



# **BOARD MEETING BOOKLET**

**Via Video Conference**

**SPECIAL CALLED BOARD MEETING  
JULY 24, 2025 – 1:00 P.M.**

**Kentucky Infrastructure Authority  
100 Airport Road, Third Floor  
Frankfort, Kentucky 40601-3646  
502-573-0260  
<http://kia.ky.gov>**

**TEAM**   
**KENTUCKY**

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## A G E N D A

### KENTUCKY INFRASTRUCTURE AUTHORITY BOARD MEETING

#### VIA VIDEO CONFERENCE

ZOOM: [KIA Special Called Board Meeting - July 24, 2025, 1:00 PM](#)  
YouTube Live Stream: [July 24, 2025 YouTube Link](#)  
[www.kia.ky.gov](http://www.kia.ky.gov)

July 24, 2025, 1:00 P.M.

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

Chair Matt Sawyers

#### I. BUSINESS (Board Action Required)

##### A. NEW PROJECTS / ACTION ITEMS

1. Resolution and Order of the Board of Directors of the Kentucky Infrastructure Authority Authorizing a **Conditional Commitment Letter** for Financing from the **Emergency Kentucky WWaters Fund, (W26-001E)** for an amount up to **\$880,000 to the City of Providence, Webster County, Kentucky (WX21233046)**  
*(Attachment I.A.1.)* Mr. Rick Harris, KIA 7
2. 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.A.2.)* Mr. Rick Harris, KIA 17

#### II. ANNOUNCEMENTS/NOTIFICATIONS

Chair Matt Sawyers

1. Next KIA Board Meeting:  
**COUNCIL FOR POSTSECONDARY EDUCATION OFFICES**  
100 Airport Road, **SECOND FLOOR**, Frankfort

*Tentatively: Thursday, August 7, 1:00 p.m.*

#### III. ADJOURN

Chair Matt Sawyers

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**A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING A CONDITIONAL COMMITMENT FOR FINANCING FROM THE EMERGENCY KENTUCKY WWATERS FUND (W26-001E) FOR AN AMOUNT UP TO \$880,000 TO THE CITY OF PROVIDENCE, WEBSTER 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**, House Bill 563 (the "Bill") of the 2024 General Assembly amended the Act to create the Kentucky Water and Wastewater Assistance for Troubled or Economically Restrained Systems (WWATERS) Program (the "Fund") in order to fund capital and non-capital expenses of public water or wastewater systems that meet the eligibility requirements set forth therein; and

**WHEREAS**, pursuant to the Act, the Authority is duly and legally authorized to make loans and grants to public water or wastewater systems for the purpose of providing funds for capital and non-capital expenses, and in that regard, to enter into Assistance Agreements with such public water or wastewater systems governing the provisions in respect of which such loans and grants are to be made, the amounts thereof and, if applicable, the repayment provisions in respect thereto; and

**WHEREAS**, the Authority anticipates entering into an Assistance Agreement for financing from the Kentucky WWATERS Program with the City of Providence; and

**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 determines that the City of Providence (a) provides public drinking water or wastewater services to ratepayers in the Commonwealth; (b) meets one or more of the eligibility criteria set forth in the Bill; and (c) has expenses relating solely to restoring or avoiding imminent interruption of water services after a state of emergency was declared on June 29, 2025.

Section 3. The Authority hereby authorizes an Emergency Kentucky WWATERS Fund grant in the amount of \$880,000, to the City of Providence. Upon satisfaction of all conditions of the commitment, execution of an assistance agreement for this grant is authorized.

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 24th day of July, 2025.

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MATT SAWYERS, CHAIR  
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

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MARGARET F. LINK, SECRETARY  
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

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NATALIE LILE, ASST. GENERAL COUNSEL  
KENTUCKY INFRASTRUCTURE AUTHORITY



<b>EXECUTIVE SUMMARY</b> <b>KENTUCKY INFRASTRUCTURE AUTHORITY</b> <b>KY WWATERS FUND</b> <b>REVOLVING LOAN / GRANT FUND</b>		Reviewer Date KIA Loan Number WRIS Number	Rick Harris July 24, 2025 W26-001E WX21233046	
BORROWER		CITY OF PROVIDENCE WEBSTER		
BRIEF DESCRIPTION				
The County of Webster and the City of Providence have declared a state of emergency due to a system-wide loss of water pressure. The City of Providence water system has suffered an emergency situation resulting in a catastrophic loss of pressure to the entire system. An initial main break depressurized the entire system; once that leak was repaired and pressures began to rise, latent weaknesses in the distribution lines triggered additional failures, leaving every customer without service. Because the system was installed decades ago without adequate sectional valves, staff cannot isolate individual zones to make repairs while keeping the rest of the system pressurized.				
The interconnect project will include 450 feet of PVC that will tie Webster County Water District to the City of Providence. This interconnect will provide an immediate auxiliary supply capable of stabilizing system pressure, enabling boil-water advisories to be lifted faster and allowing targeted repairs without full-system shutdowns. Rehabilitating the Herrin Water Storage Tank will supply sufficient pressure and volume to meet peak demand and fire-flow requirements. Lastly, seven separate valves and flow meters will be placed in the Providence system to allow sectional shutdowns and repairs, while also identifying leak zones.				
PROJECT FINANCING		PROJECT BUDGET		
Fund KYWWATERS Loan	\$880,000	Administrative Expenses	\$20,000	
		Legal Expenses	-	
		Land, Easements	-	
		Relocation Expense & Payments	-	
		Planning	25,000	
		Eng - Design / Const	25,000	
		Eng - Insp	20,000	
		Eng - Other	10,000	
		Construction	730,000	
		Equipment	-	
		Contingency	50,000	
		Other	-	
TOTAL	\$880,000	TOTAL	\$880,000	
REPAYMENT	Rate Term	Grant	n/a	
PROFESSIONAL SERVICES	Engineer	HMB Professional Engineers		
PROJECT SCHEDULE	Bid Opening Construction Start Construction Stop	n/a September 1, 2025 October 31, 2025		
DEBT PER CUSTOMER	Existing	\$1,347		
OTHER DEBT		See Attached		
RESIDENTIAL RATES		Users	Min. Bill	
	Current	1,683	\$34.26 (for 4,000 gallons)	
	Additional	0	\$34.26 (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 2021	112,249	311,048	(198,799)	0.4
Audited 2022	54,113	217,170	(163,057)	0.2
Audited 2023	(17,337)	331,777	(349,114)	-0.1

Reviewer: Rick Harris  
Date: July 24, 2025  
Grant Number: W26-001E

**KENTUCKY INFRASTRUCTURE AUTHORITY  
KENTUCKY WWATERS FUND  
CITY OF PROVIDENCE, WEBSTER COUNTY  
PROJECT REVIEW  
WX21233046**

**I. PROJECT DESCRIPTION**

The Emergency Kentucky Water and Wastewater Assistance Fund was established to provide funding for troubled or economically restrained systems. The funding is dedicated to capital and non-capital expenses relating to restoring or avoiding imminent interruption of utility service provided by a public water or wastewater system after a declaration of emergency has been declared.

The County of Webster and the City of Providence have declared a state of emergency due to a system-wide loss of water pressure. The City of Providence water system has suffered an emergency situation resulting in a catastrophic loss of pressure to the entire system. An initial main break depressurized the entire system; once that leak was repaired and pressures began to rise, latent weaknesses in the aging distribution lines triggered additional failures, leaving every customer without service. Because the system was installed decades ago without adequate sectional valves, staff cannot isolate individual zones to make repairs while keeping the rest of the system pressurized.

The project will include 450 feet of interconnect PVC that will tie Webster County Water District to the City of Providence. This interconnect will provide an immediate auxiliary supply capable of stabilizing system pressure, enabling boil-water advisories to be lifted faster and allowing targeted repairs without full-system shutdowns. Rehabilitating the Herrin Water Storage Tank will supply sufficient pressure and volume to meet peak demand and fire-flow requirements. Lastly, seven separate valves and flow meters will be placed in the Providence system to allow sectional shutdowns and repairs, while also identifying leak zones.

The city currently serves 3,353 residents, consisting of 1,683 households.

## **PROJECT BUDGET**

	Total
Construction	\$ 750,000
Engineering Fees - Planning & Design	40,000
Engineering Fees - Construction	20,000
Engineering Fees - Inspection	20,000
Contingency	50,000
<b>Total</b>	<b>\$ 880,000</b>

## **II. PROJECT FUNDING**

	Amount	%
KYWWATERS Grant	\$ 880,000	100%
<b>Total</b>	<b>\$ 880,000</b>	<b>100%</b>

## **III. PROJECT SCHEDULE**

Project Start:	September 2025
Project Completion:	October 2025

## **IV. RATE STRUCTURE**

	Current	Prior
	7-1-24	7-1-23
Minimum (2,000 gallons)	\$23.94	\$18.00
Next 1,000 gallons	5.16	3.88
Cost for 4,000 gallons	\$34.26	\$25.76
Increase %	34.0%	
Affordability Index (Rate/MHI)	.77%	.57%

## **V. DEMOGRAPHICS**

Based on current Census data from the American Community Survey 5-Year Estimate, the Utility's service area population is 3,353 with a Median Household Income (MHI) of \$53,300.

## VI. FINANCIAL ANALYSIS

Financial information was obtained from the audited financial statements for the years ended June 30, 2021, through June 30, 2023. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

### HISTORY

Total revenues were within a 1% range, from \$499,585 in 2021 to \$495,565 in 2023. Operating expenses increased 14% from \$845,708 to \$962,051 during the same period due to costs associated with maintenance, materials, and wages. The debt coverage ratio was .4, .2, and -.1 in 2021, 2022, and 2023. With a Debt Service Ratio below 1.1, the city qualifies for grant funding.

The 34% increase in all utility services applied by the city are projected to take all combined utility revenue from \$4.5 million in revenues to just over \$6 million in revenue, water revenues are expected to increase from \$500,000 to \$675,000 per year. No financial audits have been issued since Fiscal Year 2023 end, increases in rates have not been represented in any financial analysis.

## VII. CONTACTS

### **Legal Applicant**

Entity Name	City of Providence
Authorized Official	Tim Glover (Mayor)
County	Lyon County
Email	Thrifty@Bellsouth.net
Phone	(270) 667-5463
Address	P.O. Box 128 Providence, KY 42450

### **Project Administrator**

Name	Blake Edge
Organization	Green River ADD
Email	BlakeEdge@GRADD.com
Phone	(270) 302-5484
Address	300 GRADD Way Owensboro, KY 42301

**Consulting Engineer**

PE Name	Nick Pilcher
Firm Name	HMB Professional Engineers
Email	npilcher@hmbpe.com
Phone	(502) 695-9800
Address	3 HMB Circle Frankfort, KY 40601

**VIII. RECOMMENDATIONS**

KIA staff recommends approval of the grant.

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**A RESOLUTION OF THE KENTUCKY INFRASTRUCTURE AUTHORITY  
AUTHORIZING AND APPROVING THE ISSUANCE OF OBLIGATIONS OF  
THE KENTUCKY INFRASTRUCTURE AUTHORITY TO REIMBURSE  
CAPITAL EXPENDITURES MADE BY GOVERNMENTAL AGENCIES  
PURSUANT TO GRANTS OR 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 and grants 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 24th day of July, 2025.

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SANDY WILLIAMS, EXECUTIVE DIRECTOR  
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

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MARGARET F. LINK, SECRETARY  
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

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NATALIE LILE, ASSISTANT GENERAL COUNSEL  
KENTUCKY INFRASTRUCTURE AUTHORITY

**EXHIBIT A**

<b><u>APPLICANT</u></b>	<b><u>LOAN#</u></b>	<b><u>AMOUNT</u></b>	<b><u>LOAN TOTAL</u></b>
City of Providence	W26-001E	\$ 880,000	\$ 880,000