



**Board Meeting Booklet**  
**for**  
**June 7, 2012**

**Kentucky Infrastructure Authority**  
**1024 Capital Center Drive, Suite 340**  
**Frankfort, Kentucky 40601-3646**  
**502-573-0260**  
**502-573-0157 fax**  
**<http://kia.ky.gov>**





# AGENDA

KENTUCKY INFRASTRUCTURE AUTHORITY  
FULL BOARD MEETING  
1024 CAPITAL CENTER DRIVE, SUITE 340  
June 7, 2012 – 1:00 p.m.

## Call to Order:

Chair Tony Wilder

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

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

### A. Minutes

- |   |                   |    |
|---|-------------------|----|
| 1. Consideration of Approval of the <b>Minutes</b> of the <b>Kentucky Infrastructure Authority Regular Board Meeting of May 3, 2012</b><br><i>(Attachment I.A.1.)</i> | Chair Tony Wilder | 11 |
|---|-------------------|----|

### B. New Projects/Action Items

- |   |  |    |
|---|--|----|
| 1. Resolution and Order of the Board of Directors for Approval of a <b>2020 Water Service Account Grant</b> in the amount of <b>\$69,262</b> to the <b>City of Sebree, Webster County, Kentucky</b> (WX21193011)<br><i>(Attachment I.B.1.)</i>  | Ms. Debby Milton, KIA                            | 21 |
| 2. Resolution and Order of the Board of Directors for Approval of a <b>Fund A loan (A12-24)</b> in the amount of <b>\$825,000</b> to the <b>City of Earlington, Hopkins County, Kentucky</b> (SX21107017)<br><i>(Attachment I.B.2.)</i>   | Mr. Shafiq Amawi, DOW<br>Ms. Sandy Williams, KIA | 29 |
| 3. Resolution and Order of the Board of Directors for Approval of a <b>Fund A loan (A12-26)</b> in the amount of <b>\$2,000,000</b> to the <b>City of Lawrenceburg, Anderson County, Kentucky</b> (SX21005007)<br><i>(Attachment I.B.3.)</i>  | Mr. Shafiq Amawi, DOW<br>Ms. Sandy Williams, KIA | 43 |
| 4. Resolution and Order of the Board of Directors for Approval of a <b>Fund A loan (A12-28)</b> in the amount of <b>\$875,000</b> to the <b>Sanitation District No. 1 of Perry County, Perry County, Kentucky</b> (SX21193100)<br><i>(Attachment I.B.4.)</i>                                  | Mr. Shafiq Amawi, DOW<br>Ms. Sandy Williams, KIA | 57 |
| 5. Resolution and Order of the Board of Directors for Authorizing an <b>Amendment</b> to the <b>Fund A loan (A10-04)</b> increasing the amount to <b>\$2,846,174</b> to the <b>Oldham County Environmental Authority, Oldham County, Kentucky</b> (SX211185017)<br><i>(Attachment I.B.5.)</i> | Mr. Shafiq Amawi, DOW<br>Ms. Sandy Williams, KIA | 71 |



<p>6. Resolution and Order of the Board of Directors for Authorizing an <b>Amendment</b> to the <b>Fund A loan (A10-07) increasing</b> the amount to <b>\$2,601,420</b> to the <b>Oldham County Environmental Authority, Oldham County, Kentucky</b> (SX21185050, SX21185036) <b>(Attachment I.B.6.)</b></p>	<p>Mr. Shafiq Amawi, DOW Ms. Sandy Williams, KIA</p>	<p>87</p>
<p>7. Resolution and Order of the Board of Directors for Authorizing an <b>Amendment</b> to the <b>Fund A loan (A11-15) increasing</b> the amount to <b>\$670,588</b> to the <b>Oldham County Environmental Authority, Oldham County, Kentucky</b> (SX21185037) <b>(Attachment I.B.7.)</b></p>	<p>Mr. Shafiq Amawi, DOW Ms. Sandy Williams, KIA</p>	<p>103</p>
<p>8. Resolution and Order of the Board of Directors for Approval of a <b>Fund A loan (A12-29)</b> in the amount of <b>\$6,500,000</b> to the <b>Oldham County Environmental Authority, Oldham County, Kentucky</b> (SX21185052) <b>(Attachment I.B.8.)</b></p>	<p>Mr. Shafiq Amawi, DOW Ms. Sandy Williams, KIA</p>	<p>119</p>
<p>9. Resolution and Order of the Board of Directors for Approval of a <b>Fund B loan (B12-03)</b> in the amount of <b>\$92,000</b> to the <b>Nebo Water District, Hopkins County, Kentucky</b> (WX21107002) <b>(Attachment I.B.9.)</b></p>	<p>Ms. Sandy Williams, KIA</p>	<p>133</p>
<p>10. Resolution and Order of the Board of Directors for Approval for <b>Assumption of the Fund C loan (C91-12)</b> in the amount of <b>\$40,000</b> to the <b>City of Paducah f/b/o Paducah Water Works, McCracken County, Kentucky</b> <b>(Attachment I.B.10.)</b></p>	<p>Ms. Sandy Williams, KIA</p>	<p>145</p>
<p>11. Resolution and Order of the Board of Directors Authorizing an <b>Amendment</b> to the <b>Conditional Commitment</b> for a <b>Fund F loan (F12-03)</b> in the amount of <b>\$1,875,000</b> to the <b>City of Campbellsville, Taylor County, Kentucky</b> (WX21217003) <b>(Attachment I.B.11.)</b></p>	<p>Ms. Sandy Williams, KIA</p>	<p>157</p>
<p>12. Resolution and Order of the Board of Directors for Approval of a <b>Fund F loan (F12-07)</b> in the amount of <b>\$564,150</b> to the <b>City of Hartford, Ohio County, Kentucky</b> (WX21183020) <b>(Attachment I.B.12.)</b></p>	<p>Mr. Shafiq Amawi, DOW Ms. Sandy Williams, KIA</p>	<p>169</p>
<p>13. Resolution and Order of the Board of Directors Authorizing and Approving the Issuance of Obligations of the Kentucky Infrastructure Authority to <b>Reimburse Capital Expenditures</b> made by Governmental Agencies Pursuant to Loans made by the Kentucky Infrastructure Authority to such Governmental Agencies <b>(Attachment I.B.13.)</b></p>	<p>Ms. Sandy Williams, KIA</p>	<p>185</p>
<p><b>II. EXECUTIVE DIRECTOR’S REPORT</b></p>	<p>Mr. John Covington, KIA</p>	
<p><b>III. STATUS REPORTS FOR FUNDS A, A2, B, B1, C, F, F2</b></p>	<p>Mr. John Covington, KIA</p>	<p>189</p>



**IV. ANNOUNCEMENTS/NOTIFICATIONS**

Mr. John Covington, KIA

*Next KIA Board Meeting:*

***Tentatively*** set for ***Thursday, July 5, 2012***

*Kentucky Infrastructure Authority*

*1024 Capital Center Drive, Suite 340, Frankfort*

**V. ADJOURN**

Chair Tony Wilder



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**I.A.1.**





Mr. Josh Nacey, Legislative Research Commission  
Mr. Jason Vincent, Pennyryle Area Development District

## **PROCEEDINGS**

**Chair Tony Wilder called the meeting of the Kentucky Infrastructure Authority (KIA) Board to order. Chair Wilder asked board members and guests to introduce themselves. He noted that a quorum was present and that the press had been notified regarding the meeting.**

Mr. Rusty Anderson, KIA, made maps available for viewing via the Water Resource Information System (WRIS) which showed an overview of the water and sewer projects that were to be considered at this board meeting.

Chair Wilder recognized the representatives from the United States Environmental Protection Agency that were in attendance. Ms. Sheryl Parsons, EPA, addressed the Board and stated that EPA was conducting their review of KIA's CWSRF and DWSRF program files. She commended the staff of KIA and DOW for a very well run program both environmentally and financially and they were pleased to be able to attend the board meeting.

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

#### **A. 1. APPROVAL OF MINUTES**

**For: KIA Regular Board Meeting of April 12, 2012**

*Mr. Damon Talley moved to approve the minutes of the April 12, 2012 regular board meeting. Mr. Jamie Link seconded, and the motion carried unanimously.*

#### **B. NEW PROJECTS/ACTION ITEMS**

##### **1. RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A 2020 WATER SERVICE ACCOUNT GRANT OF \$30,000 TO THE PERRY COUNTY FISCAL COURT, PERRY COUNTY, KENTUCKY**

Mr. Lane Gould, KIA, presented the 2020 Water Service Account project to the Board. The Perry County Fiscal Court requested the approval of a \$30,000 KIA 2020 Grant for the Perry County Independent Feasibility Water Study project. The water study will evaluate two options for supplying Perry County and surrounding areas with a reliable source of drinking water. The two options would include a water treatment plant using Buckhorn Lake as a primary supply and purchasing water from the Knott County Water District. Secondary water supplies for the Village of Buckhorn, Breathitt County Water District and the City of Hazard would also be researched. The project meets the criteria for the 2020 Water Service Account and has been reviewed and ranked by the Area Water Management Council. KIA staff recommended approval of this grant with the standard grant assistance agreement conditions.

Mr. Jerry Wuetcher noted a typo in the prepared resolution in the board book on page 24. Section 4 should be changed to read Section 3. Mr. Wuetcher also recommended that on page 23 of the board book, in Section 2 of the resolution, more descriptive language in regards to the Independent Feasibility Study be added to include the alternative water supplies for the Village of Buckhorn and other areas in order to be more specific.

***Mr. Joe Kelly moved to approve the amended 2020 Water Service Account grant resolution presented to the board with the standard conditions. Mr. Ron Lovan seconded, and the motion carried unanimously.***

**2. RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED WASTEWATER REVOLVING FUND LOAN (A12-17) IN THE AMOUNT OF \$785,000 TO THE CITY OF GRAYSON, CARTER COUNTY, KENTUCKY**

Mr. Shafiq Amawi, DOW, and Ms. Sandy Williams, KIA, presented the project to the Board. The City of Grayson f/b/o Grayson Utility Commission requested a \$785,000 Fund A loan for the Sludge Press Replacement and Sewer Rehabilitation project. The project consists of 1) the replacement of a 25 year old sludge press, and 2) selective rehab of the sanitary sewer collection system including relining and manhole rehab. The sludge press replacement will aid the utility in maintaining compliance with the KPDES permit and the rehab project components will help to eliminate sanitary sewer overflows and to reduce I&I flows to the wastewater treatment plant. The project did not qualify for Green Project Reserve funding. The project qualified for additional subsidization in the amount of \$78,500. The unforgiven balance of the loan is \$706,500 to be repaid in 20 years with an interest rate of 1% and an estimated annual debt service payment of \$40,476. Both DOW and KIA staff recommended approval of the loan with the standard conditions.

***Mr. Tom Calkins moved to approve the Fund A (A12-17) resolution with the standard conditions. 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 (A12-21) IN THE AMOUNT OF \$400,000 TO THE CITY OF FLATWOODS, GREENUP COUNTY, KENTUCKY**

Mr. Shafiq Amawi, DOW, and Ms. Sandy Williams, KIA, presented the project to the Board. The City of Flatwoods requested a \$400,000 Fund A loan for the Sanitary Sewer Collection System Improvements project. The project involves the extension of sanitary sewer service to three unserved areas of the City and will support twenty-seven customers that use septic systems. The Marsha Drive extension includes approximately 700 linear feet of eight inch gravity sewer to serve five customers. The Randall Lane extension includes approximately 400 linear feet of eight inch gravity sewer and one grinder pump station to serve two customers. The England Lane extension includes approximately 1,700 linear feet

of eight inch gravity sewer and one submersible pump station to serve to serve approximately twenty customers. Wastewater treatment services are provided by the Greenup County Environmental Regional WWTP. The project did not qualify for Green Project Reserve funding and it did not qualify for additional subsidization. The term of the loan is 20 years with a 2% interest rate and an estimated annual debt service payment of \$25,164. Both DOW and KIA staff recommended approval of the loan with the standard conditions.

***Mr. Ron Lovan moved to approve the Fund A (A12-21) resolution with the standard conditions. Ms. Linda Bridwell 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 (A12-22) IN THE AMOUNT OF \$1,000,000 TO THE CITY OF OAK GROVE, CHRISTIAN COUNTY, KENTUCKY**

Mr. Shafiq Amawi, DOW, and Ms. Sandy Williams, KIA, presented the project to the Board. The City of Oak Grove requested a \$1,000,000 Fund A loan for the Oak Grove Storm Water project. The project involves the creation of a GIS model of the existing storm water system for Oak Grove and the repair of any problems that are identified during the process. Remaining funds, if any, will be used to upgrade the system to reduce I&I within the sanitary sewer system. Forty percent of existing homes are located within a flood plain. With better information on system capabilities the City will be able to manage the existing runoff and plan for future growth to minimize the impact on existing flood hazard areas and riparian boundaries. The City plans on implementing current EPA guidelines and mandates for run off reduction through the use of infiltration to reduce storm water flows and concentrations. It is unlikely that the funds requested in this application will remedy all of the City's storm water issues and that additional funding will be required in the future. The project will not be reported for Green Project Reserve funding. The project did not qualify for additional subsidization. The term of the loan is 20 years with an interest rate of 2% and an estimated annual debt service payment of \$62,911. Both DOW and KIA staff recommended approval of the loan with the standard conditions and the following special condition: The City, prior to execution of the Assistance Agreement, will enact a storm water fee by ordinance with an effective date on or before May 1, 2013. Mr. Paul Amburgey, E. L. Robinson Engineering, informed the Board that the first reading of the ordinance was passed during the City Council meeting on Tuesday, May 1, 2012.

***Mr. Tom Calkins moved to approve the Fund A (A12-22) resolution with the standard conditions. Mr. Damon Talley seconded, and the motion carried unanimously.***

**5. RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED WASTEWATER REVOLVING FUND LOAN (A12-25) IN THE AMOUNT OF \$970,000 TO THE CITY OF RUSSELL, GREENUP COUNTY, KENTUCKY**

Mr. Shafiq Amawi, DOW, and Ms. Sandy Williams, KIA, presented the project to the Board. The City of Russell requested a \$970,000 Fund A loan for the Filter Backwash Wastewater Treatment Improvements project. The project involves the construction of facilities adjacent to the existing water treatment plant to treat filter backwash wastewater and water treatment bio-solids that are generated by the plants flocculation basins. The Kentucky Division of Water has issued notices of violations for the lack of treatment for the backwash. The project components include demolition of existing onsite structures, construction of filter beds, improvements to existing flocculation basis, installation of one wastewater pump station, site piping and electrical work, and site restoration. Existing Outfall #1, which is located in the backwater slew of the Ohio River, will be eliminated as it is located above the water treatment plant raw water intakes. The City provides water service to the Cities of Flatwoods and Raceland. The project did not qualify for Green Project Reserve funding and it did not qualify for additional subsidization. The term of the loan is 20 years with a 3% interest rate and an estimated annual debt service payment of \$66,789. Both DOW and KIA staff recommended approval of the loan with the standard conditions.

***Ms. Linda Bridwell moved to approve the Fund A (A12-25) 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 APPROVAL FOR THE FILING OF AN APPLICATION WITH THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY FOR THE FEDERAL FISCAL YEAR 2012 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 2012 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 for the Federal Fiscal Year 2012 Federal Capitalization Grants for the Wastewater Revolving Fund and the Drinking Water Revolving Fund. The 2012 Wastewater Capitalization Grant appropriation amount for Wastewater is a little less than \$18,000,000. The 2012 Drinking Water Capitalization Grant appropriation amount for Drinking Water is almost \$13,000,000.

*Ms. Linda Bridwell moved to approve both resolutions to submit applications for the 2012 Wastewater Capitalization Grant and the 2012 Drinking Water Capitalization Grant. Ms. Lona Brewer seconded, and the motion carried unanimously.*

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

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

<b>APPLICANT</b>	<b>FUND</b>	<b>AMOUNT</b>
City of Grayson	A12-17	\$ 785,000
City of Flatwoods	A12-21	\$ 400,000
City of Oak Grove	A12-22	\$ 1,000,000
City of Russell	A12-25	\$ 970,000

*Ms. Linda Bridwell moved to approve the resolution. Mr. Tom Calkins seconded, and the motion carried unanimously.*

**8. Review of the Standard Conditions for the Conditional Commitment Letter in SRF Loan Funds A and F**

Ms. Sandy Williams presented to the board a review of the standard conditions for the conditional commitment letter that is required for execution by all borrowers of SRF loans issued by KIA. The Board was given a copy of the template for the Fund A Conditional Commitment Letter as an example.

**II. EXECUTIVE DIRECTOR'S REPORT**

Mr. John Covington, KIA, reported on the following items to the Board:

- A. The United States Environmental Protection Agency (US EPA) Region IV representatives were at KIA the week of the board meeting conducting their annual review of files. Representatives from US EPA Headquarters in Washington, D.C. met with KIA staff to conduct a review of KIA's CWSRF procedures and processes as a fact finding mission. Kentucky was one of 10 states selected this year to visit and find out how each state ran the SRF program.
- B. The Intended Use Plan for 2013 is anticipated to be completed in May 2012. Anticipated funding for the 2013 IUP is \$78 million for CWSRF and \$32 million for DWSRF. There will be no leverage funds.

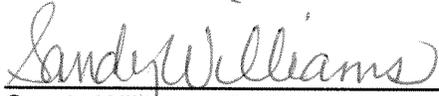
III. STATUS REPORT FOR FUNDS A, A2, B, B1, C, F, F2

IV. ANNOUNCEMENTS/NOTIFICATIONS

- Next scheduled KIA board meeting:  
Tentatively scheduled for  
Thursday, June 7, 2012  
1024 Capital Center Drive, Suite 340  
Frankfort, Kentucky

***There being no further business Ms. Linda Bridwell moved to adjourn. Mr. Jamie Link seconded and the motion carried unanimously. The May 3, 2012, regular meeting of the Board of the Kentucky Infrastructure Authority was adjourned.***

Submitted by:



Sandy Williams, Secretary  
Kentucky Infrastructure Authority



Date



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**I.B.1.**



**A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A 2020 WATER SERVICE ACCOUNT GRANT OF \$69,262 TO THE CITY OF SEBREE, 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**, pursuant to the Act, the Authority is duly and legally authorized to make grants to Governmental Agencies for the purpose of providing funds for the construction and acquisition of sanitary sewer facilities, water facilities or other types of infrastructure, and in that regard, to enter into Assistance Agreements with such Governmental Agencies governing the provisions in respect of which such grants are to be made, the amounts thereof and;

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

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

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

**NOW, THEREFORE, THE KENTUCKY INFRASTRUCTURE AUTHORITY, ACTING BY AND THROUGH ITS BOARD OF DIRECTORS AS ITS DULY AUTHORIZED AND EMPOWERED GOVERNING BODY, DOES HEREBY RESOLVE AND ORDER, AS FOLLOWS:**

Section 1. All statements of fact set forth in the preambles to this Resolution and Order are incorporated herein by reference, the same as if set forth verbatim. All such statements of fact are hereby declared to be true and accurate in all material respects.

Section 2. The Authority hereby authorizes the issuance of a 2020 Water Service Account Grant of \$69,262 to the City of Sebree for the Planning and Preliminary Engineering Fees associated with the Scattered Waterlines Rehabilitation Project.

Section 4. This Resolution and Order shall be in full force and effect from and after its adoption at a properly held meeting of the Kentucky Infrastructure Authority this 7th day of June 2012.

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TONY WILDER, CHAIR  
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

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SANDY WILLIAMS, SECRETARY  
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

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LEGAL COUNSEL TO THE KENTUCKY  
INFRASTRUCTURE AUTHORITY

**EXECUTIVE SUMMARY  
KENTUCKY INFRASTRUCTURE AUTHORITY  
2020 GRANT**

**PROJECT DESCRIPTION:**

Grantee: **CITY OF SEBREE** County: WEBSTER

Project Title: PLANNING/PRELIMINARY DESIGN FOR SCATTERED WATERLINE REPLACEMENT PROJECT

WRIS: WX21233108 SAI#: KY 0

Brief Project Descriptor: PLANNING/PRELIMINARY DESIGN FOR WATERLINE REPLACEMENT PROJECT

Engineer: GRW Engineering

CPBOC Review Date: June 19, 2012

Authorization: HB502 - Enacted April 26, 2000

**PROJECT FINANCING:**

		%
<b>2020 Grant</b>	<b>\$69,262</b>	100.00

**PROJECT BUDGET:**

<b>Planning - Design</b>	<b>\$69,262</b>
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**SYSTEM RATES**

Current Rate Per 4,000 Gallons:	\$30.29
Proposed Rate Per 4,000 Gallons:	\$30.29

**GRANT ASSIGNMENT**

**KENTUCKY INFRASTRUCTURE AUTHORITY  
2020 WATER SERVICE ACCOUNT GRANT  
CITY OF SEBREE, WEBSTER COUNTY**

**I. PROJECT DESCRIPTION**

Planning and preliminary engineering design associated with the Sebree scattered waterlines rehabilitation project

The City of Sebree is requesting a 2020 Grant in the amount of \$69,262 for the scattered waterline rehabilitation project. The 2020 grant will fund the initial planning and preliminary engineering design fees associated with the replacement of various water lines throughout the City of Sebree.

Sebree is experiencing scattered waterline breaks throughout its system. The City's cast iron lines were primarily built in the 1930's and they are continuing to decay and break leaving the City's population with an unreliable water source. The current water system consists of approximately 33,628 LF of waterlines. The planning and design funds will assist the City in determining the best use of construction dollars.

The \$1.7m estimated construction project is expected to begin in mid 2013 and will replace approximately 31,000 linear feet (LF) of 6" and 1,700 of 4" cast iron pipe with PVC at various locations. Funding for the construction phase is expected to come from HB265 Coal Severance Funds, an anticipated CDBG grant and/or an anticipated RD loan/grant and/or an anticipated SRF loan. Replacement will improve the reliability of a clean water supply and reduce water losses in the system.

**II. PROJECT BUDGET**

Planning – Preliminary Design	<b>69,262</b>
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**III. PROJECT FUNDING**

<b>KIA 2020 Grant</b>	<b>\$69,262</b>
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**IV. DEMOGRAPHICS/RATE STRUCTURE**

**A.** In 2010, the City's population was 1,625 with a Median Household Income (MHI) of \$33,462. The median household income for the Commonwealth is \$41,197.

**B. Current Rate Structure**

641 customers  
\$30.29/4,000 gallons

**C.** The City purchases approximately 42 million gallons of water per year from the Henderson Water Utility at an average rate of approximately \$3.12 per thousand

- D. The City of Sebree, Webster County is located in the Green River Area Development District region of Kentucky.

**V. KEY CONTACTS**

**A. Applicant**

Name: City of Sebree  
Address: P.O. Box 245  
City of Sebree, KY 42455  
County: Webster  
Contact: Ronald L. Todd, Mayor  
Telephone: 270-835-7501  
Email: Cosebree1@bellsouth.net

**B. Applicant Contact**

Name: Sheryl Chino  
Firm: GRADD  
Address: 300 GRADD Way  
Owensboro, KY 42301  
Telephone: 270-926-4433  
Email: sherylchino@gradd.com

**C. Engineering Contact**

Name: Jim Hilborn  
Firm: GRW  
Address: 404 BNA Drive, Suite 201  
Nashville, Tennessee 37217  
Telephone: 615-366-1600  
Email: [jhilborn@grwinc.com](mailto:jhilborn@grwinc.com)

**VI. 2020 WATER SERVICE ACCOUNT CRITERIA**

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

**VII. RECOMMENDATIONS**

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



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**I.B.2.**



**A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED WASTEWATER REVOLVING FUND LOAN (A12-24) IN THE AMOUNT OF \$825,000 TO THE CITY OF EARLINGTON, HOPKINS COUNTY, KENTUCKY**

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

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

**WHEREAS**, the Authority anticipates entering into an Assistance Agreement for a loan from the Authority's Federally Assisted Wastewater Revolving Loan Program (Fund A) with the City of Earlington, 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 \$825,000 of project expense including capitalized interest for the construction period, to the City of Earlington for the Sewer

System 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 10% will be deducted from the approved loan amount. The unforgiven principal balance of \$742,500 shall be repaid.

Section 4. The unforgiven principal shall be repayable over 20 years at an interest rate of 1.0%. In addition to debt service, a 0.2% annual administration fee on the unpaid, unforgiven principal balance will be charged. From annual revenues, \$2,000 must be set aside in a borrower held replacement reserve each December 1 until the balance reaches \$20,000 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 June, 2012.

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TONY WILDER, CHAIR  
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

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SANDY WILLIAMS, SECRETARY  
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

---

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



STEVEN L. BESHEAR  
GOVERNOR

LEONARD K. PETERS  
SECRETARY

**ENERGY AND ENVIRONMENT CABINET**  
DEPARTMENT FOR ENVIRONMENTAL PROTECTION  
DIVISION OF WATER  
200 FAIR OAKS LANE, 4TH FLOOR  
FRANKFORT, KENTUCKY 40601  
[www.kentucky.gov](http://www.kentucky.gov)

April 23, 2012

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

Re: CWL12124  
Earlington Wastewater Collection--11790  
Activity ID: FGL20120007  
HUC 11 No.: 05140205090 - Clear Creek  
Fund A

Dear Mr. Covington:

The Division of Water (DOW) hereby certifies that the City of Earlington is entitled to receive priority for funding for the Earlington Sewer System Improvements, and is eligible to receive \$825,000 from the Clean Water State Revolving Fund. The following requirements have been addressed as follows:

1. Plans and specifications are expected to be submitted to DOW on June 29, 2012
2. Construction bids are expected to be opened on August 31, 2012.
3. Project specific environmental information is expected to be submitted to DOW on June 29, 2012.

The binding commitment letter should include the following general conditions to satisfy federal requirements:

1. The Authority to Award (bid) package must be submitted to DOW for approval within 14 days of bid opening. DOW must perform the DBE reviews, conduct a pre-construction and project management conference.
2. Loan Agreement must be executed within six (6) months from bid opening.
3. The city must agree to expend all loan funds within six months of the date of initiation of operation.
4. Documentation of final funding commitments from all parties other than the Kentucky Infrastructure Authority (KIA) as reflected in the credit analysis shall be provided to KIA prior to their loan closing and disbursement of the loan monies. Rejections of any anticipated project funding shall be immediately reported to KIA and may cause this loan to be subject to further consideration.

5. The borrower must receive DOW approval of the Plans and Specifications before bidding the project.
6. The borrower must receive DOW approval of the Environmental Assessment before bidding the project.

Upon compliance with the general and special conditions, the DOW will issue its final project certification prior to finalizing the loan agreement.

Please forward the draft binding commitment letter to this office for review when completed. Should you have any questions concerning this letter, do not hesitate to contact Bill Averell, Project Administrator, at (502) 564-8158, extension 4980.

Sincerely,



Buddy Griffin, Supervisor  
SRF & SPAP Section  
Water Infrastructure Branch

BG: ba

Enclosures

C: The Honorable Michael Seiber, Mayor  
City of Earlington

John Herring, Pennyrile ADD  
Frank Williams, P. E., Ronald Johnson & Associates

<b>EXECUTIVE SUMMARY</b>		Reviewer:	Sandy Williams
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		Date:	June 7, 2012
<b>FUND A, FEDERALLY ASSISTED WASTEWATER</b>		KIA Loan Number:	<b>A12-24</b>
<b>REVOLVING LOAN FUND</b>		WRIS Number	<b>SX21107017</b>
		HUC Code:	05140205090
<b>BORROWER:</b>	<b>CITY OF EARLINGTON</b>		
	<b>HOPKINS COUNTY</b>		
<b>BRIEF DESCRIPTION:</b>	<p>This project involves making improvements to the existing sewer collection system by finding, repairing and / or replacing damaged sewer mains and manholes. The project will reduce I&amp;I thus reducing the treatment volume by the Madisonville WWTP. The project will concentrate on clay pipe that is known to be located on the north side of town. Approximately 19,000 linear feet will be replaced.</p>		
<b>PROJECT FINANCING:</b>	<b>PROJECT BUDGET</b>		
Fund A Loan	\$ 825,000	Administrative Expenses	\$ 62,250
CDBG	750,000	Legal Expenses	15,000
		Land, Easements	12,500
		Planning	23,377
		Engineering	212,017
		Construction	1,214,393
		Contingency	35,463
<b>TOTAL</b>	<b>\$ 1,575,000</b>	<b>TOTAL</b>	<b>\$ 1,575,000</b>
<b>REPAYMENT</b>		Est. Annual	
	Rate	1.0%	Payment \$ 42,539
	Term	20 years	1st Payment 6 Mo. after first draw
<b>PROFESSIONAL SERVICES</b>	Engineer	Ronald Johnson & Associates	
	Bond Counsel	Peck, Shaffer, & Williams	
<b>PROJECT SCHEDULE</b>		Bid Opening:	July 2012
		Construction Start:	August 2012
		Construction Stop:	May 2013
<b>DEBT PER CUSTOMER</b>	Existing:	\$ 1,141	
	Proposed:	\$ 2,498	
<b>OTHER DEBT</b>	See Attached		
<b>OTHER STATE-FUNDED PROJECTS LAST 5 YRS</b>	See Attached		
<b>RESIDENTIAL RATES</b>		<u>Users</u>	<u>Avg. Bill</u>
	Current	531 \$	43.29 (for 4,000 gallons)
	Additional	0 \$	43.29 (for 4,000 gallons)
<b>REGIONAL COORDINATION</b>	This project is consistent with regional planning recommendations.		
<b>CASHFLOW</b>	<b>Cash Available for</b>	<b>Income after Debt</b>	
	<b>Debt Service</b>	<b>Debt Service</b>	<b>Service Coverage Ratio</b>
Audited 2009	23,557	47,589	(24,032) 0.5
Audited 2010	44,492	38,627	5,865 1.2
Audited 2011	57,067	37,270	19,797 1.5
Projected 2012	63,604	37,270	26,334 1.7
Projected 2013	65,152	38,820	26,332 1.7
Projected 2014	90,008	80,819	9,189 1.1
Projected 2015	92,310	80,279	12,031 1.1
Projected 2016	94,669	81,739	12,930 1.2
Projected 2017	97,087	81,109	15,978 1.2

**KENTUCKY INFRASTRUCTURE AUTHORITY  
 WASTEWATER REVOLVING LOAN FUND (FUND "A")  
 CITY OF EARLINGTON, HOPKINS COUNTY  
 PROJECT REVIEW  
 SX21107017**

**I. PROJECT DESCRIPTION**

The City of Earlinton is requesting an \$825,000 Fund "A" loan for the Sewer System Improvements project. This project involves making improvements to the existing collection system by finding, repairing and / or replacing damaged sewer mains and manholes. The project will reduce I&I thus reducing the treatment volume by the Madisonville WWTP. The project will concentrate on clay pipe that is known to be located on the north side of town. Approximately 19,000 linear feet will be replaced.

The City's wastewater is treated by the City of Madisonville. The amounts treated during the past three years ranged from a low of 61 million gallons in 2011 to a high of 74 million in 2009. The City purchases about 48 million gallons of water per year from the South Hopkins Water District and has sold about 26 million gallons each of the past three years.

**II. PROJECT BUDGET**

	<u>Total</u>
Administrative Expenses	\$ 62,250
Legal Expenses	15,000
Land, Easements	12,500
Engineering Fees	235,394
Construction	1,214,393
Contingency	<u>35,463</u>
<b>Total</b>	<b>\$ 1,575,000</b>

**III. PROJECT FUNDING**

	<u>Amount</u>	<u>%</u>
Fund A Loan	\$ 825,000	52%
CDBG	<u>750,000</u>	<u>48%</u>
<b>Total</b>	<b>\$ 1,575,000</b>	<b>100%</b>

**IV. KIA DEBT SERVICE**

Construction Loan	\$	825,000
Less: Principal Forgiveness (10%)	\$	82,500
Amortized Loan Amount	\$	742,500
Interest Rate		1.0%
Loan Term (Years)		20
Estimated Annual Debt Service	\$	41,054
Administrative Fee (0.20%)	\$	1,485
<b>Total Estimated Annual Debt Service</b>	<b>\$</b>	<b>42,539</b>

**V. PROJECT SCHEDULE**

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

**VI. CUSTOMER COMPOSITION AND RATE STRUCTURE**

**A) Customers**

Customers	Current
Residential	506
Commercial	25
Total	531

**B) Rates**

	Current	Prior
Date of Last Rate Increase	3/9/2010	
Minimum (1,000 gallons)	\$21.00	\$21.00
Each Additional 1,000 Gallons	7.43	7.00
Cost for 4,000 gallons	\$43.29	\$42.00
Affordability Index (Rate/MHI)	2.4%	

**VII. DEMOGRAPHICS**

In 2010, the City's population was 1,392 with a Median Household Income (MHI) of \$21,576. The median household income for the Commonwealth is \$41,197. The loan qualifies for a 1% interest rate due to the MHI being below 80% of the State MHI.

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

- 1) Green Project Reserve - This project will not be reported for Green Project Reserve (GPR) funding.
- 2) Additional Subsidization – This project qualifies for additional subsidization in the amount of \$82,500.

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

Financial information was obtained from the City's audited financial statements for the years ended June 30, 2009 through 2011 for the Sewer Fund. Amounts for the current year are estimated. Comments about Water Fund have been included as they are relevant for understanding the Sewer Fund's financial position.

### **HISTORICAL**

Sewer revenues increased about 2% from \$275,630 in 2009 to \$284,027 in 2011. The increase is due to a 2.4% rate increase in March 2010. The City has experienced some limited volume improvement recently from the addition of two industrial customers. Wastewater processing cost decreased 51% from \$172,798 to \$84,065. This cost is subject to considerable weather related fluctuation because of the significance of the I&I problem. Other operating costs increased 80% from \$79,466 to \$142,946. Compensations costs increased \$51,000 while repairs and miscellaneous expenses increased \$16,000.

The debt coverage ratio and cash flow after debt service improved each year from 0.5 (-\$24,032) in 2009 to 1.5 (\$19,797) in 2011. Cash flow after debt service for the entire three year period was about \$1,600. Capital spending from 2009 through 2011 was \$56,000 and was entirely funded from grants.

The current ratio (excluding interfund balances) was 1.1 in 2011 however it was below 1.0 in 2009 and 2010. At the end of 2011 the Sewer Fund had a slight overdraft in its operating cash account. Cash was minimal in both 2009 and 2010 with less than one month of operating expenses on hand. The Sewer Fund had about \$26,000 in a depreciation reserve account at the end of 2011. The interfund receivable (from Water Fund) balance at the end of 2011 was \$217,201.

The Water Fund had a similarly weak cash position and had a deficit of about \$125,000 in unrestricted retained earnings at the end of 2011. Cumulative cash flow after debt service for the Water Fund from 2009 to 2011 was -\$143,000. Transfers from the General Fund and Sewer Fund to the Water Fund during the three year period funded the bulk of the cash flow shortfall. Water loss is about 46% for the system. Without significant changes to the revenue or cost structure the Water Fund will continue to lose about \$50,000 per year (20% of revenues) after debt service.

## PROJECTIONS

Projections are based on the following assumptions:

- 1) Other than the slight industrial growth noted above revenues will be flat for volume.
- 2) Operating expenses will increase by 2.5% annually.
- 3) The forecast assumes that, upon completion of the project, wastewater treatment volume will decrease to an average of 40 million gallons per year from the historical range of 61 to 74 million gallons noted previously.
- 4) The utility will generate sufficient revenues to cover operations and existing and proposed debt service requirements.
- 5) The balance sheet assumes that the Sewer Fund will not continue to supplement losses in the Water Fund. The existing receivable from the Water Fund of \$217,201 will not be repaid during the period forecasted.
- 6) A replacement reserve of \$2,000 will be funded annually for ten years.
- 7) Debt service on the proposed loan is estimated at \$42,539 annually beginning in 2014. Total debt service will be about \$81,000.
- 8) Debt service coverage is 1.1 in 2014 when principal and interest repayments begin.

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

## REPLACEMENT RESERVE

The annual replacement cost is \$2,000. This amount should be added to the replacement account each December 1 until the balance reaches \$20,000 and maintained for the life of the loan.

## X. DEBT OBLIGATIONS

	<u>Outstanding</u>	<u>Maturity</u>
Series 1978 Revenue Bonds	\$ 115,000	2017
Series 1994 Revenue Bonds	132,700	2024
Series 2000 Revenue Bonds	606,000	2042
Series 2010 Revenue Bonds	184,000	2050
<b>Total</b>	<b>\$ 1,037,700</b>	

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

<u>Project Title</u>	<u>Funding Source</u>	<u>Amount</u>	<u>Type</u>
Water and Sewer Extension	HB380	200,000	Grant
Water and Sewer Extension	EDA	380,000	Grant
Water and Sewer Extension	USDA	180,000	Grant
Water and Sewer Extension	USDA	293,000	Grant

**XII. CONTACTS**

<b>Applicant</b>	
Name	City of Earlington
Address	103 West Main Street Earlington, KY 42410
County	Hopkins
Contact	Michael Seiber
Phone	(270) 383-5364
Email	mayor@earlingtongovcity.com

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

<b>Engineer</b>	
Name	Frank Williams
Firm	Ronald Johnson & Associates
Address	24 West Center Street Madisonville, KY 42431-1942
Phone	(270) 821-6392
Email	Fwilliams@rjaengineering.com

**XIII. RECOMMENDATIONS**

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

**CITY OF EARLINGTON (SEWER FUND)  
BALANCE SHEETS (JUNE YEAR END)**

<b>ASSETS</b>	<b>Audited 2009</b>	<b>Audited 2010</b>	<b>Audited 2011</b>	<b>Projected 2012</b>	<b>Upon Completion 2013</b>
<b>Current Assets</b>					
Cash	12,138	1,467	0	26,063	52,395
Accounts Receivable	35,483	37,308	37,596	38,500	39,500
Inventory	298	298	670	500	500
Due From Other Funds	387,981	223,301	217,201	217,201	217,201
<b>Total Current Assets</b>	<b>435,900</b>	<b>262,374</b>	<b>255,467</b>	<b>282,264</b>	<b>309,596</b>
<b>Restricted Assets</b>					
Bonds and Interest	23,073	23,871	23,645	23,645	23,645
Depreciation	28,789	32,679	36,488	40,288	44,088
Kentucky Sewer	7,550	7,550	50	0	0
<b>Total Restricted Assets</b>	<b>59,412</b>	<b>64,100</b>	<b>60,183</b>	<b>63,933</b>	<b>67,733</b>
<b>Utility Plant</b>					
Land, System, Building and Equipment	3,095,434	3,095,434	3,132,880	3,132,880	4,707,880
Less Accumulated Depreciation ( )	(1,065,032)	(1,141,403)	(1,216,644)	(1,291,885)	(1,367,126)
<b>Net Fixed Assets</b>	<b>2,030,402</b>	<b>1,954,031</b>	<b>1,916,236</b>	<b>1,840,995</b>	<b>3,340,754</b>
<b>Total Assets</b>	<b>2,525,714</b>	<b>2,280,505</b>	<b>2,231,886</b>	<b>2,187,192</b>	<b>3,718,083</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Accounts Payable	1,006	27,201	6,157	6,500	6,500
Accrued Absences	2,278	2,864	5,888	6,000	6,250
Accrued Interest	23,061	13,860	13,635	13,400	29,800
Cash Overdraft	0	0	271	0	0
Notes Payable	70,469	0	0	0	0
CP LTD	9,000	10,000	10,000	12,000	12,000
Due to Other Funds	164,680	0	0	0	0
<b>Total Current Liabilities</b>	<b>270,494</b>	<b>53,925</b>	<b>35,951</b>	<b>37,900</b>	<b>54,550</b>
<b>Long Term Liabilities</b>					
Revenue Bonds	616,000	606,000	596,000	584,000	572,000
Proposed KIA Loan	0	0	0	0	742,500
<b>Total Long Term Liabilities</b>	<b>616,000</b>	<b>606,000</b>	<b>596,000</b>	<b>584,000</b>	<b>1,314,500</b>
<b>Total Liabilities</b>	<b>886,494</b>	<b>659,925</b>	<b>631,951</b>	<b>621,900</b>	<b>1,369,050</b>
<b>Retained Earnings:</b>					
Invested in Capital Assets Net of Related Debt	1,462,245	1,338,031	1,310,236	1,244,995	2,014,254
Restricted	59,412	64,100	60,183	63,933	67,733
Unrestricted	117,563	218,449	229,516	256,364	267,046
<b>Total Retained Earnings</b>	<b>1,639,220</b>	<b>1,620,580</b>	<b>1,599,935</b>	<b>1,565,292</b>	<b>2,349,033</b>
<b>Total Liabilities and Equities</b>	<b>2,525,714</b>	<b>2,280,505</b>	<b>2,231,886</b>	<b>2,187,192</b>	<b>3,718,083</b>
<b>Balance Sheet Analysis</b>					
Current Ratio (excluding inter fund balance)	0.5	0.7	1.1	1.7	1.7
Debt to Equity	0.5	0.4	0.4	0.4	0.6
Days Sales in Accounts Receivable	47.0	49.5	48.3	48.4	48.4

EXHIBIT 1												
CITY OF EARLINGTON (SEWER FUND)												
CASH FLOW ANALYSIS (JUNE YEAR END)												
	Audited	%	Audited	%	Audited	%	Projected	Projected	Projected	Projected	Projected	Projected
	2009	Change	2010	Change	2011	Change	2012	2013	2014	2015	2016	2017
<b>Operating Revenues</b>												
Sewer Revenues	274,709	0%	274,536	2%	280,059	4%	290,000	297,250	304,681	312,298	320,105	328,108
Other	921	-57%	400	892%	3,968	-87%	500	500	500	500	500	500
Rate Increase	0		0		0		0	0	0	0	0	0
<b>Total Revenues</b>	<b>275,630</b>	<b>0%</b>	<b>274,936</b>	<b>3%</b>	<b>284,027</b>	<b>2%</b>	<b>290,500</b>	<b>297,750</b>	<b>305,181</b>	<b>312,798</b>	<b>320,605</b>	<b>328,608</b>
<b>Operating Expenses</b>												
Contract Services	172,798	-45%	94,484	-11%	84,065	0%	84,000	86,128	63,040	64,600	66,200	67,840
Other Operating	79,466	71%	136,123	5%	142,946	0%	142,946	146,520	150,183	153,938	157,786	161,731
Depreciation	75,841	1%	76,371	-1%	75,241	0%	75,241	75,241	75,241	75,241	75,241	75,241
Replacement Reserve	0		0		0		0	0	2,000	2,000	2,000	2,000
<b>Total Expenses</b>	<b>328,105</b>	<b>-6%</b>	<b>306,978</b>	<b>-2%</b>	<b>302,252</b>	<b>0%</b>	<b>302,187</b>	<b>307,889</b>	<b>290,464</b>	<b>295,779</b>	<b>301,227</b>	<b>306,812</b>
<b>Net Operating Income</b>	<b>(52,475)</b>	<b>-39%</b>	<b>(32,042)</b>	<b>-43%</b>	<b>(18,225)</b>	<b>-36%</b>	<b>(11,687)</b>	<b>(10,139)</b>	<b>14,717</b>	<b>17,019</b>	<b>19,378</b>	<b>21,796</b>
<b>Non-Operating Income and Expenses</b>												
Interest Income	191	-15%	163	-69%	51	-2%	50	50	50	50	50	50
<b>Total Non-Operating Income &amp; Expenses</b>	<b>191</b>	<b>-15%</b>	<b>163</b>	<b>-69%</b>	<b>51</b>	<b>-2%</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>
<b>Add Non-Cash Expenses</b>												
Depreciation	75,841	1%	76,371	-1%	75,241	0%	75,241	75,241	75,241	75,241	75,241	75,241
<b>Cash Available for Debt Service</b>	<b>23,557</b>	<b>89%</b>	<b>44,492</b>	<b>28%</b>	<b>57,067</b>	<b>11%</b>	<b>63,604</b>	<b>65,152</b>	<b>90,008</b>	<b>92,310</b>	<b>94,669</b>	<b>97,087</b>
<b>Debt Service</b> (enter as positive #'s)												
Existing Principal	9,000		9,000		10,000		10,000	12,000	12,000	12,000	14,000	14,000
Existing Interest	38,589		29,627		27,270		27,270	26,820	26,280	25,740	25,200	24,570
Proposed KIA Loan	0		0		0		0	0	42,539	42,539	42,539	42,539
<b>Total Debt Service</b>	<b>47,589</b>		<b>38,627</b>		<b>37,270</b>		<b>37,270</b>	<b>38,820</b>	<b>80,819</b>	<b>80,279</b>	<b>81,739</b>	<b>81,109</b>
<b>Income After Debt Service</b>	<b>(24,032)</b>		<b>5,865</b>		<b>19,797</b>		<b>26,334</b>	<b>26,332</b>	<b>9,189</b>	<b>12,031</b>	<b>12,930</b>	<b>15,978</b>
<b>Debt Coverage Ratio</b>	<b>0.5</b>		<b>1.2</b>		<b>1.5</b>		<b>1.7</b>	<b>1.7</b>	<b>1.1</b>	<b>1.1</b>	<b>1.2</b>	<b>1.2</b>

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**I.B.3.**



**A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED WASTEWATER REVOLVING FUND LOAN (A12-26) OF \$2,000,000 TO THE CITY OF LAWRENCEBURG, ANDERSON COUNTY, KENTUCKY**

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

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

**WHEREAS**, the Authority anticipates entering into an Assistance Agreement for a loan from the Authority's Federally Assisted Wastewater Revolving Loan Program (Fund A) with the City of Lawrenceburg, 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 \$2,000,000 of project expense including capitalized interest for the construction period, to the City of Lawrenceburg for the Collection System Inflow and Infiltration Mitigation 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 3.0%. In addition to debt service, a 0.2% annual administration fee on the unpaid loan balance will be charged. From annual revenues, \$5,000 must be set aside in a borrower held replacement reserve each December 1 until the balance reaches \$50,000 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 June, 2012.

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TONY WILDER, CHAIR  
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

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SANDY WILLIAMS, SECRETARY  
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

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



STEVEN L. BESHEAR  
GOVERNOR

LEONARD K. PETERS  
SECRETARY

**ENERGY AND ENVIRONMENT CABINET**

DEPARTMENT FOR ENVIRONMENTAL PROTECTION

DIVISION OF WATER

200 FAIR OAKS LANE, 4TH FLOOR

FRANKFORT, KENTUCKY 40601

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

April 23, 2012

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

Re: CWL12120  
Lawrenceburg WWTP--11298  
Activity ID: FGL20120007  
Fund A

Dear Mr. Covington:

The Division of Water (DOW) hereby certifies that the City of Lawrenceburg is entitled to receive priority for funding for the Lawrenceburg Collection System Inflow and Infiltration Mitigation, and is eligible to receive 2,000,000.00 from the Clean Water State Revolving Fund. The following requirements have been addressed as follows:

1. Plans and specifications are expected to be submitted to DOW on November 1, 2012
2. Construction bids are expected to be opened on March 1, 2013
3. Project specific environmental information is expected to be submitted to DOW on September 1, 2012

The binding commitment letter should include the following general conditions to satisfy federal requirements:

1. The Authority to Award (bid) package must be submitted to DOW for approval within 14 days of bid opening. DOW must perform the DBE reviews, conduct a pre-construction and project management conference.
2. Loan Agreement must be executed within six (6) months from bid opening.
3. The city must agree to expend all loan funds within six months of the date of initiation of operation.
4. Documentation of final funding commitments from all parties other than the Kentucky Infrastructure Authority (KIA) as reflected in the credit analysis shall be provided to KIA prior to their loan closing and disbursement of the loan monies. Rejections of any anticipated project funding shall be immediately reported to KIA and may cause this loan to be subject to further consideration.

5. The borrower must receive DOW approval of the Plans and Specifications before bidding the project.
6. The borrower must receive DOW approval of the Environmental Assessment before bidding the project.

Upon compliance with the general and special conditions, the DOW will issue its final project certification prior to finalizing the loan agreement.

Please forward the draft binding commitment letter to this office for review when completed. Should you have any questions concerning this letter, do not hesitate to contact Bill Averell, Project Administrator, at (502) 564-8158, extension 4980.

Sincerely,



Buddy Griffin, Supervisor  
SRF & SPAP Section  
Water Infrastructure Branch

BG: ba

Enclosures

C: The Hon. Edwinna Baker, Mayor  
Mr. James Hazlett, PW Director  
Ms. Robbie Hume, City Clerk  
City of Lawrenceburg

Laura Gilkerson, P. E., Project Manager  
John Martin, P. E.  
GRW Engineers (Lexington)

<b>EXECUTIVE SUMMARY</b>		Reviewer:	Sandy Williams	
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		Date:	June 7, 2012	
<b>FUND A, FEDERALLY ASSISTED WASTEWATER</b>		KIA Loan Number:	<b>A12-26</b>	
<b>REVOLVING LOAN FUND</b>		WRIS Number	<b>SX21005007</b>	
		HUC Code:	0	
<b>BORROWER:</b>	<b>CITY OF LAWRENCEBURG</b>			
	<b>ANDERSON COUNTY</b>			
<b>BRIEF DESCRIPTION:</b>	This project is for a sanitary sewer evaluation survey of the waste water collection system to include smoke testing, manhole inspection, flow monitoring and video inspection. Recommendations from the SSES will result in construction of line and manhole replacement or repair, cured in place pipe lining and a possible wet weather flow storage structure.			
<b>PROJECT FINANCING:</b>		<b>PROJECT BUDGET</b>		
Fund A Loan	\$ 2,000,000	Planning	190,000	
		Engineering	255,000	
		Construction	1,415,000	
		Contingency	140,000	
<b>TOTAL</b>	<b>\$ 2,000,000</b>	<b>TOTAL</b>	<b>\$ 2,000,000</b>	
<b>REPAYMENT</b>			Est. Annual	
	Rate	3.0%	Payment	\$ 137,708
	Term	20 years	1st Payment	6 Mo. after first draw
<b>PROFESSIONAL SERVICES</b>	Engineer	GRW Engineers		
	Bond Counsel	Peck, Shaffer, & Williams		
<b>PROJECT SCHEDULE</b>				
	Bid Opening:	March 2013		
	Construction Start:	May 2013		
	Construction Stop:	February 2014		
<b>DEBT PER CUSTOMER</b>	Existing:	\$ 3,215		
	Proposed:	\$ 3,176		
<b>OTHER DEBT</b>	See Attached			
<b>OTHER STATE-FUNDED PROJECTS LAST 5 YRS</b>	See Attached			
<b>RESIDENTIAL RATES</b>		<u>Users</u>	<u>Avg. Bill</u>	
	Current	6,430	\$ 27.34	(for 4,000 gallons)
	Additional	0	\$ 27.34	(for 4,000 gallons)
<b>REGIONAL COORDINATION</b>	This project is consistent with regional planning recommendations.			
<b>CASHFLOW</b>	<b>Cash Available for</b>	<b>Income after Debt</b>		
	<b>Debt Service</b>	<b>Debt Service</b>	<b>Service</b>	<b>Coverage Ratio</b>
Audited 2008	1,284,380	1,745,648	(461,268)	0.7
Audited 2009	1,273,617	1,811,534	(537,917)	0.7
Audited 2010	1,515,036	1,629,927	(114,891)	0.9
Audited 2011	1,639,235	1,637,972	1,263	1.0
Projected 2012	1,862,548	1,622,838	239,710	1.1
Projected 2013	1,958,182	1,560,074	398,108	1.3
Projected 2014	2,034,324	1,491,385	542,939	1.4
Projected 2015	2,108,309	1,631,942	476,367	1.3
Projected 2016	2,190,237	1,633,029	557,208	1.3
Projected 2017	2,300,211	1,626,308	673,903	1.4

**KENTUCKY INFRASTRUCTURE AUTHORITY  
 WASTEWATER REVOLVING LOAN FUND (FUND "A")  
 CITY OF LAWRENCEBURG, ANDERSON COUNTY  
 PROJECT REVIEW  
 SX21005007**

**I. PROJECT DESCRIPTION**

The City of Lawrenceburg is requesting a \$2,000,000 Fund "A" loan for the Collection System Inflow and Infiltration Mitigation project. This project is for a sanitary sewer evaluation survey of the waste water collection system to include smoke testing, manhole inspection, flow monitoring and video inspection. Recommendations from the SSES will result in construction of line and manhole replacement or repair, cured in place pipe lining and a possible wet weather flow storage structure. Wet weather induced flows, which can be significant, will be reduced thus reducing the I&I that is being transported and treated. The funds requested may not resolve all issues and additional funding may be required in the future.

**II. PROJECT BUDGET**

	<u>Total</u>
Planning	190,000
Engineering Fees	255,000
Construction	1,415,000
Contingency	140,000
<b>Total</b>	<b>\$ 2,000,000</b>

**III. PROJECT FUNDING**

	<u>Amount</u>	<u>%</u>
Fund A Loan	\$ 2,000,000	100%
<b>Total</b>	<b>\$ 2,000,000</b>	<b>100%</b>

**IV. KIA DEBT SERVICE**

Construction Loan	\$ 2,000,000
Interest Rate	3.0%
Loan Term (Years)	20
Estimated Annual Debt Service	\$ 133,708
Administrative Fee (0.20%)	\$ 4,000
<b>Total Estimated Annual Debt Service</b>	<b>\$ 137,708</b>

**V. PROJECT SCHEDULE**

Bid Opening	March 2013
Construction Start	May 2013
Construction Stop	February 2014

**VI. CUSTOMER COMPOSITION AND RATE STRUCTURE**

**A) Customers**

Customers	<u>Current</u>
Residential	6,164
Commercial	255
Industrial	<u>11</u>
Total	6,430

**B) Rates**

	<u>Current</u>	<u>Prior</u>	<u>Prior</u>
Date of Last Rate Increase	3/15/2012	3/23/2011	6/16/2009
Minimum (2,000 gallons)	\$14.08	\$13.68	\$12.74
All Over Per 1,000 Gallons	7.03	6.83	6.36
Cost for 4,000 gallons	\$28.14	\$27.34	\$25.46
Increase %	2.9%	7.4%	2.7%
Affordability Index (Rate/MHI)	0.7%	0.7%	

The City’s rate ordinance provides for an annual increase based on the prior year’s Consumer Price Index. Also, the City has periodically made additional rate adjustments if the inflation adjustment is not sufficient for them to maintain compliance with bond ordinances.

**VII. DEMOGRAPHICS**

In 2010, the City’s population was 9,807 with a Median Household Income (MHI) of \$45,409. The median household income for the Commonwealth is \$41,197. The loan qualifies for a 3% interest rate.

**VIII. 2011 CAPITALIZATION GRANT EQUIVALENCIES**

- 1) Green Project Reserve - This project will not be reported for Green Project Reserve (GPR) funding.
- 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 June 30, 2008 through 2011 for the Water and Sewer Fund. Amounts for the current year are estimated. Debt coverage references are based on a standard calculation used for KIA credit analysis and are different than what is reported for Bond parity calculations in the audited financial statements.

### **HISTORICAL**

Revenues increased 11.6% from \$4,192,173 in 2008 to \$4,677,647 in 2011. Rates are adjusted annually for inflation and account for the bulk of the increase. Rates were adjusted 5.9% above the inflationary adjustment of 1.5% in March 2011 to improve the debt parity rating. Expenses increased 3% from \$2,958,447 to \$3,048,980 during the same period. Required debt service was in the \$1.7 million range each year. The debt coverage ratio was below 1.0 from 2008 through 2010 and was 1.0 in 2011. In both 2010 and 2012 the City also made discretionary debt payments of \$280,000 and \$213,500, respectively.

The balance sheet reflects a current ratio of 8.8 and a debt to equity ratio of 1.6. Unrestricted cash and investments equal 3.4 months of operating expenses and the receivables collection period is 55.4 days. Restricted funds are maintained for construction funded through long term debt, debt service reserves and customer deposits. The balance in restricted fund accounts at the end of 2011 was \$1,950,795.

The City is refinancing some bond debt that will result in a lower interest rate and shorter repayment term but the payments will increase by about \$30,000 per year.

### **PROJECTIONS**

Projections are based on the following assumptions:

- 1) Revenues will increase 7.4% for fiscal 2012 due to a rate increase that was passed in March 2011. Additionally, rates will increase each year to offset inflation. Growth from volume will be about 0.6% per year.
- 2) Expenses will increase 2.5% annually for inflation.
- 3) A replacement reserve of \$5,000 for this proposed loan will be funded annually for ten years.
- 4) Total debt service is estimated at \$1,631,942 in 2015 when principal and interest repayments begin.
- 5) Debt service coverage is 1.3 in 2015 when principal and interest repayments begin and will remain at or above 1.3 during the forecast period.

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 \$5,000. This amount should be added to the replacement account each December 1 until the balance reaches \$50,000 and maintained for the life of the loan.

## X. DEBT OBLIGATIONS

	<u>Outstanding</u>	<u>Maturity</u>
Lawrenceburg National Bank	\$ 195,047	Aug-12
Series 2003C Revenue Bonds	5,685,000	Oct-18
Rural Development 91-07	8,223,000	Oct-42
KIA (A04-07)	6,335,596	Jun-26
<b>Total</b>	<b>\$20,438,643</b>	

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

<u>Project Title</u>	<u>Funding Source</u>	<u>Amount</u>	<u>Type</u>
Stringtown Sewer Extension	CDBG	1,600,000	Grant
Bluegrass Parkway Sewer Extension	HB380	1,000,000	Grant
Water Tank Project	EDA	1,367,000	Grant

## XII. CONTACTS

<b>Applicant</b>	
Name	City of Lawrenceburg
Address	P.O. Box 290 Lawrenceburg, KY 40342
County	Anderson
Contact	Edwinna Baker
Phone	(502) 839-5372
Email	ebaker@lawrenceburgky.org

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

<b>Engineer</b>	
Name	John Martin
Firm	GRW Engineers
Address	801 Corporate Drive Lexington, KY 40503
Phone	(859) 223-3999
Email	martin@grwinc.com

**XIII. RECOMMENDATIONS**

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

**CITY OF LAWRENCEBURG  
BALANCE SHEETS (JUNE YEAR END)**

	Audited 2008	Audited 2009	Audited 2010	Audited 2011	Projected 2012	2013	Upon Completion 2014
<b>ASSETS</b>							
<b>Current Assets</b>							
Cash	592,058	141,950	1,346,414	715,220	954,900	1,353,000	1,895,900
Investments	250,083	356,623	0	150,000	150,000	150,000	150,000
Accounts Receivable	618,559	678,190	646,571	710,009	761,100	787,700	811,500
Interest Receivable	3,017	2,674	4,463	2,937	3,000	3,000	3,000
Prepaid	141,815	132,482	129,287	125,851	125,000	125,000	125,000
Interfund Receivable	0	0	17,663	43,770	43,770	43,770	43,770
<b>Total Current Assets</b>	<b>1,605,532</b>	<b>1,311,919</b>	<b>2,144,398</b>	<b>1,747,787</b>	<b>2,037,770</b>	<b>2,462,470</b>	<b>3,029,170</b>
<b>Restricted Assets</b>							
Cash	2,676,165	2,488,390	816,639	1,656,188	1,443,200	1,450,000	1,450,000
Investments	466,389	466,846	860,346	294,607	300,000	300,000	300,000
<b>Total Restricted Assets</b>	<b>3,142,554</b>	<b>2,955,236</b>	<b>1,676,985</b>	<b>1,950,795</b>	<b>1,743,200</b>	<b>1,750,000</b>	<b>1,750,000</b>
<b>Utility Plant</b>							
Land, System, Building and Equipment	45,270,095	45,456,949	45,522,147	45,691,256	45,691,256	46,691,256	47,691,256
Less Accumulated Depreciation ( )	(11,097,781)	(12,091,335)	(13,168,123)	(14,200,159)	(15,335,159)	(16,470,159)	(17,605,159)
<b>Net Fixed Assets</b>	<b>34,172,314</b>	<b>33,365,614</b>	<b>32,354,024</b>	<b>31,491,097</b>	<b>30,356,097</b>	<b>30,221,097</b>	<b>30,086,097</b>
<b>Other Assets</b>							
Unamortized Bond Costs and Discount, Net	215,168	204,681	189,733	179,751	169,751	159,751	149,751
<b>Total Other Assets</b>	<b>215,168</b>	<b>204,681</b>	<b>189,733</b>	<b>179,751</b>	<b>169,751</b>	<b>159,751</b>	<b>149,751</b>
<b>Total Assets</b>	<b>39,135,568</b>	<b>37,837,450</b>	<b>36,365,140</b>	<b>35,369,430</b>	<b>34,306,818</b>	<b>34,593,318</b>	<b>35,015,018</b>
<b>LIABILITIES</b>							
<b>Current Liabilities</b>							
Accounts Payable	80,446	75,934	72,288	75,812	78,100	80,400	82,800
Accrued Liabilities	65,834	68,112	69,850	39,146	40,000	40,000	40,000
C.P. Capital Lease	27,787	25,000	0	0	0	0	0
Due to General Fund	26,882	38,367	55,896	84,713	85,000	85,000	85,000
<b>Total Current Liabilities</b>	<b>200,949</b>	<b>207,413</b>	<b>198,034</b>	<b>199,671</b>	<b>203,100</b>	<b>205,400</b>	<b>207,800</b>
<b>Liabilities Payable - Restricted Assets</b>							
Accounts Payable	143,592	0	0	0	0	0	0
Accrued Interest	198,392	170,261	171,673	169,210	167,500	165,000	162,500
Notes and Bonds Payable	845,246	745,970	770,475	802,564	745,426	702,951	730,860
Deposits	262,602	307,749	211,360	242,544	245,000	247,500	250,000
<b>Total Liabilities Payable - Restricted Assets</b>	<b>1,449,832</b>	<b>1,223,980</b>	<b>1,153,508</b>	<b>1,214,318</b>	<b>1,157,926</b>	<b>1,115,451</b>	<b>1,143,360</b>
<b>Long Term Liabilities</b>							
Compensated Absences	80,078	89,585	91,621	102,057	105,000	107,500	110,000
Lease Obligations	285,000	255,000	0	0	0	0	0
Notes and Revenue Bonds	22,186,010	21,439,921	20,669,714	19,867,079	19,121,653	18,418,702	17,687,842
Proposed KIA Loan	0	0	0	0	0	1,000,000	2,000,000
<b>Total Long Term Liabilities</b>	<b>22,551,088</b>	<b>21,784,506</b>	<b>20,761,335</b>	<b>19,969,136</b>	<b>19,226,653</b>	<b>19,526,202</b>	<b>19,797,842</b>
<b>Total Liabilities</b>	<b>24,201,869</b>	<b>23,215,899</b>	<b>22,112,877</b>	<b>21,383,125</b>	<b>20,587,679</b>	<b>20,847,053</b>	<b>21,149,002</b>
<b>Retained Earnings:</b>							
Invested in Capital Assets Net of Related Debt	10,828,271	10,899,723	10,913,835	10,821,454	10,489,018	10,099,444	9,667,395
Restricted for Debt Service	2,415,534	1,951,882	803,352	892,311	800,000	800,000	800,000
Restricted for Capital Projects	400,886	525,344	544,335	528,793	550,000	575,000	600,000
Unrestricted	1,289,008	1,244,602	1,990,741	1,743,747	1,880,121	2,271,821	2,798,621
<b>Total Retained Earnings</b>	<b>14,933,699</b>	<b>14,621,551</b>	<b>14,252,263</b>	<b>13,986,305</b>	<b>13,719,139</b>	<b>13,746,265</b>	<b>13,866,016</b>
<b>Total Liabilities and Equities</b>	<b>39,135,568</b>	<b>37,837,450</b>	<b>36,365,140</b>	<b>35,369,430</b>	<b>34,306,818</b>	<b>34,593,318</b>	<b>35,015,018</b>
<b>Balance Sheet Analysis</b>							
Current Ratio	8.0	6.3	10.8	8.8	10.0	12.0	14.6
Debt to Equity	1.6	1.6	1.6	1.5	1.5	1.5	1.5
Days Sales in Accounts Receivable	53.9	56.4	52.3	55.4	55.4	55.4	55.4

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

	Audited 2008	% Change	Audited 2009	% Change	Audited 2010	% Change	Audited 2011	% Change	Projected 2012	Projected 2013	Projected 2014	Projected 2015	Projected 2016	Projected 2017
<b>Operating Revenues</b>														
Service Revenues	4,022,854	5%	4,240,978	0%	4,248,307	7%	4,538,313	7%	4,874,148	5,049,617	5,206,155	5,367,546	5,533,940	5,705,492
Other	169,319	-14%	145,313	83%	265,336	-47%	139,334	0%	140,000	140,000	140,000	140,000	140,000	140,000
<b>Total Revenues</b>	<b>4,192,173</b>	<b>5%</b>	<b>4,386,291</b>	<b>3%</b>	<b>4,513,643</b>	<b>4%</b>	<b>4,677,647</b>	<b>7%</b>	<b>5,014,148</b>	<b>5,189,617</b>	<b>5,346,155</b>	<b>5,507,546</b>	<b>5,673,940</b>	<b>5,845,492</b>
<b>Operating Expenses</b>														
Operating Expenses	2,958,447	6%	3,127,231	-4%	3,005,942	1%	3,048,980	3%	3,137,400	3,215,835	3,296,231	3,378,637	3,463,103	3,549,681
Depreciation	1,100,106	0%	1,095,895	3%	1,134,088	0%	1,135,838	0%	1,135,000	1,135,000	1,135,000	1,201,700	1,201,700	1,201,700
Replacement Reserve	25,000		25,000		25,000		25,000		25,000	25,000	25,000	30,000	30,000	5,000
<b>Total Expenses</b>	<b>4,083,553</b>	<b>4%</b>	<b>4,248,126</b>	<b>-2%</b>	<b>4,165,030</b>	<b>1%</b>	<b>4,209,818</b>	<b>2%</b>	<b>4,297,400</b>	<b>4,375,835</b>	<b>4,456,231</b>	<b>4,610,337</b>	<b>4,694,803</b>	<b>4,756,381</b>
<b>Net Operating Income</b>	<b>108,620</b>	<b>27%</b>	<b>138,165</b>	<b>152%</b>	<b>348,613</b>	<b>34%</b>	<b>467,829</b>	<b>53%</b>	<b>716,748</b>	<b>813,782</b>	<b>889,924</b>	<b>897,209</b>	<b>979,137</b>	<b>1,089,111</b>
<b>Non-Operating Income and Expenses</b>														
Interest Income	75,129	-47%	39,557	-18%	32,335	-27%	23,635	-54%	10,800	9,400	9,400	9,400	9,400	9,400
Other	525	-100%	0		0		11,933		0	0	0	0	0	0
<b>Total Non-Operating Income &amp; Expenses</b>	<b>75,654</b>	<b>-48%</b>	<b>39,557</b>	<b>-18%</b>	<b>32,335</b>	<b>10%</b>	<b>35,568</b>	<b>-70%</b>	<b>10,800</b>	<b>9,400</b>	<b>9,400</b>	<b>9,400</b>	<b>9,400</b>	<b>9,400</b>
<b>Add Non-Cash Expenses</b>														
Depreciation	1,100,106	0%	1,095,895	3%	1,134,088	0%	1,135,838	0%	1,135,000	1,135,000	1,135,000	1,201,700	1,201,700	1,201,700
<b>Cash Available for Debt Service</b>	<b>1,284,380</b>	<b>-1%</b>	<b>1,273,617</b>	<b>19%</b>	<b>1,515,036</b>	<b>8%</b>	<b>1,639,235</b>	<b>14%</b>	<b>1,862,548</b>	<b>1,958,182</b>	<b>2,034,324</b>	<b>2,108,309</b>	<b>2,190,237</b>	<b>2,300,211</b>
<b>Debt Service</b> (enter as positive #'s)														
Existing Principal	798,241		878,152		745,702		770,546		798,564	745,426	702,951	730,860	758,600	777,500
Existing Interest	947,407		933,382		884,225		867,426		824,274	784,648	758,434	733,374	706,721	681,100
Proposed KIA Loan			0		0		0		0	0	0	137,708	137,708	137,708
Additional Debt Service From Refinancing									30,000	30,000	30,000	30,000	30,000	30,000
<b>Total Debt Service</b>	<b>1,745,648</b>		<b>1,811,534</b>		<b>1,629,927</b>		<b>1,637,972</b>		<b>1,622,838</b>	<b>1,560,074</b>	<b>1,491,385</b>	<b>1,631,942</b>	<b>1,633,029</b>	<b>1,626,308</b>
<b>Income After Debt Service</b>	<b>(461,268)</b>		<b>(537,917)</b>		<b>(114,891)</b>		<b>1,263</b>		<b>239,710</b>	<b>398,108</b>	<b>542,939</b>	<b>476,367</b>	<b>557,208</b>	<b>673,903</b>
<b>Debt Coverage Ratio</b>	<b>0.7</b>		<b>0.7</b>		<b>0.9</b>		<b>1.0</b>		<b>1.1</b>	<b>1.3</b>	<b>1.4</b>	<b>1.3</b>	<b>1.3</b>	<b>1.4</b>

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**I.B.4.**



**A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED WASTEWATER REVOLVING FUND LOAN (A12-28) IN THE AMOUNT OF \$875,000 TO THE SANITATION DISTRICT NO. 1 OF PERRY COUNTY, PERRY 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 Sanitation District No. 1 of Perry County, 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 \$875,000 of project expense including capitalized interest for the construction period, to the Sanitation District No. 1 of Perry

County for the Chavies Wastewater Treatment Plant 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 \$787,500 shall be repaid.

Section 4. The unforgiven principal shall be repayable over 20 years at an interest rate of 1.0%. In addition to debt service, a 0.2% annual administration fee on the unpaid, unforgiven principal balance will be charged. From annual revenues, \$2,200 must be set aside in a borrower held replacement reserve each December 1 until the balance reaches \$22,000 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 June, 2012.

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TONY WILDER, CHAIR  
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

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SANDY WILLIAMS, SECRETARY  
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

---

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



STEVEN L. BESHEAR  
GOVERNOR

LEONARD K. PETERS  
SECRETARY

ENERGY AND ENVIRONMENT CABINET  
DEPARTMENT FOR ENVIRONMENTAL PROTECTION  
DIVISION OF WATER  
200 FAIR OAKS LANE, 4TH FLOOR  
FRANKFORT, KENTUCKY 40601  
[www.kentucky.gov](http://www.kentucky.gov)

April 25, 2012

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

Re: CWL 12089  
Perry Co Sanitation District Wastewater  
Collection--6303  
Activity ID: FGL20120007  
HUC 11 No.: 05100201030 - North Fork River,  
near Hazard  
Fund A

Dear Mr. Covington:

The Division of Water (DOW) hereby certifies that the Perry Co Sanitation Dist No 1 is entitled to receive priority for funding for the PCSD - Chavies WWTP, and is eligible to receive 875,000 from the Clean Water State Revolving Fund. The following requirements have been addressed as follows:

1. Plans and specifications are tentatively expected to be submitted to DOW on September 1, 2012
2. Construction bids are tentatively expected to be opened on January 1, 2013
3. The preliminary Finding of No Significant Impact was approved by EPA on September 14, 2009.

The binding commitment letter should include the following general conditions to satisfy federal requirements:

1. The Authority to Award (bid) package must be submitted to DOW for approval within 14 days of bid opening. DOW must perform the DBE reviews, conduct a pre-construction and project management conference.
2. Loan Agreement must be executed within six (6) months from bid opening.
3. The city must agree to expend all loan funds within six months of the date of initiation of operation.
4. Documentation of final funding commitments from all parties other than the Kentucky Infrastructure Authority (KIA) as reflected in the credit analysis shall be provided to KIA prior to their loan closing and disbursement of the loan monies. Rejections of any anticipated project funding shall be immediately reported to KIA and may cause this loan to be subject to further consideration.
5. The borrower must receive DOW approval of the Plans and Specifications before bidding the project.

6. The borrower must receive DOW approval of the Environmental Assessment before bidding the project.

Upon compliance with the general and special conditions, the DOW will issue its final project certification prior to finalizing the loan agreement.

Please forward the draft binding commitment letter to this office for review when completed. Should you have any questions concerning this letter, do not hesitate to contact Bill Averell, Project Administrator, at (502) 564-8158, extension 4980.

Sincerely,



Buddy Griffin, Supervisor  
SRF & SPAP Section  
Water Infrastructure Branch

BG: ba

Enclosures

C: Mr. Jim Sidwell, Chairman\  
Perry County Sanitation District No. 1

Ms. Annette Napier, Program Director, Kentucky River ADD

Ms. Sandra K. Dunahoo, Project Manager, Nesbitt Engineering, Inc.  
Mr. Mark H. Feibes, Project Engineer, Nesbitt Engineering, Inc.

<b>EXECUTIVE SUMMARY</b>		Reviewer:	Sandy Williams	
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		Date:	June 7, 2012	
<b>FUND A, FEDERALLY ASSISTED WASTEWATER</b>		KIA Loan Number:	<b>A12-28</b>	
<b>REVOLVING LOAN FUND</b>		WRIS Number	<b>SX21193100</b>	
		HUC Code:	05100201030	
<b>BORROWER:</b>	<b>SANITATION DISTRICT NO. 1 OF PERRY COUNTY</b>			
	<b>PERRY COUNTY</b>			
<b>BRIEF DESCRIPTION:</b>	<p>The Perry County Sanitation District proposes to construct a 112,000 gallon per day (gpd) wastewater treatment plant and collection lines near Chavies, KY which is approximately twelve miles north of Hazard. The plant will initially serve 160 customers. The District currently collects sewage in the region immediately north of Hazard and transports it to the Hazard sewage treatment plant. This activity will not be affected in the foreseeable future by the addition of the proposed treatment plant.</p>			
<b>PROJECT FINANCING:</b>			<b>PROJECT BUDGET</b>	
Fund A Loan	\$	875,000	Administrative Expenses	\$ 37,000
ARC		500,000	Legal Expenses	25,000
EPA		485,000	Engineering Fees	210,000
Coal Severance		800,000	Construction	2,388,000
<b>TOTAL</b>	<b>\$</b>	<b>2,660,000</b>	<b>TOTAL</b>	<b>\$ 2,660,000</b>
<b>REPAYMENT</b>			Est. Annual	
	Rate	1.0%	Payment	\$ 45,117
	Term	20 years	1st Payment	6 Mo. after first draw
<b>PROFESSIONAL SERVICES</b>	Engineer	Nesbitt Engineering, Inc.		
	Bond Counsel	Peck, Shaffer, & Williams		
<b>PROJECT SCHEDULE</b>	Bid Opening:		June 1, 2013	
	Construction Start:		August 1, 2013	
	Construction Stop:		March 1, 2014	
<b>DEBT PER CUSTOMER</b>	Existing:	\$	629	
	Proposed:	\$	1,330	
<b>OTHER DEBT</b>	See Attached			
<b>OTHER STATE-FUNDED PROJECTS LAST 5 YRS</b>	See Attached			
<b>RESIDENTIAL RATES</b>			<u>Users</u>	<u>Avg. Bill</u>
	Current		639	\$ 26.00 (for 4,000 gallons)
	Additional		160	To Be Determined (for 4,000 gallons)
<b>REGIONAL COORDINATION</b>	This project is consistent with regional planning recommendations.			
<b>CASHFLOW</b>	<b>Cash Available for</b>		<b>Income after Debt</b>	
	<b>Debt Service</b>	<b>Debt Service</b>	<b>Service</b>	<b>Coverage Ratio</b>
Audited 2008	59,057	33,955	25,102	1.7
Audited 2009	56,915	33,954	22,961	1.7
Audited 2010	12,843	46,472	(33,629)	0.3
Estimate 2011	20,613	49,887	(29,274)	0.4
Projected 2012	28,057	49,546	(21,489)	0.6
Projected 2013	58,912	49,784	9,128	1.2
Projected 2014	79,230	72,067	7,163	1.1
Projected 2015	103,677	94,851	8,826	1.1
Projected 2016	97,707	95,063	2,644	1.0

**KENTUCKY INFRASTRUCTURE AUTHORITY  
WASTEWATER REVOLVING LOAN FUND (FUND "A")  
SANITATION DISTRICT NO. 1 OF PERRY COUNTY  
PERRY COUNTY  
PROJECT REVIEW  
SX21193100**

**I. PROJECT DESCRIPTION**

The Sanitation District No. 1 of Perry County ("District") is requesting \$875,000 in Clean Water SRF funds for the construction of the Chavies Wastewater Treatment Plant project. The District proposes to construct a 112,000 gallon per day (GPD) wastewater treatment plant, approximately 59,500 linear feet of collection lines and 160 grinder pumps near Chavies, KY which is approximately twelve miles north of Hazard. The plant will initially serve 160 customers and will eliminate failing septic systems, straight pipes and three package treatment plants (Chavies Elementary School, Ron's Mobile Home Park and the Chavies Center) that have a combined flow of approximately 12,000 GPD. Existing users rely on individual wastewater disposal systems which are expensive and subject to high rates of failure. The situation is complicated by poor soil conditions for septic systems and the terrain of the area.

Later project phases, that are not included in the project budget for this proposed phase, anticipate the addition of collection lines and two additional increments of 112,000 GPD of treatment capacity to service a total of approximately 1,160 customers.

The District currently collects sewage for approximately 639 customers in the region immediately north of Hazard and transports it to the Hazard sewage treatment plant. This activity will not be affected in the near future by the addition of the proposed treatment plant. Billing and collection functions for the existing customers are performed by the City of Hazard since they also provide water to the area.

**II. PROJECT BUDGET**

	<u>Total</u>
Administrative Expenses	\$ 37,000
Legal Expenses	25,000
Engineering Fees	210,000
Construction	<u>2,388,000</u>
<b>Total</b>	<b>\$ 2,660,000</b>

### III. PROJECT FUNDING

	Amount	%
Fund A Loan	\$ 875,000	33%
ARC	500,000	19%
EPA	485,000	18%
Coal Severance	800,000	30%
<b>Total</b>	<b>\$ 2,660,000</b>	<b>100%</b>

### IV. KIA DEBT SERVICE

Construction Loan	\$ 875,000
Less: Principal Forgiveness (10%)	<u>\$ 87,500</u>
Amortized Loan Amount	\$ 787,500
Interest Rate	1.0%
Loan Term (Years)	20
Estimated Annual Debt Service	\$ 43,542
Administrative Fee (0.20%)	<u>\$ 1,575</u>
<b>Total Estimated Annual Debt Service</b>	<b>\$ 45,117</b>

### V. PROJECT SCHEDULE

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

### VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

<b>A) Customers</b>	Current	Proposed	Total
Residential	630	148	778
Commercial	9	12	21
<b>Total</b>	<b>639</b>	<b>160</b>	<b>799</b>

#### **B) Rates**

	Current	Prior
Date of Last Rate Increase	<u>7/17/2008</u>	
Minimum (2,000 gallons)	\$13.00	\$12.10
Each Additional 1,000 Gallons	6.50	6.05
Cost for 4,000 gallons	\$26.00	\$24.20
Increase %	7.4%	
Affordability Index (Rate/MHI)	1.0%	

Perry County passed a mandatory connection ordinance on July 25, 2002 which requires connection to public sewers within ninety days of notice to do so provided that service is made available within two hundred feet of the owner's property line.

## **VII. DEMOGRAPHICS**

In 2010, the County's population was 29,135 with a Median Household Income (MHI) of \$31,151. The median household income for the Commonwealth is \$41,197. The loan qualifies for a 1% interest rate due to the MHI being below 80% of the State MHI.

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

- 1) Green Project Reserve - This project will not be reported for Green Project Reserve (GPR) funding.
- 2) Additional Subsidization – This project qualifies for additional subsidization in the amount of \$87,500.

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

Financial information for the District was obtained from the audited financial statements for the years ended December 31, 2008 through 2010. Amounts for 2011 reflect a combination of estimates and internal financial information.

### **HISTORICAL**

Revenues increased slightly from \$234,796 in 2008 to \$235,987 in 2011. Sewage rates have not increased since July 2008. Operating expenses increased 47% or \$44,887 from \$78,659 to \$115,979. Contracted sewage treatment cost was averaged about \$97,000 each year. The largest factor for the operating expense increase was repairs which almost quadrupled. Other significant cost increases were professional fees and insurance/bonds. In 2009 the District began a project to rehabilitate six pump stations and to install telemetry on eleven pump stations which were severely dilapidated. Maintenance expenses should decrease as a result of the project. Cash flow available for debt service decreased from \$59,057 in 2008 to \$20,613 in 2011.

Debt service increased from about \$34,000 in 2008 and 2009 to \$50,000 in 2011 due to the issuance of Rural Development bonds to partially fund the pump station project noted above. The debt coverage ratio declined from 1.7 in 2008 and 2009 to 0.3 in 2010 (-\$33,629 cash flow after debt service) and 0.4 in 2011 (-\$29,274 cash flow after debt service).

The current ratio was 0.6 at the end of 2011. Prior years' ratios were distorted by construction payables that could not be quantified. Unrestricted cash was about 0.7 months of operating expenses (including sewage treatment costs). Long term debt on the utility is comprised of a KIA loan which matures in 2017 and RD bonds that were issued in 2010. Capital spending of \$1.2 million from 2008 to 2010 was funded with grant funds and RD debt of \$240,000.

## PROJECTIONS

Projections are based on the assumptions:

- a) The District will structure wastewater rates to fund all expense, debt service and reserve requirements. KIA's analysis does not include an evaluation of a total District rate versus separate rates for the existing and proposed service areas.
- b) Volume from the existing customer service area will remain flat. The expansion from this project will add 160 new customers.
- c) Operating expenses and contracted treatment costs will increase 2% annually. Initial operating expenses for the new treatment plant were estimated at \$64,000 per year.
- d) An estimated cash flow shortfall from current operations will require a rate increase of about 20% (cash flow analysis assumes increase is effective October 1, 2012).
- e) A replacement reserve of \$2,200 will be funded annually for ten years.
- f) Debt service on the proposed loan is estimated at \$45,117 annually with total debt service in 2015 estimated at about \$95,000.
- g) Debt service coverage is 1.1 in 2015 when principal and interest repayments

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

## REPLACEMENT RESERVE

The annual replacement cost is \$2,200. This amount should be added to the replacement account each December 1 until the balance reaches \$22,000 and maintained for the life of the loan.

## X. DEBT OBLIGATIONS

	<u>Outstanding</u>	<u>Maturity</u>
KIA (A94 -16)	\$ 180,195	Jun-17
RD Series 2010 Bonds	<u>221,500</u>	Jun-29
<b>Total</b>	<b>\$ 401,695</b>	

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

<u>Project Title</u>	<u>Funding Source</u>	<u>Amount</u>	<u>Type</u>
Pump Station Rehab	RD	230,000	Grant
Pump Station Rehab	ARC	500,000	Grant

## **XII. CONTACTS**

<b>Applicant</b>	
Name	Sanitation District No. 1 of Perry County
Address	P.O. Box 1615 Hazard, KY 41702
County	Perry
Contact	Jim Sidwell
Phone	(606) 439-3649
Email	jsidwell@yahoo.com

<b>Applicant Contact</b>	
Name	Kentucky River Area Development District
Address	917 Perry Park Road Hazard, KY 41701
Contact	Annette Napier
Phone	(606) 436-3158
Email	Annette@kradd.org

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

## **XIII. RECOMMENDATIONS**

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

1. The sanitation district shall enact a 20% rate increase to be effective no later than October 1, 2012.

**SANITATION DISTRICT NO. 1 OF PERRY COUNTY  
BALANCE SHEETS (DECEMBER YEAR END)**

<b>ASSETS</b>	<b>Audited 2008</b>	<b>Audited 2009</b>	<b>Audited 2010</b>	<b>Estimated 2011</b>	<b>Upon Completion 2014</b>
<b>Current Assets</b>					
Cash	31,200	56,065	27,713	12,866	7,668
Accounts Receivable	38,308	21,921	20,795	18,579	30,739
Other Current Assets	1,861	2,814	2,195	2,195	2,000
<b>Total Current Assets</b>	<b>71,369</b>	<b>80,800</b>	<b>50,703</b>	<b>33,640</b>	<b>40,407</b>
<b>Restricted Assets</b>					
Bond Proceeds Held for Construction	0	140,000	0	0	0
<b>Total Restricted Assets</b>	<b>0</b>	<b>140,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Utility Plant</b>					
Land, System, Building and Equipment	2,054,069	2,054,069	3,072,824	3,511,304	6,171,304
Construction in Progress	425,323	718,451	438,480	0	0
<b>Total</b>	<b>2,479,392</b>	<b>2,772,520</b>	<b>3,511,304</b>	<b>3,511,304</b>	<b>6,171,304</b>
Less Accumulated Depreciation ( )	(1,047,486)	(1,092,623)	(1,148,066)	(1,210,657)	(1,500,239)
<b>Net Fixed Assets</b>	<b>1,431,906</b>	<b>1,679,897</b>	<b>2,363,238</b>	<b>2,300,647</b>	<b>4,671,065</b>
<b>Other Assets</b>					
Debt Issue Costs	0	5,826	13,235	12,635	10,835
<b>Total Other Assets</b>	<b>0</b>	<b>5,826</b>	<b>13,235</b>	<b>12,635</b>	<b>10,835</b>
<b>Total Assets</b>	<b>1,503,275</b>	<b>1,906,523</b>	<b>2,427,176</b>	<b>2,346,922</b>	<b>4,722,307</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Accounts Payable	70,536	188,175	11,666	14,826	15,000
Taxes	1,722	2,351	3,448	2,341	2,500
Accrued Interest	304	2,551	212	2,500	3,500
Current Portion Long Term Debt	30,763	40,133	41,008	41,387	43,552
<b>Total Current Liabilities</b>	<b>103,325</b>	<b>233,210</b>	<b>56,334</b>	<b>61,054</b>	<b>64,552</b>
<b>Long Term Liabilities</b>					
Long Term Debt	242,836	442,703	401,695	360,308	231,826
Proposed KIA Loan	0	0	0	0	787,500
<b>Total Long Term Liabilities</b>	<b>242,836</b>	<b>442,703</b>	<b>401,695</b>	<b>360,308</b>	<b>1,019,326</b>
<b>Total Liabilities</b>	<b>346,161</b>	<b>675,913</b>	<b>458,029</b>	<b>421,362</b>	<b>1,083,878</b>
<b>Retained Earnings:</b>					
Invested in Capital Assets Net of Related Debt	1,158,307	1,202,887	1,920,535	1,911,587	3,619,022
Restricted	0	140,000	0	0	0
Unrestricted	(1,193)	(112,277)	48,612	13,973	19,407
<b>Total Retained Earnings</b>	<b>1,157,114</b>	<b>1,230,610</b>	<b>1,969,147</b>	<b>1,925,560</b>	<b>3,638,429</b>
<b>Total Liabilities and Equities</b>	<b>1,503,275</b>	<b>1,906,523</b>	<b>2,427,176</b>	<b>2,346,922</b>	<b>4,722,307</b>
<b>Balance Sheet Analysis</b>					
Current Ratio	0.7	0.3	0.9	0.6	0.6
Debt to Equity	0.3	0.5	0.2	0.2	0.3
Days Sales in Accounts Receivable	59.6	33.7	32.6	28.7	30.0

EXHIBIT 1												
SANITATION DISTRICT NO. 1 OF PERRY COUNTY												
CASH FLOW ANALYSIS (DECEMBER YEAR END)												
	Audited	%	Audited	%	Audited	%	Estimate	Projected	Projected	Projected	Projected	Projected
	2008	Change	2009	Change	2010	Change	2011	2012	2013	2014	2015	2016
<b>Operating Revenues</b>												
Sanitation Charges	234,269	1%	237,550	-2%	232,772	1%	235,987	235,987	247,737	282,987	282,987	282,987
Other Revenue	527		0		0		0	0	0	0	0	0
Revenue from New Customers	0		0		0		0	0	0	91,000	121,300	121,300
Increase to Offset Existing Shortfall	0		0		0		0	11,750	35,250	0	0	0
<b>Total Revenues</b>	<b>234,796</b>	<b>1%</b>	<b>237,550</b>	<b>-2%</b>	<b>232,772</b>	<b>1%</b>	<b>235,987</b>	<b>247,737</b>	<b>282,987</b>	<b>373,987</b>	<b>404,287</b>	<b>404,287</b>
<b>Operating Expenses</b>												
Contracted Sewage Treatment	97,166	-2%	95,590	1%	96,665	3%	99,442	101,431	103,460	105,529	107,640	109,793
Other Operating Expenses	78,659	9%	85,415	45%	123,546	-6%	115,979	118,299	120,665	123,078	125,540	128,051
Incremental Operating Expenses	0		0		0		0	0	0	64,000	65,280	66,586
Depreciation	45,137	0%	45,137	23%	55,443	13%	62,591	71,191	71,191	147,200	147,200	147,200
Replacement Reserve	0		0		0		0	0	0	2,200	2,200	2,200
<b>Total Expenses</b>	<b>220,962</b>	<b>2%</b>	<b>226,142</b>	<b>22%</b>	<b>275,654</b>	<b>1%</b>	<b>278,012</b>	<b>290,921</b>	<b>295,316</b>	<b>442,007</b>	<b>447,860</b>	<b>453,830</b>
<b>Net Operating Income</b>	<b>13,834</b>	<b>-18%</b>	<b>11,408</b>	<b>-476%</b>	<b>(42,882)</b>	<b>-2%</b>	<b>(42,025)</b>	<b>(43,184)</b>	<b>(12,329)</b>	<b>(68,020)</b>	<b>(43,573)</b>	<b>(49,543)</b>
<b>Non-Operating Income and Expenses</b>												
Interest Income	86	330%	370	-24%	282	-83%	47	50	50	50	50	50
<b>Total Non-Operating Income &amp; Expenses</b>	<b>86</b>	<b>330%</b>	<b>370</b>	<b>-24%</b>	<b>282</b>	<b>-83%</b>	<b>47</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>
<b>Add Non-Cash Expenses</b>												
Depreciation	45,137	0%	45,137	23%	55,443	13%	62,591	71,191	71,191	147,200	147,200	147,200
<b>Cash Available for Debt Service</b>	<b>59,057</b>	<b>-4%</b>	<b>56,915</b>	<b>-77%</b>	<b>12,843</b>	<b>60%</b>	<b>20,613</b>	<b>28,057</b>	<b>58,912</b>	<b>79,230</b>	<b>103,677</b>	<b>97,707</b>
<b>Debt Service</b> (enter as positive #'s)												
Existing Principal	30,398		30,763		40,133		41,088	41,387	42,271	42,659	43,552	44,450
Existing Interest	3,557		3,191		6,339		8,799	8,159	7,513	6,850	6,182	5,496
Proposed KIA Loan	0		0		0		0	0	0	22,558	45,117	45,117
<b>Total Debt Service</b>	<b>33,955</b>		<b>33,954</b>		<b>46,472</b>		<b>49,887</b>	<b>49,546</b>	<b>49,784</b>	<b>72,067</b>	<b>94,851</b>	<b>95,063</b>
<b>Income After Debt Service</b>	<b>25,102</b>		<b>22,961</b>		<b>(33,629)</b>		<b>(29,274)</b>	<b>(21,489)</b>	<b>9,128</b>	<b>7,163</b>	<b>8,826</b>	<b>2,644</b>
<b>Debt Coverage Ratio</b>	<b>1.7</b>		<b>1.7</b>		<b>0.3</b>		<b>0.4</b>	<b>0.6</b>	<b>1.2</b>	<b>1.1</b>	<b>1.1</b>	<b>1.0</b>

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**I.B.5.**



**A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING AN AMENDMENT TO THE CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED WASTEWATER REVOLVING FUND A LOAN (A10-04) INCREASING THE AMOUNT TO \$2,846,174 TO THE OLDHAM COUNTY ENVIRONMENTAL AUTHORITY, OLDHAM COUNTY, KENTUCKY**

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

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

**WHEREAS**, the Authority previously approved a Federally Assisted Waste Water Revolving Fund Loan (A10-04) to the Oldham County Environmental Authority on May 6, 2010 in the amount of \$1,500,000; the Authority approved an increase of the Loan (A10-04) to the Oldham County Environmental Authority on July 7, 2011 to \$2,400,000; and the Oldham County Environmental Authority has requested to increase said Loan (A10-04) to \$2,846,174; and

**WHEREAS**, the Authority anticipates entering into an Assistance Agreement for a loan from the Authority's Federally Assisted Wastewater Revolving Loan Program (Fund A) with the Oldham County Environmental Authority, subject to final determination of amount when the factors involving such financing have been determined; and

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

**WHEREAS**, the Authority wishes to establish terms and conditions on said Fund A loans prior to the issuance of Authority Revenue Bonds and recognizes that additional planning and design of the financed projects are required.

**NOW, THEREFORE, THE KENTUCKY INFRASTRUCTURE AUTHORITY, ACTING BY AND THROUGH ITS BOARD OF DIRECTORS AS ITS DULY AUTHORIZED AND**

**EMPOWERED GOVERNING BODY, DOES HEREBY RESOLVE AND ORDER, AS FOLLOWS:**

Section 1. All statements of fact set forth in the preambles to this Resolution and Order are incorporated herein by reference, the same as if set forth verbatim. All such statements of fact are hereby declared to be true and accurate in all material respects.

Section 2. The Authority hereby authorizes the Amendment of a conditional Federally Assisted Wastewater Revolving Fund loan increasing the amount to \$2,846,174 of project expense including capitalized interest for the construction period, to the Oldham County Environmental Authority for the Buckner Interceptor Sewer and Mockingbird Valley WWTP Elimination Project. Such amounts are subject to adjustment by further action of the Authority or may be adjusted by action of the Authority staff at the time of the issuance of bonds based on adjustment in project costs of not more than (10%) ten percent of the project cost authorized by this resolution. Upon satisfaction of all conditions of the commitment, execution of an assistance agreement for this loan is authorized.

Section 3. The loan shall be repayable over 20 years at an interest rate of 2.0%. In addition to debt service, a .20% annual administration fee on the unpaid loan balance will be charged. From annual revenues, \$7,120 must be set aside in a borrower held replacement reserve each December 1 until the balance reaches \$71,200 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 June, 2012.

\_\_\_\_\_  
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



STEVEN L. BESHEAR  
GOVERNOR

LEONARD K. PETERS  
SECRETARY

**ENERGY AND ENVIRONMENT CABINET**  
DEPARTMENT FOR ENVIRONMENTAL PROTECTION  
DIVISION OF WATER  
200 FAIR OAKS LANE, 4TH FLOOR  
FRANKFORT, KENTUCKY 40601  
[www.kentucky.gov](http://www.kentucky.gov)

June 4, 2012

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

Re: CWL1011 KIA A10-04  
Buckner WWTP—3329  
HUC11#05140101170Ohio River Watershed  
HUC11 #05140101200 Harrods Creek  
HUC11 #05140102180 Floyds Fork  
Activity ID: FGL20100003  
Fund A

Dear Mr. Covington:

The Division of Water (DOW) hereby certifies that the Oldham County Environmental Authority is entitled to receive priority for an increase in funding for the Buckner Interceptor Sewer & Mockingbird Valley WWTP Elimination and is eligible to receive \$2,846,174 from the Clean Water Revolving Fund. The following requirements have been addressed as follows:

1. Plans and specifications were approved on 1/19/2011
2. Construction bids were opened on 5/26/2011
3. Project specific environmental information was submitted on February 25, 2010

The binding commitment letter should include the following general conditions to satisfy federal requirements:

1. The Authority to Award (bid) package must be submitted to DOW for approval within 14 days of bid opening. DOW must perform the DBE reviews, conduct a pre-construction and project management conference.
2. Loan Agreement must be executed within six (6) months from bid opening.
3. The city must agree to expend all loan funds within six months of the date of initiation of operation.

4. Documentation of final funding commitments from all parties other than the Kentucky Infrastructure Authority (KIA) as reflected in the credit analysis shall be provided to KIA prior to their loan closing and disbursement of the loan monies. Rejections of any anticipated project funding shall be immediately reported to KIA and may cause this loan to be subject to further consideration.
5. The borrower must receive DOW approval of the Plans and Specifications before bidding the project.
6. The borrower must receive DOW approval of the Environmental Assessment before bidding the project.

Upon compliance with the general and special conditions, the DOW will issue its final project certification prior to finalizing the loan agreement.

Please forward the draft binding commitment letter to this office for review when completed. Should you have any questions concerning this letter, do not hesitate to contact Cathy Arnett, Project Administrator, at (502) 564-8158, extension 4594.

Sincerely,



Buddy Griffin, Supervisor  
SRF & SPAP Section  
Water Infrastructure Branch

BG:CA

Enclosures

C: Horace Harrod  
Bryan Kirby, CEDA  
Ernie Hall, ERH

<b>EXECUTIVE SUMMARY</b>		Reviewer:	Sandy Williams		
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		Date:	June 7, 2012		
<b>FUND A, FEDERALLY ASSISTED WASTEWATER REVOLVING LOAN FUND</b>		KIA Loan Number:	<b>A10-04 (Increase #2 / Scope)</b>		
		WRIS Number	<b>SX21185017</b>		
		HUC Code:	05140101170		
<b>BORROWER:</b>	<b>OLDHAM COUNTY ENVIRONMENTAL AUTHORITY</b>				
	<b>OLDHAM COUNTY</b>				
<b>BRIEF DESCRIPTION:</b>					
<p>The Oldham County Environmental Authority is requesting an increase of \$446,174 to the previously approved project (\$2,400,000) for construction of the Buckner Interceptor Sewer &amp; Mockingbird Valley WWTP Elimination projects. The increase will fund a design change to the expanded headworks at the Kentucky State Reformatory WWTP. The headworks will be elevated six feet to permit the proposed future system to be entirely gravity fed. This will require the installation of a new lift station for the prison influent stream along with other modifications to allow a grit chamber to be inserted during a future expansion phase. The new design will eliminate the need for a combined lift station which would be needed to lift the entire influent flow within the WWTP to drive the system. If the design change is not implemented, portions if not all of the proposed headworks will have to be removed later to accommodate the system using the combined lift station.</p>					
<b>PROJECT FINANCING:</b>			<b>PROJECT BUDGET</b>		
Fund A Loan	\$	2,846,174	Administrative Expenses	\$ 22,500	
			Land, Easements	28,254	
			Engineering	298,000	
			Construction	2,470,672	
			Contingency	26,748	
<b>TOTAL</b>	<b>\$</b>	<b>2,846,174</b>	<b>TOTAL</b>	<b>\$ 2,846,174</b>	
<b>REPAYMENT</b>			Est. Annual		
	Rate	2.0%	Payment	\$ 150,987	
	Term	20 years	1st Payment	6 Mo. after first draw	
<b>PROFESSIONAL SERVICES</b>	Engineer	ERH, Inc.			
	Bond Counsel	Peck, Shaffer, & Williams			
<b>PROJECT SCHEDULE</b>	Bid Opening:		June 2011		
	Construction Start:		July 2011		
	Construction Stop:		July 2012		
<b>DEBT PER CUSTOMER</b>	Existing:	\$	1,866		
	Proposed:	\$	4,051		
<b>OTHER DEBT</b>	See Attached				
<b>OTHER STATE-FUNDED PROJECTS LAST 5 YRS</b>	See Attached				
<b>RESIDENTIAL RATES</b>			<u>Users</u>	<u>Avg. Bill</u>	
	Current	5,674	\$	5.85 (for 4,000 gallons)	
	Additional	0	\$	5.85 (for 4,000 gallons)	
<b>REGIONAL COORDINATION</b>	This project is consistent with regional planning recommendations.				
<b>CASHFLOW</b>	<b>Cash Available for Debt Service</b>		<b>Income after Debt Service</b>		<b>Coverage Ratio</b>
Audited 2007	1,427,565	966,560	461,005	1.5	
Audited 2008	704,073	1,148,186	(444,113)	0.6	
Audited 2009	20,288	1,499,530	(1,479,242)	0.0	
Audited 2010	(282,158)	473,429	(755,587)	(0.6)	
Audited 2011	375,565	464,733	(89,168)	0.8	
Projected 2012	729,640	752,300	(22,660)	1.0	
Projected 2013	1,366,622	923,205	443,417	1.5	
Projected 2014	1,497,242	1,201,361	295,881	1.2	
Projected 2015	1,610,451	1,605,584	4,867	1.0	
Projected 2016	1,721,409	1,610,084	111,325	1.1	
Projected 2017	1,839,261	1,613,684	225,577	1.1	

**KENTUCKY INFRASTRUCTURE AUTHORITY  
WASTEWATER REVOLVING LOAN FUND (FUND "A")  
OLDHAM COUNTY ENVIRONMENTAL AUTHORITY, OLDHAM COUNTY  
PROJECT REVIEW  
SX21185017**

**I. PROJECT DESCRIPTION**

The Oldham County Environmental Authority is requesting a revision to the scope and an increase of \$446,174 of the approved Fund A base loan in the amount of \$2,400,000 for the Buckner Interceptor Sewer & Mockingbird Valley WWTP Elimination projects. The increase will fund a design change to the expanded headworks at the Kentucky State Reformatory WWTP. The headworks will be elevated six feet to permit the proposed future system to be entirely gravity fed. This will require the installation of a new lift station for the prison influent stream along with other modifications to allow a grit chamber to be inserted during a future expansion phase. The new design will eliminate the need for a combined lift station which would be needed to lift the entire influent flow within the WWTP to drive the system. If the design change is not implemented, portions if not all of the proposed headworks will have to be removed later to accommodate the system using the combined lift station.

Increase #1

Because the WWTP treats waste sources from a prison system, all wastewater must be passed through a cominuter. The prisoners have a tendency to flush inappropriate items down the toilets. The grinding procedure is required so that illegal materials cannot be re-obtained from some other point within the WWTP by personnel working at the plant. This procedure produces small pieces of material that in mass are clogging the effluent bar screens in the oxidation ditch and further clogging and burning up the return sludge pumps. It has been determined that the higher flows being added to the system with the force main will accelerate this problem. The additional funds will permit the construction of a new combined headworks with an automated self-cleaning screen that will remove the material after the grinding procedure but prior to entering the remaining system. This expenditure was contemplated for a future project but it has become apparent that the problem must be addressed prior to the addition of new flow.

Original

The Buckner and Mockingbird wastewater treatment plants (WWTP) are aging facilities that serve residential and commercial areas in their respective regions. Both plants are hydraulically overloaded which resulted in over 250 violations of the Clean Water Act (bypassing, overflows, etc.) from January 2008 to present. This project involves the

construction of an interceptor sewer line from the Buckner WWTP to the new regional WWTP at the Kentucky State Reformatory (KSR). The Buckner WWTP is approximately 50% overloaded. This interceptor line will divert a portion of the flow from the Buckner plant to the KSR plant, thereby alleviating the overloading at the Buckner plant and allowing it to operate within its design capacity and discharge permit.

The second portion of this project is the construction of an interceptor line and lift station from the Mockingbird Valley WWTP to the regional KSR WWTP. The Mockingbird Valley plant will be taken off line and dismantled. This project proposes to construct three pump stations, approximately 21,500 linear feet of six, twelve, and fifteen inch force mains and decommission of the Mockingbird Valley plant. These improvements will then transport wastewater from these two areas to the regional WWTP located at the Kentucky State Reformatory.

## II. PROJECT BUDGET

	<b>Original</b>	<b>Increase</b>	<b>Revised</b>
Administrative Expenses	\$ 22,500	0	22,500
Land, Easements	0	28,254	28,254
Engineering Fees	274,000	24,000	298,000
Construction	1,999,500	471,172	2,470,672
Contingency	104,000	(77,252)	26,748
<b>Total</b>	<b>\$ 2,400,000</b>	<b>\$ 446,174</b>	<b>\$ 2,846,174</b>

## III. PROJECT FUNDING

	Amount	%
Fund A Loan	\$ 2,846,174	100%
<b>Total</b>	<b>\$ 2,846,174</b>	<b>100%</b>

## IV. KIA DEBT SERVICE

	<b>Original</b>	<b>Increase</b>	<b>Revised</b>
Construction Loan	\$ 2,400,000	\$ 478,420	\$ 2,846,174
Interest Rate	2.00%	2.00%	2.00%
Loan Term (Years)	20	20	20
Estimated Annual Debt Service	\$ 146,187	\$ 29,141	\$ 173,364
Administrative Fee (0.20%)	4,800	957	5,692
<b>Total Estimated Annual Debt Service</b>	<b>\$ 150,987</b>	<b>\$ 30,098</b>	<b>\$ 179,056</b>

## V. PROJECT SCHEDULE

Bid Opening Date	June 2011
Construction Start	July 2011
Construction Completion	March 2013

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

### **A) Customers**

<u>Customers</u>	<u>Current</u>
Residential	5,490
Commercial	184
Industrial	0
Total	5,674

### **B) Rates**

Rate Increase Dates	01/01/09	09/01/10	09/01/11	07/01/12
Monthly Meter Charge	\$10.63	\$13.17	\$14.43	\$15.15
Sewer Compliance Cap Ex Surcharge	0.00	0.00	0.00	5.39
Rate Per 1,000 Gallons	4.31	5.34	5.85	6.14
Cost for 4,000 gallons	\$27.87	\$34.53	\$37.83	\$45.10
Affordability Index (Rate/MHI)	0.4%	0.5%	0.6%	0.7%
Percent Increase	25.0%	23.9%	9.6%	19.2%

Rate increases require approval of the Oldham County Fiscal Court. The Court approved a 5% increase and added a separate \$5.39 per month Sewer Compliance surcharge effective July 1, 2012

## **VII. DEMOGRAPHICS**

In 2010, the County's population was 56,194 with a Median Household Income (MHI) of \$78,460. The median household income for the Commonwealth is \$41,197. This project qualifies for a 2% interest rate because it is considered regional as defined in 200 KIA 17:050 because it combines two or more existing facilities or systems. The increase will be offered at the same terms as the original approval.

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

- 1) Green Project Reserve - This project will not be reported for Green Project Reserve (GPR) funding.
- 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 June 30, 2007 through 2011. Amounts for the current year are estimated. Financial information for the Storm Water District is excluded from the analysis.

The Oldham County Sanitation District (OCSD) was established by the Oldham County Fiscal Court in December 1996 as a county wide sewer district for the purpose of acquiring, constructing, operating and maintaining sanitary sewer systems. OCSD's jurisdictional boundaries included all of Oldham County with the exception of the incorporated cities of LaGrange and Crestwood. Since OCSD's creation, Pewee Valley has been removed from OCSD's territory. On August 1, 2005, the City of Crestwood merged its sewer assets with the OCSD. On December 1, 2008 the City took back the management of its sewer system and the District transferred related assets back to the City. On August 10, 2010 OCSD and Oldham County Storm Water Management were merged to form the Oldham County Environmental Authority.

On November 15, 2008, Veolia assumed the operations and maintenance under a ten year contract. The monthly fee is guaranteed to cover all costs of operations except for maintenance, repairs and utilities which are trued up annually. The contract contains numerous performance metrics that are required to be reported to the Authority Board.

## HISTORICAL

Revenues increased 27% from \$2,502,282 in 2007 to \$3,186,585 in 2011. A 25% rate increase in mid fiscal 2009 was offset by the loss of Crestwood sewer revenues (\$250,000) and a change in accounting treatment for a transaction with the Kentucky State Reformatory (\$327,000). Rates were also increased by 24% in September 2010. Operating expenses increased by 29% from \$2,203,118 in 2007 to \$2,834,577 in 2011. During 2009 Authority incurred an additional \$495,000 in expenses for removal of an eighteen month backlog of sludge, catch up maintenance at the plants, and delinquent line repairs.

Interest income has decreased due to both a decrease in cash and investments and decreases in interest rates. Capacity charges have decreased as a result of weak demand for new construction and tap-in bans in some areas due to treatment plants being at or over their designed capacity.

Cash available for debt service declined from \$1,427,565 in 2007 to 375,565 in 2011. The debt coverage ratio was 1.5 in 2007 and below 1.0 for years 2008 through 2011. During 2009, the District fell out of compliance with loan covenants on a KLC lease agreement. While wastewater rates were increased by 25%, the increase was not sufficient to meet cash flow requirements. The debt was subsequently refinanced through the Oldham County Fiscal Court.

The balance sheet reflects a current ratio of 1.1 and a debt to equity ratio of 1.0. Unrestricted cash equals 1.8 months of operating expenses and the receivables collection period is 92.5 days. Oldham County Water District performs the billing and collection function monthly for approximately 50% of customers while the Louisville Water Company provides these services on a mix of monthly and bi-monthly frequency. Existing debt is comprised of a lease with the Oldham County Fiscal Court (due 2031)

and bonds that were issued in 2009 (due 2030). KIA has approved projects totaling \$6.2 million for which spending will occur during 2012 and 2013. The addition of proposed increases and the proposed WWTP (A12-29) construction project will raise KIA's commitments to \$13.6 million.

## PROJECTIONS

Projections are based on the following assumptions:

- 1) Revenues will increase by 3% per year for volume. Approved rate increases will add 12% for 2012 and 17.6% for 2013. Annual inflationary increases of 2% are assumed thereafter.
- 2) OCEA does not have sufficient cash flow to incur significant additional debt beyond currently approved KIA loans, this project and the two proposed increases that are being submitted separately on June 7, 2012. The cash flow does not consider additional debt beyond these amounts.
- 3) Expenses will increase approximately 3% per year for inflation and 1% for volume.
- 4) A replacement reserve of \$7,120 will be funded annually for ten years.
- 5) Debt service on the proposed loan is estimated at \$179,056 annually with total debt service in 2015 estimated at about \$1.6 million.
- 6) Debt service coverage is 1.0 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 \$7,120. This amount should be added to the replacement account each December 1 until the balance reaches \$71,200 and maintained for the life of the loan.

## X. DEBT OBLIGATIONS

	Outstanding	Maturity
Oldham County Fiscal Court	\$ 3,250,000	2031
Series 2009 Bonds	7,335,000	2030
KIA A10-04 (i/a/o \$2.4MM)	0	TBD
KIA A10-05 i/a/o \$1MM	0	TBD
KIA A10-06 i/a/o \$250K	0	TBD
KIA A10-07 i/a/o \$2.6MM	0	TBD
KIA A11-15 i/a/o \$400m	0	TBD
<b>Total</b>	<b>\$10,585,000</b>	

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

<b>Project Title</b>	<b>Funding Source</b>	<b>Amount</b>	<b>Type</b>
Buckner Interceptor	HB608	50,000	Grant
Ohio River WWTP	HB380	750,000	Grant
Sewer System Upgrades	HB608	950,000	Grant

**XII. CONTACTS**

<b>Applicant</b>	
Name	Oldham County Environmental Authority
Address	700 West Jefferson Street LaGrange, KY 40031
County	Oldham
Contact	Horace Harrod
Phone	(502) 225-9477
Email	horace.harrod@farmcreditbank.com

<b>Applicant Contact</b>	
Name	Kentucky Engineering Group
Address	PO Box 1034 Versailles, KY 40383
Contact	Holly L. Nicholas
Phone	(859) 333-9742
Email	hnicholas@kyengr.com

<b>Engineer</b>	
Name	Jim Hagerty
Firm	Gresham Smith & Partners
Address	101 S 5th St, Ste 1400 Louisville, KY 40202
Phone	(502) 548-0598
Email	littlecreek50@insightbb.com

**XIII. RECOMMENDATIONS**

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

OLDHAM COUNTY ENVIRONMENTAL AUTHORITY  
BALANCE SHEETS (JUNE YEAR END)

ASSETS	Audited 2007	Audited 2008	Audited 2009	Audited 2010	Audited 2011	Upon Completion 2012	Upon Completion 2013	Upon Completion 2014
<b>Current Assets</b>								
Cash	555,758	1,614,830	841,165	637,764	432,044	420,700	642,400	790,300
Accounts Receivable	615,858	533,132	537,685	572,371	808,006	929,300	1,120,700	1,176,700
Other Current Assets	858,955	112,562	438,366	234,992	24,065	25,000	25,000	25,000
<b>Total Current Assets</b>	<b>2,030,571</b>	<b>2,260,524</b>	<b>1,817,216</b>	<b>1,445,127</b>	<b>1,264,115</b>	<b>1,375,000</b>	<b>1,788,100</b>	<b>1,992,000</b>
<b>Restricted Assets</b>								
Cash	3,418,983	1,704,562	294,248	281,193	97,737	100,000	100,000	100,000
<b>Total Restricted Assets</b>	<b>3,418,983</b>	<b>1,704,562</b>	<b>294,248</b>	<b>281,193</b>	<b>97,737</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>
<b>Utility Plant</b>								
Land, System, Building and Equipment	22,677,627	30,514,651	25,611,919	25,784,193	25,792,901	27,308,809	31,658,809	40,906,403
Construction in Progress	5,959,228	393,776	301,325	429,107	638,908	4,350,000	4,747,594	0
<b>Total</b>	<b>28,636,855</b>	<b>30,908,427</b>	<b>25,913,244</b>	<b>26,213,300</b>	<b>26,431,809</b>	<b>31,658,809</b>	<b>36,406,403</b>	<b>40,906,403</b>
<b>Less Accumulated Depreciation ( )</b>	<b>(2,330,407)</b>	<b>(3,097,553)</b>	<b>(3,276,697)</b>	<b>(3,959,883)</b>	<b>(4,667,732)</b>	<b>(5,467,732)</b>	<b>(6,425,182)</b>	<b>(7,461,682)</b>
<b>Net Fixed Assets</b>	<b>26,306,448</b>	<b>27,810,874</b>	<b>22,636,547</b>	<b>22,253,417</b>	<b>21,764,077</b>	<b>26,191,077</b>	<b>29,981,221</b>	<b>33,444,721</b>
<b>Other Assets</b>								
Other Assets	47,466	41,966	0	62,070	237,408	200,000	150,000	100,000
<b>Total Other Assets</b>	<b>47,466</b>	<b>41,966</b>	<b>0</b>	<b>62,070</b>	<b>237,408</b>	<b>200,000</b>	<b>150,000</b>	<b>100,000</b>
<b>Total Assets</b>	<b>31,803,468</b>	<b>31,817,926</b>	<b>24,748,011</b>	<b>24,041,807</b>	<b>23,363,337</b>	<b>27,866,077</b>	<b>32,019,321</b>	<b>35,636,721</b>
<b>LIABILITIES</b>								
<b>Current Liabilities</b>								
Line of Credit	1,467	0	0	0	0	0	0	0
Accounts Payable	319,710	157,714	295,972	84,530	191,648	100,000	100,000	100,000
Accrued Liabilities	116,980	284,929	54,188	135,525	62,070	65,000	70,000	85,000
Current Portion of Long-Term Debt	385,479	1,165,991	236,657	90,000	385,000	400,000	410,000	420,000
Current Portion of Unearned Tap Fees			59,840	8,092	505,120	150,000	150,000	178,315
<b>Total Current Liabilities</b>	<b>823,636</b>	<b>1,608,634</b>	<b>646,657</b>	<b>318,147</b>	<b>1,143,838</b>	<b>715,000</b>	<b>730,000</b>	<b>783,315</b>
<b>Long Term Liabilities</b>								
Long Term Debt, Less Current Portion	16,099,338	14,936,524	10,235,000	10,403,207	10,200,000	9,800,000	9,390,000	8,970,000
Notes Payable - KIA	0	0	0	0	0	4,350,000	9,097,594	13,597,594
Unearned Tap Fees	0	0	1,018,855	995,279	478,315	328,315	178,315	0
<b>Total Long Term Liabilities</b>	<b>16,099,338</b>	<b>14,936,524</b>	<b>11,253,855</b>	<b>11,398,486</b>	<b>10,678,315</b>	<b>14,478,315</b>	<b>18,665,909</b>	<b>22,567,594</b>
<b>Total Liabilities</b>	<b>16,922,974</b>	<b>16,545,158</b>	<b>11,900,512</b>	<b>11,716,633</b>	<b>11,822,153</b>	<b>15,193,315</b>	<b>19,395,909</b>	<b>23,350,909</b>
<b>Retained Earnings:</b>								
Invested in Capital Assets Net of Related Debt	13,239,147	14,849,798	11,938,620	11,730,210	11,179,077	11,641,077	11,083,627	10,457,127
Unrestricted	1,641,347	422,970	908,879	594,964	362,107	1,031,685	1,539,785	1,828,685
<b>Total Retained Earnings</b>	<b>14,880,494</b>	<b>15,272,768</b>	<b>12,847,499</b>	<b>12,325,174</b>	<b>11,541,184</b>	<b>12,672,762</b>	<b>12,623,412</b>	<b>12,285,812</b>
<b>Total Liabilities and Equities</b>	<b>31,803,468</b>	<b>31,817,926</b>	<b>24,748,011</b>	<b>24,041,807</b>	<b>23,363,337</b>	<b>27,866,077</b>	<b>32,019,321</b>	<b>35,636,721</b>
<b>Balance Sheet Analysis</b>								
Current Ratio	2.5	1.4	2.8	4.5	1.1	1.9	2.4	2.5
Debt to Equity	1.1	1.1	0.9	1.0	1.0	1.2	1.5	1.9
Days Sales in Accounts Receivable	89.8	72.3	79.9	79.5	92.5	92.5	92.5	92.5

**EXHIBIT 1  
 OLDHAM COUNTY ENVIRONMENTAL AUTHORITY  
 CASH FLOW ANALYSIS (JUNE YEAR END)**

	Audited 2007	% Change	Audited 2008	% Change	Audited 2009	% Change	Audited 2010	% Change	Audited 2011	Projected 2012	Projected 2013	Projected 2014	Projected 2015	Projected 2016	Projected 2017
<b>Operating Revenues</b>															
Service Charges	2,481,298	8%	2,680,354	-9%	2,440,636	8%	2,628,576	21%	3,186,585	3,664,600	4,419,500	4,640,500	4,872,500	5,116,100	5,371,900
Other	20,984	-56%	9,317		14,480		117	-47%	62	500	500	500	500	500	500
<b>Total Revenues</b>	<b>2,502,282</b>	<b>7%</b>	<b>2,689,671</b>	<b>-9%</b>	<b>2,455,116</b>	<b>7%</b>	<b>2,628,693</b>	<b>21%</b>	<b>3,186,647</b>	<b>3,665,100</b>	<b>4,420,000</b>	<b>4,641,000</b>	<b>4,873,000</b>	<b>5,116,600</b>	<b>5,372,400</b>
<b>Operating Expenses</b>															
Operating Expenses	2,203,118	12%	2,459,015	12%	2,761,526	9%	3,018,829	-6%	2,834,577	2,947,960	3,065,878	3,188,513	3,316,054	3,448,696	3,586,644
Depreciation	605,245	27%	767,146	-6%	722,728	0%	726,340	2%	738,186	800,000	957,450	1,036,500	1,253,200	1,253,200	1,253,200
Replacement Reserve											0	17,745	33,995	33,995	33,995
<b>Total Expenses</b>	<b>2,808,363</b>	<b>15%</b>	<b>3,226,161</b>	<b>8%</b>	<b>3,484,254</b>	<b>7%</b>	<b>3,745,169</b>	<b>-5%</b>	<b>3,572,763</b>	<b>3,747,960</b>	<b>4,023,328</b>	<b>4,242,758</b>	<b>4,603,249</b>	<b>4,735,891</b>	<b>4,873,839</b>
<b>Net Operating Income</b>	<b>(306,081)</b>	<b>75%</b>	<b>(536,490)</b>	<b>92%</b>	<b>(1,029,138)</b>	<b>8%</b>	<b>(1,116,476)</b>	<b>-65%</b>	<b>(386,116)</b>	<b>(82,860)</b>	<b>396,672</b>	<b>398,242</b>	<b>269,751</b>	<b>380,709</b>	<b>498,561</b>
<b>Non-Operating Income and Expenses</b>															
Interest Income	288,750	-46%	155,300	-41%	90,858	-64%	32,654	-28%	23,495	12,500	12,500	12,500	12,500	12,500	12,500
Capacity Charges	839,651	-62%	318,117		235,840		75,324		0	0	0	50,000	75,000	75,000	75,000
<b>Total Non-Operating Income &amp; Expenses</b>	<b>1,128,401</b>	<b>-58%</b>	<b>473,417</b>	<b>-31%</b>	<b>326,698</b>	<b>-67%</b>	<b>107,978</b>	<b>-78%</b>	<b>23,495</b>	<b>12,500</b>	<b>12,500</b>	<b>62,500</b>	<b>87,500</b>	<b>87,500</b>	<b>87,500</b>
<b>Add Non-Cash Expenses</b>															
Depreciation	605,245	27%	767,146	-6%	722,728	0%	726,340	2%	738,186	800,000	957,450	1,036,500	1,253,200	1,253,200	1,253,200
<b>Cash Available for Debt Service</b>	<b>1,427,565</b>	<b>-51%</b>	<b>704,073</b>	<b>-97%</b>	<b>20,288</b>	<b>-1491%</b>	<b>(282,158)</b>	<b>-233%</b>	<b>375,565</b>	<b>729,640</b>	<b>1,366,622</b>	<b>1,497,242</b>	<b>1,610,451</b>	<b>1,721,409</b>	<b>1,839,261</b>
<b>Debt Service</b> (enter as positive #'s)															
Existing Principal	616,813		762,569		1,020,054		236,657		90,000	385,000	400,000	410,000	420,000	440,000	460,000
Existing Interest	349,747		385,617		479,476		236,772		374,733	367,300	353,300	338,900	324,200	308,700	292,300
KIA (A10-04 - Buckner, \$2.4M)	0		0		0		0		0	0	75,493	150,987	150,987	150,987	150,987
KIA (A10-04 - Buckner, \$446K increase)	0		0		0		0		0	0	0	28,069	28,069	28,069	28,069
KIA (A10-05 - I & I, \$1.0M)	0		0		0		0		0	0	0	68,854	68,854	68,854	68,854
KIA (A10-06 - Green Valley, \$250K)	0		0		0		0		0	0	0	15,728	15,728	15,728	15,728
KIA (A10-07 - Orchard/Willow, \$2.6M)	0		0		0		0		0	0	81,829	163,658	163,658	163,658	163,658
KIA (A11-15 - Covered Bridge, \$400K)	0		0		0		0		0	0	12,582	25,164	25,164	25,164	25,164
KIA (A12-29 - Orchard Grass WWTP, \$6.5M)	0		0		0		0		0	0	0	0	408,923	408,923	408,923
<b>Total Debt Service</b>	<b>966,560</b>		<b>1,148,186</b>		<b>1,499,530</b>		<b>473,429</b>		<b>464,733</b>	<b>752,300</b>	<b>923,205</b>	<b>1,201,361</b>	<b>1,605,584</b>	<b>1,610,084</b>	<b>1,613,684</b>
<b>Income After Debt Service</b>	<b>461,005</b>		<b>(444,113)</b>		<b>(1,479,242)</b>		<b>(755,587)</b>		<b>(89,168)</b>	<b>(22,660)</b>	<b>443,417</b>	<b>295,881</b>	<b>4,867</b>	<b>111,325</b>	<b>225,577</b>
<b>Debt Coverage Ratio</b>	<b>1.5</b>		<b>0.6</b>		<b>0.0</b>		<b>(0.6)</b>		<b>0.8</b>	<b>1.0</b>	<b>1.5</b>	<b>1.2</b>	<b>1.0</b>	<b>1.1</b>	<b>1.1</b>



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**I.B.6.**



**A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING AN AMENDMENT TO THE CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED WASTEWATER REVOLVING FUND A LOAN (A10-07) INCREASING THE AMOUNT TO \$2,601,420 TO THE OLDHAM COUNTY ENVIRONMENTAL AUTHORITY, OLDHAM COUNTY, KENTUCKY**

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

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

**WHEREAS**, the Authority previously approved a Federally Assisted Waste Water Revolving Fund Loan (A10-04) to the Oldham County Environmental Authority on May 6, 2010 in the amount of \$1,930,000; the Authority approved an increase of the Loan (A10-04) to the Oldham County Environmental Authority on January 5, 2012 to \$2,123,000; and the Oldham County Environmental Authority has requested to increase said Loan (A10-04) to \$2,601,420; and

**WHEREAS**, the Authority anticipates entering into an Assistance Agreement for a loan from the Authority's Federally Assisted Wastewater Revolving Loan Program (Fund A) with the Oldham County Environmental Authority, subject to final determination of amount when the factors involving such financing have been determined; and

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

**WHEREAS**, the Authority wishes to establish terms and conditions on said Fund A loans prior to the issuance of Authority Revenue Bonds and recognizes that additional planning and design of the financed projects are required.

**NOW, THEREFORE, THE KENTUCKY INFRASTRUCTURE AUTHORITY, ACTING BY AND THROUGH ITS BOARD OF DIRECTORS AS ITS DULY AUTHORIZED AND**

**EMPOWERED GOVERNING BODY, DOES HEREBY RESOLVE AND ORDER, AS FOLLOWS:**

Section 1. All statements of fact set forth in the preambles to this Resolution and Order are incorporated herein by reference, the same as if set forth verbatim. All such statements of fact are hereby declared to be true and accurate in all material respects.

Section 2. The Authority hereby authorizes the Amendment of a conditional Federally Assisted Wastewater Revolving Fund loan increasing the amount to \$2,601,420 of project expense including capitalized interest for the construction period, to the Oldham County Environmental Authority for the Orchard Grass and Willow Creek WWTP Project. Such amounts are subject to adjustment by further action of the Authority or may be adjusted by action of the Authority staff at the time of the issuance of bonds based on adjustment in project costs of not more than (10%) ten percent of the project cost authorized by this resolution. Upon satisfaction of all conditions of the commitment, execution of an assistance agreement for this loan is authorized.

Section 3. The loan shall be repayable over 20 years at an interest rate of 2.0%. In addition to debt service, a .20% annual administration fee on the unpaid loan balance will be charged. From annual revenues, \$6,500 must be set aside in a borrower held replacement reserve each December 1 until the balance reaches \$65,000 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 June, 2012.

\_\_\_\_\_  
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



STEVEN L. BESHEAR  
GOVERNOR

LEONARD K. PETERS  
SECRETARY

ENERGY AND ENVIRONMENT CABINET  
DEPARTMENT FOR ENVIRONMENTAL PROTECTION  
DIVISION OF WATER  
200 FAIR OAKS LANE, 4TH FLOOR  
FRANKFORT, KENTUCKY 40601  
[www.kentucky.gov](http://www.kentucky.gov)

June 4, 2012

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

Re: 2007-26  
Oldham Co Environmental Authority--74156  
Activity ID: FGL20060008  
*HUC11:051410200--HarrodsCreek/Crestwood-  
Prospect*  
Fund A

Dear Mr. Covington:

The Division of Water (DOW) hereby certifies that the Oldham County Environmental Authority (OCEA) is entitled to receive priority for a loan increase in the amount of \$478,420 to the approved Orchard Grass-Willow Creek WWTP loan project (A10-07) for the proposed Ash Avenue sewer rehabilitations (infiltration-inflow) project, and is eligible to receive a revised total of \$2,601,420.00 from the Clean Water State Revolving Fund. The following requirements have been addressed as follows:

1. Plans and specifications were approved by DOW on December 7, 2011.
2. Construction bids were opened on December 1, 2011.
3. An executed Change Order is expected to be submitted to DOW by July 1, 2012
4. Project specific environmental information is expected to be submitted to DOW by September 1, 2012

The binding commitment letter should include the following general conditions to satisfy federal requirements:

1. The Authority to Award (bid) package must be submitted to DOW for approval within 14 days of bid opening. DOW must perform the DBE reviews and conduct a pre-construction and project management conference.
2. Loan Agreement must be executed within six (6) months from bid opening.
3. The city must agree to expend all loan funds within six months of the date of initiation of operation.

4. Documentation of final funding commitments from all parties other than the Kentucky Infrastructure Authority (KIA) as reflected in the credit analysis shall be provided to KIA prior to their loan closing and disbursement of the loan monies. Rejections of any anticipated project funding shall be immediately reported to KIA and may cause this loan to be subject to further consideration.
5. The borrower must receive DOW approval of the Plans and Specifications before bidding the project.
6. The borrower must receive DOW approval of the Environmental Documents before bidding the project.

Upon compliance with the general and special conditions, the DOW will issue its final project certification prior to finalizing the loan agreement.

Please forward the draft binding commitment letter to this office for review when completed. Should you have any questions concerning this letter, do not hesitate to contact Bill Averell, Project Administrator, at (502) 564-8158, extension 4980.

Sincerely,



Buddy Griffin, Supervisor  
SRF & SPAP Section  
Water Infrastructure Branch

BG: ba

Enclosures

C: Horace Harrod, Chairman, OCEA  
Ed Basquill, Project Manager, Veolia Water North America  
Holly Nicholas, Kentucky Engineering Group, PLLC  
James Hagerty, P. E., Gresham, Smith and Partners (Louisville)

<b>EXECUTIVE SUMMARY</b>		Reviewer:	Sandy Williams	
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		Date:	June 7, 2012	
<b>FUND A, FEDERALLY ASSISTED WASTEWATER</b>		KIA Loan Number:	<b>A10-07 (Increase #2/Scope)</b>	
<b>REVOLVING LOAN FUND</b>		WRIS Number	<b>SX21185050, SX21185036</b>	
		HUC Code:	05140101170	
BORROWER:	<b>OLDHAM COUNTY ENVIRONMENTAL AUTHORITY</b>			
	<b>OLDHAM COUNTY</b>			
BRIEF DESCRIPTION:	<p>The Oldham County Environmental Authority (formerly known as the Oldham County Sewer District) is requesting a scope revision and increase of \$478,420 of the approved Fund A loan in the amount of \$2,123,000 for the Orchard Grass Willow Creek WWTP Elimination project - Phase 1. The increase will facilitate inclusion of I&amp;I reduction efforts in the Ash Avenue collection area and will allow the improvements to proceed concurrently with existing collection system rehabilitation work in the Orchard Grass and Willow Creek areas.</p> <p>The Orchard Grass WWTP is in failing condition and the Willow Creek WWTP is extremely undersized for the amount of flow entering the plant. Both plants have had numerous violations in past years. This project will construct a 9,331 LF force main from the Willow Creek WWTP to the Orchard Grass WWTP. The Willow Creek WWTP will be modified into an equalization basin. In addition, correction of I&amp;I in the area will be undertaken to reduce flow into these two plants so that the remaining plan can handle the additional flow. This will be Phase 1 of this project to ultimately eliminate both WWTPs. There are approximately 1,094 customers connected to the two plants.</p>			
PROJECT FINANCING:		PROJECT BUDGET		
Fund A Loan	\$ 2,601,420	Administrative Expenses	\$	19,500
		Planning		23,070
		Engineering		354,698
		Construction		2,042,494
		Contingency		153,244
		Other		8,414
TOTAL	\$ 2,601,420	TOTAL	\$	2,601,420
REPAYMENT		Rate	2.0%	Est. Annual Payment
		Term	20 years	\$ 150,987
				1st Payment
				6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	Gresham Smith & Partners		
	Bond Counsel	Peck, Shaffer, & Williams		
PROJECT SCHEDULE		Bid Opening:	December 2010	
		Construction Start:	February 2011	
		Construction Stop:	November 2012	
DEBT PER CUSTOMER	Existing:	\$	1,866	
	Proposed:	\$	4,051	
OTHER DEBT	See Attached			
OTHER STATE-FUNDED PROJECTS LAST 5 YRS	See Attached			
RESIDENTIAL RATES		Users	Avg. Bill	
	Current	5,674	\$	5.85 (for 4,000 gallons)
	Additional	0	\$	5.85 (for 4,000 gallons)
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.			
CASHFLOW	<b>Cash Available for Debt Service</b>	<b>Debt Service</b>	<b>Income after Debt Service</b>	<b>Coverage Ratio</b>
Audited 2007	1,427,565	966,560	461,005	1.5
Audited 2008	704,073	1,148,186	(444,113)	0.6
Audited 2009	20,288	1,499,530	(1,479,242)	0.0
Audited 2010	(282,158)	473,429	(755,587)	(0.6)
Audited 2011	375,565	464,733	(89,168)	0.8
Projected 2012	729,640	752,300	(22,660)	1.0
Projected 2013	1,366,622	923,205	443,417	1.5
Projected 2014	1,497,242	1,201,361	295,881	1.2
Projected 2015	1,610,451	1,605,584	4,867	1.0
Projected 2016	1,721,409	1,610,084	111,325	1.1
Projected 2017	1,839,261	1,613,684	225,577	1.1

**KENTUCKY INFRASTRUCTURE AUTHORITY  
 WASTEWATER REVOLVING LOAN FUND (FUND "A")  
 OLDHAM COUNTY ENVIRONMENTAL AUTHORITY, OLDHAM COUNTY  
 PROJECT REVIEW  
 SX21185050, SX21185036**

**I. PROJECT DESCRIPTION**

The Oldham County Environmental Authority is requesting a revision to the scope and an increase of \$478,420 of the approved Fund A base loan in the amount of \$2,123,000 for the Orchard Grass and Willow Creek WWTP project. This increase will facilitate inclusion of I&I reduction efforts in the Ash Avenue collection area and will allow the improvements to proceed concurrently with existing collection system rehabilitation work in the Orchard Grass and Willow Creek areas. The project description as listed in a scope change and increase request that was approved on January 5, 2012 is below.

The Orchard Grass WWTP is in failing condition and the Willow Creek WWTP is extremely undersized for the amount of flow entering the plant. Both plants have had numerous violations in past years. This project will construct a 9,331 LF force main from the Willow Creek WWTP to the Orchard Grass WWTP. The Willow Creek WWTP will be modified into an equalization basin. In addition, correction of I&I in the area will be undertaken to reduce flow into these two plants so that the remaining plant can handle the additional flow from Willow Creek. This will be Phase 1 of this project to ultimately eliminate both WWTPs. There are approximately 1,094 customers connected to the 2 plants.

Due to project scope changes, delays and additional financial information made available, the increase and Special Conditions of the loan are being modified. The original scope of the project was to take both plants offline and connect with Louisville MSD.

**II. PROJECT BUDGET**

	<b>Original</b>	<b>Increase</b>	<b>Revised</b>
Administrative Expenses	\$ 19,500	\$ 0	\$ 19,500
Engineering Fees	332,901	44,867	377,768
Construction	1,649,574	392,920	2,042,494
Contingency	115,615	37,629	153,244
Other	5,410	3,004	8,414
<b>Total</b>	<b>\$ 2,123,000</b>	<b>\$ 478,420</b>	<b>\$ 2,601,420</b>

### III. PROJECT FUNDING

	Amount	%
Fund A Loan	\$ 2,601,420	100%
<b>Total</b>	<b>\$ 2,601,420</b>	<b>100%</b>

### IV. KIA DEBT SERVICE

	Original	Increase	Revised
Construction Loan	\$ 2,123,000	\$ 478,420	\$ 2,601,420
Interest Rate	2.00%	2.00%	2.00%
Loan Term (Years)	20	20	20
Estimated Annual Debt Service	\$ 129,314	\$ 29,141	\$ 158,456
Administrative Fee (0.20%)	4,246	957	5,203
<b>Total Estimated Annual Debt Service</b>	<b>\$ 133,560</b>	<b>\$ 30,098</b>	<b>\$ 163,658</b>

### V. PROJECT SCHEDULE

Bid Opening Date	December 2010
Construction Start	February 2011
Construction Completion	November 2012

### VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

#### A) Customers

Customers	Current
Residential	5,490
Commercial	184
Industrial	0
<b>Total</b>	<b>5,674</b>

#### B) Rates

Rate Increase Dates	01/01/09	09/01/10	09/01/11	07/01/12
Monthly Meter Charge	\$10.63	\$13.17	\$14.43	\$15.15
Sewer Compliance Cap Ex Surcharge	0.00	0.00	0.00	5.39
Rate Per 1,000 Gallons	4.31	5.34	5.85	6.14
Cost for 4,000 gallons	\$27.87	\$34.53	\$37.83	\$45.10
Affordability Index (Rate/MHI)	0.4%	0.5%	0.6%	0.7%
Percent Increase	25.0%	23.9%	9.6%	19.2%

Rate increases require approval of the Oldham County Fiscal Court. The Court approved a 5% increase and added a separate \$5.39 per month Sewer Compliance surcharge effective July 1, 2012

## **VII. DEMOGRAPHICS**

In 2010, the County's population was 56,194 with a Median Household Income (MHI) of \$78,460. The median household income for the Commonwealth is \$41,197. The Orchard Grass and Willow Creek projects can be considered regional as defined in 200 KIA 17:050 and will qualify for a 2% interest rate. The project complies under the definition through the combination of two or more existing facilities or systems. This project will include the decommissioning of the Willow Creek WWTP's by pumping the flow to Orchard Grass.

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

- 1) Green Project Reserve - This project will not be reported for Green Project Reserve (GPR) funding.
- 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 June 30, 2007 through 2011. Amounts for the current year are estimated. Financial information for the Storm Water District is excluded from the analysis.

The Oldham County Sanitation District (OCSD) was established by the Oldham County Fiscal Court in December 1996 as a county wide sewer district for the purpose of acquiring, constructing, operating and maintaining sanitary sewer systems. OCSD's jurisdictional boundaries included all of Oldham County with the exception of the incorporated cities of LaGrange and Crestwood. Since OCSD's creation, Pewee Valley has been removed from OCSD's territory. On August 1, 2005, the City of Crestwood merged its sewer assets with the OCSD. On December 1, 2008 the City took back the management of its sewer system and the District transferred related assets back to the City. On August 10, 2010 OCSD and Oldham County Storm Water Management were merged to form the Oldham County Environmental Authority.

On November 15, 2008, Veolia assumed the operations and maintenance under a ten year contract. The monthly fee is guaranteed to cover all costs of operations except for maintenance, repairs and utilities which are trued up annually. The contract contains numerous performance metrics that are required to be reported to the Authority Board.

### **HISTORICAL**

Revenues increased 27% from \$2,502,282 in 2007 to \$3,186,585 in 2011. A 25% rate increase in mid fiscal 2009 was offset by the loss of Crestwood sewer revenues (\$250,000) and a change in accounting treatment for a transaction with the Kentucky State Reformatory (\$327,000). Rates were also increased by 24% in September 2010. Operating expenses increased by 29% from \$2,203,118 in 2007 to \$2,834,577 in 2011.

During 2009 Authority incurred an additional \$495,000 in expenses for removal of an eighteen month backlog of sludge, catch up maintenance at the plants, and delinquent line repairs.

Interest income has decreased due to both a decrease in cash and investments and decreases in interest rates. Capacity charges have decreased as a result of weak demand for new construction and tap-in bans in some areas due to treatment plants being at or over their designed capacity.

Cash available for debt service declined from \$1,427,565 in 2007 to 375,565 in 2011. The debt coverage ratio was 1.5 in 2007 and below 1.0 for years 2008 through 2011. During 2009, the District fell out of compliance with loan covenants on a KLC lease agreement. While wastewater rates were increased by 25%, the increase was not sufficient to meet cash flow requirements. The debt was subsequently refinanced through the Oldham County Fiscal Court.

The balance sheet reflects a current ratio of 1.1 and a debt to equity ratio of 1.0. Unrestricted cash equals 1.8 months of operating expenses and the receivables collection period is 92.5 days. Oldham County Water District performs the billing and collection function monthly for approximately 50% of customers while the Louisville Water Company provides these services on a mix of monthly and bi-monthly frequency. Existing debt is comprised of a lease with the Oldham County Fiscal Court (due 2031) and bonds that were issued in 2009 (due 2030). KIA has approved projects totaling \$6.2 million for which spending will occur during 2012 and 2013. The addition of proposed increases and the proposed WWTP (A12-29) construction project will raise KIA's commitments to \$13.6 million.

## PROJECTIONS

Projections are based on the following assumptions:

- 1) Revenues will increase by 3% per year for volume. Approved rate increases will add 12% for 2012 and 17.6% for 2013. Annual inflationary increases of 2% are assumed thereafter.
- 2) OCEA does not have sufficient cash flow to incur significant additional debt beyond currently approved KIA loans, this project and the two proposed increases that are being submitted separately on June 7, 2012. The cash flow does not consider additional debt beyond these amounts.
- 3) Expenses will increase approximately 3% per year for inflation and 1% for volume.
- 4) A replacement reserve of \$6,500 will be funded annually for ten years.
- 5) Debt service on the proposed loan is estimated at \$163,658 annually with total debt service in 2015 estimated at about \$1.6 million.
- 6) Debt service coverage is 1.0 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 \$6,500. This amount should be added to the replacement account each December 1 until the balance reaches \$65,000 and maintained for the life of the loan.

## X. DEBT OBLIGATIONS

	Outstanding	Maturity
Oldham County Fiscal Court	\$ 3,250,000	2031
Series 2009 Bonds	7,335,000	2030
KIA A10-04 (i/a/o \$2.4MM)	0	TBD (*)
KIA A10-05 i/a/o \$1MM	0	TBD (*)
KIA A10-06 i/a/o \$250K	0	TBD (*)
KIA A10-07 i/a/o \$2.6MM	0	TBD (*)
KIA A11-15 i/a/o \$400m	0	TBD (*)
<b>Total</b>	<b>\$10,585,000</b>	

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

<u>Project Title</u>	<u>Funding Source</u>	<u>Amount</u>	<u>Type</u>
Buckner Interceptor	HB608	50,000	Grant
Ohio River WWTP	HB380	750,000	Grant
Sewer System Upgrades	HB608	950,000	Grant

## XII. CONTACTS

<b>Applicant</b>	
Name	Oldham County Environmental Authority
Address	700 West Jefferson Street LaGrange, KY 40031
County	Oldham
Contact	Horace Harrod
Phone	(502) 225-9477
Email	horace.harrod@farmcreditbank.com

**Applicant Contact**

Name Kentucky Engineering Group  
Address PO Box 1034  
Versailles, KY 40383  
Contact Holly L. Nicholas  
Phone (859) 333-9742  
Email hnicholas@kyengr.com

**Engineer**

Name Jim Hagerty  
Firm Gresham Smith & Partners  
Address 101 S 5th St, Ste 1400  
Louisville, KY 40202  
Phone (502) 548-0598  
Email littlecreek50@insightbb.com

**XIII. RECOMMENDATIONS**

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

OLDHAM COUNTY ENVIRONMENTAL AUTHORITY  
BALANCE SHEETS (JUNE YEAR END)

ASSETS	Audited 2007	Audited 2008	Audited 2009	Audited 2010	Audited 2011	Upon Completion 2012	Upon Completion 2013	Upon Completion 2014
<b>Current Assets</b>								
Cash	555,758	1,614,830	841,165	637,764	432,044	420,700	642,400	790,300
Accounts Receivable	615,858	533,132	537,685	572,371	808,006	929,300	1,120,700	1,176,700
Other Current Assets	858,955	112,562	438,366	234,992	24,065	25,000	25,000	25,000
<b>Total Current Assets</b>	<b>2,030,571</b>	<b>2,260,524</b>	<b>1,817,216</b>	<b>1,445,127</b>	<b>1,264,115</b>	<b>1,375,000</b>	<b>1,788,100</b>	<b>1,992,000</b>
<b>Restricted Assets</b>								
Cash	3,418,983	1,704,562	294,248	281,193	97,737	100,000	100,000	100,000
<b>Total Restricted Assets</b>	<b>3,418,983</b>	<b>1,704,562</b>	<b>294,248</b>	<b>281,193</b>	<b>97,737</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>
<b>Utility Plant</b>								
Land, System, Building and Equipment	22,677,627	30,514,651	25,611,919	25,784,193	25,792,901	27,308,809	31,658,809	40,906,403
Construction in Progress	5,959,228	393,776	301,325	429,107	638,908	4,350,000	4,747,594	0
<b>Total</b>	<b>28,636,855</b>	<b>30,908,427</b>	<b>25,913,244</b>	<b>26,213,300</b>	<b>26,431,809</b>	<b>31,658,809</b>	<b>36,406,403</b>	<b>40,906,403</b>
<b>Less Accumulated Depreciation ( )</b>	<b>(2,330,407)</b>	<b>(3,097,553)</b>	<b>(3,276,697)</b>	<b>(3,959,883)</b>	<b>(4,667,732)</b>	<b>(5,467,732)</b>	<b>(6,425,182)</b>	<b>(7,461,682)</b>
<b>Net Fixed Assets</b>	<b>26,306,448</b>	<b>27,810,874</b>	<b>22,636,547</b>	<b>22,253,417</b>	<b>21,764,077</b>	<b>26,191,077</b>	<b>29,981,221</b>	<b>33,444,721</b>
<b>Other Assets</b>								
Other Assets	47,466	41,966	0	62,070	237,408	200,000	150,000	100,000
<b>Total Other Assets</b>	<b>47,466</b>	<b>41,966</b>	<b>0</b>	<b>62,070</b>	<b>237,408</b>	<b>200,000</b>	<b>150,000</b>	<b>100,000</b>
<b>Total Assets</b>	<b>31,803,468</b>	<b>31,817,926</b>	<b>24,748,011</b>	<b>24,041,807</b>	<b>23,363,337</b>	<b>27,866,077</b>	<b>32,019,321</b>	<b>35,636,721</b>
<b>LIABILITIES</b>								
<b>Current Liabilities</b>								
Line of Credit	1,467	0	0	0	0	0	0	0
Accounts Payable	319,710	157,714	295,972	84,530	191,648	100,000	100,000	100,000
Accrued Liabilities	116,980	284,929	54,188	135,525	62,070	65,000	70,000	85,000
Current Portion of Long-Term Debt	385,479	1,165,991	236,657	90,000	385,000	400,000	410,000	420,000
Current Portion of Unearned Tap Fees			59,840	8,092	505,120	150,000	150,000	178,315
<b>Total Current Liabilities</b>	<b>823,636</b>	<b>1,608,634</b>	<b>646,657</b>	<b>318,147</b>	<b>1,143,838</b>	<b>715,000</b>	<b>730,000</b>	<b>783,315</b>
<b>Long Term Liabilities</b>								
Long Term Debt, Less Current Portion	16,099,338	14,936,524	10,235,000	10,403,207	10,200,000	9,800,000	9,390,000	8,970,000
Notes Payable - KIA	0	0	0	0	0	4,350,000	9,097,594	13,597,594
Unearned Tap Fees	0	0	1,018,855	995,279	478,315	328,315	178,315	0
<b>Total Long Term Liabilities</b>	<b>16,099,338</b>	<b>14,936,524</b>	<b>11,253,855</b>	<b>11,398,486</b>	<b>10,678,315</b>	<b>14,478,315</b>	<b>18,665,909</b>	<b>22,567,594</b>
<b>Total Liabilities</b>	<b>16,922,974</b>	<b>16,545,158</b>	<b>11,900,512</b>	<b>11,716,633</b>	<b>11,822,153</b>	<b>15,193,315</b>	<b>19,395,909</b>	<b>23,350,909</b>
<b>Retained Earnings:</b>								
Invested in Capital Assets Net of Related Debt	13,239,147	14,849,798	11,938,620	11,730,210	11,179,077	11,641,077	11,083,627	10,457,127
Unrestricted	1,641,347	422,970	908,879	594,964	362,107	1,031,685	1,539,785	1,828,685
<b>Total Retained Earnings</b>	<b>14,880,494</b>	<b>15,272,768</b>	<b>12,847,499</b>	<b>12,325,174</b>	<b>11,541,184</b>	<b>12,672,762</b>	<b>12,623,412</b>	<b>12,285,812</b>
<b>Total Liabilities and Equities</b>	<b>31,803,468</b>	<b>31,817,926</b>	<b>24,748,011</b>	<b>24,041,807</b>	<b>23,363,337</b>	<b>27,866,077</b>	<b>32,019,321</b>	<b>35,636,721</b>
<b>Balance Sheet Analysis</b>								
Current Ratio	2.5	1.4	2.8	4.5	1.1	1.9	2.4	2.5
Debt to Equity	1.1	1.1	0.9	1.0	1.0	1.2	1.5	1.9
Days Sales in Accounts Receivable	89.8	72.3	79.9	79.5	92.5	92.5	92.5	92.5

**EXHIBIT 1  
 OLDHAM COUNTY ENVIRONMENTAL AUTHORITY  
 CASH FLOW ANALYSIS (JUNE YEAR END)**

	Audited 2007	% Change	Audited 2008	% Change	Audited 2009	% Change	Audited 2010	% Change	Audited 2011	Projected 2012	Projected 2013	Projected 2014	Projected 2015	Projected 2016	Projected 2017
<b>Operating Revenues</b>															
Service Charges	2,481,298	8%	2,680,354	-9%	2,440,636	8%	2,628,576	21%	3,186,585	3,664,600	4,419,500	4,640,500	4,872,500	5,116,100	5,371,900
Other	20,984	-56%	9,317		14,480		117	-47%	62	500	500	500	500	500	500
<b>Total Revenues</b>	<b>2,502,282</b>	<b>7%</b>	<b>2,689,671</b>	<b>-9%</b>	<b>2,455,116</b>	<b>7%</b>	<b>2,628,693</b>	<b>21%</b>	<b>3,186,647</b>	<b>3,665,100</b>	<b>4,420,000</b>	<b>4,641,000</b>	<b>4,873,000</b>	<b>5,116,600</b>	<b>5,372,400</b>
<b>Operating Expenses</b>															
Operating Expenses	2,203,118	12%	2,459,015	12%	2,761,526	9%	3,018,829	-6%	2,834,577	2,947,960	3,065,878	3,188,513	3,316,054	3,448,696	3,586,644
Depreciation	605,245	27%	767,146	-6%	722,728	0%	726,340	2%	738,186	800,000	957,450	1,036,500	1,253,200	1,253,200	1,253,200
Replacement Reserve											0	17,745	33,995	33,995	33,995
<b>Total Expenses</b>	<b>2,808,363</b>	<b>15%</b>	<b>3,226,161</b>	<b>8%</b>	<b>3,484,254</b>	<b>7%</b>	<b>3,745,169</b>	<b>-5%</b>	<b>3,572,763</b>	<b>3,747,960</b>	<b>4,023,328</b>	<b>4,242,758</b>	<b>4,603,249</b>	<b>4,735,891</b>	<b>4,873,839</b>
<b>Net Operating Income</b>	<b>(306,081)</b>	<b>75%</b>	<b>(536,490)</b>	<b>92%</b>	<b>(1,029,138)</b>	<b>8%</b>	<b>(1,116,476)</b>	<b>-65%</b>	<b>(386,116)</b>	<b>(82,860)</b>	<b>396,672</b>	<b>398,242</b>	<b>269,751</b>	<b>380,709</b>	<b>498,561</b>
<b>Non-Operating Income and Expenses</b>															
Interest Income	288,750	-46%	155,300	-41%	90,858	-64%	32,654	-28%	23,495	12,500	12,500	12,500	12,500	12,500	12,500
Capacity Charges	839,651	-62%	318,117		235,840		75,324		0	0	0	50,000	75,000	75,000	75,000
<b>Total Non-Operating Income &amp; Expenses</b>	<b>1,128,401</b>	<b>-58%</b>	<b>473,417</b>	<b>-31%</b>	<b>326,698</b>	<b>-67%</b>	<b>107,978</b>	<b>-78%</b>	<b>23,495</b>	<b>12,500</b>	<b>12,500</b>	<b>62,500</b>	<b>87,500</b>	<b>87,500</b>	<b>87,500</b>
<b>Add Non-Cash Expenses</b>															
Depreciation	605,245	27%	767,146	-6%	722,728	0%	726,340	2%	738,186	800,000	957,450	1,036,500	1,253,200	1,253,200	1,253,200
<b>Cash Available for Debt Service</b>	<b>1,427,565</b>	<b>-51%</b>	<b>704,073</b>	<b>-97%</b>	<b>20,288</b>	<b>-1491%</b>	<b>(282,158)</b>	<b>-233%</b>	<b>375,565</b>	<b>729,640</b>	<b>1,366,622</b>	<b>1,497,242</b>	<b>1,610,451</b>	<b>1,721,409</b>	<b>1,839,261</b>
<b>Debt Service</b> (enter as positive #s)															
Existing Principal	616,813		762,569		1,020,054		236,657		90,000	385,000	400,000	410,000	420,000	440,000	460,000
Existing Interest	349,747		385,617		479,476		236,772		374,733	367,300	353,300	338,900	324,200	308,700	292,300
KIA (A10-04 - Buckner, \$2.4M)	0		0		0		0		0	0	75,493	150,987	150,987	150,987	150,987
KIA (A10-04 - Buckner, \$446K increase)	0		0		0		0		0	0	0	28,069	28,069	28,069	28,069
KIA (A10-05 - I & I, \$1.0M)	0		0		0		0		0	0	0	68,854	68,854	68,854	68,854
KIA (A10-06 - Green Valley, \$250K)	0		0		0		0		0	0	0	15,728	15,728	15,728	15,728
KIA (A10-07 - Orchard/Willow, \$2.6M)	0		0		0		0		0	0	81,829	163,658	163,658	163,658	163,658
KIA (A11-15 - Covered Bridge, \$400K)	0		0		0		0		0	0	12,582	25,164	25,164	25,164	25,164
KIA (A12-29 - Orchard Grass WWTP, \$6.5M)	0		0		0		0		0	0	0	408,923	408,923	408,923	408,923
<b>Total Debt Service</b>	<b>966,560</b>		<b>1,148,186</b>		<b>1,499,530</b>		<b>473,429</b>		<b>464,733</b>	<b>752,300</b>	<b>923,205</b>	<b>1,201,361</b>	<b>1,605,584</b>	<b>1,610,084</b>	<b>1,613,684</b>
<b>Income After Debt Service</b>	<b>461,005</b>		<b>(444,113)</b>		<b>(1,479,242)</b>		<b>(755,587)</b>		<b>(89,168)</b>	<b>(22,660)</b>	<b>443,417</b>	<b>295,881</b>	<b>4,867</b>	<b>111,325</b>	<b>225,577</b>
<b>Debt Coverage Ratio</b>	<b>1.5</b>		<b>0.6</b>		<b>0.0</b>		<b>(0.6)</b>		<b>0.8</b>	<b>1.0</b>	<b>1.5</b>	<b>1.2</b>	<b>1.0</b>	<b>1.1</b>	<b>1.1</b>



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**I.B.7.**



**A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING AN AMENDMENT TO THE CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED WASTEWATER REVOLVING FUND A LOAN (A11-15) INCREASING THE AMOUNT TO \$670,588 TO THE OLDHAM COUNTY ENVIRONMENTAL AUTHORITY, OLDHAM COUNTY, KENTUCKY**

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

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

**WHEREAS**, the Authority previously approved a Federally Assisted Waste Water Revolving Fund Loan (A11-15) to the Oldham County Environmental Authority on July 7, 2011 in the amount of \$400,000 and the Oldham County Environmental Authority has requested to increase Loan A11-15 to \$670,588; and

**WHEREAS**, the Authority anticipates entering into an Assistance Agreement for a loan from the Authority's Federally Assisted Wastewater Revolving Loan Program (Fund A) with the Oldham County Environmental Authority, subject to final determination of amount when the factors involving such financing have been determined; and

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

**WHEREAS**, the Authority wishes to establish terms and conditions on said Fund A loans prior to the issuance of Authority Revenue Bonds and recognizes that additional planning and design of the financed projects are required.

**NOW, THEREFORE, THE KENTUCKY INFRASTRUCTURE AUTHORITY, ACTING BY AND THROUGH ITS BOARD OF DIRECTORS AS ITS DULY AUTHORIZED AND EMPOWERED GOVERNING BODY, DOES HEREBY RESOLVE AND ORDER, AS FOLLOWS:**

Section 1. All statements of fact set forth in the preambles to this Resolution and Order are incorporated herein by reference, the same as if set forth verbatim. All such statements of fact are hereby declared to be true and accurate in all material respects.

Section 2. The Authority hereby authorizes the Amendment of a conditional Federally Assisted Wastewater Revolving Fund loan increasing the amount to \$670,588 of project expense including capitalized interest for the construction period, to the Oldham County Environmental Authority for the Covered Bridge WWTP Decommissioning Project. Such amounts are subject to adjustment by further action of the Authority or may be adjusted by action of the Authority staff at the time of the issuance of bonds based on adjustment in project costs of not more than (10%) ten percent of the project cost authorized by this resolution. Upon satisfaction of all conditions of the commitment, execution of an assistance agreement for this loan is authorized.

Section 3. The loan shall be repayable over 20 years at an interest rate of 2.0%. In addition to debt service, a .20% annual administration fee on the unpaid loan balance will be charged. From annual revenues, \$1,680 must be set aside in a borrower held replacement reserve each December 1 until the balance reaches \$16,800 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 June, 2012.

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TONY WILDER, CHAIR  
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

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SANDY WILLIAMS, SECRETARY  
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

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PECK, SHAFFER & WILLIAMS LLP  
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KENTUCKY INFRASTRUCTURE AUTHORITY



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**ENERGY AND ENVIRONMENT CABINET**  
DEPARTMENT FOR ENVIRONMENTAL PROTECTION  
DIVISION OF WATER  
200 FAIR OAKS LANE, 4TH FLOOR  
FRANKFORT, KENTUCKY 40601  
[www.kentucky.gov](http://www.kentucky.gov)

June 5, 2012

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

Re: CWL 11093 Fund A  
Ohio River WWTP—3330  
HUC 11# 05140101170  
Watershed Name: Ohio River, Goshen  
Activity ID: FGL20100008  
Fund A

Dear Mr. Covington:

The Division of Water (DOW) hereby certifies that the Oldham County Environmental Authority is entitled to receive priority for an increase of \$270,588 in funding for the Covered Bridge WWTP Decommissioning project and is eligible to receive \$670,588 from the Clean Water State Revolving Fund. The following requirements have been addressed as follows:

1. Plans and specifications were approved by DOW on 2/22/2012.
2. Construction bids were opened on 5/30/2012.
3. Project specific environmental information were approved:

Part 1-1/11/2011 and Part 2-5/20/2012

The binding commitment letter should include the following general conditions to satisfy federal requirements:

1. The Authority to Award (bid) package must be submitted to DOW for approval within 14 days of bid opening. DOW must perform the DBE reviews, conduct a pre-construction and project management conference.
2. Loan Agreement must be executed within six (6) months from bid opening.
3. The city must agree to expend all loan funds within six months of the date of initiation of operation.

4. Documentation of final funding commitments from all parties other than the Kentucky Infrastructure Authority (KIA) as reflected in the credit analysis shall be provided to KIA prior to their loan closing and disbursement of the loan monies. Rejections of any anticipated project funding shall be immediately reported to KIA and may cause this loan to be subject to further consideration.
5. The borrower must receive DOW approval of the Plans and Specifications before bidding the project.
6. The borrower must receive DOW approval of the Environmental Assessment before bidding the project.

Upon compliance with the general and special conditions, the DOW will issue its final project certification prior to finalizing the loan agreement.

Please forward the draft binding commitment letter to this office for review when completed. Should you have any questions concerning this letter, do not hesitate to contact Cathy Arnett, Project Administrator, at (502) 564-8158, extension 4594

Sincerely,



Buddy Griffin, Supervisor  
SRF & SPAP Section  
Water Infrastructure Branch

BG:CA

Enclosures

C: Horace Harrod  
Holly Nicholas  
Mark Ralph, Tetra Tech, Inc.

<b>EXECUTIVE SUMMARY</b>		Reviewer:	Sandy Williams	
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		Date:	June 7, 2012	
<b>FUND A, FEDERALLY ASSISTED WASTEWATER</b>		KIA Loan Number:	<b>A11-15 (Increase)</b>	
<b>REVOLVING LOAN FUND</b>		WRIS Number	<b>SX21185037</b>	
		HUC Code:	05140101170	
<b>BORROWER:</b>	<b>OLDHAM COUNTY ENVIRONMENTAL AUTHORITY</b>			
	<b>OLDHAM COUNTY</b>			
<b>BRIEF DESCRIPTION:</b>				
<p>The Oldham County Environmental Authority is requesting an increase of \$270,588 to the previously approved project (\$400,000) for the Covered Bridge WWTP Decommissioning project. During the project design, the engineers determined that the existing gravity line between the Albrecht Drive lift station and the Cross Hill Court lift station was not at a grade sufficient to handle the flows from the Covered Bridge area. The proposed solution is to construct approximately 2,200 linear feet of eight inch force main from an existing six inch force main to the Cross Hill Court lift station. The original project description is listed below.</p> <p>The Oldham County Environmental Authority is requesting a Fund A loan in the amount of \$400,000 for the Covered Bridge WWTP Decommissioning project. This package plant was constructed in the 1970's and has exceeded its useful life. This plant periodically has odor, noise and inflow and infiltration issues which will be eliminated. A pump station and approximately 2,200 linear feet of force main will be constructed to convey waste from the Covered Bridge subdivision to the Ohio River WWTP. Additionally, the Albrecht pump station will be upgraded to handle the increased flow that will result from this project.</p>				
<b>PROJECT FINANCING:</b>			<b>PROJECT BUDGET</b>	
Fund A Loan	\$	670,588	Administrative Expenses	\$ 23,000
			Engineering	83,133
			Construction	514,455
			Contingency	50,000
<b>TOTAL</b>	<b>\$</b>	<b>670,588</b>	<b>TOTAL</b>	<b>\$ 670,588</b>
<b>REPAYMENT</b>			Est. Annual	
	Rate	2.0%	Payment	\$ 408,923
	Term	20 years	1st Payment	6 Mo. after first draw
<b>PROFESSIONAL SERVICES</b>	Engineer	Tetra Tech, Inc.		
	Bond Counsel	Peck, Shaffer, & Williams		
<b>PROJECT SCHEDULE</b>			Bid Opening:	May 2012
			Construction Start:	July 2012
			Construction Stop:	January 2013
<b>DEBT PER CUSTOMER</b>	Existing:	\$	1,866	
	Proposed:	\$	4,099	
<b>OTHER DEBT</b>	See Attached			
<b>OTHER STATE-FUNDED PROJECTS LAST 5 YRS</b>	See Attached			
<b>RESIDENTIAL RATES</b>			<u>Users</u>	<u>Avg. Bill</u>
	Current	5,674	\$	37.83 (for 4,000 gallons)
	Additional	0	\$	37.83 (for 4,000 gallons)
<b>REGIONAL COORDINATION</b>	This project is consistent with regional planning recommendations.			
<b>CASHFLOW</b>	<b>Cash Available for</b>		<b>Income after Debt</b>	
	<b>Debt Service</b>	<b>Debt Service</b>	<b>Service</b>	<b>Coverage Ratio</b>
Audited 2007	1,427,565	966,560	461,005	1.5
Audited 2008	704,073	1,148,186	(444,113)	0.6
Audited 2009	20,288	1,499,530	(1,479,242)	0.0
Audited 2010	(282,158)	473,429	(755,587)	(0.6)
Audited 2011	375,565	464,733	(89,168)	0.8
Projected 2012	729,640	752,300	(22,660)	1.0
Projected 2013	1,366,622	931,716	434,906	1.5
Projected 2014	1,496,562	1,218,384	278,178	1.2
Projected 2015	1,609,771	1,622,607	(12,836)	1.0
Projected 2016	1,720,729	1,627,107	93,622	1.1
Projected 2017	1,838,581	1,630,707	207,874	1.1

Reviewer: Sandy Williams  
Date: June 7, 2012  
Loan Number: A11-15 (Increase)

**KENTUCKY INFRASTRUCTURE AUTHORITY  
WASTEWATER REVOLVING LOAN FUND (FUND "A")  
OLDHAM COUNTY ENVIRONMENTAL AUTHORITY, OLDHAM COUNTY  
PROJECT REVIEW  
SX21185037**

**I. PROJECT DESCRIPTION**

The Oldham County Environmental Authority is requesting an increase of \$270,588 of the approved Fund A base loan in the amount of \$400,000 for the Covered Bridge WWTP Decommissioning project. During the project design, the engineers determined that the existing gravity line between the Albrecht Drive lift station and the Cross Hill Court lift station was not at a grade sufficient to handle the flows from the Covered Bridge area. The proposed solution is to construct approximately 2,200 linear feet of eight inch force main from an existing six inch force main to the Cross Hill Court lift station. The original project description is listed below.

Original Request

The Oldham County Environmental Authority ("OCEA" and formerly Oldham County Sewer District) is requesting a Fund A loan in the amount of \$400,000 for the Covered Bridge WWTP Decommissioning project. This package plant was constructed in the 1970's and has exceeded its useful life. This plant periodically has odor, noise and inflow and infiltration issues which will be eliminated. A pump station and approximately 2,200 linear feet of force main will be constructed to convey waste from the Covered Bridge subdivision to the Ohio River WWTP. Additionally, the Albrecht pump station will be upgraded to handle the increased flow that will result from this project.

The Authority and the Division of Water are in negotiations about the details of an Agreed Order. DOW has indicated that five package plants need to be removed over the next five years. Since 1996 the Authority has built one new regional facility (Ohio River WWTP) and eliminated only three package plants. The Authority has plans to eliminate the five plants that have the highest occurrence of overflows and permit violations. In 2010 KIA approved loans totaling \$3,680,000 to eliminate the Willow Creek, Orchard Grass and Green Valley plants and to divert flow from the Buckner plant to the Kentucky State Reformatory. An additional \$900,000 has since been requested for the Buckner project and is discussed in a separate increase request (A10-04).

## II. PROJECT BUDGET

	<u>Original</u>	<u>Increase</u>	<u>Revised</u>
Administrative Expenses	\$ 23,000	\$ 0	\$ 23,000
Legal Expenses	7,500	(7,500)	
Engineering Fees	77,500	5,633	83,133
Construction	260,000	254,455	514,455
Contingency	26,000	24,000	50,000
Other	6,000	(6,000)	
<b>Total</b>	<b>\$ 400,000</b>	<b>\$270,588</b>	<b>\$ 670,588</b>

## III. PROJECT FUNDING

	<u>Amount</u>	<u>%</u>
Fund A Loan	\$ 670,588	100%
<b>Total</b>	<b>\$ 670,588</b>	<b>100%</b>

## IV. KIA DEBT SERVICE

	<u>Original</u>	<u>Increase</u>	<u>Revised</u>
Construction Loan	\$ 400,000	\$ 270,588	\$ 670,588
Interest Rate	2.00%	2.0%	2.0%
Loan Term (Years)	20	20	20
Estimated Annual Debt Service	\$ 24,364	\$ 6,482	\$ 40,846
Administrative Fee (0.20%)	\$ 800	\$ 541	\$ 1,341
<b>Total Estimated Annual Debt Service</b>	<b>\$ 25,164</b>	<b>\$ 17,023</b>	<b>\$ 42,187</b>

## V. PROJECT SCHEDULE

Bid Opening Date	May 2012
Construction Start	July 2012
Construction Completion	January 2013

## VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

### A) Customers

<u>Customers</u>	<u>Current</u>
Residential	5,490
Commercial	184
Industrial	0
<b>Total</b>	<b>5,674</b>

## B) Rates

Rate Increase Dates	01/01/09	09/01/10	09/01/11	07/01/12
Monthly Meter Charge	\$10.63	\$13.17	\$14.43	\$15.15
Sewer Compliance Cap Ex Surcharge	0.00	0.00	0.00	5.39
Rate Per 1,000 Gallons	4.31	5.34	5.85	6.14
Cost for 4,000 gallons	\$27.87	\$34.53	\$37.83	\$45.10
Affordability Index (Rate/MHI)	0.4%	0.5%	0.6%	0.7%
Percent Increase	25.0%	23.9%	9.6%	19.2%

Rate increases require approval of the Oldham County Fiscal Court. The Court approved a 5% increase and added a separate \$5.39 per month Sewer Compliance surcharge effective July 1, 2012

## VII. DEMOGRAPHICS

In 2010, the County's population was 56,194 with a Median Household Income (MHI) of \$78,460. The median household income for the Commonwealth is \$41,197. This project qualifies for a 2% interest rate because it is considered regional as defined in 200 KIA 17:050 because it combines two or more existing facilities or systems.

## VIII. 2011 CAPITALIZATION GRANT EQUIVALENCIES

- 1) Green Project Reserve - This project will not be reported for Green Project Reserve (GPR) funding.
- 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 June 30, 2007 through 2011. Amounts for the current year are estimated. Financial information for the Storm Water District is excluded from the analysis.

The Oldham County Sanitation District (OCSD) was established by the Oldham County Fiscal Court in December 1996 as a county wide sewer district for the purpose of acquiring, constructing, operating and maintaining sanitary sewer systems. OCSD's jurisdictional boundaries included all of Oldham County with the exception of the incorporated cities of LaGrange and Crestwood. Since OCSD's creation, Pewee Valley has been removed from OCSD's territory. On August 1, 2005, the City of Crestwood merged its sewer assets with the OCSD. On December 1, 2008 the City took back the management of its sewer system and the District transferred related assets back to the City. On August 10, 2010 OCSD and Oldham County Storm Water Management were merged to form the Oldham County Environmental Authority.

On November 15, 2008, Veolia assumed the operations and maintenance under a ten year contract. The monthly fee is guaranteed to cover all costs of operations except for maintenance, repairs and utilities which are trued up annually. The contract contains numerous performance metrics that are required to be reported to the Authority Board.

## HISTORICAL

Revenues increased 27% from \$2,502,282 in 2007 to \$3,186,585 in 2011. A 25% rate increase in mid fiscal 2009 was offset by the loss of Crestwood sewer revenues (\$250,000) and a change in accounting treatment for a transaction with the Kentucky State Reformatory (\$327,000). Rates were also increased by 24% in September 2010. Operating expenses increased by 29% from \$2,203,118 in 2007 to \$2,834,577 in 2011. During 2009 Authority incurred an additional \$495,000 in expenses for removal of an eighteen month backlog of sludge, catch up maintenance at the plants, and delinquent line repairs.

Interest income has decreased due to both a decrease in cash and investments and decreases in interest rates. Capacity charges have decreased as a result of weak demand for new construction and tap-in bans in some areas due to treatment plants being at or over their designed capacity.

Cash available for debt service declined from \$1,427,565 in 2007 to 375,565 in 2011. The debt coverage ratio was 1.5 in 2007 and below 1.0 for years 2008 through 2011. During 2009, the District fell out of compliance with loan covenants on a KLC lease agreement. While wastewater rates were increased by 25%, the increase was not sufficient to meet cash flow requirements. The debt was subsequently refinanced through the Oldham County Fiscal Court.

The balance sheet reflects a current ratio of 1.1 and a debt to equity ratio of 1.0. Unrestricted cash equals 1.8 months of operating expenses and the receivables collection period is 92.5 days. Oldham County Water District performs the billing and collection function monthly for approximately 50% of customers while the Louisville Water Company provides these services on a mix of monthly and bi-monthly frequency. Existing debt is comprised of a lease with the Oldham County Fiscal Court (due 2031) and bonds that were issued in 2009 (due 2030). KIA has approved projects totaling \$6.2 million for which spending will occur during 2012 and 2013. The addition of proposed increases and the proposed WWTP (A12-29) construction project will raise KIA's commitments to \$13.6 million.

## PROJECTIONS

Projections are based on the following assumptions:

- 1) Revenues will increase by 3% per year for volume. Approved rate increases will add 12% for 2012 and 17.6% for 2013. Annual inflationary increases of 2% are assumed thereafter.
- 2) OCEA does not have sufficient cash flow to incur significant additional debt beyond currently approved KIA loans, this project and the two proposed increases that are being submitted separately on June 7, 2012. The cash flow

- does not consider additional debt beyond these amounts.
- 3) Expenses will increase approximately 3% per year for inflation and 1% for volume.
  - 4) A replacement reserve of \$1,680 will be funded annually for ten years.
  - 5) Debt service on the proposed loan is estimated at \$42,187 annually with total debt service in 2015 estimated at about \$1.6 million.
  - 6) Debt service coverage is 1.0 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 \$1,680. This amount should be added to the replacement account each December 1 until the balance reaches \$16,800 and maintained for the life of the loan.

#### X. DEBT OBLIGATIONS

	Outstanding	Maturity
Oldham County Fiscal Court	\$ 3,250,000	2031
Series 2009 Bonds	7,335,000	2030
KIA A10-04 (i/a/o \$2.4MM)	0	TBD (*)
KIA A10-05 i/a/o \$1MM	0	TBD (*)
KIA A10-06 i/a/o \$250K	0	TBD (*)
KIA A10-07 i/a/o \$2.6MM	0	TBD (*)
KIA A11-15 i/a/o \$400m	0	TBD (*)
<b>Total</b>	<b>\$10,585,000</b>	

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

<u>Project Title</u>	<u>Funding Source</u>	<u>Amount</u>	<u>Type</u>
Buckner Interceptor	HB608	50,000	Grant
Ohio River WWTP	HB380	750,000	Grant
Sewer System Upgrades	HB608	950,000	Grant

**XII. CONTACTS**

<b>Applicant</b>	
Name	Oldham County Environmental Authority
Address	700 West Jefferson Street LaGrange, KY 40031
County	Oldham
Contact	Horace Harrod
Phone	(502) 225-9477
Email	horace.harrod@farmcreditbank.com

<b>Applicant Contact</b>	
Name	Kentucky Engineering Group
Address	PO Box 1034 Versailles, KY 40383
Contact	Holly L. Nicholas
Phone	(859) 333-9742
Email	hnicholas@kyengr.com

<b>Engineer</b>	
Name	Mark Ralph
Firm	Tetra Tech, Inc.
Address	2000 Wellington Way Louisville, KY 40222
Phone	(502) 568-6688
Email	Mark.Ralph@tetrattech.com

**XIII. RECOMMENDATIONS**

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

OLDHAM COUNTY ENVIRONMENTAL AUTHORITY  
BALANCE SHEETS (JUNE YEAR END)

ASSETS	Audited 2007	Audited 2008	Audited 2009	Audited 2010	Audited 2011	Upon Completion 2012	Upon Completion 2013	Upon Completion 2014
<b>Current Assets</b>								
Cash	555,758	1,614,830	841,165	637,764	432,044	420,700	642,400	790,300
Accounts Receivable	615,858	533,132	537,685	572,371	808,006	929,300	1,120,700	1,176,700
Other Current Assets	858,955	112,562	438,366	234,992	24,065	25,000	25,000	25,000
<b>Total Current Assets</b>	<b>2,030,571</b>	<b>2,260,524</b>	<b>1,817,216</b>	<b>1,445,127</b>	<b>1,264,115</b>	<b>1,375,000</b>	<b>1,788,100</b>	<b>1,992,000</b>
<b>Restricted Assets</b>								
Cash	3,418,983	1,704,562	294,248	281,193	97,737	100,000	100,000	100,000
<b>Total Restricted Assets</b>	<b>3,418,983</b>	<b>1,704,562</b>	<b>294,248</b>	<b>281,193</b>	<b>97,737</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>
<b>Utility Plant</b>								
Land, System, Building and Equipment	22,677,627	30,514,651	25,611,919	25,784,193	25,792,901	27,308,809	31,658,809	41,176,991
Construction in Progress	5,959,228	393,776	301,325	429,107	638,908	4,350,000	5,018,182	0
<b>Total</b>	<b>28,636,855</b>	<b>30,908,427</b>	<b>25,913,244</b>	<b>26,213,300</b>	<b>26,431,809</b>	<b>31,658,809</b>	<b>36,676,991</b>	<b>41,176,991</b>
<b>Less Accumulated Depreciation ( )</b>	<b>(2,330,407)</b>	<b>(3,097,553)</b>	<b>(3,276,697)</b>	<b>(3,959,883)</b>	<b>(4,667,732)</b>	<b>(5,467,732)</b>	<b>(6,425,182)</b>	<b>(7,461,682)</b>
<b>Net Fixed Assets</b>	<b>26,306,448</b>	<b>27,810,874</b>	<b>22,636,547</b>	<b>22,253,417</b>	<b>21,764,077</b>	<b>26,191,077</b>	<b>30,251,809</b>	<b>33,715,309</b>
<b>Other Assets</b>								
Other Assets	47,466	41,966	0	62,070	237,408	200,000	150,000	100,000
<b>Total Other Assets</b>	<b>47,466</b>	<b>41,966</b>	<b>0</b>	<b>62,070</b>	<b>237,408</b>	<b>200,000</b>	<b>150,000</b>	<b>100,000</b>
<b>Total Assets</b>	<b>31,803,468</b>	<b>31,817,926</b>	<b>24,748,011</b>	<b>24,041,807</b>	<b>23,363,337</b>	<b>27,866,077</b>	<b>32,289,909</b>	<b>35,907,309</b>
<b>LIABILITIES</b>								
<b>Current Liabilities</b>								
Line of Credit	1,467	0	0	0	0	0	0	0
Accounts Payable	319,710	157,714	295,972	84,530	191,648	100,000	100,000	100,000
Accrued Liabilities	116,980	284,929	54,188	135,525	62,070	65,000	70,000	85,000
Current Portion of Long-Term Debt	385,479	1,165,991	236,657	90,000	385,000	400,000	410,000	420,000
Current Portion of Unearned Tap Fees			59,840	8,092	505,120	150,000	150,000	178,315
<b>Total Current Liabilities</b>	<b>823,636</b>	<b>1,608,634</b>	<b>646,657</b>	<b>318,147</b>	<b>1,143,838</b>	<b>715,000</b>	<b>730,000</b>	<b>783,315</b>
<b>Long Term Liabilities</b>								
Long Term Debt, Less Current Portion	16,099,338	14,936,524	10,235,000	10,403,207	10,200,000	9,800,000	9,390,000	8,970,000
Notes Payable - KIA	0	0	0	0	0	4,350,000	9,368,182	13,868,182
Unearned Tap Fees	0	0	1,018,855	995,279	478,315	328,315	178,315	0
<b>Total Long Term Liabilities</b>	<b>16,099,338</b>	<b>14,936,524</b>	<b>11,253,855</b>	<b>11,398,486</b>	<b>10,678,315</b>	<b>14,478,315</b>	<b>18,936,497</b>	<b>22,838,182</b>
<b>Total Liabilities</b>	<b>16,922,974</b>	<b>16,545,158</b>	<b>11,900,512</b>	<b>11,716,633</b>	<b>11,822,153</b>	<b>15,193,315</b>	<b>19,666,497</b>	<b>23,621,497</b>
<b>Retained Earnings:</b>								
Invested in Capital Assets Net of Related Debt	13,239,147	14,849,798	11,938,620	11,730,210	11,179,077	11,641,077	11,083,627	10,457,127
Unrestricted	1,641,347	422,970	908,879	594,964	362,107	1,031,685	1,539,785	1,828,685
<b>Total Retained Earnings</b>	<b>14,880,494</b>	<b>15,272,768</b>	<b>12,847,499</b>	<b>12,325,174</b>	<b>11,541,184</b>	<b>12,672,762</b>	<b>12,623,412</b>	<b>12,285,812</b>
<b>Total Liabilities and Equities</b>	<b>31,803,468</b>	<b>31,817,926</b>	<b>24,748,011</b>	<b>24,041,807</b>	<b>23,363,337</b>	<b>27,866,077</b>	<b>32,289,909</b>	<b>35,907,309</b>
<b>Balance Sheet Analysis</b>								
Current Ratio	2.5	1.4	2.8	4.5	1.1	1.9	2.4	2.5
Debt to Equity	1.1	1.1	0.9	1.0	1.0	1.2	1.6	1.9
Days Sales in Accounts Receivable	89.8	72.3	79.9	79.5	92.5	92.5	92.5	92.5

**EXHIBIT 1  
 OLDHAM COUNTY ENVIRONMENTAL AUTHORITY  
 CASH FLOW ANALYSIS (JUNE YEAR END)**

	Audited 2007	% Change	Audited 2008	% Change	Audited 2009	% Change	Audited 2010	% Change	Audited 2011	Projected 2012	Projected 2013	Projected 2014	Projected 2015	Projected 2016	Projected 2017
<b>Operating Revenues</b>															
Service Charges	2,481,298	8%	2,680,354	-9%	2,440,636	8%	2,628,576	21%	3,186,585	3,664,600	4,419,500	4,640,500	4,872,500	5,116,100	5,371,900
Other	20,984	-56%	9,317		14,480		117	-47%	62	500	500	500	500	500	500
<b>Total Revenues</b>	<b>2,502,282</b>	<b>7%</b>	<b>2,689,671</b>	<b>-9%</b>	<b>2,455,116</b>	<b>7%</b>	<b>2,628,693</b>	<b>21%</b>	<b>3,186,647</b>	<b>3,665,100</b>	<b>4,420,000</b>	<b>4,641,000</b>	<b>4,873,000</b>	<b>5,116,600</b>	<b>5,372,400</b>
<b>Operating Expenses</b>															
Operating Expenses	2,203,118	12%	2,459,015	12%	2,761,526	9%	3,018,829	-6%	2,834,577	2,947,960	3,065,878	3,188,513	3,316,054	3,448,696	3,586,644
Depreciation	605,245	27%	767,146	-6%	722,728	0%	726,340	2%	738,186	800,000	957,450	1,036,500	1,253,200	1,253,200	1,253,200
Replacement Reserve											0	18,425	34,675	34,675	34,675
<b>Total Expenses</b>	<b>2,808,363</b>	<b>15%</b>	<b>3,226,161</b>	<b>8%</b>	<b>3,484,254</b>	<b>7%</b>	<b>3,745,169</b>	<b>-5%</b>	<b>3,572,763</b>	<b>3,747,960</b>	<b>4,023,328</b>	<b>4,243,438</b>	<b>4,603,929</b>	<b>4,736,571</b>	<b>4,874,519</b>
<b>Net Operating Income</b>	<b>(306,081)</b>	<b>75%</b>	<b>(536,490)</b>	<b>92%</b>	<b>(1,029,138)</b>	<b>8%</b>	<b>(1,116,476)</b>	<b>-65%</b>	<b>(386,116)</b>	<b>(82,860)</b>	<b>396,672</b>	<b>397,562</b>	<b>269,071</b>	<b>380,029</b>	<b>497,881</b>
<b>Non-Operating Income and Expenses</b>															
Interest Income	288,750	-46%	155,300	-41%	90,858	-64%	32,654	-28%	23,495	12,500	12,500	12,500	12,500	12,500	12,500
Capacity Charges	839,651	-62%	318,117		235,840		75,324		0	0	0	50,000	75,000	75,000	75,000
<b>Total Non-Operating Income &amp; Expenses</b>	<b>1,128,401</b>	<b>-58%</b>	<b>473,417</b>	<b>-31%</b>	<b>326,698</b>	<b>-67%</b>	<b>107,978</b>	<b>-78%</b>	<b>23,495</b>	<b>12,500</b>	<b>12,500</b>	<b>62,500</b>	<b>87,500</b>	<b>87,500</b>	<b>87,500</b>
<b>Add Non-Cash Expenses</b>															
Depreciation	605,245	27%	767,146	-6%	722,728	0%	726,340	2%	738,186	800,000	957,450	1,036,500	1,253,200	1,253,200	1,253,200
<b>Cash Available for Debt Service</b>	<b>1,427,565</b>	<b>-51%</b>	<b>704,073</b>	<b>-97%</b>	<b>20,288</b>	<b>-1491%</b>	<b>(282,158)</b>	<b>-233%</b>	<b>375,565</b>	<b>729,640</b>	<b>1,366,622</b>	<b>1,496,562</b>	<b>1,609,771</b>	<b>1,720,729</b>	<b>1,838,581</b>
<b>Debt Service</b> (enter as positive #'s)															
Existing Principal	616,813		762,569		1,020,054		236,657		90,000	385,000	400,000	410,000	420,000	440,000	460,000
Existing Interest	349,747		385,617		479,476		236,772		374,733	367,300	353,300	338,900	324,200	308,700	292,300
KIA (A10-04 - Buckner, \$2.4M)	0		0		0		0		0	0	75,493	150,987	150,987	150,987	150,987
KIA (A10-04 - Buckner, \$446K increase)	0		0		0		0		0	0	28,069	28,069	28,069	28,069	28,069
KIA (A10-05 - I & I, \$1.0M)	0		0		0		0		0	0	68,854	68,854	68,854	68,854	68,854
KIA (A10-06 - Green Valley, \$250K)	0		0		0		0		0	0	15,728	15,728	15,728	15,728	15,728
KIA (A10-07 - Orchard/Willow, \$2.6M)	0		0		0		0		0	81,829	163,658	163,658	163,658	163,658	163,658
KIA (A11-15 - Covered Bridge, \$670K)	0		0		0		0		0	21,094	42,187	42,187	42,187	42,187	42,187
KIA (A12-29 - Orchard Grass WWTP, \$6.5M)	0		0		0		0		0	0	0	408,923	408,923	408,923	408,923
<b>Total Debt Service</b>	<b>966,560</b>		<b>1,148,186</b>		<b>1,499,530</b>		<b>473,429</b>		<b>464,733</b>	<b>752,300</b>	<b>931,716</b>	<b>1,218,384</b>	<b>1,622,607</b>	<b>1,627,107</b>	<b>1,630,707</b>
<b>Income After Debt Service</b>	<b>461,005</b>		<b>(444,113)</b>		<b>(1,479,242)</b>		<b>(755,587)</b>		<b>(89,168)</b>	<b>(22,660)</b>	<b>434,906</b>	<b>278,178</b>	<b>(12,836)</b>	<b>93,622</b>	<b>207,874</b>
<b>Debt Coverage Ratio</b>	<b>1.5</b>		<b>0.6</b>		<b>0.0</b>		<b>(0.6)</b>		<b>0.8</b>	<b>1.0</b>	<b>1.5</b>	<b>1.2</b>	<b>1.0</b>	<b>1.1</b>	<b>1.1</b>



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**A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED WASTEWATER REVOLVING FUND LOAN (A12-29) OF \$6,500,000 TO THE OLDHAM COUNTY ENVIRONMENTAL AUTHORITY, OLDHAM 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 Oldham County Environmental Authority, subject to final determination of amount when the factors involving such financing have been determined; and

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

**WHEREAS**, the Authority wishes to establish terms and conditions on said Fund A loans prior to the issuance of Authority Revenue Bonds and recognizes that additional planning and design of the financed projects are required.

**NOW, THEREFORE, THE KENTUCKY INFRASTRUCTURE AUTHORITY, ACTING BY AND THROUGH ITS BOARD OF DIRECTORS AS ITS DULY AUTHORIZED AND EMPOWERED GOVERNING BODY, DOES HEREBY RESOLVE AND ORDER, AS FOLLOWS:**

Section 1. All statements of fact set forth in the preambles to this Resolution and Order are incorporated herein by reference, the same as if set forth verbatim. All such statements of fact are hereby declared to be true and accurate in all material respects.

Section 2. The Authority hereby authorizes the issuance of a conditional Federally Assisted Wastewater Revolving Fund loan for \$6,500,000 of project expense including capitalized interest for the construction period, to the Oldham County Environmental

Authority for the Orchard Grass Regional Wastewater Treatment Plant Project. Such amounts are subject to adjustment by further action of the Authority or may be adjusted by action of the Authority staff at the time of the issuance of bonds based on adjustment in project costs of not more than (10%) ten percent of the project cost authorized by this resolution. Upon satisfaction of all conditions of the commitment, execution of an assistance agreement for this loan is authorized.

Section 3. The loan shall be repayable over 20 years at an interest rate of 2.0%. In addition to debt service, a 0.2% annual administration fee on the unpaid loan balance will be charged. From annual revenues, \$16,250 must be set aside in a borrower held replacement reserve each December 1 until the balance reaches \$162,500 and maintained for the life of the loan. These terms are subject to adjustment upon execution of the loan agreement, upon changes in the project conditions or determination that the project will require authority financing to be done on a taxable basis.

Section 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 June, 2012.

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TONY WILDER, CHAIR  
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

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SANDY WILLIAMS, SECRETARY  
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

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

<b>EXECUTIVE SUMMARY</b>		Reviewer:	Sandy Williams
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		Date:	June 7, 2012
<b>FUND A, FEDERALLY ASSISTED WASTEWATER</b>		KIA Loan Number:	<b>A12-29</b>
<b>REVOLVING LOAN FUND</b>		WRIS Number	<b>SX21185052</b>
		HUC Code:	0
BORROWER:	<b>OLDHAM COUNTY ENVIRONMENTAL AUTHORITY</b>		
	<b>OLDHAM COUNTY</b>		
BRIEF DESCRIPTION:			
This project is for the construction of a 0.75 MGD wastewater treatment plant in the Orchard Grass / Willow Creek / Crestwood watershed. It will enable the Authority to decommission the existing Orchard Grass WWTP in order to comply with the pending Agreed Order.			
PROJECT FINANCING:		PROJECT BUDGET	
Fund A Loan	\$ 6,500,000	Administrative Expenses	\$ 30,000
Local Funds	150,000	Legal Expenses	10,000
		Land, Easements	150,000
		Planning	90,000
		Engineering	650,000
		Construction	5,400,000
		Contingency	290,000
		Other	30,000
TOTAL	\$ 6,650,000	TOTAL	\$ 6,650,000
REPAYMENT		Est. Annual	
	Rate	2.0%	Payment \$ 408,923
	Term	20 years	1st Payment 6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	Gresham Smith & Partners	
	Bond Counsel	Peck, Shaffer, & Williams	
PROJECT SCHEDULE			
	Bid Opening:	November 2012	
	Construction Start:	January 2013	
	Construction Stop:	January 2014	
DEBT PER CUSTOMER	Existing:	\$ 1,866	
	Proposed:	\$ 4,051	
OTHER DEBT	See Attached		
OTHER STATE-FUNDED PROJECTS LAST 5 YRS	See Attached		
RESIDENTIAL RATES		<u>Users</u>	<u>Avg. Bill</u>
	Current	5,674 \$	37.83 (for 4,000 gallons)
	Additional	0 \$	37.83 (for 4,000 gallons)
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.		
CASHFLOW	<b>Cash Available for</b>	<b>Income after Debt</b>	
	<b>Debt Service</b>	<b>Debt Service</b>	<b>Service Coverage Ratio</b>
Audited 2007	1,427,565	966,560	461,005 1.5
Audited 2008	704,073	1,148,186	(444,113) 0.6
Audited 2009	20,288	1,499,530	(1,479,242) 0.0
Audited 2010	(282,158)	473,429	(755,587) (0.6)
Audited 2011	375,565	464,733	(89,168) 0.8
Projected 2012	729,640	752,300	(22,660) 1.0
Projected 2013	1,366,622	923,205	443,417 1.5
Projected 2014	1,497,242	1,201,361	295,881 1.2
Projected 2015	1,610,451	1,605,584	4,867 1.0
Projected 2016	1,721,409	1,610,084	111,325 1.1
Projected 2017	1,839,261	1,613,684	225,577 1.1

**KENTUCKY INFRASTRUCTURE AUTHORITY  
WASTEWATER REVOLVING LOAN FUND (FUND "A")  
OLDHAM COUNTY ENVIRONMENTAL AUTHORITY, OLDHAM COUNTY  
PROJECT REVIEW  
SX21185052**

**I. PROJECT DESCRIPTION**

The Oldham County Environmental Authority (OCEA) is requesting a \$6,500,000 Fund "A" loan for the Orchard Grass Regional Wastewater Treatment Plant project. The project is for the construction of a 0.75 MGD wastewater treatment plant in the Orchard Grass / Willow Creek / Crestwood watershed. It will permit the Authority to decommission the existing Orchard Grass WWTP, comply with the pending Agreed Order and provide needed capacity in the region.

OCEA has not been able to reach an agreement with Louisville MSD for a contracted treatment alternative for the Orchard Grass flow and believes that it is in the best interest of the region to pursue this path. They still hope to reach an agreement for the Ash Avenue flow. The original plan was to decommission the existing Orchard Grass and Willow Creek plants, construct lift stations at each location and construct a force main to connect to MSD's Hite Creek facility. This plan was subsequently modified, as an interim phase, to convert the Willow Creek plant to an equalization basin to permit the Orchard Grass plant to handle the additional flow until both facilities could ultimately be eliminated. Both plants have had numerous violations in recent years.

**II. PROJECT BUDGET**

	<u>Total</u>
Administrative Expenses	\$ 30,000
Legal Expenses	10,000
Land, Easements	150,000
Engineering Fees	740,000
Construction	5,400,000
Contingency	290,000
Other	30,000
<b>Total</b>	<b>\$ 6,650,000</b>

**III. PROJECT FUNDING**

	Amount	%
Fund A Loan	\$ 6,500,000	98%
Local Funds	150,000	2%
<b>Total</b>	<b>\$ 6,650,000</b>	<b>100%</b>

**IV. KIA DEBT SERVICE**

Construction Loan	\$ 6,500,000
Interest Rate	2.0%
Loan Term (Years)	20
Estimated Annual Debt Service	\$ 395,923
Administrative Fee (0.20%)	\$ 13,000
<b>Total Estimated Annual Debt Service</b>	<b>\$ 408,923</b>

**V. PROJECT SCHEDULE**

Bid Opening Date	November 2012
Construction Start	January 2013
Construction Completion	January 2014

**VI. CUSTOMER COMPOSITION AND RATE STRUCTURE**

<b>A) Customers</b>	Current
Residential	5,490
Commercial	184
Industrial	0
<b>Total</b>	<b>5,674</b>

**B) Rates**

Rate Increase Dates	01/01/09	09/01/10	09/01/11	07/01/12
Monthly Meter Charge	\$10.63	\$13.17	\$14.43	\$15.15
Sewer Compliance Cap Ex Surcharge	0.00	0.00	0.00	5.39
Rate Per 1,000 Gallons	4.31	5.34	5.85	6.14
Cost for 4,000 gallons	\$27.87	\$34.53	\$37.83	\$45.10
Affordability Index (Rate/MHI)	0.4%	0.5%	0.6%	0.7%
Percent Increase	25.0%	23.9%	9.6%	19.2%

Rate increases require approval of the Oldham County Fiscal Court. The Court approved a 5% increase and added a separate \$5.39 per month Sewer Compliance surcharge effective July 1, 2012

## **VII. DEMOGRAPHICS**

In 2010, the County's population was 56,194 with a Median Household Income (MHI) of \$78,460. The median household income for the Commonwealth is \$41,197. This project qualifies for a 2% interest rate because it is considered regional as defined in 200 KIA 17:050 because it combines two or more existing facilities or systems.

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

- 1) Green Project Reserve - This project will not be reported for Green Project Reserve (GPR) funding.
- 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 June 30, 2007 through 2011. Amounts for the current year are estimated. Financial information for the Storm Water District is excluded from the analysis.

The Oldham County Sanitation District (OCSD) was established by the Oldham County Fiscal Court in December 1996 as a county wide sewer district for the purpose of acquiring, constructing, operating and maintaining sanitary sewer systems. OCSD's jurisdictional boundaries included all of Oldham County with the exception of the incorporated cities of LaGrange and Crestwood. Since OCSD's creation, Pewee Valley has been removed from OCSD's territory. On August 1, 2005, the City of Crestwood merged its sewer assets with the OCSD. On December 1, 2008 the City took back the management of its sewer system and the District transferred related assets back to the City. On August 10, 2010 OCSD and Oldham County Storm Water Management were merged to form the Oldham County Environmental Authority.

On November 15, 2008, Veolia assumed the operations and maintenance under a ten year contract. The monthly fee is guaranteed to cover all costs of operations except for maintenance, repairs and utilities which are trued up annually. The contract contains numerous performance metrics that are required to be reported to the Authority Board.

### **HISTORICAL**

Revenues increased 27% from \$2,502,282 in 2007 to \$3,186,585 in 2011. A 25% rate increase in mid fiscal 2009 was offset by the loss of Crestwood sewer revenues (\$250,000) and a change in accounting treatment for a transaction with the Kentucky State Reformatory (\$327,000). Rates were also increased by 24% in September 2010. Operating expenses increased by 29% from \$2,203,118 in 2007 to \$2,834,577 in 2011. During 2009 Authority incurred an additional \$495,000 in expenses for removal of an eighteen month backlog of sludge, catch up maintenance at the plants, and delinquent line repairs.

Interest income has decreased due to both a decrease in cash and investments and decreases in interest rates. Capacity charges have also decreased as a result of weak demand for new construction and tap-in bans in some areas due to treatment plants being at or over their designed capacity.

Cash available for debt service declined from \$1,427,565 in 2007 to 375,565 in 2011. The debt coverage ratio was 1.5 in 2007 and below 1.0 for years 2008 through 2011. During 2009, the District fell out of compliance with loan covenants on a KLC lease agreement. While wastewater rates were increased by 25%, the increase was not sufficient to meet cash flow requirements. The debt was subsequently refinanced through the Oldham County Fiscal Court.

The balance sheet reflects a current ratio of 1.1 and a debt to equity ratio of 1.0. Unrestricted cash equals 1.8 months of operating expenses and the receivables collection period is 92.5 days. Oldham County Water District performs the billing and collection function monthly for approximately 50% of customers while the Louisville Water Company provides these services on a mix of monthly and bi-monthly frequency. Existing debt is comprised of a lease with the Oldham County Fiscal Court (due 2031) and bonds that were issued in 2009 (due 2030). KIA has approved projects totaling \$6.2 million for which spending will occur during 2012 and 2013. The addition of this project and proposed increases will raise KIA's commitments to \$13.6 million.

## PROJECTIONS

Projections are based on the following assumptions:

- 1) Revenues will increase by 3% per year for volume. Approved rate increases will add 12% for 2012 and 17.6% for 2013. Annual inflationary increases of 2% are assumed thereafter.
- 2) OCEA does not have sufficient cash flow to incur significant additional debt beyond currently approved KIA loans, this project and the two proposed increases that are being submitted separately on June 7, 2012. The cash flow does not consider additional debt beyond these amounts.
- 3) Expenses will increase approximately 3% per year for inflation and 1% for volume.
- 4) A replacement reserve of \$16,250 will be funded annually for ten years.
- 5) Debt service on the proposed loan is estimated at \$408,923 annually with total debt service in 2015 estimated at about \$1.6 million.
- 6) Debt service coverage is 1.0 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 \$16,250. This amount should be added to the replacement account each December 1 until the balance reaches \$162,500 and maintained for the life of the loan.

**X. DEBT OBLIGATIONS**

	Outstanding	Maturity
Oldham County Fiscal Court	\$ 3,250,000	2031
Series 2009 Bonds	7,335,000	2030
KIA A10-04 (i/a/o \$2.4MM)	0	TBD (*)
KIA A10-05 i/a/o \$1MM	0	TBD (*)
KIA A10-06 i/a/o \$250K	0	TBD (*)
KIA A10-07 i/a/o \$2.6MM	0	TBD (*)
KIA A11-15 i/a/o \$400m	0	TBD (*)
<b>Total</b>	<b>\$10,585,000</b>	

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

<u>Project Title</u>	<u>Funding Source</u>	<u>Amount</u>	<u>Type</u>
Buckner Interceptor	HB608	50,000	Grant
Ohio River WWTP	HB380	750,000	Grant
Sewer System Upgrades	HB608	950,000	Grant

**XII. CONTACTS**

<b>Applicant</b>	
Name	Oldham County Environmental Authority
Address	700 West Jefferson Street LaGrange, KY 40031
County	Oldham
Contact	Horace Harrod
Phone	(502) 225-9477
Email	horace.harrod@farmcreditbank.com

<b>Applicant Contact</b>	
Name	Kentucky Engineering Group
Address	PO Box 1034 Versailles, KY 40383
Contact	Holly L. Nicholas
Phone	(859) 333-9742
Email	hnicholas@kyengr.com

**Engineer**

Name	Jim Hagerty
Firm	Gresham Smith & Partners
Address	101 S 5th St, Ste 1400 Louisville, KY 40202
Phone	(502) 548-0598
Email	littlecreek50@insightbb.com

**XIII. RECOMMENDATIONS**

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

OLDHAM COUNTY ENVIRONMENTAL AUTHORITY  
BALANCE SHEETS (JUNE YEAR END)

ASSETS	Audited 2007	Audited 2008	Audited 2009	Audited 2010	Audited 2011	Upon Completion 2012	Upon Completion 2013	Upon Completion 2014
<b>Current Assets</b>								
Cash	555,758	1,614,830	841,165	637,764	432,044	420,700	642,400	790,300
Accounts Receivable	615,858	533,132	537,685	572,371	808,006	929,300	1,120,700	1,176,700
Other Current Assets	858,955	112,562	438,366	234,992	24,065	25,000	25,000	25,000
<b>Total Current Assets</b>	<b>2,030,571</b>	<b>2,260,524</b>	<b>1,817,216</b>	<b>1,445,127</b>	<b>1,264,115</b>	<b>1,375,000</b>	<b>1,788,100</b>	<b>1,992,000</b>
<b>Restricted Assets</b>								
Cash	3,418,983	1,704,562	294,248	281,193	97,737	100,000	100,000	100,000
<b>Total Restricted Assets</b>	<b>3,418,983</b>	<b>1,704,562</b>	<b>294,248</b>	<b>281,193</b>	<b>97,737</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>
<b>Utility Plant</b>								
Land, System, Building and Equipment	22,677,627	30,514,651	25,611,919	25,784,193	25,792,901	27,308,809	31,658,809	40,906,403
Construction in Progress	5,959,228	393,776	301,325	429,107	638,908	4,350,000	4,747,594	0
<b>Total</b>	<b>28,636,855</b>	<b>30,908,427</b>	<b>25,913,244</b>	<b>26,213,300</b>	<b>26,431,809</b>	<b>31,658,809</b>	<b>36,406,403</b>	<b>40,906,403</b>
<b>Less Accumulated Depreciation ( )</b>	<b>(2,330,407)</b>	<b>(3,097,553)</b>	<b>(3,276,697)</b>	<b>(3,959,883)</b>	<b>(4,667,732)</b>	<b>(5,467,732)</b>	<b>(6,425,182)</b>	<b>(7,461,682)</b>
<b>Net Fixed Assets</b>	<b>26,306,448</b>	<b>27,810,874</b>	<b>22,636,547</b>	<b>22,253,417</b>	<b>21,764,077</b>	<b>26,191,077</b>	<b>29,981,221</b>	<b>33,444,721</b>
<b>Other Assets</b>								
Other Assets	47,466	41,966	0	62,070	237,408	200,000	150,000	100,000
<b>Total Other Assets</b>	<b>47,466</b>	<b>41,966</b>	<b>0</b>	<b>62,070</b>	<b>237,408</b>	<b>200,000</b>	<b>150,000</b>	<b>100,000</b>
<b>Total Assets</b>	<b>31,803,468</b>	<b>31,817,926</b>	<b>24,748,011</b>	<b>24,041,807</b>	<b>23,363,337</b>	<b>27,866,077</b>	<b>32,019,321</b>	<b>35,636,721</b>
						0	0	0
<b>LIABILITIES</b>								
<b>Current Liabilities</b>								
Line of Credit	1,467	0	0	0	0	0	0	0
Accounts Payable	319,710	157,714	295,972	84,530	191,648	100,000	100,000	100,000
Accrued Liabilities	116,980	284,929	54,188	135,525	62,070	65,000	70,000	85,000
Current Portion of Long-Term Debt	385,479	1,165,991	236,657	90,000	385,000	400,000	410,000	420,000
Current Portion of Unearned Tap Fees			59,840	8,092	505,120	150,000	150,000	178,315
<b>Total Current Liabilities</b>	<b>823,636</b>	<b>1,608,634</b>	<b>646,657</b>	<b>318,147</b>	<b>1,143,838</b>	<b>715,000</b>	<b>730,000</b>	<b>783,315</b>
<b>Long Term Liabilities</b>								
Long Term Debt, Less Current Portion	16,099,338	14,936,524	10,235,000	10,403,207	10,200,000	9,800,000	9,390,000	8,970,000
Notes Payable - KIA	0	0	0	0	0	4,350,000	9,097,594	13,597,594
Unearned Tap Fees	0	0	1,018,855	995,279	478,315	328,315	178,315	0
<b>Total Long Term Liabilities</b>	<b>16,099,338</b>	<b>14,936,524</b>	<b>11,253,855</b>	<b>11,398,486</b>	<b>10,678,315</b>	<b>14,478,315</b>	<b>18,665,909</b>	<b>22,567,594</b>
<b>Total Liabilities</b>	<b>16,922,974</b>	<b>16,545,158</b>	<b>11,900,512</b>	<b>11,716,633</b>	<b>11,822,153</b>	<b>15,193,315</b>	<b>19,395,909</b>	<b>23,350,909</b>
<b>Retained Earnings:</b>								
Invested in Capital Assets Net of Related Debt	13,239,147	14,849,798	11,938,620	11,730,210	11,179,077	11,641,077	11,083,627	10,457,127
Unrestricted	1,641,347	422,970	908,879	594,964	362,107	1,031,685	1,539,785	1,828,685
<b>Total Retained Earnings</b>	<b>14,880,494</b>	<b>15,272,768</b>	<b>12,847,499</b>	<b>12,325,174</b>	<b>11,541,184</b>	<b>12,672,762</b>	<b>12,623,412</b>	<b>12,285,812</b>
<b>Total Liabilities and Equities</b>	<b>31,803,468</b>	<b>31,817,926</b>	<b>24,748,011</b>	<b>24,041,807</b>	<b>23,363,337</b>	<b>27,866,077</b>	<b>32,019,321</b>	<b>35,636,721</b>
<b>Balance Sheet Analysis</b>								
Current Ratio	2.5	1.4	2.8	4.5	1.1	1.9	2.4	2.5
Debt to Equity	1.1	1.1	0.9	1.0	1.0	1.2	1.5	1.9
Days Sales in Accounts Receivable	89.8	72.3	79.9	79.5	92.5	92.5	92.5	92.5

**EXHIBIT 1  
 OLDHAM COUNTY ENVIRONMENTAL AUTHORITY  
 CASH FLOW ANALYSIS (JUNE YEAR END)**

	Audited 2007	% Change	Audited 2008	% Change	Audited 2009	% Change	Audited 2010	% Change	Audited 2011	Projected 2012	Projected 2013	Projected 2014	Projected 2015	Projected 2016	Projected 2017
<b>Operating Revenues</b>															
Service Charges	2,481,298	8%	2,680,354	-9%	2,440,636	8%	2,628,576	21%	3,186,585	3,664,600	4,419,500	4,640,500	4,872,500	5,116,100	5,371,900
Other	20,984	-56%	9,317		14,480		117	-47%	62	500	500	500	500	500	500
<b>Total Revenues</b>	<b>2,502,282</b>	<b>7%</b>	<b>2,689,671</b>	<b>-9%</b>	<b>2,455,116</b>	<b>7%</b>	<b>2,628,693</b>	<b>21%</b>	<b>3,186,647</b>	<b>3,665,100</b>	<b>4,420,000</b>	<b>4,641,000</b>	<b>4,873,000</b>	<b>5,116,600</b>	<b>5,372,400</b>
<b>Operating Expenses</b>															
Operating Expenses	2,203,118	12%	2,459,015	12%	2,761,526	9%	3,018,829	-6%	2,834,577	2,947,960	3,065,878	3,188,513	3,316,054	3,448,696	3,586,644
Depreciation	605,245	27%	767,146	-6%	722,728	0%	726,340	2%	738,186	800,000	957,450	1,036,500	1,253,200	1,253,200	1,253,200
Replacement Reserve											0	17,745	33,995	33,995	33,995
<b>Total Expenses</b>	<b>2,808,363</b>	<b>15%</b>	<b>3,226,161</b>	<b>8%</b>	<b>3,484,254</b>	<b>7%</b>	<b>3,745,169</b>	<b>-5%</b>	<b>3,572,763</b>	<b>3,747,960</b>	<b>4,023,328</b>	<b>4,242,758</b>	<b>4,603,249</b>	<b>4,735,891</b>	<b>4,873,839</b>
<b>Net Operating Income</b>	<b>(306,081)</b>	<b>75%</b>	<b>(536,490)</b>	<b>92%</b>	<b>(1,029,138)</b>	<b>8%</b>	<b>(1,116,476)</b>	<b>-65%</b>	<b>(386,116)</b>	<b>(82,860)</b>	<b>396,672</b>	<b>398,242</b>	<b>269,751</b>	<b>380,709</b>	<b>498,561</b>
<b>Non-Operating Income and Expenses</b>															
Interest Income	288,750	-46%	155,300	-41%	90,858	-64%	32,654	-28%	23,495	12,500	12,500	12,500	12,500	12,500	12,500
Capacity Charges	839,651	-62%	318,117		235,840		75,324		0	0	0	50,000	75,000	75,000	75,000
<b>Total Non-Operating Income &amp; Expenses</b>	<b>1,128,401</b>	<b>-58%</b>	<b>473,417</b>	<b>-31%</b>	<b>326,698</b>	<b>-67%</b>	<b>107,978</b>	<b>-78%</b>	<b>23,495</b>	<b>12,500</b>	<b>12,500</b>	<b>62,500</b>	<b>87,500</b>	<b>87,500</b>	<b>87,500</b>
<b>Add Non-Cash Expenses</b>															
Depreciation	605,245	27%	767,146	-6%	722,728	0%	726,340	2%	738,186	800,000	957,450	1,036,500	1,253,200	1,253,200	1,253,200
<b>Cash Available for Debt Service</b>	<b>1,427,565</b>	<b>-51%</b>	<b>704,073</b>	<b>-97%</b>	<b>20,288</b>	<b>-1491%</b>	<b>(282,158)</b>	<b>-233%</b>	<b>375,565</b>	<b>729,640</b>	<b>1,366,622</b>	<b>1,497,242</b>	<b>1,610,451</b>	<b>1,721,409</b>	<b>1,839,261</b>
<b>Debt Service</b> (enter as positive #'s)															
Existing Principal	616,813		762,569		1,020,054		236,657		90,000	385,000	400,000	410,000	420,000	440,000	460,000
Existing Interest	349,747		385,617		479,476		236,772		374,733	367,300	353,300	338,900	324,200	308,700	292,300
KIA (A10-04 - Buckner, \$2.4M)	0		0		0		0		0	0	75,493	150,987	150,987	150,987	150,987
KIA (A10-04 - Buckner, \$446K increase)	0		0		0		0		0	0	0	28,069	28,069	28,069	28,069
KIA (A10-05 - I & I, \$1.0M)	0		0		0		0		0	0	0	68,854	68,854	68,854	68,854
KIA (A10-06 - Green Valley, \$250K)	0		0		0		0		0	0	0	15,728	15,728	15,728	15,728
KIA (A10-07 - Orchard/Willow, \$2.6M)	0		0		0		0		0	0	81,829	163,658	163,658	163,658	163,658
KIA (A11-15 - Covered Bridge, \$400K)	0		0		0		0		0	0	12,582	25,164	25,164	25,164	25,164
KIA (A12-29 - Orchard Grass WWTP, \$6.5M)	0		0		0		0		0	0	0	0	408,923	408,923	408,923
<b>Total Debt Service</b>	<b>966,560</b>		<b>1,148,186</b>		<b>1,499,530</b>		<b>473,429</b>		<b>464,733</b>	<b>752,300</b>	<b>923,205</b>	<b>1,201,361</b>	<b>1,605,584</b>	<b>1,610,084</b>	<b>1,613,684</b>
<b>Income After Debt Service</b>	<b>461,005</b>		<b>(444,113)</b>		<b>(1,479,242)</b>		<b>(755,587)</b>		<b>(89,168)</b>	<b>(22,660)</b>	<b>443,417</b>	<b>295,881</b>	<b>4,867</b>	<b>111,325</b>	<b>225,577</b>
<b>Debt Coverage Ratio</b>	<b>1.5</b>		<b>0.6</b>		<b>0.0</b>		<b>(0.6)</b>		<b>0.8</b>	<b>1.0</b>	<b>1.5</b>	<b>1.2</b>	<b>1.0</b>	<b>1.1</b>	<b>1.1</b>



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**I.B.9.**



**A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR AN INFRASTRUCTURE REVOLVING FUND LOAN (B12-03) OF \$92,000 TO THE NEBO WATER DISTRICT, HOPKINS 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 Nebo Water District, 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 \$92,000 of project expense, to the Nebo Water District for the Tank Upgrade 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 2.0% subject to determination of the tax status of the project. In addition to debt service, a 0.2% annual administration fee on the unpaid, principal balance will be charged. From annual revenues, \$230 must be set aside in a borrower held replacement reserve each December 1 until the balance reaches \$2,300 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 June, 2012.

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TONY WILDER, CHAIR  
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

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SANDY WILLIAMS, SECRETARY  
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

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LEGAL COUNSEL TO THE  
KENTUCKY INFRASTRUCTURE AUTHORITY

<b>EXECUTIVE SUMMARY</b>		Reviewer:	Sandy Williams	
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		Date:	June 7, 2012	
<b>FUND B, INFRASTRUCTURE</b>		KIA Loan Number:	<b>B12-03</b>	
<b>REVOLVING LOAN FUND</b>		WRIS Number	<b>WX21107002</b>	
<b>BORROWER:</b>	<b>NEBO WATER DISTRICT</b>			
	<b>HOPKINS COUNTY</b>			
<b>BRIEF DESCRIPTION:</b>				
This project will add mixing systems to the older rainwater stand pipe and elevated tank in the District's system. The addition will enable the system to meet residual and turnover requirements in 2014.				
<b>PROJECT FINANCING:</b>			<b>PROJECT BUDGET</b>	
Fund B Loan	\$	92,000	Administrative Expenses	\$ 2,500
			Engineering	4,500
			Construction	85,000
<b>TOTAL</b>	<b>\$</b>	<b>92,000</b>	<b>TOTAL</b>	<b>\$ 92,000</b>
<b>REPAYMENT</b>				
	Rate	2.0%	Est. Annual Payment	\$ 5,788
	Term	20 years	1st Payment	6 Mo. after first draw
<b>PROFESSIONAL SERVICES</b>	Engineer	Wet or Dry		
	Bond Counsel	Peck, Shaffer, & Williams		
<b>PROJECT SCHEDULE</b>				
	Bid Opening:	March 2012		
	Construction Start:	July 2012		
	Construction Stop:	November 2012		
<b>DEBT PER CUSTOMER</b>	Existing:	\$	420	
	Proposed:	\$	200	
<b>OTHER DEBT</b>	See Attached			
<b>OTHER STATE-FUNDED PROJECTS LAST 5 YRS</b>	See Attached			
<b>RESIDENTIAL RATES</b>				
		<u>Users</u>	<u>Avg. Bill</u>	
	Current	1,554	\$	33.63 (for 4,000 gallons)
	Additional	0	\$	33.63 (for 4,000 gallons)
<b>REGIONAL COORDINATION</b>	This project is consistent with regional planning recommendations.			
<b>CASHFLOW</b>	<b>Cash Available for Debt Service</b>		<b>Income after Debt Service</b>	<b>Coverage Ratio</b>
Audited 2008	98,772	90,886	7,886	1.1
Audited 2009	136,225	91,038	45,187	1.5
Audited 2010	115,695	90,551	25,144	1.3
Audited 2011	226,316	89,920	136,396	2.5
Projected 2012	143,421	88,067	55,354	1.6
Projected 2013	147,083	20,567	126,516	7.2
Projected 2014	159,589	21,142	138,447	7.5
Projected 2015	172,277	20,696	151,581	8.3

**KENTUCKY INFRASTRUCTURE AUTHORITY  
 INFRASTRUCTURE REVOLVING LOAN FUND (FUND "B")  
 NEBO WATER DISTRICT, HOPKINS COUNTY  
 PROJECT REVIEW  
 WX21107002**

**I. PROJECT DESCRIPTION**

The Nebo Water District is requesting a Fund "B" loan in the amount of \$92,000 for the Tank Upgrade project. The project will add mixing systems to the older rainwater stand pipe and elevated tank in the District's system. The addition will enable the system to meet residual and turnover requirements in 2014. The project ranked sixty-second on the 2012 Drinking Water priority list while the highest ranked project that was invited to apply was thirty-six resulting in the District's decision to pursue a Fund B loan instead.

**II. PROJECT BUDGET**

	Total
Administrative Expenses	\$ 2,500
Engineering Fees	4,500
Construction	85,000
<b>Total</b>	<b>\$ 92,000</b>

**III. PROJECT FUNDING**

	Amount	%
Fund B Loan	\$ 92,000	100%
<b>Total</b>	<b>\$ 92,000</b>	<b>100%</b>

**IV. KIA DEBT SERVICE**

Construction Loan	\$ 92,000
Interest Rate	2.0%
Loan Term (Years)	20
Estimated Annual Debt Service	\$ 5,604
Administrative Fee (0.20%)	\$ 184
<b>Total Estimated Annual Debt Service</b>	<b>\$ 5,788</b>

**V. PROJECT SCHEDULE**

Bid Opening	March 2012
Construction Start	July 2012
Construction Stop	November 2012

**VI. CUSTOMER COMPOSITION AND RATE STRUCTURE**

**A) Customers**

Customers	Current
Residential	1,525
Commercial	22
Industrial	7
Total	<u>1,554</u>

**B) Rates**

	Current	Prior
Date of Last Rate Increase	03/15/2012	
Minimum (2,000 Gallons)	\$18.61	\$19.39
Next 2,000 Gallons	7.51	7.90
Next 6,000 Gallons	7.06	7.45
Next 10,000 Gallons	6.63	7.02
Over 20,000 Gallons	6.18	6.57
Cost for 4,000 gallons	\$33.63	\$35.19
Increase %	-4.4%	
Affordability Index (Rate/MHI)	1.0%	

Rates were decreased in 2012 due to a decrease in the purchase water rate from the City of Madisonville from \$3.95 to \$3.63 per thousand gallons.

**VII. DEMOGRAPHICS**

In 2010, Hopkins County's population was 46,234 with a Median Household Income (MHI) of \$39,096. The median household income for the Commonwealth is \$41,197. The loan qualifies for a 2% interest rate.

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

Financial information was obtained from the audited financial statements for the years ended December 31, 2008 through 2011.

## HISTORICAL

Revenues increased 41% from \$846,481 in 2008 to \$1,193,931 in 2011. Approximately 20% of the increase was due to volume, 6% to a one time accounting adjustment in 2011 and the balance due to rate increases. Purchased water cost increased 38% from \$468,346 to \$644,861 while operating expenses increased 8% from \$317,201 to \$343,097. The debt coverage ratio ranged from a low of 1.1 in 2008 to a high of 2.5 in 2011.

The balance sheet reflects a current ratio of 6.4 and a debt to equity ratio of 0.3 at the end of 2011. Unrestricted cash equals about 5.7 months of expenses. Accelerated debt payments of \$375,000 were made in early 2012 (in addition to required debt payments of \$58,000) to reduce higher interest borrowings (approximately 5% rate). The District has spent about \$850,000 during the past four years, 90% of which was funded with grants.

## PROJECTIONS

Projections are based on the following assumptions:

- 1) Revenues will increase 2% per year for growth and inflation beginning in 2013. Revenues will decline in 2012 due to the rate decrease and the accounting adjustment noted above.
- 2) Purchased water cost changes will be offset by rate adjustments
- 3) A replacement reserve of \$230 will be funded annually for ten years.
- 4) Debt service on the proposed loan is estimated at \$5,788 annually with total debt service in 2013 estimated at \$20,567.
- 5) Debt service coverage is 7.2 in 2012 when principal and interest repayments begin.

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 \$230. This amount should be added to the replacement account each December 1 until the balance reaches \$2,300 and maintained for the life of the loan.

## IX. DEBT OBLIGATIONS

	<u>Outstanding</u>	<u>Maturity</u>
2001 Series Bonds (4.87%)	96,000	2025
2007A Series Bonds (4.05%)	133,000	2022
<b>Total</b>	<b>\$ 229,000</b>	

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

<b>Project Title</b>	<b>Funding Source</b>	<b>Amount</b>	<b>Type</b>
Water Tank and Distribution System Upgrade	HB380	300,000	Grant
Water Tank Project #275	HB410	18,000	Grant
Water Lines	HB608	452,000	Grant

**XI. CONTACTS**

<b>Applicant</b>	
Name	Nebo Water District
Address	45 N. Bernard Nebo, KY 42441
County	Hopkins
Contact	Mark Matheny
Phone	(270) 249-3709
Email	nebowater@bellsouth.net

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

<b>Engineer</b>	
Name	Jay Hoffman
Firm	Wet or Dry
Address	1609 Hillsboro Road Campbellsburg, KY 4001
Phone	(502) 532-6190
Email	diver@wetordryinspection.com

**XII. RECOMMENDATIONS**

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

**NEBO WATER DISTRICT  
BALANCE SHEETS (DECEMBER YEAR END)**

<b>ASSETS</b>	<b>Audited 2008</b>	<b>Audited 2009</b>	<b>Audited 2010</b>	<b>Audited 2011</b>	<b>Upon Completion 2012</b>
<b>Current Assets</b>					
Cash	469,527	474,352	495,914	469,857	275,211
Accounts Receivable	48,926	27,060	24,944	108,691	105,521
Inventory	34,639	37,183	36,098	41,307	40,000
Prepaid	6,027	4,859	4,434	10,268	7,500
<b>Total Current Assets</b>	<b>559,119</b>	<b>543,454</b>	<b>561,390</b>	<b>630,123</b>	<b>428,232</b>
<b>Restricted Assets</b>					
Cash	248,712	262,217	256,555	269,132	144,132
<b>Total Restricted Assets</b>	<b>248,712</b>	<b>262,217</b>	<b>256,555</b>	<b>269,132</b>	<b>144,132</b>
<b>Utility Plant</b>					
Land, System, Building and Equipment	3,351,129	3,400,177	3,910,575	4,150,145	4,242,145
Less Accumulated Depreciation ( )	(2,019,830)	(2,084,556)	(2,179,757)	(2,292,432)	(2,407,432)
<b>Net Fixed Assets</b>	<b>1,331,299</b>	<b>1,315,621</b>	<b>1,730,818</b>	<b>1,857,713</b>	<b>1,834,713</b>
<b>Other Assets</b>					
Bond Issue Costs	9,450	8,910	8,370	7,830	3,500
<b>Total Other Assets</b>	<b>9,450</b>	<b>8,910</b>	<b>8,370</b>	<b>7,830</b>	<b>3,500</b>
<b>Total Assets</b>	<b>2,148,580</b>	<b>2,130,202</b>	<b>2,557,133</b>	<b>2,764,798</b>	<b>2,410,577</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Accounts Payable	26,780	49,844	42,799	31,680	30,000
Accrued Expenses	6,988	3,670	5,303	8,141	8,500
Current Portion Long Term Debt	52,000	54,000	56,000	58,000	10,000
<b>Total Current Liabilities</b>	<b>85,768</b>	<b>107,514</b>	<b>104,102</b>	<b>97,821</b>	<b>48,500</b>
<b>Long Term Liabilities</b>					
Long Term Debt	762,000	708,000	652,000	594,000	209,000
Notes Payable - KIA	0	0	0	0	92,000
<b>Total Long Term Liabilities</b>	<b>762,000</b>	<b>708,000</b>	<b>652,000</b>	<b>594,000</b>	<b>301,000</b>
<b>Total Liabilities</b>	<b>847,768</b>	<b>815,514</b>	<b>756,102</b>	<b>691,821</b>	<b>349,500</b>
<b>Retained Earnings:</b>					
Contributed Capital	1,539,896	1,539,896	2,052,591	2,203,799	2,203,799
Restricted	196,712	208,217	200,555	211,132	144,132
Unrestricted	(435,796)	(433,425)	(452,115)	(341,954)	(286,854)
<b>Total Retained Earnings</b>	<b>1,300,812</b>	<b>1,314,688</b>	<b>1,801,031</b>	<b>2,072,977</b>	<b>2,061,077</b>
<b>Total Liabilities and Equities</b>	<b>2,148,580</b>	<b>2,130,202</b>	<b>2,557,133</b>	<b>2,764,798</b>	<b>2,410,577</b>
<b>Balance Sheet Analysis</b>					
Current Ratio	6.5	5.1	5.4	6.4	8.8
Debt to Equity	0.7	0.6	0.4	0.3	0.2
Days Sales in Accounts Receivable	21.1	10.5	8.8	33.2	35.0

<b>EXHIBIT 1</b>												
<b>NEBO WATER DISTRICT</b>												
<b>CASH FLOW ANALYSIS (DECEMBER YEAR END)</b>												
	<b>Audited</b>	<b>%</b>	<b>Audited</b>	<b>%</b>	<b>Audited</b>	<b>%</b>	<b>Audited</b>	<b>%</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>
	<b>2008</b>	<b>Change</b>	<b>2009</b>	<b>Change</b>	<b>2010</b>	<b>Change</b>	<b>2011</b>	<b>Change</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Operating Revenues</b>												
Water Revenues	841,020	9%	920,540	11%	1,021,401	16%	1,180,679	-8%	1,087,932	1,101,088	1,123,110	1,145,572
Other	5,461	344%	24,226	-68%	7,781	70%	13,252	-6%	12,500	12,750	13,005	13,265
<b>Total Revenues</b>	<b>846,481</b>	<b>12%</b>	<b>944,766</b>	<b>9%</b>	<b>1,029,182</b>	<b>16%</b>	<b>1,193,931</b>	<b>-8%</b>	<b>1,100,432</b>	<b>1,113,838</b>	<b>1,136,115</b>	<b>1,158,837</b>
<b>Operating Expenses</b>												
Purchased Water	468,346	11%	519,958	11%	574,913	12%	644,861	-4%	617,900	617,900	617,900	617,900
Operating Expenses	317,201	-2%	311,819	14%	355,387	-3%	343,097	3%	352,361	361,875	371,646	381,680
Depreciation	98,913	-13%	86,406	10%	95,201	18%	112,675	2%	115,000	118,700	118,700	118,700
Replacement Reserve										230	230	230
<b>Total Expenses</b>	<b>884,460</b>	<b>4%</b>	<b>918,183</b>	<b>12%</b>	<b>1,025,501</b>	<b>7%</b>	<b>1,100,633</b>	<b>-1%</b>	<b>1,085,261</b>	<b>1,098,705</b>	<b>1,108,476</b>	<b>1,118,510</b>
<b>Net Operating Income</b>	<b>(37,979)</b>	<b>-170%</b>	<b>26,583</b>	<b>-86%</b>	<b>3,681</b>	<b>2435%</b>	<b>93,298</b>	<b>-84%</b>	<b>15,171</b>	<b>15,133</b>	<b>27,639</b>	<b>40,327</b>
<b>Non-Operating Income and Expenses</b>												
Interest Income	25,013	-40%	14,936	-34%	9,813	0%	9,843	-42%	5,750	5,750	5,750	5,750
Tap Fees	12,825		2,800		7,000		10,500		7,500	7,500	7,500	7,500
Other	0		5,500		0		0		0	0	0	0
<b>Total Non-Operating Income &amp; Expenses</b>	<b>37,838</b>	<b>-39%</b>	<b>23,236</b>	<b>-28%</b>	<b>16,813</b>	<b>21%</b>	<b>20,343</b>	<b>-35%</b>	<b>13,250</b>	<b>13,250</b>	<b>13,250</b>	<b>13,250</b>
<b>Add Non-Cash Expenses</b>												
Depreciation	98,913	-13%	86,406	10%	95,201	18%	112,675	2%	115,000	118,700	118,700	118,700
<b>Cash Available for Debt Service</b>	<b>98,772</b>	<b>38%</b>	<b>136,225</b>	<b>-15%</b>	<b>115,695</b>	<b>96%</b>	<b>226,316</b>	<b>-37%</b>	<b>143,421</b>	<b>147,083</b>	<b>159,589</b>	<b>172,277</b>
<b>Debt Service</b> (enter as positive #'s)												
Existing Principal	49,000		52,000		54,000		56,000		58,000	10,000	11,000	11,000
Existing Interest	41,886		39,038		36,551		33,920		30,067	4,779	4,354	3,908
Proposed KIA Loan	0		0		0		0		0	5,788	5,788	5,788
<b>Total Debt Service</b>	<b>90,886</b>		<b>91,038</b>		<b>90,551</b>		<b>89,920</b>		<b>88,067</b>	<b>20,567</b>	<b>21,142</b>	<b>20,696</b>
<b>Income After Debt Service</b>	<b>7,886</b>		<b>45,187</b>		<b>25,144</b>		<b>136,396</b>		<b>55,354</b>	<b>126,516</b>	<b>138,447</b>	<b>151,581</b>
<b>Debt Coverage Ratio</b>	<b>1.1</b>		<b>1.5</b>		<b>1.3</b>		<b>2.5</b>		<b>1.6</b>	<b>7.2</b>	<b>7.5</b>	<b>8.3</b>



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**I.B.10.**



**A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR ASSUMPTION OF THE GOVERNMENTAL AGENCIES PROGRAM LOAN (C91-12) BY THE CITY OF PADUCAH f/b/o PADUCAH WATER WORKS, MCCRACKEN 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 Assumption Agreement with the City of Paducah f/b/o Paducah Water Works for the C91-12 loan under the Authority's Governmental Agencies Program (Fund C) with the Hendron Water District; and

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

**WHEREAS**, the Authority may, in the near future, authorize and issue a series of its Infrastructure Authority Revenue Bond Anticipation Notes ("Notes") for the purpose of funding construction loans to various governmental agencies until Revenue Bonds are sold to provide permanent financing, such series of Notes to be known as Kentucky Infrastructure Authority Revenue Bond Anticipation Notes with the appropriate Series designation.

**NOW, THEREFORE, THE KENTUCKY INFRASTRUCTURE AUTHORITY, ACTING BY AND THROUGH ITS BOARD OF DIRECTORS AS ITS DULY AUTHORIZED AND EMPOWERED GOVERNING BODY, DOES HEREBY RESOLVE AND ORDER, AS FOLLOWS:**

Section 1. All statements of fact set forth in the preambles to this Resolution and Order are incorporated herein by reference, the same as if set forth verbatim. All such statements of fact are hereby declared to be true and accurate in all material respects.

Section 2. The Authority hereby authorizes the issuance of a conditional Governmental Agencies Program loan commitment to the City of Paducah f/b/o Paducah

Water Works for assumption of the C91-12 Fund C loan with the Hendron Water District. The loan shall be subject to existing amortization schedules. Upon satisfaction of all conditions of the commitment, execution of an assumption agreement for this loan is authorized.

Section 3. The loan shall be repayable in 20 years. These terms are subject to adjustment 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 June, 2012.

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TONY WILDER, CHAIR  
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

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SANDY WILLIAMS, SECRETARY  
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

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LEGAL COUNSEL TO THE KENTUCKY  
INFRASTRUCTURE AUTHORITY

<b>EXECUTIVE SUMMARY</b>		Reviewer:	Sandy Williams	
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		Date:	June 7, 2012	
<b>FUND C, GOVERNMENTAL AGENCIES FUND</b>		KIA Loan Number:	<b>C91-12 Loan Assumption</b>	
<b>REVOLVING LOAN FUND</b>				
<b>BORROWER:</b>	<b>CITY OF PADUCAH FOR THE BENEFIT OF PADUCAH WATER WORKS</b>			
	<b>MCCRACKEN COUNTY COUNTY</b>			
<b>BRIEF DESCRIPTION:</b>	<p>The City of Paducah for the benefit of Paducah Water Works seeks to assume \$40,000 (as of June 1, 2012) in outstanding Governmental Agencies debt (C91-12) of the Hendron Water District as a result of the merger of the Hendron system into the Paducah system. The merger agreement between the systems was executed on April 16, 2012. The original assistance agreement dated March 1, 1992 in the amount of \$635,543 was utilized to construct a 300,000 gallon elevated water storage tank and approximately five miles of new waterline.</p>			
<b>PROJECT FINANCING:</b>		<b>PROJECT BUDGET</b>		
C96-12 Assumption	\$ 40,000	Assumed Debt from Hendron Water District	\$ 40,000	
<b>TOTAL</b>	<b>\$ 40,000</b>	<b>TOTAL</b>	<b>\$ 40,000</b>	
<b>REPAYMENT</b>		Est. Annual Payment	\$ 2,212	
	Rate	1.0%	1st Payment	
	Term	20 years	6 Mo. after first draw	
<b>PROFESSIONAL SERVICES</b>	Engineer	n/a		
	Bond Counsel	Peck, Shaffer, & Williams		
<b>PROJECT SCHEDULE</b>		Bid Opening:	January 1900	
		Construction Start:	January 1900	
		Construction Stop:	June 2013	
<b>DEBT PER CUSTOMER</b>	Existing:	\$ 323		
	Proposed:	\$ -		
<b>OTHER DEBT</b>	See Attached			
<b>OTHER STATE-FUNDED PROJECTS LAST 5 YRS</b>	See Attached			
<b>RESIDENTIAL RATES</b>		<u>Users</u>	<u>Avg. Bill</u>	
	Current	23,252	\$ 17.70 (for 4,000 gallons)	
	Additional	2,704	\$ 17.70 (for 4,000 gallons)	
<b>REGIONAL COORDINATION</b>	This project is consistent with regional planning recommendations.			
<b>CASHFLOW</b>	<b>Cash Available for Debt Service</b>	<b>Debt Service</b>	<b>Income after Debt Service</b>	<b>Coverage Ratio</b>
Audited 2004	0	0	0	n/a
Audited 2005	0	0	0	n/a
Audited 2006	0	0	0	n/a
Audited 2007	0	0	0	n/a
Audited 2008	0	0	0	n/a
Audited 2009	1,752,843	1,109,262	643,581	1.6
Audited 2010	2,281,233	37,110	2,244,123	61.5
Audited 2011	3,044,424	107,635	2,936,789	28.3
Projected 2012	3,045,901	96,072	2,949,829	31.7
Projected 2013	3,194,549	94,560	3,099,989	33.8
Projected 2014	3,330,062	433,433	2,896,629	7.7

Reviewer: Sandy Williams  
 Date: June 7, 2012  
 Loan Number: C91-12  
 (Loan Assumption)

**KENTUCKY INFRASTRUCTURE AUTHORITY  
 GOVERNMENTAL AGENCIES (FUND "C")  
 CITY OF PADUCAH for the benefit of  
 PADUCAH WATER WORKS  
 MCCRACKEN COUNTY  
 PROJECT REVIEW**

**ASSUMPTION OF C91-12 FROM HENDRON WATER DISTRICT**

**I. PROJECT DESCRIPTION**

The City of Paducah for the benefit of Paducah Water Works seeks to assume \$40,000 (as of June 1, 2012) in outstanding Governmental Agencies debt (C91-12) of the Hendron Water District as a result of the merger of the Hendron system into the Paducah system. The merger agreement between the systems was executed on April 16, 2012. The original assistance agreement dated March 1, 1992 in the amount of \$635,543 was utilized to construct a 300,000 gallon elevated water storage tank and approximately five miles of new waterline.

**II. PROJECT BUDGET and PROJECT FUNDING**

	Total
Assumed KIA Debt (C91-12) (as of 6/1/12)	\$ 40,000
<b>Total</b>	<b>\$ 40,000</b>

**III. KIA DEBT SERVICE**

Construction Loan	\$ 635,543	
Interest Rate (Tied to outstanding bonds)	Varies	
Loan Term (Years)	20	(one year remains)
Estimated Annual Debt Service	\$ 59,991	
Administrative Fee (0.20%)	1,271	
<b>Total Estimated Annual Debt Service</b>	<b>\$ 61,262</b>	

**IV. PROJECT SCHEDULE**

Acquisition Agreement Date: April 16, 2012

## V. CUSTOMER COMPOSITION AND RATE STRUCTURE

### A Customers

Customers	Paducah	Hendron	Total
Residential	20,569	2,654	23,223
Commercial	2,683	50	2,733
Total	23,252	2,704	25,956

### B) Rates

	<u>Current</u>
Date of Last Rate Increase	07/01/2011
Minimum (1,500 gallons) *	\$9.17
1,501 to 10,000 gallons	3.41
10,001 to 100,000 gallons	2.83
100,001 to 500,000 gallons	2.04
500,001 to 1,000,000 gallons	1.73
All Over 1,000,000 gallons	1.36
Cost for 4,000 gallons	\$17.70
Affordability Index (Rate/MHI)	0.7%

\* Includes \$3 capital replacement and expansion fee.  
The fee will increase to \$4 July 1, 2012.

## VI. DEMOGRAPHICS

In 2010, the City's population was 25,571 with a Median Household Income (MHI) of \$28,983. The median household income for the Commonwealth is \$41,197. The original fund C loan's interest rate was based on bonds that were issued to fund the loan. The interest rate varies based on the outstanding bonds.

## VII. FINANCIAL ANALYSIS (See Exhibit 1)

Financial information was obtained from the audited financial statements for Paducah Water Works for the years ended June 30, 2009 through 2011. Amounts for the year ending June 30, 2012 were estimated. Financial information for the Hendron Water District was obtained for the years ended December 31, 2009 and 2010.

The consolidated historical pro-forma analysis assumes that results for the Hendron Water District would not be materially different on a June 30 year end basis compared to their statutory December 31 results for each year. Amounts for the year ended December 31, 2011 were estimated. Eliminating entries between the two entities were estimated in the absence of specific information.

## HISTORICAL

Revenues increased about \$1.5 million, or 19%, from \$7,843,156 in 2009 to \$9,336,004 in 2011. Three primary factors contributed to the increase. First, beginning in 2010 Paducah Water Works implemented a Capital Replacement Fee which added \$1,017,803 for 2011. Second, the Hendron Water District implemented a 10.8% rate increase in November 2009 that contributed about \$75,000. Third, volume changes added about \$400,000. Operating expenses decreased about 1.5%, or \$100,000, from \$6,268,888 to \$6,167,587 from 2009 to 2011.

Cash flow available for debt service and operations increased from \$1,781,404 in 2009 to \$3,190,269 while debt service declined from \$1,202,607 to \$147,322. Series 1997 bonds were paid off as scheduled in 2009. The debt coverage ratio improved from 1.5 in 2009 to 21.7 in 2011.

The current ratio was 2.6 at the end of 2011 and the debt to equity ratio was 0.2. Months of operating expenses in unrestricted cash improved from 1.3 in 2009 to 4.5 in 2011. The collection period for revenues is about 51 days. Capital spending from 2009 through 2011 was \$11.7 million of which \$7.0 million was funded with debt and capital contributions and \$4.7 million was funded from operations.

## PROJECTIONS

Projections are based on the following assumptions:

- 1) Revenues will increase 3% annually from some growth and to offset inflation
- 2) Expenses will increase 2% per year
- 3) Debt service of \$433,433 on F09-01 (approved September 3, 2009) will begin in fiscal 2014 and will be the only remaining debt on the system.

Based on the above assumptions, Paducah Water Works will meet the required cash flow with a debt coverage ratio of 8.1 in 2014.

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

## **VIII. DEBT OBLIGATIONS**

	<u>Outstanding</u>	<u>Maturity</u>
KIA (C91-02)	\$ 60,000	Jun-13
KIA (F09-01) (i/a/o 7.5M)	6,344,745	TBD
KIA (C91-12)	57,500	Jun-13
<b>Total</b>	<b>\$ 6,462,245</b>	

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

<b>Project Title</b>	<b>Funding Source</b>	<b>Amount</b>	<b>Type</b>
Shemwell Road Extension	KIA HB380	\$140,000	Grant
Lone Oak Pipe Replacement	KIA HB380	\$900,000	Grant
Fisher Road Extension	KIA HB380	\$442,000	Grant

**X. CONTACTS**

<b>Applicant</b>	
Name	City of Paducah for the benefit of Paducah Water Works
Address	401 Washington St, P.O. Box 2377 Paducah, KY 42002-2377
County	McCracken County
Contact	William Paxton
Phone	(270) 444-8503
Email	bpaxton@paducahky.gov

<b>Applicant Contact</b>	
Name	Paducah Water Works
Address	P.O. Box 2377 Paducah , KY 42002
Contact	Glen Anderson
Phone	(270) 442-2746
Email	ganderson@pwwk.com

**XI. RECOMMENDATIONS**

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

**CITY OF PADUCAH FOR THE BENEFIT OF PADUCAH WATER WORKS  
BALANCE SHEETS (JUNE YEAR END) (CONDOLIDATED PADUCAH AND HENDRON)**

<b>ASSETS</b>	<b>Pro-Forma 2009</b>	<b>Pro-Forma 2010</b>	<b>Pro-Forma 2011</b>	<b>Pro-Forma 2012</b>
<b>Current Assets</b>				
Cash	679,817	2,186,915	2,323,823	2,350,000
Accounts Receivable (includes unbilled)	1,155,371	1,345,650	1,305,601	1,305,601
Inventory	404,930	450,911	516,944	508,242
Other	834,255	782,823	981,485	984,154
<b>Total Current Assets</b>	<b>3,074,373</b>	<b>4,766,299</b>	<b>5,127,853</b>	<b>5,147,997</b>
<b>Restricted Assets</b>				
Cash and Equivalents	2,202,560	2,271,005	2,278,499	2,295,968
Deferred Costs	88,108	88,108	88,108	88,108
<b>Total Restricted Assets</b>	<b>2,290,668</b>	<b>2,359,113</b>	<b>2,366,607</b>	<b>2,384,076</b>
<b>Utility Plant</b>				
Land, System, Building and Equipment	65,012,031	70,169,042	73,809,437	75,015,000
Less Accumulated Depreciation ( )	(28,932,155)	(30,311,490)	(30,760,009)	(32,239,335)
<b>Net Fixed Assets</b>	<b>36,079,876</b>	<b>39,857,552</b>	<b>43,049,428</b>	<b>42,775,665</b>
<b>Other Assets</b>				
Unamortized Bond Costs and Discount, Net	10,983	8,618	6,053	6,000
<b>Total Other Assets</b>	<b>10,983</b>	<b>8,618</b>	<b>6,053</b>	<b>6,000</b>
<b>Total Assets</b>	<b>41,455,900</b>	<b>46,991,582</b>	<b>50,549,941</b>	<b>50,313,738</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts Payable	704,076	1,403,150	789,132	786,300
Current Portion Long Term Debt	138,395	133,395	207,609	50,000
Other	1,037,859	1,007,026	953,655	942,500
Contribution in Aid of Construction	48,346	48,346	48,346	48,346
<b>Total Current Liabilities</b>	<b>1,928,676</b>	<b>2,591,917</b>	<b>1,998,742</b>	<b>1,827,146</b>
<b>Long Term Liabilities</b>				
Notes and Bonds Payable	270,526	3,681,172	6,254,636	7,500,000
<b>Total Long Term Liabilities</b>	<b>270,526</b>	<b>3,681,172</b>	<b>6,254,636</b>	<b>7,500,000</b>
<b>Total Liabilities</b>	<b>2,199,202</b>	<b>6,273,089</b>	<b>8,253,378</b>	<b>9,327,146</b>
<b>Retained Earnings:</b>				
Invested in Capital Assets Net of Related Debt	35,681,036	36,051,052	36,593,236	35,225,665
Restricted	0	0	0	0
Unrestricted	3,575,662	4,667,441	5,703,327	5,760,927
<b>Total Retained Earnings</b>	<b>39,256,698</b>	<b>40,718,493</b>	<b>42,296,563</b>	<b>40,986,592</b>
<b>Total Liabilities and Equities</b>	<b>41,455,900</b>	<b>46,991,582</b>	<b>50,549,941</b>	<b>50,313,738</b>
<b>Balance Sheet Analysis</b>				
Current Ratio	1.6	1.8	2.6	2.8
Debt to Equity	0.1	0.2	0.2	0.2
Days Sales in Accounts Receivable	53.8	58.7	51.0	51.0

**EXHIBIT 1**

**CITY OF PADUCAH FOR THE BENEFIT OF PADUCAH WATER WORKS  
CASH FLOW ANALYSIS (JUNE YEAR END) (CONSOLIDATED PADUCAH AND HENDRON)**

	Pro-Forma	%	Pro-Forma	%	Pro-Forma	%	Projected	Projected	Projected
	2009	Change	2010	Change	2011	Change	2012	2013	2014
<b>Operating Revenues</b>									
Metered Sales	7,159,726	-1%	7,057,656	8%	7,628,928	0%	7,628,928	7,857,796	8,093,530
Fire Protection Fee	109,959	4%	114,033	1%	114,613	0%	114,613	118,051	121,593
Municipal Water Sales	51,297	0%	51,142	18%	60,392	0%	60,392	62,204	64,070
Late Fees	299,308	0%	298,392	1%	301,064	0%	301,064	310,096	319,399
Capital Replacement Fee	0		603,209	69%	1,017,803	0%	1,017,803	1,048,337	1,079,787
Other	222,866	10%	244,673	-13%	213,204	0%	213,204	219,600	226,188
<b>Total Revenues</b>	<b>7,843,156</b>	<b>7%</b>	<b>8,369,105</b>	<b>12%</b>	<b>9,336,004</b>	<b>0%</b>	<b>9,336,004</b>	<b>9,616,084</b>	<b>9,904,567</b>
<b>Operating Expenses</b>									
Operating Expenses	6,268,888	-5%	5,970,016	3%	6,167,587	0%	6,167,587	6,290,939	6,416,758
Depreciation	1,385,680	5%	1,457,254	2%	1,479,326	0%	1,479,326	1,479,326	1,479,326
Replacement Reserve	0		0		0		0	0	18,750
<b>Total Expenses</b>	<b>7,654,568</b>	<b>-3%</b>	<b>7,427,270</b>	<b>3%</b>	<b>7,646,913</b>	<b>0%</b>	<b>7,646,913</b>	<b>7,770,265</b>	<b>7,914,834</b>
<b>Net Operating Income</b>	<b>188,588</b>	<b>399%</b>	<b>941,835</b>	<b>79%</b>	<b>1,689,091</b>	<b>0%</b>	<b>1,689,091</b>	<b>1,845,819</b>	<b>1,989,733</b>
<b>Non-Operating Income and Expenses</b>									
Interest Income	34,178	-47%	17,969	-20%	14,352	8%	15,500	15,500	15,500
Other	172,958		21,935		7,500		7,500	7,500	7,500
<b>Total Non-Operating Income &amp; Expenses</b>	<b>207,136</b>	<b>-81%</b>	<b>39,904</b>	<b>-45%</b>	<b>21,852</b>	<b>5%</b>	<b>23,000</b>	<b>23,000</b>	<b>23,000</b>
<b>Add Non-Cash Expenses</b>									
Depreciation	1,385,680	5%	1,457,254	2%	1,479,326	0%	1,479,326	1,479,326	1,479,326
<b>Cash Available for Debt Service</b>	<b>1,781,404</b>	<b>37%</b>	<b>2,438,993</b>	<b>31%</b>	<b>3,190,269</b>	<b>0%</b>	<b>3,191,417</b>	<b>3,348,145</b>	<b>3,492,059</b>
<b>Debt Service</b> (enter as positive #'s)									
Existing Principal	1,133,749		109,000		65,000		57,186	39,686	0
Existing Interest	68,858		25,822		82,322		69,030	65,598	0
KIA (F09-01)	0		0		0		0	0	433,433
<b>Total Debt Service</b>	<b>1,202,607</b>		<b>134,822</b>		<b>147,322</b>		<b>126,216</b>	<b>105,284</b>	<b>433,433</b>
<b>Income After Debt Service</b>	<b>578,797</b>		<b>2,304,171</b>		<b>3,042,947</b>		<b>3,065,201</b>	<b>3,242,861</b>	<b>3,058,626</b>
<b>Debt Coverage Ratio</b>	<b>1.5</b>		<b>18.1</b>		<b>21.7</b>		<b>25.3</b>	<b>31.8</b>	<b>8.1</b>



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**I.B.11.**



**A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING AMENDMENT TO THE CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED DRINKING WATER REVOLVING FUND LOAN FOR \$1,875,000 (F12-03) TO THE CITY OF CAMPBELLSVILLE, TAYLOR 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 (F12-03) to the City of Campbellsville on March 1, 2012, with a Special Condition; and the City of Campbellsville has requested the Special Condition be amended; 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 Campbellsville, 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 reaffirms the issuance of a conditional Federally Assisted Drinking Water Revolving Fund loan for \$1,875,000 of project expense including capitalized interest for the construction period, to the City of Campbellsville for the Waterline 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. The Authority hereby authorizes the Amendment of the conditional Federally Assisted Drinking Water Revolving Fund Loan F12-03.

Section 4. Principal forgiveness of 35% will be deducted from the approved loan amount. The unforgiven principal balance of \$1,218,750 shall be repaid.

Section 5. The loan shall be repayable over 20 years at an interest rate of 1.0%. In addition to debt service, a 0.25% annual administration fee on the unpaid loan balance will be charged. From annual revenues, \$4,700 must be set aside in a borrower held replacement reserve each December 1 until the balance reaches \$47,000 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 6. This Resolution and Order shall be in full force and effect from and after its adoption at a properly held meeting of the Kentucky Infrastructure Authority this 7th day of June, 2012.

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TONY WILDER, CHAIR  
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

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SANDY WILLIAMS, SECRETARY  
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

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

<b>EXECUTIVE SUMMARY</b>		Reviewer:	Kasi White	
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		Date:	March 1, 2012	
<b>FUND F, FEDERALLY ASSISTED DRINKING WATER</b>		KIA Loan Number:	<b>F12-03 (Amended)</b>	
<b>REVOLVING LOAN FUND</b>		WRIS Number	<b>WX211217003</b>	
BORROWER:	<b>CITY OF CAMPBELLSVILLE</b>			
	<b>TAYLOR COUNTY</b>			
BRIEF DESCRIPTION:	<p>This project involves the replacement of approximately 24,000 LF of two inch and smaller piping with six inch piping. The lines experience leaks, particularly during freeze/thaw conditions. Also the restrictions inside the pipes along with the small size result in low pressure during peak demand. The lines scheduled for replacement are galvanized and the condition is so poor that making repairs to them results in additional damage due of the line. Some of the lines are in narrow alleys and streets or very close to or under buildings making it difficult for the city to perform work on them. The few shutoff valves that are known to exist are mostly inoperable resulting in the inability to shut off the water system when a repair is required. Leaks are usually fixed under pressure due to this and the fact that there is no way to isolate the system. In extreme cases the water tanks have been shut off just to isolate one area where a repair is required. All new lines will be equipped with a gate valve on each end and each segment will have a hydrant that can be used to flush the individual line without affecting other connected areas of the water system.</p>			
PROJECT FINANCING:		PROJECT BUDGET		
Fund F Loan	\$ 1,875,000	Administrative Expenses	\$ 25,000	
		Legal Expenses	25,000	
		Engineering Fees	202,500	
		Construction	1,473,150	
		Contingency	149,350	
TOTAL	\$ 1,875,000	TOTAL	\$ 1,875,000	
REPAYMENT		Est. Annual		
	Rate	1.0%	Payment \$ 70,433	
	Term	20 years	1st Payment 6 Mo. after first draw	
PROFESSIONAL SERVICES	Engineer	Monarch Engineering, Inc.		
	Bond Counsel	Peck, Shaffer, & Williams		
PROJECT SCHEDULE				
	Bid Opening:	June, 2012		
	Construction Start:	July, 2012		
	Construction Stop:	March, 2013		
DEBT PER CUSTOMER	Existing:	\$ 602		
	Proposed:	\$ 631		
OTHER DEBT	See Attached			
OTHER STATE-FUNDED PROJECTS LAST 5 YRS	See Attached			
RESIDENTIAL RATES		Users	Avg. Bill	
	Current	9,246 \$	15.04 (for 4,000 gallons)	
	Additional	0 \$	15.04 (for 4,000 gallons)	
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.			
CASHFLOW	Cash Available for	Income after Debt		
	Debt Service	Debt Service	Service	Coverage Ratio
Audited 2008	1,176,529	857,538	318,991	1.4
Audited 2009	909,297	868,910	40,387	1.0
Audited 2010	862,809	908,202	(45,393)	1.0
Audited 2011	989,330	877,822	111,508	1.1
Projected 2012	871,600	858,470	13,130	1.0
Projected 2013	777,000	471,238	305,762	1.6
Projected 2014	668,500	564,128	104,372	1.2
Projected 2015	566,900	564,018	2,882	1.0

**KENTUCKY INFRASTRUCTURE AUTHORITY  
DRINKING WATER STATE REVOLVING FUND (FUND "F")  
CITY OF CAMBELLSVILLE, TAYLOR COUNTY  
PROJECT REVIEW  
WX21217003**

**I. PROJECT DESCRIPTION**

The following credit analysis has been amended from what was originally approved on March 1, 2012. The financial review reflects a reduction in the inflation assumption from 4% to 3% per year and the elimination of the use of debt service reserves to balance previously projected cash flow shortfalls. The special conditions that require the reserve and a rate study have been removed.

The City of Campbellsville is requesting a \$1,875,000 Fund F loan for the Waterline Improvements project. This project involves the replacement of approximately 24,000 LF of two inch and smaller piping with six inch piping. The lines experience leaks, particularly during freeze / thaw conditions. Also the restrictions inside the pipes along with the small size result in low pressure during peak demand. The lines that are scheduled for replacement are galvanized and the condition is so poor that making repairs to them results in additional damage due to the disturbance of the line. Some of the lines are in narrow alleys and streets or very close to or under buildings making it difficult for the city to perform work on them. The few shutoff valves that are known to exist are mostly inoperable resulting in the inability to shut off the water system when a repair is required. Leaks are usually fixed under pressure due to this and the fact that there is no way to isolate the system. In extreme cases the water tanks have been shut off just to isolate one area where a repair is required. All new lines will be equipped with a gate valve on each end and each segment will have a hydrant that can be used to flush the individual line without affecting other connected areas of the water system.

The City obtains its water from Green River Lake Reservoir. They supply water to the Marion County Water District, Green-Taylor Water District, Columbia-Adair Utilities District, Larue County Water District and East Casey County Water District.

**II. PROJECT BUDGET**

	<u>Total</u>
Administrative Expenses	\$ 25,000
Legal Expenses	25,000
Engineering Fees	202,500
Construction	1,473,150
Contingency	149,350
<b>Total</b>	<b>\$ 1,875,000</b>

### III. PROJECT FUNDING

	Amount	%
Fund F Loan	\$ 1,875,000	100%
<b>Total</b>	<b>\$ 1,875,000</b>	<b>100%</b>

### IV. KIA DEBT SERVICE

Construction Loan	\$ 1,875,000
Less: Principal Forgiveness (35%)	\$ 656,250
Amortized Loan Amount	\$ 1,218,750
Interest Rate	1.0%
Loan Term (Years)	20
Estimated Annual Debt Service	\$ 67,386
Administrative Fee (0.25%)	\$ 3,047
<b>Total Estimated Annual Debt Service</b>	<b>\$ 70,433</b>

### V. PROJECT SCHEDULE

Bid Opening	June 2012
Construction Start	July 2012
Construction Stop	March 2013

### VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

#### A) Customers

	Current
Residential	8,009
Commercial	1,237
Total	9,246

#### B) Rates

Rates were last increased in September 2001 (city customers) and July 2004 (county customers) resulting in the below rate structure.

	City	County
First 1,000	\$ 7.12	\$ 13.70
Next 9,000	2.64	6.24
Next 40,000	2.36	5.58
Next 50,000	1.92	4.45
Next 100,000	1.53	3.60
Next 300,000	1.41	3.35
Next 500,000	1.22	2.85
Next 1,000,000	1.05	2.13
Cost for 4,000 gallons	\$ 15.04	\$ 29.38
Affordability Index (Rate/MHI)	0.7%	

## **VII. DEMOGRAPHICS**

In 2010, the City had a population of 11,119 with a Median Household Income (MHI) of \$25,136. The median household income for the Commonwealth is \$41,197. Based on median household income falling below 80% of that of the Commonwealth, the project will qualify for a 1% interest rate.

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

- 1) Green Project Reserve - This project qualifies for Green Project Reserve (GPR) funding for \$1,875,000. The breakdown of the GPR to the respective "green" categories is listed below:
  - a. Green Infrastructure - \$0
  - b. Water Efficiency - \$1,875,000
  - c. Energy Efficiency - \$0
  - d. Environmentally Innovative - \$0
- 2) Additional Subsidization – This project qualifies for additional subsidization in the amount of \$656,250.

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

Financial information was obtained from audited financial statements for the years ended June 30, 2008 through 2011.

### **HISTORICAL**

Revenues have increased about 2% from \$4,609,530 in 2008 to \$4,705,993 in 2011. City water rates have not been adjusted since September 2001 and county rates haven't been adjusted since July 2004. Operating expenses have increased 6% from \$3,602,769 in 2008 to \$3,826,581 in 2011. The debt coverage ratio declined from 1.4 in 2008 to slightly below 1.0 in 2010 and improved to 1.1 in 2011.

The balance sheet reflects a debt to equity ratio of 0.2 and a current ratio of 0.8 at the end of 2011 while unrestricted cash represented slightly over one month of operating expenses. Restricted funds are primarily composed of sinking fund, customer deposits, construction funds and a depreciation replacement account.

### **PROJECTED**

- 1) Revenues will increase 0.5% per year.
- 2) Expenses will increase 3% per year.
- 3) An annual replacement reserve of \$4,700 will be required during the first 10 years of repayment.
- 4) Debt service on a proposed Rural Development Loan in the amount of \$1,650,000 for the Batesville Tank project is estimated at \$68,272 annually.
- 5) Debt service on the proposed loan is estimated at \$70,433 per year.

Debt service coverage is 1.2 in FY2014 which is the first year of full principal and interest repayment on the proposed KIA and RD funded debt. 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 \$4,700. This amount should be added to the replacement account each December 1 until the balance reaches \$47,000 and maintained for the life of the loan.

**X. DEBT OBLIGATIONS**

	Outstanding	Maturity
KIA (B94-01)	\$ 1,410,864	2029
KIA (C88-02)	380,000	2018
KIA (C89-56a)	591,990	2018
Kentucky League of Cities	415,000	2012
Kentucky League of Cities	1,705,000	2029
RD 2009	575,800	2049
RD 2010	482,000	2050
<b>Total</b>	<b>\$ 5,560,654</b>	

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

<u>Date</u>	<u>Project Title</u>	<u>Funding Source</u>	<u>Amount</u>	<u>Type</u>
2008	Raw Waterline Replacement	HB608	500,000	Grant
2008	South Campbellsville - Sewer	HB608	500,000	Grant
2008	South Campbellsville - Sewer	EPA	955,600	Grant
2009	Spurlington Transmission Main	RD	364,000	Grant
2010	Raw Water Intake	RD	187,000	Grant
2011	1.0 MG Batesville Tank	RD	700,000	Grant
2008	1.0 MG Batesville Tank	HB608	750,000	Grant

**XII. CONTACTS**

**Applicant**

Name City of Campbellsville  
 Address 110 S. Columbia Avenue, Suite B  
 Campbellsville, KY 42718  
 Contact Tony W. Young  
 Phone (270) 465-7011  
 Email Mayor@campbellsville.us

**Applicant Contact**

Name Monarch Engineering, Inc.  
Address 556 Carlton Drive  
Lawrenceburg, KY 40342  
Contact Deron S. Byrne, P.E.  
Phone (502) 839-1310  
Email dbyrne@monarchengineering.net

**Engineer**

Name David M. Bowles, P.E.  
Firm Monarch Engineering, Inc.  
Address 556 Carlton Drive  
Lawrenceburg, KY 40342  
Phone (502) 839-1310  
Email dbowles@monarchengineering.net

**XIII. RECOMMENDATIONS**

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

**CITY OF CAMPBELLVILLE  
BALANCE SHEETS (JUNE YEAR END)**

<b>ASSETS</b>	<b>Audited 2008</b>	<b>Audited 2009</b>	<b>Audited 2010</b>	<b>Audited 2011</b>	<b>Upon Completion 2013</b>
<b>Current Assets</b>					
Cash	582,184	456,286	352,242	388,922	707,814
Certificates of Deposit	2,026,702	1,867,671	0	0	0
Accounts Receivable	319,297	307,320	320,853	271,702	274,100
Inventory	233,496	198,255	232,306	233,826	233,826
Other Current Assets	0	77,772	281,599	4,182	4,182
<b>Total Current Assets</b>	<b>3,161,679</b>	<b>2,907,304</b>	<b>1,187,000</b>	<b>898,632</b>	<b>1,219,922</b>
<b>Restricted Assets</b>					
Cash and Investments	697,804	702,669	2,289,777	2,447,579	2,447,579
<b>Total Restricted Assets</b>	<b>697,804</b>	<b>702,669</b>	<b>2,289,777</b>	<b>2,447,579</b>	<b>2,447,579</b>
<b>Utility Plant</b>					
Construction in Process	1,390,259	883,831	1,754,201	60,742	0
Land, System, Building and Equipment	42,288,500	45,707,792	48,114,585	50,764,617	52,639,617
<b>Total</b>	<b>43,678,759</b>	<b>46,591,623</b>	<b>49,868,786</b>	<b>50,825,359</b>	<b>52,639,617</b>
<b>Less Accumulated Depreciation ( )</b>	<b>(17,217,400)</b>	<b>(18,177,879)</b>	<b>(19,154,764)</b>	<b>(20,124,663)</b>	<b>(22,083,861)</b>
<b>Net Fixed Assets</b>	<b>26,461,359</b>	<b>28,413,744</b>	<b>30,714,022</b>	<b>30,700,696</b>	<b>30,555,756</b>
<b>Other Assets</b>					
Unamortized Bond Costs and Discount, Net	353,651	302,449	257,024	211,599	120,749
<b>Total Other Assets</b>	<b>353,651</b>	<b>302,449</b>	<b>257,024</b>	<b>211,599</b>	<b>120,749</b>
<b>Total Assets</b>	<b>30,674,493</b>	<b>32,326,166</b>	<b>34,447,823</b>	<b>34,258,506</b>	<b>34,344,006</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Accounts Payable	143,266	141,326	182,795	94,335	195,000
Accrued Payroll	75,320	85,124	102,999	133,983	110,000
Customer Deposits	105,571	105,507	108,409	108,678	108,678
Compensated Absences	19,434	16,213	12,259	35,641	35,641
Accrued Interest	19,242	17,402	33,978	15,865	15,865
C.P. Revenue Bonds Payable	623,511	642,293	666,202	672,403	287,044
C.P. - Note Payable	0	316,159	40,120	0	0
Deferred Revenue	45,563	39,488	33,413	21,263	21,263
<b>Total Current Liabilities</b>	<b>1,031,907</b>	<b>1,363,512</b>	<b>1,180,175</b>	<b>1,082,168</b>	<b>773,491</b>
<b>Long Term Liabilities</b>					
Revenue Bonds Payable	5,811,349	5,169,055	5,084,854	4,894,451	4,325,485
Accrued Compensated Absences	211,715	215,702	230,970	230,970	245,000
Proposed KIA Loan	0	0	0	0	1,218,750
<b>Total Long Term Liabilities</b>	<b>6,023,064</b>	<b>5,384,757</b>	<b>5,315,824</b>	<b>5,125,421</b>	<b>5,789,235</b>
<b>Total Liabilities</b>	<b>7,054,971</b>	<b>6,748,269</b>	<b>6,495,999</b>	<b>6,207,589</b>	<b>6,562,726</b>
<b>Retained Earnings:</b>					
Invested in Capital Assets Net of Related Debt	20,026,499	22,286,237	24,922,846	25,140,042	25,193,227
Restricted	697,802	702,667	2,289,775	2,447,579	2,447,579
Unrestricted	2,895,221	2,588,993	739,203	463,296	140,474
<b>Total Retained Earnings</b>	<b>23,619,522</b>	<b>25,577,897</b>	<b>27,951,824</b>	<b>28,050,917</b>	<b>27,781,280</b>
<b>Total Liabilities and Equities</b>	<b>30,674,493</b>	<b>32,326,166</b>	<b>34,447,823</b>	<b>34,258,506</b>	<b>34,344,006</b>
<b>Balance Sheet Analysis</b>					
Current Ratio	3.1	2.1	1.0	0.8	1.6
Debt to Equity	0.3	0.3	0.2	0.2	0.2
Working Capital	2,129,772	1,543,792	6,825	(183,536)	446,431
Percent of Total Assets in Working Capital	6.9%	4.8%	0.0%	-0.5%	1.3%
Days Sales in Accounts Receivable	25.3	24.3	25.8	21.1	21.1

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

	<b>Audited 2008</b>	<b>% Change</b>	<b>Audited 2009</b>	<b>% Change</b>	<b>Audited 2010</b>	<b>% Change</b>	<b>Audited 2011</b>	<b>Projected 2012</b>	<b>Projected 2013</b>	<b>Projected 2014</b>	<b>Projected 2015</b>
<b>Operating Revenues</b>											
Charges for Services	4,516,142	0%	4,516,268	-2%	4,429,919	4%	4,595,018	4,618,000	4,641,100	4,664,300	4,687,600
Service Charges and Other	93,388	8%	100,562	3%	104,042	7%	110,975	105,000	105,500	106,000	106,500
<b>Total Revenues</b>	<b>4,609,530</b>	<b>0%</b>	<b>4,616,830</b>	<b>-2%</b>	<b>4,533,961</b>	<b>4%</b>	<b>4,705,993</b>	<b>4,723,000</b>	<b>4,746,600</b>	<b>4,770,300</b>	<b>4,794,100</b>
<b>Operating Expenses</b>											
Operating Expenses	3,602,769	7%	3,861,251	-2%	3,773,435	1%	3,826,581	3,941,400	4,059,600	4,181,400	4,306,800
Depreciation	937,031	3%	960,579	2%	981,758	-1%	969,900	969,900	989,298	1,042,900	1,063,758
Replacement Reserve										10,400	10,400
<b>Total Expenses</b>	<b>4,539,800</b>	<b>6%</b>	<b>4,821,830</b>	<b>-1%</b>	<b>4,755,193</b>	<b>1%</b>	<b>4,796,481</b>	<b>4,911,300</b>	<b>5,048,898</b>	<b>5,234,700</b>	<b>5,380,958</b>
<b>Net Operating Income</b>	<b>69,730</b>	<b>-394%</b>	<b>(205,000)</b>	<b>8%</b>	<b>(221,232)</b>	<b>-59%</b>	<b>(90,488)</b>	<b>(188,300)</b>	<b>(302,298)</b>	<b>(464,400)</b>	<b>(586,858)</b>
<b>Non-Operating Income and Expenses</b>											
Interest Income	169,768		153,718		95,198		113,208	90,000	90,000	90,000	90,000
Other	0		0		7,085		(3,290)	0	0	0	0
<b>Total Non-Operating Income &amp; Expenses</b>	<b>169,768</b>	<b>-9%</b>	<b>153,718</b>	<b>-33%</b>	<b>102,283</b>	<b>7%</b>	<b>109,918</b>	<b>90,000</b>	<b>90,000</b>	<b>90,000</b>	<b>90,000</b>
<b>Add Non-Cash Expenses</b>											
Depreciation	937,031	3%	960,579	2%	981,758	-1%	969,900	969,900	989,298	1,042,900	1,063,758
<b>Cash Available for Debt Service</b>	<b>1,176,529</b>	<b>-23%</b>	<b>909,297</b>	<b>-5%</b>	<b>862,809</b>	<b>15%</b>	<b>989,330</b>	<b>871,600</b>	<b>777,000</b>	<b>668,500</b>	<b>566,900</b>
<b>Debt Service</b> (enter as positive #'s)											
Existing Principal	636,110		623,511		642,293		712,523	686,244	281,922	287,044	296,812
Existing Interest	221,428		245,399		265,909		165,299	172,226	148,006	138,379	128,501
Proposed KIA Loan									41,310	70,433	70,433
RD Loan										68,272	68,272
<b>Total Debt Service</b>	<b>857,538</b>		<b>868,910</b>		<b>908,202</b>		<b>877,822</b>	<b>858,470</b>	<b>471,238</b>	<b>564,128</b>	<b>564,018</b>
<b>Income After Debt Service</b>	<b>318,991</b>		<b>40,387</b>		<b>(45,393)</b>		<b>111,508</b>	<b>13,130</b>	<b>305,762</b>	<b>104,372</b>	<b>2,882</b>
<b>Debt Coverage Ratio</b>	<b>1.4</b>		<b>1.0</b>		<b>1.0</b>		<b>1.1</b>	<b>1.0</b>	<b>1.6</b>	<b>1.2</b>	<b>1.0</b>

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**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 (F12-07) OF \$564,150 TO THE CITY OF HARTFORD, OHIO 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 Hartford, 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 \$1564,150 of project expense including capitalized interest for the construction period, to the City of Hartford for the Pretreatment Basin and System 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 \$366,698 shall be repaid.

Section 4. The loan shall be repayable over 20 years at an interest rate of 1.0%. In addition to debt service, a 0.25% annual administration fee on the unpaid loan balance will be charged. From annual revenues, \$1,500 must be set aside in a borrower held replacement reserve each December 1 until the balance reaches \$15,000 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 June, 2012.

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TONY WILDER, CHAIR  
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

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SANDY WILLIAMS, SECRETARY  
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

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



STEVEN L. BESHEAR  
GOVERNOR

LEONARD K. PETERS  
SECRETARY

ENERGY AND ENVIRONMENT CABINET  
DEPARTMENT FOR ENVIRONMENTAL PROTECTION  
DIVISION OF WATER  
200 FAIR OAKS LANE, 4TH FLOOR  
FRANKFORT, KENTUCKY 40601  
[www.kentucky.gov](http://www.kentucky.gov)

April 18, 2012

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

Re: DWL-12030  
Hartford Municipal Water Works--3296  
Activity ID: FGL20120007  
*HUC 11 No.: 15110004130 – Rough River, near Lake  
Washburn*  
Fund F

Dear Mr. Covington:

The Division of Water (DOW) hereby certifies that the City of Hartford is entitled to receive priority for funding for the Hartford Pretreatment Basin & System Improvement project, and is eligible to receive \$564,150.00 from the Drinking Water State Revolving Fund. The following requirements have been addressed as follows:

1. Plans and specifications are expected to be submitted to DOW on December 1, 2012.
2. Construction bids are expected to be opened on February 1, 2013.
3. The Categorical Exclusion Determination (CED) issued on November 30, 2011 only included the pre-oxidation basin and flush hydrants. The CED is in the process of being amended to include the water storage tank improvements.

The binding commitment letter should include the following general conditions to satisfy federal requirements:

1. The Authority to Award (bid) package must be submitted to DOW for approval within 14 days of bid opening. DOW must perform the DBE reviews, conduct a pre-construction and project management conference.
2. Loan Agreement must be executed within six (6) months from bid opening.
3. The city must agree to expend all loan funds within six months of the date of initiation of operation.

4. Documentation of final funding commitments from all parties other than the Kentucky Infrastructure Authority (KIA) as reflected in the credit analysis shall be provided to KIA prior to their loan closing and disbursement of the loan monies. Rejections of any anticipated project funding shall be immediately reported to KIA and may cause this loan to be subject to further consideration.
5. The borrower must receive DOW approval of the Plans and Specifications before bidding the project.
6. The borrower must receive DOW approval of the Environmental Assessment before bidding the project.

Upon compliance with the general and special conditions, the DOW will issue its final project certification prior to finalizing the loan agreement.

Please forward the draft binding commitment letter to this office for review when completed. Should you have any questions concerning this letter, do not hesitate to contact Bill Averell, Project Administrator, at (502) 564-8158, extension 4980.

Sincerely,



Buddy Griffin, Supervisor  
SRF & SPAP Section  
Water Infrastructure Branch

BG: ba

Enclosures

C: Honorable Charlotte Hendricks, Mayor  
Pete Conrad, Infrastructure Planner, Green River ADD  
Steven Jones, P. E., Water Management Services, Inc.

<b>EXECUTIVE SUMMARY</b>		Reviewer:	Sandy Williams				
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		Date:	June 7, 2012				
<b>FUND F, FEDERALLY ASSISTED DRINKING WATER</b>		KIA Loan Number:	<b>F12-07</b>				
<b>REVOLVING LOAN FUND</b>		WRIS Number	<b>WX21183020</b>				
		HUC Code	'15110004130				
<b>BORROWER:</b>	<b>CITY OF HARTFORD</b>						
	<b>OHIO COUNTY</b>						
<b>BRIEF DESCRIPTION:</b>							
<p>This project contains two primary components. First, it involves modifications and rehabilitation of an existing settling basin to serve as a pre-oxidation basin for iron and manganese removal. This will limit the interaction of chlorine and organic carbon and provide a reduction in Disinfection Byproduct (DBP) concentrations. The conversion of the basin also requires the installation of baffle walls, mechanical mixers, additional pumping facilities and improvements to facilities for feeding permanganate. Additionally, the project includes the installation of automatic flush hydrants on dead end water mains in the system. Valves and motors for the existing filters will also be replaced. The motorized valves have failed resulting in plant personnel having to manually operate the valves during backwash procedures. This component of the project is a part of the City's corrective action plan that was established to become compliant after entering into an Agreed Order with the Division of Water concerning multiple violations of DBP rules.</p> <p>Valves and motors for the existing filters will also be replaced. The motorized valves have failed resulting in plant personnel having to manually operate them during backwash procedures. The second project component involves repainting and repairing the City's one million gallon storage tank. Recent inspections have identified significant damage to the paint and areas that are in need of repairs.</p>							
<b>PROJECT FINANCING:</b>	<b>PROJECT BUDGET</b>						
Fund F Loan	\$	564,150	Administrative Expenses	\$	25,000		
			Engineering		60,650		
			Construction		435,000		
			Contingency		43,500		
<b>TOTAL</b>	<b>\$</b>	<b>564,150</b>	<b>TOTAL</b>	<b>\$</b>	<b>564,150</b>		
<b>REPAYMENT</b>			Rate	1.0%	Est. Annual Payment	\$	21,192
			Term	20 years	1st Payment	6 Mo. after first draw	
<b>PROFESSIONAL SERVICES</b>	Engineer	Water Management Services, LLC					
	Bond Counsel	Peck, Shaffer, & Williams					
<b>PROJECT SCHEDULE</b>			Bid Opening:	February 2013			
			Construction Start:	March 2013			
			Construction Stop:	December 2013			
<b>DEBT PER CUSTOMER</b>	Existing:	\$	1,673				
	Proposed:	\$	1,597				
<b>OTHER DEBT</b>	See Attached						
<b>OTHER STATE-FUNDED PROJECTS LAST 5 YRS</b>	See Attached						
<b>RESIDENTIAL RATES</b>			<u>Users</u>		<u>Avg. Bill</u>		
	Current		1,079	\$	21.06	(for 4,000 gallons)	
	Additional		0	\$	21.06	(for 4,000 gallons)	
<b>REGIONAL COORDINATION</b>	This project is consistent with regional planning recommendations.						
<b>CASHFLOW</b>	<b>Cash Available for</b>		<b>Income after Debt</b>				
	<b>Debt Service</b>	<b>Debt Service</b>	<b>Service</b>	<b>Coverage Ratio</b>			
Audited 2008	158,578	200,060	(41,482)	0.8			
Audited 2009	83,716	198,796	(115,080)	0.4			
Audited 2010	54,803	196,632	(141,829)	0.3			
Audited 2011	27,735	178,695	(150,960)	0.2			
Projected 2012	7,447	67,311	(59,864)	0.1			
Projected 2013	53,292	67,204	(13,912)	0.8			
Projected 2014	97,991	88,772	9,219	1.1			
Projected 2015	97,514	88,629	8,885	1.1			
Projected 2016	97,927	89,468	8,459	1.1			
Projected 2017	98,144	89,292	8,852	1.1			

**KENTUCKY INFRASTRUCTURE AUTHORITY  
DRINKING WATER STATE REVOLVING FUND (FUND "F")  
CITY OF HARTFORD, OHIO COUNTY  
PROJECT REVIEW  
WX21183020**

**I. PROJECT DESCRIPTION**

The City of Hartford is requesting a Fund "F" loan in the amount of \$564,150 for the Pretreatment Basin and System Improvements project. The project involves modifications and rehabilitation of an existing settling basin to serve as a pre-oxidation basin for iron and manganese removal. This will limit the interaction of chlorine and organic carbon and provide a reduction in Disinfection Byproduct (DBP) concentrations. The conversion of the basin also requires the installation of baffle walls, mechanical mixers, additional pumping facilities and improvements to facilities for feeding permanganate. Additionally, the project includes the installation of automatic flush hydrants on dead end water mains in the system. Valves and motors for the existing filters will also be replaced. The motorized valves have failed resulting in plant personnel having to manually operate the valves during backwash procedures. This component of the project is a part of the City's corrective action plan that was established to become compliant after entering into an Agreed Order with the Division of Water concerning multiple violations of DBP rules. Valves and motors for the existing filters will also be replaced. The motorized valves have failed resulting in plant personnel having to manually operate them during backwash procedures.

A second project component involves repainting and repairing the City's one million gallon storage tank. Recent inspections have identified significant damage to the paint and areas that are in need of repairs.

The improvements in the quality of the drinking water will allow the water system to maximize the effectiveness of the flushing program which will lead to an overall reduction in the amount of water lost due to flushing activities and improve the efficiency of the water system. The City sells approximately 42 million gallons (32% of production) of water to the City of Centertown each year at an average rate of \$2.55 per thousand gallons.

**II. PROJECT BUDGET**

	<u>Total</u>
Administrative Expenses	\$ 25,000
Engineering Fees	60,650
Construction	435,000
Contingency	43,500
<b>Total</b>	<b>\$ 564,150</b>

### III. PROJECT FUNDING

	Amount	%
Fund A Loan	\$ 564,150	100%
<b>Total</b>	<b>\$ 564,150</b>	<b>100%</b>

### IV. KIA DEBT SERVICE

Construction Loan	\$ 564,150
Less: Principal Forgiveness (35%)	\$ 197,453
Amortized Loan Amount	\$ 366,698
Interest Rate	1.0%
Loan Term (Years)	20
Estimated Annual Debt Service	\$ 20,275
Administrative Fee (0.20%)	\$ 917
<b>Total Estimated Annual Debt Service</b>	<b>\$ 21,192</b>

### V. PROJECT SCHEDULE

Bid Opening	February 2013
Construction Start	March 2013
Construction Stop	December 2013

### VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

<b>A) Customers</b>	Current
Residential	952
Commercial	125
Industrial	2
Total	1,079

#### **B) Rates**

	City	Outside City	Centertown
Date of Last Rate Increase	9/1/2008	9/1/2008	9/11/2003
Minimum (2,000 gallons)	\$13.80	\$22.63	\$18.79
Next 8,000 Gallons	3.63	5.75	4.78
Next 10,000 Gallons	3.34	4.97	4.13
Next 30,000 Gallons	3.16	4.27	4.06
Next 50,000 Gallons	3.02	3.49	3.22
All Over 100,000 Gallons	2.87	3.02	2.51
Cost for 4,000 gallons	\$21.06	\$34.13	n/a
Increase %	5.4%	5.4%	
Affordability Index (Rate/MHI)	0.9%	1.4%	

The City may, at the discretion of the City Council, increase rates annually based on

the January 1 Municipal Cost Index (MCI).

## **VII. DEMOGRAPHICS**

In 2010, the City's population was 2,628 with a Median Household Income (MHI) of \$28,400. The median household income for the Commonwealth is \$41,197. The loan qualifies for a 1% interest rate due to the MHI being below 80% of the State MHI.

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

- 1) Green Project Reserve - This project will not be reported for Green Project Reserve (GPR) funding.
- 2) Additional Subsidization – This project qualifies for additional subsidization in the amount of \$76,950.

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

Financial information was obtained from the City's audited financial statements for the years ended June 30, 2008 through 2011 for the Water Fund. Water Fund revenues are being pledged as security for the proposed KIA loan.

### **HISTORICAL**

Revenues increased slightly from \$505,856 in 2008 to \$511,447 in 2011. A 5.3% retail rate increase in September 2008 was offset by a reduction in wholesale (Centertown) purchase volume. Wholesale water rates were last increased in September 2003. Operating expenses increased 36% from \$357,364 to \$486,064. As sewer operations were shifted to the Ohio County Regional Wastewater District during fiscal 2009, some personnel costs that were previously allocated between the water and sewer operation were not eliminated and were absorbed into the water fund.

Cash available for debt service decreased each year from \$158,578 in 2008 to \$27,735 in 2011. The debt coverage ratio declined from 0.8 in 2008 (-\$41,482 cash flow after debt service) to 0.2 in 2011 (-\$150,960 cash flow after debt service). The debt coverage ratio was less than 1.0 for all years from 2008 through 2011 and is projected to be less than 1.0 in 2012 (-\$59,864). Debt service amounts exclude any repayments of interfund borrowings. Cash flow shortfalls in the water fund were funded from other sources (primarily the General Fund and Sewer Fund).

The balance sheet reflects liquidity weakness and limited capacity to incur additional debt without significantly increasing water rates. During fiscal 2011 the Water Fund incurred \$1,340,000 of bonded debt which was primarily used to repay interfund obligations. It appears that the water fund will require contributions from other funds in 2012 to meet its cash flow requirements.

The City is in the process of commissioning a rate study for both the Water and Sewer operations. This should highlight shortfalls in the rate structure in general or disparities

in the cost structure between the water and sewer operations.  
**PROJECTIONS**

Projections are based on the following assumptions:

- 1) Revenues will be increase 0.2% annually for volume (reflects 10 year population growth)
- 2) Revenues will increase \$5,600 (at current rates) in 2014 for increased sales to Centertown related to expansion of service to Big Rivers Electric Corporation DB Wilson Plant (Centertown loan F12-05 approved March 1, 2012)
- 3) The City will provide KIA with a copy of the rate study and will adjust rates by an amount that is acceptable to KIA. We estimate that they will need to increase water rates by the amounts listed below to generate sufficient revenue to fund operating expenses, debt service (including the proposed KIA loan) and reserves each year without requiring contributions from other funds.

Effective October 1	2012	2013	2014	2015	2016
Additional Revenue	60,000	50,000	9,000	10,000	10,000
% of Revenues	16%	5%	1%	2%	2%

Total debt service and reserve funding of \$22,692 are projected to begin December 1, 2013. The rate increase in fiscal 2013 will fund the existing cash flow deficit. The increase in fiscal 2014 will fund debt service and some inflation. Increases in the remaining years will offset inflation.

- 4) Operating expenses will increase 2% annually for inflation net of a slight reduction for treatment chemicals usage.
- 5) The existing interfund payable of \$223,625 will not be repaid during the years forecasted.
- 6) A replacement reserve of \$1,500 funded annually for ten years.
- 7) The new debt service is estimated at \$21,192 annually.
- 8) Debt service coverage is 1.1 in 2014 when principal and interest repayments begin and will remain at 1.1 thereafter. The additional coverage will provide limited flexibility to strengthen liquidity or to reduce obligations to other funds (which is not included in required debt service).

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 \$1,500. This amount should be added to the replacement account each December 1 until the balance reaches \$15,000 and maintained for the life of the loan.

**X. DEBT OBLIGATIONS**

	<u>Outstanding</u>	<u>Maturity</u>
Series 2010 Water System Bonds	\$ 1,339,917	Jan-49
Series 2003 Water System Revenue Bonds	465,500	Jan-43
<b>Total</b>	<b>\$ 1,805,417</b>	

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

<u>Project Title</u>	<u>Funding Source</u>	<u>Amount</u>	<u>Type</u>
Wastewater Improvements	HB608	625,000	Grant
Wastewater Improvements	HB410	40,000	Grant
Wastewater Improvements	CDBG	1,000,000	Grant
Wastewater Improvements	RUS	717,000	Grant

**XII. CONTACTS**

<b>Applicant</b>	
Name	City of Hartford
Address	116 East Washington Street Hartford, KY 42347
County	Ohio
Contact	Charlotte Hendricks
Phone	(270) 298-3612
Email	mayorch@bellsouth.net

<b>Applicant Contact</b>	
Name	Green River Area Development District
Address	3860 U.S. Highway 60 West Owensboro, KY 42301
Contact	Pete Conrad
Phone	(270) 926-4433
Email	PeteConrad@gradd.org

<b>Engineer</b>	
Name	Steven Jones
Firm	Water Management Services, LLC
Address	2 International Plaza, suite 401 Nashville, TN 37217
Phone	(615) 366-6088
Email	sjones@wmsengineers.com

### **XIII. RECOMMENDATIONS**

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

1. The City will pass a rate ordinance prior to October 1, 2012 to adjust water rates for fiscal years 2013 and 2014 by an amount that is acceptable to KIA based on the water and sewer rate study that is being conducted (inclusive of proposed KIA debt service).

**CITY OF HARTFORD (WATER FUND)  
BALANCE SHEETS (JUNE YEAR END)**

	<b>Audited 2008</b>	<b>Audited 2009</b>	<b>Audited 2010</b>	<b>Audited 2011</b>	<b>Projected 2012</b>	<b>2013</b>	<b>Upon Completion 2014</b>
<b>ASSETS</b>							
<b>Current Assets</b>							
Cash	76,828	66,837	0	6,409	6,500	6,500	6,500
Accounts Receivable	91,329	120,565	130,513	166,496	166,500	186,400	204,800
Inventory	11,859	9,405	9,086	7,366	7,500	7,500	7,500
Interfund Receivable	1,000	0	0	5,750	5,750	5,750	5,750
Prepaid Expenses	20,123	0	0	0	0	0	0
Deferred Charges	8,225	5,484	2,742	0	0	0	0
<b>Total Current Assets</b>	<b>209,364</b>	<b>202,291</b>	<b>142,341</b>	<b>186,021</b>	<b>186,250</b>	<b>206,150</b>	<b>224,550</b>
<b>Restricted Assets</b>							
Bond and Interest Sinking Fund	106,358	105,874	105,777	25,860	30,000	30,000	30,000
Depreciation Fund	67,903	67,530	54,384	116,360	120,000	120,000	120,000
<b>Total Restricted Assets</b>	<b>174,261</b>	<b>173,404</b>	<b>160,161</b>	<b>142,220</b>	<b>150,000</b>	<b>150,000</b>	<b>150,000</b>
<b>Utility Plant</b>							
Land, System, Building and Equipment	3,061,912	2,965,630	2,885,559	2,795,073	2,690,141	2,585,209	3,044,427
<b>Net Fixed Assets</b>	<b>3,061,912</b>	<b>2,965,630</b>	<b>2,885,559</b>	<b>2,795,073</b>	<b>2,690,141</b>	<b>2,585,209</b>	<b>3,044,427</b>
<b>Total Assets</b>	<b>3,445,537</b>	<b>3,341,325</b>	<b>3,188,061</b>	<b>3,123,314</b>	<b>3,026,391</b>	<b>2,941,359</b>	<b>3,418,977</b>
<b>LIABILITIES</b>							
<b>Current Liabilities</b>							
Accounts Payable	14,650	4,395	14,620	16,382	17,000	17,700	18,400
Accrued Liabilities	1,688	1,702	2,020	2,155	2,200	2,300	2,400
Accrued Payroll	1,424	2,266	3,143	3,868	4,000	4,200	4,400
Accrued Interest	10,588	10,456	10,325	25,258	19,900	19,600	19,300
Customer Deposits	49,340	50,715	54,440	59,225	59,225	59,225	59,225
C.P. LTD	6,000	6,000	6,500	27,500	28,000	29,000	29,500
Cash Overdraft	0	0	3,548	0	0	0	0
Interfund Payable	883,006	979,607	1,054,654	223,625	283,489	297,401	288,182
<b>Total Current Liabilities</b>	<b>966,696</b>	<b>1,055,141</b>	<b>1,149,250</b>	<b>358,013</b>	<b>413,814</b>	<b>429,426</b>	<b>421,407</b>
<b>Long Term Liabilities</b>							
Long Term Debt	942,271	788,181	628,590	1,777,917	1,750,417	1,722,417	1,693,417
Compensated Absences	4,268	11,309	12,221	12,566	13,000	13,500	14,000
Proposed KIA Loan	0	0	0	0	0	0	366,698
<b>Total Long Term Liabilities</b>	<b>946,539</b>	<b>799,490</b>	<b>640,811</b>	<b>1,790,483</b>	<b>1,763,417</b>	<b>1,735,917</b>	<b>2,074,115</b>
<b>Total Liabilities</b>	<b>1,913,235</b>	<b>1,854,631</b>	<b>1,790,061</b>	<b>2,148,496</b>	<b>2,177,231</b>	<b>2,165,343</b>	<b>2,495,522</b>
<b>Retained Earnings:</b>							
Invested in Capital Assets Net of Related Debt	2,113,641	2,160,993	2,240,144	989,656	911,724	833,792	954,813
Restricted	174,261	173,404	160,161	142,220	150,000	150,000	150,000
Unrestricted	(755,600)	(847,703)	(1,002,305)	(157,058)	(212,564)	(207,776)	(181,357)
<b>Total Retained Earnings</b>	<b>1,532,302</b>	<b>1,486,694</b>	<b>1,398,000</b>	<b>974,818</b>	<b>849,160</b>	<b>776,016</b>	<b>923,456</b>
<b>Total Liabilities and Equities</b>	<b>3,445,537</b>	<b>3,341,325</b>	<b>3,188,061</b>	<b>3,123,314</b>	<b>3,026,391</b>	<b>2,941,359</b>	<b>3,418,977</b>
<b>Balance Sheet Analysis</b>							
Current Ratio	0.2	0.2	0.1	0.5	0.5	0.5	0.5
Debt to Equity	1.2	1.2	1.3	2.2	2.6	2.8	2.7
Working Capital	(757,332)	(852,850)	(1,006,909)	(171,992)	(227,564)	(223,276)	(196,857)
Percent of Total Assets in Working Capital	-22.0%	-25.5%	-31.6%	-5.5%	-7.5%	-7.6%	-5.8%
Days Sales in Accounts Receivable	65.9	90.0	98.6	118.8	118.8	118.8	118.8

**EXHIBIT 1  
CITY OF HARTFORD (WATER FUND)  
CASH FLOW ANALYSIS (JUNE YEAR END)**

	Audited 2008	% Change	Audited 2009	% Change	Audited 2010	% Change	Audited 2011	% Change	Projected 2012	Projected 2013	Projected 2014	Projected 2015	Projected 2016	Projected 2017
<b>Operating Revenues</b>														
Water Revenues	486,726	-4%	468,914	-3%	454,191	7%	487,513	0%	487,513	488,488	555,065	606,175	616,387	627,620
Penalties	13,616	-1%	13,527	17%	15,871	10%	17,534	0%	17,534	17,569	17,604	17,639	17,674	17,709
Other	5,514		2,548		11,724		3,900		3,900	3,900	3,900	3,900	3,900	3,900
Tap Fees	0		4,050		1,550		2,500		2,500	2,500	2,500	2,500	2,500	2,500
Rate Increase	0		0		0		0		0	60,000	50,000	9,000	10,000	10,000
<b>Total Revenues</b>	<b>505,856</b>	<b>-3%</b>	<b>489,039</b>	<b>-1%</b>	<b>483,336</b>	<b>6%</b>	<b>511,447</b>	<b>0%</b>	<b>511,447</b>	<b>572,457</b>	<b>629,069</b>	<b>639,214</b>	<b>650,461</b>	<b>661,729</b>
<b>Operating Expenses</b>														
Operating Expenses	357,364	16%	413,373	5%	434,344	12%	486,064	4%	505,500	520,665	531,078	541,700	552,534	563,585
Depreciation	104,101	0%	103,860	0%	103,928	1%	104,932	0%	104,932	104,932	104,932	104,932	104,932	104,932
Replacement Reserve	0		0		0		0		0	0	1,500	1,500	1,500	1,500
<b>Total Expenses</b>	<b>461,465</b>	<b>12%</b>	<b>517,233</b>	<b>4%</b>	<b>538,272</b>	<b>10%</b>	<b>590,996</b>	<b>3%</b>	<b>610,432</b>	<b>625,597</b>	<b>637,510</b>	<b>648,132</b>	<b>658,966</b>	<b>670,017</b>
<b>Net Operating Income</b>	<b>44,391</b>	<b>-164%</b>	<b>(28,194)</b>	<b>95%</b>	<b>(54,936)</b>	<b>45%</b>	<b>(79,549)</b>	<b>24%</b>	<b>(98,985)</b>	<b>(53,140)</b>	<b>(8,441)</b>	<b>(8,918)</b>	<b>(8,505)</b>	<b>(8,288)</b>
<b>Non-Operating Income and Expenses</b>														
Interest Income	10,086	-20%	8,050	-28%	5,811	-60%	2,352	-36%	1,500	1,500	1,500	1,500	1,500	1,500
<b>Total Non-Operating Income &amp; Expenses</b>	<b>10,086</b>	<b>-20%</b>	<b>8,050</b>	<b>-28%</b>	<b>5,811</b>	<b>-60%</b>	<b>2,352</b>	<b>-36%</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>
<b>Add Non-Cash Expenses</b>														
Depreciation	104,101	0%	103,860	0%	103,928	1%	104,932	0%	104,932	104,932	104,932	104,932	104,932	104,932
<b>Cash Available for Debt Service</b>	<b>158,578</b>	<b>-47%</b>	<b>83,716</b>	<b>-35%</b>	<b>54,803</b>	<b>-49%</b>	<b>27,735</b>	<b>-73%</b>	<b>7,447</b>	<b>53,292</b>	<b>97,991</b>	<b>97,514</b>	<b>97,927</b>	<b>98,144</b>
<b>Debt Service</b>														
Existing Principal	150,500		156,000		161,000		171,583		27,500	28,000	29,000	29,500	31,000	31,500
Existing Interest	49,560		42,796		35,632		7,112		39,811	39,204	38,580	37,937	37,276	36,600
Interfund Balance	0		0		0		0		0	0	0	0	0	0
Proposed KIA Loan	0		0		0		0		0	0	21,192	21,192	21,192	21,192
<b>Total Debt Service</b>	<b>200,060</b>		<b>198,796</b>		<b>196,632</b>		<b>178,695</b>		<b>67,311</b>	<b>67,204</b>	<b>88,772</b>	<b>88,629</b>	<b>89,468</b>	<b>89,292</b>
<b>Income After Debt Service</b>	<b>(41,482)</b>		<b>(115,080)</b>		<b>(141,829)</b>		<b>(150,960)</b>		<b>(59,864)</b>	<b>(13,912)</b>	<b>9,219</b>	<b>8,885</b>	<b>8,459</b>	<b>8,852</b>
<b>Debt Coverage Ratio</b>	<b>0.8</b>		<b>0.4</b>		<b>0.3</b>		<b>0.2</b>		<b>0.1</b>	<b>0.8</b>	<b>1.1</b>	<b>1.1</b>	<b>1.1</b>	<b>1.1</b>



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**I.B.13.**



**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 of June, 2012.

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TONY WILDER, CHAIR  
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:

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SANDY WILLIAMS, SECRETARY  
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:

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

**EXHIBIT A**

<b><u>APPLICANT</u></b>	<b><u>FUND</u></b>	<b><u>AMOUNT</u></b>
City of Earlington	A12-24	\$ 825,000
City of Lawrenceburg	A12-26	\$ 2,000,000
Sanitation District No. 1 of Perry Co	A12-28	\$ 875,000
Oldham County Environmental Authority (Increase)	A10-04	\$ 2,846,174
Oldham County Environmental Authority (Increase)	A10-07	\$ 2,601,420
Oldham County Environmental Authority (Increase)	A11-15	\$ 670,588
Oldham County Environmental Authority	A12-29	\$ 6,500,000
City of Warsaw (10% Increase)	A209-29	\$ 2,146,907
City of Hopkinsville f/b/o Hopkinsville Water Environment Authority (10% Increase)	A11-09	\$ 7,810,000
Nebo Water District	B12-03	\$ 92,000
City of Hartford	F12-07	\$ 564,150



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



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

**AVAILABLE FUNDS FFY 1989:**

FEDERAL TITLE VI GRANT FUNDS	\$33,237,382
UNUSED TITLE II GRANT FUNDS	\$5,873,998
BOND PROCEEDS (20%)	\$7,822,276
ADMINISTRATION (4%)	(\$1,564,455)
NET 89 SRF FUNDS	\$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

**NET FY 1989-2011 SRF FUNDS**

**\$489,508,248**

**CURRENT REVOLVING/SURPLUS FUND BALAN**

**\$328,541,312**

**Leverage Bonds - Balance**

**\$0**

**Balance Available for Loan**

**\$45,061,042**

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

TOTAL PROJECT AMOUNT	KIA AMOUNT	DATE APPROVED
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**PROJECTS APPROVED IN SFY 1995:**

55	HOPKINSVILLE, CITY OF	\$401,000	\$240,264 (c)	08-30-94; 4-7-11	Assumed from Pembroke
56	MT. STERLING, CITY OF	\$1,110,540	\$1,055,969 (c)	08-30-94	
57	WEST LIBERTY, CITY OF	\$737,972	\$329,764 (c)	08-30-94	(AMD. 2-26-96)
58	MT. VERNON, CITY OF	\$998,650	\$652,162 (c)	08-30-94	(REAP. 2-26-96) (REAP.3-6-97)
59	WORTHINGTON, CITY OF	\$790,000	\$388,332 (c)	08-30-94	
60	SOMERSET, CITY OF	\$2,759,200	\$2,631,067 (c)	08-30-94	
61	PERRY COUNTY S.D. #1	\$845,790	\$601,673 (c)	08-30-94	(AMD. 6/1/97)
62	BOYD COUNTY (PHASE II)	\$6,990,000	\$6,270,000 (s)	09-27-94	(AMD. 2-2-95)(AMD 12-10-99)
63	FRANKLIN, CITY OF (2)	\$2,600,080	\$2,572,240 (c)	09-27-94	
64	BRODHEAD, CITY OF	\$899,411	\$502,650 (c)	11-29-94	
65	NEWPORT, CITY OF	\$1,759,645	\$1,596,327 (c)	11-29-94	(AMD. 8-29-96)
66	PIKEVILLE, CITY OF (2)	\$3,466,413	\$2,134,015 (c)	11-29-94	(AMD. 8-30-95) (AMD.6-19-97)(ASSUMED FROM REIDLAND)
67	PADUCAH-MCCRACKEN JOINT SEWER AGENCY	\$3,798,069	\$3,516,117 (c)	11-29-94	
68	HOPKINSVILLE, CITY OF (2)	\$3,715,533	\$3,191,098 (c)	02-02-95	
69	JENKINS, CITY OF (2)	\$719,755	\$719,755 (c)	02-02-95	
70	RUSSELL, CITY OF	\$244,730	\$71,666 (c)	02-02-95	
71	LEBANON, CITY OF	\$6,491,336	\$5,805,838 (c)	03-31-95	
72	REGIONAL WATER RESOURCE AGENCY (O'BORO)	\$11,885,276	\$7,160,493 (c)	03-31-95	
73	MOREHEAD, CITY OF (RCSD)	\$3,347,424	\$3,130,152 (c)	03-31-95	(Assumed from RCSD)
74	GREENUP CO. ENVIRONMENTAL COMMISSION	\$3,798,920	\$3,370,168 (c)	5-30-95	(AMD. 3/16/99)
75	BOYD / GREENUP SANITATION DISTRICT #1	\$391,116	\$371,573 (c)	5-30-95	
76	PIKEVILLE, CITY OF	\$1,953,260	\$462,584 (c)	5-30-95; 3/2/06	Assumed from Mtn WD
<b>TOTALS</b>		<b>\$59,704,120</b>	<b>\$46,773,907</b>		

**PROJECTS APPROVED IN SFY 1996:**

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

**PROJECTS APPROVED IN SFY 1997:**

77	HARLAN, CITY OF	\$6,053,575	\$2,546,299 (c)	7-18-96	(REAP. 4-27-98)
78	HAWESVILLE, CITY OF	\$871,000	\$435,000 (c)	7-18-96	
79	EMINENCE, CITY OF	\$1,381,339	\$945,408 (c)	7-18-96	
80	SCOTTSVILLE, CITY OF	\$4,608,815	\$3,959,472 (c)	7-18-96	
81	ELKHORN CITY, CITY OF	\$926,726	\$926,726 (c)	7-18-96	(AMD 4-1-98)
82	GRAYSON, CITY OF	\$3,635,970	\$3,424,567 (s)	7-18-96	(AMD. 9-1-98)
83	MOREHEAD, CITY OF	\$2,357,176	\$781,381 (c)	7-18-96	
84	JACKSON, CITY OF	\$719,287	\$681,983 (c)	8-29-96	
85	LAWRENCE, COUNTY OF	\$1,566,000	\$868,219 (c)	3-6-97	(AMD 11/1/01)
86	GREENUP CO. ENVIRONMENTAL COMMISSION	\$2,368,793	\$2,331,195 (c)	3-6-97	
87	HARDIN CO WATER DISTRICT 1	\$4,846,450	\$4,809,652 (c)	6-19-97; 3/6/08	Assumed from Radcliff
88	WARREN COUNTY WATER DISTRICT (1)	\$1,082,400	\$980,781 (c)	6-19-97	
<b>TOTALS</b>		<b>\$30,417,531</b>	<b>\$22,690,683</b>		

**PROJECTS APPROVED IN SFY 1998:**

89	CRESTWOOD, CITY OF	\$351,516	\$351,516 (c)	8-14-97; 3/2/06	(A1) Assump. fell through
90	PARIS, CITY OF	\$723,734	\$402,667 (c)	11-10-97	(A1)
91	LEWISPORT, CITY OF	\$2,279,000	\$1,074,308 (c)	11-10-97	
92	MAYSVILLE, CITY OF	\$12,538,828	\$11,722,252 (c)	2-26-98	
93	WARREN COUNTY WATER DISTRICT (2)	\$265,000	\$253,057 (c)	2-26-98	
94	PRESTONSBURG, CITY OF	\$4,392,500	\$919,183 (s)	2-26-98	
95	CRESTWOOD, CITY OF	\$10,358,404	\$6,146,750 (+)	4-27-98; 3/2/06	Assump. fell through
<b>TOTALS</b>		<b>\$30,908,982</b>	<b>\$20,869,733</b>		

**PROJECTS APPROVED IN SFY 1999:**

96	PARIS, CITY OF	\$7,528,385	\$5,943,287 (c)	9-1-98	
97	MIDWAY, CITY OF	\$282,250	\$141,125 (c)	10-13-98	(A1)
98	MAYFIELD, CITY OF	\$1,401,962	\$1,160,472 (c)	10-13-98	
99	WURLAND, CITY OF	\$125,900	\$103,950 (c)	12-18-98	(A1)
100	DANVILLE, CITY OF	\$7,712,132	\$7,615,106 (c)	12-18-98	(AMD 01/8/04)
101	LEWIS COUNTY SANITATION DIST NO. 1	\$2,924,800	\$620,001 (c)	04-27-99	AMD 10/7/99
<b>TOTALS</b>		<b>\$19,975,429</b>	<b>\$15,583,941</b>		

**PROJECTS APPROVED IN SFY 2000:**

102	MOREHEAD, CITY OF	\$1,100,372	\$279,000 (c)	09-01-99	
103	HOPKINSVILLE, CITY OF	\$889,478	\$834,891 (c)	09-01-99	AMD 6/8/00
104	RWRA-OWENSBORO	\$26,264,248	\$25,963,257 (c)	12/10/99	AMD 6/2/05
105	SOUTH SHORE, CITY OF	\$502,790	\$188,849 (c)	12/10/99	
106	MOREHEAD, CITY OF	\$592,695	\$257,300 (c)	4/4/00	
107	MIDWAY, CITY OF	\$4,337,596	\$702,589 (c)	6/6/2000	
<b>TOTALS</b>		<b>\$33,687,179</b>	<b>\$28,225,886</b>		

TOTAL PROJECT AMOUNT	KIA AMOUNT	DATE APPROVED
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**PROJECTS APPROVED IN SFY 2001:**

108	PIKEVILLE, CITY OF	\$1,205,484	\$1,116,574	(c)	07/18/2000; 5/16/01 9/6/01; 3/2/06	Assumed from Mtn WD
109	WURLAND, CITY OF	\$1,717,540	\$1,561,400	(c)	07/18/00	AMD 9/29/00
110	LEITCHFIELD, CITY OF	\$6,146,196	\$5,355,560	(c)	8/29/00	
111	CLOVERPORT, CITY OF	\$57,500	\$57,500	(c)	11/22/00	(A1)
112	WHITE PLAINS, CITY OF	\$2,250,400	\$669,700	(c)	12/21/00	
113	MANCHESTER, CITY OF	\$5,060,376	\$1,053,589	(c)	1/25/01	
114	ARLINGTON, CITY OF	\$677,333	\$167,567	(c)	6/7/01	
<b>TOTALS</b>		<b>\$17,114,829</b>	<b>\$9,981,890</b>			

**PROJECTS APPROVED IN SFY2002:**

115	CARROLLTON, CITY OF	\$6,997,101	\$2,518,301	(c)	8/9/01	AMD 9/6/01
116	MT. STERLING WAT & SEW COMMISSION	\$13,908,185	\$11,936,783	(c)	2/7/02	
117	SHEPHERDSVILLE, CITY OF	\$9,976,728	\$7,581,466	(c)	2/7/02	
118	MARION, CITY OF	\$312,715	\$312,715	(c)	3/7/02	(A1) AMD 1/9/03
119	GREENVILLE, CITY OF	\$2,242,571	\$2,223,347	(c)	3/7/02	
120	LEBANON JUNCTION, CITY OF	\$2,898,419	\$1,813,385	(c)	4/4/02	AMD 7/1/05
121	HARRODSBURG, CITY OF	\$4,418,916	\$3,314,760	(c)	5/2/02	
122	WURLAND, CITY OF	\$1,782,900	\$1,782,872	(c)	6/6/02	
<b>TOTALS</b>		<b>\$42,537,535</b>	<b>\$31,483,629</b>			

**PROJECTS APPROVED IN SFY 2003**

123	SALYERSVILLE, CITY OF	\$7,662,832	\$2,035,486	(c)	8/15/02	AMD 9/19/03
124	LONDON, CITY OF	\$15,262,069	\$9,864,503	(c)	10/3/02	
125	Paducah McCracken Joint Sewer Agency	\$1,497,900	\$1,382,413	(c)	2/6/03	
126	Boyd & Greenup Co Sanitation Dist #1	\$849,503	\$694,844	(c)	5/1/03	
<b>TOTALS</b>		<b>\$25,272,304</b>	<b>\$13,977,246</b>			

**PROJECTS APPROVED IN SFY 2004**

127	HOPKINSVILLE, CITY OF	\$4,979,920	\$4,682,517	(c)	8/7/03	
128	MOUNTAIN WATER DISTRICT	\$729,158	\$184,695	(c)	9/4/03	
129	BENTON, CITY OF	\$1,823,194	\$293,902	(c)	12/4/03; 10/7/04	
130	PADUCAH-MCCRACKEN JSA	\$1,401,000	\$1,229,425	(c)	12/4/03	
131	MARION, CITY OF	\$1,775,704	\$515,296	(c)	3/4/04	
132	MOREHEAD, CITY OF	\$11,233,204	\$7,189,123	(c)	3/4/04; AMD 11/05	
133	PADUCAH-MCCRACKEN JSA	\$1,040,275	\$908,403	(c)	3/4/04	
134	JESSAMINE-SOUTH ELKHORN WAT DIST	\$298,200	\$196,861	(c)	4/1/04	(A1)
135	BEREA, CITY OF	\$9,011,045	\$5,000,000	(c)	4/1/04; 1/6/05	
136	HOPKINSVILLE WATER ENV AUTH	\$2,469,924	\$2,469,924	(c)	05/06/04; 3/2/06	
137	SOUTHERN WAT & SEW DIST	\$3,750,000	\$68,037	(c)	05/06/04	
<b>TOTALS</b>		<b>\$38,511,624</b>	<b>\$22,738,183</b>			

**PROJECTS APPROVED IN SFY 2005**

138	LAWRENCEBURG, CITY OF	\$8,319,703	\$7,889,974	(c)	7/1/04	
139	LORETTO, CITY OF	\$5,563,468	\$2,245,865	(c)	7/1/04; 9/14/05	
140	SANITATION DISTRICT #1	\$39,028,077	\$32,401,491	(c)	8/5/04; 10/1/06	
141	HODGENVILLE, CITY OF	\$2,639,104	\$968,539	(c)	10/7/04	
142	CARROLLTON, CITY OF	\$10,870,148	\$4,288,600	(c)	5/5/05	
143	WINCHESTER MUNICIPAL UTILITIES	\$23,212,000	\$21,000,000	(c)	6/23/05	
<b>TOTALS</b>		<b>\$89,632,500</b>	<b>\$68,794,469</b>			

**PROJECTS APPROVED IN SFY 2006**

144	ALEXANDRIA, CITY OF	\$2,535,785	\$426,220	(c)	7/7/05	
145	PAINTSVILLE, CITY OF	\$954,415	\$429,715	(c)	10/6/05	
146	CYNTHIANA, CITY OF	\$10,902,650	\$5,671,622	(c)	12/1/05	
147	WESTERN MASON SD	\$4,644,000	\$802,000	(c)	12/1/05	
148	LEDBETTER WATER DISTRICT	\$3,326,078	\$2,326,078		3/2/06	
149	RICHMOND, CITY OF	\$2,152,200	\$2,152,200		6/1/06	(A1)
<b>TOTALS</b>		<b>\$24,515,128</b>	<b>\$11,807,835</b>			

TOTAL PROJECT AMOUNT	KIA AMOUNT	DATE APPROVED
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**PROJECTS APPROVED IN SFY 2007**

150	REGIONAL WAT RES AGENCY	\$9,405,000	\$7,196,879 (c)	7/13/06
151	N MADISON CO SD	\$1,925,000	\$307,952 (c)	8/3/06
152	BOYD CO SANITATION DIST #2	\$1,918,000	\$666,811 (c)	10/5/06
153	N MADISON CO SD	\$12,736,123	\$8,104,622 (c)	10/5/06; 12/7/06
154	OHIO CO REG WASTEWATER DIST	\$15,940,000	\$6,607,612 (c)	11/2/06
155	CITY OF NICHOLASVILLE	\$12,459,352	\$12,053,913 (c)	12/7/06; 4/1/09
156	CITY OF BOWLING GREEN	\$5,155,190	\$5,130,100 (c)	12/7/06
157	CITY OF BEAVER DAM	\$1,311,900	\$597,921 (c)	6/21/07
158	CITY OF FALMOUTH	\$5,619,316	\$2,812,236 (c)	6/21/07

<b>TOTAL</b>	<b>\$66,469,881</b>	<b>\$43,478,046</b>
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**PROJECTS APPROVED IN SFY 2008**

159	CITY OF BARLOW	\$169,500	\$168,954 (c)	9/6/07 (A1)
160	CITY OF WHITESBURG	\$7,474,000	\$1,040,900 (c)	9/6/07
161	CITY OF OWENSBORO	\$24,531,634	\$22,900,578	10/4/07
162	CITY OF ALEXANDRIA	\$316,441	\$186,073 (c)	11/1/07
163	CITY OF MURRAY	\$1,469,778	\$1,227,741 (c)	11/1/07
164	CITY OF RICHMOND	\$57,843,022	\$54,690,822	11/1/07
165	REGIONAL WATER RESOURCE AGENCY	\$1,709,375	\$1,425,488 (c)	11/1/07
166	Paducah McCracken JSA	\$4,146,560	\$1,600,000 (c)	2/7/08
167	Bowling Green, City of	\$54,235,960	\$54,235,960	4/3/08; 11/12/09; 8/4/11
168	Sanitation District #1	\$83,147,554	\$70,000,000	4/3/08; 6/4/09
169	Elizabethtown, City of	\$21,192,000	\$21,192,000	4/3/08
170	Nicholasville, City of	\$9,554,625	\$7,494,225	4/3/08
171	Somerset, City of	\$14,897,000	\$8,477,690	4/3/08
172	Williamstown, City of	\$18,748,000	\$17,848,000	6/2/08

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

173	Hopkinsville, City of	\$4,916,100	\$0	9/4/08; withdrawn 5/11/10
174	Lexington-Fayette Urban County Govt	\$18,354,000	\$17,208,000	1/8/09
175	Paducah McCracken JSA	\$14,323,800	\$10,000,000	4/9/09
176	Mt Washington, City of	\$15,000,000	\$9,500,000	5/7/09; 9/1/10
177	Sanitation District #1	\$5,802,300	\$4,920,300	6/4/09; 6/30/11
178	Sanitation District #1	\$7,062,000	\$5,459,988 (c)	6/4/09
179	Sanitation District #1	\$20,108,000	\$15,230,000	6/4/09
180	Sanitation District #1	\$6,968,000	\$5,768,000	6/4/09
181	Sanitation District #1	\$3,287,000	\$2,470,000	6/4/09
182	Sanitation District #1	\$12,065,000	\$9,900,000	6/4/09

<b>TOTAL</b>	<b>\$107,886,200</b>	<b>\$80,456,288</b>
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**PROJECTS APPROVED IN SFY 2010**

183	Kentucky Horse Park	\$1,950,000	\$1,000,000	8/6/09
184	Maysville, City of	\$11,000,000	\$11,000,000	9/3/09
185	Prestonsburg, City of	\$272,000	\$272,000 (c)	10/1/09; 2/4/10
186	Prestonsburg, City of	\$786,000	\$786,000 (c)	10/1/09; 2/4/10
187	Louisville & Jefferson Co. Metro. Sewer Dist.	\$4,847,095	\$0	10/1/09 withdrawn 10/12/10
188	Hopkinsville, City of	\$7,500,000	\$7,500,000	11/12/09
189	Hardinsburg, City of	\$550,000	\$550,000	11/12/09
190	Princeton, City of	\$2,475,000	\$683,354 (c)	12/3/09; 2/4/10
191	Ashland, City of	\$7,720,231	\$7,709,331	1/7/10; 2/3/11
192	Winchester, City of	\$37,000,000	\$36,600,000	2/4/10
193	Prestonsburg, City of	\$4,530,405	\$1,860,405	2/4/10
194	<b>Oldham Co Env Auth</b>	<b>\$2,846,174</b>	<b>\$2,846,174</b>	<b>5/6/10; 7/7/11; 6/7/12</b>
195	Oldham Co Env Auth -	\$1,477,000	\$1,000,000	5/6/10; 1/5/12
196	<b>Oldham Co Env Auth</b>	<b>\$2,601,420</b>	<b>\$2,601,420</b>	<b>5/6/10; 1/5/12; 6/7/12</b>
197	Lexington Fayette Urban County Government	\$10,500,000	\$10,500,000	6/3/10; 10/14/10
198	Lexington Fayette Urban County Government	\$7,028,375	\$0	6/3/10; 10/14/10 withdrawn 1/31/12

<b>Total</b>	<b>\$103,083,700</b>	<b>\$84,908,684</b>
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TOTAL PROJECT AMOUNT	KIA AMOUNT	DATE APPROVED
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**PROJECTS APPROVED IN SFY 2011**

199	Oldham Env Auth	SX21185028	\$500,000	\$250,000	7/1/10;1/5/12
200	Sanitation District #1	SX21117126	\$19,935,700	\$17,146,500	7/1/10
201	Bardstown, City of	SX21179019	\$1,980,000	\$1,980,000	12/9/10; 6/10/11
202	LaCenter, City of	SX21007015	\$895,000	\$895,000	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	\$400,000	2/3/11
208	Louisa, City of		\$2,058,580	\$1,400,000	2/3/11
209	Flemingsburg, City of		\$8,906,000	\$8,906,000	3/3/11
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		\$7,300,000	\$7,100,000	4/7/11
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	\$3,937,950	5/5/11
<b>Total</b>			<b>\$141,594,607</b>	<b>\$124,541,122</b>	

**PROJECTS APPROVED IN SFY 2012**

221	<b>Oldham Co Env Authority</b>	<b>SX21185037</b>	<b>\$670,588</b>	<b>\$670,588</b>	<b>7/7/11;6/7/12</b>
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		\$5,651,270	\$5,651,270	2/2/12
229	Sanitation District #1 of Northern Ky		\$1,001,717	\$851,857	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 County Government		\$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	<b>Earlington, City of</b>	<b>SX21107017</b>	<b>\$1,575,000</b>	<b>\$825,000</b>	<b>6/7/12</b>
251	<b>Lawrenceburg, City of</b>	<b>SX21005007</b>	<b>\$2,000,000</b>	<b>\$2,000,000</b>	<b>6/7/12</b>
252	<b>Oldham Co Env Authority</b>	<b>SX21185052</b>	<b>\$6,650,000</b>	<b>\$6,500,000</b>	<b>6/7/12</b>
253	<b>Perry County Sanitation District</b>	<b>SX21193100</b>	<b>\$2,660,000</b>	<b>\$875,000</b>	<b>6/7/12</b>
<b>Total</b>			<b>\$114,778,192</b>	<b>\$101,911,203</b>	

**GRAND TOTALS - COMMITMENTS**

<b>\$1,429,706,984</b>	<b>\$1,133,945,654</b>
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**bold, italics - pending board approval**

(c) - Final amounts; Loan has been closed

(s) - Amount represented in the assistance agreement

(A1) - Planning and Design Loan

(+)-Const Amt; AA amnt represents Const + Plan & Design

**KENTUCKY INFRASTRUCTURE AUTHORITY  
FEDERALLY ASSISTED WASTEWATER REVOLVING LOAN FUND ---- (FUND A2)  
AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009**

**AVAILABLE FUNDS FFY 2009:**

FEDERAL ARRA GRANT FUNDS	\$49,878,100
ADMINISTRATION (4%)	(\$1,995,124)
Transferred from Admin to Construction	<u>\$910,506</u>
NET ARRA FUNDS	<u>\$48,793,482</u>

	TOTAL PROJECT AMOUNT	KIA AMOUNT	FIRST USE FUNDS	DATE APPROVED
<b>PROJECTS APPROVED IN SFY 2009:</b>				
1 Sanitation District #1	\$395,000	\$395,000 (c)	\$395,000	6/4/09
2 Sanitation District #1	\$1,755,545	\$1,371,545	\$1,371,545	6/4/09; 1/7/10; 1/25/10
3 Sanitation District #1	\$1,578,539	\$1,474,916 (c)	\$1,474,916	6/4/09
4 Sanitation District #1	\$834,241	\$834,241	\$834,241	6/4/09
5 Lexington Fayette Urban Co Govt	\$2,620,000	\$2,620,000 (c)	\$2,620,000	6/25/09
6 Lexington Fayette Urban Co Govt	\$537,000	\$237,000 (c)	\$237,000	6/25/09
7 Louisa, City of	\$1,150,000	\$1,139,716 (c)	\$1,139,716	6/25/09
8 Pineville, City of	\$2,193,000	\$2,193,000	\$2,193,000	6/25/09; 1/7/10
9 Shepherdsville, City of	\$8,500,000	\$3,000,000 (c)	\$3,000,000	6/25/09
<b>TOTALS</b>	<b>\$19,563,325</b>	<b>\$13,265,419</b>	<b>\$13,265,419</b>	
<b>PROJECTS APPROVED IN SFY 2010:</b>				
10 Calvert City, City of	\$1,083,128	\$986,831 (c)	\$986,831	7/9/09; 1/7/10
11 Princeton, City of	\$2,475,000	\$1,103,744 (c)	\$1,103,744	7/9/09; 2/4/10
12 Northern Madison Co Sanitation District	\$510,000	\$510,000 (c)	\$510,000	8/6/09
13 Kentucky Horse Park	\$1,950,000	\$950,000	\$950,000	8/6/09
14 Sanitation District #4 of Boyd County	\$475,000	\$400,000 (c)	\$400,000	8/6/09
15 Ashland, City of	\$250,252	\$246,646 (c)	\$246,646	8/20/09; 1/25/10
16 Covington, City of	\$1,200,000	\$1,197,390 (c)	\$1,197,390	8/20/09
17 Bowling Green, City of	\$134,996	\$134,996 (c)	\$134,996	8/20/09
18 Frankfort, City of	\$962,035	\$800,000 (c)	\$800,000	8/20/09
19 Wilder, City of	\$215,889	\$114,302 (c)	\$114,302	9/3/09; 1/25/10
20 Richmond, City of	\$125,000	\$125,000 (c)	\$125,000	9/3/09
21 Maysville, City of	\$2,000,000	\$500,000 (c)	\$500,000	9/3/09
22 Prestonsburg, City of	\$4,530,405	\$2,670,000	\$2,670,000	10/1/09
23 Kentucky Department of Parks	\$500,000	\$500,000 (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	\$1,366,291	\$1,366,291	10/1/09; 1/25/10
26 Morehead, City of	\$801,203	\$801,203 (c)	\$801,203	10/1/09
27 Morehead, City of	\$1,293,013	\$1,293,013 (c)	\$1,293,013	10/1/09
28 Winchester, City of	\$693,000	\$600,000 (c)	\$600,000	10/1/09
29 Russellville, City of	\$952,300	\$799,967 (c)	\$799,967	10/1/09
30 Kuttawa, City of	\$530,000	\$300,000 (c)	\$300,000	10/1/09
31 Paintsville, City of	\$1,400,000	\$1,150,000	\$1,150,000	10/1/09
32 Louisville & Jefferson Co. Metro. Sewer Dist.	\$17,500,000	\$5,000,000	\$5,000,000	10/1/09
33 Falmouth, City of	\$611,898	\$611,898 (c)	\$611,898	10/1/09; 11/12/09
34 Calvert City, City of	\$850,000	\$816,069 (c)	\$816,069	10/1/09; 12/16/09
35 Sacramento, City of	\$750,000	\$749,991 (c)	\$749,991	10/1/09
36 Grant Co. Sanitary Sewer Dist.	\$2,114,713	\$433,178 (c)	\$433,178	10/1/09; 3/1/12
37 Mayfield, City of	\$975,000	\$975,000 (c)	\$975,000	10/1/09
38 Warsaw, City of	\$3,841,156	\$2,146,907	\$2,146,907	11/12/09
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
<b>TOTALS</b>	<b>\$59,462,343</b>	<b>\$34,636,140</b>	<b>\$34,636,140</b>	
<b>GRAND TOTALS - COMMITMENTS</b>	<b>\$79,025,668</b>	<b>\$47,901,558</b>	<b>\$47,901,558</b>	
<b>BALANCE AVAILABLE FOR LOAN</b>			<b>\$891,924</b>	

*bold, italics - pending board approval*

(c) - Final amounts; Loan has been closed

(s) - Amount represented in the assistance agreement

**KENTUCKY INFRASTRUCTURE AUTHORITY  
INFRASTRUCTURE REVOLVING LOAN FUND ---- (FUND B)**

TOTAL AUTHORIZATIONS FYS 1989-90:	\$20,000,000
TOTAL AUTHORIZATIONS FYS 1991-92:	\$14,000,000
TOTAL AUTHORIZATIONS FYS 1993-94:	\$15,000,000
TOTAL DEAUTHORIZATION FYS 1995-96:	(\$3,504,592)
TOTAL AUTHORIZATION FYS 1996-98:	\$0
TOTAL AUTHORIZATION FYS 2000-2002:	\$0
TOTAL AUTHORIZATION FYS 2002-2004:	\$0
TOTAL AUTHORIZATION FYS 2004-2006:	\$0
TOTAL AUTHORIZATION FYS 2006-2008:	\$0

**TOTAL 1989-2008: \$45,495,408**

**Revolving Available to Loan/Grant Before  
Current Meeting \$3,797,904**

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

		TOTAL INFRASTRUCTURE AMOUNT	KIA GRANT AMOUNT	KIA Loan AMOUNT	GENERATED PRIVATE INVESTMENT	JOBS CREATED	DATE APPROVED	COMMENTS
35	GALLATIN COUNTY	\$4,089,434		\$4,000,000 (c)	\$400,089,434	400	09-29-93 (AMD. 6-29-94, REAP. 3-31-95)	
36	CAMPBELLSVILLE, CITY OF	\$4,905,000		\$1,905,000 (s)	\$0	295	12-05-95 (REAP.)(AMD. 7-13-98)	
	<b>TOTALS</b>	<b>\$17,455,502</b>		<b>\$8,710,618</b>	<b>\$404,485,434</b>	<b>1,043</b>		
<b><u>PROJECTS APPROVED IN FY 1995:</u></b>								
37	HENDERSON, CITY OF (phase 1)	\$7,445,372		\$3,188,731 (c)	\$0	1,500	08-30-94 (AMD. 7-5-96)	
	(phase 2)			\$581,512 (c)	\$0		08-30-94	
* 38	WEBSTER COUNTY WATER DISTRICT	\$1,268,460		\$638,000 (c)	\$0	58	05-30-95	
	<b>TOTALS</b>	<b>\$8,713,832</b>		<b>\$4,408,243</b>	<b>\$0</b>	<b>1,558</b>		
<b><u>PROJECTS APPROVED IN FY 1996:</u></b>								
* 39	OAK GROVE, CITY OF	\$787,990		\$498,295 (c)	\$0	134	05-14-96	
40	MOUNT STERLING, CITY OF	\$2,467,009		\$2,467,009 (c)	\$0	400	05-14-96	
	<b>TOTALS</b>	<b>\$3,254,999</b>		<b>\$2,965,304</b>	<b>\$0</b>	<b>534</b>		
<b><u>PROJECTS APPROVED IN FY 1997:</u></b>								
41	CORBIN, CITY OF	\$583,878		\$300,000 (c)	\$0	30	8-29-96	
42	HICKORY WATER DISTRICT	\$1,028,000		\$528,000 (c)	\$0	95	12-4-96 (REAP. 9-1-98)	
	<b>TOTALS</b>	<b>\$1,611,878</b>		<b>\$828,000</b>	<b>\$0</b>	<b>125</b>		
<b><u>PROJECTS APPROVED IN FY 1998:</u></b>								
* 42	PRESTONSBURG, CITY OF	\$4,392,500		\$600,000 (c)	\$0	77	2-26-98 \$50M inc. app. 2-5-99	
* 43	PAINTSVILLE, CITY OF	\$8,070,950		\$1,772,800 (c)	\$0	400	2-26-98 (REAP. 12-10-99)	
	<b>TOTALS</b>	<b>\$12,463,450</b>		<b>\$2,372,800</b>	<b>\$0</b>	<b>477</b>		
<b><u>PROJECTS APPROVED IN FY 1999:</u></b>								
* 44	HARDINSBURG, CITY OF	\$5,239,680		\$131,231 (c)	\$0	14	7-13-98	
* 45	PRESTONSBURG, CITY OF	\$1,591,200		\$795,600 (c)	\$0	400	4-27-99	
	<b>TOTALS</b>	<b>\$6,830,880</b>		<b>\$926,831</b>	<b>\$0</b>	<b>414</b>		
<b><u>PROJECTS APPROVED IN FY 2000:</u></b>								
* 46	GALLATIN CO WATER DISTRICT	\$1,100,000		\$744,796 (c)	\$95,000,000	130	09/01/1999; AMD 4/4/00	
* 47	CARROLTON, CITY OF (CELOTEX)	\$184,300		\$112,200 (c)	\$75,000,000	122	12/10/1999; AMD 9/1/01	
	<b>TOTALS</b>	<b>\$1,284,300</b>		<b>\$856,996</b>	<b>\$170,000,000</b>	<b>122</b>		
<b><u>PROJECTS APPROVED IN FY2005:</u></b>								
* 48	UNION COUNTY FISCAL COURT	\$1,550,000		\$0	\$0 NA		11/04/2004 commitment expired	
* 40	OWENTON, CITY OF	\$736,890		\$0	\$0 NA		11/04/2004 commitment expired	
* 41	HART CO FISCAL COURT	\$3,192,000		\$2,170,999	\$0 NA		03/03/2005	
* 42	BOONE COUNTY WATER DISTRICT	\$3,548,148		\$2,506,118 (c)	\$0 NA	6/2/05; 7/1/10	assumed from Boone Co FC	
	<b>TOTALS</b>	<b>\$9,027,038</b>		<b>\$4,677,117</b>	<b>\$0</b>			
<b><u>PROJECTS APPROVED IN FY2006:</u></b>								
* 43	GRAVES CO WATER DISTRICT	\$596,776		\$596,776 (c)	\$0 NA		1/1/2005; 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		12/01/2005	
* 46	BONNIEVILLE, CITY OF	\$3,160,000		\$0	\$0 NA		12/01/2005 commitment expired	
* 47	Elkton, City of	\$808,000		\$808,000	\$0 NA		03/02/2006	
* 48	MT VERNON, CITY OF	\$2,055,000		\$945,000 (c)	\$0 NA		05/04/2006	
	<b>TOTALS</b>	<b>\$11,415,953</b>		<b>\$3,062,225</b>	<b>\$0</b>			
<b><u>PROJECTS APPROVED IN FY2007:</u></b>								
* 49	GUTHRIE, CITY OF	\$640,000		\$0	\$0 NA		08/03/2006 Withdrawn	
* 50	OWINGSVILLE, CITY OF	\$4,367,250		\$797,250 (c)	\$0 NA		2006;10/01/2009 338,997 ln; 50,000 grant	
* 51	JAMESTOWN, CITY OF	\$13,065,000		\$3,588,700 (c)	\$0 NA		12/07/2006 3,038,700 ln; 550,000 grant	
* 52	CONNECTGRADD	\$2,400,000		\$837,856 (c)	\$0 NA		02/08/2007 broadband	
* 53	ALBANY, CITY OF	\$7,366,000		\$750,000	\$0 NA		05/10/2007 EO 2007-298 GF	
* 54	GRAVES CO WATER DISTRICT	\$849,154		\$849,154 (c)	\$0 NA		5/10/2007; 10/2/08 S Graves WD	
	<b>TOTALS</b>	<b>\$28,687,403</b>		<b>\$6,822,959</b>	<b>\$0</b>			

	TOTAL INFRASTRUCTURE AMOUNT	KIA GRANT AMOUNT	KIA Loan AMOUNT	GENERATED PRIVATE INVESTMENT	JOBS CREATED	DATE APPROVED	COMMENTS
<b>PROJECTS APPROVED IN FY2008:</b>							
* 55	CAVELAND ENVIRONMENTAL	\$2,910,000	\$125,000 (c)	\$0	NA	09/06/2007	sewer
* 56	HOPKINSVILLE ELECT & EN NET	\$3,000,000	\$3,000,000	\$0	NA	10/04/2007	fiber optic communications
* 57	MARION CO WATER DISTRICT	\$750,000	\$340,000 (c)	\$0	NA	10/04/2007	water
* 58	WILLIAMSBURG, CITY OF	\$3,237,440	\$400,000 (c)	\$0	NA	10/04/2007	water
* 59	LOGAN TODD REG WAT COMM	\$1,500,000	\$400,000 (c)	\$0	NA	11/01/2007	water
* 60	BURGIN, CITY OF	\$50,000	\$50,000 (c)	\$0	NA	11/01/2007	water
61	PRESTONSBURG, CITY OF	\$2,700,000	\$2,700,000 (c)	\$0	NA	12/06/2007	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	03/06/2008	sewer
64	WHITLEY CO WATER DISTRICT	\$2,708,000	\$932,800	\$0	NA	3/6/08; 7/27/11	water
65	HINDMAN, CITY OF	\$500,000	\$500,000 (c)	\$0	NA	04/03/2008	water
66	WALTON, CITY OF	\$4,000,000	\$1,000,000 (c)	\$0	NA	06/05/2008	sewer
<b>TOTALS</b>		<b>\$23,245,440</b>	<b>\$11,137,800</b>	<b>\$0</b>			
<b>PROJECTS APPROVED IN FY2009:</b>							
67	CARROLLTON, CITY OF	\$2,949,731	\$900,000	\$0	NA	8/7/08; 12/8/11	sewer
68	LOUISA, CITY OF	\$1,075,000	\$1,000,000	\$0	NA	08/07/2008	sewer
69	PRESTONSBURG, CITY OF	\$841,000	\$841,000 (c)	\$0	NA	10/02/2008	water meters
70	LEBANON, CITY OF	\$1,119,707	\$582,883 (c)	\$0	NA	12/04/2008	water
71	MuniNet	\$2,500,000	\$2,500,000	\$0	NA	06/25/09; 4/7/11	broadband; assumed from Murray
72	PINEVILLE, CITY OF	\$350,000	\$0	\$0	NA	06/25/2009	sewer - withdrawn 9/24/09
<b>TOTALS</b>		<b>\$8,835,438</b>	<b>\$5,823,883</b>	<b>\$0</b>			
<b>PROJECTS APPROVED IN FY2010:</b>							
73	Prestonsburg, City of	\$2,670,000	\$0	\$0	NA	10/01/2009	sewer
74	Falmouth, City of	\$564,835	\$564,835	\$0	NA	10/01/2009	sewer
75	Bullitt Co Sanitation District	\$500,000	\$500,000 (c)	\$0	NA	02/04/2010	sewer
76	Hart Co Industrial Authority	\$2,300,000	\$1,000,000	\$3,000,000	40	02/04/2010	sewer
77	Marshall Co. Fiscal Court	\$1,000,000	\$800,000	\$200,000		06/03/2010	80% grant/ 20% loan
<b>TOTALS</b>		<b>\$7,034,835</b>	<b>\$800,000</b>	<b>\$2,264,835</b>	<b>\$3,000,000</b>	<b>40</b>	
<b>PROJECTS APPROVED IN FY2011:</b>							
78	Bullitt Co Sanitation District	\$500,000	\$0	\$500,000 (c)	\$0	NA	08/05/2010 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	\$0	NA	12/09/2010 water
83	Caneyville, City of	\$445,000	\$0	\$110,000	\$0	NA	12/09/2010 sewer
84	Crab Orchard, City of	\$1,660,000	\$400,000	\$410,000	\$0	NA	12/09/2010 water
85	Flatwoods, City of	\$887,500	\$468,000	\$117,000	\$0	NA	02/03/2011
86	Graves County Water District	\$1,111,266	\$220,000	\$780,000	\$0	NA	02/03/2011
87	Mt. Washington, City of	\$700,000	\$560,000	\$140,000	\$0	NA	02/03/2011
88	White Plains, City of	\$657,000	\$525,600	\$131,400	\$0	NA	02/03/2011
89	Beattyville, City of	\$675,000	\$140,000	\$35,000	\$0	NA	03/03/2011 water
90	Elkton, City of	\$141,700	\$0	\$141,700	\$0	NA	03/03/2011 water
91	Nicholas County Sanitation District	\$2,641,000	\$0	\$550,000	\$0	NA	03/03/2011 sewer
92	North McLean Co WD	\$737,871	\$200,000	\$50,000	\$0	NA	03/03/2011 water
93	MuniNet	\$2,033,947	\$0	\$2,033,947	\$0	NA	04/07/2011 broadband
<b>TOTALS</b>		<b>\$16,310,929</b>	<b>\$2,893,600</b>	<b>\$7,857,475</b>	<b>\$0</b>		
<b>PROJECTS APPROVED IN FY2012:</b>							
94	Crittenden-Livingston Water District	\$300,000	\$0	\$300,000	\$0	NA	08/04/2011 water
95	Lewisburg, City of	\$220,000	\$0	\$220,000	\$0	NA	03/01/2012 water
96	Olive Hill, City of	\$505,000	\$0	\$505,000	\$0	NA	03/01/2012 water
97	Mount Olivet, City of	\$1,100,000	\$0	\$350,000	\$0	NA	04/12/2012 water
98	<b>Nebo Water District</b>	<b>\$92,000</b>	<b>\$0</b>	<b>\$92,000</b>	<b>\$0</b>	<b>NA</b>	<b>06/07/2012 water - WX21107002</b>
<b>TOTALS</b>		<b>\$2,217,000</b>	<b>\$0</b>	<b>\$1,467,000</b>	<b>\$0</b>		
<b>GRAND TOTALS</b>		<b>\$208,172,426</b>	<b>\$3,693,600</b>	<b>\$94,112,339</b>	<b>\$1,189,400,723</b>	<b>11216</b>	

***bold, italics - pending board approval***

\* Bonds have not been sold for these projects

+ Projects were funded under the master note

(c) - Final amounts; Loan has been closed

(s) - Amount represented in the assistance agreement

TOTAL AUTHORIZATION FYS 1991-94	\$6,000,000
TOTAL DEAUTHORIZATION FYS 95-96	(\$78,822)
TOTAL AUTHORIZATION FYS 1997-98	\$0
TOTAL AUTHORIZATION FYS 1998-2000	\$13,000,000 (rf)
TOTAL AUTHORIZATION FYS 2001-2002	\$3,925,000 (rf)
	<u>\$22,846,178</u>

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

TOTAL INFRASTRUCTURE AMOUNT	KIA AMOUNT	DATE APPROVED	COMMENTS
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**PROJECTS APPROVED JULY 1, 1991 THROUGH JUNE 30, 1992:**

1 ELKHORN WATER DISTRICT	\$383,000	\$151,233 (c)	9-16-91	
2 BEAVER-ELKHORN WATER DISTRICT (PH II)	\$2,262,200	\$1,383,547 (c)	9-16-91	(REAP. 5-5-93)
3 BEAVER-ELKHORN WATER DISTRICT (PH III)	\$3,386,325	\$616,453 (c)	9-16-91	(REAP. 5-5-93)
4 WACO WATER DISTRICT	\$304,525	\$300,000 (c)	9-16-91	
5 NORTH MERCER WATER DISTRICT	\$1,833,000	\$500,000 (c)	9-16-91	
6 WEBSTER COUNTY WATER DISTRICT	\$2,269,500	\$1,500,000 (c)	9-16-91	
7 ANDERSON COUNTY	\$361,638	\$270,000 (c)	9-16-91	
8 GEORGETOWN, CITY OF	\$3,474,350	\$400,000 (c)	9-16-91	
9 LYNCH, CITY OF	\$502,500	\$499,945 (c)	9-16-91	
<b>TOTALS</b>	<u><b>\$14,777,038</b></u>	<u><b>\$5,621,178</b></u>		

**PROJECTS APPROVED JULY 1, 1992 THROUGH JUNE 30, 1994:**

10 DAVIESS COUNTY FISCAL COURT (East Daviess County Water Association)	\$300,000	\$300,000 (c)	11-12-92	(AMD. 9-29-93)
<b>TOTALS</b>	<u><b>\$300,000</b></u>	<u><b>\$300,000</b></u>		

**PROJECTS PER SPECIAL PROVISIONS DURING 1998 GENERAL SESSION**

11 MEADE COUNTY FISCAL COURT	\$4,204,225	\$2,500,000	12/18/1998	
12 CITY OF RICHMOND	\$8,400,000	\$4,000,000	09/01/1998	
13 CITY OF MIDWAY	\$4,760,971	\$3,500,000	06/06/2000	
14 CITY OF HINDMAN	\$3,000,000	\$3,000,000	07/28/1999	
<b>TOTALS</b>	<u><b>\$20,365,196</b></u>	<u><b>\$13,000,000</b></u> (rf)		

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

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

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

16 HORTON CAMP INF AT GREEN RIVER ST PARK	650,000.00	650,000.00	06/06/2000	
17 FLEMING CO WATER COMM	75,000.00	75,000.00	02/01/2001 (AA date)	
18 FLEMING CO '201' SEWER PLANNING	50,000.00	50,000.00	10/01/2001 (AA date)	
19 CITY OF WURLAND	25,000.00	25,000.00	10/01/2001 (AA date)	
20 SPURLOCK & LITTLE MUD CREEK	300,000.00	300,000.00	08/17/2001 (AA date)	
21 PIKE COUNTY - TAYLOR FORK	50,000.00	50,000.00	08/06/2001 (AA date)	
22 SOUTHERN MADISON WATER DISTRICT	200,000.00	200,000.00	03/01/2001 (AA date)	
23 HENDERSON CO WATER DISTRICT	500,000.00	500,000.00	08/20/2001 (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	08/06/2001 (AA date)	
26 LARUE COUNTY FISCAL COURT	750,000.00	750,000.00	08/06/2001 (AA date)	
27 CARROL COUNTY FISCAL COURT	250,000.00	250,000.00	08/01/2001 (AA date)	
28 CITY OF RACELAND	25,000.00	25,000.00	09/21/2001 (AA date)	
29 CITY OF WORTHINGTON	25,000.00	25,000.00	08/06/2001 (AA date)	
30 CITY OF FLATWOODS	25,000.00	25,000.00	10/01/2001 (AA date)	
<b>TOTALS</b>	<u><b>3,925,000.00</b></u>	<u><b>3,925,000.00</b></u> (rf)		

TOTAL INFRASTRUCTURE AMOUNT	KIA AMOUNT	DATE APPROVED	COMMENTS
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**PROJECTS APPROVED JULY 1, 2001 THROUGH JUNE 30, 2002:**

31	Columbia-Campbellsville	WX21001008	\$3,415,000	\$55,000	12/06/2001
32	Bath County Water District	WX21011002	\$2,253,000	\$1,150,000	12/06/2001
33	City of Paris	WX21017002	\$2,300,000	\$1,000,000	12/06/2001
34	City of Ashland	WX21019006	\$2,362,626	\$750,000	12/06/2001
35	Bracken County Water District	WX21023001	\$1,810,000	\$93,500	12/06/2001
36	City of Murray	WX21035005	\$1,126,000	\$0	12/06/2001
37	Center Ridge Water District	WX21035011	\$262,200	\$262,200	12/06/2001
38	West Carroll Water District	WX21041301	\$2,200,000	\$500,000	12/06/2001
39	Rattlesnake Ridge Water District	WX21043001	\$4,130,000	\$440,000	12/06/2001
40	Christian County Water District	WX21047011	\$2,200,000	\$1,000,000	12/06/2001
41	Owensboro Municipal Utilities	WX21059001	\$2,500,000	\$1,000,000	12/06/2001
42	Consumers Water District	WX21083002	\$1,117,868	\$1,000,000	12/06/2001
43	City of Caneyville	WX21085001	\$486,000	\$186,000	12/06/2001
44	Grayson County Water District	WX21085009	\$2,878,000	\$1,000,000	12/06/2001
45	City of Cumberland	WX21095662	\$1,600,000	\$400,000	12/06/2001
46	Henderson Water Utility	WX21101005	\$600,000	\$600,000	12/06/2001
47	Wood Creek water District	WX21125527	\$350,364	\$350,364	12/06/2001
48	Louisa Water District	WX21127001	\$5,570,570	\$1,000,000	12/06/2001
49	Electric Plant Board of the City of Vanceburg	WX21135001	\$4,077,000	\$977,000	12/06/2001
50	City of Sacramento	WX21149002	\$150,000	\$150,000	12/06/2001
51	Western Lewis Rectorville Water District	WX21161001	\$1,399,000	\$275,000	12/06/2001
52	Edmonton Water Works	WX21169001	\$2,222,782	\$595,782	12/06/2001
53	Tri-Village Water District	WX21187205	\$1,800,000	\$800,000	12/06/2001
54	City of Falmouth	WX21191311	\$1,000,000	\$300,000	12/06/2001
55	City of Hazard	WX21193009	\$5,500,000	\$250,000	12/06/2001
56	Buffalo Trail Water Association	WX21201005	\$1,500,000	\$750,000	12/06/2001
57	US 60 Water District	WX21211026	\$1,375,000	\$650,000	12/06/2001
58	Taylorville Water Works	WX21215087	\$3,500,000	\$430,400	12/06/2001
59	Campbellsville-Greensburg	WX21217004	\$3,181,900	\$0	12/06/2001
60	Cadiz-Trigg County Regional Water Commissio	WX21221002	\$14,000,000	\$70,000	12/06/2001
61	City of Midway	WX21239003	\$766,000	\$150,000	12/06/2001
62	City of Booneville	WX21189002	\$687,000	\$130,000	06/06/2002

**TOTALS** \$78,320,310 \$16,315,246 (rif)

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

63	Knott Co Water & Sewer		\$500,000	\$500,000	10/05/2006
64	Bath Co WD		\$514,340	\$250,000	12/07/2006
65	Western Pulaski Co Water District		\$620,000	\$620,000	5/10/07; 6/21/07
66	City of Harlan		\$200,000	\$200,000	06/21/2007

**TOTALS** \$1,834,340 \$1,570,000 (rif)

**PROJECTS APPROVED IN FY2008:**

67	City of Arlington		\$190,750	\$190,750	07/19/2007
68	City of Elkton		\$200,000	\$200,000	07/19/2007
69	City of Georgetown		\$80,000	\$80,000	07/19/2007
70	Morehead Utility Plant Board		\$373,900	\$373,900	07/19/2007

**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.

(rif) - To be funded out of the revolving loan funds

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

TOTAL AUTHORIZATION FYS 1991-94	\$30,000,000
TOTAL DEAUTHORIZATION FYS 1995-96	(\$1,716,586)
TOTAL AUTHORIZATION FYS 1997-98	\$0
TOTAL AUTHORIZATION FYS 1998-99	\$0
<b>TOTAL 1991 - 1998</b>	<b><u>\$28,283,414</u></b>

TOTAL INFRASTRUCTURE AMOUNT	KIA AMOUNT	INTEREST RATE	AREA DEVELOPMENT DISTRICT	DATE APPROVED	COMMENTS
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**PROJECTS APPROVED JULY 1, 1991 THROUGH JUNE 30, 1992:**

1 MOUNTAIN WATER DISTRICT (Indian Creek)	\$2,712,760	\$337,760	(c)	3.0%	BIG SANDY	07-24-91	
2 MARTIN COUNTY WATER DISTRICT NO. 2	\$2,481,566	\$1,329,826	(c)	3.0%	BIG SANDY	09-16-91	(REAP. 5-5-93)
3 HYDEN / LESLIE CO. WATER DISTRICT	\$2,196,941	\$1,965,619	(c)	3.0%	KY. RIVER	09-16-91	
4 SOUTHERN WATER & SEWER (Phase I)	\$1,045,700	\$514,888	(c)	3.0%	BIG SANDY	09-16-91	(REAP. 1-29-93), Assumed from Beaver Elkhorn 12-21-00
5 SOUTHERN WATER & SEWER (Phase II)	\$2,262,200	\$847,982	(c)	3.0%	BIG SANDY	09-16-91	(REAP. 5-5-93), Assumed from Beaver Elkhorn 12-21-00
6 SOUTHERN WATER & SEWER (Phase III)	\$3,386,325	\$2,831,354	(c)	3.0%	BIG SANDY	09-16-91	(REAP. 5-5-93 & 2-2-95), Assumed from Beaver Elkhorn 12-21-00
7 MANCHESTER, CITY OF	\$1,766,705	\$970,439	(c)	2.9%	CUMB. VALLEY	11-01-91	
8 MOREHEAD, CITY OF	\$449,442	\$359,646	(c)	2.9%	GATEWAY	11-01-91	
9 MOUNTAIN WATER DISTRICT (Multi-Area)	\$5,165,093	\$5,165,093	(c)	2.9%	BIG SANDY	11-01-91	
10 PIKEVILLE, CITY OF	\$903,718	\$897,868	(c)	2.9%	BIG SANDY	11-01-91	
11 PINEVILLE, CITY OF	\$829,099	\$829,099	(c)	2.9%	CUMB. VALLEY	11-01-91	
12 BARBOURVILLE, CITY OF	\$4,500,000	\$1,924,831	(c)	2.9%	CUMB. VALLEY	11-01-91	
13 CORBIN, CITY OF	\$1,449,838	\$833,000	(c)	2.9%	CUMB. VALLEY	12-04-91	
14 PRESTONSBURG, CITY OF	\$2,173,278	\$1,960,288	(c)	2.9%	BIG SANDY	12-04-91	
15 HARLAN, CITY OF	\$1,434,170	\$1,434,170	(c)	2.9%	CUMB. VALLEY	12-04-91	
16 WHITESBURG, CITY OF	\$1,332,179	\$932,179	(c)	2.7%	KY. RIVER	05-13-92	
17 CLAY COUNTY FISCAL COURT (North Manchester Water Association)	\$2,805,321	\$2,621,001	(c)	2.95%	CUMB. VALLEY	05-13-92	
18 ROCKCASTLE COUNTY FISCAL COURT (Western Rockcastle Water Association)	\$778,500	\$364,572	(c)	2.95%	CUMB. VALLEY	05-13-92	
<b>TOTALS</b>	<b><u>\$37,672,835</u></b>	<b><u>\$26,119,616</u></b>					

**PROJECTS APPROVED JULY 1, 1992 THROUGH JUNE 30, 1993:**

19 JACKSON COUNTY FISCAL COURT (Jackson County Water Association)	\$1,858,645	\$1,792,633	(c)	2.45%	KY. RIVER	11-12-92	
<b>TOTALS</b>	<b><u>\$1,858,645</u></b>	<b><u>\$1,792,633</u></b>					

**PROJECTS APPROVED JULY 1, 1993 THROUGH JUNE 30, 1994:**

20 LAUREL COUNTY WATER DISTRICT NO. 2	\$1,324,000	\$450,000	(c)	1.6%	CUMB. VALLEY	5-11-94	(REAP. 12-5-95)
<b>TOTALS</b>	<b><u>\$1,324,000</u></b>	<b><u>\$450,000</u></b>					
<b>GRAND TOTALS</b>	<b><u>\$40,855,480</u></b>	<b><u>\$28,362,249</u></b>					

(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	
ORIGINAL KENTUCKY POLLUTION ABATEMENT AUTHORITY LOANS (42) REFINANCED BY THE KENTUCKY INFRASTRUCTURE AUTHORITY (1989) <span style="float: right;"><b>\$32,025,000</b></span>					
<b><u>PROJECTS APPROVED IN FY 1989:</u></b>					
1	CAMPBELLSVILLE, CITY OF	\$3,450,000	\$2,500,000	(c)	
2	CARLISLE, CITY OF	\$3,958,731	\$1,764,950	(c)	
3	CRITTENDEN, CITY OF	\$1,725,300	\$913,800	(c)	
4	EDMONTON, CITY OF	\$740,728	\$505,728	(c)	
5	FULTON, CITY OF	\$1,200,000	\$380,000	(c)	
6	INEZ, CITY OF	\$5,692,657	\$825,477	(c)	
7	PADUCAH-MCCRACKEN JOINT SEWER COI	\$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 COI	\$1,528,626	\$1,528,626	(c)	ASSUMED FROM MCCRACKEN CO SEWER
14	PADUCAH-MCCRACKEN JOINT SEWER COI	\$2,099,125	\$2,099,125	(c)	ASSUMED FROM MCCRACKEN CO SEWER
15	OLDHAM COUNTY WATER DISTRICT	\$1,191,282	\$1,330,500	(c)	
16	LOUISVILLE WATER COMPANY	\$2,593,497	\$1,094,330	(c)	ASSUMED FROM KENTUCKY TURNPIKE WATER DISTRICT 3/7/02
	<b>TOTALS</b>	<b>\$38,061,943</b>	<b>\$21,411,392</b>		
<b><u>PROJECTS APPROVED IN FY 1990:</u></b>					
17	BULLOCK-PEN WATER DISTRICT	\$779,649	\$399,049	(c)	08-07-89
18	BOYD COUNTY SANITATION DISTRICT #2	\$2,525,506	\$1,477,350	(c)	08-07-89 (AMD. 8-16-90 & 12-4-91)
19	FLEMINGSBURG, CITY OF	\$1,218,286	\$1,066,000	(c)	08-07-89
20	FRANKLIN, CITY OF	\$695,690	\$687,204	(c)	05-03-89 (AMD. 8-7-89)
21	PINEVILLE, CITY OF	\$3,099,590	\$308,767	(c)	09-27-89
22	EDMONSON COUNTY WATER DISTRICT	\$860,117	\$507,767	(c)	12-13-89
23	HENDERSON COUNTY WATER DISTRICT #	\$581,609	\$550,000	(c)	12-13-89 (AMD. 6-20-91)
24	EAST LOGAN COUNTY WATER DISTRICT	\$1,253,120	\$514,303	(c)	12-13-89
25	MCKEE, CITY OF	\$562,789	\$185,289	(c)	04-25-90
	<b>TOTALS</b>	<b>\$11,576,356</b>	<b>\$5,695,729</b>		
<b><u>PROJECTS APPROVED IN FY 1991:</u></b>					
26	U.S. 60 WATER DISTRICT	\$391,065	\$202,400	(c)	08-16-90
27	EDMONTON, CITY OF	\$727,621	\$502,621	(c)	08-16-90
28	MUNFORDVILLE, CITY OF	\$107,320	\$100,850	(c)	09-26-90
29	LEXINGTON-SOUTH ELKHORN WATER DIS	\$1,750,000	\$1,712,000	(c)	03-28-91
30	PADUCAH-MCCRACKEN JOINT SEWER COI	\$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 #	\$633,013	\$325,000	(c)	06-20-91
	<b>TOTALS</b>	<b>\$5,263,172</b>	<b>\$4,350,963</b>		
<b><u>PROJECTS APPROVED IN FY 1992:</u></b>					
34	TOMPKINSVILLE, CITY OF	\$648,200	\$306,200	(c)	07-24-91
35	WALTON, CITY OF	\$140,577	\$140,577	(c)	07-24-91
36	WILMORE, CITY OF	\$745,155	\$228,355	(c)	09-16-91
37	EDMONSON COUNTY WATER DISTRICT	\$197,959	\$92,747	(c)	09-16-91
38	<b>PADUCAH WATER WORKS</b>	<b>\$596,100</b>	<b>\$556,100</b>	<b>(c)</b>	<b>11/01/1991</b> (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
	<b>TOTALS</b>	<b>\$4,361,311</b>	<b>\$2,715,815</b>		
<b><u>PROJECTS APPROVED IN FY 1993:</u></b>					
43	GEORGETOWN, CITY OF	\$554,870	\$162,870	(c)	11-12-92 (AMD. 6-29-94)(Assumed from Stamping Ground 3/2/06)
44	PIKEVILLE, CITY OF	\$1,317,639	\$419,771	(c)	11-12-92
45	NORTH MARSHALL COUNTY WATER DISTRICT	\$1,414,199	\$1,414,199	(c)	12-17-92
46	TAYLORSVILLE, CITY OF	\$188,000	\$188,000	(c)	03-03-93
47	WURLAND, CITY OF	\$336,885	\$264,145	(c)	05-05-93
	<b>TOTALS</b>	<b>\$3,811,593</b>	<b>\$2,448,985</b>		

	TOTAL PROJECT AMOUNT	KIA AMOUNT	DATE APPROVED	COMMENTS	
<b><u>PROJECTS APPROVED IN FY 1994:</u></b>					
48	WHITESBURG, CITY OF	\$1,701,993	\$381,855	(c) 09-29-93	
49	JONATHAN CREEK WATER DISTRICT	\$2,768,000	\$2,302,500	(c) 09-29-93	(AMD 9/7/03)
50	NORTHERN ROCKCASTLE COUNTY WATER	\$455,226	\$265,226	(c) 09-29-93	
51	Shelbyville, City of	\$2,100,000	\$697,263	(c) 05-11-94	Assumed from Shelby Co SD #1
52	LAUREL COUNTY WATER DISTRICT #2	\$1,324,000	\$900,950	(c) 05-11-94	(AMD. 12-5-95)
	<b>TOTALS</b>	<b>\$8,349,219</b>	<b>\$4,547,794</b>		
<b><u>PROJECTS APPROVED IN FY 1995:</u></b>					
53	CARLISLE, CITY OF	\$715,000	\$425,895	(c) 11-29-94	
** 54	HENRY COUNTY WATER DISTRICT #2	\$8,426,000	\$5,026,000	(s)(n) 03-31-95	(AMD. 12-5-95)
55	CALHOUN, CITY OF	\$506,100	\$453,299	(c) 5-30-95	
	<b>TOTALS</b>	<b>\$9,647,100</b>	<b>\$5,905,194</b>		
<b><u>PROJECTS APPROVED IN FY 1996:</u></b>					
56	OLDHAM COUNTY WATER DISTRICT	\$1,174,500	\$1,062,256	(c) 2-26-95	
57	HOPKINSVILLE, CITY OF	\$1,156,400	\$912,970	(c) 12-4-96; 4-7-11	assumed from Oak Grove
	<b>TOTALS</b>	<b>\$2,330,900</b>	<b>\$1,975,226</b>		
<b><u>PROJECTS APPROVED IN FY 1997:</u></b>					
58	EAST PENDLETON WATER DISTRICT	\$202,004	\$219,856	(c) 6-19-97	
	<b>TOTALS</b>	<b>\$202,004</b>	<b>\$219,856</b>		
<b><u>PROJECTS APPROVED IN FY 1998:</u></b>					
	<b>TOTALS</b>	<b>\$0</b>	<b>\$0</b>		
<b><u>PROJECTS APPROVED IN FY 1999:</u></b>					
59	LOUISA, CITY OF	\$387,500	\$442,857	(c) 7/13/98	(AMD 9-1-99)
* 60	WEBSTER COUNTY WATER DISTRICT	\$6,165,911	\$4,000,000	(c) 9/1/98	
61	MEADE COUNTY WATER DISTRICT	\$4,204,225	\$407,608	(c) 12/18/98	
	<b>TOTALS</b>	<b>\$10,757,636</b>	<b>\$4,850,465</b>		
<b><u>PROJECTS APPROVED IN FY 2001:</u></b>					
62	BARLOW, CITY OF	\$416,000	\$237,714	(c) 3/1/01	
	<b>TOTALS</b>	<b>\$416,000</b>	<b>\$237,714</b>		
<b><u>PROJECTS APPROVED IN FY 2002:</u></b>					
63	OLDHAM COUNTY WATER DISTRICT	\$7,043,642	\$5,560,339	(c) 7/12/01	
	<b>TOTALS</b>	<b>\$7,043,642</b>	<b>\$5,560,339</b>		
<b><u>PROJECTS APPROVED IN FY 2003:</u></b>					
* 64	MCCREARY COUNTY FISCAL COURT	7,996,000	1,474,999	(c) 09/05/2002	
* 65	NICHOLASVILLE, CITY OF	4,310,000	4,160,000	(c) 10/03/2002	
66	SOUTHERN WATER & SEWER	6,874,900	0	01/09/2003	Withdrawn - Replaced with Coal Sev
67	MEADE COUNTY WATER DISTRICT	919,760	0	06/05/2003	Withdrawn - Replaced with Fd F loan
	<b>TOTAL</b>	<b>\$7,996,000</b>	<b>\$5,634,999</b>		
<b><u>PROJECTS APPROVED IN FY 2004:</u></b>					
68	KNOTT CO WATER & SEWER DISTRICT	\$2,628,821	\$640,367	08/07/2003	
* 69	CAWOOD WATER DISTRICT	\$2,020,000	\$500,000	12/04/2003	
* 70	BLACK MTN UTILITIES DISTRICT	\$2,295,000	\$250,000	(c) 01/08/2004	
	<b>TOTAL</b>	<b>\$6,943,821</b>	<b>\$1,390,367</b>		
<b><u>PROJECTS APPROVED IN FY 2005:</u></b>					
* 71	NORTONVILLE, CITY OF	\$5,300,000	\$2,809,000	09/02/2004	
* 72	JOHNSON CO FISCAL COURT	\$1,317,000	\$0	12/09/2004	Withdrawn
* 73	PEAKS MILL WATER DISTRICT	\$1,626,900	\$946,900	(c) 05/05/2005	
	<b>TOTAL</b>	<b>\$8,243,900</b>	<b>\$3,755,900</b>		
<b><u>PROJECTS APPROVED IN FY 2007:</u></b>					
* 74	MAYFIELD, CITY OF	\$393,250	\$389,255	(c) 05/10/2007	
	<b>TOTAL</b>	<b>\$393,250</b>	<b>\$389,255</b>		

	TOTAL PROJECT AMOUNT	KIA AMOUNT	DATE APPROVED	COMMENTS	
<b>PROJECTS APPROVED IN FY 2008:</b>					
* 75	SOUTHEAST DAVIESS CO WD	\$1,219,995	\$796,140	(c) 11/01/2007	water
* 76	WEST DAVIESS CO WD	\$1,378,708	\$948,348	(c) 11/01/2007	water
* 77	NORTHERN KY WATER DISTRICT	\$6,000,000	\$6,000,000	(c) 06/05/2008	water
<b>TOTAL</b>		<b>\$8,598,703</b>	<b>\$7,744,488</b>		
<b>PROJECTS APPROVED IN FY 2009:</b>					
* 78	UNION, CITY OF	\$1,147,500	\$248,294	(c) 10/02/2008	sewer
<b>TOTAL</b>		<b>\$1,147,500</b>	<b>\$248,294</b>		
<b>PROJECTS APPROVED IN FY 2010:</b>					
* 79	BARDSTOWN, CITY OF	\$1,800,000	\$1,800,000	10/01/2009; 8/4/2011	industrial park transmission
* 80	BARDSTOWN, CITY OF	\$5,050,000	\$3,500,000	10/01/2009	water
<b>TOTAL</b>		<b>\$6,850,000</b>	<b>\$5,300,000</b>		
<b>PROJECTS APPROVED IN FY 2011:</b>					
* 81	Bracken Co Water District	\$621,000	\$621,000	03/03/2011	water main replacement
<b>TOTAL</b>		<b>\$621,000</b>	<b>\$621,000</b>		
<b>PROJECTS APPROVED IN FY 2012:</b>					
* 82	Warren Co Water District	\$1,114,400	\$823,900	10/06/2011	Buchanon Park Sewer Extension
* 83	Muninet Fiber Agency	\$3,173,049	\$3,173,049	02/02/2012	Cable Build Project #2
* 84	Worthington, City of	\$600,000	\$600,000	04/12/2012	Filters Upgrade
<b>TOTAL</b>		<b>\$4,887,449</b>	<b>\$4,596,949</b>		
<b>KIA TOTALS</b>		<b>\$147,502,499</b>	<b>\$89,600,723</b>		
<b>GRAND TOTALS (including KPAA)</b>		<b>\$121,625,723</b>			
Funds committed; not issued:			<b>\$33,040,884</b>		

***bold, italics - pending board approval***

\* Bonds have not been sold for these projects.

\*\* Withdrew from bond sale.

(s) - Amount represented in the assistance agreement.

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

(n) - Participating in BAN's

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

**AVAILABLE FUNDS FY 1997:**

FEDERAL TITLE VI GRANT FUNDS	\$12,558,800
BOND PROCEEDS (20%)	\$2,511,760
ADMINISTRATION (4%)	(\$502,352)
OTHER SET ASIDES (As Amended)	(\$1,928,773)
NET 97 SRF FUNDS	\$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 10 SRF FUNDS	\$12,308,680

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

CURRENT REVOLVING/SURPLUS FUND BALANCE \$ 57,628,986

2010A - Leverage \$0

**BALANCE AVAILABLE FOR LOAN \$ 18,767,337**

	TOTAL PROJECT AMOUNT	KIA LOAN AMOUNT		DATE APPROVED	COMMENTS
<b><u>PROJECTS APPROVED IN FY 2000</u></b>					
1	\$52,500	\$31,500 (s)		12/10/1999	F1
2	\$3,441,785	\$3,049,314 (c)		04/04/00	
3	\$130,880	\$58,440 (c)		04/04/00	F1
4	\$170,000	\$88,000 (c)		04/04/00	F1
	<b>TOTALS</b>	<b>\$3,795,165</b>	<b>\$3,227,254</b>		
<b><u>PROJECTS APPROVED IN FY2001</u></b>					
5	\$3,858,000	\$1,500,000 (c)		07/18/2000	
6	\$2,096,910	\$500,000 (c)		07/18/2000	
7	\$3,442,422	\$2,383,982 (c)		9/29/00	
8	\$5,791,000	\$610,000 (c)		8/29/00	
9	\$13,325,000	\$5,500,000 (c)		1/00; Amd 5/16/01; Amd 5/1/03	Combined from 2 proj.
10	\$1,642,623	\$869,023 (c)		9/29/00	
11	\$357,500	\$357,500 (c)		12/21/00; 2/1/05	Land Acq Set Aside
12	\$2,512,626	\$2,190,384 (c)		3/1/01	
13	\$4,400,000	\$3,930,850 (c)		4/5/01	
14	\$173,222	\$173,222 (c)		5/3/01	
	<b>TOTALS</b>	<b>\$37,599,303</b>	<b>\$18,014,961</b>		
<b><u>PROJECTS APPROVED IN FY2002</u></b>					
15	\$7,773,200	\$6,442,400 (c)		07/12/01	
16	\$1,500,000	\$1,451,881 (c)		07/12/01	
17	\$408,088	\$350,367 (c)		10/4/01	
18	\$5,369,590	\$1,197,072 (c)		10/4/01	
19	\$5,896,855	\$2,808,855 (c)		11/1/01; 12/12/02	Exec Com
20	\$27,369,858	\$4,000,000 (c)		2/7/02	
21	\$800,000	\$447,000 (c)		3/7/02	
22	\$2,800,000	\$1,241,766 (c)		5/2/02	
23	\$1,513,593	\$1,513,593 (c)		6/6/02	
24	\$6,736,238	\$3,645,811 (c)		6/6/02	
25	\$687,000	\$554,103 (c)		6/6/02	
	<b>TOTALS</b>	<b>\$60,854,422</b>	<b>\$23,652,849</b>		
<b><u>PROJECTS APPROVED IN FY2003</u></b>					
26	\$3,560,000	\$3,299,999 (c)		7/11/02; 1/1/05	
27	\$12,244,000	\$3,980,000 (c)		9/25/02	
28	\$252,130	\$252,130 (c)		10/3/02	Land Acq Set Aside
29	\$928,000	\$928,000 (c)		10/3/02	
30	\$1,229,000	\$1,210,604 (c)		12/12/02	Exec Com
31	\$14,459,550	\$4,000,000 (c)		6/5/03	
	<b>TOTALS</b>	<b>\$32,672,680</b>	<b>\$13,670,733</b>		
<b><u>PROJECTS APPROVED IN FY2004</u></b>					
32	\$1,956,156	\$1,908,662 (c)		9/4/03	
33	\$1,056,500	\$500,000 (c)		9/4/03	F1
34	\$3,768,000	\$1,563,625 (c)		11/6/03	
35	\$5,020,000	\$1,597,552 (c)		11/6/03	
36	\$13,059,330	\$4,000,000 (c)		12/4/03; 1/8/04	
37	\$919,760	\$394,760 (c)		12/4/03	
38	\$1,541,362	\$0		2/12/04	withdrawn
	<b>TOTALS</b>	<b>\$27,321,108</b>	<b>\$9,964,599</b>		
<b><u>PROJECTS APPROVED IN FY2005</u></b>					
39	\$4,206,815	\$1,455,400 (c)		10/7/04	
40	\$359,500	\$359,500 (c)		3/3/05	F1
41	\$14,690,222	\$8,000,000 (c)		5/5/05	
	<b>TOTALS</b>	<b>\$19,256,537</b>	<b>\$9,814,900</b>		
<b><u>PROJECTS APPROVED IN FY 2006</u></b>					
42	\$14,498,150	\$4,400,000 (c)		12/1/05; amd 8/1/07	
43	\$14,000,000	\$4,520,000 (c)		6/1/06	
44	\$6,844,310	\$4,000,000 (c)		6/1/06	
	<b>TOTALS</b>	<b>\$35,342,460</b>	<b>\$12,920,000</b>		

	TOTAL PROJECT AMOUNT	KIA AMOUNT		DATE APPROVED	COMMENTS
<b><u>PROJECTS APPROVED IN FY 2007</u></b>					
45	NORTHERN KY WATER DISTRICT	\$6,865,000	\$4,000,000 (c)	10/5/06	
46	ADAIR CO WATER DISTRICT	\$3,302,000	\$1,000,000 (c)	6/21/07	
47	JESSAMINE SOUTH ELKHORN WD	\$1,750,000	\$1,750,000	6/21/07	
<b>TOTALS</b>		<b>\$11,917,000</b>	<b>\$6,750,000</b>		
<b><u>PROJECTS APPROVED FY 2008</u></b>					
48	LETCHER CO WAT & SEW DISTRICT	\$1,193,000	\$781,000 (c)	10/4/07	
49	RICHMOND, CITY OF	\$7,108,951	\$4,000,000 (c)	10/4/07	
50	MADISON CO UTILITY DIST	\$1,284,510	\$1,105,016 (c)	11/1/07; 10/9/08	
52	NICHOLASVILLE, CITY OF	\$13,090,400	\$8,800,000 (c)	11/1/07; 4/1/09	
53	BULLOCK PEN WATER DISTRICT	\$2,320,700	\$2,192,700 (c)	12/6/07	
54	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	\$6,841,000	2/7/08	
57	MANCHESTER, CITY OF	\$7,849,078	\$1,989,578 (c)	2/7/08; 2/5/09	
58	MEADE CO WATER DISTRICT	\$2,480,949	\$753,447 (c)	2/7/08	
59	WESTERN FLEMING WATER DISTRICT	\$2,568,000	\$2,518,000	2/7/08	
60	HOPKINSVILLE, CITY OF	\$14,000,000	\$8,800,000	3/6/08; 5/7/09; 12/1/11	
61	NORTHERN KY WATER DISTRICT	\$6,565,000	\$4,000,000	3/6/08	
62	OHIO CO WATER DISTRICT	\$19,698,500	\$5,000,000	3/6/08; 6/4/09	
63	CENTERTOWN, CITY OF	\$2,866,652	\$1,097,430	3/6/08; 6/25/09	
<b>TOTALS</b>		<b>\$101,771,370</b>	<b>\$54,877,421</b>		
<b><u>PROJECTS APPROVED FY2009</u></b>					
64	PAINTSVILLE, CITY OF	\$29,135,364	\$6,519,566	12/4/08	
<b>TOTALS</b>		<b>\$29,135,364</b>	<b>\$6,519,566</b>		
<b><u>PROJECTS APPROVED FY2010</u></b>					
65	PADUCAH, CITY OF	\$7,510,000	\$7,500,000	9/3/09	
66	HARDINBURG, CITY OF	\$4,700,500	\$3,251,590	11/12/09	
67	NORTHERN KY WATER DISTRICT	\$45,300,000	\$24,000,000	12/3/09; 12/9/10; 10/6/11	
68	Columbia Adair Water Commission	\$1,694,000	\$1,694,000	6/3/10	
<b>TOTALS</b>		<b>\$59,204,500</b>	<b>\$36,445,590</b>		
<b><u>PROJECTS APPROVED FY2011</u></b>					
69	Adair Co Water District	\$4,133,000	\$4,000,000	7/1/10	
70	Louisa, City of	\$1,700,000	\$1,700,000	7/1/10	
71	Madison County Utilities District	\$940,225	\$940,225	12/9/10	
72	Hardinsburg, City of	\$4,198,000	\$4,000,000	2/3/11	
73	Williamstown, City of	\$2,250,000	\$2,250,000	3/3/11	
74	Bullock Pen Water District	\$1,633,000	\$1,633,000	4/7/11	
75	Brandenburg, City of	\$3,080,000	\$2,080,000	4/7/11	
76	Barbourville, City of	\$6,000,000	\$4,000,000	5/5/11	
77	Barlow, City of	\$230,000	\$230,000	5/5/11	
78	West Liberty, City of	\$3,050,300	\$3,050,300	5/5/11	
<b>TOTALS</b>		<b>\$27,214,525</b>	<b>\$23,883,525</b>		
<b><u>PROJECTS APPROVED FY2012</u></b>					
79	Breathitt Co Water District	\$2,500,000	\$2,500,000	7/7/11	
80	Adair Co WD dba Columbia Adair Utilities	\$3,439,000	\$1,500,000	8/4/11	
81	Jessamine South Elkhorn WD	\$3,025,300	\$3,025,300	11/10/11	
82	Hodgenville, City of	\$774,183	\$774,183	11/10/11	
83	East Casey County WD	\$1,545,000	\$1,545,000	11/10/11	
84	Nicholasville, City of	\$6,351,000	\$4,000,000	11/10/11	
85	Harrodsburg, City of	\$438,000	\$438,000	12/8/11	
86	Bowling Green Municipal Utilities	\$1,316,378	\$1,316,378	12/8/11	
87	Carrollton, City of	\$1,850,270	\$1,850,270	12/8/11	

		TOTAL PROJECT AMOUNT	KIA AMOUNT	DATE APPROVED	COMMENTS
<b>PROJECTS APPROVED IN FY 2012 (Continued)</b>					
88	Mount Vernon, City of	\$2,600,000	\$2,600,000	1/5/12	
89	Lyon Co WD	\$2,000,000	\$2,000,000	1/5/12	
90	Campbellsville, City of	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	<b>Hartford, City of</b>	<b>WX21183020</b> <b>\$564,150</b>	<b>\$564,150</b>	<b>6/7/12</b>	
	<b>TOTALS</b>	<b>\$33,201,131</b>	<b>\$27,911,131</b>		
	<b>GRAND TOTALS - COMMITMENTS</b>	<b>\$479,285,565</b>	<b>\$247,652,529</b>		

*bold, italics - pending board approval*

(c) - Final amounts; Loan has been closed

(s) - Amount represented in the assistance agreement

(F1) - Planning and Design Loan

**KENTUCKY INFRASTRUCTURE AUTHORITY**  
**SAFE DRINKING WATER STATE REVOLVING FUND CFDA #66.468 ---- (FUND F2)**  
**AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009**

**AVAILABLE FUNDS FFY 2009:**

FEDERAL ARRA GRANT FUNDS	\$20,450,000
ADMINISTRATION (4%)	(\$818,000)
OTHER SET ASIDES	(\$715,750)
Transferred from Admin to Construction	\$369,683
NET ARRA FUNDS	<u>\$19,285,933</u>

	TOTAL PROJECT AMOUNT	KIA AMOUNT	FIRST USE FUNDS	DATE APPROVED
<b>PROJECTS APPROVED IN SFY 2009:</b>				
1 CENTERTOWN, CITY OF	\$2,866,652	\$222,606	\$222,606	6/25/09
2 SPRINGFIELD, CITY OF	\$4,000,000	\$947,901 (c)	\$947,901	6/25/09
<b>TOTALS</b>	<u><b>\$6,866,652</b></u>	<u><b>\$1,170,507</b></u>	<u><b>\$1,170,507</b></u>	
<b>PROJECTS APPROVED IN SFY 2010:</b>				
3 BREATHITT CO WATER DISTRICT	\$1,322,000	\$572,000 (c)	\$572,000	7/9/09; 11/24/09
4 WHITESBURG, CITY OF	\$171,840	\$171,794 (c)	\$171,794	7/9/09
5 MCKEE, CITY OF	\$1,100,000	\$1,099,903 (c)	\$1,099,903	8/6/09
6 BLACK MTN UTILITY DISTRICT	\$2,650,000	\$500,000 (c)	\$500,000	8/6/09
7 ELKTON, CITY OF	\$174,800	\$174,374 (c)	\$174,374	8/20/09
8 BLUEGRASS STATION	\$3,498,452	\$1,900,000	\$1,900,000	8/20/09
9 DAWSON SPRINGS, CITY OF	\$2,120,000	\$2,120,000 (c)	\$2,120,000	8/20/09
10 BURKESVILLE, CITY OF	\$1,153,000	\$1,153,000 (c)	\$1,153,000	9/3/09
11 LOUISVILLE WATER COMPANY	\$18,508,832	\$4,173,200	\$4,173,200	9/3/09; 2/4/10
12 JACKSON, CITY OF	\$1,500,000	\$1,500,000 (c)	\$1,500,000	9/3/09
13 PRESTONBURG, CITY OF	\$805,000	\$805,000 (c)	\$805,000	10/1/09
14 WINCHESTER, CITY OF	\$1,100,000	\$741,450 (c)	\$741,450	10/1/09
15 CAMPTON, CITY OF	\$6,966,088	\$683,200	\$683,200	10/1/09
16 WESTERN MASON WATER DISTRICT	\$578,000	\$500,000 (c)	\$500,000	10/1/09
17 GREENUP, CITY OF	\$2,915,099	\$1,590,604	\$1,590,604	11/12/09
<b>TOTALS</b>	<u><b>\$44,563,111</b></u>	<u><b>\$17,684,526</b></u>	<u><b>\$17,684,526</b></u>	
<b>GRAND TOTALS - COMMITMENTS</b>	<u><b>\$51,429,763</b></u>	<u><b>\$18,855,033</b></u>	<u><b>\$18,855,033</b></u>	
<b>BALANCE AVAILABLE FOR LOAN</b>			<u><b>\$430,900</b></u>	

*bold, italics - pending board approval*

(c) - Final amounts; Loan has been closed

(s) - Amount represented in the assistance agreement