application submitted by the Warren County Water District to the Public Service Commission for authorization to enter into a loan agreement with KIA for the requested loan or for approval of the proposed construction project.*

**2. RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING AMENDMENT TO THE CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED DRINKING WATER REVOLVING FUND (F09-02) INCREASING THE LOAN AMOUNT TO \$24,000,000 TO THE NORTHERN KENTUCKY WATER DISTRICT, KENTON COUNTY, KENTUCKY**

*Mr. Ron Lovan recused himself at this time and noted for the record that he would not be participating in the discussion or voting on this action before the Board.*

Mr. Shafiq Amawi, DOW, and Ms. Kasi White, KIA, presented the project to the Board. The Northern Kentucky Water District (NKWD) requested an \$8,000,000 increase to its previously approved \$16,000,000 Drinking Water SRF loan for an Advanced Treatment project. Phases III (Ft. Thomas WTP) and IV (Memorial Parkway WTP) involve the installation of granular activated carbon (GAC) post-filter contactors, ultraviolet disinfection and replacement of undersized emergency power generators. The addition of GAC is necessary for NKWD to comply with Stage 2 of the Disinfection By-Product Rule by 2012. NKWD originally requested KIA funds for the entire project; however, due to the funding cap they received \$8,000,000 from the 2010 funding cycle and a subsequent \$8,000,000 from the 2011 funding cycle. The project ranked 2<sup>nd</sup> on the 2012 DWSRF Priority list and the district requested additional funding for the project. The project also meets the criteria to qualify \$2,222,300 in green project reserve (GPR) funding which will allow Kentucky to exceed the minimum required for GPR for the 2010 Capitalization Grant. The breakdown of the GPR to the respective categories is as follows: Green Infrastructure \$280,000; Water Efficiency \$769,300; and Energy Efficiency \$1,173,000. The project did not qualify for additional subsidization. The term of the loan is 20 years with an interest rate of 2% and an estimated annual debt service payment of \$1,521,869. Both DOW and KIA staff recommended approval of the loan with the standard conditions.

***Mr. Tom Calkins moved to approve the resolution with the standard conditions. Ms. Linda Bridwell seconded, and the motion carried unanimously with Mr. Ron Lovan and Mr. Jerry Wuetcher abstaining. Mr. Wuetcher abstained due to the fact that this project will be coming before the Public Service Commission for approval.***

**3. 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
Warren County Water District	C	\$ 823,900
City of Bardstown	C	\$ 1,800,000
Northern Kentucky Water District	F	\$ 24,000,000

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

**II. EXECUTIVE DIRECTOR'S REPORT**

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

- A. Mr. Covington noted that two board members, Ms. Linda Bridwell and Mr. Damon Talley, were reappointed by the Governor to serve four more years on the Board.
- B. An email was sent to all board members regarding changing the dates of the November and December 2011 Board Meetings. A schedule was also sent that listed all important dates, project reviews, conferences, trainings and holidays for KIA staff. The Board had no objection to changing the regular board meeting dates as follows: November 3<sup>rd</sup> meeting to November 10<sup>th</sup>, and December 1<sup>st</sup> meeting to December 8<sup>th</sup>.
- C. Mr. Covington, Commissioner Tony Wilder of DLG and Mr. Rusty Anderson of KIA were scheduled to attend a conference for the National Association of Development Organizations in Miami, Florida, in October and will receive an award for the WRIS System. At this time Mr. Anderson gave a presentation on the changes to the WRIS application; in particular, the changes that affected the SRF programs. He demonstrated how project profiles were integrated in the WRIS portal in order to manage the SRF programs more efficiently and provide more transparency for the program.
- D. KIA has obtained access for a wireless hotspot for board members to use during the meeting. A password will be provided upon request.

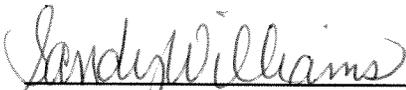
**III. STATUS REPORT FOR FUNDS A, A2, B, B1, C, F, F2**

**IV. ANNOUNCEMENTS/NOTIFICATIONS**

- Next scheduled KIA board meeting:  
Tentatively scheduled for  
Thursday, November 10, 2011  
1024 Capital Center Drive, Suite 340  
Frankfort, Kentucky

***There being no further business Mr. Tom Calkins moved to adjourn. Mr. Jamie Link seconded and the motion carried unanimously. The October 6, 2011, regular meeting of the Board of the Kentucky Infrastructure Authority was adjourned.***

Submitted by:

  
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Sandy Williams, Secretary  
Kentucky Infrastructure Authority

11-7-11  
Date