

**KENTUCKY INFRASTRUCTURE AUTHORITY
ASSISTANCE AGREEMENT**

FUND B

PROJECT NUMBER:	B22-005
BORROWER:	Bronston Water Association, Incorporated
BORROWER'S ADDRESS:	P.O. Box 243, 2013 Highway 90 Bronston, Kentucky 42518
DATE OF ASSISTANCE AGREEMENT:	October 1, 2024

ASSISTANCE AGREEMENT

TABLE OF CONTENTS

	<u>Page</u>
RECITALS	1
ARTICLE I DEFINITIONS	2
ARTICLE II REPRESENTATIONS AND WARRANTIES	5
Section 2.1 Representations and Warranties of Authority	5
Section 2.2 Representations and Warranties of the Borrower	6
ARTICLE III AUTHORITY’S AGREEMENT TO MAKE LOAN; TERMS	7
Section 3.1 Determination of Eligibility	7
Section 3.2 Principal Amount of Loan Established; Loan Payments; Disbursement of Funds	7
Section 3.3 Borrower’s Right to Prepay Loan	8
Section 3.4 Subordination of Loan	8
ARTICLE IV CONDITIONS PRECEDENT TO DISBURSEMENT REQUISITION FOR FUNDS	9
Section 4.1 Covenants of the Borrower and the Conditions of the Loan	9
Section 4.2 Disbursements of Loan Funds; Requisition for Funds	11
ARTICLE V CERTAIN COVENANTS OF THE BORROWER; PLEDGE OF REVENUES; PAYMENTS TO BE MADE BY THE BORROWER TO THE AUTHORITY	12
Section 5.1 Imposition of Service Charges; Pledge of Revenues	12
Section 5.2 Borrower’s Obligation to Repay Loan	13
Section 5.3 Covenant to Adjust Service Charges	13
Section 5.4 Adequacy of Service Charges	13
Section 5.5 Covenant to Establish Maintenance and Replacement Reserve	13
Section 5.6 Reports; Inspection	13
Section 5.7 Segregation of Funds	14
Section 5.8 Mandatory Sewer Connection	14
Section 5.9 Termination of Water Services to Delinquent Users	14
ARTICLE VI OTHER COVENANTS OF THE BORROWER	14
Section 6.1 Further Assurance	14
Section 6.2 Completion of Project	14
Section 6.3 Establishment of Completion Date	15
Section 6.4 Commitment to Operate	15

Section 6.5	Continue to Operate	15
Section 6.6	Tax Covenant	15
Section 6.7	Accounts and Reports	15
Section 6.8	Audit Requirements	15
Section 6.9	General Compliance with all Duties	16
Section 6.10	System Not to Be Disposed of	16
Section 6.11	Continuing Disclosure Obligations.....	16
Section 6.12	General.....	16
ARTICLE VII MAINTENANCE, OPERATION, INSURANCE, AND CONDEMNATION...		16
Section 7.1	Maintain the System	16
Section 7.2	Additions and Improvements.....	17
Section 7.3	Compliance with State and Federal Standards.....	17
Section 7.4	Access to Records	17
Section 7.5	Covenant to Insure – Casualty	17
Section 7.6	Authority as Named Insured	17
Section 7.7	Covenant to Insure – Liability	17
Section 7.8	Covenant Regarding Worker’s Compensation	17
Section 7.9	Application of Casualty Insurance Proceeds	17
Section 7.10	Eminent Domain	18
Section 7.11	Flood Insurance.....	18
ARTICLE VIII EVENTS OF DEFAULT AND REMEDIES		19
Section 8.1	Events of Default Defined	19
Section 8.2	Remedies on Default.....	19
Section 8.3	Appointment of Receiver	19
Section 8.4	No Remedy Exclusive.....	20
Section 8.5	Consent to Powers of the Authority under the Act	20
Section 8.6	Waivers	20
Section 8.7	Agreement to Pay Attorneys’ Fees and Expenses	20
ARTICLE IX MISCELLANEOUS PROVISIONS		20
Section 9.1	Approval not to be Unreasonably Withheld	20
Section 9.2	Approval	20
Section 9.3	Effective Date	20
Section 9.4	Binding Effect.....	21
Section 9.5	Severability	21

Section 9.6	Assignability	21
Section 9.7	Execution in Counterparts.....	21
Section 9.8	Applicable Law	21
Section 9.9	Captions	21
Section 9.10	Interpretation.....	21
SIGNATURE PAGE		S-1
EXHIBIT A – PROJECT SPECIFICS		A-1
EXHIBIT B – RESERVED		B-1
EXHIBIT C – SCHEDULE OF SERVICE CHARGES		C-1
EXHIBIT D – FORM OF AUTHORIZING ACTION.....		D-1
EXHIBIT E – FORM OF LEGAL OPINION		E-1
EXHIBIT F – LOAN TERM SCHEDULE		F-1
EXHIBIT G – ADDITIONAL COVENANTS AND AGREEMENTS		G-1

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 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.

“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 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.

“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.

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

“Eligible Project” means an infrastructure 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.

“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.

“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.112 and the Indenture as the “infrastructure 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 subsidiaries 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 6.11 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 utility 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.

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 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, appropriate documentation, satisfactory to the Authority in its sole discretion indicating the following:

(A) That the Authority and any appropriate regulatory agency of the Commonwealth as may be designated by the Authority, 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, 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. 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 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 noting the participation of the Authority 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, 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 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, 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 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.

Section 4.2 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) 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, 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 4.2 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.

Section 5.8 Mandatory Sewer Connection. If the Project consists of sanitary sewer facilities, the Borrower hereby irrevocably covenants and agrees with the Authority that it will, to the maximum extent permitted by Kentucky law, and by means of ordinance, resolution, or other appropriate legislative order or action, mandatorily require the connection to and use of, the sanitary sewers constituting the System by all persons owning, renting, or occupying premises that generate pollutants where such sanitary sewers are reasonably available to such premises, and to exhaust, at the expense of the Borrower, all remedies for the collection of Service Charges, including, either directly or indirectly, in accordance with authority granted by Sections 96.930 to 96.943, inclusive, of the Kentucky Revised Statutes, and the Act, causing termination of water services to any premises where the bill for sewer services is delinquent and foreclosure and judicial sale in respect of improvement benefit assessments which are delinquent.

Section 5.9 Termination of Water Services to Delinquent Users. If the Project consists of water facilities the Borrower covenants and agrees that it shall, in accordance with applicable provisions of law, to the maximum extent authorized by law, enforce and collect the Service Charges imposed, and will promptly cause water service to be discontinued to any premises where any billing for such facilities and services shall not be paid in a timely manner.

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.

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 and 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 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 6.12 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 nonprofit corporations similarly situated, against loss or damage of the kinds usually insured against by nonprofit corporations 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 6.12 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.

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 6.11 hereof shall be those remedies specifically set forth in Section 6.11 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:
Bronston Water Association, Incorporated

By: Eric Keith
President

ATTEST:

By: Matthew Tucker
Treasurer/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: Wm. Robert Long, Jr.
Approved, Finance and
Administration Cabinet

EXHIBIT A
TO
ASSISTANCE AGREEMENT

PROJECT SPECIFICS

* * * * *

(See attachment)

EXHIBIT A
BRONSTON WATER ASSOCIATION INC
PROJECT SPECIFICS
B22-005

GOVERNMENTAL AGENCY:

Name: Bronston Water Association Inc
 PO Box 243 2013 Hwy 90
 Bronston, KY 42518

Contact: Eric Keith
 Person: President

SYSTEM: Enter manually - Wastewater, Drinking Water, Gas, or Broadband

PROJECT:

The Bronston Water Association (BWA) is requesting a Fund B loan increase in the amount of \$625,420 for the 2022 Water System Improvements and Replacements project. The original loan was approved by the KIA Board on July 7, 2022. The increase will bring the total KIA loan amount up to \$3,368,420. No additional work is being funded with the increased funding request. The project was scaled down before being bid due to increased costs for materials in recent years. Two alternates that were part of the initial project were put into place and BWA is now looking to fund those.

The overall project consists of the replacement of approximately 46,000 linear feet of waterline throughout the system. 12,000 linear feet of existing 4" line along Kentucky Highway 790 will be replaced with new 6" pvc. Around 33,500 linear feet of 3" waterline in Pulaski County and Wayne County will be replaced with new pvc and an additional 850 linear feet of 8" waterline will be extended along Gibson Lane. The project also includes the installation of approximately 1,180 radio read meters.

PROJECT BUDGET:

	Total
Administrative Expenses	\$ 15,000
Legal Expenses	10,000
Engineering Fees - Design	180,000
Engineering Fees - Inspection	105,000
Construction	2,798,340
Contingency	260,080
Total	\$ 3,368,420

FUNDING SOURCES:

	Amount	%
Fund B Loan	\$ 3,368,420	100%
Total	\$ 3,368,420	100%

KIA DEBT SERVICE:

Construction Loan	\$ 3,368,420
Less: Principal Forgiveness	0
Amortized Loan Amount	\$ 3,368,420
Interest Rate	0.25%
Loan Term (Years)	20
Estimated Annual Debt Service	\$ 172,772
Administrative Fee (0.20%)	6,737
Total Estimated Annual Debt Service	\$ 179,509

EXHIBIT B
TO
ASSISTANCE AGREEMENT

RESERVED

EXHIBIT C
TO
ASSISTANCE AGREEMENT
SCHEDULE OF SERVICE CHARGES

* * * * *

(See attachment)

FOR Pulaski County Area
Community, Town or City

P.S.C. KY. NO. 2
3rd Revised SHEET NO. 4

Bronston Water Association
(Name of Utility)

CANCELLING P.S.C. KY. NO. 1
2nd Revised SHEET NO. 4

Monthly Water Rates:

5/8 x 3/4-Inch Meter

First 1,500 Gallons
Over 1,500 gallons

\$25.81
.00904 Per Gallon

1-Inch Meter

First 5,000 Gallons
Over 5,000 gallons

\$55.27
.00904 Per Gallon

2-Inch Meter

First 20,000 Gallons
Over 20,000 gallons

\$152.50
.00904 Per Gallon

4-Inch Meter

First 50,000 Gallons
Over 50,000 gallons

\$356.26
.00904 Per Gallon

(I)



DATE OF ISSUE _____
Month / Date / Year

DATE EFFECTIVE _____
Month / Date / Year

ISSUED BY _____
/s/ (Signature of Officer)

TITLE _____
Chairperson

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. _____ DATE

EXHIBIT D
TO
ASSISTANCE AGREEMENT
FORM OF AUTHORIZING ACTION

* * * * *

(See attachment)

RESOLUTION

A RESOLUTION APPROVING AND AUTHORIZING AN ASSISTANCE AGREEMENT BETWEEN THE BRONSTON WATER ASSOCIATION, INCORPORATED AND THE KENTUCKY INFRASTRUCTURE AUTHORITY TO PROVIDE UP TO \$3,368,420 OF LOAN FUNDS FOR PROJECT NUMBER B22-005.

WHEREAS, the Board of Directors (the "Governing Authority") of the Bronston Water Association, Incorporated (the "Borrower"), has previously determined that it is in the public interest to perform certain improvements to and replacements of (the "Project") 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 Bronston Water Association, Incorporated, as follows:

SECTION 1. That the Governing Authority hereby approves and authorizes the Assistance Agreement between the Borrower and the Authority regarding Project Number B22-005 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 President and Office Manager 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 _____.

President

Attest:

Treasurer/Secretary

CERTIFICATE

I, the undersigned, hereby certify that I am the duly qualified and acting Office Manager of the Bronston Water Association, Incorporated (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 _____, 2024; 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 _____, 2024.

Treasurer/Secretary

EXHIBIT E
TO
ASSISTANCE AGREEMENT
FORM OF LEGAL OPINION

* * * * *

(See attachment)

[LETTERHEAD OF COUNSEL TO BORROWER]

October 1, 2024

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

Re: Assistance Agreement by and between Kentucky Infrastructure Authority and
Bronston Water Association, Incorporated, regarding Project Number B22-005

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 Bronston Water Association, Incorporated (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 water works 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 nonprofit corporation 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 \$3,368,420
Loan Interest Rate	0.25%
Default Interest Rate:	8.0%
Authority's Administrative Fee:	0.20%
Loan Payment Dates:	June 1 and December 1
Estimated Amortization Commencement Date:	December 1, 2025
Repayment Term:	Twenty years

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 #B22-005
 BRONSTON WATER ASSOCIATION INC**

0.25% Interest \$86,385.92 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
								\$3,368,420.00		
12/01/25	\$82,175.39	\$4,210.53	0.25%	\$86,385.92	\$3,368.42	\$0.00	\$89,754.34	\$3,286,244.61	\$8,400.00	\$8,400.00
06/01/26	\$82,278.11	\$4,107.81	0.25%	\$86,385.92	\$3,286.24	\$0.00	\$89,672.16	\$3,203,966.50	\$0.00	\$8,400.00
12/01/26	\$82,380.96	\$4,004.96	0.25%	\$86,385.92	\$3,203.97	\$0.00	\$89,589.89	\$3,121,585.54	\$8,400.00	\$16,800.00
06/01/27	\$82,483.94	\$3,901.98	0.25%	\$86,385.92	\$3,121.59	\$0.00	\$89,507.51	\$3,039,101.60	\$0.00	\$16,800.00
12/01/27	\$82,587.04	\$3,798.88	0.25%	\$86,385.92	\$3,039.10	\$0.00	\$89,425.02	\$2,956,514.56	\$8,400.00	\$25,200.00
06/01/28	\$82,690.28	\$3,695.64	0.25%	\$86,385.92	\$2,956.51	\$0.00	\$89,342.43	\$2,873,824.28	\$0.00	\$25,200.00
12/01/28	\$82,793.64	\$3,592.28	0.25%	\$86,385.92	\$2,873.82	\$0.00	\$89,259.74	\$2,791,030.64	\$8,400.00	\$33,600.00
06/01/29	\$82,897.13	\$3,488.79	0.25%	\$86,385.92	\$2,791.03	\$0.00	\$89,176.95	\$2,708,133.51	\$0.00	\$33,600.00
12/01/29	\$83,000.75	\$3,385.17	0.25%	\$86,385.92	\$2,708.13	\$0.00	\$89,094.05	\$2,625,132.76	\$8,400.00	\$42,000.00
06/01/30	\$83,104.50	\$3,281.42	0.25%	\$86,385.92	\$2,625.13	\$0.00	\$89,011.05	\$2,542,028.26	\$0.00	\$42,000.00
12/01/30	\$83,208.38	\$3,177.54	0.25%	\$86,385.92	\$2,542.03	\$0.00	\$88,927.95	\$2,458,819.88	\$8,400.00	\$50,400.00
06/01/31	\$83,312.40	\$3,073.52	0.25%	\$86,385.92	\$2,458.82	\$0.00	\$88,844.74	\$2,375,507.48	\$0.00	\$50,400.00
12/01/31	\$83,416.54	\$2,969.38	0.25%	\$86,385.92	\$2,375.51	\$0.00	\$88,761.43	\$2,292,090.94	\$8,400.00	\$58,800.00
06/01/32	\$83,520.81	\$2,865.11	0.25%	\$86,385.92	\$2,292.09	\$0.00	\$88,678.01	\$2,208,570.13	\$0.00	\$58,800.00
12/01/32	\$83,625.21	\$2,760.71	0.25%	\$86,385.92	\$2,208.57	\$0.00	\$88,594.49	\$2,124,944.92	\$8,400.00	\$67,200.00
06/01/33	\$83,729.74	\$2,656.18	0.25%	\$86,385.92	\$2,124.94	\$0.00	\$88,510.86	\$2,041,215.18	\$0.00	\$67,200.00
12/01/33	\$83,834.40	\$2,551.52	0.25%	\$86,385.92	\$2,041.22	\$0.00	\$88,427.14	\$1,957,380.78	\$8,400.00	\$75,600.00
06/01/34	\$83,939.19	\$2,446.73	0.25%	\$86,385.92	\$1,957.38	\$0.00	\$88,343.30	\$1,873,441.59	\$0.00	\$75,600.00
12/01/34	\$84,044.12	\$2,341.80	0.25%	\$86,385.92	\$1,873.44	\$0.00	\$88,259.36	\$1,789,397.47	\$8,400.00	\$84,000.00
06/01/35	\$84,149.17	\$2,236.75	0.25%	\$86,385.92	\$1,789.40	\$0.00	\$88,175.32	\$1,705,248.30	\$0.00	\$84,000.00
12/01/35	\$84,254.36	\$2,131.56	0.25%	\$86,385.92	\$1,705.25	\$0.00	\$88,091.17	\$1,620,993.94	\$8,400.00	\$92,400.00
06/01/36	\$84,359.68	\$2,026.24	0.25%	\$86,385.92	\$1,620.99	\$0.00	\$88,006.91	\$1,536,634.26	\$0.00	\$92,400.00
12/01/36	\$84,465.13	\$1,920.79	0.25%	\$86,385.92	\$1,536.63	\$0.00	\$87,922.55	\$1,452,169.13	\$8,400.00	\$100,800.00
06/01/37	\$84,570.71	\$1,815.21	0.25%	\$86,385.92	\$1,452.17	\$0.00	\$87,838.09	\$1,367,598.42	\$0.00	\$100,800.00
12/01/37	\$84,676.42	\$1,709.50	0.25%	\$86,385.92	\$1,367.60	\$0.00	\$87,753.52	\$1,282,922.00	\$8,400.00	\$109,200.00
06/01/38	\$84,782.27	\$1,603.65	0.25%	\$86,385.92	\$1,282.92	\$0.00	\$87,668.84	\$1,198,139.73	\$0.00	\$109,200.00
12/01/38	\$84,888.25	\$1,497.67	0.25%	\$86,385.92	\$1,198.14	\$0.00	\$87,584.06	\$1,113,251.48	\$8,400.00	\$117,600.00
06/01/39	\$84,994.36	\$1,391.56	0.25%	\$86,385.92	\$1,113.25	\$0.00	\$87,499.17	\$1,028,257.12	\$0.00	\$117,600.00
12/01/39	\$85,100.60	\$1,285.32	0.25%	\$86,385.92	\$1,028.26	\$0.00	\$87,414.18	\$943,156.52	\$8,400.00	\$126,000.00
06/01/40	\$85,206.97	\$1,178.95	0.25%	\$86,385.92	\$943.16	\$0.00	\$87,329.08	\$857,949.55	\$0.00	\$126,000.00
12/01/40	\$85,313.48	\$1,072.44	0.25%	\$86,385.92	\$857.95	\$0.00	\$87,243.87	\$772,636.07	\$8,400.00	\$134,400.00
06/01/41	\$85,420.12	\$965.80	0.25%	\$86,385.92	\$772.64	\$0.00	\$87,158.56	\$687,215.95	\$0.00	\$134,400.00
12/01/41	\$85,526.90	\$859.02	0.25%	\$86,385.92	\$687.22	\$0.00	\$87,073.14	\$601,689.05	\$8,400.00	\$142,800.00
06/01/42	\$85,633.81	\$752.11	0.25%	\$86,385.92	\$601.69	\$0.00	\$86,987.61	\$516,055.24	\$0.00	\$142,800.00
12/01/42	\$85,740.85	\$645.07	0.25%	\$86,385.92	\$516.06	\$0.00	\$86,901.98	\$430,314.39	\$8,400.00	\$151,200.00
06/01/43	\$85,848.03	\$537.89	0.25%	\$86,385.92	\$430.31	\$0.00	\$86,816.23	\$344,466.36	\$0.00	\$151,200.00
12/01/43	\$85,955.34	\$430.58	0.25%	\$86,385.92	\$344.47	\$0.00	\$86,730.39	\$258,511.02	\$8,400.00	\$159,600.00
06/01/44	\$86,062.78	\$323.14	0.25%	\$86,385.92	\$258.51	\$0.00	\$86,644.43	\$172,448.24	\$0.00	\$159,600.00
12/01/44	\$86,170.36	\$215.56	0.25%	\$86,385.92	\$172.45	\$0.00	\$86,558.37	\$86,277.88	\$8,400.00	\$168,000.00
06/01/45	\$86,277.88	\$108.04	0.25%	\$86,385.92	\$86.28	\$0.00	\$86,472.20	\$0.00	\$0.00	\$168,000.00
Totals	\$3,368,420.00	\$87,016.80		\$3,455,436.80	\$69,613.29	\$0.00	\$3,525,050.09		\$168,000.00	

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 # B22-005 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 \$8,400.00 in the Maintenance Fund on each December 1st occurring during the term of the Loan, up to a maximum total balance of \$168,000.00, 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.

KENTUCKY INFRASTRUCTURE AUTHORITY
Minutes of the Full Board

Meeting Date/Location: July 7, 2022 – 1:00 p.m.
Kentucky Infrastructure Authority
Via Teleconference

Members present:

Ms. Linda Bridwell, Executive Director, Public Service Commission
Ms. Geri Grigsby, proxy for Holly M. Johnson, Secretary, Finance and Administration Cabinet
Mr. Robert A. Amato, representing Kentucky Municipal Utilities Association
Mr. Carey Johnson, proxy for Secretary Rebecca Goodman, Energy and Environment Cabinet
Ms. Kristina Slattery proxy for Interim Secretary Larry Hayes, Cabinet for Economic Development
Mr. Ron Lovan, Representing the Kentucky Section of the American Water Works Association
Judge Mark McKenzie, representing Kentucky Association of Counties
Mr. Russell Rose, representing Kentucky Rural Water Association

Members absent:

Mr. Dennis Keene, Commissioner, Department for Local Government
Mr. David R. Farrar, representing for Profit Water Companies
Mayor Les Stapleton, representing Kentucky League of Cities

DLG Staff:

Mr. Brandon Gibson, Staff Attorney
Mr. Eddie Jacobs, Chief of Staff
Mr. Matt Stephens, General Counsel

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
Mr. Kelly Cunnagin, Executive Staff Advisor
Mr. Alex Fisher, Financial Analyst
Ms. Carmen Ignat, Financial Analyst
Ms. Debbie Landrum, Regional Compliance Coordinator
Ms. Meg Link, Administrative Specialist III and KIA Secretary
Mr. Don Schierer, WRIS Resource Management Analyst
Mr. Tom Schubert, GIS Specialist

Guests:

Mr. Matt Baker, City of Somerset
Mr. Jory Becker, Division of Water
Mr. Alan Bowman, Lincoln County Fiscal Court
Mr. Deron Byrne, Monarch Engineering
Ms. Bethany Couch, Office of Financial Management
Ms. Katherine Halloran, Legislative Research Commission
Mr. Joe Henry, GRW Engineers, Inc.,
Ms. Karyn Leverenz, Bluegrass Area Development District.
Mr. Brad Oberlander, CPA

Mr. Korey Sallee, Legislative Research Commission
Mr. Tim Webb, Cannonsburg Water District
Ms. Dana Whitis, City of Somerset

A room was available for the public to attend, but no one attended in person.

I. PROCEEDINGS

Vice Chair Ron Lovan 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.

A. BUSINESS (Board Action Required)

1. APPROVAL OF MINUTES

For: KIA Regular Board Meeting of June 2, 2022

Mr. Russ Rose moved to approve the minutes of the June 2, 2022, regular board meeting. Judge Mark McKenzie seconded, and the motion carried unanimously.

Vice Chair Lovan noted that Director Sandy Williams would discuss the four Interest Rate Resolutions and noted that there would be one vote for all four Resolutions.

Ms. Linda Bridwell made the motion to take one vote for all of the Interest Rates. Mr. Bob Amato seconded and the motion was unanimously approved.

Director Williams presented the Interest Rates Resolutions.

B. NEW PROJECTS/ACTION ITEMS

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, 2022 THROUGH JUNE 30, 2023

The interest rate for all Kentucky Infrastructure Authority Fund A loans approved by the Authority during the period August 1, 2022 through June 30, 2023 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 2023 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, 2022 through June 30, 2023, shall be 0.2%.

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, 2022 THROUGH JUNE 30, 2023

The interest rate for all Kentucky Infrastructure Authority Fund F loans approved by the Authority during the period August 1, 2022 through June 30, 2023, 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 2023 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, 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, 2022 through June 30, 2023, shall be 0.25%

3. A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY ESTABLISHING FUND B INTEREST RATES FOR THE PERIOD AUGUST 1, 2022 THROUGH JUNE 30, 2023

The interest rate for all Kentucky Infrastructure Authority Fund B loans approved by the Authority during the period August 1, 2022 through June 30, 2023, 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 2023 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.

4. 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, 2022 THROUGH JUNE 30, 2023

The interest rates for all Kentucky Infrastructure Authority Fund C loans approved by the Authority during the period August 1, 2022 through June 30, 2023, shall be as follows:

Term Rate:

- 1 - 5 Years 1.75%
- 6 - 10 Years 2.25%
- 11 - 20 Years 2.75%
- Broadband Projects 4.25%

The administrative fee for all Kentucky Infrastructure Authority Fund C loans approved by the Authority during the period August 1, 2022 through June 30, 2023, shall be 0.20%.

Ms. Linda Bridwell made the motion to approve the four Interest Rate Resolutions. Mr. Bob Amato seconded and the motion carried unanimously.

5. **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 (B22-004) FOR AN AMOUNT UP TO \$4,500,000 TO THE WESTERN PULASKI COUNTY WATER DISTRICT, PULASKI COUNTY, KENTUCKY**

Mr. Alex Fisher, KIA, discussed the Western Pulaski County Water District request for a Fund B loan for \$4,500,000 for the Bourbon Water Storage Tank Replacement project. This project will replace an existing 300,000-gallon elevated water storage tank with a new 1,000,000-gallon elevated composite water storage tank. Additional 600 LF of 12-inch water main will be installed to connect the new tank to the KY Hwy 914 Bypass water main.

Western Pulaski County Water District serves over 8,900 residential and 27 commercial customers.

Ms. Linda Bridwell abstained from voting. Judge Mark McKenzie moved to approve the Fund B Loan, (B22-004), for a loan amount up to \$4,500,000 to the Western Pulaski County Water District with the standard conditions, along with the following special condition: By August 31, 2022, the Western Pulaski County Water District Board, demonstrating their intentions to increase the revenues as necessary and authorized by the PSC to meet the loan requirements over the life of the loan. The proposed water rate increase currently with PSC case #2021-00335 will exceed the 1.1 debt coverage ratio requirement with the Kentucky Infrastructure Authority. Mr. Carey Johnson 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 AN INFRASTRUCTURE REVOLVING FUND LOAN (B22-005) FOR AN AMOUNT UP TO \$2,743,000 TO THE BRONSTON WATER ASSOCIATION INC, PULASKI COUNTY, KENTUCKY**

The Bronston Water Association is requesting a Fund B loan for \$2,743,000 for the 2022 Water System Improvements and Replacements project. This project will rehabilitate an existing 100,000-gallon elevated water storage tank, install 1,900 radio read meters and reduce excessive water loss by replacing more than 47,000 LF of various sized water line.

Thousands of linear feet of PVC that will be replaced are shown below.

- 8" PVC 1,000 LF extension along Colyer Rd.

- 6" PVC 10,500 LF along Ky Hwy 790 in Wayne County and Island Dr. in Pulaski County
- 4" PVC 3,000 LF along Gibson Ln in Pulaski County
- 3" PVC 33,550 LF along Rocky Point Rd, Riverwood Dr, Sugar Hollow Rd, Flynn Rd, Ruth Rd, Cedar Bluff Shores, Timberlake Dr and Old Decker Rd in both counties

The Bronston Water Association serves 1,796 residential and 68 commercial customers.

Ms. Linda Bridwell abstained from voting. Mr. Russ Rose moved to approve the Fund B Loan, (B22-005), for a loan amount up to \$2,743,000 to the Bronston Water District with the standard conditions. Mr. Bob Amato seconded and the motion was unanimously approved.

7. A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR AN INFRASTRUCTURE REVOLVING FUND LOAN (C22-002) FOR AN AMOUNT UP TO \$2,500,120 TO THE CITY OF SOMERSET, PULASKI COUNTY, KENTUCKY

Mr. Alex Fisher, KIA, discussed the City of Somerset's request for a Fund C Loan for \$2,500,120 for the Water Treatment Plant Membrane Filtration Replacement project. This project will replace the full water treatment plant membrane filtration treatment system.

The water treatment plant membrane filtration is in its ninth year of operation with a normal effective life of ten years. The order lead-time is at least a year, along with replacement period combined creates a more urgent need for funding to address this maintenance issue. The ZW system includes five trains, 6 x ZW1000 48/60M cassettes with 450ft² CPx membrane modules.

The City of Somerset serves over 7,100 residential and 2,200 commercial, industrial and wholesale customers.

Mr. Lovan stated he had a two-part question. The first, why there was no engineer listed on the project and the second was the life expectancy of a membrane, he thought was longer than 10 years. Mr. Fisher stated he was told it was maintenance and did not require an engineer. Ms. Dana Whitis and other staff members from the City of Somerset were on the call and confirmed it was a 10-year life span on the filtration membrane, they chose to use their City Engineer, to save money on the project. Ms. Whitis stated it is a maintenance issue and will not change any process at the water treatment plant.

Ms. Linda Bridwell asked that if it was a maintenance issue, did it qualify for a Fund A loan and could they possibly qualify for principal forgiveness. Director Williams stated that this is a capital investment to extend the life of the current system and does qualify under the SRF program. Mr. Fisher noted this was a timing issue. Ideally, a six to eight week lead-time would have allowed them to get on the Priority List, but unfortunately, with long delays, currently 52 weeks, and their current membrane nine years old, did not allow them to wait. They did receive a reduced interest rate of 2% for a ten-year loan versus a 20-year loan at 2.5%.

Ms. Linda Bridwell moved to approve the Fund C Loan, (C22-002), for a loan amount up to \$2,500,120 to the City of Somerset with the standard conditions. Mr. Bob Amato seconded and the motion was unanimously approved.

Vice Chair Lovan noted the two Nicholasville projects will be presented together and one vote will be taken for both projects. Mr. Bob Amato said he would be leaving the meeting as these two projects were presented. He stated Mr. Joe Henry, GRW Engineers was in attendance to answer any questions that might arise.

Mr. Russ Rose made the motion to present both Nicholasville projects together and to take one vote for both projects. Ms. Kristina Slattery seconded and the motion was unanimously 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 (C22-003) FOR AN AMOUNT UP TO \$990,912 TO THE CITY OF NICHOLASVILLE, JESSAMINE COUNTY, KENTUCKY

Mr. Alex Fisher, KIA, discussed The City of Nicholasville's request for a Fund C loan in the amount of \$990,912 for the Nicholasville 24" Parallel Transmission Main project. This Fund C loan will supplement and fill in the funding gap with the Fund F loan (F22-001). This project will increase pumping capacity from 7 million gallons per day (MGD) to 15 MGD with the construction of about 22,000 LF of ductile iron transmission line from the water treatment plant to the City.

This project falls in line with the 1990 master plan to improve the distribution system. The project will increase "turnover" within the existing water storage tanks, reduce head loss within the system and yield a higher velocity and volume of water delivered to customers.

Currently the City of Nicholasville serves 13,130 residential and 926 commercial, industrial and wholesale customers.

Ms. Linda Bridwell made the motion to approve both Nicholasville projects, C22-003 for an amount up to \$990,912 and F22-001 for an amount up to \$4,582,030 with the standard conditions. Mr. Russ Rose seconded and the motion was unanimously 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 (F22-001) FOR AN AMOUNT UP TO \$4,582,030 TO THE CITY OF NICHOLASVILLE, JESSAMINE COUNTY, KENTUCKY

Mr. Jory Becker, DOW and Mr. Alex Fisher, KIA, discussed the City of Nicholasville's request for a Fund F loan in the amount of \$4,582,030 for the Nicholasville 24" Parallel Transmission Main project. The planning and design loan (F115-066) was previously approved by the KIA board on July 2, 2015 and will be rolled into this loan amount. This project will increase pumping capacity from 7 million gallons per day (MGD) to 15 MGD with the construction of about 22,000 LF of ductile iron transmission line from the water treatment plant to the City.

This project falls in line with the 1990 master plan to improve the distribution system. The project will increase "turnover" within the existing water storage tanks, reduce head loss within the system and yield a higher velocity and volume of water delivered to customers.

Ms. Linda Bridwell moved to approve the Fund C & Fund F Loans, (C22-003 and F22-001), for a loan amount up to \$990,912 to the City of Nicholasville and \$4,582,030 with the standard conditions. Mr. Russ Rose seconded and the motion was unanimously approved.

Mr. Bob Amato returned to the meeting.

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 (F22-019) FOR AN AMOUNT UP TO \$3,275,000 TO THE CITY OF PARIS, BOURBON COUNTY, KENTUCKY

Mr. Jory Becker, DOW, and Mr. John Brady, KIA, discussed the City of Paris' request for a Fund F loan, for \$3,275,000 for the Paris Water System Improvements project. This project will consist of replacing or rehabilitating aging infrastructure within the City's water system and making various improvements at the Water Treatment Plant. Most of the equipment was constructed in 1960 and is still original. Public safety will be improved by replacing chlorine gas disinfection with a much safer alternative in sodium hypochlorite. In the distribution system, the finished water transmission main will be relocated away from existing diesel tanks at the City's power plant.

The City currently serves 4,710 residential customers and 440 commercial customers. Kentucky American Water purchases water from the City and in turn provides service to the City of Millersburg.

Mr. Carey Johnson moved to approve the Fund F Loan, (F22-019), to the City of Paris for an amount, up to \$3,275,000 with the standard conditions Ms. Kristina Slattery seconded and the motion was unanimously approved.

11. A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED DRINKING WATER REVOLVING FUND LOAN (F22-030) FOR AN AMOUNT UP TO \$1,685,083 TO THE CANNONBURG WATER DISTRICT, BOYD COUNTY, KENTUCKY

Mr. Jory Becker, DOW, and Mr. Alex Fisher, KIA discussed the Cannonsburg Water District's request for a Fund F loan for \$1,685,083 for the Phase II – Shoppes Rd Water Line Replacement project. This project will reduce excessive water loss and improve water service to 150-200 customers by replacing asbestos cement water lines and installing sub-zone meters.

Cannonsburg Water District serves 3,340 residential and 259 commercial, industrial and wholesale customers.

Ms. Linda Bridwell abstained. Ms. Geri Grigsby moved to approve the Fund F Loan, (F22-030), to the Cannonsburg Water District for an amount up to \$1,685,083 with the standard conditions Judge Mark McKenzie seconded and the motion was unanimously approved.

12 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 UP TO
McCreary County Water District (Director Level Increase)	A20-047	\$ 324,450
Farmdale Sanitation District (Director Level Increase)	A21-020	\$ 30,000
Western Pulaski County Water District	B22-004	\$4,500,000
Bronston Water Association	B22-005	\$2,743,000
City of Somerset	C22-002	\$2,500,120
City of Nicholasville (Increase F22-001)	C22-003	\$ 990,912
City of Albany (Director Level Increase)	F21-045	\$ 268,000
City of Wilmore (Director Level Increase)	F21-060	\$ 10,250
City of Nicholasville	F22-001	\$2,582,030
City of Paris	F22-019	\$3,275,000
Cannonsburg Water District	F22-030	\$1,685,083

Ms. Linda Bridwell made the motion to approve the Capital Reimbursement Resolution. Mr. Russ Rose seconded and the motion was unanimously approved.

II. EXECUTIVE DIRECTOR’S REPORT

Director Williams addressed the group. She noted Mayor Les Stapleton’s absence, after the horrific incident that took place the previous week with the loss of several law enforcement officers. She asked everyone to please keep Floyd County and its residents in their thoughts during this difficult time.

Ms. Williams announced the new Secretary for the Cabinet for Economic Development has been named. Mr. Jeff Noel has taken his position, but was unable to attend today’s meeting. Ms. Kristina Slattery is serving as Secretary Noel’s proxy.

The Authority will begin accepting grant applications this month through the WRIS portal for Round Two of the Cleaner Water Program. This program will provide an additional \$250 million in grant funding for water and sewer projects. The amount of funding that is available to utilities within each county is based on the county’s population. The grant allocations by county can be found on the KIA website, kia.ky.gov. The Round Two grant funds will be administered as they were in Round One, we are asking for local consensus on the projects. We would like to ask any utilities that have first round projects that have not received full funding to consider those projects for second round funding.

The Draft Intended Use Plan (IUP) is being prepared and will be out later this month.

Mr. Alex Fisher, KIA Financial Analyst, will be leaving KIA, effective July 15. He is moving to the Finance and Administration Cabinet in the Policy and Audit Division under the leadership of Ms. Libby Carlin. Staff wishes Alex the best in his future endeavors.

Several job postings have been completed and are posted.

Mr. Lovan asked Director Williams if the Round Two Cleaner Water grants would have 'buckets', like unserved, etc. or just by the county. Director Williams noted that Round Two funding only has county allocation funding. Judge Mark McKenzie asked if the county allocations are allocated to the counties or the utilities. Director Williams noted that the funding is available to the utilities in each county. Our hope is that the county and utility would come to consensus to move forward with the appropriate projects that are most needed.

Judge McKenzie asked when final decisions would be made on the First Round of funding. Director Williams said the all Round One County Allocation grants and consent decree grants have been approved. The unserved drinking water grants have received initial approval and will be announced very soon. The round one supplemental pool will be available to assist grant projects that still need funding due to bids coming in over budget.

III. ANNOUNCEMENTS/NOTIFICATIONS

Next regularly scheduled KIA board meeting:
Thursday, August 4, 2022 at 1:00 p.m.

There being no further business, Ms. Russ Rose moved to adjourn. Mr. Bob Amato seconded and the motion carried unanimously. The July 7, 2022 meeting of the Board of the Kentucky Infrastructure Authority was adjourned.

Submitted by:

Margaret F. Link
Kentucky Infrastructure Authority Secretary

July 14, 2022
Date

Kentucky Infrastructure Authority
Minutes of the Full Board – Regular Meeting – March 7, 2024

KENTUCKY INFRASTRUCTURE AUTHORITY

Minutes of the Full Board

Meeting Date/Location: **March 7, 2024 – 1:00 p.m.**
Kentucky Infrastructure Authority
100 Airport Road
Frankfort, KY 40601

Members Present:

Mr. Robert A. Amato
Ms. Linda Bridwell, Executive Director, Public Service Commission
Ms. Geri Grigsby, proxy for Secretary Holly Johnson, Finance and Administration Cabinet
Ms. Rebecca Goodman, Secretary, Energy and Environment Cabinet
Mr. Russell Rose, representing Kentucky Rural Water Association
Ms. Jennifer Schenkenfelder, proxy for Secretary Jeff Noel, Cabinet for Economic Development
Mr. Shaun Youravich, representing Kentucky Section of the American Water Works Association

Members Absent:

Chairman Dennis Keene, Commissioner Department of Local Government
Judge Mark McKenzie, representing Kentucky Association of Counties
Ms. Shelley Porter, representing For Profit Water Companies
Mayor Les Stapleton, representing Kentucky League of Cities

KIA Staff:

Ms. Sandy Williams, Executive Director
Ms. Julie Bickers, Regional Compliance Coordinator
Mr. John Brady, Financial Analyst
Mr. Jim Carpenter, Fiscal Officer & KIA Treasure
Mr. Milward Dedman, Deputy Executive Director
Ms. Carmen Ignat, Grants Administrator
Ms. Debbie Landrum, Regional Compliance Coordinator
Ms. Natalie Lile, Assistant 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:

Ms. Michelle Veach, City of Ashland
Mr. Jory Becker, Division of Water
Mr. Deron Byrne, Monarch Engineering
Mr. Steve Cole, City of Ashland
Ms. Angela Culver, City of Springfield
Mr. Michael Graves, City of Ashland
Mr. Troy Hogge, Columbia/Adair
Mr. Branden Miller, Columbia/Adair
Mr. Russell Neal, Division of Water
Ms. Holly Nicholas, Kentucky Engineering Group
Ohio County Water District Representatives
Ms. Tammy Olson, Mountain Water District
Mr. Bob Pack, Paintsville Utilities
Mr. Grondall Potter, Utilities Management Group

Kentucky Infrastructure Authority
Minutes of the Full Board – Regular Meeting – March 7, 2024

Mr. Chris Stewart, HMB Professional Engineers
Mr. Terry Rice, City of Providence
Mr. Matt Scofield, Big Sandy Area Development District
Mr. Matt Spradlin, Paintsville Utilities
Mr. Brad Slone, City of Pikeville
Mr. Lenny Stone, Columbia/Adair
Mr. Chris Stewart, HMB Professional Engineers
Mr. Daren Thompson, Springfield Water
Mr. Reese Walton, HDR Engineering

I. PROCEEDINGS

Vice Chair Russ Rose called the meeting of the Kentucky Infrastructure Authority (KIA) Board to order. He noted that the media advisory was properly distributed. He also confirmed a quorum was present.

A. BUSINESS (Board Action Required)

1. APPROVAL OF MINUTES

For: KIA Regular Board Meeting of February 1, 2024

Mr. Shaun Youravich made the motion to approve the February 1, 2024, minutes. Mr. Bob Amato seconded, and the motion carried unanimously.

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

1. 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 (A22-005) FOR AN AMOUNT UP TO \$44,000,000 TO THE CITY OF ASHLAND, BOYD COUNTY, KENTUCKY

Mr. Jory Becker, DOW, and Mr. John Brady, KIA, discussed the City of Ashland's request for a Fund A loan in the amount of \$44,000,000 for the Wastewater Treatment Plant (WWTP) Expansion and Improvements project. The City is undertaking the project to address several objectives to meet their long-term control plan and comply with an Agreed Order received from the EPA. New headworks at the WWTP will provide preliminary treatment capacity up to 40 million gallons per day (mgd). Twenty-two mgd will undergo full biological treatment and disinfection and up to 18 mgd will be directed to storage tanks. The disinfection process will be upgraded to eliminate the use of chlorine gas. SCADA and telemetry systems will also be upgraded to improve operational efficiency. Upgrades will be made to address anticipated nutrient removal for the treated effluent discharge to the Ohio River. Other work at the WWTP will include the construction of new clarifiers, capacity for increased leachate, and the replacement of many aged pieces of equipment.

The City currently serves 7,250 residential customers and 1,444 commercial and industrial customers. They provide treatment to the Boyd County Sanitation District #4.

Ms. Linda Bridwell made the motion to approve a Fund A loan to the City of Ashland for an amount up to \$44,000,000 with the standard conditions. Mr. Bob Amato seconded and the motion unanimously passed.

Vice Chair Rose noted there are two projects for the City of Providence that KIA staff would like to present together, so the Agenda order will change to include item number 6 as well.

2. A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED CLEAN WATER REVOLVING FUND LOAN (A23-001S) FOR AN AMOUNT UP TO \$7,230,000 THE CITY OF PROVIDENCE, WEBSTER COUNTY, KENTUCKY

Mr. Jory Becker, DOW, and Mr. John Brady, KIA, discussed the City of Providence's request for a Fund A loan in the amount of \$7,230,000 for the Sanitary Sewer Upgrades project. To maintain compliance with an Agreed Order the City was required to complete a Sanitary Sewer Evaluation Survey on their collection system. This planning and design phase was funded with KIA Loan A21-021 and will be rolled into the new construction loan. The construction portion of the project will include the rehabilitation or emplacement of up to 12,000 linear feet of 8" gravity sewer. Additional work in the collection system will consist of the replacement of manholes and the rehabilitation of two pump stations. The City will also upgrade certain equipment at the Wastewater Treatment Plant without expanding the overall capacity of the facility. The headworks, clarifier, oxidation ditch, and flow meters will all be improved. The overall project will mitigate inflow and infiltration issues throughout the City while bringing the sewer system into compliance with applicable regulations.

The City currently serves 913 residential customers and 73 commercial customers. They provide treatment for the Webster County Sanitation District.

Ms. Linda Bridwell made the motion to approve the Fund A loan for an amount up to \$723,000 to the City of Providence with the standard conditions. Mr. Shaun Youravich seconded, and the motion was unanimously approved.

3. A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED DRINKING WATER REVOLVING FUND LOAN (F22-021) FOR AN AMOUNT UP TO \$2,600,000 TO THE CITY OF PROVIDENCE, WEBSTER COUNTY, KENTUCKY

Mr. Jory Becker, DOW, and Mr. John Brady, KIA, discussed the City of Providence's request for a Fund F loan in the amount of \$2,600,000 for the Cast Iron Pipe Rehab project. Approximately 12,000 linear feet of cast iron pipe will be replaced with 6" PVC. The existing lines are aging and continue to contribute to the City's water loss problem. Other components consist of reconnecting 500 existing meters, assembling 40 fire hydrants, and replacing the asphalt above where the lines are being replaced. This project is associated with the City's Sanitary Sewer Upgrades project. The water and sewer lines in these projects run parallel to each other and replacing simultaneously will allow them to only pay for asphalt and restoration costs once.

The City currently serves 1,340 residential customers and 97 commercial and industrial customers.

Ms. Geri Grigsby made the motion to approve the Fund F loan for an amount up to \$2,600,000 to the City of Providence with the standard conditions. Mr. Bob Amato seconded, and the motion passed unanimously.

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 (A24-007) FOR AN AMOUNT UP TO \$2,672,250 TO THE ADAIR COUNTY WATER DISTRICT, ADAIR COUNTY, KENTUCKY

Mr. Jory Becker, DOW, and Ms. Sandy Sanders, KIA, discussed the Adair County Water District's request for a Fund A loan in the amount of \$2,672,250 for the Phase 24 Wastewater System Improvements and Upgrades Project. This project will replace the undersized Burkesville Road and Walmart lift stations, relocating the Burkesville station to a lower elevation for better operation, as well as installing a force main to run from the new location to the existing location (approximately 2,600 LF). Six (6) individual grinder pumps will be replaced with new duplex style lift stations as well as replacing the last two diffusers, converting the disinfection system to PAA, and installing a grit removal system at the WWTP. Additionally, the collection system in the Fortune Street, Monroe Street and Young Street areas will be rehabbed requiring approximately 1,900 LF of manhole lining and lining 15-20 manholes.

The Water District currently serves 1,193 residential customers and 576 commercial and industrial customers.

Ms. Linda Bridwell abstained from the vote. Mr. Bob Amato made the motion to approve the Fund A loan for an amount up to \$2,672,250 to the Adair County Water District with the standard conditions. Mr. Shaun Youravich seconded, and the motion passed.

Vice Chair Rose noted that the City of Springfield had two projects on today's agenda and KIA staff would like to present both together so the agenda would once again go out of order to accommodate this request.

5. A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED CLEAN WATER REVOLVING FUND LOAN (A24-016S) FOR AN AMOUNT UP TO \$2,623,000 TO THE CITY OF SPRINGFIELD F/B/O SPRINGFIELD WATER & SEWER COMMISSION, WASHINGTON COUNTY, KENTUCKY

Mr. Jory Becker, DOW, and Ms. Sandy Sanders, KIA, discussed the City of Springfield, F/B/O of the Springfield Water & Sewer Commission's request for a Fund A loan, in the amount of \$2,623,000 for the Springfield WWTP SBR project. This project will expand the Springfield WWTP by adding a planned Sequencing Batch Reactor (SBR). Recent industrial and residential development has expedited the need to proceed more quickly than anticipated. The plant will increase its capacity from 1.3 MGD to 1.7 MGD per day allowing them to meet peak flow demands. Approximately 4,500 LF of 8" collection lines in the Maplewood Avenue area will also be rehabbed to eliminate known sources of I&I contributing to excess treatment.

The Commission currently serves 1,212 residential customers and 216 commercial and industrial customers.

Mr. Bob Amato made the motion to approve the Fund A loan for an amount up to \$2,623,000 to the City of Springfield, F/B/O of the Springfield Water & Sewer

Commission with the standard conditions. Ms. Linda Bridwell seconded, and the motion unanimously passed.

- 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 DRINKING WATER REVOLVING FUND LOAN (F24-005) FOR AN AMOUNT UP TO \$2,894,924 TO THE CITY OF SPRINGFIELD F/B/O SPRINGFIELD WATER & SEWER COMMISSION, WASHINGTON COUNTY, KENTUCKY**

Mr. Jory Becker, DOW, and Ms. Sandy Sanders, KIA, discussed the City of Springfield, F/B/O the Springfield Water & Sewer Commission's request for a Fund F loan in the amount of \$2,894,924 for the Water Main Assessment, Replacement Planning & Design - WTP & Priority Area 1 project. This project includes the assessment, design, and replacement of aging facilities in Priority Area 1. Most water lines were installed over 70 years ago. Lead service lines identified during the assessment will be replaced on the public and private sides of the meters. The addition of a carbon feed system and stainless-steel weirs for the basins at the Water Treatment Plant will enhance the water quality and prepare the district for handling potential emerging contaminants.

The Commission currently serves 4,685 residential customers and 297 commercial and industrial customers.

Ms. Linda Bridwell made the motion to approve the Fund F loan for an amount up to \$2,894,924 to the City of Springfield, F/B/O of the Springfield Water & Sewer Commission with the standard conditions. Ms. Geri Grigsby seconded, and the motion unanimously was approved.

- 7. A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING AN AMMENDEMENT TO THE CONDITIONAL COMMITMENT FOR AN INFRASTRUCTURE REVOLVING FUND LOAN (B22-005) INCREASE FOR AN AMOUNT UP TO \$3,368,420 TO THE BRONSTON WATER ASSOCIATION, PULASKI COUNTY, KENTUCKY**

Mr. John Brady, KIA, discussed the Bronston Water Association's (BWA) request for a Fund B loan increase in the amount of \$625,420 for the 2022 Water System Improvements and Replacements project. The original loan was approved by the KIA Board on July 7, 2022. The increase will bring the total KIA loan amount up to \$3,368,420. No additional work is being funded with the increased funding request. The project was scaled down before being bid due to increased costs for materials in recent years. Two alternates that were part of the initial project were put into place and BWA is now looking to fund those. The overall project consists of the replacement of approximately 46,000 linear feet of waterline throughout the system. 12,000 linear feet of the existing 4" line along Kentucky Highway 790 will be replaced with new 6" pvc. Around 33,500 linear feet of 3" waterline in Pulaski County and Wayne County will be replaced with new pvc and an additional 850 linear feet of 8" waterline will be extended along Gibson Lane. The project also includes the installation of approximately 1,180 radio-read meters.

The BWA currently serves 1,796 residential customers and 68 commercial customers.

Ms. Linda Bridwell abstained from the vote. Ms. Geri Grigsby made the motion to approve the Fund B loan increase for an amount up to \$625,420 for a total loan amount of \$3,368,420 to the Bronston Water Association with the standard conditions. Mr. Bob Amato seconded, and the motion passed.

Vice Chair Rose noted that the remaining projects left to be presented are the Lead Service Line projects that were previously discussed at the February 1st Board meeting. After discussion with the Board, it was decided to present all these projects together as a group.

Ms. Linda Bridwell made the motion to have all the Lead Service Line loans be presented together. Mr. Shaun Youravich seconded, and the motion carried.

Mr. Jory Becker, DOW, and Mr. John Brady, KIA discussed the Lead Service Line project specifics. All these projects have a similar scope and methodology. As everyone is likely aware of the source water situation in Flint, Michigan with lead found in the drinking water. This has caused the EPA to revisit drinking water and its effect on public health. The EPA requires lead service line inventory be completed by October 15, 2024. All these projects today are attempting to comply with that deadline. That deadline is for the initial inventory. There will be many utilities that will require additional work. If the utility is not able to positively identify or eliminate their inventory, they will have to list it as unknown and will require additional work past the October 2024 deadline. The methodology is the same ranking from least invasive, less costly to most invasive and most costly. Many utilities plan to start the process by talking to their residents' doing polls and surveys. There will be a records review through the local PVA office, then it will be onsite review of connections and meter boxes. If necessary, a backhoe may be required to do further investigation, if determination cannot be made through other avenues. Digging up individual's yards would be the final step, if necessary.

The EPA has conveyed to the state that environmental reviews will not necessarily be a part of plans and specifications requiring an engineer to develop a plan. The eligibility letters in the Board book are slightly different than our typical eligibility letters. The DOW staff is working diligently with these communities. DOW's Drinking Water branch is reviewing the plans as they come in and ensuring that the standards are complying. Mr. John Brady noted there were eight projects on today's agenda, all will receive 100% principal forgiveness and they all qualify as disadvantaged communities. There will be additional projects presented in the coming months.

8. 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 (F24-022L) FOR AN AMOUNT UP TO \$299,250 TO THE MARTIN COUNTY WATER DISTRICT, MARTIN COUNTY, KENTUCKY

The Martin County Water District's (MCWD) has requested a Fund F loan in the amount of \$299,250 for the Lead Service Line Inventory project. This project includes a comprehensive inventory of each service connection within the system to determine the service line material on both sides of the meter. Customer outreach and engagement will be thorough to maximize cost effectiveness and public education about the project. First, a survey will be mailed to each service address for customers to fill out describing their service line information. Second, a team will be sent to knock on doors and complete inspections on any exposed service lines for any remaining unknown lines. Third, a team will be sent to complete inspections using electrical

Kentucky Infrastructure Authority
Minutes of the Full Board – Regular Meeting – March 7, 2024

resistance measurement for any remaining unknown lines. Fourth, a team will be sent to hydro excavate on either side of the meter to inspect the service lines for any remaining unknown lines. The inventory process will utilize ARCGIS to assist with inventory development, record-keeping, and submission of required documentation to regulatory agencies. A combination of ArcGIS and Excel spreadsheets will be used to submit the inventory to DOW. The inventory process will include record review, creation of digital/electronic service line inventory procedures, creation of GIS methods for documenting service line materials, incorporation of vacuum or hydro excavation procedures, and the employment of sub-contractors to conduct field work related to the service line inventory when necessary and creating or instituting emerging technologies and methods and using Statistical Analysis when necessary. The inventory process will also utilize Esri dashboards created by Kentucky Rural Water Association for SL inventories.

The MCWD currently serves 3,089 residential customers and 283 commercial and industrial customers.

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 (F24-026L) FOR AN AMOUNT UP TO \$418,000 TO THE CITY OF PAINTSVILLE F/B/O PAINTSVILLE UTILITIES COMMISSION, JOHNSON COUNTY, KENTUCKY

The City of Paintsville on behalf of the Paintsville Utilities Commission (PUC) has requested a Fund F loan in the amount of \$418,000 for the Lead Service Line Inventory project. This project includes a comprehensive inventory of each service connection within the system to determine the service line material on both sides of the meter. Customer outreach and engagement will be thorough to maximize cost effectiveness and public education about the project. First, a survey will be mailed to each service address for customers to fill out describing their service line information. Second, a team will be sent to knock on doors and complete inspections on any exposed service lines for any remaining unknown lines. Third, a team will be sent to complete inspections using electrical resistance measurement for any remaining unknown lines. Fourth, a team will be sent to hydro excavate on either side of the meter to inspect the service lines for any remaining unknown lines. The inventory process will utilize ARCGIS to assist with inventory development, record-keeping, and submission of required documentation to regulatory agencies. A combination of ArcGIS and Excel spreadsheets will be used to submit the inventory to DOW. The inventory process will include record review, creation of digital/electronic service line inventory procedures, creation of GIS methods for documenting service line materials, incorporation of vacuum or hydro excavation procedures, and the employment of sub-contractors to conduct field work related to the service line inventory when necessary and creating or instituting emerging technologies and methods and using Statistical Analysis when necessary. The inventory process will also utilize Esri dashboards created by Kentucky Rural Water Association for SL inventories.

The PUC currently serves 7,721 residential customers and 735 commercial and industrial customers.

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 (F24-036L) FOR AN AMOUNT UP TO \$247,575 TO THE SOUTHERN WATER & SEWER DISTRICT, FLOYD COUNTY, KENTUCKY

The Southern Water & Sewer District (SWSD) has requested for a Fund F loan in the amount of \$247,575 for the Lead Service Line Inventory project. The project will include a comprehensive inventory of each service connection within the system to determine the service line material on both sides of the meter. SWSD proposes to contract for the development of an Esri based GIS/AM framework that builds upon the existing WRIS data with a GIS schema necessary to support lead service line inventory requirements. A map for both office and field staff will be created that will allow for individual and batch editing of the data. After the lead service line inventory has begun, a public facing map for will be developed to share the status of its lead service line location findings to the public and DOW. Additional contract personnel will be hired and trained to collect service line data through customer engagement surveys, historical records, visual inspection, or excavation to update the service line layer. Field verified data will be captured with sub-foot GPS technology. Upon completion, the service line inventory the data can be exported to a spreadsheet or shared with DOW through ArcGIS Online to meet compliance requirements. The outcome of this project will leave SWSD with a sustainable system of data analytics to support operations and management to sustain capital planning and compliance goals well into the future.

The SWSD currently serves 5,188 residential customers and 208 commercial and industrial customers.

11. A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED DRINKING WATER REVOLVING FUND LOAN (F24-037L) FOR AN AMOUNT UP TO \$416,250 TO THE CITY OF PRESTONSBURG F/B/O PRESTONSBURG CITY UTILITIES COMMISSION, FLOYD COUNTY, KENTUCKY

The City of Prestonsburg on behalf of the Prestonsburg City Utilities Commission has requested a Fund F loan in the amount of \$416,250 for the Lead Service Line Inventory project. This project includes a comprehensive inventory of each service connection within the system to determine the service line material on both sides of the meter. Customer outreach and engagement will be thorough to maximize cost effectiveness and public education about the project. First, a survey will be mailed to each service address for customers to fill out describing their service line information. Second, a team will be sent to knock on doors and complete inspections on any exposed service lines for any remaining unknown lines. Third, a team will be sent to complete inspections using electrical resistance measurement for any remaining unknown lines. Fourth, a team will be sent to hydro excavate on either side of the meter to inspect the service lines for any remaining unknown lines. The inventory process will utilize ArcGIS to assist with inventory development, record-keeping, and submission of required documentation to regulatory agencies. A combination of ArcGIS and Excel spreadsheets will be used to submit the inventory to DOW. The inventory process will include record review, creation of digital/electronic service line inventory procedures, creation of GIS methods for documenting service line materials, incorporation of vacuum or hydro excavation procedures, and the employment of sub- contractors to conduct field work related to the service line inventory when necessary and creating or instituting emerging technologies and methods and using Statistical Analysis when necessary. The inventory process will

also utilize Esri dashboards created by Kentucky Rural Water Association for SL inventories.

The Commission currently serves 7,804 residential customers and 965 commercial and industrial customers.

12. A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED DRINKING WATER REVOLVING FUND LOAN (F24-048L) FOR AN AMOUNT UP TO \$119,902 TO THE CITY OF PIKEVILLE, PIKE COUNTY, KENTUCKY

The City of Pikeville has requested a Fund F loan in the amount of \$119,902 for the Lead Service Line Inventory project. The project will include a comprehensive inventory of each service connection within the system to determine the service line material on both sides of the meter. The City proposes to contract for the development of an Esri based GIS/AM framework that builds upon the existing WRIS data with a GIS schema necessary to support lead service line inventory requirements. A map for both office and field staff will be created that will allow for individual and batch editing of the data. After the lead service line inventory has begun, a public facing map for will be developed to share the status of its lead service line location findings to the public and DOW. Additional contract personnel will be hired and trained to collect service line data through customer engagement surveys, historical records, visual inspection, or excavation to update the service line layer. Field verified data will be captured with sub-foot GPS technology. Upon completion, the service line inventory the data can be exported to a spreadsheet or shared with DOW through ArcGIS Online to meet compliance requirements. The outcome of this project will leave Pikeville with a sustainable system of data analytics to support operations and management to sustain capital planning and compliance goals well into the future.

The City currently serves 3,594 residential customers and 1,088 commercial and industrial customers. They provide wholesale service to the Mountain Water District and Southern Water & Sewer District.

13. A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED DRINKING WATER REVOLVING FUND LOAN (F24-051L) FOR AN AMOUNT UP TO \$185,000 TO THE OHIO COUNTY WATER DISTRICT, OHIO COUNTY, KENTUCKY

The Ohio County Water District (OCWD) has requested a Fund F loan in the amount of \$185,000 for the Lead Service Line Asset Management and Inventory project. The project will include a comprehensive inventory of each service connection to determine the service line material on both the utility and private side of the meter. The Water District will utilize ArcGIS Online Asset management tools and dashboards to assist with inventory development, record-keeping, and required documentation to submit to the Division of Water. The OCWD and contract labor will be utilized to complete the inventory using the following methods: previous materials evaluation, installation date after lead ban use, installation records, distribution inspection records, service line diameter greater than 2", historical repair record, field verified during routine work, field verified by excavation, field verified visual inspection at meter pit, field verified CCTV, water sampling, predictive modeling, etc. The system contains 679 miles of service lines and 7,620 service connections so utilizing contract labor will be crucial to assist

the district in completing the inventory. Customer outreach will be a priority to maximize cost effectiveness and public education about the project. Surveys will be used to conduct outreach to its customer base. These surveys will be mailed to the residents. The OCWD will also send out personnel to visit each customer that they do not receive a response from. For any remaining lines that are unknown, teams will inspect the service lines and if needed hydro excavate on either side of the meter to inspect the service line materials.

The OCWD currently serves 5,916 residential customers and 177 commercial and industrial customers. They provide wholesale service to the Beaver Dam Municipal Water & Sewer System, Centertown Water System, and Fordsville Water Works.

14. 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 (F24-056L) FOR AN AMOUNT UP TO \$874,130 TO THE CITY OF ASHLAND, BOYD COUNTY, KENTUCKY

The City of Ashland has requested a Fund F loan in the amount of \$874,130 for the Lead Service Line Inventory and Assessment project. New regulations require the of lead service lines. To meet these regulations, the City will evaluate and document the materials of existing water service lines throughout the entire distribution system. The identification initiative will include various resources and techniques to identify existing service line materials. The various resources and techniques include review of construction and plumbing codes, permits, and existing records or other documentation; review of water system records, including distribution system drawings, historical records, meter installation records, historical capital and master plans, and system operating procedures; distribution system inspection and installation records; statistical methods; physical sampling by excavating and potholing. Both for health reasons and to meet new EPA regulations, this work is required to be done.

The City currently serves 12,304 residential customers and 2,292 commercial and industrial customers. They provide wholesale service to the City of Russell and Cannonsburg Water District.

15. 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 (F24-063L) FOR AN AMOUNT UP TO \$435,720 TO THE MOUNTAIN WATER DISTRICT, PIKE COUNTY, KENTUCKY

The Mountain Water District (MWD) has requested a Fund F loan in the amount of \$435,720 for the Lead Service Line Inventory project. The MWD has begun the inventory process by conducting outreach and education to engage customers to complete a service line survey. While this is a low cost and low return method, the MWD does not have the workforce available to complete the full system inventory themselves. MWD proposes to contract for the development of an Esri based GIS/AM framework that builds upon the existing WRIS data with a GIS schema necessary to support lead service line inventory requirements. A map for both office and field staff will be created that will allow for individual and batch editing of the data. After the lead service line inventory has begun, a public facing map will be developed to share the status of its lead service line location findings to the public and DOW. Additional

Kentucky Infrastructure Authority
 Minutes of the Full Board – Regular Meeting – March 7, 2024

contract personnel will be hired and trained to collect service line data through customer engagement surveys, historical records, visual inspection, and/or excavation to update the service line layer. Field verified data will be captured with sub-foot GPS technology. Upon completion, the service line inventory data can be exported to a spreadsheet or shared with DOW through ArcGIS Online to meet compliance requirements. The outcome of this project will provide a sustainable system of data analytics to support operations and management to sustain capital planning and compliance goals well into the future.

The MWD currently serves 15,058 residential customers and 1,461 commercial and industrial customers. They provide wholesale service to the Elkhorn City Water Department.

Secretary Goodman noted that for any communities with schools or daycares with possible lead service lines, there is a federal grant program through EPA to assist them, The Water Infrastructure Improvements Grant Program, (WIIN). If anyone is interested, please let Mr. Becker or her know and they can provide contact information.

Ms. Linda Bridwell abstained from the following projects: Martin County Water District, Southern Water & Sewer, Ohio County Water District, and the Mountain Water District. Ms. Rebecca Goodman made the motion to approve the Lead Service Line loans for the above-mentioned projects. Mr. Bob Amato seconded, and the motion passed.

16. A RESOLUTION OF THE KENTUCKY INFRASTRUCTURE AUTHORITY 4. 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.

<u>BORROWER</u>	<u>FUND</u>	<u>AMOUNT</u>	<u>LOAN TOTAL</u>
City of Ashland	A22-005	\$44,000,000	\$44,000,000
City of Providence	A23-001S	\$ 7,230,000	\$ 7,230,000
Adair County Water District	A24-007	\$ 2,672,250	\$ 2,672,250
City of Springfield F/B/O Springfield Water & Sewer Commission	A24-016S	\$ 2,623,000	\$ 2,623,000
Bronston Water Association (Increase)	B22-005	\$ 625,420	\$ 3,368,420
City of Providence	F22-021	\$ 2,600,000	\$ 2,600,000
City of Springfield F/B/O Springfield Water & Sewer	F24-005	\$ 2,894,924	\$ 2,894,924
Martin County Water District	F24-022L	\$ 299,250	\$ 299,250
City of Paintsville F/B/O Paintsville Utilities Commission	F24-026L	\$ 418,000	\$ 418,000
Southern Water & Sewer	F24-036L	\$ 247,575	\$ 247,575

City of Prestonsburg F/B/O Prestonsburg City Utilities Commission	F24-037L	\$ 416,260	\$ 416,260
City of Pikeville	F24-048L	\$ 119,902	\$ 119,902
Ohio County Water District	F24-051L	\$ 185,000	\$ 185,000
City of Ashland	F24-056L	\$ 874,130	\$ 874,130
Mountain Water District	F24-063L	\$ 435,720	\$ 435,720

Ms. Linda Bridwell made the motion to approve the Capital Reimbursement Resolution, Ms. Rebecca Goodman seconded, and the motion carried unanimously.

II. EXECUTIVE DIRECTOR’S REPORT

Executive Director Williams thanked everyone for their participation in today’s meeting.

Director Williams discussed House Bill 563, that was introduced on February 15th. The bill received its first reading on March 5th and has had one Committee Substitute and one Committee Amendment in title to make it an emergency. It had a second reading on March 6th and was added to the Orders of the Day today for passage. She noted that several people have reviewed the Bill, including Secretary Goodman and her staff. She thanked them for their assistance. This Bill significantly affects KIA. It establishes two new loan programs administered through KIA, the first one is the Kentucky WWaters Program which stands for Water and Wastewater Assistance for Troubled or Economically Restrained Systems. The new loan program would combine two existing programs, the Water and Wastewater Service Regionalization Account (KRS 224A.304 / KRS224A. 316) and the Water Management Assistance Fund (KRS 224A.318) but does not eliminate those programs. The new program would be a loan program for troubled or disadvantaged systems. There has been no funding appropriated to this point. The second new loan fund would be an Emergency WWATERS Fund. Both funds would have an interest rate of a half of a percent below the established SRF rate.

Secretary Goodman asked if there was any mention of current funds rolling over into these new programs. Director Williams noted that it does allow for any existing funds to rollover into these programs. The Water Management Assistance Fund was allocated \$10 million. There has been one loan that the Board approved in December 2023 to the Martin County Water District.

Director Williams said that the bill does mention regionalization and a forbearance period, which means a 3-year period that begins on the day that the sale of the public water or wastewater system to the acquiring utility closes. The acquiring utility during the forbearance period will not have to pay fines or penalties.

Director Williams mentioned there was a lot more to the Bill and has had the opportunity to meet with the Bill’s sponsors and has another meeting later today to further discuss. The sponsors are hearing KIA’s concerns. It does generate many questions and would significantly impact KIA programs, financing, and staffing. There would be significant impact fiscally to monitor the funding on both the front and back ends. The bill establishes a process by which the Board would score a group of projects that would need to be sent to the General Assembly by December 1. The Board would approve the scoring, but the General Assembly would approve the loans.

Kentucky Infrastructure Authority
Minutes of the Full Board – Regular Meeting – March 7, 2024

Secretary Goodman noted one of her concerns was the ability for the loan proceeds to pay operating expenses, or to pay off bad debt and other expenditures that are not the typically eligible uses for KIA funding. She noted this program would appeal to the most troubled of the troubled, that do not have significant rates to cover costs or those with excessive line loss, which significantly affects their revenue. She feels a more appropriate way to assist these utilities is to scrutinize their financials and give them a grant to assist short-term and do whatever can be done to help make them whole. Director Williams suggested that everyone take the time to read the 14-page bill. It is on the floor today and has not been sent to the Senate.

Mr. Rose asked Director Williams if she had any thoughts on how much more staffing would need to be brought in to administer these programs. She noted staff had been working on fiscal calculations, but it would greatly depend on the financing that would be provided. There would most likely be a need for a minimum six new staff members, two staff each for each loan program, dealing with troubled systems that would require significant monitoring, another attorney to craft individual assistance agreement with their specific loan requirements, and a collections person. KIA is a bank and has never had a loan default. If these new loans are to be offered to troubled systems, there would need to be a collections department. Ms. Grigsby asked about the Emergency Clause and Ms. Williams said that was an addition to the title, which would go into effect immediately upon passage. It would be very challenging and has been addressed with the Bill sponsors. Mr. Bob Amato asked if these loans would include the administrative fee, as with the current KIA loan programs. Ms. Williams said, as it is written, it was not included, but she did address that with the sponsors of the Bill. Mr. Amato asked if that the way it's written, KIA's other loans would be paying for the administration of these two new loan programs. Ms. Williams noted that the current KIA loans cannot pay for these loan programs. KIA's administrative fees are attached to a specific loan program or the Cleaner Water Grant funding and must be used for specifically identified purposes. Currently, KIA has no way to pay for any additional loan programs.

Ms. Williams mentioned that several KIA staff members will be traveling to the Council for Infrastructure Financing Authorities, (CIFA), conference the first week of April for training.

And on a lighter note, she also reminded everyone of the start of daylight-saving time on Sunday, March 8th, and the solar eclipse on April 8th in Paducah around 2 p.m.

III. ANNOUNCEMENTS/NOTIFICATIONS

Next regularly scheduled KIA board meeting:

Thursday, April 11, 2024, at 1:00 p.m.

There being no further business, Mr. Bob Amato moved to adjourn the March 7, 2024, meeting. Mr. Shaun Youravich seconded, and the motion carried unanimously. The March 7, 2024, meeting of the Board of the Kentucky Infrastructure Authority was adjourned.

Submitted by:

Margaret F. Link _____
Kentucky Infrastructure Authority Secretary

March 15, 2024
Date

CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

Minutes

July 21, 2022

Call to Order and Roll Call

The July Capital Projects and Bond Oversight Committee meeting was held on Thursday, July 21, 2022, at 2:00 PM, in Room 169 of the Capitol Annex. Representative Chris Freeland, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Chris Freeland, Co-Chair; Senators Rick Girdler, Christian McDaniel, and Robin L. Webb; Representatives Jason Petrie and Walker Thomas.

Guests: Elizabeth Baker, Senior Director, Strategic Capital Planning and Legislative Analysis, University Budget Office, University of Kentucky; Janice Tomes, Deputy State Budget Director, Office of State Budget Director; Sandy Williams, Executive Director, Kentucky Infrastructure Authority; Katie Smith, Deputy Secretary and Commissioner, Department for Financial Services, Cabinet for Economic Development; and Ryan Barrow, Executive Director, Office of Financial Management.

LRC Staff: Katherine Halloran, Committee Staff Administrator; Korey Sallee, Committee Analyst; and Maurya Allen, Committee Assistant.

Election of Senate Co-Chair

Senator McDaniel nominated Senator Howell for Senate co-chair and Senator Girdler seconded the motion. Senator McDaniel moved that nominations cease and that Senator Howell be elected Senate co-chair by acclamation. Senator Girdler seconded the motion and Senator Howell was elected Senate co-chair by acclamation.

Approval of Minutes (June 23, 2022)

Representative Petrie moved to approve the June 23, 2022, meeting minutes. Representative Thomas seconded the motion and the committee approved without objection.

Correspondence and Information Items

Ms. Halloran referenced seven correspondence and information items. Pursuant to KRS 26A.168(1), KRS 45.793, and KRS 45.818; the Administrative Office of the Courts, the Finance 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 a \$266,200 privately funded replacement neonate transport Type III ambulance, located at Chandler Medical Center, to transport children receiving care at Kentucky Children's Hospital. Pursuant to KRS 45.800(2), the committee notified the Finance Administration Cabinet that it did not approve the \$971,800 Capital Construction and Equipment Purchase Contingency Account transfer last month and asked that the cabinet resubmit the transfer with an itemized expenditure list for its July meeting. Pursuant to KRS 45.812(1), the Casey County and Eminence Independent (Henry County) school districts, which did not need additional tax levies to pay debt service, reported upcoming debt issues for new projects through their fiscal agents; \$1.8 million for high school track and tennis improvements and \$700,000 for district-wide improvements. Pursuant to KRS 45A.180(2), UK reported its intent to use the construction management-at-risk project delivery method for its Construct Health Education Building project and selected Turner Construction. The University of Louisville reported its intent to use the design-build project delivery method for its Kueber Center Renovation project. Pursuant to KRS 164A.600(2), UK reported the \$38 million construction phase, funded with insurance reimbursements, of the newly constructed Grain and Forage Center of Excellence's emergency replacement in Princeton. The facility was destroyed by the December 10, 2021, tornado. Pursuant to HB 1, UK transmitted its planned Postsecondary Education Asset Preservation Pool projects. Its agency debt issue to match the state appropriation was on the July meeting agenda.

**Lease Report from Postsecondary Institutions
University of Kentucky**

Ms. Baker submitted a new lease for UK's Team Blue Primary Care Clinic; 3,979 square feet for an \$118,574.20 annual cost, including utilities.

Co-chair Freeland moved to approve the new lease, Representative Thomas seconded the motion, and the committee approved by unanimous roll call vote.

Project Report from the Finance and Administration Cabinet

Ms. Tomes submitted a new Department of Military Affairs project and reported Department of Education, Operations and Support Services, State Schools Roof Repair and Replacement Pools - 2022-2024 and 2020-2022 allocations as well as the \$971,800 Capital Construction and Equipment Purchase Contingency Account transfer submitted last month. The \$2.5 million DMA Danville Readiness Center Interior Restoration project, \$1.25 million in National Guard Bureau Minor Construction federal funds and the other half from the general funded portion of the Modernization Pool - National Guard, was a complete interior renovation of the facility including upgrades to the electrical and HVAC systems, flooring, latrines, lighting, and walls as well as installation of anti-terrorism force protection windows and lactation room. The Kentucky National Guard plans to station the 223rd Military Police Company in the facility, constructed in 1954, after the renovation.

Representative Petrie moved to approve the new project, Representative Thomas seconded the motion, and the committee approved by unanimous roll call vote.

The bond-funded \$1.76 million State Schools Roof Repair and Replacement Pool - 2020-2022 allocation financed roof repairs to Kentucky School for the Blind campus buildings in Louisville; including Evans Hall (dormitory); Gregory-Reis Student Center; and Langan Gymnasium. The general-funded \$1,979,220 State Schools Roof Repair and Replacement Pool - 2022-2024 financed roof repairs to Kentucky School for the Deaf campus buildings in Danville; including Kerr Hall (middle and high school classrooms); Grow Hall (cafeteria), and Thomas Hall (gymnasium). KDE operates both schools and most of the fifty buildings are between thirty and fifty years old.

The Office of State Budget Director transmitted the \$971,800 Capital Construction and Equipment Purchase Contingency Account transfer request, for expenses associated with the move of Finance and Administration Cabinet agencies and the Office of State Budget Director from the West Wing of the Capital Annex to the fifth floor of Transportation Cabinet Office Building, last month in accordance with KRS 45.770(4). The Secretary of the Finance Administration Cabinet proceeded with the transfer to ensure that incurred contractual obligations and expenses posted in fiscal year 2022 and revised the submission to include the supporting documentation requested by the committee. Costs, both incurred and obligated, comprised reconfiguration of existing Transportation Cabinet Office Building space; Commonwealth Office of Technology disbursements, including audio/visual equipment for conference rooms; and moving services and supplies.

In response to Senator McDaniel, Ms. Tomes stated that about \$283,000 was remaining in the Capital Construction and Equipment Purchase Contingency Fund. With the \$15 million general fund fiscal year 2023 appropriation, there would be around \$15.3 million in the account. Senator McDaniel noted that the expectation was for the executive branch to pay the moving expenses with their own monies.

Kentucky Infrastructure Authority

Senator Girdler moved to roll the KIA transactions into one roll call vote, Representative Petrie seconded the motion, and the committee approved without objection.

Ms. Williams submitted two Clean Water State Revolving Fund (Fund A) Program Director Level loan increases, two Infrastructure Revolving Fund (Fund B) Program loans, a Governmental Agencies (Fund C) Program loan, a Drinking Water State Revolving Fund (Fund F) Program Director Level loan increase, two Fund F loans, and a Fund C loan increase with Fund F loan, and sixty-four Cleaner Water Grants.

Due to escalations and minor changes to the pump stations, the McCreary County Water District requested a ten percent \$324,450 director level (200 KAR 17:050 Section 7(6)) Fund A loan increase to its previously approved \$3,244,500 Fund A loan, [of which

KIA will apply \$450,000 in principal forgiveness], for its Sanitary Sewer Collection System Expansion project. The loan term for the \$3,568,950 total loan amount is thirty years at a half percent interest rate.

Due to higher than projected bids, the Farmdale Sanitation District (Franklin County) requested a ten percent \$30,000 director level (200 KAR 17:050 Section 7(6)) Fund A loan increase to its previously approved \$300,000 Fund A loan for its Farmdale Sanitation District Rehabilitation project. The loan term for the \$330,000 loan amount is twenty years at a one percent interest rate.

The Western Pulaski County Water District requested a \$4.5 million Fund B loan for its Bourbon Water Storage Tank Replacement project; replacing an existing 300,000 gallon elevated storage tank with a one million gallon elevated composite water storage tank and 600 linear feet of connecting twelve inch water main. The loan term is twenty years at a one percent interest rate.

The Bronston Water Association (Pulaski and Wayne Counties) requested a \$2.743 million Fund B loan for its 2022 Water System Improvements and Replacements project; rehabilitating a 100,000 gallon elevated water storage tank, installing 1,900 radio read meters, and replacing over 47,000 linear feet of various sized waterlines to reduce excessive water loss. The loan term is twenty years at a quarter percent interest rate.

The City of Somerset (Pulaski County) requested a \$2,500,120 Fund C loan for its Water Treatment Plant Membrane Filtration Replacement project. The filtration treatment system has a ten year estimated useful life; therefore, the loan term is ten years at a two percent interest rate.

Due to higher than projected bids, the City of Wilmore (Jessamine County) requested a one percent director level (200 KAR 17:070 Section 8(6)) \$10,250 Fund F loan increase to its previously approved \$994,648 Fund F loan for its Wilmore Elevated Storage Tank Rehabilitation project. The loan term for the \$1,004,898 total loan amount is twenty years at a two percent interest rate.

The City of Paris (Bourbon County) requested a \$3.275 million Fund F loan for its Paris Water System Improvements project; replacing or rehabilitating aging infrastructure within its water treatment system and making various improvements at its water treatment plant. The loan term is twenty years at a one percent interest rate.

The Cannonsburg Water District (Boyd County) requested a \$1,685,083 Fund F loan for its \$2,809,600 Phase II - Shoppes Road Waterline Replacement project; replacing asbestos cement waterlines and installing sub-zone meters to reduce excessive water loss and improve water service for at least one hundred fifty customers. [\$500,000 from the

District and a \$540,517 CWP grant will finance the remaining project costs]. The loan term is twenty years loan at a two percent interest rate.

The City of Nicholasville requested a \$990,912 Fund C loan increase to its \$4,582,030 Fund F loan request for its \$5,572,942 Nicholasville 24-inch Parallel Transmission Main project; construction of about twenty-two linear feet of ductile iron transmission line from its water treatment plant to the city to increase pumping capacity from seven million gallons per day to fifteen MGD. The loan term is twenty years at two and a half percent (Fund C) and two percent (Fund F) interest rates. The estimated project costs exceeded available Fund F monies; therefore, the city requested Fund C loan proceeds for the remaining project costs.

Of the sixty-four CWP grants; nineteen were for sewer projects and forty-five were for water projects. Five of the water CWP grants were reallocations from previously approved projects.

In response to Senator Girdler, Ms. Williams stated that the number of projects KIA's board approved at its July meeting was independent of the new fiscal year.

Senator Girdler moved to approve KIA's submittal, Senator Webb seconded the motion, and the committee approved by unanimous voice vote.

Cabinet for Economic Development

Senator McDaniel moved to roll the two EDF grants into one roll call vote, Senator Webb seconded the motion, and the committee approved without objection.

Ms. Smith submitted two EDF grants. The first [from the Kentucky Product Development Initiative (PDI) program which, administered in conjunction with the Kentucky Association for Economic Development and codified in House Bill 745, uses EDF monies for industrial site upgrades] was \$500,000 to the City of Berea on behalf of the Berea Industrial Development Authority. The two organizations are planning the construction of a 150,000 square foot pre-engineered pad, tree clearing, and installation of a gravel road from the main road to the proposed Lot 7 pad. An independent site selection consultant identified the project as having potential for future economic development opportunities. CED will disburse funds on a reimbursement basis upon review and approval of supporting documentation including invoices, proof of payment, matching funds, and progress report. The second EDF grant, \$1 million to the Todd County Fiscal Court on behalf of Novelis, will be applied towards the \$365 million large sheet, ingot casting, shredding, and recycling center serving the automotive market. The grant agreement included job and wage requirements; 138 new full-time jobs for employees subject to Kentucky individual income taxes at a \$38 average hourly wage including benefits, measured annually from December 31, 2025, through December 31, 2028.

Representative Petrie moved to approve the two EDF grants, Representative Thomas seconded the motion, and the committee approved by unanimous roll call vote.

Office of Financial Management

Representative Petrie moved to roll the nine new debt issues into one roll call vote, Senator Girdler seconded the motion, and the committee approved without objection.

Mr. Barrow submitted nine new debt issues. The first was the University of Kentucky General Receipts Bonds, 2022 Series B and Taxable Series C. The estimated \$98.16 million competitively sold debt issue will finance the Asset Preservation Pool – 2022-2024 fiscal year 2023 match as well as a portion of the Facilities Renewal and Modernization authorization. The second transaction was the Kentucky Higher Education Student Loan Corporation Student Loan Backed Notes; reapproval of the \$370 million approved by the committee last year to finance or refinance federally guaranteed Federal Family Education Loan Program student loan acquisitions, most of which are rehabilitated loans. KHESLC estimates utilizing only \$250 million. The third was the Kentucky Economic Development Finance Authority Revenue Refunding Bonds, Series 2022 (Carmel Manor), with an estimated \$17.095 million issuance amount. This new conduit debt issue as well as the Kentucky Housing Corporation conduit debt issues referenced below affect neither the Commonwealth's nor the agencies' financials. KEDFA and KHC conduit debt issues are tax-exempt; however, KHC (including non-conduit) rather than KEDFA debt issues are applied towards the state's private activity volume cap. Some KHESLC debt (all non-conduit) is applied towards the state's private activity volume cap as well.

The first of the KHC conduit debt issues is the estimated \$22 million Kentucky Housing Corporation Multifamily Conduit Revenue Bonds (Crossings at South Park), Series 2022; about 192 units in Louisville with a \$41 million estimated project cost. The second was the estimated \$25 million Kentucky Housing Corporation Multifamily Conduit Revenue Bonds (Gateway on Broadway), Series 2022; 116 units in Louisville with an estimated \$60 million project cost. The third was the estimated \$31 million Kentucky Housing Corporation Multifamily Conduit Revenue Bonds (Churchill Park), Series 2022; 248 units in Owensboro with a \$71 million estimated project cost. The fourth was the estimated \$19.37 million Kentucky Housing Corporation Multifamily Conduit Revenue Bonds (Shawnee Apartments), Series 2022; 177 units throughout Louisville with a \$46 million estimated project cost. The fifth was the estimated \$17.5 million Kentucky Housing Corporation Multifamily Conduit Revenue Bonds (The Path off Cane Run), Series 2022; 106 units in Louisville with an estimated \$38 million project cost. The last was the estimated \$8.5 million Kentucky Housing Corporation Multifamily Conduit Revenue Bonds (Yorktown Senior Housing), Series 2022; about 100 units located in Louisville with an estimated \$21 million project cost.

In response to Representative Petrie, Mr. Barrow stated that the available bond cap allocation is \$110 per person [total KY calendar year 2022 volume cap is \$496,033,340 (July 1, 2021 KY population estimate times \$110)], which can be carried forward for up to three years. KHC and KHESLC are utilizing prior year allocations; therefore, both entities have allocations available. The Kentucky Private Activity Bond Allocation Committee used to allocate fifty percent to KHC and KHESLC; however, KHC currently has more demand and KHESLC has less demand.

Senator McDaniel moved to approve the nine new debt issues, Representative Thomas seconded the motion, and the committee approved by unanimous roll call vote.

Mr. Barrow reported two previous KHC conduit debt issues. The first was the \$15.93 million Kentucky Housing Corporation Multifamily Conduit Revenue Bonds (Oakdale Apartments), Series 2022; 144 units in Lexington. The second was the \$22.689 million Kentucky Housing Corporation Multifamily Conduit Revenue Bonds (Kearney Ridge), Series 2022; 252 units in Lexington. The respective sale dates were June 30 and January 28 of this year.

School District Debt Issues with School Facilities Construction Commission Debt Service Participation

Senator Webb moved to roll the five school district debt issues with SFCC debt service participation into one roll call vote, Senator Girdler second the motion, and the committee approved without objection.

Mr. Barrow presented five school district debt issues with SFCC debt service participation totaling \$26.4 million for new projects; nearly eight-four percent, \$22.2 million, with locally supported debt service and just over sixteen percent, \$4.2 million, with SFCC debt service participation. The school districts, none of which needed an additional tax levy to pay debt service, were Elliott County, Magoffin County, McCracken County, Trigg County, and Trimble County.

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

Next Meeting Date and Adjournment

Representative Freeland announced Wednesday, August 24 as the next meeting date. With there being no further business the meeting adjourned at 2:37 p.m.

CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

Minutes

March 26, 2024

Call to Order and Roll Call

The March meeting of the Capital Projects and Bond Oversight Committee was held on March 26, 2024, at 10:00 AM in Room 171 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; and Representative Walker Thomas.

Guests: Janice Tomes, Deputy State Budget Director, Office of State Budget Director; Natalie Brawner, Director, Division of Real Properties, Department for Facilities and Support Services; 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 Program Administration, Department for Financial Services, Cabinet for Economic Development; and, Steve Starkweather, Deputy Executive Director, Debt, Office of Financial Management.

LRC Staff: Katherine Halloran, Savannah Wiley, and Spring Emerson.

Information Items

Ma. Halloran outlined the information items as KRS 45.812(2) School District Debt Issues - New Projects; KRS 45.760(5) Postsecondary Medical Equipment Purchases - University of Kentucky; KRS 45.812(2) School District Debt Issues - New Projects for 1) Ashland Independent in Boyd County, 2) Casey County, 3) Daviess County, 4) Pineville Independent in Bell County, and 5) Scott County; KRS 45A.180(2) Postsecondary Notice of Intent to Use Alternative Construction Contracting Project Delivery Method - Northern Kentucky University - Construction Manager-General Contractor, Expand Herrmann Science Center; and, KRS 45A.860(3) Reports from the Auditor of Public Accounts. There were no questions.

Project Report from the Finance and Administration Cabinet - Pool Allocations

Ms. Tomes provided information on the Postsecondary Education, Kentucky State University (Asset Preservation Pool - 2022-2024) - Combs Hall Renovation, as well as the following items from the Tourism, Arts and Heritage Cabinet: 1) Kentucky State Fair Board (Property Improvements) - Kentucky Exposition Center Renovation Design; 2) Department of Parks (House Bill 26 Wastewater Treatment and Infrastructure Upgrades Pool) - Carter Caves State Resort Park Sewer Upgrades - Phase II; and, 3) Department of Fish and Wildlife Resources

Committee meeting materials may be accessed online at <https://apps.legislature.ky.gov/CommitteeDocuments/13>

(Fees-in-Lieu-Of Stream Mitigation Projects Pool) for Possom Hollow in Butler County, Tributary to Twelvemile Creek in Campbell County, and Slabcamp Branch in Rowen County. Those six projects required no action. There were no questions.

Action Item - Lease Report from the Finance and Administration Cabinet

Ms. Brawner provided information on a New Lease - Cabinet for Health and Family Services, Department for Community Based Services - McCreary County, PR-5769, as well as Lease Renewals (Same Terms and Conditions) for the following: 1) General Government Cabinet a. Department of Agriculture - PR-4804, Franklin County, and b. Unified Prosecutorial System - PR2591, Jefferson County; 2) Education and Labor Cabinet, Department of Workforce Development - PR-5181, Fayette County; 3) Energy and Environment Cabinet, Office of the Secretary - PR-5343, Perry County; 4) Cabinet for Health and Family Services, General Administration and Program Support - PR-4882, Franklin County; 5) Cabinet for Health and Family Services, Office for Children with Special Healthcare Needs - PR-4354, Fayette County; 6) Cabinet for Health and Family Services, Department for Income Support - PR-3590, Franklin County; 7) Cabinet for Health and Family Services, Department for Community Based Services for a. PR-2829 in Montgomery County, b. PR-3282 in Franklin County, c. PR-3665 in Barren County, d. PR-3855 in Bourbon County, e. PR-4460 in Pulaski County, f. PR-4487 in Letcher County, g. PR-5373 in Warren County, h. PR-5720 in Graves County; 8) Justice and Public Safety Cabinet, a. Department of Corrections, Division of Probation and Parole - PR-5412, Daviess County, and b. Department of Public Advocacy - PR-5095, Fayette County; and, 9) Transportation Cabinet, Department of Vehicle Regulation, Division of Driver Licensing - PR-5683, Jefferson County. Also included was a Lease Modification of At Least \$50,000 (Amortization of Improvements) - General Government Cabinet, Occupational and Professional boards and Commissions, Board of Accountancy - Jefferson County, PR-5711. There were no questions.

Report from the Office of Financial Management

Ms. Williams presented information on fifteen loans and thirteen Cleaner Water Program grants, as follows: 1) Clean Water State Revolving Fund (Fund A) Program Loans, a. City of Ashland (Boyd County), A-22-005; b. City of Providence (Webster County), A23-001S; c. Adair County Water District (Adair County), A24-007; c. City of Springfield f/b/o Springfield Water and Sewer Commission (Washington County), A24-016S. 2) Infrastructure Revolving Fund (Fund B) Program Loan - Bronston Water Association (Pulaski County), B22-005 (Increase), 3) Drinking Water State Revolving Fund (Fund F) Program Loans: a. City of Providence (Webster County), F22-021; b. City of Springfield f/b/o Springfield Water and Sewer Commission (Washington County), F24-005; c. Martin County Water District (Martin County), F24-022L; d. City of Paintsville f/b/o Paintsville Utilities Commission (Johnson County), F24-026L; e. Southern Water and Sewer District (Floyd County), F24-036L; f. City of Prestonsburg f/b/o Prestonsburg City Utilities Commission (Floyd County), F24-037L; g. City of Pikeville (Pike County), F24-048L; h. Ohio County Water District (Ohio County), F24-051L;

i. City of Ashland (Boyd County), F24-056L; and, j. Mountain Water District (Pike County), F24-063L. Cleaner Water Program Grants included: a. Round One (Senate Bill 36) - Sewer (One - County Pool Reallocation); b. Round One (Senate Bill 36) - Water (Two - Supplemental Pool/Two - County Pool Reallocations); c. Round Two (House Bill 1) - Sewer (Three - County Pool Reallocations); and, d. Round Two (House Bill 1) - Water (Five - County Pool Reallocations). There were no questions.

Ms. Smith and Ms. Palmer presented information on thirteen Economic Development Fund (EDF) Grants, as follows: 1) City of Bardstown on behalf of the Nelson County Fiscal Court; 2) City of Hodgenville on behalf of the LaRue County Fiscal Court; 3) City of Somerset on behalf of the Somerset-Pulaski Economic Development Authority; 4) City of Winchester on behalf of the Winchester-Clark County Industrial Development Authority; 5) Clinton County Fiscal Court on behalf of the Clinton County Industrial Development Authority; 6) Graves County Fiscal Court on behalf of Graves County Economic Development; 7) Green County Fiscal Court on behalf of the Green Economic Team; 8) Laurel County Fiscal Court on behalf of the London-Lauren County Economic Development Authority; 9) Logan County Fiscal Court on behalf of the Logan Industrial Development Authority; 10) Montgomery County Fiscal Court on behalf of the Mount Sterling-Montgomery County Industrial Authority; 11) Scott County Fiscal Court on behalf of the City of Georgetown; 12) Wayne County Fiscal Court on behalf of the Monticello-Wayne County Industrial Authority; and, 13) Webster County Fiscal Court on behalf of the Webster County Industrial Development Authority. There were no questions.

Mr. Starkweather presented information on four new debt issues as well as two school district debt issues with School Facilities Construction Commission (SFCC) participation. The four new debt issues included: 1) Northern Kentucky University General Receipts Refunding Bonds, 2024 Series A; 2) Kentucky Housing Corporation Multifamily Conduit Revenue Bonds (Chenoweth Wood Apartments), Series 2024; 3) State Property and Buildings Commission Revenue Bonds, Project No. 130 Series A; Revenue Refunding Bonds, Project No. 130 Series B; and Revenue Refunding Bonds, Project No. 130 Series C (Optional Tender); 4) Kentucky Asset/Liability Commission Project Notes, 2024 Federal Highway Trust Fund (GARVEEs) First Refunding Series A. The two school district issues with SFCC participation included a new project in Mercer County and refunding in Calloway County. There were no questions.

Adjournment

The next meeting is scheduled for April 23, 2024 at 3:00 PM in Room 131. There being no further business before the committee, the meeting was adjourned at 10:40 AM.

GENERAL CLOSING CERTIFICATE OF THE BORROWER

Dated October 1, 2024

Re: Assistance Agreement dated as of October 1, 2024, by and between the Kentucky Infrastructure Authority and Bronston Water Association, Incorporated

In connection with the above-identified Assistance Agreement (the “Assistance Agreement”), the Bronston Water Association, Incorporated (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 nonprofit corporation 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.

BRONSTON WATER ASSOCIATION,
INCORPORATED

By: Eric Keith
President

Attest:

By: Matthew Tucker
Treasurer/Secretary

Certificate Of Completion

Envelope Id: 52994E1985D14120A6E93140F240C2F1	Status: Completed
Subject: Complete with DocuSign: KIA B22-005 Assistance Agreement with Bronston Water Association Inc	
Source Envelope:	
Document Pages: 75	Signatures: 9
Certificate Pages: 7	Initials: 0
AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Enabled	Meghan Savercool
Time Zone: (UTC-08:00) Pacific Time (US & Canada)	255 E. Fifth Street
	Suite 1900
	Cincinnati, OH 45202
	Meghan.Savercool@Dinsmore.com
	IP Address: 66.192.64.34

Record Tracking

Status: Original	Holder: Meghan Savercool	Location: DocuSign
10/22/2024 8:07:22 AM	Meghan.Savercool@Dinsmore.com	

Signer Events

Signature	Timestamp
Eric Keith bronstonwater@gmail.com Security Level: Email, Account Authentication (None)	Sent: 10/22/2024 11:36:24 AM Viewed: 10/23/2024 8:13:37 AM Signed: 10/23/2024 8:22:32 AM
Signature Adoption: Pre-selected Style Using IP Address: 75.88.93.21	

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Matthew Tucker jen.tucker@bronston-water.com Security Level: Email, Account Authentication (None)	Matthew Tucker	Sent: 10/23/2024 8:22:36 AM Viewed: 10/23/2024 8:33:12 AM Signed: 10/23/2024 8:35:13 AM
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Electronic Record and Signature Disclosure:

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Natalie Lile natalie.lile@ky.gov Security Level: Email, Account Authentication (None)	Natalie Lile	Sent: 10/23/2024 8:35:17 AM Viewed: 10/23/2024 11:57:50 AM Signed: 10/23/2024 11:57:59 AM
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Matt Sawyers Mary.Palmer@ky.gov Security Level: Email, Account Authentication (None)	Matt Sawyers	Sent: 10/23/2024 11:58:03 AM Viewed: 10/23/2024 12:30:36 PM Signed: 10/23/2024 12:30:43 PM
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<p>Margaret F. Link meg.link@ky.gov Security Level: Email, Account Authentication (None)</p>	<p><i>Margaret F. Link</i></p> <p>Signature Adoption: Pre-selected Style Using IP Address: 205.204.186.1</p>	<p>Sent: 10/23/2024 12:30:47 PM Resent: 11/12/2024 6:16:27 AM Viewed: 11/12/2024 6:35:58 AM Signed: 11/12/2024 6:37:57 AM</p>

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Wm. Robert Long, Jr.
robert.long@ky.gov
General Counsel, Finance & Administration Cabinet
FAC Office of General Counsel
Security Level: Email, Account Authentication (None)

Wm. Robert Long, Jr.

Signature Adoption: Pre-selected Style
Using IP Address: 205.204.186.53

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Holly M. Johnson
hollymccoy.johnson@ky.gov
Secretary
Finance & Administration Cabinet
Security Level: Email, Account Authentication (None)

Holly M. Johnson

Signature Adoption: Pre-selected Style
Using IP Address: 205.204.186.53

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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

Carol Webb
carol.webb@dinsmore.com
Security Level: Email, Account Authentication (None)

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Electronic Record and Signature Disclosure:
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Deron Byrne
dbyrne@monarchengineering.net
Security Level: Email, Account Authentication (None)

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<p>Julie Bickers Julie.Bickers@ky.gov Security Level: Email, Account Authentication (None)</p> <p>Electronic Record and Signature Disclosure: Not Offered via DocuSign</p>	<div style="border: 2px solid blue; padding: 5px; display: inline-block; font-weight: bold; color: blue; font-size: 1.2em;">COPIED</div>	<p>Sent: 10/22/2024 11:36:21 AM Viewed: 10/23/2024 7:07:51 AM</p>
<p>Mark Franklin mark.franklin@dinsmore.com Partner Security Level: Email, Account Authentication (None)</p> <p>Electronic Record and Signature Disclosure: Not Offered via DocuSign</p>	<div style="border: 2px solid blue; padding: 5px; display: inline-block; font-weight: bold; color: blue; font-size: 1.2em;">COPIED</div>	<p>Sent: 10/22/2024 11:36:22 AM</p>
<p>Meghan Savercool meghan.savercool@dinsmore.com Security Level: Email, Account Authentication (None)</p> <p>Electronic Record and Signature Disclosure: Not Offered via DocuSign</p>	<div style="border: 2px solid blue; padding: 5px; display: inline-block; font-weight: bold; color: blue; font-size: 1.2em;">COPIED</div>	<p>Sent: 10/22/2024 11:36:22 AM Resent: 11/12/2024 9:54:01 AM</p>
<p>Shawna J. Herman shawna.herman@dinsmore.com Security Level: Email, Account Authentication (None)</p> <p>Electronic Record and Signature Disclosure: Not Offered via DocuSign</p>	<div style="border: 2px solid blue; padding: 5px; display: inline-block; font-weight: bold; color: blue; font-size: 1.2em;">COPIED</div>	<p>Sent: 10/22/2024 11:36:23 AM</p>
<p>Laura Gillis laura.gillis@ky.gov Executive Secretary Finance & Administration Cabinet Security Level: Email, Account Authentication (None)</p> <p>Electronic Record and Signature Disclosure: Not Offered via DocuSign</p>	<div style="border: 2px solid blue; padding: 5px; display: inline-block; font-weight: bold; color: blue; font-size: 1.2em;">COPIED</div>	<p>Sent: 11/12/2024 7:11:39 AM Viewed: 11/12/2024 8:14:53 AM</p>
<p>Traci Walker traci.walker@ky.gov Security Level: Email, Account Authentication (None)</p> <p>Electronic Record and Signature Disclosure: Not Offered via DocuSign</p>	<div style="border: 2px solid blue; padding: 5px; display: inline-block; font-weight: bold; color: blue; font-size: 1.2em;">COPIED</div>	<p>Sent: 11/12/2024 7:11:39 AM</p>

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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Completed	Security Checked	11/12/2024 9:53:54 AM

Payment Events

Status

Timestamps

Electronic Record and Signature Disclosure

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