



**Board Meeting Booklet**  
**for**  
**April 12, 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  
April 12, 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**

- |   |                         |    |
|---|-------------------------|----|
| 1. Consideration of Approval of the <b>Minutes of the Kentucky Infrastructure Authority Regular Board Meeting of March 1, 2012</b><br><i>(Attachment I.A.1.)</i>        | Vice Chair Damon Talley | 11 |
| 2. Consideration of Approval of the <b>Minutes of the Kentucky Infrastructure Authority Executive Committee Meeting of March 27, 2012</b><br><i>(Attachment I.A.2.)</i> | Vice Chair Damon Talley | 27 |

**B. New Projects/Action Items**

- |   |                       |    |
|---|-----------------------|----|
| 1. Resolution and Order of the Board of Directors for Approval of a <b>2020 Water Service Account Grant</b> in the amount of <b>\$120,000</b> to the <b>City of Albany, Clinton County, Kentucky</b> (WX21053013)<br><i>(Attachment I.B.1.)</i>                   | Ms. Debby Milton, KIA | 31 |
| 2. Resolution and Order of the Board of Directors for Approval of a <b>2020 Water Service Account Grant</b> in the amount of <b>\$100,000</b> to the <b>Barkley Lake Water District, Trigg County, Kentucky</b> (WX21221007)<br><i>(Attachment I.B.2.)</i>        | Ms. Debby Milton, KIA | 39 |
| 3. Resolution and Order of the Board of Directors for Approval of a <b>2020 Water Service Account Grant</b> in the amount of <b>\$100,000</b> to the <b>Bracken County Water District, Bracken County, Kentucky</b> (WX21023029)<br><i>(Attachment I.B.3.)</i>    | Ms. Debby Milton, KIA | 47 |
| 4. Resolution and Order of the Board of Directors for Approval of a <b>2020 Water Service Account Grant</b> in the amount of <b>\$15,000</b> to the <b>City of Crab Orchard, Lincoln County, Kentucky</b> (WX21137044)<br><i>(Attachment I.B.4.)</i>              | Ms. Debby Milton, KIA | 55 |
| 5. Resolution and Order of the Board of Directors for Approval of a <b>2020 Water Service Account Grant</b> in the amount of <b>\$60,000</b> to the <b>Mount Sterling Water and Sewer, Montgomery County, Kentucky</b> (WX21173129)<br><i>(Attachment I.B.5.)</i> | Ms. Debby Milton, KIA | 63 |



<p>6. Resolution and Order of the Board of Directors for Approval of a <b>2020 Water Service Account Grant</b> in the amount of <b>\$90,000</b> to the <b>Mayfield Electric and Water Systems, Graves County, Kentucky</b> (WX21083044) <i>(Attachment I.B.6.)</i></p>	<p>Mr. Lane Gould, KIA</p>	<p>71</p>
<p>7. Resolution and Order of the Board of Directors for Authorizing an <b>Amendment</b> to the Conditional Commitment for a <b>Fund A loan (A11-16)</b> increasing the amount to <b>\$1,094,143</b> to the <b>Southern Water and Sewer District, Floyd County, Kentucky</b> (SX21195121, SX21071218) <i>(Attachment I.B.7.)</i></p>	<p>Mr. Shafiq Amawi, DOW Ms. Kasi White, KIA</p>	<p>79</p>
<p>8. Resolution and Order of the Board of Directors for Approval of a <b>Fund A loan (A12-06)</b> in the amount of <b>\$3,006,000</b> to the <b>City of South Shore, Greenup County, Kentucky</b> (SX21089038, SX21089054) <i>(Attachment I.B.8.)</i></p>	<p>Mr. Shafiq Amawi, DOW Ms. Sandy Williams, KIA</p>	<p>93</p>
<p>9. Resolution and Order of the Board of Directors for Approval of a <b>Fund A loan (A12-19)</b> in the amount of <b>\$500,000</b> to the <b>City of Flemingsburg, Fleming County, Kentucky</b> (SX21069016) <i>(Attachment I.B.9.)</i></p>	<p>Mr. Shafiq Amawi, DOW Ms. Kasi White, KIA</p>	<p>107</p>
<p>10. Resolution and Order of the Board of Directors for Approval of a <b>Fund A loan (A12-20)</b> in the amount of <b>\$719,000</b> to the <b>City of Russell Springs, Russell County, Kentucky</b> (SX21207015) <i>(Attachment I.B.10.)</i></p>	<p>Mr. Shafiq Amawi, DOW Ms. Kasi White, KIA</p>	<p>123</p>
<p>11. Resolution and Order of the Board of Directors for Approval of a <b>Fund A loan (A12-23)</b> in the amount of <b>\$700,000</b> to the <b>City of Jackson, Breathitt County, Kentucky</b> (SX21025006) <i>(Attachment I.B.11.)</i></p>	<p>Mr. Shafiq Amawi, DOW Ms. Kasi White, KIA</p>	<p>137</p>
<p>12. Resolution and Order of the Board of Directors for Approval of a <b>Fund A loan (A12-18)</b> in the amount of <b>\$500,000</b> to the <b>City of Worthington, Greenup County, Kentucky</b> (SX21089087) <i>(Attachment I.B.12.)</i></p>	<p>Mr. Shafiq Amawi, DOW Ms. Kasi White, KIA</p>	<p>151</p>
<p>13. Resolution and Order of the Board of Directors for Approval of a <b>Fund C loan (C12-02)</b> in the amount of <b>\$600,000</b> to the <b>City of Worthington, Greenup County, Kentucky</b> (WX21089080) <i>(Attachment I.B.13.)</i></p>	<p>Ms. Kasi White, KIA</p>	<p>165</p>
<p>14. Resolution and Order of the Board of Directors for Approval of a <b>Fund B loan (B12-03)</b> in the amount of <b>\$350,000</b> to the <b>City of Mount Olivet, Robertson County, Kentucky</b> (WX21201011) <i>(Attachment I.B.14.)</i></p>	<p>Ms. Kasi White, KIA</p>	<p>177</p>



15. 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

Ms. Sandy Williams, KIA 189

*(Attachment I.B.15.)*

**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 193

**IV. ANNOUNCEMENTS/NOTIFICATIONS**

Mr. John Covington, KIA

*Next KIA Board Meeting:*

***Tentatively set for Thursday, May 3, 2012***

*Kentucky Infrastructure Authority*

*1024 Capital Center Drive, Suite 340, Frankfort*

**V. ADJOURN**

Vice Chair Damon Talley



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**I.A.1.**



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

**Meeting Date/Location:      March 1, 2012 – 1:00 p.m.  
Kentucky Infrastructure Authority  
1024 Capital Center Drive, Suite 340, Frankfort**

**Members present:**

Mr. Tony Wilder, Commissioner, Department for Local Government  
Ms. Lona Brewer, Energy and Environment Cabinet  
(permanent proxy for Secretary Leonard K. Peters, EEC)  
Mr. Joe Kelly, Economic Development Cabinet  
(proxy for Secretary Larry Hayes, EDC)  
Mr. Jerry Wuetcher, Public Service Commission  
(permanent proxy for Executive Director Jeff Derouen, PSC)  
Mr. C. Ronald Lovan, representing the American Water Works Association  
Ms. Linda C. Bridwell, representing for-profit private water companies  
Mr. Thomas P. Calkins, representing the Kentucky Municipal Utilities Association  
Mr. Damon Talley, representing the Kentucky Rural Water Association  
Mr. David W. Cartmell, Mayor, City of Maysville, representing the Kentucky League of Cities  
Mr. Jody Jenkins, Union County Judge/Executive, representing the Kentucky  
Association of Counties

**Members absent:**

Mr. Jamie Link, Finance and Administration Cabinet  
(permanent proxy for Secretary Lori H. Flanery, FAC)

**Guests:**

Mr. Shafiq Amawi, Division of Water  
Mr. Paul Amburgey, E.L. Robinson Engineering  
Mr. Charles Martin, Lexington-Fayette Urban County Government  
Ms. Sheryl Chino, Green River Area Development District  
Mr. Pete Conrad, Green River Area Development District  
Mr. Bryan Kirby, CEDA, Inc.  
Mr. Charlie Scroggin, HDR Engineering  
Mr. Kerry Odle, CMW, Inc.  
Mr. Bobby Burgess, Grant County Sanitary Sewer District  
Mr. Billy Catlett, Grant County Sanitary Sewer District  
Mr. Roger Recktenwald, Kentucky Association of Counties  
Mr. Josh Nacey, Legislative Research Commission  
Mr. Joe Britt, Wells Fargo  
Mr. Ron Gastineau, Gastineau and Associates  
Mr. Peyton Mastera, City of Murray  
Mr. Todd Solomon, GRW Engineers  
Mr. Gary Larimore, Kentucky Rural Water Association  
Mr. Joe Pavoni, GRW Engineers

Mr. David Hawes, Regional Water Resource Agency  
Mr. Dean Behnke, Regional Water Resource Agency  
Ms. Cheri James, City of Olive Hill  
Mr. Ryan Eastwood, City of Ashland  
Ms. Cheryl Sullivan, Campbellsville Water and Sewer District  
Mr. David Bowles, Monarch Engineering, Inc.  
Mayor Tony Young, City of Campbellsville

## **PROCEEDINGS**

**Chair Tony Wilder called the meeting of the Kentucky Infrastructure Authority (KIA) Board to order. Chair Wilder 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 February 2, 2012**

*Mr. Tom Calkins moved to approve the minutes of the February 2, 2012 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 ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED WASTEWATER REVOLVING FUND LOAN (A12-11) IN THE AMOUNT OF \$4,500,000 TO THE CITY OF ASHLAND, BOYD COUNTY, KENTUCKY**

Mr. Shafiq Amawi, DOW, and Ms. Sandy Williams, KIA, presented the project to the Board. The City of Ashland requested a Fund A Loan in the amount of \$4,500,000 for the Thirty-Seventh Street Pump Station and Force Main replacement project. The project consists of the relocation and capacity upgrade of the pump station and upsizing and extension of the force main. This is an early action project to reduce CSO discharges from the Ashland Combined Sewer System as part of the CSO Long Term Control Plan. Current plans are for the existing capacity of the pump station to be upgraded from 2,800 gallons per minute (gpm) to 5,500 gpm. It also involves the construction of approximately 6,500 feet of twenty-four inch force main from the Thirty-Seventh Street pump station to the wastewater treatment plant. The new force main replaces the existing fourteen inch force main that currently discharges to the Combined Sewer System at Thirty-Fourth Street, which can contribute to other CSOs within the system. The project will reduce the frequency, volume and duration of CSOs from the Thirty-Seventh Street CSO (permitted outfall #004) and Thirty-Fourth

Street CSO (permitted outfall #006) which discharges into the Ohio River. The effluent from this project will discharge directly to the wastewater treatment plant. The project qualified for \$3,950,000 of Green Project Reserve funding under the Energy Efficiency category. It did not qualify for additional subsidization. The term of the loan is 20 years with a 2% interest rate and an estimated annual debt service payment of \$283,100. Both KIA and DOW staff recommended approval of the loan with the standard conditions.

***Mr. Damon Talley moved to approve the Fund A (A12-11) resolution with the standard conditions. Mr. Tom Calkins seconded, and the motion carried unanimously.***

**2. 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 (A12-12) IN THE AMOUNT OF \$46,000,000 TO THE CITY OF MURRAY, CALLOWAY COUNTY, KENTUCKY**

Mr. Shafiq Amawi, DOW, and Ms. Sandy Williams, KIA, presented the project to the Board. The City of Murray requested a Fund A Loan in the amount of \$46,000,000 for the Bee Creek Wastewater Treatment Plant and Collection System Improvements Project. This multi-year project involves an upgrade and increase in capacity of the plant and collection system from 5.25 million gallons per day (MGD) to 8.75 MGD. The proposed improvements will resolve KPDES permit violations, Whole Effluent Toxicity (WET) test failures, and existing sanitary sewer overflows while providing capacity to treat current and projected flows. The project's proposed improvements include an equalization tank, new influent pump station, new screening facility, new grit removal facility, additional biological treatment capacity including biological nutrient removal (BNR) using a new vertical loop reactor (VLR), three additional clarifiers, upgraded effluent pump station, UV disinfection, storm water pump station, new RAS pump station, upgraded WAS pump station, upgraded non-potable water pump station, new sludge dewatering unit and an additional sludge holding tank. Additionally, the project will rehabilitate and upgrade the existing wastewater collection system capacity to accommodate current wastewater flows and future growth. Proposed collection system improvements include 5,200 linear feet (LF) of eight inch, 2,400 LF of ten inch, 5,300 LF of fifteen inch, 9,810 LF of eighteen inch, 12,820 LF of twenty-four inch, 6,690 LF of thirty inch and 260 LF of thirty-six inch gravity sewers, main collection system pump static upgrade including additional wet well and pumps, and 2,320 LF of eighteen inch force main. The project qualified for Green Project Reserve (GPR) funding in the amount of \$5,510,000. The breakdown of the GPR to the respective "green" categories is as follows: a) Green Infrastructure - \$10,000 (permeable pavers); b) Water Efficiency - \$15,000 (pumps to reuse treated effluent); c) Energy Efficiency - \$1,500,000 (energy efficient blowers for sludge tanks and vertical loop reactor, lighting and HVAC, influent, RAS, effluent and SW pumps; VFD on activated sludge aerators); and d) Environmentally Innovative - \$3,985,000 (biological nutrient removal for phosphorus and nitrogen, UV light disinfection to reduce chlorine exposure). The project qualified for additional subsidization in the amount of \$1,200,000. The unforgiven balance of the loan is \$44,800,000 to be repaid in 20 years with an interest rate of 1% and an estimated annual debt service payment of \$2,566,638.

Both DOW and KIA staff recommended approval of the loan with the standard conditions.

***Ms. Linda Bridwell moved to approve the Fund A (A12-12) resolution with the standard conditions. Mr. Ron Lovan seconded, and the motion carried unanimously.***

**3. RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING AN AMENDMENT OF THE CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED WASTEWATER REVOLVING FUND LOAN (A2 09-35) FUNDED IN WHOLE OR IN PART BY THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 INCREASING THE AMOUNT TO \$433,178 TO THE GRANT COUNTY SANITARY SEWER DISTRICT, GRANT COUNTY, KENTUCKY**

**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 (A12-13) IN THE AMOUNT OF \$913,300 TO THE GRANT COUNTY SANITARY SEWER DISTRICT, GRANT COUNTY, KENTUCKY**

Mr. Shafiq Amawi, DOW, and Ms. Sandy Williams, KIA, presented both projects to the Board.

The Grant County Sanitary Sewer District requested an increase of \$133,178 for the Fund A loan that was previously approved for \$300,000 for a new Fund A loan amount of \$433,178 from the American Recovery and Reinvestment Act of 2009 for the Phase I of a Sanitary Sewer Extension project. The increase is needed to fund unanticipated budget overages. The project will serve the Sherman area and areas north of Sherman in Grant County and will include 8,935 feet of 8" gravity sewer, 20,452 feet of force main, 7,883 feet of small diameter force main, 43 manholes and six pump stations. The project will connect 84 customers, which will eliminate septic systems, in addition to connecting Grant County Mobile Home Park (43 users) and Cincinnati Campground, which will eliminate two package sewer plants. Sewer connection will also be available to Countryside Mobile Home Park. Debt service will be funded from existing revenues and the increased customer base. The loan contains principal forgiveness of 52.1%. The unforgiven balance of the increased loan is \$207,492 to be repaid in 20 years with a 3% interest rate and a new estimated annual debt service payment of \$14,287. Both DOW and KIA staff recommended approval of the loan increase with the standard conditions and the additional ARRA conditions.

The Grant County Sanitary Sewer District requested a Fund A loan in the amount of \$913,300 for the Wastewater Treatment Plant Improvements project. The project involves various wastewater treatment plant improvements including the installation of a 60,000 gallon sludge digester, conversion of four existing 11,250 gallon digesters to be part of the extended aeration plant, sludge press with building, flow splitter with bar screens, replacement of blowers with quieter and more efficient ones, and grade work for the above items along with preparation

for a future 75,000 gallon expansion to the plant. Plant capacity will be increased, sludge can be processed and taken to the landfill, bar screens and the splitter will prevent back-up in the existing sewer gravity lines, and electricity consumption will be reduced as a result of this project. The project did not qualify for Green Project Reserve funding and it did not qualify for additional subsidization. The term of the loan is 20 years with an interest rate of 3% and an estimated annual debt service payment of \$62,885. Both DOW and KIA Staff recommended approval of the loan with the standard conditions.

Mr. Jerry Weutcher noted for the record that since both loans will have to obtain approval from the Public Service Commission he would abstain from voting.

***Mr. Tom Calkins moved to approve the Fund A (A2 09-35) resolution with the standard conditions and the additional ARRA conditions. Ms. Linda Bridwell seconded, and the motion carried unanimously, with Mr. Jerry Weutcher abstaining.***

***Mayor David Cartmell moved to approve the Fund A (A12-13) resolution with the standard conditions. Ms. Linda Bridwell seconded, and the motion carried unanimously, with Mr. Jerry Weutcher abstaining.***

**4. RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING AN AMENDMENT OF THE CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED WASTEWATER REVOLVING FUND LOAN (A10-13) INCREASING THE AMOUNT TO \$5,790,500 TO THE REGIONAL WATER RESOURCE AGENCY, DAVIESS COUNTY, KENTUCKY**

**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 (A12-14) IN THE AMOUNT OF \$357,335 TO THE REGIONAL WATER RESOURCE AGENCY, DAVIESS COUNTY, KENTUCKY**

**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 (A12-15) IN THE AMOUNT OF \$1,586,875 TO THE REGIONAL WATER RESOURCE AGENCY, DAVIESS COUNTY, KENTUCKY**

Mr. Shafiq Amawi, DOW, and Ms. Sandy Williams, KIA, presented the three projects to the Board.

The Regional Water Resource Agency (RWRA) requested an increase of \$1,785,500 to the previously approved \$4,005,000 Veterans Drive project for a new Fund A loan amount of \$5,790,500. This increase will fund an upgrade to the Locust Street Pump Station which will finalize capacity improvements needed for transport of additional combined sewage to the Max Rhoad's Treatment Plant for secondary treatment. Recent improvements at this plant will enable RWRA to

treat the additional combined sewage that is generated through the Veterans Drive project. The Locust Street Pump Station is located on a property that is slated to become Owensboro's new Convention and Events Center along with a new hotel facility. Based on the constructions schedule of these facilities it is prudent to proceed with the rehabilitation and upgrade of the pump station prior to, or in conjunction with, construction occurring on the adjacent properties. The original loan request in the amount of \$4,005,000 was to complete two projects at Dublin Lane and at Veterans Drive. RWRA is under enforcement with the Commonwealth of Kentucky (September 5, 2007) to mitigate combined sewer overflows. The project did not qualify for Green Project Reserve funding and it did not qualify for additional subsidization. The new loan will have the same term of the original loan of 20 years with an interest rate of 1% and a new estimated annual debt service payment of \$331,744. Both DOW and KIA staff recommended approval of the loan increase with the standard conditions.

The RWRA requested a Fund A loan in the amount of \$357,335 to complete the Locust Hills Sewer Extension project. The primary impacts of the project will be to provide service to unsewered properties. This project proposes the extension of sanitary sewers throughout the Locust Hills subdivision. The neighborhood is currently served by separate septic systems. The project will require the installation of approximately 7,300 feet of eight inch PVC gravity sewers, thirty-six manholes and a lift station near Thurston Dermont Road with 1,300 feet of PVC force main to discharge into the new gravity sewer system that will be constructed west of the ridge in the middle of the subdivision. The flow from this neighborhood will be routed through the existing public collection system in the Thoroughbred East subdivision, ultimately being treated at the Owensboro East Wastewater Treatment Plant. This project will serve seventy-three lots within the subdivision, although three of the lots currently have service via a pump station in nearby Bordeaux Loop subdivision. Completion of this project will also result in the elimination of the pump station which currently serves approximately fifty customers. The project did not qualify for Green Project Reserve funding and it 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 \$22,481. Both DOW and KIA staff recommended approval of the loan with the standard conditions.

The RWRA requested a Fund A loan in the amount of \$1,586,875 to complete various slip linings throughout the system. The primary impact of the project will be to rehabilitate existing lines to reduce infiltration and inflow. This project involves rehabilitation work that will aid in reducing I&I thus extending the life of the affected mains and reducing CSOs. Failing areas will be identified by televising the mains then the highest priority areas will be slip lined. The project did not qualify for Green Project Reserve funding and it did not qualify for additional subsidization. The term of the loan is 20 years with an interest rate of 1% and an estimated annual debt service payment of \$90,914. Both DOW and KIA staff recommended approval of the loan with the standard conditions.

***Mr. Damon Talley moved to approve all three Fund A resolutions for A10-13, A12-14 and A12-15, with the standard conditions. Mr. Ron Lovan seconded, and the motion carried unanimously.***

**5. 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 (A12-14) IN THE AMOUNT OF \$1,930,000 TO THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT, FAYETTE COUNTY, KENTUCKY**

Mr. Shafiq Amawi, DOW, and Ms. Sandy Williams, KIA, presented the project to the Board. The Lexington-Fayette Urban County Government (LFUCG) requested a Fund A Loan in the amount of \$1,930,000 for the acquisition of the Blue Sky Wastewater Treatment Plant. LFUCG is developing plans to eliminate the WWTP and replace it with a sanitary pumping station and force main. Existing flows would be conveyed to KY0021504. This would resolve existing compliance issues. The system was under sanctions from previous enforcement actions that were initiated by the State. This project is a proposed State Supplemental Environmental Project that was negotiated by LFUCG and the Energy and Environment Cabinet. The project did not qualify for Green Project Reserve funding and it 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 \$121,419. Both DOW and KIA staff recommended approval of the loan with the standard conditions.

Mr. Jerry Weutcher asked if LFUCG was going to apply to the Public Service Commission (PSC) for approval of the sale and acquisition of the Blue Sky Wastewater Treatment Plant. Mr. Charles Martin from LFUCG answered that the acquisition closed the end of February, approval from the PSC had not been sought beforehand but they would get with their attorneys on the issue. Mr. Weutcher made a motion to add a condition to the loan that before the loan closes LFUCG obtain approval from PSC for the acquisition and submit that approval to KIA staff. Ms. Williams noted that this condition is a standard condition listed in the Conditional Commitment Letter but would add as a special condition the following: The Lexington Fayette-Urban County Government shall comply with KRS 278.020 as applicable.

***Ms. Linda Bridwell moved to approve the Fund A (A12-16) resolution with the standard conditions and the added special condition that LFUCG obtain approval from the PSC before the loan closes. Mr. Tom Calkins seconded, and the motion carried unanimously.***

**6. 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 (F12-03) LOAN IN THE AMOUNT OF \$1,875,000 TO THE CITY OF CAMPBELLSVILLE, TAYLOR COUNTY, KENTUCKY**

Mr. Shafiq Amawi, DOW, and Ms. Kasi White, KIA, presented the project to the Board. The City of Campbellsville requested a Fund F loan in the amount of \$1,875,000 for the Waterline Improvements project. This project involves the replacement of approximately 24,000 LF of two inch and smaller piping with six inch piping. The lines experience leaks, particularly during freeze / thaw conditions. Also the restrictions inside the pipes along with the small size result in

low pressure during peak demand. The lines that are scheduled for replacement are galvanized and the condition is so poor that making repairs to them results in additional damage due to the disturbance of the line. Some of the lines are in narrow alleys and streets or very close to or under buildings making it difficult for the city to perform work on them. The few shutoff valves that are known to exist are mostly inoperable resulting in the inability to shut off the water system when a repair is required. Leaks are usually fixed under pressure due to this and the fact that there is no way to isolate the system. In extreme cases the water tanks have been shut off just to isolate one area where a repair is required. All new lines will be equipped with a gate valve on each end and each segment will have a hydrant that can be used to flush the individual line without affecting other connected areas of the water system. The project qualified for Green Project Reserve funding for \$1,875,000 under the “green” category of Water Efficiency. The project qualified for additional subsidization in the amount of \$656,250. The unforgiven balance of the loan is \$1,218,750 to be repaid in 20 years with a 1% interest rate and an estimated annual debt service payment of \$70,433. Both DOW and KIA staff recommended approval of the loan with the standard conditions and the following special conditions: 1) KIA shall receive a copy of a resolution on or before July 1, 2012 restricting \$300,000 in funds for the Debt Service Reserve for the KIA Loan F12-03. These funds will be made available by released reserve funds from a recently repaid KLC loan; 2) No later than July 1, 2012, the City shall provide documentation reflecting the account number and balance of the location where the \$300,000 in debt service reserve funds are being held. This account should be classified as restricted; 3) Prior to February 1, 2013, the City shall have a User Rate Study for water and sewer rates conducted by an independent third party; 4) Prior to February 1, 2013, the City shall provide a copy of a User Rate Study results to KIA; and 5) The City further covenants and agrees that if such rate study results reflect the need for an increased rate adjustment that they will implement any such adjustments no later than May 1, 2013.

***Mr. Joe Kelly moved to approve the Fund F (F12-03) resolution with the standard conditions and the special conditions indicated in the staff recommendations. Mr. Damon Talley seconded, and the motion carried unanimously.***

**7. 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 (F12-05) LOAN IN THE AMOUNT OF \$922,850 TO THE CITY OF CENTERTOWN, OHIO COUNTY, KENTUCKY**

Mr. Shafiq Amawi, DOW, and Ms. Sandy Williams, KIA, presented the project to the Board. The City of Centertown requested a Fund F loan in the amount of \$922,850 for the Water System Improvements - Phases III and IV projects. The City is completing a major upgrade to their water distribution system. The upgrade will significantly increase storage and pressure in the system, which in large part was built in the early 1970's and consists of small diameter asbestos cement pipe. The increased pressure is expected to have an adverse effect on some of the older lines where breaks are considered likely to happen. Phase III will replace the older, predominantly four inch lines, and create better looping in

the downtown portion of the system. Phase IV includes the installation of various sized water mains. Together the projects will: 1) Replace approximately 18,000 LF of older 4-inch main with new 6-inch main from the intersection of KY 69 and KY 85 to the Kronos area (past Matanzas Road); 2) Install approximately 12,000 LF of new 4-inch main along Matanzas Road from KY 69 to Kirtley River Road; 3) Install approximately 6,500 LF of new 3-inch water main along Kirtley River Road from where it intersects with Oak Grove Lane to Cave Hill Lane, then up to an existing line on KY 85 near the Big Rivers Electric Corporation DB Wilson Station; and 4) Replace approximately 2,000 LF of older 2-inch water main with new 2-inch water main on Kronos Loop (the old main was apparently constructed using improper fittings and is not in good condition). The project qualified for Green Project Reserve funding in the amount of \$380,000 under the “green” category of Water Efficiency (water line replacements). The project qualified for additional subsidization in the amount of \$322,998. The unforgiven balance of the loan is \$599,853 to be repaid in 30 years with a 1% interest rate and an estimated annual debt service payment of \$24,693. Both DOW and KIA staff recommended approval of the loan with the standard conditions.

***Ms. Linda Bridwell moved to approve the Fund F (F12-05) resolution with the standard conditions. Mr. Damon Talley seconded, and the motion carried unanimously.***

**8. 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 (F12-06) LOAN IN THE AMOUNT OF \$3,000,000 TO THE CITY OF STURGIS, UNION COUNTY, KENTUCKY**

Mr. Shafiq Amawi, DOW, and Ms. Kasi White, KIA, presented the project to the Board. The City of Sturgis requested a Fund F loan in the amount of \$3,000,000 for the Sturgis Water System / Union County Water District Consolidation project. The project involves the elimination of finished water production at the Sturgis Water Plant by constructing an inter-connect to purchase water from the Union County Water District. The project components include building or replacing approximately 75,000 linear feet (LF) of four to ten inch PVC water lines, two pump stations, a 500,000 gallon water tank and a master meter between the two entities. The City’s existing plant has been in operation since 1978. The project will also resolve a problematic transmission line that has failed an average of once per month. The travel time of finished water will be shortened thus reducing the formation of disinfection by products while allowing City water personnel to concentrate on maintaining and improving the existing distribution system. The City is under two Agreed Orders. The first is due to violations of total Trihalomethanes (TTHM) and Total Haloacetic Acids (HAA5). The second order is due to a lack of proper record keeping and monitoring of the water treatment plant, intake structure and distribution system. Since 2004 the City has received twenty three notices of violation for TTHM and ten notices for HAA5. The project did not qualify for Green Project Reserve funding. The project did qualify for additional subsidization in the amount of \$1,050,000. The unforgiven balance of the loan is \$1,950,000 to be repaid in 20 years with a 1% interest rate and an estimated annual debt service payment of \$112,693. Ms. White noted a correction will be made to the Credit Analysis on page 172 in the Board Book.

The correct loan amount should read \$3,000,000 as the loan request. The total project cost is \$4,000,000.

Both DOW and KIA staff recommended approval of the loan with the standard conditions and the following special conditions: 1) Prior to bidding, the City must obtain a commitment from the Community Development Block Grant program or other funding source in the amount of \$1,000,000 and provide a copy of such commitment to KIA; 2) Prior to bidding, the City will provide a copy of the executed Memorandum of Agreement, in a form that is satisfactory to KIA, with the Union County Fiscal Court that provides for the County to fund both debt service and maintenance and reserve requirements for the life of the loan; 3) Prior to bidding, the City will provide a copy of the executed water purchase agreement with the Union County Water District (UCWD) which will establish the rate and billing procedures as well as the Lease Agreement for the tank and lines to the master meter which will revert in ownership to UCWD once the loan is repaid; 4) The City shall have a User Rate Study for water and sewer rates conducted by an independent third party within ninety (90) days of completion of this proposed project; 5) The City shall provide a copy of a User Rate Study results to KIA upon completion; 6) The City further covenants and agrees that if such rate study results reflect the need for rate adjustments that they will implement any such adjustments no later than sixty (60) days after completion of the study; and 7) The City will include a provision in their rate ordinance to adjust rates within ninety (90) days of a purchased water rate increase imposed pursuant to their water purchase contract.

Judge Jody Jenkins noted for the record that he would abstain from voting on this project.

***Mr. Ron Lovan moved to approve the Fund F (F12-05) resolution with the standard conditions and the special conditions indicated in staff recommendations. Mr. Damon Talley seconded, and the motion carried unanimously, with Judge Jody Jenkins abstaining.***

**9. RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR AN INFRASTRUCTURE REVOLVING FUND (B12-01) LOAN IN THE AMOUNT OF \$505,000 TO THE CITY OF OLIVE HILL, CARTER COUNTY, KENTUCKY**

Ms. Sandy Williams, KIA, presented the project to the board. The City of Olive Hill requested a \$505,000 Fund B loan for the Water System Improvements project. This project involves construction of a chemical storage building and a floating raw water intake structure and the development of a water loss reduction plan and hydraulic model of the Olive Hill Water system. The City is under an Agreed Order that requires compliance by November 2012. Two floods in 2010 resulted in significant damage to their systems and repairs were needed to make the water potable again. However, additional upgrades are still needed. The City also has a significant water loss problem and is mandated to develop a water loss reduction plan. The term of the loan is 20 years with a 1% interest rate and an estimated annual debt service payment of \$28,932. KIA staff recommended approval of the loan with the standard conditions.

Ms. Linda Bridwell asked if the Division of Water had approved the plans for this project. Mr. Paul Amburgey, E.L. Robinson Engineering Co., noted that plans were approved.

***Mr. Tom Calkins moved to approve the Fund F (F12-05) resolution with the standard conditions. Mr. Ron Lovan seconded, and the motion carried unanimously.***

**10. RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR AN INFRASTRUCTURE REVOLVING FUND (B12-02) LOAN IN THE AMOUNT OF \$220,000 TO THE CITY OF LEWISBURG, LOGAN COUNTY, KENTUCKY**

Ms. Kasi White, KIA, presented the project to the board. The City of Lewisburg requested a \$220,000 Fund B loan for the Radio Read Meter Conversion project. The project is for the replacement of all existing water meters that are approximately forty years old with radio read meters. The newer meters will provide more accurate reporting of water use throughout the system while saving approximately five days of manual meter reading time each month. The term of the loan is 20 years with a 1% interest rate and an estimated annual debt service payment of \$12,604. KIA staff recommended approval of the loan with the standard conditions and the following special conditions: 1) No later than April 15, 2012, KIA shall receive proof of the passage of a resolution and/or ordinance by the city implementing a rate increase that will generate additional revenues of approximately \$80,000 to adequately meet all outstanding bond debt service coverage requirements as well as pay the debt service on the proposed KIA Fund B12-02 loan; and 2) The city will include a provision in their rate ordinance to adjust rates within 90 days of a purchased water rate increase imposed pursuant to their water purchase contract.

***Mr. Damon Talley moved to approve the Fund F (F12-06) resolution with the standard conditions and the special conditions indicated in staff recommendations. Ms. Linda Bridwell seconded, and the motion carried unanimously.***

**11. 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:

<b>APPLICANT</b>	<b>FUND</b>	<b>AMOUNT</b>
City of Ashland	A12-11	\$ 4,500,000
City of Murray	A12-12	\$ 46,000,000
Grant Co Sanitary Sewer District	A2 09-35	\$ 433,178
Grant Co Sanitary Sewer District	A12-13	\$ 913,300
Regional Water Resource Agency	A10-13	\$ 5,790,500
Regional Water Resource Agency	A12-14	\$ 357,335
Regional Water Resource Agency	A12-15	\$ 1,586,875
Lexington-Fayette Urban Co Gov	A12-16	\$ 1,930,000
City of Olive Hill	B12-01	\$ 505,000
City of Lewisburg	B12-02	\$ 220,000
City of Campbellsville	F12-03	\$ 1,875,000
City of Centertown	F12-05	\$ 922,850
City of Sturgis	F12-06	\$ 3,000,000

***Ms. Linda Bridwell moved to approve the resolution. Mr. Damon Talley 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 introduced the handout that was given to the board regarding Proposed 2020 Grants. The 2020 Account was created with the passage of Senate Bill 409. There are still projects drawing from this account and there is an uncommitted balance \$584,262. KIA staff is looking to commit all the funds and close out the account. Eight projects have been identified that need a small amount of money for completion in a short amount of time and address the purpose of Senate Bill 409. Board members should anticipate that each project will come before the Board individually for approval in the next two months.
- B. Mr. Covington reminded the Board that the April meeting was moved from the first Thursday in April to the second Thursday, April 12, 2012.
- C. KIA staff is moving forward on the leverage bond issue and anticipate a pricing the last week of March.

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

**IV. ANNOUNCEMENTS/NOTIFICATIONS**

- Next scheduled KIA board meeting:  
 Tentatively scheduled for  
 Thursday, April 12, 2012  
 1024 Capital Center Drive, Suite 340  
 Frankfort, Kentucky

***There being no further business Mr. Ron Lovan moved to adjourn. Mr. Tom Calkins seconded and the motion carried unanimously. The March 1, 2012, regular meeting of the Board of the Kentucky Infrastructure Authority was adjourned.***

Submitted by:

Sandy Williams  
Sandy Williams, Secretary  
Kentucky Infrastructure Authority

3-30-12  
Date



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**I.A.2.**



**KENTUCKY INFRASTRUCTURE AUTHORITY  
Minutes of the Executive Committee**

**Meeting Date/Location: 3:30 p.m. on March 27, 2012  
Kentucky Infrastructure Authority  
1024 Capital Center Drive, Suite 340, Frankfort**

**Members present:**

Mr. Tony Wilder, Commissioner, Department for Local Development  
Ms. Lona Brewer, Energy and Environment Cabinet  
(Permanent Proxy for Secretary Leonard K. Peters, EEC)

**Members absent:**

Mr. Damon Talley, representing the Kentucky Rural Water Association

**Guests and KIA Staff:**

Mr. Jody Jenkins, Union County Judge/Executive, representing the KACO  
Ms. Sandy Williams, Secretary/Financial Analyst, KIA  
Ms. Denise Pitts, CPA, Treasurer/Fiscal Officer, KIA  
Ms. Kasi White, Financial Analyst, KIA

**PROCEEDINGS**

Chair Tony Wilder called the meeting of the Kentucky Infrastructure Authority (KIA) Executive Committee to order. Chair Wilder noted a quorum was present and that the press had been notified regarding the meeting.

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

**A. NEW PROJECTS/ACTION ITEM**

**RESOLUTION OF THE EXECUTIVE COMMITTEE OF THE KENTUCKY INFRASTRUCTURE AUTHORITY DIRECTING AND AUTHORIZING THE ISSUANCE OF \$111,345,000 KENTUCKY INFRASTRUCTURE AUTHORITY WASTEWATER AND DRINKING WATER REVOLVING FUND PROGRAM REVENUE BONDS, SERIES 2012A, BY THE KENTUCKY INFRASTRUCTURE AUTHORITY AND THE EXECUTION OF A PURCHASE CONTRACT BETWEEN THE KENTUCKY INFRASTRUCTURE AUTHORITY AND MORGAN STANLEY & CO. INCORPORATED**

Ms. Sandy Williams, KIA, presented the Resolution and the Bond Purchase Agreement to the Executive Committee. Ms. Williams reviewed the excellent AAA credit rating KIA received from Standard & Poors, Fitch, and Moody's Rating Agencies. She referred to handouts given to the Members relating to the Final Numbers, Sources and Uses, and the Preliminary Official Statement of the Issuance and Sale dated March 26,

2012. After a brief discussion by the Committee, KIA staff and Judge Jody Jenkins, the Chair made a motion to adopt the resolution.

***Chair Tony Wilder moved to adopt the resolution. Ms. Lona Brewer seconded, and the motion carried unanimously.***

***There being no further business, Chair Tony Wilder moved to adjourn. Ms. Lona Brewer seconded and the motion carried unanimously.***

Submitted by:

*Sandy Williams*  
Sandy Williams, Secretary  
Kentucky Infrastructure Authority

*4-9-12*  
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 2020 WATER SERVICE ACCOUNT GRANT OF \$120,000 TO THE CITY OF ALBANY, CLINTON 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 grants 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 grants are to be made, the amounts thereof and;

**WHEREAS**, the Authority anticipates entering into an Assistance Agreement for a grant from the Authority's 2020 Water Service Account Grant Program with the City of Albany, Clinton County; and

**WHEREAS**, the Authority intends to utilize money in the 2020 Water Service Account Fund to make the grant to the governmental agency for the aforementioned purposes; and

**WHEREAS**, the Authority wishes to establish terms and conditions on said Infrastructure Revolving Fund grants.

**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 2020 Water Service Account Grant of \$120,000 to the City of Albany for the KY Hwy 90 Bluegrass Stockyards Water Relocation & Development Project

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 12th day of April 2012.

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TONY WILDER, CHAIR  
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

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SANDY WILLIAMS, SECRETARY  
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

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LEGAL COUNSEL TO THE KENTUCKY  
INFRASTRUCTURE AUTHORITY

**EXECUTIVE SUMMARY  
KENTUCKY INFRASTRUCTURE AUTHORITY  
2020 GRANT**

**PROJECT DESCRIPTION:**

Grantee: **CITY OF ALBANY** County: CLINTON

Project Title: KY HWY 90 BLUEGRASS STOCKYARDS WATER RELOCATION & DEVELOPMENT

WRIS: WX21053013 SAI#: KY 0

Brief Project Descriptor: Relocation of 950 LF of 16" water transmission main & meter service installation

Engineer: Monarch Engineering

CPBOC Review Date: April 12, 2012

Authorization: HB502 - Enacted April 26, 2000

**PROJECT FINANCING:**

		%
<b>2020 Grant</b>	<b>\$120,000</b>	<b>100.00</b>

**PROJECT BUDGET:**

	\$
Engineering Design	13,400
Engineering Inspection	12,500
Construction	87,390
Contingencies	6,710
<b>TOTAL</b>	<b>\$120,000</b>

**SYSTEM RATES**

Current Rate Per 4,000 Gallons:	\$13.70/\$20.00
Proposed Rate Per 4,000 Gallons:	\$13.70/\$20.00

**GRANT ASSIGNMENT**

**KENTUCKY INFRASTRUCTURE AUTHORITY  
2020 WATER SERVICE ACCOUNT GRANT  
CITY OF ALBANY, CLINTON COUNTY**

**I. PROJECT DESCRIPTION**

KY HWY 90 (Bluegrass Stockyards) Water Relocation & Development

The project consists of relocating approximately 950 LF of 16-inch water transmission main along Kentucky Highway 90 to accommodate for a new relocated stock yard in Clinton County, Kentucky. The project will also consist of installing a meter service to the new office/restaurant building attached to the stockyard barn.

The existing Clinton County stockyards has relocated to a new location and the new location will have a new office with two bathrooms and restaurant which will require potable water and sewer services from the City. Due to the excavation of the existing grade, the existing 16-inch water transmission main will need to be lowered and relocated to avoid being exposed. The existing 16-inch water transmission main is also the main water feed to a major poultry producing industry.

**II. PROJECT BUDGET**

Engineering – Design	13,400
Engineering – Inspection	12,500
Construction	87,390
Contingencies	<u>6,710</u>
<b>Total Budget</b>	<b>\$120,000</b>

**III. PROJECT FUNDING**

<b>KIA 2020 Grant</b>	<b>\$120,000</b>
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**IV. RATE STRUCTURE/DEMOGRAPHICS**

**A. Current Rate Structure**

4,627 customers  
\$13.70/4,000 gallons (in town)  
\$20.00/4,000 gallons (out of town)

**B. Raw water source: Indian Creek of Lake Cumberland**

**C. Median Household Income: \$22,500**

The City Albany, Clinton County is located in the Lake Cumberland Area Development District region of Kentucky.

**V. PROJECT SCHEDULE**

Estimated bid date: 4/16/2012  
Estimated construction start date: 5/07/2012  
Estimated construction stop date: 9/30/2012

**VI. KEY CONTACTS**

**A. Applicant**

Name: City of Albany  
Address: P.O. Box 129  
City of Albany, KY 42602  
County: Clinton  
Contact: John N. Smith  
Telephone: 606-387-6011  
Email: mayoralbany@yahoo.com

**B. Applicant Contact**

Name: Deron Byrne  
Firm: Monarch Engineering  
Address: 55 Carlton Drive  
Lawrenceburg, KY 40342  
Telephone: 502-839-1310  
Email: dbyrne@monarchengineering.net

**VII. 2020 WATER SERVICE ACCOUNT CRITERIA**

- A. Project meets the criteria in regard to improving service to an underserved area.
- B. Project has been reviewed and approved by the Area Water Management Council.

**VIII. RECOMMENDATIONS**

KIA staff recommends approval of this grant with standard grant assistance agreement conditions.



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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 2020 WATER SERVICE ACCOUNT GRANT OF \$100,000 TO THE BARKLEY LAKE WATER DISTRICT, TRIGG 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 grants 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 grants are to be made, the amounts thereof and;

**WHEREAS**, the Authority anticipates entering into an Assistance Agreement for a grant from the Authority's 2020 Water Service Account Grant Program with the Barkley Lake Water District, Trigg County; and

**WHEREAS**, the Authority intends to utilize money in the 2020 Water Service Account Fund to make the grant to the governmental agency for the aforementioned purposes; and

**WHEREAS**, the Authority wishes to establish terms and conditions on said Infrastructure Revolving Fund grants.

**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 2020 Water Service Account Grant of \$100,000 to the Barkley Lake Water District, Trigg County for Water System Improvements Phase 2 Project.

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 12th day of April 2012.

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TONY WILDER, CHAIR  
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

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SANDY WILLIAMS, SECRETARY  
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

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LEGAL COUNSEL TO THE KENTUCKY  
INFRASTRUCTURE AUTHORITY

**EXECUTIVE SUMMARY  
KENTUCKY INFRASTRUCTURE AUTHORITY  
2020 GRANT**

**PROJECT DESCRIPTION:**

Grantee: **BARKLEY LAKE WATER DISTRICT** County: TRIGG

Project Title: WATER SYSTEM IMPROVEMENTS PHASE 2

WRIS: WX21221007 SAI#: KY 0

Brief Project Descriptor: Water treatment plant expansion and system improvements

Engineer:

CPBOC Review Date: April 12, 2012

Authorization: HB502 - Enacted April 26, 2000

**PROJECT FINANCING:**

	\$	%
<b>2020 Grant</b>	<b>100,000</b>	<u>100.00</u>
RD Loan - approved	4,002,000	
RD Grant - approved	900,000	
KRWA Loan - approved	<u>1,365,000</u>	
<b>TOTAL</b>	<b>\$6,367,000</b>	

**PROJECT BUDGET:**

	\$	%
Administrative	41,500	<u>0.65</u>
Legal	70,000	
Engineering - Design	266,629	
Engineering - Inspection	209,253	
Engineering - Construction	165,324	
Construction	5,202,035	
Contingencies	<u>412,259</u>	
<b>TOTAL</b>	<b>\$6,367,000</b>	

**SYSTEM RATES**

Current Rate Per 4,000  
Gallons: \$33.28  
Proposed Rate Per 4,000  
Gallons: \$33.28

**GRANT ASSIGNMENT**

**KENTUCKY INFRASTRUCTURE AUTHORITY  
2020 WATER SERVICE ACCOUNT GRANT  
BARKLEY LAKE WATER DISTRICT, TRIGG COUNTY**

**I. PROJECT DESCRIPTION**

Barkley Lake Water District - Water System Improvements Phase 2

This project will expand the WTP from 2MGD to 3.75MGD, make improvements to the raw water intake, construct a new flocculation basin and tube settlers, install a 3rd high service pump and new chemical feed system. This project will improve water pressure to the South Road area and also allow the water district to sell wholesale water to the City of Cadiz.

The project is currently under construction.

**II. PROJECT BUDGET**

Administrative	\$41,500
Legal	70,000
Engineering – Design	266,629
Engineering – Inspection	209,253
Engineering – Construction	165,324
Construction	5,202,035
Contingencies	412,259
<b>Total Budget</b>	<b>\$6,367,000</b>

**III. PROJECT FUNDING**

KIA 2020 Grant	\$100,000
RD Loan – approved	4,002,000
RD Grant - approved	900,000
KRWA Loan - approved	1,365,000
<b>Total Funding</b>	<b>\$6,367,000</b>

**IV. RATE STRUCTURE/DEMOGRAPHICS**

**A. Current Rate Structure**

5,633 customers  
\$33.28/4,000 gallons

**B. Raw water source: Lake Barkley**

**C. Median Household Income: \$44,606**

The Barkley Lake Water District is located in Trigg County in the Pennyriple Area Development District region of Kentucky.

**V. PROJECT SCHEDULE**

Construction start	Under construction
Construction complete	December 30, 2012

**VI. KEY CONTACTS**

**A. Applicant**

Name:	Barkley Lake Water District
Address:	PO Box 308 Cadiz, KY 42211
County:	Trigg
Contact:	Terry Goins, Superintendent
Telephone:	270-522-8425
Email:	<a href="mailto:blwd@bellsouth.net">blwd@bellsouth.net</a>

**B. Applicant Contact**

Name:	John Herring
Firm:	Pennyriple Area Development District
Address:	300 Hammond Dr Hopkinsville, KY 42240
Telephone:	270-886-9484
Email:	<a href="mailto:johnm.herring@ky.gov">johnm.herring@ky.gov</a>

**C. Engineering Firm**

Name:	GRW
Contact:	Louis Edgar Robbins
Address:	404 BNA Drive, Suite 201 Nashville, TN 37217
Telephone:	615-366-1600
Email:	<a href="mailto:lrobbins@grwinc.com">lrobbins@grwinc.com</a>

**VII. 2020 WATER SERVICE ACCOUNT CRITERIA**

- A. Project meets the criteria in regard to improving service to the area and reduce water loss.
- B. Project has been reviewed and approved by the Area Water Management Council.

**VIII. RECOMMENDATIONS**

KIA staff recommends approval of this grant with standard grant assistance agreement conditions.



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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 2020 WATER SERVICE ACCOUNT GRANT OF \$100,000 TO THE BRACKEN COUNTY WATER DISTRICT, BRACKEN 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 grants 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 grants are to be made, the amounts thereof and;

**WHEREAS**, the Authority anticipates entering into an Assistance Agreement for a grant from the Authority's 2020 Water Service Account Grant Program with the Bracken County Water District; and

**WHEREAS**, the Authority intends to utilize money in the 2020 Water Service Account Fund to make the grant to the governmental agency for the aforementioned purposes; and

**WHEREAS**, the Authority wishes to establish terms and conditions on said Infrastructure Revolving Fund grants.

**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 2020 Water Service Account Grant of \$100,000 to the Bracken County Water District for the West End Feed to Brooksville Project.

Section 3. 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 12th day of April 2012.

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TONY WILDER, CHAIR  
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

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SANDY WILLIAMS, SECRETARY  
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

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LEGAL COUNSEL TO THE KENTUCKY  
INFRASTRUCTURE AUTHORITY

**EXECUTIVE SUMMARY  
KENTUCKY INFRASTRUCTURE AUTHORITY  
2020 GRANT**

**PROJECT DESCRIPTION:**

Grantee: **BRACKEN COUNTY WATER DISTRICT** County: BRACKEN

Project Title: BCWD-WEST END FEED TO BROOKSVILLE PROJECT

WRIS: WX21023029 SAI#: KY 20120319-0278

Brief Project Descriptor: Waterline replacement and extension to Brooksville Water Tank

Engineer: HMB

CPBOC Review Date: April 12, 2012

Authorization: HB502 - Enacted April 26, 2000

**PROJECT FINANCING:**

		%
<b>2020 Grant</b>	<b>\$100,000</b>	100.00

**PROJECT BUDGET:**

	\$
Administrative	5,000
Easements	1,000
Planning	2,500
Design	10,000
Inspection	9,500
Construction	66,000
Contingency	6,000
<b>TOTAL</b>	<b>\$100,000</b>

**SYSTEM RATES**

Current Rate Per 4,000 Gallons:	\$45.27
Proposed Rate Per 4,000 Gallons:	\$45.27

**GRANT ASSIGNMENT**

**KENTUCKY INFRASTRUCTURE AUTHORITY  
2020 WATER SERVICE ACCOUNT GRANT  
BRACKEN COUNTY WATER DISTRICT**

**I. PROJECT DESCRIPTION**

Bracken County Water District - West End Feed to Brooksville

This project will replace 2,500' of 6" asbestos-cement line with 8" PVC. Project includes the area from the Division 2 Pump Station to the west end of Brooksville. This area serves a school, slaughter house, dollar store and several residences. With completion of project the pressure will be equalized in this area and increased to 75 psi. The new line will also be the supply line to the Brooksville Water Tank.

**II. PROJECT BUDGET**

Administrative	5,000
Legal, Easements	1,000
Engineering – Planning	2,500
Engineering – Design	10,000
Engineering – Inspection	9,500
Construction	66,000
Contingencies	<u>6,000</u>
<b>Total Budget</b>	<b>\$100,000</b>

**III. PROJECT FUNDING**

<b>KIA 2020 Grant</b>	<b>\$100,000</b>
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**IV. RATE STRUCTURE/DEMOGRAPHICS**

**A. Current Rate Structure**

2,400 customers  
\$45.27/4,000 gallons

**B. Raw water source:**

BCWD purchases water from the City of Augusta.  
Augusta's raw water source is wells along the Ohio River.

**C. Median Household Income: \$39,219**

The Bracken County Water District is located in the Buffalo Trace Area Development District region of Kentucky.

**V. PROJECT SCHEDULE**

Estimated bid date: 7/1/2012  
Estimated construction start date: 10/1/2012  
Estimated construction stop date: 12/30/2012

**VI. KEY CONTACTS**

**A. Applicant**

Name: Bracken County Water District  
Address: P.O. Box 201  
Brooksville, KY 41004  
County: Bracken  
Contact: Anthony Habermehl  
Telephone: 606-735-3513  
Email: pam.hopkins62@yahoo.com

**B. Applicant Contact**

Name: Laura Jefferson  
Firm: Buffalo Trace ADD  
Address: P.O. Box 460  
Mayfield, KY 41056  
Telephone: 606-564-6894  
Email: [ljefferson@btadd.com](mailto:ljefferson@btadd.com)

**VII. 2020 WATER SERVICE ACCOUNT CRITERIA**

- A. Project meets the criteria in regard to improving service to an underserved area.
- B. Project has been reviewed and approved by the Area Water Management Council.

**VIII. RECOMMENDATIONS**

KIA staff recommends approval of this grant with standard grant assistance agreement conditions.



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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 2020 WATER SERVICE ACCOUNT GRANT OF \$15,000 TO THE CITY OF CRAB ORCHARD, LINCOLN 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 grants 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 grants are to be made, the amounts thereof and;

**WHEREAS**, the Authority anticipates entering into an Assistance Agreement for a grant from the Authority's 2020 Water Service Account Grant Program with the City of Crab Orchard, Lincoln County; and

**WHEREAS**, the Authority intends to utilize money in the 2020 Water Service Account Fund to make the grant to the governmental agency for the aforementioned purposes; and

**WHEREAS**, the Authority wishes to establish terms and conditions on said Infrastructure Revolving Fund grants.

**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 2020 Water Service Account Grant of \$15,000 to the City of Crab Orchard for a Detailed GIS Water System Map.

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 12th day of April 2012.

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TONY WILDER, CHAIR  
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

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SANDY WILLIAMS, SECRETARY  
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

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LEGAL COUNSEL TO THE KENTUCKY  
INFRASTRUCTURE AUTHORITY

**EXECUTIVE SUMMARY  
KENTUCKY INFRASTRUCTURE AUTHORITY  
2020 GRANT**

**PROJECT DESCRIPTION:**

Grantee: **CITY OF CRAB ORCHARD** County: LINCOLN

Project Title: DETAILED GIS WATER SYSTEM MAP

WRIS: WX21137044 SAI#: KY N/A

Brief Project Descriptor: Detailed GIS mapping of the water system

Engineer:

CPBOC Review Date: April 12, 2012

Authorization: HB502 - Enacted April 26, 2000

**PROJECT FINANCING:**

	<b>\$15,000</b>	<u>        </u> %
<b>2020 Grant</b>		100.00

**PROJECT BUDGET:**

	<u>        </u> \$	<u>        </u> %
Planning	\$15,000	100.00
<b>TOTAL</b>	<u>        </u> <b>\$15,000</b>	

**SYSTEM RATES**

Current Rate Per 4,000  
Gallons: \$24.00  
Proposed Rate Per 4,000  
Gallons: \$24.00

**GRANT ASSIGNMENT**

**KENTUCKY INFRASTRUCTURE AUTHORITY  
2020 WATER SERVICE ACCOUNT GRANT  
CITY OF CRAB ORCHARD, LINCOLN COUNTY**

**I. PROJECT DESCRIPTION**

Detailed GIS Water System Map

The City of Crab Orchard is in desperate need to capture the location of their utility's water infrastructure. In December of 2011, their long-time water/wastewater superintendent John Kuhn retired. Mr. Kuhn takes with him over 30-years of system knowledge that has never been mapped or captured in a data dictionary or asset management system. Mr. Kuhn has agreed to come back and assist with locating waterlines, valves, meters, fire hydrants, flush hydrants and other critical system information. This data collection is needed for the continued proper maintenance of their system. The data will be collected with GIS equipment providing sub-meter accuracy and will be mapped with ESRI software compatible with the KIA portal. The effort will exceed the required data collection captured by KIA which is used only for planning purposes. The level of detailed captured in this effort will allow for immediate pinpointing the location of lines either for the purpose of marking lines, or for initiating emergency repairs when required.

With the loss of Mr. Kuhn, Crab Orchard has lost all of the corporate knowledge of their system. Unless that knowledge is captured and passed along to the next utility operator, the system is likely to suffer. Long term maintenance of an asset management database should be the goal of all utilities, but the cost is often prohibited or the technology unavailable for small utilities.

The Bluegrass ADD will use their GIS equipment and deliver to the City of Crab Orchard a hard copy and an electronic version of the mapping info.

**II. PROJECT BUDGET**

Planning	15,000
<b>Total Budget</b>	<b>\$15,000</b>

**III. PROJECT FUNDING**

KIA 2020 Grant	\$15,000
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**IV. RATE STRUCTURE**

**A. Current Rate Structure**

575 customers  
\$24.00/4,000 gallons

**B. Raw water source**

The city of Crab Orchard purchases water from Lancaster. The raw water source for Lancaster is the Kentucky River.

The City of Crab Orchard, Lincoln County is located in the Bluegrass Area Development District region of Kentucky.

**V. PROJECT SCHEDULE**

Initiation of work	5/1/02312
Mapping completed	7/30/2012

**VI. KEY CONTACTS**

**A. Applicant**

Name:	City of Crab Orchard
Address:	City Hall, P.O. Box 87 Crab Orchard, KY 40419
County:	Lincoln
Contact:	Billy Reed Shelton, Judge/Executive
Telephone:	606-355-2319
Email:	<a href="mailto:craborchard@setel.com">craborchard@setel.com</a>

**B. Applicant Contact**

Name:	David Duttlinger
Firm:	Bluegrass Area Development District
Address:	699 Perimeter Drive Lexington, KY 40517
Telephone:	859-269-8021
Email:	<a href="mailto:dduttlinger@bgadd.org">dduttlinger@bgadd.org</a>

**VII. 2020 WATER SERVICE ACCOUNT CRITERIA**

- A. Project meets the criteria in regard to establishing a system that would detect water loss audits and leak detection.
- B. Project has been reviewed and approved by the Area Water Management Council.

**VIII. RECOMMENDATIONS**

KIA staff recommends approval of this grant with standard grant assistance agreement conditions.



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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 2020 WATER SERVICE ACCOUNT GRANT OF \$60,000 TO THE MOUNT STERLING WATER AND SEWER, MONTGOMERY 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 grants 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 grants are to be made, the amounts thereof and;

**WHEREAS**, the Authority anticipates entering into an Assistance Agreement for a grant from the Authority's 2020 Water Service Account Grant Program with the Bracken County Water District; and

**WHEREAS**, the Authority intends to utilize money in the 2020 Water Service Account Fund to make the grant to the governmental agency for the aforementioned purposes; and

**WHEREAS**, the Authority wishes to establish terms and conditions on said Infrastructure Revolving Fund grants.

**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 2020 Water Service Account Grant of \$60,000 to the Mount Sterling Water and Sewer for the Valve Stem Replacement Project.

Section 3. 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 12th day of April 2012.

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TONY WILDER, CHAIR  
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

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SANDY WILLIAMS, SECRETARY  
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

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LEGAL COUNSEL TO THE KENTUCKY  
INFRASTRUCTURE AUTHORITY

**EXECUTIVE SUMMARY  
KENTUCKY INFRASTRUCTURE AUTHORITY  
2020 GRANT**

**PROJECT DESCRIPTION:**

Grantee: **MOUNT STERLING WATER AND SEWER** County: MONTGOMERY

Project Title: VALVE STEM REPLACEMENT PROJECT

WRIS: WX21173129 SAI#: KY 0

Brief Project Descriptor: Replacement of six existing settling basin valves and stems

Engineer: -

CPBOC Review Date: April 12, 2012

Authorization: HB502 - Enacted April 26, 2000

**PROJECT FINANCING:**

		%
<b>2020 Grant</b>	<b>\$60,000</b>	100.00

**PROJECT BUDGET:**

	\$	
Administrative		300
Equipment		59,700
<b>TOTAL</b>		<b>\$60,000</b>

**SYSTEM RATES**

Current Rate Per 4,000  
Gallons: \$26.00  
Proposed Rate Per 4,000  
Gallons: \$26.00

**GRANT ASSIGNMENT**

**KENTUCKY INFRASTRUCTURE AUTHORITY  
2020 WATER SERVICE ACCOUNT GRANT  
MOUNT STERLING WATER AND SEWER, MONTGOMERY COUNTY**

**I. PROJECT DESCRIPTION**

Mt. Sterling Water & Sewer System Valve Stem Replacement Project

This project will involve the replacement of six existing settling basin valves and stems that are currently difficult to operate. These valves allow for the draining of settling basins located at the water treatment plant during routine cleaning operations.

The completion of this project will allow for easier use of settling basin valves and stems. This aids in improving customer service, water delivery, and water quality.

**II. PROJECT BUDGET**

Administrative	300
Equipment	<u>59,700</u>
<b>Total Budget</b>	<b>\$60,000</b>

**III. PROJECT FUNDING**

<b>KIA 2020 Grant</b>	<b>\$60,000</b>
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**IV. RATE STRUCTURE/DEMOGRAPHICS**

**A. Current Rate Structure**

5,237 customers  
\$26.00/4,000 gallons

**B. Raw water source**

Slate Creek – primary  
Green Briar Reservoir - secondary

Mount Sterling is located in the Gateway Area Development District region of Kentucky.

**V. PROJECT SCHEDULE**

Estimated bid date:	5/01/2012
Estimated start date:	6/01/2012
Estimated stop date:	7/31/2012

**VI. KEY CONTACTS**

**A. Applicant**

Name: Mount Sterling Water & Sewer  
Address: P.O. Box 392  
Mount Sterling, KY 40353  
County: Montgomery  
Contact: Rick Fletcher, Manager  
Telephone: 859-498-0166  
Email: ms.watersewer@kywifi.com

**B. Applicant Contact**

Name: Rick Fletcher, Manager  
Firm: Mount Sterling Water & Sewer  
Address: P.O. Box 392  
Mount Sterling, KY 40353  
Telephone: 859-498-0166  
Email: ms.watersewer@kywifi.com

**VII. 2020 WATER SERVICE ACCOUNT CRITERIA**

- A. Project meets the criteria in regard to improving service to an underserved area.
- B. Project has been reviewed and approved by the Area Water Management Council.

**VIII. RECOMMENDATIONS**

KIA staff recommends approval of this grant with standard grant assistance agreement conditions.



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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 2020 WATER SERVICE ACCOUNT GRANT OF \$90,000 TO MAYFIELD ELECTRIC AND WATER SYSTEMS, GRAVES 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 grants 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 grants are to be made, the amounts thereof and;

**WHEREAS**, the Authority anticipates entering into an Assistance Agreement for a grant from the Authority's 2020 Water Service Account Grant Program with Mayfield Electric and Water Systems, Graves County and

**WHEREAS**, the Authority intends to utilize money in the 2020 Water Service Account Fund to make the grant to the governmental agency for the aforementioned purposes; and

**WHEREAS**, the Authority wishes to establish terms and conditions on said Infrastructure Revolving Fund grants.

**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 2020 Water Service Account Grant of \$90,000 to Mayfield Electric and Water Systems for Elevated water storage tank, Generator and Security Fence.

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 12th day of April 2012.

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TONY WILDER, CHAIR  
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

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SANDY WILLIAMS, SECRETARY  
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

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LEGAL COUNSEL TO THE KENTUCKY  
INFRASTRUCTURE AUTHORITY

**EXECUTIVE SUMMARY  
KENTUCKY INFRASTRUCTURE AUTHORITY  
2020 GRANT**

**PROJECT DESCRIPTION:**

Grantee: **Mayfield Electric & Water Systems** County: GRAVES

Project Title: MAYFIELD/GRAVES COUNTY REGIONAL WATER - 1,000,000 GALLON TANK (WX21083044)

WRIS: WX21083044 SAI#: KY 21083044-0325

Brief Project Descriptor: Elevated water storage tank, Generator and Security Fence

Engineer: Florence & Hutchinson

CPBOC Review Date: June 15, 2010

Authorization: HB502 - Enacted April 26, 2000

**PROJECT FINANCING:**

		%
<b>2020 Grant</b>	<b>\$90,000</b>	100.00

**PROJECT BUDGET:**

	\$
Engineering Design	0
Engineering Inspection	-
Construction	97,785
Contingencies	
<b>TOTAL</b>	<b>\$97,785</b>

**SYSTEM RATES**

Current Rate Per 4,000 Gallons:	\$11.86/\$20.39
Proposed Rate Per 4,000 Gallons:	\$11.86/\$20.39

**GRANT ASSIGNMENT**

**KENTUCKY INFRASTRUCTURE AUTHORITY  
 2020 WATER SERVICE ACCOUNT GRANT  
 MAYFIELD ELECTRIC & WATER SYSTEMS, GRAVES COUNTY**

**I. PROJECT DESCRIPTION**

**Fully Constructed – \$1,050,000 HB 608 NonCoal Grant**

The project is the addition of a new 1,000,000 gallon water storage tank, associated pumping facilities, and a tie in to the Mayfield distribution system to improve system reliability and capacity. The Project adds additional storage for the system and also creates another loop within the system that will improve flow. This portion of the project was completed 02/17/2012.

**2020 Grant**

This project will include constructing a perimeter fence around the storage tank and the installation of a generator.

**II. PROJECT BUDGET**

Engineering – Design	Completed
Engineering – Inspection	
Construction	
Contingencies	
<b>Total Budget</b>	<b>\$97,785</b>

**III. PROJECT FUNDING**

KIA 2020 Grant	\$90,000
Mayfield Electric and Water Systems	<u>7,785</u>
<b>Total Funding</b>	<b>\$97,785</b>

**IV. RATE STRUCTURE/DEMOGRAPHICS**

**A. Current Rate Structure**

- 8135 customers
- \$11.86/4,000 gallons (Mayfield)
- \$18.45/4,000 gallons (Consumers)
- \$20.39/4,000 gallons (Fancy Farm)
- \$19.16/4,000 gallons (Hardeman)
- \$17.46/4,000 gallons (average)**

**B. Raw water source:** Three local ground water source wells capable of 1,500 gallons each per minute.

**C. Demographics**

The new one million gallon tank serves Mayfield Electric and Water Systems and three parts of the Graves County Water District System: Consumers, Fancy Farm and Hardeman.

**V. PROJECT SCHEDULE**

Estimated bid date: Completed  
Estimated construction start date: 5/1/2012

**VI. KEY CONTACTS**

**A. Applicant**

Name: Mayfield Electric & Water Systems  
Address: 301 East Broadway  
Mayfield, KY 42066  
County: Graves  
Contact: Kevin Leonard  
Telephone: 270-247-4661  
Email: [kleonard@mayfieldews.com](mailto:kleonard@mayfieldews.com)

**B. Applicant Contact**

Name: Kristie McAdoo  
Firm: Mayfield Electric & Water Systems  
Address: 301 East Broadway  
Mayfield, KY 42066  
Telephone: 270-247-4661  
Email: [kmcadoo1@mewsbb.net](mailto:kmcadoo1@mewsbb.net)

**VII. 2020 WATER SERVICE ACCOUNT CRITERIA**

- A. Project meets the criteria in regard to providing service to an underserved area.
- B. Project has been reviewed and approved by the Area Water Management Council.

**VIII. RECOMMENDATIONS**

KIA staff recommends approval of this grant with standard grant assistance agreement conditions.



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**I.B.7.**



**A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING AN AMENDMENT TO THE CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED WASTEWATER REVOLVING FUND A LOAN (A11-16) INCREASING THE AMOUNT TO \$1,094,143 TO THE SOUTHERN WATER AND SEWER DISTRICT, FLOYD 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 previously approved a Federally Assisted Waste Water Revolving Fund Loan (A11-16) to the Southern Water and Sewer District on August 4, 2011, in the amount of \$850,000 and the Southern Water and Sewer District has requested to increase loan A11-16 by \$244,143; 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 Oldham County Environmental Authority, 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 Amendment of a conditional Federally Assisted Wastewater Revolving Fund loan increasing the amount to \$1,094,143 of project expense including capitalized interest for the construction period, to the Southern Water and Sewer District for the Harold Sewer/PRIDE on the River 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 30% will be deducted from the approved loan amount. The unforgiven principal balance of \$765,900 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 .20% annual administration fee on the unpaid loan balance will be charged. From annual revenues, \$5,500 must be set aside in a borrower held replacement reserve each December 1 until the balance reaches \$55,000 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 12th day of April, 2012.

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TONY WILDER, CHAIR  
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

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SANDY WILLIAMS, SECRETARY  
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

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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](http://www.kentucky.gov)

April 5, 2012

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

Re: 2011-134  
Southern Water and Sewer District--44248  
Activity ID: FGL20110007  
*HUC 11 - 05070203030 - Levisa Fork,  
near Prestonsburg*  
Fund A

Dear Mr. Covington:

The Division of Water (DOW) hereby certifies that the Southern Water and Sewer District is entitled to receive priority for funding for the Harold Sewer Project. and is eligible to receive \$1,094,143 from the Clean Water State Revolving Fund. The following requirements have been addressed as follows:

1. Plans and specifications were approved by DOW on February 16, 2012.
2. Construction bids were opened on March 6, 2012.
3. Project specific environmental information by DOW on February 23, 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 Bill Averell, Project Administrator, at (502) 564-8158, extension 4980.

Sincerely,



Buddy Griffin, Supervisor  
SRF & SPAP Section  
Water Infrastructure Branch

BG: ba

Enclosures

C: Paula Johnson, Chairperson, Southern Water and Sewer District  
Brenda Powers, Project Administrator, Big Sandy ADD  
Kevin Howard, P. E., Summit Engineering, Inc.

<b>EXECUTIVE SUMMARY</b>		Reviewer:	Kasi White	
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		Date:	April 12, 2012	
<b>FUND A, FEDERALLY ASSISTED WASTEWATER</b>		KIA Loan Number:	<b>A11-16 (Increase)</b>	
<b>REVOLVING LOAN FUND</b>		WRIS Number	<b>SX21195121, SX21071218</b>	
		HUC Code:	05070203030	
<b>BORROWER:</b>	<b>SOUTHERN WATER AND SEWER DISTRICT</b>			
	<b>FLOYD COUNTY</b>			
<b>BRIEF DESCRIPTION:</b>	<p>Due to higher than estimated costs upon bid opening, the SWSD is requesting a \$244,143 increase to its previously approved \$850,000 loan for the Harold Sewer / PRIDE on the River Project. This project is an effort to provide public wastewater service to southern Floyd County along the US 23 corridor. There are currently no public wastewater collection or treatment facilities in the area. Large water users operate their own package wastewater treatment plants but most other residences and small business utilize septic systems and straight pipe discharges.</p> <p>Phase 1 of the project involves the construction of an 100,000 GPD expandable regional wastewater treatment plant and installation of approximately 20,000 feet of trunk force. Phase 2 will involve the installation of 30,000 feet of force mains and approximately 150 grinder pumping units. This will provide service to the five largest water users along with other small businesses and approximately 150 residences in the service area. The increase costs are mainly attributed to the WWTP site which is a previously disturbed mine land.</p>			
<b>PROJECT FINANCING:</b>		<b>PROJECT BUDGET</b>		
Coal Severance (HB608, CPBOC 10/19/10)	\$ 1,000,000	Administrative Expenses	\$	55,785
Coal Severance (HB380, CPBOC 11/20/07)	600,000	Legal Expenses		21,300
RD Grant	200,000	Land, Easements		8,250
ARC Grant	500,000	Engineering Fees		391,229
KIA SRF	1,094,143	Construction		3,105,156
LGEDF	300,000	Contingency		155,258
Coal Severance	55,944	Other		13,109
<b>TOTAL</b>	<b>\$ 3,750,087</b>	<b>TOTAL</b>	<b>\$</b>	<b>3,750,087</b>
<b>REPAYMENT</b>			Est. Annual	
	Rate	1.00%	Payment	\$ 43,879
	Term	20 years	1st Payment	6 Mo. after first draw
<b>PROFESSIONAL SERVICES</b>	Engineer	Summit Engineering		
	Bond Counsel	Peck, Shaffer, & Williams		
<b>PROJECT SCHEDULE</b>				
	Bid Opening:	March, 2012		
	Construction Start:	June, 2012		
	Construction Stop:	November, 2012		
<b>DEBT PER CUSTOMER</b>	Existing:	\$	927	
	Proposed:	\$	832	
<b>OTHER DEBT</b>	See Attached			
<b>OTHER STATE-FUNDED PROJECTS LAST 5 YRS</b>	See Attached			
<b>RESIDENTIAL RATES</b>		<u>Users</u>	<u>Avg. Bill</u>	
	Current	195	\$	39.51 (for 4,000 gallons)
	Additional	135	\$	45.50 (for 4,000 gallons)
<b>REGIONAL COORDINATION</b>	This project is consistent with regional planning recommendations.			
<b>CASHFLOW</b>	<b>Cash Available for</b>	<b>Debt Service</b>	<b>Income after Debt</b>	<b>Coverage Ratio</b>
		<b>Debt Service</b>	<b>Service</b>	
Audited 2006	506,810	520,578	(13,768)	0.97
Audited 2007	838,411	557,930	280,481	1.50
Audited 2008	984,150	601,924	382,226	1.64
Audited 2009	697,175	563,595	133,580	1.24
Audited 2010	633,939	850,106	(216,167)	0.75
Projected 2011	487,136	935,945	(448,809)	0.52
Projected 2012	526,531	514,003	12,528	1.02
Projected 2013	927,925	508,982	418,943	1.82
Projected 2014	754,697	495,949	258,748	1.52
Projected 2015	574,790	494,906	79,884	1.16

**KENTUCKY INFRASTRUCTURE AUTHORITY  
WASTEWATER REVOLVING LOAN FUND (FUND "A")  
SOUTHERN WATER AND SEWER DISTRICT, FLOYD COUNTY  
PROJECT REVIEW  
SX21195121, SX21071218**

**I. PROJECT DESCRIPTION**

The Southern Water and Sewer District is requesting an increase of \$244,143 to its previously approved Fund A loan in the amount of \$850,000 (August 2011) for the Harold Sewer project. The project is an effort to provide public wastewater service to southern Floyd County along the US 23 corridor. The Harold 201 facilities plan service area extends from Harold to Tom's Creek and includes the areas of Mud Creek, Harold, Coldwater Branch, Betsy Lane, Pike Floyd Hollow, Justell, Stanville, Mare Creek, and Tom's Creek. The ultimate service area includes approximately 1,500 potential customers and consists of residences, small businesses, and various commercial entities. There are currently no public wastewater collection or treatment facilities in the area. Large water users operate their own package wastewater treatment plants but most other residences and small businesses utilize septic systems and straight pipe discharges. The increase costs were mainly attributed to the WWTP site which is a previously disturbed mine land.

The project was planned as two stand alone phases but have been combined to facilitate a more cost effective design, bid and construction process. The initial phase involves the construction of an expandable treatment plant with an initial capacity of 100,000 GPD that will be constructed at Pike-Floyd Hollow and approximately 20,000 linear feet (LF) of force main will be installed along US 23 in the project area incorporating a number of commercial areas. This will provide service to the five largest water users in the area (Betsy Lane High School and Elementary School, a large commercial strip center, Huddle House restaurant, and a car wash). The second component of the project involves the installation of approximately 30,000 LF of pressure force mains and approximately 150 grinder pumping units that will support residential and small business customers (potential 230) in the project area. Upon completion of this component, the plant will operate at approximately 31% of its initial capacity (150 additional customers).

**II. PROJECT BUDGET**

	<u>Total</u>
Administrative Expenses	\$ 55,785
Legal Expenses	21,300
Land, Easements	8,250
Engineering Fees	391,229
Construction	3,105,156
Other (Capitalized Interest)	13,109
Contingency	155,258
<b>Total</b>	<b>\$ 3,750,087</b>

### III. PROJECT FUNDING

	Amount	%
Coal Severance (HB608)	\$ 1,000,000	28%
Coal Severance (HB380)	600,000	16%
RD Grant	200,000	5%
ARC Grant	500,000	13%
KIA SRF (revised)	1,094,000	29%
LGEDF	300,000	8%
Coal Severance	55,944	1%
<b>Total</b>	<b>\$ 3,750,087</b>	<b>100%</b>

### IV. KIA DEBT SERVICE

	ORIGINAL	INCREASE	REVISED
Construction Loan	\$ 850,000	\$ 244,143	\$ 1,094,143
Less: Principal Forgiveness (30%)	255,000	73,243	328,243
Amortized Loan Amount	\$ 595,000	\$ 170,900	\$ 765,900
Interest Rate	1.00%	1.00%	1.00%
Loan Term (Years)	20	20	20
Estimated Annual Debt Service	\$ 32,898	\$ 9,449	\$ 42,347
Administrative Fee (0.20%)	1,190	342	1,532
<b>Total Estimated Annual Debt Service</b>	<b>\$ 34,088</b>	<b>\$ 9,791</b>	<b>\$ 43,879</b>

### V. PROJECT SCHEDULE

Bid Opening	March, 2012
Construction Start	June, 2012
Construction Stop	November, 2012

### VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

#### A) Customers

Category	Current	Proposed	Total
Water	7,357	0	7,357
Sewer	195	135	330
Total	7,552	135	7,687

#### B) Rates

Rates were last increased in 2009. The Water Rates are governed by the Public Service Commission and the current rates are as follows:

	Water	Sewer
Minimum (First 2,000 gallons)	\$ 20.00	\$ 23.65
All Over 2,000 gallons (per 1,000 gal.)	7.00	7.93
Cost for 4,000 gallons	\$ 34.00	\$ 39.51
Affordability Index (Rate/MHI)	1.9%	2.2%

## **VII. DEMOGRAPHICS**

In 2010, the County's population was 41,965 with a Median Household Income (MHI) of \$28,479, or 69% of the State MHI. The median household income for the Commonwealth is \$41,197. Based on median household income, the project will qualify for a 1.0% interest rate.

## **VIII. 2010 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 \$328,243.

## **IX. FINANCIAL ANALYSIS (See Exhibit 1)**

Financial information for the Southern Water and Sewer District was obtained from the audited financial statements for the years ended June 30, 2006 through 2010. The District bills and collects garbage fees from its customers and remits them monthly to the Floyd County Fiscal Court. These revenues and expenses are excluded from the discussion below since they are a pass through in the income statement.

### **HISTORICAL**

Water and sewer revenues increased 50% from \$2.4 million in 2006 to \$3.6 million in 2010 due to customer growth and rate increases enacted in 2009. Operating expenses and purchased water cost increased 60% during the same period from \$1.9 million in 2006 to \$3.0 million in 2010. Debt service increased from \$520,000 in 2006 to \$850.106 in 2010 while the debt coverage ratio ranged from a low of .75 in 2010 to a high of 1.64 in 2008.

The balance sheet reflects declining equity each year since 2006. Operating cash has also declined since 2007. At the end of 2010 KIA had three loans with the District totaling \$2.7 million. Required reserves were underfunded by approximately \$166,000. In a summary addendum that was prepared by the District's engineering firm, the current combined deficit on RD and KIA loan reserves is \$278,000.

The District is pursuing water and sewer rate increases of approximately 21.5% and 15.2% (based on 4,000 gallon per month usage), respectively, to mitigate its current operating deficits.

### **PROJECTED**

Projections are based on the following assumptions:

- 1) Water revenues will increase by 20% beginning October 1, 2012 (based on the District's proposed increases).
- 2) Sewer revenues will increase by 15% beginning October 1, 2012 (based on the District's proposed increases).

- 3) Additional revenues from the anticipated 135 customers resulting from the project are included in 2013. Growth in water and sewer customers will be negligible.
- 4) Operating expenses will increase by 4% each year.
- 5) Purchased water cost will increase by 2% each year.
- 6) Replacement reserve funding of \$5,500 will begin in 2014.
- 7) The existing reserve deficits will be replenished over a period of five years beginning in 2012. The current estimated annual amount is \$57,000.
- 8) Debt service of \$43,879 on the proposed KIA loan will begin in 2013 and will increase overall debt service to \$495,949 in 2014.

Debt service coverage is estimated at 1.82 in 2013 when all principal and interest repayments begin for the KIA loan funding the project. 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 \$5,500. This amount should be added to the replacement account each December 1 until the balance reaches \$55,000. The balance should be maintained for the life of the loan.

#### X. DEBT OBLIGATIONS (as of 12/31/10)

<u>Debt Issue</u>	<u>Outstanding</u>	<u>Maturity</u>
KIA Loan B293-01	786,525	2025
KIA Loan B295-01	1,903,978	2028
KIA Loan A04-06	50,167	2025
First Guaranty Bank	131,732	2012
USRD Loan, 2002 Series	2,305,000	2042
USRD Loan (Assumed from Sandy Valley WD)	554,743	2040
USRD Loan, 2005 Series	211,500	2044
First Guaranty Bank	117,691	2017
LOC - First Guaranty Bank	250,000	2012
First Guaranty Bank	63,013	2013
First Guaranty Bank	89,756	2012
USRD Loan, 2010 Series	533,912	2049
<b>TOTAL</b>	<b>\$ 6,998,017</b>	

#### XI. OTHER STATE OR FEDERAL FUNDING IN PAST FIVE YEARS

<u>Project Title</u>	<u>Funding Source</u>	<u>Amount</u>	<u>Type</u>
Harold Area - Sewer Plant and Line Expansion	HB 608	\$1,000,000	Grant
Floyd County Fire Hydrants	HB 608	\$30,000	Grant
Waterline Replacement - Harold to Little Mud	HB 608	\$30,000	Grant
Emergency Flood Relief	FEMA	\$535,237	Grant

## **XII. CONTACTS**

### **Applicant**

Name Southern Water and Sewer District  
Address P.O. Box 610, 245 KY Route 680  
McDowell, KY 41647  
County Floyd  
Contact Paula Johnson  
Phone 606-377-9296

### **Applicant Contact**

Name Big Sandy Area Development District  
Address 110 Resource Court  
Prestonsburg, KY 41653  
Contact Brenda Powers  
Phone 606-886-2374  
Email Brenda.powers@bigsandy.org

### **Engineer**

Name Kevin Howard  
Firm Summit Engineering  
Address 120 Prosperous Place, Suite 101  
Lexington, KY 40509  
Phone 859-264-9860, ext 306  
Email khoward@summit-engr.com

## **XIII. RECOMMENDATIONS**

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

1. The district must increase sewer rates by at least 15% to be effective no later than October 1, 2012. This will result in a sewer rate structure as follows:

	<u>2012</u>
Minimum (First 2,000 gallons)	\$25.50
All Over 2,000 gallons (per 1,000 gal.)	<u>10.00</u>
Cost for 4,000 gallons	\$45.50
Affordability Index (Rate/MHI)	2.6%

2. Notice should be provided to KIA in the event that the proposed 20% increase to water rates is not implemented by October 1, 2012.

The original approval required proof of commitments from the Appalachian Regional Commission, Rural Development and Floyd County Fiscal Court. These commitments have been secured.

**SOUTHERN WATER AND SEWER DISTRICT (Dec)**  
**BALANCE SHEETS**

ASSETS	Audited 2006	Audited 2007	Audited 2008	Audited 2009	Audited 2010	Project Completion 2012
<b>Current Assets</b>						
Cash	55,661	116,249	(2,206)	88,969	8,515	17,528
Accounts Receivable	446,561	567,675	562,840	689,589	731,263	764,500
Accounts Receivable - FEMA	0	0	0	496,064	0	0
Inventory	84,307	117,093	104,219	104,800	103,691	105,000
Other Current Assets	5,000	5,000	33,466	35,893	38,822	35,000
<b>Total Current Assets</b>	<b>591,529</b>	<b>806,017</b>	<b>698,319</b>	<b>1,415,315</b>	<b>882,291</b>	<b>922,028</b>
<b>Restricted Assets</b>						
Restricted Cash	377,169	393,771	322,808	446,858	211,581	277,381
<b>Utility Plant</b>						
Land, System, Building and Equipment	34,061,299	35,773,690	36,825,008	37,492,499	38,421,467	42,171,554
Less Accumulated Depreciation ( )	(9,535,854)	(10,850,088)	(12,188,480)	(13,602,680)	(14,919,058)	(15,015,709)
<b>Net Fixed Assets</b>	<b>24,525,445</b>	<b>24,923,602</b>	<b>24,636,528</b>	<b>23,889,819</b>	<b>23,502,409</b>	<b>27,155,845</b>
<b>Other Assets</b>						
Prepaid Interest	98,410	98,410	98,410	98,410	98,410	98,410
Unamortized Bond Costs and Discount, Net	(12,301)	(14,762)	(17,222)	(19,682)	(22,142)	(27,062)
Prepaid Insurance	20,252	29,127	0	0	0	0
<b>Total Other Assets</b>	<b>106,361</b>	<b>112,775</b>	<b>81,188</b>	<b>78,728</b>	<b>76,268</b>	<b>71,348</b>
<b>Total Assets</b>	<b>25,600,504</b>	<b>26,236,165</b>	<b>25,738,843</b>	<b>25,830,720</b>	<b>24,672,549</b>	<b>28,426,603</b>
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Accounts Payable	580,127	771,666	558,896	811,347	683,680	725,316
Customer Deposits	69,322	70,953	81,127	88,149	95,508	101,324
Note Payable Line of Credit	0	0	0	300,000	250,000	0
Current Portion Long Term Debt	287,248	693,961	428,373	520,659	415,444	237,376
Accounts Payable Construction in Progress	5,000	5,000	5,000	5,000	5,000	5,000
Other	71,974	87,559	85,574	115,124	6,767	7,040
<b>Total Current Liabilities</b>	<b>1,013,671</b>	<b>1,629,139</b>	<b>1,158,970</b>	<b>1,840,279</b>	<b>1,456,399</b>	<b>1,076,057</b>
<b>Long Term Liabilities</b>						
Notes Payable - Net	3,609,310	3,166,963	3,246,420	2,918,800	2,776,040	2,711,039
Bonds Payable - Net	2,655,500	3,204,317	3,162,561	3,117,944	3,556,523	3,449,786
<b>Total Long Term Liabilities</b>	<b>6,264,810</b>	<b>6,371,280</b>	<b>6,408,981</b>	<b>6,036,744</b>	<b>6,332,563</b>	<b>6,160,825</b>
<b>Total Liabilities</b>	<b>7,278,481</b>	<b>8,000,419</b>	<b>7,567,951</b>	<b>7,877,023</b>	<b>7,788,962</b>	<b>7,236,882</b>
<b>Retained Earnings:</b>						
Invested in Capital Assets Net of Related Debt	18,059,496	17,942,009	17,713,600	16,917,292	16,497,635	20,899,811
Restricted	309,306	316,412	322,809	446,859	211,581	277,381
Unrestricted	(46,779)	(22,675)	134,483	589,546	174,371	12,528
<b>Total Retained Earnings</b>	<b>18,322,023</b>	<b>18,235,746</b>	<b>18,170,892</b>	<b>17,953,697</b>	<b>16,883,587</b>	<b>21,189,721</b>
<b>Total Liabilities and Equity</b>	<b>25,600,504</b>	<b>26,236,165</b>	<b>25,738,843</b>	<b>25,830,720</b>	<b>24,672,549</b>	<b>28,426,603</b>

**Balance Sheet Analysis**

Current Ratio	0.58	0.49	0.60	0.77	0.61	0.86
Debt to Equity	0.40	0.44	0.42	0.44	0.46	0.34
Working Capital	(422,142)	(823,122)	(460,651)	(424,964)	(574,108)	(154,028)
Percent of Total Assets in Working Capital	-1.65%	-3.14%	-1.79%	-1.65%	-2.33%	-0.54%
Days Sales in Accounts Receivable	52.4	54.9	48.3	60.4	58.4	58.4

**EXHIBIT 1  
SOUTHERN WATER AND SEWER DISTRICT (Dec)  
CASH FLOW ANALYSIS**

	Audited 2006	% Change	Audited 2007	% Change	Audited 2008	% Change	Audited 2009	% Change	Audited 2010	Projected 2011	Projected 2012	Projected 2013	Projected 2014	Projected 2015
<b>Operating Revenues</b>														
Water	2,298,081	22%	2,794,144	13%	3,146,302	-1%	3,128,472	10%	3,456,654	3,456,654	3,560,354	4,147,985	4,147,985	4,147,985
Sewer	73,364	11%	81,114	7%	86,903	25%	108,875	-2%	107,020	107,020	210,720	123,073	123,073	123,073
Solid Waste	739,568	21%	896,251	14%	1,021,945	-9%	926,839	8%	1,005,394	1,005,394	1,005,394	1,156,203	1,156,203	1,156,203
New Sewer Customers									0	0	0	73,710	73,710	73,710
<b>Total Revenues</b>	<b>3,111,013</b>	<b>21%</b>	<b>3,771,509</b>	<b>13%</b>	<b>4,255,150</b>	<b>-2%</b>	<b>4,164,186</b>	<b>10%</b>	<b>4,569,068</b>	<b>4,569,068</b>	<b>4,776,467</b>	<b>5,500,971</b>	<b>5,500,971</b>	<b>5,500,971</b>
<b>Operating Expenses</b>														
Operating Expenses	1,665,513	6%	1,769,452	6%	1,884,204	13%	2,122,009	12%	2,379,401	2,474,577	2,573,560	2,728,099	2,888,820	3,055,970
Purchased Water	196,279	42%	278,768	34%	372,303	-12%	326,688	80%	589,275	601,061	613,082	625,344	637,851	650,608
Solid Waste Payments	739,568	21%	896,252	13%	1,015,395	-3%	980,576	-1%	975,233	1,005,394	1,005,394	1,156,203	1,156,203	1,156,203
Depreciation	1,291,079	4%	1,341,806	3%	1,380,588	2%	1,414,200	0%	1,419,130	1,447,482	1,476,432	1,601,435	1,633,463	1,666,132
Replacement Reserve	4,400		4,400		4,400		4,400		4,400	4,400	4,400	9,900	9,900	9,900
Fund Reserve Deficit											57,000	57,000	57,000	57,000
<b>Total Expenses</b>	<b>3,896,839</b>	<b>10%</b>	<b>4,290,678</b>	<b>9%</b>	<b>4,656,890</b>	<b>4%</b>	<b>4,847,873</b>	<b>11%</b>	<b>5,367,439</b>	<b>5,532,914</b>	<b>5,729,868</b>	<b>6,177,981</b>	<b>6,383,237</b>	<b>6,595,813</b>
<b>Net Operating Income</b>	<b>(785,826)</b>	<b>-34%</b>	<b>(519,169)</b>	<b>-23%</b>	<b>(401,740)</b>	<b>70%</b>	<b>(683,687)</b>	<b>17%</b>	<b>(798,371)</b>	<b>(963,846)</b>	<b>(953,400)</b>	<b>(677,010)</b>	<b>(882,266)</b>	<b>(1,094,842)</b>
<b>Non-Operating Income and Expenses</b>														
Interest on Investments	1,557	290%	6,068	-13%	5,302	-26%	3,948	76%	6,936	3,500	3,500	3,500	3,500	3,500
Other	0		9,706		0		(37,286)		6,244	0	0	0	0	0
<b>Total Non-Operating Income &amp; Expenses</b>	<b>1,557</b>		<b>15,774</b>		<b>5,302</b>		<b>(33,338)</b>		<b>13,180</b>	<b>3,500</b>	<b>3,500</b>	<b>3,500</b>	<b>3,500</b>	<b>3,500</b>
<b>Add Non-Cash Expenses</b>														
Depreciation	1,291,079	4%	1,341,806	3%	1,380,588	2%	1,414,200	0%	1,419,130	1,447,482	1,476,432	1,601,435	1,633,463	1,666,132
<b>Cash Available for Debt Service</b>	<b>506,810</b>	<b>65%</b>	<b>838,411</b>	<b>17%</b>	<b>984,150</b>	<b>-29%</b>	<b>697,175</b>	<b>-9%</b>	<b>633,939</b>	<b>487,136</b>	<b>526,531</b>	<b>927,925</b>	<b>754,697</b>	<b>574,790</b>
<b>Debt Service</b> <small>(enter as positive #s)</small>														
Existing Debt Service	520,578		557,930		601,924		563,595		850,106	935,945	510,173	465,102	452,070	451,027
Proposed KIA Loan											3,830	43,879	43,879	43,879
<b>Total Debt Service</b>	<b>520,578</b>		<b>557,930</b>		<b>601,924</b>		<b>563,595</b>		<b>850,106</b>	<b>935,945</b>	<b>514,003</b>	<b>508,982</b>	<b>495,949</b>	<b>494,906</b>
<b>Income After Debt Service</b>	<b>(13,768)</b>		<b>280,481</b>		<b>382,226</b>		<b>133,580</b>		<b>(216,167)</b>	<b>(448,809)</b>	<b>12,528</b>	<b>418,943</b>	<b>258,748</b>	<b>79,884</b>
<b>Debt Coverage Ratio</b>	<b>0.97</b>		<b>1.50</b>		<b>1.64</b>		<b>1.24</b>		<b>0.75</b>	<b>0.52</b>	<b>1.02</b>	<b>1.82</b>	<b>1.52</b>	<b>1.16</b>

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**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 (A12-06) IN THE AMOUNT OF \$3,006,000 TO THE CITY OF SOUTH SHORE, GREENUP 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 South Shore, 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 \$3,006,000 of project expense including capitalized interest for the construction period, to the City of South Shore for the Sewer

System and Wastewater Treatment Plant Rehabilitation 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 10% will be deducted from the approved loan amount. The unforgiven principal balance of \$2,705,400 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. The total required replacement reserve of \$75,000 will be funded in June 2013 from existing reserve funds on KIA Loan A91-06 which matures at the same time. 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 12th day of April, 2012.

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TONY WILDER, CHAIR  
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

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SANDY WILLIAMS, SECRETARY  
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

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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](http://www.kentucky.gov)

February 8, 2012

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

Re: CWL 12041  
South Shore WWTP--1610  
Activity ID: FGL20120007  
*HUC 11 No - 0509103140 - Tygarts Creek,  
near South Shore*  
Fund A

Dear Mr. Covington:

The Division of Water (DOW) hereby certifies that the City of South Shore is entitled to receive priority for funding for the Sewer System Rehabilitation, and is eligible to receive \$3,006,000.00 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 April 1, 2013
2. Construction bids are expected to be opened on July 1, 2013.
3. Project specific environmental information is expected to be submitted to DOW on January 1, 2013.

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 Honorable Cheryl Moore, Mayor  
City of South Shore

Mr. Bryan Kirby, President  
Community & Economic Development Associates, Inc.

Mr. Bob Blankenship, P. E., HMB, Inc.

<b>EXECUTIVE SUMMARY</b>		Reviewer:	Sandy Williams	
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		Date:	April 12, 2012	
<b>FUND A, FEDERALLY ASSISTED WASTEWATER</b>		KIA Loan Number:	<b>A12-06</b>	
<b>REVOLVING LOAN FUND</b>		WRIS Number	<b>SX21089038, SX21089054</b>	
		HUC Code:	0509103140	
<b>BORROWER:</b>	<b>CITY OF SOUTH SHORE</b>			
	<b>GREENUP COUNTY</b>			
<b>BRIEF DESCRIPTION:</b>	<p>This project contains two components. First, the City will replace or slip line approximately 18,958 linear feet of eight inch line, CCTV up to 40,000 LF of line and prepare a CCTV report and update the Facilities Plan. It will reduce I&amp;I and sewer overflows that occur during significant rainfalls. Second, a one million gallon equalization basin with diffuser and pump station will be constructed to stabilize flows into the WWTP. This will reduce overload situations at the plant during heavy or prolonged periods of rain. Outdated system components will also be replaced as part of this project.</p>			
<b>PROJECT FINANCING:</b>		<b>PROJECT BUDGET</b>		
Fund A Loan	\$ 3,006,000	Administrative Expenses	\$	85,000
CDBG	1,000,000	Legal Expenses		22,000
		Engineering Fees		444,000
		Construction		2,945,000
		Contingency		295,000
		Other		215,000
<b>TOTAL</b>	<b>\$ 4,006,000</b>	<b>TOTAL</b>	<b>\$</b>	<b>4,006,000</b>
<b>REPAYMENT</b>			Est. Annual	
	Rate	1.0%	Payment	\$ 154,995
	Term	20 years	1st Payment	6 Mo. after first draw
<b>PROFESSIONAL SERVICES</b>	Engineer	HMB, Inc.		
	Bond Counsel	Peck, Shaffer, & Williams		
<b>PROJECT SCHEDULE</b>				
	Bid Opening:	July, 2012		
	Construction Start:	August, 2012		
	Construction Stop:	August, 2013		
<b>DEBT PER CUSTOMER</b>	Existing:	\$	475	
	Proposed:	\$	3,906	
<b>OTHER DEBT</b>	See Attached			
<b>OTHER STATE-FUNDED PROJECTS LAST 5 YRS</b>	See Attached			
<b>RESIDENTIAL RATES</b>		<u>Users</u>	<u>Avg. Bill</u>	
	Current	709	\$ 46.00	(for 4,000 gallons)
	Additional	0	\$ 46.00	(for 4,000 gallons)
<b>REGIONAL COORDINATION</b>	This project is consistent with regional planning recommendations.			
<b>CASHFLOW</b>	<b>Cash Available for</b>	<b>Income after Debt</b>		
	<b>Debt Service</b>	<b>Debt Service</b>	<b>Service</b>	<b>Coverage Ratio</b>
Audited 2006	141,753	140,902	851	1.0
Audited 2007	73,252	136,252	(63,000)	0.5
Audited 2008	170,300	138,029	32,271	1.2
Audited 2009	254,647	137,788	116,859	1.8
Audited 2010	211,463	137,541	73,922	1.5
Estimated 2011	199,380	136,424	62,956	1.5
Projected 2012	273,425	136,424	137,001	2.0
Projected 2013	261,274	149,952	111,322	1.7
Projected 2014	248,637	101,530	147,107	2.4
Projected 2015	235,494	165,500	69,994	1.4
Projected 2016	221,826	165,500	56,326	1.3
Projected 2017	207,611	165,499	42,112	1.3

**KENTUCKY INFRASTRUCTURE AUTHORITY  
 WASTEWATER REVOLVING LOAN FUND (FUND "A")  
 CITY OF SOUTH SHORE, GREENUP COUNTY  
 PROJECT REVIEW  
 SX21089038, SX21089054**

**I. PROJECT DESCRIPTION**

The City of South Shore is requesting a \$3,006,000 Fund "A" loan for the Sewer System and Wastewater Treatment Plant Rehabilitation project. The project contains two components. The City's WWTP and lift stations are frequently overloaded during moderate to heavy rain events leading to discharge of raw sewage. A grant funded project in 2011 upgraded the three major lift stations but they still operate beyond their maximum design capacity during the rain events. A Sewer System Evaluation Study identified problem areas in the collection system that need to be slip lined, replaced or cleaned and cleared. The first project component will replace or slip line approximately 18,958 linear feet of eight inch line, CCTV up to 40,000 LF of line and prepare a CCTV report and update the Facilities Plan. It will reduce I&I and sewer overflows that occur during significant rainfalls.

Second, a one million gallon equalization basin with diffuser and pump station will be constructed to stabilize flows into the WWTP. This will reduce overload situations at the plant during heavy or prolonged periods of rain. Outdated variable frequency drives, SCADA system, telescoping valves, grinder, flow meters and other small items will also be replaced as part of this project.

**II. PROJECT BUDGET**

	Total
Administrative Expenses	\$ 85,000
Legal Expenses	22,000
Engineering Fees	444,000
Construction	2,945,000
Contingency	295,000
Other	215,000
<b>Total</b>	<b>\$ 4,006,000</b>

**III. PROJECT FUNDING**

	Amount	%
Fund A Loan	\$ 3,006,000	75%
CDBG	1,000,000	25%
<b>Total</b>	<b>\$ 4,006,000</b>	<b>100%</b>

#### IV. KIA DEBT SERVICE

Construction Loan	\$ 3,006,000
Less: Principal Forgiveness (10%)	<u>\$ 300,600</u>
Amortized Loan Amount	\$ 2,705,400
Interest Rate	1.0%
Loan Term (Years)	20
Estimated Annual Debt Service	\$ 149,584
Administrative Fee (0.20%)	<u>\$ 5,411</u>
<b>Total Estimated Annual Debt Service</b>	<b>\$ 154,995</b>

#### V. PROJECT SCHEDULE

Bid Opening	July 2012
Construction Start	August 2012
Construction Stop	August 2013

#### VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

##### A) Customers

Customers	Current
Residential	663
Commercial	45
Industrial	<u>1</u>
Total	709

##### B) Rates

	Current	Prior
Date of Last Rate Increase	<u>6/22/2011</u>	
Minimum	\$22.00	\$20.50
Additional Per 1,000 Gallons	<u>8.00</u>	6.00
Cost for 4,000 gallons	\$46.00	\$38.50
Increase %	19.5%	
Affordability Index (Rate/MHI)	2.7%	

#### VII. DEMOGRAPHICS

In 2010, the City's population was 1,242 with a Median Household Income (MHI) of \$20,729. 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 \$300,060.

## **IX. FINANCIAL ANALYSIS (See Exhibit 1)**

Financial information was obtained from the audited financial statements for the years ended June 30, 2006 through 2010. Amounts for 2011 are estimated. South Shore's city building and many financial records were damaged or destroyed by a fire on October 26, 2010 which delayed completion of the 2010 audit until March 2012. Completion of the 2011 audit is not anticipated until September 2012. Subsequent to the fire the auditor disclaimed an opinion on 2009 results due to inadequate accounting records.

### **HISTORICAL**

Revenues increased 28% from \$381,663 in 2006 to \$490,471 in 2010. Operating expenses increased 15% from \$243,870 in 2006 to \$280,857 in 2010. Revenues and operating expenses are estimated to be flat for 2011. Year to year expenses have fluctuated from \$40,000 to \$80,000, primarily due to repairs and maintenance expense variations. The debt coverage ratio was above 1.0 for all years except 2007 when it fell to 0.5 due to a \$70,000 increase in operating expenses. Debt service costs have not varied significantly averaging about \$138,000 each year. An existing KIA loan (A91-06) with annual debt service of approximately \$126,000 will mature in June 2013.

The balance sheet reflects a current ratio of 0.7 for 2010 and a debt to equity ratio of 0.2. The current ratio is not projected to improve to 1.0 until the end of 2012 after the City has realized the full year benefit of the rate increase that was passed at the beginning of fiscal 2012.

### **PROJECTIONS**

Projections are based on the following assumptions:

- 1) Revenues will increase 20% in fiscal 2012 due to the rate increase that was put into effect at the beginning of the year. Revenues will be flat thereafter.
- 2) Expenses will increase 4% annually.
- 3) The new debt service is estimated at \$154,995 annually.
- 4) Debt service coverage is 1.4 in for the first full year of principal and interest payments in 2015.

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

### **REPLACEMENT RESERVE**

The total required replacement reserve of \$75,000 will be funded in June 2013 from existing reserve funds on KIA loan A91-06 which matures at the same time.

**X. DEBT OBLIGATIONS**

	<u>Outstanding</u>	<u>Maturity</u>
KIA (A91-06)	\$ 364,256	Jun-13
KIA (A99-05)	100,093	Dec-20
<b>Total</b>	<b>\$ 464,349</b>	

**XI. OTHER STATE OR FEDERAL FUNDING IN PAST FIVE YEARS**

<u>Project Title</u>	<u>Funding Source</u>	<u>Amount</u>	<u>Type</u>
Collection System Rehab	HB380	680,000	Grant
Lift Station Upgrade	CDBG	325,000	Grant

**XII. CONTACTS**

**Applicant**

Name City of South Shore  
Address 500 Main Street  
South Shore, KY 41175  
Contact Cheryl Moore  
Phone (606) 932-6144  
Email coss@zoomnet.net

**Applicant Contact**

Name Community & Economic Development Associates, Inc. (CEDA)  
Address P.O. Box 855  
Richmond, KY 40476  
Contact Bryan Kirby  
Phone (859) 624-3396  
Email bryan@cedainc.net

**Engineer**

Name Bob Blankenship  
Firm HMB, Inc.  
Address 3 HMB Circle  
Frankfort, KY 40601  
Phone (502) 695-9800  
Email rblankenship@hmbpe.com

**XIII. RECOMMENDATIONS**

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

## CITY OF SOUTH SHORE

## BALANCE SHEETS (JUNE YEAR END)

Disclaimed  
Opinion

ASSETS	Audited 2006	Audited 2007	Audited 2008	Restated 2009	Audited 2010	Estimated 2011	Upon Completion 2014
<b>Current Assets</b>							
Cash	6,990	4,133	9,228	36,510	17,234	20,000	82,100
Accounts Receivable	36,691	34,375	43,522	10,838	70,381	70,400	82,800
Grant Receivable	0	46,938	0	0	17,110	0	0
Prepaid	2,311	0	2,742	0	0	0	0
<b>Total Current Assets</b>	<b>45,992</b>	<b>85,446</b>	<b>55,492</b>	<b>47,348</b>	<b>104,725</b>	<b>90,400</b>	<b>164,900</b>
<b>Restricted Assets</b>							
Cash	115,755	67,308	78,782	87,612	100,461	100,461	200,000
<b>Total Restricted Assets</b>	<b>115,755</b>	<b>67,308</b>	<b>78,782</b>	<b>87,612</b>	<b>100,461</b>	<b>100,461</b>	<b>200,000</b>
<b>Utility Plant</b>							
Land, System, Building and Equipment	3,935,090	3,949,173	3,936,340	4,610,901	4,730,147	4,747,257	8,753,257
Less Accumulated Depreciation ( )	(1,742,861)	(1,877,132)	(1,994,136)	(2,147,963)	(2,299,493)	(2,466,223)	(3,080,713)
<b>Net Fixed Assets</b>	<b>2,192,229</b>	<b>2,072,041</b>	<b>1,942,204</b>	<b>2,462,938</b>	<b>2,430,654</b>	<b>2,281,034</b>	<b>5,672,544</b>
<b>Total Assets</b>	<b>2,353,976</b>	<b>2,224,795</b>	<b>2,076,478</b>	<b>2,597,898</b>	<b>2,635,840</b>	<b>2,471,895</b>	<b>6,037,444</b>
<b>LIABILITIES</b>							
<b>Current Liabilities</b>							
Accounts Payable	14,053	49,933	7,733	9,396	18,659	24,300	27,400
Accrued Liabilities	0	2,912	286	(3,239)	1,529	2,500	2,500
Notes Payable	117,347	119,800	122,098	124,651	127,633	130,301	9,392
<b>Total Current Liabilities</b>	<b>131,400</b>	<b>172,645</b>	<b>130,117</b>	<b>130,808</b>	<b>147,821</b>	<b>157,101</b>	<b>39,292</b>
<b>Liabilities Payable - Restricted Assets</b>							
Compensated Absences	5,534	7,892	6,147	3,302	2,820	3,000	3,750
Notes Payable	831,934	711,012	589,732	464,718	336,716	206,415	54,773
Proposed KIA Loan	0	0	0	0	0	0	2,705,400
<b>Total Liabilities Payable - Restricted Assets</b>	<b>837,468</b>	<b>718,904</b>	<b>595,879</b>	<b>468,020</b>	<b>339,536</b>	<b>209,415</b>	<b>2,763,923</b>
<b>Total Liabilities</b>	<b>968,868</b>	<b>891,549</b>	<b>725,996</b>	<b>598,828</b>	<b>487,357</b>	<b>366,516</b>	<b>2,803,215</b>
<b>Retained Earnings:</b>							
Invested in Capital Assets Net of Related Debt	1,360,295	1,241,229	1,230,374	1,873,569	1,966,305	1,944,318	2,902,979
Restricted	0	0	0	0	0	100,461	200,000
Unrestricted	24,813	92,017	120,108	125,501	182,178	60,600	131,250
<b>Total Retained Earnings</b>	<b>1,385,108</b>	<b>1,333,246</b>	<b>1,350,482</b>	<b>1,999,070</b>	<b>2,148,483</b>	<b>2,105,379</b>	<b>3,234,229</b>
<b>Total Liabilities and Equities</b>	<b>2,353,976</b>	<b>2,224,795</b>	<b>2,076,478</b>	<b>2,597,898</b>	<b>2,635,840</b>	<b>2,471,895</b>	<b>6,037,444</b>
<b>Balance Sheet Analysis</b>							
Current Ratio	0.4	0.5	0.4	0.4	0.7	0.6	4.2
Debt to Equity	0.7	0.7	0.5	0.3	0.2	0.2	0.9
Days Sales in Accounts Receivable	35.1	32.5	35.9	8.7	52.4	52.4	52.4

EXHIBIT 1																
CITY OF SOUTH SHORE																
CASH FLOW ANALYSIS (JUNE YEAR END)																
	Audited	%	Audited	%	Audited	%	Audited	%	Audited	Estimated	Projected	Projected	Projected	Projected	Projected	Projected
	2006	Change	2007	Change	2008	Change	2009	Change	2010	2011	2012	2013	2014	2015	2016	2017
<b>Operating Revenues</b>																
Charge for Services	381,663	1%	385,808	15%	442,029	3%	453,212	8%	490,471	490,471	576,700	576,700	576,700	576,700	576,700	576,700
<b>Total Revenues</b>	381,663	1%	385,808	15%	442,029	3%	453,212	8%	490,471	490,471	576,700	576,700	576,700	576,700	576,700	576,700
<b>Operating Expenses</b>																
Operating Expenses	243,870	29%	314,828	-13%	273,081	-27%	200,642	40%	280,857	292,091	303,775	315,926	328,563	341,706	355,374	369,589
Depreciation	138,706	-3%	134,270	0%	134,019	0%	134,655	24%	166,730	166,730	166,730	166,730	281,030	281,030	281,030	281,030
Replacement Reserve	0		0		0		0		0	0	0	0	0	0	0	0
<b>Total Expenses</b>	382,576	17%	449,098	-9%	407,100	-18%	335,297	33%	447,587	458,821	470,505	482,656	609,593	622,736	636,404	650,619
<b>Net Operating Income</b>	(913)	6832%	(63,290)	-155%	34,929	238%	117,915	-64%	42,884	31,650	106,195	94,044	(32,893)	(46,036)	(59,704)	(73,919)
<b>Non-Operating Income and Expenses</b>																
Interest Income	3,960	-43%	2,272	-40%	1,352	54%	2,077	-11%	1,849	1,000	500	500	500	500	500	500
<b>Total Non-Operating Income &amp; Expenses</b>	3,960	-43%	2,272	-40%	1,352	54%	2,077	-11%	1,849	1,000	500	500	500	500	500	500
<b>Add Non-Cash Expenses</b>																
Depreciation	138,706	-3%	134,270	0%	134,019	0%	134,655	24%	166,730	166,730	166,730	166,730	281,030	281,030	281,030	281,030
<b>Cash Available for Debt Service</b>	141,753	-48%	73,252	132%	170,300	50%	254,647	-17%	211,463	199,380	273,425	261,274	248,637	235,494	221,826	207,611
<b>Debt Service</b> (enter as positive #'s)																
Existing Principal	119,596		117,348		118,983		122,461		125,020	127,633	130,301	133,025	9,225	9,392	9,562	9,734
Existing Interest	21,306		18,904		19,046		15,327		12,521	8,791	6,123	3,400	1,280	1,113	943	770
Proposed KIA Loan	0		0		0		0		0	0	13,527	91,025	154,995	154,995	154,995	154,995
<b>Total Debt Service</b>	140,902		136,252		138,029		137,788		137,541	136,424	136,424	149,952	101,530	165,500	165,500	165,499
<b>Income After Debt Service</b>	851		(63,000)		32,271		116,859		73,922	62,956	137,001	111,322	147,107	69,994	56,326	42,112
<b>Debt Coverage Ratio</b>	1.0		0.5		1.2		1.8		1.5	1.5	2.0	1.7	2.4	1.4	1.3	1.3



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**I.B.9.**



**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 (A12-19) IN THE AMOUNT OF \$500,000 TO THE CITY OF FLEMINGSBURG, FLEMING 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 Flemingsburg, 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 \$500,000 of project expense including capitalized interest for the construction period, to the City of Flemingsburg for the Ewing

Sewer System 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 10% will be deducted from the approved loan amount. The unforgiven principal balance of \$450,000 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, \$1,300 must be set aside in a borrower held replacement reserve each December 1 until the balance reaches \$13,000 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 12th day of April 2012.

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TONY WILDER, CHAIR  
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

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SANDY WILLIAMS, SECRETARY  
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

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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](http://www.kentucky.gov)

March 21, 2012

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

Re: CWL12123; Fund A  
Flemingsburg WWTP--11592  
Activity ID: FGL20120004  
HUC11s: 05100101210; 05100101200  
Watershed Names: Johnson Creek, near Mt.  
Olivet; Fleming Creek  
Project Name: Ewing School Sewer  
Binding Commitment

Dear Mr. Covington:

The Division of Water (DOW) hereby certifies that the City of Flemingsburg is entitled to receive priority for funding for their Ewing School Sewer project and is eligible to receive \$500,000.00 from the Clean Water State Revolving Fund. The following information is provided:

1. Project specific environmental information is expected to be submitted to DOW on June 1, 2012.
2. Plans and specifications are expected to be submitted to DOW on August 1, 2012.
3. Construction bids are expected to be opened on September 15, 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 State Planning and Environmental Assessment Report (SPEAR), a Categorical Exclusion Determination (CED), 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 project 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 Kasi White 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,



Buddy Griffin, Supervisor  
SRF & SPAP Section  
Water Infrastructure Branch

BG:jjm

Enclosures

c: Honorable Martin Voiers, City of Flemingsburg  
Laura Jefferson, Buffalo Trace ADD  
Chris Stewart, HMB Engineering

<b>EXECUTIVE SUMMARY</b>		Reviewer:	Kasi White	
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		Date:	April 12, 2012	
<b>FUND A, FEDERALLY ASSISTED WASTEWATER</b>		KIA Loan Number:	<b>A12-19</b>	
<b>REVOLVING LOAN FUND</b>		WRIS Number	<b>SX21069016</b>	
		HUC Code:	05100101210; 05100101200	
<b>BORROWER:</b>	<b>CITY OF FLEMINGSBURG</b>			
	<b>FLEMING COUNTY</b>			
<b>BRIEF DESCRIPTION:</b>	This project will provide sanitary sewer service to the new Ewing Elementary School that is currently under construction. Sanitary sewer service will be conveyed via a low pressure collection system. The project consists of approximately 38,000 linear feet (6.5 miles) of force main and one pump station and will also provide service to approximately 85 residences in addition to the new school.			
<b>PROJECT FINANCING:</b>			<b>PROJECT BUDGET</b>	
Fund A Loan	\$	500,000	Administrative Expenses	\$ 25,000
EPA		600,000	Legal Expenses	15,000
ARC		500,000	Land, Easements	5,000
Local Funds		400,000	Engineering Fees	220,000
			Construction	1,550,000
			Contingency	150,000
			Other	35,000
<b>TOTAL</b>	<b>\$</b>	<b>2,000,000</b>	<b>TOTAL</b>	<b>\$ 2,000,000</b>
<b>REPAYMENT</b>			Est. Annual	
	Rate	1.00%	Payment	\$ 25,781
	Term	20 years	1st Payment	6 Mo. after first draw
<b>PROFESSIONAL SERVICES</b>	Engineer	HMB Engineers, Inc.		
	Bond Counsel	Peck, Shaffer, & Williams		
<b>PROJECT SCHEDULE</b>	Bid Opening:		September, 2012	
	Construction Start:		November, 2012	
	Construction Stop:		June, 2013	
<b>DEBT PER CUSTOMER</b>	Existing:	\$	332	
	Proposed:	\$	4,577	
<b>OTHER DEBT</b>	See Attached			
<b>OTHER STATE-FUNDED PROJECTS LAST 5 YRS</b>	See Attached			
<b>RESIDENTIAL RATES</b>			<u>Users</u>	<u>Avg. Bill</u>
	Current	1,389	\$	26.08 (for 4,000 gallons)
	Additional	86	\$	35.44 (for 4,000 gallons)
<b>REGIONAL COORDINATION</b>	This project is consistent with regional planning recommendations.			
<b>CASHFLOW</b>	<b>Cash Available for</b>	<b>Debt Service</b>	<b>Income after Debt</b>	<b>Coverage Ratio</b>
		<b>Debt Service</b>	<b>Service</b>	
Audited 2007	667,576	558,409	109,167	1.2
Audited 2008	678,152	432,777	245,375	1.6
Audited 2009	465,065	387,790	77,275	1.2
Audited 2010	445,783	252,025	193,758	1.8
Audited 2011	563,770	246,154	317,616	2.3
Projected 2012	593,378	330,348	263,030	1.8
Projected 2013	625,294	144,990	480,304	4.3
Projected 2014	702,786	304,312	398,474	2.3
Projected 2015	668,964	382,945	286,019	1.7
Projected 2016	633,012	382,945	250,067	1.7
Projected 2017	589,536	382,945	206,591	1.5

**KENTUCKY INFRASTRUCTURE AUTHORITY  
 WASTEWATER REVOLVING LOAN FUND (FUND "A")  
 CITY OF FLEMINGSBURG, FLEMING COUNTY  
 PROJECT REVIEW  
 SX21069016**

**I. PROJECT DESCRIPTION**

The City of Flemingsburg is requesting \$500,000 in Clean Water SRF funds for the Ewing School Sewer project. This project will provide sanitary sewer service to the new Ewing Elementary School that is currently under construction. Sanitary sewer service will be conveyed via a low pressure collection system. The project consists of approximately 38,000 linear feet (approximately 6.5 miles) of force main and one pump station and will also provide service to approximately 85 residences in addition to the new school.

The City is currently constructing a new wastewater treatment plant that will have a design capacity of 1.13 MGD and will be located adjacent to the existing plant that is located on KY32 in Flemingsburg.

**II. PROJECT BUDGET**

	Total
Administrative Expenses	\$ 25,000
Legal Expenses	15,000
Land, Easements	5,000
Engineering Fees	220,000
Construction	1,550,000
Contingency	150,000
Other	35,000
<b>Total</b>	<b>\$ 2,000,000</b>

**III. PROJECT FUNDING**

	Amount	%
Fund A Loan	\$ 500,000	25%
EPA	600,000	30%
ARC	500,000	25%
Local Funds	400,000	20%
<b>Total</b>	<b>\$ 2,000,000</b>	<b>100%</b>

**IV. KIA DEBT SERVICE**

Construction Loan	\$	500,000
Less: Principal Forgiveness (10%)	\$	50,000
Amortized Loan Amount	\$	450,000
Interest Rate		1.00%
Loan Term (years)		20
Estimated Annual Debt Service	\$	24,881
Administrative Fee (0.20%)	\$	900
<b>Total Estimated Annual Debt Service</b>	<b>\$</b>	<b>25,781</b>

**V. PROJECT SCHEDULE**

Bid Opening	September, 2012
Construction Start	November, 2012
Construction Stop	June, 2013

**VI. RATE STRUCTURE**

**A) Customers**

	Current	Proposed	Total
Residential	1,294	85	1,379
Commercial	94	1	95
Industrial	1	0	1
<b>Total</b>	<b>1,389</b>	<b>86</b>	<b>1,475</b>

**B) Rates**

On June 13, 2011, the city passed an ordinance to increase the rate structures for fiscal years 2012, 2013 and 2014. The passage was in line with the conditions of KIA loan A11-01 which was approved on March 3, 2011. The ordinance does contain a provision which allows the city the ability to adjust rates on an annual basis based on the Consumer Price Index (CPI).

Date of Rate Increase	7/1/2011	7/1/2012	7/1/2013	
	<u>Inside City</u>			
Minimum (2,000 gallons)	\$14.70	\$16.65	\$19.98	
Next 3,000	5.69	6.44	7.73	(per 1,000 gallons)
Next 5,000	5.27	5.96	6.86	
Next 15,000	4.90	5.54	6.65	
Next 25,000	4.53	5.13	6.16	
Next 50,000	4.14	4.68	5.62	
Cost for 4,000 Gallons	\$26.08	\$29.53	\$35.44	
Increase from previous	15.0%	13.2%	20.0%	
Affordability Index (Rate/MHI)	1.1%	1.3%	1.5%	

	<u>Outside City</u>			
Minimum (2,000 gallons)	\$16.34	\$18.52	\$22.22	
Next 3,000	6.39	7.23	8.68	(per 1,000 gallons)
Next 5,000	5.92	6.70	8.04	
Next 15,000	5.47	5.54	6.65	
Next 25,000	5.07	5.74	6.89	
Next 50,000	4.68	5.30	6.36	
Cost for 4,000 Gallons	\$29.12	\$32.98	\$39.58	
Increase from previous	15.0%	13.3%	20.0%	
Affordability Index (Rate/MHI)	1.3%	1.4%	1.7%	

## **VII. DEMOGRAPHICS**

In 2010, the City's population was 2,646 with a Median Household Income (MHI) of \$27,865. The median household income for the Commonwealth is \$41,197. The project will qualify for an interest rate of 1.0% because the City MHI below 80% of the state MHI.

## **VIII. FINANCIAL ANALYSIS (See Exhibit 1)**

Financial information for the City was obtained from audited financial statements for the years ended June 30, 2007 through 2011. The financials represent the results for the Utility Proprietary Fund which includes activity for water, sewer and gas. The focus of the discussion below is water and wastewater services.

### **HISTORICAL**

Water revenues increased 20% from \$480 thousand in 2007 to \$578 thousand in 2011 while expenses have increased 4% from \$533 thousand to \$556 thousand (water purchases increased 8% and operating expenses increased 2%). Sewer revenues were \$492,000 in 2011 and have fluctuated but remained relatively flat to 2007 while sewer costs increased 12% from \$259 thousand to \$290 thousand. Sewer rates increased 15% effective July 1, 2011.

Cash available for debt service declined 15% from 2007 to 2011. The debt coverage ratio has ranged from a low of 1.2 in 2007 and 2009 to a high of 2.3 in 2011. In 2010 cash flow after debt service was positive for the sewer and gas operations while it was negative for the water operation.

The balance sheet reflects a current ratio of 1.9 or higher for years 2009 through 2011 and the debt to equity ratio was 0.1 in 2011.

## PROJECTED

Projections are based on the following assumptions.

- a) Sewer revenues increase 15% in 2012, 13% in 2013 and 20% in 2014 for approved rate increases. They increase by 2% each year thereafter related to the CPI provision in their rate ordinance.
- b) Additional revenues are anticipated from 86 new customers as a result of this project beginning in 2014.
- c) Expenses will increase by 5% annually (2% consumer inflation and 3% industry specific increases).
- d) Gas revenue reflects no change with a 1% increase in annual expenses from 2011 amounts. The City should annually evaluate the contribution of each utility component (at the cash flow after debt service level) to ensure that cash flow from one segment (gas) does not supplement another operation (sewer or water).
- e) An annual replacement reserve of \$1,300 will be required for this loan.
- f) Estimated annual debt service payments of \$357,164 (and related reserves) are included in the analysis related to KIA Loan A11-01 for a WWTP that is preparing to commence construction.
- g) Debt service in 2014 will be \$304,312 upon completion of this project. Debt service in 2012 reflects the prepayment of KIA Loan A92-04.

Debt service coverage is 2.3 in 2014, which is the first full year of principal and interest payments and decreases to 1.5 by 2017 as full P&I debt service payments begin on KIA Loan A11-01 in 2014 and thereafter. 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 \$1,300. This amount should be added to the replacement account each December 1 until the balance reaches \$13,000 and maintained for the life of the loan.

## IX. DEBT OBLIGATIONS

	Outstanding	Maturity
Peoples Bank	219,190	Apr 2014
Buffalo Trace ADD	12,360	Mar 2012
KIA (i/a/o \$6,234,600 A11-01)	0	TBD
<b>Total</b>	<b>\$231,550</b>	

**X. OTHER STATE OF FEDERAL FUNDING IN PAST FIVE YEARS**

<b>Project Title</b>	<b>Funding Source</b>	<b>Amount</b>	<b>Type</b>
Fox Spring Avenue Water Line	HB608	\$200,000	Grant
Water Upgrades	HB608	\$450,000	Grant
Industrial Authority Sewer	HB608	\$200,000	Grant
Cherry Grove Sewer	HB380	\$100,000	Grant
Industrial Park 2 Pump Station	HB380	\$100,000	Grant
Water Upgrades	HB380	\$50,000	Grant
Pump Station Upgrades	HB267	\$100,000	Grant

**XI. CONTACTS**

**Applicant**

Name City of Flemingsburg  
Address 140 W. Electric Avenue, P.O. Box 406  
Flemingsburg, KY 41041  
Contact Martin Voiers  
Phone (606) 845-0907  
Email mayor@altiusbb.com

**Engineer**

Name Chris Stewart  
Firm HMB Engineers, Inc.  
Address 3 HMB Circle, US 460  
Frankfort, KY 40601  
Phone (502) 695-9800  
Email castewart@hmbpe.com

**Applicant Contact**

Name Buffalo Trace Area Development District  
Address P.O. Box 460  
Maysville, KY 41056  
Contact Laura Jefferson  
Phone (606) 564-6894  
Email ljefferson@btadd.com

## **XII. RECOMMENDATIONS**

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

1. The City must obtain a commitment for an EPA Special Appropriations Grant in the amount of \$600,000 and the Appalachian Regional Commission in the amount of \$500,000 or other funding sources and provide verification of such commitments to KIA.
2. A copy of the fully executed interlocal agreement between the Fleming County Board of Education and the City of Flemingsburg reflecting the commitment of \$400,000 in funds to utilize for project related expenses must be received prior to bidding the project. If the Board of Education commitment is not obtained, the city must provide verification of an alternative commitment to KIA prior to bidding.

**CITY OF FLEMINGSBURG**  
**BALANCE SHEETS** (gas, water and sewer)

June 30 year end

**Upon  
Completion  
2013**

**ASSETS**

	<b>Audited 2007</b>	<b>Audited 2008</b>	<b>Audited 2009</b>	<b>Audited 2010</b>	<b>Audited 2011</b>	<b>2012</b>	<b>2013</b>
<b>Current Assets</b>							
Cash and Cash Equivalents	210,799	306,655	1,327,444	264,067	669,013	762,043	942,347
Accounts Receivable	250,387	289,029	198,314	174,574	197,452	204,800	212,200
Natural Gas Inventory	313,028	0	215,628	44,264	142,761	95,000	95,000
Other Current Assets	985	0	0	635	0	0	0
<b>Total Current Assets</b>	<b>775,199</b>	<b>595,684</b>	<b>1,741,386</b>	<b>483,540</b>	<b>1,009,226</b>	<b>1,061,843</b>	<b>1,249,547</b>
<b>Restricted Assets</b>							
Cash and Cash Equivalents	944,517	955,093	12,921	867,817	885,395	830,395	847,973
<b>Total Restricted Assets</b>	<b>944,517</b>	<b>955,093</b>	<b>12,921</b>	<b>867,817</b>	<b>885,395</b>	<b>830,395</b>	<b>847,973</b>
<b>Utility Plant</b>							
Land, System, Building and Equipment	12,742,720	13,143,507	13,279,030	13,526,736	14,015,781	15,015,781	24,921,781
Less Accumulated Depreciation ( )	(6,743,522)	(7,055,164)	(7,420,337)	(7,564,576)	(7,882,820)	(8,242,820)	(8,751,220)
<b>Net Fixed Assets</b>	<b>5,999,198</b>	<b>6,088,343</b>	<b>5,858,693</b>	<b>5,962,160</b>	<b>6,132,961</b>	<b>6,772,961</b>	<b>16,170,561</b>
<b>Other Assets</b>							
Unamortized Bond Costs and Discount, Net	92,998	89,329	18,303	15,125	13,966	12,807	11,648
<b>Total Other Assets</b>	<b>92,998</b>	<b>89,329</b>	<b>18,303</b>	<b>15,125</b>	<b>13,966</b>	<b>12,807</b>	<b>11,648</b>
<b>Total Assets</b>	<b>7,811,912</b>	<b>7,728,449</b>	<b>7,631,303</b>	<b>7,328,642</b>	<b>8,041,548</b>	<b>8,678,006</b>	<b>18,279,729</b>

**LIABILITIES**

<b>Current Liabilities</b>							
Accounts Payable	353,655	179,204	89,830	134,061	124,720	125,000	135,000
Accrued Liabilities	132,543	77,442	64,991	57,024	67,095	70,000	75,000
Accrued Interest	4,039	4,611	2,797	1,294	732	1,500	2,500
Customer Deposits	37,512	35,374	36,907	46,403	56,455	57,500	57,500
Due to Other Funds	231,963	262,373	360,032	8,557	277,273	277,273	277,273
Notes Payable - Line of Credit	0	0	200,000	0	0	0	0
<b>Total Current Liabilities</b>	<b>759,712</b>	<b>559,004</b>	<b>754,557</b>	<b>247,339</b>	<b>526,275</b>	<b>531,273</b>	<b>547,273</b>
<b>Liabilities Payable - Restricted Assets</b>							
Current Portion of Long Term Debt	326,917	217,312	210,745	215,391	150,702	77,649	67,360
<b>Total Liabilities Payable - Restricted Assets</b>	<b>326,917</b>	<b>217,312</b>	<b>210,745</b>	<b>215,391</b>	<b>150,702</b>	<b>77,649</b>	<b>67,360</b>
<b>Long Term Liabilities</b>							
Bonds Payable	31,038	0	0	0	0	0	0
Notes Payable	1,087,916	886,654	675,924	460,124	310,244	67,360	0
KIA (A11-01)	0	0	0	0	0	1,000,000	6,234,200
Proposed KIA Loan	0	0	0	0	0	0	450,000
<b>Total Long Term Liabilities</b>	<b>1,118,954</b>	<b>886,654</b>	<b>675,924</b>	<b>460,124</b>	<b>310,244</b>	<b>1,067,360</b>	<b>6,684,200</b>
<b>Total Liabilities</b>	<b>2,205,583</b>	<b>1,662,970</b>	<b>1,641,226</b>	<b>922,854</b>	<b>987,221</b>	<b>1,676,282</b>	<b>7,298,833</b>
<b>Retained Earnings:</b>							
Invested in Capital Assets Net of Related Debt	4,553,327	4,984,377	4,772,024	5,286,645	5,672,015	5,627,952	9,419,001
Restricted	439,220	439,220	12,921	838,164	885,394	830,395	847,973
Unrestricted	613,782	641,882	1,205,132	280,979	496,918	543,377	713,922
<b>Total Retained Earnings</b>	<b>5,606,329</b>	<b>6,065,479</b>	<b>5,990,077</b>	<b>6,405,788</b>	<b>7,054,327</b>	<b>7,001,724</b>	<b>10,980,896</b>
<b>Total Liabilities and Equities</b>	<b>7,811,912</b>	<b>7,728,449</b>	<b>7,631,303</b>	<b>7,328,642</b>	<b>8,041,548</b>	<b>8,678,006</b>	<b>18,279,729</b>

**Balance Sheet Analysis**

Current Ratio	1.0	1.1	2.3	2.0	1.9	2.0	2.3
Debt to Equity	0.4	0.3	0.3	0.1	0.1	0.2	0.7
Working Capital	15,487	36,680	986,829	236,201	482,951	530,570	702,274
Percent of Total Assets in Working Capital	0.20%	0.47%	12.93%	3.22%	6.01%	6.11%	3.84%
Days Sales in Accounts Receivable	36.2	40.0	29.0	29.6	31.6	31.6	31.6

EXHIBIT 1																
CITY OF FLEMINGSBURG																
CASH FLOW ANALYSIS																
	Audited		%		Audited		%		Audited		%		Audited		%	
	2007	Change	2008	Change	2009	Change	2010	Change	2011	2012	2013	2014	2015	2016	2017	
Operating Revenues	479,932	9%	523,684	-6%	494,021	6%	525,204	10%	578,178	589,742	601,537	613,568	625,839	638,356	651,123	
Water	479,932	9%	523,684	-6%	494,021	6%	525,204	10%	578,178	589,742	601,537	613,568	625,839	638,356	651,123	
Wastewater	485,638	3%	500,146	-7%	466,682	5%	492,261	0%	491,884	565,667	639,204	767,045	782,386	798,034	813,995	
Gas	1,559,781	3%	1,614,223	-5%	1,534,640	-26%	1,138,540	6%	1,211,514	1,211,514	1,211,514	1,211,514	1,211,514	1,211,514	1,211,514	
Revenue from New Customers	0		0		0		0		0	0	0	22,500	26,000	31,000	31,000	
<b>Total Revenues</b>	<b>2,525,351</b>	<b>4%</b>	<b>2,638,053</b>	<b>-5%</b>	<b>2,495,343</b>	<b>-14%</b>	<b>2,156,005</b>	<b>6%</b>	<b>2,281,576</b>	<b>2,366,923</b>	<b>2,452,255</b>	<b>2,614,627</b>	<b>2,645,739</b>	<b>2,678,904</b>	<b>2,707,632</b>	
Operating Expenses																
Water	532,958	15%	610,574	-11%	544,338	4%	568,254	-2%	556,526	584,352	613,570	644,249	676,461	710,284	745,798	
Wastewater	259,159	7%	278,054	-5%	265,229	9%	289,123	1%	290,734	305,271	320,535	342,162	365,770	391,859	419,252	
Gas	1,156,620	1%	1,167,383	10%	1,289,214	-33%	866,948	2%	884,576	893,422	902,356	911,380	920,494	929,699	938,996	
Depreciation	329,728	5%	346,558	5%	365,173	-3%	353,508	1%	355,908	360,000	508,400	723,500	723,500	723,500	723,500	
Replacement Reserve	0		0		0		0		0	0	0	23,550	23,550	23,550	23,550	
<b>Total Expenses</b>	<b>2,278,465</b>	<b>5%</b>	<b>2,402,569</b>	<b>3%</b>	<b>2,463,954</b>	<b>-16%</b>	<b>2,077,833</b>	<b>0%</b>	<b>2,087,744</b>	<b>2,143,045</b>	<b>2,344,861</b>	<b>2,644,841</b>	<b>2,709,775</b>	<b>2,778,892</b>	<b>2,851,096</b>	
<b>Net Operating Income</b>	<b>246,886</b>	<b>-5%</b>	<b>235,484</b>	<b>-87%</b>	<b>31,389</b>	<b>149%</b>	<b>78,172</b>	<b>148%</b>	<b>193,832</b>	<b>223,878</b>	<b>107,394</b>	<b>(30,214)</b>	<b>(64,036)</b>	<b>(99,988)</b>	<b>(143,464)</b>	
Non-Operating Income and Expenses																
Interest on Investments	48,068	-27%	34,887	-21%	27,435	-23%	21,051	-55%	9,426	5,000	5,000	5,000	5,000	5,000	5,000	
Other Income	42,894	43%	61,223	-33%	41,068	-117%	(6,948)	-166%	4,604	4,500	4,500	4,500	4,500	4,500	4,500	
<b>Total Non-Operating Income &amp; Expenses</b>	<b>90,962</b>	<b>6%</b>	<b>96,110</b>	<b>-29%</b>	<b>68,503</b>	<b>-79%</b>	<b>14,103</b>	<b>-1%</b>	<b>14,030</b>	<b>9,500</b>	<b>9,500</b>	<b>9,500</b>	<b>9,500</b>	<b>9,500</b>	<b>9,500</b>	
Add Non-Cash Expenses																
Depreciation	329,728	5%	346,558	5%	365,173	-3%	353,508	1%	355,908	360,000	508,400	723,500	723,500	723,500	723,500	
<b>Cash Available for Debt Service</b>	<b>667,576</b>	<b>2%</b>	<b>678,152</b>	<b>-31%</b>	<b>465,065</b>	<b>-4%</b>	<b>445,783</b>	<b>26%</b>	<b>563,770</b>	<b>593,378</b>	<b>625,294</b>	<b>702,786</b>	<b>668,964</b>	<b>633,012</b>	<b>589,536</b>	
Debt Service (enter as positive #s)																
Existing Principal	492,838		341,929		217,297		211,154		214,569	315,937	77,649	67,360	0	0	0	
Existing Interest	65,571		90,848		170,493		40,871		31,585	10,911	4,999	1,418	0	0	0	
KIA (A11-01)	0		0		0		0		0	3,500	62,342	209,753	357,164	357,164	357,164	
Proposed KIA Loan	0		0		0		0		0	0	0	25,781	25,781	25,781	25,781	
<b>Total Debt Service</b>	<b>558,409</b>		<b>432,777</b>		<b>387,790</b>		<b>252,025</b>		<b>246,154</b>	<b>330,348</b>	<b>144,990</b>	<b>304,312</b>	<b>382,945</b>	<b>382,945</b>	<b>382,945</b>	
<b>Income After Debt Service</b>	<b>109,167</b>		<b>245,375</b>		<b>77,275</b>		<b>193,758</b>		<b>317,616</b>	<b>263,030</b>	<b>480,304</b>	<b>398,474</b>	<b>286,019</b>	<b>250,067</b>	<b>206,591</b>	
<b>Debt Coverage Ratio</b>	<b>1.2</b>		<b>1.6</b>		<b>1.2</b>		<b>1.8</b>		<b>2.3</b>	<b>1.8</b>	<b>4.3</b>	<b>2.3</b>	<b>1.7</b>	<b>1.7</b>	<b>1.5</b>	



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**I.B.10.**



**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 (A12-20) IN THE AMOUNT OF \$719,000 TO THE CITY OF RUSSELL SPRINGS, 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 Russell Springs, 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 \$719,000 of project expense including capitalized interest for the construction period, to the City of Russell Springs for the

Manhole 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. Principal forgiveness of 10% will be deducted from the approved loan amount. The unforgiven principal balance of \$647,100 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 12th day of April, 2012.

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TONY WILDER, CHAIR  
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

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SANDY WILLIAMS, SECRETARY  
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

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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](http://www.kentucky.gov)

March 27, 2012

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

Re: CWL12092; Fund A  
Russell Springs Wastewater Collection--6368  
Activity ID: FGL20120003  
HUC11: 05130103120  
Watershed Name: Lake Cumberland, above  
Wolf Creek Dam  
Project Name: Manhole Replacement  
Binding Commitment

Dear Mr. Covington:

The Division of Water (DOW) hereby certifies that the City of Russell Springs is entitled to receive priority for funding for their Manhole Replacement project and is eligible to receive \$719,000.00 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 Kasi White 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,



Buddy Griffin, Supervisor  
SRF & SPAP Section  
Water Infrastructure Branch

BG:jjm

Enclosures

c: Mayor Hollis Dehart, City of Russell Springs  
Judy Keltner, Lake Cumberland ADD  
Eddie Brown, Kenvirons

<b>EXECUTIVE SUMMARY</b>		Reviewer:	Kasi White
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		Date:	April 12, 2012
<b>FUND A, FEDERALLY ASSISTED WASTEWATER</b>		KIA Loan Number:	<b>A12-20</b>
<b>REVOLVING LOAN FUND</b>		WRIS Number	<b>SX21207015</b>
		HUC Code:	05130103120
<b>BORROWER:</b>	<b>CITY OF RUSSELL SPRINGS</b>		
	<b>RUSSELL COUNTY</b>		
<b>BRIEF DESCRIPTION:</b>	This project is for the replacement of seventy-five to eighty manholes that are approximately fifty years old and of brick construction. This will substantially reduce the high volume of inflow and infiltration and decrease the likelihood of a sanitary sewer overflow event.		
<b>PROJECT FINANCING:</b>	<b>PROJECT BUDGET</b>		
Fund A Loan	\$ 719,000	Administrative Expenses	\$ 17,750
		Engineering	95,000
		Construction	551,250
		Contingency	55,000
<b>TOTAL</b>	<b>\$ 719,000</b>	<b>TOTAL</b>	<b>\$ 719,000</b>
<b>REPAYMENT</b>		Est. Annual	
	Rate	1.0%	Payment \$ 37,073
	Term	20 years	1st Payment 6 Mo. after first draw
<b>PROFESSIONAL SERVICES</b>	Engineer	Kenvirons, Inc.	
	Bond Counsel	Peck, Shaffer, & Williams	
<b>PROJECT SCHEDULE</b>		Bid Opening:	August 2012
		Construction Start:	September 2012
		Construction Stop:	March 2013
<b>DEBT PER CUSTOMER</b>	Existing:	\$ 2,047	
	Proposed:	\$ 2,358	
<b>OTHER DEBT</b>	See Attached		
<b>OTHER STATE-FUNDED PROJECTS LAST 5 YRS</b>	See Attached		
<b>RESIDENTIAL RATES</b>		<u>Users</u>	<u>Avg. Bill</u>
	Current	1,265 \$	26.42 (for 4,000 gallons)
	Additional	0 \$	26.42 (for 4,000 gallons)
<b>REGIONAL COORDINATION</b>	This project is consistent with regional planning recommendations.		
<b>CASHFLOW</b>	<b>Cash Available for</b>	<b>Income after Debt</b>	
	<b>Debt Service</b>	<b>Debt Service</b>	<b>Service Coverage Ratio</b>
Audited 2009	294,196	239,142	55,054 1.2
Audited 2010	224,196	244,247	(20,051) 0.9
Audited 2011	433,176	237,511	195,665 1.8
Projected 2012	399,922	242,304	157,618 1.7
Projected 2013	361,820	247,116	114,704 1.5
Projected 2014	310,775	275,878	34,897 1.1
Projected 2015	272,852	276,142	(3,290) 1.0
Projected 2016	221,292	206,008	15,284 1.1

**KENTUCKY INFRASTRUCTURE AUTHORITY  
 WASTEWATER REVOLVING LOAN FUND (FUND "A")  
 CITY OF RUSSELL SPRINGS, RUSSELL COUNTY  
 PROJECT REVIEW  
 SX21207015**

**I. PROJECT DESCRIPTION**

The City of Russell Springs is requesting a \$719,000 Fund "A" loan for the Manhole Replacement project. Seventy-five to eighty manholes that are approximately fifty years old and of brick construction will be replaced. This will substantially reduce the high volume of inflow and infiltration decreasing the likelihood of a sanitary sewer overflow event.

**II. PROJECT BUDGET**

	<u>Total</u>
Administrative Expenses	\$ 17,750
Engineering Fees	95,000
Construction	551,250
Contingency	55,000
<b>Total</b>	<b>\$ 719,000</b>

**III. PROJECT FUNDING**

	<u>Amount</u>	<u>%</u>
Fund A Loan	\$ 719,000	100%
<b>Total</b>	<b>\$ 719,000</b>	<b>100%</b>

**IV. KIA DEBT SERVICE**

Construction Loan	\$ 719,000
Less: Principal Forgiveness (10%)	\$ 71,900
Amortized Loan Amount	\$ 647,100
Interest Rate	1.0%
Loan Term (Years)	20
Estimated Annual Debt Service	\$ 35,779
Administrative Fee (0.20%)	\$ 1,294
<b>Total Estimated Annual Debt Service</b>	<b>\$ 37,073</b>

**V. PROJECT SCHEDULE**

Bid Opening	August 2012
Construction Start	September 2012
Construction Stop	March 2013

**VI. CUSTOMER COMPOSITION AND RATE STRUCTURE**

**A) Customers**

	Current
Residential	995
Commercial	261
Industrial	9
Total	1,265

**B) Rates**

Rates were last increase in August 2010 resulting in the below rate structure:

	City	Outside City
First 2,000 Gallons	\$14.82	\$17.40
Each Additional 1,000 Gallons	5.80	6.06
Cost for 4,000 gallons	\$26.42	\$29.52
Affordability Index (Rate/MHI)	1.2%	

**VII. DEMOGRAPHICS**

In 2010, the City's population was 1,656 with a Median Household Income (MHI) of \$25,809. 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 funding.
- 2) Additional Subsidization – This project qualifies for additional subsidization in the amount of \$71,900.

**IX. FINANCIAL ANALYSIS (See Exhibit 1)**

Financial information was obtained from the audited financial statements for the years ended June 30, 2009 through 2011. The Water and Sewer Fund is used to account for water, sewer and sanitation services. The City purchases wastewater treatment services and finished water from the City of Jamestown.

## HISTORICAL

Revenues increased 10% from \$1,932,270 in 2009 to \$2,124,410 in 2011. Purchased water cost increased 10% from \$423,447 to \$467,741 during the same period while operating expenses increased marginally from \$1,254,514 to \$1,270,078. The debt cover ratio was 1.2, 0.9 and 1.8 in 2009, 2010 and 2011, respectively. Debt service was approximately \$240,000 each year. The current ratio for 2011 was 1.1 and debt to equity was 0.4. Unrestricted cash equals approximately two months of purchased water and operating expenses.

## PROJECTIONS

Projections are based on the following assumptions:

- 1) Revenues will be flat for customer growth.
- 2) Within 60 days of any rate adjustment to purchased water or sewage processing costs the City will increase the rate structure to accommodate the increase in the purchase cost.
- 3) Other operating expenses will increase by 3% annually
- 4) A replacement reserve of \$1,800 will be funded annually for ten years.

The debt coverage ratio is 1.1 in FY2014 which is the first full year of principal and interest repayments. 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 \$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

	<u>Outstanding</u>	<u>Maturity</u>
Revenue Bonds Series 1974	\$ 48,000	2015
Revenue Bonds Series 1981	196,000	2021
Revenue Bonds Series 1986	182,000	2026
Revenue Bonds Series 1996A	493,000	2035
Revenue Bonds Series 1996B	1,085,000	2036
Revenue Bonds Series 2001	278,600	2042
Revenue Bonds Series 2004	112,000	2025
Water Meter Leases	210,000	2015
<b>Total</b>	<b>\$ 2,604,600</b>	

**XI. OTHER STATE OR FEDERAL FUNDING IN PAST FIVE YEARS**

<b>Project Title</b>	<b>Funding Source</b>	<b>Amount</b>	<b>Type</b>
Alligator Area Sewer Extensions	HB380	2,250,000	Grant
Sewer Extension	HB608	700,000	Grant
Water Extension	HB608	350,000	Grant
Fairgrounds / Gentry Mill Lift Station Upgrade	HB608	200,000	Grant

**XII. CONTACTS**

**Applicant**

Name City of Russell Springs  
Address P.O. Box 247  
Russell Springs, KY 42642  
County Russell  
Contact Hollis Dehart  
Phone (270) 866-1692  
Email rsmayor@duo-county.com

**Applicant Contact**

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

**Engineer**

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

**XIII. RECOMMENDATIONS**

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

**CITY OF RUSSELL SPRINGS  
BALANCE SHEETS (JUNE YEAR END)**

ASSETS	Audited <u>2009</u>	Audited <u>2010</u>	Audited <u>2011</u>	Upon Completion <u>2013</u>
<b>Current Assets</b>				
Cash	193,839	200,081	206,540	342,701
Accounts Receivable	155,884	277,665	318,567	318,700
Inventory	99,447	39,203	60,197	60,000
<b>Total Current Assets</b>	<u>449,170</u>	<u>516,949</u>	<u>585,304</u>	<u>721,401</u>
<b>Restricted Assets</b>				
Cash	309,064	313,020	444,122	475,000
<b>Total Restricted Assets</b>	<u>309,064</u>	<u>313,020</u>	<u>444,122</u>	<u>475,000</u>
<b>Utility Plant</b>				
Land, System, Building and Equipment	14,606,324	15,359,215	15,842,394	16,561,394
Less Accumulated Depreciation ( )	(5,338,663)	(5,727,710)	(6,145,032)	(6,988,373)
<b>Net Fixed Assets</b>	<u>9,267,661</u>	<u>9,631,505</u>	<u>9,697,362</u>	<u>9,573,021</u>
<b>Total Assets</b>	<u><u>10,025,895</u></u>	<u><u>10,461,474</u></u>	<u><u>10,726,788</u></u>	<u><u>10,769,422</u></u>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Revenue Bonds	67,381	71,581	74,800	78,200
Leases	45,000	45,000	50,000	55,000
Accounts Payable	64,394	63,279	67,170	71,300
Payroll Taxes	9,710	9,828	14,048	14,900
Customer Deposits	167,979	176,994	184,894	185,000
Accrued Payroll	10,811	14,534	1,147	1,200
Accrued Vacation	10,351	10,921	8,595	9,200
Due to Other Funds	87,912	87,912	87,912	87,912
Accrued Interest	29,740	32,304	29,268	25,000
<b>Total Current Liabilities</b>	<u>493,278</u>	<u>512,353</u>	<u>517,834</u>	<u>527,712</u>
<b>Long Term Liabilities</b>				
Revenue Bonds	2,449,398	2,377,817	2,304,517	2,147,317
Leases	255,000	210,000	160,000	55,000
Proposed KIA Loan	0	0	0	647,100
<b>Total Long Term Liabilities</b>	<u>2,704,398</u>	<u>2,587,817</u>	<u>2,464,517</u>	<u>2,849,417</u>
<b>Total Liabilities</b>	<u><u>3,197,676</u></u>	<u><u>3,100,170</u></u>	<u><u>2,982,351</u></u>	<u><u>3,377,129</u></u>
<b>Retained Earnings:</b>				
Invested in Capital Assets Net of Related Debt	6,450,882	6,927,107	7,108,045	6,590,404
Restricted	309,064	313,020	444,122	475,000
Unrestricted	68,273	121,177	192,270	326,889
<b>Total Retained Earnings</b>	<u>6,828,219</u>	<u>7,361,304</u>	<u>7,744,437</u>	<u>7,392,293</u>
<b>Total Liabilities and Equities</b>	<u><u>10,025,895</u></u>	<u><u>10,461,474</u></u>	<u><u>10,726,788</u></u>	<u><u>10,769,422</u></u>
<b>Balance Sheet Analysis</b>				
Current Ratio	0.9	1.0	1.1	1.4
Debt to Equity	0.5	0.4	0.4	0.5
Working Capital	(44,108)	4,596	67,470	193,689
Percent of Total Assets in Working Capital	-0.4%	0.0%	0.6%	1.8%
Days Sales in Accounts Receivable	29.4	54.7	54.7	54.7

<b>EXHIBIT 1</b>										
<b>CITY OF RUSSELL SPRINGS</b>										
<b>CASH FLOW ANALYSIS (JUNE YEAR END)</b>										
	<b>Audited</b>	<b>%</b>	<b>Audited</b>	<b>%</b>	<b>Audited</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>
	<b>2009</b>	<b>Change</b>	<b>2010</b>	<b>Change</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>Operating Revenues</b>										
Charges for Services	1,932,270	-4%	1,851,905	15%	2,124,410	2,125,000	2,125,000	2,125,000	2,125,000	2,125,000
<b>Total Revenues</b>	1,932,270	-4%	1,851,905	15%	2,124,410	2,125,000	2,125,000	2,125,000	2,125,000	2,125,000
<b>Operating Expenses</b>										
Water Purchases	423,447	-5%	402,309	16%	467,741	470,000	470,000	480,000	480,000	490,000
Operating Expenses	1,254,514	1%	1,262,138	1%	1,270,078	1,270,078	1,308,180	1,347,425	1,385,348	1,426,908
Depreciation	379,506	3%	390,066	7%	418,341	418,341	425,000	450,000	475,000	500,000
Replacement Reserve	0		0		0	0	0	1,800	1,800	1,800
<b>Total Expenses</b>	2,057,467	0%	2,054,513	5%	2,156,160	2,158,419	2,203,180	2,279,225	2,342,148	2,418,708
<b>Net Operating Income</b>	(125,197)	62%	(202,608)	-84%	(31,750)	(33,419)	(78,180)	(154,225)	(217,148)	(293,708)
<b>Non-Operating Income and Expenses</b>										
Interest Income	3,371	-19%	2,719	-2%	2,668	2,500	2,500	2,500	2,500	2,500
Other	36,516		34,019		43,917	12,500	12,500	12,500	12,500	12,500
<b>Total Non-Operating Income &amp; Expenses</b>	39,887	-8%	36,738	27%	46,585	15,000	15,000	15,000	15,000	15,000
<b>Add Non-Cash Expenses</b>										
Depreciation	379,506	3%	390,066	7%	418,341	418,341	425,000	450,000	475,000	500,000
<b>Cash Available for Debt Service</b>	<b>294,196</b>	<b>-24%</b>	<b>224,196</b>	<b>93%</b>	<b>433,176</b>	<b>399,922</b>	<b>361,820</b>	<b>310,775</b>	<b>272,852</b>	<b>221,292</b>
<b>Debt Service</b> (enter as positive #'s)										
Existing Principal	110,300		113,400		116,100	124,800	129,000	133,200	139,900	76,100
Existing Interest	128,842		130,847		121,411	117,504	111,616	105,605	99,169	92,835
Proposed KIA Loan	0		0		0	0	6,500	37,073	37,073	37,073
<b>Total Debt Service</b>	239,142		244,247		237,511	242,304	247,116	275,878	276,142	206,008
<b>Income After Debt Service</b>	55,054		(20,051)		195,665	157,618	114,704	34,897	(3,290)	15,284
<b>Debt Coverage Ratio</b>	1.2		0.9		1.8	1.7	1.5	1.1	1.0	1.1



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**I.B.11.**



**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 (A12-23) IN THE AMOUNT OF \$700,000 TO THE CITY OF JACKSON, BREATHITT 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 Jackson, 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 \$700,000 of project expense including capitalized interest for the construction period, to the City of Jackson for the Wastewater

Lift Station Rehabilitation 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 10% will be deducted from the approved loan amount. The unforgiven principal balance of \$630,000 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, \$1,750 must be set aside in a borrower held replacement reserve each December 1 until the balance reaches \$17,500 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 12th day of April 2012.

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TONY WILDER, CHAIR  
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

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SANDY WILLIAMS, SECRETARY  
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

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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](http://www.kentucky.gov)

April 9, 2012

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

Re: CWL12125; Fund A  
Jackson WWTP--410  
Activity ID: FGL20120003  
HUC11: 05100201150  
Watershed Name: North Fork Kentucky River,  
mouth  
Project Name: Wastewater Lift Station  
Rehabilitation  
Binding Commitment

Dear Mr. Covington:

The Division of Water (DOW) hereby certifies that the City of Jackson is entitled to receive priority for funding for their Wastewater Lift Station Rehabilitation project and is eligible to receive \$700,000.00 from the Clean Water State Revolving Fund. The following information is provided:

1. Project specific environmental information is expected to be submitted to DOW on April 30, 2012.
2. Plans and specifications are expected to be submitted to DOW on July 30, 2012.
3. Construction bids are expected to be opened on January 1, 2013.

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 Kasi White 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,



Buddy Griffin, Supervisor  
SRF & SPAP Section  
Water Infrastructure Branch

BG:jjm

Enclosures

c: Honorable Rose Wolfe, City of Jackson  
Jennifer McIntosh, Kentucky River ADD  
Mark Feibes, Nesbitt Engineering

<b>EXECUTIVE SUMMARY</b>		Reviewer:	Kasi White	
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		Date:	April 12, 2012	
<b>FUND A, FEDERALLY ASSISTED WASTEWATER</b>		KIA Loan Number:	<b>A12-23</b>	
<b>REVOLVING LOAN FUND</b>		WRIS Number	<b>SX21025006</b>	
		HUC Code:	05100201150	
<b>BORROWER:</b>	<b>CITY OF JACKSON</b>			
	<b>BREATHITT COUNTY</b>			
<b>BRIEF DESCRIPTION:</b>	<p>This project will rehabilitate ten lift stations throughout the city's system that are currently having to be repaired due to age. Three of the lift stations are in the direct flow of the water treatment plant's intake system. The project will reduce the likelihood that wastewater contaminants are released directly into the raw water source for the City's water treatment plant. This project will assist in compliance with the Agreed Order.</p>			
<b>PROJECT FINANCING:</b>			<b>PROJECT BUDGET</b>	
Fund A Loan	\$	700,000	Administrative Expenses	\$ 40,000
ARC		500,000	Legal Expenses	8,000
			Land, Easements	10,000
			Planning	20,000
			Engineering	133,000
			Construction	900,000
			Contingency	89,000
<b>TOTAL</b>	<b>\$</b>	<b>1,200,000</b>	<b>TOTAL</b>	<b>\$ 1,200,000</b>
<b>REPAYMENT</b>			Est. Annual	
	Rate	1.0%	Payment	\$ 36,093
	Term	20 years	1st Payment	6 Mo. after first draw
<b>PROFESSIONAL SERVICES</b>	Engineer	Nesbitt Engineering		
	Bond Counsel	Peck, Shaffer, & Williams		
<b>PROJECT SCHEDULE</b>	Bid Opening:		January 2013	
	Construction Start:		March 2013	
	Construction Stop:		May 2013	
<b>DEBT PER CUSTOMER</b>	Existing:	\$ 1,397		
	Proposed:	\$ 1,682		
<b>OTHER DEBT</b>	See Attached			
<b>OTHER STATE-FUNDED PROJECTS LAST 5 YRS</b>	See Attached			
<b>RESIDENTIAL RATES</b>			<u>Users</u>	<u>Avg. Bill</u>
	Current	1,281	\$ 36.28	(for 4,000 gallons)
	Additional	0	\$ 36.28	(for 4,000 gallons)
<b>REGIONAL COORDINATION</b>	This project is consistent with regional planning recommendations.			
<b>CASHFLOW</b>	<b>Cash Available for</b>		<b>Income after Debt</b>	
	<b>Debt Service</b>	<b>Debt Service</b>	<b>Service</b>	<b>Coverage Ratio</b>
Audited 2007 *	58,491	21,960	36,531	2.7
Audited 2008 *	93,159	138	93,021	675.1
Audited 2009 *	249,566	30,575	218,991	8.2
Audited 2010	153,063	235,136	(82,073)	0.7
Audited 2011	193,126	411,442	(218,316)	0.5
Projected 2012	185,253	145,459	39,794	1.3
Projected 2013	247,249	140,239	107,010	1.8
Projected 2014	239,219	171,455	67,764	1.4
Projected 2015	232,613	171,415	61,198	1.4
Projected 2016	225,672	169,150	56,522	1.3
Projected 2017	218,382	167,861	50,521	1.3
* No principal obligations were paid in 2007 and 2008; limited principal obligations were paid in 2009.				

**KENTUCKY INFRASTRUCTURE AUTHORITY  
 WASTEWATER REVOLVING LOAN FUND (FUND "A")  
 CITY OF JACKSON, BREATHITT COUNTY  
 PROJECT REVIEW  
 SX21025006**

**I. PROJECT DESCRIPTION**

The City of Jackson is requesting a \$7,000 Fund "A" loan for the Wastewater Lift Station Rehabilitation project. This project will rehabilitate ten lift stations throughout the city's system that currently have to be repaired due to age. Three of the lift stations are in the direct flow of the water treatment plant's intake system. The project will reduce the likelihood that wastewater contaminants are released directly into the raw water source for the City's water treatment plant.

The lift stations range from five to thirty years old and many are in flood prone areas which has accelerated their degradation. Routine preventive maintenance has been sporadic due to financial constraints. The City is under an Agreed Order to remediate numerous operation and maintenance issues.

**II. PROJECT BUDGET**

	<u>Total</u>
Administrative Expenses	\$ 40,000
Legal Expenses	8,000
Land, Easements	10,000
Engineering Fees	153,000
Construction	900,000
Contingency	89,000
<b>Total</b>	<b>\$ 1,200,000</b>

**III. PROJECT FUNDING**

	<u>Amount</u>	<u>%</u>
Fund A Loan	\$ 700,000	58%
ARC	500,000	42%
<b>Total</b>	<b>\$ 1,200,000</b>	<b>100%</b>

**IV. KIA DEBT SERVICE**

Construction Loan	\$	700,000
Less: Principal Forgiveness (10%)	\$	70,000
Amortized Loan Amount	\$	630,000
Interest Rate		1.0%
Loan Term (Years)		20
Estimated Annual Debt Service	\$	34,833
Administrative Fee (0.20%)	\$	1,260
<b>Total Estimated Annual Debt Service</b>	<b>\$</b>	<b>36,093</b>

**V. PROJECT SCHEDULE**

Bid Opening	January 2013
Construction Start	March 2013
Construction Stop	May 2013

**VI. CUSTOMER COMPOSITION AND RATE STRUCTURE**

**A) Customers**

	Current
Residential	1,189
Commercial	92
Total	1,281

**B) Rates**

The last time a rate ordinance was passed was June 2008; however, in this ordinance there was a provision made for an annual automatic increase up to 3% without requiring the approval of the city council. The rates below reflect those as of July 1, 2011 and those in the two preceding years.

	Current	2011	2010
First 2,000 Gallons (minimum)	\$18.14	\$17.60	\$17.12
Each Additional 1,000 Gallons	9.07	8.81	8.56
Cost for 4,000 gallons	\$36.28	\$35.22	\$34.24
Increase %	3.0%	2.9%	
Affordability Index (Rate/MHI)	2.1%		

As the ordinance is currently written, the rate adjustments are based on the Consumer Price Index and at the Mayor's discretion. After conversations with the Mayor, she has reviewed the minutes of the council meeting and indicated they intended to have an automatic rate increase and are pursuing an amendment to remove the discretionary component.

## **VII. DEMOGRAPHICS**

In 2010, the City's population was 2,744 with a Median Household Income (MHI) of \$20,777. The median household income for the Commonwealth is \$41,197. The loan qualifies for a 1% interest rate due to the MHI being 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 \$70,000.

## **IX. FINANCIAL ANALYSIS (See Exhibit 1)**

Financial information was obtained from the audited financial statements for the years ended June 30, 2007 through 2011. The auditor disclaimed an opinion on the 2010 results but issued an unqualified opinion on 2011. The City reports separate information for the Water and Sewer Funds. Only the Sewer Fund results are presented in this analysis.

### **HISTORICAL**

Revenues increased 61% from \$416,798 in 2007 to \$671,516 in 2011. Rate increases accounted for substantially all of the increase. Operating expenses increased 33% from \$358,612 to \$478,482 during the same period. Some portion of the expense increase was due to unsupported reclassifications of personnel from the water fund to the sewer fund. Corrections are reflected in the 2013 and subsequent years forecast.

Cash flow available for debt service ranged from a low of \$58,491 in 2007 to a high of \$249,566 in 2009. Cash flow in 2010 and 2011 was \$153,063 and \$193,126, respectively. The City did not make principal payments on sewer debts during 2007 or 2008 and made limited payments in 2009 and 2010. A KIA loan (A96-08) was restructured and is being repaid monthly. In 2011 some debt was repaid with operating cash flow while other debts were refinanced with new debt. Interfund debts have been reduced by about \$445,000 since 2007 and were reduced by \$180,000 in 2011. Debt coverage ratios through 2011 are therefore not meaningful.

The current ratio at the end of 2011 was 0.4 and the debt to equity ratio was 0.7. The receivables collection period has remained fairly consistent since 2007. Operating cash is less than one month of 2011 operating cost.

## PROJECTIONS

Projections are based on the following assumptions:

- 1) Revenues will increase 1% per year. An automatic 3% inflationary increase will be offset by some continued retail volume reductions.
- 2) Expenses will increase by 3% per year for inflation
- 3) Expenses have been adjusted beginning in 2013 to reflect the proper classification of personnel between the sewer and water funds. Additionally there will be some reduction in repair cost on the rebuilt lift stations.
- 4) A replacement reserve of \$1,750 will be funded annually for ten years.
- 5) The new debt service is estimated at \$36,093 annually.
- 6) The projection assumes the remaining interfund liability of \$65,051 will not be repaid during the forecast period
- 7) Cash flow after debt service will first be used to improve the Fund's operating cash position to hold an amount equal to at least four months of operating expenses (forecasted to occur in 2013)

Debt service coverage is 1.4 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 is \$1,750. This amount should be added to the replacement account each December 1 until the balance reaches \$17,500 and maintained for the life of the loan.

## X. DEBT OBLIGATIONS (Water and Sewer Combined)

	<u>Outstanding</u>	<u>Maturity</u>
Series 1979 C	\$ 40,000	2015
Series 1980	317,000	2020
Series 1983	29,000	2022
Series 1999	122,000	2039
Series 2006	2,062,500	2044
Series 2006B	512,000	2044
KLC Lease 11-2022	366,208	2022
KLC Lease 11-2028	501,526	2029
KLC Lease 02-2040	880,000	2040
KIA F2 09-09	688,500	2031
KIA A96-08	410,808	2018
<b>Total</b>	<b>\$ 5,929,542</b>	

**XI. OTHER STATE OR FEDERAL FUNDING IN PAST FIVE YEARS**

<u>Project Title</u>	<u>Funding Source</u>	<u>Amount</u>	<u>Type</u>
Lost Creek Water Tank	HB1, ARC, AML, Coal Severance	975,000	Grant

**XII. CONTACTS**

**Applicant**

Name City of Jackson  
Address 333 Broadway  
Jackson, KY 41339  
County Breathitt  
Contact Rose Wolfe  
Phone (606) 666-7069  
Email Rosewolfe13@yahoo.com

**Applicant Contact**

Name Kentucky River ADD  
Address 917 Perry Park  
Hazard, KY 41701  
Contact Jennifer McIntosh  
Phone (606) 436-3158  
Email Jennifer@kradd.org

**Engineer**

Name Mark Feibes  
Firm Nesbitt Engineering  
Address 227 North Upper Street  
Lexington, KY 40507  
Phone (859) 233-3111  
Email mfeibes@nei-ky.com

**XIII. RECOMMENDATIONS**

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

1. The City must obtain a commitment for an Appalachian Regional Commission (ARC) grant (or other funding source) in the amount of \$500,000 other funding sources and provide verification of such commitments to KIA.
2. Prior to July 1, 2012, the City will provide to a copy of the revised rate ordinance to KIA which requires an automatic 3% rate increase each July 1.

## CITY OF JACKSON

## BALANCE SHEETS (JUNE YEAR END) SEWER FUND

ASSETS	Disclaimed Opinion					Upon Completion 2014
	Audited 2007	Audited 2008	Audited 2009	Audited 2010	Audited 2011	
<b>Current Assets</b>						
Cash	3,028	1,397	13,263	13,365	6,691	221,300
Accounts Receivable	54,194	108,035	97,668	91,936	91,936	94,600
<b>Total Current Assets</b>	<b>57,222</b>	<b>109,432</b>	<b>110,931</b>	<b>105,301</b>	<b>98,627</b>	<b>315,900</b>
<b>Restricted Assets</b>						
Cash	13,343	71	345	7,045	4,699	7,250
<b>Total Restricted Assets</b>	<b>13,343</b>	<b>71</b>	<b>345</b>	<b>7,045</b>	<b>4,699</b>	<b>7,250</b>
<b>Utility Plant</b>						
Land, System, Building and Equipment	7,377,277	7,377,277	7,874,357	7,874,357	7,874,357	9,074,357
Less Accumulated Depreciation ( )	(2,784,902)	(2,937,427)	(3,084,620)	(3,264,582)	(3,442,088)	(4,032,588)
<b>Net Fixed Assets</b>	<b>4,592,375</b>	<b>4,439,850</b>	<b>4,789,737</b>	<b>4,609,775</b>	<b>4,432,269</b>	<b>5,041,769</b>
<b>Total Assets</b>	<b>4,662,940</b>	<b>4,549,353</b>	<b>4,901,013</b>	<b>4,722,121</b>	<b>4,535,595</b>	<b>5,364,919</b>
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Accounts Payable	33,387	50,165	23,206	21,671	44,478	50,000
Accrued Liabilities	9,190	12,686	14,389	16,602	11,975	17,500
Accrued Interest	13,237	28,102	45,384	44,483	14,789	15,000
Current Portion Long Term Debt	394,191	521,880	1,141,037	706,115	92,886	89,665
Due to Other Funds	510,515	436,158	246,920	246,920	65,051	65,051
<b>Total Current Liabilities</b>	<b>960,520</b>	<b>1,048,991</b>	<b>1,470,936</b>	<b>1,035,791</b>	<b>229,179</b>	<b>237,216</b>
<b>Long Term Liabilities</b>						
Long Term Debt	725,716	598,030	455,893	1,035,791	1,631,789	1,369,566
Proposed KIA Loan	0	0	0	0	0	630,000
<b>Total Long Term Liabilities</b>	<b>725,716</b>	<b>598,030</b>	<b>455,893</b>	<b>1,035,791</b>	<b>1,631,789</b>	<b>1,999,566</b>
<b>Total Liabilities</b>	<b>1,686,236</b>	<b>1,647,021</b>	<b>1,926,829</b>	<b>2,071,582</b>	<b>1,860,968</b>	<b>2,236,782</b>
<b>Retained Earnings:</b>						
Invested in Capital Assets Net of Related Debt	3,472,468	3,319,940	3,192,807	2,867,869	2,707,594	2,952,538
Restricted	13,343	71	345	7,045	4,699	7,250
Unrestricted	(509,107)	(417,679)	(218,968)	(224,375)	(37,666)	168,349
<b>Total Retained Earnings</b>	<b>2,976,704</b>	<b>2,902,332</b>	<b>2,974,184</b>	<b>2,650,539</b>	<b>2,674,627</b>	<b>3,128,137</b>
<b>Total Liabilities and Equities</b>	<b>4,662,940</b>	<b>4,549,353</b>	<b>4,901,013</b>	<b>4,722,121</b>	<b>4,535,595</b>	<b>5,364,919</b>
<b>Balance Sheet Analysis</b>						
Current Ratio	0.1	0.1	0.1	0.1	0.4	1.3
Debt to Equity	0.6	0.6	0.6	0.8	0.7	0.7
Working Capital	(903,298)	(939,559)	(1,360,005)	(930,490)	(130,552)	78,684
Percent of Total Assets in Working Capital	-19.4%	-20.7%	-27.7%	-19.7%	-2.9%	1.5%
Days Sales in Accounts Receivable	47.5	86.6	54.7	51.0	50.0	49.9

EXHIBIT 1														
CITY OF JACKSON														
CASH FLOW ANALYSIS (JUNE YEAR END) SEWER FUND														
	Audited	%	Audited	%	Audited	%	Audited	%	Audited	Projected	Projected	Projected	Projected	Projected
	2007	Change	2008	Change	2009	Change	2010	Change	2011	2012	2013	2014	2015	2016
<b>Operating Revenues</b>	416,490	8%	448,680	44%	645,799	1%	653,175	1%	657,287	663,860	670,499	677,204	683,976	690,816
Sewer Revenues	416,490	8%	448,680	44%	645,799	1%	653,175	1%	657,287	663,860	670,499	677,204	683,976	690,816
Other	308		6,764		5,880		4,558		14,229	14,229	14,371	14,515	14,660	14,807
<b>Total Revenues</b>	416,798	9%	455,444	43%	651,679	1%	657,733	2%	671,516	678,089	684,870	691,719	698,636	705,623
<b>Operating Expenses</b>														
Operating Expenses	358,612	1%	362,513	11%	402,318	25%	504,889	-5%	478,482	492,836	437,621	450,750	464,273	478,201
Depreciation	156,129	-2%	152,525	-3%	147,194	22%	179,962	-1%	177,506	175,000	187,500	228,000	232,560	237,211
Replacement Reserve	0		0		0		0		0	0	0	1,750	1,750	1,750
<b>Total Expenses</b>	514,741	0%	515,038	7%	549,512	25%	684,851	-4%	655,988	667,836	625,121	680,500	698,583	717,162
<b>Net Operating Income</b>	(97,943)	-39%	(59,594)	-271%	102,167	-127%	(27,118)	-157%	15,528	10,253	59,749	11,219	53	(11,539)
<b>Non-Operating Income and Expenses</b>														
Interest Income	305	-25%	228	-10%	205	7%	219	-58%	92	0	0	0	0	0
<b>Total Non-Operating Income &amp; Expenses</b>	305	-25%	228	-10%	205	7%	219	-58%	92	0	0	0	0	0
<b>Add Non-Cash Expenses</b>														
Depreciation	156,129	-2%	152,525	-3%	147,194	22%	179,962	-1%	177,506	175,000	187,500	228,000	232,560	237,211
<b>Cash Available for Debt Service</b>	58,491	59%	93,159	168%	249,566	-39%	153,063	26%	193,126	185,253	247,249	239,219	232,613	225,672
<b>Debt Service</b> (enter as positive #'s)														
Existing Principal	0		0		17,337		46,140		199,100	92,866	85,202	87,356	89,665	89,851
Existing Interest	21,960		138		13,238		188,996		212,342	52,593	50,312	48,006	45,657	43,206
Proposed KIA Loan					0		0		0	0	4,725	36,093	36,093	36,093
<b>Total Debt Service</b>	21,960		138		30,575		235,136		411,442	145,459	140,239	171,455	171,415	169,150
<b>Income After Debt Service</b>	36,531		93,021		218,991		(82,073)		(218,316)	39,794	107,010	67,764	61,198	56,522
<b>Debt Coverage Ratio</b>	2.7		675.1		8.2		0.7		0.5	1.3	1.8	1.4	1.4	1.3

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**I.A.12.**



**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 (A12-18) OF \$500,000 TO THE CITY OF WORTHINGTON, GREENUP 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 Worthington, 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 \$500,000 of project expense including capitalized interest for the construction period, to the City of Worthington for the Surge Basin 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, \$1,300 must be set aside in a borrower held replacement reserve each December 1 until the balance reaches \$13,000 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 12th day of April, 2012.

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TONY WILDER, CHAIR  
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

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SANDY WILLIAMS, SECRETARY  
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

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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](http://www.kentucky.gov)

February 23, 2012

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

Re: CWL-12053  
Worthington WWTP--1614  
Activity ID: FGL20120004  
Watershed Name: Ohio River, near Greenup  
HUC 11# 05090103040  
Fund A

Dear Mr. Covington:

The Division of Water (DOW) hereby certifies that the City of Worthington is entitled to receive priority for funding for the Worthington WWTP Surge Basin and Purchase Equipment Project and is eligible to receive \$580,000 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 in April 2012.
2. Construction bids are expected to be opened in May 2012.
3. Project specific environmental information is expected to be submitted to DOW in April 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: Honorable Tim Stapleton, Mayor  
Richard L. Howerton, PE, Howerton Engineering

<b>EXECUTIVE SUMMARY</b>		Reviewer:	Kasi White	
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		Date:	April 12, 2012	
<b>FUND A, FEDERALLY ASSISTED WASTEWATER</b>		KIA Loan Number:	<b>A12-18</b>	
<b>REVOLVING LOAN FUND</b>		WRIS Number	<b>SX21089087</b>	
		HUC Code:	05090103040	
<b>BORROWER:</b>	<b>CITY OF WORTHINGTON</b>			
	<b>GREENUP COUNTY</b>			
<b>BRIEF DESCRIPTION:</b>	This project includes the construction of a surge basin which will help eliminate CSO's that currently occur during rain events and to bring the city into compliance with their Consent Decree.			
<b>PROJECT FINANCING:</b>			<b>PROJECT BUDGET</b>	
Fund A Loan	\$	500,000	Engineering Fees	87,000
			Construction	358,000
			Contingency	55,000
<b>TOTAL</b>	<b>\$</b>	<b>500,000</b>	<b>TOTAL</b>	<b>\$ 500,000</b>
<b>REPAYMENT</b>			Est. Annual	
	Rate	2.0%	Payment	\$ 31,456
	Term	20 years	1st Payment	6 Mo. after first draw
<b>PROFESSIONAL SERVICES</b>	Engineer	Howerton Engineering		
	Bond Counsel	Peck, Shaffer, & Williams		
<b>PROJECT SCHEDULE</b>	Bid Opening:		August, 2012	
	Construction Start:		September, 2012	
	Construction Stop:		December, 2012	
<b>DEBT PER CUSTOMER</b>	Existing:	\$	-	
	Proposed:	\$	731	
<b>OTHER DEBT</b>	See Attached			
<b>OTHER STATE-FUNDED PROJECTS LAST 5 YRS</b>	See Attached			
<b>RESIDENTIAL RATES</b>			<u>Users</u>	<u>Avg. Bill</u>
	Current	684	\$	22.00 (for 4,000 gallons)
	Additional	0	\$	27.37 (for 4,000 gallons)
<b>REGIONAL COORDINATION</b>	This project is consistent with regional planning recommendations.			
<b>CASHFLOW</b>	<b>Cash Available for</b>		<b>Income after Debt</b>	
	<b>Debt Service</b>	<b>Debt Service</b>	<b>Service</b>	<b>Coverage Ratio</b>
Audited 2008	28,083	26,916	1,167	1.0
Audited 2009	72,756	26,877	45,879	2.7
Audited 2010	15,336	27,420	(12,084)	0.6
Audited 2011	31,815	0	31,815	n/a
Projected 2012	22,595	0	22,595	n/a
Projected 2013	59,317	10,000	49,317	5.9
Projected 2014	51,604	31,456	20,148	1.6
Projected 2015	44,184	31,456	12,728	1.4
Projected 2016	36,490	31,456	5,034	1.2

**KENTUCKY INFRASTRUCTURE AUTHORITY  
 WASTEWATER REVOLVING LOAN FUND (FUND "A")  
 CITY OF WORTHINGTON, GREENUP COUNTY  
 PROJECT REVIEW  
 SX21089087**

**I. PROJECT DESCRIPTION**

The City of Worthington is requesting a Fund A loan in the amount of \$500,000 for the Surge Basin project. This project includes the construction of a surge basin which will help eliminate CSO's that currently occur during rain events and to bring the city into compliance with their Consent Decree.

**II. PROJECT BUDGET**

	Total
Engineering Fees	87,000
Construction	358,000
Contingency	55,000
<b>Total</b>	<b>\$ 580,000</b>

**III. PROJECT FUNDING**

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

**IV. KIA DEBT SERVICE**

Construction Loan	\$	500,000
Interest Rate		2.0%
Loan Term (Years)		20
Estimated Annual Debt Service	\$	30,456
Administrative Fee (0.20%)	\$	1,000
<b>Total Estimated Annual Debt Service</b>	<b>\$</b>	<b>31,456</b>

**V. PROJECT SCHEDULE**

Bid Opening	August, 2012
Construction Start	September, 2012
Construction Stop	December, 2012

## **VI. CUSTOMER COMPOSITION AND RATE STRUCTURE**

### **A) Sewer Customers**

	Current
Residential	680
Commercial	4
Total	<u>684</u>

### **B) Rates**

Rates were last increased May 2001 and are identical to the water rate structure. A rate increase will be required as a condition of the KIA funding.

	Current
Minimum (2,000 gallons)	<u>\$14.00</u>
Next 4,000 Gallons	4.00 (Rates Per 1,000 Gallons)
All Over 6,000 Gallons	2.50
Commercial and Industrial	<u>6.00</u>
Cost for 4,000 gallons	\$22.00
Affordability Index (Rate/MHI)	0.6%

## **VII. DEMOGRAPHICS**

Based on the 2010 Census the City's population was 1,527 (a 9% decline from 2000) with a Median Household Income (MHI) of \$41,369. The MHI for the Commonwealth is \$41,197. The loan will qualify for a 2% since it is in compliance with the Consent Decree to correct CSO's issues.

## **VIII. 2011 CAPITALIZATION GRANT EQUIVALENCIES**

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

## **IX. FINANCIAL ANALYSIS (See Exhibit 1)**

Financial information is from the audited financial statements for the years ended June 30, 2008 through 2011 for the sewer operation.

### **HISTORICAL**

Revenues decreased about 7% from \$220,879 in 2008 to \$205,234 2011. The City has not had a rate increase since May 2001. Operating expenses decreased 12% from \$199,067 in 2008 to \$174,894 in 2011.

Required debt service costs were \$27,000 in each of years 2008 through 2010 and zero in 2011. The debt service ratio was 1.0 in 2008, 2.7 in 2009, and 0.6 in 2010. Additionally, in 2010 the utility depleted its repair and maintenance reserve balance to pay off a 3.2% KIA loan (A94-14) balance of approximately \$165,000.

The balance sheet reflects a current ratio above 5.1 for 2011. Operating cash equals about eleven months of operating expenses. Gross fixed assets are approximately \$1.7 million and net fixed assets are \$907,000. There are no restricted balances for depreciation or maintenance and repair reserves.

**PROJECTED**

Projections are based on the following assumptions.

- a) Revenues will be flat for volume.
- b) The City will generate an approximate 23% in increased revenues for FY2013 through passage of a rate increase. The city council has already discussed increasing rates and the first reading of the new rate ordinance will be held at their April council meeting.
- c) Expenses will increase 4% annually.
- d) A replacement reserve of \$1,300 will be funded annually.
- e) The new annual debt service as a result of the KIA loan is estimated at \$31,456.

In 2014, which represents the first full year of principal and interest payments, the debt service ratio is projected at 1.6. 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 \$1,300. This amount should be added to the replacement account each December 1 until the balance reaches \$13,000 and maintained for the life of the loan.

**X. DEBT OBLIGATIONS**

None

**XI. OTHER STATE OF FEDERAL FUNDING IN PAST FIVE YEARS**

<b>Project Title</b>	<b>Funding Source</b>	<b>Amount</b>	<b>Type</b>
Edsel Avenue Storm Water Drain Bypass	HB380	70,000	Grant
Storm / Sanitary Sewer Rehabilitation	HB608	400,000	Grant
Storm / Sanitary Sewer Rehabilitation	HB608	400,000	Grant

## **XII. CONTACTS**

### **Applicant**

Name City of Worthington  
Address 512 Ferry Street, P.O. Box 366  
Worthington, KY 41183  
Contact Tim Stapleton  
Phone (606) 922-0085  
Email cow1926@hotmail.com

### **Applicant Contact and Project Engineer**

Name Howerton Engineering  
Address 404 Main Street  
Greenup, KY 41144  
Contact Richard L. Howerton, PE, PLS, CFM  
Phone (606) 473-5684  
Email richard.howerton@howertoneng.com

## **XIII. RECOMMENDATIONS**

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

On or before the bid opening for the proposed project, the city shall pass an ordinance and/or resolution to increase sewer rates which will generate an additional 23% (\$47,204) in additional revenues to be effective on or before July 1, 2012.

This will result in an approximate 4,000 gallon monthly rate of approximately \$27.50.

**CITY OF WORTHINGTON SEWER DEPARTMENT  
BALANCE SHEETS (JUNE YEAR END)**

<b>ASSETS</b>	<b>Audited 2008</b>	<b>Audited 2009</b>	<b>Audited 2010</b>	<b>Audited 2011</b>	<b>Upon Completion 2013</b>
<b>Current Assets</b>					
Cash and Cash Equivalents	121,240	133,765	126,631	154,656	141,870
Certificate of Deposit	56,204	58,361	59,479	60,302	65,000
Accounts Receivable	18,590	19,067	17,862	22,695	27,915
Prepaid Expense and Other	5,897	6,223	5,944	6,299	6,100
<b>Total Current Assets</b>	<b>201,931</b>	<b>217,416</b>	<b>209,916</b>	<b>243,952</b>	<b>240,885</b>
<b>Restricted Assets</b>					
Repair and Maintenance Reserve	167,845	175,384	692	0	1,300
<b>Total Restricted Assets</b>	<b>167,845</b>	<b>175,384</b>	<b>692</b>	<b>0</b>	<b>1,300</b>
<b>Utility Plant</b>					
Land, System, Building and Equipment	1,331,546	1,377,253	1,557,379	1,709,035	2,289,035
Less Accumulated Depreciation ( )	(699,255)	(729,707)	(764,413)	(802,087)	(919,942)
<b>Net Fixed Assets</b>	<b>632,291</b>	<b>647,546</b>	<b>792,966</b>	<b>906,948</b>	<b>1,369,093</b>
<b>Total Assets</b>	<b>1,002,067</b>	<b>1,040,346</b>	<b>1,003,574</b>	<b>1,150,900</b>	<b>1,611,278</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Accounts Payable	27,964	19,483	5,652	45,267	30,000
Wages Payable	1,852	2,684	1,905	1,958	2,200
Other	2,494	2,890	33	373	1,000
<b>Total Current Liabilities</b>	<b>32,310</b>	<b>25,057</b>	<b>7,590</b>	<b>47,598</b>	<b>33,200</b>
<b>Long Term Liabilities</b>					
Note Payable	205,618	185,563	0	0	500,000
<b>Total Long Term Liabilities</b>	<b>205,618</b>	<b>185,563</b>	<b>0</b>	<b>0</b>	<b>500,000</b>
<b>Total Liabilities</b>	<b>237,928</b>	<b>210,620</b>	<b>7,590</b>	<b>47,598</b>	<b>533,200</b>
<b>Retained Earnings:</b>					
Invested in Capital Assets Net of Related Debt	426,673	461,983	792,966	906,948	869,093
Restricted	167,845	175,384	692	0	1,300
Unrestricted	169,621	192,359	202,326	196,354	207,685
<b>Total Retained Earnings</b>	<b>764,139</b>	<b>829,726</b>	<b>995,984</b>	<b>1,103,302</b>	<b>1,078,078</b>
<b>Total Liabilities and Equities</b>	<b>1,002,067</b>	<b>1,040,346</b>	<b>1,003,574</b>	<b>1,150,900</b>	<b>1,611,278</b>
<b>Balance Sheet Analysis</b>					
Current Ratio	6.2	8.7	27.7	5.1	7.3
Debt to Equity	0.3	0.3	n/a	n/a	0.5
Working Capital	169,621	192,359	202,326	196,354	207,685
Percent of Total Assets in Working Capital	16.9%	18.5%	20.2%	17.1%	12.9%
Days Sales in Accounts Receivable	30.7	29.8	31.9	40.4	40.4

<b>EXHIBIT 1</b>												
<b>CITY OF WORTHINGTON SEWER DEPARTMENT</b>												
<b>CASH FLOW ANALYSIS (JUNE YEAR END)</b>												
	<b>Audited</b>	<b>%</b>	<b>Audited</b>	<b>%</b>	<b>Audited</b>	<b>%</b>	<b>Audited</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>
	<b>2008</b>	<b>Change</b>	<b>2009</b>	<b>Change</b>	<b>2010</b>	<b>Change</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>Operating Revenues</b>												
Revenues	220,879	6%	233,463	-13%	204,184	1%	205,234	205,234	205,234	252,438	252,438	252,438
Rate Increase	0		0		0		0	0	47,204		0	0
<b>Total Revenues</b>	<b>220,879</b>	<b>6%</b>	<b>233,463</b>	<b>-13%</b>	<b>204,184</b>	<b>1%</b>	<b>205,234</b>	<b>205,234</b>	<b>252,438</b>	<b>252,438</b>	<b>252,438</b>	<b>252,438</b>
<b>Operating Expenses</b>												
Operating Expenses	199,067	-14%	171,922	15%	198,495	-12%	174,894	183,639	192,821	200,534	207,954	215,648
Depreciation	30,785	-1%	30,452	14%	34,706	9%	37,674	38,427	63,427	64,696	65,990	67,310
Replacement Reserve	0								1,300	1,300	1,300	1,300
<b>Total Expenses</b>	<b>229,852</b>	<b>-12%</b>	<b>202,374</b>	<b>15%</b>	<b>233,201</b>	<b>-9%</b>	<b>212,568</b>	<b>222,066</b>	<b>257,548</b>	<b>266,530</b>	<b>275,244</b>	<b>284,258</b>
<b>Net Operating Income</b>	<b>(8,973)</b>	<b>-446%</b>	<b>31,089</b>	<b>-193%</b>	<b>(29,017)</b>	<b>-75%</b>	<b>(7,334)</b>	<b>(16,832)</b>	<b>(5,111)</b>	<b>(14,092)</b>	<b>(22,806)</b>	<b>(31,820)</b>
<b>Non-Operating Income and Expenses</b>												
Interest Income	10,661		11,215		9,647		1,475	1,000	1,000	1,000	1,000	1,000
Other	(4,390)		0		0		0	0	0	0	0	0
<b>Total Non-Operating Income &amp; Expenses</b>	<b>6,271</b>	<b>79%</b>	<b>11,215</b>	<b>-14%</b>	<b>9,647</b>	<b>-85%</b>	<b>1,475</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>
<b>Add Non-Cash Expenses</b>												
Depreciation	30,785	-1%	30,452	14%	34,706	9%	37,674	38,427	63,427	64,696	65,990	67,310
<b>Cash Available for Debt Service</b>	<b>28,083</b>	<b>159%</b>	<b>72,756</b>	<b>-79%</b>	<b>15,336</b>	<b>107%</b>	<b>31,815</b>	<b>22,595</b>	<b>59,317</b>	<b>51,604</b>	<b>44,184</b>	<b>36,490</b>
<b>Debt Service</b> (enter as positive #'s)												
Existing Principal	19,428		20,055		20,701		0	0	0	0	0	0
Existing Interest	7,488		6,822		6,719		0	0	0	0	0	0
Proposed KIA Loan	0		0		0		0	0	10,000	31,456	31,456	31,456
<b>Total Debt Service</b>	<b>26,916</b>		<b>26,877</b>		<b>27,420</b>		<b>0</b>	<b>0</b>	<b>10,000</b>	<b>31,456</b>	<b>31,456</b>	<b>31,456</b>
<b>Income After Debt Service</b>	<b>1,167</b>		<b>45,879</b>		<b>(12,084)</b>		<b>31,815</b>	<b>22,595</b>	<b>49,317</b>	<b>20,148</b>	<b>12,728</b>	<b>5,034</b>
<b>Debt Coverage Ratio</b>	<b>1.0</b>		<b>2.7</b>		<b>0.6</b>		<b>n/a</b>	<b>n/a</b>	<b>5.9</b>	<b>1.6</b>	<b>1.4</b>	<b>1.2</b>
<b>RATE INCREASE REQUIRED</b>									<b>23.0%</b>			



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**I.B.13.**



**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 \$600,000 TO THE CITY OF WORTHINGTON, GREENUP 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 City of Worthington for a wastewater 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 City of Worthington for the Water Treatment Filters Upgrade Project. The cost of the project shall not exceed \$600,000 of which the Authority loan shall provide up to \$600,000.

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 City of Worthington. The cost of said project to be provided by this loan shall not exceed \$600,000. 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 City of Worthington, 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 12th day of April 2012.

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TONY WILDER, CHAIR  
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

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SANDY WILLIAMS, SECRETARY  
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

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

<b>EXECUTIVE SUMMARY</b>		Reviewer:	Kasi White		
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		Date:	January 28, 1900		
<b>FUND C, GOVERNMENTAL AGENCIES FUND</b>		KIA Loan Number:	<b>C12-02</b>		
<b>REVOLVING LOAN FUND</b>		WRIS Number	<b>WX21089080</b>		
<b>BORROWER:</b>	<b>CITY OF WORTHINGTON</b>				
	<b>GREENUP COUNTY</b>				
<b>BRIEF DESCRIPTION:</b>	This project will upgrade the existing water plant filtration system which was constructed in 1970. The filters are in a constant state of repair with the filter vessels and media in dire need of replacement. High service and backwash pumps are experiencing end of life breakdowns and are also in need of replacement. The project will replace the existing 3 tank system to a high efficiency two tank system.				
<b>PROJECT FINANCING:</b>			<b>PROJECT BUDGET</b>		
Fund C Loan	\$	600,000	Engineering Fees	75,000	
			Construction	115,000	
			Equipment	350,000	
			Contingency	60,000	
<b>TOTAL</b>	<b>\$</b>	<b>600,000</b>	<b>TOTAL</b>	<b>\$ 600,000</b>	
<b>REPAYMENT</b>			Est. Annual		
	Rate	3.0%	Payment	\$ 41,313	
	Term	20 years	1st Payment	6 Mo. after first draw	
<b>PROFESSIONAL SERVICES</b>	Engineer	Howerton Engineering			
	Bond Counsel	Peck, Shaffer, & Williams			
<b>PROJECT SCHEDULE</b>	Bid Opening:		September, 2012		
	Construction Start:		October, 2012		
	Construction Stop:		December, 2012		
<b>DEBT PER CUSTOMER</b>	Existing:	\$	-		
	Proposed:	\$	877		
<b>OTHER DEBT</b>	See Attached				
<b>OTHER STATE-FUNDED PROJECTS LAST 5 YRS</b>	See Attached				
<b>RESIDENTIAL RATES</b>			<u>Users</u>	<u>Avg. Bill</u>	
	Current	684	\$	22.00 (for 4,000 gallons)	
	Additional	0	\$	28.94 (for 4,000 gallons)	
<b>REGIONAL COORDINATION</b>	This project is consistent with regional planning recommendations.				
<b>CASHFLOW</b>	<b>Cash Available for Debt Service</b>		<b>Income after Debt Service</b>		<b>Coverage Ratio</b>
Audited 2008	49,108	0	49,108		n/a
Audited 2009	20,775	0	20,775		n/a
Audited 2010	19,056	0	19,056		n/a
Audited 2011	16,188	0	16,188		n/a
Projected 2012	10,024	0	10,024		n/a
Projected 2013	59,165	29,656	29,509		2.0
Projected 2014	52,438	41,313	11,126		1.3
Projected 2015	45,644	41,313	4,331		1.1

**KENTUCKY INFRASTRUCTURE AUTHORITY  
 GOVERNMENTAL AGENCIES LOAN FUND (FUND "C")  
 CITY OF WORTHINGTON, GREENUP COUNTY  
 PROJECT REVIEW  
 WX21089080**

**I. PROJECT DESCRIPTION**

The City of Worthington is requesting a Fund C loan in the amount of \$600,000 for the Water Treatment Filters Upgrade project. This project will upgrade the existing water plant filtration system which was constructed in 1970. The filters are in a constant state of repair with the filter vessels and media in dire need of replacement. High service and backwash pumps are experiencing end of life breakdowns and are also in need of replacement. The project will replace the existing 3 tank system to a high efficiency two tank system which will reduce treatment processing time in half.

**II. PROJECT BUDGET**

	<u>Total</u>
Engineering Fees	75,000
Construction	115,000
Equipment	350,000
Contingency	60,000
<b>Total</b>	<b>\$ 600,000</b>

**III. PROJECT FUNDING**

	<u>Amount</u>	<u>%</u>
Fund C Loan	\$ 600,000	100%
<b>Total</b>	<b>\$ 600,000</b>	<b>100%</b>

**IV. KIA DEBT SERVICE**

Construction Loan	\$ 600,000
Interest Rate	3.0%
Loan Term (Years)	20
Estimated Annual Debt Service	\$ 40,113
Administrative Fee (0.20%)	\$ 1,200
<b>Total Estimated Annual Debt Service</b>	<b>\$ 41,313</b>

**V. PROJECT SCHEDULE**

Bid Opening	September, 2012
Construction Start	October, 2012
Construction Stop	December, 2012

**VI. CUSTOMER COMPOSITION AND RATE STRUCTURE**

**A) Water Customers**

	Current
Residential	680
Commercial	4
Total	<u>684</u>

**B) Rates**

Rates were last increased May 2001. A rate increase will be required as a condition of the KIA funding.

	Current	
Minimum (2,000 gallons)	<u>\$14.00</u>	
Next 4,000 Gallons	4.00	(Rates Per 1,000 Gallons)
All Over 6,000 Gallons	2.50	
Commercial and Industrial	<u>6.00</u>	
Cost for 4,000 gallons	\$22.00	
Affordability Index (Rate/MHI)	0.6%	

**VII. DEMOGRAPHICS**

Based on the 2010 Census the City's population was 1,527 (a 9% decline from 2000) with a Median Household Income (MHI) of \$41,369. The MHI for the Commonwealth is \$41,197. All fund C loans are at a 3% interest rate for a term of 20 years.

**VIII. FINANCIAL ANALYSIS (See Exhibit 1)**

Financial information is from the audited financial statements for the years ended June 30, 2008 through 2011 for the water operation.

**HISTORICAL**

Revenues decreased about 20% from \$237,817 in 2008 to \$188,764 2011. The bulk of the decrease was \$53,000 in 2011 as a result of the loss of Progress Rail Services volume. The company furloughed approximately 125 people in April 2010 prior to closing the operation. The City has not had a rate increase since May 2001. Expenses increased 27% from \$190,236 in 2008 to \$223,267 in 2010. However expenses

decreased about \$50,000 from 2010 to 2011 to substantially offset the revenue decrease noted above. Free cash flow has steadily declined from \$49,108 in 2008 to \$16,188 in 2011. There is not debt on the water system and most of the cash generated from operations has been used for capital spending.

The balance sheet reflects a current ratio above 10.0 for each year. Operating cash equals slightly over 5.0 months of operating expenses and the sales collection period has consistently been in the 30 day range. Gross fixed assets are approximately \$1.1 million and net fixed assets are \$447,000. There are no restricted balances for depreciation or maintenance and repair reserves.

## PROJECTED

Projections are based on the following assumptions.

- a) Revenues will be relatively flat for volume.
- b) The City will generate an approximate 30% in increased revenues for FY2013 through passage of a rate increase.
- c) Expenses will increase 4% annually.
- d) A replacement reserve of \$1,500 will be funded annually.
- e) The new annual debt service as a result of the KIA loan is estimated at \$41,313.

In 2014, which represents the first full year of principal and interest payments, the debt service ratio is projected at 1.3. 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 \$1,500. This amount should be added to the replacement account each December 1 until the balance reaches \$15,000 and maintained for the life of the loan.

## IX. DEBT OBLIGATIONS

None

## X. OTHER STATE OF FEDERAL FUNDING IN PAST FIVE YEARS

<b>Project Title</b>	<b>Funding Source</b>	<b>Amount</b>	<b>Type</b>
Edsel Avenue Storm Water Drain Bypass	HB380	70,000	Grant
Storm / Sanitary Sewer Rehabilitation	HB608	400,000	Grant
Storm / Sanitary Sewer Rehabilitation	HB608	400,000	Grant

## **XI. CONTACTS**

### **Applicant**

Name City of Worthington  
Address 512 Ferry Street, P.O. Box 366  
Worthington, KY 41183  
Contact Tim Stapleton  
Phone (606) 922-0085  
Email cow1926@hotmail.com

### **Applicant Contact and Project Engineer**

Name Howerton Engineering  
Address 404 Main Street  
Greenup, KY 41144  
Contact Richard L. Howerton, PE, PLS, CFM  
Phone (606) 473-5684  
Email richard.howerton@howertoneng.com

## **XII. RECOMMENDATIONS**

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

On or before the bid opening for the proposed project, the city shall pass an ordinance and/or resolution to increase water rates and/or establish a project surcharge which will generate an additional 30% (\$57,000) in additional revenues to be effective on or before July 1, 2012.

This will result in an approximate 4,000 gallon monthly rate of approximately \$28.50.

**CITY OF WORTHINGTON WATER DEPARTMENT  
BALANCE SHEETS (JUNE YEAR END)**

<b>ASSETS</b>	<b>Audited 2008</b>	<b>Audited 2009</b>	<b>Audited 2010</b>	<b>Audited 2011</b>	<b>Upon Completion 2013</b>
<b>Current Assets</b>					
Cash and Cash Equivalents	75,034	77,596	73,590	81,292	120,825
Certificate of Deposit	10,000	10,000	10,000	10,000	10,000
Accounts Receivable	18,482	20,081	19,812	12,681	16,618
Prepaid Expense and Other	12,858	10,820	12,255	12,410	12,410
<b>Total Current Assets</b>	<b>116,374</b>	<b>118,497</b>	<b>115,657</b>	<b>116,383</b>	<b>159,853</b>
<b>Restricted Assets</b>					
Repair and Maintenance Reserve	0	0	0	0	1,500
<b>Total Restricted Assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,500</b>
<b>Utility Plant</b>					
Land, System, Building and Equipment	1,052,960	1,070,525	1,090,006	1,103,239	1,703,239
Less Accumulated Depreciation ( )	(571,128)	(598,859)	(627,667)	(655,946)	(739,946)
<b>Net Fixed Assets</b>	<b>481,832</b>	<b>471,666</b>	<b>462,339</b>	<b>447,293</b>	<b>963,293</b>
<b>Total Assets</b>	<b>598,206</b>	<b>590,163</b>	<b>577,996</b>	<b>563,676</b>	<b>1,124,646</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Accounts Payable	4,223	3,930	4,696	2,072	5,000
Wages Payable	2,720	2,750	1,905	2,360	2,200
Other	3,162	2,341	60	0	0
<b>Total Current Liabilities</b>	<b>10,105</b>	<b>9,021</b>	<b>6,661</b>	<b>4,432</b>	<b>7,200</b>
<b>Long Term Liabilities</b>					
Proposed KIA Loan	0	0	0	0	600,000
<b>Total Long Term Liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>600,000</b>
<b>Total Liabilities</b>	<b>10,105</b>	<b>9,021</b>	<b>6,661</b>	<b>4,432</b>	<b>607,200</b>
<b>Retained Earnings:</b>					
Invested in Capital Assets Net of Related Debt	481,832	471,666	462,339	447,293	363,293
Restricted	0	0	0	0	1,500
Unrestricted	106,269	109,476	108,996	111,951	152,653
<b>Total Retained Earnings</b>	<b>588,101</b>	<b>581,142</b>	<b>571,335</b>	<b>559,244</b>	<b>517,446</b>
<b>Total Liabilities and Equities</b>	<b>598,206</b>	<b>590,163</b>	<b>577,996</b>	<b>563,676</b>	<b>1,124,646</b>
<b>Balance Sheet Analysis</b>					
Current Ratio	11.5	13.1	17.4	26.3	22.2
Debt to Equity	0.0	0.0	0.0	0.0	1.2
Working Capital	106,269	109,476	108,996	111,951	152,653
Percent of Total Assets in Working Capital	17.8%	18.6%	18.9%	19.9%	13.6%
Days Sales in Accounts Receivable	28.4	32.8	29.9	24.5	24.5

<b>EXHIBIT 1</b>											
<b>CITY OF WORTHINGTON WATER DEPARTMENT</b>											
<b>CASH FLOW ANALYSIS (JUNE YEAR END)</b>											
	<b>Audited</b>	<b>%</b>	<b>Audited</b>	<b>%</b>	<b>Audited</b>	<b>%</b>	<b>Audited</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>
	<b>2008</b>	<b>Change</b>	<b>2009</b>	<b>Change</b>	<b>2010</b>	<b>Change</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Operating Revenues</b>											
Revenues	237,817	-6%	223,616	8%	241,751	-22%	188,764	189,519	190,277	248,121	249,114
Rate Increase	0		0		0		0	0	57,083	0	0
<b>Total Revenues</b>	<b>237,817</b>	<b>-6%</b>	<b>223,616</b>	<b>8%</b>	<b>241,751</b>	<b>-22%</b>	<b>188,764</b>	<b>189,519</b>	<b>247,360</b>	<b>248,121</b>	<b>249,114</b>
<b>Operating Expenses</b>											
Operating Expenses	190,236	7%	203,655	10%	223,267	-22%	173,072	179,995	187,195	194,683	202,470
Depreciation	25,621	8%	27,730	4%	28,809	-2%	28,279	30,000	54,000	54,000	54,000
Replacement Reserve									1,500	1,500	1,500
<b>Total Expenses</b>	<b>215,857</b>	<b>7%</b>	<b>231,385</b>	<b>9%</b>	<b>252,076</b>	<b>-20%</b>	<b>201,351</b>	<b>209,995</b>	<b>242,695</b>	<b>250,183</b>	<b>257,970</b>
<b>Net Operating Income</b>	<b>21,960</b>	<b>-135%</b>	<b>(7,769)</b>	<b>33%</b>	<b>(10,325)</b>	<b>22%</b>	<b>(12,587)</b>	<b>(20,476)</b>	<b>4,665</b>	<b>(2,062)</b>	<b>(8,856)</b>
<b>Non-Operating Income and Expenses</b>											
Interest Income	1,167		814		572		496	500	500	500	500
Other	360		0		0		0	0	0	0	0
<b>Total Non-Operating Income &amp; Expenses</b>	<b>1,527</b>	<b>-47%</b>	<b>814</b>	<b>-30%</b>	<b>572</b>	<b>-13%</b>	<b>496</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>
<b>Add Non-Cash Expenses</b>											
Depreciation	25,621	8%	27,730	4%	28,809	-2%	28,279	30,000	54,000	54,000	54,000
<b>Cash Available for Debt Service</b>	<b>49,108</b>	<b>-58%</b>	<b>20,775</b>	<b>-8%</b>	<b>19,056</b>	<b>-15%</b>	<b>16,188</b>	<b>10,024</b>	<b>59,165</b>	<b>52,438</b>	<b>45,644</b>
<b>Debt Service</b> (enter as positive #'s)											
Proposed KIA Loan	0		0		0		0	0	29,656	41,313	41,313
<b>Total Debt Service</b>	<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>	<b>0</b>	<b>29,656</b>	<b>41,313</b>	<b>41,313</b>
<b>Income After Debt Service</b>	<b>49,108</b>		<b>20,775</b>		<b>19,056</b>		<b>16,188</b>	<b>10,024</b>	<b>29,509</b>	<b>11,126</b>	<b>4,331</b>
<b>Debt Coverage Ratio</b>	<b>n/a</b>		<b>n/a</b>		<b>n/a</b>		<b>n/a</b>	<b>n/a</b>	<b>2.0</b>	<b>1.3</b>	<b>1.1</b>
<b>Rate Increase Required</b>									<b>30%</b>		



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**I.B.14.**



**A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR AN INFRASTRUCTURE REVOLVING FUND LOAN (B12-04) OF \$350,000 TO THE CITY OF MOUNT OLIVET, ROBERTSON 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 Infrastructure Revolving Loan Program with the City of Mount Olivet, subject to final determination of amount when the factors involving such financing have been determined; and

**WHEREAS**, the Authority intends to utilize money in the Infrastructure Revolving Fund to make the loan to the governmental agency for the aforementioned purposes; and

**WHEREAS**, the Authority wishes to establish terms and conditions on said Infrastructure Revolving Fund loans.

**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 Infrastructure Revolving Fund loan commitment for \$350,000 of project expense, to the City of Mount Olivet for the Elevated Water Tank project. 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. 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 in 20 years at an annual interest rate of 1.0% subject to determination of the tax status of the project. In addition to debt service, a 0.2% annual administration fee on the unpaid, principal balance will be charged. From annual revenues, \$900 must be set aside in a borrower held replacement reserve each December 1 until the balance reaches \$9,000 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 12th day of April, 2012.

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TONY WILDER, CHAIR  
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

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SANDY WILLIAMS, SECRETARY  
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

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LEGAL COUNSEL TO THE  
KENTUCKY INFRASTRUCTURE AUTHORITY

<b>EXECUTIVE SUMMARY</b>		Reviewer:	Kasi White	
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		Date:	April 12, 2012	
<b>FUND B, INFRASTRUCTURE</b>		KIA Loan Number:	<b>B12-04</b>	
<b>REVOLVING LOAN FUND</b>		WRIS Number	<b>WX21201011</b>	
<b>BORROWER:</b>	<b>CITY OF MOUNT OLIVET</b>			
	<b>ROBERTSON COUNTY</b>			
<b>BRIEF DESCRIPTION:</b>	<p>This project will replace an existing 100,000 gallon standpipe tank that has been in place since 1955 with a 100,000 gallon elevated tank filled by a new booster pump station. The new elevated tank, which will be 130 feet in height, will provide the City with improved pressure, additional water storage as required by the Division of Water and much needed additional storage for fire protection. Due to its design the maximum water usage of the existing tank is limited to 25% of the tank's capacity. This does not provide adequate water pressure to supply water to the upper floors of the school and there are also problems providing adequate water to the recently constructed courthouse in Mt. Olivet. The construction of an elevated tank will allow adequate turnover of water to service these areas as well as the residents of the system. In addition, approximately 1,200 feet of 1.5 and 2.0 inch water lines will be replaced with 3 and 4 inch lines. These are located in the center of Mt. Olivet near the court house and City Hall.</p>			
<b>PROJECT FINANCING:</b>		<b>PROJECT BUDGET</b>		
Fund B Loan	\$ 350,000	Administrative Expenses	\$	10,000
ARC	150,000	Legal Expenses		5,000
CDBG	500,000	Land, Easements		8,500
RD (Grant)	100,000	Engineering Fees		131,000
		Construction		869,200
		Contingency		60,300
		Other		16,000
<b>TOTAL</b>	<b>\$ 1,100,000</b>	<b>TOTAL</b>	<b>\$</b>	<b>1,100,000</b>
<b>REPAYMENT</b>			<b>Est. Annual</b>	
	Rate	1.00%	<b>Payment</b>	\$ 20,052
	Term	20 years	<b>1st Payment</b>	6 Mo. after first draw
<b>PROFESSIONAL SERVICES</b>	Engineer	HMB Professional Engineering, Inc.		
	Bond Counsel	Peck, Shaffer, & Williams		
<b>PROJECT SCHEDULE</b>				
	Bid Opening:	June, 2012		
	Construction Start:	August, 2012		
	Construction Stop:	May, 2013		
<b>DEBT PER CUSTOMER</b>	Existing:	\$	560	
	Proposed:	\$	1,792	
<b>OTHER DEBT</b>	See Attached			
<b>OTHER STATE-FUNDED PROJECTS LAST 5 YRS</b>	See Attached			
<b>RESIDENTIAL RATES</b>		<u>Users</u>	<u>Avg. Bill</u>	
	Current	275	\$	38.23 (for 4,000 gallons)
	Additional	0	\$	43.23 (for 4,000 gallons)
<b>REGIONAL COORDINATION</b>	This project is consistent with regional planning recommendations.			
<b>CASHFLOW</b>	<b>Cash Available for</b>	<b>Income after Debt</b>		
	<b>Debt Service</b>	<b>Debt Service</b>	<b>Service</b>	<b>Coverage Ratio</b>
Audited 2007	59,282	14,496	44,786	4.09
Audited 2008	27,368	12,111	15,257	2.26
Audited 2009	45,825	12,716	33,109	3.60
Audited 2010	32,743	10,512	22,231	3.11
Audited 2011	18,962	13,971	4,991	1.36
Projected 2012	13,125	12,716	409	1.03
Projected 2013	51,910	24,491	27,419	2.12
Projected 2014	43,235	32,768	10,467	1.32
Projected 2015	35,120	32,767	2,353	1.07

**KENTUCKY INFRASTRUCTURE AUTHORITY  
 INFRASTRUCTURE REVOLVING LOAN FUND (FUND "B")  
 CITY OF MOUNT OLIVET, ROBERTSON COUNTY  
 PROJECT REVIEW  
 WX21201011**

**I. PROJECT DESCRIPTION**

The city of Mount Olivet is requesting a Fund B loan in the amount of \$350,000 for the Elevated Water Tank project. This project will replace an existing 100,000 gallon standpipe tank that has been in place since 1955 with a 100,000 gallon elevated tank. The new elevated tank, to be filled by a new booster pump station, will be 130 feet in height, will provide the City with improved pressure, additional water storage as required by the Division of Water and much needed additional storage for fire protection. Due to its design the maximum water usage of the existing tank is limited to 25% of the tank's capacity. This does not provide adequate water pressure to supply water to the upper floors of the school and there are also problems providing adequate water to the recently constructed courthouse in Mt. Olivet. The construction of an elevated tank will allow adequate turnover of water to service these areas as well as the residents of the system. In addition, approximately 1,200 feet of 1.5 and 2.0 inch water lines will be replaced with 3 and 4 inch lines. These are located in the center of Mt. Olivet near the court house and City Hall.

**II. PROJECT BUDGET**

	<u>Total</u>
Administrative Expenses	\$ 10,000
Legal Expenses	5,000
Land, Easements	8,500
Engineering Fees	131,000
Construction	869,200
Contingency	60,300
Other	16,000
<b>Total</b>	<b>\$ 1,100,000</b>

**III. PROJECT FUNDING**

	<u>Amount</u>	<u>%</u>
Fund B Loan	\$ 350,000	32%
CDBG (grant)	500,000	45%
ARC (grant)	150,000	14%
USDA RD (grant)	100,000	9%
<b>Total</b>	<b>\$</b>	<b>100%</b>

**IV. KIA DEBT SERVICE**

Construction Loan	\$	350,000
Interest Rate		1.00%
Loan Term (Years)		20
Estimated Annual Debt Service	\$	19,352
Administrative Fee (0.20%)		700
<b>Total Estimated Annual Debt Service</b>	<b>\$</b>	<b>20,052</b>

**V. PROJECT SCHEDULE**

Bid Opening:	June, 2012
Construction Start:	August, 2012
Construction Stop:	May, 2013

**VI. CUSTOMER COMPOSITION AND RATE STRUCTURE**

**A. Customers**

	Current
Residential	260
Commercial	15
Total	<u>275</u>

**B. Rates**

Rates were last increased in September 2008 resulting in the below rate structure:

	<u>Current</u>
Minimum (1,000 gallons) (Rates Per <b>500</b> Gallons)	\$ 18.25
Next 4,000 gallons	3.33
Next 5,000 gallons	3.83
Next 10,000 gallons	1.75
All over 20,000 gallons (per 1,000)	<u>3.10</u>
<b>Cost for 4,000 gallons</b>	<b>\$ 38.23</b>
Affordability Index (Rate/MHI)	2.4%

As a result of this project, the city will implement a Surcharge on each water customer of \$5 per month to assist in covering the debt service related to the project.

## **VII. DEMOGRAPHICS**

In 2010, the City's population was 297 with a Median Household Income (MHI) of \$12,125. The median household income for the Commonwealth is \$41,197. The project will qualify for a 1% interest rate.

## **VIII. FINANCIAL ANALYSIS (See Exhibit 1)**

Financial information was obtained from the City's audited financial statements for the years ended June 30, 2007 through 2011. The City reports a combined Water and Sewer Fund which was used for this credit analysis.

### HISTORY

Water revenues are approximately 57% of total revenues. Water revenues have grown 11% since 2007 mainly due to rate increases implemented and some customer growth. Sewer revenues have increased approximately 30% during the same period. Operating expenses increased 78% for the same period with significant increases in testing, repairs and maintenance and insurance. Water purchase costs have fluctuated but remained relatively flat. The debt coverage ratio has decreased from 4.09 in 2007 to 1.36 in 2011 due to revenues not keeping pace with expenses.

The balance sheet shows that the city has been fortunate to have received grants for the majority of their capital improvement costs. They only have two outstanding loans totaling approximately \$155,000 prior to the proposed KIA debt. The utility's financial position reflects adequate capacity to incur additional debt with a debt to equity ratio of .05 and a current ratio of 3.74 in 2011.

### PROJECTED

- Revenues will flat for volume and/or growth.
- The city has recently undergone a review on their sewer rate structure. In working with the Buffalo Trace Area Development District, they are pursuing a rate increase to their sewer rate structure of approximately 40% which be phased in over the next 12 – 18 months. For purposes of the analysis, this rate increase is reflected in FY 2013.
- Operating expenses will increase 4% annually with purchased water costs increasing approximately 1%.
- A surcharge of \$5 per customer per month will be added to each water customer effective July 1, 2012 to fund this proposed loan.
- The replacement reserve is \$900 annually.

Based on the proforma assumptions, the utility shows adequate cash flow to repay the KIA Fund B loan with a projected debt coverage ratio of 1.32 in 2014 which represents the first full year of principal and interest repayments.

REPLACEMENT RESERVE

The annual replacement cost is \$900. This amount should be added to the replacement account each December 1 until the balance reaches \$9,000 and maintained for the life of the loan.

**IX. DEBT OBLIGATIONS**

	Outstanding	Maturity
Buffalo Trace ADD (Note 1)	\$ 35,020	2026
Buffalo Trace ADD (Note 2)	120,223	2026
<b>Total</b>	<b>\$ 155,243</b>	

**X. OTHER STATE OR FEDERAL FUNDING IN PAST FIVE YEARS**

Project Title	Funding Source	Amount	Type
Sewer System Extension	HB380	400,000	Grant
Sewer System Extension to New School	HB608	200,000	Grant
U.S. 62 Water System Improvements	HB380	100,000	Grant
Water Improvements and Extension	HB608	320,000	Grant

**XI. CONTACTS**

<p><b>Applicant</b></p> <p>Name City of Mount Olivet          Address P.O. Box 125          Mount Olivet, KY 41064          County Robertson          Contact Linda Reed          Phone (606) 724-5816          Email Mayorcityofmtolivet@yahoo.com</p>	<p><b>Applicant Contact</b></p> <p>Buffalo Trace Area          Name Development District          Address P.O. Box 460          Maysville, KY 41056          Contact Laura M. Jefferson          Phone (606) 564-6894          Email Ljefferson@btadd.com</p>
<p><b>Engineer</b></p> <p>Name Jeff Reynolds          Firm HMB Professional Engineering,          Inc.          Address 3 HMB Circle          Frankfort, KY 40601          Phone (502) 695-9800          Email jdreynolds@hmbpe.com</p>	

## **XII. RECOMMENDATIONS**

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

1. No later than July 1, 2012, the City shall provide KIA a copy of the ordinance and/or resolution passed to implement a surcharge of \$5 per customer per month will be added to each water customer effective July 1, 2012.
2. No later than July 1, 2012, the City shall provide KIA a copy of the ordinance and/or resolution passed to implement a sewer rate increase which will generate additional annual revenues of approximately \$28,000.
3. The City must obtain commitments from the Rural Development grant program in the amount of \$100,000 and the Appalachian Regional Commission in the amount of \$150,000 or other funding sources and provide verification of such commitments to KIA prior to bidding.

**CITY OF MOUNT OLIVET  
BALANCE SHEETS (JUNE YEAR END)**

<b>ASSETS</b>	<b>Audited 2007</b>	<b>Audited 2008</b>	<b>Audited 2009</b>	<b>Audited 2010</b>	<b>Audited 2011</b>	<b>Upon Completion 2013</b>
<b>Current Assets</b>						
Cash	59,188	80,233	80,698	97,180	100,571	128,399
Accounts Receivable	32,347	35,649	23,728	31,917	32,921	39,900
<b>Total Current Assets</b>	<b>91,535</b>	<b>115,882</b>	<b>104,426</b>	<b>129,097</b>	<b>133,492</b>	<b>168,299</b>
<b>Restricted Assets</b>						
Cash and Investments	14,880	18,611	19,704	23,467	28,482	38,512
<b>Total Restricted Assets</b>	<b>14,880</b>	<b>18,611</b>	<b>19,704</b>	<b>23,467</b>	<b>28,482</b>	<b>38,512</b>
<b>Utility Plant</b>						
Land, System, Building and Equipment	3,122,368	3,556,341	3,695,473	3,970,090	4,225,484	5,325,484
<b>Less Accumulated Depreciation ( )</b>	<b>(409,480)</b>	<b>(479,925)</b>	<b>(553,593)</b>	<b>(632,984)</b>	<b>(717,483)</b>	<b>(913,983)</b>
<b>Net Fixed Assets</b>	<b>2,712,888</b>	<b>3,076,416</b>	<b>3,141,880</b>	<b>3,337,106</b>	<b>3,508,001</b>	<b>4,411,501</b>
<b>Total Assets</b>	<b>2,819,303</b>	<b>3,210,909</b>	<b>3,266,010</b>	<b>3,489,670</b>	<b>3,669,975</b>	<b>4,618,312</b>
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Accounts Payable	3,534	2,234	1,610	3,396	4,518	4,000
Accrued Liabilities	1,405	12,283	684	1,753	1,176	1,500
Accrued Interest Payable	1,366	761	761	1,987	814	1,250
Customer Deposits	10,447	14,297	16,866	20,629	22,500	20,000
C.P. Bonds and Notes Payable	5,797	8,005	7,308	6,598	6,659	7,988
C.P. KIA Note Payable	0	0	0	0	0	1,750
<b>Total Current Liabilities</b>	<b>22,549</b>	<b>37,580</b>	<b>27,229</b>	<b>34,363</b>	<b>35,667</b>	<b>36,488</b>
<b>Long Term Liabilities</b>						
Notes Payable to ADD	171,944	163,939	158,196	154,931	147,332	132,996
Notes Payable - KIA	0	0	0	0	0	350,000
<b>Total Long Term Liabilities</b>	<b>171,944</b>	<b>163,939</b>	<b>158,196</b>	<b>154,931</b>	<b>147,332</b>	<b>482,996</b>
<b>Total Liabilities</b>	<b>194,493</b>	<b>201,519</b>	<b>185,425</b>	<b>189,294</b>	<b>182,999</b>	<b>519,484</b>
<b>Retained Earnings:</b>						
Invested in Capital Assets Net of Related Debt	2,535,147	2,904,472	2,976,376	3,175,577	3,354,010	3,918,767
Restricted	4,073	4,073	4,073	4,073	7,248	7,248
Unrestricted	85,590	100,845	100,136	120,726	125,718	172,813
<b>Total Retained Earnings</b>	<b>2,624,810</b>	<b>3,009,390</b>	<b>3,080,585</b>	<b>3,300,376</b>	<b>3,486,976</b>	<b>4,098,828</b>
<b>Total Liabilities and Equities</b>	<b>2,819,303</b>	<b>3,210,909</b>	<b>3,266,010</b>	<b>3,489,670</b>	<b>3,669,975</b>	<b>4,618,312</b>
<b>Balance Sheet Analysis</b>						
Current Ratio	4.06	3.08	3.84	3.76	3.74	4.61
Debt to Equity	0.07	0.07	0.06	0.06	0.05	0.13
Working Capital	68,986	78,302	77,197	94,734	97,825	131,811
Percent of Total Assets in Working Capital	2.45%	2.44%	2.36%	2.71%	2.67%	2.85%
Days Sales in Accounts Receivable	63.2	67.2	40.3	53.1	53.9	53.9

**EXHIBIT 1**  
**CITY OF MOUNT OLIVET**  
**CASH FLOW ANALYSIS (JUNE YEAR END)**

	<b>Audited 2007</b>	<b>% Change</b>	<b>Audited 2008</b>	<b>% Change</b>	<b>Audited 2009</b>	<b>% Change</b>	<b>Audited 2010</b>	<b>% Change</b>	<b>Audited 2011</b>	<b>Projected 2012</b>	<b>Projected 2013</b>	<b>Projected 2014</b>	<b>Projected 2015</b>
<b>Operating Revenues</b>													
Water Revenues	114,168	0%	113,612	8%	123,003	-1%	121,482	4%	126,879	128,000	128,000	128,000	128,000
Sewer Revenues	72,588	9%	79,119	11%	87,574	10%	96,204	-1%	94,763	94,800	94,800	123,240	123,200
Bulk Water Sales	0		0		2,736	-63%	1,000	9%	1,090	1,100	1,100	1,100	1,100
Other	179	337%	783	104%	1,600	-45%	873	-82%	161	200	200	200	200
Sewer Rate Increase											28,440		
Surcharge (KIA Fund B Loan) - Water											17,820	17,820	17,820
<b>Total Revenues</b>	<b>186,935</b>	<b>4%</b>	<b>193,514</b>	<b>11%</b>	<b>214,913</b>	<b>2%</b>	<b>219,559</b>	<b>2%</b>	<b>222,893</b>	<b>224,100</b>	<b>270,360</b>	<b>270,360</b>	<b>270,320</b>
<b>Operating Expenses</b>													
Operating Expenses	97,119	39%	134,938	4%	139,848	13%	158,089	9%	172,498	179,400	186,600	194,100	201,900
Water Purchases	30,752	2%	31,458	-6%	29,527	-2%	29,031	9%	31,515	31,800	32,100	32,400	32,700
Depreciation	61,988	14%	70,446	4%	73,228	8%	79,391	6%	84,499	84,500	112,000	114,240	116,484
Replacement Reserve												900	900
<b>Total Expenses</b>	<b>189,859</b>	<b>25%</b>	<b>236,842</b>	<b>2%</b>	<b>242,603</b>	<b>10%</b>	<b>266,511</b>	<b>8%</b>	<b>288,512</b>	<b>295,700</b>	<b>330,700</b>	<b>341,640</b>	<b>351,984</b>
<b>Net Operating Income</b>	<b>(2,924)</b>	<b>1382%</b>	<b>(43,328)</b>	<b>-36%</b>	<b>(27,690)</b>	<b>70%</b>	<b>(46,952)</b>	<b>40%</b>	<b>(65,619)</b>	<b>(71,600)</b>	<b>(60,340)</b>	<b>(71,280)</b>	<b>(81,664)</b>
<b>Non-Operating Income and Expenses</b>													
Interest Income	218	15%	250	15%	287	6%	304	-73%	82	225	250	275	300
<b>Total Non-Operating Income &amp; Expenses</b>	<b>218</b>	<b>15%</b>	<b>250</b>	<b>15%</b>	<b>287</b>	<b>6%</b>	<b>304</b>	<b>-73%</b>	<b>82</b>	<b>225</b>	<b>250</b>	<b>275</b>	<b>300</b>
<b>Add Non-Cash Expenses</b>													
Depreciation	61,988	14%	70,446	4%	73,228	8%	79,391	6%	84,499	84,500	112,000	114,240	116,484
<b>Cash Available for Debt Service</b>	<b>59,282</b>	<b>-54%</b>	<b>27,368</b>	<b>67%</b>	<b>45,825</b>	<b>-29%</b>	<b>32,743</b>	<b>-42%</b>	<b>18,962</b>	<b>13,125</b>	<b>51,910</b>	<b>43,235</b>	<b>35,120</b>
<b>Debt Service</b> (enter as positive #'s)													
Existing Principal	6,677		5,797		6,440		3,975		7,538	6,659	7,677	7,988	8,311
Existing Interest	7,819		6,314		6,276		6,537		6,433	6,057	5,038	4,728	4,404
Proposed KIA Loan											11,776	20,052	20,052
<b>Total Debt Service</b>	<b>14,496</b>		<b>12,111</b>		<b>12,716</b>		<b>10,512</b>		<b>13,971</b>	<b>12,716</b>	<b>24,491</b>	<b>32,768</b>	<b>32,767</b>
<b>Income After Debt Service</b>	<b>44,786</b>		<b>15,257</b>		<b>33,109</b>		<b>22,231</b>		<b>4,991</b>	<b>409</b>	<b>27,419</b>	<b>10,467</b>	<b>2,353</b>
<b>Debt Coverage Ratio</b>	<b>4.09</b>		<b>2.26</b>		<b>3.60</b>		<b>3.11</b>		<b>1.36</b>	<b>1.03</b>	<b>2.12</b>	<b>1.32</b>	<b>1.07</b>

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**I.B.15.**



**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 12th of April, 2012.

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TONY WILDER, CHAIR  
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

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SANDY WILLIAMS, SECRETARY  
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

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

**EXHIBIT A**

<b><u>APPLICANT</u></b>	<b><u>FUND</u></b>	<b><u>AMOUNT</u></b>
Southern Water and Sewer District	A11-16	\$ 1,094,143
City of South Shore	A12-06	\$ 3,006,000
City of Worthington	A12-18	\$ 500,000
City of Flemingsburg	A12-19	\$ 500,000
City of Russell Springs	A12-20	\$ 719,000
City of Jackson	A12-23	\$ 700,000
City of Mount Olivet	B12-03	\$ 350,000
City of Worthington	C12-02	\$ 600,000



**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	<u>\$45,369,201</u>

**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	<u>\$20,646,201</u>

**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	<u>\$36,259,607</u>

**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	<u>\$29,497,769</u>

**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	<u>\$28,376,620</u>

**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	<u>\$17,607,384</u>

**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	<u>\$18,184,570</u>

**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	<u>\$29,786,981</u>

**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	<u>\$9,178,152</u>

**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	<u>\$19,880,297</u>

**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	<u>\$19,881,905</u>

**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	<u>\$19,814,494</u>

**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	<u>\$19,638,329</u>

**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	<u>\$19,682,084</u>

**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	<u>\$19,554,151</u>

**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	<u>\$19,565,981</u>

**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	<u>\$15,909,016</u>

**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	<u>\$12,928,344</u>

**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	<u>\$15,801,410</u>

**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	<u>\$10,031,796</u>

**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	<u>\$10,031,796</u>

**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	<u>\$30,081,120</u>

**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	<u>\$21,801,040</u>

**NET FY 1989-2011 SRF FUNDS** **\$489,508,248**

**CURRENT REVOLVING/SURPLUS FUND BALAN** **\$245,775,853**

**2010 A - Leverage - Balance** **\$0**  
**Balance Available for Loan** **(\$50,760,830)**

	TOTAL PROJECT AMOUNT	KIA LOAN AMOUNT		DATE APPROVED	
<b>PROJECTS APPROVED IN SFY 1989:</b>					
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	
	<b>TOTALS</b>	<b>\$10,223,395</b>	<b>\$7,063,116</b>		
<b>PROJECTS APPROVED IN SFY 1990:</b>					
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)
	<b>TOTALS</b>	<b>\$12,882,851</b>	<b>\$8,388,968</b>		
<b>PROJECTS APPROVED IN SFY 1991:</b>					
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	
	<b>TOTALS</b>	<b>\$38,664,447</b>	<b>\$31,883,950</b>		
<b>PROJECTS APPROVED IN SFY 1992:</b>					
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)
	<b>TOTALS</b>	<b>\$36,975,208</b>	<b>\$27,495,029</b>		
<b>PROJECTS APPROVED IN SFY 1993:</b>					
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)
	<b>TOTALS</b>	<b>\$36,291,393</b>	<b>\$29,923,350</b>		
<b>PROJECTS APPROVED IN SFY 1994:</b>					
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)
	<b>TOTALS</b>	<b>\$49,144,500</b>	<b>\$38,480,065</b>		

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
<b>TOTALS</b>		<b>\$59,704,120</b>	<b>\$46,773,907</b>		

**PROJECTS APPROVED IN SFY 1996:**

NONE	\$0	\$0
<b>TOTALS</b>	<b>\$0</b>	<b>\$0</b>

**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	
<b>TOTALS</b>		<b>\$30,417,531</b>	<b>\$22,690,683</b>		

**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
<b>TOTALS</b>		<b>\$30,908,982</b>	<b>\$20,869,733</b>		

**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
<b>TOTALS</b>		<b>\$19,975,429</b>	<b>\$15,583,941</b>		

**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	
<b>TOTALS</b>		<b>\$33,687,179</b>	<b>\$28,225,886</b>		

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	WURTLAND, 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	
<b>TOTALS</b>		<b>\$17,114,829</b>	<b>\$9,981,890</b>			

**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	WURTLAND, CITY OF	\$1,782,900	\$1,782,872	(c)	6/6/02	
<b>TOTALS</b>		<b>\$42,537,535</b>	<b>\$31,483,629</b>			

**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	
<b>TOTALS</b>		<b>\$25,272,304</b>	<b>\$13,977,246</b>			

**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	
<b>TOTALS</b>		<b>\$38,511,624</b>	<b>\$22,738,183</b>			

**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	
<b>TOTALS</b>		<b>\$89,632,500</b>	<b>\$68,794,469</b>			

**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	(A1)
<b>TOTALS</b>		<b>\$24,515,128</b>	<b>\$11,807,835</b>			

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 (c)	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

<b>TOTAL</b>	<b>\$66,469,881</b>	<b>\$43,478,046</b>
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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 (c)	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 (c)	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

<b>TOTAL</b>	<b>\$299,435,449</b>	<b>\$262,488,430</b>
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**PROJECTS APPROVED IN SFY 2009**

173	Hopkinsville, City of	\$4,916,100	\$0	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

<b>TOTAL</b>	<b>\$107,886,200</b>	<b>\$80,456,288</b>
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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 (c)	10/1/09; 2/4/10
186	Prestonsburg, City of	\$786,000	\$786,000 (c)	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	\$0	6/3/10; 10/14/10 withdrawn 1/31/12

<b>Total</b>	<b>\$102,159,106</b>	<b>\$83,984,090</b>
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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	\$6,085,000	\$5,790,500	12/9/10;3/1/12
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
<b>Total</b>		<b>\$141,594,607</b>	<b>\$124,541,122</b>	

**PROJECTS APPROVED IN SFY 2012**

223	Oldham Co Env Authority	\$400,000	\$400,000	7/7/11
<b>224</b>	<b><i>Southern Water &amp; Sewer</i></b>	<b>\$3,750,087</b>	<b>\$1,094,143</b>	<b>8/4/11;4/12/12</b>
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	\$1,226,700	\$1,161,700	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
238	Ashland, City of	\$4,500,000	\$4,500,000	3/1/12
239	Murray, City of	\$46,000,000	\$46,000,000	3/1/12
240	Grant Co Sanitary SD	\$913,300	\$913,300	3/1/12
241	Lexington-Fayette Urban County Government	\$2,530,000	\$1,930,000	3/1/12
242	Regional Water Resource Agency	\$619,070	\$357,335	3/1/12
243	Regional Water Resource Agency	\$1,802,125	\$1,586,875	3/1/12
<b>244</b>	<b><i>Flemingsburg, City of</i></b>	<b>\$2,000,000</b>	<b>\$500,000</b>	<b>4/12/12</b>
<b>245</b>	<b><i>Jackson, City of</i></b>	<b>\$1,200,000</b>	<b>\$700,000</b>	<b>4/12/12</b>
<b>246</b>	<b><i>Russell Springs, City of</i></b>	<b>\$719,000</b>	<b>\$719,000</b>	<b>4/12/12</b>
<b>247</b>	<b><i>South Shore, City of</i></b>	<b>\$4,006,000</b>	<b>\$3,006,000</b>	<b>4/12/12</b>
<b>248</b>	<b><i>Worthington, City of</i></b>	<b>\$500,000</b>	<b>\$500,000</b>	<b>4/12/12</b>
<b>Total</b>		<b>\$98,462,604</b>	<b>\$88,285,615</b>	

**GRAND TOTALS - COMMITMENTS**

<b>\$1,412,466,802</b>	<b>\$1,119,395,472</b>
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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>\$47,882,976</u>

	TOTAL PROJECT AMOUNT	KIA AMOUNT	FIRST USE FUNDS	DATE APPROVED
<b>PROJECTS APPROVED IN SFY 2009:</b>				
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
<b>TOTALS</b>	<b>\$19,563,325</b>	<b>\$13,369,041</b>	<b>\$13,369,041</b>	
<b>PROJECTS APPROVED IN SFY 2010:</b>				
10 Calvert City, City of	\$1,083,128	\$986,831 (c)	\$986,831	7/9/09; 1/7/10
11 Princeton, City of	\$2,475,000	\$1,103,744 (c)	\$1,103,744	7/9/09; 2/4/10
12 Northern Madison Co Sanitation District	\$510,000	\$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.	\$2,114,713	\$433,178 (c)	\$433,178	10/1/09; 3/1/12
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 (c)	\$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 (c)	\$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
<b>TOTALS</b>	<b>\$59,462,343</b>	<b>\$34,549,486</b>	<b>\$34,549,486</b>	
<b>GRAND TOTALS - COMMITMENTS</b>	<b>\$79,025,668</b>	<b>\$47,918,527</b>	<b>\$47,918,527</b>	
<b>BALANCE AVAILABLE FOR LOAN</b>			<b><u>(\$35,551)</u></b>	

*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 \$3,716,420

	TOTAL INFRASTRUCTURE AMOUNT	KIA GRANT AMOUNT	KIA Loan AMOUNT	GENERATED PRIVATE INVESTMENT	JOBS CREATED	DATE APPROVED	COMMENTS
<b>PROJECTS APPROVED IN FY 1989:</b>							
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	
<b>TOTALS</b>	<b>\$10,130,869</b>		<b>\$7,388,294</b>	<b>\$126,342,070</b>	<b>1,489</b>		
<b>PROJECTS APPROVED IN FY 1990:</b>							
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 BERA, 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	
<b>TOTALS</b>	<b>\$10,189,956</b>		<b>\$4,819,914</b>	<b>\$43,929,320</b>	<b>1,899</b>		
<b>PROJECTS APPROVED IN FY 1991:</b>							
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)	\$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)
<b>TOTALS</b>	<b>\$5,764,079</b>		<b>\$2,662,259</b>	<b>\$46,900,000</b>	<b>1,487</b>		
<b>PROJECTS APPROVED IN FY 1992:</b>							
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 (S)	\$297,000		\$203,233 (c)	\$0		02-25-92	
27 LIVERMORE, CITY OF	\$86,039		\$86,039 (c)	\$0	12	06-26-92	
<b>TOTALS</b>	<b>\$11,509,856</b>		<b>\$7,585,339</b>	<b>\$35,331,899</b>	<b>708</b>		
<b>PROJECTS APPROVED IN FY 1993:</b>							
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)
<b>TOTALS</b>	<b>\$12,188,789</b>		<b>\$7,474,447</b>	<b>\$359,412,000</b>	<b>1,320</b>		
<b>PROJECTS APPROVED IN FY 1994:</b>							
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)	
	<b>TOTALS</b>	<b>\$17,455,502</b>		<b>\$8,710,618</b>	<b>\$404,485,434</b>	<b>1,043</b>		
<b>PROJECTS APPROVED IN FY 1995:</b>								
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	
	<b>TOTALS</b>	<b>\$8,713,832</b>		<b>\$4,408,243</b>	<b>\$0</b>	<b>1,558</b>		
<b>PROJECTS APPROVED IN FY 1996:</b>								
* 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	
	<b>TOTALS</b>	<b>\$3,254,999</b>		<b>\$2,965,304</b>	<b>\$0</b>	<b>534</b>		
<b>PROJECTS APPROVED IN FY 1997:</b>								
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)	
	<b>TOTALS</b>	<b>\$1,611,878</b>		<b>\$828,000</b>	<b>\$0</b>	<b>125</b>		
<b>PROJECTS APPROVED IN FY 1998:</b>								
* 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)	
	<b>TOTALS</b>	<b>\$12,463,450</b>		<b>\$2,372,800</b>	<b>\$0</b>	<b>477</b>		
<b>PROJECTS APPROVED IN FY 1999:</b>								
* 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	
	<b>TOTALS</b>	<b>\$6,830,880</b>		<b>\$926,831</b>	<b>\$0</b>	<b>414</b>		
<b>PROJECTS APPROVED IN FY 2000:</b>								
* 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	
	<b>TOTALS</b>	<b>\$1,284,300</b>		<b>\$856,996</b>	<b>\$170,000,000</b>	<b>122</b>		
<b>PROJECTS APPROVED IN FY2005:</b>								
* 48	UNION COUNTY FISCAL COURT	\$1,550,000		\$0	\$0	NA	11/4/2004 commitment expired	
* 40	OWENTON, CITY OF	\$736,890		\$0	\$0	NA	11/4/2004 commitment expired	
* 41	HART CO FISCAL COURT	\$3,192,000		\$2,170,999	\$0	NA	3/3/2005	
* 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	
	<b>TOTALS</b>	<b>\$9,027,038</b>		<b>\$4,677,117</b>	<b>\$0</b>			
<b>PROJECTS APPROVED IN FY2006:</b>								
* 43	GRAVES CO WATER DISTRICT	\$596,776		\$596,776 (c)	\$0	NA	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	12/1/2005	
* 46	BONNIEVILLE, CITY OF	\$3,160,000		\$0	\$0	NA	12/1/2005 commitment expired	
* 47	Elkton, City of	\$808,000		\$808,000	\$0	NA	3/2/2006	
* 48	MT VERNON, CITY OF	\$2,055,000		\$945,000 (c)	\$0	NA	5/4/2006	
	<b>TOTALS</b>	<b>\$11,415,953</b>		<b>\$3,062,225</b>	<b>\$0</b>			
<b>PROJECTS APPROVED IN FY2007:</b>								
* 49	GUTHRIE, CITY OF	\$640,000		\$0	\$0	NA	8/3/2006 Withdrawn	
* 50	OWINGSVILLE, CITY OF	\$4,367,250		\$797,250 (c)	\$0	NA	006;10/01/2009 338,997 In; 50,000 grant	
* 51	JAMESTOWN, CITY OF	\$13,065,000		\$3,588,700 (c)	\$0	NA	12/7/2006 3,038,700 In; 550,000 grant	
* 52	CONNECTGRADD	\$2,400,000		\$1,200,000	\$0	NA	2/8/2007 broadband	
* 53	ALBANY, CITY OF	\$7,366,000		\$750,000	\$0	NA	5/10/2007 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	
	<b>TOTALS</b>	<b>\$28,687,403</b>		<b>\$7,185,103</b>	<b>\$0</b>			

	TOTAL INFRASTRUCTURE AMOUNT	KIA GRANT AMOUNT	KIA Loan AMOUNT	GENERATED PRIVATE INVESTMENT	JOBS CREATED	DATE APPROVED	COMMENTS
<b>PROJECTS APPROVED IN FY2008:</b>							
* 55	CAVELAND ENVIRONMENTAL	\$2,910,000		\$125,000 (c)	\$0 NA	9/6/2007	sewer
* 56	HOPKINSVILLE ELECT & EN NET	\$3,000,000		\$3,000,000	\$0 NA	10/4/2007	fiber optic communications
* 57	MARION CO WATER DISTRICT	\$750,000		\$340,000 (c)	\$0 NA	10/4/2007	water
* 58	WILLIAMSBURG, CITY OF	\$3,237,440		\$400,000 (c)	\$0 NA	10/4/2007	water
* 59	LOGAN TODD REG WAT COMM	\$1,500,000		\$400,000 (c)	\$0 NA	11/1/2007	water
* 60	BURGIN, CITY OF	\$50,000		\$50,000 (c)	\$0 NA	11/1/2007	water
61	PRESTONSBURG, CITY OF	\$2,700,000		\$2,700,000 (c)	\$0 NA	12/6/2007	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	3/6/2008	sewer
64	WHITLEY CO WATER DISTRICT	\$2,708,000		\$932,800	\$0 NA	3/6/08; 7/27/11	water
65	HINDMAN, CITY OF	\$500,000		\$500,000 (c)	\$0 NA	4/3/2008	water
66	WALTON, CITY OF	\$4,000,000		\$1,000,000 (c)	\$0 NA	6/5/2008	sewer
<b>TOTALS</b>		<b>\$23,245,440</b>		<b>\$11,137,800</b>	<b>\$0</b>		
<b>PROJECTS APPROVED IN FY2009:</b>							
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	8/7/2008	sewer
69	PRESTONSBURG, CITY OF	\$841,000		\$841,000 (c)	\$0 NA	10/2/2008	water meters
70	LEBANON, CITY OF	\$1,119,707		\$582,883 (c)	\$0 NA	12/4/2008	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	6/25/2009	sewer - withdrawn 9/24/09
<b>TOTALS</b>		<b>\$8,835,438</b>		<b>\$5,823,883</b>	<b>\$0</b>		
<b>PROJECTS APPROVED IN FY2010:</b>							
73	Prestonsburg, City of	\$2,670,000		\$0	\$0 NA	10/1/2009	sewer
74	Falmouth, City of	\$564,835		\$564,835	\$0 NA	10/1/2009	sewer
75	Bullitt Co Sanitation District	\$500,000		\$500,000 (c)	\$0 NA	2/4/2010	sewer
76	Hart Co Industrial Authority	\$2,300,000		\$1,000,000	\$3,000,000	2/4/2010	sewer
77	Marshall Co. Fiscal Court	\$1,000,000	\$800,000	\$200,000	\$0 NA	6/3/2010	80% grant/ 20% loan
<b>TOTALS</b>		<b>\$7,034,835</b>	<b>\$800,000</b>	<b>\$2,264,835</b>	<b>\$3,000,000</b>	<b>40</b>	
<b>PROJECTS APPROVED IN FY2011:</b>							
78	Bullitt Co Sanitation District	\$500,000	\$0	\$500,000 (c)	\$0 NA	8/5/2010	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	12/9/2010	water
83	Caneyville, City of	\$445,000	\$0	\$110,000	\$0 NA	12/9/2010	sewer
84	Crab Orchard, City of	\$1,660,000	\$400,000	\$410,000	\$0 NA	12/9/2010	water
85	Flatwoods, City of	\$887,500	\$468,000	\$117,000	\$0 NA	2/3/2011	
86	Graves County Water District	\$1,111,266	\$220,000	\$780,000	\$0 NA	2/3/2011	
87	Mt. Washington, City of	\$700,000	\$560,000	\$140,000	\$0 NA	2/3/2011	
88	White Plains, City of	\$657,000	\$525,600	\$131,400	\$0 NA	2/3/2011	
89	Beattyville, City of	\$675,000	\$140,000	\$35,000	\$0 NA	3/3/2011	water
90	Elkton, City of	\$141,700	\$0	\$141,700	\$0 NA	3/3/2011	water
91	Nicholas County Sanitation District	\$2,641,000	\$0	\$550,000	\$0 NA	3/3/2011	sewer
92	North McLean Co WD	\$737,871	\$200,000	\$50,000	\$0 NA	3/3/2011	water
93	MuniNet	\$2,033,947	\$0	\$2,033,947	\$0 NA	4/7/2011	broadband
<b>TOTALS</b>		<b>\$16,310,929</b>	<b>\$2,893,600</b>	<b>\$7,886,446</b>	<b>\$0</b>		
<b>PROJECTS APPROVED IN FY2012:</b>							
94	Crittenden-Livingston Water District	\$300,000	\$0	\$300,000	\$0 NA	8/4/2011	water
95	Lewisburg, City of	\$220,000	\$0	\$220,000	\$0 NA	3/1/2012	water
96	Olive Hill, City of	\$505,000	\$0	\$505,000	\$0 NA	3/1/2012	water
97	<b>Mount Olivet, City of</b>	<b>\$1,100,000</b>	<b>\$0</b>	<b>\$350,000</b>	<b>\$0 NA</b>	<b>4/12/2012</b>	<b>water</b>
<b>TOTALS</b>		<b>\$2,125,000</b>	<b>\$0</b>	<b>\$1,375,000</b>	<b>\$0</b>		
<b>GRAND TOTALS</b>		<b>\$208,080,426</b>	<b>\$3,693,600</b>	<b>\$94,411,455</b>	<b>\$1,189,400,723</b>	<b>11216</b>	

**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 (rif)
TOTAL AUTHORIZATION FYS 2001-2002	\$3,925,000 (rif)
	<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	
<b>TOTALS</b>	<u><b>\$14,777,038</b></u>	<u><b>\$5,621,178</b></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)
<b>TOTALS</b>	<u><b>\$300,000</b></u>	<u><b>\$300,000</b></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	9/1/1998	
13 CITY OF MIDWAY	\$4,760,971	\$3,500,000	6/6/2000	
14 CITY OF HINDMAN	\$3,000,000	\$3,000,000	7/28/1999	
<b>TOTALS</b>	<u><b>\$20,365,196</b></u>	<u><b>\$13,000,000</b></u> (rif)		

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

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

**PROJECTS PER SPECIAL PROVISIONS DURING 2000 GENERAL SESSION**

16 HORTON CAMP INF AT GREEN RIVER ST PARK	650,000.00	650,000.00	6/6/2000	
17 FLEMING CO WATER COMM	75,000.00	75,000.00	2/1/2001 (AA date)	
18 FLEMING CO '201' SEWER PLANNING	50,000.00	50,000.00	10/1/2001 (AA date)	
19 CITY OF WURLAND	25,000.00	25,000.00	10/1/2001 (AA date)	
20 SPURLOCK & LITTLE MUD CREEK	300,000.00	300,000.00	8/17/2001 (AA date)	
21 PIKE COUNTY - TAYLOR FORK	50,000.00	50,000.00	8/6/2001 (AA date)	
22 SOUTHERN MADISON WATER DISTRICT	200,000.00	200,000.00	3/1/2001 (AA date)	
23 HENDERSON CO WATER DISTRICT	500,000.00	500,000.00	8/20/2001 (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	8/6/2001 (AA date)	
26 LARUE COUNTY FISCAL COURT	750,000.00	750,000.00	8/6/2001 (AA date)	
27 CARROL COUNTY FISCAL COURT	250,000.00	250,000.00	8/1/2001 (AA date)	
28 CITY OF RACELAND	25,000.00	25,000.00	9/21/2001 (AA date)	
29 CITY OF WORTHINGTON	25,000.00	25,000.00	8/6/2001 (AA date)	
30 CITY OF FLATWOODS	25,000.00	25,000.00	10/1/2001 (AA date)	
<b>TOTALS</b>	<u><b>3,925,000.00</b></u>	<u><b>3,925,000.00</b></u> (rif)		

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	12/6/2001
32	Bath County Water District	WX21011002	\$2,253,000	\$1,150,000	12/6/2001
33	City of Paris	WX21017002	\$2,300,000	\$1,000,000	12/6/2001
34	City of Ashland	WX21019006	\$2,362,626	\$750,000	12/6/2001
35	Bracken County Water District	WX21023001	\$1,810,000	\$93,500	12/6/2001
36	City of Murray	WX21035005	\$1,126,000	\$0	12/6/2001
37	Center Ridge Water District	WX21035011	\$262,200	\$262,200	12/6/2001
38	West Carroll Water District	WX21041301	\$2,200,000	\$500,000	12/6/2001
39	Rattlesnake Ridge Water District	WX21043001	\$4,130,000	\$440,000	12/6/2001
40	Christian County Water District	WX21047011	\$2,200,000	\$1,000,000	12/6/2001
41	Owensboro Municipal Utilities	WX21059001	\$2,500,000	\$1,000,000	12/6/2001
42	Consumers Water District	WX21083002	\$1,117,868	\$1,000,000	12/6/2001
43	City of Caneyville	WX21085001	\$486,000	\$186,000	12/6/2001
44	Grayson County Water District	WX21085009	\$2,878,000	\$1,000,000	12/6/2001
45	City of Cumberland	WX21095662	\$1,600,000	\$400,000	12/6/2001
46	Henderson Water Utility	WX21101005	\$600,000	\$600,000	12/6/2001
47	Wood Creek water District	WX21125527	\$350,364	\$350,364	12/6/2001
48	Louisa Water District	WX21127001	\$5,570,570	\$1,000,000	12/6/2001
49	Electric Plant Board of the City of Vanceburg	WX21135001	\$4,077,000	\$977,000	12/6/2001
50	City of Sacramento	WX21149002	\$150,000	\$150,000	12/6/2001
51	Western Lewis Rectorville Water District	WX21161001	\$1,399,000	\$275,000	12/6/2001
52	Edmonton Water Works	WX21169001	\$2,222,782	\$595,782	12/6/2001
53	Tri-Village Water District	WX21187205	\$1,800,000	\$800,000	12/6/2001
54	City of Falmouth	WX21191311	\$1,000,000	\$300,000	12/6/2001
55	City of Hazard	WX21193009	\$5,500,000	\$250,000	12/6/2001
56	Buffalo Trail Water Association	WX21201005	\$1,500,000	\$750,000	12/6/2001
57	US 60 Water District	WX21211026	\$1,375,000	\$650,000	12/6/2001
58	Taylorsville Water Works	WX21215087	\$3,500,000	\$430,400	12/6/2001
59	Campbellsville-Greensburg	WX21217004	\$3,181,900	\$0	12/6/2001
60	Cadiz-Trigg County Regional Water Commissio	WX21221002	\$14,000,000	\$70,000	12/6/2001
61	City of Midway	WX21239003	\$766,000	\$150,000	12/6/2001
62	City of Booneville	WX21189002	\$687,000	\$130,000	6/6/2002
<b>TOTALS</b>			<b>\$78,320,310</b>	<b>\$16,315,246</b>	(rif)

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

63	Knott Co Water & Sewer		\$500,000	\$500,000	10/5/2006
64	Bath Co WD		\$514,340	\$250,000	12/7/2006
65	Western Pulaski Co Water District		\$620,000	\$620,000	5/10/07; 6/21/07
66	City of Harlan		\$200,000	\$200,000	6/21/2007
<b>TOTALS</b>			<b>\$1,834,340</b>	<b>\$1,570,000</b>	(rif)

**PROJECTS APPROVED IN FY2008:**

67	City of Arlington		\$190,750	\$190,750	7/19/2007
68	City of Elkton		\$200,000	\$200,000	7/19/2007
69	City of Georgetown		\$80,000	\$80,000	7/19/2007
70	Morehead Utility Plant Board		\$373,900	\$373,900	7/19/2007
<b>TOTALS</b>			<b>\$844,650</b>	<b>\$844,650</b>	

**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
<b>TOTAL 1991 - 1998</b>	<b><u>\$28,283,414</u></b>

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	
	<b>TOTALS</b>	<b><u>\$37,672,835</u></b>	<b><u>\$26,119,616</u></b>				

**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	
	<b>TOTALS</b>	<b><u>\$1,858,645</u></b>	<b><u>\$1,792,633</u></b>				

**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)
	<b>TOTALS</b>	<b><u>\$1,324,000</u></b>	<b><u>\$450,000</u></b>				

<b>GRAND TOTALS</b>	<b><u>\$40,855,480</u></b>	<b><u>\$28,362,249</u></b>
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(s) - Amount represented in the assistance agreement.  
(c) - Final Amount; Loan has been closed.

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

	<b>TOTAL PROJECT AMOUNT</b>	<b>KIA AMOUNT</b>	<b>DATE APPROVED</b>	<b>COMMENTS</b>	
ORIGINAL KENTUCKY POLLUTION ABATEMENT AUTHORITY LOANS (42) REFINANCED BY THE KENTUCKY INFRASTRUCTURE AUTHORITY (1989) <span style="float: right;"><b>\$32,025,000</b></span>					
<b><u>PROJECTS APPROVED IN FY 1989:</u></b>					
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 COM	\$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 COM	\$1,528,626	\$1,528,626	(c)	ASSUMED FROM MCCRACKEN CO SEWER
14	PADUCAH-MCCRACKEN JOINT SEWER COM	\$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
	<b>TOTALS</b>	<b>\$38,061,943</b>	<b>\$21,411,392</b>		
<b><u>PROJECTS APPROVED IN FY 1990:</u></b>					
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 #4	\$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
	<b>TOTALS</b>	<b>\$11,576,356</b>	<b>\$5,695,729</b>		
<b><u>PROJECTS APPROVED IN FY 1991:</u></b>					
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 DIST	\$1,750,000	\$1,712,000	(c)	03-28-91
30	PADUCAH-MCCRACKEN JOINT SEWER COM	\$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 #2	\$633,013	\$325,000	(c)	06-20-91
	<b>TOTALS</b>	<b>\$5,263,172</b>	<b>\$4,350,963</b>		
<b><u>PROJECTS APPROVED IN FY 1992:</u></b>					
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
	<b>TOTALS</b>	<b>\$4,361,311</b>	<b>\$2,715,815</b>		
<b><u>PROJECTS APPROVED IN FY 1993:</u></b>					
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 DISTRI	\$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
	<b>TOTALS</b>	<b>\$3,811,593</b>	<b>\$2,448,985</b>		

	TOTAL PROJECT AMOUNT	KIA AMOUNT		DATE APPROVED	COMMENTS
<b>PROJECTS APPROVED IN FY 1994:</b>					
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)
	<b>TOTALS</b>	<b>\$8,349,219</b>	<b>\$4,547,794</b>		
<b>PROJECTS APPROVED IN FY 1995:</b>					
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
	<b>TOTALS</b>	<b>\$9,647,100</b>	<b>\$5,905,194</b>		
<b>PROJECTS APPROVED IN FY 1996:</b>					
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
	<b>TOTALS</b>	<b>\$2,330,900</b>	<b>\$1,975,226</b>		
<b>PROJECTS APPROVED IN FY 1997:</b>					
58	EAST PENDLETON WATER DISTRICT	\$202,004	\$219,856	(c)	6-19-97
	<b>TOTALS</b>	<b>\$202,004</b>	<b>\$219,856</b>		
<b>PROJECTS APPROVED IN FY 1998:</b>					
	<b>TOTALS</b>	<b>\$0</b>	<b>\$0</b>		
<b>PROJECTS APPROVED IN FY 1999:</b>					
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
	<b>TOTALS</b>	<b>\$10,757,636</b>	<b>\$4,850,465</b>		
<b>PROJECTS APPROVED IN FY 2001:</b>					
62	BARLOW, CITY OF	\$416,000	\$237,714	(c)	3/1/01
	<b>TOTALS</b>	<b>\$416,000</b>	<b>\$237,714</b>		
<b>PROJECTS APPROVED IN FY 2002:</b>					
63	OLDHAM COUNTY WATER DISTRICT	\$7,043,642	\$5,560,339	(c)	7/12/01
	<b>TOTALS</b>	<b>\$7,043,642</b>	<b>\$5,560,339</b>		
<b>PROJECTS APPROVED IN FY 2003:</b>					
*	64 MCCREARY COUNTY FISCAL COURT	7,996,000	1,474,999	(c)	9/5/2002
*	65 NICHOLASVILLE, CITY OF	4,310,000	4,160,000	(c)	10/3/2002
66	SOUTHERN WATER & SEWER	6,874,900	0		1/9/2003 Withdrawn - Replaced with Coal Sev
67	MEADE COUNTY WATER DISTRICT	919,760	0		6/5/2003 Withdrawn - Replaced with Fd F loan
	<b>TOTAL</b>	<b>\$7,996,000</b>	<b>\$5,634,999</b>		
<b>PROJECTS APPROVED IN FY 2004:</b>					
68	KNOTT CO WATER & SEWER DISTRICT	\$2,628,821	\$640,367		8/7/2003
*	69 CAWOOD WATER DISTRICT	\$2,020,000	\$500,000		12/4/2003
*	70 BLACK MTN UTILITIES DISTRICT	\$2,295,000	\$250,000	(c)	1/8/2004
	<b>TOTAL</b>	<b>\$6,943,821</b>	<b>\$1,390,367</b>		
<b>PROJECTS APPROVED IN FY 2005:</b>					
*	71 NORTONVILLE, CITY OF	\$5,300,000	\$2,809,000		9/2/2004
*	72 JOHNSON CO FISCAL COURT	\$1,317,000	\$0		12/9/2004 Withdrawn
*	73 PEAKS MILL WATER DISTRICT	\$1,626,900	\$946,900	(c)	5/5/2005
	<b>TOTAL</b>	<b>\$8,243,900</b>	<b>\$3,755,900</b>		
<b>PROJECTS APPROVED IN FY 2007:</b>					
*	74 MAYFIELD, CITY OF	\$393,250	\$389,255	(c)	5/10/2007
	<b>TOTAL</b>	<b>\$393,250</b>	<b>\$389,255</b>		

	TOTAL PROJECT AMOUNT	KIA AMOUNT		DATE APPROVED	COMMENTS
<b>PROJECTS APPROVED IN FY 2008:</b>					
* 75	SOUTHEAST DAVIESS CO WD	\$1,219,995	\$796,140	(c)	11/1/2007 water
* 76	WEST DAVIESS CO WD	\$1,378,708	\$948,348	(c)	11/1/2007 water
* 77	NORTHERN KY WATER DISTRICT	\$6,000,000	\$6,000,000	(c)	6/5/2008 water
<b>TOTAL</b>		<b>\$8,598,703</b>	<b>\$7,744,488</b>		
<b>PROJECTS APPROVED IN FY 2009:</b>					
* 78	UNION, CITY OF	\$1,147,500	\$248,294	(c)	10/2/2008 sewer
<b>TOTAL</b>		<b>\$1,147,500</b>	<b>\$248,294</b>		
<b>PROJECTS APPROVED IN FY 2010:</b>					
* 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	10/1/2009	water
<b>TOTAL</b>		<b>\$6,850,000</b>	<b>\$5,300,000</b>		
<b>PROJECTS APPROVED IN FY 2011:</b>					
* 81	Bracken Co Water District	\$621,000	\$621,000	3/3/2011	water main replacement
<b>TOTAL</b>		<b>\$621,000</b>	<b>\$621,000</b>		
<b>PROJECTS APPROVED IN FY 2012:</b>					
* 82	Warren Co Water District	\$1,114,400	\$823,900	10/6/2011	Buchanon Park Sewer Extension
* 83	Muninet Fiber Agency	\$3,173,049	\$3,173,049	2/2/2012	Cable Build Project #2
* 84	<b>Worthington, City of</b>	<b>\$600,000</b>	<b>\$600,000</b>	<b>4/12/2012</b>	<b>Filters Upgrade</b>
<b>TOTAL</b>		<b>\$4,887,449</b>	<b>\$4,596,949</b>		
<b>KIA TOTALS</b>		<b>\$147,502,499</b>	<b>\$89,600,723</b>		
<b>GRAND TOTALS (including KPAA)</b>		<b>\$121,625,723</b>			
Funds committed; not issued:			<b>\$33,040,884</b>		

***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	<u>\$12,639,435</u>

**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	<u>\$11,502,696</u>

**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	<u>\$12,742,425</u>

**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	<u>\$12,415,578</u>

**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	<u>\$12,106,686</u>

**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	<u>\$10,001,202</u>

**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	<u>\$9,921,632</u>

**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	<u>\$10,059,649</u>

**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	<u>\$9,987,912</u>

**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	<u>\$8,155,633</u>

**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	<u>\$8,414,250</u>

**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	<u>\$8,073,135</u>

**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	<u>\$8,736,100</u>

**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	<u>\$18,161,784</u>

**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	<u>\$12,308,680</u>

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

CURRENT REVOLVING/SURPLUS FUND BALANCE \$ 37,137,177

2010A - Leverage \$0

**BALANCE AVAILABLE FOR LOAN \$ (3,756,550)**

		TOTAL PROJECT	KIA LOAN		DATE	
		AMOUNT	AMOUNT		APPROVED	COMMENTS
<b><u>PROJECTS APPROVED IN FY 2000</u></b>						
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	(c)	04/04/00	F1
<b>TOTALS</b>		<b>\$3,795,165</b>	<b>\$3,227,254</b>			
<b><u>PROJECTS APPROVED IN FY2001</u></b>						
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	(c)	8/29/00	
9	MOREHEAD, CITY OF	\$13,325,000	\$5,500,000	(c)	3/00; Amd 5/16/01; Amd 5/1/03	Combined from 2 proj.
10	HICKMAN, CITY OF	\$1,642,623	\$869,023	(c)	9/29/00	
11	GREATER FLEMING CO REG WAT COM	\$357,500	\$357,500	(c)	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	
<b>TOTALS</b>		<b>\$37,599,303</b>	<b>\$18,014,961</b>			
<b><u>PROJECTS APPROVED IN FY2002</u></b>						
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	(c)	10/4/01	
19	GRAYSON, CITY OF	\$5,896,855	\$2,808,855	(c)	11/1/01; 12/12/02	Exec Com
20	LOGAN/TODD REG WAT COM	\$27,369,858	\$4,000,000	(c)	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	
<b>TOTALS</b>		<b>\$60,854,422</b>	<b>\$23,652,849</b>			
<b><u>PROJECTS APPROVED IN FY2003</u></b>						
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	(c)	10/3/02	Land Acq Set Aside
29	BRACKEN CO WATER DISTRICT	\$928,000	\$928,000	(c)	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	(c)	6/5/03	
<b>TOTALS</b>		<b>\$32,672,680</b>	<b>\$13,670,733</b>			
<b><u>PROJECTS APPROVED IN FY2004</u></b>						
32	CARROLL CO WATER DISTRICT	\$1,956,156	\$1,908,662	(c)	9/4/03	
33	PAINTSVILLE, CITY OF	\$1,056,500	\$500,000	(c)	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	(c)	12/4/03; 1/8/04	
37	MEADE COUNTY WATER DISTRICT	\$919,760	\$394,760	(c)	12/4/03	
38	HENDERSON WATER UTILITY	\$1,541,362	\$0		2/12/04	withdrawn
<b>TOTALS</b>		<b>\$27,321,108</b>	<b>\$9,964,599</b>			
<b><u>PROJECTS APPROVED IN FY2005</u></b>						
39	MCCREARY CO WATER DISTRICT	\$4,206,815	\$1,455,400	(c)	10/7/04	
40	MANCHESTER, CITY OF	\$359,500	\$359,500	(c)	3/3/05	F1
41	RICHMOND, CITY OF	\$14,690,222	\$8,000,000	(c)	5/5/05	
<b>TOTALS</b>		<b>\$19,256,537</b>	<b>\$9,814,900</b>			
<b><u>PROJECTS APPROVED IN FY 2006</u></b>						
42	HARDINSBURG, CITY OF	\$14,498,150	\$4,400,000	(c)	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	
<b>TOTALS</b>		<b>\$35,342,460</b>	<b>\$12,920,000</b>			

	TOTAL PROJECT AMOUNT	KIA AMOUNT	DATE APPROVED	COMMENTS
<b><u>PROJECTS APPROVED IN FY 2007</u></b>				
45	NORTHERN KY WATER DISTRICT	\$6,865,000	\$4,000,000 (c)	10/5/06
46	ADAIR CO WATER DISTRICT	\$3,302,000	\$1,000,000 (c)	6/21/07
47	JESSAMINE SOUTH ELKHORN WD	\$1,750,000	\$1,750,000	6/21/07
<b>TOTALS</b>		<b>\$11,917,000</b>	<b>\$6,750,000</b>	
<b><u>PROJECTS APPROVED FY 2008</u></b>				
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 (c)	10/4/07
50	MADISON CO UTILITY DIST	\$1,284,510	\$1,105,016 (c)	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 (c)	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
<b>TOTALS</b>		<b>\$101,771,370</b>	<b>\$54,877,421</b>	
<b><u>PROJECTS APPROVED FY2009</u></b>				
64	PAINTSVILLE, CITY OF	\$29,135,364	\$6,519,566	12/4/08
<b>TOTALS</b>		<b>\$29,135,364</b>	<b>\$6,519,566</b>	
<b><u>PROJECTS APPROVED FY2010</u></b>				
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
<b>TOTALS</b>		<b>\$59,204,500</b>	<b>\$36,445,590</b>	
<b><u>PROJECTS APPROVED FY2011</u></b>				
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
<b>TOTALS</b>		<b>\$27,214,525</b>	<b>\$23,883,525</b>	
<b><u>PROJECTS APPROVED FY2012</u></b>				
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	\$6,351,000	\$4,000,000	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
<b>PROJECTS APPROVED IN FY 2012 (Continued)</b>				
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
90	Campbellsville, City of	\$1,875,000	\$1,875,000	3/1/12
91	Centertown, City of	\$922,850	\$922,850	3/1/12
92	Sturgis, City of	\$4,000,000	\$3,000,000	3/1/12
	<b>TOTALS</b>	<b>\$32,636,981</b>	<b>\$27,346,981</b>	
	<b>GRAND TOTALS - COMMITMENTS</b>	<b>\$478,721,415</b>	<b>\$247,088,379</b>	

*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
<b>PROJECTS APPROVED IN SFY 2009:</b>				
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
<b>TOTALS</b>	<b>\$6,866,652</b>	<b>\$1,170,507</b>	<b>\$1,170,507</b>	
<b>PROJECTS APPROVED IN SFY 2010:</b>				
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	\$1,099,903 (c)	\$1,099,903	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 (c)	\$2,120,000	8/20/09
10 BURKESVILLE, CITY OF	\$1,153,000	\$1,153,000 (c)	\$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 (c)	\$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 (c)	\$500,000	10/1/09
17 GREENUP, CITY OF	\$2,915,099	\$1,590,604	\$1,590,604	11/12/09
<b>TOTALS</b>	<b>\$44,563,111</b>	<b>\$17,684,526</b>	<b>\$17,684,526</b>	
<b>GRAND TOTALS - COMMITMENTS</b>	<b>\$51,429,763</b>	<b>\$18,855,033</b>	<b>\$18,855,033</b>	
<b>BALANCE AVAILABLE FOR LOAN</b>			<b>\$61,217</b>	

*bold, italics - pending board approval*

(c) - Final amounts; Loan has been closed

(s) - Amount represented in the assistance agreement