

**KENTUCKY INFRASTRUCTURE AUTHORITY
ASSISTANCE AGREEMENT**

FEDERALLY ASSISTED DRINKING WATER REVOLVING LOAN FUND PROGRAM

FUND F

PROJECT NUMBER:	F23-002
BORROWER:	Barkley Lake Water District
BORROWER'S ADDRESS:	1420 Canton Road Cadiz, Kentucky 42211
DATE OF ASSISTANCE AGREEMENT:	January 1, 2025
CFDA NO.:	66.468

ASSISTANCE AGREEMENT

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ASSISTANCE AGREEMENT

This ASSISTANCE AGREEMENT (this “Assistance Agreement”) is made and entered into as of the date set forth on the cover page hereof, by and between the KENTUCKY INFRASTRUCTURE AUTHORITY, a body corporate and politic, constituting a public corporation and governmental agency and instrumentality of the Commonwealth of Kentucky (the “Authority”) and the Governmental Agency identified on the cover of this Assistance Agreement (the “Borrower”):

WITNESSETH

WHEREAS, the General Assembly of the Commonwealth of Kentucky, being the duly and legally constituted legislature of Kentucky at its 1988 Regular Session, enacted House Bill 217 amending Chapter 224A of the Kentucky Revised Statutes (the “Act”), creating the “Kentucky Infrastructure Authority” to serve the public purposes identified in the Act; and

WHEREAS, the Authority has established its Program, as hereinafter defined, for the purpose of providing financial assistance to Governmental Agencies, as defined in the Act, in connection with the acquisition and construction of “projects,” as defined in the Act, in order to preserve, protect, upgrade, conserve, develop, utilize, and manage the resources of the Commonwealth of Kentucky (the “Commonwealth”), for the protection and preservation of the health, safety, convenience, and welfare of the Commonwealth and its citizens, and in that respect to assist and cooperate with Governmental Agencies in achieving such purposes; and

WHEREAS, the Program is funded in part pursuant to the Capitalization Grant Operating Agreement between the Authority and the U.S. Environmental Protection Agency dated as of November 1, 1998, as amended, supplemented, or restated from time to time (the “Federal Agreement”), under which the Authority is responsible for providing certain “match funding” described in the Federal Agreement; and

WHEREAS, the Authority has issued, and will issue from time to time, its revenue bonds in accordance with a General Trust Indenture dated as of March 1, 2010 (the “Indenture”), by and between the Authority and U.S. Bank Trust Company, National Association, as the successor-in-interest to U.S. Bank Trust Company, National Association (the “Trustee”), in order to provide the “match funding” for the Program; and

WHEREAS, the Borrower has determined that it is necessary and desirable to acquire, construct, and finance the Project, as hereinafter defined, and the Authority has determined that the Project is a “project” within the meaning of the Act and the Indenture, thereby qualifying for financial assistance from the Authority; and

WHEREAS, the Borrower desires to enter into this Assistance Agreement with the Authority for the purpose of securing from the Authority the repayable Loan hereinafter identified; and

WHEREAS, the Authority is willing to cooperate with the Borrower in making available the Loan in accordance with the Act and the Indenture to be applied to the Project upon the conditions hereinafter enumerated and the covenants by the Borrower herein contained to levy,

collect, enforce, and remit adequate Service Charges, as hereinafter defined, for the services provided by the Borrower's System, as hereinafter defined, and to apply the necessary portion of the Service Charges to the repayment of the Loan and the interest thereon, as hereinafter specifically provided; and

WHEREAS, the Authority and the Borrower have determined to enter into this Assistance Agreement in accordance with the terms of the Act and the Indenture and to set forth their respective duties, rights, covenants, and obligations with respect to the acquisition, construction, and financing of the Project and the repayment of the Loan and the interest thereon;

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL COVENANTS SET FORTH HEREIN, THE LOAN HEREBY EFFECTED, AND OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED BY EACH PARTY, THE PARTIES HERETO MUTUALLY COVENANT AND AGREE, EACH WITH THE OTHER, AS FOLLOWS:

ARTICLE I DEFINITIONS

All of the terms utilized in this Assistance Agreement will have the same definitions and meanings as ascribed to them in the Act and the Indenture, which Act and Indenture are hereby incorporated in this Assistance Agreement by reference, the same as if set forth hereby verbatim; provided, however, that the definitions utilized in the Act and the Indenture having general application are hereby modified in certain instances to apply specifically to the Borrower and its Project.

"ACH Authorization Form" has the meaning provided in Section 3.2 hereof.

"ACH Debit Direct Payment Method" has the meaning provided in Section 3.2 hereof.

"Act" means Chapter 224A of the Kentucky Revised Statutes, as amended from time to time.

"Administrative Fee" means the charge of the Authority for the servicing of the Loan, which is the annual percentage charged against the unpaid principal balance of the Loan as identified in the Loan Term Schedule.

"American Iron and Steel Requirement" has the meaning provided in Section 4.1(V) hereof.

"Amortization Commencement Date" means the date set forth on the Loan Term Schedule when the first payment of principal of and interest on the Loan is due under the Schedule of Payments.

"Assistance Agreement" means this agreement made and entered into by and between the Authority and the Borrower, as authorized by the Act, providing for the Authority to make a Loan to the Borrower, and for the Borrower to repay the Loan to the Authority in accordance with the terms and conditions established herein.

“Authority” means the Kentucky Infrastructure Authority created by the Act, a body corporate and politic, constituting a public corporation and a governmental agency and instrumentality of the Commonwealth, or such other designation as may be effected by future amendments to the Act.

“Authorizing Action” means the resolution or ordinance of the Borrower substantially in the form attached hereto as Exhibit D authorizing the execution of this Assistance Agreement.

“Bond” or “Bonds” means any Bonds issued, authenticated, and delivered by the Authority, past or present, under the Indenture.

“Borrower” means the Governmental Agency identified on the cover page of this Assistance Agreement and in the Project Specifics.

“Build America, Buy America Act” means Pub. L. No. 117-58, §§ 70901-52.

“Business Day” means any day other than a Saturday, Sunday, or other legal holiday on which the general offices of the Commonwealth are closed.

“Cabinet” means the Energy and Environment Cabinet of the Commonwealth.

“Code” means the Internal Revenue Code of 1986, as amended, and includes the Regulations of the United States Department of the Treasury promulgated thereunder.

“Commonwealth” means the Commonwealth of Kentucky.

“Construction” means construction as defined in the Act.

“Debt Obligations” means the outstanding obligations of the Borrower outstanding as of the date of this Assistance Agreement or issued in the future in accordance with the terms hereof, payable from all or a portion of the Revenues of the System. For purposes of clarity, a statement of the Debt Obligations of the Borrower payable from all or a portion of the Revenues of the System as of the date of this Agreement has been provided by the Borrower to the Authority and is set forth in the Project Specifics.

“Default Rate” means the rate of interest per annum identified in the Loan Term Schedule that shall apply to the Loan for all purposes effective upon and including the date of an occurrence of an Event of Default hereunder and shall continue to apply to and including the date such Event of Default is fully remedied by the Borrower in accordance with the terms and conditions set forth hereunder.

“Drinking Water Supply Project” shall mean the planning, design, and construction of drinking water treatment and distribution systems, including expenditures to address Federal Act health goals, or to address situations where compliance standards have been exceeded or to prevent future violations of rules, and may further include drinking water treatment plants, including basins for rapid mix, flocculation, coagulation, filtration, pre-treatment disinfection, and disinfection before entry to the distribution system; distribution systems; storage tanks; intake lines and short-term water storage; clearwells; drilled wells and wellhead areas; and any other structure or facility

considered necessary by the Cabinet to the efficient and sanitary operation of a public water system and complies with the requirements of the Federal Act.

“Effective Date” means the date set forth on the cover page of this Assistance Agreement.

“Eligible Project” means a Drinking Water Supply Project as defined in the Act.

“Engineers” means the firm of consulting engineers employed by the Borrower in connection with the Project and identified in the Project Specifics.

“Federal Act” means the Federal Safe Drinking Water Act, as amended from time to time, 42 U.S.C. Section 1401, et seq.

“Federal Agreement” means the Capitalization Grant Operating Agreement by and between the Authority and the U.S. Environmental Protection Agency dated as of November 1, 1998, as amended, supplemented, or restated from time to time, under which the Authority is responsible for providing certain “match funding”.

“Governmental Agency” means any agency or unit of government within the Commonwealth, now having or hereafter granted the authority and power to finance, acquire, construct, and operate an Eligible Project, including specifically but not by way of limitation, incorporated cities, counties, including any counties containing a metropolitan sewer district, sanitation districts, water districts, water associations, public authorities, sewer construction districts, metropolitan sewer districts, sanitation taxing districts, and any other agencies, commissions, districts, or authorities (either acting alone, or in combination with one another in accordance with any regional or area compact, or multi-municipal agreement), now or hereafter established in accordance with the laws of the Commonwealth having and possessing such described powers.

“Indebtedness” means and includes, as of any date, all obligations that would be included in determining total liabilities as shown on the financial statements of the Borrower pertaining to the System, including all indebtedness, for the payment of borrowed money and other similar obligations for the payment of the purchase price of property or any other assets purchased by the Borrower, by excluding any reserves for estimated obligations, deferred income, and offsets to asset values, all as recorded under and in accordance with generally accepted accounting standards.

“Indenture” means the General Trust Indenture dated as of March 1, 2010, by and between the Authority and the Trustee, as amended and supplemented by the parties thereto from time to time in accordance with its terms.

“Interagency Agreement” means the Memorandum of Understanding dated as of July 1, 1999, by and between the Authority and the Cabinet, as the same may be amended or supplemented by the parties thereto from time to time.

“Loan” means the loan effected under this Assistance Agreement from the Authority to the Borrower in the principal amount set forth in the Loan Term Schedule, for the purpose of defraying the costs incidental to the Construction of the Project.

“Loan Payment Date” means the dates principal of, or interest on, or Administrative Fees for the Loan are due as set forth in the Loan Term Schedule.

“Loan Rate” means the rate per annum of interest identified in the Loan Term Schedule that shall apply to the Loan absent the occurrence of an Event of Default hereunder.

“Loan Term Schedule” means the payment information and terms of the Loan identified and set forth in Exhibit F attached hereto and includes any amendments or supplements thereto.

“Person” means any individual, firm, partnership, association, limited liability company, corporation, or Governmental Agency.

“Program” means the program authorized by KRS 224A.1115 and the Indenture as the “federally assisted drinking water revolving fund” for financing Eligible Projects through Loans by the Authority to Governmental Agencies and shall not be deemed to mean or include any other programs of the Authority.

“Project” means the Eligible Project described in the Project Specifics, which constitutes an Eligible Project under the Act.

“Project Specifics” means those specific details of the Project identified in Exhibit A attached hereto, all of which are incorporated by reference into this Assistance Agreement.

“Requisition for Funds” means the Program form provided by the Authority to the Borrower to be utilized by the Borrower in obtaining disbursements of the Loan from the Authority as Construction of the Project progresses.

“Revenues” means the totality of (i) a service rates, rentals, and charges (including all Service Charges), and all other income of any and all types and varieties imposed, enforced, and collected by the Borrower for any services, products, or items rendered or provided by the Borrower in connection with the System; (ii) any investment income; and (iii) any other income received by the Borrower from any federal or state governmental agency as representing income or operating subsidies of the System, as distinguished from any capital grants, to the extent such income is not otherwise required to be treated and applied.

“Schedule of Payments” means the debt service schedule of the Loan as set forth in the Loan Term Schedule.

“Schedule of Service Charges” means those general charges to be imposed by the Borrower for services provided by the System, as set forth in Exhibit C hereto, which Schedule of Service Charges shall be in full force and effect to the satisfaction of the Authority before the disbursement of any portion of the Loan hereunder.

“SEC Rule” has the meaning provided in Section 6.12 hereof.

“Service Charges” means any monthly, quarterly, semi-annual, or annual charges, surcharges, or improvement benefit assessments to be imposed by a Governmental Agency, or by the Authority, with respect to the System which Service Charges arise by reason of the existence

of, and requirement of, any Assistance Agreement; and for the purposes of this Assistance Agreement any such Service Charge shall be no less than those set forth in the Schedule of Service Charges. For purposes of clarity, Services Charges comprise a portion of the Revenues of the System.

“System” means the water system owned and operated by the Borrower of which the Project shall become a part.

“Trustee” means U.S. Bank Trust Company, National Association, as the successor-in-interest to U.S. Bank, National Association, and its successors or assigns.

“2014 Appropriations Act” has the meaning provided in Section 4.1(V) hereof.

ARTICLE II REPRESENTATIONS AND WARRANTIES

Section 2.1 Representations and Warranties of Authority. The Authority represents and warrants for the benefit of the Borrower as follows:

(A) The Authority is a body corporate and politic constituting a governmental agency and instrumentality of the Commonwealth, has all necessary power and authority to enter into, and perform its obligations under, this Assistance Agreement, and has duly authorized the execution and delivery of this Assistance Agreement.

(B) Neither the execution and delivery hereof, nor the fulfillment of or compliance with the terms and conditions hereof, nor the consummation of the transactions contemplated hereby, conflicts with or results in a breach of the terms, conditions, and provisions of any restriction or any agreement or instrument to which the Authority is now a party or by which the Authority is bound, or constitutes a default under any of the foregoing.

(C) To the knowledge of the Authority, there is no litigation or proceeding pending or threatened against the Authority or any other Person affecting the right of the Authority to execute or deliver this Assistance Agreement or to comply with its obligations under this Assistance Agreement. Neither the execution and delivery of this Assistance Agreement by the Authority, nor compliance by the Authority with its obligations under this Assistance Agreement, require the approval of any regulatory body or any other entity, except such approvals that have been obtained.

(D) The authorization, execution, and delivery of this Assistance Agreement and all actions of the Authority with respect thereto, are in compliance with the Act and the Federal Act and any regulations issued thereunder.

Section 2.2 Representations and Warranties of the Borrower. The Borrower hereby represents and warrants for the benefit of the Authority as follows:

(A) The Borrower is a duly organized and validly existing Governmental Agency, as described in the Act, with full power to own its properties, conduct its affairs, enter into this Assistance Agreement, and consummate the transactions contemplated hereby.

(B) The negotiation, execution, and delivery of this Assistance Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all requisite action of the governing body of the Borrower.

(C) This Assistance Agreement has been duly executed and delivered by the Borrower and is a valid and binding obligation of the Borrower enforceable in accordance with its terms, except to the extent that the enforceability hereof may be limited by equitable principles and by bankruptcy, reorganization, moratorium, insolvency, or similar laws heretofore or hereafter enacted relating to or affecting the enforcement of creditors' rights or remedies generally.

(D) To the knowledge of the Borrower, there is no controversy or litigation of any nature pending or threatened in any court or before any board, tribunal, or administrative body to challenge in any manner the authority of the Borrower or its governing body to make payments under this Assistance Agreement or to acquire or construct the Project; or to challenge in any manner the authority of the Borrower or its governing body to take any of the actions that have been taken in the authorization or delivery of this Assistance Agreement or the Construction of the Project; or in any way contesting or affecting the validity of this Assistance Agreement, or in any way questioning any proceedings taken with respect to the authorization or delivery by the Borrower of this Assistance Agreement, or the application of the proceeds thereof or the pledge or application of any monies or security provided therefor; or in any way questioning the due existence or powers of the Borrower, or otherwise wherein an unfavorable decision would have an adverse impact on the transactions authorized in connection with this Assistance Agreement.

(E) The authorization and delivery of this Assistance Agreement and the consummation of the transactions contemplated hereby will not constitute an event of default or violation or breach, or an event which, with the giving of notice or the passage of time or both, would constitute an event of default or violation or breach under any contract, agreement, instrument, indenture, lease, judicial or administrative order, decree, rule or regulation, or other document or law affecting the Borrower or its governing body.

(F) In accordance with the Authorizing Action of the governing body, the Borrower has approved and authorized the execution and delivery of this Assistance Agreement. The Authorizing Action was duly enacted or adopted at a duly called meeting or meetings held in accordance with the law of the governing body of the Borrower at which a quorum was present and acting throughout; is in full force and effect; and has not been superseded, altered, amended, or repealed as of the date hereof.

(G) All actions taken by the Borrower in connection with this Assistance Agreement, the Loan, and the Project have been in full compliance with the provisions of the Kentucky Open Meeting Law, Sections 61.805 to 61.850, inclusive, of the Kentucky Revised Statutes.

(H) The Borrower has obtained all licenses, permits, and other governmental approvals (including all required approvals of the Kentucky Public Service Commission) required to own, occupy, operate, and maintain the System and the Project, to charge and collect the Service Charges, and to enter into this Assistance Agreement. The Borrower is not in violation of and has not received any notice of an alleged violation of any zoning or land use laws applicable to the

Project and has full right, power, and authority to perform the acts required of the Borrower by this Assistance Agreement.

(I) Legal counsel to the Borrower has duly executed and delivered the opinion of legal counsel substantially in the form set forth as Exhibit E attached hereto.

(J) The Borrower is in full compliance with all federal and state labor and procurement laws in connection with the planning, design, acquisition, and Construction of the Project.

ARTICLE III AUTHORITY'S AGREEMENT TO MAKE LOAN; TERMS

Section 3.1 Determination of Eligibility. In accordance with the terms of the Act and the Indenture, the Authority has determined that the Borrower's Project is an Eligible Project under the Act and the Borrower is entitled to financial assistance from the Authority in connection with financing the Construction of the Project.

Section 3.2 Principal Amount of Loan Established; Loan Payments; Disbursement of Funds. The principal amount of the Loan shall be the Loan Amount as identified in the Loan Term Schedule, subject to such adjustments as may be established in any amendment or supplement to the Loan Term Schedule. Principal payments shall be made in the amounts and on the Loan Payment Dates established by the Schedule of Payments, which Schedule of Payments shall provide for approximately level debt service payments over the repayment term set forth in the Schedule of Payments, commencing on the Amortization Commencement Date.

The outstanding principal balance of the Loan shall bear interest at the Loan Rate as set forth in the Loan Term Schedule. Beginning on the Amortization Commencement Date, principal and interest on the Loan shall be payable in the amounts and on the Loan Payment Dates set forth in the Schedule of Payments.

The Authority shall advance the proceeds of the Loan as Construction of the Project progresses upon the submission by the Borrower of a Requisition for Funds in substantially the same form provided by the Authority from time to time. Except as otherwise provided upon an Event of Default, each disbursement under a Requisition for Funds representing a portion of the principal amount of the Loan shall bear interest at the Loan Rate from the date of the disbursement. The Borrower shall pay interest on the unpaid balance of disbursements at the Loan Rate payable on each Loan Payment Date before the Amortization Commencement Date.

Notwithstanding any other provision herein, the Loan shall bear interest at the Default Rate from and including the date of an occurrence of an Event of Default to and including the date the Borrower fully remedies such Event of Default. The Default Rate shall apply to all principal unpaid hereunder, together with all unpaid interest accrued but unpaid to the date of such Event of Default, all due but unpaid fees set out on the Loan Term Schedule, and all reasonable costs and expenses of the Authority incurred as a result of such Event of default in accordance with Section 8.2 hereof from and including the date of incurrence thereof to and including the date of reimbursement therefor by the Borrower.

Notwithstanding any other provision herein, upon an Event of Default, the Authority may, in its sole discretion, direct the Borrower to make all Loan payments on the first day of each calendar month, in amounts calculated and determined by the Authority in accordance with this Assistance Agreement, during the continuation of such Event of Default

Interest on the Loan shall be calculated on the actual number of days and an assumed 360-day year.

Payments of principal and interest on the Loan shall be payable in lawful money of the United States of America at the principal office of the Authority or the Trustee, as designated by the Authority. If so requested by the Authority, Loan payments hereunder shall be made by the Borrower in accordance with the ACH Debit Direct Payment Method (the “ACH Debit Direct Payment Method”) as described and detailed in the ACH Debit Direct Payment Authorization Form (the “ACH Authorization Form”) as provided by the Authority or the Trustee to the Borrower, which ACH Authorization Form shall be completed, signed, and forwarded to the Authority or the Trustee before the Borrower shall receive any disbursement of the proceeds of the Loan from the Authority.

Section 3.3 Borrower’s Right to Prepay Loan. The Borrower shall have the right to prepay and retire the entire amount of the Loan at any time without penalty upon written notice to the Authority no less than five Business Days in advance of the prepayment.

Notwithstanding the foregoing, upon the determination by the Authority that it intends to issue Bonds secured by a pledge of the payments on the Loan, the Authority shall advise the Borrower (i) of the Authority’s intention to proceed with the authorization of such Bonds; (ii) of the limitation on prepayments applicable to the Bonds as a result of the issuance of such Bonds by the Authority; and (iii) that the Borrower has thirty days from its receipt of the notice to exercise its option to prepay the Loan. Upon the expiration of the thirty-day period, the Borrower’s right to prepay the Loan shall be limited to the terms described in the notice.

Section 3.4 Subordination of Loan. The Authority hereby agrees that, subject to compliance by the Borrower with the covenants and conditions set forth in this Assistance Agreement, the source of payment for the Loan shall be inferior and subordinate to the security interest and source of payment for the Debt Obligations of the Borrower payable from the Revenues of the System outstanding at the time this Assistance Agreement is executed as identified in the Project Specifics. Notwithstanding the foregoing, (i) the source of payment for the Loan shall be on a parity with the security interest and source of payment for any Debt Obligations of the Borrower payable from the Revenues of the System outstanding at the time this Assistance Agreement is executed that are not identified in the Project Specifics, unless otherwise consented to in writing by an authorized representative of the Authority; (ii) the source of payment for the Loan shall be on a parity with the security interest and source of payment for any Debt Obligations of the Borrower issued after the Effective Date of this Assistance Agreement; and (iii) the Authority shall receive notice of the additional incurrence of Indebtedness by the Borrower in accordance with Section 5.6(C) hereof.

ARTICLE IV
CONDITIONS PRECEDENT TO DISBURSEMENT
REQUISITION FOR FUNDS

Section 4.1 Covenants of the Borrower and the Conditions of the Loan. By the execution of this Assistance Agreement, the Borrower agrees that before any requests for the disbursement of all or a portion of the Loan made hereunder, the Borrower shall supply the Authority and the Cabinet appropriate documentation, satisfactory to the Authority, in its sole discretion, indicating the following:

(A) That the Authority, the Cabinet, and any appropriate regulatory agency of the Commonwealth as may be designated by the Authority or the Cabinet, and their respective duly authorized agents, shall have the right at all reasonable times, subject to prior notice to the Borrower, to enter upon the Project and its site during Construction of the Project and to examine and inspect same, and the Borrower will assure that any contractor or contractors retained or utilized by the Borrower for the Project will provide facilities for such access and inspection.

(B) All real estate and interests in real estate and all personal property constituting the Project and the Project sites heretofore or hereafter acquired shall at all times be and remain the property of the Borrower and constitute a part of the System.

(C) If the Borrower is required to provide additional financing for the Project from sources other than the Authority (as described in the Project Specifics), the Authority shall have the right to receive such reasonable proof as it may require of the ability of the Borrower to finance the costs of Construction of the Project over and above the Loan, before the disbursement by the Authority of any portion of the Loan.

(D) The Borrower shall do all things necessary to acquire all proposed and necessary sites, easements, and rights of way necessary or required in respect of the Project and demonstrate its ability to construct the Project in accordance with the plans, design, and specifications prepared for the Borrower by the Engineers.

(E) Actual Construction and installation incident to the Project shall be performed by either the lump sum (fixed price) or unit price contract method and adequate legal methods of obtaining public, competitive bidding will be employed before the awarding of the Construction contract for the Project in accordance with Kentucky law.

(F) Unless Construction of the Project has already been initiated as of the Effective Date, in accordance with due compliance with applicable state law and regulations, the Project will not be advertised or placed on the market for Construction bidding by the Borrower until the final plans, designs, and specifications therefor have been approved by such state and federal agencies and authorities as may be legally required, and until written notification of such approvals has been received by the Borrower and furnished to the Authority.

(G) The Construction contract or contracts shall require the contractor to comply with all provisions of federal and Kentucky law legally applicable to such work, and any amendments or modifications thereto, together with all other applicable provisions of law, to cause appropriate provisions to be inserted in subcontracts to insure compliance therewith by all subcontractors

subject thereto, and to be responsible for the submission of any statements required of subcontractors thereunder.

(H) A work progress schedule utilizing a method of standard acceptance in the engineering community shall be prepared before the institution of Construction in connection with each Construction contract, or, if Construction has already been initiated as of the date of this Assistance Agreement, at the earliest practicable date, to indicate the proposed schedule as to completion of the Project and same shall be maintained monthly thereafter to indicate the actual Construction progress of the Project.

(I) Before the award of the Construction contract and before the commencement of Construction, the Borrower will arrange and conduct a conference regarding the Project; the conference shall include representatives of the Authority, the Borrower, the Cabinet, and any other participating federal or state agency, the Engineers, and all Construction contractors. Such conference shall be held in accordance with guidelines established by the Authority and the Cabinet. A written brief of the conference summarizing the Construction schedule, fund requirements schedule, payment authorizations, responsible parties for approval of all facets of the Construction work and payment therefor, and other pertinent matters shall be prepared and distributed to each party involved, and all Construction contractors and Engineers. Provided, however, that if Construction shall have been initiated as of the date of this Assistance Agreement, this provision may be waived by the Authority in its sole discretion.

(J) All Construction contracts will be prepared so that federal participation costs, if any, and state participation costs may be readily segregated from local participation costs, if any, and from each other, and in such manner that all materials and equipment furnished to the Borrower may be readily itemized.

(K) The Borrower shall promptly submit any change or changes in a Construction contract to the Authority, the Cabinet, and any required state or federal agencies.

(L) The Construction, including the letting of contracts in connection therewith, will conform in all respects to applicable requirements of federal, state and local laws, ordinances, rules, and regulations.

(M) The Borrower will proceed expeditiously with and complete the Project in accordance with the approved surveys, plans, specifications, and designs or amendments thereto, prepared by the Engineers for the Borrower and approved by state and federal agencies.

(N) If requested, the Borrower will erect at the Project sites, signs satisfactory to the Authority and the United States Environmental Protection Agency noting the participation of the Authority and the U.S. Government in the financing of the Project.

(O) Except as otherwise provided in this Assistance Agreement, the Borrower shall have the sole and exclusive charge of all details of the Construction.

(P) The Borrower shall keep complete and accurate records of the costs of acquiring the Project sites and the costs of Construction. The Borrower shall permit the duly authorized representatives of the Authority, the Cabinet, and any Kentucky or federal agencies to inspect all

books, documents, papers, and records relating to the Project at any and all reasonable times for the purpose of audit and examination. The Borrower shall submit to the Authority and the Cabinet such documents and information as such may reasonably require in connection with the administration of any federal or state assistance.

(Q) The Borrower shall require that each Construction contractor or contractors furnish a performance and a payment bond in an amount at least equal to 100% of the contract price or the portion of the Project covered by the particular contract as security for the faithful performance of each such contract.

(R) The Borrower shall require that each of its contractors and all subcontractors maintain during the life of the Construction contract, worker's compensation insurance, public liability insurance, property damage insurance, and vehicle liability insurance in amounts and on terms satisfactory to the Authority. Until the Project is completed and accepted by the Borrower, the contractor shall maintain builders risk insurance (fire and extended coverage) on a 100% basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Borrower, the prime contractor, and all subcontractors, as their interests may appear.

(S) The Borrower shall provide and maintain competent and adequate resident engineering services covering the supervision and inspection of the development and Construction of the Project and bearing the responsibility of assuring that Construction conforms to the approved plans, specifications, and designs prepared by the Engineers. The resident engineer shall certify to the Authority, the Cabinet, any involved state or federal agencies, and the Borrower at the completion of Construction that Construction is in accordance with the approved plans, specifications, and designs and approved amendments thereto.

(T) The Borrower shall demonstrate to the satisfaction of the Authority the legal capability of the Borrower to enact, adopt, levy, charge, collect, enforce, and remit to the Authority and the Cabinet the Service Charges of the Borrower described in the Schedule of Service Charges attached hereto as Exhibit C and submit proof satisfactory to the Authority that the Service Charges are in full force and effect as of the submission of the initial Requisition for Funds.

(U) The Borrower shall require all laborers and mechanics employed by contractors and subcontractors on the Project shall be paid wages at rates not less than prevailing on projects of a character similar in the locality as determined by the Secretary of Labor in accordance with Subchapter IV of Chapter 31 of Title 40, United States Code.

(V) The Borrower shall comply with all federal requirements applicable to the Loan (including those imposed by P.L. 113-76, Consolidated Appropriations Act, 2014 (the "2014 Appropriations Act") and the Build America, Buy America Act ("BABA") and related Program policy guidelines). The Borrower understands that, among other requirements, (i) all of the iron and steel products used in the Project are to be produced in the United States ("American Iron and Steel Requirement") unless (a) the Borrower has requested and obtained a waiver from the Authority and the United States Environmental Protection Agency pertaining to the Project or (b) the Authority has otherwise advised the Borrower in writing that the American Iron and Steel Requirement is not applicable to the Project; or (ii)(1) all iron and steel items used in projects must

be produced in the United States pursuant to BABA; (2) all manufactured products must be produced in the United States; and (3) all Construction materials must be manufactured in the United States (“BABA Requirements”), unless (y) the Governmental Agency has requested and obtained a waiver from the Authority and the United States Environmental Protection Agency pertaining to the Project; or (z) the Authority has otherwise advised the Governmental Agency in writing that the BABA Requirements are not applicable to the Project.

(W) The Borrower shall comply with all record keeping and reporting requirements under the Federal Act, including any reports required by a Federal agency or the Authority such as performance indicators of program deliverables, information on costs and Project progress. The Borrower understands that (i) each contract and subcontract related to the Project is subject to audit by appropriate federal and state entities and (ii) failure to comply with the Federal Act and this Agreement may be a default hereunder that results in a repayment of the Loan in advance of the maturity and/or other remedial actions.

Notwithstanding anything in this Assistance Agreement to the contrary, if the Borrower fails to comply, at any time, with the provisions of Section 4.1(V) or Section 4.1(W) hereof, the Authority may, at its sole discretion, withhold the disbursements of any proceeds of the Loan to the Borrower or its designee.

Section 4.2 Additional Conditions to Disbursement Required Under the Federal Agreement. The Borrower, in order to comply with the terms and conditions of the Federal Agreement, further covenants and further agrees to additional conditions to disbursement, as follows:

(A) That the Project shall be completed no later than the Amortization Commencement Date.

(B) Notwithstanding any other agreements contained herein regarding the maintenance of books and records, that it shall maintain Project accounts in accordance with generally accepted governmental accounting standards, as required by the Federal Act. The Borrower shall retain such records for no less than three years following the final payment by the Borrower under this Assistance Agreement or if any portion of the Project is disposed of, until at least three years after such disposition; provided that if any litigation, claim, appeal, or audit is commenced before the end of such period such records shall be maintained until the completion of such action or until three years after such commencement, whichever is later.

(C) That it has not and will not apply any other federal funding to the Project in a manner that would cause it to receive “double benefits” as described in Section 603 of the Water Quality Act of 1987.

(D) That all real property or property rights required for the completion of the Project shall be obtained, by easement, purchase, or other means acceptable to the Authority, before commencement of Construction and that the relocation of any Person resulting therefrom be in accordance with 49 CFR 24 for Uniform Relocation Assistance and Real Property Acquisition Act of 1970.

(E) That all Project contractors shall be required to retain Project records for the periods established for the retention of the Borrower's records in Section 4.2(B) hereof.

(F) That no more than fifty percent of the proceeds of the Loan shall be disbursed before the Cabinet has approved the final plan for operation of the Project.

(G) That no more than ninety percent of the proceeds of the Loan shall be disbursed before the Cabinet has approved the draft operations and maintenance manual.

(H) That final disbursement will not be remitted before the Cabinet has approved a final operations and maintenance manual.

(I) That, as required by 40 CFR 35.2218, all engineering services regarding Construction and regarding the first year of operation of the Project shall be provided for, including the following:

(1) The operation of the Project and the revision of the operations and maintenance manual as necessary to accommodate actual operating experience;

(2) The training of operating personnel, including preparation of curricula and training material for operating personnel; and

(3) Advice as to whether the Project is meeting the Project performance standards (including three quarterly reports and one Project performance report).

(J) That it shall advise the Cabinet and the Authority in writing of the date for initiation of operation of the Project.

(K) That within one year after operation is initiated, it shall certify to the Cabinet and the Authority that the Project is capable of meeting the Project performance standards.

(L) That it shall provide that qualified inspectors are present at the Construction site. A summary of such inspector's qualifications and experience shall be submitted to the Cabinet and the Authority.

(M) That it shall notify the Authority and the Cabinet of the completion date of the Project.

(N) That it agrees to the terms and conditions of its application for assistance and the Authority's commitment to provide assistance, the terms of which are incorporated herein by reference.

(O) That all measures required to minimize water pollution to affected waters shall be employed in the Construction of the Project including compliance with Section 404 of PL 92-500, as amended, it being understood that approval of the Project does not constitute sanction or approval of any changes or deviations from established water quality standards, criteria implementation dates, or dates established by enforcement proceedings.

(P) That it shall enact a water use ordinance complying with the requirements set forth in the Federal Agreement and the Interagency Agreement.

Section 4.3 Disbursements of Loan Funds; Requisition for Funds. The Borrower shall submit to the Authority (or the Trustee acting on behalf of the Authority, if so designated) and the Cabinet a Requisition for funds before the fifth day of each month (or such other designated period as is acceptable to the Authority), in substantially the same form provided by the Authority to the Borrower from time to time, accompanied by, to the extent requested by the Authority, the following documentation:

(A) A full and complete accounting of the costs of the Project to be obligated by contract or otherwise during the month in question, or already obligated and not included in any previous accounting.

(B) A full and complete accounting of any costs of the Project paid by the Borrower from its own funds with the approval of the Authority and excluded from any previous accounting for which the Borrower seeks reimbursement.

(C) A full and complete accounting of any costs of the Project paid or requisitioned under any other financing, loan, bond, grant, or similar agreement or paid from the Borrower's own funds for which the Borrower does not seek reimbursement and which have not been identified in any previous requisition form.

(D) The contractor's estimate of work performed during the preceding month in accordance with Construction contracts for the Project and payment due thereunder, together with the Engineer and Borrower's approval thereof for disbursement by the Authority.

Upon the Authority's receipt of the Requisition for Funds and such additional documentation as it may require, and subject to certification by the Cabinet, the Authority may direct the Trustee to remit the amount requested to the Borrower as a draw upon the Loan. If directed by the Authority, the Borrower shall establish, with the Trustee, an electric fund transfer system, which may be an ACH Payment Method.

The Authority may disburse proceeds of the Loan directly to the Borrower. The Borrower, if so directed by the Authority, shall establish itself as a vendor under the Commonwealth's eMars system.

ARTICLE V
CERTAIN COVENANTS OF THE BORROWER;
PLEDGE OF REVENUES; PAYMENTS TO BE MADE BY
THE BORROWER TO THE AUTHORITY

Section 5.1 Imposition of Service Charges; Pledge of Revenues. The Borrower hereby irrevocably covenants and agrees to comply with all of the terms, conditions, and requirements of this Assistance Agreement, in accordance with which the Loan is to be made by the Authority to the Borrower as specified herein, in the Act, and the Indenture. The Borrower hereby further irrevocably covenants and agrees that it already has, or will, to the extent necessary, immediately

impose Service Charges upon all Persons to whom or which services are provided by the System; such Service Charges to be no less than as set forth on Exhibit C attached hereto.

There are hereby pledged for the payment of the principal of and interest on the Loan, in accordance with the terms and the provisions hereof, the Authorizing Action, and the Act, (i) the Revenues; and (ii) any disbursements made under the Loan in accordance with Section 4.3 hereof until expended by the Borrower for the Construction of the Project.

Section 5.2 Borrower's Obligation to Repay Loan. The obligation of the Borrower to repay the Loan from the Revenues shall not be revocable, and if services supplied by the Project shall cease, or be suspended for any reason, the Borrower shall continue to be obligated to repay the Loan from the Service Charges.

Section 5.3 Covenant to Adjust Service Charges. If, for any reason, the Schedule of Service Charges shall be insufficient to (i) provide for the required coverage of all debt service payments on obligations payable from the Revenues of the System as set forth in Section 5.4 hereof; (ii) provide for the operation of the System as required under this Assistance Agreement; and (iii) make the required deposits to the Maintenance and Replacement Reserve, the Borrower hereby covenants and agrees that it will, upon notice by the Authority, to the full extent authorized by law, both federal and Kentucky, immediately adjust and increase such Schedule of Service Charges or immediately commence proceedings for a rate adjustment and increase with all applicable regulatory authorities so as to provide funds sufficient to pay the debt service requirements set forth in the Schedule of Payments and the Authority's Administrative Fee, to provide for the operation of the System as required under this Assistance Agreement, and to make required deposits to the Maintenance and Replacement Reserve.

Section 5.4 Adequacy of Service Charges. The Borrower hereby covenants during the term of this Assistance Agreement to impose Service Charges in each of the Borrower's fiscal years adequate to pay at least the sum of the following for each such fiscal year: (i) 110% of the debt service and Administrative Fees coming due during each such fiscal year on this Loan and all other Debt Obligations and other indebtedness secured and payable from the Revenues of the System, in each case computed as of the beginning of each such fiscal year (except to the extent the Borrower has by binding ordinance or resolution committed reserves to the payment of any such debt service); (ii) the amounts required to provide for the operation of the System during each such fiscal year as required by this Assistance Agreement; and (iii) the amounts to be deposited hereunder to the Maintenance and Replacement Reserve for each such fiscal year. The Borrower hereby further covenants that the Service Charges identified on Exhibit C attached hereto are sufficient to permit the Borrower to achieve the foregoing debt service coverage ratio for the fiscal year of the Borrower during which this Assistance Agreement will become effective.

Section 5.5 Covenant to Establish Maintenance and Replacement Reserve. The Borrower shall establish a special account identified as a "Maintenance and Replacement Reserve". The Borrower shall deposit funds into the Maintenance and Replacement Reserve on the dates and in the amounts set forth in the Project Specifics. The Borrower may expend funds held within the Maintenance and Replacement Reserve to pay extraordinary maintenance expenses related to the System or to pay unbudgeted costs of replacing worn or obsolete portions of the System, subject to the prior written approval of the Authority.

Section 5.6 Reports; Inspection. The Borrower hereby irrevocably covenants and agrees with the Authority:

(A) That the Borrower will furnish to the Authority and the Cabinet not less than annually reports of the operations and Revenues of the System and will permit authorized agents of the Authority to inspect all records, accounts, and data of the System at all reasonable times.

(B) That the Borrower will collect, account for, and promptly remit to the Authority those specific revenues, funds, income, and proceeds derived from the Revenues of the System incident to this Assistance Agreement.

(C) That the Borrower will notify the Authority in writing of its intention to incur Indebtedness payable from the Revenues of the System not less than thirty days before the execution of any agreement obligating the Borrower to incur any such Indebtedness.

Section 5.7 Segregation of Funds. The Borrower shall at all times account for the Revenues of the System and distinguish same from all other revenues, monies, and funds of the Borrower, if any.

ARTICLE VI OTHER COVENANTS OF THE BORROWER

Section 6.1 Further Assurance. At any time and all times the Borrower shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge, and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers, and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning, and confirming all and singular the rights, assets, and Revenues herein pledged or assigned, or intended so to be, or which the Borrower may hereafter become bound to pledge or assign.

Section 6.2 Completion of Project. The Borrower hereby covenants and agrees to proceed expeditiously with and promptly complete the Project in accordance with the plans, designs, and specifications prepared by the Engineers for the Borrower.

Section 6.3 Establishment of Completion Date. The completion date for the Project shall be evidenced to the Authority by a certificate signed by the Engineer and an authorized representative of the Borrower stating that, except for amounts retained by the Authority for costs of the Project not then due and payable, (i) the Construction has been completed and all labor, services, materials, supplies, machinery, and equipment used in such Construction have been paid for; (ii) all other facilities necessary in connection with the Project have been acquired, constructed, equipped, and installed and all costs and expenses incurred in connection therewith have been paid, and (iii) the Project and all other facilities in connection therewith have been acquired, constructed, equipped, and installed to the Borrower's satisfaction.

Section 6.4 Commitment to Operate. The Borrower hereby covenants and agrees to commence operation of the Project immediately on completion of Construction and not to discontinue operations or dispose of such Project without the approval of the Authority.

Section 6.5 Continue to Operate. The Borrower hereby covenants and agrees to continuously operate and maintain the Project and the System in accordance with applicable provisions of federal and Kentucky law and to maintain adequate records relating to the Project's operation. The Borrower shall make all such records available to the Authority at all reasonable times upon the Authority's request.

Section 6.6 Tax Covenant. If the Authority issues Bonds which are intended to be excludable from gross income for federal income tax purposes to provide the funds for the Loan, the Borrower shall at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure such exclusion and shall take such actions as may be directed by the Authority to accomplish the foregoing. The Borrower shall not permit (i) the proceeds of the Loan to be used directly or indirectly in any trade or business; (ii) its payments hereunder to be secured directly or indirectly by property to be used in a trade or business; (iii) any management agreement for the operation of the System; or (iv) any federal guarantee of its obligations hereunder, all without the prior written consent of the Authority. The Borrower will not acquire or pledge any obligations that would cause the Bonds to be "arbitrage bonds" within the meaning of the Code.

Section 6.7 Accounts and Reports. The Borrower shall at all times keep, or cause to be kept, proper books of record and account in accordance with the "Uniform System of Accounts" established by the Commonwealth, in which complete and accurate entries shall be made of all its transactions relating to the System and which shall at all reasonable times be subject to the inspection of the Authority.

Section 6.8 Audit Requirements. Within 180 days after the end of each fiscal year of the Borrower, the Borrower shall provide to the Authority, itemized financial statements of income and expense and a balance sheet in reasonable detail, including disclosure of the Maintenance and Replacement Reserve, certified as accurate by a firm of independent certified public accountants or the Auditor of Public Accounts of the Commonwealth. All financial information must be satisfactory to the Authority as to form and content and be prepared in accordance with generally accepted accounting principles on a basis consistent with prior practice unless specifically noted thereon. With such financial statements, the Borrower shall furnish to the Authority a certificate stating that, to the best knowledge of the authorized representative signing such certificate, no default under this Assistance Agreement exists on the date of such certificate, or if any such default shall then exist, describing such default with specificity. All recipients and subrecipients expending \$750,000 or more in a year in Federal awards must have a single or program-specific audit conducted for that year in accordance with 2 CFR Part 200.

Section 6.9 General Compliance with all Duties. The Borrower shall faithfully and punctually perform all duties with reference to the System required by the Constitution and laws of the Commonwealth, and by the terms and provisions of the Act, the Federal Act, BABA, this Assistance Agreement, and any other Debt Obligations.

Section 6.10 System Not to Be Disposed of. The Borrower covenants and agrees that, until satisfaction in full of its obligations hereunder, it will not, without the prior written consent of the Authority, which consent shall not be unreasonably withheld, sell, mortgage, or in any manner dispose of, or surrender control or otherwise dispose of, any of the facilities of the System

or any part thereof (except that the Borrower may retire obsolete and worn out facilities, and sell same, if appropriate).

Section 6.11 Further Covenants under the Federal Agreement. The Borrower shall comply with all further requirements or conditions which may arise from time to time in order to assure compliance with the Federal Act, and with the agreements of the Authority set forth in the Federal Agreement, including the following:

(A) The Borrower shall provide all information requested of it by the Authority or the Cabinet so that (i) the Grants Information Control System, referred to in the Federal Agreement, can be maintained; (ii) the accounting and auditing procedures required by the Federal Act can be maintained; and (iii) the Authority can furnish the information required of it under the Federal Agreement.

(B) Qualified operating personnel, properly certified by the Cabinet, shall be retained by the Borrower to operate the System during the entire term of this Assistance Agreement. An approved plan of operating and an operations and maintenance manual for the System shall be provided by the Borrower to the Cabinet and the Authority. The System shall be operated and maintained in an efficient and effective manner.

(C) All residents in the service area of the System must be offered the same opportunity to become users of the System regardless of race, religion, color, national origin, sex, disability or level of income.

(D) The Borrower shall comply with provisions contained in the following federal regulations, orders, acts and circulars and the following statutes and regulations of the Commonwealth:

(1) Federal Cross-Cutters

Environmental Authorities

- (a) 10 CFR 35.3580 (and Appendix A to Subpart L) – NEPA – Like State Environmental Review Process
- (b) Archeological and Historic Preservation Act of 1974, Pub. L. 86-523, as amended
- (c) Clean Air Act Conformity, Pub. L. No. 95-95, as amended
- (d) Floodplain Management, Executive Order 11988, as amended by Executive Order 12148
- (e) Protection of Wetlands, Executive Order 11990, as amended by Executive Order No. 12608
- (f) Farmland Protection Policy Act, Pub. L. 97-98
- (g) National Historic Preservation Act of 1966, PL 89-665, as amended
- (h) Safe Drinking Water Act, Pub. L. 93-523, as amended
- (i) Wild and Scenic Rivers Act, Pub. L. 90-542, as amended
- (j) Endangered Species Act, Pub. L. No. 93-205, as amended
- (k) Essential Fish Habitat Consultation Process under the Magnuson-Stevens Fishery Conservation and Management Act, Pub. L. 94-265, as amended

Economic and Miscellaneous Authorities

- (a) Prohibitions Relating to Violators of the Clean Air Act and the Clean Water Act with Respect to Federal Contracts, Grants, or Loans, including Executive Order No. 11738, Section 306 of the Clean Air Act, 42 U.S.C. § 7606, and Section 508 of the Clean Water Act, 33 U.S.C § 1368
- (b) Debarment and Suspension, Executive Order 12549
- (c) Demonstration Cities and Metropolitan Development Act, Pub. L. No. 89-754, as amended
- (d) Uniform Relocation Assistance and Real Property Acquisition Policies Act Pub. L. No. 91-646 (1971), as amended
- (e) Preservation of Open Competition and Government Neutrality Towards Government Contractors' Labor Relations on Federal and Federally Funded Construction Projects, Executive Order No. 13202, as amended by Executive Order No. 13208

Social Policy Authorities

- (a) Age Discrimination Act of 1975, 42 U.S.C. § 6102
- (b) Title VI of the Civil Rights Act of 1964, 42 U.S.C. § 2000d
- (c) Section 13 of the Federal Water Pollution Control Act Amendments of 1972, 33 U.S.C. § 1251
- (d) Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. § 794
- (e) Equal Employment Opportunity, Executive Order 11246
- (f) Promoting the Use of Small, Minority, and Women-owned Businesses, Executive Orders 11625, 12138, and 12432
- (g) Section 129 of the Small Business Administration Reauthorization and Amendment Act of 1988, Pub. L. 100-590
- (h) Department of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1993 Pub. L. No. 102-389

(2) State:

- (a) KRS 151
- (b) KRS 224
- (c) KRS 224A.1115 Federally Assisted Drinking Water Revolving Fund
- (d) KRS Chapter 337, Labor Laws
- (e) 401 KAR Chapter 8

Section 6.12 Continuing Disclosure Obligations. The Borrower covenants and agrees that notwithstanding any other provision of this Assistance Agreement to the contrary, upon written notice from the Authority that the Schedule of Payments provides 10% or more of the debt service requirements on an issue of the Authority's Bonds and that compliance by the Borrower with the requirements of Securities and Exchange Commission Rule 15c2-12, as amended (the "SEC Rule") is required in connection with the Authority's Bonds, the Borrower shall provide to the Authority such information as may be required by the SEC Rule, within the time periods set out in such notice by the Authority, to enable the Authority to establish to the satisfaction of

prospective purchasers of the Authority's Bonds that the requirements of the SEC Rule will be satisfied in connection with the issuance of the Authority's Bonds. The Borrower further understands and agrees that the Authority shall act as the Borrower's disclosure agent for purposes of compliance with the SEC Rule and that upon a failure by the Borrower to provide the information required to be provided under the SEC Rule within the time frame specified in such notice, the Authority or the beneficial owners and holders of the Authority's Bonds shall be specifically granted the right of enforcing the provisions of this Section by an action in mandamus, for specific performance, or similar remedy to compel performance.

Section 6.13 General. The Borrower shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Borrower under the provisions of the Act and this Assistance Agreement in accordance with the terms of such provisions including the Additional Covenants and Agreements, if any, set forth in Exhibit G attached hereto.

ARTICLE VII MAINTENANCE, OPERATION, INSURANCE, AND CONDEMNATION

Section 7.1 Maintain the System. The Borrower agrees that during the entire term of this Assistance Agreement, it will keep the Project, including all appurtenances thereto, and the equipment and machinery therein, in good and sound repair and good operating condition at the Borrower's own cost so that the completed Project will continue to provide the services for which the System is designed.

Section 7.2 Additions and Improvements. The Borrower shall have the privilege of making additions, modifications, and improvements to the sites of the Project, and to the Project itself from time to time provided that the additions, modifications, and improvements do not impair the operation or objectives of the Project. The Borrower shall pay the cost of such additions, modifications, and improvements and the same shall be the property of the Borrower and shall be included under the terms of this Assistance Agreement as part of the site of the Project, or the Project, as the case may be. Nothing herein contained shall be construed as precluding the Authority and the Borrower from entering into one or more supplementary Assistance Agreements providing for a reallocation, an increase in the Loan, or an additional Loan or Loans in respect of additional Projects undertaken by the Borrower.

Section 7.3 Compliance with State and Federal Standards. The Borrower shall operate and maintain the System at all times to comply with the water quality standards, if any, established by any state or federal agency. The Borrower shall retain a qualified operating personnel properly certified by the Commonwealth to operate the System during the entire term of this Assistance Agreement.

Section 7.4 Access to Records. The Borrower shall permit the Authority and any state or federal agency and their respective agents to have access to the records of the Borrower pertaining to the operation and maintenance of the System at any reasonable time following completion of Construction of the Project, and commencement of operations thereof.

Section 7.5 Covenant to Insure – Casualty. The Borrower agrees to insure the System facilities in such amount as like properties are similarly insured by political subdivisions similarly situated, against loss or damage of the kinds usually insured against by political subdivisions similarly situated, by means of policies issued by reputable insurance companies duly qualified to do such business in the Commonwealth.

Section 7.6 Authority as Named Insured. For so long as any amounts are due and payable under this Assistance Agreement, any insurance policy issued in accordance with Section 7.5 hereof, shall be so written or endorsed as to make losses, if any, payable to the Borrower, and to the Authority, as their interests may appear.

Section 7.7 Covenant to Insure – Liability. The Borrower agrees that it will carry public liability insurance with reference to the System with one or more reputable insurance companies duly qualified to do business in the Commonwealth, insuring against such risks (including but not limited to personal injury, death and property damage) and in such amounts as are set forth in the Project Specifics, and naming the Authority as an additional insured.

Section 7.8 Covenant Regarding Worker's Compensation. Throughout the entire term of this Assistance Agreement, the Borrower shall maintain worker's compensation coverage, or cause the same to be maintained.

Section 7.9 Application of Casualty Insurance Proceeds. If, before the completion of the term of this Assistance Agreement, the Project shall be damaged or partially or totally destroyed by fire, windstorm, or other casualty, there shall be no abatement or reduction in the amount payable by the Borrower in accordance with the terms of this Assistance Agreement and the Borrower will (i) promptly repair, rebuild, or restore the Project damaged or destroyed; and (ii) apply for such purpose so much as may be necessary of any net proceeds of insurance resulting from claims for such losses, as well as any additional monies of the Borrower necessary therefor. All net proceeds of insurance resulting from claims for such losses shall be paid to the Borrower and shall be promptly applied as herein provided.

Section 7.10 Eminent Domain. If title to, or the temporary use of, the Project or any part thereof shall be taken under the exercise of the power of eminent domain by any governmental body or by any Person acting under governmental authority, there shall be no abatement or reduction in the minimum amounts payable by the Borrower to the Authority in accordance with the terms of this Assistance Agreement, and any and all net proceeds received from any award made in such eminent domain proceedings shall be paid to and held by the Borrower in a separate condemnation award account and shall be applied by the Borrower in either or both of the following ways, as shall be determined by the Borrower in its sole discretion:

(A) The restoration of the improvements located on the Project sites to substantially the same condition as before the exercise of the power of eminent domain; or

(B) The acquisition of additional property, if necessary, and the acquisition of additional facilities by Construction or otherwise, equivalent to the Project facilities, which property and facilities shall be deemed to be a part of the Project sites and a part of the Project facilities and to be substituted for Project facilities taken by eminent domain, without the payment

of any amount other than herein provided, to the same extent as if such property and facilities were specifically described herein.

Any balance of the net proceeds of the award in such eminent domain proceedings after the carrying out of the mandatory proceedings stipulated in (A) and (B) of this Section, shall be paid to the Borrower upon delivery to the Authority of a certificate signed by an authorized officer of the Borrower to the effect that the Borrower has complied with either subparagraph (A) or (B), or both, of this Section, and written approval of the certificate by an authorized officer of the Authority. The Borrower shall not voluntarily settle or consent to the settlement of any prospective or pending condemnation proceedings with respect to the Project or any part thereof without the prior written consent of the Authority.

Section 7.11 Flood Insurance. For so long as any amounts are due and payable under this Assistance Agreement, all structures located in flood prone areas shall be covered by flood insurance carried by the Borrower for an amount equal to the replacement cost excluding the cost of land and any uninsurable improvements, or for the maximum limit available under the National Flood Insurance Act of 1968, as amended, whichever is less.

ARTICLE VIII EVENTS OF DEFAULT AND REMEDIES

Section 8.1 Events of Default Defined. The following will be “Events of Default” under this Assistance Agreement and the term “Event of Default” or “Default” will mean, whenever it is used in this Assistance Agreement, any one or more of the following events:

- (A) Failure by the Borrower to pay any payments at the times specified herein.
- (B) Failure by the Borrower to observe or perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in subsection (A) of this Section, for a period of thirty days after written notice specifying such failure and requesting that it be remedied will have been given to the Borrower by the Authority unless the Authority agrees in writing to an extension of such time before its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Authority will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the Borrower within the applicable period and diligently pursued until such failure is corrected.
- (C) The dissolution or liquidation of the Borrower, or the voluntary initiation by the Borrower of any proceeding under any federal or Kentucky law relating to bankruptcy, insolvency, arrangement, reorganization, readjustment of debt, or any other form of debtor relief, or the initiation against the Borrower of any such proceeding which remain undismissed for sixty days, or the entry by the Borrower into an agreement of composition with creditors or the failure generally by the Borrower to pay its debts as they become due.
- (D) A default by the Borrower under the provisions of any agreements relating to its Debt Obligations.

Section 8.2 Remedies on Default. Whenever any Event of Default referred to in Section 8.1 hereof has occurred and is continuing (other than an event of default arising under Section 6.13

hereof), the Authority may, without any further demand or notice, take one or any combination of the following remedial steps:

(A) Declare the principal of and interest on the Loan, and all other payments due hereunder, to be immediately due and payable.

(B) Exercise all the rights and remedies of the Authority set forth in the Act.

(C) Take whatever action at law or in equity may appear necessary or desirable to enforce its rights under this Assistance Agreement.

(D) Submit a formal referral to the appropriate federal agency, as required by the Federal Agreement.

The sole remedies for an Event of Default under this Assistance Agreement arising by virtue of the failure of the Borrower to comply with the provisions of Section 6.12 hereof shall be those remedies specifically set forth in Section 6.12 hereof.

Section 8.3 Appointment of Receiver. Upon the occurrence of an Event of Default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Authority under this Assistance Agreement, the Authority shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the System and all receipts therefrom, pending such proceedings, with such power as the court making such appointment shall confer; provided, however, that the Authority may, with or without action under this Section, pursue any available remedy to enforce the payment obligations hereunder, or to remedy any Event of Default.

Section 8.4 No Remedy Exclusive. No remedy herein conferred upon or reserved to the Authority is intended to be exclusive, and every such remedy will be cumulative and will be in addition to every other remedy given hereunder and every remedy now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default will impair any such right or power and any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 8.5 Consent to Powers of the Authority under the Act. The Borrower hereby acknowledges to the Authority its understanding of the provisions of the Act, vesting in the Authority certain powers, rights, and privileges in respect of the Project upon the occurrence of an Event of Default, and the Borrower hereby covenants and agrees that if the Authority should in the future have recourse to such rights and powers, the Borrower shall take no action of any nature whatsoever calculated to inhibit, nullify, void, delay, or render nugatory such actions of the Authority in the due and prompt implementation or enforcement of this Assistance Agreement.

Section 8.6 Waivers. If any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver will be limited to the particular breach so waived and will not be deemed to waive any other breach hereunder.

Section 8.7 Agreement to Pay Attorneys' Fees and Expenses. If either party hereto defaults under any of the provisions hereof and the non-defaulting party employs attorneys or incurs other expenses for the enforcement of performance or observance of any obligation or

agreement on the part of the defaulting party herein contained, the defaulting party agrees that it will pay on demand therefor to the non-defaulting party the fees of such attorneys and such other expenses so incurred by the non-defaulting party.

ARTICLE IX MISCELLANEOUS PROVISIONS

Section 9.1 Approval not to be Unreasonably Withheld. Any approval of the Authority required by this Assistance Agreement shall not be unreasonably withheld. Any provision of this Assistance Agreement requiring the approval of the Authority or the satisfaction or the evidence of satisfaction of the Authority shall be interpreted as requiring action by an authorized officer of the Authority granting, authorizing, or expressing such approval or satisfaction, as the case may be, unless such provision expressly provides otherwise.

Section 9.2 Approval. This Agreement is made subject to, and conditioned upon, the approval of this Assistance Agreement by the Secretary of the Finance and Administration Cabinet.

Section 9.3 Effective Date. This Assistance Agreement shall become effective on the Effective Date and shall continue in full force and effect until the date the obligations of the Borrower pursuant to the provisions of this Assistance Agreement have been fully satisfied.

Section 9.4 Binding Effect. This Assistance Agreement shall be binding upon and shall inure to the benefit of the parties hereto, and to any person, officer, board, department, agency, municipal corporation, or body politic and corporate succeeding by operation of law to the powers and duties of either of the parties hereto. This Assistance Agreement shall not be revocable by either of the parties, without the written consent of the other party.

Section 9.5 Severability. If any provision of this Assistance Agreement will be held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision hereof.

Section 9.6 Assignability. The rights of the Authority under this Assistance Agreement shall be assignable by the Authority without the consent of the Borrower, but none of the rights, duties, or obligations of the Borrower under this Assistance Agreement shall be assignable by the Borrower without the prior written consent of the Authority.

Section 9.7 Execution in Counterparts. This Assistance Agreement may be simultaneously executed in several counterparts, each of which will be an original and all of which will constitute but one and the same instrument.

Section 9.8 Applicable Law. This Assistance Agreement will be governed by and construed in accordance with the laws of the Commonwealth.

Section 9.9 Captions. The captions or headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Assistance Agreement.

Section 9.10 Interpretation. All accounting terms not otherwise defined in this Assistance Agreement have the meanings assigned to them in accordance with generally accepted accounting principles then in effect. Words of the feminine gender shall be deemed and construed to include correlative words of the masculine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural and vice versa. Unless the context shall otherwise indicate, the word “or” is used in the inclusive sense of “or” and the word “including” (and with correlative meaning “include”) means including without limiting the generality of any description preceding such term. Headings of articles and sections herein are solely for the convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof. All references in this instrument to designated “Articles,” “Sections,” “Exhibits” and other subdivisions or attachments are to the designated Articles, Sections, Exhibits and other subdivisions and attachments of this instrument as originally executed. The words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Assistance Agreement as a whole and not to any particular Article, Section, Exhibit or other subdivision or attachment unless the context indicates otherwise.

[Signature page to follow]

IN WITNESS WHEREOF, the parties hereto have caused this Assistance Agreement to be executed by their respective duly authorized officers as of the Effective Date.

KENTUCKY INFRASTRUCTURE
AUTHORITY

By: Matt Sawyers
Chairman

ATTEST:

By: Margaret F. Link
Secretary of
Kentucky Infrastructure Authority

BORROWER:
BARKLEY LAKE WATER DISTRICT

By: Scott Bridges
Chair

ATTEST:

By: William Lawrence
Secretary of
Borrower

APPROVED:

By: Holly M. Johnson
Secretary/Finance and Administration
Cabinet of the Commonwealth of Kentucky

EXAMINED:

By: Natalie Lile
Legal Counsel to the
Kentucky Infrastructure Authority

APPROVED AS TO FORM AND
LEGALITY

By: Barbara Dickens
Approved, Finance and
Administration Cabinet

EXHIBIT A
TO
ASSISTANCE AGREEMENT

PROJECT SPECIFICS

* * * * *

(See attachment)

EXHIBIT A
BARKLEY LAKE WATER DISTRICT
PROJECT SPECIFICS
F23-002

GOVERNMENTAL AGENCY:

Name: Barkley Lake Water District
 PO Box 308
 Cadiz, KY 42211

Contact Scott Bridges
Person: Chairman

SYSTEM: Water

PROJECT:

The Barkley Lake Water District is requesting a Fund F loan in the amount of \$3,678,453 for the Lakeside Waterline Replacement project. Approximately 70,000 linear feet of 3", 4", and 6" AC waterline in the Lakeside area will be replaced with PVC. The AC lines were installed when the water system was created in 1965 and have continued to deteriorate over the years. The project will address water loss by eliminating leaks and lower operation and maintenance costs.

PROJECT BUDGET:

	<u>Total</u>
Administrative Expenses	\$ 50,000
Planning	10,000
Engineering Fees - Design	151,047
Engineering Fees - Construction	43,156
Engineering Fees - Inspection	119,680
Engineering Fees - Other	21,578
Construction	3,361,190
Contingency	298,453
Total	<u>\$ 4,055,104</u>

FUNDING SOURCES:

	<u>Amount</u>	<u>%</u>
Fund F Loan	\$ 3,678,453	91%
CWP	376,651	9%
Total	<u>\$ 4,055,104</u>	<u>100%</u>

KIA DEBT SERVICE:

Construction Loan	\$ 3,678,453
Less: Principal Forgiveness	1,001,207
Amortized Loan Amount	<u>\$ 2,677,246</u>
Interest Rate	2.25%
Loan Term (Years)	<u>20</u>
Estimated Annual Debt Service	\$ 166,972
Administrative Fee (0.25%)	6,693
Total Estimated Annual Debt Service	<u>\$ 173,665</u>

AMORTIZATION SCHEDULE OF PAYMENTS: June 1 and December 1

Interest payments will commence within six months from first draw of funds (estimated 12/01/24).

Full principal and interest payments will commence within one year of initiation of operation (estimated 06/01/25). All interest and principal repayments shall be made by Automated Clearing House ""ACH"" transfers.

IF APPLICABLE:

Principal forgiveness of \$1,001,207 will be credited to the loan balance upon release of liens on all contracts and disbursement of the final draw request by KIA to the borrower.

REPLACEMENT AND MAINTENANCE RESERVE ACCOUNT:	\$	9,200	ANNUAL AMOUNT
	\$	184,000	TOTAL AMOUNT

The annual maintenance replacement cost is 5% (\$184,000) of the final amount borrowed (prior to principal forgiveness, if any) to be funded annually (\$9,200) each December 1 over 20 years and maintained for the life of the loan.

ADMINISTRATIVE FEE: 0.25%

DEFAULT RATE: 8.00%

DEBT OBLIGATIONS CURRENTLY OUTSTANDING:

	Outstanding	Maturity
2010B Revenue Bonds	\$ 1,562,485	2049
2012E Revenue Bonds	915,000	2033
2014 Revenue Bonds	758,500	2055
2020A Revenue Bonds	840,890	2060
2020B Revenue Bonds	37,100	2059
2020I Revenue Bonds	5,070,000	2050
Total	\$ 9,183,975	

LIABILITY INSURANCE COVERAGE:

Death or Personal Injury (per person)	<u>\$1,000,000</u>
Death or Personal Injury (per occurrence)	<u>\$1,000,000</u>
Property Damage on System	<u>\$3,000,000</u>

EXHIBIT B
TO
ASSISTANCE AGREEMENT
RESERVED

EXHIBIT C
TO
ASSISTANCE AGREEMENT

SCHEDULE OF SERVICE CHARGES

* * * * *

Deposit

\$75.00

Tap Fees

5/8 inch meter: \$1250.00
1 inch or larger meters: meter cost at time of application

Water Rates

5/8 inch meters 0-2000 gallons: \$25.69
 usage >2000 \$8.40 per 1000 gallon plus 3% tax

1 inch meters 0-4000 gallons: \$42.99
 usage >4000 \$8.40 per 1000 gallon plus 3% tax

1 1/2 inch meters 0-8000 gallons: \$75.36
 usage >8000 \$8.40 per 1000 gallon plus 3% tax

2 inch meters 0-15000 gallons: \$134.18
 usage >15000 \$8.40 per 1000 gallon plus 3% tax

4 inch meters 0-25000 gallons: \$218.24
 usage >25000 \$8.40 per 1000 gallon plus 3% tax

Effective January 1, 2023 Kentucky State Sales Tax of 6% is charged on water sales for all accounts that do not qualify for an exemption as a primary residence, farm exemption or other recognized Kentucky Sales Tax Exemptions.

Service Fees

Delinquent Lock/Unlock Meter Fee: \$16.00
After Hours Service Fee: \$64.00
Leak Check if on Customer's Side: \$25.00

EXHIBIT D
TO
ASSISTANCE AGREEMENT
FORM OF AUTHORIZING ACTION

* * * * *

(See attachment)

RESOLUTION

A RESOLUTION APPROVING AND AUTHORIZING AN ASSISTANCE AGREEMENT BETWEEN THE BARKLEY LAKE WATER DISTRICT AND THE KENTUCKY INFRASTRUCTURE AUTHORITY TO PROVIDE UP TO \$3,678,453 OF LOAN FUNDS FOR PROJECT NUMBER F23-002.

WHEREAS, the Board of Commissioners (the “Governing Authority”) of the Barkley Lake Water District, (the “Borrower”) has previously determined that it is in the public interest to acquire and construct certain facilities and improvements (the “Project”) to the Borrower’s water system (the “System”); and

WHEREAS, the Borrower has made application to the Kentucky Infrastructure Authority (the “Authority”) for the purpose of providing monies to construct the Project; and

WHEREAS, in order to obtain such monies, the Borrower is required to enter into an Assistance Agreement with the Authority (the “Assistance Agreement”);

NOW, THEREFORE, IT IS RESOLVED by the Barkley Lake Water District, as follows:

SECTION 1. That the Governing Authority hereby approves and authorizes the Assistance Agreement between the Borrower and the Authority regarding Project Number F23-002 substantially in the form on file with the Borrower for the purpose of providing the necessary financing to the Borrower for the Project.

SECTION 2. That the Chair and Secretary of the Borrower be and hereby are authorized, directed, and empowered to execute necessary documents or agreements, and to otherwise act on behalf of the Borrower to effect such financing.

SECTION 3. That this resolution shall take effect at the earliest time provided by law.

ADOPTED on _____.

Chair

Attest:

Secretary

CERTIFICATE

I, the undersigned, hereby certify that I am the duly qualified and acting Secretary of the Barkley Lake Water District (the "Borrower"); that the foregoing is a full, true and correct copy of a Resolution adopted by the governing authority of the Borrower at a meeting duly held on _____, 20____; that the official action appears as a matter of public record in the official records or journal of the governing authority; that the meeting was held in accordance with all applicable requirements of Kentucky law, including Sections 61.805 to 61.850, inclusive, of the Kentucky Revised Statutes; that a quorum was present at the meeting; that the official action has not been modified, amended, revoked, or repealed and is now in full force and effect.

IN TESTIMONY WHEREOF, witness my signature this _____, 20____.

Secretary

EXHIBIT E
TO
ASSISTANCE AGREEMENT
FORM OF LEGAL OPINION

* * * * *

(See attachment)

[LETTERHEAD OF COUNSEL TO BORROWER]

January 1, 2025

Kentucky Infrastructure Authority
100 Airport Road, Third Floor
Frankfort, Kentucky

Re: Assistance Agreement by and between Kentucky Infrastructure Authority and
Barkley Lake Water District, regarding Project Number F23-002

Ladies and Gentlemen:

The undersigned is an attorney at law duly admitted to the practice of law in the Commonwealth of Kentucky and is legal counsel to the Barkley Lake Water District (the “Borrower”). I am familiar with the organization and existence of the BORROWER and the laws of the Commonwealth applicable thereto. Additionally I am familiar with the drinking water supply project (the “Project”) with respect to which the Assistance Agreement by and between the Kentucky Infrastructure Authority (“Authority”) and the Borrower (the “Assistance Agreement”) is being authorized, executed, and delivered. Capitalized but undefined terms utilized herein shall have the meanings provided in the Assistance Agreement.

I have reviewed the form of Assistance Agreement by and between the Authority and the Borrower, the legislation of the governing authority authorizing the execution and delivery of the Assistance Agreement and the plans, designs, and specifications prepared by the Engineers for the Borrower with respect to the Project.

Based upon my review I am of the opinion that:

1. The Borrower is a duly organized and existing municipal corporation and political subdivision of the Commonwealth of Kentucky validly existing under the Constitution and statutes of the Commonwealth of Kentucky.
2. The Assistance Agreement has been duly executed and delivered by the Borrower and is a valid and binding obligation of the Borrower enforceable in accordance with its terms, except to the extent that the enforceability thereof may be limited by equitable principles and by bankruptcy, reorganization, moratorium, insolvency, or similar laws heretofore or hereafter enacted relating to or affecting the enforcement of creditors’ rights or remedies generally.
3. The Borrower has all necessary power and authority (i) to enter into, perform, and consummate all transactions contemplated by the Assistance Agreement, and (ii) to execute and deliver the documents and instruments to be executed and delivered by it in connection with the Construction of the Project.

4. The Service Charges, as defined in the Assistance Agreement, are in full force and effect and have been duly and lawfully adopted by the Borrower.

5. The execution and delivery of the Assistance Agreement and the performance by the Borrower of its obligations thereunder does not and will not conflict with, violate, or constitute a default under any court or administrative order, decree, or ruling, or any law, statute, ordinance, or regulation, or any agreement, indenture, mortgage, lease, note, or other obligation or instrument, binding upon the Borrower, or any of its properties or assets. The Borrower has obtained each and every authorization, consent, permit, approval, or license of, or filing or registration with, any court or governmental department, commission, board, bureau, agency, or instrumentality, or any specifically granted exemption from any of the foregoing, that is necessary to the valid execution, delivery, or performance by the Borrower of the Assistance Agreement and the imposition of the Service Charges.

6. To the best of my knowledge after due inquiry there is no action, suit, proceedings, or investigation at law or in equity before any court, public board or body pending or threatened against, affecting, or questioning (i) the valid existence of the Borrower; (ii) the right or title of the members and officers of the Borrower to their respective positions; (iii) the authorization, execution, delivery or enforceability of the Assistance Agreement or the application of any monies or security therefor; (iv) the Construction of the Project; (v) the validity or enforceability of the Service Charges; or (vi) that would have a material adverse impact on the ability of the Borrower to perform its obligations under the Assistance Agreement.

7. None of the proceedings or authority heretofore had or taken by the Borrower for the authorization, execution, or delivery of the Assistance Agreement has or have been repealed, rescinded, or revoked.

8. To the best of my knowledge, the Borrower has fully complied with all federal and state labor and procurement laws in connection with the acquisition and Construction of the Project.

9. All proceedings and actions of the Borrower with respect to which the Assistance Agreement is to be delivered were had or taken at meetings properly convened and held in substantial compliance with the applicable provisions of Sections 61.805 to 61.850, inclusive, of the Kentucky Revised Statutes.

Very truly yours,

EXHIBIT F
TO
ASSISTANCE AGREEMENT

LOAN TERM SCHEDULE

* * * * *

The final Loan Term Schedule will be provided by the Authority to the Borrower upon completion of the Project and will be automatically incorporated into this Assistance Agreement by reference. Each of the Authority and the Borrower agree to include a copy of the final Loan Term Schedule with their copies of this Assistance Agreement. The factors to be utilized by the Authority in the calculation of the final Loan Term Schedule will be as follows:

Principal Amount of Loan:	Up to \$3,678,453
Loan Interest Rate	2.25%
Default Interest Rate:	8.0%
Authority’s Administrative Fee:	.25%
Loan Payment Dates:	June 1 and December 1
Estimated Amortization Commencement Date:	June 1, 2025
Repayment Term:	20 Years

The Loan has been awarded principal forgiveness in the amount of 27% of the principal amount of the Loan, not to exceed \$1,001,207, which will be credited to the Loan balance on a pro-rata basis as principal is disbursed during Construction.

It is understood and agreed by the parties to this Assistance Agreement that this Term Loan Schedule (Exhibit F) is an integral part of the Assistance Agreement between the Borrower and the Authority. This Term Loan Schedule may be amended, supplemented, or modified by the mutual agreement of the Borrower and the Authority provided that such amendment, supplement, or modification shall be in writing and executed by the respective duly authorized officers of the Borrower and the Authority. Upon the execution and delivery of any amended, supplemented, or modified Term Loan Schedule, the Assistance Agreement and the Term Loan Schedule shall be, and be deemed to be, amended, supplemented, and modified in accordance therewith, and the respective rights, duties, and obligations under the Assistance Agreement of the Borrower and the Authority shall thereafter be determined, exercised, and enforced under the Assistance Agreement subject in all respects to such amendments, supplements, and modifications.

**KENTUCKY INFRASTRUCTURE AUTHORITY
ANTICIPATED REPAYMENT SCHEDULE
LOAN #F23-002
BARKLEY LAKE WATER DISTRICT**

Original Loan Amount \$ 3,678,453.00
Principal Forgiveness \$ (1,001,207.00)
Repayment Amount \$ 2,677,246.00

**2.25% Interest
\$83,485.87 P & I Calculation**

Payment Date	Principal Due	Interest Due	Interest Rate	Principal & Interest	Servicing Fee	Credit Due	Total Payment	Principal Balance	R & M Reserve	Total Reserve
								\$2,677,246.00		
06/01/25	\$53,366.85	\$30,119.02	2.25%	\$83,485.87	\$3,346.56	\$0.00	\$86,832.43	\$2,623,879.15	\$0.00	\$0.00
12/01/25	\$53,967.23	\$29,518.64	2.25%	\$83,485.87	\$3,279.85	\$0.00	\$86,765.72	\$2,569,911.92	\$9,200.00	\$9,200.00
06/01/26	\$54,574.36	\$28,911.51	2.25%	\$83,485.87	\$3,212.39	\$0.00	\$86,698.26	\$2,515,337.56	\$0.00	\$9,200.00
12/01/26	\$55,188.32	\$28,297.55	2.25%	\$83,485.87	\$3,144.17	\$0.00	\$86,630.04	\$2,460,149.24	\$9,200.00	\$18,400.00
06/01/27	\$55,809.19	\$27,676.68	2.25%	\$83,485.87	\$3,075.19	\$0.00	\$86,561.06	\$2,404,340.05	\$0.00	\$18,400.00
12/01/27	\$56,437.04	\$27,048.83	2.25%	\$83,485.87	\$3,005.43	\$0.00	\$86,491.30	\$2,347,903.01	\$9,200.00	\$27,600.00
06/01/28	\$57,071.96	\$26,413.91	2.25%	\$83,485.87	\$2,934.88	\$0.00	\$86,420.75	\$2,290,831.05	\$0.00	\$27,600.00
12/01/28	\$57,714.02	\$25,771.85	2.25%	\$83,485.87	\$2,863.54	\$0.00	\$86,349.41	\$2,233,117.03	\$9,200.00	\$36,800.00
06/01/29	\$58,363.30	\$25,122.57	2.25%	\$83,485.87	\$2,791.40	\$0.00	\$86,277.27	\$2,174,753.73	\$0.00	\$36,800.00
12/01/29	\$59,019.89	\$24,465.98	2.25%	\$83,485.87	\$2,718.44	\$0.00	\$86,204.31	\$2,115,733.84	\$9,200.00	\$46,000.00
06/01/30	\$59,683.86	\$23,802.01	2.25%	\$83,485.87	\$2,644.67	\$0.00	\$86,130.54	\$2,056,049.98	\$0.00	\$46,000.00
12/01/30	\$60,355.31	\$23,130.56	2.25%	\$83,485.87	\$2,570.06	\$0.00	\$86,055.93	\$1,995,694.67	\$9,200.00	\$55,200.00
06/01/31	\$61,034.30	\$22,451.57	2.25%	\$83,485.87	\$2,494.62	\$0.00	\$85,980.49	\$1,934,660.37	\$0.00	\$55,200.00
12/01/31	\$61,720.94	\$21,764.93	2.25%	\$83,485.87	\$2,418.33	\$0.00	\$85,904.20	\$1,872,939.43	\$9,200.00	\$64,400.00
06/01/32	\$62,415.30	\$21,070.57	2.25%	\$83,485.87	\$2,341.17	\$0.00	\$85,827.04	\$1,810,524.13	\$0.00	\$64,400.00
12/01/32	\$63,117.47	\$20,368.40	2.25%	\$83,485.87	\$2,263.16	\$0.00	\$85,749.03	\$1,747,406.66	\$9,200.00	\$73,600.00
06/01/33	\$63,827.55	\$19,658.32	2.25%	\$83,485.87	\$2,184.26	\$0.00	\$85,670.13	\$1,683,579.11	\$0.00	\$73,600.00
12/01/33	\$64,545.61	\$18,940.26	2.25%	\$83,485.87	\$2,104.47	\$0.00	\$85,590.34	\$1,619,033.50	\$9,200.00	\$82,800.00
06/01/34	\$65,271.74	\$18,214.13	2.25%	\$83,485.87	\$2,023.79	\$0.00	\$85,509.66	\$1,553,761.76	\$0.00	\$82,800.00
12/01/34	\$66,006.05	\$17,479.82	2.25%	\$83,485.87	\$1,942.20	\$0.00	\$85,428.07	\$1,487,755.71	\$9,200.00	\$92,000.00
06/01/35	\$66,748.62	\$16,737.25	2.25%	\$83,485.87	\$1,859.69	\$0.00	\$85,345.56	\$1,421,007.09	\$0.00	\$92,000.00
12/01/35	\$67,499.54	\$15,986.33	2.25%	\$83,485.87	\$1,776.26	\$0.00	\$85,262.13	\$1,353,507.55	\$9,200.00	\$101,200.00
06/01/36	\$68,258.91	\$15,226.96	2.25%	\$83,485.87	\$1,691.88	\$0.00	\$85,177.75	\$1,285,248.64	\$0.00	\$101,200.00
12/01/36	\$69,026.82	\$14,459.05	2.25%	\$83,485.87	\$1,606.56	\$0.00	\$85,092.43	\$1,216,221.82	\$9,200.00	\$110,400.00
06/01/37	\$69,803.37	\$13,682.50	2.25%	\$83,485.87	\$1,520.28	\$0.00	\$85,006.15	\$1,146,418.45	\$0.00	\$110,400.00
12/01/37	\$70,588.66	\$12,897.21	2.25%	\$83,485.87	\$1,433.02	\$0.00	\$84,918.89	\$1,075,829.79	\$9,200.00	\$119,600.00
06/01/38	\$71,382.78	\$12,103.09	2.25%	\$83,485.87	\$1,344.79	\$0.00	\$84,830.66	\$1,004,447.01	\$0.00	\$119,600.00
12/01/38	\$72,185.84	\$11,300.03	2.25%	\$83,485.87	\$1,255.56	\$0.00	\$84,741.43	\$932,261.17	\$9,200.00	\$128,800.00
06/01/39	\$72,997.93	\$10,487.94	2.25%	\$83,485.87	\$1,165.33	\$0.00	\$84,651.20	\$859,263.24	\$0.00	\$128,800.00
12/01/39	\$73,819.16	\$9,666.71	2.25%	\$83,485.87	\$1,074.08	\$0.00	\$84,559.95	\$785,444.08	\$9,200.00	\$138,000.00
06/01/40	\$74,649.62	\$8,836.25	2.25%	\$83,485.87	\$981.81	\$0.00	\$84,467.68	\$710,794.46	\$0.00	\$138,000.00
12/01/40	\$75,489.43	\$7,996.44	2.25%	\$83,485.87	\$888.49	\$0.00	\$84,374.36	\$635,305.03	\$9,200.00	\$147,200.00
06/01/41	\$76,338.69	\$7,147.18	2.25%	\$83,485.87	\$794.13	\$0.00	\$84,280.00	\$558,966.34	\$0.00	\$147,200.00
12/01/41	\$77,197.50	\$6,288.37	2.25%	\$83,485.87	\$698.71	\$0.00	\$84,184.58	\$481,768.84	\$9,200.00	\$156,400.00
06/01/42	\$78,065.97	\$5,419.90	2.25%	\$83,485.87	\$602.21	\$0.00	\$84,088.08	\$403,702.87	\$0.00	\$156,400.00
12/01/42	\$78,944.21	\$4,541.66	2.25%	\$83,485.87	\$504.63	\$0.00	\$83,990.50	\$324,758.66	\$9,200.00	\$165,600.00
06/01/43	\$79,832.34	\$3,653.53	2.25%	\$83,485.87	\$405.95	\$0.00	\$83,891.82	\$244,926.32	\$0.00	\$165,600.00
12/01/43	\$80,730.45	\$2,755.42	2.25%	\$83,485.87	\$306.16	\$0.00	\$83,792.03	\$164,195.87	\$9,200.00	\$174,800.00
06/01/44	\$81,638.67	\$1,847.20	2.25%	\$83,485.87	\$205.24	\$0.00	\$83,691.11	\$82,557.20	\$0.00	\$174,800.00
12/01/44	\$82,557.20	\$928.67	2.25%	\$83,485.87	\$103.20	\$0.00	\$83,589.07	\$0.00	\$9,200.00	\$184,000.00
Totals	\$2,677,246.00	\$662,188.80		\$3,339,434.80	\$73,576.56	\$0.00	\$3,413,011.36		\$184,000.00	

EXHIBIT G
TO
ASSISTANCE AGREEMENT

ADDITIONAL COVENANTS AND AGREEMENTS

* * * * *

There is hereby established by the Borrower a maintenance and replacement reserve fund designated as the “KIA Loan # F23-002 Maintenance and Replacement Reserve Fund” (the “Maintenance Fund”). The Borrower shall establish and maintain the Maintenance Fund throughout the term of the Loan governed by this Assistance Agreement. The Maintenance Fund shall be maintained at the primary depository institution utilized by the Borrower from time to time, but a different depository institution may be selected by the Borrower with the prior written consent of the Authority.

The Borrower shall deposit \$9,200 in the Maintenance Fund on each December 1st occurring during the term of the Loan, up to a maximum total balance of \$184,000, for so long as the Loan is owed and outstanding hereunder.

Amounts held by the Borrower within the Maintenance Fund may be utilized by the Borrower to repair or replace any portion of the Project during the term of the Loan for which such repair or replacement is determined to be necessary based upon the reasonable judgement of the Borrower and the prior written approval of the Authority.

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KENTUCKY INFRASTRUCTURE AUTHORITY
Minutes of the Full Board

Meeting Date/Location: **July 6, 2023 – 1:00 p.m.**
 Kentucky Infrastructure Authority
 Via ZOOM Teleconference

Members Present:

Mr. Robert A. Amato, representing Kentucky Municipal Utilities Association
Mr. Ronald Parritt, proxy for Ms. Linda Bridwell, Executive Director, Public Service Commission
Ms. Geri Grigsby, proxy for Secretary Holly Johnson, Finance and Administration Cabinet
Mr. Carey Johnson, proxy for Secretary Rebecca Goodman, Energy and Environment Cabinet
Mr. Andy Luttner, proxy for Secretary Jeff Noel, Cabinet for Economic Development
Judge Mark McKenzie, representing Kentucky Association of Counties
Ms. Shelley Porter, representing For Profit Water Companies
Mr. Russell Rose, representing Kentucky Rural Water Association
Mayor Les Stapleton, representing Kentucky League of Cities
Mr. Shaun Youravich, representing Kentucky Section of the American Water Works Association

Members Absent:

Chairman Dennis Keene, Commissioner Department of Local Government

DLG Staff:

Mr. Brandon Gibson, Staff Attorney
Mr. Matt Stephens, General Counsel
Ms. Kim Wooldridge, Executive Assistant to the Commissioner

KIA Staff:

Ms. Sandy Williams, Executive Director
Mr. Milward Dedman, Deputy Executive Director
Ms. Julie Bickers, Regional Compliance Coordinator
Mr. John Brady, Financial Analyst
Mr. Jim Carpenter, Fiscal Officer & KIA Treasurer
Ms. Carmen Ignat, Financial Analyst
Mr. Kelly Cunnagin, Executive Staff Advisor
Ms. Debbie Landrum, Regional Compliance Coordinator
Ms. Natalie Lile, Asst. General Counsel
Ms. Meg Link, Administrative Specialist III, and KIA Secretary
Ms. Sandy Sanders, Federal Program Specialist
Mr. Don Schierer, WRIS Resource Management Analyst
Mr. Thomas Schubert, GIS Specialist

Guests:

Mr. Jory Becker, Division of Water
Ms. Bethany Couch, Office of Financial Management
Mr. Kyle Cunningham, Pennyryle Area Development District
Ms. Liz Dienest, Strand Associates
Mr. Brad Good, Louisville MSD
Ms. Joceyln Gross, Gateway Area Development District
Ms. Alicia Jacobs, Division of Water
Mr. Justin Kuhbender, Strand Associates,

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Ms. Stephanie Loughlin, Louisville MSD
Ms. Holly McGrath-Rosas, Gateway Area Development District
Ms. Cheryl Moore, City of South Shore
Ms. Lisa Napier, Kentucky River Area Development District
Mr. Paul Nesbitt, Nesbitt Engineering
Ms. Melissa Perry, Office of Financial Management
Ms. Laura Thomas, City of Jackson
Mr. Ashley Willoughby, Lincoln Trail Area Development District

I. PROCEEDINGS

Vice Chairman Robert Amato called the meeting of the Kentucky Infrastructure Authority (KIA) Board to order. He noted that the media advisory was properly distributed. He confirmed a quorum was present.

He also told the group that he had attended a ceremony in Nicholasville earlier in the day for the renaming of the current Main Street-US 27 Business which is now designated the Tom Buford Memorial Highway. It was a very nice tribute to the late State Senator.

A. BUSINESS (Board Action Required)

1. APPROVAL OF MINUTES

For: KIA Regular Board Meeting of May 4, 2023

Mayor Les Stapleton moved to approve the minutes of the May 4, 2023, regular board meeting. Mr. Russ Rose seconded, and the motion carried unanimously.

B. NEW PROJECTS/ACTION ITEMS (Board Action Required)

Mr. Amato announced that Director Williams would discuss the next four agenda items relating to the Interest Rates and Administrative fees for 2024 for SRF Funds A and F and the state funds Fund B and C. KIA staff met with Morgan-Stanley to discuss the capital markets and determine the interest rates for the upcoming year, beginning August 1, 2023. Based on current market data, staff recommends leaving interest rates unchanged. Staff will re-evaluate in December considering the volatility of the market currently.

KIA also reviewed the administrative fees for three of the four Funds and recommends an increase in the administrative fees of 0.05% for Funds A, F and C. With the additional federal funding, we will need to hire more staff to complete the work and the administrative fees will assist in covering the additional staff. Our administrative fees are based on the outstanding loan balances and some of the new funds will not have balances because we must provide 100% principal forgiveness. KIA would not receive any administrative fees on those loans.

1. A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY ESTABLISHING FUND A INTEREST RATES AND ADMINISTRATIVE FEES FOR THE PERIOD AUGUST 1, 2023 THROUGH JUNE 30, 2024

The interest rate for all Kentucky Infrastructure Authority Fund A loans approved by the Authority during the period August 1, 2023 through June 30, 2024 shall be as follows:

One standard interest rate and two nonstandard interest rates will be offered to borrowers. The standard rate shall be 2.25% and the nonstandard rates shall be 1.25% and 0.50% based on the income parameters defined in the 2024 Clean Water State Revolving Fund Intended Use Plan.

The Kentucky Infrastructure Authority may on a case-by-case basis direct staff to establish an interest rate on the Fund A loan that would in effect create an effective interest rate equal to the appropriate standard rate or the nonstandard rate for the entire funding provided by the Authority in cases where Fund C, Governmental Agencies Program, funding is provided as supplemental funding to the Fund A loan.

The administrative fee for all Kentucky Infrastructure Authority Fund A loans approved by the Authority during the period August 1, 2023 through June 30, 2024, shall be 0.25%

Mr. Shaun Youravich noted a duplication of wording in the resolution and asked that the error be corrected, prior to the approval. Director Williams said the correction would be made.

Mr. Russ Rose made the motion to approve the Fund A Interest Resolution with the abovementioned correction. Mayor Les Stapleton seconded, and the motion was unanimously approved.

2. A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY ESTABLISHING FUND F INTEREST RATES AND ADMINISTRATIVE FEES FOR THE PERIOD AUGUST 1, 2023 THROUGH JUNE 30, 2024

The interest rate for all Kentucky Infrastructure Authority Fund “F” loans approved by the Authority during the period August 1, 2023 through June 30, 2024, shall be as follows:

One standard interest rate and two nonstandard interest rates will be offered to borrowers. The standard rate shall be 2.25% and the nonstandard rates shall be 1.25% and 0.50% based on the income parameters defined in the 2024 Drinking Water State Revolving Fund Intended Use Plan.

The Kentucky Infrastructure Authority may on a case-by-case basis direct staff to establish an interest rate on the Fund F loan that would in effect create an effective interest rate equal to the appropriate standard rate or the nonstandard rate for the entire funding provided by the Authority in cases where Fund C,

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Governmental Agencies Program, funding is provided as supplemental funding to the Fund F loan.

The administrative fee for all Kentucky Infrastructure Authority Fund F loans approved by the Authority during the period August 1, 2023 through June 30, 2024, shall be 0.30%

Mr. Shaun Youravich made the motion to approve the Fund F Interest Resolution. Ms. Shelley Porter seconded, and the motion was unanimously approved.

3. A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY ESTABLISHING FUND C INTEREST RATES AND ADMINISTRATIVE FEES FOR THE PERIOD AUGUST 1, 2023 THROUGH JUNE 30, 2024

The interest rates for all Kentucky Infrastructure Authority Fund C loans approved by the Authority during the period August 1, 2023 through June 30, 2024, shall be as follows:

<u>TERM</u>	<u>RATE</u>
1 - 5 Years	1.75%
6 - 10 Years	2.25%
11 - 20 Years	2.75%
Broadband Projects	4.25%

Les Stapleton made the motion to approve the Fund C Interest Resolution. Carey Johnson seconded, and the motion was unanimously approved.

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 CLEAN WATER REVOLVING FUND LOAN (A23-002) FOR AN AMOUNT UP TO \$11,200,000 TO THE LOUISVILLE AND JEFFERSON COUNTY METROPOLITAN SEWER DISTRICT, BULLITT COUNTY, KENTUCKY

Mr. Jory Becker, DOW, and Mr. John Brady discussed the Louisville and Jefferson County Metropolitan Sewer District's (MSD) request for a Fund A loan in the amount of \$11,200,000 for the Bullitt Hills and Hillview Wastewater Treatment Plants (WWTP) and Three Pump Stations Elimination project. The Hillview #1, Hillview #2, and Bullitt Hills WWTP's will be eliminated as part of the project. All are over 25 years old and have received Notices of Violation in recent years. Three associated pump stations will be eliminated as well. A new pump station will be constructed in place of a WWTP and flow will be diverted to a treatment plant in Jefferson County. In order to reroute flows from the eliminated WWTP's and pump stations, approximately 3,000 linear feet of collector sewer and 10,000 linear feet of interceptor sewer will be constructed. Building one centralized pump station to direct flow to a WWTP capable of handling the flow will be more reliable and efficient for the system.

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The overall project is necessary to improve capacity assurance and overflow abatement needs in this area. It will mitigate Sanitary Sewer Overflows in Bullitt County and is required by the County's Agreed Order.

MSD currently serves 224,374 residential customers, 21,843 commercial customers, and 391 industrial customers. 4,723 customers in Bullitt County are currently being served by MSD.

Mr. Carey Johnson noted he would be abstaining from voting on this and several other projects due to working with the borrowers on the projects in his role at the Division of Water.

Mr. Carey Johnson abstained from voting. Ms. Geri Grigsby made the motion to approve the Fund A loan to Louisville MSD for an amount up to \$11,200,000 with the standard conditions. Mayor Les Stapleton seconded and the motion was approved.

5. A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY ESTABLISHING FUND B INTEREST RATES FOR THE PERIOD AUGUST 1, 2023 THROUGH JUNE 30, 2024

The interest rate for all Kentucky Infrastructure Authority Fund B loans approved by the Authority during the period August 1, 2023 through June 30, 2024, shall be as follows:

One standard interest rate and three nonstandard interest rates will be offered to borrowers. The standard rate shall be 2.25%. Two nonstandard rates shall be 1.25% and 0.50% based on the income parameters defined in the 2024 Clean Water and Drinking Water State Revolving Fund Intended Use Plans. The rate for all broadband projects shall be 4.25% (the third nonstandard rate).

The Kentucky Infrastructure Authority may on a case-by-case basis direct staff to establish an interest rate on the Fund B loan that would in effect create an effective interest rate equal to the appropriate standard rate or the nonstandard rate for the entire funding provided by the Authority in cases where Fund C, Governmental Agencies Program, funding is provided as supplemental funding to the Fund B loan.

Mr. Shaun Youravich made the motion to approve the Fund B Interest Resolution. Ms. Shelley Porter seconded, and the motion was unanimously approved.

6. A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED CLEAN WATER REVOLVING FUND LOAN (A23-024S) FOR AN AMOUNT UP TO \$2,862,000 TO THE CITY OF RICHMOND, MADISON COUNTY, KENTUCKY

Mr. Jory Becker, DOW, and Mr. John Brady, KIA, discussed the City of Richmond's request for a Fund A loan in the amount of \$2,862,000 for the South

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Point Force Main and Pump Station Improvements project. Approximately 8,000 linear feet of 16" force main will replace the 8" lines to increase capacity to meet future demand in the area. An associated pump station will be rehabilitated, and new pumps and controls will be installed. This project, combined with others in the region, will expand access to a developing part of town and remove multiple septic tank reliant systems.

The City currently serves 12,068 residential customers and 1,290 commercial and industrial customers. Approximately 250 new residential customers are expected to be added once the project is complete.

Mr. Carey Johnson abstained from the vote. Ms. Geri Grigsby made the motion to approve the Fund A loan for an amount up to \$2,862,000 with the standard conditions. Les Stapleton seconded and the motion was approved.

7. A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED CLEAN WATER REVOLVING FUND LOAN (A23-025S) FOR AN AMOUNT UP TO \$500,000 TO THE CITY OF JACKSON, BREATHITT COUNTY, KENTUCKY

Mr. Jory Becker, DOW, and Mr. John Brady discussed the City of Jackson's request for a Fund A loan in the amount of \$500,000 for the Sewer Rehabilitation Phase 2 project. Portions of approximately 20,000 linear feet of problematic lines found during an inflow and infiltration study will be rehabbed or replaced in the city's downtown area. The existing sewer system experiences high flows during and after heavy rainfall. The high flows impair the performance of the wastewater treatment plant resulting in frequent KPDES permit violations.

The City currently serves 855 residential customers and 177 commercial customers.

Mr. Carey Johnson abstained from the vote. Mr. Andy Luttner made the motion to approve the Fund A loan to the City of Richmond for an amount up to \$500,000 with the standard conditions. Mayor Les Stapleton seconded and the motion was approved.

8. 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 (C23-001) FOR AN AMOUNT UP TO \$7,054,602 TO THE CITY OF MOREHEAD F/B/O MOREHEAD UTILITY PLANT BOARD, ROWAN COUNTY, KENTUCKY

Mr. John Brady, KIA discussed the City of Morehead, for the benefit of the Morehead Utility Plant Board's (MUPB), request a Fund C loan in the amount of \$7,054,602 as supplemental funding for the Regional Water Treatment Plant Construction project. The project consists of multiple phases and the bids for each phase have all come in substantially overbudget. A planning and design loan in the amount of \$1,297,000 was approved by the KIA Board in December

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2017. Fund F loans totaling \$43,700,800 have been approved by the KIA board since then from March 2019 to February 2022. The Fund C loan will bring total KIA funding for the project to \$52,052,602. A new 12 million gallon per day (MGD) Water Treatment Plant (WTP) will replace the existing plant with a capacity of 8 MGD. The existing WTP was constructed in the 1960's and requires continuous maintenance and costly repairs. The new WTP will include upgraded SCADA, telemetry, and technologies to improve the treatment process. Other work at the WTP will include the construction of a 1.8-million-gallon capacity clear well and 3 lagoons for sludge containment. A new raw water intake will be constructed on Cave Run Lake along with 6,500 linear feet of 24" ductile iron pipe to connect the intake structure to the WTP. Approximately 4,500 linear feet of finished waterline will be installed and extend to a new 1,000,000-gallon ground storage tank.

The MUPB currently serves 3,442 direct customers in Bath, Fleming, and Rowan counties along with 11,977 indirectly served through wholesale water sales.

Mr. Carey Johnson abstained from voting. Ms. Shelley Porter made the motion to approve the Fund C loan for an amount up to \$7,054,602 with the standard conditions. Mr. Shaun Youravich seconded and the motion was approved.

9. 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 (F23-002) FOR AN AMOUNT UP TO \$3,678,453 TO THE BARKLEY LAKE WATER DISTRICT, TRIGG COUNTY, KENTUCKY

Mr. Jory Becker, DOW, and Mr. John Brady, KIA. discussed the Barkley Lake Water District's request for a Fund F loan in the amount of \$3,678,453 for the Lakeside Waterline Replacement project. Approximately 70,000 linear feet of 3", 4", and 6" AC waterline in the Lakeside area will be replaced with PVC. The AC lines were installed when the water system was created in 1965 and have continued to deteriorate over the years. The project will address water loss by eliminating leaks and lower operation and maintenance costs.

The Water District currently serves 5,669 residential customers and 91 commercial and industrial customers. They provide wholesale service to Christian County Water District, Cadiz Water and Sewer Commission, and North Stewart Utility District.

Mr. Carey Johnson and Mr. Ron Parritt abstained from voting. Ms. Shelley Porter was unable to vote due to technical issues. Mayor Les Stapleton made the motion to approve the Fund F loan for an amount up to \$3,678,453 with the standard conditions. Ms. Geri Grigsby seconded and the motion was approved.

10. 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 (F23-138E) FOR AN AMOUNT UP TO \$8,590,500 TO THE CITY OF SOUTH SHORE, GREENUP COUNTY, KENTUCKY

Mr. Jory Becker, DOW, and Mr. John Brady, KIA, discussed the City of South Shore's request for a Fund F loan in the amount of \$8,590,500 for the South Shore to Portsmouth Permanent Interconnect project. The City's wells have become contaminated with PFAS and some are experiencing failure. The inability to construct a new treatment plant has created the need to connect with an existing system capable of providing the quantity of potable water to serve the City's entire system. Approximately 13,000 linear feet of 20" water line will be constructed underneath the Ohio River bedrock and connect into Portsmouth, Ohio. Two booster pump stations will be built and various line replacements will be made in order to distribute water throughout the system. With no other viable option to provide quality water to the community, an interconnect to Portsmouth is necessary.

The City currently serves 2,325 residential customers and 176 commercial and industrial customers.

Mr. Carey Johnson abstained from the vote. Mayor Les Stapleton made the motion to approve the Fund F loan for an amount up to \$8,590,500 with the standard conditions. Judge Mark McKenzie seconded and the motion was approved.

11. 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

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.

BORROWER	FUND	AMOUNT	LOAN TOTAL
Louisville MSD	A23-002	\$11,200,000	\$11,200,000
City of Richmond	A23-024S	\$2,862,000	\$2,862,000
City of Jackson	A23-025S	\$500,000	\$500,000
City of Morehead f/b/o Morehead Utility Plant Board	C23-001	\$7,054,602	\$7,054,602
Barkley Lake Water District	F23-002	\$3,678,453	\$3,678,453
City of South Shore	F23-138E	\$8,590,500	\$8,590,500

Mr. Russ Rose made the motion to approve the Capital Reimbursement Resolution. Mayor Les Stapleton seconded, and the motion carried unanimously.

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II. EXECUTIVE DIRECTOR'S REPORT

Director Williams thanked everyone for their participation. She noted that the KIA offices are officially closed for HVAC construction from Monday, July 10 through Monday, August 14th. Staff will be working remotely and is available to attend meetings, but offsite or via teleconference.

KIA will be hosting an EPA 2023 Amended Intended Use Plan (IUP) meeting on Thursday, July 13th at 2:30 via Zoom to update the information on what qualifies as a Disadvantaged Community with additional information on the Median Household Income (MHI) and Affordability Rate Index, for funding for the Lead Service Line Replacement and Emerging Contaminants funding through BIL.

That concluded Director Williams report.

III. ANNOUNCEMENTS/NOTIFICATIONS

Next regularly scheduled KIA board meeting:

Thursday, August 3, 2023, at 1:00 p.m.

There being no further business, Judge Mark McKenzie moved to adjourn. Mayor Les Stapleton seconded, and the motion carried unanimously. The July 6, 2023, meeting of the Board of the Kentucky Infrastructure Authority was adjourned.

Submitted by:

Margaret F. Link

Kentucky Infrastructure Authority Secretary

July 13, 2023

Date

CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

Minutes

July 31, 2023

Call to Order and Roll Call

The July meeting of the Capital Projects and Bond Oversight Committee was held on Monday, July 31, 2023, at 3:00 PM, in Room 131 of the Capitol Annex. Senator Rick Girdler, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Rick Girdler, Co-Chair; Representative Deanna Frazier Gordon, Co-Chair; Senators Shelley Funke Frommeyer and Robin L. Webb; Representatives Keturah Herron and Walker Thomas.

Guests: Meg Campbell, Assistant Vice President of University Planning, Design, and Construction, University of Louisville; Janice Tomes, Deputy State Budget Director, Office of State Budget Director; Andy Casebier, Assistant Vice President of Facilities, Kentucky Community and Technical College System; Natalie Brawner, Assistant Director, Division of Real Properties, Department for Facilities and Support Services, Finance and Administration Cabinet; Sandy Williams, Executive Director, Kentucky Infrastructure Authority; Katie Smith, Deputy Secretary and Commissioner, Department for Financial Services, Cabinet for Economic Development; Kylee Palmer, Director of Programs Administration, Department for Financial Services, Cabinet for Economic Development, and, Ryan Barrow, Executive Director, Office of Financial Management.

LRC Staff: Katherine Halloran and Spring Emerson.

Approval of Minutes

Senator Funke Frommeyer moved to approve the June 22, 2023 meeting minutes, Co-Chair Frazier Gordon seconded the motion, and the committee approved without objection.

Information Items

Ms. Halloran referenced four information items. Pursuant to KRS 26A.168(1), KRS 45.793, and KRS 45.818; the Administrative Office of the Courts; the Finance and Administration Cabinet, with the Commonwealth Office of Technology reporting independently; and postsecondary institutions managing their own capital construction under KRS 164A.580 transmitted quarterly capital project status reports. Pursuant to KRS 45.760(5), The University of Kentucky reported three restricted funds purchases of medical equipment for UK Chandler Hospital totaling just over \$728,000: a \$249,800 biotyper CA

system; a \$231,100 cardiac ultrasound system; and a \$247,400 neurosurgical ultrasound system. Pursuant to KRS 45.812(1), through their fiscal agents, four school districts, none of which needed an additional tax levy to pay debt service, reported upcoming debt issues to finance new projects. The school districts were Clay County, Gallatin County, Grant County, and Raceland-Worthington in Greenup County. Pursuant to House Bill 1, five postsecondary institutions reported asset preservation capital projects.

Project Report from the Postsecondary Institutions – University of Louisville

Ms. Campbell submitted a new project, Expand Ekstrom Library, funded with \$8 million in donor funds to provide additional archival, student, and office space; renovating 8,000 to 10,000 square feet of space, including the addition. Senator Funke Frommeyer moved to approve the project, Senator Webb seconded the motion, and the committee approved by unanimous roll call vote.

Project Report from Finance and Administration Cabinet

Ms. Tomes reported seventeen pool allocations requiring no action; the general funded \$1.212 million Justice and Public Safety Cabinet, Department of Corrections, Adult Correctional Institutions (Maintenance Pool – 2022-2024), Roofing Design – East project, design and consultant studies for roofs at three correctional complexes (Blackburn Correctional Complex, Northpoint Training Center, and Little Sandy Correctional Complex) and sixteen Postsecondary Education, Kentucky Community and Technical College System (KCTCS) (Asset Preservation Pool – 2022-2024) projects. The KCTCS projects were the \$1.598 million Ashland CTC Roof Replacements, replacement of roofs on two buildings (Main Campus Goodpaster and Technology Drive Campus); \$4.9 million Big Sandy CTC Roof Replacements, repair and replacement of roofs on six buildings; \$2.8 million Gateway CTC Roof Replacements, replacement of roofs on two buildings; \$4.5 million Gateway CTC Mechanical Equipment and Controls, upgrade and replacement of boilers, chillers, pumps, and air handlers and upgrade of HVAC controls; \$1 million Henderson Community College Student Center Relocation and Demolition, relocation of services in the Student Center to other buildings and demolition of the Student Center; \$1.7 million Madisonville Community College Renovate Aviation, renovation of the Aviation Center including roof replacement, internal reconfiguration, HVAC, parking lot, lighting, and drainage upgrades; \$2 million Maysville CTC Roof Replacements, replacement of the roofs on two buildings; \$1.5 million Maysville CTC Fire Alarms Upgrade, creation of campus-wide interconnected fire alarm system that provides monitoring control from a central location; \$4.3 million Somerset Community College Life Safety Upgrades, upgrade of sprinkler, fire alarm, and safety systems; \$2.3 million Somerset Community College Upgrade HVAC South Campus, upgrade of the HVAC system at the South Campus; \$2.4 million Southeast Kentucky CTC Roof Replacements, replacement of the roofs on three buildings at the Cumberland and Middlesboro campuses; \$7 million Southeast Kentucky CTC Mechanical Equipment Upgrades, upgrade and replacement of boilers, chillers, pumps, and air handlers and upgrade of HVAC controls; \$5.5 million West Kentucky CTC Renovate Main Campus Buildings, replacement of roofs and switchgear at four main

campus buildings; \$3.4 million West Kentucky CTC Parking Lots and Sidewalks, repair of paving and sidewalks; and Kentucky CTC System West Colleges Fire Alarm Upgrades Groups One and Two, \$1.6 million each for the upgrade of fire alarm panels at the colleges in the western and eastern parts of the state. Eighty-five percent of the project costs came from the bond-funded Asset Preservation pool and KCTCS provided its fifteen percent match from restricted funds.

In response to questions from Representative Thomas and Co-Chair Frazier Gordon, Mr. Casebier said that KCTCS was able to execute all capital projects in its biennial budget request with all already bid or to be bid next month. For projects not already under construction, construction should commence by September or October. He said that there was a slight delay as Finance and Administration Cabinet's Division of Contracting and Administration was handling numerous projects.

Lease Report from Finance and Administration Cabinet

Ms. Brawner submitted a lease renewal, three lease modifications of at least \$50,000, and a Tenant Improvement Fund request. Representative Thomas moved to roll them into one roll call vote, Co-Chair Frazier Gordon seconded the motion, and the committee approved without objection.

The lease renewal was the Cabinet for Health and Family Services, Department for Community Based Services, Ohio County, PR-4175. The lessor requested a rate increase and based on a competitive bidding process outlined in KRS 56.803, the lease was awarded to the current lessor. The lease is 12,700 square feet at a new rental rate of \$15.00 per square foot for a \$190,500 annual cost through June 30, 2031.

The first lease modification was for the Cabinet for Health and Family Services, Department for Community Based Services and Office for Children with Special Health Care Needs, Floyd County, PR-4000; to increase the leased space by 13,121 square feet for 23,530 total square feet at the same rental rate of \$10.45 per square foot, which will result in a \$137,115 annual increase for a new \$245,889 annual cost. The additional office and clinic space required extensive demolition and renovation including framing and drywall demolition/installation, electrical services upgrades, interior finishes, plumbing, and HVAC and sprinkler system modifications. The lessor provided one estimate from Alliance Corporation in the amount of \$529,060 and agreed to share fifty percent of the total renovation costs. When renovations are completed, the agencies will amortize \$264,530 through the newly negotiated lease term ending June 30, 2031. This modification also resulted in a consolidation of space leased under PR-4511.

The second lease modification was for the Transportation Cabinet, Department of Vehicle Regulation, Hardin County, PR-5685; amortization of extensive demolition and renovations of newly leased Driver Licensing Regional Office space of 4,527 square feet at \$9.25 per square foot. The necessary renovations include framing and drywall

demolition/installation, electrical services/HVAC upgrades, interior finishes, and primary entrance. The lessor provided two estimates: \$322,350 from David Company and \$438,900 from Jenkins-Essex Construction. KYTC recommended acceptance of the low bid. When renovations are completed, KYTC will amortize the \$322,350 through the lease term ending June 30, 2031.

The third lease modification was for the General Government Cabinet, Occupational and Professional Boards and Commissions, Board of Nursing, Jefferson County, PR-3791; to decrease the square footage by 5,681 square feet for 16,329 total square feet at the same rental rate of \$11.75 per square foot, which will result in a \$66,752 annual decrease for a new \$191,886 annual cost. The lease is under suspension due to partial water damage from burst sprinkler lines. The lessor is making necessary repairs, including painting and floor coverings, and the agency is temporarily leasing space in an adjacent facility until those repairs are completed, anticipated to be by September 1. The Board requested painting and floor coverings in the undamaged area. Based on the age and condition of the undamaged area, the lessor agreed to split the \$59,762 cost; with a cost distribution of 58.33 percent to the lessor and 41.67 percent to the Board. The Board will amortize the \$24,903 through the lease term ending June 30, 2029.

The Tenant Improvement Fund request, Energy and Environment Cabinet, 300 Building, Franklin County, PR-5411 was for the installation of two new dual cable pedestal mount electric vehicle (EV) chargers on two new concrete pads. The lessor provided three estimates: \$51,146 from Fox Electric; \$52,671 from Blue Sky Electric; and \$88,963 from Arts Electric. EEC recommended acceptance of the low bid. Including this request, the total amount of 300 Building Tenant Improvement Fund requests is \$262,765.

Senator Girdler expressed his best wishes for Scott Aubrey, Director, Division of Real Properties upon his retirement.

Representative Thomas moved to approve the lease transactions, Representative Herron seconded the motion, and the committee approved by unanimous roll call vote.

Report from Office of Financial Management Kentucky Infrastructure Authority

Ms. Williams submitted three Clean Water State Revolving Fund (Fund A) Program loans, a Governmental Agencies (Fund C) Program loan, two Drinking Water State Revolving Fund (Fund F) Program and sixteen Cleaner Water Program grants. Senator Webb moved to roll them into one roll call vote, Representative Thomas seconded the motion, and the committee approved without objection.

The Louisville and Jefferson County Metropolitan Sewer District (Bullitt County) requested a \$11.2 million Fund A loan for its Bullitt Hills and Hillview Wastewater Treatment Plant and Three Pump Stations Elimination project; elimination of three

wastewater treatment plants (and associated pump stations) that are over twenty-five years old, experienced overflow, and received notices of violation from the Division of Water. A new pump station will be constructed to divert flow to a wastewater treatment plant in Jefferson County. The loan term is twenty years at a one and one quarter percent interest rate. The City of Richmond (Madison County) requested a \$2.862 million Fund A loan for its South Point Force Main and Pump Station improvements project; replacement of over 8,000 linear feet of eight-inch lines with sixteen-inch force main and pump station rehabilitation to expand access to approximately 250 new customers. The loan term is twenty years at a half percent interest rate. The City of Jackson (Breathitt County) requested a \$500,000 Fund A loan for its \$1.98 million Sewer Rehabilitation Phase II project; rehabilitation of 20,000 linear feet of problematic lines experiencing inflow and infiltration. The loan term is thirty years at a half percent interest rate. The City of Morehead f/b/o Morehead Utility Plant Board (Rowan County) requested a \$7,054,602 Fund C loan for its \$52,052,602 Regional Water Treatment Plant Construction project. The project consisted of multiple phases and the bids for each phase have come in over budget. The Fund C loan proceeds will be combined with the existing Fund F loan proceeds. The loan term is twenty years at a two and three quarters percent interest rate. The Barkley Lake Water District (Trigg County) requested a \$3,678,453 Fund F loan for its \$4,055,104 Lakeside Waterline Replacement project; replacement of around 70,000 linear feet of three-inch, four-inch, and six-inch asbestos cement waterlines in the Lakeside area installed in 1965 to eliminate water loss. The loan term is twenty years at a two and a quarter percent interest rate. The City of South Shore (Greenup County) requested a \$8,590,500 Fund F loan for its \$10,382,805 South Shore to Portsmouth Permanent Interconnect project; construction of approximately 13,000 linear feet of twenty-inch waterline underneath the Ohio River to connect to Portsmouth, Ohio. Two booster pump stations and various line replacements will be made in order to distribute water throughout the system. Monitoring of the city's current drinking water source indicated increasing levels of PFAS. This loan is funded under the new Environmental Protection Agency emerging contaminants capitalization grant as authorized in the federal Bipartisan Infrastructure Law and will receive one hundred percent principal forgiveness as required by the terms of the grant.

Of the sixteen Cleaner Water Program Grants; nine are grants from the Supplemental Funding Pool (ten percent increases from prior grants to accommodate bids coming in over budget); six are County Pool reallocations, and one is a new County Pool grant. There was consensus from the local utilities and elected officials regarding the reallocations.

Senator Funke Frommeyer moved to approve the loans and grants, Representative Thomas seconded the motion, and the committee approved by unanimous roll call vote.

Cabinet for Economic Development - Economic Development Fund (EDF) Grants

Ms. Smith and Ms. Palmer submitted eight Kentucky Product Development Initiative EDF grants. Senator Webb moved to roll them into one roll call vote, Co-Chair Frazier Gordon seconded the motion, and the committee approved without objection.

The Kentucky Product Development Initiative program administered in conjunction with the Kentucky Association for Economic Development and codified in House Bill 745, uses EDF monies for industrial site upgrades. An independent site selection consultant identified the infrastructure projects as having potential for future economic development opportunities. CED disburses funds to the project applicants through the local government entities on a reimbursement basis upon review and approval of supporting documentation including invoices, proof of payment, matching funds, and progress reports. CED is submitting Round One grants and the consultant is evaluating Round Two grant applications.

The Kentucky Economic Development Finance Authority approved a \$42,300 KPDI EDF grant to the City of Princeton on behalf of the Princeton-Caldwell County Industrial Development Authority to conduct an in-depth analysis of the karst topography located at the Princeton Industrial Park. Matching funds are local monies for a \$84,500 total project cost. KEDFA approved a \$700,000 KPDI EDF grant to the Henderson County Fiscal Court on behalf of the West Kentucky Regional Industrial Development Authority to complete a site grading plan with a one million square foot building pad at the Sandy Lee Watkins site. Matching funds are local monies for a \$1.4 million total project cost. KEDFA approved a \$666,700 KPDI EDF grant to the Logan County Fiscal Court on behalf of the City of Russellville to complete an upgrade to a lift station at the West Industrial Park. Matching funds are a bank loan for a \$1.85 million total project cost. KEDFA approved a \$34,700 KPDI EDF grant to the Lyon County Fiscal Court on behalf of the Pennyriple Westpark Industrial Development Authority to conduct a floodplain analysis at the Pennyriple WestPark Industrial Park. This was a regional project with support from Caldwell, Crittenden, Livingston, Lyon, and Trigg Counties. Matching funds are local monies for a \$69,400 total project cost. KEDFA approved a \$675,400 grant to the Nicholas County Fiscal Court on behalf of the Bourbon County-Nicholas County Joint Economic Development Authority to acquire the Finrock property and begin engineering and site improvements. Matching funds are a bank loan and utility grants for a \$1,350,800 total project cost. KEDFA approved a \$225,000 KPDI EDF grant to the Trigg County Fiscal Court on behalf of the Cadiz-Trigg County Industrial Development Authority to construct a new wastewater pump station at the Interstate 24 Business Park. Matchings funds are a grant for a \$450,000 total project cost. KEDFA approved a \$100,000 KPDI EDF grant to the Washington County Fiscal Court on behalf of the Springfield-Washington County Economic Development Authority to prepare and improve a new industrial site, Lincoln Business Park, into a shovel-ready site by adding a dedicated entrance and extending existing infrastructure. Matching funds are EDA monies for a \$200,000 total project cost., KEDFA approved a second KPDI EDF grant to the Washington County Fiscal Court on behalf of the Springfield-Washington County Economic Development Authority to

prepare a improve a site in the industrialized zoned Springfield–Washington County Commerce Center. Matching funds are EDA monies for a \$200,000 total project cost.

In response to a question from Senator Funke Frommeyer regarding the return on investment, Ms. Smith said that the industrial site upgrades through the KPDI pilot program resulted in \$4 billion worth of investment. As an example, the construction of a gas line and other site upgrades in Henderson was a contributing factor in Pratt Industries announcing that it would invest \$400 million in a recycled paper mill in Henderson.

Senator Webb moved to approve the KPDI EDF grants, Co-Chair Frazier Gordon seconded the motion, and the committee approved by unanimous roll call vote.

Office of Financial Management – New and Previous Debt Issues

Mr. Barrow submitted the Kentucky Housing Corporation Multifamily Conduit Revenue Bonds (Davis Park Station), Series 2023; \$9 million net proceeds with an over \$22 million estimated project cost for a seventy-three-unit residential complex in Lexington. KHC conduit debt issues affect neither the Commonwealth's nor KHC's financials and are applied towards the state's private activity volume cap.

Representative Herron moved to approve the new debt issue, Senator Webb seconded the motion, and the committee approved by unanimous roll call vote.

Mr. Barrow reported three previous debt issues. The first was the \$54.84 million Kentucky Asset/Liability Commission, Project Notes 2023 Federal Highway Trust Fund First Refunding Series A; which redeemed the Series 2013 debt issue. Federal funds, the federal portion of the gas tax, is applied towards debt service and the \$1.6 million in net present value savings can be used towards additional programming. The debt issue priced June 6, closed June 22, and has a final maturity of September 1, 2025. The second was the KHC Multifamily Conduit Revenue Bonds (The Prestonian), Series 2023; \$55 million net proceeds with an over \$129 million project cost for a 343-unit residential complex in Louisville, which priced June 30. The third was the KHC Multifamily Conduit Revenue Bonds (Gateway on Broadway), Series 2023; \$25 million net proceeds with an over \$63 million project cost for a 116-unit residential complex in Louisville, which priced June 16.

School District Debt Issues with School Facilities Construction Commission Debt Service Participation – New Projects

Mr. Barrow submitted three school district debt issues with SFCC debt service participation totaling \$20.89 million for new projects; eighty-nine percent, \$18.573 million, with locally supported debt service and eleven percent, \$2.317 million, with SFCC debt service participation. Co-Chair Frazier Gordon moved to roll them into one roll call vote, Representative Thomas seconded the motion, and the committee approved without objection.

The school districts, none of which needed an additional tax levy to pay debt service, were Clay County; Magoffin County, and Wolfe County.

Senator Webb moved to approve the three school district debt issues with SFCC debt service participation, Representative Thomas seconded the motion, and the committee approved by unanimous roll call vote.

Adjournment

The next CPBOC meeting is scheduled for Wednesday, August 23, 2023, with Representative Frazier Gordon presiding. Submissions are due on August 9, 2023.

There being no further business before the committee, the meeting was adjourned at 3:52 PM.

GENERAL CLOSING CERTIFICATE OF THE BORROWER

Dated January 1, 2025

Re: Assistance Agreement dated as of January 1, 2025, by and between the
Kentucky Infrastructure Authority and Barkley Lake Water District

In connection with the above-identified Assistance Agreement (the “Assistance Agreement”), the Barkley Lake Water District (the “Borrower”), through its undersigned duly-authorized officer hereby certifies, represents, warrants, and covenants as follows:

1. No event of default exists, or with the passage of time will exist, under the Assistance Agreement and the representations and warranties set forth in the Assistance Agreement are true and correct as of the date hereof.

2. The Borrower has examined and is familiar with proceedings of the governing body of the Borrower approving the Assistance Agreement and authorizing its negotiation, execution, and delivery and such proceedings were duly enacted or adopted at a meeting or meetings of the governing body of the Borrower at which a quorum was present and acting throughout; such proceedings are in full force and effect and have not been superseded, altered, amended, or repealed as of the date hereof; and such meeting was duly called and held in accordance with law.

3. The Borrower is a duly organized and validly existing political subdivision of the Commonwealth of Kentucky with full power to own its properties, conduct its affairs, enter into the Assistance Agreement, and to consummate the transactions contemplated thereby.

4. The negotiation, execution, and delivery of the Assistance Agreement by the Borrower and the consummation of the transactions contemplated thereby by the Borrower have been duly authorized by all requisite action of the governing body of the Borrower.

5. The Assistance Agreement has been duly executed and delivered by the Borrower and is a valid and binding obligation of the Borrower enforceable in accordance with its terms, except to the extent that the enforceability thereof may be limited by equitable principles and by bankruptcy, reorganization, moratorium, insolvency, or similar laws heretofore or hereafter enacted relating to or affecting the enforcement of creditors’ rights or remedies generally.

6. There is no controversy or litigation of any nature pending, or to the knowledge of the Borrower after diligent inquiry, threatened, in any court or before any board, tribunal, or administrative body, to challenge in any manner the authority of the Borrower or its governing body to make payments under the Assistance Agreement or to acquire or construct the project identified therein (the “Project”), or to challenge in any manner the authority of the Borrower or its governing body to take any of the actions which have been taken in the authorization or delivery of the Assistance Agreement or the acquisition or construction of the Project, or in any way contesting or affecting the validity of the Assistance Agreement, or in any way questioning any proceedings taken with respect to the authorization or delivery by the Borrower of the Assistance Agreement, or the application of the proceeds thereof or the pledge or application of any monies or security provided therefor, or in any way questioning the due existence or powers of the

Borrower, or otherwise wherein an unfavorable decision would have an adverse impact on the transactions authorized in connection with the Assistance Agreement.

7. The authorization and delivery of the Assistance Agreement and the consummation of the transactions contemplated thereby will not constitute an event of default or violation or breach, nor an event which, with the giving of notice or the passage of time or both, would constitute an event of default or violation or breach, under any contract, agreement, instrument, indenture, lease, judicial or administrative order, decree, rule, or regulation or other document or law affecting the Borrower or its governing body.

8. All actions taken by the Borrower in connection with the Assistance Agreement and the loan described therein have been in full compliance with the provisions of the Kentucky Open Meetings Law, KRS 61.805 to 61.850.

9. The Borrower has all licenses, permits, and other governmental approvals required to construct, own, occupy, operate, and maintain the Project and to enter into the Assistance Agreement, is not in violation of and has not received any notice of an alleged violation of any zoning or land use laws applicable to the Project, and has full right, power, and authority to perform the acts and things as provided for in the Assistance Agreement.

10. The individuals named below are the duly elected or appointed qualified and acting incumbents in the office of the Borrower indicated after their respective names and the signatures subscribed above their names are their genuine signatures.

IN WITNESS WHEREOF, I have set my hand as of the date first set out above.

BARKLEY LAKE WATER DISTRICT

By: Scott Bridges
Chair

Attest:

By: William Lawrence
Secretary

Certificate Of Completion

Envelope Id: 614AA880-4A1E-4210-85AF-5F997D3244F9

Status: Completed

Subject: Complete with DocuSign: KIA F23-002 Assistance Agreement with Barkley Lake Water District

Source Envelope:

Document Pages: 64

Signatures: 9

Envelope Originator:

Certificate Pages: 7

Initials: 0

Meghan Savercool

AutoNav: Enabled

255 E. Fifth Street

Envelopeld Stamping: Enabled

Suite 1900

Time Zone: (UTC-08:00) Pacific Time (US & Canada)

Cincinnati, OH 45202

Meghan.Savercool@Dinsmore.com

IP Address: 66.192.64.34

Record Tracking

Status: Original

Holder: Meghan Savercool

Location: DocuSign

1/6/2025 11:32:48 AM

Meghan.Savercool@Dinsmore.com

Signer Events

Signature

Timestamp

Scott Bridges

office@blwdky.com

Security Level: Email, Account Authentication
(None)

Scott Bridges

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William Lawrence

Williamlaw1@att.net

Security Level: Email, Account Authentication
(None)

William Lawrence

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Signed using mobile

Electronic Record and Signature Disclosure:

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ID: 2d3e9dd6-5f03-4473-9021-b8dd4a659757

Natalie Lile

natalie.lile@ky.gov

Security Level: Email, Account Authentication
(None)

Natalie Lile

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Signed: 1/21/2025 11:53:34 AM

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Electronic Record and Signature Disclosure:

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Matt Sawyers

Mary.Palmer@ky.gov

Security Level: Email, Account Authentication
(None)

Matt Sawyers

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Signed: 1/21/2025 12:03:14 PM

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Using IP Address: 205.204.186.1


Electronic Record and Signature Disclosure:

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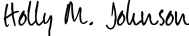
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Barbara Dickens Barbara.Dickens@ky.gov General Counsel Finance & Administration Cabinet Security Level: Email, Account Authentication (None)	 Signature Adoption: Pre-selected Style Using IP Address: 205.204.186.53	Sent: 1/21/2025 12:09:53 PM Viewed: 1/21/2025 12:56:32 PM Signed: 1/22/2025 8:26:48 AM
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Holly M. Johnson hollymccoy.johnson@ky.gov Secretary Finance & Administration Cabinet Security Level: Email, Account Authentication (None)	 Signature Adoption: Pre-selected Style Using IP Address: 205.204.186.53	Sent: 1/22/2025 8:26:53 AM Viewed: 1/22/2025 9:43:11 AM Signed: 1/22/2025 11:10:54 AM
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In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp

Amy Frogue amy.frogue@ky.gov Security Level: Email, Account Authentication (None)		Sent: 1/21/2025 11:03:30 AM
Electronic Record and Signature Disclosure: Not Offered via DocuSign		

Bob Pickerill bpickerill@hkbell.com Vice President Security Level: Email, Account Authentication (None)		Sent: 1/21/2025 11:03:31 AM Viewed: 1/21/2025 1:20:05 PM
Electronic Record and Signature Disclosure: Not Offered via DocuSign		

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<p>James Nelson James.Nelson@ky.gov Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Not Offered via DocuSign</p>	COPIED	<p>Sent: 1/21/2025 11:03:32 AM Viewed: 1/21/2025 11:03:57 AM</p>
<p>John Herring blwd@att.net Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Not Offered via DocuSign</p>	COPIED	Sent: 1/21/2025 11:03:32 AM
<p>Julie Bickers Julie.Bickers@ky.gov Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Not Offered via DocuSign</p>	COPIED	<p>Sent: 1/21/2025 11:03:32 AM Viewed: 1/21/2025 11:16:45 AM</p>
<p>Mark Franklin mark.franklin@dinsmore.com Partner Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Not Offered via DocuSign</p>	COPIED	Sent: 1/21/2025 11:03:29 AM
<p>Meghan Savercool meghan.savercool@dinsmore.com Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Not Offered via DocuSign</p>	COPIED	<p>Sent: 1/21/2025 11:03:29 AM Resent: 1/22/2025 11:11:03 AM</p>
<p>Shawna J. Herman shawna.herman@dinsmore.com Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Not Offered via DocuSign</p>	COPIED	Sent: 1/21/2025 11:03:30 AM
<p>Laura Gillis laura.gillis@ky.gov Executive Secretary Finance & Administration Cabinet Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Not Offered via DocuSign</p>	COPIED	<p>Sent: 1/22/2025 8:26:53 AM Viewed: 1/22/2025 8:31:48 AM</p>

Carbon Copy Events	Status	Timestamp
Traci Walker traci.walker@ky.gov Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Not Offered via DocuSign	<div>COPIED</div>	Sent: 1/22/2025 8:26:54 AM

Witness Events	Signature	Timestamp
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Notary Events	Signature	Timestamp
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Envelope Summary Events	Status	Timestamps
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Certified Delivered	Security Checked	1/22/2025 9:43:11 AM
Signing Complete	Security Checked	1/22/2025 11:10:54 AM
Completed	Security Checked	1/22/2025 11:10:54 AM

Payment Events	Status	Timestamps
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