Board Meeting Booklet

for

March 7, 2013

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
March 7, 2013 – 1:00 p.m.

Call to Order: • Confirmation of Press Notice • Confirmation of Quorum • Recognition of Members/Guests	Chair Tony Wilder	
I. BUSINESS *(Board Action Required)*		
A. Minutes		
1. Consideration of Approval of the **Minutes** of the **Kentucky Infrastructure Authority Regular Board Meeting** of **February 7, 2012** ***(Attachment I.A.1.)***	Chair Tony Wilder	11
B. New Projects / Action Items		
1. **Kentucky Water Management Plan**	Mr. John Covington, KIA	
2. Resolution and Order of the Board of Directors for Approval of a **Fund A loan (A13-007)** in the amount of **$4,657,640** to the **Lexington-Fayette Urban County Government, Fayette County, Kentucky** (SX21067045, SX21067047) ***(Attachment I.B.2.)***	Mr. Shafiq Amawi, DOW Ms. Sandy Williams, KIA	23
3. Resolution and Order of the Board of Directors for Approval of a **Fund A loan (A13-002)** in the amount of **$13,674,302** to the **Lexington-Fayette Urban County Government, Fayette County, Kentucky** (SX21067038, SX21067042, SX21067044) ***(Attachment I.B.3.)***	Mr. Shafiq Amawi, DOW Ms. Sandy Williams, KIA	37
4. Resolution and Order of the Board of Directors for Approval of a **Fund A loan (A13-003)** in the amount of **$10,194,421** to the **Lexington-Fayette Urban County Government, Fayette County, Kentucky** (SX21067037, SX21067039, SX21067040, SX21067043) ***(Attachment I.B.4.)***	Mr. Shafiq Amawi, DOW Ms. Sandy Williams, KIA	49
5. Resolution and Order of the Board of Directors for Approval of a **Fund A loan (A13-015)** in the amount of **$21,641,030** to the **Lexington-Fayette Urban County Government, Fayette County, Kentucky** (SX21067041) ***(Attachment I.B.5.)***	Mr. Shafiq Amawi, DOW Ms. Sandy Williams, KIA	63

6.	Resolution and Order of the Board of Directors for Approval of a **Fund A loan (A13-018)** in the amount of **$6,000,000** to the **Lexington-Fayette Urban County Government, Fayette County, Kentucky** (SX21067006) ***(Attachment I.B.6.)***	Mr. Shafiq Amawi, DOW Ms. Sandy Williams, KIA	75
7.	Resolution and Order of the Board of Directors for Approval of a **Fund B loan (B13-001)** in the amount of **$320,000** to the **City of Elkton, Todd County, Kentucky** (WX21219030) ***(Attachment I.B.7.)***	Mr. John LeFevre, KIA	87
8.	Resolution and Order of the Board of Directors for Approval of a **Fund B loan (B13-002)** in the amount of **$89,225** to the **Bullitt County Sanitation District, Bullitt County, Kentucky** (SX21029031) ***(Attachment I.B.8.)***	Ms. Sandy Williams, KIA	
9.	Resolution and Order of the Board of Directors for Authorizing an **Amendment** to the **Fund F loan (F11-09) increasing** the amount to **$430,000** to the **City of Barlow, Ballard County, Kentucky** (WX21007022, WX21007020) ***(Attachment I.B.9.)***	Mr. Shafiq Amawi, DOW Ms. Sandy Williams, KIA	103
10.	Resolution and Order of the Board of Directors for Authorizing an **Amendment** to the **Fund F loan (F11-17) increasing** the amount to **$518,000** to the **City of Harrodsburg, Mercer County, Kentucky** (WX21167013) ***(Attachment I.B.10.)***	Mr. Shafiq Amawi, DOW Ms. Sandy Williams, KIA	115
11.	Resolution and Order of the Board of Directors for Approval of a **Fund F loan (F13-002)** in the amount of **$1,688,950** to the **City of Harrodsburg, Mercer County, Kentucky** (WX21167022, WX21167026) ***(Attachment I.B.11.)***	Mr. Shafiq Amawi, DOW Ms. Sandy Williams, KIA	127
12.	Resolution and Order of the Board of Directors for Approval of a **Fund F loan (F13-021)** in the amount of **$4,000,000** to the **Frankfort Electric & Water Plant Board, Franklin County, Kentucky** (WX21073018) ***(Attachment I.B.12.)***	Mr. Shafiq Amawi, DOW Ms. Sandy Williams, KIA	139
13.	Resolution and Order of the Board of Directors for Approval of a **Fund F loan (F13-039)** in the amount of **$2,855,000** to the **Henry County Water District #2, Henry County, Kentucky** (WX21103039) ***(Attachment I.B.13.)***	Mr. Shafiq Amawi, DOW Mr. John LeFevre, KIA	151

14. Resolution and Order of the Board of Directors Authorizing and Approving the Issuance of Obligations of the Kentucky Infrastructure Authority to **Reimburse Capital Expenditures** made by Governmental Agencies Pursuant to Loans made by the Kentucky Infrastructure Authority to such Governmental Agencies ***(Attachment I.B.14.)***	Ms. Sandy Williams, KIA	163
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	167
IV. ANNOUNCEMENTS/NOTIFICATIONS	Mr. John Covington, KIA	
Next KIA Board Meeting: ***Tentatively*** *set for* ***Thursday, April 4, 2013*** *Kentucky Infrastructure Authority 1024 Capital Center Drive, Suite 340, Frankfort*		
V. ADJOURN	Chair Tony Wilder	

ATTACHMENT

I.A.1.

KENTUCKY INFRASTRUCTURE AUTHORITY
Minutes of the Full Board

Meeting Date/Location: **February 7, 2013 – 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. Jerry Wuetcher, Public Service Commission
(permanent proxy for Executive Director Jeff Derouen, PSC)
Mr. C. Ronald Lovan, representing the American Water Works Association
Mr. Damon Talley, representing the Kentucky Rural Water Association
Mr. Jody Jenkins, Union County Judge/Executive, representing the Kentucky Association of Counties
Mr. David W. Cartmell, Mayor, City of Maysville, representing the Kentucky League of Cities

Members absent:

Ms. Linda C. Bridwell, representing for-profit private water companies
Mr. Marty T. Ivy, representing the Kentucky Municipal Utilities Association

Guests:

Ms. Anshu Singh, Division of Water
Mr. Kerry Odle, CMW, Inc.
Mr. John C. Clark, Madison County Utility District
Mr. Joe Schepers, City of Owensboro
Mr. Bob Sturdivant, HDR Engineering
Mr. Dean Behnke, Regional Water Resource Agency
Mr. Ron Scott, City of Danville
Mr. Earl Coffey, City of Danville
Ms. Sheryl Chino, Green River Area Development District
Mayor Bernie Hunstad, City of Danville
Mr. Tony Thompson, Bullitt County
Mr. Richard Harrison, Northern Kentucky Water District
Mr. Roger Recktenwald, Kentucky Association of Counties
Ms. Jennifer Kantner, Office of Financial Management
Ms. Ruth Webb, 1st Kentucky Securities
Mr. Jerry Kennedy, Bullitt County Sanitation District
Mr. Ray Bascom, HMB Professional Engineers, Inc.
Mr. Jeff Reynolds, HMB, Professional Engineers, Inc.

Mr. Dennis Golem, Wells Fargo
Ms. Annette Dupont, Kentucky Municipal Utilities Association
Mr. Bill Scalf, City of Frankfort
Mr. Joe Burns, Kentucky Rural Water Association
Mr. Bob Peterson, City of Frankfort
Ms. Laura Jefferson, Buffalo Trace Area Development District
Ms. Cindy McDonald, Division of Water
Ms. Bill Tom Stone, Electric Plant Board of the City of Vanceburg
Mayor Chris McGlone, City of Vanceburg
Mr. Danny Enix, Electric Plant Board of the City of Vanceburg

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 December 6, 2012

Mr. Damon Talley moved to approve the minutes of the December 6, 2012 regular board meeting. Judge Jody Jenkins seconded, and the motion carried unanimously.

B. NEW PROJECTS/ACTION ITEMS

1. KENTUCKY WATER MANAGEMENT PLAN

Mr. John Covington, KIA, presented to the Board a draft of the Kentucky Water Management Plan. The Kentucky Infrastructure Authority was given the authority to generate a Kentucky Water Management Plan under the passage of Senate Bill 409 and staff had worked for the past 4 years to compile the document presented to the board members at this meeting. The goal of KIA staff was to convert the actual paper document to an online document that could be updated as needed with links for specific information about each project referenced. The plan contains the Authority's evaluation of each area development district's project rankings and an evaluation of the criteria used for the rankings by the water management councils. The document was created using the WRIS. The document presented is the first version and Mr. Covington stated that the board members would have 30 days to review the plan and make comments; and it would then be presented at the next meeting for approval.

2. **RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING APPROVAL FOR THE FILING OF AN APPLICATION WITH THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY FOR THE FEDERAL FISCAL YEAR 2013 CAPITALIZATION GRANT FOR THE WASTEWATER REVOLVING FUND**

   RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING APPROVAL FOR THE FILING OF AN APPLICATION WITH THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY FOR THE FEDERAL FISCAL YEAR 2013 CAPITALIZATION GRANT FOR THE DRINKING WATER REVOLVING FUND

   Ms. Sandy Williams, KIA, presented the requests to the board for permission to apply with the United States Environmental Protection Agency (EPA) for the Federal Fiscal Year 2013 Federal Capitalization Grants for the Wastewater Revolving Fund and the Drinking Water Revolving Fund. The Authority was notified in January by EPA that the initial funding for the 2013 Wastewater and Drinking Water State Revolving Capitalization Grant was available under the Continuing Resolution (CR) that extends from October 1, 2012, through March 27, 2013. EPA Region IV had requested that the Authority apply for the capitalization grant funds that are available under the CR so they can have those awards before the CR expires. The 2013 Wastewater National State allotment is $674,797,000 and Kentucky's share of that allotment under the half year CR is $8,317,000. Because it is under the CR, rules from the 2012 Capitalization Grant will continue to apply which includes that 10% of the capitalization grant amount must be designated for green projects. Because the funding awarded is only for half of the year, the 2013 Wastewater SRF will contain no additional subsidization provision. For every year the additional subsidization requirement has been attached to the Wastewater SRF it was only applied to the amount of the national funding that was in excess of $1,000,000,000. The additional subsidization provision will come into effect only if there is a full year appropriation or a yearlong CR that would increase the amount of available funding. Kentucky's allotment under the half year CR for the 2013 Drinking Water SRF is $5,987,000. The additional subsidization requirement for the Drinking Water program is not less than 20% but not more than 30% of the funds that are available through the capitalization grant. The resolutions presented are a required part of the capitalization grant application packets and KIA staff recommended approval of the resolutions.

   Mr. Ron Lovan moved to approve both resolutions to submit applications for the 2013 Wastewater Capitalization Grant and the 2013 Drinking Water Capitalization Grant. Mr. Damon Talley seconded, and the motion carried unanimously.

3. **RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED WASTEWATER REVOLVING FUND LOAN (A13-011) IN THE AMOUNT OF $8,000,000 TO THE CITY OF FRANKFORT, FRANKLIN COUNTY, KENTUCKY**

This project was presented to the KIA Board on December 6, 2012. A motion was made and approved for the project to be tabled until the next KIA Board Meeting. Ms. Sandy Williams, KIA, asked that the project be removed from the table for consideration.

Ms. Anshu Singh, DOW, and Ms. Sandy Williams, presented the project to the Board. The City of Frankfort requested an $8,000,000 Fund A loan for the Sewer Equalization Facilities project. The project involves the construction of a 10 million gallon equalization basin for the City's sanitary sewer system. The wastewater treatment plant is designed for 9.9 million gallons per day (MGD) of incoming sewer flow but can accommodate 23 MGD for short periods of time. However, during prolonged heavy rain events the WWTP exceeds its capacity which contributes to combined and sanitary sewer overflows in the collection system. Upon completion three SSO's in or near residential areas are expected to be eliminated. A public meeting was held in January 2013 to discuss the project and answer attendees' questions and there were no objections made. The City did not receive any written comments during the public period. Completion of the project is a substantial step in the City's ongoing efforts to achieve compliance with the Kentucky Division of Enforcement's Consent Judgment and the EPA Administrative Order. The cost to implement the projects necessary to comply with the Consent Judgment is estimated in excess of $75 million and will take over ten years to complete. The project qualified for Green Project Reserve funding under the following categories: $600,000 for Energy Efficiency and $7,400,000 for Environmentally Innovative. The project did not qualify for additional subsidization. The term of the loan is 20 years with an interest rate of 1.75% and a total estimated annual debt service payment of $491,805. Both DOW and KIA staff recommended approval of the loan with the standard conditions.

Mr. Damon Talley moved to approve the Fund A (A13-011) resolution with the standard conditions. Mr. Ron Lovan seconded, and the motion carried unanimously.

4. RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED WASTEWATER REVOLVING FUND LOAN (A13-017) IN THE AMOUNT OF $1,655,565 TO THE REGIONAL WATER RESOURCE AGENCY, DAVIESS COUNTY, KENTUCKY

Ms. Anshu Singh, DOW, and Mr. John LeFevre, presented the project to the Board. The Regional Water Resource Agency requested a $1,655,565 Fund A loan for the Sunrise Drive Sewer Extension project. The project involves the extension of sanitary sewer service to the Sunrise Drive area to provide service to thirty-four unserved residential properties. The extension (approximately 4,000 linear feet of eight inch PVC) will facilitate additional expansion to other unserved areas as funding become available. The project also separates and redirects remaining storm flows that exist in the Old Hartford Road East combined sewer system. The project did not qualify for Green Project Reserve funding and did not qualify for additional subsidization. The term of the loan is 20

years with an interest rate of 1.75% and a total estimated annual debt service payment of $101,777. Both DOW and KIA staff recommended approval of the loan with the standard conditions.

Ms. Lona Brewer moved to approve the Fund A (A13-017) resolution with the standard conditions. Mr. Sam Ruth 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 DRINKING WATER REVOLVING FUND (F13-011) LOAN IN THE AMOUNT OF $4,000,000 TO THE CITY OF DANVILLE, BOYLE COUNTY, KENTUCKY

Ms. Anshu Singh, DOW, and Ms Sandy Williams, KIA, presented the project to the Board. The City of Danville requested a $4,000,000 Fund F loan for the Water Treatment Plant and Raw Water Intake project.

The project involves the renovation and expansion of the City's water treatment plant and raw water intake, a capacity increase from 10 to 12 million gallons per day (MGD) and the addition of advanced treatment methods. The design will permit capacity to be increased to 15 MGD if required in the future. The project will ensure compliance with the EPA's Stage 2 Disinfectants / Disinfection By-Products Rule. The existing plant was constructed in 1924 with subsequent renovations or expansions in 1952, 1957, 1966, 1983, and 1990 and is deteriorating. The project includes the following components: (1) New raw water pump station and intake line to provide needed redundancy to the system; (2) Replace chemical feed, storage building and HVAC system. The current facility is not sized to supply the expanded capacity. The new feed system will accommodate liquid chemicals (current system is dry feed) which will reduce operating expenses because liquid chemicals can be purchased in bulk for less than their dry feed counterparts. Additionally, maintenance associated with liquid feed systems is less than dry feed systems. The HVAC units in the existing building are also inefficient and / or non-functioning; (3) Install clarification system with lamella plate settlers which will produce a single hydraulic grade across the clarification basins to encourage even flow distribution and better performance. The existing flocculators and sedimentation basins in the pre-1966 section are deteriorating and need to be replaced while the newer section is also exhibiting signs of concrete deterioration and equipment replacement needs; (4) Replace filters in the pre-1966 section that are at the end of their useful life with seven filters that will use conventional mixed media granular filtration. The new filters will be comparable in size to the existing filters in the newer section and will enable the plant to meet KDOW redundancy requirements. The filter building will also be renovated; (5) Add a 1,00,000 gallon clearwell to achieve the recommended total clearwell storage volume of 15% of treatment capacity; and (6) Install granular activated carbon (GAC) post-filter contactors for trace organic compound reduction as well as taste and odor reduction. Approximately 26% (400 million gallons) of water sold is at an average of $1.61 per thousand gallons to wholesale customers which include the Parksville Water District, Garrard County and Lake Village Water Associations, and Hustonville Water Works. The last wholesale rate adjustment was in the late 1990's. Wholesale rates are

expected to increase about 15% at the beginning of fiscal 2015. A cost of service study will be conducted in late fiscal 2014 to determine the final proposed amount which will require PSC approval. A retail rate increase of approximately 40% was effective in July 2011.

The project qualified for additional subsidization in the amount of 10% or $400,000. The 2012 Drinking Water capitalization grant does not contain a "green" requirement. The unforgiven balance of the loan is $3,600,000 to be repaid in 20 years with an interest rate of 1.75% and an estimated annual debt service payment of $223,112. Both DOW and KIA staff recommended approval of the loan with the standard conditions.

Mayor David Cartmell moved to approve the Fund F (F13-011) resolution with the standard conditions. Mr. Ron Lovan 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 (F13-023) LOAN IN THE AMOUNT OF $856,528 TO THE MADISON COUNTY UTILITY DISTRICT, MADISON COUNTY, KENTUCKY**

Ms. Anshu Singh, DOW, and Mr. John LeFevre, KIA, presented the project to the Board. The Madison County Utility District requested an $856,528 Fund F loan for the MCUD Improvements Phase 4 project. The project is for various waterline improvements throughout the Madison County Utility District. Approximately 24,500 linear feet of older three and four inch ductile iron lines will be replaced with six and eight inch PVC lines. This will fix numerous leaks and service outages and will substantially reduce the number of boil water advisories. The project will also loop a dead end line in one location to improve water flow. The areas affected by this request include the Cedar View Hills Subdivision, Charles Norris Road, Bumstark Road, Hacket Pike, and Wild Goose Subdivision. The District is regulated by the Public Service Commission and serves approximately 10,000 customers. All finished water is purchased from Richmond Utilities at $2.99 per thousand gallons. The 2012 Drinking Water Capitalization grant does not contain a "green" requirement. The project did not qualify for additional subsidization. The term of the loan is 20 years with an interest rate of 2.75% and an estimated annual debt service payment of $58,106. Both DOW and KIA staff recommended approval of the loan with the standard conditions.

Mr. Damon Talley moved to approve the Fund F (F13-023) resolution with the standard conditions. Ms. Lona Brewer seconded, and the motion carried unanimously with Mr. Jerry Weutcher abstaining. Mr. Wuetcher abstained due to the fact that the loan will have to come before the PSC for approval.

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 (F13-032) LOAN IN THE AMOUNT OF $850,000**

TO THE CITY OF VANCEBURG f/b/o VANCEBURG ELECTRIC PLANT BOARD, LEWIS COUNTY, KENTUCKY

Ms. Anshu Singh, DOW, and Ms. Sandy Williams, KIA, presented the project to the Board. The City of Vanceburg f/b/o Vanceburg Electric Plant Board requested an $850,000 Fund F loan for the Vanceburg Water Supply Wells project. The project involves the construction of a new raw water production well and SCADA System and the installation of approximately 1,550 radio read meters. The well will enhance the water supply for the City and facilitate the future proposed interconnection of area water systems. The radio read meters will be installed at rural customer locations that do not have other City utility services and will eventually reduce contract labor costs by about $18,000 annually. The City uses two wells that are about fifty years old and has recently acquired additional property with the intention of utilizing it as an expansion of their well field. There are also discussions of consolidating regional water systems with Vanceburg becoming the major supplier of water in the area. The project qualified for additional subsidization in the amount of 25% or $212,500. The 2012 Drinking Water capitalization grant does not contain a "green" requirement. The term of the loan is 20 years with an interest rate of 0.75% and an estimated annual debt service payment of $35,979. Both DOW and KIA staff recommended approval of the loan with the standard conditions.

Mayor David Cartmell moved to approve the Fund F (F13-032) 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 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 Frankfort	A13-011	$ 8,000,000
Regional Water Resource Agency	A13-017	$ 1,655,565
City of Danville	F13-011	$ 4,000,000
Madison County Utility District	F13-023	$ 856,528
City of Vanceburg f/b/o Vanceburg Electric Plant Board	F12-032	$ 850,000

Mr. Damon Talley moved to approve the resolution. Ms. Lona Brewer seconded, and the motion carried unanimously.

II. EXECUTIVE DIRECTOR'S REPORT

Mr. John Covington, KIA, brought to the Board's attention a situation in Bullitt County and felt it was justified to make the Board aware of a project which may potentially involve a change in the basic operations of the Board. The unique situation involves a trailer park in the Big Valley Sanitation District which is in an economically distressed area in Bullitt County. The lagoon system is failing and the mechanism that allows the lagoon system to properly treat the effluent is not functioning. It has not been maintained and the security measures around the lagoon have disappeared. Division of Water has been involved and has tried to take action against the alleged property owner of the lagoon system. The alleged property owner has passed away and the estate claims that the gentleman did not own the property. At this point it is an orphaned utility. PSC is in the process of taking action to declare it an abandoned utility and is seeking a Receiver to take responsibility for the utility. They filed an action in Franklin Circuit Court seeking an appointment of a Receiver. Discussions have been held with Bullitt County Sanitation District about that responsibility and the District is seriously considering accepting the role as Receiver and taking responsibility of doing the repairs needed. They are considering committing up to two years to maintain the system. The Bullitt County Sanitation District has determined that in order be Receiver for the next two years they would need $12,000 annually to operate the system and they would need approximately $90,000 for capital improvements to make the system functional. The Bullitt County Fiscal Court has agreed to provide the annual operating subsidy for the utility. Bullitt County Sanitation District has requested from KIA the capital infusion in order to do the repairs to the lagoon. There have been meetings and conversations with Mr. Jerry Kennedy from the Bullitt County Sanitation District, PSC, and Roger Recktenwald from the Kentucky Association of Counties, to address any concerns and to evaluate how to structure the commitment before the request is brought before the KIA Board. Mr. Covington requested the Board to take under consideration whether a precedent should be established in making a Fund B loan, grant, or loan/grant combination for a significant environmental and health issue that would require a certain amount of capital. The Board discussed the situation surrounding the lagoon system and the problems that have developed from the failing system. Mr. Covington hoped to have the request brought before the board at the next month's meeting.

Mr. Covington commented on an email he had previously sent to all board members regarding questions asked at board meetings. He didn't want it to be interpreted as discouraging the board members from asking questions. Because KIA Staff want to present a project to the Board in the best way possible and provide as much information as possible to the board members during a meeting, Mr. Covington suggested that, after reviewing the board packet that is distributed before each meeting, the board members should feel free to contact KIA staff before the meeting if they find there are questions about a project or if they desire more information. KIA staff is fully aware there will always be questions that come about as part of the discussion of a project at board meetings that were not anticipated.

KIA is in the process of procuring a Financial Advisor. The RFP has been issued and responses are due by the last week of the month. Although KIA was not authorized to issue bonds when the budget was passed for the current funding cycle, there are other services that a financial advisor can provide that are very valuable.

Mr. Covington noted that the March Board Meeting will be held at the regular time. The April board meeting is scheduled to fall in the first week of April which is also Spring Break week for many. He asked the board members to check their schedules for April to see if they would be able to attend. There will be an April board meeting unless a quorum cannot be reached or if there are no projects to be presented. Mr. Covington also noted that the July Board Meeting is currently scheduled for July 4th, which is the first Thursday of the month. He expected that meeting will be rescheduled to the second Thursday in July or canceled.

Mr. Ron Lovan commended KIA Staff for adding to the board book a one page summary entitled "Amounts Available to Loan" which is found at the beginning of the Status Reports for all the funds.

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

IV. ANNOUNCEMENTS/NOTIFICATIONS

- Next scheduled KIA board meeting:
  Tentatively scheduled for
  Thursday, March 7, 2013
  1024 Capital Center Drive, Suite 340
  Frankfort, Kentucky

There being no further business Mayor David Cartmell moved to adjourn. Mr. Ron Lovan seconded and the motion carried unanimously. The January 7, 2013, regular meeting of the Board of the Kentucky Infrastructure Authority was adjourned.

Submitted by:

Sandy Williams

Sandy Williams, Secretary
Kentucky Infrastructure Authority

3-1-13
Date

ATTACHMENT

I.B.2.

A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED WASTEWATER REVOLVING FUND LOAN (A13-007) OF $4,657,640 TO THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT, FAYETTE 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 Lexington-Fayette Urban County Government, 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 $4,657,640 of project expense including capitalized interest for the construction period, to the Lexington-Fayette Urban County

Government for the Anniston/Wickland Storm Water Improvements and Various Storm Water Management Phase II Projects. 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 1.75%. In addition to debt service, a 0.2% annual administration fee on the unpaid loan balance will be charged. From annual revenues, $12,000 must be set aside in a borrower held replacement reserve each December 1 until the balance reaches $120,000 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 7th day of March, 2013.

_____
TONY WILDER, CHAIR
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

_____
SANDY WILLIAMS, SECRETARY
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

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

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

Reviewer	Sandy Williams
Date	March 7, 2013
KIA Loan Number	A13-007
WRIS Number	SX21067045, SX21067047
HUC Code:	05100205120, 05100205280

BORROWER: LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT
FAYETTE COUNTY

BRIEF DESCRIPTION

This project involves various storm water abatement projects to comply with the City's Consent Decree with the EPA. The Anniston-Wickland project will contstruct new storm sewers and appurtenances along Spring Station Drive to Bryan Station Road. Various Phase II will address larger scale flooding issues in five separate areas in the City.

PROJECT FINANCING		PROJECT BUDGET	RD Fee %	Actual %	
Fund A Loan	$4,657,640	Land, Easements			713,815
Local Funds	575,000	Eng - Design	7.6%	8.9%	369,980
		Construction			4,079,888
		Contingency			68,957
TOTAL	$5,232,640	TOTAL			$5,232,640

REPAYMENT	Rate	1.75%	Est. Annual Payment	$286,331
	Term	20 Years	1st Payment	6 Mo. after first draw

PROFESSIONAL SERVICES	Engineer	See PROJECT DESCRIPTION - "Project Summaries" of Credit Analysis
	Bond Counsel	Peck, Shaffer, & Williams

		Anniston -Wickland	Various - Phase II
PROJECT SCHEDULE	Bid Opening	Aug-13	Jun-13
	Construction Start	Oct-13	Feb-14
	Construction Stop	Jul-14	Jul-15

DEBT PER CUSTOMER	Existing	$12
	Proposed	$56

OTHER DEBT	See Attached
OTHER STATE-FUNDED PROJECTS LAST 5 YRS	See Attached

RESIDENTIAL RATES		Users	Avg. Bill	
	Current	103,470	$4.49	per Equivalent Residential Unit
	Additional	0	$4.49	per Equivalent Residential Unit

REGIONAL COORDINATION: This project is consistent with regional planning recommendations.

CASHFLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2010	1,052,988	0	1,052,988	n/a
Audited 2011	5,350,499	0	5,350,499	n/a
Audited 2012	3,034,309	83,505	2,950,804	36.3
Projected 2013	3,084,923	83,386	3,001,537	37.0
Projected 2014	3,245,611	83,388	3,162,223	38.9
Projected 2015	3,400,285	369,719	3,030,566	9.2
Projected 2016	3,573,141	369,717	3,203,424	9.7
Projected 2017	3,752,384	411,412	3,340,972	9.1

Reviewer: Sandy Williams
Date: March 7, 2013
Loan Number: A13-007

KENTUCKY INFRASTRUCTURE AUTHORITY
WASTEWATER REVOLVING LOAN FUND (FUND "A")
LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT, FAYETTE COUNTY
PROJECT REVIEW
SX21067045, SX21067047

I. PROJECT DESCRIPTION

The Lexington-Fayette Urban County Government (Government) is requesting $4,657,640 in Clean Water SRF funds for two Stormwater Projects. These projects have been grouped together as one loan for administrative purposes due to the close proximity of their estimated completion dates. Engineering costs were evaluated separately for each project.

The United States Environmental Protection Agency (EPA) and the Kentucky Environmental and Public Protection Cabinet (KYEPPC) filed suit in federal court against the Government in 2006 alleging various violations of the Clean Water Act. The Government completed negotiations with EPA and KYEPPC to resolve the alleged violations. The resulting Consent Decree agreement was entered in the United States District Court – Eastern District of Kentucky on January 3, 2011. The settlement agreement requires the Government to undertake extensive studies, sewer improvement projects, and management plans to correct the problems that were alleged. The settlement affords the Government up to 13 years to correct the problems. The Government has estimated that the cost of remedial measures would approach $500 million over the life of the Consent Decree. The Government increased sanitary sewer rates to fund obligations under the Consent Decree and also adopted a storm water management fee.

The Consent Decree requires completion of $30 million in storm water flood abatement projects over the next ten years. The projects included in this request will reduce peak storm water flows by construction of a detention basin and conveyance system, new storm sewers, and increasing the capacity of existing storm sewers.

Project Summaries

The **Anniston / Wickland Storm Water Improvement project** (SX21067045) proposes to construct new storm sewers and appurtenances between the Bryan Station High School / Wickland Drive basin area and the Anniston Drive basin area. The new storm sewer will be constructed along Spring Station Drive to Bryan Station road. An engineer has not yet been procured.

Various Storm Water Management Projects Phase II (SX21067047) includes projects in five locations.

1) The Walhampton project, near the intersection of Nicholasville Road and Man O War Boulevard, will construct storm water detention basins and approximately 1,500 linear feet (LF) of thirty to fifty-four inch pipe with various inlet structures. The detention basins will be constructed on properties that the Government intends to purchase. (Engineer: Tetra Tech, Lexington, Herbert Lemaster, P.E.)

2) The Cardinal-Laramie project near Clays Mill Road and Lane Allen Road and includes both the addition and replacement of storm sewers, replacement of a box culvert, and stream bank stabilization. (Engineer: Integrated Engineering, Lexington, Eddie Mesta, P.E.)

3) The Rogers Road project involves the installation of 900 LF of box culvert, 1,300 LF of thirty-six inch storm pipe and related conveyance infrastructure to mitigate chronic flooding at twelve residential structures near the intersection of Allen Drive and Rogers Road. An engineer has not yet been procured.

4) The Idle Hour project proposes realignment and upsizing of the existing storm sewer system with the installation of 2,200 LF of eighteen to forty-two inch piping. (Engineer: GRW, Lexington, Joe Henry, P.E.)

5) The Perimeter Park project involves construction of fifteen and eighteen inch storm sewers to connect an upstream detention basin discharge to downstream storm piping near the intersection of Alumni Drive and New Circle Road. (Engineer: Tetra Tech, Lexington, Herbert Lemaster, P.E.)

II. PROJECT BUDGET

	Anniston / Wickland	Various – Phase II	Total
	SX21067045	SX21067047	
Land, Easements	$0	$713,815	$713,815
Engineering Fees - Design	0	369,980	369,980
Construction	857,043	3,222,845	4,079,888
Contingency	68,957	0	68,957
Total	$926,000	$4,306,640	$5,232,640

III. PROJECT FUNDING

	Amount	%
Fund A Loan	$ 4,657,640	89%
Local Funds	575,000	11%
Total	**$ 5,232,640**	**100%**

IV. KIA DEBT SERVICE

Amortized Loan Amount	$ 4,657,640
Interest Rate	1.75%
Loan Term (Years)	20
Estimated Annual Debt Service	$ 277,016
Administrative Fee (0.20%)	9,315
Total Estimated Annual Debt Service	**$ 286,331**

V. PROJECT SCHEDULE

	Anniston / Wickland	Various - Phase II
Bid Opening	August 2013	October 2013
Construction Start	October 2013	February 2014
Construction Stop	July 2014	July 2015

VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

A) Customers

Customers	Current
Residential	95,745
Commercial	7,710
Industrial	15
Total	103,470

B) Rates

Water Quality Management Fee	Current	Prior
Date of Last Rate Increase	07/01/12	01/01/10
Cost Per Equivalent Residential Unit (ERU)	$4.49	$4.39
Increase %	2.3%	

One equivalent residential unit (ERU) is defined as 2,500 square feet of impervious surface. Single family homes and duplexes pay one ERU per month. Apartment complexes and non-residential properties pay the fee based on the total amount of

impervious surface on their properties. Impervious surfaces are areas such as roofs, parking lots and driveways that do not absorb water when it rains.

Rates are adjustable each July 1 based on the Consumer Price Index for All Urban Consumers for the prior twelve months ending in April before the adjustment.

VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2006-2010, the County's population was 288,045 with a Median Household Income (MHI) of $47,469. The median household income for the Commonwealth is $41,576. The project will qualify for a 1.75% interest rate because they are complying with a consent decree.

VIII. 2012 CAPITALIZATION GRANT EQUIVALENCIES

1) Green Project Reserve - This project qualifies for Green Project Reserve (GPR) funding for $50,000. The breakdown of the GPR to the respective "green" categories is listed below:
    a. Green Infrastructure - $50,000
    b. Water Efficiency - $0
    c. Energy Efficiency - $0
    d. Environmentally Innovative - $0

2) Additional Subsidization – This project does not qualify for additional subsidization.

IX. FINANCIAL ANALYSIS (See Exhibit 1)

Financial information was obtained from the City's audited financial statements for the years ended June 30, 2010 through 2012 for the Storm Water Fund. The Sewer Fund is reported separately.

HISTORY

Water Quality Management Fee billings began in January 2010. Revenues increased from $5.6 million in 2010 (half year of billings) to $12.1 million in 2012. Operating expenses increased from $4.5 million to $9.2 million during the same period. The debt coverage ratio was 36.3 in 2012 and there were no debt service requirements during 2010 or 2011. Total debt outstanding at the end of 2012 was $1.3 million dollars for two KIA loans that mature in 2030. The balance sheet reflects a current ratio of 6.1 and a debt to equity ratio of 0.3.

PROJECTIONS

Projections are based on the following assumptions:

1) Revenues will increase 2% annually for inflation and .8% for growth.
2) Expenses will increase 2% annually for inflation.
3) Free cash flow will be directed to capital expenditures.
4) Debt service on the proposed loan is estimated at $286,331 annually
5) Debt service coverage is 9.2 in 2015 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 $12,000. This amount should be added to the replacement account each December 1 until the balance reaches $120,000 and maintained for the life of the loan.

X. DEBT OBLIGATIONS

	Outstanding	Maturity
KIA (A2 09-08)	$ 1,177,193	Dec-30
KIA (A2 09-09)	104,548	Jun-30
Total	**$ 1,281,741**	

XI. OTHER STATE OR FEDERAL FUNDING IN PAST FIVE YEARS

Project Title	Funding Source	Amount	Type
Expansion Area 2A Class A Pump Station and Trunk Sewer	HB608	3,100,000	Grant
Leesway Neighborhood Underserved Areas	HB608	600,000	Grant
South Elkhorn Pump Station and Force Main	EPA	1,146,000	Grant

XII. CONTACTS

Legal Applicant	
Name	Lexington-Fayette Urban County Government
Address	200 East Main Street Lexington, KY 40507
County	Fayette
Authorized Official	Jim Gray (Mayor)
Phone	(859) 258-3100
Email	Mayor@lexingtonky.gov

Project Contact - Applicant	
Name	Charles H. Martin, P.E.
Representing	Lexington-Fayette Urban County Government
Address	125 Lisle Industrial Avenue, Suite 180
	Lexington, KY 40511
Phone	(859) 425-2455
Email	chmartin@lexingtonky.gov

Project Administrator	
Name	Lexington-Fayette Urban County Government
Address	125 Lisle Industrial Avenue, Suite 180
	Lexington, KY 40511
Contact	Charles H. Martin, P.E.
Phone	(859) 425-2455
Email	chmartin@lexingtonky.gov

XIII. RECOMMENDATIONS

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

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT (STORMWATER FUND)
BALANCE SHEETS (JUNE YEAR END)

ASSETS	Audited 2010	Audited 2011	Audited 2012	Upon Completion 2015
Current Assets				
Cash	1,515,273	5,927,219	6,771,707	9,773,244
Investments	0	985,410	1,002,980	1,000,000
Accounts Receivable	536,631	712,726	790,045	854,100
Inventory	0	23,880	17,298	25,000
Total Current Assets	2,051,904	7,649,235	8,582,030	11,652,344
Utility Plant				
Land, System, Building and Equipment	270	1,817,289	4,066,804	14,917,233
Less Accumulated Depreciation ( )	0	(23,221)	(72,628)	(432,628)
Net Fixed Assets	270	1,794,068	3,994,176	14,484,605
Total Assets	2,052,174	9,443,303	12,576,206	26,136,949
LIABILITIES				
Current Liabilities				
Accounts Payable	176,620	574,072	735,057	750,000
Accrued Payroll	37,891	83,595	134,181	135,000
Internal Balances	0	281,813	389,326	400,000
Compensated Absences	93,116	99,557	85,440	90,000
Interest Payable	0	2,194	2,311	2,000
C.P. LTD	0	56,898	58,041	61,611
Total Current Liabilities	307,627	1,098,129	1,404,356	1,438,611
Long Term Liabilities				
Compensated Absences	93,116	99,556	85,440	90,000
Long Term Debt	0	1,281,741	1,223,700	1,042,482
Proposed KIA Loan	0	0	0	4,657,640
Total Long Term Liabilities	93,116	1,381,297	1,309,140	5,790,122
Total Liabilities	400,743	2,479,426	2,713,496	7,228,733
Retained Earnings:				
Invested in Capital Assets Net of Related Debt	270	455,429	2,712,435	8,722,872
Unrestricted	1,651,161	6,508,448	7,150,275	10,185,344
Total Retained Earnings	1,651,431	6,963,877	9,862,710	18,908,216
Total Liabilities and Equities	2,052,174	9,443,303	12,576,206	26,136,949
Balance Sheet Analysis				
Current Ratio	6.7	7.0	6.1	8.1
Debt to Equity	0.2	0.4	0.3	0.4
Days Sales in Accounts Receivable	35.1	22.4	23.8	23.8

EXHIBIT 1
LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT (STORMWATER FUND)
CASH FLOW ANALYSIS (JUNE YEAR END)

	Audited 2010	% Change	Audited 2011	% Change	Audited 2012	Projected 2013	Projected 2014	Projected 2015	Projected 2016	Projected 2017
Operating Revenues										
User Charges	5,567,674	108%	11,596,442	4%	12,078,848	12,356,662	12,702,649	13,058,323	13,423,956	13,799,827
Other	13,430	-39%	8,127	105%	16,666	17,049	17,526	18,017	18,521	19,040
Total Revenues	5,581,104	108%	11,604,569	4%	12,095,514	12,373,711	12,720,175	13,076,340	13,442,477	13,818,867
Operating Expenses										
Operating Expenses	4,528,403	38%	6,242,768	46%	9,106,655	9,288,788	9,474,564	9,664,055	9,857,336	10,054,483
Depreciation	0	0%	23,220	113%	49,407	50,000	55,000	255,000	255,000	255,000
Replacement Reserve	0		0		0	0	0	12,000	12,000	12,000
Total Expenses	4,528,403	38%	6,265,988	46%	9,156,062	9,338,788	9,529,564	9,931,055	10,124,336	10,321,483
Net Operating Income	1,052,701	407%	5,338,581	-45%	2,939,452	3,034,923	3,190,611	3,145,285	3,318,141	3,497,384
Non-Operating Income and Expenses										
Other Income / (Expense)	287		(11,302)		45,450	0	0	0	0	0
Total Non-Operating Income & Expenses	287		(11,302)		45,450	0	0	0	0	0
Add Non-Cash Expenses										
Depreciation	0	0%	23,220	113%	49,407	50,000	55,000	255,000	255,000	255,000
Cash Available for Debt Service	**1,052,988**	**408%**	**5,350,499**	**-43%**	**3,034,309**	**3,084,923**	**3,245,611**	**3,400,285**	**3,573,141**	**3,752,384**
Debt Service										
Existing Principal	0		0		56,898	58,041	59,209	60,398	61,611	95,067
Existing Interest	0		0		26,607	25,345	24,179	22,990	21,775	30,014
Proposed KIA Loan	0		0		0	0	0	286,331	286,331	286,331
Total Debt Service	0		0		83,505	83,386	83,388	369,719	369,717	411,412
Income After Debt Service	1,052,988		5,350,499		2,950,804	3,001,537	3,162,223	3,030,566	3,203,424	3,340,972
Debt Coverage Ratio	n/a		n/a		36.3	37.0	38.9	9.2	9.7	9.1

ATTACHMENT

I.B.3.

A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED WASTEWATER REVOLVING FUND LOAN (A13-002) OF $13,674,302 TO THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT, FAYETTE 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 Lexington-Fayette Urban County Government, 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 $13,674,302 of project expense including capitalized interest for the construction period, to the Lexington-Fayette Urban County

Government for the Bob-O-Link Trunk Sewer, Wolf Run Tank and Wolf Run Trunk Sewer Projects. 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 1.75%. In addition to debt service, a 0.2% annual administration fee on the unpaid loan balance will be charged. From annual revenues, $35,000 must be set aside in a borrower held replacement reserve each December 1 until the balance reaches $350,000 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 7th day of March, 2013.

_____
TONY WILDER, CHAIR
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

_____
SANDY WILLIAMS, SECRETARY
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

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

EXECUTIVE SUMMARY		Reviewer	Sandy Williams
KENTUCKY INFRASTRUCTURE AUTHORITY		Date	March 7, 2013
FUND A, FEDERALLY ASSISTED WASTEWATER		KIA Loan Number	A13-002
REVOLVING LOAN FUND		WRIS Number	SX21067038, SX21067042, SX21067044
		HUC Code:	05100205270

BORROWER	LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT FAYETTE COUNTY

BRIEF DESCRIPTION

This project involves the replacement of sanitary sewer trunk lines with larger lines in two areas of the City to meet their EPA mandated Capacity Assurance Program. Approximately 7,600 linear feet of 15 inch lines will be replaced with 15 - 24 inch lines in the Bob-O-Link area. Approximately 1,600 linear feet of 30 inch lines will be replaced with 42 inch lines in the Wolf Run area. Additionally, a 1.8 million gallon wastewater flow equalization facility will be constructed in the Kilrush Drive area in Lexington. These projects are components of the Remedial Measures Plan that was submitted to the U.S. Environmental Protection Agency to comply with the Consent Decree.

PROJECT FINANCING		PROJECT BUDGET	RD Fee %	Actual %	
Fund A Loan	$13,674,302	Administrative Expenses			$0
		Legal Expenses			106,141
		Eng - Design	7.0%	9.8%	1,029,995
		Eng - Constr / Insp	3.7%	0.0%	-
		Construction			10,487,021
		Contingency			2,051,145
TOTAL	$13,674,302	TOTAL			$13,674,302

REPAYMENT	Rate	1.75%	Est. Annual Payment	$840,636
	Term	20 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	See PROJECT DESCRIPTION - "Project Summaries" of Credit Analysis		
	Bond Counsel	Peck, Shaffer, & Williams		

		Bob-O-Link	Wolf Run (Tank)	Wolf Run (Trunk)
PROJECT SCHEDULE	Bid Opening	Jun-13	Sep-13	Sep-13
	Construction Start	Aug-13	Nov-13	Nov-13
	Construction Stop	Jun-14	Jun-14	Jun-14

DEBT PER CUSTOMER	Existing	$595
	Proposed	$1,081
OTHER DEBT		See Attached
OTHER STATE-FUNDED PROJECTS LAST 5 YRS		See Attached

RESIDENTIAL RATES		Users	Avg. Bill	
	Current	103,470	$21.11	(for 4,000 gallons)
	Additional	0	$21.11	(for 4,000 gallons)

REGIONAL COORDINATION This project is consistent with regional planning recommendations.

CASHFLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2010	15,793,116	7,038,061	8,755,055	2.2
Audited 2011	17,223,538	7,117,597	10,105,941	2.4
Audited 2012	17,892,540	9,171,020	8,721,520	2.0
Projected 2013	18,217,680	5,797,812	12,419,868	3.1
Projected 2014	18,934,480	4,545,193	14,389,287	4.2
Projected 2015	19,639,830	7,493,151	12,146,679	2.6
Projected 2016	20,298,430	9,661,248	10,637,182	2.1
Projected 2017	21,097,930	9,600,809	11,497,121	2.2

Reviewer: Sandy Williams
Date: March 7, 2013
Loan Number: A13-002

KENTUCKY INFRASTRUCTURE AUTHORITY
WASTEWATER REVOLVING LOAN FUND (FUND "A")
LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT, FAYETTE COUNTY
PROJECT REVIEW
SX21067038, SX21067042, SX21067044

I. PROJECT DESCRIPTION

The Lexington-Fayette Urban County Government (LFUCG) is requesting $13,674,302 in Clean Water SRF funds for three Sanitary Sewer Overflow (SSO) Projects. The projects will increase capacity by replacing and upsizing existing lines. Additionally, an equalization flow facility will be constructed to manage peak flow periods. Each project component is described individually below. Each project is a component of the Remedial Measures Plan that was submitted to the U.S. Environmental Protection Agency to comply with the Consent Decree and is described individually below. These projects have been grouped together as one loan for administrative purposes due to the close proximity of their estimated completion dates. Engineering costs were evaluated separately for each project.

The United States Environmental Protection Agency (EPA) and the Kentucky Environmental and Public Protection Cabinet (KYEPPC) filed suit in federal court against the Government in 2006 alleging various violations of the Clean Water Act. The Government completed negotiations with EPA and KYEPPC to resolve the alleged violations. The resulting Consent Decree agreement was entered in the United States District Court – Eastern District of Kentucky on January 3, 2011. The settlement agreement requires the Government to undertake extensive studies, sewer improvement projects, and management plans to correct the problems that were alleged. The settlement affords the Government up to 13 years to correct the problems. The Government has estimated that the cost of remedial measures would approach $500 million over the life of the Consent Decree. The Government increased sanitary sewer rates to fund obligations under the Consent Decree and also adopted a storm water management fee.

Project Summaries

The **Bob-O-Link Trunk Sewer project** (SX21067038) will replace approximately 7,600 linear feet (LF) of fifteen inch diameter sewer lines with fifteen to twenty-four inch lines. (Engineer: Integrated Engineering, Lexington)

The **Wolf Run Tank project** (SX21067042) construct a 1.8 million gallon equalization facility in the vicinity of Kilrush Drive and New Circle Road to manage peak flow periods. An engineer has not yet been procured.

The **Wolf Run Trunk Sewer project** (SX21067044) will replace approximately 1,600 LF of thirty inch sewer lines with forty-two inch lines. An engineer has not yet been procured.

II. PROJECT BUDGET

	Bob-O-Link SX21067038	Wolf Run (Tank) SX21067042	Wolf Run Trunk Sewer SX2106044	Total
Legal Expenses	48,131		58,010	106,141
Engineering Fees - Design	164,010	683,253	182,732	1,029,995
Construction	1,424,301	7,331,117	1,731,603	10,487,021
Contingency	288,784	1,414,300	348,061	2,051,145
Total	$1,925,226	$9,428,670	$2,320,406	$13,674,302

III. PROJECT FUNDING

	Amount	%
Fund A Loan	$13,674,302	100%
Total	**$13,674,302**	**100%**

IV. KIA DEBT SERVICE

Construction Loan	$ 13,674,302
Interest Rate	1.75%
Loan Term (Years)	20
Estimated Annual Debt Service	$ 813,287
Administrative Fee (0.20%)	27,349
Total Estimated Annual Debt Service	**$ 840,636**

V. PROJECT SCHEDULE

WRIS #	Description	Bid Opening	Const Start	Const Stop
SX21067044	Wolf Run Trunk Sewer Replacement	09/21/13	11/21/13	06/30/14
SX21067038	Bob O Link Trunk Sewer Replacement	06/13/13	08/30/13	06/30/14
SX21067042	Wolf Run Flow Eq. Storage Tank	09/21/13	11/30/13	06/30/14

VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

A) Customers

Customers	Current
Residential	95,745
Commercial	7,710
Industrial	15
Total	103,470

B) Rates

Residential	**Current**	**Prior**
Date of Last Rate Increase	07/01/12	07/01/11
First 100 Cubic Feet (CF)	$4.94	$4.83
Each Additional 100 CF	3.72	3.64
Cost for 4,000 gallons	$21.11	$20.65
Increase %	2.2%	1.7%
Affordability Index (Rate/MHI)	0.5%	
Commercial and Industrial		
First 100 Cubic Feet (CF)	$5.99	$5.86
Each Additional 100 CF	4.51	4.41
Increase %	2.3%	

Rates were also increased approximately 36% on July 1, 2009. Rates are adjustable each July 1 based on the Consumer Price Index for All Urban Consumers for the prior twelve months ending in April before the adjustment.

VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2006-2010, the County's population was 288,045 with a Median Household Income (MHI) of $47,469. The median household income for the Commonwealth is $41,576. The project will qualify for a 1.75% interest rate because they are complying with a consent decree.

VIII. 2012 CAPITALIZATION GRANT EQUIVALENCIES

1) Green Project Reserve - This project qualifies for Green Project Reserve (GPR) funding for $234,064. The breakdown of the GPR to the respective "green" categories is listed below:
    a. Green Infrastructure - $172,996
    b. Water Efficiency - $0

c. Energy Efficiency - $0
d. Environmentally Innovative - $61,068

2) Additional Subsidization – This project does not qualify for additional subsidization.

IX. FINANCIAL ANALYSIS (See Exhibit 1)

Financial information was obtained from the City's audited financial statements for the years ended June 30, 2010 through 2012 for the Sewer Fund. The Storm Water fund is reported separately.

HISTORY

Revenues declined less than 1% from $47.4 million in 2010 to $47.0 million in 2012. Operating expenses declined 5% from $31.8 million to $30.1 million during the same period. The Debt coverage ratio was 2.2, 2.4, and 2.0, respectively from 2010 through 2012. Debt service increased from $7.0 million in 2010 and 2011 to $9.2 million in 2012.

The balance sheet reflects a current ratio of 9.0 and a debt to equity ratio of 0.3. Months of operating expenses in unrestricted cash and investments is 15.6. Restricted funds are maintained for maintenance and operations, sinking funds, construction, depreciation, and debt service. Total restricted funds at the end of 2012 was $29.8 million of which $6.7 million was held for maintenance and operations and $2.5 million for depreciation.

PROJECTIONS

Projections are based on the following assumptions:

1) Revenues will increase 2% annually for inflation and .8% for growth.
2) Expenses will increase 2% annually for inflation.
3) Debt service on all proposed KIA loans (from the 2013 Intended Use Plan) is estimated at $3,166,592 annually on total loan commitments of $51.5 million.
4) The annual replacement cost for all approved and proposed Sewer Fund loans is $203,070.
5) Debt service coverage is 2.6 in 2015 when principal and interest repayments begin. Debt service will decline to 2.1 in 2016 which is the first full year of payments.

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

REPLACEMENT RESERVE

The annual replacement cost for this loan is $35,000. This amount should be added to the replacement account each December 1 until the balance reaches $350,000 and maintained for the life of the loan.

X. DEBT OBLIGATIONS

	Outstanding	Maturity
2001 A Sewer Revenue Bonds	$ 1,295,000	2013
2009 A Sewer Revenue Bonds	34,575,000	2024
2010 A Sewer Revenue Bonds	13,350,000	2021
KIA (A09-01 South Elkhorn)	13,484,789	2030
KIA (A10-08 i/a/o $10.5M)	0	TBD
KIA (A12-16 i/a/o $1.93M)	0	TBD
Total	**$ 62,704,789**	

XI. OTHER STATE OR FEDERAL FUNDING IN PAST FIVE YEARS

Project Title	Funding Source	Amount	Type
Expansion Area 2A Class A Pump Station and Trunk Sewer	HB608	3,100,000	Grant
Leesway Neighborhood Underserved Areas	HB608	600,000	Grant
South Elkhorn Pump Station and Force Main	EPA	1,146,000	Grant

XII. CONTACTS

Legal Applicant	
Name	Lexington-Fayette Urban County Government
Address	200 East Main Street Lexington, KY 40507
County	Fayette
Authorized Official	Jim Gray (Mayor)
Phone	(859) 258-3100
Email	Mayor@lexingtonky.gov

Project Contact – Applicant / Administrator	
Name	Jeff Rice
Representing	Lexington-Fayette Urban County Government
Address	125 Lisle Industrial Avenue, Suite 180 Lexington, KY 40511
Phone	(859) 367-4920
Email	jkrice@lexingtonky.gov

XIII. RECOMMENDATIONS

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

BALANCE SHEETS (JUNE YEAR END)

ASSETS	Audited 2010	Audited 2011	Audited 2012	Upon Completion 2016
Current Assets				
Cash	7,345,592	3,329,716	5,044,605	10,003,905
Investments	18,307,994	36,917,243	34,216,964	39,176,264
Receivables	5,806,484	2,799,165	2,631,377	2,936,500
Internal Balances	0	2,903,087	0	0
Inventories	4,775	5,739	87,058	87,500
Total Current Assets	31,464,845	45,954,950	41,980,004	52,204,169
Restricted Assets				
Maintenance and Operations	5,851,543	5,854,664	6,654,905	6,655,000
Sinking Fund	4,752,488	5,235,067	7,454,480	7,454,000
Construction & Capital Acquisitions	5,275,778	3,626,461	3,626,843	3,627,000
Depreciation	3,430,396	3,432,225	2,461,024	2,461,000
Debt Service	8,612,473	8,612,473	9,609,868	9,610,000
KIA Repair and Replacement Reserves	0	0	0	382,980
Total Restricted Assets	27,922,678	26,760,890	29,807,120	30,189,980
Utility Plant				
Total	350,604,145	355,077,881	360,167,326	471,125,349
Less Accumulated Depreciation ( )	(133,298,313)	(140,513,274)	(147,610,272)	(180,979,372)
Net Fixed Assets	217,305,832	214,564,607	212,557,054	290,145,977
Other Assets				
Unamortized Bond Costs and Discount, Net	1,766,616	1,656,407	1,484,617	797,457
Total Other Assets	1,766,616	1,656,407	1,484,617	797,457
Total Assets	278,459,971	288,936,854	285,828,795	373,337,583
LIABILITIES				
Current Liabilities				
Accounts Payable	1,728,209	1,886,667	973,351	1,095,600
Accrued Payroll	205,537	313,333	310,630	349,600
Due to Other Funds	2,825,674	0	2,454,595	2,454,600
Unearned Revenues & Other	1,046,155	550,001	595,849	645,000
Compensated Absences	308,103	350,392	349,204	393,000
Total Current Liabilities	6,113,678	3,100,393	4,683,629	4,937,800
Liabilities Payable - Restricted Assets				
Accounts, Contracts and Retainage Payable	959,292	269,096	124,250	250,000
Current Portion - Long Term Debt	4,510,000	5,990,000	3,401,676	4,210,306
Interest Payable	1,466,939	1,329,282	850,162	850,200
Total Liabilities Payable - Restricted Assets	6,936,231	7,588,378	4,376,088	5,310,506
Long Term Liabilities				
Unearned Revenues & Other	289,063	458,935	746,677	808,100
Long Term Debt	60,055,000	67,831,388	58,204,441	45,367,716
KIA Projects	0	0	0	62,291,287
Compensated Absences	710,621	808,307	805,572	872,000
Total Long Term Liabilities	61,054,684	69,098,630	59,756,690	109,339,103
Total Liabilities	74,104,593	79,787,401	68,816,407	119,587,409
Retained Earnings:				
Total Retained Earnings	204,355,378	209,149,453	217,012,388	253,750,174
Total Liabilities and Equities	278,459,971	288,936,854	285,828,795	373,337,583
Balance Sheet Analysis				
Current Ratio	5.1	14.8	9.0	10.6
Debt to Equity	0.4	0.4	0.3	0.5
Days Sales in Accounts Receivable	44.7	20.9	20.4	20.4
Months Operating Expenses in Unrestricted Cash	9.7	15.0	15.6	18.1

EXHIBIT 1

CASH FLOW ANALYSIS (JUNE YEAR END)

	Audited	%	Audited	%	Audited	Projected	Projected	Projected	Projected	Projected
Operating Revenues	**2010**	**Change**	**2011**	**Change**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
User Charges	45,578,971	0%	45,663,797	-3%	44,334,743	45,576,100	46,852,200	48,164,100	49,512,700	50,899,100
Fees	1,072,452	42%	1,523,169	28%	1,944,010	1,998,400	2,054,400	2,111,900	2,171,000	2,231,800
Exactions	287,677	208%	885,730	-83%	150,120	154,300	158,600	163,000	167,600	172,300
Other	448,880	73%	776,339	-21%	615,624	650,000	650,000	650,000	650,000	650,000
Total Revenues	47,387,980	3%	48,849,035	-4%	47,044,497	48,378,800	49,715,200	51,089,000	52,501,300	53,953,200
Operating Expenses										
Treatment Plant	8,502,531	-1%	8,411,093	-6%	7,933,477	8,092,100	8,253,900	8,419,000	8,587,400	8,759,100
Collection System	4,297,166	29%	5,544,184	-9%	5,064,273	5,165,600	5,268,900	5,374,300	5,481,800	5,591,400
Administration	18,974,390	-4%	18,243,183	-6%	17,142,578	17,485,400	17,835,100	18,191,800	18,555,600	18,926,700
Depreciation	7,113,944	1%	7,214,960	1%	7,299,442	7,299,400	8,013,700	8,728,000	9,328,000	9,328,000
Replacement Reserve	0		0		0	43,020	47,820	89,070	203,070	203,070
Total Expenses	38,888,031	1%	39,413,420	-5%	37,439,770	38,085,520	39,419,420	40,802,170	42,155,870	42,808,270
Net Operating Income	8,499,949	11%	9,435,615	2%	9,604,727	10,293,280	10,295,780	10,286,830	10,345,430	11,144,930
Non-Operating Income and Expenses										
Investment Income	57,657	826%	533,814	83%	978,911	600,000	600,000	600,000	600,000	600,000
Other	121,566		39,149		9,460	25,000	25,000	25,000	25,000	25,000
Total Non-Operating Income & Expenses	179,223	220%	572,963	73%	988,371	625,000	625,000	625,000	625,000	625,000
Add Non-Cash Expenses										
Depreciation	7,113,944	1%	7,214,960	1%	7,299,442	7,299,400	8,013,700	8,728,000	9,328,000	9,328,000
Cash Available for Debt Service	**15,793,116**	**9%**	**17,223,538**	**4%**	**17,892,540**	**18,217,680**	**18,934,480**	**19,639,830**	**20,298,430**	**21,097,930**
Debt Service (enter as positive #'s)										
Existing Debt	7,038,061		7,117,597		9,171,020	5,797,812	4,423,774	5,608,637	5,712,669	5,652,230
Approved KIA Projects In Process	0		0		0	0	121,419	781,987	781,987	781,987
Proposed Projects	0		0		0	0	0	1,102,527	3,166,592	3,166,592
Total Debt Service	7,038,061		7,117,597		9,171,020	5,797,812	4,545,193	7,493,151	9,661,248	9,600,809
Income After Debt Service	8,755,055		10,105,941		8,721,520	12,419,868	14,389,287	12,146,679	10,637,182	11,497,121
Debt Coverage Ratio	2.2		2.4		2.0	3.1	4.2	2.6	2.1	2.2

3/1/2013 3:46 PM, Cashflow
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ATTACHMENT

I.B.4.

A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED WASTEWATER REVOLVING FUND LOAN (A13-003) OF $10,194,421 TO THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT, FAYETTE 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 Lexington-Fayette Urban County Government, 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 $10,194,421 of project expense including capitalized interest for the construction period, to the Lexington-Fayette Urban County

Government for the Eastlake Trunk Sewer Replacement, Century Hills Trunk Sewer, West Hickman Trunk Sewer, and Woodhill Trunk Sewer Replacement Projects. 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 1.75%. In addition to debt service, a 0.2% annual administration fee on the unpaid loan balance will be charged. From annual revenues, $25,000 must be set aside in a borrower held replacement reserve each December 1 until the balance reaches $250,000 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 7th day of March, 2013.

_____
TONY WILDER, CHAIR
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

_____
SANDY WILLIAMS, SECRETARY
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

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

EXECUTIVE SUMMARY		Reviewer	Sandy Williams
KENTUCKY INFRASTRUCTURE AUTHORITY		Date	March 7, 2013
FUND A, FEDERALLY ASSISTED WASTEWATER		KIA Loan Number	A13-003
REVOLVING LOAN FUND		WRIS Number	SX21067037, SX21067039, SX21067040, SX21067043
		HUC Code:	05100205120

BORROWER	LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT FAYETTE COUNTY

BRIEF DESCRIPTION

This project involves the replacement of sanitary sewer trunk lines with larger lines in four areas of the City to meet their EPA mandated Capacity Assurance Program. Approximately 9,400 linear feet of 12 - 18 inch lines will be replaced with 15 - 30 inch lines in the areas of Eastgate, Century Hills, West Hickman, and Woodhill. These projects are components of the Remedial Measures Plan that was submitted to the U.S. Environmental Protection Agency to comply with the Consent Decree.

PROJECT FINANCING		PROJECT BUDGET	RD Fee %	Actual %	
Fund A Loan	$10,194,421	Administrative Expenses			$5,110
		Legal Expenses			148,302
		Planning			2,555
		Eng - Design	7.6%	10.2%	781,977
		Eng - Constr / Insp	4.5%	0.7%	51,104
		Eng - Other			7,666
		Construction			7,636,349
		Contingency			1,408,048
		Other			153,310
TOTAL	$10,194,421	TOTAL			$10,194,421

REPAYMENT	Rate	1.75%	Est. Annual Payment	$626,708
	Term	20 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	See PROJECT DESCRIPTION - "Project Summaries" of Credit Analysis		
	Bond Counsel	Peck, Shaffer, & Williams		

PROJECT SCHEDULE		Eastlake	Century Hills	West Hickman	Woodhill
	Bid Opening	Jun-13	Jun-13	Sep-13	Sep-13
	Construction Start	Aug-13	Aug-13	Nov-13	Nov-13
	Construction Stop	Jun-14	Jun-14	Jun-14	Jun-14

DEBT PER CUSTOMER	Existing	$595	
	Proposed	$1,081	
OTHER DEBT		See Attached	
OTHER STATE-FUNDED PROJECTS LAST 5 YRS		See Attached	

RESIDENTIAL RATES		Users	Avg. Bill	
	Current	103,470	$21.11	(for 4,000 gallons)
	Additional	0	$21.11	(for 4,000 gallons)

REGIONAL COORDINATION This project is consistent with regional planning recommendations.

CASHFLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2010	15,793,116	7,038,061	8,755,055	2.2
Audited 2011	17,223,538	7,117,597	10,105,941	2.4
Audited 2012	17,892,540	9,171,020	8,721,520	2.0
Projected 2013	18,217,680	5,797,812	12,419,868	3.1
Projected 2014	18,934,480	4,545,193	14,389,287	4.2
Projected 2015	19,639,830	7,493,151	12,146,679	2.6
Projected 2016	20,298,430	9,661,248	10,637,182	2.1
Projected 2017	21,097,930	9,600,809	11,497,121	2.2

Reviewer: Sandy Williams
Date: March 7, 2013
Loan Number: A13-003

KENTUCKY INFRASTRUCTURE AUTHORITY
WASTEWATER REVOLVING LOAN FUND (FUND "A")
LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT, FAYETTE COUNTY
PROJECT REVIEW
SX21067037, SX21067039, SX21067040, SX21067043

I. PROJECT DESCRIPTION

The Lexington-Fayette Urban County Government (Government) is requesting $10,194,421 in Clean Water SRF funds for four Sanitary Sewer Overflow (SSO) Projects. The projects will increase capacity by replacing and upsizing existing lines. A new line will also be constructed that will substantially eliminate upstream flows from other areas. Each project is a component of the Remedial Measures Plan that was submitted to the U.S. Environmental Protection Agency to comply with the Consent Decree and is described individually below. These projects have been grouped together as one loan for administrative purposes due to the close proximity of their estimated completion dates. Engineering costs were evaluated independently for each project.

The United States Environmental Protection Agency (EPA) and the Kentucky Environmental and Public Protection Cabinet (KYEPPC) filed suit in federal court against the Government in 2006 alleging various violations of the Clean Water Act. The Government completed negotiations with EPA and KYEPPC to resolve the alleged violations. The resulting Consent Decree agreement was entered in the United States District Court – Eastern District of Kentucky on January 3, 2011. The settlement agreement requires the Government to undertake extensive studies, sewer improvement projects, and management plans to correct the problems that were alleged. The settlement affords the Government up to 13 years to correct the problems. The Government has estimated that the cost of remedial measures would approach $500 million over the life of the Consent Decree. The Government increased sanitary sewer rates to fund obligations under the Consent Decree and also adopted a storm water management fee.

Project Summaries

The **Eastlake Trunk Sewer Replacement project** (SX21067037) will replace approximately 1,800 linear feet (LF) of fifteen inch diameter sewer lines with eighteen to twenty-one inch lines. (Engineer: Integrated Engineering, Lexington)

The **Century Hills Trunk Sewer Replacement project** (SX21067039) will replace approximately 3,100 LF of twelve to fifteen inch diameter sewer lines with eighteen to twenty-one inch lines. (Engineer: CDP Engineers, Lexington)

The **West Hickman Trunk Sewer Replacement project** (SX21067040) will replace approximately 800 LF of sewer lines with fifteen to eighteen inch lines. Additionally, a 3,900 LF parallel sanitary sewer with a forty-eight inch diameter will be constructed to eliminate upstream SSOs. An engineer has not yet been procured.

The **Woodhill Trunk Sewer Replacement project** (SX21067043) will replace approximately 3,700 linear feet of twelve to eighteen inch diameter sewer lines with fifteen to thirty inch lines. An engineer has not yet been procured.

II. PROJECT BUDGET

	Eastlake SX21067037	Century Hills SX21067039	West Hickman SX2106040	Woodhill SX2106043	Total
Administrative Expenses	5,110				5,110
Legal Expenses	25,552	40,771		81,979	148,302
Planning	2,555				2,555
Engineering Fees - Design	51,103	130,204	345,950	254,720	781,977
Engineering Fees - Const / Insp	51,104				51,104
Engineering Fees - Other	7,666				7,666
Construction	511,032	1,215,241	3,459,498	2,450,578	7,636,349
Contingency		244,627	671,549	491,872	1,408,048
Other	153,310				153,310
Total	$807,432	$1,630,843	$4,476,997	$3,279,149	$10,194,421

III. PROJECT FUNDING

	Amount	%
Fund A Loan	$10,194,421	100%
Total	**$10,194,421**	**100%**

IV. KIA DEBT SERVICE

Construction Loan	$ 10,194,421
Interest Rate	1.75%
Loan Term (Years)	20
Estimated Annual Debt Service	$ 606,319
Administrative Fee (0.20%)	20,389
Total Estimated Annual Debt Service	**$ 626,708**

V. PROJECT SCHEDULE

WRIS #	Description	Bid Opening	Const Start	Const Stop
SX21067037	Eastlake Trunk Sewer Replacement	06/22/13	08/30/13	06/30/14
SX21067039	Century Hills Trunk Sewer Replacement	06/22/13	08/30/13	06/30/14
SX21067040	West Hickman WWTP Flow Eq. Storage Tanks	09/21/13	11/21/13	06/30/14
SX21067043	Woodhill Trunk Sewer Replacement	09/21/13	11/21/13	06/30/14

VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

A) Customers

Customers	Current
Residential	95,745
Commercial	7,710
Industrial	15
Total	103,470

B) Rates

Residential	Current	Prior
Date of Last Rate Increase	07/01/12	07/01/11
First 100 Cubic Feet (CF)	$4.94	$4.83
Each Additional 100 CF	3.72	3.64
Cost for 4,000 gallons	$21.11	$20.65
Increase %	2.2%	1.7%
Affordability Index (Rate/MHI)	0.5%	

Commercial and Industrial		
First 100 Cubic Feet (CF)	$5.99	$5.86
Each Additional 100 CF	4.51	4.41
Increase %	2.3%	

Rates were also increased approximately 36% on July 1, 2009. Rates are adjustable each July 1 based on the Consumer Price Index for All Urban Consumers for the prior twelve months ending in April before the adjustment.

VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2006-2010, the County's population was 288,045 with a Median Household Income (MHI) of $47,469. The median household income for the Commonwealth is $41,576. The project will qualify for a 1.75% interest rate because they are complying with a consent decree.

VIII. 2012 CAPITALIZATION GRANT EQUIVALENCIES

1) Green Project Reserve - This project qualifies for Green Project Reserve (GPR) funding for $209,042. The breakdown of the GPR to the respective "green" categories is listed below:
    a. Green Infrastructure - $129,042
    b. Water Efficiency - $0
    c. Energy Efficiency - $0
    d. Environmentally Innovative - $80,000

2) Additional Subsidization – This project does not qualify for additional subsidization.

IX. FINANCIAL ANALYSIS (See Exhibit 1)

Financial information was obtained from the City's audited financial statements for the years ended June 30, 2010 through 2012 for the Sewer Fund. The Storm Water fund is reported separately.

HISTORY

Revenues declined less than 1% from $47.4 million in 2010 to $47.0 million in 2012. Operating expenses declined 5% from $31.8 million to $30.1 million during the same period. The Debt coverage ratio was 2.2, 2.4, and 2.0, respectively from 2010 through 2012. Debt service increased from $7.0 million in 2010 and 2011 to $9.2 million in 2012.

The balance sheet reflects a current ratio of 9.0 and a debt to equity ratio of 0.3. Months of operating expenses in unrestricted cash and investments is 15.6. Restricted funds are maintained for maintenance and operations, sinking funds, construction, depreciation, and debt service. Total restricted funds at the end of 2012 was $29.8 million of which $6.7 million was held for maintenance and operations and $2.5 million for depreciation.

PROJECTIONS

Projections are based on the following assumptions:

1) Revenues will increase 2% annually for inflation and .8% for growth.
2) Expenses will increase 2% annually for inflation.
3) Debt service on all proposed KIA loans (from the 2013 Intended Use Plan) is estimated at $3,166,592 annually on total loan commitments of $51.5 million.
4) The annual replacement cost for all approved and proposed Sewer Fund loans is $203,070.
5) Debt service coverage is 2.6 in 2015 when principal and interest repayments begin. Debt service will decline to 2.1 in 2016 which is the first full year of payments.

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

REPLACEMENT RESERVE

The annual replacement cost for this loan is $25,000. This amount should be added to the replacement account each December 1 until the balance reaches $250,000 and maintained for the life of the loan.

X. DEBT OBLIGATIONS

	Outstanding	Maturity
2001 A Sewer Revenue Bonds	$ 1,295,000	2013
2009 A Sewer Revenue Bonds	34,575,000	2024
2010 A Sewer Revenue Bonds	13,350,000	2021
KIA (A09-01 South Elkhorn)	13,484,789	2030
KIA (A10-08 i/a/o $10.5M)	0	TBD
KIA (A12-16 i/a/o $1.93M)	0	TBD
Total	**$ 62,704,789**	

XI. OTHER STATE OR FEDERAL FUNDING IN PAST FIVE YEARS

Project Title	Funding Source	Amount	Type
Expansion Area 2A Class A Pump Station and Trunk Sewer	HB608	3,100,000	Grant
Leesway Neighborhood Underserved Areas	HB608	600,000	Grant
South Elkhorn Pump Station and Force Main	EPA	1,146,000	Grant

XII. CONTACTS

Legal Applicant	
Name	Lexington-Fayette Urban County Government
Address	200 East Main Street
	Lexington, KY 40507
County	Fayette
Authorized Official	Jim Gray (Mayor)
Phone	(859) 258-3100
Email	Mayor@lexingtonky.gov

Project Contact - Applicant	
Name	Jeff Rice
Representing	Lexington-Fayette Urban County Government
Address	125 Lisle Industrial Avenue, Suite 180
	Lexington, KY 40511
Phone	(859) 367-4920
Email	jkrice@lexingtonky.gov

Project Administrator	
Name	Lexington-Fayette Urban County Government
Address	125 Lisle Industrial Avenue, Suite 180
	Lexington, KY 40511
Contact	Charles Martin, P.E.
Phone	(859) 425-2455
Email	chmartin@lexingtonky.gov

XIII. RECOMMENDATIONS

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

BALANCE SHEETS (JUNE YEAR END)

ASSETS	Audited 2010	Audited 2011	Audited 2012	Upon Completion 2016
Current Assets				
Cash	7,345,592	3,329,716	5,044,605	10,003,905
Investments	18,307,994	36,917,243	34,216,964	39,176,264
Receivables	5,806,484	2,799,165	2,631,377	2,936,500
Internal Balances	0	2,903,087	0	0
Inventories	4,775	5,739	87,058	87,500
Total Current Assets	31,464,845	45,954,950	41,980,004	52,204,169
Restricted Assets				
Maintenance and Operations	5,851,543	5,854,664	6,654,905	6,655,000
Sinking Fund	4,752,488	5,235,067	7,454,480	7,454,000
Construction & Capital Acquisitions	5,275,778	3,626,461	3,626,843	3,627,000
Depreciation	3,430,396	3,432,225	2,461,024	2,461,000
Debt Service	8,612,473	8,612,473	9,609,868	9,610,000
KIA Repair and Replacement Reserves	0	0	0	382,980
Total Restricted Assets	27,922,678	26,760,890	29,807,120	30,189,980
Utility Plant				
Total	350,604,145	355,077,881	360,167,326	471,125,349
Less Accumulated Depreciation ( )	(133,298,313)	(140,513,274)	(147,610,272)	(180,979,372)
Net Fixed Assets	217,305,832	214,564,607	212,557,054	290,145,977
Other Assets				
Unamortized Bond Costs and Discount, Net	1,766,616	1,656,407	1,484,617	797,457
Total Other Assets	1,766,616	1,656,407	1,484,617	797,457
Total Assets	278,459,971	288,936,854	285,828,795	373,337,583
LIABILITIES				
Current Liabilities				
Accounts Payable	1,728,209	1,886,667	973,351	1,095,600
Accrued Payroll	205,537	313,333	310,630	349,600
Due to Other Funds	2,825,674	0	2,454,595	2,454,600
Unearned Revenues & Other	1,046,155	550,001	595,849	645,000
Compensated Absences	308,103	350,392	349,204	393,000
Total Current Liabilities	6,113,678	3,100,393	4,683,629	4,937,800
Liabilities Payable - Restricted Assets				
Accounts, Contracts and Retainage Payable	959,292	269,096	124,250	250,000
Current Portion - Long Term Debt	4,510,000	5,990,000	3,401,676	4,210,306
Interest Payable	1,466,939	1,329,282	850,162	850,200
Total Liabilities Payable - Restricted Assets	6,936,231	7,588,378	4,376,088	5,310,506
Long Term Liabilities				
Unearned Revenues & Other	289,063	458,935	746,677	808,100
Long Term Debt	60,055,000	67,831,388	58,204,441	45,367,716
KIA Projects	0	0	0	62,291,287
Compensated Absences	710,621	808,307	805,572	872,000
Total Long Term Liabilities	61,054,684	69,098,630	59,756,690	109,339,103
Total Liabilities	74,104,593	79,787,401	68,816,407	119,587,409
Retained Earnings:				
Total Retained Earnings	204,355,378	209,149,453	217,012,388	253,750,174
Total Liabilities and Equities	278,459,971	288,936,854	285,828,795	373,337,583
Balance Sheet Analysis				
Current Ratio	5.1	14.8	9.0	10.6
Debt to Equity	0.4	0.4	0.3	0.5
Days Sales in Accounts Receivable	44.7	20.9	20.4	20.4
Months Operating Expenses in Unrestricted Cash	9.7	15.0	15.6	18.1

EXHIBIT 1

CASH FLOW ANALYSIS (JUNE YEAR END)

	Audited	%	Audited	%	Audited	Projected	Projected	Projected	Projected	Projected
Operating Revenues	**2010**	**Change**	**2011**	**Change**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
User Charges	45,578,971	0%	45,663,797	-3%	44,334,743	45,576,100	46,852,200	48,164,100	49,512,700	50,899,100
Fees	1,072,452	42%	1,523,169	28%	1,944,010	1,998,400	2,054,400	2,111,900	2,171,000	2,231,800
Exactions	287,677	208%	885,730	-83%	150,120	154,300	158,600	163,000	167,600	172,300
Other	448,880	73%	776,339	-21%	615,624	650,000	650,000	650,000	650,000	650,000
Total Revenues	47,387,980	3%	48,849,035	-4%	47,044,497	48,378,800	49,715,200	51,089,000	52,501,300	53,953,200
Operating Expenses										
Treatment Plant	8,502,531	-1%	8,411,093	-6%	7,933,477	8,092,100	8,253,900	8,419,000	8,587,400	8,759,100
Collection System	4,297,166	29%	5,544,184	-9%	5,064,273	5,165,600	5,268,900	5,374,300	5,481,800	5,591,400
Administration	18,974,390	-4%	18,243,183	-6%	17,142,578	17,485,400	17,835,100	18,191,800	18,555,600	18,926,700
Depreciation	7,113,944	1%	7,214,960	1%	7,299,442	7,299,400	8,013,700	8,728,000	9,328,000	9,328,000
Replacement Reserve	0		0		0	43,020	47,820	89,070	203,070	203,070
Total Expenses	38,888,031	1%	39,413,420	-5%	37,439,770	38,085,520	39,419,420	40,802,170	42,155,870	42,808,270
Net Operating Income	8,499,949	11%	9,435,615	2%	9,604,727	10,293,280	10,295,780	10,286,830	10,345,430	11,144,930
Non-Operating Income and Expenses										
Investment Income	57,657	826%	533,814	83%	978,911	600,000	600,000	600,000	600,000	600,000
Other	121,566		39,149		9,460	25,000	25,000	25,000	25,000	25,000
Total Non-Operating Income & Expenses	179,223	220%	572,963	73%	988,371	625,000	625,000	625,000	625,000	625,000
Add Non-Cash Expenses										
Depreciation	7,113,944	1%	7,214,960	1%	7,299,442	7,299,400	8,013,700	8,728,000	9,328,000	9,328,000
Cash Available for Debt Service	**15,793,116**	**9%**	**17,223,538**	**4%**	**17,892,540**	**18,217,680**	**18,934,480**	**19,639,830**	**20,298,430**	**21,097,930**
Debt Service (enter as positive #'s)										
Existing Debt	7,038,061		7,117,597		9,171,020	5,797,812	4,423,774	5,608,637	5,712,669	5,652,230
Approved KIA Projects In Process	0		0		0	0	121,419	781,987	781,987	781,987
Proposed Projects	0		0		0	0	0	1,102,527	3,166,592	3,166,592
Total Debt Service	7,038,061		7,117,597		9,171,020	5,797,812	4,545,193	7,493,151	9,661,248	9,600,809
Income After Debt Service	8,755,055		10,105,941		8,721,520	12,419,868	14,389,287	12,146,679	10,637,182	11,497,121
Debt Coverage Ratio	2.2		2.4		2.0	3.1	4.2	2.6	2.1	2.2

3/1/2013 3:46 PM, Cashflow
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A T T A C H M E N T

I.B.5.

A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED WASTEWATER REVOLVING FUND LOAN (A13-015) OF $21,641,030 TO THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT, FAYETTE 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 Lexington-Fayette Urban County Government, 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 $21,641,030 of project expense including capitalized interest for the construction period, to the Lexington-Fayette Urban County

Government for Phase I of the Town Branch Wastewater Treatment Plant Wet Weather Storage Tanks 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 1.75%. In addition to debt service, a 0.2% annual administration fee on the unpaid loan balance will be charged. From annual revenues, $54,000 must be set aside in a borrower held replacement reserve each December 1 until the balance reaches $540,000 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 7th day of March, 2013.

_____
TONY WILDER, CHAIR
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

_____
SANDY WILLIAMS, SECRETARY
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

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

EXECUTIVE SUMMARY		Reviewer	Sandy Williams
KENTUCKY INFRASTRUCTURE AUTHORITY		Date	March 7, 2013
FUND A, FEDERALLY ASSISTED WASTEWATER		KIA Loan Number	A13-015
REVOLVING LOAN FUND		WRIS Number	SX21067041
		HUC Code:	05100206270
BORROWER	LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT FAYETTE COUNTY		

BRIEF DESCRIPTION

This project involves the design and cosntruction of Phase I of a multi-phase wastewater storage facility at the Town Branch Wastewater Treatment Plant on Lisle Industrial Avenue. The first phase includes the relocation of existing facilities, environmental assessments, soil remediation and the construction of a 22 million gallon wet weather storage tank. The existing sewer system lacks the capacity to meet LFUCG's EPA mandated Capacity Assurance Program.

PROJECT FINANCING		PROJECT BUDGET	RD Fee %	Actual %	
Eastlake Trunk Sewer					
(SX21067037)	$21,641,030	Administrative Expenses			$209,000
Local Funds	10,159,970	Legal Expenses			1,047,000
		Land, Easements			1,250,000
		Eng - Design	6.4%	5.1%	1,360,000
		Eng - Constr / Insp	3.0%	4.3%	1,140,000
		Eng - Other			250,000
		Construction			20,395,000
		Contingency			6,150,000
TOTAL	$31,801,000	TOTAL			$31,801,000

REPAYMENT	Rate	1.75%	Est. Annual Payment	$1,330,395
	Term	20 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	Hazen and Sawyer		
	Bond Counsel	Peck, Shaffer, & Williams		
PROJECT SCHEDULE	Bid Opening	Oct-13		
	Construction Start	Dec-13		
	Construction Stop	Dec-15		
DEBT PER CUSTOMER	Existing	$595		
	Proposed	$1,081		
OTHER DEBT		See Attached		
OTHER STATE-FUNDED PROJECTS LAST 5 YRS		See Attached		

RESIDENTIAL RATES		Users	Avg. Bill	
	Current	103,470	$21.11	(for 4,000 gallons)
	Additional	0	$21.11	(for 4,000 gallons)

REGIONAL COORDINATION This project is consistent with regional planning recommendations.

CASHFLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2010	15,793,116	7,038,061	8,755,055	2.2
Audited 2011	17,223,538	7,117,597	10,105,941	2.4
Audited 2012	17,892,540	9,171,020	8,721,520	2.0
Projected 2013	18,217,680	5,797,812	12,419,868	3.1
Projected 2014	18,934,480	4,545,193	14,389,287	4.2
Projected 2015	19,639,830	7,493,151	12,146,679	2.6
Projected 2016	20,298,430	9,661,248	10,637,182	2.1
Projected 2017	21,097,930	9,600,809	11,497,121	2.2

Reviewer: Sandy Williams
Date: March 7, 2013
Loan Number: A13-015

KENTUCKY INFRASTRUCTURE AUTHORITY
WASTEWATER REVOLVING LOAN FUND (FUND "A")
LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT, FAYETTE COUNTY
PROJECT REVIEW
SX21067041

I. PROJECT DESCRIPTION

The Lexington-Fayette Urban County Government (Government) is requesting $21,641,030 in Clean Water SRF funds for Phase I of the Town Branch Wastewater Treatment Plant Wet Weather Storage Tanks project. The existing sewer system lacks the capacity to meet LFUCG's EPA mandated Capacity Assurance Program. The project is a component of the Remedial Measures Plan that was submitted to the U.S. Environmental Protection Agency to comply with the Consent Decree, which is discussed below.

The project involves the design and construction of a multi-phase wet weather storage facility at the Town Branch Wastewater Treatment Plant on Lisle Industrial Avenue. The first phase includes the relocation of existing facilities, environmental assessments, soil remediation and the construction of a 22 million gallon wet weather storage tank. When all phases are complete, total storage volume will be approximately 44 million gallons with a projected cost to exceed $111 million. Phase I includes some design costs for project components that must be compatible between all phases.

The United States Environmental Protection Agency (EPA) and the Kentucky Environmental and Public Protection Cabinet (KYEPPC) filed suit in federal court against the Government in 2006 alleging various violations of the Clean Water Act. The Government completed negotiations with EPA and KYEPPC to resolve the alleged violations. The resulting Consent Decree agreement was entered in the United States District Court – Eastern District of Kentucky on January 3, 2011. The settlement agreement requires the Government to undertake extensive studies, sewer improvement projects, and management plans to correct the problems that were alleged. The settlement affords the Government up to 13 years to correct the problems. The Government has estimated that the cost of remedial measures would approach $500 million over the life of the Consent Decree. The Government increased sanitary sewer rates to fund obligations under the Consent Decree and also adopted a storm water management fee.

II. PROJECT BUDGET

	Total
Administrative Expenses	$ 209,000
Legal Expenses	1,047,000
Land, Easements	1,250,000
Engineering Fees - Design	1,360,000
Engineering Fees - Const / Inspection	1,140,000
Engineering Fees - Other	250,000
Construction	20,395,000
Contingency	6,150,000
Total	**$ 31,801,000**

III. PROJECT FUNDING

	Amount	%
Fund A Loan	$21,641,030	68%
Local Funds	10,159,970	32%
Total	**$31,801,000**	**100%**

IV. KIA DEBT SERVICE

Construction Loan	$ 21,641,030
Interest Rate	1.75%
Loan Term (Years)	20
Estimated Annual Debt Service	$ 1,287,113
Administrative Fee (0.20%)	43,282
Total Estimated Annual Debt Service	**$ 1,330,395**

V. PROJECT SCHEDULE

Bid Opening	October 2013
Construction Start	December 2013
Construction Stop	December 2015

VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

A) Customers

Customers	Current
Residential	95,745
Commercial	7,710
Industrial	15
Total	103,470

B) Rates

Residential	**Current**	**Prior**
Date of Last Rate Increase	07/01/12	07/01/11
First 100 Cubic Feet (CF)	$4.94	$4.83
Each Additional 100 CF	3.72	3.64
Cost for 4,000 gallons	$21.11	$20.65
Increase %	2.2%	1.7%
Affordability Index (Rate/MHI)	0.5%	
Commercial and Industrial		
First 100 Cubic Feet (CF)	$5.99	$5.86
Each Additional 100 CF	4.51	4.41
Increase %	2.3%	

Rates were also increased approximately 36% on July 1, 2009. Rates are adjustable each July 1 based on the Consumer Price Index for All Urban Consumers for the prior twelve months ending in April before the adjustment.

VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2006-2010, the County's population was 288,045 with a Median Household Income (MHI) of $47,469. The median household income for the Commonwealth is $41,576. The project will qualify for a 1.75% interest rate.

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1) Green Project Reserve - This project qualifies for Green Project Reserve (GPR) funding for $405,000. The breakdown of the GPR to the respective "green" categories is listed below:
    a. Green Infrastructure - $50,000
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2) Additional Subsidization – This project does not qualify for additional subsidization.

IX. FINANCIAL ANALYSIS (See Exhibit 1)

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Projections are based on the following assumptions:

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4) The annual replacement cost for all approved and proposed Sewer Fund loans is $203,070.
5) Debt service coverage is 2.6 in 2015 when principal and interest repayments begin. Debt service will decline to 2.1 in 2016 which is the first full year of payments.

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

REPLACEMENT RESERVE
The annual replacement cost for this loan is $54,000. This amount should be added to the replacement account each December 1 until the balance reaches $540,000 and maintained for the life of the loan.

X. DEBT OBLIGATIONS

	Outstanding	Maturity
2001 A Sewer Revenue Bonds	$ 1,295,000	2013
2009 A Sewer Revenue Bonds	34,575,000	2024
2010 A Sewer Revenue Bonds	13,350,000	2021
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KIA (A10-08 i/a/o $10.5M)	0	TBD
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Total	**$ 62,704,789**	

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XII. CONTACTS

Legal Applicant	
Name	Lexington-Fayette Urban County Government
Address	200 East Main Street
	Lexington, KY 40507
County	Fayette
Authorized Official	Jim Gray (Mayor)
Phone	(859) 258-3100
Email	Mayor@lexingtonky.gov

Project Contact – Applicant / Administrator	
Name	Charles H. Martin, P.E.
Representing	Lexington-Fayette Urban County Government
Address	125 Lisle Industrial Avenue, Suite 180
	Lexington, KY 40511
Phone	(859) 425-2455
Email	chmartin@lexingtonky.gov

Consulting Engineer	
Name	Not Selected

XIII. RECOMMENDATIONS

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

BALANCE SHEETS (JUNE YEAR END)

ASSETS	Audited 2010	Audited 2011	Audited 2012	Upon Completion 2016
Current Assets				
Cash	7,345,592	3,329,716	5,044,605	10,003,905
Investments	18,307,994	36,917,243	34,216,964	39,176,264
Receivables	5,806,484	2,799,165	2,631,377	2,936,500
Internal Balances	0	2,903,087	0	0
Inventories	4,775	5,739	87,058	87,500
Total Current Assets	31,464,845	45,954,950	41,980,004	52,204,169
Restricted Assets				
Maintenance and Operations	5,851,543	5,854,664	6,654,905	6,655,000
Sinking Fund	4,752,488	5,235,067	7,454,480	7,454,000
Construction & Capital Acquisitions	5,275,778	3,626,461	3,626,843	3,627,000
Depreciation	3,430,396	3,432,225	2,461,024	2,461,000
Debt Service	8,612,473	8,612,473	9,609,868	9,610,000
KIA Repair and Replacement Reserves	0	0	0	382,980
Total Restricted Assets	27,922,678	26,760,890	29,807,120	30,189,980
Utility Plant				
Total	350,604,145	355,077,881	360,167,326	471,125,349
Less Accumulated Depreciation ( )	(133,298,313)	(140,513,274)	(147,610,272)	(180,979,372)
Net Fixed Assets	217,305,832	214,564,607	212,557,054	290,145,977
Other Assets				
Unamortized Bond Costs and Discount, Net	1,766,616	1,656,407	1,484,617	797,457
Total Other Assets	1,766,616	1,656,407	1,484,617	797,457
Total Assets	278,459,971	288,936,854	285,828,795	373,337,583
LIABILITIES				
Current Liabilities				
Accounts Payable	1,728,209	1,886,667	973,351	1,095,600
Accrued Payroll	205,537	313,333	310,630	349,600
Due to Other Funds	2,825,674	0	2,454,595	2,454,600
Unearned Revenues & Other	1,046,155	550,001	595,849	645,000
Compensated Absences	308,103	350,392	349,204	393,000
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Current Portion - Long Term Debt	4,510,000	5,990,000	3,401,676	4,210,306
Interest Payable	1,466,939	1,329,282	850,162	850,200
Total Liabilities Payable - Restricted Assets	6,936,231	7,588,378	4,376,088	5,310,506
Long Term Liabilities				
Unearned Revenues & Other	289,063	458,935	746,677	808,100
Long Term Debt	60,055,000	67,831,388	58,204,441	45,367,716
KIA Projects	0	0	0	62,291,287
Compensated Absences	710,621	808,307	805,572	872,000
Total Long Term Liabilities	61,054,684	69,098,630	59,756,690	109,339,103
Total Liabilities	74,104,593	79,787,401	68,816,407	119,587,409
Retained Earnings:				
Total Retained Earnings	204,355,378	209,149,453	217,012,388	253,750,174
Total Liabilities and Equities	278,459,971	288,936,854	285,828,795	373,337,583
Balance Sheet Analysis				
Current Ratio	5.1	14.8	9.0	10.6
Debt to Equity	0.4	0.4	0.3	0.5
Days Sales in Accounts Receivable	44.7	20.9	20.4	20.4
Months Operating Expenses in Unrestricted Cash	9.7	15.0	15.6	18.1

EXHIBIT 1

CASH FLOW ANALYSIS (JUNE YEAR END)

	Audited	%	Audited	%	Audited	Projected	Projected	Projected	Projected	Projected
Operating Revenues	**2010**	**Change**	**2011**	**Change**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
User Charges	45,578,971	0%	45,663,797	-3%	44,334,743	45,576,100	46,852,200	48,164,100	49,512,700	50,899,100
Fees	1,072,452	42%	1,523,169	28%	1,944,010	1,998,400	2,054,400	2,111,900	2,171,000	2,231,800
Exactions	287,677	208%	885,730	-83%	150,120	154,300	158,600	163,000	167,600	172,300
Other	448,880	73%	776,339	-21%	615,624	650,000	650,000	650,000	650,000	650,000
Total Revenues	47,387,980	3%	48,849,035	-4%	47,044,497	48,378,800	49,715,200	51,089,000	52,501,300	53,953,200
Operating Expenses										
Treatment Plant	8,502,531	-1%	8,411,093	-6%	7,933,477	8,092,100	8,253,900	8,419,000	8,587,400	8,759,100
Collection System	4,297,166	29%	5,544,184	-9%	5,064,273	5,165,600	5,268,900	5,374,300	5,481,800	5,591,400
Administration	18,974,390	-4%	18,243,183	-6%	17,142,578	17,485,400	17,835,100	18,191,800	18,555,600	18,926,700
Depreciation	7,113,944	1%	7,214,960	1%	7,299,442	7,299,400	8,013,700	8,728,000	9,328,000	9,328,000
Replacement Reserve	0		0		0	43,020	47,820	89,070	203,070	203,070
Total Expenses	38,888,031	1%	39,413,420	-5%	37,439,770	38,085,520	39,419,420	40,802,170	42,155,870	42,808,270
Net Operating Income	8,499,949	11%	9,435,615	2%	9,604,727	10,293,280	10,295,780	10,286,830	10,345,430	11,144,930
Non-Operating Income and Expenses										
Investment Income	57,657	826%	533,814	83%	978,911	600,000	600,000	600,000	600,000	600,000
Other	121,566		39,149		9,460	25,000	25,000	25,000	25,000	25,000
Total Non-Operating Income & Expenses	179,223	220%	572,963	73%	988,371	625,000	625,000	625,000	625,000	625,000
Add Non-Cash Expenses										
Depreciation	7,113,944	1%	7,214,960	1%	7,299,442	7,299,400	8,013,700	8,728,000	9,328,000	9,328,000
Cash Available for Debt Service	**15,793,116**	**9%**	**17,223,538**	**4%**	**17,892,540**	**18,217,680**	**18,934,480**	**19,639,830**	**20,298,430**	**21,097,930**
Debt Service (enter as positive #'s)										
Existing Debt	7,038,061		7,117,597		9,171,020	5,797,812	4,423,774	5,608,637	5,712,669	5,652,230
Approved KIA Projects In Process	0		0		0	0	121,419	781,987	781,987	781,987
Proposed Projects	0		0		0	0	0	1,102,527	3,166,592	3,166,592
Total Debt Service	7,038,061		7,117,597		9,171,020	5,797,812	4,545,193	7,493,151	9,661,248	9,600,809
Income After Debt Service	8,755,055		10,105,941		8,721,520	12,419,868	14,389,287	12,146,679	10,637,182	11,497,121
Debt Coverage Ratio	2.2		2.4		2.0	3.1	4.2	2.6	2.1	2.2

3/1/2013 3:46 PM, Cashflow
K:\2 Loan Team\Fund A Loans\LFUCG (2013 Projects)\0.0 LFUCG (Base Information)\0.00 Exec Summ, LFUCG (A13-Base).xlsx

ATTACHMENT

I.B.6.

A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED WASTEWATER REVOLVING FUND LOAN (A13-018) OF $6,000,000 TO THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT, FAYETTE 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 Lexington-Fayette Urban County Government, 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 $6,000,000 of project expense including capitalized interest for the construction period, to the Lexington-Fayette Urban County

Government for the Expansion 2A Wastewater 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. The loan shall be repayable over 20 years at an interest rate of 1.75%. In addition to debt service, a 0.2% annual administration fee on the unpaid loan balance will be charged. From annual revenues, $15,000 must be set aside in a borrower held replacement reserve each December 1 until the balance reaches $150,000 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 7th day of March, 2013.

_____
TONY WILDER, CHAIR
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

_____
SANDY WILLIAMS, SECRETARY
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

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

EXECUTIVE SUMMARY		Reviewer	Sandy Williams
KENTUCKY INFRASTRUCTURE AUTHORITY		Date	March 7, 2013
FUND A, FEDERALLY ASSISTED WASTEWATER		KIA Loan Number	A13-018
REVOLVING LOAN FUND		WRIS Number	SX21067006
		HUC Code:	05100205280
BORROWER	LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT FAYETTE COUNTY		

BRIEF DESCRIPTION

This project involves the construction of a 7,400 gallon per minute pump station, 5,000 linear feet of 24 inch force main, 5,500 linear feet of gravity sewers ranging in size from 8 to 48 inches in diameter, and rehabilitation of an existing pump station in the Expansion Area 2A planning region in Lexington. It will eliminate four existing pump stations and allow for orderly planned development of the area. Project improvements were identified in the 1999 201 Facilities Plan Update.

PROJECT FINANCING		PROJECT BUDGET	RD Fee %	Actual %	
Fund A Loan	$6,000,000	Administrative Expenses			$15,500
HB608	3,100,000	Land, Easements			683,000
		Eng - Design	6.5%	4.5%	355,000
		Eng - Constr / Insp	3.2%	1.4%	108,000
		Construction			7,515,910
		Contingency			422,590
TOTAL	$9,100,000	TOTAL			$9,100,000

REPAYMENT	Rate	1.75%	Est. Annual Payment	$368,854
	Term	20 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	GRW Engineers, Inc.		
	Bond Counsel	Peck, Shaffer, & Williams		
PROJECT SCHEDULE	Bid Opening	Jul-12		
	Construction Start	Sep-12		
	Construction Stop	Dec-13		
DEBT PER CUSTOMER	Existing	$595		
	Proposed	$1,081		
OTHER DEBT		See Attached		
OTHER STATE-FUNDED PROJECTS LAST 5 YRS		See Attached		

RESIDENTIAL RATES		Users	Avg. Bill	
	Current	103,470	$21.11	(for 4,000 gallons)
	Additional	0	$21.11	(for 4,000 gallons)

REGIONAL COORDINATION This project is consistent with regional planning recommendations.

CASHFLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2010	15,793,116	7,038,061	8,755,055	2.2
Audited 2011	17,223,538	7,117,597	10,105,941	2.4
Audited 2012	17,892,540	9,171,020	8,721,520	2.0
Projected 2013	18,217,680	5,797,812	12,419,868	3.1
Projected 2014	18,934,480	4,545,193	14,389,287	4.2
Projected 2015	19,639,830	7,493,151	12,146,679	2.6
Projected 2016	20,298,430	9,661,248	10,637,182	2.1
Projected 2017	21,097,930	9,600,809	11,497,121	2.2

Reviewer: Sandy Williams
Date: March 7, 2013
Loan Number: A13-018

KENTUCKY INFRASTRUCTURE AUTHORITY
WASTEWATER REVOLVING LOAN FUND (FUND "A")
LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT, FAYETTE COUNTY
PROJECT REVIEW
SX21067006

I. PROJECT DESCRIPTION

The Lexington-Fayette Urban County Government (Government) is requesting $6,000,000 in Clean Water SRF funds for the Expansion 2A Wastewater System project. This project is currently under construction and eligible costs will be reimbursed with SRF funds. The project was not specifically identified in the Consent Decree (discussed below) but was initiated by the Government prior to submission of the Remedial Measures Plan to address recurring SSO's.

Expansion Area 2A is a planning region in Lexington which was brought into the Urban Service Area in 1996. The area is experiencing rapid development and sanitary sewer improvements are required to service the largely undeveloped area. The system of improvements were identified in the 1999 201 Facilities Plan Update as being constructed in the upper portions of the North Elkhorn watershed. This project will design and build the 201 Plan facilities by providing sanitary sewer to the undeveloped area and reducing demands on the aging North Elkhorn force main.

The project involves the construction of a 7,400 gallon per minute pump station, 5,000 linear feet of twenty-four inch force main, 5,500 linear feet of gravity sewers ranging in size from eight to forty-eight inches in diameter, and rehabilitation of an existing pump station. Four existing pump stations will be eliminated.

The United States Environmental Protection Agency (EPA) and the Kentucky Environmental and Public Protection Cabinet (KYEPPC) filed suit in federal court against the Government in 2006 alleging various violations of the Clean Water Act. The Government completed negotiations with EPA and KYEPPC to resolve the alleged violations. The resulting Consent Decree agreement was entered in the United States District Court – Eastern District of Kentucky on January 3, 2011. The settlement agreement requires the Government to undertake extensive studies, sewer improvement projects, and management plans to correct the problems that were alleged. The settlement affords the Government up to 13 years to correct the problems. The Government has estimated that the cost of remedial measures would approach $500 million over the life of the Consent Decree. The Government increased sanitary sewer rates to fund obligations under the Consent Decree and also adopted a storm water management fee.

II. PROJECT BUDGET

	Total
Administrative Expenses	$ 15,500
Land, Easements	683,000
Engineering Fees - Design	355,000
Engineering Fees - Const / Inspection	108,000
Construction	7,515,910
Contingency	422,590
Total	**$ 9,100,000**

III. PROJECT FUNDING

	Amount	%
Fund A Loan	$ 6,000,000	66%
HB608	3,100,000	34%
Total	**$ 9,100,000**	**100%**

IV. KIA DEBT SERVICE

Construction Loan	$ 6,000,000
Interest Rate	1.75%
Loan Term (Years)	20
Estimated Annual Debt Service	$ 356,854
Administrative Fee (0.20%)	12,000
Total Estimated Annual Debt Service	**$ 368,854**

V. PROJECT SCHEDULE

Bid Opening	July 2012
Construction Start	September 2012
Construction Stop	December 2013

VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

A) Customers

Customers	Current
Residential	95,745
Commercial	7,710
Industrial	15
Total	103,470

B) Rates

Residential	**Current**	**Prior**
Date of Last Rate Increase	07/01/12	07/01/11
First 100 Cubic Feet (CF)	$4.94	$4.83
Each Additional 100 CF	3.72	3.64
Cost for 4,000 gallons	$21.11	$20.65
Increase %	2.2%	1.7%
Affordability Index (Rate/MHI)	0.5%	
Commercial and Industrial		
First 100 Cubic Feet (CF)	$5.99	$5.86
Each Additional 100 CF	4.51	4.41
Increase %	2.3%	

Rates were also increased approximately 36% on July 1, 2009. Rates are adjustable each July 1 based on the Consumer Price Index for All Urban Consumers for the prior twelve months ending in April before the adjustment.

VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2006-2010, the County's population was 288,045 with a Median Household Income (MHI) of $47,469. The median household income for the Commonwealth is $41,576. The project will qualify for a 1.75% interest rate as a remedial step to compliance with the consent judgement.

VIII. 2012 CAPITALIZATION GRANT EQUIVALENCIES

1) Green Project Reserve - This project qualifies for Green Project Reserve (GPR) funding for $385,000. The breakdown of the GPR to the respective "green" categories is listed below:
    a. Green Infrastructure - $10,000
    b. Water Efficiency - $0
    c. Energy Efficiency - $0
    d. Environmentally Innovative - $375,000

2) Additional Subsidization – This project does not qualify for additional subsidization.

IX. FINANCIAL ANALYSIS (See Exhibit 1)

Financial information was obtained from the City's audited financial statements for the years ended June 30, 2010 through 2012 for the Sewer Fund. The Storm Water fund is reported separately.

HISTORY

Revenues declined less than 1% from $47.4 million in 2010 to $47.0 million in 2012. Operating expenses declined 5% from $31.8 million to $30.1 million during the same period. The Debt coverage ratio was 2.2, 2.4, and 2.0, respectively from 2010 through 2012. Debt service increased from $7.0 million in 2010 and 2011 to $9.2 million in 2012.

The balance sheet reflects a current ratio of 9.0 and a debt to equity ratio of 0.3. Months of operating expenses in unrestricted cash and investments is 15.6. Restricted funds are maintained for maintenance and operations, sinking funds, construction, depreciation, and debt service. Total restricted funds at the end of 2012 was $29.8 million of which $6.7 million was held for maintenance and operations and $2.5 million for depreciation.

PROJECTIONS

Projections are based on the following assumptions:

1) Revenues will increase 2% annually for inflation and .8% for growth.
2) Expenses will increase 2% annually for inflation.
3) Debt service on all proposed KIA loans (from the 2013 Intended Use Plan) is estimated at $3,166,592 annually on total loan commitments of $51.5 million.
4) The annual replacement cost for all approved and proposed Sewer Fund loans is $203,070.
5) Debt service coverage is 2.6 in 2015 when principal and interest repayments begin. Debt service will decline to 2.1 in 2016 which is the first full year of payments.

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

REPLACEMENT RESERVE

The annual replacement cost for this loan is $15,000. This amount should be added to the replacement account each December 1 until the balance reaches $150,000 and maintained for the life of the loan.

X. DEBT OBLIGATIONS

	Outstanding	Maturity
2001 A Sewer Revenue Bonds	$ 1,295,000	2013
2009 A Sewer Revenue Bonds	34,575,000	2024
2010 A Sewer Revenue Bonds	13,350,000	2021
KIA (A09-01 South Elkhorn)	13,484,789	2030
KIA (A10-08 i/a/o $10.5M)	0	TBD
KIA (A12-16 i/a/o $1.93M)	0	TBD
Total	**$ 62,704,789**	

XI. OTHER STATE OR FEDERAL FUNDING IN PAST FIVE YEARS

Project Title	Funding Source	Amount	Type
Expansion Area 2A Class A Pump Station and Trunk Sewer	HB608	3,100,000	Grant
Leesway Neighborhood Underserved Areas	HB608	600,000	Grant
South Elkhorn Pump Station and Force Main	EPA	1,146,000	Grant

XII. CONTACTS

Legal Applicant	
Name	Lexington-Fayette Urban County Government
Address	200 East Main Street Lexington, KY 40507
County	Fayette
Authorized Official	Jim Gray (Mayor)
Phone	(859) 258-3100
Email	Mayor@lexingtonky.gov

Project Contact – Applicant / Administrator	
Name	Charles H. Martin, P.E.
Representing	Lexington-Fayette Urban County Government
Address	125 Lisle Industrial Avenue, Suite 180 Lexington, KY 40511
Phone	(859) 425-2455
Email	chmartin@lexingtonky.gov

Consulting Engineer	
Name	Joe Henry, P.E.
Firm	GRW Engineers, Inc.
Address	801 Corporate Drive Lexington, KY 40503
Phone	(859) 223-3999
Email	jhenry@grwinc.com

XIII. RECOMMENDATIONS

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

BALANCE SHEETS (JUNE YEAR END)

ASSETS	Audited 2010	Audited 2011	Audited 2012	Upon Completion 2016
Current Assets				
Cash	7,345,592	3,329,716	5,044,605	10,003,905
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EXHIBIT 1

CASH FLOW ANALYSIS (JUNE YEAR END)

	Audited	%	Audited	%	Audited	Projected	Projected	Projected	Projected	Projected
Operating Revenues	**2010**	**Change**	**2011**	**Change**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
User Charges	45,578,971	0%	45,663,797	-3%	44,334,743	45,576,100	46,852,200	48,164,100	49,512,700	50,899,100
Fees	1,072,452	42%	1,523,169	28%	1,944,010	1,998,400	2,054,400	2,111,900	2,171,000	2,231,800
Exactions	287,677	208%	885,730	-83%	150,120	154,300	158,600	163,000	167,600	172,300
Other	448,880	73%	776,339	-21%	615,624	650,000	650,000	650,000	650,000	650,000
Total Revenues	47,387,980	3%	48,849,035	-4%	47,044,497	48,378,800	49,715,200	51,089,000	52,501,300	53,953,200
Operating Expenses										
Treatment Plant	8,502,531	-1%	8,411,093	-6%	7,933,477	8,092,100	8,253,900	8,419,000	8,587,400	8,759,100
Collection System	4,297,166	29%	5,544,184	-9%	5,064,273	5,165,600	5,268,900	5,374,300	5,481,800	5,591,400
Administration	18,974,390	-4%	18,243,183	-6%	17,142,578	17,485,400	17,835,100	18,191,800	18,555,600	18,926,700
Depreciation	7,113,944	1%	7,214,960	1%	7,299,442	7,299,400	8,013,700	8,728,000	9,328,000	9,328,000
Replacement Reserve	0		0		0	43,020	47,820	89,070	203,070	203,070
Total Expenses	38,888,031	1%	39,413,420	-5%	37,439,770	38,085,520	39,419,420	40,802,170	42,155,870	42,808,270
Net Operating Income	8,499,949	11%	9,435,615	2%	9,604,727	10,293,280	10,295,780	10,286,830	10,345,430	11,144,930
Non-Operating Income and Expenses										
Investment Income	57,657	826%	533,814	83%	978,911	600,000	600,000	600,000	600,000	600,000
Other	121,566		39,149		9,460	25,000	25,000	25,000	25,000	25,000
Total Non-Operating Income & Expenses	179,223	220%	572,963	73%	988,371	625,000	625,000	625,000	625,000	625,000
Add Non-Cash Expenses										
Depreciation	7,113,944	1%	7,214,960	1%	7,299,442	7,299,400	8,013,700	8,728,000	9,328,000	9,328,000
Cash Available for Debt Service	**15,793,116**	**9%**	**17,223,538**	**4%**	**17,892,540**	**18,217,680**	**18,934,480**	**19,639,830**	**20,298,430**	**21,097,930**
Debt Service (enter as positive #'s)										
Existing Debt	7,038,061		7,117,597		9,171,020	5,797,812	4,423,774	5,608,637	5,712,669	5,652,230
Approved KIA Projects In Process	0		0		0	0	121,419	781,987	781,987	781,987
Proposed Projects	0		0		0	0	0	1,102,527	3,166,592	3,166,592
Total Debt Service	7,038,061		7,117,597		9,171,020	5,797,812	4,545,193	7,493,151	9,661,248	9,600,809
Income After Debt Service	8,755,055		10,105,941		8,721,520	12,419,868	14,389,287	12,146,679	10,637,182	11,497,121
Debt Coverage Ratio	2.2		2.4		2.0	3.1	4.2	2.6	2.1	2.2

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ATTACHMENT

I.B.7.

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 (B13-001) OF $320,000 TO THE CITY OF ELKTON, TODD 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 Elkton, 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 $320,000 of project expense, to the City of Elkton for the Water District Separation 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 1.75% 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, $800 must be set aside in a borrower held replacement reserve each December 1 until the balance reaches $8,000 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 7th day of March, 2013.

_____
TONY WILDER, CHAIR
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

_____
SANDY WILLIAMS, SECRETARY
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

_____
LEGAL COUNSEL TO THE
KENTUCKY INFRASTRUCTURE AUTHORITY

EXECUTIVE SUMMARY		Reviewer	John LeFevre
KENTUCKY INFRASTRUCTURE AUTHORITY		Date	March 7, 2013
FUND B, INFRASTRUCTURE		KIA Loan Number	B13-001
REVOLVING LOAN FUND		WRIS Number	WX21219030

BORROWER	CITY OF ELKTON TODD COUNTY

BRIEF DESCRIPTION

This project involves the contruction of approximately 2,800 ft. of new 8 inch PVC waterline along a portion of the south side of highway 68/80. This will provide water to development ready property, fix an inadequate water pressure problem in the area, and allow for the separation of shared lines between the City of Elkton and the Todd County Water District. Separating the lines between the two utilities will allow for better water quality monitoring and water loss accountability. The project will also replace 1400 ft. of 4 inch cast iron water line in a residential area inside the City. The current line is over 50 years old and has deteriorated substantially. Additionally, the exisitng 4 inch line is inadequate for proper fire protection.

PROJECT FINANCING		PROJECT BUDGET	RD Fee %	Actual %	
Fund B Loan	$320,000	Administrative Expenses			$9,600
		Legal Expenses			10,000
		Land, Easements			5,000
		Planning			10,000
		Eng - Design	12.0%	7.6%	18,000
		Eng - Constr / Insp	10.1%	12.3%	29,300
		Construction			218,400
		Contingency			19,700
TOTAL	$320,000	TOTAL			$320,000

REPAYMENT	Rate	1.75%	Est. Annual Payment	$19,672
	Term	20 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	McGhee Engineering		
	Bond Counsel	Peck, Shaffer, & Williams		
PROJECT SCHEDULE	Bid Opening	Jun-13		
	Construction Start	Jul-13		
	Construction Stop	Dec-13		
DEBT PER CUSTOMER	Existing	$82		
	Proposed	$424		
OTHER DEBT		See Attached		
OTHER STATE-FUNDED PROJECTS LAST 5 YRS		See Attached		

RESIDENTIAL RATES		Users	Avg. Bill	
	Current	913	$36.63	(for 4,000 gallons)
	Additional	0	$36.63	(for 4,000 gallons)

REGIONAL COORDINATION This project is consistent with regional planning recommendations.

CASHFLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2010	(4,435)	0	(4,435)	n/a
Audited 2011	49,848	4,648	45,200	10.7
Audited 2012	86,958	5,595	81,363	15.5
Projected 2013	83,666	4,425	79,241	18.9
Projected 2014	77,068	4,425	72,643	17.4
Projected 2015	69,496	24,097	45,399	2.9
Projected 2016	62,549	24,097	38,452	2.6
Projected 2017	55,423	24,097	31,326	2.3

Reviewer: John LeFevre
Date: March 7, 2013
Loan Number: B13-001

KENTUCKY INFRASTRUCTURE AUTHORITY
INFRASTRUCTURE REVOLVING LOAN FUND (FUND "B")
CITY OF ELKTON, TODD COUNTY
PROJECT REVIEW
WX21219030

I. PROJECT DESCRIPTION

The City of Elkton is requesting a Fund B loan in the amount of $320,000 for waterline improvements. The first includes approximately 1,400 linear feet of older four inch cast iron line that will be replaced. A portion of the existing line has been taken out of service due to the inability to ensure safe drinking water due to rust deposits and corrosion. The second includes the construction of approximately 2,800 linear feet of new eight inch PVC waterline. The line will provide water to a new development ready property, fix an inadequate water pressure problem in the area, and allow for the disconnection of shared lines between the City of Elkton and the Todd County Water District.

II. PROJECT BUDGET

	Total
Administrative Expenses	$ 9,600
Legal Expenses	10,000
Land, Easements	5,000
Planning	10,000
Engineering Fees - Design	18,000
Engineering Fees - Const / Inspection	29,300
Construction	218,400
Contingency	19,700
Total	**$ 320,000**

III. PROJECT FUNDING

	Amount	%
Fund B Loan	$ 320,000	100%
Total	**$ 320,000**	**100%**

IV. KIA DEBT SERVICE

Construction Loan	$	320,000
Interest Rate		1.75%
Loan Term (Years)		20
Estimated Annual Debt Service	$	19,032
Administrative Fee (0.20%)		640
Total Estimated Annual Debt Service	**$**	**19,672**

V. PROJECT SCHEDULE

Bid Opening	June 2013
Construction Start	July 2013
Construction Stop	December 2013

VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

A) Customers

Customers	Current
Residential	749
Commercial	156
Industrial	8
Total	913

B) Rates

	Current	Prior
Date of Last Rate Increase	03/01/10	05/11/09
0-2000 gallons (min. bill)	$25.31	$22.34
next 1,000 gallons up to 5,000	5.66	4.99
next 1,000 in excess thereoff	5.28	4.65
Cost for 4,000 gallons	$36.63	$32.32
Increase %	13.3%	5%
Affordability Index (Rate/MHI)	1.2%	1.0%

VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2006-2010, the City's population was 2,430 with a Median Household Income (MHI) of $38,056. The median household income for the Commonwealth is $41,576. The project will qualify for a 1.75% interest rate.

VIII. FINANCIAL ANALYSIS (See Exhibit 1)

Financial information was obtained from the audited financial statements for the years ended June 30, 2010 through 2012.

HISTORY

Revenues increased 13% from $470,000 in 2010 to $533,000 thousand in 2012 due to a 13% rate increase in 2010. Purchased water expense decreased 14% from $351,000 in 2010 to $301,000 in 2012 due to a leak that was fixed late in 2011. Operating expenses increased 18% from $133,000 to $158,000 during the same period. Cash available for debt service ranged from a low of -$4,000 in 2010 to $81,000 in 2012. The debt coverage ratio was 10.7 and 15.5 for 2011 and 2012, respectively.

The balance sheet reflects a current ratio of 2.9 and a debt to equity ratio of 0.2. The number of months of operating expenses in unrestricted cash is 3.5.

PROJECTIONS

Projections are based on the following assumptions:

1) Revenues are projected to increase 0.5% each year for growth.
2) Expenses are projected to increase 2% annually for growth and inflation.

The debt coverage ratio will be 2.9 in 2015 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 B loan.

REPLACEMENT RESERVE

The annual replacement cost is $800. This amount should be added to the replacement account each December 1 until the balance reaches $8,000 and maintained for the life of the loan.

IX. DEBT OBLIGATIONS

	Outstanding	Maturity
KIA F209-07	$ 74,574	Dec-30
Total	**$ 74,574**	

X. OTHER STATE OR FEDERAL FUNDING IN PAST FIVE YEARS

Project Title	Funding Source	Amount	Type
Water Meter Conversion Project	DWSRF-ARRA	174,374	Loan

XI. CONTACTS

Legal Applicant	
Name	City of Elkton
Address	PO Box 578
	Elkton, KY 42220
County	Todd
Authorized Official	Nancy Camp (Mayor)
Phone	(270) 265-9877
Email	mayor@elktonky.gov

Project Contact – Applicant / Administrator	
Name	John Herring
Representing	Pennyrile Area Development District
Address	300 Hammond Drive
	Hopkinsville, KY 42240
Phone	(270) 886-9484
Email	johnm.herring@ky.gov

Consulting Engineer	
Name	Mike McGhee
Firm	McGhee Engineering
Address	202 S. Ewing St.
	Guthrie, KY 42234
Phone	(270) 483-9985
Email	Mikemcghee1@mchsi.com

XII. RECOMMENDATIONS

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

CITY OF ELKTON
BALANCE SHEETS (JUNE YEAR END)

ASSETS	Audited 2010	Audited 2011	Audited 2012	Projected 2013	Upon Completion 2014
Current Assets					
Cash	146,841	145,920	132,034	212,004	285,630
Accounts Receivable	104,328	120,465	121,909	122,500	123,100
Other Receivables	47,582	1,019	0		
Prepaid Expenses	0	1,293	1,803	1,812	1,821
Total Current Assets	298,751	268,697	255,746	336,316	410,551
Restricted Assets					
Investments	250,000	250,000	350,000	351,750	353,509
Cash	91,057	98,321	101,568	102,076	102,586
Total Restricted Assets	341,057	348,321	451,568	453,826	456,095
Utility Plant					
Total Fixed Assets	822,811	836,374	813,484	813,484	1,133,484
Less Accumulated Depreciation ( )	(28,032)	(37,207)	(45,598)	(92,108)	(139,548)
Net Fixed Assets	794,779	799,167	767,886	721,376	993,936
Total Assets	1,434,587	1,416,185	1,475,200	1,511,518	1,860,582
LIABILITIES					
Current Liabilities					
Accounts Payable	85,417	21,932	36,428	37,521	38,646
Accrued Liabilities	9,797	9,964	10,947	11,275	11,614
Withholdings and other payables	587	637	1,249	1,286	1,325
Due to other funds	46,683	41,961	38,779	39,942	41,141
Total Current Liabilities	142,484	74,494	87,403	90,025	92,726
Liabilities Payable - Restricted Assets					
Customer Deposits	87,524	94,090	96,257	99,145	102,119
Current Portion of Long Term Debt	0	3,652	3,689	3,689	3,726
Total Liabilities Payable - Restricted Assets	87,524	97,742	99,946	103,570	105,845
Long Term Liabilities					
Notes Payable - KIA	0	74,573	70,884	67,195	383,469
Total Long Term Liabilities	0	74,573	70,884	67,195	383,469
Total Liabilities	230,008	246,809	258,233	260,790	582,040
Retained Earnings:					
Invested in Capital Assets Net of Related Debt	666,196	720,942	693,312		606,741
Restricted	3,607	348,321	451,568		456,095
Unrestricted	534,776	100,113	72,087	1,250,728	215,706
Total Retained Earnings	1,204,579	1,169,376	1,216,967	1,250,728	1,278,542
Total Liabilities and Equities	1,434,587	1,416,185	1,475,200	1,511,518	1,860,582
Balance Sheet Analysis					
Current Ratio	2.1	3.6	2.9	3.7	4.4
Debt to Equity	0.2	0.2	0.2	0.2	0.5
Days Sales in Accounts Receivable	81.0	79.6	83.5	83.5	83.5
Months Operating Expenses in Unrestricted Cash	3.6	3.4	3.5	5.5	7.2

EXHIBIT 1
CITY OF ELKTON
CASH FLOW ANALYSIS (JUNE YEAR END)

	Audited	%	Audited	%	Audited	%	Projected	Projected	Projected	Projected	Projected
Operating Revenues	**2010**	**Change**	**2011**	**Change**	**2012**	**Change**	**2013**	**2014**	**2015**	**2016**	**2017**
Charges for Services	451,241	19%	535,677	-4%	514,788	0%	517,361	519,948	522,548	525,161	527,787
Miscellaneous	19,071	-13%	16,549	9%	18,064	0%	18,154	18,245	18,336	18,428	18,520
Total Revenues	470,312	17%	552,226	-4%	532,852	0%	535,515	538,193	540,884	543,589	546,307
Operating Expenses											
Purchased Water	351,034	9%	381,247	-21%	300,976	1%	303,114	309,176	315,360	321,667	328,100
Personal Services	132,936	2%	135,911	16%	157,583	2%	160,735	163,949	167,228	170,573	173,984
Depreciation	28,032	33%	37,207	23%	45,598	2%	46,510	47,440	48,389	49,357	50,344
Replacement Reserve	0		0		0		0	0	800	800	800
Total Expenses	512,002	8%	554,365	-9%	504,157	1%	510,359	520,565	531,777	542,397	553,228
Net Operating Income	(41,690)	-95%	(2,139)	-1442%	28,695	-12%	25,156	17,628	9,107	1,192	(6,921)
Non-Operating Income and Expenses											
Interest Income	9,223	60%	14,780	-14%	12,665	-5%	12,000	12,000	12,000	12,000	12,000
Total Non-Operating Income & Expenses	9,223	60%	14,780	-14%	12,665	-5%	12,000	12,000	12,000	12,000	12,000
Add Non-Cash Expenses											
Depreciation	28,032	33%	37,207	23%	45,598	2%	46,510	47,440	48,389	49,357	50,344
Cash Available for Debt Service	**(4,435)**	**-1224%**	**49,848**	**74%**	**86,958**	**-4%**	**83,666**	**77,068**	**69,496**	**62,549**	**55,423**
Debt Service (enter as positive #'s)											
Existing Principal	0		3,652		4,629		3,689	3,726	3,763	3,801	3,839
Existing Interest	0		996		966		736	700	662	624	586
Proposed KIA Fund B Loan P&I	0		0		0		0	0	19,672	19,672	19,672
Total Debt Service	0		4,648		5,595		4,425	4,425	24,097	24,097	24,097
Income After Debt Service	(4,435)		45,200		81,363		79,241	72,643	45,399	38,452	31,326
Debt Coverage Ratio	n/a		10.7		15.5		18.9	17.4	2.9	2.6	2.3

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ATTACHMENT

I.B.8.

TO BE PROVIDED

A T T A C H M E N T

I.B.9.

A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING AMENDMENT OF THE CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED DRINKING WATER REVOLVING FUND LOAN (F11-09) INCREASING THE AMOUNT TO $430,000 TO THE CITY OF BARLOW, BALLARD 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 Drinking Water Revolving Fund Loan (F11-09) to the City of Barlow on May 5, 2011 in the amount of $230,000; and the City of Barlow has requested an increase to the Federally Assisted Drinking Water Revolving Fund Loan (F11-09) in the amount of $200,000;

WHEREAS, the Authority anticipates entering into an Assistance Agreement for a loan from the Authority's Federally Assisted Drinking Water Revolving Loan Program (Fund F) with the City of Barlow, 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 F 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 Drinking Water Revolving Fund loan increasing the amount to $430,000 of project expense including capitalized interest for the construction period, to the City of Barlow for the New Clearwell Construction & Water Tank Refurbishment 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 40% will be deducted from the approved loan amount. The unforgiven principal balance of $258,000 shall be repaid.

Section 4. The unforgiven principal shall be repayable over 20 years at an interest rate of 1%. In addition to debt service, a 0.25% annual administration fee on the unpaid, unforgiven balance will be charged. From annual revenues, $1,100 must be set aside in a borrower held replacement reserve each December 1 until the balance reaches $11,000 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 7th day of March 2013.

_____
TONY WILDER, CHAIR
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

_____
SANDY WILLIAMS, SECRETARY
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

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

EXECUTIVE SUMMARY		Reviewer	Sandy Williams
KENTUCKY INFRASTRUCTURE AUTHORITY		Date	March 7, 2013
FUND F, FEDERALLY ASSISTED DRINKING WATER		KIA Loan Number	F11-09 (Increase)
REVOLVING LOAN FUND		WRIS Number	WX21007022 & WX21007020
BORROWER	CITY OF BARLOW BALLARD COUNTY		

BRIEF DESCRIPTION

The City is requesting an increase of $200,000 to their existing $230,000 Fund F loan. The increase stems primarily from a discrepancy between the estimated cost per cubic yard of concrete and the actual bid price of the concrete to be used in the construction of the clearwell. The original scope of the project remains as the construction of a new clearwell and repair and refurbishment of a 100,000 gallon water storage tank. The current clearwell and tank structures were constructed in 1976. Inspection of the clearwell showed that the lining system has deteriorated and the structure has cracking concrete. After construction of the new clearwell, the old structure will be demolished. The current water tank was found to need interior and exterior refurbishment and repair. The current structure can continue to be used after the repairs are completed.

PROJECT FINANCING		PROJECT BUDGET	RD Fee %	Actual %	
Fund F Loan	$430,000	Administrative Expenses			$10,000
Local Funds	90,000	Eng - Design	10.5%	4.6%	21,750
		Eng - Constr / Insp	7.7%	4.3%	20,000
	0	Construction			448,880
	0	Contingency			19,370
TOTAL	$520,000	TOTAL			$520,000

REPAYMENT	Rate	1.00%	Est. Annual Payment	$14,910
	Term	20 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	Florence & Hutcheson, Inc.		
	Bond Counsel	Peck, Shaffer, & Williams		
PROJECT SCHEDULE	Bid Opening	Jan-12		
	Construction Start	May-13		
	Construction Stop	Aug-13		
DEBT PER CUSTOMER	Existing	$2,565		
	Proposed	$3,388		
OTHER DEBT		See Attached		
OTHER STATE-FUNDED PROJECTS LAST 5 YRS		See Attached		

RESIDENTIAL RATES		Users	Avg. Bill	
	Current	343	$21.00	(for 4,000 gallons)
	Additional	0	$21.00	(for 4,000 gallons)

REGIONAL COORDINATION This project is consistent with regional planning recommendations.

CASHFLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2009	22,785	48,425	(25,640)	0.5
Audited 2010	87,023	81,322	5,701	1.1
Audited 2011	(7,943)	299,464	(307,407)	0.0
Audited 2012	131,575	42,967	88,608	3.1
Projected 2013	65,929	46,905	19,024	1.4
Projected 2014	65,931	47,145	18,786	1.4
Projected 2015	64,833	61,307	3,526	1.1
Projected 2016	64,836	61,185	3,651	1.1
Projected 2017	64,839	65,571	(732)	1.0
Projected 2018	64,842	55,124	9,718	1.2

Reviewer: Sandy Williams
Date: March 7, 2013
Loan Number: F11-09 (increase)

KENTUCKY INFRASTRUCTURE AUTHORITY
DRINKING WATER STATE REVOLVING FUND (FUND "F")
CITY OF BARLOW
BALLARD COUNTY
PROJECT REVIEW
WX21007022, WX21007020

I. PROJECT DESCRIPTION

The City is requesting an increase of $200,000 to their existing $230,000 Fund F loan. The increase stems primarily from a discrepancy between the estimated cost per cubic yard of concrete ($600 per cu. yd.) and the actual bid price of the concrete ($1,000 per cu. yd.) to be used in the construction of the clearwell.

The original scope of the project remains unchanged. The city will proceed with the construction of a new clearwell and repair and refurbishment of a 100,000 gallon water storage tank. The current clearwell and tank structures were constructed in 1976. Inspection of the clearwell showed that the lining system has deteriorated and the structure has cracking concrete. After construction of the new clearwell, the old structure will be demolished. The current water tank was found to need interior and exterior refurbishment and repair. The current structure can continue to be used after the repairs are completed.

II. PROJECT BUDGET

	Total
Administration	$ 10,000
Engineering Design	21,750
Engineering Inspection	20,000
Construction	448,880
Contingency	19,370
Total	**$** 520,000

III. PROJECT FUNDING

Funding Sources	**Amount**	**%**
Fund F Loan	430,000	83%
Local Funds	90,000	17%
Total	520,000	100%

IV. KIA DEBT SERVICE

	Original	Increase	New Total
Construction Loan	$230,000	$200,000	$430,000
Principal Forgiveness (40%)	92,000	80,000	172,000
Amortized Loan Amount	$138,000	$120,000	$258,000
Interest Rate	1.00%	1.00%	1.00%
Loan Term (Years)	20	20	20
Estimated Annual Debt Service	7,630	6,635	14,265
Administrative Fee (0.25%)	345	300	645
Total Estimated Annual Debt Service	**$ 7,975**	**$ 6,935**	**$ 14,910**

V. PROJECT SCHEDULE

	Original	Revised
Bid Opening:	July 1, 2011	January 2012
Construction Start:	August 1, 2011	May 2013
Construction Stop:	January 1, 2012	September 2013

VI. RATE STRUCTURE

Customers	Current	Proposed	Total
Residential	337	0	337
Commercial	5	0	5
Industrial	1	0	1
	343	0	343

RATE STRUCTURE

Date of Last Rate Increase		7/10/2007
Minimum (2,000 gallons)	$	13.00
next 3,000 gallons (per 1,000 gal)	$	4.00
next 5,000 gallons (per 1,000 gal)	$	3.00
All over 10,000 gal (per 1,000 gal)	$	2.50
Cost for 4,000 gallons	$	21.00
Affordability Index (Rate/MHI)		1.1%

A $5.00 per customer per month surcharge became effective in 2012.

VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2006-2010, the City's population was 751 with a Median Household Income (MHI) of $27,798. The median household income for the Commonwealth is $41,576. Requests for loan increases retain the terms of the original loan approval. The original project qualified 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 $172,000.

IX. FINANCIAL ANALYSIS (See Exhibit 1)

Financial information for the water and sewer departments of the City of Barlow was obtained from audited financial statements for the years ended June 30, 2009 through 2012. The utility revenues are being pledged as security for the proposed KIA loan.

HISTORICAL

Over the past 4 years, water and sewer usage has remained relatively flat with revenue increases coming as a result of a $5 surcharge per month per customer in 2012. After declining over the first 2 years of the period, expenses increased 59% in 2011 primarily as a result of an increase in salaries and professional fees and services.

The balance sheet recorded long-term debt increasing from $375,954 in 2012 to $794,860 in 2011 due to a US Rural Development loan for water and sewer projects. In December 2010, the city paid off a $131,000, 5% interest revenue bond scheduled to mature in 2017. Debt to equity is low at 0.2 as of June 30, 2012.

PROJECTED

Projections are based on the following assumptions:

* Revenue is projected to increase by 2% annually.
* Expenses are projected to increase by 2% annually.
* A replacement reserve of $1,100 will be funded annually.
* The new debt service is estimated to be $14,910 annually and will increase overall debt service to $61,307 in 2015.

Debt service coverage is 1.1 in 2015, the first full year of principal and interest repayments.

Based on the proforma assumptions, the utility shows adequate cashflow to repay the KIA Fund F loan.

REPLACEMENT RESERVE

The annual replacement cost is $1,100. This amount should be added to the replacement account each December 1 until the balance reaches $11,000 and maintained for the life of the loan.

X. DEBT OBLIGATIONS

Debt Issue	Outstanding	Maturity
KIA C01-01	115,000	2022
KLC Lease	27,365	2018
2010A Revenue Bonds	519,500	2049
2010B Revenue Bonds	133,000	2049
Total	**794,865**	

XI. OTHER STATE OF FEDERAL FUNDING IN PAST FIVE YEARS

Project Title	Funding Source	Amount	Type
New WWTP & Collection System Rehab	HB 608	450,000	Grant

XII. CONTACTS

Applicant

Name	City of Barlow
Address	P.O. Box 189 Barlow, KY 42024
County	Ballard
Contact	John Wood
Phone	(270) 334-3500
Email	barlowcityhall@galaxycable.net

Applicant Contact

Name	Purchase Area Development District
Address	P.O. Box 588 Mayfield, KY 42066
Contact	Jeremy Buchanan
Phone	(270) 251-6161
Email	jeremy.buchannan@purchaseadd.org

Engineer

Name	Mike Jones
Firm	Florence & Hutcheson, Inc.
Address	P.O. Box 7267, 2550 Irvin Cobb Drive Paducah, KY 42002
Phone	(270) 444-9691
Email	m.jones@flohut.com

XIII. RECOMMENDATIONS

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

CITY OF BARLOW
BALANCE SHEETS (JUNE YEAR END)

ASSETS	Audited 2009	Audited 2010	Audited 2011	Audited 2012	Upon Completion 2014
Current Assets					
Cash	10,958	5,074	10,387	5,758	5,873
Accounts Receivable	20,935	23,903	26,729	30,595	31,800
Other Current Assets	8,833	0	524	524	524
Total Current Assets	40,726	28,977	37,640	36,877	38,197
Restricted Assets					
Investments	40,100	49,827	56,706	79,739	29,739
Grant Receivable	51,470	75,930	160,739	0	0
Total Restricted Assets	91,570	125,757	217,445	79,739	29,739
Utility Plant					
Land, System, Building and Equipment	2,090,483	2,325,530	5,430,884	5,630,930	6,150,930
Bond Issuance Costs	4,892	4,379	25,914	24,987	23,133
Total	2,095,375	2,329,909	5,456,798	5,655,917	6,174,063
Less Accumulated Depreciation ( )	(804,232)	(852,153)	(900,630)	(718,642)	(744,642)
Net Fixed Assets	1,291,143	1,477,756	4,556,168	4,937,275	5,429,421
Total Assets	1,423,439	1,632,490	4,811,253	5,053,891	5,497,357
LIABILITIES					
Current Liabilities					
Accounts Payable	109,375	92,211	348,124	54,397	55,485
Current Portion Long Term Debt	29,685	46,802	14,220	99,344	15,613
Other	9,111	3,743	3,400	3,400	3,400
Total Current Liabilities	148,171	142,756	365,744	157,141	74,498
Liabilities Payable - Restricted Assets					
Notes and Bonds Payable					
Customer Deposits	13,787	13,647	14,647	15,087	15,540
Accrued Interest Payable	1,237	1,152	571	550	550
Current Portion of Long Term Debt	15,000	16,000	10,500	10,500	23,400
Total Liabilities Payable - Restricted Assets	30,024	30,799	25,718	26,137	39,490
Long Term Liabilities					
Revenue Bonds	436,491	375,954	794,860	769,953	706,028
Notes Payable - KIA					417,100
Total Long Term Liabilities	436,491	375,954	794,860	769,953	1,123,128
Total Liabilities	614,686	549,509	1,186,322	953,231	1,237,116
Retained Earnings:					
Invested in Capital Assets Net of Related Debt	713,427	1,034,621	3,381,722	4,007,976	4,045,786
Restricted	10,705	19,635	31,560	54,152	29,739
Unrestricted	84,621	28,725	211,649	38,532	184,717
Total Retained Earnings	808,753	1,082,981	3,624,931	4,100,660	4,260,242
Total Liabilities and Equities	1,423,439	1,632,490	4,811,253	5,053,891	5,497,357
Balance Sheet Analysis					
Current Ratio	0.3	0.2	0.1	0.2	0.5
Debt to Equity	0.8	0.5	0.3	0.2	0.3
Days Sales in Accounts Receivable	35.1	38.8	41.0	40.9	40.9

EXHIBIT 1
CITY OF BARLOW
CASH FLOW ANALYSIS (JUNE YEAR END)

	Audited 2009	% Change	Audited 2010	% Change	Audited 2011	% Change	Audited 2012	Projected 2013	Projected 2014	Projected 2015	Projected 2016	Projected 2017	Projected 2018
Operating Revenues													
Water and Sewer Revenues	217,030	3%	223,589	6%	236,069	-1%	234,671	239,364	244,151	249,034	254,015	259,095	264,277
Other	455	185%	1,298	55%	2,012	1807%	38,367	39,134	39,917	40,715	41,529	42,360	43,207
Total Revenues	217,485	3%	224,887	6%	238,081	15%	273,038	278,498	284,068	289,749	295,544	301,455	307,484
Operating Expenses													
Operating Expenses	194,895	-11%	173,381	59%	274,914	-1%	272,919	278,377	283,945	289,624	295,416	301,324	307,350
Depreciation	46,100	4%	47,921	1%	48,477	129%	110,858	110,858	136,858	136,858	136,858	136,858	136,858
Replacement Reserve										1,100	1,100	1,100	1,100
Total Expenses	240,995	-8%	221,302	46%	323,391	19%	383,777	389,235	420,803	427,582	433,374	439,282	445,308
Net Operating Income	(23,510)	-115%	3,585	-2480%	(85,310)	30%	(110,739)	(110,737)	(136,735)	(137,833)	(137,830)	(137,827)	(137,824)
Non-Operating Income and Expenses													
Interest Income	195	-75%	49	1853%	957	-96%	40	100	100	100	100	100	100
Other			35,468		27,933		131,416	65,708	65,708	65,708	65,708	65,708	65,708
Total Non-Operating Income & Expenses	195	18114%	35,517	-19%	28,890	355%	131,456	65,808	65,808	65,808	65,808	65,808	65,808
Add Non-Cash Expenses													
Depreciation	46,100	4%	47,921	1%	48,477	129%	110,858	110,858	136,858	136,858	136,858	136,858	136,858
Cash Available for Debt Service	**22,785**	**282%**	**87,023**	**-109%**	**(7,943)**	**-1756%**	**131,575**	**65,929**	**65,931**	**64,833**	**64,836**	**64,839**	**64,842**
Debt Service (enter as positive #'s)													
Existing Principal	28,688		60,664		271,676		24,715	24,912	26,113	26,325	27,046	32,279	25,638
Existing Interest	19,737		20,658		27,788		18,252	21,993	21,032	20,072	19,229	18,382	14,576
Proposed KIA Loan										14,910	14,910	14,910	14,910
Total Debt Service	48,425		81,322		299,464		42,967	46,905	47,145	61,307	61,185	65,571	55,124
Income After Debt Service	(25,640)		5,701		(307,407)		88,608	19,024	18,786	3,526	3,651	(732)	9,718
Debt Coverage Ratio	0.5		1.1		(0.0)		3.1	1.4	1.4	1.1	1.1	1.0	1.2

ATTACHMENT

I.B.10.

A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING AMENDMENT OF THE CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED DRINKING WATER REVOLVING FUND LOAN (F11-17) INCREASING THE AMOUNT TO $518,000 TO THE CITY OF HARRODSBURG, MERCER COUNTY, KENTUCKY

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

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

WHEREAS, the Authority previously approved a Federally Assisted Drinking Water Revolving Fund Loan (F11-17) to the City of Harrodsburg on December 8, 2011 in the amount of $438,000; and the City of Harrodsburg has requested an increase to the Federally Assisted Drinking Water Revolving Fund Loan (F11-17) in the amount of $80,000;

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

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

WHEREAS, the Authority wishes to establish terms and conditions on said Fund F 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 Drinking Water Revolving Fund loan increasing the amount to $518,000 of project expense including capitalized interest for the construction period, to the City of Harrodsburg for the Water Main Improvements project. Such amounts are subject to adjustment by further action of the Authority or may be adjusted by action of the Authority staff at the time of the issuance of bonds based on adjustment in project costs of not more than (10%) ten percent of the project cost authorized by this resolution. Upon satisfaction of all conditions of the commitment, execution of an assistance agreement for this loan is authorized.

Section 3. Principal forgiveness of 35% will be deducted from the approved loan amount. The unforgiven principal balance of $336,700 shall be repaid.

Section 4. The unforgiven principal shall be repayable over 20 years at an interest rate of 1%. In addition to debt service, a 0.25% annual administration fee on the unpaid, unforgiven 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 7th day of March 2013.

_____
TONY WILDER, CHAIR
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

_____
SANDY WILLIAMS, SECRETARY
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

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

EXECUTIVE SUMMARY		Reviewer	Sandy Williams
KENTUCKY INFRASTRUCTURE AUTHORITY		Date	March 7, 2013
FUND F, FEDERALLY ASSISTED DRINKING WATER		KIA Loan Number	F11-17 (Increase)
REVOLVING LOAN FUND		WRIS Number	WX21167013

BORROWER	CITY OF HARRODSBURG MERCER COUNTY

BRIEF DESCRIPTION

The City of Harrodsburg is requesting an increase of $80,000 in their Fund "F" loan that was previously approved on December 8, 2011. The increase is required to complete the Bellows Mill Road section of the project. When the entire project was originally bid, costs were higher due to two road bores and cost increases from the original estimate for some items. Because of this the City did not pursue the Bellows Mill component until they were certain that there would be no additional cost overages on the other original project components. The original project description is below:

This project involves the upgrade of approximately 6,400 LF and 911 LF in extensions of water lines to provide adequate connection (looping) of the system, to improve service to customers, and to eliminate old deteriorating lines. Areas to be upgraded include, but are not limited to, Mooreland Avenue, Bellows Mill Road, and Cornishville Road. This will eliminate leaks, line breaks and improve pressure to customers.

PROJECT FINANCING		PROJECT BUDGET	RD Fee %	Actual %	
Fund F Loan	518,000	Eng - Design	10.7%	7.9%	35,000
		Eng - Constr / Insp	8.0%	7.0%	31,000
		Eng - Other			9,000
		Construction			402,691
		Contingency			40,309
TOTAL	$518,000	TOTAL			$518,000

REPAYMENT	Rate	1.00%	Est. Annual Payment	$19,458
	Term	20 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	GRW Engineers, Inc.		
	Bond Counsel	Peck, Shaffer, & Williams		
PROJECT SCHEDULE	Bid Opening	Jun-12		
	Construction Start	Dec-12		
	Construction Stop	Jun-13		
DEBT PER CUSTOMER	Existing	$4,023		
	Proposed	$4,678		
OTHER DEBT		See Attached		
OTHER STATE-FUNDED PROJECTS LAST 5 YRS		See Attached		

RESIDENTIAL RATES		Users	Avg. Bill	
	Current	3,964	$20.55	(for 4,000 gallons)
	Additional	0	$20.55	(for 4,000 gallons)

REGIONAL COORDINATION This project is consistent with regional planning recommendations.

CASHFLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2010	1,344,080	778,034	566,046	1.7
Audited 2011	1,222,706	732,273	490,433	1.7
Audited 2012	1,060,373	845,286	215,087	1.3
Projected 2013	1,457,018	1,021,809	435,209	1.4
Projected 2014	1,479,825	1,199,542	280,283	1.2
Projected 2015	1,477,280	1,318,015	159,265	1.1
Projected 2016	1,451,145	1,287,473	163,672	1.1
Projected 2017	1,424,222	1,270,826	153,396	1.1

Reviewer: Sandy Williams
Date: March 7, 2013
Loan Number: F11-17 (Increase)

KENTUCKY INFRASTRUCTURE AUTHORITY
DRINKING WATER STATE REVOLVING FUND (FUND "F")
CITY OF HARRODSBURG, MERCER COUNTY
PROJECT REVIEW
WX21167013

I. PROJECT DESCRIPTION

The City of Harrodsburg is requesting an increase of $80,000 in their Fund F loan that was previously approved on December 8, 2011 for $438,000. The increase is required to complete the Bellows Mill Road section of the project. When the entire project was originally bid, costs were higher due to two road bores and cost increases from the original estimate for some items. Because of this, the City did not pursue the Bellows Mill component until they were certain that there would be no additional cost overages on the other original project components. The original project description is below.

The City of Harrodsburg is requesting a Fund F loan in the amounts of $438,000 for the Water Main Improvements project. This project involves the upgrade of approximately 6,400 LF of replaced and rehabilitated lines and 911 LF of extension of water lines to provide adequate connection (looping) of the system, to improve service to customers, and to eliminate old deteriorating lines. Areas to be upgraded include, but are not limited to, Mooreland Avenue, Bellows Mill Road, and Cornishville Road. This will eliminate leaks, line breaks and improve pressure to customers.

The City supplies water to the North Mercer and Lake Village Water Districts, both of which are regulated by the PSC. They also sell water to the City of Burgin.

II. PROJECT BUDGET

	Original	Increase	Revised
Engineering Fees - Design	$35,000	$0	$35,000
Engineering Fees - Const / Inspection	31,000	0	31,000
Engineering Fees - Other	4,000	5,000	9,000
Construction	335,000	67,691	402,691
Contingency	33,000	7,309	40,309
Total	$438,000	$80,000	$518,000

III. PROJECT FUNDING

		Amount	%
Fund F Loan	$	518,000	100%
Total	**$**	**518,000**	**100%**

IV. KIA DEBT SERVICE

	Original	Increase	Revised
Construction Loan	$ 438,000	$ 80,000	$ 518,000
Less: Principal Forgiveness (35%)	$ 153,300	$ 28,000	$ 181,300
Amortized Loan Amount	$ 284,700	$ 52,000	$ 336,700
Interest Rate	1.0%	1.0%	1.0%
Loan Term (Years)	20	20	20
Estimated Annual Debt Service	$ 15,741	$ 2,875	$ 18,616
Administrative Fee (0.25%)	$ 712	$ 130	$ 842
Total Estimated Annual Debt Service	**$ 16,453**	**$ 3,005**	**$ 19,458**

V. PROJECT SCHEDULE

Bid Opening	June, 2012
Construction Start	December, 2012
Construction Stop	June, 2013

VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

A) Customers

Customers	Current
Residential	3,577
Commercial	364
Industrial	23
Total	3,964

B) Rates

Retail Water	Current	Prior
Date of Last Rate Increase	06/14/2012	04/30/2010
First 250 cubic feet (per 100 cf)	9.87	8.78
Next 750 cubic feet	3.75	3.33
Next 3,000 cubic feet	3.26	2.90
Next 6,000 cubic feet	2.77	2.46
Next 25,000 cubic feet	2.36	2.10
Next 25,000 cubic feet	1.97	1.75
All over 60,000 cubic feet	1.58	1.40
Cost for 4,000 gallons	$20.55	$18.26
Increase %	12.5%	40.0%
Affordability Index (Rate/MHI)	0.7%	

Wholesale water rates increased 40% in August 2010 to an average of $1.87 per thousand gallons (rates are tiered based on volume) then increased 12.8% in

September 2012 to an average of $2.11 per thousand. Sewer rates increased 19.5% in October 2011 from $19.14 to $22.86 for 4,000 gallons.

VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2006-2010, the City's population was 8,320 with a Median Household Income (MHI) of $34,000. The median household income for the Commonwealth is $41,576. Requests for loan increases retain the terms of the original loan approval. The original project qualified for a 1.0% interest rate.

VIII. 2011 CAPITALIZATION GRANT EQUIVALENCIES

1) Green Project Reserve - This project does not qualify for Green Project Reserve (GPR) funding.
2) Additional Subsidization – This project qualifies for additional subsidization in the amount of $181,300.

IX. FINANCIAL ANALYSIS (See Exhibit 1)

Financial information was obtained from City's audited financial statements for the years ended June 30, 2010 through 2012. The analysis includes combined results for the City's water and sewer operations.

HISTORY

Water revenues increased 27% from 2010 to 2012 from $1.5 million to $1.9 million. A 40% rate increase that was effective April 30, 2010 was partially offset by a 6% volume decline during fiscal 2011. Sewer revenues increased 4.5% from 2011 to 2012 from approximately $1.26 million to $1.32 million. Operating expenses increased 18% from $1.9 million to $2.3 million. However, 2012 included a nonrecurring cost of $200,000 for the clean out of an existing lagoon and the anaerobic digesters at the wastewater treatment plant. Excluding this item, operating expenses would have increased 7.6% from 2010 to 2012. The debt coverage ratio decreased from 1.7 in 2010 and 2011 to 1.3 in 2012. The impact on the 2012 debt coverage ratio of the nonrecurring item noted above was to reduce it by 0.2 points.

The balance sheet reflects a current ratio of 1.0 and a debt to equity ratio of 1.0. Unrestricted operating cash and certificates of deposit equals 3.3 months of operating expenses.

PROJECTIONS

Projections are based on the following assumptions:

1) Water and sewer revenues reflect existing rate increases plus 0.5% for volume.
2) Operating expenses will increase by 2% per year.

3) Debt service includes previously approved KIA loans for projects in process. It also includes a request for F13-002 that is being submitted on March 7, 2013.
4) Debt service coverage is 1.1 in 2015 when principal and interest repayments begin.

Based on the proforma assumptions, the utility shows adequate cash flow to repay the KIA Fund F 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

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

XI. OTHER STATE OR FEDERAL FUNDING IN PAST FIVE YEARS

Project Title	Funding Source	Amount	Type
WWTP Improvements	EPA STAG	1,300,000	Grant
WTP Upgrade	CDBG	1,000,000	Grant
WTP Upgrade	RD	3,300,000	Grant

XII. CONTACTS

Applicant

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

Applicant Contact

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

Engineer

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

XIII. RECOMMENDATIONS

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

CITY OF HARRODSBURG
BALANCE SHEETS (JUNE YEAR END)

ASSETS	Audited 2010	Audited 2011	Audited 2012	2013	Upon Completion 2014
Current Assets					
Cash	87,577	629,098	242,012	459,612	599,712
Certificates of Deposit	363,122	367,865	371,788	400,000	400,000
Accounts Receivable	323,698	340,743	396,059	391,200	398,800
Grants Receivable	77,993	0	655,573	0	0
Prepaid	180,745	138,603	155,019	145,000	145,000
Due from Other Funds	12,918	0	0	0	0
Total Current Assets	1,046,053	1,476,309	1,820,451	1,395,812	1,543,512
Restricted Assets					
Bond Sinking Fund	314,512	314,150	314,089	325,000	325,000
Depreciation Fund	89,169	110,045	130,730	150,000	150,000
Repairs and Maintenance Fund	479,971	586,864	1,008,706	1,000,000	1,000,000
Total Restricted Assets	883,652	1,011,059	1,453,525	1,475,000	1,475,000
Utility Plant					
Land, System, Building and Equipment	45,571,633	47,792,706	55,706,517	57,362,090	59,362,090
Construction in Progress				0	1,688,950
Total	45,571,633	47,792,706	55,706,517	57,362,090	61,051,040
Less Accumulated Depreciation ( )	(21,780,879)	(22,894,629)	(24,257,022)	(25,807,022)	(27,407,022)
Net Fixed Assets	23,790,754	24,898,077	31,449,495	31,555,068	33,644,018
Other Assets					
Bond Issue Costs	69,133	75,378	86,143	80,143	74,143
Total Other Assets	69,133	75,378	86,143	80,143	74,143
Total Assets	25,789,592	27,460,823	34,809,614	34,506,023	36,736,673
LIABILITIES					
Current Liabilities					
Accounts Payable and Accrued Liabilities	109,753	75,657	96,925	100,000	100,000
Accounts Payable - Construction	5,200	396,845	1,272,858	100,000	100,000
Payroll Liabilities	34,104	37,908	40,081	42,500	42,500
Due to Other Funds	0	19,138	35,000	35,000	35,000
Customer Deposits	242,541	245,948	253,000	255,000	255,000
Leases and Loans Payable	511,855	2,340,729	158,349	126,220	75,342
Total Current Liabilities	903,453	3,116,225	1,856,213	658,720	607,842
Liabilities Payable - Restricted Assets					
Accrued Interest Payable	42,945	58,160	56,046	50,000	50,000
Loan Payable	160,695	162,306	163,933	200,000	210,000
Bonds Payable	183,000	187,500	194,000	320,000	380,000
Total Liabilities Payable - Restricted Assets	386,640	407,966	413,979	570,000	640,000
Long Term Liabilities					
Total Long Term Liabilities	8,769,047	8,245,686	15,429,384	15,570,734	17,880,189
Total Liabilities	10,059,140	11,769,877	17,699,576	16,799,454	19,128,031
Retained Earnings:					
Invested in Capital Assets Net of Related Debt	14,166,157	13,961,856	15,503,829	15,338,114	15,098,487
Restricted	883,652	1,011,059	1,453,525	1,475,000	1,475,000
Unrestricted	680,643	718,031	152,684	893,455	1,035,155
Total Retained Earnings	15,730,452	15,690,946	17,110,038	17,706,569	17,608,642
Total Liabilities and Equities	25,789,592	27,460,823	34,809,614	34,506,023	36,736,673
Balance Sheet Analysis					
Current Ratio	1.2	0.5	1.0	2.1	2.5
Debt to Equity	0.6	0.8	1.0	0.9	1.1
Days Sales in Accounts Receivable	41.4	39.2	43.4	40.0	40.0
Months Operating Expenses in Unrestricted Cash	2.8	6.1	3.3	4.9	5.6

EXHIBIT 1
CITY OF HARRODSBURG
CASH FLOW ANALYSIS (JUNE YEAR END)

	Audited 2010	% Change	Audited 2011	% Change	Audited 2012	Projected 2013	Projected 2014	Projected 2015	Projected 2016	Projected 2017
Operating Revenues										
Water Revenues	1,484,586	26%	1,863,865	1%	1,882,725	2,070,998	2,133,128	2,143,794	2,154,513	2,165,286
Sewer Revenues	1,263,346	-6%	1,183,417	12%	1,320,149	1,372,955	1,379,820	1,386,719	1,393,653	1,400,621
Other	103,792	24%	128,229	-2%	125,849	125,849	125,849	125,849	125,849	125,849
Total Revenues	2,851,724	11%	3,175,511	5%	3,328,723	3,569,802	3,638,797	3,656,362	3,674,015	3,691,756
Operating Expenses										
Water Expenses	1,177,955	10%	1,293,415	1%	1,312,509	1,338,759	1,365,534	1,392,845	1,420,702	1,449,116
Sewer Expenses	736,528	-10%	665,480	42%	946,691	765,625	780,938	796,557	812,488	828,738
Depreciation	1,376,101	-1%	1,364,842	0%	1,368,172	1,550,000	1,600,000	1,650,000	1,700,000	1,700,000
Replacement Reserve	68,000		68,000		68,000	68,000	72,100	49,280	49,280	49,280
Total Expenses	3,358,584	1%	3,391,737	9%	3,695,372	3,722,384	3,818,572	3,888,682	3,982,470	4,027,134
Net Operating Income	(506,860)	-57%	(216,226)	70%	(366,649)	(152,582)	(179,775)	(232,320)	(308,455)	(335,378)
Non-Operating Income and Expenses										
Interest Income	23,656	-46%	12,876	-25%	9,646	9,600	9,600	9,600	9,600	9,600
Other	451,183		61,214		49,204	50,000	50,000	50,000	50,000	50,000
Total Non-Operating Income & Expenses	474,839	-84%	74,090	-21%	58,850	59,600	59,600	59,600	59,600	59,600
Add Non-Cash Expenses										
Depreciation	1,376,101	-1%	1,364,842	0%	1,368,172	1,550,000	1,600,000	1,650,000	1,700,000	1,700,000
Cash Available for Debt Service	**1,344,080**	**-9%**	**1,222,706**	**-13%**	**1,060,373**	**1,457,018**	**1,479,825**	**1,477,280**	**1,451,145**	**1,424,222**
Debt Service (enter as positive #'s)										
Total Debt Service	778,034		732,273		845,286	1,021,809	1,199,542	1,318,015	1,287,473	1,270,826
Income After Debt Service	566,046		490,433		215,087	435,209	280,283	159,265	163,672	153,396
Debt Coverage Ratio	1.7		1.7		1.3	1.4	1.2	1.1	1.1	1.1

3/2/2013 3:01 PM, Cashflow
K:\2 Loan Team\Fund F Loans\F13-002 Harrodsburg\0.00 Exec Summ, Harrodsburg (F13-002).xlsx

ATTACHMENT

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 DRINKING WATER REVOLVING FUND LOAN (F13-002) OF $1,688,950 TO THE CITY OF HARRODSBURG, MERCER COUNTY, KENTUCKY

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

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

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

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

WHEREAS, the Authority wishes to establish terms and conditions on said Fund F 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 Drinking Water Revolving Fund loan for $1,688,950 of project expense including capitalized interest for the construction period, to the City of Harrodsburg for the Water Distribution Improvements and North Main Water Storage Tank projects. 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 $1,520,055 shall be repaid.

Section 4. The unforgiven principal shall be repayable over 20 years at an interest rate of 1.75%. In addition to debt service, a 0.25% annual administration fee on the unpaid, unforgiven principal balance will be charged. From annual revenues, $4,200 must be set aside in a borrower held replacement reserve each December 1 until the balance reaches $42,000 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 7th day of March, 2013.

_____
TONY WILDER, CHAIR
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

_____
SANDY WILLIAMS, SECRETARY
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

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

EXECUTIVE SUMMARY		Reviewer	Sandy Williams
KENTUCKY INFRASTRUCTURE AUTHORITY		Date	March 7, 2013
FUND F, FEDERALLY ASSISTED DRINKING WATER		KIA Loan Number	F13-002
REVOLVING LOAN FUND		WRIS Number	WX21167022, WX21167026

BORROWER	CITY OF HARRODSBURG MERCER COUNTY

BRIEF DESCRIPTION

This project involves two components to improve the City's water system. First, approximately 24,000 linear feet of water lines in older sections of the system will be replaced with eight inch PVC. Valves and fire hydrants will also be replaced. Second, a storage tank will be refurbished by removing the existing lead based interior and exterior paint, repainting the tank, and proper disposal of the lead based residue.

PROJECT FINANCING		PROJECT BUDGET	RD Fee %	Actual %	
Fund F Loan	$1,688,950	Eng - Design	9.6%	7.6%	100,850
		Eng - Constr / Insp	6.5%	8.9%	118,100
		Eng - Other			22,000
		Construction			1,324,000
		Contingency			124,000
TOTAL	$1,688,950	TOTAL			$1,688,950

REPAYMENT	Rate	1.75%	Est. Annual Payment	$94,206
	Term	20 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	GRW Engineers, Inc.		
	Bond Counsel	Peck, Shaffer, & Williams		
PROJECT SCHEDULE	Bid Opening	May-13		
	Construction Start	Jul-13		
	Construction Stop	Jan-14		
DEBT PER CUSTOMER	Existing	$4,023		
	Proposed	$4,678		
OTHER DEBT		See Attached		
OTHER STATE-FUNDED PROJECTS LAST 5 YRS		See Attached		

RESIDENTIAL RATES		Users	Avg. Bill	
	Current	3,964	$20.55	(for 4,000 gallons)
	Additional	0	$20.55	(for 4,000 gallons)

REGIONAL COORDINATION This project is consistent with regional planning recommendations.

CASHFLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2010	1,344,080	778,034	566,046	1.7
Audited 2011	1,222,706	732,273	490,433	1.7
Audited 2012	1,060,373	845,286	215,087	1.3
Projected 2013	1,457,018	1,021,809	435,209	1.4
Projected 2014	1,479,825	1,199,542	280,283	1.2
Projected 2015	1,477,280	1,318,015	159,265	1.1
Projected 2016	1,451,145	1,287,473	163,672	1.1
Projected 2017	1,424,222	1,270,826	153,396	1.1

Reviewer: Sandy Williams
Date: March 7, 2013
Loan Number: F13-002

KENTUCKY INFRASTRUCTURE AUTHORITY
DRINKING WATER STATE REVOLVING FUND (FUND "F")
CITY OF HARRODSBURG, MERCER COUNTY
PROJECT REVIEW
WX21167022, WX21167026

I. PROJECT DESCRIPTION

The City of Harrodsburg is requesting a Fund F loan in the amount of $1,688,950 for the Water Distribution Improvements and North Main Water Storage Tank projects. The first project involves replacement of approximately 24,000 linear feet of water lines in older sections of the system with eight inch PVC. Valves and fire hydrants will also be replaced. The water supply is affected when lines break and the risk of public health danger exists. The second project will refurbish a storage tank by removing the existing lead based interior and exterior paint, repainting the tank, and proper disposal of the lead based residue.

The City supplies water to the North Mercer and Lake Village Water Districts, both of which are regulated by the PSC. They also sell water to the City of Burgin.

II. PROJECT BUDGET

	Total
Engineering Fees - Design	100,850
Engineering Fees - Const / Inspection	118,100
Engineering Fees - Other	22,000
Construction	1,324,000
Contingency	124,000
Total	**$ 1,688,950**

III. PROJECT FUNDING

	Amount	%
Fund F Loan	$ 1,688,950	100%
Total	**$ 1,688,950**	**100%**

IV. KIA DEBT SERVICE

Construction Loan	$	1,688,950
Less: Principal Forgiveness (10%)		168,895
Amortized Loan Amount	$	1,520,055
Interest Rate		1.75%
Loan Term (Years)		20
Estimated Annual Debt Service	$	90,406
Administrative Fee (0.25%)		3,800
Total Estimated Annual Debt Service	**$**	**94,206**

V. PROJECT SCHEDULE

Bid Opening	May 2013
Construction Start	July 2013
Construction Stop	January 2014

VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

A) Customers

Customers	Current
Residential	3,577
Commercial	364
Industrial	23
Total	3,964

B) Rates

Retail Water	Current	Prior
Date of Last Rate Increase	06/14/2012	04/30/2010
First 250 cubic feet (per 100 cf)	9.87	8.78
Next 750 cubic feet	3.75	3.33
Next 3,000 cubic feet	3.26	2.90
Next 6,000 cubic feet	2.77	2.46
Next 25,000 cubic feet	2.36	2.10
Next 25,000 cubic feet	1.97	1.75
All over 60,000 cubic feet	1.58	1.40
Cost for 4,000 gallons	$20.55	$18.26
Increase %	12.5%	40.0%
Affordability Index (Rate/MHI)	0.7%	

Wholesale water rates increased 40% in August 2010 to an average of $1.87 per thousand gallons (rates are tiered based on volume) then increased 12.8% in

September 2012 to an average of $2.11 per thousand. Sewer rates increased 19.5% in October 2011 from $19.14 to $22.86 for 4,000 gallons.

VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2006-2010, the City's population was 8,320 with a Median Household Income (MHI) of $34,000. The median household income for the Commonwealth is $41,576. The project will qualify for a 1.75% interest rate.

VIII. 2012 CAPITALIZATION GRANT EQUIVALENCIES

1) Green Project Reserve - The 2012 Drinking Water capitalization grant does not contain a "green" requirement.

2) Additional Subsidization – This project qualifies for additional subsidization (in the amount of $168,895.

IX. FINANCIAL ANALYSIS (See Exhibit 1)

Financial information was obtained from City's audited financial statements for the years ended June 30, 2010 through 2012. The analysis includes combined results for the City's water and sewer operations.

HISTORY

Water revenues increased 27% from 2010 to 2012 from $1.5 million to $1.9 million. A 40% rate increase that was effective April 30, 2010 was partially offset by a 6% volume decline during fiscal 2011. Sewer revenues increased 4.5% from 2011 to 2012 from approximately $1.26 million to $1.32 million. Operating expenses increased 18% from $1.9 million to $2.3 million. However, 2012 included a nonrecurring cost of $200,000 for the clean out of an existing lagoon and the anaerobic digesters at the wastewater treatment plant. Excluding this item, operating expenses would have increased 7.6% from 2010 to 2012. The debt coverage ratio decreased from 1.7 in 2010 and 2011 to 1.3 in 2012. The impact on the 2012 debt coverage ratio of the nonrecurring item noted above was to reduce it by 0.2 points.

The balance sheet reflects a current ratio of 1.0 and a debt to equity ratio of 1.0. Unrestricted operating cash and certificates of deposit equals 3.3 months of operating expenses.

PROJECTIONS

Projections are based on the following assumptions:

1) Water and sewer revenues reflect existing rate increases plus 0.5% for volume.
2) Operating expenses will increase by 2% per year.

3) Debt service includes previously approved KIA loans for projects in process. It also includes an increase request for F11-17 that is being submitted on March 7, 2013.
4) Debt service coverage is 1.1 in 2015 when principal and interest repayments begin.

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

REPLACEMENT RESERVE

The annual replacement cost is $4,200. This amount should be added to the replacement account each December 1 until the balance reaches $42,000 and maintained for the life of the loan.

X. DEBT OBLIGATIONS

	Outstanding	Maturity
2008 Capital Lease	$ 1,394,943	2023
KIA (A02-06)	1,987,665	2023
Note Payable	173,558	2016
2004 Bonds	1,324,000	2021
2006 Bonds	1,040,000	2044
2006 Bonds	2,325,500	2045
2012 Bonds	7,700,000	2051
KIA Loan (F11-17) (i/a/o $284,700)	0	TBD
KIA Loan (A11-21) (i/a/o $376,650)	0	TBD
KIA Loan (A12-07) (i/a/o $635,400)	0	TBD
Total	**$ 15,945,666**	

XI. OTHER STATE OR FEDERAL FUNDING IN PAST FIVE YEARS

Project Title	Funding Source	Amount	Type
WWTP Improvements	EPA STAG	1,300,000	Grant
WTP Upgrade	CDBG	1,000,000	Grant
WTP Upgrade	Rural Development	4,300,000	Grant
WWTP Improvements	Rural Development	288,000	Grant

XII. CONTACTS

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

Project Contact - Applicant	
Name	Troy Gowins
Representing	City of Harrodsburg
Address	208 South Main Street Harrodsburg, KY 40330
Phone	(859) 734-3042
Email	tgowins@att.net

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

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

XIII. RECOMMENDATIONS

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

CITY OF HARRODSBURG
BALANCE SHEETS (JUNE YEAR END)

ASSETS	Audited 2010	Audited 2011	Audited 2012	2013	Upon Completion 2014
Current Assets					
Cash	87,577	629,098	242,012	459,612	599,712
Certificates of Deposit	363,122	367,865	371,788	400,000	400,000
Accounts Receivable	323,698	340,743	396,059	391,200	398,800
Grants Receivable	77,993	0	655,573	0	0
Prepaid	180,745	138,603	155,019	145,000	145,000
Due from Other Funds	12,918	0	0	0	0
Total Current Assets	1,046,053	1,476,309	1,820,451	1,395,812	1,543,512
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Construction in Progress				0	1,688,950
Total	45,571,633	47,792,706	55,706,517	57,362,090	61,051,040
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Net Fixed Assets	23,790,754	24,898,077	31,449,495	31,555,068	33,644,018
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Accounts Payable and Accrued Liabilities	109,753	75,657	96,925	100,000	100,000
Accounts Payable - Construction	5,200	396,845	1,272,858	100,000	100,000
Payroll Liabilities	34,104	37,908	40,081	42,500	42,500
Due to Other Funds	0	19,138	35,000	35,000	35,000
Customer Deposits	242,541	245,948	253,000	255,000	255,000
Leases and Loans Payable	511,855	2,340,729	158,349	126,220	75,342
Total Current Liabilities	903,453	3,116,225	1,856,213	658,720	607,842
Liabilities Payable - Restricted Assets					
Accrued Interest Payable	42,945	58,160	56,046	50,000	50,000
Loan Payable	160,695	162,306	163,933	200,000	210,000
Bonds Payable	183,000	187,500	194,000	320,000	380,000
Total Liabilities Payable - Restricted Assets	386,640	407,966	413,979	570,000	640,000
Long Term Liabilities					
Total Long Term Liabilities	8,769,047	8,245,686	15,429,384	15,570,734	17,880,189
Total Liabilities	10,059,140	11,769,877	17,699,576	16,799,454	19,128,031
Retained Earnings:					
Invested in Capital Assets Net of Related Debt	14,166,157	13,961,856	15,503,829	15,338,114	15,098,487
Restricted	883,652	1,011,059	1,453,525	1,475,000	1,475,000
Unrestricted	680,643	718,031	152,684	893,455	1,035,155
Total Retained Earnings	15,730,452	15,690,946	17,110,038	17,706,569	17,608,642
Total Liabilities and Equities	25,789,592	27,460,823	34,809,614	34,506,023	36,736,673
Balance Sheet Analysis					
Current Ratio	1.2	0.5	1.0	2.1	2.5
Debt to Equity	0.6	0.8	1.0	0.9	1.1
Days Sales in Accounts Receivable	41.4	39.2	43.4	40.0	40.0
Months Operating Expenses in Unrestricted Cash	2.8	6.1	3.3	4.9	5.6

EXHIBIT 1
CITY OF HARRODSBURG
CASH FLOW ANALYSIS (JUNE YEAR END)

	Audited	%	Audited	%	Audited	Projected	Projected	Projected	Projected	Projected
Operating Revenues	**2010**	**Change**	**2011**	**Change**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Water Revenues	1,484,586	26%	1,863,865	1%	1,882,725	2,070,998	2,133,128	2,143,794	2,154,513	2,165,286
Sewer Revenues	1,263,346	-6%	1,183,417	12%	1,320,149	1,372,955	1,379,820	1,386,719	1,393,653	1,400,621
Other	103,792	24%	128,229	-2%	125,849	125,849	125,849	125,849	125,849	125,849
Total Revenues	2,851,724	11%	3,175,511	5%	3,328,723	3,569,802	3,638,797	3,656,362	3,674,015	3,691,756
Operating Expenses										
Water Expenses	1,177,955	10%	1,293,415	1%	1,312,509	1,338,759	1,365,534	1,392,845	1,420,702	1,449,116
Sewer Expenses	736,528	-10%	665,480	42%	946,691	765,625	780,938	796,557	812,488	828,738
Depreciation	1,376,101	-1%	1,364,842	0%	1,368,172	1,550,000	1,600,000	1,650,000	1,700,000	1,700,000
Replacement Reserve	68,000		68,000		68,000	68,000	72,100	49,280	49,280	49,280
Total Expenses	3,358,584	1%	3,391,737	9%	3,695,372	3,722,384	3,818,572	3,888,682	3,982,470	4,027,134
Net Operating Income	(506,860)	-57%	(216,226)	70%	(366,649)	(152,582)	(179,775)	(232,320)	(308,455)	(335,378)
Non-Operating Income and Expenses										
Interest Income	23,656	-46%	12,876	-25%	9,646	9,600	9,600	9,600	9,600	9,600
Other	451,183		61,214		49,204	50,000	50,000	50,000	50,000	50,000
Total Non-Operating Income & Expenses	474,839	-84%	74,090	-21%	58,850	59,600	59,600	59,600	59,600	59,600
Add Non-Cash Expenses										
Depreciation	1,376,101	-1%	1,364,842	0%	1,368,172	1,550,000	1,600,000	1,650,000	1,700,000	1,700,000
Cash Available for Debt Service	**1,344,080**	**-9%**	**1,222,706**	**-13%**	**1,060,373**	**1,457,018**	**1,479,825**	**1,477,280**	**1,451,145**	**1,424,222**
Debt Service (enter as positive #'s)										
Total Debt Service	778,034		732,273		845,286	1,021,809	1,199,542	1,318,015	1,287,473	1,270,826
Income After Debt Service	566,046		490,433		215,087	435,209	280,283	159,265	163,672	153,396
Debt Coverage Ratio	1.7		1.7		1.3	1.4	1.2	1.1	1.1	1.1

ATTACHMENT

I.B.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 DRINKING WATER REVOLVING FUND LOAN (F13-021) OF $4,000,000 TO THE FRANKFORT ELECTRIC AND WATER PLANT BOARD, FRANKLIN 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 Drinking Water Revolving Loan Program (Fund F) with the Frankfort Electric and Water Plant Board, 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 F 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 Drinking Water Revolving Fund loan for $4,000,000 of project expense including capitalized interest for the construction period, to the Frankfort Electric and Water Plant Board for the Alternate Power Generation 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 $3,600,000 shall be repaid.

Section 4. The unforgiven principal shall be repayable over 20 years at an interest rate of 1.75%. In addition to debt service, a 0.25% annual administration fee on the unpaid, unforgiven principal balance will be charged. From annual revenues, $10,000 must be set aside in a borrower held replacement reserve each December 1 until the balance reaches $100,000 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 7th day of March, 2013.

_____
TONY WILDER, CHAIR
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

_____
SANDY WILLIAMS, SECRETARY
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

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

EXECUTIVE SUMMARY		Reviewer	Sandy Williams
KENTUCKY INFRASTRUCTURE AUTHORITY		Date	March 7, 2013
FUND F, FEDERALLY ASSISTED DRINKING WATER		KIA Loan Number	F13-021
REVOLVING LOAN FUND		WRIS Number	WX21073018

BORROWER	ELECTRIC AND WATER PLANT BOARD OF THE CITY OF FRANKFORT, KENTUCKY FRANKLIN COUNTY

BRIEF DESCRIPTION

This project involves the design and construction of a 2,800 KW diesel power generation facility for the water treatment plant which currently has no back-up power source. The proposed facility will permit the plant to run at full capacity during a major outage and will provide power within the distribution system.

PROJECT FINANCING		PROJECT BUDGET	RD Fee %	Actual %	
Fund F Loan	$4,000,000	Administrative Expenses			$30,000
		Planning			25,000
		Eng - Design	7.1%	5.2%	180,000
		Eng - Constr / Insp	3.8%	5.9%	204,000
		Eng - Other			30,000
		Construction			3,250,000
		Contingency			231,000
		Other			50,000
TOTAL	$4,000,000	TOTAL			$4,000,000

REPAYMENT	Rate	1.75%	Est. Annual Payment	$223,112
	Term	20 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	GRW Engineers, Inc.		
	Bond Counsel	Peck, Shaffer, & Williams		
PROJECT SCHEDULE	Bid Opening	Oct-13		
	Construction Start	Jan-14		
	Construction Stop	Nov-14		
DEBT PER CUSTOMER	Existing	$2,496		
	Proposed	$1,823		
OTHER DEBT		See Attached		
OTHER STATE-FUNDED PROJECTS LAST 5 YRS		See Attached		

RESIDENTIAL RATES		Users	Avg. Bill	
	Current	15,586	$20.24	(for 4,000 gallons)
	Additional	0	$20.24	(for 4,000 gallons)

REGIONAL COORDINATION This project is consistent with regional planning recommendations.

CASHFLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2010	1,416,778	131,864	1,284,914	10.7
Audited 2011	1,989,934	1,197,594	792,340	1.7
Audited 2012	1,056,274	1,356,850	(300,576)	0.8
Projected 2013	1,074,397	1,573,139	(498,742)	0.7
Projected 2014	1,902,488	1,576,450	326,038	1.2
Projected 2015	2,209,562	2,091,070	118,492	1.1
Projected 2016	2,621,589	2,198,499	423,090	1.2
Projected 2017	2,469,374	2,200,899	268,475	1.1

Reviewer: Sandy Williams
Date: March 7, 2013
Loan Number: F13-021

KENTUCKY INFRASTRUCTURE AUTHORITY
DRINKING WATER STATE REVOLVING FUND (FUND "F")
ELECTRIC & WATER PLANT BOARD OF THE CITY OF FRANKFORT KENTUCKY
FRANKLIN COUNTY
PROJECT REVIEW
WX21073018

I. PROJECT DESCRIPTION

The Frankfort Electric & Water Plant Board ("Plant Board") is requesting a Drinking Water SRF loan in the amount of $4,000,000 for the Alternate Power Generation project. The project involves the design and construction of a 2,800 KW diesel power generation facility for the water treatment plant which currently has no back-up power source. The proposed facility will permit the plant to run at full capacity during a major outage. It will provide power to a distribution pump station that serves east Frankfort and will be capable of supplying power to maintain water service to downtown Frankfort in the event of a city wide outage. The proposed facility will also provide emergency power to the security system at the water treatment plant, which will maintain the existing video surveillance system, alarms, automated gate locks, and radio intercom system.

The Water Utility directly serves customers both within and outside the Frankfort City limits and in part of northern Woodford County that was previously serviced by the North Woodford Water District which was acquired by the Plant Board in 1989. Wholesale service is provided to the Elkhorn, Farmdale, Northeast Woodford County, Peaks Mill, US 60 and South Anderson Water Districts, which are PSC regulated. Additionally, service is provided to the North Shelby Water Company and the City of Georgetown. Wholesale sales represent about 23% total sales. The Water Utility will undergo a cost of service study later this year and anticipates raising rates every two years in conjunction with future cost of service studies.

II. PROJECT BUDGET

	Total
Administrative Expenses	$ 30,000
Planning	25,000
Engineering Fees - Design	180,000
Engineering Fees - Const / Inspection	204,000
Engineering Fees - Other	30,000
Construction	3,250,000
Contingency	231,000
Other	50,000
Total	**$ 4,000,000**

III. PROJECT FUNDING

	Amount	%
Fund F Loan	$ 4,000,000	100%
Total	**$ 4,000,000**	**100%**

IV. KIA DEBT SERVICE

Construction Loan	$ 4,000,000
Less: Principal Forgiveness (10%)	400,000
Amortized Loan Amount	$ 3,600,000
Interest Rate	1.75%
Loan Term (Years)	20
Estimated Annual Debt Service	$ 214,112
Administrative Fee (0.25%)	9,000
Total Estimated Annual Debt Service	**$ 223,112**

V. PROJECT SCHEDULE

Bid Opening	October 2013
Construction Start	January 2014
Construction Stop	November 2014

VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

A) Customers

Customers	Current
Residential	13,508
Commercial	2,078
Industrial	0
Total	15,586

B) Rates

	City Current	Outside City Current
Date of Last Rate Increase	12/15/10	
Minimum (2,000 gallons)	$10.12	$14.26
Next 3,000 Gallons (per 000)	5.06	7.13
Next 20,000 Gallons	3.89	3.89
Next 175,000 Gallons	3.21	3.21
Next 800,000 Gallons	2.41	2.41

Over 1,000,000 Gallons	1.90	1.90
Cost for 4,000 gallons	$20.24	$28.52
Increase %	15.9%	8.2%
Affordability Index (Rate/MHI)	0.6%	0.9%
Wholesale Rates Per 1,000 Gallons		
Date of Last Rate Increase	7/1/11	
All Locations Except Georgetown	$1.91	
Georgetown	$2.47	

VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2006-2010, the City's population was 25,682 with a Median Household Income (MHI) of $38,822. The median household income for the Commonwealth is $41,576. The project will qualify for a 1.75% interest rate because the City's MHI is below the State MHI. Additionally, the project qualifies because the borrower is a regional provider.

VIII. 2012 CAPITALIZATION GRANT EQUIVALENCIES

1) Green Project Reserve - The 2012 Drinking Water capitalization grant does not contain a "green" requirement.

2) Additional Subsidization – This project qualifies for additional subsidization in the amount of $400,000.

IX. FINANCIAL ANALYSIS (See Exhibit 1)

Financial information was obtained from the audited financial statements for the years ended June 30, 2010 through 2012. The balance sheet includes the electric, water and cable operations. The cash flow analysis discussed below is only for the Water Division.

HISTORY

Water revenues increased 8% from $7.3 million in 2010 to $7.9 million in 2012. Rate increases of 16% on retail customers and 6% on wholesale customers were offset by a volume reduction during 2012. Wholesale revenues comprise about 23% of total revenues. Operating expenses increased 16% during the same period due to increases in distribution and treatment costs and maintenance. Debt coverage was 1.7 in 2011 and 0.8 in 2012.

The balance sheet for the entire utility reflects a current ratio of 1.1 and a debt to equity ratio of 0.9.

PROJECTIONS

Projections are based on the following assumptions:

1) Revenues will increase 2% in 2013 due to volume increases with two wholesale customers. Retail volume will be flat.
2) Revenues will increase every other year to accommodate inflation and additional debt service requirements. The projection reflects a 16% increase in the first half of fiscal 2014 and a 6% increase at the beginning of fiscal 2016.
3) Expenses will increase 2% annually for inflation
4) An existing bond anticipation note will be refinanced in 2014 for $3.45 million at 3% for 10 years. This is for a current project that is under construction.
5) Debt service on the proposed loan is estimated at $223,112 annually.
6) Debt service coverage is 1.1 in 2015 when principal and interest repayments begin.

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

REPLACEMENT RESERVE

The annual replacement cost is $10,000 This amount should be added to the replacement account each December 1 until the balance reaches $100,000 and maintained for the life of the loan.

X. DEBT OBLIGATIONS

	Outstanding	Maturity
2009 Water Bonds	$ 8,420,000	Dec-19
Full Service Network Notes	21,795,400	Various
Bond Anticipation Note	2,000,000	2014
KIA (F08-04, i/a/o $6,743,307)	6,590,600	Dec-31
Total	**$ 38,806,000**	

XI. OTHER STATE OR FEDERAL FUNDING IN PAST FIVE YEARS

Project Title	Funding Source	Amount	Type
Peaks Mill Road Second Feed Project	HB608	225,000	Grant
Red Bridge Waterline Extension Phase II	HB608	100,000	Grant

XII. CONTACTS

Legal Applicant	
Name	Electric and Water Plant Board of the City of Frankfort, Kentucky
Address	317 West 2nd Street
	Frankfort, KY 40601
County	Franklin
Authorized Official	Ralph Ludwig (Board Chair)
Phone	(502) 352-4372
Email	ludwigrw@aol.com

Project Administrator	
Name	Frankfort Plant Board
Address	305 Hickory Drive
	Frankfort, KY 40601
Contact	David Billings, P.E.
Phone	(502) 352-4468
Email	dbillings@fewpb.com

Consulting Engineer	
Name	Joseph Henry, P.E.
Firm	GRW Engineers, Inc.
Address	801 Corporate Drive
	Lexington, KY 40503
Phone	(859) 223-3999
Email	jhenry@grwinc.com

XIII. RECOMMENDATIONS

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

ELECTRIC AND WATER PLANT BOARD OF THE CITY OF FRANKFORT, KENTUCKY
BALANCE SHEETS (JUNE YEAR END)

ASSETS	Audited 2010	Audited 2011	Audited 2012	Upon Completion 2015
Current Assets				
Cash	8,300,033	7,970,205	7,708,361	11,896,000
Investments	4,111,203	5,176,268	5,192,873	5,200,000
Accounts Receivable	10,011,482	10,384,298	10,195,779	10,819,900
Other Receivables	456,224	344,416	388,082	375,000
Inventory	4,864,930	4,348,014	4,267,850	4,300,000
Prepaid	585,548	205,267	445,073	450,000
Total Current Assets	28,329,420	28,428,468	28,198,018	33,040,900
Restricted Assets				
Insurance Escrow	48,855	374,312	55,239	50,000
Retirement Plan Assets	412,026	440,717	472,107	475,000
KIA Repair and Replacement Reserve	0	0	0	70,000
Total Restricted Assets	460,881	815,029	527,346	595,000
Net Fixed Assets	91,858,847	93,690,707	94,045,565	94,540,565
Other Assets				
Cable Acquisition Cost	210,600	70,200	0	0
Unamortized Bond Discount	0	0	0	0
Total Other Assets	210,600	70,200	0	0
Total Assets	120,859,748	123,004,404	122,770,929	128,176,465
LIABILITIES				
Current Liabilities				
Accounts Payable	13,968,762	13,236,241	13,828,684	14,461,000
Accrued Expenses	1,043,067	800,199	923,993	966,000
Customer Deposits	2,365,638	2,469,451	2,454,123	2,566,000
Unearned Revenues	741,363	1,287,723	1,674,369	1,750,000
Current Portion Long Term Debt	3,706,806	4,638,017	3,901,706	3,692,953
Total Current Liabilities	21,825,636	22,431,631	22,782,875	23,435,953
Long Term Liabilities				
Long Term Debt	38,588,677	36,441,059	34,904,294	24,668,643
Unamortized Bond Premium	117,695	105,306	92,917	55,750
Proposed KIA Loan	0	0	0	3,600,000
Total Long Term Liabilities	38,706,372	36,546,365	34,997,211	28,324,393
Total Liabilities	60,532,008	58,977,996	57,780,086	51,760,346
Retained Earnings:				
Invested in Capital Assets Net of Related Debt	54,407,311	52,611,631	55,239,565	62,578,969
Restricted	2,055,819	2,114,327	2,175,095	2,175,095
Unrestricted	3,864,610	9,300,450	7,576,183	11,662,055
Total Retained Earnings	60,327,740	64,026,408	64,990,843	76,416,119
Total Liabilities and Equities	120,859,748	123,004,404	122,770,929	128,176,465
Balance Sheet Analysis				
Current Ratio	1.3	1.3	1.2	1.4
Debt to Equity	1.0	0.9	0.9	0.7

EXHIBIT 1
ELECTRIC AND WATER PLANT BOARD OF THE CITY OF FRANKFORT, KENTUCKY
CASH FLOW ANALYSIS (JUNE YEAR END) - WATER

	Audited 2010	% Change	Audited 2011	% Change	Audited 2012	Projected 2013	Projected 2014	Projected 2015	Projected 2016	Projected 2017
Operating Revenues										
Revenues	7,320,001	14%	8,376,148	-5%	7,937,315	8,096,061	9,067,588	9,520,967	10,092,225	10,092,225
Total Revenues	7,320,001	14%	8,376,148	-5%	7,937,315	8,096,061	9,067,588	9,520,967	10,092,225	10,092,225
Operating Expenses										
Operating Expenses	6,039,746	8%	6,538,443	8%	7,031,172	7,171,795	7,315,231	7,461,536	7,610,767	7,762,982
Depreciation	1,420,553	-6%	1,334,087	19%	1,582,053	1,600,000	1,625,000	1,625,000	1,785,000	1,785,000
Replacement Reserve	0		0		17,500	17,500	17,500	17,500	27,500	27,500
Total Expenses	7,460,299	6%	7,872,530	10%	8,630,725	8,789,295	8,957,731	9,104,036	9,423,267	9,575,482
Net Operating Income	(140,298)	-459%	503,618	-238%	(693,410)	(693,234)	109,857	416,931	668,958	516,743
Non-Operating Income and Expenses										
Interest Income	23,159		38,737		36,891	36,891	36,891	36,891	36,891	36,891
Other	113,364		113,492		130,740	130,740	130,740	130,740	130,740	130,740
Total Non-Operating Income & Expenses	136,523	12%	152,229	10%	167,631	167,631	167,631	167,631	167,631	167,631
Add Non-Cash Expenses										
Depreciation	1,420,553	-6%	1,334,087	19%	1,582,053	1,600,000	1,625,000	1,625,000	1,785,000	1,785,000
Cash Available for Debt Service	**1,416,778**	**40%**	**1,989,934**	**-47%**	**1,056,274**	**1,074,397**	**1,902,488**	**2,209,562**	**2,621,589**	**2,469,374**
Debt Service (enter as positive #'s)										
Existing Principal	0		910,000		1,087,706	1,257,706	1,285,791	1,313,907	1,342,053	1,380,231
Existing Interest	131,864		287,594		269,144	315,433	290,659	261,607	229,334	193,556
Proposed KIA Loan	0		0		0	0	0	111,556	223,112	223,112
Refinanced Bond Anticipation Note	0		0		0	0	0	404,000	404,000	404,000
Total Debt Service	131,864		1,197,594		1,356,850	1,573,139	1,576,450	2,091,070	2,198,499	2,200,899
Income After Debt Service	1,284,914		792,340		(300,576)	(498,742)	326,038	118,492	423,090	268,475
Debt Coverage Ratio	10.7		1.7		0.8	0.7	1.2	1.1	1.2	1.1

ATTACHMENT

I.B.13.

A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED DRINKING WATER REVOLVING FUND LOAN (F13-039) OF $2,855,000 TO THE HENRY COUNTY WATER DISTRICT #2, HENRY 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 Drinking Water Revolving Loan Program (Fund F) with the Henry County Water District #2, 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 F 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 Drinking Water Revolving Fund loan for $2,855,000 of project expense including capitalized interest for the construction period, to the Henry County Water District #2 for the Morton Ridge Main Upgrade 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 1.75%. In addition to debt service, a 0.25% annual administration fee on the unpaid loan balance will be charged. From annual revenues, $7,100 must be set aside in a borrower held replacement reserve each December 1 until the balance reaches $71,000 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 7th day of March 2013.

_____
TONY WILDER, CHAIR
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

_____
SANDY WILLIAMS, SECRETARY
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

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

EXECUTIVE SUMMARY		Reviewer	John LeFevre
KENTUCKY INFRASTRUCTURE AUTHORITY		Date	March 7, 2013
FUND F, FEDERALLY ASSISTED DRINKING WATER		KIA Loan Number	F13-039
REVOLVING LOAN FUND		WRIS Number	WX21103039

BORROWER	HENRY COUNTY WATER DISTRICT #2 HENRY COUNTY

BRIEF DESCRIPTION

This project involves the installation of approximately 24,000 linear feet of twenty inch ductile iron water main from the treatment plant to the District's first storage tank. It will replace twelve inch line that is a source of continuous breaks and leaks. The project will also provide the capacity to supply water to a neighboring district.

PROJECT FINANCING		PROJECT BUDGET	RD Fee %	Actual %	
Fund F Loan	$2,855,000	Administrative Expenses			$10,000
Local Funds	485,000	Legal Expenses			50,000
		Land, Easements			50,000
		Eng - Design	7.3%	1.0%	30,000
		Eng - Constr / Insp	4.1%	4.7%	145,000
		Construction			2,855,000
		Contingency			200,000
TOTAL	$3,340,000	TOTAL			$3,340,000

REPAYMENT	Rate	1.75%	Est. Annual Payment	$176,940
	Term	20 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	Tetra Tech, Inc.		
	Bond Counsel	Peck, Shaffer, & Williams		
PROJECT SCHEDULE	Bid Opening	Jun-13		
	Construction Start	Aug-13		
	Construction Stop	Aug-14		
DEBT PER CUSTOMER	Existing	$1,270		
	Proposed	$1,525		
OTHER DEBT		See Attached		
OTHER STATE-FUNDED PROJECTS LAST 5 YRS		See Attached		

RESIDENTIAL RATES		Users	Avg. Bill	
	Current	6,315	$35.61	(for 4,000 gallons)
	Additional	0	$35.61	(for 4,000 gallons)

REGIONAL COORDINATION This project is consistent with regional planning recommendations.

CASHFLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2009	987,089	884,383	102,706	1.1
Audited 2010	1,181,226	806,253	374,973	1.5
Audited 2011	1,283,423	737,357	546,066	1.7
Projected 2012	1,228,369	734,128	494,241	1.7
Projected 2013	1,185,183	738,476	446,707	1.6
Projected 2014	1,141,134	733,096	408,038	1.6
Projected 2015	1,099,104	911,264	187,840	1.2
Projected 2016	1,053,475	912,840	140,635	1.2
Projected 2017	1,006,934	908,940	97,994	1.1

Reviewer: John LeFevre
Date: March 7, 2013
Loan Number: F13-039

KENTUCKY INFRASTRUCTURE AUTHORITY
DRINKING WATER STATE REVOLVING FUND (FUND "F")
HENRY COUNTY WATER DISTRICT #2, HENRY COUNTY
PROJECT REVIEW
WX21103039

I. PROJECT DESCRIPTION

The Henry County Water District #2 ("District") is requesting a Drinking Water SRF loan in the amount of $2,855,000 for the Morton Ridge Main Upgrade project. The project involves the installation of approximately 24,000 linear feet of twenty inch ductile iron water main from the treatment plant to the District's first storage tank. It will replace twelve inch line that is a source of continuous breaks and leaks. The project will also provide the capacity to supply water to a neighboring district. The District is in the process of installing new variable frequency drives (VFD's) on the three pumps that send water from the treatment plant into the distribution system. Completion of the two projects will reduce pump run times and thus energy usage.

The District is a rural water company serving approximately 6,300 customers in Henry, Trimble, Carroll, Oldham and Shelby counties and is regulated by the Public Service Commission. Wholesale service is provided to the West Carroll Water District and both Eminence and New Castle Water Works. Approximately 20% of water sold is to wholesale customers.

II. PROJECT BUDGET

	Total
Administrative Expenses	$ 10,000
Legal Expenses	50,000
Land, Easements	50,000
Engineering Fees - Design	30,000
Engineering Fees - Const / Inspection	145,000
Construction	2,855,000
Contingency	200,000
Total	**$ 3,340,000**

III. PROJECT FUNDING

	Amount	%
Fund F Loan	$ 2,855,000	85%
Local Funds	485,000	15%
Total	**$ 3,340,000**	**100%**

IV. KIA DEBT SERVICE

Construction Loan	$	2,855,000
Interest Rate		1.75%
Loan Term (Years)		20
Estimated Annual Debt Service	$	169,803
Administrative Fee (0.25%)		7,138
Total Estimated Annual Debt Service	**$**	**176,940**

V. PROJECT SCHEDULE

Bid Opening	June 2013
Construction Start	August 2013
Construction Stop	August 2014

VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

A) Customers

Customers	Current
Residential	6,156
Commercial	156
Industrial	3
Total	6,315

B) Rates

	Current	Prior
Date of Last Rate Increase	08/12/10	
Minimum (1,500 gallons)	$18.76	$16.00
Next 3,500 Gallons	6.74	5.75
Next 5,000 Gallons	6.15	5.25
Next 10,000 Gallons	4.98	4.25
Next 30,000 Gallons	3.81	3.25
Over 50,000 Gallons	2.58	2.20
Cost for 4,000 gallons	$35.61	$30.38
Increase %	17.2%	
Affordability Index (Rate/MHI)	1.0%	0.9%
Wholesale Rate Per 1,000 Gallons	$2.58	$2.20

VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2006-2010, the County's population was 15,474 with a Median Household Income (MHI) of $43,612. The median household income for the Commonwealth is $41,576. The project will qualify for a 1.75% interest rate because it is a regional provider.

VIII. 2012 CAPITALIZATION GRANT EQUIVALENCIES

1) Green Project Reserve - The 2012 Drinking Water capitalization grant does not contain a "green" requirement.

2) Additional Subsidization – This project does not qualify for additional subsidization.

IX. FINANCIAL ANALYSIS (See Exhibit 1)

Financial information was obtained from the audited financial statements for the years ended December 21, 2009 through 2011. Amounts for 2012 are estimated.

HISTORY

Revenues increased 17% from $2,880,225 in 2009 to $3,375,145 in 2012. The entire amount of the increase was due to the 17% rate increase in August 2010 as customer count has been flat. Expenses increased 10% from $1,957,765 to $2,159,276 during the same period. Maintenance and employee benefit costs were the primary contributors to the increase. The debt coverage ratio improved from 1.1 in 2009 to 1.7 in 2011 and 2012.

The balance sheet reflects a current ratio of 7.3 and a debt to equity ratio of 0.9. Months of operating expenses in unrestricted cash is 2.6. The District maintains various restricted accounts as required by its bond covenants including a bond sinking fund and a depreciation account, both of which are fully funded. The depreciation account had a balance of approximately $600,000, or 2% of gross fixed assets, at the end of 2012. Capital spending from 2009 through 2012 was about $2 million.

PROJECTIONS

Projections are based on the following assumptions:

1) Revenues will be flat for growth.
2) Expenses will increase 2% for inflation while purchased power cost will decrease $10,000 (2.5%) in 2015 after installation of the VFD's.
3) Debt service on the proposed loan is estimated at $176,940 annually
4) Debt service coverage is 1.2 in 2015 when principal and interest repayments begin.

REPLACEMENT RESERVE
The annual replacement cost is $7,100. This amount should be added to the replacement account each December 1 until the balance reaches $71,000 and maintained for the life of the loan.

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

X. DEBT OBLIGATIONS

	Outstanding	Maturity
Series 2001D Bonds	$ 433,000	Jan-18
Series 2003 Bonds	2,409,000	Jan-33
Series 2010B	5,235,000	Jan-28
Total	**$ 8,077,000**	

XI. OTHER STATE OR FEDERAL FUNDING IN PAST FIVE YEARS

Project Title	Funding Source	Amount	Type
KY 389 Extension	HB608	25,000	Grant
Pennywinkle Road Extension	HB608	55,000	Grant
Systemwide Betterment Project	HB608	300,000	Grant
Systemwide Betterment Project	HB608	50,000	Grant

XII. CONTACTS

Legal Applicant, Project Administrator	
Name	Henry County Water District #2
Address	8955 Main Street, P.O. Box 219 Campbellsburg, KY 40011
County	Henry
Authorized Official	James T. Simpson (Chief Operating Officer)
Phone	502-532-6279 or 502-724-3387
Email	jsimpson@hcwd2.com

Consulting Engineer	
Name	Herbert Ray Lemaster
Firm	Tetra Tech, Inc.
Address	800 Corporate Drive, Suite 100 Lexington, KY 40503
Phone	(859) 223-8000
Email	herb.lemaster@tetratech.com

XIII. RECOMMENDATIONS

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

HENRY COUNTY WATER DISTRICT #2
BALANCE SHEETS (DECEMBER YEAR END)

ASSETS	Audited 2009	Audited 2010	Audited 2011	Projected 2012	Upon Completion 2014
Current Assets					
Cash	299,115	403,702	362,479	461,279	632,179
Accounts Receivable	396,161	538,549	469,827	469,800	469,800
Other Receivables	27,575	1,403	1,747	1,500	1,500
Inventory	134,624	138,939	140,989	140,000	140,000
Prepaid Expenses	39,833	15,435	29,896	30,000	30,000
Total Current Assets	897,308	1,098,028	1,004,938	1,102,579	1,273,479
Restricted Assets					
Bond Interest and Sinking Fund	1,248,983	569,038	591,716	600,000	600,000
Depreciation Reserve	428,246	605,588	606,230	600,000	600,000
Shelby RECC Note Payable	200,000	200,000	0	0	0
Customer Deposits and Impact Escrow Charge	259,522	252,311	178,696	180,000	180,000
Construction Account	437,079	166,362	382,052	250,000	250,000
Accrued Interest	11,649	5,670	4,855	5,000	5,000
Construction Grants Receivable	130,000	75,000	0	0	0
Total Restricted Assets	2,715,479	1,873,969	1,763,549	1,635,000	1,635,000
Utility Plant					
Land, System, Building and Equipment	26,592,851	26,973,045	27,578,257	28,073,219	31,913,219
Construction in Process	0	15,125	194,962	0	0
Total	26,592,851	26,988,170	27,773,219	28,073,219	31,913,219
Less Accumulated Depreciation ( )	(12,087,265)	(12,916,678)	(13,752,164)	(14,587,164)	(16,257,164)
Net Fixed Assets	14,505,586	14,071,492	14,021,055	13,486,055	15,656,055
Other Assets					
Unamortized Bond Costs and Discount, Net	0	104,028	98,041	92,054	80,080
Total Other Assets	0	104,028	98,041	92,054	80,080
Total Assets	18,118,373	17,147,517	16,887,583	16,315,688	18,644,614
LIABILITIES					
Current Liabilities					
Accounts Payable	98,596	63,199	60,220	62,500	62,500
Accrued Expenses	70,945	80,916	76,790	80,000	80,000
Taxes	6,766	7,925	7,714	8,000	8,000
Total Current Liabilities	176,307	152,040	144,724	150,500	150,500
Liabilities Payable - Restricted Assets					
Construction Accounts Payable	0	0	2,000	0	0
Accrued Interest Payable	1,262	1,602	796	1,000	1,000
Revenue Bonds Payable	363,000	388,000	399,000	418,000	445,000
Note Payable	33,684	0	0	0	0
Customer Deposits	83,743	85,400	66,040	67,500	67,500
Funds Held for Future Construction	4,600	0	29,200	0	0
Deferred Loss on Early Debt Retirement	0	(215,370)	(202,975)	(190,580)	(165,790)
Total Liabilities Payable - Restricted Assets	486,289	259,632	294,061	295,920	347,710
Long Term Liabilities					
Revenue Bonds	8,612,198	8,015,448	7,619,097	7,201,097	6,328,097
Notes Payable	97,484	0	0	0	0
Proposed KIA Loan	0	0	0	0	2,855,000
Total Long Term Liabilities	8,709,682	8,015,448	7,619,097	7,201,097	9,183,097
Total Liabilities	9,372,278	8,427,120	8,057,882	7,647,517	9,681,307
Retained Earnings:					
Invested in Capital Assets Net of Related Debt	5,164,418	5,925,890	6,301,974	5,866,958	6,027,958
Restricted - Capital Projects	567,079	241,362	382,052	250,000	250,000
Restricted - Debt Service	1,888,878	1,380,296	1,202,801	1,385,000	1,385,000
Unrestricted	1,125,720	1,172,849	942,874	1,166,213	1,300,349
Total Retained Earnings	8,746,095	8,720,397	8,829,701	8,668,171	8,963,307
Total Liabilities and Equities	18,118,373	17,147,517	16,887,583	16,315,688	18,644,614
Balance Sheet Analysis					
Current Ratio	5.1	7.2	6.9	7.3	8.5
Debt to Equity	1.1	1.0	0.9	0.9	1.1
Days Sales in Accounts Receivable	50.2	60.9	50.8	50.8	50.8

EXHIBIT 1
HENRY COUNTY WATER DISTRICT #2
CASH FLOW ANALYSIS (DECEMBER YEAR END)

Operating Revenues	**Audited 2009**	**% Change**	**Audited 2010**	**% Change**	**Audited 2011**	**% Change**	**Projected 2012**	**Projected 2013**	**Projected 2014**	**Projected 2015**	**Projected 2016**	**Projected 2017**
Charges for Services	2,761,053	12%	3,095,797	4%	3,222,809	0%	3,222,809	3,222,809	3,222,809	3,222,809	3,222,809	3,222,809
Other	119,172	12%	133,216	14%	152,336	0%	152,336	152,336	152,336	152,336	152,336	152,336
Total Revenues	2,880,225	12%	3,229,013	5%	3,375,145	0%	3,375,145	3,375,145	3,375,145	3,375,145	3,375,145	3,375,145
Operating Expenses												
Operating Expenses	1,957,765	7%	2,088,443	1%	2,116,937	2%	2,159,276	2,202,462	2,246,511	2,281,441	2,327,070	2,373,611
Depreciation	817,693	2%	833,845	0%	835,486	0%	835,000	835,000	835,000	872,000	946,000	983,000
Replacement Reserve	0		0		0		0	0	0	7,100	7,100	7,100
Total Expenses	2,775,458	5%	2,922,288	1%	2,952,423	1%	2,994,276	3,037,462	3,081,511	3,160,541	3,280,170	3,363,711
Net Operating Income	104,767	193%	306,725	38%	422,722	-10%	380,869	337,683	293,634	214,604	94,975	11,434
Non-Operating Income and Expenses												
Interest Income	64,629	-37%	40,656	-38%	25,215	-50%	12,500	12,500	12,500	12,500	12,500	12,500
Total Non-Operating Income & Expenses	64,629	-37%	40,656	-38%	25,215	-50%	12,500	12,500	12,500	12,500	12,500	12,500
Add Non-Cash Expenses												
Depreciation	817,693	2%	833,845	0%	835,486	0%	835,000	835,000	835,000	872,000	946,000	983,000
Cash Available for Debt Service	**987,089**	**20%**	**1,181,226**	**9%**	**1,283,423**	**-4%**	**1,228,369**	**1,185,183**	**1,141,134**	**1,099,104**	**1,053,475**	**1,006,934**
Debt Service (enter as positive #'s)												
Existing Principal	432,640		396,684		388,000		399,000	418,000	428,000	445,000	463,000	475,000
Existing Interest	451,743		409,569		349,357		335,128	320,476	305,096	289,324	272,900	257,000
Proposed KIA Loan	0		0		0		0	0	0	176,940	176,940	176,940
Total Debt Service	884,383		806,253		737,357		734,128	738,476	733,096	911,264	912,840	908,940
Income After Debt Service	102,706		374,973		546,066		494,241	446,707	408,038	187,840	140,635	97,994
Debt Coverage Ratio	1.1		1.5		1.7		1.7	1.6	1.6	1.2	1.2	1.1

A T T A C H M E N T

I.B.14.

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 7th day of March, 2013.

_____
TONY WILDER, CHAIR
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

_____
SANDY WILLIAMS, SECRETARY
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

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

EXHIBIT A

APPLICANT	FUND	AMOUNT
Lexington-Fayette Urban Co Govt	A13-002	$13,674,302
Lexington-Fayette Urban Co Govt	A13-003	$10,194,421
Lexington-Fayette Urban Co Govt	A13-007	$ 4,657,640
Lexington-Fayette Urban Co Govt	A13-015	$21,641,030
Lexington-Fayette Urban Co Govt	A13-018	$ 6,000,000
City of Elkton	B13-001	$ 320,000
Bullitt County Sanitation District	B13-002	$ 89,225
City of Barlow	F11-09	$ 430,000
City of Harrodsburg	F11-17	$ 518,000
City of Harrodsburg	F13-002	$ 1,688,950
Frankfort Electric & Water Plant Board	F13-021	$ 4,000,000
Henry County Water District #2	F13-039	$ 2,855,000

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

Kentucky Infrastructure Authority
Amounts Available to Loan
3/1/2013

Clean Water State Revolving Fund (Fund A)	
Trustee Funds Not Committed	$49,484,690
Adjustments **	($53,173,582)
Funds Available to Loan	($3,688,892)
Infrastructure Revolving Fund (Fund B)	
Trustee Funds Not Committed	$6,614,457
Applications In-house	($5,006,225)
Funds Available to Loan	$1,608,232
Governmental Agencies Program (Fund C)	
Trustee Funds Not Committed	$4,995,893
Applications In-house	($1,000,000)
Funds Available to Loan	$3,995,893
Drinking Water State Revolving Fund (Fund F)	
Trustee Funds Not Committed	$22,461,432
Adjustments **	($22,289,448)
Funds Available to Loan	$171,984

** Adjustments include in-house applications; debt service; and projected repayments

Fund A Loans for construction of wastewater infrastructure, 20-year max term, must be on CWSRF priority list – Federal funds with 20% state match

Fund B Planning, design and construction loans for all infrastructure projects as defined by KRS 224A.011 – State funds

Fund C Market rate pooled loan program with surplus funds for direct loans for infrastructure projects as defined by KRS 224A.011

Fund F Loans for construction of drinking water infrastructure, 20-year term (may be 30 years if disadvantaged), must be on DWSRF priority list – Federal funds with 20% state match

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

AVAILABLE FUNDS FFY 1989:	
FEDERAL TITLE VI GRANT FUNDS	$33,237,382
UNUSED TITLE II GRANT FUNDS	$5,873,998
BOND PROCEEDS (20%)	$7,822,276
ADMINISTRATION (4%)	($1,564,455)
NET 89 SRF FUNDS	$45,369,201
AVAILABLE FUNDS FFY 1990:	
FEDERAL TITLE VI GRANT FUNDS	$17,798,449
BOND PROCEEDS (20%)	$3,559,690
ADMINISTRATION (4%)	($711,938)
NET 90 SRF FUNDS	$20,646,201
AVAILABLE FUNDS FFY 1991:	
FEDERAL TITLE VI GRANT FUNDS	$31,258,282
BOND PROCEEDS (20%)	$6,251,656
ADMINISTRATION (4%)	($1,250,331)
NET 91 SRF FUNDS	$36,259,607
AVAILABLE FUNDS FFY 1992:	
FEDERAL TITLE VI GRANT FUNDS	$25,429,111
BOND PROCEEDS (20%)	$5,085,822
ADMINISTRATION (4%)	($1,017,164)
NET 92 SRF FUNDS	$29,497,769
AVAILABLE FUNDS FFY 1993:	
FEDERAL TITLE VI GRANT FUNDS	$24,462,603
BOND PROCEEDS (20%)	$4,892,521
ADMINISTRATION (4%)	($978,504)
NET 93 SRF FUNDS	$28,376,620
AVAILABLE FUNDS FFY 1994:	
FEDERAL TITLE VI GRANT FUNDS	$15,178,779
BOND PROCEEDS (20%)	$3,035,756
ADMINISTRATION (4%)	($607,151)
NET 94 SRF FUNDS	$17,607,384
AVAILABLE FUNDS FFY 1995:	
FEDERAL TITLE VI GRANT FUNDS	$15,676,353
BOND PROCEEDS (20%)	$3,135,271
ADMINISTRATION (4%)	($627,054)
NET 95 SRF FUNDS	$18,184,570
AVAILABLE FUNDS FFY 1996:	
FEDERAL TITLE VI GRANT FUNDS	$25,678,432
BOND PROCEEDS (20%)	$5,135,686
ADMINISTRATION (4%)	($1,027,137)
NET 96 SRF FUNDS	$29,786,981
ADDITIONAL FUNDS FFY 1997:	
FEDERAL TITLE VI GRANT FUNDS	$7,912,200
BOND PROCEEDS (20%)	$1,582,440
ADMINISTRATION (4%)	($316,488)
NET ADD'L 97 SRF FUNDS	$9,178,152
AVAILABLE FUNDS FFY 1998:	
FEDERAL TITLE VI GRANT FUNDS	$17,138,187
BOND PROCEEDS (20%)	$3,427,637
ADMINISTRATION (4%)	($685,527)
NET 98 SRF FUNDS	$19,880,297
AVAILABLE FUNDS FFY 1999:	
FEDERAL TITLE VI GRANT FUNDS	$17,139,573
BOND PROCEEDS (20%)	$3,427,914
ADMINISTRATION (4%)	($685,582)
NET 98 SRF FUNDS	$19,881,905
AVAILABLE FUNDS FFY 2000:	
FEDERAL TITLE VI GRANT FUNDS	$17,081,460
BOND PROCEEDS (20%)	$3,416,292
ADMINISTRATION (4%)	($683,258)
NET 00 SRF FUNDS	$19,814,494
AVAILABLE FUNDS FFY 2001:	
FEDERAL TITLE VI GRANT FUNDS	$16,929,594
BOND PROCEEDS (20%)	$3,385,919
ADMINISTRATION (4%)	($677,184)
NET 01 SRF FUNDS	$19,638,329

AVAILABLE FUNDS FFY 2002:	
FEDERAL TITLE VI GRANT FUNDS	$16,967,313
BOND PROCEEDS (20%)	$3,393,463
ADMINISTRATION (4%)	($678,692)
NET 02 SRF FUNDS	$19,682,084
AVAILABLE FUNDS FFY2003:	
FEDERAL TITLE VI GRANT FUNDS	$16,857,027
BOND PROCEEDS (20%)	$3,371,405
ADMINISTRATION (4%)	($674,281)
NET 03 SRF FUNDS	$19,554,151
AVAILABLE FUNDS FFY2004:	
FEDERAL TITLE VI GRANT FUNDS	$16,867,224
BOND PROCEEDS (20%)	$3,373,445
ADMINISTRATION (4%)	($674,688)
NET 04 SRF FUNDS	$19,565,981
AVAILABLE FUNDS FFY2005:	
FEDERAL TITLE VI GRANT FUNDS	$13,714,668
BOND PROCEEDS (20%)	$2,742,934
ADMINISTRATION (4%)	($548,586)
NET 05 SRF FUNDS	$15,909,016
AVAILABLE FUNDS FFY2006:	
FEDERAL TITLE VI GRANT FUNDS	$11,145,123
BOND PROCEEDS (20%)	$2,229,025
ADMINISTRATION (4%)	($445,804)
NET 06 SRF FUNDS	$12,928,344
AVAILABLE FUNDS FFY2007:	
FEDERAL TITLE VI GRANT FUNDS	$13,621,905
BOND PROCEEDS (20%)	$2,724,381
ADMINISTRATION (4%)	($544,876)
NET 07 SRF FUNDS	$15,801,410
AVAILABLE FUNDS FFY2008:	
FEDERAL TITLE VI GRANT FUNDS	$8,648,100
BOND PROCEEDS (20%)	$1,729,620
ADMINISTRATION (4%)	($345,924)
NET 08 SRF FUNDS	$10,031,796
AVAILABLE FUNDS FFY2009:	
FEDERAL TITLE VI GRANT FUNDS	$8,648,100
BOND PROCEEDS (20%)	$1,729,620
ADMINISTRATION (4%)	($345,924)
NET 09 SRF FUNDS	$10,031,796
AVAILABLE FUNDS FFY2010:	
FEDERAL TITLE VI GRANT FUNDS	$25,932,000
BOND PROCEEDS (20%)	$5,186,400
ADMINISTRATION (4%)	($1,037,280)
NET 09 SRF FUNDS	$30,081,120
AVAILABLE FUNDS FFY2011:	
FEDERAL TITLE VI GRANT FUNDS	$18,794,000
BOND PROCEEDS (20%)	$3,758,800
ADMINISTRATION (4%)	($751,760)
NET 09 SRF FUNDS	$21,801,040
AVAILABLE FUNDS FFY2012:	
FEDERAL TITLE VI GRANT FUNDS	$17,987,000
BOND PROCEEDS (20%)	$3,597,400
ADMINISTRATION (4%)	($719,480)
NET 09 SRF FUNDS	$20,864,920
NET FY 1989-2012 SRF FUNDS	**$510,373,168**
CURRENT REVOLVING/SURPLUS FUND BALAN	**$306,103,316**
Leverage Bonds - Balance	**$0**
Balance Available for Loan	**$49,484,690**

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

		TOTAL PROJECT AMOUNT	KIA AMOUNT		DATE APPROVED	
	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)
67	PADUCAH-MCCRACKEN JOINT SEWER AGENCY	$3,798,069	$3,516,117	(c)	11-29-94	(AMD.6-19-97)(ASSUMED FROM REIDLAND)
68	HOPKINSVILLE, CITY OF (2)	$3,715,533	$3,191,098	(c)	02-02-95	
69	JENKINS, CITY OF (2)	$719,755	$719,755	(c)	02-02-95	
70	RUSSELL, CITY OF	$244,730	$71,666	(c)	02-02-95	
71	LEBANON, CITY OF	$6,491,336	$5,805,838	(c)	03-31-95	
72	REGIONAL WATER RESOURCE AGENCY (O'BORO)	$11,885,276	$7,160,493	(c)	03-31-95	
73	MOREHEAD, CITY OF (RCSD)	$3,347,424	$3,130,152	(c)	03-31-95	(Assumed from RCSD)
74	GREENUP CO. ENVIRONMENTAL COMMISSION	$3,798,920	$3,370,168	(c)	5-30-95	(AMD. 3/16/99)
75	BOYD / GREENUP SANITATION DISTRICT #1	$391,116	$371,573	(c)	5-30-95	
76	PIKEVILLE, CITY OF	$1,953,260	$462,584	(c)	5-30-95; 3/2/06	Assumed from Mtn WD
	TOTALS	**$59,704,120**	**$46,773,907**			
	PROJECTS APPROVED IN SFY 1996:					
	NONE	$0	$0			
	TOTALS	**$0**	**$0**			
	PROJECTS APPROVED IN SFY 1997:					
77	HARLAN, CITY OF	$6,053,575	$2,546,299	(c)	7-18-96	(REAP. 4-27-98)
78	HAWESVILLE, CITY OF	$871,000	$435,000	(c)	7-18-96	
79	EMINENCE, CITY OF	$1,381,339	$945,408	(c)	7-18-96	
80	SCOTTSVILLE, CITY OF	$4,608,815	$3,959,472	(c)	7-18-96	
81	ELKHORN CITY, CITY OF	$926,726	$926,726	(c)	7-18-96	(AMD 4-1-98)
82	GRAYSON, CITY OF	$3,635,970	$3,424,567	(s)	7-18-96	(AMD. 9-1-98)
83	MOREHEAD, CITY OF	$2,357,176	$781,381	(c)	7-18-96	
84	JACKSON, CITY OF	$719,287	$681,983	(c)	8-29-96	
85	LAWRENCE, COUNTY OF	$1,566,000	$868,219	(c)	3-6-97	(AMD 11/1/01)
86	GREENUP CO. ENVIRONMENTAL COMMISSION	$2,368,793	$2,331,195	(c)	3-6-97	
87	HARDIN CO WATER DISTRICT 1	$4,846,450	$4,809,652	(c)	6-19-97; 3/6/08	Assumed from Radcliff
88	WARREN COUNTY WATER DISTRICT (1)	$1,082,400	$980,781	(c)	6-19-97	
		$30,417,531	**$22,690,683**			
	PROJECTS APPROVED IN SFY 1998:					
89	CRESTWOOD, CITY OF	$351,516	$351,516	(c)	8-14-97; 3/2/06	(A1) Assump. fell through
90	PARIS, CITY OF	$723,734	$402,667	(c)	11-10-97	(A1)
91	LEWISPORT, CITY OF	$2,279,000	$1,074,308	(c)	11-10-97	
92	MAYSVILLE, CITY OF	$12,538,828	$11,722,252	(c)	2-26-98	
93	WARREN COUNTY WATER DISTRICT (2)	$265,000	$253,057	(c)	2-26-98	
94	PRESTONSBURG, CITY OF	$4,392,500	$919,183	(s)	2-26-98	
95	CRESTWOOD, CITY OF	$10,358,404	$6,146,750	(+)	4-27-98; 3/2/06	Assump. fell through
	TOTALS	**$30,908,982**	**$20,869,733**			
	PROJECTS APPROVED IN SFY 1999:					
96	PARIS, CITY OF	$7,528,385	$5,943,287	(c)	9-1-98	
97	MIDWAY, CITY OF	$282,250	$141,125	(c)	10-13-98	(A1)
98	MAYFIELD, CITY OF	$1,401,962	$1,160,472	(c)	10-13-98	
99	WURTLAND, CITY OF	$125,900	$103,950	(c)	12-18-98	(A1)
100	DANVILLE, CITY OF	$7,712,132	$7,615,106	(c)	12-18-98	(AMD 01/8/04)
101	LEWIS COUNTY SANITATION DIST NO. 1	$2,924,800	$620,001	(c)	04-27-99	AMD 10/7/99
	TOTALS	**$19,975,429**	**$15,583,941**			
	PROJECTS APPROVED IN SFY 2000:					
102	MOREHEAD, CITY OF	$1,100,372	$279,000	(c)	09-01-99	
103	HOPKINSVILLE, CITY OF	$889,478	$834,891	(c)	09-01-99	AMD 6/8/00
104	RWRA-OWENSBORO	$26,264,248	$25,963,257	(c)	12/10/99	AMD 6/2/05
105	SOUTH SHORE, CITY OF	$502,790	$188,849	(c)	12/10/99	
106	MOREHEAD, CITY OF	$592,695	$257,300	(c)	4/4/00	
107	MIDWAY, CITY OF	$4,337,596	$702,589	(c)	6/6/2000	
	TOTALS	**$33,687,179**	**$28,225,886**			

		TOTAL PROJECT AMOUNT	KIA AMOUNT		DATE APPROVED	
	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	
	TOTALS	**$17,114,829**	**$9,981,890**			
	PROJECTS APPROVED IN SFY2002:					
115	CARROLLTON, CITY OF	$6,997,101	$2,518,301	(c)	8/9/01	AMD 9/6/01
116	MT. STERLING WAT & SEW COMMISSION	$13,908,185	$11,936,783	(c)	2/7/02	
117	SHEPHERDSVILLE, CITY OF	$9,976,728	$7,581,466	(c)	2/7/02	
118	MARION, CITY OF	$312,715	$312,715	(c)	3/7/02	(A1) AMD 1/9/03
119	GREENVILLE, CITY OF	$2,242,571	$2,223,347	(c)	3/7/02	
120	LEBANON JUNCTION, CITY OF	$2,898,419	$1,813,385	(c)	4/4/02	AMD 7/1/05
121	HARRODSBURG, CITY OF	$4,418,916	$3,314,760	(c)	5/2/02	
122	WURTLAND, CITY OF	$1,782,900	$1,782,872	(c)	6/6/02	
	TOTALS	**$42,537,535**	**$31,483,629**			
	PROJECTS APPROVED IN SFY 2003					
123	SALYERSVILLE, CITY OF	$7,662,832	$2,035,486	(c)	8/15/02	AMD 9/19/03
124	LONDON, CITY OF	$15,262,069	$9,864,503	(c)	10/3/02	
125	Paducah McCracken Joint Sewer Agency	$1,497,900	$1,382,413	(c)	2/6/03	
126	Boyd & Greenup Co Sanitation Dist #1	$849,503	$694,844	(c)	5/1/03	
	TOTALS	**$25,272,304**	**$13,977,246**			
	PROJECTS APPROVED IN SFY 2004					
127	HOPKINSVILLE, CITY OF	$4,979,920	$4,682,517	(c)	8/7/03	
128	MOUNTAIN WATER DISTRICT	$729,158	$184,695	(c)	9/4/03	
129	BENTON, CITY OF	$1,823,194	$293,902	(c)	12/4/03; 10/7/04	
130	PADUCAH-MCCRACKEN JSA	$1,401,000	$1,229,425	(c)	12/4/03	
131	MARION, CITY OF	$1,775,704	$515,296	(c)	3/4/04	
132	MOREHEAD, CITY OF	$11,233,204	$7,189,123	(c)	3/4/04; AMD 11/05	
133	PADUCAH-MCCRACKEN JSA	$1,040,275	$908,403	(c)	3/4/04	
134	JESSAMINE-SOUTH ELKHORN WAT DIST	$298,200	$196,861	(c)	4/1/04	(A1)
135	BEREA, CITY OF	$9,011,045	$5,000,000	(c)	4/1/04; 1/6/05	
136	HOPKINSVILLE WATER ENV AUTH	$2,469,924	$2,469,924	(c)	05/06/04; 3/2/06	
137	SOUTHERN WAT & SEW DIST	$3,750,000	$68,037	(c)	05/06/04	
	TOTALS	**$38,511,624**	**$22,738,183**			
	PROJECTS APPROVED IN SFY 2005					
138	LAWRENCEBURG, CITY OF	$8,319,703	$7,889,974	(c)	7/1/04	
139	LORETTO, CITY OF	$5,563,468	$2,245,865	(c)	7/1/04; 9/14/05	
140	SANITATION DISTRICT #1	$39,028,077	$32,401,491	(c)	8/5/04; 10/1/06	
141	HODGENVILLE, CITY OF	$2,639,104	$968,539	(c)	10/7/04	
142	CARROLLTON, CITY OF	$10,870,148	$4,288,600	(c)	5/5/05	
143	WINCHESTER MUNICIPAL UTILITIES	$23,212,000	$21,000,000	(c)	6/23/05	
	TOTALS	**$89,632,500**	**$68,794,469**			
	PROJECTS APPROVED IN SFY 2006					
144	ALEXANDRIA, CITY OF	$2,535,785	$426,220	(c)	7/7/05	
145	PAINTSVILLE, CITY OF	$954,415	$429,715	(c)	10/6/05	
146	CYNTHIANA, CITY OF	$10,902,650	$5,671,622	(c)	12/1/05	
147	WESTERN MASON SD	$4,644,000	$802,000	(c)	12/1/05	
148	LEDBETTER WATER DISTRICT	$3,326,078	$2,326,078		3/2/06	
149	RICHMOND, CITY OF	$2,152,200	$2,152,200		6/1/06	(A1)
	TOTALS	**$24,515,128**	**$11,807,835**			

			TOTAL PROJECT AMOUNT	KIA AMOUNT		DATE APPROVED	
	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	
		TOTAL	**$66,469,881**	**$43,478,046**			
	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	
		TOTAL	**$299,435,449**	**$262,488,430**			
	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	$14,045,119	(c)	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	(c)	6/4/09; 6/30/11	
178	Sanitation District #1		$7,062,000	$5,459,988	(c)	6/4/09	
179	Sanitation District #1		$20,108,000	$15,230,000		6/4/09	
180	Sanitation District #1		$6,968,000	$5,768,000		6/4/09	
181	Sanitation District #1		$3,287,000	$2,470,000		6/4/09	
182	Sanitation District #1		$12,065,000	$9,900,000		6/4/09	
		TOTAL	**$107,886,200**	**$77,293,407**			
	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	$549,594	(c)	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	$2,846,174	$2,846,174		5/6/10; 7/7/11;6/7/12	
195	Oldham Co Env Auth -	SX21185029	$1,477,000	$1,000,000		5/6/10; 1/5/12	
196	Oldham Co Env Auth	SX21185050; SX21185036	$2,601,420	$2,601,420		5/6/10;1/5/12;6/7/12	
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
		Total	**$103,083,700**	**$84,908,279**			

			TOTAL PROJECT AMOUNT	KIA AMOUNT		DATE APPROVED
	PROJECTS APPROVED IN SFY 2011					
199	Oldham Env Auth	SX21185028	$500,000	$121,419	(c)	7/1/10;1/5/12
200	Sanitation District #1	SX21117126	$19,935,700	$17,146,500		7/1/10
201	Bardstown, City of	SX21179019	$1,800,000	$1,800,000	(c)	12/9/10; 6/10/11
202	LaCenter, City of	SX21007015	$895,000	$895,000	(c)	12/9/10
203	Livermore, City of	SX21049008	$2,105,000	$1,105,000		12/9/10
204	Morehead, City of	SX21205034	$3,000,000	$3,000,000		12/9/10
205	Regional Water Resource Agency		$6,085,000	$5,790,500		12/9/10;3/1/12
206	Campton, City of		$3,217,200	$1,400,000		2/3/11
207	Hardinsburg, City of		$400,000	$394,849	(c)	2/3/11
208	Louisa, City of		$2,058,580	$1,400,000		2/3/11
209	Flemingsburg, City of		$10,619,600	$10,619,600		3/3/11;12/6/12
210	Louisville-Jefferson Co MSD		$3,400,000	$3,400,000		3/3/11
211	Vanceburg, City of		$3,400,000	$2,000,000		3/3/11
212	Williamsburg, City of		$1,035,517	$1,035,517		3/3/11
213	Hopkinsville, City of		$500,000	$500,000		4/7/11
214	Hopkinsville, City of		$26,641,000	$26,641,000		4/7/11
215	Hopkinsville, City of		$8,010,000	$7,810,000		4/7/11;5/9/12
216	Pineville, City of		$500,000	$500,000		5/5/11
217	Sanitation District #1		$17,225,660	$14,188,155		5/5/11
218	Sanitation District #1		$19,000,000	$15,187,500		5/5/11
219	Sanitation District #1		$9,572,000	$7,778,000		5/5/11
220	West Liberty, City of		$3,937,950	$3,011,505		5/5/11; revised for ARRA fdg
		Total	**$143,838,207**	**$125,724,546**		
	PROJECTS APPROVED IN SFY 2012					
221	Oldham Co Env Authority	SX21185037	$670,588	$670,588		7/7/11;6/7/12
222	Southern Water & Sewer		$3,750,087	$1,094,143		8/4/11;4/12/12
223	Hodgenville, City of		$1,635,000	$1,635,000		11/10/11
224	Burkesville, City of		$1,000,000	$1,000,000		11/10/11
225	Bloomfield, City of		$4,370,635	$2,195,635		11/10/11
226	Harrodsburg, City of		$418,500	$418,500		12/8/11
227	Grant Co Sanitary SD		$1,226,700	$1,161,700		1/5/12
228	Barbourville, City of	SX21121139	$6,800,000	$6,800,000		2/2/12; 11/1/12
229	Sanitation District #1 of Northern Ky		$1,001,717	$851,857	(c)	2/2/12
230	Sanitation District #1 of Northern Ky		$1,152,200	$959,000		2/2/12
231	Winchester, City of		$1,010,000	$1,000,000		2/2/12
232	Harrodsburg, City of		$1,157,000	$706,000		2/2/12
233	Jamestown, City of		$2,500,000	$2,500,000		2/2/12
234	Paducah McCracken County JSA		$8,400,000	$8,000,000		2/2/12
235	Ashland, City of		$4,500,000	$4,500,000		3/1/12
236	Murray, City of		$46,000,000	$46,000,000		3/1/12
237	Grant Co Sanitary SD		$913,300	$913,300		3/1/12
238	Lexington-Fayette Urban Co Govt		$2,530,000	$1,930,000		3/1/12
239	Regional Water Resource Agency		$619,070	$357,335		3/1/12
240	Regional Water Resource Agency		$1,802,125	$1,586,875		3/1/12
241	Flemingsburg, City of		$2,000,000	$500,000		4/12/12
242	Jackson, City of		$1,200,000	$700,000		4/12/12
243	Russell Springs, City of		$719,000	$719,000		4/12/12
244	South Shore, City of		$4,006,000	$3,006,000		4/12/12
245	Worthington, City of		$500,000	$500,000		4/12/12
246	Flatwoods, City of	SX21089082	$405,000	$400,000		5/3/12
247	Grayson, City of	SX21043032	$785,000	$785,000		5/3/12
248	Oak Grove, City of	SX21047025	$1,000,000	$1,000,000		5/3/12
249	Russell, City of	SX21089091	$970,000	$970,000		5/3/12
250	Earlington, City of	SX21107017	$1,575,000	$825,000		6/7/12
251	Lawrenceburg, City of	SX21005007	$2,000,000	$2,000,000		6/7/12
252	Perry County Sanitation District	SX21193100	$2,660,000	$875,000		6/7/12
		Total	**$109,276,922**	**$96,559,933**		

			TOTAL PROJECT AMOUNT	KIA AMOUNT	DATE APPROVED
	PROJECTS APPROVED IN SFY 2013				
253	Jenkins, City of	SX21133013	$1,500,000	$500,000	8/2/12
254	Frankfort, City of	SX21073058	$9,500,000	$8,000,000	2/7/13
255	Regional Water Resource Agency	SX21059031	$1,655,565	$1,655,565	2/7/13
256	***Lexington-Fayette Urban Co Govt***	***SX21067045 SX21067047 SX21067038 SX21067043***	***$5,232,640***	***$4,657,640***	***3/7/13***
257	***Lexington-Fayette Urban Co Govt***	***SX21067044 SX21067037 SX21067039 SX21067040***	***$13,674,302***	***$13,674,302***	***3/7/13***
258	***Lexington-Fayette Urban Co Govt***	***SX21067043***	***$10,194,421***	***$10,194,421***	***3/7/13***
259	***Lexington-Fayette Urban Co Govt***	***SX21067041***	***$31,801,000***	***$21,641,030***	***3/7/13***
260	***Lexington-Fayette Urban Co Govt***	***SX21067006***	***$9,100,000***	***$6,000,000***	***3/7/13***
		Total	**$82,657,928**	**$66,322,958**	
	GRAND TOTALS - COMMITMENTS		**$1,509,107,242**	**$1,192,937,480**	

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%)	($1,995,124)
Transferred from Admin to Construction	$910,506
NET ARRA FUNDS	$48,793,482

		TOTAL PROJECT AMOUNT	KIA AMOUNT		FIRST USE FUNDS	DATE APPROVED
	PROJECTS APPROVED IN SFY 2009:					
1	Sanitation District #1	$395,000	$395,000	(c)	$395,000	6/4/09
2	Sanitation District #1	$1,755,545	$1,371,545	(c)	$1,371,545	6/4/09; 1/7/10; 1/25/10
3	Sanitation District #1	$1,578,539	$1,474,916	(c)	$1,474,916	6/4/09
4	Sanitation District #1	$834,241	$834,241	(c)	$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	(c)	$2,193,000	6/25/09; 1/7/10
9	Shepherdsville, City of	$8,500,000	$3,000,000	(c)	$3,000,000	6/25/09
	TOTALS	**$19,563,325**	**$13,265,418**		**$13,265,418**	
	PROJECTS APPROVED IN SFY 2010:					
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	(c)	$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	$1,331,773	(c)	$1,331,773	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	(c)	$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	$433,176	(c)	$433,176	10/1/09;3/1/12
37	Mayfield, City of	$975,000	$975,000	(c)	$975,000	10/1/09
38	Warsaw, City of	$3,927,907	$2,146,907		$2,146,907	11/12/09;2/4/10;5/9/12
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	$749,903		$749,903	12/3/09; 2/4/10
44	West Libery, City of	$3,937,950	$926,445		$926,445	5/5/11; revised from base fdg
	TOTALS	**$63,487,044**	**$35,528,064**		**$35,528,064**	
	GRAND TOTALS - COMMITMENTS	**$83,050,369**	**$48,793,482**		**$48,793,482**	
	BALANCE AVAILABLE FOR LOAN				**$0**	

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	**$6,614,457**

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

			TOTAL INFRASTRUCTURE AMOUNT	KIA Grnt/Prin Forg AMOUNT	KIA Loan AMOUNT	GENERATED PRIVATE INVESTMENT	JOBS CREATED	DATE APPROVED	COMMENTS
	35	GALLATIN COUNTY	$4,089,434		$4,000,000 (c)	$400,089,434	400	09-29-93	(AMD. 6-29-94, REAP. 3-31-95)
	36	CAMPBELLSVILLE, CITY OF	$4,905,000		$1,905,000 (s)	$0	295	12-05-95	(REAP.)(AMD. 7-13-98)
		TOTALS	**$17,455,502**		**$8,710,618**	**$404,485,434**	**1,043**		
		PROJECTS APPROVED IN FY 1995:							
	37	HENDERSON, CITY OF (phase 1)	$7,445,372		$3,188,731 (c)	$0	1,500	08-30-94	(AMD. 7-5-96)
		(phase 2)			$581,512 (c)	$0		08-30-94	
*	38	WEBSTER COUNTY WATER DISTRICT	$1,268,460		$638,000 (c)	$0	58	05-30-95	
		TOTALS	**$8,713,832**		**$4,408,243**	**$0**	**1,558**		
		PROJECTS APPROVED IN FY 1996:							
*	39	OAK GROVE, CITY OF	$787,990		$498,295 (c)	$0	134	05-14-96	
	40	MOUNT STERLING, CITY OF	$2,467,009		$2,467,009 (c)	$0	400	05-14-96	
		TOTALS	**$3,254,999**		**$2,965,304**	**$0**	**534**		
		PROJECTS APPROVED IN FY 1997:							
	41	CORBIN, CITY OF	$583,878		$300,000 (c)	$0	30	8-29-96	
	42	HICKORY WATER DISTRICT	$1,028,000		$528,000 (c)	$0	95	12-4-96	(REAP. 9-1-98)
		TOTALS	**$1,611,878**		**$828,000**	**$0**	**125**		
		PROJECTS APPROVED IN FY 1998:							
*	42	PRESTONSBURG, CITY OF	$4,392,500		$600,000 (c)	$0	77	2-26-98	$50M inc. app. 2-5-99
*	43	PAINTSVILLE, CITY OF	$8,070,950		$1,772,800 (c)	$0	400	2-26-98	(REAP. 12-10-99)
		TOTALS	**$12,463,450**		**$2,372,800**	**$0**	**477**		
		PROJECTS APPROVED IN FY 1999:							
*	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)		400	4-27-99	
		TOTALS	**$6,830,880**		**$926,831**	**$0**	**414**		
		PROJECTS APPROVED IN FY 2000:							
*	46	GALLATIN CO WATER DISTRICT	$1,100,000		$744,796 (c)	$95,000,000	130	09/01/1999; AMD 4/4/00	
*	47	CARROLTON, CITY OF (CELOTEX)	$184,300		$112,200 (c)	$75,000,000	122	12/10/1999; AMD 9/1/01	
		TOTALS	**$1,284,300**		**$856,996**	**$170,000,000**	**122**		
		PROJECTS APPROVED IN FY2005:							
*	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 (c)	$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
		TOTALS	**$9,027,038**		**$4,677,117**	**$0**			
		PROJECTS APPROVED IN FY2006:							
*	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 (c)	$0 NA		3/2/2006	
*	48	MT VERNON, CITY OF	$2,055,000		$945,000 (c)	$0 NA		5/4/2006	
		TOTALS	**$11,415,953**		**$3,062,225**	**$0**			
		PROJECTS APPROVED IN FY2007:							
*	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		$837,856 (c)	$0 NA		2/8/2007	broadband
*	53	ALBANY, CITY OF	$7,366,000		$749,947 (c)	$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
		TOTALS	**$28,687,403**		**$6,822,906**	**$0**			

			TOTAL INFRASTRUCTURE AMOUNT	KIA Grnt/Prin Forg AMOUNT	KIA Loan AMOUNT	GENERATED PRIVATE INVESTMENT	JOBS CREATED	DATE APPROVED	COMMENTS
		PROJECTS APPROVED IN FY2008:							
*	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 (c)	$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
		TOTALS	**$23,245,440**		**$11,137,800**	**$0**			
		PROJECTS APPROVED IN FY2009:							
	67	CARROLLTON, CITY OF	$2,949,731		$867,091 (c)	$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 (c)	$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
		TOTALS	**$8,835,438**		**$5,790,974**	**$0**			
		PROJECTS APPROVED IN FY2010:							
	73	Prestonsburg, City of	$2,670,000		$0	$0	NA	10/1/2009	sewer
	74	Falmouth, City of	$564,835		$564,835 (c)	$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	40	2/4/2010	sewer
	77	Marshall Co. Fiscal Court	$1,075,000	$800,000	$275,000	$0	NA	6/3/10;12/6/12	80% grant/ 20% loan
		TOTALS	**$7,109,835**	**$800,000**	**$2,339,835**	**$3,000,000**	***40***		
		PROJECTS APPROVED IN FY2011:							
	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	$401,674 (c)	$0	NA	10/14/10; 7/1/11	sewer
	82	Bracken Co Water District	$475,000	$380,000	$95,000 (c)	$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	$514,800	$128,700	$0	NA	2/3/2011; 8/2/12	
	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 (c)	$0	NA	3/3/2011	water
	90	Elkton, City of	$141,700	$0	$136,761 (c)	$0	NA	3/3/2011	water
	91	Nicholas County Sanitation District	$2,641,000	$0	$550,000 (c)	$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
		TOTALS	**$16,310,929**	**$2,940,400**	**$7,864,236**	**$0**			
		PROJECTS APPROVED IN FY2012:							
	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	Mount Olivet, City of	$1,100,000	$0	$350,000	$0	NA	4/12/2012	water
	98	Nebo Water District	$92,000	$0	$92,000	$0	NA	6/7/2012	water - WX21107002
		TOTALS	**$2,217,000**	**$0**	**$1,467,000**	**$0**			
		PROJECTS APPROVED IN FY2013:							
	99	East Pendleton Water District	$160,000	$0	$160,000	$0	NA	8/2/2012	water WX21191002
	100	Marion County Water District	$548,180	$0	$548,180	$0	NA	8/2/2012	water - WX21155031
	101	Symsonia Water District	$895,000	$0	$300,000	$0	NA	8/2/2012	water - WX21083055
	102	Scottsville, City of	$716,000	$0	$358,000	$0	NA	8/2/2012	sewer - SX21003032
	103	South Shore, City of	$1,600,000	$0	$1,600,000	$0	NA	8/2/2012	Purchase water system
	104	***City of Elkton***	***$320,000***	***$0***	***$320,000***	***$0***	***NA***	***3/7/2013***	***water - WX21219030***
	105	***Bullitt Co Sanitation District***	***$89,225***	***$84,764***	***$4,461***	***$0***	***NA***	***3/7/2013***	***sewer - SX21029031***
		TOTALS	**$4,328,405**	**$84,764**	**$3,290,641**	**$0**			
		GRAND TOTALS	**$212,575,831**	**$3,825,164**	**$97,451,779**	**$1,189,400,723**	**11,216**		

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	(rlf)
TOTAL AUTHORIZATION FYS 2001-2002	$3,925,000	(rlf)
	$22,846,178	

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

		TOTAL INFRASTRUCTURE AMOUNT	KIA AMOUNT		DATE APPROVED	COMMENTS
	PROJECTS APPROVED JULY 1, 1991 THROUGH JUNE 30, 1992:					
1	ELKHORN WATER DISTRICT	$383,000	$151,233	(c)	9-16-91	
2	BEAVER-ELKHORN WATER DISTRICT (PH II)	$2,262,200	$1,383,547	(c)	9-16-91	(REAP. 5-5-93)
3	BEAVER-ELKHORN WATER DISTRICT (PH III)	$3,386,325	$616,453	(c)	9-16-91	(REAP. 5-5-93)
4	WACO WATER DISTRICT	$304,525	$300,000	(c)	9-16-91	
5	NORTH MERCER WATER DISTRICT	$1,833,000	$500,000	(c)	9-16-91	
6	WEBSTER COUNTY WATER DISTRICT	$2,269,500	$1,500,000	(c)	9-16-91	
7	ANDERSON COUNTY	$361,638	$270,000	(c)	9-16-91	
8	GEORGETOWN, CITY OF	$3,474,350	$400,000	(c)	9-16-91	
9	LYNCH, CITY OF	$502,500	$499,945	(c)	9-16-91	
	TOTALS	**$14,777,038**	**$5,621,178**			
	PROJECTS APPROVED JULY 1, 1992 THROUGH JUNE 30, 1994:					
10	DAVIESS COUNTY FISCAL COURT	$300,000	$300,000	(c)	11-12-92	(AMD. 9-29-93)
	(East Daviess County Water Association) **TOTALS**	**$300,000**	**$300,000**			
	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	
	TOTALS	**$20,365,196**	**$13,000,000**	(rlf)		
	PROJECTS APPROVED JULY 1, 1998 THROUGH JUNE 30, 1999:					
15	WATER RESOURCE DEV COMMISSION	$1,053,000	753,000	(rlf)	4-27-99	
	TOTALS	**$1,053,000**	**753,000**			
	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 WURTLAND	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)
	TOTALS	**3,925,000.00**	**3,925,000.00**	(rlf)		

			TOTAL INFRASTRUCTURE AMOUNT	KIA AMOUNT	DATE APPROVED	COMMENTS
	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	
		TOTALS	**$78,320,310**	**$16,315,246** (rlf)		
	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	
		TOTALS	**$1,834,340**	**$1,570,000** (rlf)		
	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	
		TOTALS	**$844,650**	**$844,650**		
		GRAND TOTALS	**$121,419,534**	**$41,484,424**		

bold, italics - pending board approval
(s) - Amount represented in the assistance agreement
(c) - Grant has been closed.
(rlf) - To be funded out of the revolving loan funds

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

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

			TOTAL INFRASTRUCTURE AMOUNT	KIA AMOUNT		INTEREST RATE	AREA DEVELOPMENT DISTRICT	DATE APPROVED	COMMENTS
	PROJECTS APPROVED JULY 1, 1991 THROUGH JUNE 30, 1992:								
1	MOUNTAIN WATER DISTRICT (Indian Creek)		$2,712,760	$337,760	(c)	3.0%	BIG SANDY	07-24-91	
2	MARTIN COUNTY WATER DISTRICT NO. 2		$2,481,566	$1,329,826	(c)	3.0%	BIG SANDY	09-16-91	(REAP. 5-5-93)
3	HYDEN / LESLIE CO. WATER DISTRICT		$2,196,941	$1,965,619	(c)	3.0%	KY. RIVER	09-16-91	
4	SOUTHERN WATER & SEWER	(Phase I)	$1,045,700	$514,888	(c)	3.0%	BIG SANDY	09-16-91	(REAP. 1-29-93), Assumed from Beaver Elkhorn 12-21-00
5	SOUTHERN WATER & SEWER	(Phase II)	$2,262,200	$847,982	(c)	3.0%	BIG SANDY	09-16-91	(REAP. 5-5-93), Assumed from Beaver Elkhorn 12-21-00
6	SOUTHERN WATER & SEWER	(Phase III)	$3,386,325	$2,831,354	(c)	3.0%	BIG SANDY	09-16-91	(REAP. 5-5-93 & 2-2-95)), Assumed from Beaver Elkhorn 12-21-00
7	MANCHESTER, CITY OF		$1,766,705	$970,439	(c)	2.9%	CUMB. VALLEY	11-01-91	
8	MOREHEAD, CITY OF		$449,442	$359,646	(c)	2.9%	GATEWAY	11-01-91	
9	MOUNTAIN WATER DISTRICT (Multi-Area)		$5,165,093	$5,165,093	(c)	2.9%	BIG SANDY	11-01-91	
10	PIKEVILLE, CITY OF		$903,718	$897,868	(c)	2.9%	BIG SANDY	11-01-91	
11	PINEVILLE, CITY OF		$829,099	$829,099	(c)	2.9%	CUMB. VALLEY	11-01-91	
12	BARBOURVILLE, CITY OF		$4,500,000	$1,924,831	(c)	2.9%	CUMB. VALLEY	11-01-91	
13	CORBIN, CITY OF		$1,449,838	$833,000	(c)	2.9%	CUMB. VALLEY	12-04-91	
14	PRESTONSBURG, CITY OF		$2,173,278	$1,960,288	(c)	2.9%	BIG SANDY	12-04-91	
15	HARLAN, CITY OF		$1,434,170	$1,434,170	(c)	2.9%	CUMB. VALLEY	12-04-91	
16	WHITESBURG, CITY OF		$1,332,179	$932,179	(c)	2.7%	KY. RIVER	05-13-92	
17	CLAY COUNTY FISCAL COURT (North Manchester Water Association)		$2,805,321	$2,621,001	(c)	2.95%	CUMB. VALLEY	05-13-92	
18	ROCKCASTLE COUNTY FISCAL COURT (Western Rockcastle Water Association)		$778,500	$364,572	(c)	2.95%	CUMB. VALLEY	05-13-92	
		TOTALS	**$37,672,835**	**$26,119,616**					
	PROJECTS APPROVED JULY 1, 1992 THROUGH JUNE 30, 1993:								
19	JACKSON COUNTY FISCAL COURT (Jackson County Water Association)		$1,858,645	$1,792,633	(c)	2.45%	KY. RIVER	11-12-92	
		TOTALS	**$1,858,645**	**$1,792,633**					
	PROJECTS APPROVED JULY 1, 1993 THROUGH JUNE 30, 1994:								
20	LAUREL COUNTY WATER DISTRICT NO. 2		$1,324,000	$450,000	(c)	1.6%	CUMB. VALLEY	5-11-94	(REAP. 12-5-95)
		TOTALS	**$1,324,000**	**$450,000**					
		GRAND TOTALS	**$40,855,480**	**$28,362,249**					

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

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

		TOTAL PROJECT AMOUNT	KIA AMOUNT		DATE APPROVED	COMMENTS
	Fd C Available to Loan/Grant Before Current Meeting		$4,995,893			
	ORIGINAL KENTUCKY POLLUTION ABATEMENT AUTHORITY LOANS (42) REFINANCED BY THE KENTUCKY INFRASTRUCTURE AUTHORITY (1989)		**$32,025,000**			
	PROJECTS APPROVED IN FY 1989:					
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 FROMKENTUCKY TURNPIKE WATER DISTRICT 3/7/02
	TOTALS	**$38,061,943**	**$21,411,392**			
	PROJECTS APPROVED IN FY 1990:					
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	
	TOTALS	**$11,576,356**	**$5,695,729**			
	PROJECTS APPROVED IN FY 1991:					
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	
	TOTALS	**$5,263,172**	**$4,350,963**			
	PROJECTS APPROVED IN FY 1992:					
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 DISTRICCT	$197,959	$92,747	(c)	09-16-91	
38	PADUCAH WATER WORKS	$596,100	$556,100	(c)	11/1/91;6/7/12	(assumed from Hendron Water District 6/7/12)
39	BULLOCK-PEN WATER DISTRICT	$1,067,019	$518,169	(c)	11-01-91	
40	U.S. 60 WATER DISTRICT	$494,603	$459,905	(c)	12-04-91	
41	FULTON, CITY OF	$409,587	$384,508	(c)	05-13-92	
42	BULLOCK-PEN WATER DISTRICT	$62,111	$29,254	(c)	05-13-92	
	TOTALS	**$4,361,311**	**$2,715,815**			
	PROJECTS APPROVED IN FY 1993:					
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	WURTLAND, CITY OF	$336,885	$264,145	(c)	05-05-93	
	TOTALS	**$3,811,593**	**$2,448,985**			

			TOTAL PROJECT AMOUNT	KIA AMOUNT		DATE APPROVED	COMMENTS
		PROJECTS APPROVED IN FY 1994:					
	48	WHITESBURG, CITY OF	$1,701,993	$381,855	(c)	09-29-93	
	49	JONATHAN CREEK WATER DISTRICT	$2,768,000	$2,302,500	(c)	09-29-93	(AMD 9/7/03)
	50	NORTHERN ROCKCASTLE COUNTY WATER	$455,226	$265,226	(c)	09-29-93	
	51	Shelbyville, City of	$2,100,000	$697,263	(c)	05-11-94	Assumed from Shelby Co SD #1
	52	LAUREL COUNTY WATER DISTRICT #2	$1,324,000	$900,950	(c)	05-11-94	(AMD. 12-5-95)
		TOTALS	**$8,349,219**	**$4,547,794**			
		PROJECTS APPROVED IN FY 1995:					
	53	CARLISLE, CITY OF	$715,000	$425,895	(c)	11-29-94	
**	54	HENRY COUNTY WATER DISTRICT #2	$8,426,000	$5,026,000	(s)(n)	03-31-95	(AMD. 12-5-95)
	55	CALHOUN, CITY OF	$506,100	$453,299	(c)	5-30-95	
		TOTALS	**$9,647,100**	**$5,905,194**			
		PROJECTS APPROVED IN FY 1996:					
	56	OLDHAM COUNTY WATER DISTRICT	$1,174,500	$1,062,256	(c)	2-26-95	
	57	HOPKINSVILLE, CITY OF	$1,156,400	$912,970	(c)	12-4-96; 4-7-11	assumed from Oak Grove
		TOTALS	**$2,330,900**	**$1,975,226**			
		PROJECTS APPROVED IN FY 1997:					
	58	EAST PENDLETON WATER DISTRICT	$202,004	$219,856	(c)	6-19-97	
		TOTALS	**$202,004**	**$219,856**			
		PROJECTS APPROVED IN FY 1998:					
		TOTALS	**$0**	**$0**			
		PROJECTS APPROVED IN FY 1999:					
	59	LOUISA, CITY OF	$387,500	$442,857	(c)	7/13/98	(AMD 9-1-99)
*	60	WEBSTER COUNTY WATER DISTRICT	$6,165,911	$4,000,000	(c)	9/1/98	
	61	MEADE COUNTY WATER DISTRICT	$4,204,225	$407,608	(c)	12/18/98	
		TOTALS	**$10,757,636**	**$4,850,465**			
		PROJECTS APPROVED IN FY 2001:					
	62	BARLOW, CITY OF	$416,000	$237,714	(c)	3/1/01	
		TOTALS	**$416,000**	**$237,714**			
		PROJECTS APPROVED IN FY 2002:					
	63	OLDHAM COUNTY WATER DISTRICT	$7,043,642	$5,560,339	(c)	7/12/01	
		TOTALS	**$7,043,642**	**$5,560,339**			
		PROJECTS APPROVED IN FY 2003:					
*	64	MCCREARY COUNTY FISCAL COURT	7,996,000	1,474,999	(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
		TOTAL	**$7,996,000**	**$5,634,999**			
		PROJECTS APPROVED IN FY 2004:					
	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	
		TOTAL	**$6,943,821**	**$1,390,367**			
		PROJECTS APPROVED IN FY 2005:					
*	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	
		TOTAL	**$8,243,900**	**$3,755,900**			
		PROJECTS APPROVED IN FY 2007:					
*	74	MAYFIELD, CITY OF	$393,250	$389,255	(c)	5/10/2007	
		TOTAL	**$393,250**	**$389,255**			

			TOTAL PROJECT AMOUNT	KIA AMOUNT		DATE APPROVED	COMMENTS
		PROJECTS APPROVED IN FY 2008:					
*	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
		TOTAL	**$8,598,703**	**$7,744,488**			
		PROJECTS APPROVED IN FY 2009:					
*	78	UNION, CITY OF	$1,147,500	$248,294	(c)	10/2/2008	sewer
		TOTAL	**$1,147,500**	**$248,294**			
		PROJECTS APPROVED IN FY 2010:					
*	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	(c)	10/1/2009	water
		TOTAL	**$6,850,000**	**$5,300,000**			
		PROJECTS APPROVED IN FY 2011:					
*	81	Bracken Co Water District	$621,000	$621,000		3/3/2011	water main replacement
		TOTAL	**$621,000**	**$621,000**			
		PROJECTS APPROVED IN FY 2012:					
*	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	Worthington, City of	$600,000	$600,000		4/12/2012	Filters Upgrade
		TOTAL	**$4,887,449**	**$4,596,949**			
		PROJECTS APPROVED IN FY 2013:					
		TOTAL	**$0**	**$0**			
		KIA TOTALS	**$147,502,499**	**$89,600,723**			
		GRAND TOTALS (including KPAA)		**$121,625,723**			
		Funds committed; not issued:		**$33,040,884**			

bold, italics - pending board approval

* Bonds have not been sold for these projects.

** Withdrew from bond sale.

(s) - Amount represented in the assistance agreement.

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

(n) - Participating in BAN's

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

AVAILABLE FUNDS FY 1997:	
FEDERAL TITLE VI GRANT FUNDS	$12,558,800
BOND PROCEEDS (20%)	$2,511,760
ADMINISTRATION (4%)	($502,352)
OTHER SET ASIDES (As Amended)	($1,928,773)
NET 97 SRF FUNDS	$12,639,435
AVAILABLE FUNDS FY 1998:	
FEDERAL TITLE VI GRANT FUNDS	$10,851,600
BOND PROCEEDS (20%)	$2,170,320
ADMINISTRATION (4%)	($434,064)
OTHER SET ASIDES	($1,085,160)
NET 98 SRF FUNDS	$11,502,696
AVAILABLE FUNDS FY 1999:	
FEDERAL TITLE VI GRANT FUNDS	$11,373,500
BOND PROCEEDS (20%)	$2,274,700
ADMINISTRATION (4%)	($454,940)
OTHER SET ASIDES	($808,335)
LAND ACQUISITION SET ASIDE	$357,500
NET 98 SRF FUNDS	$12,742,425
AVAILABLE FUNDS FY 2000:	
FEDERAL TITLE VI GRANT FUNDS	$11,820,400
BOND PROCEEDS (20%)	$2,364,080
ADMINISTRATION (4%)	($472,816)
OTHER SET ASIDES	($1,296,086)
LAND ACQUISITION SET ASIDE	$0
NET 00 SRF FUNDS	$12,415,578
AVAILABLE FUNDS FY 2001:	
FEDERAL TITLE VI GRANT FUNDS	$11,869,300
BOND PROCEEDS (20%)	$2,373,860
ADMINISTRATION (4%)	($474,772)
OTHER SET ASIDES	($1,913,832)
LAND ACQUISITION SET ASIDE	$252,130
NET 01 SRF FUNDS	
	$12,106,686
AVAILABLE FUNDS FY 2002:	
FEDERAL TITLE VI GRANT FUNDS	$9,805,100
BOND PROCEEDS (20%)	$1,961,020
ADMINISTRATION (4%)	($392,204)
OTHER SET ASIDES	($1,372,714)
NET 02 SRF FUNDS	$10,001,202
AVAILABLE FUNDS FY 2003:	
FEDERAL TITLE VI GRANT FUNDS	$9,746,200
BOND PROCEEDS (20%)	$1,949,240
ADMINISTRATION (4%)	($389,848)
OTHER SET ASIDES	($1,383,960)
NET 03 SRF FUNDS	$9,921,632
AVAILABLE FUNDS FY 2004:	
FEDERAL TITLE VI GRANT FUNDS	$10,110,200
BOND PROCEEDS (20%)	$2,022,040
ADMINISTRATION (4%)	($404,408)
OTHER SET ASIDES	($1,668,183)
NET 04 SRF FUNDS	$10,059,649
AVAILABLE FUNDS FY 2005:	
FEDERAL TITLE VI GRANT FUNDS	$10,088,800
BOND PROCEEDS (20%)	$2,017,760
ADMINISTRATION (4%)	($403,552)
OTHER SET ASIDES	($1,715,096)
NET 05 SRF FUNDS	$9,987,912

AVAILABLE FUNDS FY 2006:	
FEDERAL TITLE VI GRANT FUNDS	$8,630,300
BOND PROCEEDS (20%)	$1,726,060
ADMINISTRATION (4%)	($345,212)
OTHER SET ASIDES	($1,855,515)
NET 06 SRF FUNDS	$8,155,633
AVAILABLE FUNDS FY 2007:	
FEDERAL TITLE VI GRANT FUNDS	$8,630,000
BOND PROCEEDS (20%)	$1,726,000
ADMINISTRATION (4%)	($345,200)
OTHER SET ASIDES	($1,596,550)
NET 07 SRF FUNDS	$8,414,250
AVAILABLE FUNDS FY 2008:	
FEDERAL TITLE VI GRANT FUNDS	$8,543,000
BOND PROCEEDS (20%)	$1,708,600
ADMINISTRATION (4%)	($341,720)
OTHER SET ASIDES	($1,836,745)
NET 08 SRF FUNDS	$8,073,135
AVAILABLE FUNDS FY 2009:	
FEDERAL TITLE VI GRANT FUNDS	$8,543,000
BOND PROCEEDS (20%)	$1,708,600
ADMINISTRATION (4%)	($341,720)
OTHER SET ASIDES	($1,173,780)
NET 09 SRF FUNDS	$8,736,100
AVAILABLE FUNDS FY 2010:	
FEDERAL TITLE VI GRANT FUNDS	$19,592,000
BOND PROCEEDS (20%)	$3,918,400
ADMINISTRATION (4%)	($783,680)
OTHER SET ASIDES	($4,564,936)
NET 10 SRF FUNDS	$18,161,784
AVAILABLE FUNDS FY 2011:	
FEDERAL TITLE VI GRANT FUNDS	$13,379,000
BOND PROCEEDS (20%)	$2,675,800
ADMINISTRATION (4%)	($535,160)
OTHER SET ASIDES	($3,210,960)
NET 11 SRF FUNDS	$12,308,680
AVAILABLE FUNDS FY 2012:	
FEDERAL TITLE VI GRANT FUNDS	$12,956,000
BOND PROCEEDS (20%)	$2,591,200
ADMINISTRATION (4%)	($388,680)
OTHER SET ASIDES	($3,362,082)
NET 12 SRF FUNDS	$11,796,438
NET FY 97-12 SRF FUNDS	$177,023,235
CURRENT REVOLVING/SURPLUS FUND BALANCE	$ 59,807,496
Leverage Fund Balance	$0
BALANCE AVAILABLE FOR LOAN	**$ 22,461,432**

		TOTAL PROJECT AMOUNT	KIA LOAN AMOUNT		DATE APPROVED	COMMENTS
	PROJECTS APPROVED IN FY 2000					
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
	TOTALS	**$3,795,165**	**$3,227,254**			
	PROJECTS APPROVED IN FY2001					
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)	9/00; 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	
	TOTALS	**$37,599,303**	**$18,014,961**			
	PROJECTS APPROVED IN FY2002					
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	
	TOTALS	**$60,854,422**	**$23,652,849**			
	PROJECTS APPROVED IN FY2003					
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	
	TOTALS	**$32,672,680**	**$13,670,733**			
	PROJECTS APPROVED IN FY2004					
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
	TOTALS	**$27,321,108**	**$9,964,599**			
	PROJECTS APPROVED IN FY2005					
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	
	TOTALS	**$19,256,537**	**$9,814,900**			
	PROJECTS APPROVED IN FY 2006					
42	HARDINSBURG, CITY OF	$14,498,150	$4,400,000	(c)	12/1/05; amd 8/1/07	
43	ADAIR CO WD DBA COLUMBIA/ADAIR UTIL DIST	$14,000,000	$4,520,000	***(c)***	6/1/06; 11/1/12	assumed from Columbia-Adiar Wat Com
44	HOPKINSVILLE, CITY OF	$6,844,310	$4,000,000	(c)	6/1/06	
	TOTALS	**$35,342,460**	**$12,920,000**			

			TOTAL PROJECT AMOUNT	KIA AMOUNT		DATE APPROVED	COMMENTS
	PROJECTS APPROVED IN FY 2007						
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	
		TOTALS	**$11,917,000**	**$6,750,000**			
	PROJECTS APPROVED FY 2008						
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	HARDINSBURG, 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	$6,743,307	(c)	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	(c)	3/6/08; 5/7/09; 12/1/11	
61	NORTHERN KY WATER DISTRICT		$6,565,000	$4,000,000	(c)	3/6/08	
62	OHIO CO WATER DISTRICT		$19,698,500	$5,000,000		3/6/08; 6/4/09	
63	CENTERTOWN, CITY OF		$2,866,652	$1,097,430		3/6/08; 6/25/09	
		TOTALS	**$101,771,370**	**$54,779,728**			
	PROJECTS APPROVED FY2009						
64	PAINTSVILLE, CITY OF		$29,135,364	$6,519,566		12/4/08	
		TOTALS	**$29,135,364**	**$6,519,566**			
	PROJECTS APPROVED FY2010						
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	ADAIR CO WD DBA COLUMBIA/ADAIR UTIL DIST		$1,694,000	$1,694,000	(c)	6/3/10; 11/1/12	assumed from Columbia-Adiar Wat Com
		TOTALS	**$59,204,500**	**$36,445,590**			
	PROJECTS APPROVED FY2011						
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***	***WX21007022 WX21007020***	***$520,000***	***$430,000***		***5/5/11; 3/7/13***	
78	West Liberty, City of		$3,050,300	$2,365,763		5/5/11; revised for ARRA fdg	
		TOTALS	**$27,504,525**	**$23,398,988**			
	PROJECTS APPROVED FY2012						
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***	***WX21167013***	***$518,000***	***$518,000***		***12/8/11; 3/7/13***	
86	Bowling Green Municipal Utilities		$1,316,378	$1,316,378		12/8/11	
87	Carrollton, City of		$1,850,270	$1,850,270		12/8/11	

			TOTAL PROJECT AMOUNT	KIA AMOUNT	DATE APPROVED	COMMENTS
	PROJECTS APPROVED IN FY 2012 (Continued)					
88	Mount Vernon, City of		$2,600,000	$2,600,000	1/5/12	
89	Lyon Co WD		$2,000,000	$2,000,000	1/5/12	
90	Campbellsville, City of	WX21217003	$1,875,000	$1,875,000	3/1/12	
91	Centertown, City of	WX21183030; WX21183031	$922,850	$922,850	3/1/12	
92	Sturgis, City of	WX21225034	$4,000,000	$3,000,000	3/1/12	
93	Hartford, City of	WX21183020	$564,150	$564,150	6/7/12	
		TOTALS	**$33,281,131**	**$27,991,131**		
	PROJECTS APPROVED IN FY 2013					
94	Adair Co WD dba Columbia Adair Util	WX21001024	$4,000,000	$4,000,000	11/1/12	
95	Nicholasville, City of	WX21113042	$745,000	$250,000	12/6/12	
96	Nicholasville, City of	WX21113041	$756,100	$756,100	12/6/12	
97	Danville, City of	WX21021017	$28,608,171	$4,000,000	2/7/13	
98	Madison Co Utility District	WX21151051	$876,528	$856,528	2/7/13	
99	Vanceburg, City of	WX21135017	$850,000	$850,000	2/7/13	
100	***City of Harrodsburg***	***WX21167022 WX21167026***	***$1,688,950***	***$1,688,950***	***3/7/13***	
101	***Frankfort Electric & Water Plant Bo***	***WX21073018***	***$4,000,000***	***$4,000,000***	***3/7/13***	
102	***Henry Co Water District #2***	***WX21103039***	***$3,340,000***	***$2,855,000***	***3/7/13***	
		TOTALS	**$44,864,749**	**$19,256,578**		
	GRAND TOTALS - COMMITMENTS		**$524,520,314**	**$266,406,877**		

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)
Transferred from Admin to Construction	$369,683
NET ARRA FUNDS	$19,285,933

		TOTAL PROJECT AMOUNT	KIA AMOUNT		FIRST USE FUNDS	DATE APPROVED
	PROJECTS APPROVED IN SFY 2009:					
1	CENTERTOWN, CITY OF	$2,866,652	$222,606		$222,606	6/25/09
2	SPRINGFIELD, CITY OF	$4,000,000	$947,901	(c)	$947,901	6/25/09
	TOTALS	**$6,866,652**	**$1,170,507**		**$1,170,507**	
	PROJECTS APPROVED IN SFY 2010:					
3	BREATHITT CO WATER DISTRICT	$1,322,000	$572,000	(c)	$572,000	7/9/09; 11/24/09
4	WHITESBURG, CITY OF	$171,840	$171,794	(c)	$171,794	7/9/09
5	MCKEE, CITY OF	$1,100,000	$1,099,903	(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	$1,855,004	(c)	$1,855,004	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	(c)	$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	$1,381,963	(c)	$1,381,963	11/12/09
18	WEST LIBERTY, CITY OF	$3,050,300	$684,537		$684,537	5/5/11; revised from base fdg
	TOTALS	**$44,563,111**	**$18,115,426**		**$18,115,426**	
	GRAND TOTALS - COMMITMENTS	**$51,429,763**	**$19,285,933**		**$19,285,933**	
	BALANCE AVAILABLE FOR LOAN				**$0**	

bold, italics - pending board approval
(c) - Final amounts; Loan has been closed
(s) - Amount represented in the assistance agreement