

**KENTUCKY INFRASTRUCTURE AUTHORITY  
ASSISTANCE AGREEMENT**

**FUND B**

PROJECT NUMBER:	B22-004
BORROWER:	Western Pulaski County Water District
BORROWER'S ADDRESS:	2128 West Highway 80 Somerset, Kentucky 42503
DATE OF ASSISTANCE AGREEMENT:	May 1, 2025

# ASSISTANCE AGREEMENT

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## ASSISTANCE AGREEMENT

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

### WITNESSETH

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

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

WHEREAS, the 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 or ordinance of the Borrower substantially in the form attached hereto as Exhibit D authorizing the execution of this Assistance Agreement.

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

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

“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 subsidies of the System, as distinguished from any capital grants, to the extent such income is not otherwise required to be treated and applied.

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

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

“SEC Rule” has the meaning provided in Section 6.11 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 political subdivisions similarly situated, against loss or damage of the kinds usually insured against by political subdivisions similarly situated, by means of policies issued by reputable insurance companies duly qualified to do such business in the Commonwealth.

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

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

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

Section 7.9 Application of Casualty Insurance Proceeds. If, before the completion of the term of this Assistance Agreement, the Project shall be damaged or partially or totally

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

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

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

(B) The acquisition of additional property, if necessary, and the acquisition of additional facilities by Construction or otherwise, equivalent to the Project facilities, which property and facilities shall be deemed to be a part of the Project sites and a part of the Project facilities and to be substituted for Project facilities taken by eminent domain, without the payment of any amount other than herein provided, to the same extent as if such property and facilities were specifically described herein.

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

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

## ARTICLE VIII EVENTS OF DEFAULT AND REMEDIES

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

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

Section 8.2 Remedies on Default. Whenever any Event of Default referred to in Section 8.1 hereof has occurred and is continuing (other than an event of default arising under Section 6.12 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:  
Western Pulaski County Water District

By: Joel Wilson  
Chair

ATTEST:

By: Amy Polston  
Secretary of  
Borrower

APPROVED:

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

EXAMINED:

By: Natalie Lile  
Legal Counsel to the  
Kentucky Infrastructure Authority

APPROVED AS TO FORM AND  
LEGALITY

By: Barbara Dickens  
Approved, Finance and  
Administration Cabinet

EXHIBIT A  
TO  
ASSISTANCE AGREEMENT

PROJECT SPECIFICS

\* \* \* \* \*

(See attachment)

**EXHIBIT A**  
**WESTERN PULASKI COUNTY WATER DISTRICT**  
**PROJECT SPECIFICS**  
**B22-004**

**GOVERNMENTAL AGENCY:**

Name: Western Pulaski County Water District  
 2128 W Hwy 80  
 Somerset, KY 42503

Contact: Joel Wilson  
 Person: Chairman

**SYSTEM:** Water**PROJECT:**

The Western Pulaski County Water District is requesting a Fund B loan increase in the amount of \$555,000 for the Bourbon Water Storage Tank Replacement 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 \$5,055,000. No additional work is being funded with the increased funding request. Three competitive bids were received with the base bid reflecting a marked increase in material costs. The overall project will replace an existing 300,000 gallon elevated water storage tank with a new 1,000,000 gallon elevated composite water storage tank. Additionally, 600 LF of 12 inch water main will be installed to connect the new tank to the KY Hwy 914 Bypass water main.

**PROJECT BUDGET:**

	<u>Total</u>
Administrative Expenses	\$ 7,500
Legal Expenses	7,500
Engineering Fees - Design	307,132
Engineering Fees - Inspection	162,122
Engineering Fees - Other	15,888
Construction	4,094,000
Contingency	409,858
Other	51,000
<b>Total</b>	<b>\$ 5,055,000</b>

**FUNDING SOURCES:**

	<u>Amount</u>	<u>%</u>
Fund B Loan	\$ 4,500,000	89%
Fund B Loan Increase	555,000	11%
<b>Total</b>	<b>\$ 5,055,000</b>	<b>100%</b>

**KIA DEBT SERVICE:**

Construction Loan	\$ 5,055,000
Less: Principal Forgiveness	<u>0</u>
Amortized Loan Amount	\$ 5,055,000
Interest Rate	1.00%
Loan Term (Years)	<u>20</u>
Estimated Annual Debt Service	\$ 279,496
Administrative Fee (0.20%)	<u>10,110</u>
<b>Total Estimated Annual Debt Service</b>	<b>\$ 289,606</b>

**AMORTIZATION SCHEDULE OF PAYMENTS:** June 1 and December 1

Interest payments will commence within six months from first draw of funds (estimated 06/01/25).

Full principal and interest payments will commence on June 1 or December 1 immediately succeeding the date of last draw of funds (estimated 12/01/26). All interest and principal repayments shall be made by Automated Clearing House "ACH" transfers.

<b>REPLACEMENT AND MAINTENANCE RESERVE ACCOUNT:</b>	\$	12,600	ANNUAL AMOUNT
	\$	252,000	TOTAL AMOUNT

The annual maintenance replacement cost is 5% (\$252,000) of the final amount borrowed (prior to principal forgiveness, if any) to be funded annually (\$12,600) each December 1 over 20 years and maintained for the life of the loan.

**ADMINISTRATIVE FEE:** 0.20%

**DEFAULT RATE:** 8.00%

**DEBT OBLIGATIONS CURRENTLY OUTSTANDING:**

	Outstanding	Maturity
Series 2002A RD USDA	\$ 628,000	2042
Series 2002B RD USDA	381,000	2042
Series 2010 RD USDA	715,000	2049
Series 2012E Ky RWFC	760,000	2035
Series 2013 RD USDA	1,195,000	2053
Series 2018 RD USDA	2,076,500	2057
KIA B20-004	1,033,760	2041
KIA F16-003	3,032,427	2042
Citizens National Bank	3,873,876	NA
<b>Total</b>	<b>\$ 13,695,563</b>	

**LIABILITY INSURANCE COVERAGE:**

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

EXHIBIT B  
TO  
ASSISTANCE AGREEMENT  
  
RESERVED

EXHIBIT C  
TO  
ASSISTANCE AGREEMENT  
SCHEDULE OF SERVICE CHARGES

\* \* \* \* \*

(See attachment)

FOR Pulaski, Wayne, & Russell Cos., Kentucky  
Community, Town or City

P.S.C. KY. NO. 1

1<sup>st</sup> Revised SHEET NO. 4.1

Western Pulaski County Water District  
(Name of Utility)

CANCELLING P.S.C. KY. NO. 1

Original SHEET NO. 4.1

Original SHEET NO. 4.2

RATES AND CHARGES

MONTHLY WATER RATES

Phase 3 – Effective On and After September 27, 2024

5/8 x 3/4 Inch Meter

First 2,000 gallons  
Over 2,000 gallons

\$22.43 Minimum Bill  
0.00817 Per Gallon

1 Inch Meter

First 10,000 gallons  
Over 10,000 gallons

\$87.59 Minimum Bill  
0.00817 Per Gallon

1 1/2 Inch Meter

First 15,000 gallons  
Over 15,000 gallons

\$128.30 Minimum Bill  
0.00817 Per Gallon

2 Inch Meter

First 20,000 gallons  
Over 20,000 gallons

\$169.02 Minimum Bill  
0.00817 Per Gallon

3 Inch Meter

First 30,000 gallons  
Over 30,000 gallons

\$250.46 Minimum Bill  
0.00817 Per Gallon

Leak Adjustment

\$0.00537 Per Gallon

Water Loss Reduction Surcharge

\$1.70 Per Customer

(I)

DATE OF ISSUE January 25, 2024  
Month / Date / Year

DATE EFFECTIVE January 25, 2024  
Month / Date / Year

ISSUED BY /s/ Joel L. Wilson  
(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2024-00021 DATED February 22, 2024

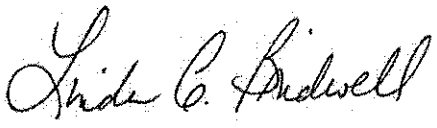
<b>KENTUCKY</b> <b>PUBLIC SERVICE COMMISSION</b>
<b>Linda C. Bridwell</b> Executive Director 
EFFECTIVE <b>1/25/2024</b> PURSUANT TO 807 KAR 5:011 SECTION 9 (1)



EXHIBIT D  
TO  
ASSISTANCE AGREEMENT  
FORM OF AUTHORIZING ACTION

\* \* \* \* \*

(See attachment)

RESOLUTION

A RESOLUTION APPROVING AND AUTHORIZING AN ASSISTANCE AGREEMENT BETWEEN THE WESTERN PULASKI COUNTY WATER DISTRICT AND THE KENTUCKY INFRASTRUCTURE AUTHORITY TO PROVIDE UP TO \$5,055,000 OF LOAN FUNDS FOR PROJECT NUMBER B22-004.

WHEREAS, the Board of Commissioners (the “Governing Authority”) of the Western Pulaski County Water District (the “Borrower”) has previously determined that it is in the public interest to acquire and construct certain facilities and improvements (the “Project”) to the Borrower’s wastewater 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 Western Pulaski County Water District, as follows:

SECTION 1. That the Governing Authority hereby approves and authorizes the Assistance Agreement between the Borrower and the Authority regarding Project Number B22-004 substantially in the form on file with the Borrower for the purpose of providing the necessary financing to the Borrower for the Project.

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

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

ADOPTED on \_\_\_\_\_.

\_\_\_\_\_  
Chair

Attest:

\_\_\_\_\_  
Secretary

## CERTIFICATE

I, the undersigned, hereby certify that I am the duly qualified and acting Secretary of the Western Pulaski County Water District (the “Borrower”); that the foregoing is a full, true and correct copy of a Resolution adopted by the governing authority of the Borrower at a meeting duly held on \_\_\_\_\_, 2025; 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 \_\_\_\_\_, 2025.

---

Secretary

EXHIBIT E  
TO  
ASSISTANCE AGREEMENT  
FORM OF LEGAL OPINION

\* \* \* \* \*

(See attachment)

[LETTERHEAD OF COUNSEL TO BORROWER]

May 1, 2025

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

Re: Assistance Agreement by and between Kentucky Infrastructure Authority and  
Western Pulaski County Water District, regarding Project Number B22-004

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 Western Pulaski County Water District (the “Borrower”). I am familiar with the organization and existence of the Borrower and the laws of the Commonwealth applicable thereto. Additionally I am familiar with the wastewater treatment 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 and existing municipal corporation and political subdivision of the Commonwealth of Kentucky validly existing under the Constitution and statutes of the Commonwealth of Kentucky.
2. The Assistance Agreement, once executed and delivered by the Borrower, 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 \$5,055,000
Loan Interest Rate	1.0%
Default Interest Rate:	8.0%
Authority’s Administrative Fee:	0.2%
Loan Payment Dates:	June 1 and December 1
Estimated Amortization Commencement Date:	December 1, 2026
Repayment Term:	20 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 #B22-004  
WESTERN PULASKI COUNTY WATER DISTRICT

1.00% Interest  
\$139,748.10 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
12/01/26	\$114,473.10	\$25,275.00	1.00%	\$139,748.10	\$5,055.00	\$0.00	\$144,803.10	\$5,055,000.00	\$12,600.00	\$12,600.00
06/01/27	\$115,045.47	\$24,702.63	1.00%	\$139,748.10	\$4,940.53	\$0.00	\$144,688.63	\$4,940,526.90	\$0.00	\$12,600.00
12/01/27	\$115,620.69	\$24,127.41	1.00%	\$139,748.10	\$4,825.48	\$0.00	\$144,573.58	\$4,825,481.43	\$12,600.00	\$25,200.00
06/01/28	\$116,198.80	\$23,549.30	1.00%	\$139,748.10	\$4,709.86	\$0.00	\$144,457.96	\$4,709,860.74	\$0.00	\$25,200.00
12/01/28	\$116,779.79	\$22,968.31	1.00%	\$139,748.10	\$4,593.66	\$0.00	\$144,341.76	\$4,593,661.94	\$12,600.00	\$37,800.00
06/01/29	\$117,363.69	\$22,384.41	1.00%	\$139,748.10	\$4,476.88	\$0.00	\$144,224.98	\$4,476,882.15	\$0.00	\$37,800.00
12/01/29	\$117,950.51	\$21,797.59	1.00%	\$139,748.10	\$4,359.52	\$0.00	\$144,107.62	\$4,359,518.46	\$12,600.00	\$50,400.00
06/01/30	\$118,540.26	\$21,207.84	1.00%	\$139,748.10	\$4,241.57	\$0.00	\$143,989.67	\$4,241,567.95	\$0.00	\$50,400.00
12/01/30	\$119,132.96	\$20,615.14	1.00%	\$139,748.10	\$4,123.03	\$0.00	\$143,871.13	\$4,123,027.69	\$12,600.00	\$63,000.00
06/01/31	\$119,728.63	\$20,019.47	1.00%	\$139,748.10	\$4,003.89	\$0.00	\$143,751.99	\$4,003,894.73	\$0.00	\$63,000.00
12/01/31	\$120,327.27	\$19,420.83	1.00%	\$139,748.10	\$3,884.17	\$0.00	\$143,632.27	\$3,884,166.10	\$12,600.00	\$75,600.00
06/01/32	\$120,928.91	\$18,819.19	1.00%	\$139,748.10	\$3,763.84	\$0.00	\$143,511.94	\$3,763,838.83	\$0.00	\$75,600.00
12/01/32	\$121,533.55	\$18,214.55	1.00%	\$139,748.10	\$3,642.91	\$0.00	\$143,391.01	\$3,642,909.92	\$12,600.00	\$88,200.00
06/01/33	\$122,141.22	\$17,606.88	1.00%	\$139,748.10	\$3,521.38	\$0.00	\$143,269.48	\$3,521,376.37	\$0.00	\$88,200.00
12/01/33	\$122,751.92	\$16,996.18	1.00%	\$139,748.10	\$3,399.24	\$0.00	\$143,147.34	\$3,399,235.15	\$12,600.00	\$100,800.00
06/01/34	\$123,365.68	\$16,382.42	1.00%	\$139,748.10	\$3,276.48	\$0.00	\$143,024.58	\$3,276,483.23	\$0.00	\$100,800.00
12/01/34	\$123,982.51	\$15,765.59	1.00%	\$139,748.10	\$3,153.12	\$0.00	\$142,901.22	\$3,153,117.55	\$12,600.00	\$113,400.00
06/01/35	\$124,602.44	\$15,145.68	1.00%	\$139,748.10	\$3,029.14	\$0.00	\$142,777.24	\$3,029,135.04	\$0.00	\$113,400.00
12/01/35	\$125,225.44	\$14,522.66	1.00%	\$139,748.10	\$2,904.53	\$0.00	\$142,652.63	\$2,904,532.62	\$12,600.00	\$126,000.00
06/01/36	\$125,851.56	\$13,896.54	1.00%	\$139,748.10	\$2,779.31	\$0.00	\$142,527.41	\$2,779,307.18	\$0.00	\$126,000.00
12/01/36	\$126,480.82	\$13,267.28	1.00%	\$139,748.10	\$2,653.46	\$0.00	\$142,401.56	\$2,653,455.62	\$12,600.00	\$138,600.00
06/01/37	\$127,113.23	\$12,634.87	1.00%	\$139,748.10	\$2,526.97	\$0.00	\$142,275.07	\$2,526,974.80	\$0.00	\$138,600.00
12/01/37	\$127,748.79	\$11,999.31	1.00%	\$139,748.10	\$2,399.86	\$0.00	\$142,147.96	\$2,399,861.57	\$12,600.00	\$151,200.00
06/01/38	\$128,387.54	\$11,360.56	1.00%	\$139,748.10	\$2,272.11	\$0.00	\$142,020.21	\$2,272,112.78	\$0.00	\$151,200.00
12/01/38	\$129,029.47	\$10,718.63	1.00%	\$139,748.10	\$2,143.73	\$0.00	\$141,891.83	\$2,143,725.24	\$12,600.00	\$163,800.00
06/01/39	\$129,674.62	\$10,073.48	1.00%	\$139,748.10	\$2,014.70	\$0.00	\$141,762.80	\$2,014,695.77	\$0.00	\$163,800.00
12/01/39	\$130,322.99	\$9,425.11	1.00%	\$139,748.10	\$1,885.02	\$0.00	\$141,633.12	\$1,885,021.15	\$12,600.00	\$176,400.00
06/01/40	\$130,974.61	\$8,773.49	1.00%	\$139,748.10	\$1,754.70	\$0.00	\$141,502.80	\$1,754,698.16	\$0.00	\$176,400.00
12/01/40	\$131,629.48	\$8,118.62	1.00%	\$139,748.10	\$1,623.72	\$0.00	\$141,371.82	\$1,623,723.55	\$12,600.00	\$189,000.00
06/01/41	\$132,287.63	\$7,460.47	1.00%	\$139,748.10	\$1,492.09	\$0.00	\$141,240.19	\$1,492,094.07	\$0.00	\$189,000.00
12/01/41	\$132,949.07	\$6,799.03	1.00%	\$139,748.10	\$1,359.81	\$0.00	\$141,107.91	\$1,359,806.44	\$12,600.00	\$201,600.00
06/01/42	\$133,613.81	\$6,134.29	1.00%	\$139,748.10	\$1,226.86	\$0.00	\$140,974.96	\$1,226,857.37	\$0.00	\$201,600.00
12/01/42	\$134,281.88	\$5,466.22	1.00%	\$139,748.10	\$1,093.24	\$0.00	\$140,841.34	\$1,093,243.56	\$12,600.00	\$214,200.00
06/01/43	\$134,953.29	\$4,794.81	1.00%	\$139,748.10	\$958.96	\$0.00	\$140,707.06	\$958,961.68	\$0.00	\$214,200.00
12/01/43	\$135,628.06	\$4,120.04	1.00%	\$139,748.10	\$824.01	\$0.00	\$140,572.11	\$824,008.39	\$12,600.00	\$226,800.00
06/01/44	\$136,306.20	\$3,441.90	1.00%	\$139,748.10	\$688.38	\$0.00	\$140,436.48	\$688,380.33	\$0.00	\$226,800.00
12/01/44	\$136,987.73	\$2,760.37	1.00%	\$139,748.10	\$552.07	\$0.00	\$140,300.17	\$552,074.13	\$12,600.00	\$239,400.00
06/01/45	\$137,672.67	\$2,075.43	1.00%	\$139,748.10	\$415.09	\$0.00	\$140,163.19	\$415,086.40	\$0.00	\$239,400.00
12/01/45	\$138,361.03	\$1,387.07	1.00%	\$139,748.10	\$277.41	\$0.00	\$140,025.51	\$277,413.73	\$12,600.00	\$252,000.00
06/01/46	\$139,052.70	\$695.40	1.00%	\$139,748.10	\$139.05	\$0.00	\$139,887.15	\$139,052.70	\$0.00	\$252,000.00
Totals	\$5,055,000.00	\$534,924.00		\$5,589,924.00	\$106,984.78	\$0.00	\$5,696,908.78		\$252,000.00	



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 # B22-004 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 \$12,600 in the Maintenance Fund on each December 1<sup>st</sup> occurring during the term of the Loan, up to a maximum total balance of \$252,000, for so long as the Loan is owed and outstanding hereunder.

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

Kentucky Infrastructure Authority  
Minutes of the Full Board – Regular Meeting – July 7, 2022

**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

Kentucky Infrastructure Authority  
Minutes of the Full Board – Regular Meeting – July 7, 2022

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 ADMINSTRATIVE 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 450ft<sup>2</sup> 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.

<b>BORROWER</b>	<b>FUND</b>	<b>AMOUNT UP TO</b>
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](http://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.

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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 – Regularly Called Meeting – September 5, 2024

**KENTUCKY INFRASTRUCTURE AUTHORITY**  
**Minutes of the Full Board – Regularly Called Meeting**

**Meeting Date/Location: September 5, 2024 – 1:00 p.m.**  
**Kentucky Infrastructure Authority**  
**Via ZOOM Teleconference**

**Members Present:**

Chairman Matt Sawyers, Commissioner Department for Local Government  
Mr. Bob Amato  
Ms. Linda Bridwell, Executive Director, Public Service Commission  
Mayor Bruce Fraley, representing the Kentucky League of Cities  
Ms. Geri Grigsby, proxy for Secretary Holly Johnson, Finance and Administration Cabinet  
Mr. Andy Luttner, proxy for Secretary Jeff Noel, Cabinet for Economic Development  
Judge Mark McKenzie, representing Kentucky Association of Counties  
Mr. Russell Rose, representing Kentucky Rural Water Association  
Mr. Shaun Youravich, representing Kentucky Section of the American Water Works Association

**Members Absent:**

Secretary Rebecca Goodman, Energy and Environment Cabinet  
Ms. Shelley Porter, representing For Profit Water Companies

**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. Rick Harris, Federal Program Specialist  
Ms. Carmen Ignat, Financial Analyst  
Ms. Debbie Landrum, Regional Compliance Coordinator  
Ms. Meg Link, Administrative Specialist III, and KIA Secretary  
Ms. Natalie Lile, Assistant General Counsel  
Mr. Russell Neal, Staff Assistant  
Ms. Sandy Sanders, Federal Program Specialist  
Mr. Don Schierer, WRIS Resource Management Analyst  
Mr. Thomas Schubert, GIS Specialist

**Guests:**

Mr. Jory Becker, Division of Water  
Mr. Deron Byrne, Monarch Engineering, Inc.  
Ms. Angela Billings, Division of Water  
Ms. Hollie Delaney, Division of Water  
Ms. Lyndsi Hersch, Division of Water  
Ms. Katherine Halloran, Legislative Research Commission  
Mr. John Hodges, Paducah McCracken Joint Sewer Agency  
Ms. Regina McClure, Johnson County Community Development  
Ms. Holly Nicholas, Kentucky Engineering Group, PLLC  
Ms. Bethany Padgett, Office of Financial Management  
Ms. Melissa Perry, Office of Financial Management  
Ms. Jenny Schenkenfelder, Cabinet for Economic Development  
Mr. John Thomas, City of Lebanon  
Mr. Jim Thompson, City of Lebanon  
Ms. Savannah Wiley, Legislative Research Commission

Kentucky Infrastructure Authority

Minutes of the Full Board – Regularly Called Meeting – September 5, 2024

**I. PROCEEDINGS**

Chairman Matt Sawyers called the meeting of the Kentucky Infrastructure Authority (KIA) Board to order. He noted that the media advisory had been distributed. He confirmed a quorum was present.

**A. BUSINESS (Board Action Required)**

**1. APPROVAL OF MINUTES**

***For: KIA Regular Board Meeting of July 11, 2024***

***Ms. Linda Bridwell moved to approve the minutes of the July 11, 2024, regularly scheduled meeting. 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 (A24-001) FOR AN AMOUNT UP TO \$6,372,500 TO THE CITY OF LEBANON, MARION COUNTY, KENTUCKY**

Mr. Jory Becker, DOW, and Mr. John Brady, KIA, discussed the City of Lebanon's request for a Fund A loan in the amount of \$6,372,500 for the 2022 Wastewater System Improvements project. The project includes upgrades and equipment replacement at the Wastewater Treatment Plant (WWTP) that will increase capacity from 3.75 million gallons per day (mgd) to 4.5 mgd.

Improvements at the WWTP include a grit removal system, two new and two refurbished energy efficient influent pumps, repairs to the existing oxidation ditch, and associated electrical components. The project also consists of extending the gravity main in the Rosewood subdivision, rehabilitation of a pump station, replacing gravity sewer and manholes identified in an ongoing study by the City, and increasing the force main near Walmart from 6" to 8". The overall project will provide the necessary capacity for the system and reduce storm sewer overflows.

The City currently serves 1,944 residential customers and 542 commercial and industrial customers.

Ms. Linda Bridwell asked if the City had provided growth projects to the Division of Water. She noted that years ago, utilities were coming in requesting funding to expand their treatment plants and many of those projects that anticipated growth, did not see that come to fruition. City officials noted that there had been significant growth in their industrial customers the last few years, including two distilleries that have connected to the system, which would require the additional capacity. Most of the project is for renovation, a third is for the expansion.

**Mayor Bruce Fraley made the motion to approve Fund A loan, A24-001, to the City of Lebanon for an amount up to \$6,372,500 with the standard conditions and the following special condition: The City will pass a resolution demonstrating their intention to increase revenues as necessary to maintain KIA's required 1.1 debt coverage ratio. KIA staff review indicates that service revenues will need to increase approximately \$230,000, or 12%, by FY2027 to meet the loan requirement. Mr. Shaun Youravich seconded, and the motion passed unanimously.**

**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 (A24-023) FOR AN AMOUNT UP TO \$15,366,000 TO THE PADUCAH MCCRACKEN COUNTY JOINT SEWER AGENCY, MCCRACKEN COUNTY, KENTUCKY**

Mr. Jory Becker, DOW, and Mr. John Brady, KIA, discussed the Paducah McCracken County Joint Sewer Agency's (Paducah JSA) request for a Fund A loan in the amount of \$15,366,000 for the

Long-Term Control Plan (LTCP) Project 3 Phase 2 project. The project is associated with the Outfall 003 located adjacent to the Paducah Wastewater Treatment Plant and will be constructed next to the recently completed 15 MG combined sewer wet weather tank and diversion structure and pump station. This portion of the project will complete installation of the remaining pumps not installed in phase 1 and construct the 56-inch force main to a fine screening facility with two 45 MGD fine screens and related appurtenances. In addition, this phase will also construct a 72-inch gravity line, with capability to serve a future disinfection facility (Project #5 of the LTCP) that will extend through the City of Paducah floodwall and join with the existing Outfall 003 discharge location outside of the floodwall. The construction of this discharge line will also augment the existing floodwall pumping capacity for this area of the City by approximately 20%, as well as reducing contamination going into the river. All new pumps are energy efficient and ran by VFDs. Combined with Project #5 (disinfection), Outfall 003 will have the capacity to screen and disinfect over 77 MGD of combined sewer overflow. This project is required by the approved LTCP for the Paducah JSA and is necessary to achieve compliance with the Consent Decree 07-CI-1252 related to combined sewers.

The Paducah JSA currently serves 19,417 customers.

***Ms. Linda Bridwell made the motion to approve the Fund A Loan, A24-023, for an amount up to \$15,366,000 to the Paducah McCracken County Joint Sewer Agency with the standard conditions. Mr. Russ Rose seconded, and the motion carried unanimously.***

**3. A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING AN AMENDMENT TO THE CONDITIONAL COMMITMENT FOR AN INFRASTRUCTURE REVOLVING FUND LOAN (B22-004) INCREASE FOR AN ADDITIONAL \$555,000 FOR A TOTAL LOAN AMOUNT OF UP TO \$5,055,000 TO THE WESTERN PULASKI COUNTY WATER DISTRICT, PULASKI COUNTY, KENTUCKY**

Ms. Sandy Sanders, KIA, discussed the Western Pulaski County Water District's request for a Fund B loan increase in the amount of \$555,000 for the Bourbon Water Storage Tank Replacement 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 \$5,055,000. No additional work is being funded with the increased funding request. Three competitive bids were received with the base bid reflecting a marked increase in material costs. The overall project will replace an existing 300,000-gallon elevated water storage tank with a new 1,000,000-gallon elevated composite water storage tank. Additionally, 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. Mayor Bruce Fraley made the motion to approve the B loan increase of \$555,000 for a total loan amount up to \$5055,000 the Western Pulaski County Water District with the standard conditions. Mr. Shaun Youravich seconded, and the motion was passed.***

**4. 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.

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<b>BORROWER</b>	<b>FUND</b>	<b>AMOUNT</b>	<b>LOAN TOTAL</b>
City of Lebanon	A24-001	\$6,372,600	\$6,372,500
Paducah McCracken JSA	A24-023	\$15,366,000	\$15,366,000
Western Pulaski County WD (Increase)	B22-004	\$555,000	\$5,055,000
City of Paris (Director Level Increase)	F22-019	\$310,545	\$4,085,545

***Ms. Linda Bridwell made the motion to approve the Capital Reimbursement Resolution. Mr. Russ Rose seconded, and the motion carried unanimously.***

**5. A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY RELATING TO SCORING OF AND FUNDING PROPOSALS RELATING TO KYWWATERS APPLICATIONS**

Director Williams discussed the scoring of the new KYWWATERS Program that was established in the 2024 General Assembly through House Bill 563. This funding will be called the Fund W. Applications were accepted through August 30<sup>th</sup>. Staff anticipates presenting the projects to the board for Scoring and Funding Recommendations in November. All information is due to the General Assembly no later than December 1<sup>st</sup>. The General Assembly will select the projects to receive funding during the Session, January 2025 through March 2025. KIA will contact the applicants with approved terms in April 2025.

Ms. Williams introduced Mr. Rick Harris, KIA's newest employee and Ms. Carmen Ignat. They will be working on this new program. Director Williams noted that staff had received approximately 260 emails, and they are continuing to go through them. The estimate is between 175 and 200 applications have been submitted and need to be processed and submitted to the General Assembly by the December 1<sup>st</sup> deadline.

The KIA Board requirements set forth by KRS224A.320, require KIA to:

- hold at least monthly meetings, which may be in conjunction with regularly scheduled Board meetings.
- discharge its duties under this section; determine whether a funding applicant is an eligible funding recipient and is seeking funding for an eligible project.
- develop an objective score card or rubric, which may be amended from time-to-time, to aid in the analysis and scoring of funding applications.
- evaluate and score each funding applicant's project according to the extent to which it meets the 12 scoring criteria.
- within sixty (60) days of a funding application being deemed complete make determinations on the eligibility of the proposed project and the applicant and issue a project score for the application.
- provide detailed feedback to all funding applicants within fourteen (14) of the project score being completed.

No later than December 1, 2024, and each December 1<sup>st</sup> thereafter, submit to the Legislative research Commission for referral to the Interim Joint Committee on Appropriations and Revenue an annual report containing:

1. The evaluations and scores of the proposed funding recipients for the year to allow for the General Assembly to make the determinations for funding the proposed funding recipients. For each proposed funding recipient that meets the eligibility requirements for funding, the board shall provide a proposal for the structure and the terms of the funding, including but not limited whether the funding should be awarded in whole or in part as a grant, loan, no-interest loan, or forgivable loan, the repayment terms and interest rates for loans or portions of loans, and any other conditions that the board proposes to be placed on the funding.

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2. A list of all program applicants.
3. The identity of applicants who did not meet the eligibility requirements for participation in the program.
4. Trends found in feedback given to applicants who did not meet the eligibility requirements for participation in the program; and
5. Eligible uses of funding cited in the funding applications.

The Board established the 2025 KYWATERS interest rates at the July 11<sup>th</sup> meeting as: Standard rate: 1.75%; Non-standard (a) rate: .075%, and Non-standard (B) rate: .0.00%.

Eligible Funding Recipients are Public Water or Wastewater Systems.

1. A water district, water association or joint water commission formed under KRS Chapter 74.
2. A sewer district or sanitation district formed under KRS Chapter 67, 76, or 220.
3. A municipal water utility and water works, sewer utility, sewage system or works or combined electric and water plant formed under KRS Chapter 96; and
4. Any combination of two (2) or more of the entities listed in subparagraphs 1. to 3. Of this paragraph.

Funding recipients must meet one or more of the following criteria:

1. The median household income within the service area of the funding applicant is less than the Commonwealth's median household income.
2. User rates for the public drinking water or wastewater services provided by the funding applicant are at or above one percent (1%) of annual household income for its service area.
3. The funding applicant has negative income in any two (2) of the previous five (5) years.
4. The funding applicant has failed to produce a financial statement audit in at least one (1) of the prior three (3) years.
5. The funding applicant's debt service coverage ratio, calculated by dividing its annual net operating income by its annual debt payments, was less than one and one-tenth (1.1) in any three (3) of the previous five (5) years.
6. The funding applicant's current accounts payable turnover ratio, calculated by dividing its monthly net credit purchases from suppliers by its average accounts payable balance for the month, is less than one (1).
7. The funding applicant's current days' sales in accounts receivable ratio, calculated by dividing its monthly accounts receivable by its monthly credit sales value and multiplying the resulting quotient by the number of days in that month, is greater than forty-five (45) days.
8. The funding applicant has received a notice of violation or has entered an agreed order because of a violation of the requirements of the Safe Drinking Water Act, 42 U.S.C. sec. 300f et seq., or the Clean Water Act, 33 U.S.C. sec. 1251 et seq., in the past year.
9. The percentage of water loss of the funding applicant's system is greater than thirty percent (30%).

Other factors that will be taken into consideration:

1. The funding applicant, after receiving the funding, will be able to fully resolve the pending issues that are the subject of its application using the funding and other funding sources, if available.
2. The funding applicant's proposed project demonstrates a high level of community or regional impact potential if funding is awarded.

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3. The funding applicant is willing to use the funding for regionalization, consolidation, or partnerships, consistent with the policy stated in KRS 224A.300 (1).

Eligible Project Types are Capital and Non-Capital Projects relating to:

1. Developing technical, operational and maintenance resources and expertise.
2. Improving utility infrastructure planning, repair, maintenance renovation and management of plants and assets.
3. Obtaining technical expertise in areas of rate-setting, cost-of-service, and proper utility accounting standards for the utility type.
4. Performing and correcting deficiencies from drinking water, wastewater, and financial audits.
5. Financial inadequacies, including debt service coverage through relief or refinancing of debt.
6. Payment assistance for excessive maintenance costs, fines and penalties from past violations, or consultants; and
7. Inadequately maintained distribution, collection, or treatment works, including service extension to unserved or underserved areas and the renovation of treatment works to conserve resources

There are two suggested Scoring Criteria up for discussion:

**Weighted Score**

	Base				Weighted Score	Maximum Score
1 - MHI	10	80% >< 100%, 10 points	50%><80%, 15 points	>50%, 20 points	10 – 20	20
2 - MHI	10			>1%, 10 points	0 – 10	10
3 - Revenue	8		2 Years, 8 points	3 Years +, 12 points	8 – 12	12
4 - Revenue	8		1 Year, 8 points	2 Years +, 12 points	8 – 12	12
5 - Revenue	8		3 Years, 8 points	3 Years +, 12 points	8 – 12	12
6 - Revenue	8			<1%, 8 points	0 – 8	8
7 - Ratios	6			>45 days, 6 points	0 – 6	6
8 - Ratios	6			if yes, 6 points	0 – 6	6
9 - Ratios	6		30%, 6 points	50%+, 9 points	6 – 9	9
10 - Impact	10			if yes, 10 points	0 – 10	10
11 - Impact	10			if yes, 10 points	0 – 10	10
12 - Impact	10			if yes, 10 points	0 – 10	10
						125



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**Single Score**

	<b>Base</b>		<b>Score</b>
1 - MHI	1		1
2 - MHI	1		1
3 - Revenue	1		1
4 - Revenue	1		1
5 - Revenue	1		1
6 - Revenue	1		1
7 - Ratios	1		1
8 - Ratios	1		1
9 - Ratios	1		1
10 - Impact	1		1
11 - Impact	1		1
12 - Impact	1		1
			12

Director Williams noted that the Board's task is to determine eligibility and to develop a score card/rubric, which may be amended from time-to-time and evaluating each applicants' project according to the 12 criteria previously noted. The other scoring system is a straight one-to-one score.

Staff recommends using the weighted score, which more closely meets the objectives of economically restrained and supports regionalization and community impact.

Mr. Andy Luttner asked if there was a cut-off point for the funding. Director Williams noted that KIA is only ranking and scoring the projects and will send the scores that are established by the Board to the General Assembly for their consideration and approval. Commissioner Sawyers noted that he believes the cut-off-point is if the projects meet the eligibility criteria.

Below are examples of funding recommendations:

Applicant Name	Project Name	WRIS Number	Debt Service Ratio				Requested Amount	Single Score	Ranking Score
			Scenario One	Scenario Two	Scenario Three	Scenario Four			
Water District AB	Project Replace WWD	WS-002	0.7	0.9	1.0	1.1	3,153,693	7	106
Water District 4	Project Replace WWD	WS-004	1.1	1.3	1.8	2.1	5,452,647	6	103
Water District DF	Project Expanse District	WS-005	1.2	1.3	1.5	1.9	9,074,640	7	96
Water District 6	Project Replace WWD	WS-006	1.5	1.7	1.8	2.1	5,607,629	5	85
Water District RC	Project Replace WWD	WS-008	1.5	1.7	1.8	2.1	8,814,071	5	81
Water District 1	Project Expanse District	WS-001	0.1	0.2	0.3	2.4	29,020,300	5	76
Water District 7	Project Expanse District	WS-007	1.0	1.2	1.4	1.8	5,228,313	5	64
Water District 3	Project Expanse District	WS-003	0.5	0.7	1.1	1.3	7,078,494	4	57

Ms. Geri Grigsby asked if the applicants have been asking for a certain scenario. Director Williams noted that Mr. Harris and Ms. Ignat have talked to several of the applicants and there was also discussion at the Governor's Local Issues Conference in August, and she feels most people believe this is a grant program. She believes the Bill sponsors believe this is a loan program. KIA will provide to the General Assembly the four funding scenarios allowed through the legislation. She mentioned that if a very robust applicant, that may qualify for funding that is under a Consent Decree or an Agreed Order can pay back a loan, KIA would recommend the applicant pay it back. These funds would revolve for other future applicants. If the recipients truly could not pay back the funding, we could offer reduced terms moving forward.

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Commissioner Sawyers noted that it is ultimately the General Assembly's decision. He recommends the more information that KIA can provide the legislators the better and then there is documentation as to why the selected projects were chosen. Assistant General Counsel Natalie Lile noted the statute requires KIA to make recommendations, but the General Assembly is not required to accept the recommendations.

Ms. Grigsby asked how this information would be presented to the Board for consideration. Director Williams noted that she hopes to present all the information at one Board meeting, the regularly scheduled or a special called meeting in November. KIA would provide a summary of each submission with the debt coverage ratio under each funding scenario, along with the score. Those are the items that are required by the legislation. KIA staff would make a funding recommendation based on a target debt coverage service ratio. Commissioner Sawyers noted that if the Board sets everything up properly on the front-end it would give all objective data for final board review. Ms. Grigsby asked if the applicants would receive notification as to the recommendations. Director Williams noted they would receive the information.

Commissioner Sawyers said that KIA staff has made two recommendations for consideration, but if anyone else has other suggestions, please bring them forward. Judge Mark McKenzie noted that the weighted system would accomplish the intent of the legislation in identifying the more truly distressed systems, versus the single scoring system. Mr. Russ Rose asked Director Williams how difficult it would be to vet applications, not in the scoring criteria necessarily, but do they meet the criteria. Director Williams noted that KIA is requiring audited financial information. One issue with that requirement is that an eligibility requirement is not having current financial statements. KIA staff will have to base financing decisions on the most recent years' financial information. Some of the ratios that are calculated based off the financial statements and the coverage ratio, which will be noted in the summary report to the Board. She believes eligibility will be the easy part of the process. If the applicants provide all the required information, eligibility can be determined by what they submit. If all the required information is not submitted, KIA staff will contact applicants and ask for the additional information. If that information is not submitted for staff to make a fair determination on their eligibility of one of the 12 criteria, even if the box is checked, they will not be considered eligible.

Ms. Linda Bridwell noted that KIA staff has done a tremendous job in setting up this information and taking in all different perspectives and gives equal weight across some of the concerns.

***Ms. Linda Bridwell made the motion to approve the weighted scoring criteria as presented. Judge Mark McKenzie seconded, There was no further discussion, and the motion was unanimously approved.***

Director Williams noted that KIA is requesting Board approval of the following:

1. Standard Principal Forgiveness Amount – Recommended 50%
2. Standard Repayment Term – Recommended 30 years
3. Target Debt Service Coverage Ratio – Recommended 1.1
4. Target Funding Recommendation – Scenario that first meeting the target Debt Service Coverage

***Mr. Russ Rose made the motion to accept the KIA's staff recommendations as noted. Judge Mark McKenzie seconded, and the motion was unanimously approved.***

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**II. EXECUTIVE DIRECTOR’S REPORT**

Director Williams noted that she had introduced Mr. Rick Harris as the newest KIA staff member. Another new hire will join the staff on October 1<sup>st</sup>. There are four other job postings that would complete our staff vacancies.

She noted today is Jory Becker’s last KIA Board meeting. He has been promoted to another position and will no longer be participating in our meetings. She introduced Mr. Becker’s replacement, Ms. Hollie Delaney.

She noted that the Grants team worked diligently to meet the September 1<sup>st</sup> deadline to have all assistance agreements or documentation submitted and completed.

**III. ANNOUNCEMENTS/NOTIFICATIONS**

Next regularly scheduled KIA board meeting:

**Thursday, October 3, 2024, at 1:00 p.m.**

***There being no further business, Ms. Geri Grigsby made the motion to adjourn. Judge Mark McKenzie seconded, and the motion carried. The September 5, 2024, the meeting of the Board of the Kentucky Infrastructure Authority was adjourned.***

Submitted by:

*Margaret F. Link*

Kentucky Infrastructure Authority Secretary

*September 12, 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**

**September 26, 2024**

### **Call to Order and Roll Call**

The September meeting of the Capital Projects and Bond Oversight Committee was held on September 26, 2024, at 3:00 PM in Room 131 of the Capitol Annex. Senator Rick Girdler, Chair, called the meeting to order, and the secretary called the roll.

### **Present were:**

Members: Senator Rick Girdler Co-Chair; Representative Deanna Frazier Gordon Co-Chair; Senators Shelley Funke Frommeyer and Jason Howell; Representatives Jason Petrie and Walker Thomas.

Guests: Kevin Cardwell, 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; Kylee Palmer, Director of Program Administration, Department for Financial Services, Cabinet for Economic Development; and, Chelsey Couch, Executive Director, Office of Financial Management.

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

### **Approval of Minutes**

Co-Chair Frazier Gordon moved to approve the August 29, 2024 meeting minutes. The motion was seconded by Senator Howell, and the minutes were approved without objection.

### **Information Items**

Ms. Halloran presented the information items as KRS 45.760(5) Postsecondary Medical and Research Equipment Purchases - University of Kentucky; School District Debt Issues - General Obligation Bonds - New Projects for Madison, Marshall, and Mason Counties; KRS 45A.180(2) Postsecondary Notice of Intent to Use Alternative Construction Contracting Project Delivery Method - Western Kentucky University - Construction Management-At-Risk - Replace Academic Complex; and, House Bills 1 and 6 Postsecondary Education Asset Preservation Pool Projects and Project Revisions - Western Kentucky University.

### **Project Report from the Finance and Administration Cabinet**

Mr. Cardwell presented information on five action items. Co-Chair Frazier Gordon moved to

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

roll the five votes into one roll call vote. The motion was seconded by Senator Howell, and the five votes were rolled into one without objection. The action items included: 1. New Projects - General Government Cabinet, Department of Military Affairs, a. Army Aviation Support Facility Upgrade, b. United States Property and Fiscal Office Interior Repairs, c. Wendall H. Ford Regional Training Center Cypress Creek Restoration Phase III; 2. New Project (Amendment) - General Government Cabinet, Department of Military Affairs, Wendall H. Ford Regional Training Center Cypress Creek Restoration; and, Appropriation Increase - Tourism, Arts, and Heritage Cabinet, Department of Fish and Wildlife Resources, Veterans Memorial Shooting Range. There being no questions, Senator Howell moved to approve the five action items. The motion was seconded by Representative Thomas, and the items were approved without objection by roll call vote.

Mr. Cardwell also provided information on the following Pool Allocations items for which no action was required: 1. Finance and Administration Cabinet, Facilities and Support Services, a. HVAC Replacement/Rebuild-Variou, Bush Building HVAC System Replacement, and b. Maintenance Pool - 2022-2024, Bush Building Renovations; 2. Finance and Administration Cabinet, Commonwealth Office of Technology (Replace and Modernize Legacy Systems and Legacy System Requirement), Department for Local Government - The City Project; 3. Tourism, Arts, and Heritage Cabinet, Kentucky Department of Parks (Wastewater Treatment Upgrades Pool - 2020-2022), a. Carter Caves - Sewer Upgrades Phase III, and b. Kentucky Dam Water and Infrastructure Upgrades Phase II; 4. Cabinet for Health and Family Services, Behavioral Health, Developmental and Intellectual Disabilities (General Administration and Program Support Maintenance Pool - 2024-2026), a. Oakwood Cottage Transformer Removal, and b. Western State Hospital Campus-Wide Roof Replacement; and, 5. Justice and Public Safety Cabinet, Department of Corrections, Adult Correctional Institutions (Maintenance Pools - 2022-2024 and 2024-2026), Roederer Correctional Complex Kitchen Rooftop HVAC and Boiler.

### **Report from the Office of Financial Management**

Kentucky Infrastructure Authority (KIA) - Ms. Williams presented information on four loans and eighty-one Cleaner Water Program grants requiring action and a line-item grant requiring no action. Co-Chair Frazier Gordon moved to roll the eighty-five items into one roll call vote. The motion was seconded by Senator Funke Frommeyer and the items were rolled into one vote without objection.

The action items included 1. Clean Water State Revolving Fund (Fund A) Program Loans for a. City of Lebanon (Marion County), A24-001, and b. Paducah McCracken County Joint Sewer Agency (McCracken County), A24-023; 2. Infrastructure Revolving Fund (Fund B) Program Loan - Western Pulaski County Water District (Pulaski County), B22-004 (Increase); 3. Drinking Water State Revolving Fund (Fund F) Program Loan - City of Paris (Bourbon County), F22-019 (Director Level Increase). Also included in the action items were Cleaner

Water Program Grants for a. Round One (Senate Bill 36) - Sewer (Five - County Pool Reallocations/Three - Supplemental Pool), b. Round One (Senate Bill 36) - Water (Ten - Supplemental Pool/Seven - County Pool Reallocations/Four - Unserved Rural Pool Reallocations), c. Round Two (House Bill 1) - Sewer (Twelve - County Pool Reallocations/Eleven - Supplemental Pool, and d. Round Two (House Bill 1) - Water (Sixteen - County Pool Reallocations/Twelve - Supplemental Pool/One - Supplemental Pool Reallocation). There being no questions, Senator Funke Frommeyer moved to approve the eighty-five KIA transactions. The motion was seconded by Co-Chair Frazier Gordon, and the transactions were approved without objection by roll call vote.

Ms. Williams also gave a brief update on the Kentucky Water and Wastewater Assistance for Troubled or Economically Restrained Systems and Cleaner Water Program, as well as information on the House Bill 1 Line-Item Grant Reallocation - Water (Regional Water Supply Improvements, Ford Blue Oval SK Battery Park), for which no action was required.

Cabinet for Economic Development - Ms. Palmer provided information on the Action Item - Economic Development Fund Grant - Ohio County Fiscal Court on behalf of the Green River Regional Industrial Development Authority. There being no questions, Senator Howell moved to approve the Economic Development Fund (EDF) grant. The motion was seconded by Representative Thomas, and the EDF grant was approved without objection by roll call vote.

Office of Financial Management - KY Housing Corp - Ms. Couch presented information on the Action Item - New Debt Issue - Kentucky Housing Corporation Single Family Mortgage Revenue Bonds, 2024 Series E; as well as the Action Item - School District Debt Issue with School Facilities Construction Commission Debt Service Participation - Lease Revenue Bonds - New Project - Walton-Verona Independent (Boone County). There being no questions, Senator Howell moved to approve the two debt issues. The motion was seconded by Co-Chair Frazier Gordon, and the two debt issues were approved without objection by roll call vote.

### **Next Meeting Date**

The next meeting is scheduled for Tuesday, October 15, 2024 at 3:00 PM in Room 131 of the Capitol Annex.

### **Adjournment**

There being no further business before the committee, the meeting was adjourned at 3:35 PM.

## GENERAL CLOSING CERTIFICATE OF THE BORROWER

Dated May 1, 2025

Re: Assistance Agreement dated as of May 1, 2025, by and between the  
Kentucky Infrastructure Authority and Western Pulaski County Water  
District

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

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

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

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

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

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

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

or security provided therefor, or in any way questioning the due existence or powers of the Borrower, or otherwise wherein an unfavorable decision would have an adverse impact on the transactions authorized in connection with the Assistance Agreement.

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

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

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

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

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

WESTERN PULASKI COUNTY WATER  
DISTRICT

By: Joel Wilson  
Chair

Attest:

By: Amy Polston  
Secretary

## Certificate Of Completion

Envelope Id: E66EA0A0-0B40-41C3-8AC3-B986C5102315

Status: Completed

Subject: Complete with DocuSign: KIA B22-004 Assistance Agreement with Western Pulaski County Water District

Source Envelope:

Document Pages: 71

Signatures: 9

Envelope Originator:

Certificate Pages: 7

Initials: 0

Meghan Savercool

AutoNav: Enabled

255 E. Fifth Street

Envelopeld Stamping: Enabled

Suite 1900

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

Cincinnati, OH 45202

Meghan.Savercool@Dinsmore.com

IP Address: 66.192.64.34

## Record Tracking

Status: Original

Holder: Meghan Savercool

Location: DocuSign

4/17/2025 7:44:14 AM

Meghan.Savercool@Dinsmore.com

## Signer Events

### Signature

### Timestamp

Joel Wilson

cedarpointfarm@aol.com

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(None)

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Viewed: 4/18/2025 4:31:41 AM

Signed: 4/18/2025 4:33:53 AM

Signature Adoption: Pre-selected Style

Using IP Address: 98.17.33.35

Signed using mobile

### Electronic Record and Signature Disclosure:

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ID: 79d17adf-a78c-4b84-a350-f833ba911984

Amy Polston

Amy.Polston@pulaski.kyschools.us

Elementary Supervisor

Pulaski County Schools

Security Level: Email, Account Authentication  
(None)

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Signature Adoption: Pre-selected Style

Using IP Address: 170.185.191.219

### Electronic Record and Signature Disclosure:

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ID: 7e46d865-b434-4e19-adfc-8feab82887bf

Natalie Lile

natalie.lile@ky.gov

Security Level: Email, Account Authentication  
(None)

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Viewed: 5/6/2025 11:03:27 AM

Signed: 5/6/2025 11:03:38 AM

Signature Adoption: Pre-selected Style

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### Electronic Record and Signature Disclosure:

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Matt Sawyers

Mary.Palmer@ky.gov

Security Level: Email, Account Authentication  
(None)

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Signed: 5/6/2025 12:34:27 PM

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Signed using mobile

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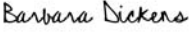
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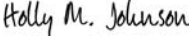


Signer Events	Signature	Timestamp
Margaret F. Link meg.link@ky.gov Security Level: Email, Account Authentication (None)	  Signature Adoption: Pre-selected Style Using IP Address: 205.204.186.1	Sent: 5/6/2025 12:34:30 PM Resent: 5/13/2025 8:18:26 AM Viewed: 5/13/2025 8:23:19 AM Signed: 5/13/2025 8:50:24 AM

**Electronic Record and Signature Disclosure:**  
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ID: 8ce52fe1-8903-4d9c-a729-77420075db7c

Barbara Dickens Barbara.Dickens@ky.gov General Counsel Finance & Administration Cabinet Security Level: Email, Account Authentication (None)	  Signature Adoption: Pre-selected Style Using IP Address: 205.204.186.53	Sent: 5/13/2025 8:50:28 AM Viewed: 5/13/2025 9:41:08 AM Signed: 5/13/2025 9:41:17 AM
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ID: 6d00d6ca-9b2e-434f-a96c-c837d306dce9

Holly M. Johnson hollymccoy.johnson@ky.gov Secretary Finance & Administration Cabinet Security Level: Email, Account Authentication (None)	  Signature Adoption: Pre-selected Style Using IP Address: 166.194.154.121 Signed using mobile	Sent: 5/13/2025 9:41:21 AM Viewed: 5/13/2025 10:32:15 AM Signed: 5/13/2025 10:32:27 AM
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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)		Sent: 4/17/2025 9:12:07 AM
<b>Electronic Record and Signature Disclosure:</b> Not Offered via Docusign		
Deron Byrne dbyrne@monarchengineering.net Security Level: Email, Account Authentication (None)		Sent: 4/17/2025 9:12:07 AM Viewed: 5/14/2025 5:33:39 AM
<b>Electronic Record and Signature Disclosure:</b> Not Offered via Docusign		

Carbon Copy Events	Status	Timestamp
James Nelson James.Nelson@ky.gov Security Level: Email, Account Authentication (None) <b>Electronic Record and Signature Disclosure:</b> Not Offered via DocuSign	COPIED	Sent: 4/17/2025 9:12:07 AM Viewed: 4/17/2025 9:12:36 AM
Joe McClendon joe-mcclendon@hotmail.com General Manager Security Level: Email, Account Authentication (None) <b>Electronic Record and Signature Disclosure:</b> Not Offered via DocuSign	COPIED	Sent: 4/17/2025 9:12:07 AM
Julie Bickers Julie.Bickers@ky.gov Security Level: Email, Account Authentication (None) <b>Electronic Record and Signature Disclosure:</b> Not Offered via DocuSign	COPIED	Sent: 4/17/2025 9:12:07 AM
Mark Franklin mark.franklin@dinsmore.com Partner Security Level: Email, Account Authentication (None) <b>Electronic Record and Signature Disclosure:</b> Not Offered via DocuSign	COPIED	Sent: 4/17/2025 9:12:08 AM
Meghan Savercool meghan.savercool@dinsmore.com Security Level: Email, Account Authentication (None) <b>Electronic Record and Signature Disclosure:</b> Not Offered via DocuSign	COPIED	Sent: 4/17/2025 9:12:08 AM Resent: 5/13/2025 10:32:37 AM Viewed: 4/17/2025 9:17:22 AM
Shawna J. Herman shawna.herman@dinsmore.com Security Level: Email, Account Authentication (None) <b>Electronic Record and Signature Disclosure:</b> Not Offered via DocuSign	COPIED	Sent: 4/17/2025 9:12:08 AM
Tammy Vaught tamora.vaught@gmail.com Security Level: Email, Account Authentication (None) <b>Electronic Record and Signature Disclosure:</b> Not Offered via DocuSign	COPIED	Sent: 4/17/2025 9:12:08 AM Viewed: 5/13/2025 10:40:52 AM
Laura Gillis laura.gillis@ky.gov Executive Secretary Finance & Administration Cabinet Security Level: Email, Account Authentication (None) <b>Electronic Record and Signature Disclosure:</b> Not Offered via DocuSign	COPIED	Sent: 5/13/2025 9:41:21 AM

Carbon Copy Events	Status	Timestamp
Traci Walker traci.walker@ky.gov Security Level: Email, Account Authentication (None) <b>Electronic Record and Signature Disclosure:</b> Not Offered via DocuSign	<div>COPIED</div>	Sent: 5/13/2025 9:41:21 AM

Witness Events	Signature	Timestamp
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Notary Events	Signature	Timestamp
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Envelope Summary Events	Status	Timestamps
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Completed	Security Checked	5/13/2025 10:32:27 AM

Payment Events	Status	Timestamps
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