



BOARD MEETING BOOKLET

Via Video Conference

**SPECIAL CALLED BOARD MEETING
DECEMBER 6, 2021**

**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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AGENDA

KENTUCKY INFRASTRUCTURE AUTHORITY BOARD MEETING

Via Video Conference

ZOOM: [Special Called KIA Board Meeting - December 6, 2021](#)

YouTube Live Stream: [Special Called KIA Board Meeting - December 6, 2021](#)

www.kia.ky.gov

December 6, 2021 11:00 a.m.

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

BUSINESS (Board Action Required)

A. New Projects / Action Items

1. A Resolution and Order of the Board Of Directors of the Kentucky Infrastructure Authority Authorizing And Clarifying The Purpose Of The Conditional Commitment For A Federally Assisted Drinking Water Revolving Fund Loan (**F19-041**) in an amount up to **\$3,051,133 to the City Of South Shore, Greenup County Kentucky (WX21089101)**

Chair Dennis Keene

ANNOUNCEMENTS/NOTIFICATIONS

Chair Dennis Keene

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A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING AND CLARIFYING THE PURPOSE OF THE CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED DRINKING WATER REVOLVING FUND LOAN (F19-041) FOR AN AMOUNT UP TO \$3,051,133 TO THE CITY OF SOUTH SHORE, GREENUP COUNTY, KENTUCKY

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

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

WHEREAS, the Authority previously approved a Federally Assisted Drinking Water Revolving Fund Loan (F19-041) to The City of South Shore on May 7, 2019 for an amount up to \$3,051,133 for the purpose of constructing a new Water Treatment Plant; and

WHEREAS, the purpose of the project was to improve drinking water quality in Greenup County, improve drinking water system reliability, treatment efficiency and maintain or exceed water quality compliance; and

WHEREAS, finished water from the old water treatment plant contains contaminants known collectively as PFAS which are coming from the source water aquifer and the new water treatment plant was designed with its source water provided from the same aquifer; and

WHEREAS, the Kentucky Division of Water in the Energy and Environment Cabinet concluded the design will not properly remove or treat PFAS from the drinking water and will not approve the application for a permit to construct the new Water Treatment Plant; and

WHEREAS, the United States Environmental Protection Agency issued a Health Advisory in November 2016 which states, "If water sampling results confirm that drinking water contains [PFAS] at individual or combined concentrations greater than 70 parts per trillion, water systems should quickly undertake additional sampling to assess the level, scope and localized source of contamination to inform next steps"; and

WHEREAS, the loan commitment made to the City of South Shore was intended to provide a means for the city to provide safe drinking water to its citizens; 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 South Shore, subject to final determination of amount when the factors involving such financing have been determined; and

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

WHEREAS, the Authority wishes to establish terms and conditions on said Fund 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 and clarifies the purpose of the conditional Federally Assisted Drinking Water Revolving Fund loan for an amount up to \$3,051,133 of project expense including capitalized interest for the construction period, to the city of South Shore for design and construction of a treatment process or conveyance facility which will meet the approval criteria of the Division of Water in the Energy and Environment Cabinet and provide safe, clean drinking water. 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 0.50%. In addition to debt service, a 0.25% annual administration fee on the unpaid loan balance will be charged. From annual revenues, an amount which is predetermined by the Division of Water must be set aside in a borrower held replacement reserve. 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 6th day of December, 2021.

DENNIS KEENE, CHAIR
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

MARGARET F. LINK, SECRETARY
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

MATTHEW STEPHENS, GENERAL COUNSEL
DEPARTMENT FOR LOCAL GOVERNMENT