

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

**Meeting Date/Location: April 3, 2014 – 1:00 p.m.
Kentucky Infrastructure Authority
1024 Capital Center Drive, Suite 340, Frankfort**

Members present:

Mr. Tony Wilder, Commissioner, Department for Local Government
Mr. Sam Ruth, Finance and Administration Cabinet
(proxy for Secretary Lori H. Flanery, FAC)
Mr. Robert Aldridge, Economic Development Cabinet
(proxy for Secretary Larry Hayes, EDC)
Ms. Lona Brewer, Energy and Environment Cabinet
(permanent proxy for Secretary Leonard K. Peters, EEC)
Mr. Jeff Derouen, Executive Director, Public Service Commission
Mr. David W. Cartmell, Mayor, City of Maysville, representing the Kentucky League of Cities

Members absent:

Mr. C. Ronald Lovan, representing the American Water Works Association
Mr. Damon Talley, representing the Kentucky Rural Water Association
Ms. Linda C. Bridwell, representing for-profit private water companies
Mr. Jody Jenkins, Union County Judge/Executive, representing the Kentucky
Association of Counties
Mr. Marty T. Ivy, representing the Kentucky Municipal Utilities Association

Guests:

Mr. Shafiq Amawi, Division of Water
Mr. Steve Starkweather, Office of Financial Management
Ms. Holly Nicholas, Kentucky Engineering Group
Mr. Matt Curtis, Kentucky Engineering Group
Ms. Laura Jefferson, Buffalo Trace Area Development District
Mr. Bill Tom Stone, Electric Plant Board of Vanceburg
Mr. Ray Bascom, HMB Engineering
Mr. Don Sexton, Cann –Tech, LLC
Mr. Keith Cartier, Kentucky American Water
Mr. Josh Nacey, Legislative Research Commission

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 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 March 6, 2014

Mr. Sam Ruth moved to approve the minutes of the March 6, 2014 regular board meeting. Ms. Lona Brewer 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 AN INFRASTRUCTURE REVOLVING FUND (B14-006) LOAN IN THE AMOUNT OF \$200,000 TO THE CITY OF LEBANON JUNCTION, BULLITT COUNTY, KENTUCKY

Ms. Brandi Armstrong, KIA, presented the project to the Board. The City of Lebanon Junction requested a \$200,000 Fund B loan for the Truck Stop Lift Station Replacement project. The project will install a new lift station to replace one that has been corroded from sewer gases and has compromised structural integrity. The new wet well will also be sized to accommodate future flow. A failure would affect the largest sewer user which is approximately 6% of revenues. KIA staff recommended approval of the loan with the standard conditions.

Mr. Jeff Derouen moved to approve the Fund B (B14-006) loan with the standard conditions. Mr. Sam Ruth seconded, and the motion carried unanimously.

2. RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY REAUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED WASTEWATER REVOLVING FUND LOAN (A14-002) IN THE AMOUNT OF \$665,000 TO THE CITY OF VANCEBURG, LEWIS COUNTY, KENTUCKY

Mr. Shafiq Amawi, DOW, and Mr. Jeff Abshire, presented the project to the Board. The City of Vanceburg requested a \$665,000 Fund A loan for the Wastewater Treatment Plant Rehabilitation project. The project involves replacement of various components including influent and effluent flow meter, chart recorder, auto refrigerated composite sampler blowers, motors, control panel, and sewage pump. The clarifier will be repaired. Modifications will be made to the grit removal system and new chlorine, sulfur dioxide feeds and a new sludge drying bed will also be added. Repair or replacement of 660 linear feet of twelve inch sewer lines will be made to correct inflow and infiltration issues. DOW and KIA staff recommended approval of the loan with the standard

conditions.

Mayor David Cartmell moved to approve the Fund A (A14-002) loan with the standard conditions. Ms. Lona Brewer seconded, and the motion carried unanimously.

3. RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR AN INFRASTRUCTURE REVOLVING FUND (B14-009) LOAN IN THE AMOUNT OF \$263,000 TO THE CITY OF GRAND RIVERS, LIVINGSTON COUNTY, KENTUCKY

Ms. Brandi Armstrong, KIA, presented the project to the Board. The City of Grand Rivers requested a \$263,000 Fund B loan for the Lake City Waterline Replacement project. The project will replace 5,220 linear feet of old waterlines and valves in the Lake City area north of Grand Rivers with six inch PVC lines to reduce water loss and improve water quality. The project will also repaint an aging standpipe to extend its lifespan. KIA staff recommended approval of the loan with the standard conditions.

Mr. Jeff Derouen moved to approve the Fund B (B14-009) resolution with the standard conditions. Mr. Sam Ruth seconded, and the motion carried unanimously.

4. RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR AN INFRASTRUCTURE REVOLVING FUND (B14-011) LOAN IN THE AMOUNT OF \$65,000 TO THE CITY OF MOUNT OLIVET, ROBERTSON COUNTY, KENTUCKY

Mr. Jeff Abshire, KIA, presented the project to the Board. The City of Mount Olivet requested a \$65,000 Fund B loan for the Phase One Wastewater Treatment Plant Upgrade project. The project will improve various components of the City's wastewater treatment plant. The project will install an influent flow meter, composite sampler, clean clarifiers and fine tune the return sludge rate, convert existing diffusers and utilize the post aeration tank as a chlorine basin. The improvements will ensure the City's compliance with Kentucky Pollutant Discharge Elimination System permit. KIA staff recommended approval of the loan with the standard conditions.

Mr. Sam Ruth moved to approve the Fund B (B14-011) loan with the standard conditions. Mr. Robert Aldridge 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 AN INFRASTRUCTURE REVOLVING FUND (B14-012) LOAN IN THE AMOUNT OF \$55,000 TO THE CITY OF HICKMAN, FULTON COUNTY, KENTUCKY

Ms. Brandi Armstrong, KIA, presented the project to the Board. The City of Hickman requested a \$55,000 Fund B loan for the Water Filter Tank Rehabilitation project. The project will rehabilitate two holding tanks in the City's water filtration system. Any metal components that have the capability of contaminating the water in the holding area will be sandblasted and repainted. The City is under an Agreed Order with the Kentucky Department of Environmental Protection to remedy the problem by July 15, 2014. KIA staff recommended approval of the loan with the standard conditions.

Ms. Lona Brewer moved to approve the Fund B (B14-012) loan with the standard conditions. Mr. Robert Aldridge seconded, and the motion carried unanimously.

8. RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING AND APPROVING THE ISSUANCE OF OBLIGATIONS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY TO REIMBURSE CAPITAL EXPENDITURES MADE BY GOVERNMENTAL AGENCIES PURSUANT TO LOANS MADE BY THE KENTUCKY INFRASTRUCTURE AUTHORITY TO SUCH GOVERNMENTAL AGENCIES

This is a routine resolution allowing KIA to reimburse expenses that are paid out of the Authority's funds with bond proceeds. The projects listed below are covered under this resolution:

| APPLICANT | FUND | AMOUNT |
|--------------------------|-------------|---------------|
| City of Vanceburg | A14-002 | \$ 665,000 |
| City of Lebanon Junction | B14-006 | \$ 200,000 |
| City of Grand Rivers | B14-009 | \$ 263,000 |
| City of Mount Olivet | B14-011 | \$ 65,000 |
| City of Hickman | B14-012 | \$ 55,000 |

Mayor David Cartmell moved to approve the resolution. Mr. Jeff Derouen seconded, and the motion carried unanimously.

II. EXECUTIVE DIRECTOR'S REPORT

Ms. Denise Pitts, KIA, reported on the following items to the Board:

- A. The Budget for the next biennium, at the time of this meeting, was on the Governor's desk awaiting signature. There was a minor change from what the Governor recommended due to a debt service tweak made by the Finance Cabinet. The leverage bonds were still included. Both Chambers were in recess until April 14, 2014.
- B. The status of HB 381 (that would change the makeup of the Authority's Board membership), at the time of this meeting, was that there had been no further action. The Bill was still sitting in a House sub-committee and believed to be dead.
- C. The final allotments for the Clean Water and Drinking Water SRF programs had been issued by the federal government. Kentucky's allotment for Clean Water (Fund A) was

\$17.8 million which increased about 9% from last year. Kentucky's allotment for Drinking Water (Fund F) was about \$13.8 million which increased about 13% from last year. These amounts are close to what was received by the Authority in 2011.

- D. The Intended Use Plan will not be issued until after the Budget is finalized so that the exact amount of money will be known to distribute to projects.

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

IV. ANNOUNCEMENTS/NOTIFICATIONS

- Next scheduled KIA board meeting:
Tentatively scheduled for
Thursday, May 1, 2014
1024 Capital Center Drive, Suite 340
Frankfort, Kentucky

There being no further business Mr. Jeff Derouen moved to adjourn. Mayor David Cartmell seconded and the motion carried unanimously. The April 3, 2014, regular meeting of the Board of the Kentucky Infrastructure Authority was adjourned.

Submitted by:



Jeffrey A. Abshire, Secretary
Kentucky Infrastructure Authority



Date