



REVISED
Board Meeting Booklet
for
February 2, 2012

Kentucky Infrastructure Authority
1024 Capital Center Drive, Suite 340
Frankfort, Kentucky 40601-3646
502-573-0260
502-573-0157 fax
<http://kia.ky.gov>



AGENDA

KENTUCKY INFRASTRUCTURE AUTHORITY
FULL BOARD MEETING
1024 CAPITAL CENTER DRIVE, SUITE 340
February 2, 2012 – 1:00 p.m.

Call to Order:

Vice Chair Damon Talley

- Confirmation of Press Notice
- Confirmation of Quorum
- Recognition of Members/Guests

I. BUSINESS *(Board Action Required)*

A. Minutes

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| 1. Consideration of Approval of the Minutes of the Kentucky Infrastructure Authority Regular Board Meeting of January 5, 2012
<i>(Attachment I.A.1.)</i> | Vice Chair Damon Talley | 9 |
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B. New Projects/Action Items

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| 1. Resolution and Order of the Board of Directors for Approval of a Fund A loan (A12-02) in the amount of \$851,857 to Sanitation District No. 1 of Northern Kentucky, Boone, Campbell and Kenton Counties, Kentucky
(SX21037004)
<i>(Attachment I.B.1.)</i> | Mr. Shafiq Amawi, DOW
Ms. Sandy Williams, KIA | 19 |
| 2. Resolution and Order of the Board of Directors for Approval of a Fund A loan (A12-03) in the amount of \$959,000 to Sanitation District No. 1 of Northern Kentucky, Boone, Campbell and Kenton Counties, Kentucky
(SX21037002)
<i>(Attachment I.B.2.)</i> | Mr. Shafiq Amawi, DOW
Ms. Sandy Williams, KIA | 35 |
| 3. Resolution and Order of the Board of Directors for Approval of a Fund A loan (A12-04) in the amount of \$2,500,000 to the City of Jamestown, Russell County, Kentucky
(SX21207017, SX21207018)
<i>(Attachment I.B.3.)</i> | Mr. Shafiq Amawi, DOW
Ms. Kasi White, KIA | 51 |
| 4. Resolution and Order of the Board of Directors for Approval of a Fund A loan (A12-05) in the amount of \$1,000,000 to the City of Winchester f/b/o Winchester Municipal Utilities, Clark County, Kentucky (SX21049010)
<i>(Attachment I.B.4.)</i> | Mr. Shafiq Amawi, DOW
Ms. Sandy Williams, KIA | 65 |
| 5. Resolution and Order of the Board of Directors for Approval of a Fund A loan (A12-07) in the amount of \$706,000 to the City of Harrodsburg, Mercer County, Kentucky
(SX21167018)
<i>(Attachment I.B.5.)</i> | Mr. Shafiq Amawi, DOW
Ms. Kasi White, KIA | 79 |

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| <p>6. Resolution and Order of the Board of Directors for Approval of a Fund A loan (A12-08) in the amount of \$8,000,000 to the Paducah McCracken Joint Sewer Agency, McCracken County, Kentucky
(SX21145169; SX21145170; SX21145171)
(Attachment I.B.6.)</p> | <p>Mr. Shafiq Amawi, DOW
Ms. Kasi White, KIA</p> | <p>93</p> |
| <p>7. Resolution and Order of the Board of Directors for Approval of a Fund A loan (A12-09) in the amount of \$5,651,270 to the City of Barbourville, Knox County, Kentucky
(SX21121139)
(Attachment I.B.7.)</p> | <p>Mr. Shafiq Amawi, DOW
Ms. Kasi White, KIA</p> | <p>107</p> |
| <p>8. Resolution and Order of the Board of Directors for Approval of a Fund C loan (C12-01) in the amount of \$3,173,049 to the MuniNet Fiber Agency, McCracken County, Kentucky
(Attachment I.B.8.)</p> | <p>Ms. Kasi White, KIA</p> | <p>121</p> |
| <p>9. Resolution and Order of the Board of Directors 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
(Attachment I.B.9.)</p> | <p>Ms. Sandy Williams, KIA</p> | <p>133</p> |
| <p>10. Bond Authorization Resolution
(Attachment I.B.10. - Handout)</p> | <p>Ms. Sandy Williams, KIA</p> | |

II. EXECUTIVE DIRECTOR’S REPORT

Mr. John Covington, KIA

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

Mr. John Covington, KIA

IV. ANNOUNCEMENTS/NOTIFICATIONS

Mr. John Covington, KIA

*Next KIA Board Meeting:
Tentatively set for **Thursday, March 1, 2012**
Kentucky Infrastructure Authority
1024 Capital Center Drive, Suite 340, Frankfort*

V. ADJOURN

Vice Chair Damon Talley

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I.A.1.

PROCEEDINGS

Vice Chair Damon Talley called the meeting of the Kentucky Infrastructure Authority (KIA) Board to order. Vice Chair Talley asked board members and guests to introduce themselves. 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 December 8, 2011

Mr. Joe Kelly moved to approve the minutes of the December 8, 2011 regular board meeting. Mr. Ron Lovan seconded, and the motion carried unanimously.

B. NEW PROJECTS/ACTION ITEMS

1. RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING AMENDMENT TO THE CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED WASTEWATER REVOLVING FUND LOAN (A10-07) INCREASING THE AMOUNT TO \$2,123,000 AND REVISING THE SCOPE AND SPECIAL CONDITION TO THE OLDHAM COUNTY ENVIRONMENTAL AUTHORITY, OLDHAM COUNTY, KENTUCKY

Mr. Shafiq Amawi, DOW, and Ms. Kasi White, KIA, presented the project to the Board. The Oldham County Environmental Authority requested a revision to the scope and an increase of \$193,000 of the approved Fund A base loan in the amount of \$1,930,000 for the Orchard Grass and Willow Creek WWTP project. The Orchard Grass WWTP is in failing condition and the Willow Creek WWTP is extremely undersized for the amount of flow entering the plant. Both plants have had numerous violations in past years. This project will construct a 9,331 LF force main from the Willow Creek WWTP to the Orchard Grass WWTP. The Willow Creek WWTP will be modified into an equalization basin. In addition, correction of I&I in the area will be undertaken to reduce flow into these two plants so that the remaining plant can handle the additional flow from Willow Creek. This will be Phase 1 of this project to ultimately eliminate both WWTPs. There are approximately 1,094 customers connected to the 2 plants. Due to project scope changes, delays and additional financial information made available, the increase and Special Conditions of the loan are being modified. The original scope of the project was to take both plants offline and connect with Louisville MSD. The terms of the loan remains the same to be repaid in 20 years with a 2% interest rate and a revised estimated annual debt service payment of \$133,560. The replacement reserve requirement will be increased to \$5,300 on

an annual basis until the balance reaches \$53,000 and maintained for the life of the loan.

DOW and KIA staff recommended approval of the loan with the standard conditions and the following revised special condition: The Oldham County Environmental Authority shall pass the necessary resolution and/or ordinance no later than October 1, 2011 that will enact rate increases of at least 5% annually effective on July 1, 2012 and July 1, 2013. Due to the scope changes of the project the following three Special Conditions will be deleted: (1) The Oldham County Environmental Authority shall enter into an agreement with the Louisville Metropolitan Sewer District (MSD) showing the Oldham County Environmental Authority's willingness to pay for the treatment of the sewerage and MSD's willingness to accept and treat the sewerage. This agreement shall be to the satisfaction of the Executive Director of the Kentucky Infrastructure Authority and shall be provided to the Authority fully executed prior to the execution of the Assistance Agreement or the release of any funds; (2) MSD shall receive permission from the Energy and Environment Cabinet to accept the flow from the Green Valley Plant. This agreement shall be provided to the Authority fully executed prior to the execution of the Assistance Agreement or the release of any funds; and (3) Another adequately permitted wastewater utility may be substituted for the MSD upon approval by the Executive Director of KIA and the Director of the Division of Water.

Mr. Hank List moved to approve the Fund A (A10-07) resolution with the standard conditions and the revised special conditions indicated in the staff recommendations. Mr. Tom Calkins seconded, and the motion carried unanimously.

2. **RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING AMENDMENT TO THE CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED WASTEWATER REVOLVING FUND LOAN (A10-05) FOR \$1,000,000 REVISING THE SPECIAL CONDITION TO THE OLDHAM COUNTY ENVIRONMENTAL AUTHORITY, OLDHAM COUNTY, KENTUCKY**

RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING AMENDMENT TO THE CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED WASTEWATER REVOLVING FUND LOAN (A10-06) FOR \$250,000 REVISING THE SPECIAL CONDITION TO THE OLDHAM COUNTY ENVIRONMENTAL AUTHORITY, OLDHAM COUNTY, KENTUCKY

Ms. Kasi White, KIA, presented the projects to the Board.

The Oldham County Environmental Authority requested a revision to the Special Conditions for the Fund A base loan in the amount of \$1,000,000 for construction of the Inflow and Infiltration Corrections & S.R. 1793 Lift Station Replacement Project. Construction will include upgrades to three existing lift stations: Highway 1793, Crosshill Court and Pebble Point. The lift stations are undersized and beyond their useful life but still must be used to pump effluent from lines that are inundated by infiltration and inflows. Overflows are frequent during moderate to

heavy rain events allowing raw sewage to enter the environment either at the lift station or at the WWTPs. In addition, an undersized 6" leaking forcemain off of Hwy 1793 will be replaced with approximately 5200 LF of 12" PVC C900 forcemain. Due to project delays and additional financial information made available, the OCEA requested the Special Condition regarding the rate increase be modified. The term of the loan remained the same as was originally approved. KIA staff recommended approval of the loan with the standard conditions and the following revised special condition: The Oldham County Environmental Authority shall pass the necessary resolution and/or ordinance no later than October 1, 2011 that will enact rate increases of at least 5% annually effective July 1, 2012 and July 1, 2013.

Mr. Joe Kelly moved to approve the Fund A (A10-05) resolution with the standard conditions and the revised special conditions indicated in the staff recommendations. Mr. Hank List seconded, and the motion carried unanimously.

The Oldham County Environmental Authority requested a revision to the Special Condition of the Fund A base loan in the amount of \$250,000 for construction of the Green Valley WWTP Elimination & LaGrange Connection Project. The Green Valley wastewater treatment plant (WWTP) serves a residential area and has had numerous (86) violations of the Clean Water Act due to bypasses and overflows. This project involves the elimination of the plant by replacing it with a lift station that will pump wastewater via 2,161 LF of 4" inch force main, a precast manhole, 47 LF of 8" PVC gravity sewer, 1 road bore and 1 air/vacuum valves to the LaGrange Utilities Commission's WWTP. Construction activities will include removal of the WWTP. Due to project delays and additional financial information made available, the OCEA requested the Special Condition regarding the rate increase be modified. The term of the loan remained the same as was originally approved. KIA staff recommended approval of the loan with the standard conditions and the following revised special condition: The Oldham County Environmental Authority shall pass the necessary resolution and/or ordinance no later than October 1, 2011 that will enact rate increases of at least 5% annually effective July 1, 2012 and July 1, 2013. Ms. White noted the remaining special conditions from the original application have been satisfied.

Mr. Tom Calkins moved to approve the Fund A (A10-06) resolution with the standard conditions and the revised special conditions indicated in the staff recommendations. Mr. Ron Lovan seconded, and the motion carried unanimously.

3. RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED WASTEWATER REVOLVING FUND LOAN (A12-01) IN THE AMOUNT OF \$1,161,700 TO THE GRANT COUNTY SANITARY SEWER DISTRICT, GRANT COUNTY, KENTUCKY

Mr. Shafiq Amawi, DOW, and Ms. Sandy Williams, KIA, presented the project to the Board. The Grant County Sanitary Sewer District requested a Fund A Loan in the amount of \$1,161,700 for the Bingham Pump Station Replacement and

Bullock Pen Lake Sewer Extension projects. The extension project involves extending an existing sewer system to serve fifty-three new customers along Violet Road to the crossing of Bullock Pen Lake. It will eliminate septic tanks and possible straight pipes that are in the Bullock Pen watershed which is the sole source of water for the Bullock Pen Water Treatment Plant. Approximately 1.2 miles of pressurized sewer system with individual grinder pumps, 1.22 miles of gravity sewer, a pump station and 1.63 miles of force main will be constructed. The new pump station project is needed to handle the increased capacity generated by the new sewer extensions and will provide capacity for future customers. The project did not qualify for Green Project Reserve and did not qualify for additional subsidization under the 2011 Capitalization Grant Equivalencies. The term of the loan is 20 years with an interest rate of 3% and an estimated annual debt service payment of \$79,988. Both DOW and KIA staff recommended approval of the loan with the standard conditions.

Mr. Ron Lovan noted for the record that he would be abstaining from voting because Northern Kentucky Water District is a wholesale provider to the Bullock Pen Water District.

Mr. Jerry Wuetcher noted for the record he would be abstaining from voting because the project and the loan will have to be approved by the Public Service Commission.

Mayor David Cartmell moved to approve the Fund A (A12-01) resolution with the standard conditions. Mr. Hank List seconded, and the motion carried unanimously, with Mr. Ron Lovan and Mr. Jerry Wuetcher abstaining.

4. 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 (F12-01) LOAN IN THE AMOUNT OF \$2,600,000 TO THE CITY OF MOUNT VERNON, ROCKCASTLE COUNTY, KENTUCKY

Mr. Shafiq Amawi, DOW, and Ms. Kasi White, KIA, presented the project to the Board. The City of Mount Vernon requested a Fund F loan in the amount of \$2,600,000 for the Phase #2 Potable Water Storage Tanks and Lines project. This project involves the construction of one 500,000 gallon water storage tank, one million gallon tank, one pump station and removal of some of the existing tanks. Additionally, a pump station will be modified, approximately 11,770 feet of sixteen inch and 3,121 feet of twelve inch ductile iron transmission lines will be constructed for interconnection of the tanks and distribution flows. The water storage system is undersized to meet the demands and some of the tanks are beyond repair. The project did not qualify for Green Project Reserve funding. The project did qualify for additional subsidization in the amount of \$910,000. The unforgiven balance of the loan is \$1,690,000 to be repaid in 20 years with an interest rate of 1% and an estimated annual debt service payment of \$97,667. DOW and KIA staff recommended approval of the loan with the standard conditions and the following special conditions: (1) No later than January 31, 2012, KIA shall receive a copy of the rate review conducted for the City; (2) No later than April 1, 2012, KIA shall receive proof of the passage of a resolution

and/or ordinance by the City implementing a rate increase that will generate sufficient revenue to adequately meet all outstanding bond debt service coverage requirements as well as pay the debt service on the proposed KIA Fund F12-01 loan; and (3) The Division of Water will not give the city authority to advertise for bids until the ordinance affecting the rate increases is received and to KIA's satisfaction.

Mr. Ron Lovan moved to approve the Fund F (F12-01) resolution with the standard conditions and the special conditions indicated in the staff recommendations. Ms. Linda Bridwell seconded, and the motion carried unanimously.

4. 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 (F12-02) LOAN IN THE AMOUNT OF \$2,000,000 TO THE LYON COUNTY WATER DISTRICT, LYON COUNTY, KENTUCKY

Mr. Shafiq Amawi, DOW, and Ms. Sandy Williams, KIA, presented the project to the Board. The Lyon County Water District requested a Fund F loan in the amount of \$2,000,000 for various water system improvements that are scattered throughout the county. Each component will improve water quality and reduce maintenance costs and water loss for the system. The projects include 1) water storage tank rehabilitation, 2) KY 903 Loop, and 3) KY 93 South Loop and are described in detail in the credit analysis. Water loss exceeded 25% for years 2006 through 2010. The project qualified for Green Project Reserve funding for \$312,000 under the category of Water Efficiency. 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 \$126,822. Both DOW and KIA staff recommended approval of the loan with the standard conditions and the following special conditions: (1) KIA shall receive from the Lyon County Water District by February 28, 2012, proof of the passage of a resolution by the district agreeing to file a rate case with the Public Service Commission (PSC) for a rate increase that will generate sufficient revenue to adequately pay the debt service on the proposed KIA Fund F12-02 loan; and (2) The Division of Water will not give the authority to advertise for bids until the PSC has issued the order for the rate increase and the district has enacted the new rates.

Mr. Jerry Wuetcher noted for the record he would be abstaining from voting because the project and the loan will have to be approved by the Public Service Commission.

Ms. Linda Bridwell moved to approve the Fund F (F12-02) resolution with the standard conditions and the revised special conditions indicated in the staff recommendations. Mr. Ron Lovan seconded, and the motion carried unanimously, with Mr. Jerry Wuetcher abstaining.

5. 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
Oldham County Environmental Authority	A	\$ 2,123,000
Grant County Sanitary Sewer District	A	\$ 1,161,700
City of Mount Vernon	F	\$ 2,600,000
Lyon County Water District	F	\$ 2,000,000

Ms. Linda Bridwell moved to approve the resolution. Mr. Tom Calkins 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 informed the Board KIA staff is preparing for issuance of leverage bonds. A resolution will be brought before the Board next month to authorize the sale of the bonds. A preliminary date to issue the bonds could be late March or early April.
- B. Rankings by the Area Development Districts are almost complete and this information will be brought before the Board at the next board meeting.
- C. The 2013 Call for Projects for the SRF programs is now closed. The listing of projects is with Division of Water to be ranked in preparation for the IUP and the open meeting for the IUP in the Spring.

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

IV. ANNOUNCEMENTS/NOTIFICATIONS

- Next scheduled KIA board meeting:
Tentatively scheduled for
Thursday, February 2, 2012
1024 Capital Center Drive, Suite 340
Frankfort, Kentucky

There being no further business Ms. Linda Bridwell moved to adjourn. Mayor David Cartmell seconded and the motion carried unanimously. The January 5, 2012,

regular meeting of the Board of the Kentucky Infrastructure Authority was adjourned.

Submitted by:

Sandy Williams
Sandy Williams, Secretary
Kentucky Infrastructure Authority

1-27-12
Date

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I.B.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 WASTEWATER REVOLVING FUND LOAN (A12-02) OF \$851,857 TO THE SANITATION DISTRICT NO. 1, BOONE, CAMPBELL AND KENTON COUNTIES, KENTUCKY

WHEREAS, the Kentucky Infrastructure Authority (the "Authority") has been duly created as a body corporate and politic constituting a public corporation and a governmental agency of the Commonwealth of Kentucky pursuant to Chapter 224A of the Kentucky Revised Statutes (the "Act"); and

WHEREAS, pursuant to the Act, the Authority is duly and legally authorized to make loans to Governmental Agencies for the purpose of providing funds for the construction and acquisition of sanitary sewer facilities, water facilities or other types of infrastructure, and in that regard, to enter into Assistance Agreements with such Governmental Agencies governing the provisions in respect of which such loans are to be made, the amounts thereof and the repayment provisions in respect thereto; and

WHEREAS, the Authority anticipates entering into an Assistance Agreement for a loan from the Authority's Federally Assisted Wastewater Revolving Loan Program (Fund A) with the Sanitation District No. 1, subject to final determination of amount when the factors involving such financing have been determined; and

WHEREAS, the Authority will, in the near future, authorize and issue a series of its Infrastructure Authority Revenue Bonds for the purpose of funding loans to various governmental agencies, such series of Bonds to be known as Kentucky Infrastructure Authority Revenue Bonds with the appropriate Series designation; and

WHEREAS, the Authority wishes to establish terms and conditions on said Fund A loans prior to the issuance of Authority Revenue Bonds and recognizes that additional planning and design of the financed projects are required.

NOW, THEREFORE, THE KENTUCKY INFRASTRUCTURE AUTHORITY, ACTING BY AND THROUGH ITS BOARD OF DIRECTORS AS ITS DULY AUTHORIZED AND EMPOWERED GOVERNING BODY, DOES HEREBY RESOLVE AND ORDER, AS FOLLOWS:

Section 1. All statements of fact set forth in the preambles to this Resolution and Order are incorporated herein by reference, the same as if set forth verbatim. All such statements of fact are hereby declared to be true and accurate in all material respects.

Section 2. The Authority hereby authorizes the issuance of a conditional Federally Assisted Wastewater Revolving Fund loan for \$851,857 of project expense including capitalized interest for the construction period, to the Sanitation District No. 1 for the

Wolpert Pump Station Rehabilitation and Force Main Replacement Project. Such amounts are subject to adjustment by further action of the Authority or may be adjusted by action of the Authority staff at the time of the issuance of bonds based on adjustment in project costs of not more than (10%) ten percent of the project cost authorized by this resolution. Upon satisfaction of all conditions of the commitment, execution of an assistance agreement for this loan is authorized.

Section 3. The loan shall be repayable over 20 years at an interest rate of 2.0%. In addition to debt service, a 0.2% annual administration fee on the unpaid loan balance will be charged. From annual revenues, \$2,100 must be set aside in a borrower held replacement reserve each December 1 until the balance reaches \$21,000 and maintained for the life of the loan. These terms are subject to adjustment upon execution of the loan agreement, upon changes in the project conditions or determination that the project will require authority financing to be done on a taxable basis.

Section 4. This Resolution and Order shall be in full force and effect from and after its adoption at a properly held meeting of the Kentucky Infrastructure Authority this 2nd day of February, 2012.

TONY WILDER, CHAIR
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

SANDY WILLIAMS, SECRETARY
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

PECK, SHAFFER & WILLIAMS LLP
LEGAL COUNSEL TO THE
KENTUCKY INFRASTRUCTURE AUTHORITY

STEVEN L. BESHEAR
GOVERNOR



LEONARD K. PETERS
SECRETARY

ENERGY AND ENVIRONMENT CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION
DIVISION OF WATER
200 FAIR OAKS LANE, 4TH FLOOR
FRANKFORT, KENTUCKY 40601
www.kentucky.gov

January 28, 2012

Mr. John Covington
Executive Director
Kentucky Infrastructure Authority
1024 Capital Center Drive, Suite 340
Frankfort, Kentucky 40601

Re: CWL12105; Fund A
Northern KY Sanitation District 1 Dry Creek
WWTP--2449
Activity ID: FGL20120003
HUC11: 05090203040
Watershed Name: Ohio River, near Constance
Project Name: Wolpert Pump Station Rehab
and Force Main Replacement
Binding Commitment

Dear Mr. Covington:

The Division of Water (DOW) hereby certifies that the Sanitation District #1 of Northern Kentucky is entitled to receive priority for funding for their Wolpert Pump Station Rehabilitation and Force Main Replacement project and is eligible to receive \$851,857.00 from the Clean Water State Revolving Fund. The following information is provided:

1. Project specific environmental information was submitted to DOW on September 7, 2011.
2. Plans and specifications were submitted to DOW on May 18, 2011.
3. Construction bids were opened on August 4, 2011.

The KIA conditional commitment letter should include the following general conditions to satisfy federal requirements:

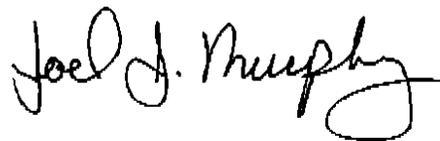
1. The project must have undergone a complete environmental review resulting in a Categorical Exclusion Determination (CED), a State Planning and Environmental Assessment Report (SPEAR), or an Environmental Impact Statement (EIS) with a Record of Decision issued by the Department of Environmental Protection before bidding the project.
2. The borrower must receive DOW approval of the Plans and Specifications with regard to SRF funding before bidding the project.

3. The Authority to Award (bid) package must be submitted to DOW for approval before the contract can be awarded. DOW must perform the Disadvantaged Business Enterprise (DBE) reviews and conduct a preconstruction and project management conference.
4. Documentation of final funding commitments from all parties other than the Kentucky Infrastructure Authority (KIA) as reflected in the credit analysis shall be provided to KIA prior to their loan closing and disbursement of the loan monies. Rejections of any anticipated project funding shall be immediately reported to KIA and may cause this loan to be subject to further consideration.
5. The borrower must complete and submit any missing or incomplete parts of the Application to KIA upon request.
6. Loan Agreement must be executed within six (6) months from bid opening.
7. The city must agree to expend all loan funds within six months of the date of initiation of operation.

Upon compliance with the general conditions, the DOW will issue its final project certification prior to finalizing the loan agreement.

The SRF application review has been completed by staff of the KIA. If you have any questions or concerns regarding missing items or additional submission requirements, please contact Sandy Williams at (502) 573-0260. Should you have any questions concerning this letter, do not hesitate to contact Joel Murphy, Project Manager, at (502) 564-8158, extension 4592.

Sincerely,



for Buddy Griffin, Supervisor
SRF & SPAP Section
Water Infrastructure Branch

BG:jjm

Enclosures

c: Mark Wurschmidt, Sanitation District #1
Bob Wilson, Sanitation District #1
Greg Isaacs, Palmer Engineering

EXECUTIVE SUMMARY
KENTUCKY INFRASTRUCTURE AUTHORITY
FUND A, FEDERALLY ASSISTED WASTEWATER
REVOLVING LOAN FUND

Reviewer: Sandy Williams
 Date: February 2, 2012
 KIA Loan Number: **A12-02**
 WRIS Number: SX21037004
 HUC Code: 05090203040

BORROWER: SANITATION DISTRICT NO. 1
 KENTON COUNTY

BRIEF DESCRIPTION:

The Wolpert Pump Station Force Main Replacement Project is located in Cold Spring in Campbell County on the west side of Alexandria Pike (US 27) near the Springside neighborhood.

This project includes the construction of approximately 42,000 linear feet (LF) of eight-inch ductile iron force main to replace an existing six inch plastic line. The existing line has had multiple failures due to cycle and fatigue resulting in sanitary sewer overflows into adjacent streams. It also includes the installation of 300 LF of eight inch PVC gravity sewer to realign the existing gravity sewer to follow the proposed force main alignment and allow for easier maintenance operations. Modifications will be completed at the existing Wolpert Pump Station to increase the impeller size, provide a connection for a future surge tank, and alleviate existing slope stability issues.

PROJECT FINANCING		PROJECT BUDGET	
Fund A Loan	\$ 851,857	Administrative Expenses	\$ 6,660
Local Funds	149,860	Land, Easements	10,000
		Engineering Fees	133,200
		Construction	774,415
		Contingency	77,442
TOTAL	\$ 1,001,717	TOTAL	\$ 1,001,717

REPAYMENT		Est. Annual	
Rate	2.00%	Payment	\$ 53,591
Term	20 years	1st Payment	6 Mo. after first draw

PROFESSIONAL SERVICES	
Engineer	Palmer Engineering
Bond Counsel	Peck, Shaffer, & Williams

PROJECT SCHEDULE	
Bid Opening:	August 4, 2011
Construction Start:	September 30, 2011
Construction Stop:	January 31, 2012

DEBT PER CUSTOMER	
Existing:	\$ 5,040
Proposed:	\$ 5,527

OTHER DEBT See Attached

OTHER STATE-FUNDED PROJECTS LAST 5 YRS See Attached

RESIDENTIAL RATES		Users	Avg. Bill
Current	101,958	\$ 35.77	(for 4,000 gallons)
Additional	0	\$ 35.77	(for 4,000 gallons)

REGIONAL COORDINATION This project is consistent with regional planning recommendations.

CASHFLOW	Cash Available for		Income after Debt	
	Debt Service	Debt Service	Service	Coverage Ratio
Audited 2007	30,056,543	7,861,330	22,195,213	3.82
Audited 2008	31,648,454	9,878,126	21,770,328	3.20
Audited 2009	35,535,344	13,101,867	22,433,477	2.71
Audited 2010	38,175,936	16,572,451	21,603,485	2.30
Audited 2011	44,800,154	20,032,731	24,767,423	2.24
Projected 2012	50,291,981	31,547,043	18,744,938	1.59
Projected 2013	60,435,377	35,498,538	24,936,839	1.70
Projected 2014	62,782,066	39,173,408	23,608,658	1.60
Projected 2015	65,237,869	39,795,454	25,442,415	1.64
Projected 2016	67,806,799	40,041,101	27,765,698	1.69

**KENTUCKY INFRASTRUCTURE AUTHORITY
WASTEWATER REVOLVING LOAN FUND (FUND "A")
SANITATION DISTRICT NO. 1
SERVING BOONE, CAMPBELL AND KENTON COUNTIES
PROJECT REVIEW
SX21037004**

I. PROJECT DESCRIPTION

Sanitation District No. 1 is requesting an \$851,857 Fund "A" loan for the Wolpert Pump Station Rehabilitation and Force Main project. The project is located in Cold Spring in Campbell County on the west side of Alexandria Pike (U.S. 27) near the Springside neighborhood. The existing force main has experienced multiple failures due to cycle and fatigue resulting in sanitary sewer overflows into adjacent streams.

This project includes the construction of approximately 42,000 linear feet (LF) of eight-inch ductile iron force main to replace an existing six inch plastic line. It also includes the installation of 300 LF of eight inch PVC gravity sewer to realign the existing gravity sewer to follow the proposed force main alignment and allow for easier maintenance operations. Modifications will be completed at the existing Wolpert Pump Station to increase the impeller size, provide a connection for a future surge tank, and alleviate existing slope stability issues.

In October 2005, the District entered into a Consent Decree with the U.S. EPA, the Kentucky Environmental Public Protection Cabinet and the U.S. Department of Justice, requiring an estimated \$880 million investment over the next 20 years to address sewage overflows in Northern Kentucky. The agreement was finalized in April 2007. Included in the Decree is the requirement to construct two new regional wastewater treatment plants – a 4 mgd plant in Campbell County and a 20 mgd plant in Boone County. The Eastern Regional Reclamation Facility was completed in 2008 and the Western Regional Reclamation Facility is scheduled to be completed in 2012. The District will be taking a watershed approach to future improvement plans that will holistically evaluate the cumulative impacts of pollution sources on receiving waters. The use of this watershed approach will lead to more rapid improvements in water quality in critical areas with more efficient and cost-effective solutions for the region.

II. PROJECT BUDGET

	<u>Total</u>
Administrative Expenses	\$ 6,660
Land, Easements	10,000
Engineering Fees	133,200
Construction	774,415
Contingency	77,442
Total	\$ 1,001,717

III. PROJECT FUNDING

Funding Sources	Amount	%
Fund A Loan	\$ 851,857	85%
Local Funds	149,860	15%
Total	\$ 1,001,717	100%

IV. KIA DEBT SERVICE

Construction Loan	\$	851,857
Interest Rate		2.00%
Loan Term (Years)		20
Estimated Annual Debt Service	\$	51,888
Administrative Fee (0.20%)	\$	1,704
Total Estimated Annual Debt Service	\$	53,591

V. PROJECT SCHEDULE

Bid Opening:	August 4, 2011
Construction Start:	September 30, 2011
Construction Stop:	January 31, 2012

VI. RATE STRUCTURE

A) Customers	Current
Residential	91,920
Commercial	10,038
Total	101,958

B) Rates

Current and historical monthly rates for wastewater utility service are as follows:

Effective Date	Sewer Rate Per Hundred Cubic Feet (HCF) of Water Consumption		
	4/1/2010	4/1/2011	4/1/2012
Flat Rate Per HCF	\$5.06	\$5.82	\$6.69
Minimum (2 HCF Per Month)	10.12	11.64	13.38
Residential Bill for 4,000 gallons	\$27.06	\$31.12	\$35.77
Percentage Increase in Rates	15%	15%	15%
Affordability Index (Rate/MHI)	0.6%	0.7%	0.8%
Storm Water Rates	\$4.44	\$4.54	TBD

During 2009, the District changed to a monthly billing procedure, replacing a quarterly cycled procedure. The monthly storm water rate is based on

one Equivalent Residential Unit (ERU) of impervious area per property.
One ERU is estimated at 2,600 square feet.

VII. DEMOGRAPHICS

SD1 is the second largest public sewer utility in Kentucky and has ownership of all sanitary sewer systems in Northern Kentucky, with the exception of Florence and Walton. The District serves more than 30 municipalities and unincorporated portions of Boone, Campbell, and Kenton Counties. The District maintains approximately 1,600 miles of sanitary sewer line, 143 wastewater pumping stations, 15 flood pump stations, 8 package treatment plants, two major wastewater treatment plants, more than 250 miles of storm sewer and over 17,800 storm sewer structures.

The median household income and population data based on the 2010 U.S. Census for served counties are listed below. The population of the service area has increased 13% from the 2000 Census.

County	Population	MHI
Boone	118,811	\$65,964
Campbell	90,336	51,890
Kenton	159,720	53,219
Total / Weighted MHI	<u>368,867</u>	<u>\$56,999</u>

The MHI for the Commonwealth is \$45,916. The District is considered regional and the project will qualify for a 2% interest rate.

VIII. 2011 CAPITALIZATION GRANT EQUIVALENCIES

- 1) Green Project Reserve - This project does not qualify for Green Project Reserve (GPR) funding.
- 2) Additional Subsidization – This project qualifies does not qualify for additional subsidization.

IX. FINANCIAL ANALYSIS (See Exhibit 1)

Financial information for Sanitation District No.1 was obtained from the audited financial statements for the years ended June 30, 2007 through 2011. Amounts for 2012 were taken from budget comments in the Management’s Discussion and Analysis that was included with the 2011 financial statements. Debt coverage references are based on a standard calculation used for KIA credit analysis.

HISTORICAL

Revenues increased 65% from \$47.5 million in 2007 to \$78.4 million in 2011. Sewer revenues (79% of total revenues) increased 99% due to customer growth and aggregate rate increases of approximately 65% since April 2008. Storm water charges (14% of total

revenues) increased 8%. Other revenue components decreased 11%. Operating expenses increased approximately 68% during the same period from \$20.7 million in 2007 to \$34.8 million in 2011. The most significant component of the increase was an increase in storm water repair charges from \$350 thousand in 2007 to \$6.2 million in 2011.

Depreciation expense increased 300% from \$12.5 million to \$37.6 million. The increase in depreciation is due to a combination of heavy capital spending and the effect of the contribution of \$333 million in storm water assets from numerous Northern Kentucky cities during 2010 and 2011. Since 2007, SD1 has invested more than \$340 million on Consent Decree related projects and programs. Debt service more than doubled from \$7.8 million in 2007 to \$20.0 million in 2011. The debt coverage ratio decreased from 3.8 in 2007 to 2.2 in 2011.

The balance sheet reflects a current ratio in excess of 2.0 for each year. At the end of 2011, unrestricted cash and investments were equal to five months of operating expenses. The District maintains a policy-required minimum of \$15 million in the Improvement, Repair and Replacement reserve as well as a minimum of \$5 million in the Self-Insurance Fund. Debt to equity was .43 in 2007 and has been flat in the .70 range for the past three years. Total debt increased approximately \$350 million from 2007 to 2011. The Kentucky Infrastructure Authority has been a significant lender to SD1 having provided SRF assistance of approximately \$206 million for seventeen projects since 2004.

PROJECTED

Projections are based on the following assumptions:

- 1) Revenues will increase 9.4% in 2012 due to carryover of a 15% rate increase from 2011 and 1.3% growth. In March 2011, additional 15% annual rate increases for 2012 and 2013 were passed. After 2013, revenues will increase by 3.5% for inflation and 1.3% for growth each year.
- 2) Expenses will increase by 5% each year.
- 3) Debt service and cash flow amounts include all previously approved KIA loans and proposed loan A12-03 which is being submitted separately on February 2, 2012.
- 4) Debt service on future bonded debt that is incurred to support capital spending will be offset by rate increases and or surcharges which will ensure that the District exceeds the coverage ratio of 1.25 that is required by bond debt covenants.
- 5) Replacement reserve funding on all KIA loans will increase from \$50,000 in 2010 to \$484,846 in 2015.
- 6) Debt service on the proposed KIA loans will increase from \$2.4 million in 2010 to \$12.6 million in 2016 and will increase overall debt service to \$40.0 million (excluding future bonded debt) in 2016.

Debt service coverage is 1.7 in 2016 when all principal and interest repayments begin. Based on the proforma assumptions, the utility shows adequate cash flow to repay the increased KIA Fund A loan.

REPLACEMENT RESERVE

The annual replacement cost is estimated to be \$2,100. This amount should be added to the replacement account each December 1 until the balance reaches \$21,000. The balance should be maintained for the life of the loan.

X. DEBT OBLIGATIONS

Debt Issue	Outstanding	Maturity
Revenue Bonds Series 2005A	\$1,240,000	2031
Revenue Bonds Series 2006	28,580,000	2019
Revenue Bonds Series 2007	47,250,000	2037
Revenue Bond Series 2009	99,165,000	2038
Revenue Bond Series 2010A	53,795,000	2039
Revenue Bond Series 2010B	75,000,000	2040
KIA A04-09 - Eastern Reg WWTP	42,310,000	TBD
KIA A09-05 - Sunny Brook Sewer	28,067,484	2027
KIA ARRA A2 09-01 (i/a/o \$395m) - Banklick Creek Sewer	56,235,407	2033
KIA A08-04 (i/a/o \$70MM)	4,701,120	TBD
KIA A09-04 (i/a/o \$4.473MM) - Dry Creek Clarifier	5,348,301	TBD
KIA A09-06 (i/a/o \$15.23MM) - S Fork Gunpowder Interceptor	3,468,393	TBD
KIA A09-07 (i/a/o \$5.768MM) - Frogtown Interceptor	1,344,468	TBD
KIA A09-08 (i/a/o \$2.47MM) - Turkeyfoot/Industrial Rd FM	775,199	TBD
KIA A09-09 (i/a/o \$9.9MM) - Narrows Rd Diversion PS	1,536,036	TBD
KIA ARRA A2 09-02 (i/a/o \$1,371,545)-Banklick Wetland	508,126	2030
KIA ARRA A2 09-03 (i/a/o \$1,578,539) - Regional Bioretention	185,335	TBD
KIA ARRA A2 09-04 (i/a/o \$834,241) - Terraced Reforestation	485,161	TBD
KIA A10-11 (i/a/o \$17.1465MM) - Headworks, etc	270,572	TBD
KIA A11-12 (i/a/o \$15.1875MM) - Ash Street PS & FM	0	TBD
KIA A11-13 (i/a/o \$14,188,155) - Lakeview, Church & KY Aire	0	TBD
KIA A11-14 (i/a/o \$7.778MM) - Vernon Lane & Lakeside I&I	0	TBD
Total	\$ 450,265,602	

XI. FEDERAL GRANT FUNDING IN PAST FIVE YEARS

Project Title	Funding Source	Amount	Type
Ft. Wright Ridgewood Dr WW Improvements	HB 380	\$140,000	Grant
Latonia Combined Sewer Separation Project	HB 608	\$950,000	Grant
Montague Sewer Replacement	HB 608	\$500,000	Grant

XII. CONTACTS

Applicant

Name Sanitation District No. 1
Address 1045 Eaton Drive
Ft. Wright, KY 41017
County Kenton
Contact David Rager
Phone (859) 578-7465
Email Drager@SD1.org

Applicant Contact

Name Sanitation District No. 1
Address 1045 Eaton Drive
Ft. Wright, KY 41017
Contact Joe Verst
Phone (859) 578-7467
Email jverst@sd1.org

Engineer

Name Greg Isaacs, P.E.
Firm Palmer Engineering
Address 167 West Main Street, Suite 702
Lexington, KY 40507
Phone (859) 389-9293
Email gisaacs@palmernet.com

XIII. RECOMMENDATIONS

KIA staff recommends approval of the loan increase with the standard conditions.

**SANITATION DISTRICT NO. 1
BALANCE SHEETS (JUNE YEAR END)**

ASSETS	Audited 2006	Audited 2007	Audited 2008	Audited 2009	Audited 2010	Audited 2011	Projected 2012	Projected 2013
Current Assets								
Cash	8,092,974	3,964,704	18,636,359	10,266,444	9,692,641	7,352,683	9,227,177	11,720,861
Investments	5,708,366	6,002,125	6,256,876	8,965,396	6,607,843	6,693,573	7,028,000	7,379,000
Accounts Receivable	4,950,913	6,444,842	7,500,560	8,167,514	7,265,469	8,215,272	8,507,300	9,705,600
Other Receivables	811,043	654,758	819,442	1,946,388	5,432,371	4,269,523	4,483,000	4,707,000
KIA Loan Receivable	0	0	0	0	0	11,555,668	0	0
Accrued Interest	1,960	56,075	53,132	17,604	33,250	28,238	45,000	45,000
Accrued Sewer Services	5,703,617	7,503,691	8,478,996	8,359,200	7,725,400	8,698,483	10,003,000	11,503,000
Other Current Assets	674,291	615,929	618,314	555,209	533,981	619,705	619,705	619,705
Total Current Assets	25,943,164	25,242,124	42,363,679	38,277,755	37,290,955	47,433,145	39,913,182	45,680,166
Restricted Assets								
Ttl Cash, Investments, Other			118,506,540	79,406,630	119,251,412	126,978,273	127,112,853	127,540,399
Total Restricted Assets	38,641,105	68,057,291	118,506,540	79,406,630	119,251,412	126,978,273	127,112,853	127,540,399
Utility Plant								
Land, System, Building and Equipment	521,466,916	545,718,594	578,928,587	644,722,698	949,282,454	1,106,520,240	1,146,520,240	1,171,520,240
Construction in Progress	58,533,869	104,962,850	144,855,250	153,932,654	197,579,699	250,483,024	267,353,000	289,796,000
Total	580,000,785	650,681,444	723,783,837	798,655,352	1,146,862,153	1,357,003,264	1,413,873,240	1,461,316,240
Less Accumulated Depreciation ()	(135,654,038)	(148,109,679)	(161,769,836)	(185,336,930)	(206,333,999)	(241,595,496)	(280,117,496)	(319,195,496)
Net Fixed Assets	444,346,747	502,571,765	562,014,001	613,318,422	940,528,154	1,115,407,768	1,133,755,744	1,142,120,744
Other Assets								
Total Other Assets	4,658,689	4,508,285	3,355,298	3,118,841	4,271,574	4,764,880	4,564,880	4,364,880
Total Assets	513,589,705	600,379,465	726,239,518	734,121,648	1,101,342,095	1,294,584,066	1,305,346,659	1,319,706,189
LIABILITIES								
Current Liabilities								
Customer Deposits	290,739	290,815	406,823	0	0	0	0	0
Northern Kentucky Water Service District	0	0	0	0	0	0	0	0
Communities	27,473	27,361	16,651	18,187	2,033	0	0	0
Accounts Payable	5,780,088	9,353,468	11,919,292	12,583,179	16,425,404	9,944,360	10,243,000	10,550,000
Accrued Payroll	850,281	1,309,617	1,496,580	1,761,005	1,957,480	1,426,544	1,498,000	1,573,000
Other	302,372	392,738	94,805	190,718	79,351	78,097	78,097	78,097
Total Current Liabilities	7,250,953	11,373,999	13,934,151	14,553,089	18,464,268	11,449,001	11,819,097	12,201,097
Liabilities Payable - Restricted Assets								
Notes and Bonds Payable	9,135,451	24,562,340	29,566,568	32,497,265	60,501,607	101,353,944	40,000,000	65,000,000
Accounts Payable	4,398,273	4,682,432	2,149,689	4,017,251	9,316,617	9,164,358	9,164,358	9,164,358
Accrued Interest Payable	1,768,207	2,633,826	4,763,067	4,578,388	6,473,959	8,671,851	5,015,000	4,853,000
Current Portion of Long Term Debt	3,610,000	3,775,000	6,792,025	7,164,762	8,537,838	12,386,658	16,198,011	16,559,455
Total Liabilities Payable - Restricted Assets	18,911,931	35,653,598	43,271,349	48,257,666	84,830,021	131,576,811	70,377,369	95,576,813
Long Term Liabilities								
Long Term Debt	85,879,627	132,282,045	234,034,184	227,845,699	349,836,789	400,168,536	485,324,469	468,765,014
Total Long Term Liabilities	85,879,627	132,282,045	234,034,184	227,845,699	349,836,789	400,168,536	485,324,469	468,765,014
Total Liabilities	112,042,511	179,309,642	291,239,684	290,656,454	453,131,078	543,194,348	567,520,935	576,542,924
Retained Earnings:								
Restricted	27,997,863	37,952,452	82,027,216	38,313,726	42,959,229	7,788,120	7,922,700	8,350,246
Unrestricted	373,549,331	383,117,371	352,972,618	405,151,468	605,251,788	743,601,598	729,903,024	734,813,019
Total Retained Earnings	401,547,194	421,069,823	434,999,834	443,465,194	648,211,017	751,389,718	737,825,724	743,163,265
Total Liabilities and Equities	513,589,705	600,379,465	726,239,518	734,121,648	1,101,342,095	1,294,584,066	1,305,346,659	1,319,706,189
Balance Sheet Analysis								
Current Ratio	3.58	2.22	3.04	2.63	2.02	4.14	3.38	3.74
Debt to Equity	0.28	0.43	0.67	0.66	0.70	0.72	0.77	0.78
Working Capital	18,692,211	13,868,125	28,429,528	23,724,666	18,826,687	35,984,144	28,094,085	33,479,069
Percent of Total Assets in Working Capital	3.64%	2.31%	3.91%	3.23%	1.71%	2.78%	2.15%	2.54%
Days Sales in Receivables	91.8	107.3	102.7	97.8	78.8	78.7	78.7	78.7

**EXHIBIT 1
SANITATION DISTRICT NO. 1
CASH FLOW ANALYSIS (JUNE YEAR END)**

	Audited 2007	% Change	Audited 2008	% Change	Audited 2009	% Change	Audited 2010	% Change	Audited 2011	Projected 2012	Projected 2013	Projected 2014	Projected 2015	Projected 2016
Operating Revenues														
Sewer Service	31,121,420	33%	41,342,262	15%	47,368,230	14%	53,994,128	15%	61,887,891	69,187,891	80,465,517	84,327,862	88,375,599	92,617,628
Storm Water Charges	10,268,746	-5%	9,739,148	6%	10,301,534	5%	10,810,291	3%	11,091,977	11,621,977	12,038,222	12,469,375	12,915,970	13,378,560
Penalties	675,850	33%	897,070	31%	1,179,262	10%	1,292,685	3%	1,332,674	1,549,900	1,802,534	1,889,055	1,979,730	2,074,757
Other Revenue	3,785,789	-8%	3,466,292	-28%	2,510,923	25%	3,132,576	-16%	2,641,375	2,357,987	2,742,339	2,873,971	3,011,922	3,156,494
Project Reimbursement	1,602,282	-14%	1,370,247	-77%	310,899	-47%	165,830	770%	1,442,406	1,078,568	1,254,375	1,314,585	1,377,685	1,443,813
Total Revenues	47,454,087	20%	56,815,019	9%	61,670,848	13%	69,395,510	13%	78,396,323	85,796,323	98,302,986	102,874,848	107,660,906	112,671,253
Operating Expenses														
Operation, Maintenance & Admin	20,386,356	18%	24,037,008	4%	25,074,658	12%	28,117,344	2%	28,620,755	30,120,755	31,822,578	33,620,553	35,520,115	37,527,001
Major Repairs & Other Expenditures	350,601	1739%	6,447,722	-51%	3,134,429	53%	4,797,653	29%	6,172,970	6,521,743	6,890,221	7,279,519	7,690,812	8,125,342
Depreciation	12,540,922	11%	13,939,243	70%	23,731,773	38%	32,842,268	15%	37,633,212	38,522,000	39,078,000	39,100,000	39,100,000	39,100,000
Replacement Reserve			50,000		50,000		50,000		75,180	134,580	427,546	465,446	484,846	484,846
Total Expenses	33,277,879	34%	44,473,973	17%	51,990,860	27%	65,807,265	10%	72,502,117	75,299,078	78,218,345	80,465,518	82,795,772	85,237,189
Net Operating Income	14,176,208	-13%	12,341,046	-22%	9,679,988	-63%	3,588,245	64%	5,894,206	10,497,245	20,084,641	22,409,330	24,865,133	27,434,063
Non-Operating Income and Expenses														
Interest on Investments	3,339,413	58%	5,280,998	-61%	2,064,125	-18%	1,693,641	-25%	1,272,736	1,272,736	1,272,736	1,272,736	1,272,736	1,272,736
Other	0		87,167		59,458		51,782		0	0	0	0	0	0
Total Non-Operating Income & Expenses	3,339,413	61%	5,368,165	-60%	2,123,583	-18%	1,745,423	-27%	1,272,736	1,272,736	1,272,736	1,272,736	1,272,736	1,272,736
Add Non-Cash Expenses														
Depreciation	12,540,922	11%	13,939,243	70%	23,731,773	38%	32,842,268	15%	37,633,212	38,522,000	39,078,000	39,100,000	39,100,000	39,100,000
Cash Available for Debt Service	30,056,543	5%	31,648,454	12%	35,535,344	7%	38,175,936	17%	44,800,154	50,291,981	60,435,377	62,782,066	65,237,869	67,806,799
Debt Service (enter as positive #'s)														
Revenue Bonds (net of Federal Interest Reimbursement)	7,861,330		8,869,639		10,937,968		14,403,315		17,638,889	27,356,729	27,380,439	27,408,060	27,433,643	27,452,416
Existing KIA Loans			1,008,487		2,163,899		2,169,136		2,393,842	4,190,314	8,050,508	11,623,425	12,219,888	12,446,762
Increase - A09-04											14,000	28,000	28,000	28,000
Proposed Loan (A12-02, Wolpert)											53,591	53,591	53,591	53,591
Proposed Loan (A12-03, Wilder)												60,332	60,332	60,332
Total Debt Service	7,861,330		9,878,126		13,101,867		16,572,451		20,032,731	31,547,043	35,498,538	39,173,408	39,795,454	40,041,101
Income After Debt Service	22,195,213		21,770,328		22,433,477		21,603,485		24,767,423	18,744,938	24,936,839	23,608,658	25,442,415	27,765,698
Debt Coverage Ratio	3.8		3.2		2.7		2.3		2.2	1.6	1.7	1.6	1.6	1.7

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I.B.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 WASTEWATER REVOLVING FUND LOAN (A12-03) OF \$959,000 TO THE SANITATION DISTRICT NO. 1, BOONE, CAMPBELL AND KENTON COUNTIES, KENTUCKY

WHEREAS, the Kentucky Infrastructure Authority (the "Authority") has been duly created as a body corporate and politic constituting a public corporation and a governmental agency of the Commonwealth of Kentucky pursuant to Chapter 224A of the Kentucky Revised Statutes (the "Act"); and

WHEREAS, pursuant to the Act, the Authority is duly and legally authorized to make loans to Governmental Agencies for the purpose of providing funds for the construction and acquisition of sanitary sewer facilities, water facilities or other types of infrastructure, and in that regard, to enter into Assistance Agreements with such Governmental Agencies governing the provisions in respect of which such loans are to be made, the amounts thereof and the repayment provisions in respect thereto; and

WHEREAS, the Authority anticipates entering into an Assistance Agreement for a loan from the Authority's Federally Assisted Wastewater Revolving Loan Program (Fund A) with the Sanitation District No. 1, subject to final determination of amount when the factors involving such financing have been determined; and

WHEREAS, the Authority will, in the near future, authorize and issue a series of its Infrastructure Authority Revenue Bonds for the purpose of funding loans to various governmental agencies, such series of Bonds to be known as Kentucky Infrastructure Authority Revenue Bonds with the appropriate Series designation; and

WHEREAS, the Authority wishes to establish terms and conditions on said Fund A loans prior to the issuance of Authority Revenue Bonds and recognizes that additional planning and design of the financed projects are required.

NOW, THEREFORE, THE KENTUCKY INFRASTRUCTURE AUTHORITY, ACTING BY AND THROUGH ITS BOARD OF DIRECTORS AS ITS DULY AUTHORIZED AND EMPOWERED GOVERNING BODY, DOES HEREBY RESOLVE AND ORDER, AS FOLLOWS:

Section 1. All statements of fact set forth in the preambles to this Resolution and Order are incorporated herein by reference, the same as if set forth verbatim. All such statements of fact are hereby declared to be true and accurate in all material respects.

Section 2. The Authority hereby authorizes the issuance of a conditional Federally Assisted Wastewater Revolving Fund loan for \$959,000 of project expense including capitalized interest for the construction period, to the Sanitation District No. 1 for the Wilder

Force Main Improvements Project. Such amounts are subject to adjustment by further action of the Authority or may be adjusted by action of the Authority staff at the time of the issuance of bonds based on adjustment in project costs of not more than (10%) ten percent of the project cost authorized by this resolution. Upon satisfaction of all conditions of the commitment, execution of an assistance agreement for this loan is authorized.

Section 3. The loan shall be repayable over 20 years at an interest rate of 2.0%. In addition to debt service, a 0.2% annual administration fee on the unpaid loan balance will be charged. From annual revenues, \$2,400 must be set aside in a borrower held replacement reserve each December 1 until the balance reaches \$24,000 and maintained for the life of the loan. These terms are subject to adjustment upon execution of the loan agreement, upon changes in the project conditions or determination that the project will require authority financing to be done on a taxable basis.

Section 4. This Resolution and Order shall be in full force and effect from and after its adoption at a properly held meeting of the Kentucky Infrastructure Authority this 2nd day of February, 2012.

TONY WILDER, CHAIR
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

SANDY WILLIAMS, SECRETARY
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

PECK, SHAFFER & WILLIAMS LLP
LEGAL COUNSEL TO THE
KENTUCKY INFRASTRUCTURE AUTHORITY



STEVEN L. BESHEAR
GOVERNOR

LEONARD K. PETERS
SECRETARY

ENERGY AND ENVIRONMENT CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION
DIVISION OF WATER
200 FAIR OAKS LANE, 4TH FLOOR
FRANKFORT, KENTUCKY 40601
www.kentucky.gov

January 28, 2012

Mr. John Covington
Executive Director
Kentucky Infrastructure Authority
1024 Capital Center Drive, Suite 340
Frankfort, Kentucky 40601

Re: CWL12111; Fund A
Northern KY Sanitation District 1 Dry Creek
WWTP--2449
Activity ID: FGL20120009
HUC11: 05090203040
Watershed Name: Ohio River, near Constance
Project Name: Wilder Force Main Improvement
Binding Commitment

Dear Mr. Covington:

The Division of Water (DOW) hereby certifies that the Sanitation District #1 of Northern Kentucky is entitled to receive priority for funding for their Wilder Force Main Improvements project and is eligible to receive \$959,000.00 from the Clean Water State Revolving Fund. The following information is provided:

1. Project specific environmental information is expected to be submitted to DOW in May 2012.
2. Plans and specifications are expected to be submitted to DOW in June 2012.
3. Construction bids are expected to be opened in August 2012.

The KIA conditional commitment letter should include the following general conditions to satisfy federal requirements:

1. The project must have undergone a complete environmental review resulting in a Categorical Exclusion Determination (CED), a State Planning and Environmental Assessment Report (SPEAR), or an Environmental Impact Statement (EIS) with a Record of Decision issued by the Department of Environmental Protection before bidding the project.
2. The borrower must receive DOW approval of the Plans and Specifications with regard to SRF funding before bidding the project.

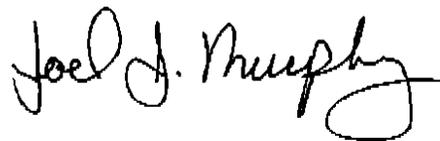


3. The Authority to Award (bid) package must be submitted to DOW for approval before the contract can be awarded. DOW must perform the Disadvantaged Business Enterprise (DBE) reviews and conduct a preconstruction and project management conference.
4. Documentation of final funding commitments from all parties other than the Kentucky Infrastructure Authority (KIA) as reflected in the credit analysis shall be provided to KIA prior to their loan closing and disbursement of the loan monies. Rejections of any anticipated project funding shall be immediately reported to KIA and may cause this loan to be subject to further consideration.
5. The borrower must complete and submit any missing or incomplete parts of the Application to KIA upon request.
6. Loan Agreement must be executed within six (6) months from bid opening.
7. The city must agree to expend all loan funds within six months of the date of initiation of operation.

Upon compliance with the general conditions, the DOW will issue its final project certification prior to finalizing the loan agreement.

The SRF application review has been completed by staff of the KIA. If you have any questions or concerns regarding missing items or additional submission requirements, please contact Sandy Williams at (502) 573-0260. Should you have any questions concerning this letter, do not hesitate to contact Joel Murphy, Project Manager, at (502) 564-8158, extension 4592.

Sincerely,



for Buddy Griffin, Supervisor
SRF & SPAP Section
Water Infrastructure Branch

BG:jjm

Enclosures

c: Mark Wurschmidt, Sanitation District #1
Jim Turner, Sanitation District #1

EXECUTIVE SUMMARY		Reviewer:	Sandy Williams
KENTUCKY INFRASTRUCTURE AUTHORITY		Date:	February 2, 2012
FUND A, FEDERALLY ASSISTED WASTEWATER		KIA Loan Number:	A12-03
REVOLVING LOAN FUND		WRIS Number	SX21117002
		HUC Code:	05090203040
BORROWER:	SANITATION DISTRICT NO. 1		
	KENTON COUNTY		
BRIEF DESCRIPTION:	<p>This project involves the replacement of a portion of the Wilder Pump Station force main (12 inch ductile iron) and surge pressure improvements. The existing force main has experienced multiple failures due to the age and type of pipe (cement lined ductile iron) and cycle fatigue caused by surge pressures. The construction of this project will replace the most problematic sections of the existing force main.</p>		
PROJECT FINANCING		PROJECT BUDGET	
Fund A Loan	\$ 959,000	Administrative Expenses	\$ 20,000
Local Funds	193,200	Land, Easements	30,000
		Engineering Fees	143,200
		Construction	714,000
		Contingency	245,000
TOTAL	\$ 1,152,200	TOTAL	\$ 1,152,200
REPAYMENT		Est. Annual	
	Rate	2.00%	Payment \$ 60,332
	Term	20 years	1st Payment 6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	Sanitation District No. 1	
	Bond Counsel	Peck, Shaffer, & Williams	
PROJECT SCHEDULE			
	Bid Opening:	August 1, 2012	
	Construction Start:	September 1, 2012	
	Construction Stop:	December 1, 2013	
DEBT PER CUSTOMER	Existing:	\$ 5,040	
	Proposed:	\$ 5,527	
OTHER DEBT	See Attached		
OTHER STATE-FUNDED PROJECTS LAST 5 YRS	See Attached		
RESIDENTIAL RATES		<u>Users</u>	<u>Avg. Bill</u>
	Current	101,958	\$ 35.77 (for 4,000 gallons)
	Additional	0	\$ 35.77 (for 4,000 gallons)
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.		
CASHFLOW	Cash Available for	Income after Debt	
	Debt Service	Debt Service	Service Coverage Ratio
Audited 2007	30,056,543	7,861,330	22,195,213 3.82
Audited 2008	31,648,454	9,878,126	21,770,328 3.20
Audited 2009	35,535,344	13,101,867	22,433,477 2.71
Audited 2010	38,175,936	16,572,451	21,603,485 2.30
Audited 2011	44,800,154	20,032,731	24,767,423 2.24
Projected 2012	50,291,981	31,547,043	18,744,938 1.59
Projected 2013	60,435,377	35,498,538	24,936,839 1.70
Projected 2014	62,782,066	39,173,408	23,608,658 1.60
Projected 2015	65,237,869	39,795,454	25,442,415 1.64
Projected 2016	67,806,799	40,041,101	27,765,698 1.69

**KENTUCKY INFRASTRUCTURE AUTHORITY
 WASTEWATER REVOLVING LOAN FUND (FUND "A")
 SANITATION DISTRICT NO. 1
 SERVING BOONE, CAMPBELL AND KENTON COUNTIES
 PROJECT REVIEW
 SX21117002**

I. PROJECT DESCRIPTION

Sanitation District No. 1 is requesting a \$959,000 Fund "A" loan for the Wilder Force Main Improvements project. This project involves the replacement of a portion of the Wilder Pump Station force main (12 inch ductile iron) and surge pressure improvements. The existing force main has experienced multiple failures due to the age and type of pipe (cement lined ductile iron) and cycle fatigue caused by surge pressures. The construction of this project will replace the most problematic sections of the existing force main.

In October 2005, the District entered into a Consent Decree with the U.S. EPA, the Kentucky Environmental Public Protection Cabinet and the U.S. Department of Justice, requiring an estimated \$880 million investment over the next 20 years to address sewage overflows in Northern Kentucky. The agreement was finalized in April 2007. Included in the Decree is the requirement to construct two new regional wastewater treatment plants – a 4 mgd plant in Campbell County and a 20 mgd plant in Boone County. The Eastern Regional Reclamation Facility was completed in 2008 and the Western Regional Reclamation Facility is scheduled to be completed in 2012. The District will be taking a watershed approach to future improvement plans that will holistically evaluate the cumulative impacts of pollution sources on receiving waters. The use of this watershed approach will lead to more rapid improvements in water quality in critical areas with more efficient and cost-effective solutions for the region.

II. PROJECT BUDGET

	<u>Total</u>
Administrative Expenses	\$ 20,000
Land, Easements	30,000
Engineering Fees	143,200
Construction	714,000
Contingency	<u>245,000</u>
Total	\$ 1,152,200

III. PROJECT FUNDING

	<u>Amount</u>	<u>%</u>
Fund A Loan	\$ 959,000	83%
Local Funds	193,200	17%
Total	<u>\$ 1,152,200</u>	<u>100%</u>

IV. KIA DEBT SERVICE

Construction Loan	\$	959,000
Interest Rate		2.00%
Loan Term (Years)		20
Estimated Annual Debt Service	\$	58,414
Administrative Fee (0.20%)	\$	1,918
Total Estimated Annual Debt Service	\$	60,332

V. PROJECT SCHEDULE

Bid Opening: August 1, 2012
 Construction Start: September 1, 2012
 Construction Stop: December 1, 2013

VI. RATE STRUCTURE

A) Customers

	<u>Current</u>
Residential	91,920
Commercial	<u>10,038</u>
Total	101,958

B) Rates

Current and historical monthly rates for wastewater utility service are as follows:

Effective Date	Sewer Rate Per Hundred Cubic Feet (HCF) of Water Consumption		
	4/1/2010	4/1/2011	4/1/2012
Flat Rate Per HCF	\$5.06	\$5.82	\$6.69
Minimum (2 HCF Per Month)	10.12	11.64	13.38
Residential Bill for 4,000 gallons	\$27.06	\$31.12	\$35.77
Percentage Increase in Rates	15%	15%	15%
4,000 gallons equals 534.7222 cubic feet			
Affordability Index (Rate/MHI)	0.6%	0.7%	0.8%
Storm Water Rates	\$4.44	\$4.54	TBD

During 2009, the District changed to a monthly billing procedure, replacing a quarterly cycled procedure. The monthly storm water rate is based on one Equivalent Residential Unit (ERU) of impervious area per property. One ERU is estimated at 2,600 square feet.

VII. DEMOGRAPHICS

SD1 is the second largest public sewer utility in Kentucky and has ownership of all sanitary sewer systems in Northern Kentucky, with the exception of Florence and Walton. The District serves more than 30 municipalities and unincorporated portions of Boone, Campbell, and Kenton Counties. The District maintains approximately 1,600 miles of sanitary sewer line, 143 wastewater pumping stations, 15 flood pump stations, 8 package treatment plants, two major wastewater treatment plants, more than 250 miles of storm sewer and over 17,800 storm sewer structures.

The median household income and population data based on the 2010 U.S. Census for served counties are listed below. The population of the service area has increased 13% from the 2000 Census.

<u>County</u>	<u>Population</u>	<u>MHI</u>
Boone	118,811	\$65,964
Campbell	90,336	51,890
Kenton	159,720	53,219
Total / Weighted MHI	<u>368,867</u>	<u>\$56,999</u>

The MHI for the Commonwealth is \$45,916. The District is considered regional and the project will qualify for a 2% interest rate.

VIII. 2011 CAPITALIZATION GRANT EQUIVALENCIES

- 1) Green Project Reserve - This project does not qualify for Green Project Reserve (GPR) funding.
- 2) Additional Subsidization – This project qualifies does not qualify for additional subsidization.

IX. FINANCIAL ANALYSIS (See Exhibit 1)

Financial information for Sanitation District No.1 was obtained from the audited financial statements for the years ended June 30, 2007 through 2011. Amounts for 2012 were taken from budget comments in the Management’s Discussion and Analysis that was included with the 2011 financial statements. Debt coverage references are based on a standard calculation used for KIA credit analysis.

HISTORICAL

Revenues increased 65% from \$47.5 million in 2007 to \$78.4 million in 2011. Sewer revenues (79% of total revenues) increased 99% due to customer growth and aggregate rate increases of approximately 65% since April 2008. Storm water charges (14% of total revenues) increased 8%. Other revenue components decreased 11%. Operating expenses increased approximately 68% during the same period from \$20.7 million in 2007 to \$34.8

million in 2011. The most significant component of the increase was an increase in storm water repair charges from \$350 thousand in 2007 to \$6.2 million in 2011.

Depreciation expense increased 300% from \$12.5 million to \$37.6 million. The increase in depreciation is due to a combination of heavy capital spending and the effect of the contribution of \$333 million in storm water assets from numerous Northern Kentucky cities during 2010 and 2011. Since 2007, SD1 has invested more than \$340 million on Consent Decree related projects and programs. Debt service more than doubled from \$7.8 million in 2007 to \$20.0 million in 2011. The debt coverage ratio decreased from 3.8 in 2007 to 2.2 in 2011.

The balance sheet reflects a current ratio in excess of 2.0 for each year. At the end of 2011, unrestricted cash and investments were equal to five months of operating expenses. The District maintains a policy-required minimum of \$15 million in the Improvement, Repair and Replacement reserve as well as a minimum of \$5 million in the Self-Insurance Fund. Debt to equity was .43 in 2007 and has been flat in the .70 range for the past three years. Total debt increased approximately \$350 million from 2007 to 2011. The Kentucky Infrastructure Authority has been a significant lender to SD1 having provided SRF assistance of approximately \$206 million for seventeen projects since 2004.

PROJECTED

Projections are based on the following assumptions:

- 1) Revenues will increase 9.4% in 2012 due to carryover of a 15% rate increase from 2011 and 1.3% growth. In March 2011, additional 15% annual rate increases for 2012 and 2013 were passed. After 2013, revenues will increase by 3.5% for inflation and 1.3% for growth each year.
- 2) Expenses will increase by 5% each year.
- 3) Debt service and cash flow amounts include all previously approved KIA loans and proposed loan A12-02 which is being submitted separately on February 2, 2012.
- 4) Debt service on future bonded debt that is incurred to support capital spending will be offset by rate increases and or surcharges which will ensure that the District exceeds the coverage ratio of 1.25 that is required by bond debt covenants.
- 5) Replacement reserve funding on all KIA loans will increase from \$50,000 in 2010 to \$484,846 in 2015.
- 6) Debt service on the proposed KIA loans will increase from \$2.4 million in 2010 to \$12.6 million in 2016 and will increase overall debt service to \$40.0 million (excluding future bonded debt) in 2016.

Debt service coverage is 1.7 in 2016 when all principal and interest repayments begin. Based on the proforma assumptions, the utility shows adequate cash flow to repay the KIA Fund A loan.

REPLACEMENT RESERVE

The annual replacement cost is estimated to be \$2,400. This amount should be added to the replacement account each December 1 until the balance reaches \$24,000. The balance should be maintained for the life of the loan.

X. DEBT OBLIGATIONS

Debt Issue	Outstanding	Maturity
Revenue Bonds Series 2005A	\$1,240,000	2031
Revenue Bonds Series 2006	28,580,000	2019
Revenue Bonds Series 2007	47,250,000	2037
Revenue Bond Series 2009	99,165,000	2038
Revenue Bond Series 2010A	53,795,000	2039
Revenue Bond Series 2010B	75,000,000	2040
KIA A04-09 - Eastern Reg WWTP	42,310,000	TBD
KIA A09-05 - Sunny Brook Sewer	28,067,484	2027
KIA ARRA A2 09-01 (i/a/o \$395m) - Banklick Creek Sewer	56,235,407	2033
KIA A08-04 (i/a/o \$70MM)	4,701,120	TBD
KIA A09-04 (i/a/o \$4.473MM) - Dry Creek Clarifier	5,348,301	TBD
KIA A09-06 (i/a/o \$15.23MM) - S Fork Gunpowder Interceptor	3,468,393	TBD
KIA A09-07 (i/a/o \$5.768MM) - Frogtown Interceptor	1,344,468	TBD
KIA A09-08 (i/a/o \$2.47MM) - Turkeyfoot/Industrial Rd FM	775,199	TBD
KIA A09-09 (i/a/o \$9.9MM) - Narrows Rd Diversion PS	1,536,036	TBD
KIA ARRA A2 09-02 (i/a/o \$1,371,545)-Banklick Wetland	508,126	2030
KIA ARRA A2 09-03 (i/a/o \$1,578,539) - Regional Bioretention	185,335	TBD
KIA ARRA A2 09-04 (i/a/o \$834,241) - Terraced Reforestation	485,161	TBD
KIA A10-11 (i/a/o \$17.1465MM) - Headworks, etc	270,572	TBD
KIA A11-12 (i/a/o \$15.1875MM) - Ash Street PS & FM	0	TBD
KIA A11-13 (i/a/o \$14,188,155) - Lakeview, Church & KY Aire	0	TBD
KIA A11-14 (i/a/o \$7.778MM) - Vernon Lane & Lakeside I&I	0	TBD
Total	\$ 450,265,602	

XI. FEDERAL GRANT FUNDING IN PAST FIVE YEARS

Project Title	Funding Source	Amount	Type
Ft. Wright Ridgewood Dr WW Improvements	HB 380	\$140,000	Grant
Latonia Combined Sewer Separation Project	HB 608	\$950,000	Grant
Montague Sewer Replacement	HB 608	\$500,000	Grant

XII. CONTACTS

Applicant

Name Sanitation District No. 1
 Address 1045 Eaton Drive
 Ft. Wright, KY 41017
 County Kenton
 Contact David Rager
 Phone (859) 578-7465
 Email Drager@SD1.org

Applicant Contact

Name Sanitation District No. 1
Address 1045 Eaton Drive
Ft. Wright, KY 41017
Contact Jim Turner, P.E.
Phone (859) 578-7461
Email jturner@sd1.org

Engineer

Name Jim Turner, P.E.
Firm Sanitation District No. 1
Address 1045 Eaton Drive
Ft. Wright, KY 41017
Phone (859) 578-7461
Email jturner@sd1.org

XIII. RECOMMENDATIONS

KIA staff recommends approval of the loan increase with the standard conditions.

**SANITATION DISTRICT NO. 1
BALANCE SHEETS (JUNE YEAR END)**

ASSETS	Audited 2006	Audited 2007	Audited 2008	Audited 2009	Audited 2010	Audited 2011	Projected 2012	Projected 2013
Current Assets								
Cash	8,092,974	3,964,704	18,636,359	10,266,444	9,692,641	7,352,683	9,227,177	11,720,861
Investments	5,708,366	6,002,125	6,256,876	8,965,396	6,607,843	6,693,573	7,028,000	7,379,000
Accounts Receivable	4,950,913	6,444,842	7,500,560	8,167,514	7,265,469	8,215,272	8,507,300	9,705,600
Other Receivables	811,043	654,758	819,442	1,946,388	5,432,371	4,269,523	4,483,000	4,707,000
KIA Loan Receivable	0	0	0	0	0	11,555,668	0	0
Accrued Interest	1,960	56,075	53,132	17,604	33,250	28,238	45,000	45,000
Accrued Sewer Services	5,703,617	7,503,691	8,478,996	8,359,200	7,725,400	8,698,483	10,003,000	11,503,000
Other Current Assets	674,291	615,929	618,314	555,209	533,981	619,705	619,705	619,705
Total Current Assets	25,943,164	25,242,124	42,363,679	38,277,755	37,290,955	47,433,145	39,913,182	45,680,166
Restricted Assets								
Ttl Cash, Investments, Other			118,506,540	79,406,630	119,251,412	126,978,273	127,112,853	127,540,399
Total Restricted Assets	38,641,105	68,057,291	118,506,540	79,406,630	119,251,412	126,978,273	127,112,853	127,540,399
Utility Plant								
Land, System, Building and Equipment	521,466,916	545,718,594	578,928,587	644,722,698	949,282,454	1,106,520,240	1,146,520,240	1,171,520,240
Construction in Progress	58,533,869	104,962,850	144,855,250	153,932,654	197,579,699	250,483,024	267,353,000	289,796,000
Total	580,000,785	650,681,444	723,783,837	798,655,352	1,146,862,153	1,357,003,264	1,413,873,240	1,461,316,240
Less Accumulated Depreciation ()	(135,654,038)	(148,109,679)	(161,769,836)	(185,336,930)	(206,333,999)	(241,595,496)	(280,117,496)	(319,195,496)
Net Fixed Assets	444,346,747	502,571,765	562,014,001	613,318,422	940,528,154	1,115,407,768	1,133,755,744	1,142,120,744
Other Assets								
Total Other Assets	4,658,689	4,508,285	3,355,298	3,118,841	4,271,574	4,764,880	4,564,880	4,364,880
Total Assets	513,589,705	600,379,465	726,239,518	734,121,648	1,101,342,095	1,294,584,066	1,305,346,659	1,319,706,189
LIABILITIES								
Current Liabilities								
Customer Deposits	290,739	290,815	406,823	0	0	0	0	0
Northern Kentucky Water Service District	0	0	0	0	0	0	0	0
Communities	27,473	27,361	16,651	18,187	2,033	0	0	0
Accounts Payable	5,780,088	9,353,468	11,919,292	12,583,179	16,425,404	9,944,360	10,243,000	10,550,000
Accrued Payroll	850,281	1,309,617	1,496,580	1,761,005	1,957,480	1,426,544	1,498,000	1,573,000
Other	302,372	392,738	94,805	190,718	79,351	78,097	78,097	78,097
Total Current Liabilities	7,250,953	11,373,999	13,934,151	14,553,089	18,464,268	11,449,001	11,819,097	12,201,097
Liabilities Payable - Restricted Assets								
Notes and Bonds Payable	9,135,451	24,562,340	29,566,568	32,497,265	60,501,607	101,353,944	40,000,000	65,000,000
Accounts Payable	4,398,273	4,682,432	2,149,689	4,017,251	9,316,617	9,164,358	9,164,358	9,164,358
Accrued Interest Payable	1,768,207	2,633,826	4,763,067	4,578,388	6,473,959	8,671,851	5,015,000	4,853,000
Current Portion of Long Term Debt	3,610,000	3,775,000	6,792,025	7,164,762	8,537,838	12,386,658	16,198,011	16,559,455
Total Liabilities Payable - Restricted Assets	18,911,931	35,653,598	43,271,349	48,257,666	84,830,021	131,576,811	70,377,369	95,576,813
Long Term Liabilities								
Long Term Debt	85,879,627	132,282,045	234,034,184	227,845,699	349,836,789	400,168,536	485,324,469	468,765,014
Total Long Term Liabilities	85,879,627	132,282,045	234,034,184	227,845,699	349,836,789	400,168,536	485,324,469	468,765,014
Total Liabilities	112,042,511	179,309,642	291,239,684	290,656,454	453,131,078	543,194,348	567,520,935	576,542,924
Retained Earnings:								
Restricted	27,997,863	37,952,452	82,027,216	38,313,726	42,959,229	7,788,120	7,922,700	8,350,246
Unrestricted	373,549,331	383,117,371	352,972,618	405,151,468	605,251,788	743,601,598	729,903,024	734,813,019
Total Retained Earnings	401,547,194	421,069,823	434,999,834	443,465,194	648,211,017	751,389,718	737,825,724	743,163,265
Total Liabilities and Equities	513,589,705	600,379,465	726,239,518	734,121,648	1,101,342,095	1,294,584,066	1,305,346,659	1,319,706,189
Balance Sheet Analysis								
Current Ratio	3.58	2.22	3.04	2.63	2.02	4.14	3.38	3.74
Debt to Equity	0.28	0.43	0.67	0.66	0.70	0.72	0.77	0.78
Working Capital	18,692,211	13,868,125	28,429,528	23,724,666	18,826,687	35,984,144	28,094,085	33,479,069
Percent of Total Assets in Working Capital	3.64%	2.31%	3.91%	3.23%	1.71%	2.78%	2.15%	2.54%
Days Sales in Receivables	91.8	107.3	102.7	97.8	78.8	78.7	78.7	78.7

**EXHIBIT 1
SANITATION DISTRICT NO. 1
CASH FLOW ANALYSIS (JUNE YEAR END)**

	Audited 2007	% Change	Audited 2008	% Change	Audited 2009	% Change	Audited 2010	% Change	Audited 2011	Projected 2012	Projected 2013	Projected 2014	Projected 2015	Projected 2016
Operating Revenues														
Sewer Service	31,121,420	33%	41,342,262	15%	47,368,230	14%	53,994,128	15%	61,887,891	69,187,891	80,465,517	84,327,862	88,375,599	92,617,628
Storm Water Charges	10,268,746	-5%	9,739,148	6%	10,301,534	5%	10,810,291	3%	11,091,977	11,621,977	12,038,222	12,469,375	12,915,970	13,378,560
Penalties	675,850	33%	897,070	31%	1,179,262	10%	1,292,685	3%	1,332,674	1,549,900	1,802,534	1,889,055	1,979,730	2,074,757
Other Revenue	3,785,789	-8%	3,466,292	-28%	2,510,923	25%	3,132,576	-16%	2,641,375	2,357,987	2,742,339	2,873,971	3,011,922	3,156,494
Project Reimbursement	1,602,282	-14%	1,370,247	-77%	310,899	-47%	165,830	770%	1,442,406	1,078,568	1,254,375	1,314,585	1,377,685	1,443,813
Total Revenues	47,454,087	20%	56,815,019	9%	61,670,848	13%	69,395,510	13%	78,396,323	85,796,323	98,302,986	102,874,848	107,660,906	112,671,253
Operating Expenses														
Operation, Maintenance & Admin	20,386,356	18%	24,037,008	4%	25,074,658	12%	28,117,344	2%	28,620,755	30,120,755	31,822,578	33,620,553	35,520,115	37,527,001
Major Repairs & Other Expenditures	350,601	1739%	6,447,722	-51%	3,134,429	53%	4,797,653	29%	6,172,970	6,521,743	6,890,221	7,279,519	7,690,812	8,125,342
Depreciation	12,540,922	11%	13,939,243	70%	23,731,773	38%	32,842,268	15%	37,633,212	38,522,000	39,078,000	39,100,000	39,100,000	39,100,000
Replacement Reserve			50,000		50,000		50,000		75,180	134,580	427,546	465,446	484,846	484,846
Total Expenses	33,277,879	34%	44,473,973	17%	51,990,860	27%	65,807,265	10%	72,502,117	75,299,078	78,218,345	80,465,518	82,795,772	85,237,189
Net Operating Income	14,176,208	-13%	12,341,046	-22%	9,679,988	-63%	3,588,245	64%	5,894,206	10,497,245	20,084,641	22,409,330	24,865,133	27,434,063
Non-Operating Income and Expenses														
Interest on Investments	3,339,413	58%	5,280,998	-61%	2,064,125	-18%	1,693,641	-25%	1,272,736	1,272,736	1,272,736	1,272,736	1,272,736	1,272,736
Other	0		87,167		59,458		51,782		0	0	0	0	0	0
Total Non-Operating Income & Expenses	3,339,413	61%	5,368,165	-60%	2,123,583	-18%	1,745,423	-27%	1,272,736	1,272,736	1,272,736	1,272,736	1,272,736	1,272,736
Add Non-Cash Expenses														
Depreciation	12,540,922	11%	13,939,243	70%	23,731,773	38%	32,842,268	15%	37,633,212	38,522,000	39,078,000	39,100,000	39,100,000	39,100,000
Cash Available for Debt Service	30,056,543	5%	31,648,454	12%	35,535,344	7%	38,175,936	17%	44,800,154	50,291,981	60,435,377	62,782,066	65,237,869	67,806,799
Debt Service <small>(enter as positive #'s)</small>														
Revenue Bonds (net of Federal Interest Reimbursement)	7,861,330		8,869,639		10,937,968		14,403,315		17,638,889	27,356,729	27,380,439	27,408,060	27,433,643	27,452,416
Existing KIA Loans			1,008,487		2,163,899		2,169,136		2,393,842	4,190,314	8,050,508	11,623,425	12,219,888	12,446,762
Increase - A09-04											14,000	28,000	28,000	28,000
Proposed Loan (A12-02, Wolpert)											53,591	53,591	53,591	53,591
Proposed Loan (A12-03, Wilder)												60,332	60,332	60,332
Total Debt Service	7,861,330		9,878,126		13,101,867		16,572,451		20,032,731	31,547,043	35,498,538	39,173,408	39,795,454	40,041,101
Income After Debt Service	22,195,213		21,770,328		22,433,477		21,603,485		24,767,423	18,744,938	24,936,839	23,608,658	25,442,415	27,765,698
Debt Coverage Ratio	3.8		3.2		2.7		2.3		2.2	1.6	1.7	1.6	1.6	1.7

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I.B.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 WASTEWATER REVOLVING FUND LOAN (A12-04) OF \$2,500,000 TO THE CITY OF JAMESTOWN, RUSSELL COUNTY, KENTUCKY

WHEREAS, the Kentucky Infrastructure Authority (the "Authority") has been duly created as a body corporate and politic constituting a public corporation and a governmental agency of the Commonwealth of Kentucky pursuant to Chapter 224A of the Kentucky Revised Statutes (the "Act"); and

WHEREAS, pursuant to the Act, the Authority is duly and legally authorized to make loans to Governmental Agencies for the purpose of providing funds for the construction and acquisition of sanitary sewer facilities, water facilities or other types of infrastructure, and in that regard, to enter into Assistance Agreements with such Governmental Agencies governing the provisions in respect of which such loans are to be made, the amounts thereof and the repayment provisions in respect thereto; and

WHEREAS, the Authority anticipates entering into an Assistance Agreement for a loan from the Authority's Federally Assisted Wastewater Revolving Loan Program (Fund A) with the City of Jamestown, subject to final determination of amount when the factors involving such financing have been determined; and

WHEREAS, the Authority will, in the near future, authorize and issue a series of its Infrastructure Authority Revenue Bonds for the purpose of funding loans to various governmental agencies, such series of Bonds to be known as Kentucky Infrastructure Authority Revenue Bonds with the appropriate Series designation; and

WHEREAS, the Authority wishes to establish terms and conditions on said Fund A loans prior to the issuance of Authority Revenue Bonds and recognizes that additional planning and design of the financed projects are required.

NOW, THEREFORE, THE KENTUCKY INFRASTRUCTURE AUTHORITY, ACTING BY AND THROUGH ITS BOARD OF DIRECTORS AS ITS DULY AUTHORIZED AND EMPOWERED GOVERNING BODY, DOES HEREBY RESOLVE AND ORDER, AS FOLLOWS:

Section 1. All statements of fact set forth in the preambles to this Resolution and Order are incorporated herein by reference, the same as if set forth verbatim. All such statements of fact are hereby declared to be true and accurate in all material respects.

Section 2. The Authority hereby authorizes the issuance of a conditional Federally Assisted Wastewater Revolving Fund loan for \$2,500,000 of project expense including capitalized interest for the construction period, to the City of Jamestown for the Jamestown WWTP Improvements. Such amounts are subject to adjustment by further action of the

Authority or may be adjusted by action of the Authority staff at the time of the issuance of bonds based on adjustment in project costs of not more than (10%) ten percent of the project cost authorized by this resolution. Upon satisfaction of all conditions of the commitment, execution of an assistance agreement for this loan is authorized.

Section 3. Principal forgiveness of 30% will be deducted from the approved loan amount. The unforgiven principal balance of \$1,750,000 shall be repaid.

Section 4. The unforgiven principal shall be repayable over 20 years at an interest rate of 1.0%. In addition to debt service, a 0.2% annual administration fee on the unpaid, unforgiven principal balance will be charged. From annual revenues, \$6,250 must be set aside in a borrower held replacement reserve each December 1 until the balance reaches \$62,500 and maintained for the life of the loan. These terms are subject to adjustment upon execution of the loan agreement, upon changes in the project conditions or determination that the project will require authority financing to be done on a taxable basis.

Section 5. This Resolution and Order shall be in full force and effect from and after its adoption at a properly held meeting of the Kentucky Infrastructure Authority this 2nd day of February, 2012.

TONY WILDER, CHAIR
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

SANDY WILLIAMS, SECRETARY
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

PECK, SHAFFER & WILLIAMS LLP
LEGAL COUNSEL TO THE
KENTUCKY INFRASTRUCTURE AUTHORITY



STEVEN L. BESHEAR
GOVERNOR

LEONARD K. PETERS
SECRETARY

ENERGY AND ENVIRONMENT CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION
DIVISION OF WATER
200 FAIR OAKS LANE, 4TH FLOOR
FRANKFORT, KENTUCKY 40601
www.kentucky.gov

January 28, 2012

Mr. John Covington
Executive Director
Kentucky Infrastructure Authority
1024 Capital Center Drive, Suite 340
Frankfort, Kentucky 40601

Re: CWL12111; Fund A
Northern KY Sanitation District 1 Dry Creek
WWTP--2449
Activity ID: FGL20120009
HUC11: 05090203040
Watershed Name: Ohio River, near Constance
Project Name: Wilder Force Main Improvement
Binding Commitment

Dear Mr. Covington:

The Division of Water (DOW) hereby certifies that the Sanitation District #1 of Northern Kentucky is entitled to receive priority for funding for their Wilder Force Main Improvements project and is eligible to receive \$959,000.00 from the Clean Water State Revolving Fund. The following information is provided:

1. Project specific environmental information is expected to be submitted to DOW in May 2012.
2. Plans and specifications are expected to be submitted to DOW in June 2012.
3. Construction bids are expected to be opened in August 2012.

The KIA conditional commitment letter should include the following general conditions to satisfy federal requirements:

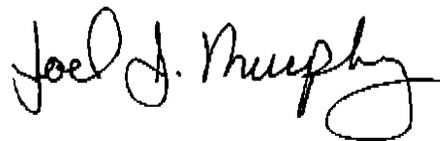
1. The project must have undergone a complete environmental review resulting in a Categorical Exclusion Determination (CED), a State Planning and Environmental Assessment Report (SPEAR), or an Environmental Impact Statement (EIS) with a Record of Decision issued by the Department of Environmental Protection before bidding the project.
2. The borrower must receive DOW approval of the Plans and Specifications with regard to SRF funding before bidding the project.

3. The Authority to Award (bid) package must be submitted to DOW for approval before the contract can be awarded. DOW must perform the Disadvantaged Business Enterprise (DBE) reviews and conduct a preconstruction and project management conference.
4. Documentation of final funding commitments from all parties other than the Kentucky Infrastructure Authority (KIA) as reflected in the credit analysis shall be provided to KIA prior to their loan closing and disbursement of the loan monies. Rejections of any anticipated project funding shall be immediately reported to KIA and may cause this loan to be subject to further consideration.
5. The borrower must complete and submit any missing or incomplete parts of the Application to KIA upon request.
6. Loan Agreement must be executed within six (6) months from bid opening.
7. The city must agree to expend all loan funds within six months of the date of initiation of operation.

Upon compliance with the general conditions, the DOW will issue its final project certification prior to finalizing the loan agreement.

The SRF application review has been completed by staff of the KIA. If you have any questions or concerns regarding missing items or additional submission requirements, please contact Sandy Williams at (502) 573-0260. Should you have any questions concerning this letter, do not hesitate to contact Joel Murphy, Project Manager, at (502) 564-8158, extension 4592.

Sincerely,



for Buddy Griffin, Supervisor
SRF & SPAP Section
Water Infrastructure Branch

BG:jjm

Enclosures

c: Mark Wurschmidt, Sanitation District #1
Jim Turner, Sanitation District #1

EXECUTIVE SUMMARY		Reviewer:	Kasi White	
KENTUCKY INFRASTRUCTURE AUTHORITY		Date:	February 2, 2012	
FUND A, FEDERALLY ASSISTED WASTEWATER		KIA Loan Number:	A12-04	
REVOLVING LOAN FUND		WRIS Number	SX21207017, SX21207018	
		HUC Code:	05130103120	
BORROWER:	CITY OF JAMESTOWN			
	RUSSELL COUNTY			
BRIEF DESCRIPTION:	<p>This project involves upgrades to the Jamestown Wastewater Treatment Plant. Phase I will rehabilitate headworks, aeration basins, disinfection systems, RAS/WAS pumping system, yard piping and appurtenances, and sludge dewatering equipment and facilities to improve the performance of the plant. Phase II will upgrade and rehabilitate the final clarifiers, sludge thickening and holding basins, decolorization basins aeration and mixing system, electrical and power systems, and miscellaneous improvements to the laboratory and plant office. The proposed improvements will facilitate ongoing compliance with DOW permit requirements by improving the quality of the discharged effluent.</p>			
PROJECT FINANCING:	PROJECT BUDGET			
Fund A Loan	\$ 2,500,000	Administrative Expenses	\$ 180,000	
		Engineering Fees	299,000	
		Construction	1,780,000	
		Contingency	241,000	
TOTAL	\$ 2,500,000	TOTAL	\$ 2,500,000	
REPAYMENT		Est. Annual		
	Rate	1.0%	Payment \$ 100,259	
	Term	20 years	1st Payment 6 Mo. after first draw	
PROFESSIONAL SERVICES	Engineer	Kenvirons, Inc.		
	Bond Counsel	Peck, Shaffer, & Williams		
PROJECT SCHEDULE				
	Bid Opening:	May, 2012		
	Construction Start:	June, 2012		
	Construction Stop:	December, 2012		
DEBT PER CUSTOMER	Existing:	\$ 4,748		
	Proposed:	\$ 5,503		
OTHER DEBT	See Attached			
OTHER STATE-FUNDED PROJECTS LAST 5 YRS	See Attached			
RESIDENTIAL RATES		<u>Users</u>	<u>Avg. Bill</u>	
	Current	1,749	\$ 23.89 (for 4,000 gallons)	
	Additional	0	\$ 23.89 (for 4,000 gallons)	
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.			
CASHFLOW	Cash Available for Debt Service	Debt Service	Income after Debt Service	Coverage Ratio
Audited 2007	12,341	144,843	(132,502)	0.1
Audited 2008	287,016	161,069	125,947	1.8
Audited 2009	309,862	272,934	36,928	1.1
Audited 2010	429,737	380,453	49,284	1.1
Audited 2011	1,294,023	529,658	764,365	2.4
Projected 2012	1,124,055	473,578	650,477	2.4
Projected 2013	1,020,261	481,151	539,110	2.1
Projected 2014	906,065	572,862	333,203	1.6
Projected 2015	793,802	573,183	220,619	1.4
Projected 2016	677,048	572,791	104,257	1.2

**KENTUCKY INFRASTRUCTURE AUTHORITY
 WASTEWATER REVOLVING LOAN FUND (FUND "A")
 CITY OF JAMESTOWN, RUSSELL COUNTY
 PROJECT REVIEW
 SX2127017, SX21207018**

I. PROJECT DESCRIPTION

The City of Jamestown is requesting a \$2,500,000 Fund "A" loan for the Russell County Regional Wastewater Treatment Plant (WWTP) Rehabilitation and Upgrades project. This project involves upgrades to the Jamestown WWTP. Phase I will rehabilitate headworks, aeration basins, disinfection systems, ras/was pumping system, yard plumbing and appurtenances, and sludge dewatering equipment and facilities to improve the performance of the plant. Phase II will upgrade and rehabilitate the final clarifiers, sludge thickening and holding basins, decolorization basins aeration and mixing system, electrical and power systems, and miscellaneous improvements to the laboratory and plant office. The proposed improvements will facilitate ongoing compliance with DOW permit requirements by improving the quality of the discharged effluent.

The City provides water and sewer service to the Russell Springs Sewer and Water Works. Additionally, the Union Underwear Company (a Berkshire Hathaway subsidiary company) is a major customer which represented 47% of total revenues in 2011.

II. PROJECT BUDGET

	<u>Total</u>
Administrative Expenses	\$ 180,000
Engineering Fees	299,000
Construction	1,780,000
Contingency	241,000
Total	\$ 2,500,000

III. PROJECT FUNDING

	<u>Amount</u>	<u>%</u>
Fund A Loan	\$ 2,500,000	100%
Total	\$ 2,500,000	100%

IV. KIA DEBT SERVICE

Construction Loan	\$ 2,500,000
Less: Principal Forgiveness (30%)	<u>\$ 750,000</u>
Amortized Loan Amount	\$ 1,750,000
Interest Rate	1.0%
Loan Term (Years)	20
Estimated Annual Debt Service	\$ 96,759
Administrative Fee (0.20%)	<u>\$ 3,500</u>
Total Estimated Annual Debt Service	\$ 100,259

V. PROJECT SCHEDULE

Bid Opening	May, 2012
Construction Start	June, 2012
Construction Stop	December, 2012

VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

A) Customers

	Current
Residential	1,382
Commercial	351
Industrial	<u>16</u>
Total	1,749

B) Rates

The monthly charge for wastewater utility service as of June 2010 is:

	In City	Out of City
Minimum (1,500 gallons)	\$11.06	\$22.12
Next 3,000 gallons	5.13	5.91
Next 5,500 gallons	4.75	5.53
Next 10,000 gallons	4.35	5.13
Next 20,000 gallons	3.95	4.75
Next 40,000 gallons	3.55	4.35
Next 80,000 gallons	<u>2.37</u>	<u>3.16</u>
Cost for 4,000 gallons	\$23.89	\$36.90
Increase % (from previous)	42.5%	
Affordability Index (Rate/MHI)	1.8%	

VII. DEMOGRAPHICS

In 2010, the City's population was 1,698 with a Median Household Income (MHI) of \$16,226. The median household income for the Commonwealth is \$41,197. The loan qualifies for a 1% interest rate because the MHI is below 80% of the state MHI.

VIII. 2011 CAPITALIZATION GRANT EQUIVALENCIES

- 1) Green Project Reserve - This project does not contain any green components.
- 2) Additional Subsidization – This project qualifies for additional subsidization (in the amount of \$750,000).

IX. FINANCIAL ANALYSIS (See Exhibit 1)

Financial information was obtained from the City's audited financial statements for Water and Sewer Fund for the years ended June 30, 2008 through 2011. Revenues for the Union Underwear Company are listed separately due to their overall significance to the utility.

HISTORICAL

Revenues increased 24% from \$3,047,625 in 2008 to \$3,769,506 in 2011. Revenues to Union Underwear Company increased 36% from \$1,294,608 in 2008 to \$1,756,778 in 2011 while the balance of revenues increased 15% during the same time period. The revenue increase can be attributed to 1) volume growth for Union Underwear, and 2) rate increases that were put into effect at the end of May 2010. Water rates increased approximately 8.7% while sewer rates increased 42.5%.

Operating expenses decreased 10% from \$2,786,588 in 2008 to \$2,495,043 in 2011. The primary component of the decrease was a drop in water production expenses. Depreciation expense increased 30% from 2008 to 2011. The utility spent about \$15 million (\$6.3 million debt and \$8.7 million grants) during the period for improvements to its water and sewer systems. The debt coverage ratio ranged from a low of 1.1 in 2009 and 2010 to a high of 2.4 in 2011. Debt service increased from \$161,069 in 2008 to \$529,658 in 2011.

The balance sheet reflects a debt to equity ratio of 0.4. Unrestricted cash has improved from 4.4 months of operating expenses in 2008 to 6.9 months in 2011. The utility maintains restricted accounts for a bond sinking fund, depreciation reserve and an emergency reserve.

PROJECTIONS

Projections are based on the following assumptions:

- Revenues will be flat for both rates and volume.
- Expenses will increase by 4% per year
- The new debt service is estimated at \$100,259
- A replacement reserve of \$6,250 will be required.
- Debt service coverage is 1.6 in 2014 when principal and interest repayments begin. The ratio will remain at or above 1.1 through 2016.

Based on the proforma assumptions, the utility shows adequate cash flow to repay the KIA Fund A loan.

REPLACEMENT RESERVE

The annual replacement cost is \$6,250. This amount should be added to the replacement account each December 1 until the balance reaches \$62,500 and maintained for the life of the loan.

X. DEBT OBLIGATIONS

	<u>Outstanding</u>	<u>Maturity</u>
Series 1996 Revenue Bonds	\$ 361,000	2036
Series 1999 Revenue Bonds	232,500	2039
Series 2004 Revenue Bonds	973,000	2044
Series 2009 Revenue Bonds	3,891,000	2048
KIA (B06-04)	<u>2,847,256</u>	2040
Total	\$ 8,304,756	

XI. OTHER STATE OR FEDERAL FUNDING IN PAST FIVE YEARS

<u>Project Title</u>	<u>Funding Source</u>	<u>Amount</u>	<u>Type</u>
Water Treatment Plant	RD	\$ 992,603	Grant
Waterline Expansions	HB608	300,000	Grant

XII. CONTACTS

Applicant

Name City of Jamestown
 Address 112 North Main Street, P.O. Box 587
 Jamestown, KY 42629
 Contact Terry Lawless
 Phone (270) 343-1632
 Email mayorlawless@j-town.org

Applicant Contact

Name Lake Cumberland Area Development District
 Address 2384 Lakeway Drive
 Russell Springs, KY 42642
 Contact Waylon Wright
 Phone (270) 866-4200
 Email Waylon@lcadd.org

Engineer

Name Phillips Meador, P.E.
Firm Kenvirons, Inc.
Address 452 Versailles Road
Frankfort, KY 40601
Phone (502) 695-4357
Email pmeador@kenvirons.com

XIII. RECOMMENDATIONS

KIA staff recommends approval of the loan with the standard conditions.

**CITY OF JAMESTOWN
BALANCE SHEETS (JUNE YEAR END)**

ASSETS	Audited 2008	Audited 2009	Audited 2010	Audited 2011	Upon Completion 2013
Current Assets					
Cash and Cash Equivalents	1,022,142	762,183	1,372,138	1,441,569	2,112,547
Accounts Receivable	318,094	247,045	313,164	391,190	384,900
Grant Receivable	528,051	32,429	25,000	0	0
Other Current Assets	20,701	51,302	26,129	26,881	27,500
Total Current Assets	1,888,988	1,092,959	1,736,431	1,859,640	2,524,947
Restricted Assets					
Sinking Fund	47,278	105,785	84,104	122,363	125,000
Depreciation Reserve	193,427	196,087	198,767	201,106	230,000
Emergency Reserve	75,361	77,132	145,745	147,781	152,500
Total Restricted Assets	316,066	379,004	428,616	471,250	507,500
Utility Plant					
Land, System, Building and Equipment	25,151,794	38,154,870	39,247,843	39,240,448	41,740,448
Construction in Progress	10,287,281	0	0	0	0
Total	35,439,075	38,154,870	39,247,843	39,240,448	41,740,448
Less Accumulated Depreciation ()	(12,544,654)	(11,201,507)	(12,265,088)	(13,297,537)	(15,483,237)
Net Fixed Assets	22,894,421	26,953,363	26,982,755	25,942,911	26,257,211
Other Assets					
Other	31,577	49,765	47,905	46,043	45,000
Total Other Assets	31,577	49,765	47,905	46,043	45,000
Total Assets	25,131,052	28,475,091	29,195,707	28,319,844	29,334,658
LIABILITIES					
Current Liabilities					
Accounts Payable	89,479	76,504	67,851	81,477	85,000
Construction Payable	2,332,177	32,429	626,405	0	0
Accrued Payroll	33,146	26,184	32,829	34,234	40,000
Due to Other Funds	7,913	3,913	7,913	7,913	7,913
Accrued Interest	32,074	17,826	71,083	68,415	65,000
Other Liabilities	156,047	166,037	173,948	181,028	185,000
C.P. Long Term Debt	243,065	217,992	263,447	213,294	223,570
Total Current Liabilities	2,893,901	540,885	1,243,476	586,361	606,483
Long Term Liabilities					
Long Term Debt	3,411,201	8,514,989	8,307,758	8,091,462	7,650,310
Proposed KIA Loan	0	0	0	0	1,750,000
Total Long Term Liabilities	3,411,201	8,514,989	8,307,758	8,091,462	9,400,310
Total Liabilities	6,305,102	9,055,874	9,551,234	8,677,823	10,006,793
Retained Earnings:					
Invested in Capital Assets Net of Related Debt	17,436,029	18,220,382	18,411,550	17,638,155	16,633,331
Restricted	316,066	379,004	428,616	471,250	507,500
Unrestricted	1,073,855	819,831	804,307	1,532,616	2,187,034
Total Retained Earnings	18,825,950	19,419,217	19,644,473	19,642,021	19,327,865
Total Liabilities and Equities	25,131,052	28,475,091	29,195,707	28,319,844	29,334,658
Balance Sheet Analysis					
Current Ratio	0.7	2.0	1.4	3.2	4.2
Debt to Equity	0.3	0.5	0.5	0.4	0.5
Working Capital	(1,004,913)	552,074	492,955	1,273,279	1,918,464
Percent of Total Assets in Working Capital	-4.0%	1.9%	1.7%	4.5%	6.5%
Days Sales in Accounts Receivable	38.1	32.3	40.2	37.9	37.9

EXHIBIT 1												
CITY OF JAMESTOWN												
CASH FLOW ANALYSIS (JUNE YEAR END)												
	Audited	%	Audited	%	Audited	%	Audited	Projected	Projected	Projected	Projected	Projected
	2008	Change	2009	Change	2010	Change	2011	2012	2013	2014	2015	2016
Operating Revenues												
Charges for Services	1,728,228	-2%	1,697,747	-1%	1,678,382	18%	1,984,900	1,984,900	1,984,900	1,984,900	1,984,900	1,984,900
Union Underwear Company	1,294,608	-17%	1,070,072	7%	1,145,106	53%	1,756,778	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000
Other	24,789	-11%	22,039	0%	22,089	26%	27,828	24,000	24,000	24,000	24,000	24,000
Total Revenues	3,047,625	-8%	2,789,858	2%	2,845,577	32%	3,769,506	3,708,900	3,708,900	3,708,900	3,708,900	3,708,900
Operating Expenses												
Operating Expenses	2,786,588	-10%	2,499,449	-3%	2,431,820	3%	2,495,043	2,594,845	2,698,639	2,806,585	2,918,848	3,035,602
Depreciation	831,441	-4%	794,434	37%	1,084,875	-1%	1,078,062	1,075,000	1,110,700	1,146,400	1,169,328	1,192,715
Replacement Reserve	0		0		0		0	0	0	6,250	6,250	6,250
Total Expenses	3,618,029	-9%	3,293,883	7%	3,516,695	2%	3,573,105	3,669,845	3,809,339	3,959,235	4,094,426	4,234,567
Net Operating Income	(570,404)	-12%	(504,025)	33%	(671,118)	-129%	196,401	39,055	(100,439)	(250,335)	(385,526)	(525,667)
Non-Operating Income and Expenses												
Interest Income	17,681		16,317		15,801		15,839	10,000	10,000	10,000	10,000	10,000
Other	8,298		3,136		179		3,721	0	0	0	0	0
Total Non-Operating Income & Expenses	25,979	-25%	19,453	-18%	15,980	22%	19,560	10,000	10,000	10,000	10,000	10,000
Add Non-Cash Expenses												
Depreciation	831,441	-4%	794,434	37%	1,084,875	-1%	1,078,062	1,075,000	1,110,700	1,146,400	1,169,328	1,192,715
Cash Available for Debt Service	287,016	8%	309,862	39%	429,737	201%	1,294,023	1,124,055	1,020,261	906,065	793,802	677,048
Debt Service (enter as positive #'s)												
Existing Principal	66,000		187,000		169,500		266,449	213,296	217,582	223,570	229,959	235,849
Existing Interest	95,069		85,934		210,953		263,209	260,282	254,819	249,033	242,965	236,683
Proposed KIA Loan									8,750	100,259	100,259	100,259
Total Debt Service	161,069		272,934		380,453		529,658	473,578	481,151	572,862	573,183	572,791
Income After Debt Service	125,947		36,928		49,284		764,365	650,477	539,110	333,203	220,619	104,257
Debt Coverage Ratio	1.8		1.1		1.1		2.4	2.4	2.1	1.6	1.4	1.2

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I.B.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 WASTEWATER REVOLVING FUND LOAN (A12-05) OF \$1,000,000 TO THE CITY OF WINCHESTER f/b/o WINCHESTER MUNICIPAL UTILITIES, CLARK COUNTY, KENTUCKY

WHEREAS, the Kentucky Infrastructure Authority (the "Authority") has been duly created as a body corporate and politic constituting a public corporation and a governmental agency of the Commonwealth of Kentucky pursuant to Chapter 224A of the Kentucky Revised Statutes (the "Act"); and

WHEREAS, pursuant to the Act, the Authority is duly and legally authorized to make loans to Governmental Agencies for the purpose of providing funds for the construction and acquisition of sanitary sewer facilities, water facilities or other types of infrastructure, and in that regard, to enter into Assistance Agreements with such Governmental Agencies governing the provisions in respect of which such loans are to be made, the amounts thereof and the repayment provisions in respect thereto; and

WHEREAS, the Authority anticipates entering into an Assistance Agreement for a loan from the Authority's Federally Assisted Wastewater Revolving Loan Program (Fund A) with the City of Winchester f/b/o Winchester Municipal Utilities, subject to final determination of amount when the factors involving such financing have been determined; and

WHEREAS, the Authority will, in the near future, authorize and issue a series of its Infrastructure Authority Revenue Bonds for the purpose of funding loans to various governmental agencies, such series of Bonds to be known as Kentucky Infrastructure Authority Revenue Bonds with the appropriate Series designation; and

WHEREAS, the Authority wishes to establish terms and conditions on said Fund A loans prior to the issuance of Authority Revenue Bonds and recognizes that additional planning and design of the financed projects are required.

NOW, THEREFORE, THE KENTUCKY INFRASTRUCTURE AUTHORITY, ACTING BY AND THROUGH ITS BOARD OF DIRECTORS AS ITS DULY AUTHORIZED AND EMPOWERED GOVERNING BODY, DOES HEREBY RESOLVE AND ORDER, AS FOLLOWS:

Section 1. All statements of fact set forth in the preambles to this Resolution and Order are incorporated herein by reference, the same as if set forth verbatim. All such statements of fact are hereby declared to be true and accurate in all material respects.

Section 2. The Authority hereby authorizes the issuance of a conditional Federally Assisted Wastewater Revolving Fund loan for \$1,000,000 of project expense including

capitalized interest for the construction period, to the City of Winchester f/b/o Winchester Municipal Utilities for the Bel Air Sanitary Sewer Improvements Project. Such amounts are subject to adjustment by further action of the Authority or may be adjusted by action of the Authority staff at the time of the issuance of bonds based on adjustment in project costs of not more than (10%) ten percent of the project cost authorized by this resolution. Upon satisfaction of all conditions of the commitment, execution of an assistance agreement for this loan is authorized.

Section 3. The loan shall be repayable over 20 years at an interest rate of 2.0%. In addition to debt service, a 0.2% annual administration fee on the unpaid loan balance will be charged. From annual revenues, \$2,500 must be set aside in a borrower held replacement reserve each December 1 until the balance reaches \$25,000 and maintained for the life of the loan. These terms are subject to adjustment upon execution of the loan agreement, upon changes in the project conditions or determination that the project will require authority financing to be done on a taxable basis.

Section 4. This Resolution and Order shall be in full force and effect from and after its adoption at a properly held meeting of the Kentucky Infrastructure Authority this 2nd day of February, 2012.

TONY WILDER, CHAIR
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

SANDY WILLIAMS, SECRETARY
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

PECK, SHAFFER & WILLIAMS LLP
LEGAL COUNSEL TO THE
KENTUCKY INFRASTRUCTURE AUTHORITY



STEVEN L. BESHEAR
GOVERNOR

LEONARD K. PETERS
SECRETARY

ENERGY AND ENVIRONMENT CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION
DIVISION OF WATER
200 FAIR OAKS LANE, 4TH FLOOR
FRANKFORT, KENTUCKY 40601
www.kentucky.gov

January 24, 2012

Mr. John Covington
Executive Director
Kentucky Infrastructure Authority
1024 Capital Center Drive, Suite 340
Frankfort, Kentucky 40601

Re: CWL#12001 Fund A
Winchester WWTP (Strodes Creek)--833
Activity ID: FGL20120003
Watershed Code (HUC11): 05100102030
Watershed Name: Strodes Creek

Dear Mr. Covington:

The Division of Water (DOW) hereby certifies that the Winchester Municipal Utilities is entitled to receive priority for funding for the Bel Air Sanitary Sewer Improvements and is eligible to receive \$1,000,000.00 from the Clean Water State Revolving Fund. The following requirements have been addressed as follows:

1. Plans and specifications are expected to be submitted to DOW on February 1, 2012.
2. Construction bids are expected to be opened on June 1, 2012.
3. Some of the project specific environmental information has been submitted but the division is awaiting additional documentation.

The binding commitment letter should include the following general conditions to satisfy federal requirements:

1. The Authority to Award (bid) package must be submitted to DOW for approval within 14 days of bid opening. DOW must perform the DBE reviews and conduct a pre-construction and project management conference.
2. Loan Agreement must be executed within six (6) months from bid opening.
3. The city must agree to expend all loan funds within six months of the date of initiation of operation.

4. Documentation of final funding commitments from all parties other than the Kentucky Infrastructure Authority (KIA) as reflected in the credit analysis shall be provided to KIA prior to their loan closing and disbursement of the loan monies. Rejections of any anticipated project funding shall be immediately reported to KIA and may cause this loan to be subject to further consideration.
5. The borrower must receive DOW approval of the Plans and Specifications before bidding the project.
6. The borrower must receive DOW approval of the Environmental Assessment before bidding the project.

Upon compliance with the general and special conditions, the DOW will issue its final project certification prior to finalizing the loan agreement.

Please forward the draft binding commitment letter to this office for review when completed. Should you have any questions concerning this letter, do not hesitate to contact Buddy Griffin, Project Administrator, at (502) 564-8158, extension 4971.

Sincerely,



Buddy Griffin, Supervisor
SRF & SPAP Section
Water Infrastructure Branch

BG:bg

Enclosures

C: Michael S. Anderson, Chairman
Brian Ward, P.E., Palmer Engineering, Inc.
Betsy Laski, Bluegrass ADD

EXECUTIVE SUMMARY		Reviewer:	Sandy Williams	
KENTUCKY INFRASTRUCTURE AUTHORITY		Date:	February 2, 2012	
FUND A, FEDERALLY ASSISTED WASTEWATER		KIA Loan Number:	A12-05	
REVOLVING LOAN FUND		WRIS Number	SX21049010	
		HUC Code:	05100102030	
BORROWER:	WINCHESTER MUNICIPAL UTILITIES			
	CLARK COUNTY			
BRIEF DESCRIPTION:				
This project involves the construction of an interceptor to eliminate the Bel-Air and Westside pump stations and the overflows associated with each. The project is being initiated to address environmental concerns in the Strodes Creek Sewer Shed located in the northern portion of WMU's service area. It will also address one of the issues identified in the Consent Decree.				
PROJECT FINANCING:			PROJECT BUDGET	
Fund A Loan	\$	1,000,000	Legal Expenses	10,000
Local Funds		10,000	Land, Easements	10,000
			Engineering Fees	50,000
			Construction	875,000
			Contingency	65,000
TOTAL	\$	1,010,000	TOTAL	\$ 1,010,000
REPAYMENT			Est. Annual	
	Rate	2.0%	Payment	\$ 62,911
	Term	20 years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	Palmer Engineering, Inc.		
	Bond Counsel	Peck, Shaffer, & Williams		
PROJECT SCHEDULE			Bid Opening:	June 1, 2012
			Construction Start:	July 1, 2012
			Construction Stop:	May 31, 2013
DEBT PER CUSTOMER	Existing:	\$	3,695	
	Proposed:	\$	6,113	
OTHER DEBT	See Attached			
OTHER STATE-FUNDED PROJECTS LAST 5 YRS	See Attached			
RESIDENTIAL RATES			<u>Users</u>	<u>Avg. Bill</u>
	Current	11,437	\$	33.79 (for 4,000 gallons)
	Additional	0	\$	33.79 (for 4,000 gallons)
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.			
CASHFLOW	Cash Available for		Income after Debt	
	Debt Service	Debt Service	Service	Coverage Ratio
Audited 2008	3,622,461	3,623,571	(1,110)	1.0
Audited 2009	3,295,793	2,255,075	1,040,718	1.5
Audited 2010	3,470,753	2,260,471	1,210,282	1.5
Audited 2011	4,807,563	2,044,896	2,762,667	2.4
Projected 2012	6,546,846	2,799,184	3,747,662	2.3
Projected 2013	8,615,320	4,269,315	4,346,005	2.0
Projected 2014	10,063,428	4,664,770	5,398,658	2.2
Projected 2015	11,231,113	4,671,535	6,559,578	2.4
Projected 2016	12,152,594	4,683,422	7,469,172	2.6
Projected 2017	12,732,935	4,710,561	8,022,374	2.7

**KENTUCKY INFRASTRUCTURE AUTHORITY
 WASTEWATER REVOLVING LOAN FUND (FUND "A")
 CITY OF WINCHESTER, CLARK COUNTY
 f/b/o WINCHESTER MUNICIPAL UTILITIES
 PROJECT REVIEW
 SX21049010**

I. PROJECT DESCRIPTION

Winchester Municipal Utilities (WMU) through the City of Winchester is requesting a Fund A loan in the amount of \$1,000,000 for the Bel Air Sanitary Sewer Improvements project. This project involves the construction of an interceptor to eliminate the Bel-Air and Westside pump stations and the overflows associated with each. The project is being initiated to address environmental concerns in the Strodes Creek Sewer Shed located in the northern portion of WMU's service area. It will also address one of the issues identified in the Consent Decree.

II. PROJECT BUDGET

	Total
Legal Expenses	10,000
Land, Easements	10,000
Engineering Fees	50,000
Construction	875,000
Contingency	65,000
Total	\$ 1,010,000

III. PROJECT FUNDING

Funding Sources	Amount	%
Fund A Loan	\$ 1,000,000	99%
Local Funds	10,000	1%
Total	\$ 1,010,000	100%

IV. KIA DEBT SERVICE

Construction Loan	\$ 1,000,000
Interest Rate	2.0%
Loan Term (Years)	20
Estimated Annual Debt Service	\$ 60,911
Administrative Fee (0.20%)	\$ 2,000
Total Estimated Annual Debt Service	\$ 62,911

V. PROJECT SCHEDULE

Bid Opening	June 1, 2012
Construction Start	July 1, 2012
Construction Stop	May 31, 2013

VI. RATE STRUCTURE

A) Customers

	<u>Current</u>
Residential	10,568
Commercial	816
Industrial	<u>53</u>
Total	11,437

B) Rates

Inside City	Current	Effective	Effective	Effective	Effective	Effective	Effective
Date of Last Rate Increase	7/1/2008	2/1/2010	1/1/2011	1/1/2012	1/1/2013	1/1/2014	1/1/2015
Cubic Feet Consumed	Rate / CF						
0-350,000 CF	3.61	4.35	5.24	6.32	7.61	7.99	8.39
Over 350,000 CF	3.15	3.80	4.57	5.51	6.64	6.97	7.32
Cost for 4,000 gallons	\$19.30	\$23.26	\$28.02	\$33.79	\$40.69	\$42.72	\$44.86
Percent Increase		20.5%	20.5%	20.5%	20.6%	5.0%	5.0%
Affordability Index (Rate/MHI)	0.6%	0.8%	0.9%	1.1%	1.4%	1.4%	1.5%
Outside City	Current	Effective	Effective	Effective	Effective	Effective	Effective
Date of Last Rate Increase	7/1/2008	2/1/2010	1/1/2011	1/1/2012	1/1/2013	1/1/2014	1/1/2015
Cubic Feet Consumed	Rate / CF						
0-350,000 CF	4.78	5.76	6.94	8.36	10.08	10.58	11.11
Over 350,000 CF	4.15	5.00	6.03	7.27	8.76	9.20	9.66
Cost for 4,000 gallons	\$25.56	\$30.80	\$37.11	\$44.70	\$53.90	\$56.57	\$59.41
Percent Increase		20.5%	20.5%	20.5%	20.6%	5.0%	5.0%
Affordability Index (Rate/MHI)	0.9%	1.0%	1.2%	1.5%	1.8%	1.9%	2.0%

VII. DEMOGRAPHICS

In 2010, the City’s population was 16,602 with a Median Household Income (MHI) of \$35,743. The median household income for the Commonwealth is \$41,197. Based on median household income, the project will qualify for the 2% interest rate.

VIII. 2011 CAPITALIZATION GRANT EQUIVALENCIES

- 1) Green Project Reserve - This project does not qualify for Green Project Reserve.
- 2) Additional Subsidization – This project does not qualify for additional subsidization.

IX. FINANCIAL ANALYSIS (See Exhibit 1)

Financial information for WMU was obtained from the audited financial statements for the years ended June 30, 2008 through 2011. WMU provides water, wastewater and solid waste services for the city and sections of Clark County.

HISTORICAL

Revenues in total have increased 22% from \$9,803,920 in 2008 to \$11,983,445 in 2011. The increase is primarily due to across the board rate increases that were effective February 1, 2010 and January 1, 2011. Customer count and volume has been flat throughout the period. Operating expenses (excluding depreciation) increased 6.6% from \$7,090,653 to \$7,556,591. Depreciation expense increased 59% due to a new wastewater treatment plant that was completed and placed in service in 2009. The debt coverage ratio has improved from a low of 1.0 in 2008 to 2.4 in 2011. This is due to both a decline in debt service requirements and to improved cash flow from the rate increases.

The current ratio has ranged from a low of 3.4 in 2009 to a high of 6.9 in 2011. Unrestricted cash has improved from 2.1 months of operating expenses on hand in 2008 to 5.9 months in 2011. The utility maintains numerous accounts that are either restricted by bond ordinance or by external parties. The balance sheet reflects a debt to equity ratio of 0.8 at the end of 2011. Depreciation and capital accumulation reserve accounts total \$5.3 million or about 7% of net fixed assets. WMU was in compliance with all bond covenants and KIA loan agreements as of June 30, 2011.

PROJECTED

Projections are based on the following assumptions:

1. Water revenues will increase by 17% in 2012, 9% in 2013, and 3% in 2014 based on scheduled rate increases. Revenues will increase 4% in 2015 through 2017.
2. Wastewater revenues will increase by 22% in 2012 and 2013, 12% in 2014 based on scheduled rate increases. Revenues will increase 5% in each of 2015 through 2017.
3. Solid waste revenues will increase 20% in years 2012 through 2015 and 12% in 2016 based on scheduled rate increases and 4% in 2017.
4. Expenses will increase 4% annually.
5. A replacement reserve of \$97,500 will be funded annually (\$91,500 for A10-03, \$1,500 for A2 09-38, \$2,000 for F2 09-16 and \$2,500 for A12-05).

Debt service coverage is 2.1 in 2014 when principal and interest repayments begin. Based on the proforma assumptions, the utility shows adequate cash flow to repay the KIA Fund A loan.

REPLACEMENT RESERVE

The annual replacement cost for this project is \$2,500. This amount should be added to the replacement account each December 1 until the balance reaches \$25,000 and maintained for the life of the loan.

X. DEBT OBLIGATIONS

	<u>Outstanding</u>	<u>Maturity</u>
Series 2002 Bonds	\$ 7,500,000	2032
Series 2011 Bonds	8,965,555	2031
KIA (A05-02)	18,987,705	2028
KIA (A10-03)	6,399,475	TBD
KIA (F2 09-16)	333,364	2030
KIA (A2 09-38)	275,583	2031
Total	\$42,461,682	

XI. OTHER STATE OF FEDERAL FUNDING IN PAST FIVE YEARS

<u>Project Title</u>	<u>Funding Source</u>	<u>Amount</u>	<u>Type</u>
Clark County Public Schools Soccer Complex - Water and Sewer Project	HB 380	100,000	Grant
Colby Hills Sanitary Sewer Improvements	HB 380	500,000	Grant
Forest Park Sanitary Sewer Improvements	HB 380	750,000	Grant
Lynnway Drive/Stoneybrook Sanitary Sewer Improvements	HB 380	350,000	Grant
Various Water and Sewer Projects	HB 380	1,000,000	Grant
Various Water/Sewer Projects	HB 608	900,000	Grant
Colby Hills Sanitary Sewer Improvements (SX21049019)	HB 608	450,000	Grant
Various Water/Sewer Projects	HB 608	900,000	Grant
Various Water/Sewer Projects	HB 608	900,000	Grant
Strodes Creek Wastewater Treatment Plant	CDBG	2,000,000	Grant

XII. CONTACTS

Applicant	
Name	Winchester Municipal Utilities
Address	150 North Main Street, P.O. Box 4177 Winchester, KY 40392-4177
County	Clark
Contact	Michael S. Anderson
Phone	(859) 744-5434
Email	mike@wmutilities.com

Applicant Contact	
Name	Bluegrass Area Development District
Address	699 Perimeter Drive Lexington, KY 40517
Contact	Betsy Laski
Phone	(859) 269-8021
Email	blaski@bgadd.org

Engineer	
Name	Brian Ward, P.E.
Firm	Palmer Engineering, Inc.
Address	400 Shoppers Drive Winchester, KY 40391
Phone	(859) 744-1218
Email	bward@palmernet.com

XIII. RECOMMENDATIONS

KIA staff recommends approval of the loan with the standard conditions.

**WINCHESTER MUNICIPAL UTILITIES
BALANCE SHEETS (JUNE YEAR END)**

ASSETS	Audited 2008	Audited 2009	Audited 2010	Audited 2011	Projected 2012	Upon Completion 2013
Current Assets						
Cash	1,247,424	1,340,694	2,246,849	3,693,753	4,941,415	4,987,420
Accounts Receivable	1,086,683	1,064,963	1,274,676	1,394,757	1,668,400	1,947,000
System Development Charge Receivables	1,118,110	884,680	948,000	945,155	900,000	900,000
Other Accounts Receivable	38,067	52,313	47,420	15,502	15,000	15,000
Materials and Supplies	343,561	346,333	324,078	306,656	300,000	300,000
Prepaid Expenses	751,718	635,850	535,208	604,388	600,000	600,000
Due from Other Governments	0	0	139,030	0	0	0
Total Current Assets	4,585,563	4,324,833	5,515,261	6,960,211	8,424,815	8,749,420
Restricted Assets						
Total Restricted Assets	16,409,192	14,779,522	12,300,478	17,360,581	12,074,003	12,077,503
Utility Plant						
Utility Systems	75,225,188	102,785,593	105,527,228	111,055,101	118,845,179	121,345,179
Construction in Progress	27,535,651	7,837,161	10,142,648	12,856,597	32,856,597	44,067,122
Total	102,760,839	110,622,754	115,669,876	123,911,698	151,701,776	165,412,301
Less Accumulated Depreciation ()	(38,366,891)	(41,312,767)	(43,862,456)	(46,867,207)	(50,403,605)	(54,081,459)
Net Fixed Assets	64,393,948	69,309,987	71,807,420	77,044,491	101,298,171	111,330,842
				6.9%		
Other Assets						
Bond Issuance Costs	134,177	96,137	58,097	140,303	128,303	116,303
Other Receivables	356,660	333,773	309,715	3,474	0	0
Total Other Assets	490,837	429,910	367,812	143,777	128,303	116,303
Total Assets	85,879,540	88,844,252	89,990,971	101,509,060	121,925,292	132,274,068
LIABILITIES						
Current Liabilities						
Accounts Payable	268,894	606,591	249,159	222,285	250,000	250,000
Other Accrued Liabilities	415,317	377,192	389,099	389,915	390,000	390,000
Compensated Absences	0	286,926	327,451	398,425	425,000	450,000
C.P. Capital Lease	0	6,057	5,324	0	0	0
Total Current Liabilities	684,211	1,276,766	971,033	1,010,625	1,065,000	1,090,000
Liabilities Payable - Restricted Assets						
Accrued Interest on Bonds	0	0	0	55,519	50,000	50,000
Customer Deposits	163,053	152,595	163,848	157,096	160,000	160,000
Current Portion of Long-Term Debt	2,078,129	2,365,668	6,017,960	1,690,663	1,738,153	1,575,979
Accounts Payable - Construction	0	389,963	226,040	97,188	0	0
Accounts Payable - Retainage	250,000	93,381	114,495	0	0	0
Total Liabilities Payable - Restricted Assets	2,491,182	3,001,607	6,522,343	2,000,466	1,948,153	1,785,979
Long Term Liabilities						
Long Term Debt, Less Current Portion	33,225,984	32,415,833	26,456,182	34,112,815	32,422,152	30,683,999
KIA (A10-03)	0	0	0	6,399,475	26,399,475	36,600,000
Proposed KIA Loan	0	0	0	0	0	1,000,000
Total Long Term Liabilities	33,225,984	32,415,833	26,456,182	40,512,290	58,821,627	68,283,999
Total Liabilities	36,401,377	36,694,206	33,949,558	43,523,381	61,834,780	71,159,978
Retained Earnings:						
Contributions in Aid of Construction						
Invested in Capital Assets, Net of Related Debt	29,456,439	34,522,429	39,327,954	34,841,538	40,738,391	41,470,864
Restricted for Capital Projects	13,530,539	12,378,335	11,050,875	16,280,685	11,074,003	11,077,503
Restricted For Bond Debt Service	2,576,658	2,234,620	1,070,534	905,564	1,000,000	1,000,000
Restricted For Self Insurance	127,009	0	0	0	0	0
Unrestricted	3,787,518	3,014,662	4,592,050	5,957,892	7,278,118	7,565,723
Total Retained Earnings	49,478,163	52,150,046	56,041,413	57,985,679	60,090,512	61,114,090
Total Liabilities and Equities	85,879,540	88,844,252	89,990,971	101,509,060	121,925,292	132,274,068
Balance Sheet Analysis						
Current Ratio	6.7	3.4	5.7	6.9	7.9	8.0
Debt to Equity	0.7	0.7	0.6	0.8	1.0	1.2
Working Capital	3,901,352	3,048,067	4,544,228	5,949,586	7,359,815	7,659,420
Percent of Total Assets in Working Capital	4.5%	3.4%	5.0%	5.9%	6.0%	5.8%
Days Sales in Accounts Receivable	40.5	40.2	45.5	42.5	42.5	42.5

EXHIBIT 1													
WINCHESTER MUNICIPAL UTILITIES													
CASH FLOW ANALYSIS (JUNE YEAR END)													
	Audited	%	Audited	%	Audited	%	Audited	Projected	Projected	Projected	Projected	Projected	Projected
	2008	Change	2009	Change	2010	Change	2011	2012	2013	2014	2015	2016	2017
Operating Revenues													
Water	3,442,870	0%	3,439,492	4%	3,587,847	18%	4,233,483	4,972,145	5,418,932	5,604,547	5,848,121	6,084,385	6,330,194
Wastewater	4,340,244	-4%	4,147,585	6%	4,385,138	18%	5,196,310	6,319,012	7,680,797	8,675,844	9,115,059	9,576,508	10,061,319
Solid Waste	1,967,288	3%	2,032,227	7%	2,169,087	15%	2,500,490	2,989,942	3,575,199	4,275,017	5,111,818	5,701,569	5,931,912
Transfer Station	53,518	-15%	45,544	-19%	36,811	44%	53,162	53,162	53,162	53,162	53,162	53,162	53,162
Other Income	0		0		52,610	-100%	0	0	0	0	0	0	0
Total Revenues	9,803,920	-1%	9,664,848	6%	10,231,493	17%	11,983,445	14,334,261	16,728,091	18,608,570	20,128,160	21,415,624	22,376,587
Operating Expenses													
Administrative	1,788,174	-1%	1,777,949	-11%	1,584,465	11%	1,766,620	1,901,590	1,977,654	2,056,760	2,139,030	2,224,591	2,313,575
Solid Waste	1,748,272	-7%	1,634,134	-2%	1,607,906	-2%	1,581,153	1,701,953	1,770,031	1,840,832	1,914,465	1,991,044	2,070,686
Water	2,561,229	2%	2,622,639	-1%	2,606,074	8%	2,825,955	3,041,858	3,163,532	3,290,073	3,421,676	3,558,543	3,700,885
Wastewater	2,938,197	45%	4,246,483	2%	4,324,697	5%	4,543,138	4,890,234	5,085,843	6,390,953	6,646,591	6,912,455	7,188,953
Vehicle Maintenance	122,600	1%	124,163	-8%	114,061	10%	125,119	134,678	140,065	145,668	151,495	157,555	163,857
Replacement Reserve	0		0		0		1,500	3,500	3,500	97,500	97,500	97,500	97,500
Total Expenses	9,158,472	14%	10,405,368	-2%	10,237,203	6%	10,843,485	11,673,813	12,140,625	13,821,786	14,370,757	14,941,688	15,535,456
Net Operating Income	645,448	-215%	(740,520)	-99%	(5,710)	-20064%	1,139,960	2,660,448	4,587,466	4,786,784	5,757,403	6,473,936	6,841,131
Non-Operating Income and Expenses													
Interest Income	592,882	-40%	357,388	-34%	237,004	-23%	183,425	150,000	150,000	150,000	150,000	150,000	150,000
Other Income	260,846	-14%	223,095		233,001		198,784	200,000	200,000	200,000	200,000	200,000	200,000
Transfer from Industrial Authority for Debt Service on Existing I			471,056										
Total Non-Operating Income & Expen:	853,728	23%	1,051,539	-55%	470,005	-19%	382,209	350,000	350,000	350,000	350,000	350,000	350,000
Add Non-Cash Expenses													
Depreciation	2,123,285	41%	2,984,774	1%	3,006,458	9%	3,285,394	3,536,398	3,677,854	4,926,644	5,123,710	5,328,658	5,541,804
Cash Available for Debt Service	3,622,461	-9%	3,295,793	5%	3,470,753	39%	4,807,563	6,546,846	8,615,320	10,063,428	11,231,113	12,152,594	12,732,935
Debt Service (enter as positive #'s)													
Existing Principal	3,117,573		1,625,552		1,671,561		1,246,664	1,690,663	1,738,153	1,575,979	1,608,607	1,647,180	1,700,000
Existing Interest	505,998		629,523		588,910		798,232	780,521	749,887	723,330	697,467	670,781	645,100
KIA Loan (A10-03)	0		0					328,000	1,781,275	2,302,550	2,302,550	2,302,550	2,302,550
Proposed KIA Loan										62,911	62,911	62,911	62,911
Total Debt Service	3,623,571		2,255,075		2,260,471		2,044,896	2,799,184	4,269,315	4,664,770	4,671,535	4,683,422	4,710,561
Income After Debt Service	(1,110)		1,040,718		1,210,282		2,762,667	3,747,662	4,346,005	5,398,658	6,559,578	7,469,172	8,022,374
Debt Coverage Ratio	1.0		1.5		1.5		2.4	2.3	2.0	2.2	2.4	2.6	2.7

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I.B.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 WASTEWATER REVOLVING FUND LOAN (A12-07) OF \$706,000 TO THE CITY OF HARRODSBURG, MERCER COUNTY, KENTUCKY

WHEREAS, the Kentucky Infrastructure Authority (the "Authority") has been duly created as a body corporate and politic constituting a public corporation and a governmental agency of the Commonwealth of Kentucky pursuant to Chapter 224A of the Kentucky Revised Statutes (the "Act"); and

WHEREAS, pursuant to the Act, the Authority is duly and legally authorized to make loans to Governmental Agencies for the purpose of providing funds for the construction and acquisition of sanitary sewer facilities, water facilities or other types of infrastructure, and in that regard, to enter into Assistance Agreements with such Governmental Agencies governing the provisions in respect of which such loans are to be made, the amounts thereof and the repayment provisions in respect thereto; and

WHEREAS, the Authority anticipates entering into an Assistance Agreement for a loan from the Authority's Federally Assisted Wastewater Revolving Loan Program (Fund A) with the City of Harrodsburg, subject to final determination of amount when the factors involving such financing have been determined; and

WHEREAS, the Authority will, in the near future, authorize and issue a series of its Infrastructure Authority Revenue Bonds for the purpose of funding loans to various governmental agencies, such series of Bonds to be known as Kentucky Infrastructure Authority Revenue Bonds with the appropriate Series designation; and

WHEREAS, the Authority wishes to establish terms and conditions on said Fund A loans prior to the issuance of Authority Revenue Bonds and recognizes that additional planning and design of the financed projects are required.

NOW, THEREFORE, THE KENTUCKY INFRASTRUCTURE AUTHORITY, ACTING BY AND THROUGH ITS BOARD OF DIRECTORS AS ITS DULY AUTHORIZED AND EMPOWERED GOVERNING BODY, DOES HEREBY RESOLVE AND ORDER, AS FOLLOWS:

Section 1. All statements of fact set forth in the preambles to this Resolution and Order are incorporated herein by reference, the same as if set forth verbatim. All such statements of fact are hereby declared to be true and accurate in all material respects.

Section 2. The Authority hereby authorizes the issuance of a conditional Federally Assisted Wastewater Revolving Fund loan for \$706,000 of project expense including capitalized interest for the construction period, to the City of Harrodsburg for the Western Regional Pump Station Improvements. Such amounts are subject to adjustment by further

action of the Authority or may be adjusted by action of the Authority staff at the time of the issuance of bonds based on adjustment in project costs of not more than (10%) ten percent of the project cost authorized by this resolution. Upon satisfaction of all conditions of the commitment, execution of an assistance agreement for this loan is authorized.

Section 3. Principal forgiveness of 10% will be deducted from the approved loan amount. The unforgiven principal balance of \$635,400 shall be repaid.

Section 4. The unforgiven principal shall be repayable over 20 years at an interest rate of 1.0%. In addition to debt service, a 0.2% annual administration fee on the unpaid, unforgiven principal balance will be charged. From annual revenues, \$1,800 must be set aside in a borrower held replacement reserve each December 1 until the balance reaches \$18,000 and maintained for the life of the loan. These terms are subject to adjustment upon execution of the loan agreement, upon changes in the project conditions or determination that the project will require authority financing to be done on a taxable basis.

Section 5. This Resolution and Order shall be in full force and effect from and after its adoption at a properly held meeting of the Kentucky Infrastructure Authority this 2nd day of February, 2012.

TONY WILDER, CHAIR
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

SANDY WILLIAMS, SECRETARY
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

PECK, SHAFFER & WILLIAMS LLP
LEGAL COUNSEL TO THE
KENTUCKY INFRASTRUCTURE AUTHORITY



STEVEN L. BESHEAR
GOVERNOR

LEONARD K. PETERS
SECRETARY

ENERGY AND ENVIRONMENT CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION
DIVISION OF WATER
200 FAIR OAKS LANE, 4TH FLOOR
FRANKFORT, KENTUCKY 40601
www.kentucky.gov

January 31, 2012

Mr. John Covington
Executive Director
Kentucky Infrastructure Authority
1024 Capital Center Drive, Suite 340
Frankfort, Kentucky 40601

Re: CWL12013
Harrodsburg WWTP--3145
Activity ID: FGL20120009
Watershed Name: Salt River, Harrodsburg
HUC 11 #: 05140102010
Fund A Binding Commitment

Dear Mr. Covington:

The Division of Water (DOW) hereby certifies that the City of Harrodsburg is entitled to receive priority for funding for the Harrodsburg Western Regional Pump Station Upgrade and New Wausau Force Main & Pump Station Upgrade and is eligible to receive \$706,000 from the Clean Water State Revolving Fund. The following requirements have been addressed as follows:

1. Plans and specifications are tentatively expected to be submitted to DOW by July 2012
2. Construction bids are tentatively expected to be opened on February 7, 2012
3. Project specific environmental information is tentatively expected to be submitted to DOW in January 2012.
- 4.

The binding commitment letter should include the following general conditions to satisfy federal requirements:

1. The Authority to Award (bid) package must be submitted to DOW for approval within 14 days of bid opening. DOW must perform the DBE reviews, conduct a pre-construction and project management conference.
2. Loan Agreement must be executed within six (6) months from bid opening.
3. The city must agree to expend all loan funds within six months of the date of initiation of operation.

4. Documentation of final funding commitments from all parties other than the Kentucky Infrastructure Authority (KIA) as reflected in the credit analysis shall be provided to KIA prior to their loan closing and disbursement of the loan monies. Rejections of any anticipated project funding shall be immediately reported to KIA and may cause this loan to be subject to further consideration.
5. The borrower must receive DOW approval of the Plans and Specifications before bidding the project.
6. The borrower must receive DOW approval of the Environmental Assessment before bidding the project.

Upon compliance with the general and special conditions, the DOW will issue its final project certification prior to finalizing the loan agreement.

Please forward the draft binding commitment letter to this office for review when completed. Should you have any questions concerning this letter, do not hesitate to contact Cathy Arnett, Project Administrator, at (502) 564-8158, extension 4594.

Sincerely,



Buddy Griffin, Supervisor
SRF & SPAP Section
Water Infrastructure Branch

BG:CA

Enclosures

C: Eddie Long, Mayor
Laura Gilkerson, GRW Engineers, Inc.

EXECUTIVE SUMMARY		Reviewer:	Kasi White
KENTUCKY INFRASTRUCTURE AUTHORITY		Date:	February 2, 2012
FUND A, FEDERALLY ASSISTED WASTEWATER		KIA Loan Number:	A12-07
REVOLVING LOAN FUND		WRIS Number	SX21167018
		HUC Code:	05140102010
BORROWER:	CITY OF HARRODSBURG		
	MERCER COUNTY		
BRIEF DESCRIPTION:	<p>This project involves upgrades to the Western Regional Pump Station including two new pumps, new valves and piping, new control panel and electrical components and the installation of site fencing. Additionally, approximately 1,600 LF of new 18" force main from the expanded Wausau Paper Company's process water station will be installed, replacement of pumps and upgrades to the City's sanitary pump station.</p>		
PROJECT FINANCING:		PROJECT BUDGET	
Local Funds	451,000	Legal Expenses	11,000
Fund A Loan	706,000	Land, Easements	25,000
		Engineering Fees	202,000
		Construction	836,000
		Contingency	83,000
TOTAL	\$ 1,157,000	TOTAL	\$ 1,157,000
REPAYMENT		Est. Annual	
	Rate	1.0%	Payment \$ 36,403
	Term	20 years	1st Payment 6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	GRW Engineers, Inc.	
	Bond Counsel	Peck, Shaffer, & Williams	
PROJECT SCHEDULE			
	Bid Opening:	February, 2012	
	Construction Start:	March, 2012	
	Construction Stop:	November, 2013	
DEBT PER CUSTOMER	Existing:	\$ 2,920	(based on total water customers which is greater than the number of sewer customers)
	Proposed:	\$ 4,007	
OTHER DEBT	See Attached		
OTHER STATE-FUNDED PROJECTS LAST 5 YRS	See Attached		
RESIDENTIAL RATES		<u>Users</u>	<u>Avg. Bill</u>
	Current	2,790	\$22.86 (for 4,000 gallons)
	Additional	0	\$22.86 (for 4,000 gallons)
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.		
CASHFLOW	Cash Available for	Income after Debt	
	Debt Service	Debt Service	Service Coverage Ratio
Audited 2008	743,969	695,361	48,608 1.1
Audited 2009	469,037	769,821	(300,784) 0.6
Audited 2010	1,344,080	778,034	566,046 1.7
Prelim 2011	1,242,706	732,273	510,433 1.7
Projected 2012	1,432,820	823,264	609,556 1.7
Projected 2013	1,415,759	1,156,842	258,917 1.2
Projected 2014	1,364,371	1,212,747	151,624 1.1
Projected 2015	1,340,269	1,236,942	103,327 1.1
Projected 2016	1,285,331	1,206,420	78,911 1.1
Projected 2017	1,226,382	1,166,708	59,674 1.1

**KENTUCKY INFRASTRUCTURE AUTHORITY
 WASTEWATER REVOLVING LOAN FUND (FUND "A")
 CITY OF HARRODSBURG, MERCER COUNTY
 PROJECT REVIEW
 SX21167018**

I. PROJECT DESCRIPTION

The City of Harrodsburg is requesting \$706,000 in Clean Water SRF funds for the Western Regional Pump Station Upgrade and New Wausau Force Main and Pump Station Upgrade. This project involves upgrades to the Western Regional Pump Station including two new pumps, new valves and piping, new control panel and electrical components and the installation of site fencing. Additionally, approximately 1,600 LF of new force main from the expanded Wausau Paper Company's process water station will be installed, replacement of pumps and upgrades to the City's sanitary pump station. Flows from the County Sanitation District have caused the Western Regional pump station to operate at capacity. Wet weather flows are greater than expected and an additional pump needs to be added to accommodate these flows to prevent possible overflows. The paper plant is also expanding and requires updated infrastructure to handle the increased sewage flows and the process waste water. The new force main will discharge process water directly to the wastewater treatment plant resulting in improved conditions and increased capacity in the collection system.

II. PROJECT BUDGET

	Total
Legal Expenses	11,000
Land, Easements	25,000
Engineering Fees	202,000
Construction	836,000
Contingency	83,000
Total	\$ 1,157,000

III. PROJECT FUNDING

	Amount	%
Fund A Loan	\$ 706,000	61%
Local Funds	451,000	39%
Total	\$ 1,157,000	100%

IV. KIA DEBT SERVICE

Construction Loan	\$	706,000
Less: Principal Forgiveness (10%)	\$	70,600
Amortized Loan Amount	\$	635,400
Interest Rate		1.0%
Loan Term (Years)		20
Estimated Annual Debt Service	\$	35,132
Administrative Fee (0.20%)	\$	1,271
Total Estimated Annual Debt Service	\$	36,403

V. PROJECT SCHEDULE

Bid Opening	February, 2012
Construction Start	March, 2012
Construction Stop	November, 2013

VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

A) Customers

Customers	Current
Residential	2,546
Commercial	222
Industrial	22
Total	2,790

B) Rates

The monthly charge for wastewater utility service based on the 20% increase placed into effect October 2011 is:

	Current
First 250 cubic feet (per 100 cf)	10.56
Next 750 cubic feet (per 100 cf)	4.32
Next 3,000 cubic feet (per 100 cf)	4.08
Next 6,000 cubic feet (per 100 cf)	4.08
Next 25,000 cubic feet (per 100 cf)	4.08
Next 25,000 cubic feet (per 100 cf)	3.84
All Over 60,000 cubic feet (per 100 cf)	3.60
Residential Bill for 4,000 gallons	\$22.86
Affordability Index	0.87%

VII. DEMOGRAPHICS

In 2010, the City had a population of 8,148 with a Median Household Income (MHI) of \$31,685. The median household income for the Commonwealth is \$41,197. Based on median household income falling below 80% of that of the Commonwealth, the project will qualify for a 1% interest rate.

VIII. 2011 CAPITALIZATION GRANT EQUIVALENCIES

- 1) Green Project Reserve - This project does not contain any components that qualify for Green Project Reserve (GPR) funding.
- 2) Additional Subsidization – This project qualifies for additional subsidization in the amount of \$70,600.

IX. FINANCIAL ANALYSIS (See Exhibit 1)

Financial information was obtained from City's audited financial statements for the years ended June 30, 2008 through 2010. Unaudited amounts for 2011 were provided by the City. The analysis includes combined results for the City's water and sewer operations.

HISTORICAL

Water revenues increased 26% from 2008 to 2011 from \$1.5 million to \$1.9 million. A 40% rate increase that was effective April 30, 2010 contributed substantially all of the increase during 2011. Sewer revenues declined 3% during the same time period from approximately \$1.25 million to \$1.21 million. Operating expenses have ranged from \$1.9 million to \$2.2 million with 2011 expenses being about 11% lower than 2008. The decreases are primarily due to reductions in contractual services and maintenance expenses. The debt coverage ratio ranged from a low of 0.6 in 2009 to a high of 1.7 for 2010 and 2011.

The balance sheet reflected a debt to equity ratio of 0.6 for years 2008 through 2010 and 0.8 in 2011. Unrestricted operating cash equals approximately four months of operating expenses. The utility is in compliance with all debt covenants associated with the maintenance of restricted funds.

PROJECTIONS

Projections are based on the following assumptions:

- a) Water revenues will increase 5% in 2012 for the carryover effect of the prior rate increase and will be relatively flat for volume.
- b) Sewer revenues will increase 17% in 2012 and 3% in 2013 (rate increase) and will be relatively flat for volume.
- c) Operating expenses will increase by 5% per year.
- d) Repayment terms of the RD loan for the waste water treatment plant will be 40 years with a 3.25% interest rate and a loan balance not to exceed \$744 thousand. The estimated annual debt service is \$33,370 and annual depreciation reserve funding of \$3,540 will be required for a period of ten years.
- e) An annual replacement reserve of \$1,800 will be required.

Based on the proforma assumptions, the utility shows adequate cash flow to repay the KIA Fund A loan. The debt coverage ratio will be approximately 1.1 in 2015 which is anticipated to be the first full year of P&I repayment.

REPLACEMENT RESERVE

The annual replacement cost is \$1,800. This amount should be added to the replacement account each December 1 until the balance reaches \$18,000 and maintained for the life of the loan.

X. DEBT OBLIGATIONS

	Outstanding	Maturity
2008 Capital Lease	1,521,907	2023
KIA (A02-06)	2,149,972	2023
Note Payable	223,653	2016
2004 Bonds	1,464,000	2021
2006 Bonds	1,055,000	2044
2006 Bonds	2,358,000	2045
RD (i/a/o \$7.7M for WTP)	2,163,689	TBD
RD (i/a/o \$0.7M for WWTP)	0	TBD
Total	10,936,221	

XI. OTHER STATE OR FEDERAL FUNDING IN PAST FIVE YEARS

<u>Project Title</u>	<u>Funding Source</u>	<u>Amount</u>	<u>Type</u>
WWTP Improvements	EPA STAG	1,300,000	Grant
WTP Upgrade	CDBG	1,000,000	Grant
WTP Upgrade	RD	4,300,000	Grant
WWTP Improvements	RD	288,000	Grant

XII. CONTACTS

Applicant

Name City of Harrodsburg
 Address 208 South Main Street
 Harrodsburg, KY 40330
 County Mercer
 Contact Eddie Long
 Phone (859) 734-2383
 Email 2longbranch@roadrunner.com

Applicant Contact

Name GRW Engineers, Inc.
Address 801 Corporate Drive
Lexington, KY 40503
Contact Laura Gilkerson
Phone (859) 223-3999
Email lgilkerson@grwinc.com

Engineer

Name Ryan Carr
Firm GRW Engineers, Inc.
Address 801 Corporate Drive
Lexington, KY 40503
Phone (859) 223-3999
Email rcarr@grwinc.com

XIII. RECOMMENDATIONS

KIA staff recommends approval of the loan with the standard conditions and the following special condition:

The city shall provide a copy of the commitment of \$451,000 in Private Industry Contributions towards the project prior disbursement of any construction funds. If this commitment is not made available, the city may provide a commitment of alternative funds in lieu of the Private Industry.

**CITY OF HARRODSBURG
BALANCE SHEETS (JUNE YEAR END)**

ASSETS	Audited 2008	Audited 2009	Audited 2010	Preliminary 2011	Upon Completion 2014
Current Assets					
Cash	719,660	152,061	87,577	629,098	884,100
Certificates of Deposit	375,677	185,861	363,122	367,865	400,000
Accounts Receivable	357,709	299,522	323,698	340,743	384,600
Grants Receivable	224,424	74,354	77,993	0	0
Prepaid	156,063	160,519	180,745	138,603	145,000
Due from Other Funds	0	0	12,918	0	0
Total Current Assets	1,833,533	872,317	1,046,053	1,476,309	1,813,700
Restricted Assets					
Bond Sinking Fund	421,264	313,779	314,512	314,150	325,000
Depreciation Fund	45,856	67,132	89,169	110,045	150,000
Repairs and Maintenance Fund	321,346	399,158	479,971	586,864	794,764
Total Restricted Assets	788,466	780,069	883,652	1,011,059	1,269,764
Utility Plant					
Land, System, Building and Equipment	44,669,776	45,526,743	45,571,633	45,471,927	62,917,427
Construction in Progress	0	0	0	2,320,779	0
Total	44,669,776	45,526,743	45,571,633	47,792,706	62,917,427
Less Accumulated Depreciation ()	(19,208,964)	(20,574,240)	(21,780,879)	(22,894,629)	(28,033,169)
Net Fixed Assets	25,460,812	24,952,503	23,790,754	24,898,077	34,884,258
Other Assets					
Bond Issue Costs	80,689	74,911	69,133	75,378	81,623
Total Other Assets	80,689	74,911	69,133	75,378	81,623
Total Assets	28,163,500	26,679,800	25,789,592	27,460,823	38,049,345
LIABILITIES					
Current Liabilities					
Accounts Payable and Accrued Liabilities	100,500	90,392	109,753	75,657	100,000
Accounts Payable - Construction	213,411	163,525	5,200	396,845	0
Payroll Liabilities	37,361	37,666	34,104	37,908	42,500
Due to Other Funds	10,663	167,712	0	19,138	0
Customer Deposits	223,301	231,126	242,541	245,948	250,000
Leases and Loans Payable	109,427	118,471	511,855	2,340,729	108,396
Total Current Liabilities	694,663	808,892	903,453	3,116,225	500,896
Liabilities Payable - Restricted Assets					
Accrued Interest Payable	47,259	45,004	42,945	58,160	50,000
Loan Payable	157,523	159,100	160,695	162,306	167,236
Bonds Payable	173,500	177,500	183,000	187,500	937,115
Total Liabilities Payable - Restricted Assets	378,282	381,604	386,640	407,966	1,154,351
Long Term Liabilities					
Bonds, Leases, and Loans Payable	9,695,495	9,240,439	8,769,047	8,425,686	4,051,453
Proposed KIA Loan A11-21	0	0	0	0	376,650
Proposed KIA Loan F11-17	0	0	0	0	284,700
Proposed KIA Loan A12-07	0	0	0	0	635,400
RD Loan (WT Plant Upgrade)	0	0	0	0	7,700,000
RD Loan (WWTP Plant Upgrade)	0	0	0	0	744,000
Total Long Term Liabilities	9,695,495	9,240,439	8,769,047	8,245,686	13,792,203
Total Liabilities	10,768,440	10,430,935	10,059,140	11,769,877	15,447,450
Retained Earnings:					
Invested in Capital Assets Net of Related Debt	15,324,867	15,256,993	14,166,157	13,961,856	19,879,308
Restricted	788,466	780,069	883,652	1,011,059	1,269,764
Unrestricted	1,281,727	211,803	680,643	718,031	1,452,823
Total Retained Earnings	17,395,060	16,248,865	15,730,452	15,690,946	22,601,895
Total Liabilities and Equities	28,163,500	26,679,800	25,789,592	27,460,823	38,049,345
Balance Sheet Analysis					
Current Ratio	2.6	1.1	1.2	0.5	1.9
Debt to Equity	0.6	0.6	0.6	0.8	0.7
Working Capital	1,138,870	63,425	142,600	(1,639,916)	1,312,804
Percent of Total Assets in Working Capital	4.0%	0.2%	0.6%	-6.0%	3.5%
Days Sales in Accounts Receivable	46.0	41.1	41.4	39.2	39.2

EXHIBIT 1													
CITY OF HARRODSBURG													
CASH FLOW ANALYSIS (JUNE YEAR END)													
	Audited	%	Audited	%	Audited	%	Prelim	Projected	Projected	Projected	Projected	Projected	Projected
	2008	Change	2009	Change	2010	Change	2011	2012	2013	2014	2015	2016	2017
Operating Revenues													
Water Revenues	1,482,849	-3%	1,434,448	3%	1,484,586	26%	1,863,865	1,957,058	1,984,457	2,012,239	2,040,410	2,068,976	2,097,942
Sewer Revenues	1,251,294	-9%	1,135,364	11%	1,263,346	-4%	1,212,516	1,414,602	1,461,755	1,482,220	1,502,971	1,524,013	1,545,349
Other	101,883	-9%	93,173	11%	103,792	-4%	99,130	90,000	90,000	90,000	90,000	90,000	90,000
Total Revenues	2,836,026	-6%	2,662,985	7%	2,851,724	11%	3,175,511	3,461,660	3,536,212	3,584,459	3,633,381	3,682,989	3,733,291
Operating Expenses													
Water Expenses	1,270,581	10%	1,391,892	-15%	1,177,955	8%	1,273,415	1,337,086	1,397,255	1,460,131	1,525,837	1,594,500	1,666,253
Sewer Expenses	902,829	-7%	841,600	-12%	736,528	-10%	665,480	698,754	730,198	763,057	797,395	833,278	870,776
Depreciation, Amort, Bad Debt	1,283,433	7%	1,371,348	0%	1,376,101	1%	1,384,842	1,454,084	1,779,084	1,905,372	1,943,479	1,982,349	2,021,996
Replacement Reserve	68,000		68,000		68,000		68,000	68,000	68,000	71,900	44,880	44,880	44,880
Total Expenses	3,524,843	4%	3,672,840	-9%	3,358,584	1%	3,391,737	3,557,924	3,974,537	4,200,460	4,311,591	4,455,007	4,603,905
Net Operating Income	(688,817)	47%	(1,009,855)	-50%	(506,860)	-57%	(216,226)	(96,264)	(438,325)	(616,001)	(678,210)	(772,018)	(870,614)
Non-Operating Income and Expenses													
Interest Income	66,074	-56%	28,844	-18%	23,656	-46%	12,876	15,000	15,000	15,000	15,000	15,000	15,000
Other	83,279		78,700		451,183		61,214	60,000	60,000	60,000	60,000	60,000	60,000
Total Non-Operating Income & Expenses	149,353	-28%	107,544	342%	474,839	-84%	74,090	75,000	75,000	75,000	75,000	75,000	75,000
Add Non-Cash Expenses													
Depreciation, Amort, Bad Debt	1,283,433	7%	1,371,348	0%	1,376,101	1%	1,384,842	1,454,084	1,779,084	1,905,372	1,943,479	1,982,349	2,021,996
Cash Available for Debt Service	743,969	-37%	469,037	187%	1,344,080	-8%	1,242,706	1,432,820	1,415,759	1,364,371	1,340,269	1,285,331	1,226,382
Debt Service (enter as positive #'s)													
Existing Principal	366,967		440,435		455,071		467,907	526,856	612,164	627,845	646,911	626,850	606,789
Existing Interest	328,394		329,386		322,963		264,366	293,583	528,698	510,535	491,416	471,766	452,115
KIA Loan A11-21 (approved 12-08-11)								2,825	14,556	21,579	21,579	21,579	21,579
KIA Loan F11-17 (approved 12-08-11)									1,424	16,453	16,453	16,453	16,453
Proposed KIA Loan										18,201	36,403	36,403	36,403
RD Loan (\$744M)										18,135	24,180	33,370	33,370
Total Debt Service	695,361		769,821		778,034		732,273	823,264	1,156,842	1,212,747	1,236,942	1,206,420	1,166,708
Income After Debt Service	48,608		(300,784)		566,046		510,433	609,556	258,917	151,624	103,327	78,911	59,674
Debt Coverage Ratio	1.1		0.6		1.7		1.7	1.7	1.2	1.1	1.1	1.1	1.1

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I.B.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 WASTEWATER REVOLVING FUND LOAN (A12-08) OF \$8,000,000 TO THE PADUCAH MCCRACKEN JOINT SEWER AGENCY, MCCRACKEN COUNTY, KENTUCKY

WHEREAS, the Kentucky Infrastructure Authority (the "Authority") has been duly created as a body corporate and politic constituting a public corporation and a governmental agency of the Commonwealth of Kentucky pursuant to Chapter 224A of the Kentucky Revised Statutes (the "Act"); and

WHEREAS, pursuant to the Act, the Authority is duly and legally authorized to make loans to Governmental Agencies for the purpose of providing funds for the construction and acquisition of sanitary sewer facilities, water facilities or other types of infrastructure, and in that regard, to enter into Assistance Agreements with such Governmental Agencies governing the provisions in respect of which such loans are to be made, the amounts thereof and the repayment provisions in respect thereto; and

WHEREAS, the Authority anticipates entering into an Assistance Agreement for a loan from the Authority's Federally Assisted Wastewater Revolving Loan Program (Fund A) with the Paducah McCracken Joint Sewer Agency, subject to final determination of amount when the factors involving such financing have been determined; and

WHEREAS, the Authority will, in the near future, authorize and issue a series of its Infrastructure Authority Revenue Bonds for the purpose of funding loans to various governmental agencies, such series of Bonds to be known as Kentucky Infrastructure Authority Revenue Bonds with the appropriate Series designation; and

WHEREAS, the Authority wishes to establish terms and conditions on said Fund A loans prior to the issuance of Authority Revenue Bonds and recognizes that additional planning and design of the financed projects are required.

NOW, THEREFORE, THE KENTUCKY INFRASTRUCTURE AUTHORITY, ACTING BY AND THROUGH ITS BOARD OF DIRECTORS AS ITS DULY AUTHORIZED AND EMPOWERED GOVERNING BODY, DOES HEREBY RESOLVE AND ORDER, AS FOLLOWS:

Section 1. All statements of fact set forth in the preambles to this Resolution and Order are incorporated herein by reference, the same as if set forth verbatim. All such statements of fact are hereby declared to be true and accurate in all material respects.

Section 2. The Authority hereby authorizes the issuance of a conditional Federally Assisted Wastewater Revolving Fund loan for \$8,000,000 of project expense including capitalized interest for the construction period, to the Paducah McCracken Joint Sewer

Agency for the I/I Reduction, Management and Conveyance Project. Such amounts are subject to adjustment by further action of the Authority or may be adjusted by action of the Authority staff at the time of the issuance of bonds based on adjustment in project costs of not more than (10%) ten percent of the project cost authorized by this resolution. Upon satisfaction of all conditions of the commitment, execution of an assistance agreement for this loan is authorized.

Section 3. The loan shall be repayable over 20 years at an interest rate of 2.0%. In addition to debt service, a 0.2% annual administration fee on the unpaid loan balance will be charged. There will be a \$200,000 replacement reserve required related to the loan. These terms are subject to adjustment upon execution of the loan agreement, upon changes in the project conditions or determination that the project will require authority financing to be done on a taxable basis.

Section 4. This Resolution and Order shall be in full force and effect from and after its adoption at a properly held meeting of the Kentucky Infrastructure Authority this 2nd day of February, 2012.

TONY WILDER, CHAIR
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

SANDY WILLIAMS, SECRETARY
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

PECK, SHAFFER & WILLIAMS LLP
LEGAL COUNSEL TO THE
KENTUCKY INFRASTRUCTURE AUTHORITY



STEVEN L. BESHEAR
GOVERNOR

LEONARD K. PETERS
SECRETARY

ENERGY AND ENVIRONMENT CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION
DIVISION OF WATER
200 FAIR OAKS LANE, 4TH FLOOR
FRANKFORT, KENTUCKY 40601
www.kentucky.gov

January 31, 2012

Mr. John Covington
Executive Director
Kentucky Infrastructure Authority
1024 Capital Center Drive, Suite 340
Frankfort, Kentucky 40601

Re: CWL 12117
Paducah WWTP--3062
Activity ID: FGL20060009
Watershed Name: Massac Creek
HUC 11#: 05140206050
Fund A

Dear Mr. Covington:

The Division of Water (DOW) hereby certifies that *the Paducah McCracken County Joint Sewer Agency* is entitled to receive priority for funding for the Paducah, Reidland and Woodlawn Collection System Improvements and is eligible to receive \$8,000,000 from the Clean Water State Revolving Fund. The following requirements have been addressed as follows:

1. Plans and specifications are expected to be submitted to DOW on March 1, 2012
2. Construction bids are expected to be opened on April 24, 2012
3. Project specific environmental information is expected to be submitted to DOW on February 10, 2012

The binding commitment letter should include the following general conditions to satisfy federal requirements:

1. The Authority to Award (bid) package must be submitted to DOW for approval within 14 days of bid opening. DOW must perform the DBE reviews, conduct a pre-construction and project management conference.
2. Loan Agreement must be executed within six (6) months from bid opening.
3. The city must agree to expend all loan funds within six months of the date of initiation of operation.

4. Documentation of final funding commitments from all parties other than the Kentucky Infrastructure Authority (KIA) as reflected in the credit analysis shall be provided to KIA prior to their loan closing and disbursement of the loan monies. Rejections of any anticipated project funding shall be immediately reported to KIA and may cause this loan to be subject to further consideration.
5. The borrower must receive DOW approval of the Plans and Specifications before bidding the project.
6. The borrower must receive DOW approval of the Environmental Assessment before bidding the project.

Upon compliance with the general and special conditions, the DOW will issue its final project certification prior to finalizing the loan agreement.

Please forward the draft binding commitment letter to this office for review when completed. Should you have any questions concerning this letter, do not hesitate to contact Cathy Arnett, Project Administrator, at (502) 564-8158, extension 4594.

Sincerely,



Buddy Griffin, Supervisor
SRF & SPAP Section
Water Infrastructure Branch

BG:CA

Enclosures

C: John Hodges, Executive Director
Amy Neihoff, Finance Director

EXECUTIVE SUMMARY		Reviewer:	Kasi White	
KENTUCKY INFRASTRUCTURE AUTHORITY		Date:	February 2, 2012	
FUND A, FEDERALLY ASSISTED WASTEWATER		KIA Loan Number:	A12-08	
REVOLVING LOAN FUND		WRIS Number	SX21145169, SX21145170,	
		HUC Code:	0	
BORROWER:	PADUCAH MCCRACKEN JOINT SEWER AGENCY			
	MCCRACKEN COUNTY			
BRIEF DESCRIPTION:	This project involves 1) I/I reductions, 2) replacement of pump stations, and 3) separation of combined sewers. The project will reduce I/I within the collection system, improve capacity and performance and reduce the amounts and frequencies of sanitary sewer overflows and combined sewer overflows. All of the project components are within the scope of either the Long Term Control Plan or Sanitary Sewer Overflow Plan submitted to the Kentucky Division of Water and will aid in compliance with a Consent Judgement that was entered into with the Kentucky Environmental and Public Protection Cabinet in September 2007. The project components are more fully described in the credit analysis.			
PROJECT FINANCING:		PROJECT BUDGET		
Fund A Loan	\$ 8,000,000	Legal Expenses	17,500	
Local Funds	400,000	Land, Easements	70,000	
		Engineering Fees	960,500	
		Construction	6,200,000	
		Contingency	1,152,000	
TOTAL	\$ 8,400,000	TOTAL	\$ 8,400,000	
REPAYMENT			Est. Annual	
	Rate	2.0%	Payment	\$ 503,290
	Term	20 years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	Paducah McCracken Joint Sewer Agency		
	Bond Counsel	Peck, Shaffer, & Williams		
PROJECT SCHEDULE				
	Bid Opening:	April, 2012		
	Construction Start:	May, 2012		
	Construction Stop:	December, 2013		
DEBT PER CUSTOMER	Existing:	\$ 921		
	Proposed:	\$ 1,724		
OTHER DEBT	See Attached			
OTHER STATE-FUNDED PROJECTS LAST 5 YRS	See Attached			
RESIDENTIAL RATES		<u>Users</u>	<u>Avg. Bill</u>	
	Current	17,898	\$ 16.88	(for 4,000 gallons)
	Additional	0	\$ 16.88	(for 4,000 gallons)
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.			
CASHFLOW	Cash Available for	Income after Debt		
	Debt Service	Debt Service	Service	Coverage Ratio
Audited 2008	3,231,714	762,205	2,469,509	4.2
Audited 2009	3,012,930	541,857	2,471,073	5.6
Audited 2010	2,773,659	628,593	2,145,066	4.4
Audited 2011	2,701,304	747,116	1,954,188	3.6
Projected 2012	2,887,831	986,683	1,901,148	2.9
Projected 2013	2,969,934	1,215,366	1,754,568	2.4
Projected 2014	3,083,599	1,667,892	1,415,707	1.8
Projected 2015	3,185,532	2,012,544	1,172,988	1.6
Projected 2016	3,275,248	2,012,753	1,262,495	1.6

**KENTUCKY INFRASTRUCTURE AUTHORITY
WASTEWATER REVOLVING LOAN FUND (FUND "A")
PADUCAH MCCRACKEN JOINT SEWER AGENCY, MCCRACKEN COUNTY
PROJECT REVIEW
SX21145169, SX21145170, SX21145171**

I. PROJECT DESCRIPTION

The Paducah McCracken Joint Sewer Agency (JSA) is requesting \$8,000,000 in Clean Water SRF funds for the I/I, Management and Conveyance project. This project involves 1) I/I reductions, 2) replacement of pump stations, and 3) separation of combined sewers. The project will reduce I/I within the collection system, improve capacity and performance and reduce the amounts and frequencies of sanitary sewer overflows and combined sewer overflows. All of the project components are within the scope of either the Long Term Control Plan or Sanitary Sewer Overflow Plan submitted to the Kentucky Division of Water and will aid in compliance with a Consent Judgement that was entered into with the Kentucky Environmental and Public Protection Cabinet in September 2007.

In the first component of the project I/I reductions will be achieved in the Paducah, Reidland, and Woodlawn collection systems by installing cured in place pipe (CIPP), patches and lateral linings. Additionally, mainline point and lateral repairs will be made utilizing conventional dig methods. The second component will include the replacement of the Homewood and Milliken pump stations in the Woodlawn system and the Fieldmont pump station in the Reidland system. The UV system at Reidland will also be refurbished. Pumps and related appurtenances will also be upgraded in the Woodlawn WWTP primary and final lagoons. These stations have wet weather storage and / or conveyance issues which will be mitigated with the increased capacities. The Homewood and Milliken replacement stations will also have the capabilities to have higher capacity wet weather pumps installed in the future as the implementation plan for JSA's Sanitary Sewer Overflow Plan progresses. The third component of the project will separate combined sewers located within Wallace Park subdivision in Paducah. These sewers are upstream of Combined Sewer Outfall EPA 012.

II. PROJECT BUDGET

	<u>Total</u>
Legal Expenses	17,500
Land, Easements	70,000
Engineering Fees	960,500
Construction	6,200,000
Contingency	1,152,000
Total	\$ 8,400,000

III. PROJECT FUNDING

	Amount	%
Fund A Loan	\$ 8,000,000	95%
Local Funds	400,000	5%
Total	\$ 8,400,000	100%

IV. KIA DEBT SERVICE

Construction Loan	\$ 8,000,000
Interest Rate	2.0%
Loan Term (Years)	20
Estimated Annual Debt Service	\$ 487,290
Administrative Fee (0.20%)	\$ 16,000
Total Estimated Annual Debt Service	\$ 503,290

V. PROJECT SCHEDULE

Bid Opening	April 2012
Construction Start	May 2012
Construction Stop	December 2013

VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

A) Customers – JSA has 17,898 customers. Billing and collection are performed by Paducah Water Company.

B) Rates

	Current	Prior
Effective Date	7/1/2011	
Per 1,000 gallons (minimum 3,000 gallons)	\$4.22	\$4.09
4,000 gallon rate	\$16.88	\$16.36
Affordability Index (Rate/MHI)	0.5%	0.5%
Percent Increase	3.2%	

After July 1, 2009 JSA may, at its discretion, adjust rates annually in accordance with the consumer price index for all urban consumers.

VII. DEMOGRAPHICS

In 2010, the County's population was 65,059 with a Median Household Income (MHI) of \$40,847. The median household income for the Commonwealth is \$41,197. Based on the MHI of the community, the project will qualify for the 2% interest rate.

VIII. 2011 CAPITALIZATION GRANT EQUIVALENCIES

- 1) Green Project Reserve - This project does not qualify for Green Project Reserve (GPR) funding.
- 2) Additional Subsidization – This project does not qualify for additional subsidization.

IX. FINANCIAL ANALYSIS (See Exhibit 1)

Financial information was obtained from the audited financial statements for the years ended June 30, 2009 through 2011. Debt coverage references are based on a standard calculation used for KIA credit analysis and differ slightly from what is reported by JSA.

HISTORICAL

Operating revenues increased 1% from \$6,659,191 in 2009 to \$6,740,813 in 2011 while operating expenses increased 6% from \$3,880,637 to \$4,096,852. Cash available for debt service decreased 10% while debt service increased 37% from \$541,857 in 2009 to \$747,116 in 2011. Consequently, the debt coverage ratio declined from 5.6 in 2009 to 3.6 in 2011.

The balance sheet reflects a debt to equity ratio of 0.3 and a current ratio of 4.7 at June 30, 2011. Designated reserves include (1) restricted reserves related to outstanding debt (KIA's portion is currently \$1,426,610) and (2) reserves established by the agency for high dollar capital equipment purchases, emergencies and rate stabilization (currently funded to the maximum level of \$3,000,000).

PROJECTIONS

Projections are based on the following assumptions:

- a) Revenues and expenses will increase 3% per year. This assumes no significant growth and that rates will be increased as permitted to offset inflation
- b) There will be a \$200,000 replacement reserve required related to the proposed KIA Loan. However, the agency currently has a KIA Loan (A92-02) which is scheduled for repayment in 2013 that has a reserve requirement funded in the amount of \$480,000. Upon repayment of A92-02, the agency will be required to maintain \$200,000 of the reserve balance to meet the requirements for this loan.
- c) Debt service costs will increase from \$747,116 in 2011 to \$2,012,544 when the proposed KIA loan begins repayment.

The debt coverage ratio will decrease from 3.6 to 1.6 but will still be well above KIA's 1.0 requirement. Based on the proforma assumptions, the utility shows adequate cash flow to repay the KIA Fund A loan.

REPLACEMENT RESERVE

The agency currently has designated reserves which include (1) restricted reserves related to outstanding debt (KIA's portion is currently \$1,426,610) and (2) reserves established by the agency for high dollar capital equipment purchases, emergencies and rate stabilization (currently funded to the maximum level of \$3,000,000). In the case of the second reserve account, the agency has a policy that this account cannot drop below \$750,000 and anytime the balance is less than \$3,000,000 their policy states that they will deposit \$135,000 annually until the maximum balance is obtained.

There will be a \$200,000 replacement reserve required related to the proposed KIA Loan. However, the agency currently has a KIA Loan (A92-02) which is scheduled for repayment in 2013 that has a reserve requirement funded in the amount of \$480,000. Upon repayment of A92-02, the agency will be required to maintain \$200,000 of the reserve balance to meet the requirements for this loan.

X. DEBT OBLIGATIONS

	<u>Outstanding</u>	<u>Maturity</u>
KIA Fund A Loan (A92-02)	\$ 154,172	2013
KIA Fund A Loan (A94-21)	1,584,968	2019
KIA Fund A Loan (A03-01)	896,034	2024
KIA Fund A Loan (A03-08)	944,667	2026
KIA Fund A Loan (A04-03)	654,645	2025
KIA Fund A Loan (A08-01)	1,454,189	2029
KIA Fund A Loan (A09-02 i/a/o \$10.0M)	1,479,788	TBD
Rural Water	4,324,000	TBD
2010 Revenue Bonds	4,995,000	2031
Total	\$16,487,463	

XI. OTHER STATE OR FEDERAL FUNDING IN PAST FIVE YEARS

<u>Project Title</u>	<u>Funding Source</u>	<u>Amount</u>	<u>Type</u>
Cook Street Pump Station Replacement	HB380	725,000	Grant
WWTP Headworks Improvements	HB380	800,000	Grant
WWTP Expansion Phase I	HB380	1,433,000	Grant
WWTP Headworks Improvements	HB608	1,300,000	Grant
Sanitary Sewer Overflow Plan	HB608	400,000	Grant
Long Term Control Plan	HB608	400,000	Grant
Massac Pump Station / Force Main	HB608	1,300,000	Grant

XII. CONTACTS

Applicant

Name Paducah McCracken Joint Sewer Agency
Address 621 Northview Street
Paducah, KY 42001
Contact John Hodges, P.E., LS
Phone (270) 575-0056
Email jhodges@jointsewer.com

Applicant Contact

Name Paducah McCracken Joint Sewer Agency
Address 621 Northview Street
Paducah, KY 42001
Contact Amy Niehoff
Phone (270) 575-0056
Email aniehoff@jointsewer.com

XIII. RECOMMENDATIONS

KIA staff recommends approval of the loan with the standard conditions.

**PADUCAH MCCRACKEN JOINT SEWER AGENCY
BALANCE SHEETS (JUNE YEAR END)**

ASSETS	Audited 2009	Audited 2010	Audited 2011	Upon Completion 2014
Current Assets				
Cash and Cash Equivalents	4,081,378	3,922,995	2,709,735	3,577,500
Investments and Accrued Interest	5,611,989	5,581,613	6,015,918	9,819,500
Accounts and Notes Receivable	960,699	362,269	326,378	404,400
Grants and Other Receivables	0	33,090	1,783,885	0
Accrued Unbilled Revenue	530,000	498,000	541,000	591,100
Inventory and Prepaid Expenses	318,096	145,826	134,746	150,000
Total Current Assets	11,502,162	10,543,793	11,511,662	14,542,500
Noncurrent Assets				
Capital Assets, Net	44,164,183	46,312,866	51,745,664	88,259,006
Restricted Assets, Investments and Accrued Intere:	1,342,598	1,365,340	8,409,586	8,512,276
Unamortized Debt Issue Cost	0	0	141,952	124,852
Notes Receivable	27,742	19,471	14,217	0
Total Noncurrent Assets	45,534,523	47,697,677	60,311,419	96,896,134
Total Assets	57,036,685	58,241,470	71,823,081	111,438,634
LIABILITIES				
Current Liabilities				
Bonds and Notes Payable	512,503	524,205	731,237	665,822
Accounts Payable	1,000,856	233,089	1,232,949	750,000
Salaries and Benefits Payable	94,486	103,776	122,321	125,000
Other Current Liabilities	70,554	19,305	371,926	100,000
Total Current Liabilities	1,678,399	880,375	2,458,433	1,640,822
Noncurrent Liabilities				
Bonds and Notes Payable	6,212,658	5,688,675	14,276,438	12,198,094
KIA (A09-02)	0	0	1,479,789	10,000,000
KIA Proposed Loan	0	0	0	8,000,000
Total Liabilities Payable - Restricted Assets	6,212,658	5,688,675	15,756,227	30,198,094
Total Liabilities	7,891,057	6,569,050	18,214,660	31,838,916
Retained Earnings:				
Invested in Capital Assets Net of Related Debt	37,439,022	40,099,986	35,258,200	57,519,942
Restricted	1,342,598	1,365,340	8,409,586	8,512,276
Unrestricted	10,364,008	10,207,094	9,940,635	13,567,500
Total Retained Earnings	49,145,628	51,672,420	53,608,421	79,599,718
Total Liabilities and Equities	57,036,685	58,241,470	71,823,081	111,438,634
Balance Sheet Analysis				
Current Ratio	6.9	12.0	4.7	8.9
Debt to Equity	0.2	0.1	0.3	0.4
Working Capital	9,823,763	9,663,418	9,053,229	12,901,678
Percent of Total Assets in Working Capital	17.2%	16.6%	12.6%	11.6%
Days Sales in Accounts Receivable	52.7	20.8	17.7	20.0

EXHIBIT 1										
PADUCAH MCCRACKEN JOINT SEWER AGENCY										
CASH FLOW ANALYSIS (JUNE YEAR END)										
	Audited	%	Audited	%	Audited	Projected	Projected	Projected	Projected	Projected
	2009	Change	2010	Change	2011	2012	2013	2014	2015	2016
Operating Revenues										
Charges for Services	6,659,191	-4%	6,366,706	6%	6,740,813	6,956,519	7,165,215	7,380,171	7,601,576	7,829,623
Total Revenues	6,659,191	-4%	6,366,706	6%	6,740,813	6,956,519	7,165,215	7,380,171	7,601,576	7,829,623
Operating Expenses										
Operating Expenses	3,880,637	1%	3,923,969	4%	4,096,852	4,219,758	4,346,351	4,476,742	4,611,044	4,749,375
Depreciation	1,571,153	19%	1,868,393	11%	2,068,017	2,100,000	2,400,000	2,600,000	2,700,000	2,700,000
Replacement Reserve	135,000		135,000		135,000	43,930	43,930	14,830	0	0
Total Expenses	5,586,790	6%	5,927,362	6%	6,299,869	6,363,688	6,790,281	7,091,572	7,311,044	7,449,375
Net Operating Income	1,072,401	-59%	439,344	0%	440,944	592,831	374,934	288,599	290,532	380,248
Non-Operating Income and Expenses										
Interest Income	312,793	-47%	167,063	-55%	75,573	70,000	70,000	70,000	70,000	70,000
Other	56,583		298,859		116,770	125,000	125,000	125,000	125,000	125,000
Total Non-Operating Income & Expenses	369,376	26%	465,922	-59%	192,343	195,000	195,000	195,000	195,000	195,000
Add Non-Cash Expenses										
Depreciation	1,571,153	19%	1,868,393	11%	2,068,017	2,100,000	2,400,000	2,600,000	2,700,000	2,700,000
Cash Available for Debt Service	3,012,930	-8%	2,773,659	-3%	2,701,304	2,887,831	2,969,934	3,083,599	3,185,532	3,275,248
Debt Service										
Existing Principal	429,218		512,282		524,205	731,231	695,319	651,788	665,822	680,092
Existing Interest	112,639		116,311		222,911	255,452	240,047	226,992	214,320	200,259
KIA (A09-02) (undrawn balance)							200,000	629,112	629,112	629,112
Proposed KIA Loan							80,000	160,000	503,290	503,290
Total Debt Service	541,857		628,593		747,116	986,683	1,215,366	1,667,892	2,012,544	2,012,753
Income After Debt Service	2,471,073		2,145,066		1,954,188	1,901,148	1,754,568	1,415,707	1,172,988	1,262,495
Debt Coverage Ratio	5.6		4.4		3.6	2.9	2.4	1.8	1.6	1.6

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I.B.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 WASTEWATER REVOLVING FUND LOAN (A12-09) OF \$5,651,270 TO THE CITY OF BARBOURVILLE, KNOX COUNTY, KENTUCKY

WHEREAS, the Kentucky Infrastructure Authority (the "Authority") has been duly created as a body corporate and politic constituting a public corporation and a governmental agency of the Commonwealth of Kentucky pursuant to Chapter 224A of the Kentucky Revised Statutes (the "Act"); and

WHEREAS, pursuant to the Act, the Authority is duly and legally authorized to make loans to Governmental Agencies for the purpose of providing funds for the construction and acquisition of sanitary sewer facilities, water facilities or other types of infrastructure, and in that regard, to enter into Assistance Agreements with such Governmental Agencies governing the provisions in respect of which such loans are to be made, the amounts thereof and the repayment provisions in respect thereto; and

WHEREAS, the Authority anticipates entering into an Assistance Agreement for a loan from the Authority's Federally Assisted Wastewater Revolving Loan Program (Fund A) with the City of Barbourville, subject to final determination of amount when the factors involving such financing have been determined; and

WHEREAS, the Authority will, in the near future, authorize and issue a series of its Infrastructure Authority Revenue Bonds for the purpose of funding loans to various governmental agencies, such series of Bonds to be known as Kentucky Infrastructure Authority Revenue Bonds with the appropriate Series designation; and

WHEREAS, the Authority wishes to establish terms and conditions on said Fund A loans prior to the issuance of Authority Revenue Bonds and recognizes that additional planning and design of the financed projects are required.

NOW, THEREFORE, THE KENTUCKY INFRASTRUCTURE AUTHORITY, ACTING BY AND THROUGH ITS BOARD OF DIRECTORS AS ITS DULY AUTHORIZED AND EMPOWERED GOVERNING BODY, DOES HEREBY RESOLVE AND ORDER, AS FOLLOWS:

Section 1. All statements of fact set forth in the preambles to this Resolution and Order are incorporated herein by reference, the same as if set forth verbatim. All such statements of fact are hereby declared to be true and accurate in all material respects.

Section 2. The Authority hereby authorizes the issuance of a conditional Federally Assisted Wastewater Revolving Fund loan for \$5,651,270 of project expense including capitalized interest for the construction period, to the City of Barbourville for the Sewer Plant Improvement Project. Such amounts are subject to adjustment by further action of

the Authority or may be adjusted by action of the Authority staff at the time of the issuance of bonds based on adjustment in project costs of not more than (10%) ten percent of the project cost authorized by this resolution. Upon satisfaction of all conditions of the commitment, execution of an assistance agreement for this loan is authorized.

Section 3. Principal forgiveness of 21.2% will be deducted from the approved loan amount. The unforgiven principal balance of \$4,451,270 shall be repaid.

Section 4. The unforgiven principal shall be repayable over 20 years at an interest rate of 1.0%. In addition to debt service, a 0.2% annual administration fee on the unpaid, unforgiven principal balance will be charged. From annual revenues, \$14,100 must be set aside in a borrower held replacement reserve each December 1 until the balance reaches \$141,000 and maintained for the life of the loan. These terms are subject to adjustment upon execution of the loan agreement, upon changes in the project conditions or determination that the project will require authority financing to be done on a taxable basis.

Section 5. This Resolution and Order shall be in full force and effect from and after its adoption at a properly held meeting of the Kentucky Infrastructure Authority this 2nd day of February, 2012.

TONY WILDER, CHAIR
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

SANDY WILLIAMS, SECRETARY
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

PECK, SHAFFER & WILLIAMS LLP
LEGAL COUNSEL TO THE
KENTUCKY INFRASTRUCTURE AUTHORITY



STEVEN L. BESHEAR
GOVERNOR

LEONARD K. PETERS
SECRETARY

ENERGY AND ENVIRONMENT CABINET

DEPARTMENT FOR ENVIRONMENTAL PROTECTION

DIVISION OF WATER

200 FAIR OAKS LANE, 4TH FLOOR

FRANKFORT, KENTUCKY 40601

www.kentucky.gov

January 26, 2012

Mr. John Covington
Executive Director
Kentucky Infrastructure Authority
1024 Capital Center Drive, Suite 340
Frankfort, Kentucky 40601

Re: CWL12021
Barbourville WWTP--2534
Activity ID: FGL20120007
*HUC 11 No. – 05130101180 - Cumberland River,
above Meadow Creek of Whitley County*
Fund A

Dear Mr. Covington:

The Division of Water (DOW) hereby certifies that the Barbourville Utility Commission is entitled to receive priority for funding for the Barbourville Wastewater Treatment Plant Expansion, and is eligible to receive \$5,651,270 from the Clean Water State Revolving Fund. The following requirements have been addressed as follows:

1. Plans and specifications are expected to be submitted to DOW on February 15, 2012.
2. Construction bids are expected to be opened on May 1, 2012.
3. Project specific environmental information is expected to be submitted to DOW on April 1, 2012.

The binding commitment letter should include the following general conditions to satisfy federal requirements:

1. The Authority to Award (bid) package must be submitted to DOW for approval within 14 days of bid opening. DOW must perform the DBE reviews and conduct a pre-construction and project management conference.
2. Loan Agreement must be executed within six (6) months from bid opening.
3. The city must agree to expend all loan funds within six months of the date of initiation of operation.

4. Documentation of final funding commitments from all parties other than the Kentucky Infrastructure Authority (KIA) as reflected in the credit analysis shall be provided to KIA prior to their loan closing and disbursement of the loan monies. Rejections of any anticipated project funding shall be immediately reported to KIA and may cause this loan to be subject to further consideration.
5. The borrower must receive DOW approval of the Plans and Specifications before bidding the project.
6. The borrower must receive DOW approval of the Environmental Assessment before bidding the project.

Upon compliance with the general and special conditions, the DOW will issue its final project certification prior to finalizing the loan agreement.

Please forward the draft binding commitment letter to this office for review when completed. Should you have any questions concerning this letter, do not hesitate to contact Bill Averell, Project Administrator, at (502) 564-8158, extension 4980.

Sincerely,



Buddy Griffin, Supervisor
SRF & SPAP Section
Water Infrastructure Branch

BG: ba

Enclosures

C: The Hon. David Thompson, Mayor
City of Barbourville
Mr. Chris Brewer, Director of Environmental Services,
Barbourville Utility Commission
Mr. Mitchel Brunsma, P. E., Project Manager
Vaughn & Melton Consulting Engineers, Inc.

EXECUTIVE SUMMARY		Reviewer:	Kasi White
KENTUCKY INFRASTRUCTURE AUTHORITY		Date:	February 2, 2012
FUND A, FEDERALLY ASSISTED WASTEWATER		KIA Loan Number:	A12-09
REVOLVING LOAN FUND		WRIS Number	SX21121139
		HUC Code:	05130101180
BORROWER:	CITY OF BARBOURVILLE		
	KNOX COUNTY		
BRIEF DESCRIPTION:	<p>This project involves the expansion of the wastewater treatment plant from 1.0 million gallon per day (MGD) capacity to 1.5 MGD. The upgrade will involve the addition of diffused aeration and baffles inside the existing lagoon system. In addition, the following will be added or replaced: (1) blower and diffused air control system, (2) tertiary nitrification basin with integrated fixed film media, (3) secondary clarifier and flow splitter box, (4) standby generator set, (5) sludge pump station, (6) plant drainage pump station, (7) internal recycle pumps, (8) UV disinfections system (in place of chlorine), (9) post aeration basin, (10) effluent flume and flow meter, (11) emergency effluent pumps, (12) lime silo and feed pumps, (13) chemical feed system (alum and nitrifying bacteria feed) and (14) miscellaneous other improvements to the existing infrastructure and support facilities. The plant is currently operating at 90% capacity during average flows.</p>		
PROJECT FINANCING:		PROJECT BUDGET	
Fund A Loan	5,651,270	Engineering Fees	504,170
		Construction	4,902,000
		Contingency	245,100
TOTAL	\$ 5,651,270	TOTAL	\$ 5,651,270
REPAYMENT		Est. Annual	
	Rate	1.00%	Payment \$ 255,018
	Term	20 years	1st Payment 6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	Vaughn & Melton Consulting Engineers, Inc.	
	Bond Counsel	Peck, Shaffer, & Williams	
PROJECT SCHEDULE		Bid Opening:	March, 2012
		Construction Start:	May, 2012
		Construction Stop:	May, 2013
DEBT PER CUSTOMER	Existing:	\$ 1,467	
	Proposed:	\$ 4,525	
OTHER DEBT	See Attached		
OTHER STATE-FUNDED PROJECTS LAST 5 YRS	See Attached		
RESIDENTIAL RATES		<u>Users</u>	<u>Avg. Bill</u>
	Current	2,271 \$	16.00 (for 4,000 gallons)
	Additional	0 \$	38.93 (for 4,000 gallons)
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.		
CASHFLOW	Cash Available for	Income after Debt	Coverage Ratio
	Debt Service	Debt Service	Service
Audited 2007	17,446	0	17,446 n/a
Audited 2008	(38,733)	0	(38,733) n/a
Audited 2009	(97,358)	0	(97,358) n/a
Audited 2010	(169,269)	0	(169,269) n/a
Audited 2011	(424,697)	61,970	(486,667) (6.9)
Projected 2012	(339,329)	43,131	(382,460) (7.9)
Projected 2013	93,767	56,994	36,773 1.6
Projected 2014	157,157	162,246	(5,089) 1.0
Projected 2015	331,506	289,755	41,751 1.1
Projected 2016	291,177	289,755	1,422 1.0

**KENTUCKY INFRASTRUCTURE AUTHORITY
 WASTEWATER REVOLVING LOAN FUND (FUND "A")
 CITY OF BARBOURVILLE, KNOX COUNTY
 PROJECT REVIEW
 SX21121139**

I. PROJECT DESCRIPTION

The City of Barbourville for the benefit of the Barbourville Utility Commission is requesting a Fund A loan in the amount of \$5,651,270 for the Wastewater Treatment Plant Upgrade – Phase 1. This project involves the expansion of the wastewater treatment plant from 1.0 million gallon per day (MGD) capacity to 1.5 MGD. The upgrade will invoice the addition of diffused aeration and baffles inside the existing lagoon system. In addition, the following will be added or replaced: (1) blower and diffused air control system, (2) tertiary nitrification basin with integrated fixed film media, (3) secondary clarifier and flow splitter box, (4) standby generator set, (5) sludge pump station, (6) plant drainage pump station, (7) internal recycle pumps, (8) UV disinfections system (in place of chlorine), (9) post aeration basin, (10) effluent flume and flow meter, (11) emergency effluent pumps, (12) lime silo and feed pumps, (13) chemical feed system (alum and nitrifying bacteria feed) and (14) miscellaneous other improvements to the existing infrastructure and support facilities. The plant is currently operating at 90% capacity during average flows.

II. PROJECT BUDGET

	Total
Engineering Fees	504,170
Construction	4,902,000
Contingency	245,100
Total	\$ 5,651,270

III. PROJECT FUNDING

	Amount	%
Fund A Loan	\$ 5,651,270	100%
Total	\$ 5,651,270	100%

IV. KIA DEBT SERVICE

Construction Loan	\$ 5,651,270
Less: Principal Forgiveness (21.2% - cap)	\$ 1,200,000
Amortized Loan Amount	\$ 4,451,270
Interest Rate	1.00%
Loan Term (Years)	20
Estimated Annual Debt Service	\$ 246,115
Administrative Fee (0.20%)	\$ 8,903
Total Estimated Annual Debt Service	\$ 255,018

V. PROJECT SCHEDULE

Bid Opening	March 2012
Construction Start	May 2012
Construction Stop	June 2013

VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

A) Customers

	Current
Residential	1,876
Commercial	394
Industrial	1
Total	2,271

B) Rates

A 6% rate increase was implemented in October 2010 resulting in the following rate structure:

	Inside City	Outside City
Service Charge	\$6.60	\$9.35
Rates Per 1,000 Gallons	2.35	3.47
Cost for 4,000 gallons	\$16.00	\$23.23
Affordability Index (Rate/MHI)	1.4%	2.0%

VII. DEMOGRAPHICS

In 2010, the City's population was 3,539 with a Median Household Income (MHI) of \$13,710. The median household income for the Commonwealth is \$41,197. The loan qualifies for a 1% interest rate because the MHI is below 80% of the state MHI.

VIII. 2011 CAPITALIZATION GRANT EQUIVALENCIES

- 1) Green Project Reserve - This project does not qualify for Green Project Reserve (GPR) funding.
- 2) Additional Subsidization – This project qualifies for additional subsidization in the amount of \$1,200,000 (maximum for any CWSRF project).

IX. FINANCIAL ANALYSIS (See Exhibit 1)

Financial information for Barbourville Utility Commission was obtained from audited financial statements for the years ended June 30, 2007 through 2011. The Commission is a component unit of the City of Barbourville and administers the operations of the Barbourville Water and Electric Company and Barbourville CATV. The financial analysis is for the operating income statement for the sewer component. The balance sheet presented is for the consolidated utility as separate components were not provided.

HISTORICAL

Revenues increased 36% from \$550,196 in 2007 to \$746,545 in 2011 due to rate increases and an increase in penalties. Operating expenses increased 107% from \$532,750 to \$1,171,242 during the same time period. Direct expenses increased 144% while administrative expenses increased 63%. Maintenance expenses accounted for \$431,000 of the \$540,000 increase in direct expenses. Insurance and compensation costs were the primary components of the admin increase.

The only debt incurred on the sewer system during the period reviewed was a one year note that was taken out in FY2011 to purchase a sewer truck. This loan was refinanced for 10 years in FY2012. The sewer system has had a negative operating cash flow since 2008 with the shortfall increasing from 7% of total revenues in 2007 to 57% in 2011. The electric and water utility operating performance has offset the sewer shortfalls.

The balance sheet reflects adequate liquidity and capacity to assume the additional debt including a drinking water loan (F11-08) for \$2.4 million that was approved in May 2011.

PROJECTIONS

Projections are based on the following assumptions:

- a. Revenues will increase based on the below required annual revenue increases per the schedule below. These additional revenues (if derived solely from rate increases) will result in rate increases noted below.

By FYE 2012	\$105,000	(Approximately 60% increase)
By FYE 2013	\$470,000	(Approximately 15% increase - This includes carry over from 2012 increase)
By FYE 2014	\$253,000	(Approximately 15% increase)
By FYE 2015	\$231,000	(Approximately 15% increase)

- b. Direct operating expenses and administrative expenses will increase by 4% and 2% annually, respectively.
- c. The replacement reserve for this project is \$14,100 annually.

Based on the above assumptions, the utility will meet the required cash flow with a debt coverage ratio of 1.1 in 2015 when full principal and interest payments begin. Based on the proforma assumptions, the utility shows adequate cash flow to repay the KIA Fund A loan.

REPLACEMENT RESERVE

The annual replacement cost is \$14,100. This amount should be added to the replacement account each December 1 until the balance reaches \$141,000 and maintained for the life of the loan.

X. DEBT OBLIGATIONS

	<u>Outstanding</u>	<u>Maturity</u>
KIA (B291-10)	\$478,312	2015
Department of the Army	1,194,690	2040
Commercial Bank	806,154	2020
Commercial Bank	294,328	2020
KLC Funding Trust	558,824	2025
KIA (F11-08 i/a/o \$\$2.4M)	0	TBD
Total	\$3,332,308	

XI. OTHER STATE OR FEDERAL FUNDING IN PAST FIVE YEARS

<u>Project Title</u>	<u>Funding Source</u>	<u>Amount</u>	<u>Type</u>
Heidrick Wastewater II	HB380	\$300,000	Grant
Water / Sewer Extension	HB380	\$200,000	Grant
Highway 11 Water Lines	HB267	\$400,000	Grant
WWTP Upgrade	HB380	\$600,000	Grant
Water Pumping	HB608	\$385,000	Grant

XII. CONTACTS

Applicant

Name City of Barbourville
 Address 198 Daniel Boone Drive, P.O. Box 1300
 Barbourville, KY 40906
 Contact David Thompson
 Phone (606) 546-6197

Applicant Contact

Name Barbourville Utility Commission
Address 198 Daniel Boone Dr, PO Box 1300
Barbourville, KY 40906
Contact Chris Brewer
Phone (606) 546-3187
Email c.brewer@barbourville.com

Engineer

Name Mitchell Brunisma
Firm Vaughn & Melton Consulting Engineers, Inc.
Address 109 South 24th St., P.O. Box 1425
Middlesboro, KY 40965
Phone (606) 248-6600
Email mlbrunisma@vaughnmelton.com

XIII. RECOMMENDATIONS

KIA staff recommends approval of the loan with the standard conditions and the following special condition:

- 1. The Commission shall pass the necessary resolution and/or ordinance no later than April 1, 2012 to increase rates to such levels to provide additional annual revenues per the following schedule:

By Fiscal Year End 2012	\$105,000	(Approximately 60% increase)
By Fiscal Year End 2013	\$470,000	(Approximately 15% increase - This includes carry over from 2012 increase)
By Fiscal Year End 2014	\$253,000	(Approximately 15% increase)
By Fiscal Year End 2015	\$230,519	(Approximately 15% increase)

Below is a tentative rate schedule of the minimum and per 1,000 gallon rate resulting if the above increases are applied per the calculated increases as of the effective dates noted below:

Inside City	2012	2013	2014	2015
Current	4/1/2012	1/1/2013	7/1/2013	7/1/14
\$6.60	\$10.56	\$12.14	\$13.97	\$16.06
2.35	3.76	4.32	4.97	5.72
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$16.00	\$25.60	\$29.44	\$33.86	\$38.93

CITY OF BARBOURVILLE
BALANCE SHEETS (combined electric, water, sewer, cable and internet)

ASSETS	Audited 2007	Audited 2008	Audited 2009	Audited 2010	Audited 2011	2012	Upon Completion 2013
Current Assets							
Cash	404,954	251,963	65,149	513,406	598,217	397,017	189,017
Accounts Receivable	1,244,598	1,308,427	1,421,658	1,314,405	1,428,233	1,471,100	1,515,200
Interest Receivable	37,501	0	0	2,208	0	0	0
Inventory	387,802	363,109	365,122	486,283	501,348	516,400	531,900
Total Current Assets	2,074,855	1,923,499	1,851,929	2,316,302	2,527,798	2,384,517	2,236,117
Restricted Assets							
Customer Deposits	833,198	822,119	813,991	753,287	789,032	812,700	837,100
CD's	0	0	150,000	0	0	0	0
Investments	5,066,802	5,077,881	4,936,009	4,276,713	4,240,968	4,368,200	2,368,200
Cash Bond	2,500	2,500	2,500	2,500	2,500	2,600	2,700
Undrawn Lessee Acquisition Funds	0	0	0	355,836	48,522	0	0
Total Restricted Assets	5,902,500	5,902,500	5,902,500	5,388,336	5,081,022	5,183,500	3,208,000
Utility Plant							
Land, System, Building and Equipment	32,747,998	34,206,679	35,399,910	37,612,787	39,377,114	40,247,114	51,898,384
Less Accumulated Depreciation ()	(15,716,829)	(16,819,139)	(17,980,630)	(18,410,004)	(19,489,490)	(19,576,490)	(19,867,772)
Net Fixed Assets	17,031,169	17,387,540	17,419,280	19,202,783	19,887,624	20,670,624	32,030,612
Other Assets							
Goodwill	429,279	293,946	158,613	23,279	0	0	0
Total Other Assets	429,279	293,946	158,613	23,279	0	0	0
Total Assets	25,437,803	25,507,485	25,332,322	26,930,700	27,496,444	28,238,641	37,474,729
LIABILITIES							
Current Liabilities							
Accounts Payable	1,364,316	1,339,015	1,358,362	1,728,323	1,743,176	1,812,900	1,885,400
Interest Payable	1,497	1,251	997	33,529	32,765	34,100	35,500
Current Portion Long Term Debt	102,013	104,992	108,059	164,496	167,468	114,464	117,808
Notes Payable	0	0	0	0	1,100,482	98,681	109,997
Other	0	0	0	0	10,000	0	0
Total Current Liabilities	1,467,826	1,445,258	1,467,418	1,926,348	3,053,891	2,060,145	2,148,705
Liabilities Payable - Restricted Assets							
Customer Deposits	833,198	822,119	813,991	753,287	789,032	820,600	853,400
Note Payable	0	0	150,000	0	0	0	0
Total Liabilities Payable - Restricted Assets	833,198	822,119	963,991	753,287	789,032	820,600	853,400
Long Term Liabilities							
Notes and Bonds Payable	802,579	697,587	589,528	2,233,430	2,064,358	2,997,372	10,048,642
Total Long Term Liabilities	802,579	697,587	589,528	2,233,430	2,064,358	2,997,372	10,048,642
Total Liabilities	3,103,603	2,964,964	3,020,937	4,913,065	5,907,281	5,878,117	13,050,747
Retained Earnings:							
Invested in Capital Assets Net of Related Debt	16,126,577	16,584,959	16,721,691	16,804,856	16,555,315	17,673,210	21,981,970
Restricted	0	0	0	97,752	0	0	0
Unrestricted	6,207,623	5,957,562	5,589,694	5,115,027	5,033,848	4,687,314	2,442,012
Total Retained Earnings	22,334,200	22,542,521	22,311,385	22,017,635	21,589,163	22,360,524	24,423,983
Total Liabilities and Equities	25,437,803	25,507,485	25,332,322	26,930,700	27,496,444	28,238,641	37,474,729
Balance Sheet Analysis							
Current Ratio	1.41	1.33	1.26	1.20	0.83	1.16	1.04
Debt to Equity	0.14	0.13	0.14	0.22	0.27	0.26	0.53
Working Capital	607,029	478,241	384,511	389,954	(526,093)	324,372	87,412
Percent of Total Assets in Working Capital	2.39%	1.87%	1.52%	1.45%	-1.91%	1.15%	0.23%

**EXHIBIT 1
CITY OF BARBOURVILLE
CASH FLOW ANALYSIS (SEWER UTILITY) (JUNE)**

	Audited 2007	% Change	Audited 2008	% Change	Audited 2009	% Change	Audited 2010	% Change	Audited 2011	Projected 2012	Projected 2013	Projected 2014	Projected 2015	Projected 2016
Operating Revenues														
Charges for Services	517,475	0%	519,684	6%	551,091	10%	604,692	13%	681,407	697,728	805,159	1,279,366	1,536,792	1,773,419
Penalties	8,483	-21%	6,729	86%	12,506	2%	12,730	189%	36,795	36,900	37,000	37,100	37,200	37,300
Other	24,238	5%	25,346	-49%	12,961	47%	19,077	49%	28,343	28,500	28,600	28,700	28,800	28,900
Rate Increases										104,659	470,966	252,292	230,519	
Total Revenues	550,196	0%	551,759	4%	576,558	10%	636,499	17%	746,545	867,787	1,341,726	1,597,458	1,833,311	1,839,619
Operating Expenses														
Direct Expenses	375,459	14%	429,705	18%	508,950	13%	575,472	59%	915,298	947,333	984,279	1,172,666	1,216,055	1,258,617
Administrative Expenses	157,291	2%	160,787	3%	164,966	40%	230,296	11%	255,944	259,783	263,680	267,635	271,650	275,725
Depreciation	202,711	17%	237,118	15%	273,250	21%	331,577	6%	352,043	350,000	350,000	538,400	538,400	538,400
Replacement Reserve					0		0		0	0	0	0	14,100	14,100
Total Expenses	735,461	13%	827,610	14%	947,166	20%	1,137,345	34%	1,523,285	1,557,116	1,597,959	1,978,701	2,040,205	2,086,842
Net Operating Income	(185,265)	49%	(275,851)	34%	(370,608)	35%	(500,846)	55%	(776,740)	(689,329)	(256,233)	(381,243)	(206,894)	(247,223)
Add Non-Cash Expenses														
Depreciation	202,711	17%	237,118	15%	273,250	21%	331,577	6%	352,043	350,000	350,000	538,400	538,400	538,400
Cash Available for Debt Service	17,446		(38,733)		(97,358)		(169,269)		(424,697)	(339,329)	93,767	157,157	331,506	291,177
Debt Service														
Existing Principal									54,672	31,802	29,157	29,819	30,497	31,191
Existing Interest									7,298	11,330	5,581	4,918	4,240	3,546
Proposed KIA Loan	0		0		0		0		0	0	22,256	127,509	255,018	255,018
Total Debt Service	0		0		0		0		61,970	43,131	56,994	162,246	289,755	289,755
Income After Debt Service	17,446		(38,733)		(97,358)		(169,269)		(486,667)	(382,460)	36,773	(5,089)	41,751	1,422
Debt Coverage Ratio	n/a		n/a		n/a		n/a		(6.9)	(7.9)	1.6	1.0	1.1	1.0
Rate Increase										60%	15% mid-year	15%	15%	

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I.B.8.

A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A GOVERNMENTAL AGENCIES PROGRAM LOAN (FUND C) OF \$3,173,049 TO THE MUNINET FIBER AGENCY, MCCRACKEN COUNTY, KENTUCKY

WHEREAS, The Kentucky Infrastructure Authority (the "Authority") has been duly created as a body corporate and politic constituting a public corporation and a governmental agency of the Commonwealth of Kentucky pursuant to Chapter 224A of the Kentucky Revised Statutes (the "Act"); and

WHEREAS, pursuant to the Act, the Authority is duly and legally authorized to make loans to Governmental Agencies for the purpose of providing funds for the construction and acquisition of sanitary sewer facilities, water facilities or other types of infrastructure, and in that regard, to enter into Assistance Agreements with such Governmental Agencies governing the provisions in respect of which such loans are to be made, the amounts thereof and the repayment provisions in respect thereto; and

WHEREAS, the Authority anticipates entering into an Assistance Agreement for a loan from the Authority's Governmental Agencies Program with the MuniNet Fiber Agency for a broadband project, subject to final determination of amount when the factors involving such financing have been determined; and

WHEREAS, the Authority may, in the near future, authorize and issue a series of its Infrastructure Authority Revenue Bonds for the purpose of funding loans to various governmental agencies, such series of Bonds to be known as Kentucky Infrastructure Authority Revenue Bonds with the appropriate Series designation; and

WHEREAS, the Authority may, in the near future, authorize and issue a series of its Infrastructure Authority Revenue Bond Anticipation Notes ("Notes") for the purpose of funding construction loans to various governmental agencies until Revenue Bonds are sold to provide permanent financing, such series of Notes to be known as Kentucky Infrastructure Authority Revenue Bond Anticipation Notes with the appropriate Series designation.

NOW, THEREFORE, THE KENTUCKY INFRASTRUCTURE AUTHORITY, ACTING BY AND THROUGH ITS BOARD OF DIRECTORS AS ITS DULY AUTHORIZED AND EMPOWERED GOVERNING BODY, DOES HEREBY RESOLVE AND ORDER, AS FOLLOWS:

Section 1. All statements of fact set forth in the preambles to this Resolution and order are incorporated herein by reference, the same as if set forth verbatim. All such statements of fact are hereby declared to be true and accurate in all material respects.

Section 2. The Authority hereby authorizes issuance of Governmental Agencies Program (Fund C) conditional loan commitment to the MuniNet Fiber Agency for the Cable Build Project #2 Project. The cost of the project shall not exceed \$3,173,049 of which the Authority loan shall provide up to \$3,173,049.

Section 3. Upon satisfaction of all conditions of the above loan commitment, the Authority hereby authorizes execution of an assistance agreement by and between the Authority and the MuniNet Fiber Agency. The cost of said project to be provided by this loan shall not exceed \$3,173,049. Such amounts are subject to adjustment by further action of the Authority or may be adjusted by action of the Authority staff based on adjustment in project costs of not more than (10%) ten percent of the project cost authorized by this resolution and are subject to adjustment by further action of the Authority or may be reduced by action of the Authority staff at the time of the issuance of bonds based on reductions in project costs or financing costs.

Section 4. Upon execution of an assistance agreement, and in anticipation of the issuance of bonds by the Authority for the project, the Authority hereby authorizes interim advances to the MuniNet Fiber Agency, from the proceeds of the Authority's Notes in an amount not to exceed the loan amount. Such interim advances shall bear interest at the rate or rates established for the Notes or other source of funding, or from other funds available to the Authority for such purposes, until repaid from either borrower revenues or the proceeds of the Assistance Agreement upon the issuance of bonds. Such interim interest charges shall be payable each June 1 and December 1, following the initial advance unless the borrower elects to include such costs in the principal amount of the loan.

Section 5. At such time as the Authority's Bonds are issued, there shall be retired from the proceeds of the Authority's Bonds such Notes as have been issued pursuant to the provisions of this Resolution and Order.

Section 6. This Resolution and Order shall be in full force and effect from and after its adoption at a properly held meeting of the Kentucky Infrastructure Authority this 2nd day of February 2012.

TONY WILDER, CHAIR
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

SANDY WILLIAMS, SECRETARY
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

PECK, SHAFFER & WILLIAMS LLP
LEGAL COUNSEL TO THE KENTUCKY
INFRASTRUCTURE AUTHORITY

EXECUTIVE SUMMARY		Reviewer:	Kasi White	
KENTUCKY INFRASTRUCTURE AUTHORITY		Date:	February 2, 2012	
FUND C, GOVERNMENTAL AGENCIES FUND		KIA Loan Number:	C12-01	
REVOLVING LOAN FUND		WRIS Number	Not Applicable	
BORROWER:	MUNINET FIBER AGENCY			
	MCCRACKEN COUNTY			
BRIEF DESCRIPTION:	<p>The Muninet Fiber Agency is requesting a Fund C loan in the amount of \$3,173,049 for the fiber optic cable build project #2. This project is for the construction and acquisition of 144 count fiber that will extend from Paducah to the TVA Paradise Fossil Plant. It will also include the acquisition of Indefeasible Rights to Use (IRUs) from member utilities which include Hopkinsville, Glasgow, Russellville and Princeton to connect and expand their networks. In exchange for the fiber to TVA plants, TVA will provide MuniNet fiber from the plant to Nashville, Tennessee and from Hopkinsville to Bowling Green. This will allow MuniNet to connect to Level 3 and get access to internet bandwidth at a much lower cost than they are currently paying. This fiber will connect local hospitals, health care providers, emergency services, libraries, and local government agencies allowing them to perform functions not currently possible. In addition, this fiber will be open access and available to anyone.</p>			
PROJECT FINANCING:	PROJECT BUDGET			
Fund C Loan	\$	3,173,049	Construction	2,645,449
			Equipment	507,600
			Contingency	20,000
TOTAL	\$	3,173,049	TOTAL	\$ 3,173,049
REPAYMENT			Est. Annual	
	Rate	3.00%	Payment	\$ 218,478
	Term	20 years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	n/a		
	Bond Counsel	Peck, Shaffer, & Williams		
PROJECT SCHEDULE				
	Bid Opening:		Fiber Bid	
	Construction Start:		Upon approval	
	Construction Stop:		July, 2013	
DEBT PER CUSTOMER	Existing:	n/a		
	Proposed:	\$	2,902	
OTHER DEBT	See Attached			
OTHER STATE-FUNDED PROJECTS LAST 5 YRS	See Attached			
RESIDENTIAL RATES		<u>Users</u>	<u>Avg. Bill</u>	
	Current	0	\$	-
	Additional	2,100	\$	75.00
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.			
CASHFLOW	Cash Available for	Income after Debt		
	Debt Service	Debt Service	Service	Coverage Ratio
Unaudited 2011	11,471	24,782	(13,311)	0.46
Projected 2012	264,942	264,942	(0)	1.00
Projected 2013	374,017	374,017	0	1.00
Projected 2014	585,301	497,303	87,998	1.18
Projected 2015	958,802	497,303	461,499	1.93

**KENTUCKY INFRASTRUCTURE AUTHORITY
 GOVERNMENTAL AGENCIES FUND (FUND "C")
 MUNINET FIBER AGENCY, MCCRACKEN COUNTY
 PROJECT REVIEW**

I. PROJECT DESCRIPTION

The MuniNet Fiber Agency is requesting a Fund C loan in the amount of \$3,173,049 for the fiber optic cable build project #2. This project is for the construction and acquisition of 144 count fiber that will extend from Paducah to the TVA Paradise Fossil Plant. It will also include the acquisition of Indefeasible Rights to Use (IRUs) from member utilities which include Hopkinsville, Glasgow, Russellville and Princeton to connect and expand their networks. In exchange for the fiber to TVA plants, TVA will provide MuniNet fiber from the plant to Nashville, Tennessee and from Hopkinsville to Bowling Green. This will allow MuniNet to connect to Level 3 and get access to internet bandwidth at a much lower cost than they are currently paying (from \$35/megabyte to \$1.85/megabyte). This fiber will connect local hospitals, health care providers, emergency services, libraries, and local government agencies allowing them to perform functions not currently possible. In addition, this fiber will be open access and available to anyone.

MuniNet Fiber Agency was formed as a joint agency pursuant to Section 65.210 to 65.300 of the Kentucky Revised Statutes, as amended, known as the Interlocal Cooperation Act. An Interlocal Agreement dated October 25, 2010 was executed between the Electric Plant Board of the City of Paducah and Electric Plant Board of the City of Murray to form the agency. MuniNet is governed by a Board of Directors composed of two Directors designated by each member of the Agency (one designee must be the Chief Executive Officer). Since it's formation, the cities of Glasgow, Hopkinsville, Mayfield, Princeton and Russellville have joined as members of MuniNet.

II. PROJECT BUDGET (as-bid)

	<u>Total</u>
Construction	\$ 2,645,449
Equipment	507,600
Contingency	20,000
Total	\$ 3,173,049

III. PROJECT FUNDING

	<u>Amount</u>	<u>%</u>
Fund C Loan	\$ 3,173,049	100%
Total	\$ 3,173,049	100%

IV. KIA DEBT SERVICE

Construction Loan	\$ 3,173,049
Interest Rate	3.00%
Loan Term (Years)	20
Estimated Annual Debt Service	\$ 212,132
Administrative Fee (0.20%)	6,346
Total Estimated Annual Debt Service	\$ 218,478

V. PROJECT SCHEDULE

The fiber needed for this project has bid. Once loan approval has been obtained, the labor will be bid and construction will begin. The project is proposed to be completed by December of 2013.

VI. RATE STRUCTURE

A. Customers

The Agency anticipates a 10% take rate from a potential customer base of 25,000. This would provide approximately 2,500 customers.

Surveys were conducted at the inception of the project and with the integration of the Kentucky Data Link system (previously provided) being merged into Windstream several customers in the area will be hooking on to the MuniNet service as soon as it is available in their area.

B. Rates

Initial rates are expected to average \$75 per month.

The Fixed Rate Point-to-Point Prices are as follows:

	MRC per VLAN per Port	
	In Service Area	Out of Service Area (additional cost)
5 Mbps	\$70	\$35
10 Mbps	\$105	\$53
20 Mbps	\$150	\$75
100 Mbps	\$225	\$113

There are different rate structures for businesses, Burstable Rate Point-to-Point as well as Asymmetrical and Symmetrical Packages for Service Providers.

There will also be a fixed \$10 per month charge for new customers.

VII. DEMOGRAPHICS

In 2000, McCracken County’s population was 65,059 with a Median Household Income (MHI) of \$40,847. The median household income for the Commonwealth is \$33,672.

VIII. FINANCIAL ANALYSIS (See Exhibit 1)

MuniNet began operations in 2011 and so there are limited historical financial statements. Amounts in the credit analysis were based on management provided information for 2011 FYE. As of year end, there were no active customers of the system. The Agency has a June 30 year end.

Projections are based on the following assumptions:

- The customer base will grow from zero to 2,100 by 2015.
- New customer pricing has been estimated at \$75 per month.
- Expenses will increase 3% per year for inflation beginning in 2013.
- Member contributions will fund any cash flow shortfalls to ensure that the debt coverage ratio remains at or above 1.0. Contributions are anticipated to be required from the MuniNet members for 2012 and 2013.
- A minimum working capital threshold will be set by MuniNet and distributions to members will not be paid unless the working capital target is met. The first year of distributions is anticipated to be 2015.
- A replacement reserve of \$7,950 will be funded each year. Combined with the required replacement reserve of the Fund B09-02 and B11-09, total annual replacement reserve requirements will be \$25,450 by 2013.
- Debt service on the proposed Fund C loan will be \$218,478 annually.

Based on the proforma assumptions, the utility shows adequate cash flow to repay the KIA Fund C loan.

REPLACEMENT RESERVE

The annual replacement cost is \$7,950. This amount should be added to the replacement account each December 1 until the balance reaches \$79,500 and maintained for the life of the loan.

IX. DEBT OBLIGATIONS

<u>Debt Issue</u>	<u>Outstanding</u>	<u>Maturity</u>
KIA Loan B09-02	\$ 2,338,409	2030
KIA Loan B11-09 *	1,525,480	TBD
Total	\$ 3,863,888	

- B11-09 is still actively drawing against their loan commitment of \$2,033,947 for Project #1. This project is anticipated to be completed by February 2012.

X. OTHER STATE OR FEDERAL FUNDING IN PAST FIVE YEARS

None

XI. CONTACTS

Applicant

Name MuniNet Fiber Agency
Address P.O. Box 180
Paducah, KY 42002-0180
County McCracken
Contact Tony Thompson
Phone (270) 762-1704
Email tthompson@murray-ky.net

Applicant Contacts

Name	Paducah Power System	Murray Electric System
Address	P.O. Box 180 Paducah, KY 42002-0180	P.O. Box 1095 Murray, KY 42071
Contact	Brent Shelton	Debra Adams
Phone	(270) 575-4004	(270) 762-1717
Email	bshelton@paducahpower.com	djadams@murray-ky.net

XII. RECOMMENDATIONS

KIA staff recommends approval of the loan with the standard conditions and the following special conditions:

- 1) A copy of the Project Participation Agreement relating to the Fiber Build Project 2 will be submitted to KIA prior to final disbursement of funds reflecting each participating member and their contribution to the entity.
- 2) MuniNet will furnish a copy of any amendments or restatements to the Interlocal Agreement.
- 3) Notice will be provided to KIA prior to the addition of any member to MuniNet with a copy of the initial contribution summary of the new member.

**MUNINET FIBER AGENCY
BALANCE SHEETS (JUNE YEAR END)**

ASSETS	Balance 6/30/11	Upon Completion (2014)
Current Assets		
Cash and Equivalents	7,358	95,356
Accounts Receivable	9,773	81,400
Other Current Assets	0	0
Total Current Assets	17,131	176,756
Restricted Assets		
Reserve KIA B09-02	12,500	50,000
Reserve KIA B11-09	0	10,000
Reserve KIA C12-01	0	7,950
Sinking Fund Balance	0	26,000
Total Restricted Assets	12,500	93,950
Capital Assets		
Gross Fixed Assets	2,459,057	7,819,374
Less Accumulated Depreciation ()	0	(800,852)
Net Fixed Assets	2,459,057	7,018,522
Total Assets	2,488,688	7,289,228
LIABILITIES		
Current Liabilities		
Accounts Payable and Accrued Expenses	0	22,000
Current Portion KIA B09-02	105,175	112,460
Current Portion KIA B11-09	0	86,161
Current Portion KIA C12-01	0	117,817
Accrued Interest	3,130	10,000
Total Current Liabilities	108,305	348,439
Long Term Liabilities		
KIA Loans (including proposed)	2,392,694	6,937,470
Total Long Term Liabilities	2,392,694	6,937,470
Total Liabilities	2,501,000	7,285,909
Retained Earnings:		
Invested in Capital Assets Net of Related Debt	0	81,052
Restricted	12,500	93,950
Unrestricted	(24,811)	(171,683)
Total Retained Earnings	(12,311)	3,319
Total Liabilities and Equities	2,488,689	7,289,228
Balance Sheet Analysis		
Current Ratio	0.16	0.51
Working Capital	(91,174)	(171,683)
Percent of Total Assets in Working Capital	-3.66%	-2.36%
Days Sales in Accounts Receivable	n/a	30.0

EXHIBIT 1					
MUNINET FIBER AGENCY					
CASH FLOW ANALYSIS (JUNE YEAR END)					
	Unaudited	Projected	Projected	Projected	Projected
	2011	2012	2013	2014	2015
Operating Revenues					
Charges for Services	0	45,000	540,000	990,000	1,890,000
Other	0	0	0	0	
Total Revenues	0	45,000	540,000	990,000	1,890,000
Operating Expenses					
Operating Expenses	33	36,000	294,475	379,349	405,848
Depreciation	0	227,697	232,251	390,904	398,722
Replacement Reserve (All KIA Loans)	12,500	12,500	25,450	25,450	25,450
Total Expenses	12,533	276,197	552,176	795,703	830,020
Net Operating Income	(12,533)	(231,197)	(12,176)	194,297	1,059,980
Non-Operating Income and Expenses					
Interest Income	4	100	100	100	100
Member Contributions	24,000	268,342	153,842	0	0
Member Distributions	0	0	0	0	(500,000)
Total Non-Operating Income & Expenses	24,004	268,442	153,942	100	(499,900)
Add Non-Cash Expenses					
Depreciation	0	227,697	232,251	390,904	398,722
Cash Available for Debt Service	11,471	264,942	374,017	585,301	958,802
Debt Service (enter as positive #'s)					
KIA (B09-02 Electric Plant Board - Murray)	24,782	150,867	150,867	150,867	150,867
KIA (B11-09)	0	66,479	127,958	127,958	127,958
Proposed KIA Loan (C12-01)	0	47,596	95,191	218,478	218,478
Total Debt Service	24,782	264,942	374,017	497,303	497,303
Income After Debt Service	(13,311)	(0)	0	87,998	461,499
Debt Coverage Ratio	0.46	1.00	1.00	1.18	1.93

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**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**

WHEREAS, the Board of Directors of the Kentucky Infrastructure Authority (the "Authority") has heretofore approved the undertaking of the projects described in further detail in Exhibit A (collectively, the "Project"); and

WHEREAS, the Authority anticipates making loans to governmental agencies pursuant to the provisions of Chapter 224A of the Kentucky Revised Statutes (the "Act") for the Project and the governmental agencies may be expected to pay and/or incur costs with respect to the Project ("Prior Capital Expenditures") on or after the date of this resolution and prior to the issuance of the obligations (the "Obligations") which will finance the Project.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Kentucky Infrastructure Authority as follows:

Section 1. The Board of Directors hereby approves the use of the Obligations to finance the costs of the Project in the maximum principal amount set forth in Exhibit A plus costs of issuance related thereto and amounts required to fund a debt service reserve, if any, and declares its intent that any Prior Capital Expenditures made by the governmental agencies pursuant to loans made by the Authority will be made in anticipation of the issuance of such Obligations to reimburse said Prior Capital Expenditures. This declaration is made pursuant to Treas. Reg. §1.150-2.

Section 2. The Executive Director and Treasurer of the Authority are hereby authorized and directed to reimburse, not later than eighteen months after the later of (i) the date of the expenditure or (ii) the date the item was placed in service, but in any event not later than three years after the original expenditure, only those Prior Capital Expenditures made with respect to assets having a reasonably expected economic life of at least one year, and in addition, eligible preliminary expenditures paid and incurred prior to commencement of the Project.

Section 3. The Authority finds and determines that, consistent with the Authority's budgetary and financial circumstances, it does not have funds currently available and does not expect to have funds available in the future that may be allocated on a long-term basis, other than the proceeds of the Obligations, to finance the Prior Capital Expenditures.

Section 4. The Authority hereby directs the Executive Director, Secretary, and Treasurer to take the following action at the time the Prior Capital Expenditures are reimbursed from proceeds of the Obligations: (i) evidence the reimbursement on the books and records maintained with respect to the Obligations, and (ii) identify either the actual prior expenditure to be reimbursed or, in the case of reimbursement of a fund or account, the fund or account from which the expenditure was paid.

Section 5. The books, records and proceedings of the Authority with respect to this resolution shall be made reasonably available by the Authority for its inspection by the general public at the Authority's administrative office every business day during normal business hours commencing no later than 30 days after the passage of this resolution. Said books, record and proceedings of the Authority with respect to this resolution will continue to be reasonably available to the general public until the date of issuance of the Obligations.

Section 6. This Resolution shall be in full force and effect from and after its adoption.

Passed and adopted this 2nd of February, 2012.

TONY WILDER, CHAIR
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

SANDY WILLIAMS, SECRETARY
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

PECK, SHAFFER & WILLIAMS LLP
LEGAL COUNSEL TO THE
KENTUCKY INFRASTRUCTURE AUTHORITY

EXHIBIT A

<u>APPLICANT</u>	<u>FUND</u>	<u>AMOUNT</u>
Sanitation District No. 1	A	\$ 851,857
Sanitation District No. 1	A	\$ 959,000
City of Jamestown	A	\$ 2,500,000
City of Winchester f/b/o Winchester Municipal Utilities	A	\$ 1,000,000
City of Harrodsburg	A	\$ 706,000
Paducah McCracken Joint Sewer Agency	A	\$ 8,000,000
City of Barbourville	A	\$ 5,651,270
MuniNet Fiber Agency	C	\$ 3,173,049

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HANDOUT

FUNDS A, A2, B, B1, B2, C, F, F2

KENTUCKY INFRASTRUCTURE AUTHORITY
FEDERALLY ASSISTED WASTEWATER REVOLVING LOAN FUND ---- (FUND A)

AVAILABLE FUNDS FFY 1989:

FEDERAL TITLE VI GRANT FUNDS	\$33,237,382
UNUSED TITLE II GRANT FUNDS	\$5,873,998
BOND PROCEEDS (20%)	\$7,822,276
ADMINISTRATION (4%)	(\$1,564,455)
NET 89 SRF FUNDS	\$45,369,201

AVAILABLE FUNDS FFY 1990:

FEDERAL TITLE VI GRANT FUNDS	\$17,798,449
BOND PROCEEDS (20%)	\$3,559,690
ADMINISTRATION (4%)	(\$711,938)
NET 90 SRF FUNDS	\$20,646,201

AVAILABLE FUNDS FFY 1991:

FEDERAL TITLE VI GRANT FUNDS	\$31,258,282
BOND PROCEEDS (20%)	\$6,251,656
ADMINISTRATION (4%)	(\$1,250,331)
NET 91 SRF FUNDS	\$36,259,607

AVAILABLE FUNDS FFY 1992:

FEDERAL TITLE VI GRANT FUNDS	\$25,429,111
BOND PROCEEDS (20%)	\$5,085,822
ADMINISTRATION (4%)	(\$1,017,164)
NET 92 SRF FUNDS	\$29,497,769

AVAILABLE FUNDS FFY 1993:

FEDERAL TITLE VI GRANT FUNDS	\$24,462,603
BOND PROCEEDS (20%)	\$4,892,521
ADMINISTRATION (4%)	(\$978,504)
NET 93 SRF FUNDS	\$28,376,620

AVAILABLE FUNDS FFY 1994:

FEDERAL TITLE VI GRANT FUNDS	\$15,178,779
BOND PROCEEDS (20%)	\$3,035,756
ADMINISTRATION (4%)	(\$607,151)
NET 94 SRF FUNDS	\$17,607,384

AVAILABLE FUNDS FFY 1995:

FEDERAL TITLE VI GRANT FUNDS	\$15,676,353
BOND PROCEEDS (20%)	\$3,135,271
ADMINISTRATION (4%)	(\$627,054)
NET 95 SRF FUNDS	\$18,184,570

AVAILABLE FUNDS FFY 1996:

FEDERAL TITLE VI GRANT FUNDS	\$25,678,432
BOND PROCEEDS (20%)	\$5,135,686
ADMINISTRATION (4%)	(\$1,027,137)
NET 96 SRF FUNDS	\$29,786,981

ADDITIONAL FUNDS FFY 1997:

FEDERAL TITLE VI GRANT FUNDS	\$7,912,200
BOND PROCEEDS (20%)	\$1,582,440
ADMINISTRATION (4%)	(\$316,488)
NET ADD'L 97 SRF FUNDS	\$9,178,152

AVAILABLE FUNDS FFY 1998:

FEDERAL TITLE VI GRANT FUNDS	\$17,138,187
BOND PROCEEDS (20%)	\$3,427,637
ADMINISTRATION (4%)	(\$685,527)
NET 98 SRF FUNDS	\$19,880,297

AVAILABLE FUNDS FFY 1999:

FEDERAL TITLE VI GRANT FUNDS	\$17,139,573
BOND PROCEEDS (20%)	\$3,427,914
ADMINISTRATION (4%)	(\$685,582)
NET 98 SRF FUNDS	\$19,881,905

AVAILABLE FUNDS FFY 2000:

FEDERAL TITLE VI GRANT FUNDS	\$17,081,460
BOND PROCEEDS (20%)	\$3,416,292
ADMINISTRATION (4%)	(\$683,258)
NET 00 SRF FUNDS	\$19,814,494

AVAILABLE FUNDS FFY 2001:

FEDERAL TITLE VI GRANT FUNDS	\$16,929,594
BOND PROCEEDS (20%)	\$3,385,919
ADMINISTRATION (4%)	(\$677,184)
NET 01 SRF FUNDS	\$19,638,329

AVAILABLE FUNDS FFY 2002:

FEDERAL TITLE VI GRANT FUNDS	\$16,967,313
BOND PROCEEDS (20%)	\$3,393,463
ADMINISTRATION (4%)	(\$678,692)
NET 02 SRF FUNDS	\$19,682,084

AVAILABLE FUNDS FFY2003:

FEDERAL TITLE VI GRANT FUNDS	\$16,857,027
BOND PROCEEDS (20%)	\$3,371,405
ADMINISTRATION (4%)	(\$674,281)
NET 03 SRF FUNDS	\$19,554,151

AVAILABLE FUNDS FFY2004:

FEDERAL TITLE VI GRANT FUNDS	\$16,867,224
BOND PROCEEDS (20%)	\$3,373,445
ADMINISTRATION (4%)	(\$674,688)
NET 04 SRF FUNDS	\$19,565,981

AVAILABLE FUNDS FFY2005:

FEDERAL TITLE VI GRANT FUNDS	\$13,714,668
BOND PROCEEDS (20%)	\$2,742,934
ADMINISTRATION (4%)	(\$548,586)
NET 05 SRF FUNDS	\$15,909,016

AVAILABLE FUNDS FFY2006:

FEDERAL TITLE VI GRANT FUNDS	\$11,145,123
BOND PROCEEDS (20%)	\$2,229,025
ADMINISTRATION (4%)	(\$445,804)
NET 06 SRF FUNDS	\$12,928,344

AVAILABLE FUNDS FFY2007:

FEDERAL TITLE VI GRANT FUNDS	\$13,621,905
BOND PROCEEDS (20%)	\$2,724,381
ADMINISTRATION (4%)	(\$544,876)
NET 07 SRF FUNDS	\$15,801,410

AVAILABLE FUNDS FFY2008:

FEDERAL TITLE VI GRANT FUNDS	\$8,648,100
BOND PROCEEDS (20%)	\$1,729,620
ADMINISTRATION (4%)	(\$345,924)
NET 08 SRF FUNDS	\$10,031,796

AVAILABLE FUNDS FFY2009:

FEDERAL TITLE VI GRANT FUNDS	\$8,648,100
BOND PROCEEDS (20%)	\$1,729,620
ADMINISTRATION (4%)	(\$345,924)
NET 09 SRF FUNDS	\$10,031,796

AVAILABLE FUNDS FFY2010:

FEDERAL TITLE VI GRANT FUNDS	\$25,932,000
BOND PROCEEDS (20%)	\$5,186,400
ADMINISTRATION (4%)	(\$1,037,280)
NET 09 SRF FUNDS	\$30,081,120

AVAILABLE FUNDS FFY2011:

FEDERAL TITLE VI GRANT FUNDS	\$18,794,000
BOND PROCEEDS (20%)	\$3,758,800
ADMINISTRATION (4%)	(\$751,760)
NET 09 SRF FUNDS	\$21,801,040

NET FY 1989-2011 SRF FUNDS

\$489,508,248

CURRENT REVOLVING/SURPLUS FUND BALANCE **\$260,183,640**

2010 A - Leverage - Balance

\$0

Balance Available for Loan

\$18,915,108

	TOTAL PROJECT AMOUNT	KIA LOAN AMOUNT		DATE APPROVED	
PROJECTS APPROVED IN SFY 1989:					
1	PIKEVILLE, CITY OF (1)	\$3,047,285	\$3,199,217 (c)	05-03-89	(AMD. 11-19-90 & 9-16-91)
2	MANCHESTER, CITY OF	\$4,451,803	\$2,209,119 (c)	5-03-89	
3	JENKINS, CITY OF	\$2,724,307	\$1,654,780 (c)	5-03-89	
	TOTALS	\$10,223,395	\$7,063,116		
PROJECTS APPROVED IN SFY 1990:					
4	MT. WASHINGTON, CITY OF	\$1,957,322	\$908,187 (c)	8-07-89	
5	MAYFIELD, CITY OF	\$4,067,194	\$3,425,343 (c)	8-07-89	(AMD. 8-16-90)
6	DANVILLE, CITY OF	\$634,900	\$418,055 (c)	8-07-89; 70/7/04	Assumed from Perryville
7	JACKSON, CITY OF (1)	\$3,241,350	\$1,606,068 (c)	9-27-89	(AMD. 11-12-92)
8	SOUTH SHORE, CITY OF	\$2,982,085	\$2,031,315 (c)	12-13-89	(AMD. 6-20-91)
	TOTALS	\$12,882,851	\$8,388,968		
PROJECTS APPROVED IN SFY 1991:					
9	LEWISBURG, CITY OF	\$751,974	\$667,388 (c)	8-16-90	
10	PROVIDENCE, CITY OF (1)	\$3,803,625	\$2,828,680 (c)	8-16-90	
11	PROVIDENCE, CITY OF (2)	\$820,069	\$820,069 (c)	8-16-90	
12	CAMPTON, CITY OF	\$669,615	\$367,641 (c)	8-16-90	(AMD. 11-19-90)
13	BOWLING GREEN, CITY OF (1)	\$9,459,163	\$6,570,011 (c)	11-19-90	
14	BOWLING GREEN, CITY OF (2)	\$2,616,756	\$2,616,756 (c)	11-19-90	
15	ELIZABETHTOWN, CITY OF	\$9,851,000	\$9,226,158 (c)	1-31-91	
16	PINEVILLE, CITY OF (1)	\$3,169,900	\$2,293,544 (c)	3-28-91	(AMD. 11-12-92 & 12-1-93)
17	BUTLER, CITY OF	\$373,850	\$187,950 (c)	3-28-91	
18	LONDON, CITY OF	\$7,148,495	\$6,305,753 (c)	6-20-91	
	TOTALS	\$38,664,447	\$31,883,950		
PROJECTS APPROVED IN SFY 1992:					
19	BOYD COUNTY FISCAL COURT	\$3,789,000	\$2,237,342 (c)	7-24-91	
20	WILLIAMSBURG, CITY OF	\$1,024,110	\$931,344 (c)	9-16-91	
21	GREENUP, CITY OF	\$453,800	\$442,739 (c)	9-16-91	(AMD. 1-23-93)
22	GEORGETOWN, CITY OF	\$6,009,300	\$6,119,705 (c)	9-16-91	
23	STANFORD, CITY OF	\$1,177,312	\$685,289 (c)	9-16-91	
24	HICKMAN, CITY OF	\$2,641,171	\$1,779,494 (c)	9-18-91	(AMD. 11-12-92)
25	BRANDENBURG, CITY OF	\$2,091,294	\$1,802,290 (c)	11-01-91	(AMD. 5-13-92)
26	MIDDLESBORO, CITY OF	\$832,085	\$175,785 (c)	11-01-91	
27	CAMPBELL/KENTON S.D. (MELBOURNE)	\$1,196,365	\$773,156 (c)	11-01-91	(AMD. 9-10-92)
28	MURRAY, CITY OF	\$5,121,690	\$5,161,272 (c)	11-01-91	
29	CUMBERLAND, CITY OF	\$1,366,700	\$680,417 (c)	12-04-91	
30	WHEELWRIGHT, CITY OF	\$971,000	\$361,675 (c)	12-04-91	
31	EMINENCE, CITY OF	\$4,071,300	\$1,328,600 (c)	2-25-92	(REAP. 2-16-94)
32	PADUCAH-MCCRACKEN JOINT SEWER AGENCY	\$1,889,950	\$1,495,501 (c)	5-13-92	(ASSUMED FROM REIDLAND)
33	FLEMINGSBURG, CITY OF	\$1,128,194	\$1,142,183 (c)	5-13-92	
34	WEBSTER COUNTY FISCAL COURT	\$3,211,937	\$2,378,237 (c)	5-13-92	(REAP. 9-27-94)
	TOTALS	\$36,975,208	\$27,495,029		
PROJECTS APPROVED IN SFY 1993:					
35	FRANKLIN, CITY OF (1)	\$497,979	\$497,979 (c)	9-10-92	AMD.
36	CORINTH, CITY OF	\$1,089,866	\$200,766 (c)	11-12-92	
37	PLEASUREVILLE, CITY OF	\$2,976,200	\$785,200 (c)	11-12-92	(AMD. 3-31-95)
38	HOPKINSVILLE, CITY OF (1)	\$9,845,968	\$9,693,741 (c)	12-17-92	(AMD. 9-1-94)
39	MARTIN, CITY OF	\$2,295,847	\$579,212 (c)	12-17-92	
40	OLIVE HILL, CITY OF	\$3,245,120	\$2,426,003 (c)	01-29-93	(AMD 10/6/05)
41	NICHOLASVILLE PUBLIC UTILITIES	\$16,340,413	\$15,740,449 (c)	05-05-93	(REAP. 3-31-95)(AMD.12-18-98)
	TOTALS	\$36,291,393	\$29,923,350		
PROJECTS APPROVED IN SFY 1994:					
42	PINEVILLE, CITY OF (2)	\$940,000	\$418,542 (c)	07-07-93	(REAP. 3-31-95)
43	IRVINE, CITY OF	\$2,883,563	\$1,658,248 (c)	08-31-93	(REAP. 3-31-95 & AMD. 8-29-96)
44	BENHAM, CITY OF	\$1,916,066	\$853,191 (c)	08-31-93	(REAP. 3-31-95)
45	PRINCETON, CITY OF (Part 1)	\$3,722,362	\$2,365,520 (c)	12-01-93	(REAP. 5-30-95)
46	PRINCETON, CITY OF (Part 2)	\$1,045,618	\$597,712 (c)	12-01-93	(REAP. 5-30-95)
47	HOPKINSVILLE, CITY OF	\$885,720	\$646,748 (c)	02-16-94; 4-7-11	(REAP. 8-30-95) Assumed from Crofton
48	LEDBETTER SANITATION DISTRICT #1	\$4,767,980	\$3,624,359 (c)	05-11-94	(AMD.5-30-95)(AMD.7-13-98)
49	HAZARD, CITY OF	\$7,746,540	\$6,511,067 (c)	05-11-94	
50	SHELBY COUNTY SANITATION DISTRICT #1	\$2,100,000	\$1,402,737 (c)	05-11-94	(Assumed from Shelby Co SD #1)
51	LAGRANGE, CITY OF	\$898,515	\$832,777 (c)	06-29-94	(AMD. 7-17-95)
52	MADISONVILLE, CITY OF	\$15,713,000	\$15,552,994 (c)	06-29-94	
53	DAWSON SPRINGS, CITY OF	\$846,480	\$816,170 (c)	06-29-94	
54	CATLETTSBURG, CITY OF	\$5,678,656	\$3,200,000 (s)	06-29-94	(REAP. 12-5-95)(AMD.12-4-96)
	TOTALS	\$49,144,500	\$38,480,065		

TOTAL PROJECT AMOUNT	KIA AMOUNT	DATE APPROVED
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PROJECTS APPROVED IN SFY 1995:

55	HOPKINSVILLE, CITY OF	\$401,000	\$240,264 (c)	08-30-94; 4-7-11	Assumed from Pembroke
56	MT. STERLING, CITY OF	\$1,110,540	\$1,055,969 (c)	08-30-94	
57	WEST LIBERTY, CITY OF	\$737,972	\$329,764 (c)	08-30-94	(AMD. 2-26-96)
58	MT. VERNON, CITY OF	\$998,650	\$652,162 (c)	08-30-94	(REAP. 2-26-96) (REAP.3-6-97)
59	WORTHINGTON, CITY OF	\$790,000	\$388,332 (c)	08-30-94	
60	SOMERSET, CITY OF	\$2,759,200	\$2,631,067 (c)	08-30-94	
61	PERRY COUNTY S.D. #1	\$845,790	\$601,673 (c)	08-30-94	(AMD. 6/1/97)
62	BOYD COUNTY (PHASE II)	\$6,990,000	\$6,270,000 (s)	09-27-94	(AMD. 2-2-95)(AMD 12-10-99)
63	FRANKLIN, CITY OF (2)	\$2,600,080	\$2,572,240 (c)	09-27-94	
64	BRODHEAD, CITY OF	\$899,411	\$502,650 (c)	11-29-94	
65	NEWPORT, CITY OF	\$1,759,645	\$1,596,327 (c)	11-29-94	(AMD. 8-29-96)
66	PIKEVILLE, CITY OF (2)	\$3,466,413	\$2,134,015 (c)	11-29-94	(AMD. 8-30-95) (AMD.6-19-97)(ASSUMED FROM REIDLAND)
67	PADUCAH-MCCRACKEN JOINT SEWER AGENCY	\$3,798,069	\$3,516,117 (c)	11-29-94	
68	HOPKINSVILLE, CITY OF (2)	\$3,715,533	\$3,191,098 (c)	02-02-95	
69	JENKINS, CITY OF (2)	\$719,755	\$719,755 (c)	02-02-95	
70	RUSSELL, CITY OF	\$244,730	\$71,666 (c)	02-02-95	
71	LEBANON, CITY OF	\$6,491,336	\$5,805,838 (c)	03-31-95	
72	REGIONAL WATER RESOURCE AGENCY (O'BORO)	\$11,885,276	\$7,160,493 (c)	03-31-95	
73	MOREHEAD, CITY OF (RCSD)	\$3,347,424	\$3,130,152 (c)	03-31-95	(Assumed from RCSD)
74	GREENUP CO. ENVIRONMENTAL COMMISSION	\$3,798,920	\$3,370,168 (c)	5-30-95	(AMD. 3/16/99)
75	BOYD / GREENUP SANITATION DISTRICT #1	\$391,116	\$371,573 (c)	5-30-95	
76	PIKEVILLE, CITY OF	\$1,953,260	\$462,584 (c)	5-30-95; 3/2/06	Assumed from Mtn WD
TOTALS		\$59,704,120	\$46,773,907		

PROJECTS APPROVED IN SFY 1996:

NONE	\$0	\$0
TOTALS	\$0	\$0

PROJECTS APPROVED IN SFY 1997:

77	HARLAN, CITY OF	\$6,053,575	\$2,546,299 (c)	7-18-96	(REAP. 4-27-98)
78	HAWESVILLE, CITY OF	\$871,000	\$435,000 (c)	7-18-96	
79	EMINENCE, CITY OF	\$1,381,339	\$945,408 (c)	7-18-96	
80	SCOTTSVILLE, CITY OF	\$4,608,815	\$3,959,472 (c)	7-18-96	
81	ELKHORN CITY, CITY OF	\$926,726	\$926,726 (c)	7-18-96	(AMD 4-1-98)
82	GRAYSON, CITY OF	\$3,635,970	\$3,424,567 (s)	7-18-96	(AMD. 9-1-98)
83	MOREHEAD, CITY OF	\$2,357,176	\$781,381 (c)	7-18-96	
84	JACKSON, CITY OF	\$719,287	\$681,983 (c)	8-29-96	
85	LAWRENCE, COUNTY OF	\$1,566,000	\$868,219 (c)	3-6-97	(AMD 11/1/01)
86	GREENUP CO. ENVIRONMENTAL COMMISSION	\$2,368,793	\$2,331,195 (c)	3-6-97	
87	HARDIN CO WATER DISTRICT 1	\$4,846,450	\$4,809,652 (c)	6-19-97; 3/6/08	Assumed from Radcliff
88	WARREN COUNTY WATER DISTRICT (1)	\$1,082,400	\$980,781 (c)	6-19-97	
TOTALS		\$30,417,531	\$22,690,683		

PROJECTS APPROVED IN SFY 1998:

89	CRESTWOOD, CITY OF	\$351,516	\$351,516 (c)	8-14-97; 3/2/06	(A1) Assump. fell through
90	PARIS, CITY OF	\$723,734	\$402,667 (c)	11-10-97	(A1)
91	LEWISPORT, CITY OF	\$2,279,000	\$1,074,308 (c)	11-10-97	
92	MAYSVILLE, CITY OF	\$12,538,828	\$11,722,252 (c)	2-26-98	
93	WARREN COUNTY WATER DISTRICT (2)	\$265,000	\$253,057 (c)	2-26-98	
94	PRESTONSBURG, CITY OF	\$4,392,500	\$919,183 (s)	2-26-98	
95	CRESTWOOD, CITY OF	\$10,358,404	\$6,146,750 (+)	4-27-98; 3/2/06	Assump. fell through
TOTALS		\$30,908,982	\$20,869,733		

PROJECTS APPROVED IN SFY 1999:

96	PARIS, CITY OF	\$7,528,385	\$5,943,287 (c)	9-1-98	
97	MIDWAY, CITY OF	\$282,250	\$141,125 (c)	10-13-98	(A1)
98	MAYFIELD, CITY OF	\$1,401,962	\$1,160,472 (c)	10-13-98	
99	WURLAND, CITY OF	\$125,900	\$103,950 (c)	12-18-98	(A1)
100	DANVILLE, CITY OF	\$7,712,132	\$7,615,106 (c)	12-18-98	(AMD 01/8/04)
101	LEWIS COUNTY SANITATION DIST NO. 1	\$2,924,800	\$620,001 (c)	04-27-99	AMD 10/7/99
TOTALS		\$19,975,429	\$15,583,941		

PROJECTS APPROVED IN SFY 2000:

102	MOREHEAD, CITY OF	\$1,100,372	\$279,000 (c)	09-01-99	
103	HOPKINSVILLE, CITY OF	\$889,478	\$834,891 (c)	09-01-99	AMD 6/8/00
104	RWRA-OWENSBORO	\$26,264,248	\$25,963,257 (c)	12/10/99	AMD 6/2/05
105	SOUTH SHORE, CITY OF	\$502,790	\$188,849 (c)	12/10/99	
106	MOREHEAD, CITY OF	\$592,695	\$257,300 (c)	4/4/00	
107	MIDWAY, CITY OF	\$4,337,596	\$702,589 (c)	6/6/2000	
TOTALS		\$33,687,179	\$28,225,886		

TOTAL PROJECT AMOUNT	KIA AMOUNT	DATE APPROVED
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PROJECTS APPROVED IN SFY 2001:

108	PIKEVILLE, CITY OF	\$1,205,484	\$1,116,574	(c)	07/18/2000; 5/16/01 9/6/01; 3/2/06	Assumed from Mtn WD
109	WURLAND, CITY OF	\$1,717,540	\$1,561,400	(c)	07/18/00	AMD 9/29/00
110	LEITCHFIELD, CITY OF	\$6,146,196	\$5,355,560	(c)	8/29/00	
111	CLOVERPORT, CITY OF	\$57,500	\$57,500	(c)	11/22/00	(A1)
112	WHITE PLAINS, CITY OF	\$2,250,400	\$669,700	(c)	12/21/00	
113	MANCHESTER, CITY OF	\$5,060,376	\$1,053,589	(c)	1/25/01	
114	ARLINGTON, CITY OF	\$677,333	\$167,567	(c)	6/7/01	
TOTALS		\$17,114,829	\$9,981,890			

PROJECTS APPROVED IN SFY2002:

115	CARROLLTON, CITY OF	\$6,997,101	\$2,518,301	(c)	8/9/01	AMD 9/6/01
116	MT. STERLING WAT & SEW COMMISSION	\$13,908,185	\$11,936,783	(c)	2/7/02	
117	SHEPHERDSVILLE, CITY OF	\$9,976,728	\$7,581,466	(c)	2/7/02	
118	MARION, CITY OF	\$312,715	\$312,715	(c)	3/7/02	(A1) AMD 1/9/03
119	GREENVILLE, CITY OF	\$2,242,571	\$2,223,347	(c)	3/7/02	
120	LEBANON JUNCTION, CITY OF	\$2,898,419	\$1,813,385	(c)	4/4/02	AMD 7/1/05
121	HARRODSBURG, CITY OF	\$4,418,916	\$3,314,760	(c)	5/2/02	
122	WURLAND, CITY OF	\$1,782,900	\$1,782,872	(c)	6/6/02	
TOTALS		\$42,537,535	\$31,483,629			

PROJECTS APPROVED IN SFY 2003

123	SALYERSVILLE, CITY OF	\$7,662,832	\$2,035,486	(c)	8/15/02	AMD 9/19/03
124	LONDON, CITY OF	\$15,262,069	\$9,864,503	(c)	10/3/02	
125	Paducah McCracken Joint Sewer Agency	\$1,497,900	\$1,382,413	(c)	2/6/03	
126	Boyd & Greenup Co Sanitation Dist #1	\$849,503	\$694,844	(c)	5/1/03	
TOTALS		\$25,272,304	\$13,977,246			

PROJECTS APPROVED IN SFY 2004

127	HOPKINSVILLE, CITY OF	\$4,979,920	\$4,682,517	(c)	8/7/03	
128	MOUNTAIN WATER DISTRICT	\$729,158	\$184,695	(c)	9/4/03	
129	BENTON, CITY OF	\$1,823,194	\$293,902	(c)	12/4/03; 10/7/04	
130	PADUCAH-MCCRACKEN JSA	\$1,401,000	\$1,229,425	(c)	12/4/03	
131	MARION, CITY OF	\$1,775,704	\$515,296	(c)	3/4/04	
132	MOREHEAD, CITY OF	\$11,233,204	\$7,189,123	(c)	3/4/04; AMD 11/05	
133	PADUCAH-MCCRACKEN JSA	\$1,040,275	\$908,403	(c)	3/4/04	
134	JESSAMINE-SOUTH ELKHORN WAT DIST	\$298,200	\$196,861	(c)	4/1/04	(A1)
135	BEREA, CITY OF	\$9,011,045	\$5,000,000	(c)	4/1/04; 1/6/05	
136	HOPKINSVILLE WATER ENV AUTH	\$2,469,924	\$2,469,924	(c)	05/06/04; 3/2/06	
137	SOUTHERN WAT & SEW DIST	\$3,750,000	\$68,037	(c)	05/06/04	
TOTALS		\$38,511,624	\$22,738,183			

PROJECTS APPROVED IN SFY 2005

138	LAWRENCEBURG, CITY OF	\$8,319,703	\$7,889,974	(c)	7/1/04	
139	LORETTO, CITY OF	\$5,563,468	\$2,245,865	(c)	7/1/04; 9/14/05	
140	SANITATION DISTRICT #1	\$39,028,077	\$32,401,491	(c)	8/5/04; 10/1/06	
141	HODGENVILLE, CITY OF	\$2,639,104	\$968,539	(c)	10/7/04	
142	CARROLLTON, CITY OF	\$10,870,148	\$4,288,600	(c)	5/5/05	
143	WINCHESTER MUNICIPAL UTILITIES	\$23,212,000	\$21,000,000	(c)	6/23/05	
TOTALS		\$89,632,500	\$68,794,469			

PROJECTS APPROVED IN SFY 2006

144	ALEXANDRIA, CITY OF	\$2,535,785	\$426,220	(c)	7/7/05	
145	PAINTSVILLE, CITY OF	\$954,415	\$429,715	(c)	10/6/05	
146	CYNTHIANA, CITY OF	\$10,902,650	\$5,671,622	(c)	12/1/05	
147	WESTERN MASON SD	\$4,644,000	\$802,000	(c)	12/1/05	
148	LEDBETTER WATER DISTRICT	\$3,326,078	\$2,326,078	(c)	3/2/06	
149	RICHMOND, CITY OF	\$2,152,200	\$2,152,200	(c)	6/1/06	
TOTALS		\$24,515,128	\$11,807,835			

TOTAL PROJECT AMOUNT	KIA AMOUNT	DATE APPROVED
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PROJECTS APPROVED IN SFY 2007

150 REGIONAL WAT RES AGENCY	\$9,405,000	\$7,196,879 (c)	7/13/06
151 N MADISON CO SD	\$1,925,000	\$307,952 (c)	8/3/06
152 BOYD CO SANITATION DIST #2	\$1,918,000	\$666,811 (c)	10/5/06
153 N MADISON CO SD	\$12,736,123	\$8,104,622 (c)	10/5/06; 12/7/06
154 OHIO CO REG WASTEWATER DIST	\$15,940,000	\$6,607,612	11/2/06
155 CITY OF NICHOLASVILLE	\$12,459,352	\$12,053,913 (c)	12/7/06; 4/1/09
156 CITY OF BOWLING GREEN	\$5,155,190	\$5,130,100 (c)	12/7/06
157 CITY OF BEAVER DAM	\$1,311,900	\$597,921 (c)	6/21/07
158 CITY OF FALMOUTH	\$5,619,316	\$2,812,236 (c)	6/21/07

TOTAL	\$66,469,881	\$43,478,046
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PROJECTS APPROVED IN SFY 2008

159 CITY OF BARLOW	\$169,500	\$168,954 (c)	9/6/07 (A1)
160 CITY OF WHITESBURG	\$7,474,000	\$1,040,900	9/6/07
161 CITY OF OWENSBORO	\$24,531,634	\$22,900,578	10/4/07
162 CITY OF ALEXANDRIA	\$316,441	\$186,073 (c)	11/1/07
163 CITY OF MURRAY	\$1,469,778	\$1,227,741 (c)	11/1/07
164 CITY OF RICHMOND	\$57,843,022	\$54,690,822	11/1/07
165 REGIONAL WATER RESOURCE AGENCY	\$1,709,375	\$1,425,488 (c)	11/1/07
166 Paducah McCracken JSA	\$4,146,560	\$1,600,000	2/7/08
167 Bowling Green, City of	\$54,235,960	\$54,235,960	4/3/08; 11/12/09; 8/4/11
168 Sanitation District #1	\$83,147,554	\$70,000,000	4/3/08; 6/4/09
169 Elizabethtown, City of	\$21,192,000	\$21,192,000	4/3/08
170 Nicholasville, City of	\$9,554,625	\$7,494,225	4/3/08
171 Somerset, City of	\$14,897,000	\$8,477,690	4/3/08
172 Williamstown, City of	\$18,748,000	\$17,848,000	6/2/08

TOTAL	\$299,435,449	\$262,488,430
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PROJECTS APPROVED IN SFY 2009

173 Hopkinsville, City of	\$4,916,100		9/4/08; withdrawn 5/11/10
174 Lexington-Fayette Urban County Govt	\$18,354,000	\$17,208,000	1/8/09
175 Paducah McCracken JSA	\$14,323,800	\$10,000,000	4/9/09
176 Mt Washington, City of	\$15,000,000	\$9,500,000	5/7/09; 9/1/10
177 Sanitation District #1	\$5,802,300	\$4,920,300	6/4/09; 6/30/11
178 Sanitation District #1	\$7,062,000	\$5,459,988 (c)	6/4/09
179 Sanitation District #1	\$20,108,000	\$15,230,000	6/4/09
180 Sanitation District #1	\$6,968,000	\$5,768,000	6/4/09
181 Sanitation District #1	\$3,287,000	\$2,470,000	6/4/09
182 Sanitation District #1	\$12,065,000	\$9,900,000	6/4/09

TOTAL	\$107,886,200	\$80,456,288
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PROJECTS APPROVED IN SFY 2010

183 Kentucky Horse Park	\$1,950,000	\$1,000,000	8/6/09
184 Maysville, City of	\$11,000,000	\$11,000,000	9/3/09
185 Prestonsburg, City of	\$272,000	\$272,000	10/1/09; 2/4/10
186 Prestonsburg, City of	\$786,000	\$786,000	10/1/09; 2/4/10
187 Louisville & Jefferson Co. Metro. Sewer Dist.	\$4,847,095	\$0	10/1/09 withdrawn 10/12/10
188 Hopkinsville, City of	\$7,500,000	\$7,500,000	11/12/09
189 Hardinsburg, City of	\$550,000	\$550,000	11/12/09
190 Princeton, City of	\$2,475,000	\$683,354 (c)	12/3/09; 2/4/10
191 Ashland, City of	\$7,720,231	\$7,709,331	1/7/10; 2/3/11
192 Winchester, City of	\$37,000,000	\$36,600,000	2/4/10
193 Prestonsburg, City of	\$4,530,405	\$1,860,405	2/4/10
194 Oldham Co Env Auth - SX21185017	\$2,400,000	\$2,400,000	5/6/10; 7/7/11
195 Oldham Co Env Auth - SX21185029	\$1,477,000	\$1,000,000	5/6/10; 1/5/12
196 Oldham Co Env Auth - SX21185024	\$2,123,000	\$2,123,000	5/6/10; 1/5/12
197 Lexington Fayette Urban County Government	\$10,500,000	\$10,500,000	6/3/10; 10/14/10
198 Lexington Fayette Urban County Government	\$7,028,375	\$3,928,375	6/3/10; 10/14/10

Total	\$102,159,106	\$87,912,465
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TOTAL PROJECT AMOUNT	KIA AMOUNT	DATE APPROVED
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PROJECTS APPROVED IN SFY 2011

199	Oldham Env Auth - SX21185028	\$500,000	\$250,000	7/1/10;1/5/12
200	Sanitation District #1 SX21117126	\$19,935,700	\$17,146,500	7/1/10
202	Bardstown, City of SX21179019	\$1,980,000	\$1,980,000	12/9/10; 6/10/11
203	LaCenter, City of SX21007015	\$895,000	\$895,000	12/9/10
204	Livermore, City of SX21049008	\$2,105,000	\$1,105,000	12/9/10
205	Morehead, City of SX21205034	\$3,000,000	\$3,000,000	12/9/10
206	Regional Water Resource Agency	\$4,005,000	\$4,005,000	12/9/10
207	Campton, City of	\$3,217,200	\$1,400,000	2/3/11
208	Hardinsburg, City of	\$400,000	\$400,000	2/3/11
209	Louisa, City of	\$2,058,580	\$1,400,000	2/3/11
210	Flemingsburg, City of	\$8,906,000	\$8,906,000	3/3/11
211	Louisville-Jefferson Co MSD	\$3,400,000	\$3,400,000	3/3/11
212	Vanceburg, City of	\$3,400,000	\$2,000,000	3/3/11
213	Williamsburg, City of	\$1,035,517	\$1,035,517	3/3/11
214	Hopkinsville, City of	\$500,000	\$500,000	4/7/11
215	Hopkinsville, City of	\$26,641,000	\$26,641,000	4/7/11
216	Hopkinsville, City of	\$7,300,000	\$7,100,000	4/7/11
217	Pineville, City of	\$500,000	\$500,000	5/5/11
218	Sanitation District #1	\$17,225,660	\$14,188,155	5/5/11
219	Sanitation District #1	\$19,000,000	\$15,187,500	5/5/11
220	Sanitation District #1	\$9,572,000	\$7,778,000	5/5/11
221	West Liberty, City of	\$3,937,950	\$3,937,950	5/5/11

Total	\$139,514,607	\$122,755,622
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PROJECTS APPROVED IN SFY 2012

223	Oldham Co Env Authority	\$400,000	\$400,000	7/7/11
224	Southern Water & Sewer	\$2,505,944	\$850,000	8/4/11
225	Hodgenville, City of	\$1,635,000	\$1,635,000	11/10/11
226	Burkesville, City of	\$1,000,000	\$1,000,000	11/10/11
227	Bloomfield, City of	\$4,370,635	\$2,195,635	11/10/11
228	Harrodsburg, City of	\$418,500	\$418,500	12/8/11
229	Grant Co Sanitary SD	\$872,100	\$822,100	1/5/12
230	Barbourville, City of	\$5,651,270	\$5,651,270	2/2/12
232	Sanitation District #1 of Northern Ky	\$1,001,717	\$851,857	2/2/12
233	Sanitation District #1 of Northern Ky	\$1,152,200	\$959,000	2/2/12
234	Winchester, City of	\$1,010,000	\$1,000,000	2/2/12
235	Harrodsburg, City of	\$1,157,000	\$706,000	2/2/12
236	Jamestown, City of	\$2,500,000	\$2,500,000	2/2/12
237	Paducah McCracken County JSA	\$8,400,000	\$8,000,000	2/2/12

Total	\$32,074,366	\$26,989,362
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GRAND TOTALS - COMMITMENTS	\$1,343,998,564	\$1,060,242,094
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bold, italics - pending board approval

(c) - Final amounts; Loan has been closed

(s) - Amount represented in the assistance agreement

(A1) - Planning and Design Loan

(+)-Const Amt; AA amnt represents Const + Plan & Design

**KENTUCKY INFRASTRUCTURE AUTHORITY
FEDERALLY ASSISTED WASTEWATER REVOLVING LOAN FUND ---- (FUND A2)
AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009**

AVAILABLE FUNDS FFY 2009:

FEDERAL ARRA GRANT FUNDS	\$49,878,100
ADMINISTRATION (4%)	<u>(\$1,995,124)</u>
NET ARRA FUNDS	<u><u>\$47,882,976</u></u>

	TOTAL PROJECT AMOUNT	KIA AMOUNT	FIRST USE FUNDS	DATE APPROVED
PROJECTS APPROVED IN SFY 2009:				
1 Sanitation District #1	\$395,000	\$395,000 (c)	\$395,000	6/4/09
2 Sanitation District #1	\$1,755,545	\$1,371,545	\$1,371,545	6/4/09; 1/7/10; 1/25/10
3 Sanitation District #1	\$1,578,539	\$1,578,539	\$1,578,539	6/4/09
4 Sanitation District #1	\$834,241	\$834,241	\$834,241	6/4/09
5 Lexington Fayette Urban Co Govt	\$2,620,000	\$2,620,000 (c)	\$2,620,000	6/25/09
6 Lexington Fayette Urban Co Govt	\$537,000	\$237,000 (c)	\$237,000	6/25/09
7 Louisa, City of	\$1,150,000	\$1,139,716 (c)	\$1,139,716	6/25/09
8 Pineville, City of	\$2,193,000	\$2,193,000	\$2,193,000	6/25/09; 1/7/10
9 Shepherdsville, City of	\$8,500,000	\$3,000,000	\$3,000,000	6/25/09
TOTALS	<u>\$19,563,325</u>	<u>\$13,369,041</u>	<u>\$13,369,041</u>	
PROJECTS APPROVED IN SFY 2010:				
10 Calvert City, City of	\$1,083,128	\$1,046,065	\$1,046,065	7/9/09; 1/7/10
11 Princeton, City of	\$2,475,000	\$1,103,744	\$1,103,744	7/9/09; 2/4/10
12 Northern Madison Co Sanitation District	\$1,000,000	\$510,000 (c)	\$510,000	8/6/09
13 Kentucky Horse Park	\$1,950,000	\$950,000	\$950,000	8/6/09
14 Sanitation District #4 of Boyd County	\$475,000	\$400,000 (c)	\$400,000	8/6/09
15 Ashland, City of	\$250,252	\$246,646 (c)	\$246,646	8/20/09; 1/25/10
16 Covington, City of	\$1,200,000	\$1,197,390 (c)	\$1,197,390	8/20/09
17 Bowling Green, City of	\$134,996	\$134,996 (c)	\$134,996	8/20/09
18 Frankfort, City of	\$962,035	\$800,000 (c)	\$800,000	8/20/09
19 Wilder, City of	\$215,889	\$114,302 (c)	\$114,302	9/3/09; 1/25/10
20 Richmond, City of	\$125,000	\$125,000 (c)	\$125,000	9/3/09
21 Maysville, City of	\$2,000,000	\$500,000 (c)	\$500,000	9/3/09
22 Prestonsburg, City of	\$4,530,405	\$2,670,000	\$2,670,000	10/1/09
23 Kentucky Department of Parks	\$500,000	\$500,000	\$500,000	10/1/09
24 Kentucky Department of Parks	\$358,008	\$355,867 (c)	\$355,867	10/1/09; 1/25/10
25 Kentucky Department of Parks	\$1,457,402	\$1,366,291	\$1,366,291	10/1/09; 1/25/10
26 Morehead, City of	\$801,203	\$801,203 (c)	\$801,203	10/1/09
27 Morehead, City of	\$1,293,013	\$1,293,013 (c)	\$1,293,013	10/1/09
28 Winchester, City of	\$693,000	\$600,000 (c)	\$600,000	10/1/09
29 Russellville, City of	\$952,300	\$799,967 (c)	\$799,967	10/1/09
30 Kuttawa, City of	\$530,000	\$300,000 (c)	\$300,000	10/1/09
31 Paintsville, City of	\$1,400,000	\$1,150,000	\$1,150,000	10/1/09
32 Louisville & Jefferson Co. Metro. Sewer Dist.	\$17,500,000	\$5,000,000	\$5,000,000	10/1/09
33 Falmouth, City of	\$611,898	\$611,898 (c)	\$611,898	10/1/09; 11/12/09
34 Calvert City, City of	\$850,000	\$816,069 (c)	\$816,069	10/1/09; 12/16/09
35 Sacramento, City of	\$750,000	\$749,991 (c)	\$749,991	10/1/09
36 Grant Co. Sanitary Sewer Dist.	\$1,925,000	\$300,000 (c)	\$300,000	10/1/09
37 Mayfield, City of	\$975,000	\$975,000 (c)	\$975,000	10/1/09
38 Warsaw, City of	\$3,841,156	\$2,060,156	\$2,060,156	11/12/09 In amt is \$2,060,155.54
39 Madisonville, City of	\$3,800,000	\$3,800,000 (c)	\$3,800,000	11/12/09
40 Meade Co Riverport Authority	\$482,642	\$482,642	\$482,642	12/3/09; 1/25/10
41 Troublesome Creek Env Authority	\$3,425,000	\$1,500,000	\$1,500,000	12/3/09
42 Ohio Co Regional Waste Water District	\$465,303	\$465,303	\$465,303	12/3/09; 1/25/10; 2/17/11
43 Mountain Water District	\$750,000	\$750,000	\$750,000	12/3/09; 2/4/10
TOTALS	<u>\$59,272,630</u>	<u>\$34,475,542</u>	<u>\$34,475,542</u>	
GRAND TOTALS - COMMITMENTS	<u>\$78,835,955</u>	<u>\$47,844,584</u>	<u>\$47,844,584</u>	
BALANCE AVAILABLE FOR LOAN			<u>\$38,392</u>	

bold, italics - pending board approval

(c) - Final amounts; Loan has been closed

(s) - Amount represented in the assistance agreement

**KENTUCKY INFRASTRUCTURE AUTHORITY
INFRASTRUCTURE REVOLVING LOAN FUND ---- (FUND B)**

TOTAL AUTHORIZATIONS FYS 1989-90:	\$20,000,000
TOTAL AUTHORIZATIONS FYS 1991-92:	\$14,000,000
TOTAL AUTHORIZATIONS FYS 1993-94:	\$15,000,000
TOTAL DEAUTHORIZATION FYS 1995-96:	(\$3,504,592)
TOTAL AUTHORIZATION FYS 1996-98:	\$0
TOTAL AUTHORIZATION FYS 2000-2002:	\$0
TOTAL AUTHORIZATION FYS 2002-2004:	\$0
TOTAL AUTHORIZATION FYS 2004-2006:	\$0
TOTAL AUTHORIZATION FYS 2006-2008:	\$0

TOTAL 1989-2008: \$45,495,408

**Revolving Available to Loan/Grant Before
Current Meeting \$4,613,405**

	TOTAL INFRASTRUCTURE AMOUNT	KIA GRANT AMOUNT	KIA Loan AMOUNT	GENERATED PRIVATE INVESTMENT	JOBS CREATED	DATE APPROVED	COMMENTS
PROJECTS APPROVED IN FY 1989:							
1	WILMORE, CITY OF	\$1,059,938	\$407,770 (c)	\$13,700,000	257	12-21-88	
2	AUBURN, CITY OF	\$2,175,540	\$1,475,540 (c)	\$2,225,000	96	12-21-88	
3	SOMERSET, CITY OF	\$2,402,764	\$1,500,000 (c)	\$75,000,000	326	12-21-88	
4	HENRY COUNTY	\$775,627	\$287,984 (c)	\$4,380,000	210	03-22-89	(REAP. 1-31-91 & AMD. 6-20-91)
5	GRAVES COUNTY	\$3,717,000	\$3,717,000 (c)	\$31,037,070	600	05-03-89	
TOTALS		\$10,130,869	\$7,388,294	\$126,342,070	1,489		
PROJECTS APPROVED IN FY 1990:							
6	LAWRENCEBURG, CITY OF	\$301,000	\$86,114 (c)	\$426,187	30	08-07-89	
7	LEITCHFIELD, CITY OF	\$1,296,200	\$699,674 (c)	\$2,470,000	200	08-07-89	
8	LIBERTY, CITY OF	\$319,573	\$163,822 (c)	\$1,533,133	140	08-07-89	
9	BEREA, CITY OF	\$1,200,000	\$340,000 (c)	\$0	750	08-07-89	
10	GAMALIEL, CITY OF	\$2,040,263	\$490,425 (c)	\$2,000,000	125	09-27-89	(REAP. 3-28-91 & AMD. 6-26-92)
11	GRAYSON, CITY OF (1)	\$1,875,000	\$1,000,000 (c)	\$10,000,000	300	12-13-89	
12	LEBANON JUNCTION, CITY OF	\$701,900	\$148,649 (c)	\$7,500,000	200	04-25-90	
13	MT. VERNON, CITY OF	\$864,347	\$456,480 (c)	\$20,000,000	154	04-25-90	(AMD. 3-28-91)
14	RUSSELLVILLE, CITY OF	\$1,591,673	\$1,434,750 (c)	\$0	0	04-25-90	
TOTALS		\$10,189,956	\$4,819,914	\$43,929,320	1,899		
PROJECTS APPROVED IN FY 1991:							
15	RICHMOND, CITY OF	\$1,508,300	\$250,000 (c)	\$1,500,000	100	09-26-90	
16	WARREN COUNTY W.D. (Chg)	\$638,035	\$229,035 (c)	\$14,000,000	280	09-26-90	
17	LAUREL COUNTY FISCAL COURT	\$964,742	\$319,969 (c)	\$2,900,000	74	09-26-90	
18	MOUNTAIN WATER DISTRICT (Mtn. Top B	\$890,977	\$186,711 (c)	\$2,250,000	500	11-19-90	
19	MONTICELLO, CITY OF (1)	\$336,450	\$366,293 (c)	\$2,300,000	432	06-20-91	
20	JEFFERSON COUNTY / KROGER	\$1,425,575	\$1,310,251 (c)	\$23,950,000	101	06-20-91	(AMD. 3-17-93)
TOTALS		\$5,764,079	\$2,662,259	\$46,900,000	1,487		
PROJECTS APPROVED IN FY 1992:							
21	NEWPORT, CITY OF	\$4,017,704	\$2,931,899 (c)	\$2,931,899	220	09-16-91	(AMD. 7-23-92; 6-29-94; 12/9/04)
22	HODGENVILLE, CITY OF	\$125,900	\$114,931 (c)	\$400,000	16	11-01-91	
23	SCOTTSVILLE, CITY OF	\$4,252,173	\$2,660,800 (c)	\$0	260	12-04-91	
24	MONTICELLO, CITY OF (2)	\$2,610,040	\$1,495,628 (c)	\$0		12-04-91	
25	WARREN COUNTY WATER DISTRICT (W.	\$121,000	\$92,809 (c)	\$32,000,000	200	02-25-92	
26	WARREN COUNTY WATER DISTRICT (Se	\$297,000	\$203,233 (c)	\$0		02-25-92	
27	LIVERMORE, CITY OF	\$86,039	\$86,039 (c)	\$0	12	06-26-92	
TOTALS		\$11,509,856	\$7,585,339	\$35,331,899	708		
PROJECTS APPROVED IN FY 1993:							
28	MARION, CITY OF	\$1,218,460	\$379,510 (c)	\$1,412,000	40	12-17-92	
29	DAVIESS COUNTY FISCAL COURT	\$1,765,510	\$1,634,610 (c)	\$340,000,000	280	01-29-93	
30	COVINGTON, CITY OF	\$516,140	\$460,327 (c)	\$18,000,000	500	01-29-93	
31	HOPKINSVILLE, CITY OF	\$8,688,679	\$5,000,000 (c)	\$0	500	05-05-93	(REAP. 3-31-95)
TOTALS		\$12,188,789	\$7,474,447	\$359,412,000	1,320		
PROJECTS APPROVED IN FY 1994:							
32	GRAYSON, CITY OF (2)	\$1,712,759	\$1,412,759 (c)	\$0	155	08-31-93	
33	PIKEVILLE, CITY OF	\$5,037,889	\$611,397 (c)	\$4,396,000	93	08-31-93	
34	LANCASTER, CITY OF	\$1,710,420	\$781,462 (c)	\$0	100	09-29-93	

		TOTAL INFRASTRUCTURE AMOUNT	KIA GRANT AMOUNT	KIA Loan AMOUNT	GENERATED PRIVATE INVESTMENT	JOBS CREATED	DATE APPROVED	COMMENTS
35	GALLATIN COUNTY	\$4,089,434		\$4,000,000 (c)	\$400,089,434	400	09-29-93 (AMD. 6-29-94, REAP. 3-31-95)	
36	CAMPBELLSVILLE, CITY OF	\$4,905,000		\$1,905,000 (s)	\$0	295	12-05-95 (REAP.)(AMD. 7-13-98)	
	TOTALS	\$17,455,502		\$8,710,618	\$404,485,434	1,043		
<u>PROJECTS APPROVED IN FY 1995:</u>								
37	HENDERSON, CITY OF (phase 1)	\$7,445,372		\$3,188,731 (c)	\$0	1,500	08-30-94 (AMD. 7-5-96)	
	(phase 2)			\$581,512 (c)	\$0		08-30-94	
* 38	WEBSTER COUNTY WATER DISTRICT	\$1,268,460		\$638,000 (c)	\$0	58	05-30-95	
	TOTALS	\$8,713,832		\$4,408,243	\$0	1,558		
<u>PROJECTS APPROVED IN FY 1996:</u>								
* 39	OAK GROVE, CITY OF	\$787,990		\$498,295 (c)	\$0	134	05-14-96	
40	MOUNT STERLING, CITY OF	\$2,467,009		\$2,467,009 (c)	\$0	400	05-14-96	
	TOTALS	\$3,254,999		\$2,965,304	\$0	534		
<u>PROJECTS APPROVED IN FY 1997:</u>								
41	CORBIN, CITY OF	\$583,878		\$300,000 (c)	\$0	30	8-29-96	
42	HICKORY WATER DISTRICT	\$1,028,000		\$528,000 (c)	\$0	95	12-4-96 (REAP. 9-1-98)	
	TOTALS	\$1,611,878		\$828,000	\$0	125		
<u>PROJECTS APPROVED IN FY 1998:</u>								
* 42	PRESTONSBURG, CITY OF	\$4,392,500		\$600,000 (c)	\$0	77	2-26-98 \$50M inc. app. 2-5-99	
* 43	PAINTSVILLE, CITY OF	\$8,070,950		\$1,772,800 (c)	\$0	400	2-26-98 (REAP. 12-10-99)	
	TOTALS	\$12,463,450		\$2,372,800	\$0	477		
<u>PROJECTS APPROVED IN FY 1999:</u>								
* 44	HARDINSBURG, CITY OF	\$5,239,680		\$131,231 (c)	\$0	14	7-13-98	
* 45	PRESTONSBURG, CITY OF	\$1,591,200		\$795,600 (c)	\$0	400	4-27-99	
	TOTALS	\$6,830,880		\$926,831	\$0	414		
<u>PROJECTS APPROVED IN FY 2000:</u>								
* 46	GALLATIN CO WATER DISTRICT	\$1,100,000		\$744,796 (c)	\$95,000,000	130	09/01/1999; AMD 4/4/00	
* 47	CARROLTON, CITY OF (CELOTEX)	\$184,300		\$112,200 (c)	\$75,000,000	122	12/10/1999; AMD 9/1/01	
	TOTALS	\$1,284,300		\$856,996	\$170,000,000	122		
<u>PROJECTS APPROVED IN FY2005:</u>								
* 48	UNION COUNTY FISCAL COURT	\$1,550,000		\$0	\$0 NA		11/04/2004 commitment expired	
* 40	OWENTON, CITY OF	\$736,890		\$0	\$0 NA		11/04/2004 commitment expired	
* 41	HART CO FISCAL COURT	\$3,192,000		\$2,170,999	\$0 NA		03/03/2005	
* 42	BOONE COUNTY WATER DISTRICT	\$3,548,148		\$2,506,118 (c)	\$0 NA	6/2/05; 7/1/10	assumed from Boone Co FC	
	TOTALS	\$9,027,038		\$4,677,117	\$0			
<u>PROJECTS APPROVED IN FY2006:</u>								
* 43	GRAVES CO WATER DISTRICT	\$596,776		\$596,776 (c)	\$0 NA		1/1/2005; 7/26/06; 10/2/08 Assumed from Fancy Farm WD	
* 44	GRAVES CO WATER DISTRICT	\$152,176		\$152,176 (c)	\$0 NA		9/1/2005; 10/2/08 Assumed from Fancy Farm WD	
* 45	WESTERN MASON SANITATION DIST	\$4,644,000		\$560,272 (c)	\$0 NA		12/01/2005	
* 46	BONNIEVILLE, CITY OF	\$3,160,000		\$0	\$0 NA		12/01/2005 commitment expired	
* 47	Elkton, City of	\$808,000		\$808,000	\$0 NA		03/02/2006	
* 48	MT VERNON, CITY OF	\$2,055,000		\$945,000 (c)	\$0 NA		05/04/2006	
	TOTALS	\$11,415,953		\$3,062,225	\$0			
<u>PROJECTS APPROVED IN FY2007:</u>								
* 49	GUTHRIE, CITY OF	\$640,000		\$0	\$0 NA		08/03/2006 Withdrawn	
* 50	OWINGSVILLE, CITY OF	\$4,367,250		\$797,250 (c)	\$0 NA		2006;10/01/2009 338,997 ln; 50,000 grant	
* 51	JAMESTOWN, CITY OF	\$13,065,000		\$3,588,700 (c)	\$0 NA		12/07/2006 3,038,700 ln; 550,000 grant	
* 52	CONNECTGRADD	\$2,400,000		\$1,200,000	\$0 NA		02/08/2007 broadband	
* 53	ALBANY, CITY OF	\$7,366,000		\$750,000	\$0 NA		05/10/2007 EO 2007-298 GF	
* 54	GRAVES CO WATER DISTRICT	\$849,154		\$849,154 (c)	\$0 NA		5/10/2007; 10/2/08 S Graves WD	
	TOTALS	\$28,687,403		\$7,185,103	\$0			

	TOTAL INFRASTRUCTURE AMOUNT	KIA GRANT AMOUNT	KIA Loan AMOUNT	GENERATED PRIVATE INVESTMENT	JOBS CREATED	DATE APPROVED	COMMENTS
PROJECTS APPROVED IN FY2008:							
* 55	CAVELAND ENVIRONMENTAL	\$2,910,000		\$125,000	\$0 NA	09/06/2007	sewer
* 56	HOPKINSVILLE ELECT & EN NET	\$3,000,000		\$3,000,000	\$0 NA	10/04/2007	fiber optic communications
* 57	MARION CO WATER DISTRICT	\$750,000		\$340,000	\$0 NA	10/04/2007	water
* 58	WILLIAMSBURG, CITY OF	\$3,237,440		\$400,000 (c)	\$0 NA	10/04/2007	water
* 59	LOGAN TODD REG WAT COMM	\$1,500,000		\$400,000 (c)	\$0 NA	11/01/2007	water
* 60	BURGIN, CITY OF	\$50,000		\$50,000 (c)	\$0 NA	11/01/2007	water
61	PRESTONSBURG, CITY OF	\$2,700,000		\$2,700,000 (c)	\$0 NA	12/06/2007	purchase Auxier Water
62	GLASGOW, CITY OF	\$1,200,000		\$1,200,000 (c)	\$0 NA	2/7/2008; 10/9/08	broadband
63	LANCASTER, CITY OF	\$690,000		\$490,000 (c)	\$0 NA	03/06/2008	sewer
64	WHITLEY CO WATER DISTRICT	\$2,708,000		\$848,000	\$0 NA	3/6/08; 7/27/11	water
65	HINDMAN, CITY OF	\$500,000		\$500,000 (c)	\$0 NA	04/03/2008	water
66	WALTON, CITY OF	\$4,000,000		\$1,000,000 (c)	\$0 NA	06/05/2008	sewer
TOTALS		\$23,245,440		\$11,053,000	\$0		
PROJECTS APPROVED IN FY2009:							
67	CARROLLTON, CITY OF	\$2,949,731		\$900,000	\$0 NA	8/7/08; 12/8/11	sewer
68	LOUISA, CITY OF	\$1,075,000		\$1,000,000	\$0 NA	08/07/2008	sewer
69	PRESTONSBURG, CITY OF	\$841,000		\$841,000 (c)	\$0 NA	10/02/2008	water meters
70	LEBANON, CITY OF	\$1,119,707		\$582,883 (c)	\$0 NA	12/04/2008	water
71	MuniNet	\$2,500,000		\$2,500,000	\$0 NA	06/25/09; 4/7/11	broadband; assumed from Murray
72	PINEVILLE, CITY OF	\$350,000		\$0	\$0 NA	06/25/2009	sewer - withdrawn 9/24/09
TOTALS		\$8,835,438		\$5,823,883	\$0		
PROJECTS APPROVED IN FY2010:							
73	Prestonsburg, City of	\$2,670,000		\$0	\$0 NA	10/01/2009	sewer
74	Falmouth, City of	\$564,835		\$564,835	\$0 NA	10/01/2009	sewer
75	Bullitt Co Sanitation District	\$500,000		\$500,000	\$0 NA	02/04/2010	sewer
76	Hart Co Industrial Authority	\$2,300,000		\$1,000,000	\$3,000,000	40	02/04/2010 sewer
77	Marshall Co. Fiscal Court	\$1,000,000	\$800,000	\$200,000	\$0 NA		06/03/2010 80% grant/ 20% loan
TOTALS		\$7,034,835	\$800,000	\$2,264,835	\$3,000,000	40	
PROJECTS APPROVED IN FY2011:							
78	Bullitt Co Sanitation District	\$500,000	\$0	\$500,000	\$0 NA	08/05/2010	sewer
79	Greenville, City of	\$1,115,000	\$0	\$1,115,000	\$0 NA	10/14/2010	sewer
80	Marion, City of	\$2,100,000	\$0	\$1,246,754	\$0 NA	10/14/2010	water
81	Princeton, City of	\$430,645	\$0	\$430,645	\$0 NA	12/9/10; 7/1/11	sewer
82	Bracken Co Water District	\$475,000	\$380,000	\$95,000	\$0 NA	12/09/2010	water
83	Caneyville, City of	\$445,000	\$0	\$110,000	\$0 NA	12/09/2010	sewer
84	Crab Orchard, City of	\$1,660,000	\$400,000	\$410,000	\$0 NA	12/09/2010	water
85	Flatwoods, City of	\$887,500	\$468,000	\$117,000	\$0 NA	02/03/2011	
86	Graves County Water District	\$1,111,266	\$220,000	\$780,000	\$0 NA	02/03/2011	
87	Mt. Washington, City of	\$700,000	\$560,000	\$140,000	\$0 NA	02/03/2011	
88	White Plains, City of	\$657,000	\$525,600	\$131,400	\$0 NA	02/03/2011	
89	Beattyville, City of	\$675,000	\$140,000	\$35,000	\$0 NA	03/03/2011	water
90	Elkton, City of	\$141,700	\$0	\$141,700	\$0 NA	03/03/2011	water
91	Nicholas County Sanitation District	\$2,641,000	\$0	\$550,000	\$0 NA	03/03/2011	sewer
92	North McLean Co WD	\$737,871	\$200,000	\$50,000	\$0 NA	03/03/2011	water
93	MuniNet	\$2,033,947	\$0	\$2,033,947	\$0 NA	04/07/2011	broadband
TOTALS		\$16,310,929	\$2,893,600	\$7,886,446	\$0	0	
PROJECTS APPROVED IN FY2012:							
94	Crittenden-Livingston Water District	\$300,000	\$0	\$300,000	\$0 NA	08/04/2011	water
TOTALS		\$300,000	\$0	\$300,000	\$0	\$0	
GRAND TOTALS		\$206,255,426	\$3,693,600	\$93,251,655	\$1,189,400,723	11216	

bold, italics - pending board approval

* Bonds have not been sold for these projects

+ Projects were funded under the master note

(c) - Final amounts; Loan has been closed

(s) - Amount represented in the assistance agreement

TOTAL AUTHORIZATION FYS 1991-94	\$6,000,000
TOTAL DEAUTHORIZATION FYS 95-96	(\$78,822)
TOTAL AUTHORIZATION FYS 1997-98	\$0
TOTAL AUTHORIZATION FYS 1998-2000	\$13,000,000 (rf)
TOTAL AUTHORIZATION FYS 2001-2002	\$3,925,000 (rf)
	<u>\$22,846,178</u>

**KENTUCKY INFRASTRUCTURE AUTHORITY
WATER RESOURCES GRANT----- (FUND B1)**

TOTAL INFRASTRUCTURE AMOUNT	KIA AMOUNT	DATE APPROVED	COMMENTS
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PROJECTS APPROVED JULY 1, 1991 THROUGH JUNE 30, 1992:

1 ELKHORN WATER DISTRICT	\$383,000	\$151,233 (c)	9-16-91	
2 BEAVER-ELKHORN WATER DISTRICT (PH II)	\$2,262,200	\$1,383,547 (c)	9-16-91	(REAP. 5-5-93)
3 BEAVER-ELKHORN WATER DISTRICT (PH III)	\$3,386,325	\$616,453 (c)	9-16-91	(REAP. 5-5-93)
4 WACO WATER DISTRICT	\$304,525	\$300,000 (c)	9-16-91	
5 NORTH MERCER WATER DISTRICT	\$1,833,000	\$500,000 (c)	9-16-91	
6 WEBSTER COUNTY WATER DISTRICT	\$2,269,500	\$1,500,000 (c)	9-16-91	
7 ANDERSON COUNTY	\$361,638	\$270,000 (c)	9-16-91	
8 GEORGETOWN, CITY OF	\$3,474,350	\$400,000 (c)	9-16-91	
9 LYNCH, CITY OF	\$502,500	\$499,945 (c)	9-16-91	
TOTALS	<u>\$14,777,038</u>	<u>\$5,621,178</u>		

PROJECTS APPROVED JULY 1, 1992 THROUGH JUNE 30, 1994:

10 DAVIESS COUNTY FISCAL COURT (East Daviess County Water Association)	\$300,000	\$300,000 (c)	11-12-92	(AMD. 9-29-93)
TOTALS	<u>\$300,000</u>	<u>\$300,000</u>		

PROJECTS PER SPECIAL PROVISIONS DURING 1998 GENERAL SESSION

11 MEADE COUNTY FISCAL COURT	\$4,204,225	\$2,500,000	12/18/1998	
12 CITY OF RICHMOND	\$8,400,000	\$4,000,000	09/01/1998	
13 CITY OF MIDWAY	\$4,760,971	\$3,500,000	06/06/2000	
14 CITY OF HINDMAN	\$3,000,000	\$3,000,000	07/28/1999	
TOTALS	<u>\$20,365,196</u>	<u>\$13,000,000</u> (rf)		

PROJECTS APPROVED JULY 1, 1998 THROUGH JUNE 30, 1999:

15 WATER RESOURCE DEV COMMISSION	\$1,053,000	753,000 (rf)	4-27-99	
TOTALS	<u>\$1,053,000</u>	<u>753,000</u>		

PROJECTS PER SPECIAL PROVISIONS DURING 2000 GENERAL SESSION

16 HORTON CAMP INF AT GREEN RIVER ST PARK	650,000.00	650,000.00	06/06/2000	
17 FLEMING CO WATER COMM	75,000.00	75,000.00	02/01/2001 (AA date)	
18 FLEMING CO '201' SEWER PLANNING	50,000.00	50,000.00	10/01/2001 (AA date)	
19 CITY OF WURLAND	25,000.00	25,000.00	10/01/2001 (AA date)	
20 SPURLOCK & LITTLE MUD CREEK	300,000.00	300,000.00	08/17/2001 (AA date)	
21 PIKE COUNTY - TAYLOR FORK	50,000.00	50,000.00	08/06/2001 (AA date)	
22 SOUTHERN MADISON WATER DISTRICT	200,000.00	200,000.00	03/01/2001 (AA date)	
23 HENDERSON CO WATER DISTRICT	500,000.00	500,000.00	08/20/2001 (AA date)	
24 LEWIS CO WATER & SEWER	500,000.00	500,000.00	11/22/2000	
25 GREEN CO WATER & SEWER	500,000.00	500,000.00	08/06/2001 (AA date)	
26 LARUE COUNTY FISCAL COURT	750,000.00	750,000.00	08/06/2001 (AA date)	
27 CARROL COUNTY FISCAL COURT	250,000.00	250,000.00	08/01/2001 (AA date)	
28 CITY OF RACELAND	25,000.00	25,000.00	09/21/2001 (AA date)	
29 CITY OF WORTHINGTON	25,000.00	25,000.00	08/06/2001 (AA date)	
30 CITY OF FLATWOODS	25,000.00	25,000.00	10/01/2001 (AA date)	
TOTALS	<u>3,925,000.00</u>	<u>3,925,000.00</u> (rf)		

TOTAL INFRASTRUCTURE AMOUNT	KIA AMOUNT	DATE APPROVED	COMMENTS
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PROJECTS APPROVED JULY 1, 2001 THROUGH JUNE 30, 2002:

31	Columbia-Campbellsville	WX21001008	\$3,415,000	\$55,000	12/06/2001
32	Bath County Water District	WX21011002	\$2,253,000	\$1,150,000	12/06/2001
33	City of Paris	WX21017002	\$2,300,000	\$1,000,000	12/06/2001
34	City of Ashland	WX21019006	\$2,362,626	\$750,000	12/06/2001
35	Bracken County Water District	WX21023001	\$1,810,000	\$93,500	12/06/2001
36	City of Murray	WX21035005	\$1,126,000	\$0	12/06/2001
37	Center Ridge Water District	WX21035011	\$262,200	\$262,200	12/06/2001
38	West Carroll Water District	WX21041301	\$2,200,000	\$500,000	12/06/2001
39	Rattlesnake Ridge Water District	WX21043001	\$4,130,000	\$440,000	12/06/2001
40	Christian County Water District	WX21047011	\$2,200,000	\$1,000,000	12/06/2001
41	Owensboro Municipal Utilities	WX21059001	\$2,500,000	\$1,000,000	12/06/2001
42	Consumers Water District	WX21083002	\$1,117,868	\$1,000,000	12/06/2001
43	City of Caneyville	WX21085001	\$486,000	\$186,000	12/06/2001
44	Grayson County Water District	WX21085009	\$2,878,000	\$1,000,000	12/06/2001
45	City of Cumberland	WX21095662	\$1,600,000	\$400,000	12/06/2001
46	Henderson Water Utility	WX21101005	\$600,000	\$600,000	12/06/2001
47	Wood Creek water District	WX21125527	\$350,364	\$350,364	12/06/2001
48	Louisa Water District	WX21127001	\$5,570,570	\$1,000,000	12/06/2001
49	Electric Plant Board of the City of Vanceburg	WX21135001	\$4,077,000	\$977,000	12/06/2001
50	City of Sacramento	WX21149002	\$150,000	\$150,000	12/06/2001
51	Western Lewis Rectorville Water District	WX21161001	\$1,399,000	\$275,000	12/06/2001
52	Edmonton Water Works	WX21169001	\$2,222,782	\$595,782	12/06/2001
53	Tri-Village Water District	WX21187205	\$1,800,000	\$800,000	12/06/2001
54	City of Falmouth	WX21191311	\$1,000,000	\$300,000	12/06/2001
55	City of Hazard	WX21193009	\$5,500,000	\$250,000	12/06/2001
56	Buffalo Trail Water Association	WX21201005	\$1,500,000	\$750,000	12/06/2001
57	US 60 Water District	WX21211026	\$1,375,000	\$650,000	12/06/2001
58	Taylorville Water Works	WX21215087	\$3,500,000	\$430,400	12/06/2001
59	Campbellsville-Greensburg	WX21217004	\$3,181,900	\$0	12/06/2001
60	Cadiz-Trigg County Regional Water Commissio	WX21221002	\$14,000,000	\$70,000	12/06/2001
61	City of Midway	WX21239003	\$766,000	\$150,000	12/06/2001
62	City of Booneville	WX21189002	\$687,000	\$130,000	06/06/2002

TOTALS \$78,320,310 \$16,315,246 (rif)

PROJECTS APPROVED JULY 1, 2006 THROUGH JUNE 30, 2007:

63	Knott Co Water & Sewer		\$500,000	\$500,000	10/05/2006
64	Bath Co WD		\$514,340	\$250,000	12/07/2006
65	Western Pulaski Co Water District		\$620,000	\$620,000	5/10/07; 6/21/07
66	City of Harlan		\$200,000	\$200,000	06/21/2007

TOTALS \$1,834,340 \$1,570,000 (rif)

PROJECTS APPROVED IN FY2008:

67	City of Arlington		\$190,750	\$190,750	07/19/2007
68	City of Elkton		\$200,000	\$200,000	07/19/2007
69	City of Georgetown		\$80,000	\$80,000	07/19/2007
70	Morehead Utility Plant Board		\$373,900	\$373,900	07/19/2007

TOTALS \$844,650 \$844,650

GRAND TOTALS \$121,419,534 \$41,484,424

bold, italics - pending board approval

(s) - Amount represented in the assistance agreement

(c) - Grant has been closed.

(rif) - To be funded out of the revolving loan funds

**KENTUCKY INFRASTRUCTURE AUTHORITY
WATER RESOURCES LOAN ----- (FUND B2)
GATEWAY, BIG SANDY, KENTUCKY RIVER AND CUMBERLAND VALLEY DEVELOPMENT DISTRICTS**

TOTAL AUTHORIZATION FYS 1991-94	\$30,000,000
TOTAL DEAUTHORIZATION FYS 1995-96	(\$1,716,586)
TOTAL AUTHORIZATION FYS 1997-98	\$0
TOTAL AUTHORIZATION FYS 1998-99	\$0
TOTAL 1991 - 1998	<u>\$28,283,414</u>

TOTAL INFRASTRUCTURE AMOUNT	KIA AMOUNT	INTEREST RATE	AREA DEVELOPMENT DISTRICT	DATE APPROVED	COMMENTS
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PROJECTS APPROVED JULY 1, 1991 THROUGH JUNE 30, 1992:

1	MOUNTAIN WATER DISTRICT (Indian Creek)	\$2,712,760	\$337,760 (c)	3.0%	BIG SANDY	07-24-91	
2	MARTIN COUNTY WATER DISTRICT NO. 2	\$2,481,566	\$1,329,826 (c)	3.0%	BIG SANDY	09-16-91	(REAP. 5-5-93)
3	HYDEN / LESLIE CO. WATER DISTRICT	\$2,196,941	\$1,965,619 (c)	3.0%	KY. RIVER	09-16-91	
4	SOUTHERN WATER & SEWER (Phase I)	\$1,045,700	\$514,888 (c)	3.0%	BIG SANDY	09-16-91	(REAP. 1-29-93), Assumed from Beaver Elkhorn 12-21-00
5	SOUTHERN WATER & SEWER (Phase II)	\$2,262,200	\$847,982 (c)	3.0%	BIG SANDY	09-16-91	(REAP. 5-5-93), Assumed from Beaver Elkhorn 12-21-00
6	SOUTHERN WATER & SEWER (Phase III)	\$3,386,325	\$2,831,354 (c)	3.0%	BIG SANDY	09-16-91	(REAP. 5-5-93 & 2-2-95), Assumed from Beaver Elkhorn 12-21-00
7	MANCHESTER, CITY OF	\$1,766,705	\$970,439 (c)	2.9%	CUMB. VALLEY	11-01-91	
8	MOREHEAD, CITY OF	\$449,442	\$359,646 (c)	2.9%	GATEWAY	11-01-91	
9	MOUNTAIN WATER DISTRICT (Multi-Area)	\$5,165,093	\$5,165,093 (c)	2.9%	BIG SANDY	11-01-91	
10	PIKEVILLE, CITY OF	\$903,718	\$897,868 (c)	2.9%	BIG SANDY	11-01-91	
11	PINEVILLE, CITY OF	\$829,099	\$829,099 (c)	2.9%	CUMB. VALLEY	11-01-91	
12	BARBOURVILLE, CITY OF	\$4,500,000	\$1,924,831 (c)	2.9%	CUMB. VALLEY	11-01-91	
13	CORBIN, CITY OF	\$1,449,838	\$833,000 (c)	2.9%	CUMB. VALLEY	12-04-91	
14	PRESTONSBURG, CITY OF	\$2,173,278	\$1,960,288 (c)	2.9%	BIG SANDY	12-04-91	
15	HARLAN, CITY OF	\$1,434,170	\$1,434,170 (c)	2.9%	CUMB. VALLEY	12-04-91	
16	WHITESBURG, CITY OF	\$1,332,179	\$932,179 (c)	2.7%	KY. RIVER	05-13-92	
17	CLAY COUNTY FISCAL COURT (North Manchester Water Association)	\$2,805,321	\$2,621,001 (c)	2.95%	CUMB. VALLEY	05-13-92	
18	ROCKCASTLE COUNTY FISCAL COURT (Western Rockcastle Water Association)	\$778,500	\$364,572 (c)	2.95%	CUMB. VALLEY	05-13-92	
	TOTALS	<u>\$37,672,835</u>	<u>\$26,119,616</u>				

PROJECTS APPROVED JULY 1, 1992 THROUGH JUNE 30, 1993:

19	JACKSON COUNTY FISCAL COURT (Jackson County Water Association)	\$1,858,645	\$1,792,633 (c)	2.45%	KY. RIVER	11-12-92	
	TOTALS	<u>\$1,858,645</u>	<u>\$1,792,633</u>				

PROJECTS APPROVED JULY 1, 1993 THROUGH JUNE 30, 1994:

20	LAUREL COUNTY WATER DISTRICT NO. 2	\$1,324,000	\$450,000 (c)	1.6%	CUMB. VALLEY	5-11-94	(REAP. 12-5-95)
	TOTALS	<u>\$1,324,000</u>	<u>\$450,000</u>				
	GRAND TOTALS	<u>\$40,855,480</u>	<u>\$28,362,249</u>				

(s) - Amount represented in the assistance agreement.
(c) - Final Amount; Loan has been closed.

**KENTUCKY INFRASTRUCTURE AUTHORITY
GOVERNMENTAL AGENCIES PROGRAM ----- (FUND C)**

	TOTAL PROJECT AMOUNT	KIA AMOUNT	DATE APPROVED	COMMENTS	
ORIGINAL KENTUCKY POLLUTION ABATEMENT AUTHORITY LOANS (42) REFINANCED BY THE KENTUCKY INFRASTRUCTURE AUTHORITY (1989) \$32,025,000					
<u>PROJECTS APPROVED IN FY 1989:</u>					
1	CAMPBELLSVILLE, CITY OF	\$3,450,000	\$2,500,000	(c)	
2	CARLISLE, CITY OF	\$3,958,731	\$1,764,950	(c)	
3	CRITTENDEN, CITY OF	\$1,725,300	\$913,800	(c)	
4	EDMONTON, CITY OF	\$740,728	\$505,728	(c)	
5	FULTON, CITY OF	\$1,200,000	\$380,000	(c)	
6	INEZ, CITY OF	\$5,692,657	\$825,477	(c)	
7	PADUCAH-MCCRACKEN JOINT SEWER COI	\$1,844,500	\$1,844,500	(c)	ASSUMED FROM CITY OF PADUCAH
8	RUSSELL, CITY OF	\$2,851,000	\$2,851,000	(c)	
9	STANFORD, CITY OF	\$1,782,000	\$590,000	(c)	
10	TOMPKINSVILLE, CITY OF	\$720,000	\$445,000	(c)	
11	WEST LIBERTY, CITY OF	\$3,086,995	\$1,805,854	(c)	
12	HARDIN COUNTY WATER DISTRICT #2	\$3,597,502	\$932,502	(c)	
13	PADUCAH-MCCRACKEN JOINT SEWER COI	\$1,528,626	\$1,528,626	(c)	ASSUMED FROM MCCRACKEN CO SEWER
14	PADUCAH-MCCRACKEN JOINT SEWER COI	\$2,099,125	\$2,099,125	(c)	ASSUMED FROM MCCRACKEN CO SEWER
15	OLDHAM COUNTY WATER DISTRICT	\$1,191,282	\$1,330,500	(c)	
16	LOUISVILLE WATER COMPANY	\$2,593,497	\$1,094,330	(c)	ASSUMED FROM KENTUCKY TURNPIKE WATER DISTRICT 3/7/02
	TOTALS	\$38,061,943	\$21,411,392		
<u>PROJECTS APPROVED IN FY 1990:</u>					
17	BULLOCK-PEN WATER DISTRICT	\$779,649	\$399,049	(c)	08-07-89
18	BOYD COUNTY SANITATION DISTRICT #2	\$2,525,506	\$1,477,350	(c)	08-07-89 (AMD. 8-16-90 & 12-4-91)
19	FLEMINGSBURG, CITY OF	\$1,218,286	\$1,066,000	(c)	08-07-89
20	FRANKLIN, CITY OF	\$695,690	\$687,204	(c)	05-03-89 (AMD. 8-7-89)
21	PINEVILLE, CITY OF	\$3,099,590	\$308,767	(c)	09-27-89
22	EDMONSON COUNTY WATER DISTRICT	\$860,117	\$507,767	(c)	12-13-89
23	HENDERSON COUNTY WATER DISTRICT #	\$581,609	\$550,000	(c)	12-13-89 (AMD. 6-20-91)
24	EAST LOGAN COUNTY WATER DISTRICT	\$1,253,120	\$514,303	(c)	12-13-89
25	MCKEE, CITY OF	\$562,789	\$185,289	(c)	04-25-90
	TOTALS	\$11,576,356	\$5,695,729		
<u>PROJECTS APPROVED IN FY 1991:</u>					
26	U.S. 60 WATER DISTRICT	\$391,065	\$202,400	(c)	08-16-90
27	EDMONTON, CITY OF	\$727,621	\$502,621	(c)	08-16-90
28	MUNFORDVILLE, CITY OF	\$107,320	\$100,850	(c)	09-26-90
29	LEXINGTON-SOUTH ELKHORN WATER DIS	\$1,750,000	\$1,712,000	(c)	03-28-91
30	PADUCAH-MCCRACKEN JOINT SEWER COI	\$583,445	\$450,884	(c)	03-28-91 ASSUMED FROM REIDLAND WSD
31	SOUTH GRAVES COUNTY WATER DISTRICT	\$728,605	\$728,605	(c)	06-20-91 (REAP. 12-17-92)(AMD. 11-10-97)(AMD 8-7-03)
32	TRIMBLE COUNTY WATER DISTRICT	\$342,103	\$328,603	(c)	06-20-91 (REAP. 9-16-91)
33	HENDERSON COUNTY WATER DISTRICT #	\$633,013	\$325,000	(c)	06-20-91
	TOTALS	\$5,263,172	\$4,350,963		
<u>PROJECTS APPROVED IN FY 1992:</u>					
34	TOMPKINSVILLE, CITY OF	\$648,200	\$306,200	(c)	07-24-91
35	WALTON, CITY OF	\$140,577	\$140,577	(c)	07-24-91
36	WILMORE, CITY OF	\$745,155	\$228,355	(c)	09-16-91
37	EDMONSON COUNTY WATER DISTRICT	\$197,959	\$92,747	(c)	09-16-91
38	HENDRON WATER DISTRICT	\$596,100	\$556,100	(c)	11-01-91
39	BULLOCK-PEN WATER DISTRICT	\$1,067,019	\$518,169	(c)	11-01-91
40	U.S. 60 WATER DISTRICT	\$494,603	\$459,905	(c)	12-04-91
41	FULTON, CITY OF	\$409,587	\$384,508	(c)	05-13-92
42	BULLOCK-PEN WATER DISTRICT	\$62,111	\$29,254	(c)	05-13-92
	TOTALS	\$4,361,311	\$2,715,815		
<u>PROJECTS APPROVED IN FY 1993:</u>					
43	GEORGETOWN, CITY OF	\$554,870	\$162,870	(c)	11-12-92 (AMD. 6-29-94)(Assumed from Stamping Ground 3/2/06)
44	PIKEVILLE, CITY OF	\$1,317,639	\$419,771	(c)	11-12-92
45	NORTH MARSHALL COUNTY WATER DISTRICT	\$1,414,199	\$1,414,199	(c)	12-17-92
46	TAYLORSVILLE, CITY OF	\$188,000	\$188,000	(c)	03-03-93
47	WURLAND, CITY OF	\$336,885	\$264,145	(c)	05-05-93
	TOTALS	\$3,811,593	\$2,448,985		

	TOTAL PROJECT AMOUNT	KIA AMOUNT		DATE APPROVED	COMMENTS
PROJECTS APPROVED IN FY 1994:					
48	WHITESBURG, CITY OF	\$1,701,993	\$381,855	(c)	09-29-93
49	JONATHAN CREEK WATER DISTRICT	\$2,768,000	\$2,302,500	(c)	09-29-93 (AMD 9/7/03)
50	NORTHERN ROCKCASTLE COUNTY WATER	\$455,226	\$265,226	(c)	09-29-93
51	Shelbyville, City of	\$2,100,000	\$697,263	(c)	05-11-94 Assumed from Shelby Co SD #1
52	LAUREL COUNTY WATER DISTRICT #2	\$1,324,000	\$900,950	(c)	05-11-94 (AMD. 12-5-95)
	TOTALS	\$8,349,219	\$4,547,794		
PROJECTS APPROVED IN FY 1995:					
53	CARLISLE, CITY OF	\$715,000	\$425,895	(c)	11-29-94
**	54 HENRY COUNTY WATER DISTRICT #2	\$8,426,000	\$5,026,000	(s)(n)	03-31-95 (AMD. 12-5-95)
55	CALHOUN, CITY OF	\$506,100	\$453,299	(c)	5-30-95
	TOTALS	\$9,647,100	\$5,905,194		
PROJECTS APPROVED IN FY 1996:					
56	OLDHAM COUNTY WATER DISTRICT	\$1,174,500	\$1,062,256	(c)	2-26-95
57	HOPKINSVILLE, CITY OF	\$1,156,400	\$912,970	(c)	12-4-96; 4-7-11 assumed from Oak Grove
	TOTALS	\$2,330,900	\$1,975,226		
PROJECTS APPROVED IN FY 1997:					
58	EAST PENDLETON WATER DISTRICT	\$202,004	\$219,856	(c)	6-19-97
	TOTALS	\$202,004	\$219,856		
PROJECTS APPROVED IN FY 1998:					
	TOTALS	\$0	\$0		
PROJECTS APPROVED IN FY 1999:					
59	LOUISA, CITY OF	\$387,500	\$442,857	(c)	7/13/98 (AMD 9-1-99)
*	60 WEBSTER COUNTY WATER DISTRICT	\$6,165,911	\$4,000,000	(c)	9/1/98
61	MEADE COUNTY WATER DISTRICT	\$4,204,225	\$407,608	(c)	12/18/98
	TOTALS	\$10,757,636	\$4,850,465		
PROJECTS APPROVED IN FY 2001:					
62	BARLOW, CITY OF	\$416,000	\$237,714	(c)	3/1/01
	TOTALS	\$416,000	\$237,714		
PROJECTS APPROVED IN FY 2002:					
63	OLDHAM COUNTY WATER DISTRICT	\$7,043,642	\$5,560,339	(c)	7/12/01
	TOTALS	\$7,043,642	\$5,560,339		
PROJECTS APPROVED IN FY 2003:					
*	64 MCCREARY COUNTY FISCAL COURT	7,996,000	1,725,714	(c)	09/05/2002
*	65 NICHOLASVILLE, CITY OF	4,310,000	4,754,286	(c)	10/03/2002
66	SOUTHERN WATER & SEWER	6,874,900	0		01/09/2003 Withdrawn - Replaced with Coal Sev
67	MEADE COUNTY WATER DISTRICT	919,760	0		06/05/2003 Withdrawn - Replaced with Fd F loan
	TOTAL	\$7,996,000	\$6,480,000		
PROJECTS APPROVED IN FY 2004:					
68	KNOTT CO WATER & SEWER DISTRICT	\$2,628,821	\$640,367		08/07/2003
*	69 CAWOOD WATER DISTRICT	\$2,020,000	\$500,000		12/04/2003
*	70 BLACK MTN UTILITIES DISTRICT	\$2,295,000	\$250,000	(c)	01/08/2004
	TOTAL	\$6,943,821	\$1,390,367		
PROJECTS APPROVED IN FY 2005:					
*	71 NORTONVILLE, CITY OF	\$5,300,000	\$2,809,000		09/02/2004
*	72 JOHNSON CO FISCAL COURT	\$1,317,000	\$0		12/09/2004 Withdrawn
*	73 PEAKS MILL WATER DISTRICT	\$1,626,900	\$971,179	(c)	05/05/2005
	TOTAL	\$8,243,900	\$3,780,179		
PROJECTS APPROVED IN FY 2007:					
*	74 MAYFIELD, CITY OF	\$393,250	\$389,255	(c)	05/10/2007
	TOTAL	\$393,250	\$389,255		

	TOTAL PROJECT AMOUNT	KIA AMOUNT	DATE APPROVED	COMMENTS
<u>PROJECTS APPROVED IN FY 2008:</u>				
* 75	SOUTHEAST DAVIESS CO WD	\$1,219,995	\$796,140	11/01/2007 water
* 76	WEST DAVIESS CO WD	\$1,378,708	\$948,348 (c)	11/01/2007 water
* 77	NORTHERN KY WATER DISTRICT	\$6,000,000	\$6,000,000	06/05/2008 water
	TOTAL	\$8,598,703	\$7,744,488	
<u>PROJECTS APPROVED IN FY 2009:</u>				
* 78	UNION, CITY OF	\$1,147,500	\$248,294 (c)	10/02/2008 sewer
	TOTAL	\$1,147,500	\$248,294	
<u>PROJECTS APPROVED IN FY 2010:</u>				
* 79	BARDSTOWN, CITY OF	\$1,800,000	\$1,800,000	10/01/2009; 8/4/2011 industrial park transmission
* 80	BARDSTOWN, CITY OF	\$5,050,000	\$3,500,000	10/01/2009 water
	TOTAL	\$6,850,000	\$5,300,000	
<u>PROJECTS APPROVED IN FY 2011:</u>				
* 81	Bracken Co Water District	\$621,000	\$621,000	03/03/2011 water main replacement
	TOTAL	\$621,000	\$621,000	
<u>PROJECTS APPROVED IN FY 2012:</u>				
* 82	Warren Co Water District	\$1,114,400	\$823,900	10/06/2011 Buchanan Park Sewer Extension
* 83	<i>Muninet Fiber Agency</i>	\$3,173,049	\$3,173,049	02/02/2012 Cable Build Project #2
	TOTAL	\$4,287,449	\$3,996,949	
	KIA TOTALS	\$146,902,499	\$89,870,003	
	GRAND TOTALS (including KPAA)		\$121,895,003	
	Funds committed; not issued:		\$33,310,164	

bold, italics - pending board approval

* Bonds have not been sold for these projects.

** Withdrew from bond sale.

(s) - Amount represented in the assistance agreement.

(c) - Final Amount. Includes capitalized interest and Note Program costs.

(n) - Participating in BAN's

KENTUCKY INFRASTRUCTURE AUTHORITY
SAFE DRINKING WATER STATE REVOLVING FUND CFDA #66.468 ---- (FUND F)

AVAILABLE FUNDS FY 1997:

FEDERAL TITLE VI GRANT FUNDS	\$12,558,800
BOND PROCEEDS (20%)	\$2,511,760
ADMINISTRATION (4%)	(\$502,352)
OTHER SET ASIDES (As Amended)	(\$1,928,773)
NET 97 SRF FUNDS	\$12,639,435

AVAILABLE FUNDS FY 1998:

FEDERAL TITLE VI GRANT FUNDS	\$10,851,600
BOND PROCEEDS (20%)	\$2,170,320
ADMINISTRATION (4%)	(\$434,064)
OTHER SET ASIDES	(\$1,085,160)
NET 98 SRF FUNDS	\$11,502,696

AVAILABLE FUNDS FY 1999:

FEDERAL TITLE VI GRANT FUNDS	\$11,373,500
BOND PROCEEDS (20%)	\$2,274,700
ADMINISTRATION (4%)	(\$454,940)
OTHER SET ASIDES	(\$808,335)
LAND ACQUISITION SET ASIDE	\$357,500
NET 98 SRF FUNDS	\$12,742,425

AVAILABLE FUNDS FY 2000:

FEDERAL TITLE VI GRANT FUNDS	\$11,820,400
BOND PROCEEDS (20%)	\$2,364,080
ADMINISTRATION (4%)	(\$472,816)
OTHER SET ASIDES	(\$1,296,086)
LAND ACQUISITION SET ASIDE	\$0
NET 00 SRF FUNDS	\$12,415,578

AVAILABLE FUNDS FY 2001:

FEDERAL TITLE VI GRANT FUNDS	\$11,869,300
BOND PROCEEDS (20%)	\$2,373,860
ADMINISTRATION (4%)	(\$474,772)
OTHER SET ASIDES	(\$1,913,832)
LAND ACQUISITION SET ASIDE	\$252,130
NET 01 SRF FUNDS	\$12,106,686

AVAILABLE FUNDS FY 2002:

FEDERAL TITLE VI GRANT FUNDS	\$9,805,100
BOND PROCEEDS (20%)	\$1,961,020
ADMINISTRATION (4%)	(\$392,204)
OTHER SET ASIDES	(\$1,372,714)
NET 02 SRF FUNDS	\$10,001,202

AVAILABLE FUNDS FY 2003:

FEDERAL TITLE VI GRANT FUNDS	\$9,746,200
BOND PROCEEDS (20%)	\$1,949,240
ADMINISTRATION (4%)	(\$389,848)
OTHER SET ASIDES	(\$1,383,960)
NET 03 SRF FUNDS	\$9,921,632

AVAILABLE FUNDS FY 2004:

FEDERAL TITLE VI GRANT FUNDS	\$10,110,200
BOND PROCEEDS (20%)	\$2,022,040
ADMINISTRATION (4%)	(\$404,408)
OTHER SET ASIDES	(\$1,668,183)
NET 04 SRF FUNDS	\$10,059,649

AVAILABLE FUNDS FY 2005:

FEDERAL TITLE VI GRANT FUNDS	\$10,088,800
BOND PROCEEDS (20%)	\$2,017,760
ADMINISTRATION (4%)	(\$403,552)
OTHER SET ASIDES	(\$1,715,096)
NET 05 SRF FUNDS	\$9,987,912

AVAILABLE FUNDS FY 2006:

FEDERAL TITLE VI GRANT FUNDS	\$8,630,300
BOND PROCEEDS (20%)	\$1,726,060
ADMINISTRATION (4%)	(\$345,212)
OTHER SET ASIDES	(\$1,855,515)
NET 06 SRF FUNDS	\$8,155,633

AVAILABLE FUNDS FY 2007:

FEDERAL TITLE VI GRANT FUNDS	\$8,630,000
BOND PROCEEDS (20%)	\$1,726,000
ADMINISTRATION (4%)	(\$345,200)
OTHER SET ASIDES	(\$1,596,550)
NET 07 SRF FUNDS	\$8,414,250

AVAILABLE FUNDS FY 2008:

FEDERAL TITLE VI GRANT FUNDS	\$8,543,000
BOND PROCEEDS (20%)	\$1,708,600
ADMINISTRATION (4%)	(\$341,720)
OTHER SET ASIDES	(\$1,836,745)
NET 08 SRF FUNDS	\$8,073,135

AVAILABLE FUNDS FY 2009:

FEDERAL TITLE VI GRANT FUNDS	\$8,543,000
BOND PROCEEDS (20%)	\$1,708,600
ADMINISTRATION (4%)	(\$341,720)
OTHER SET ASIDES	(\$1,173,780)
NET 09 SRF FUNDS	\$8,736,100

AVAILABLE FUNDS FY 2010:

FEDERAL TITLE VI GRANT FUNDS	\$19,592,000
BOND PROCEEDS (20%)	\$3,918,400
ADMINISTRATION (4%)	(\$783,680)
OTHER SET ASIDES	(\$4,564,936)
NET 10 SRF FUNDS	\$18,161,784

AVAILABLE FUNDS FY 2011:

FEDERAL TITLE VI GRANT FUNDS	\$13,379,000
BOND PROCEEDS (20%)	\$2,675,800
ADMINISTRATION (4%)	(\$535,160)
OTHER SET ASIDES	(\$3,210,960)
NET 10 SRF FUNDS	\$12,308,680

NET FY 97-11 SRF FUNDS \$165,226,797

CURRENT REVOLVING/SURPLUS FUND BALANCE \$ 35,512,922

2010A - Leverage \$0

BALANCE AVAILABLE FOR LOAN \$ 258,511

	TOTAL PROJECT AMOUNT	KIA LOAN AMOUNT		DATE APPROVED	COMMENTS
<u>PROJECTS APPROVED IN FY 2000</u>					
1	HICKMAN, CITY OF	\$52,500	\$31,500 (s)	12/10/1999	F1
2	BOWLING GREEN, CITY OF	\$3,441,785	\$3,049,314 (c)	04/04/00	
3	PROVIDENCE, CITY OF	\$130,880	\$58,440 (c)	04/04/00	F1
4	GRAYSON, CITY OF	\$170,000	\$88,000	04/04/00	F1
	TOTALS	\$3,795,165	\$3,227,254		
<u>PROJECTS APPROVED IN FY2001</u>					
5	PRINCETON, CITY OF	\$3,858,000	\$1,500,000 (c)	07/18/2000	
6	HARDINSBURG, CITY OF	\$2,096,910	\$500,000 (c)	07/18/2000	
7	PROVIDENCE, CITY OF	\$3,442,422	\$2,383,982 (c)	9/29/00	
8	SPRINGFIELD, CITY OF	\$5,791,000	\$610,000	8/29/00	
9	MOREHEAD, CITY OF	\$13,325,000	\$5,500,000	9/29/00; Amd 5/16/01; Amd 5/1/03	Combined from 2 proj.
10	HICKMAN, CITY OF	\$1,642,623	\$869,023	9/29/00	
11	GREATER FLEMING CO REG WAT COM	\$357,500	\$357,500	12/21/00; 2/1/05	Land Acq Set Aside
12	ASHLAND, CITY OF	\$2,512,626	\$2,190,384 (c)	3/1/01	
13	GRAYSON COUNTY WATER DISTRICT	\$4,400,000	\$3,930,850 (c)	4/5/01	
14	PINEVILLE, CITY OF	\$173,222	\$173,222 (c)	5/3/01	
	TOTALS	\$37,599,303	\$18,014,961		
<u>PROJECTS APPROVED IN FY2002</u>					
15	LOGAN/TODD REG WAT COM	\$7,773,200	\$6,442,400 (c)	07/12/01	
16	CRITTENDEN/LIVINGSTON CO WD	\$1,500,000	\$1,451,881 (c)	07/12/01	
17	BULLOCK PEN WATER DISTRICT	\$408,088	\$350,367 (c)	10/4/01	
18	MOUNTAIN WATER DISTRICT	\$5,369,590	\$1,197,072	10/4/01	
19	GRAYSON, CITY OF	\$5,896,855	\$2,808,855	11/1/01; 12/12/02	Exec Com
20	LOGAN/TODD REG WAT COM	\$27,369,858	\$4,000,000	2/7/02	
21	NORTH LOGAN WATER DIST	\$800,000	\$447,000 (c)	3/7/02	
22	TAYLORSVILLE, CITY OF	\$2,800,000	\$1,241,766 (c)	5/2/02	
23	HOPKINSVILLE, CITY OF	\$1,513,593	\$1,513,593 (c)	6/6/02	
24	LOUISA, CITY OF	\$6,736,238	\$3,645,811 (c)	6/6/02	
25	BOONEVILLE, CITY OF	\$687,000	\$554,103 (c)	6/6/02	
	TOTALS	\$60,854,422	\$23,652,848		
<u>PROJECTS APPROVED IN FY2003</u>					
26	MADISON CO UTILITY DISTRICT	\$3,560,000	\$3,299,999 (c)	7/11/02; 1/1/05	
27	BOWLING GREEN MUNICIPAL UTILITIES	\$12,244,000	\$3,980,000 (c)	9/25/02	
28	GREATER FLEMING REG WAT COMM	\$252,130	\$252,130	10/3/02	Land Acq Set Aside
29	BRACKEN CO WATER DISTRICT	\$928,000	\$928,000	10/3/02	
30	BULLOCK PEN WATER DISTRICT	\$1,229,000	\$1,210,604 (c)	12/12/02	Exec Com
31	CITY OF ASHLAND	\$14,459,550	\$4,000,000	6/5/03	
	TOTALS	\$32,672,680	\$13,670,733		
<u>PROJECTS APPROVED IN FY2004</u>					
32	CARROLL CO WATER DISTRICT	\$1,956,156	\$1,908,662 (c)	9/4/03	
33	PAINTSVILLE, CITY OF	\$1,056,500	\$500,000	9/4/03	F1
34	EDDYVILLE, CITY OF	\$3,768,000	\$1,563,625 (c)	11/6/03	
35	HARLAN, CITY OF	\$5,020,000	\$1,597,552 (c)	11/6/03	
36	GREATER FLEMING REG WAT COM	\$13,059,330	\$4,000,000	12/4/03; 1/8/04	
37	MEADE COUNTY WATER DISTRICT	\$919,760	\$394,760	12/4/03	
38	HENDERSON WATER UTILITY	\$1,541,362	\$0	2/12/04	withdrawn
	TOTALS	\$27,321,108	\$9,964,599		
<u>PROJECTS APPROVED IN FY2005</u>					
39	MCCREARY CO WATER DISTRICT	\$4,206,815	\$1,455,400 (c)	10/7/04	
40	MANCHESTER, CITY OF	\$359,500	\$359,500	3/3/05	F1
41	RICHMOND, CITY OF	\$14,690,222	\$8,000,000	5/5/05	
	TOTALS	\$19,256,537	\$9,814,900		
<u>PROJECTS APPROVED IN FY 2006</u>					
42	HARDINSBURG, CITY OF	\$14,498,150	\$4,400,000	12/1/05; amd 8/1/07	
43	COLUMBIA-ADAIR CO WAT COM	\$14,000,000	\$4,520,000 (c)	6/1/06	
44	HOPKINSVILLE, CITY OF	\$6,844,310	\$4,000,000 (c)	6/1/06	
	TOTALS	\$35,342,460	\$12,920,000		

	TOTAL PROJECT AMOUNT	KIA AMOUNT	DATE APPROVED	COMMENTS
<u>PROJECTS APPROVED IN FY 2007</u>				
45	NORTHERN KY WATER DISTRICT	\$6,865,000	\$4,000,000	10/5/06
46	ADAIR CO WATER DISTRICT	\$3,302,000	\$1,000,000	6/21/07
47	JESSAMINE SOUTH ELKHORN WD	\$1,750,000	\$1,750,000	6/21/07
TOTALS		\$11,917,000	\$6,750,000	
<u>PROJECTS APPROVED FY 2008</u>				
48	LETCHER CO WAT & SEW DISTRICT	\$1,193,000	\$781,000 (c)	10/4/07
49	RICHMOND, CITY OF	\$7,108,951	\$4,000,000	10/4/07
50	MADISON CO UTILITY DIST	\$1,284,510	\$1,105,016	11/1/07; 10/9/08
52	NICHOLASVILLE, CITY OF	\$13,090,400	\$8,800,000 (c)	11/1/07; 4/1/09
53	BULLOCK PEN WATER DISTRICT	\$2,320,700	\$2,192,700 (c)	12/6/07
54	HARDINBURG, CITY OF	\$4,165,000	\$1,999,250 (c)	12/6/07
55	BEREA, CITY OF	\$9,739,630	\$5,000,000 (c)	2/7/08; inc 11/6/08
56	FRANKFORT, CITY OF	\$6,841,000	\$6,841,000	2/7/08
57	MANCHESTER, CITY OF	\$7,849,078	\$1,989,578	2/7/08; 2/5/09
58	MEADE CO WATER DISTRICT	\$2,480,949	\$753,447 (c)	2/7/08
59	WESTERN FLEMING WATER DISTRICT	\$2,568,000	\$2,518,000	2/7/08
60	HOPKINSVILLE, CITY OF	\$14,000,000	\$8,800,000	3/6/08; 5/7/09; 12/1/11
61	NORTHERN KY WATER DISTRICT	\$6,565,000	\$4,000,000	3/6/08
62	OHIO CO WATER DISTRICT	\$19,698,500	\$5,000,000	3/6/08; 6/4/09
63	CENTERTOWN, CITY OF	\$2,866,652	\$1,097,430	3/6/08; 6/25/09
TOTALS		\$101,771,370	\$54,877,421	
<u>PROJECTS APPROVED FY2009</u>				
64	PAINTSVILLE, CITY OF	\$29,135,364	\$6,519,566	12/4/08
TOTALS		\$29,135,364	\$6,519,566	
<u>PROJECTS APPROVED FY2010</u>				
65	PADUCAH, CITY OF	\$7,510,000	\$7,500,000	9/3/09
66	HARDINBURG, CITY OF	\$4,700,500	\$3,251,590	11/12/09
67	NORTHERN KY WATER DISTRICT	\$45,300,000	\$24,000,000	12/3/09; 12/9/10; 10/6/11
68	Columbia Adair Water Commission	\$1,694,000	\$1,694,000	6/3/10
TOTALS		\$59,204,500	\$36,445,590	
<u>PROJECTS APPROVED FY2011</u>				
69	Adair Co Water District	\$4,133,000	\$4,000,000	7/1/10
70	Louisa, City of	\$1,700,000	\$1,700,000	7/1/10
71	Madison County Utilities District	\$940,225	\$940,225	12/9/10
72	Hardinsburg, City of	\$4,198,000	\$4,000,000	2/3/11
73	Williamstown, City of	\$2,250,000	\$2,250,000	3/3/11
74	Bullock Pen Water District	\$1,633,000	\$1,633,000	4/7/11
75	Brandenburg, City of	\$3,080,000	\$2,080,000	4/7/11
76	Barbourville, City of	\$6,000,000	\$4,000,000	5/5/11
77	Barlow, City of	\$230,000	\$230,000	5/5/11
78	West Liberty, City of	\$3,050,300	\$3,050,300	5/5/11
TOTALS		\$27,214,525	\$23,883,525	
<u>PROJECTS APPROVED FY2012</u>				
79	Breathitt Co Water District	\$2,500,000	\$2,500,000	7/7/11
80	Adair Co WD dba Columbia Adair Utilities	\$3,439,000	\$1,500,000	8/4/11
81	Jessamine South Elkhorn WD	\$3,025,300	\$3,025,300	11/10/11
82	Hodgenville, City of	\$774,183	\$774,183	11/10/11
83	East Casey County WD	\$1,545,000	\$1,545,000	11/10/11
84	Nicholasville, City of	\$4,154,018	\$4,154,018	11/10/11
85	Harrodsburg, City of	\$438,000	\$438,000	12/8/11
86	Bowling Green Municipal Utilities	\$1,316,378	\$1,316,378	12/8/11
87	Carrollton, City of	\$1,850,270	\$1,850,270	12/8/11

	TOTAL PROJECT AMOUNT	KIA AMOUNT	DATE APPROVED	COMMENTS
PROJECTS APPROVED IN FY 2012 (Continued)				
88 Mount Vernon, City of	\$2,600,000	\$2,600,000	1/5/12	
89 Lyon Co WD	\$2,000,000	\$2,000,000	1/5/12	
TOTALS	\$23,642,149	\$21,703,149		
GRAND TOTALS - COMMITMENTS	\$469,726,583	\$241,444,546		

bold, italics - pending board approval

(c) - Final amounts; Loan has been closed

(s) - Amount represented in the assistance agreement

(F1) - Planning and Design Loan

KENTUCKY INFRASTRUCTURE AUTHORITY
SAFE DRINKING WATER STATE REVOLVING FUND CFDA #66.468 ---- (FUND F2)
AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009

AVAILABLE FUNDS FFY 2009:

FEDERAL ARRA GRANT FUNDS	\$20,450,000
ADMINISTRATION (4%)	(\$818,000)
OTHER SET ASIDES	(\$715,750)
NET ARRA FUNDS	<u>\$18,916,250</u>

	TOTAL PROJECT AMOUNT	KIA AMOUNT	FIRST USE FUNDS	DATE APPROVED
PROJECTS APPROVED IN SFY 2009:				
1 CENTERTOWN, CITY OF	\$2,866,652	\$222,606	\$222,606	6/25/09
2 SPRINGFIELD, CITY OF	\$4,000,000	\$947,901 (c)	\$947,901	6/25/09
TOTALS	<u>\$6,866,652</u>	<u>\$1,170,507</u>	<u>\$1,170,507</u>	
PROJECTS APPROVED IN SFY 2010:				
3 BREATHITT CO WATER DISTRICT	\$1,322,000	\$572,000 (c)	\$572,000	7/9/09; 11/24/09
4 WHITESBURG, CITY OF	\$171,840	\$171,794 (c)	\$171,794	7/9/09
5 MCKEE, CITY OF	\$1,100,000	\$1,099,923 (c)	\$1,099,923	8/6/09
6 BLACK MTN UTILITY DISTRICT	\$2,650,000	\$500,000 (c)	\$500,000	8/6/09
7 ELKTON, CITY OF	\$174,800	\$174,374 (c)	\$174,374	8/20/09
8 BLUEGRASS STATION	\$3,498,452	\$1,900,000	\$1,900,000	8/20/09
9 DAWSON SPRINGS, CITY OF	\$2,120,000	\$2,120,000	\$2,120,000	8/20/09
10 BURKESVILLE, CITY OF	\$1,153,000	\$1,153,000	\$1,153,000	9/3/09
11 LOUISVILLE WATER COMPANY	\$18,508,832	\$4,173,200	\$4,173,200	9/3/09; 2/4/10
12 JACKSON, CITY OF	\$1,500,000	\$1,500,000	\$1,500,000	9/3/09
13 PRESTONBURG, CITY OF	\$805,000	\$805,000 (c)	\$805,000	10/1/09
14 WINCHESTER, CITY OF	\$1,100,000	\$741,450 (c)	\$741,450	10/1/09
15 CAMPTON, CITY OF	\$6,966,088	\$683,200	\$683,200	10/1/09
16 WESTERN MASON WATER DISTRICT	\$578,000	\$500,000	\$500,000	10/1/09
17 GREENUP, CITY OF	\$2,915,099	\$1,590,604	\$1,590,604	11/12/09
TOTALS	<u>\$44,563,111</u>	<u>\$17,684,546</u>	<u>\$17,684,546</u>	
GRAND TOTALS - COMMITMENTS	<u>\$51,429,763</u>	<u>\$18,855,053</u>	<u>\$18,855,053</u>	
BALANCE AVAILABLE FOR LOAN			<u><u>\$61,197</u></u>	

bold, italics - pending board approval

(c) - Final amounts; Loan has been closed

(s) - Amount represented in the assistance agreement