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March 5, 2026

Ms. Linda C. Bridwell, P.E.
Executive Director
Kentucky Public Service Commission
P.O. Box 615
Frankfort, Kentucky 40602-0615

Re: **Cannonsburg Water District**
Case No. 2025-00020

Dear Ms. Bridwell:

Pursuant to ordering paragraph 11 of the Commission's final Order in the above-referenced proceeding, Cannonsburg Water District is filing the attached Assistance Agreement between Cannonsburg Water District and the Kentucky Infrastructure Authority ("KIA") for KIA Loan F22-030 into the post-case record of this proceeding.

Please feel free to contact me if you have any questions.

Respectfully,

/s/Tina C. Frederick
Tina Frederick

TCF

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KENTUCKY INFRASTRUCTURE AUTHORITY
ASSISTANCE AGREEMENT

FEDERALLY ASSISTED DRINKING WATER REVOLVING LOAN FUND PROGRAM

FUND F

PROJECT NUMBER:	F22-030
BORROWER:	Cannonsburg Water District
BORROWER'S ADDRESS:	1606 Cannonsburg Road Ashland, Kentucky 41102
DATE OF ASSISTANCE AGREEMENT:	February 1, 2026
CFDA NO.:	66.468

Docusign Envelope ID: 837CE60A-862D-449E-AEF2-F6B91E4E7B90

ASSISTANCE AGREEMENT

TABLE OF CONTENTS

Page

RECITALS 1
ARTICLE I DEFINITIONS 2
ARTICLE II REPRESENTATIONS AND WARRANTIES 6
Section 2.1 Representations and Warranties of Authority 6
Section 2.2 Representations and Warranties of the Borrower 6
ARTICLE III AUTHORITY'S AGREEMENT TO MAKE LOAN; TERMS 8
Section 3.1 Determination of Eligibility 8
Section 3.2 Principal Amount of Loan Established; Loan Payments; Disbursement of Funds 8
Section 3.3 Borrower's Right to Prepay Loan 9
Section 3.4 Subordination of Loan 9
ARTICLE IV CONDITIONS PRECEDENT TO DISBURSEMENT REQUISITION FOR FUNDS 10
Section 4.1 Covenants of the Borrower and the Conditions of the Loan 10
Section 4.2 Additional Conditions to Disbursement Required Under the Federal Agreement 13
Section 4.3 Disbursements of Loan Funds; Requisition for Funds 15
ARTICLE V CERTAIN COVENANTS OF THE BORROWER; PLEDGE OF REVENUES; PAYMENTS TO BE MADE BY THE BORROWER TO THE AUTHORITY 16
Section 5.1 Imposition of Service Charges; Pledge of Revenues 16
Section 5.2 Borrower's Obligation to Repay Loan 16
Section 5.3 Covenant to Adjust Service Charges 16
Section 5.4 Adequacy of Service Charges 17
Section 5.5 Covenant to Establish Maintenance and Replacement Reserve 17
Section 5.6 Reports; Inspection 17
Section 5.7 Segregation of Funds 18
ARTICLE VI OTHER COVENANTS OF THE BORROWER 18
Section 6.1 Further Assurance 18
Section 6.2 Completion of Project 18
Section 6.3 Establishment of Completion Date 18
Section 6.4 Commitment to Operate 18

Docusign Envelope ID: 837CE60A-862D-449E-AEF2-F6B91E4E7B90

Section 6.5 Continue to Operate ... 18
Section 6.6 Tax Covenant ... 18
Section 6.7 Accounts and Reports ... 19
Section 6.8 Audit Requirements ... 19
Section 6.9 General Compliance with all Duties ... 19
Section 6.10 System Not to Be Disposed of ... 19
Section 6.11 Further Covenants under the Federal Agreement ... 19
Section 6.12 Continuing Disclosure Obligations ... 21
Section 6.13 General ... 21
ARTICLE VII MAINTENANCE, OPERATION, INSURANCE, AND CONDEMNATION ... 22
Section 7.1 Maintain the System ... 22
Section 7.2 Additions and Improvements ... 22
Section 7.3 Compliance with State and Federal Standards ... 22
Section 7.4 Access to Records ... 22
Section 7.5 Covenant to Insure – Casualty ... 22
Section 7.6 Authority as Named Insured ... 22
Section 7.7 Covenant to Insure – Liability ... 22
Section 7.8 Covenant Regarding Worker's Compensation ... 23
Section 7.9 Application of Casualty Insurance Proceeds ... 23
Section 7.10 Eminent Domain ... 23
Section 7.11 Flood Insurance ... 24
ARTICLE VIII EVENTS OF DEFAULT AND REMEDIES ... 24
Section 8.1 Events of Default Defined ... 24
Section 8.2 Remedies on Default ... 24
Section 8.3 Appointment of Receiver ... 25
Section 8.4 No Remedy Exclusive ... 25
Section 8.5 Consent to Powers of the Authority under the Act ... 25
Section 8.6 Waivers ... 25
Section 8.7 Agreement to Pay Attorneys' Fees and Expenses ... 25
ARTICLE IX MISCELLANEOUS PROVISIONS ... 25
Section 9.1 Approval not to be Unreasonably Withheld ... 25
Section 9.2 Approval ... 26
Section 9.3 Effective Date ... 26
Section 9.4 Binding Effect ... 26

Docusign Envelope ID: 837CE60A-862D-449E-AEF2-F6B91E4E7B90

Section 9.5 Severability 26
Section 9.6 Assignability 26
Section 9.7 Execution in Counterparts 26
Section 9.8 Applicable Law 26
Section 9.9 Captions 26
Section 9.10 Interpretation 26
SIGNATURE PAGE S-1
EXHIBIT A – PROJECT SPECIFICS A-1
EXHIBIT B – RESERVED B-1
EXHIBIT C – SCHEDULE OF SERVICE CHARGES C-1
EXHIBIT D – FORM OF AUTHORIZING ACTION D-1
EXHIBIT E – FORM OF LEGAL OPINION E-1
EXHIBIT F – LOAN TERM SCHEDULE F-1
EXHIBIT G – ADDITIONAL COVENANTS AND AGREEMENTS G-1

Docusign Envelope ID: 837CE60A-862D-449E-AEF2-F6B91E4E7B90

ASSISTANCE AGREEMENT

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

WITNESSETH

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

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

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

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

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

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

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

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

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

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

ARTICLE I
DEFINITIONS

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

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

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

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

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

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

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

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

Docusign Envelope ID: 837CE60A-862D-449E-AEF2-F6B91E4E7B90

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

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

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

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

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

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

"Cabinet" means the Energy and Environment Cabinet of the Commonwealth.

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

"Commonwealth" means the Commonwealth of Kentucky.

"Construction" means construction as defined in the Act.

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

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

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

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considered necessary by the Cabinet to the efficient and sanitary operation of a public water system and complies with the requirements of the Federal Act. Drinking Water Supply Project shall also mean a Lead Service Line Inventory Project, if such project is indicated in Exhibit A.

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

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

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

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

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

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

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

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

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

"Lead Service Line Inventory Project" means a project in which all lead service lines in a System are located and inventoried.

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

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

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

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

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

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

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

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

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

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

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

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

"SEC Rule" has the meaning provided in Section 6.12 hereof.

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"Service Charges" means any monthly, quarterly, semi-annual, or annual charges, surcharges, or improvement benefit assessments to be imposed by a Governmental Agency, or by the Authority, with respect to the System which Service Charges arise by reason of the existence of, and requirement of, any Assistance Agreement; and for the purposes of this Assistance Agreement any such Service Charge shall be no less than those set forth in the Schedule of Service Charges. For purposes of clarity, Services Charges comprise a portion of the Revenues of the System.

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

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

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

ARTICLE II
REPRESENTATIONS AND WARRANTIES

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

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

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

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

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

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

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(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, §§ 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,

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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

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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, unless otherwise consented to in writing by an authorized representative of the Authority; and (iii) the Authority

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shall receive notice of the additional incurrence of Indebtedness by the Borrower in accordance with Section 5.6(C) hereof.

ARTICLE IV
CONDITIONS PRECEDENT TO DISBURSEMENT
REQUISITION FOR FUNDS

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

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

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

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

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

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

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

Docusign Envelope ID: 837CE60A-862D-449E-AEF2-F6B91E4E7B90

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

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

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

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

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

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

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

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

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

Docusign Envelope ID: 837CE60A-862D-449E-AEF2-F6B91E4E7B90

(P) The Borrower shall keep complete and accurate records of the costs of acquiring the Project sites, if any, and the costs of Construction. The Borrower shall permit the duly authorized representatives of the Authority, the Cabinet, and any Kentucky or federal agencies to inspect all books, documents, papers, and records relating to the Project at any and all reasonable times for the purpose of audit and examination. The Borrower shall submit to the Authority and the Cabinet such documents and information as such may reasonably require in connection with the administration of any federal or state assistance.

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

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

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

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

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

(V) The Borrower shall comply with all federal requirements applicable to the Loan, including those imposed by Pub. L. No. 113-76, Consolidated Appropriations Act, 2014 (the "2014 Appropriations Act") and the Build America, Buy America Act ("BABA") and related Program policy guidelines. The Borrower understands that, among other requirements, (i) all of the iron and steel products used in the Project are to be produced in the United States ("American Iron and Steel Requirement") unless (a) the Borrower has requested and obtained a waiver from the

Docusign Envelope ID: 837CE60A-862D-449E-AEF2-F6B91E4E7B90

Authority and the United States Environmental Protection Agency pertaining to the Project or (b) the Authority has otherwise advised the Borrower in writing that the American Iron and Steel Requirement is not applicable to the Project; or (ii)(a) all iron and steel items used in projects must be produced in the United States pursuant to BABA; (b) all manufactured products must be produced in the United States; and (c) all Construction materials must be manufactured in the United States ("BABA Requirements"), unless (1) the Governmental Agency has requested and obtained a waiver from the Authority and the United States Environmental Protection Agency pertaining to the Project; or (2) the Authority has otherwise advised the Governmental Agency in writing that the BABA Requirements are not applicable to the Project.

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

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

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

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

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

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

(D) That all real property or property rights required for the completion of the Project shall be obtained, by easement, purchase, or other means acceptable to the Authority, before commencement of Construction and that the relocation of any Person resulting therefrom be in

Docusign Envelope ID: 837CE60A-862D-449E-AEF2-F6B91E4E7B90

accordance with 49 CFR 24 for Uniform Relocation Assistance and Real Property Acquisition Act of 1970.

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

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

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

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

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

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

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

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

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

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

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

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

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

(O) That all measures required to minimize water pollution to affected waters shall be employed in the Construction of the Project including compliance with § 404 of Pub. L. No. 92-500, as amended, it being understood that approval of the Project does not constitute sanction or

Docusign Envelope ID: 837CE60A-862D-449E-AEF2-F6B91E4E7B90

approval of any changes or deviations from established water quality standards, criteria implementation dates, or dates established by enforcement proceedings.

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

(Q) That it will comply with regulations of 2 CFR 200.216 ("Prohibition on certain telecommunication and video surveillance services or equipment"), implementing § 889 of Public Law 115-232. Accordingly, the Borrower agrees that no proceeds of the Loan will be used to procure (enter into, extend, or renew contracts) or obtain equipment, systems, or services that use Covered Telecommunications Equipment or Services (as defined below) as a substantial or essential component of any system, or as critical technology as part of any system. The Borrower agrees that no proceeds of the Loan will be used to enter into a contract with an entity that uses any equipment, system, or service that uses Covered Telecommunications Equipment or Services as a substantial or essential component of any system, or as critical technology as part of any system.

Covered Telecommunications Equipment or Services means:

(1) Telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities).

(2) For the purpose of public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities).

(3) Telecommunications or video surveillance services provided by such entities or using such equipment.

(4) Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.

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

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

Docusign Envelope ID: 837CE60A-862D-449E-AEF2-F6B91E4E7B90

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

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

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

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

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

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

Section 5.1 Imposition of Service Charges; Pledge of Revenues. The Borrower hereby irrevocably covenants and agrees to comply with all of the terms, conditions, and requirements of this Assistance Agreement, in accordance with which the Loan is to be made by the Authority to the Borrower as specified herein, in the Act, and the Indenture. The Borrower hereby further irrevocably covenants and agrees that it already has, or will, to the extent necessary, immediately impose Service Charges upon all Persons to whom or which services are provided by the System; such Service Charges to be no less than as set forth on Exhibit C attached hereto.

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

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

Section 5.3 Covenant to Adjust Service Charges. If, for any reason, the Schedule of Service Charges shall be insufficient to (i) provide for the required coverage of all debt service

Docusign Envelope ID: 837CE60A-862D-449E-AEF2-F6B91E4E7B90

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.

Docusign Envelope ID: 837CE60A-862D-449E-AEF2-F6B91E4E7B90

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

ARTICLE VI
OTHER COVENANTS OF THE BORROWER

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

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

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

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

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

Section 6.6 Tax Covenant. If the Authority issues Bonds which are intended to be excludable from gross income for federal income tax purposes to provide the funds for the Loan, the Borrower shall at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure such exclusion and shall take such actions as may be directed by the Authority to accomplish the foregoing. The Borrower shall not permit (i) the proceeds of the Loan to be used directly or indirectly in any trade or business; (ii) its payments hereunder to be secured directly or indirectly by property to be used in a trade or business; (iii) any management agreement for the operation of the System; or (iv) any federal guarantee of its obligations hereunder, all

Docusign Envelope ID: 837CE60A-862D-449E-AEF2-F6B91E4E7B90

without the prior written consent of the Authority. The Borrower will not acquire or pledge any obligations that would cause the Bonds to be "arbitrage bonds" within the meaning of the Code.

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

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

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

Section 6.10 System Not to Be Disposed of. The Borrower covenants and agrees that, until satisfaction in full of its obligations hereunder, it will not, without the prior written consent of the Authority, which consent shall not be unreasonably withheld, sell, mortgage, or in any manner dispose of, or surrender control or otherwise dispose of, any of the facilities of the System or any part thereof (except that the Borrower may retire obsolete and worn out facilities, and sell same, if appropriate).

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

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

Docusign Envelope ID: 837CE60A-862D-449E-AEF2-F6B91E4E7B90

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

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

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

(1) Federal Cross-Cutters

Environmental Authorities

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

Economic and Miscellaneous Authorities

(a) Prohibitions Relating to Violators of the Clean Air Act and the Clean Water Act with Respect to Federal Contracts, Grants, or Loans, including Executive Order No. 11738, Section 306 of the Clean Air Act, 42 U.S.C. § 7606, and Section 508 of the Clean Water Act, 33 U.S.C. § 1368
(b) Debarment and Suspension, Executive Order 12549
(c) Demonstration Cities and Metropolitan Development Act, Pub. L. No. 89-754, as amended
(d) Uniform Relocation Assistance and Real Property Acquisition Policies Act Pub. L. No. 91-646 (1971), as amended

Docusign Envelope ID: 837CE60A-862D-449E-AEF2-F6B91E4E7B90

(e) Preservation of Open Competition and Government Neutrality Towards Government Contractors' Labor Relations on Federal and Federally Funded Construction Projects, Executive Order No. 13202, as amended by Executive Order No. 13208
(f) 2 CFR 200.216 and Pub. L. No. 115-232.

Social Policy Authorities

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

(2) State:

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

Section 6.12 Continuing Disclosure Obligations. The Borrower covenants and agrees that notwithstanding any other provision of this Assistance Agreement to the contrary, upon written notice from the Authority that the Schedule of Payments provides 10% or more of the debt service requirements on an issue of the Authority's Bonds and that compliance by the Borrower with the requirements of Securities and Exchange Commission Rule 15c2-12, as amended (the "SEC Rule") is required in connection with the Authority's Bonds, the Borrower shall provide to the Authority such information as may be required by the SEC Rule, within the time periods set out in such notice by the Authority, to enable the Authority to establish to the satisfaction of prospective purchasers of the Authority's Bonds that the requirements of the SEC Rule will be satisfied in connection with the issuance of the Authority's Bonds. The Borrower further understands and agrees that the Authority shall act as the Borrower's disclosure agent for purposes of compliance with the SEC Rule and that upon a failure by the Borrower to provide the information required to be provided under the SEC Rule within the time frame specified in such notice, the Authority or the beneficial owners and holders of the Authority's Bonds shall be specifically granted the right of enforcing the provisions of this Section by an action in mandamus, for specific performance, or similar remedy to compel performance.

Section 6.13 General. The Borrower shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Borrower

Docusign Envelope ID: 837CE60A-862D-449E-AEF2-F6B91E4E7B90

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

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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.

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

ARTICLE VIII
EVENTS OF DEFAULT AND REMEDIES

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

(A) Failure by the Borrower to pay any payments at the times specified herein.

(B) Failure by the Borrower to observe or perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in subsection (A) of this Section, for a period of thirty days after written notice specifying such failure and requesting that it be remedied will have been given to the Borrower by the Authority unless the Authority agrees in writing to an extension of such time before its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Authority will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the Borrower within the applicable period and diligently pursued until such failure is corrected.

(C) The dissolution or liquidation of the Borrower, or the voluntary initiation by the Borrower of any proceeding under any federal or Kentucky law relating to bankruptcy, insolvency, arrangement, reorganization, readjustment of debt, or any other form of debtor relief, or the initiation against the Borrower of any such proceeding which remain undismissed for sixty days, or the entry by the Borrower into an agreement of composition with creditors or the failure generally by the Borrower to pay its debts as they become due.

(D) A default by the Borrower under the provisions of any agreements relating to its Debt Obligations.

Section 8.2 Remedies on Default. Whenever any Event of Default referred to in Section 8.1 hereof has occurred and is continuing (other than an event of default arising under Section 6.13 hereof), the Authority may, without any further demand or notice, take one or any combination of the following remedial steps:

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

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

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

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

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

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

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

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

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

Section 8.7 Agreement to Pay Attorneys' Fees and Expenses. If either party hereto defaults under any of the provisions hereof and the non-defaulting party employs attorneys or incurs other expenses for the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it will pay on demand therefor to the non-defaulting party the fees of such attorneys and such other expenses so incurred by the non-defaulting party.

ARTICLE IX
MISCELLANEOUS PROVISIONS

Section 9.1 Approval not to be Unreasonably Withheld. Any approval of the Authority required by this Assistance Agreement shall not be unreasonably withheld. Any provision of this Assistance Agreement requiring the approval of the Authority or the satisfaction or the evidence of satisfaction of the Authority shall be interpreted as requiring action by an authorized officer of

Docusign Envelope ID: 837CE60A-862D-449E-AEF2-F6B91E4E7B90

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,

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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]

Docusign Envelope ID: 837CE60A-862D-449E-AEF2-F6B91E4E7B90

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:
CANNONSBURG WATER DISTRICT

By: Robert McGuire
Chair

ATTEST:

By: Pamela Vanhoose
Secretary of
Borrower

APPROVED:

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

EXAMINED:

By: Matt Stephens
Legal Counsel to the
Kentucky Infrastructure Authority

APPROVED AS TO FORM AND LEGALITY

By: Barbara Dickens
Approved, Finance and
Administration Cabinet

Docusign Envelope ID: 837CE60A-862D-449E-AEF2-F6B91E4E7B90

EXHIBIT A
TO
ASSISTANCE AGREEMENT

PROJECT SPECIFICS

* * * * *

(See attachment)

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EXHIBIT A
CANNONSBURG WATER DISTRICT
PROJECT SPECIFICS
F22-030

GOVERNMENTAL AGENCY:

Name: Cannonsburg Water District
1606 Cannonsburg Rd
Ashland, KY 41102

Contact Person: Robert McGuire
Chairman

SYSTEM: Water

PROJECT:

The Cannonsburg Water District is requesting a Fund F loan increase in the amount of $619,180 for the Shoppes Road Water Line Replacement Phase 2 project. The original loan was approved by the KIA Board on July 7, 2022. This will bring their total KIA loan amount up to $2,304,263. The increase request is due to bids coming in higher than the amount originally budgeted. No additional work is being funded. The project is a continuation of the Water District's water loss reduction efforts established in Phase 1. Approximately 17,000 total linear feet (LF) of problematic asbestos cement water line will be replaced. This consists of 2,000 LF of 12" line and 15,000 LF of 6" line. A 1,000 gallon per minute booster pump station (BPS) will also be replaced. Approximately 180 service line connections will be installed due to aging service line material. The project will improve water service in the area and help reduce O&M costs associated with daily operations.

PROJECT BUDGET:

	Total
Administrative Expenses	$ 40,000
Legal Expenses	50,000
Land, Easements	20,000
Engineering Fees - Design	160,000
Engineering Fees - Construction	46,000
Engineering Fees - Inspection	126,000
Engineering Fees - Other	38,000
Construction	3,182,000
Contingency	319,000
Total	**$ 3,981,000**

FUNDING SOURCES:

	Amount	%
Fund F Loan	$ 1,685,083	42%
Fund F Loan Increase	619,180	16%
CWP 1	540,517	14%
CWP 2	656,599	16%
Local	479,621	12%
Total	**$ 3,981,000**	**100%**

KIA DEBT SERVICE:

Construction Loan	$ 2,304,263
Less: Principal Forgiveness	0
Amortized Loan Amount	$ 2,304,263
Interest Rate	2.00%
Loan Term (Years)	20
Estimated Annual Debt Service	$ 140,355
Administrative Fee (0.25%)	5,761
Total Estimated Annual Debt Service	**$ 146,116**

AMORTIZATION SCHEDULE OF PAYMENTS: June 1 and December 1

Interest payments will commence within six months from first draw of funds (estimated 06/01/26).

Full principal and interest payments will commence within one year of initiation of operation (estimated 06/01/27). All interest and principal repayments shall be made by Automated Clearing House ""ACH"" transfers.

Docusign Envelope ID: 837CE60A-862D-449E-AEF2-F6B91E4E7B90

REPLACEMENT AND MAINTENANCE RESERVE ACCOUNT:	$	5,800	ANNUAL AMOUNT
	$	116,000	TOTAL AMOUNT

The annual maintenance replacement cost is 5% ($116,000) of the final amount borrowed (prior to principal forgiveness, if any) to be funded annually ($5,800) each December 1 over 20 years and maintained for the life of the loan.

ADMINISTRATIVE FEE: 0.25%

DEFAULT RATE: 8.00%

DEBT OBLIGATIONS CURRENTLY OUTSTANDING:

	Outstanding	Maturity
KRWFC Note	$ 81,000	2025
USDA Note	1,519,000	2055
KIA Loan B18-011	47,355	2039
KIA Loan C20-001	160,173	2024
Total	**$ 1,807,528**	

LIABILITY INSURANCE COVERAGE:

Death or Personal Injury (per person)	$3,000,000
Death or Personal Injury (per occurrence)	$3,000,000
Property Damage on System	$15,000,000

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EXHIBIT B
TO
ASSISTANCE AGREEMENT

RESERVED

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EXHIBIT C
TO
ASSISTANCE AGREEMENT

SCHEDULE OF SERVICE CHARGES

* * * * *

(See attachment)

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AREA Entire District Service Area

PSC KY NO. 1

19th Revised SHEET NO. 4

Cannonsburg Water District
(NAME OF UTILITY)

CANCELLING PSC KY NO. 1

18th Revised SHEET NO. 4

RATES AND CHARGES

A. Monthly Water Rates

5/8-Inch x 3/4-Inch Meter

First 2,000 Gallons	$ 33.36 Minimum Bill	(I)
Next 3,000 Gallons	$ 0.01301 per gallon	(I)
Next 15,000 Gallons	$ 0.01210 per gallon	(I)
Next 30,000 Gallons	$ 0.01130 per gallon	(I)
Next 50,000 Gallons	$ 0.01087 per gallon	(I)
Over 100,000 Gallons	$ 0.00975 per gallon	(I)

1-Inch Meter

First 5,000 Gallons	$ 72.41 Minimum Bill	(I)
Next 15,000 Gallons	$ 0.01210 per gallon	(I)
Next 30,000 Gallons	$ 0.01130 per gallon	(I)
Next 50,000 Gallons	$ 0.01087 per gallon	(I)
Over 100,000 Gallons	$ 0.00975 per gallon	(I)

2-Inch Meter & 3-Inch Meter

First 20,000 Gallons	$ 253.79 Minimum Bill	(I)
Next 30,000 Gallons	$ 0.01130 per gallon	(I)
Next 50,000 Gallons	$ 0.01087 per gallon	(I)
Over 100,000 Gallons	$ 0.00975 per gallon	(I)

6-Inch Meter

First 50,000 Gallons	$ 592.64 Minimum Bill	(I)
Next 50,000 Gallons	$ 0.01087 per gallon	(I)
Over 100,000 Gallons	$ 0.00975 per gallon	(I)

DATE OF ISSUE November 26, 2025
MONTH / DATE / YEAR

DATE EFFECTIVE January 1, 2026
MONTH / DATE / YEAR

ISSUED BY /s/Tim Webb
SIGNATURE OF OFFICER

TITLE General Manager

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2025-00383 DATED December 23, 2025

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AREA Entire District Service Area

PSC KY NO. 1

19th Revised SHEET NO. 5

Cannonsburg Water District
(NAME OF UTILITY)

CANCELLING PSC KY NO. 1

18th Revised SHEET NO. 5

RATES AND CHARGES

12-Inch Meter

First 100,000 Gallons	$ 1,135.94 Minimum Bill	(I)
Over 100,000 Gallons	$ 0.00975 per gallon	(I)
Wholesale Rate	$ 0.00718 per gallon	(I)
Leak Adjustment	$ 0.00713 per gallon	(I)

DATE OF ISSUE November 26, 2025
MONTH / DATE / YEAR

DATE EFFECTIVE January 1, 2026
MONTH / DATE / YEAR

ISSUED BY /s/Tim Webb
SIGNATURE OF OFFICER

TITLE General Manager

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2025-00383 DATED December 23, 2025

Docusign Envelope ID: 837CE60A-862D-449E-AEF2-F6B91E4E7B90

EXHIBIT D
TO
ASSISTANCE AGREEMENT

FORM OF AUTHORIZING ACTION

* * * * *

(See attachment)

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RESOLUTION

A RESOLUTION APPROVING AND AUTHORIZING AN ASSISTANCE AGREEMENT BETWEEN THE CANNONSBURG WATER DISTRICT AND THE KENTUCKY INFRASTRUCTURE AUTHORITY TO PROVIDE UP TO $2,304,263 OF LOAN FUNDS FOR PROJECT NUMBER F22-030.

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

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

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

NOW, THEREFORE, IT IS RESOLVED by the Cannonsburg 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 F22-030 substantially in the form on file with the Borrower for the purpose of providing the necessary financing to the Borrower for the Project.

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

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

ADOPTED on _____.

_____
Chair

Attest:

_____
Secretary

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CERTIFICATE

I, the undersigned, hereby certify that I am the duly qualified and acting Secretary of the Cannonsburg 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 _____, _____; 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 §§ 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 _____, _____.

_____
Secretary

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EXHIBIT E
TO
ASSISTANCE AGREEMENT

FORM OF LEGAL OPINION

* * * * *

(See attachment)

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[LETTERHEAD OF COUNSEL TO BORROWER]

February 1, 2026

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

Re: Assistance Agreement by and between Kentucky Infrastructure Authority and Cannonsburg Water District, regarding Project Number F22-030

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 Cannonsburg Water District (the "Borrower"). I am familiar with the organization and existence of the Borrower and the laws of the Commonwealth applicable thereto. Additionally I am familiar with the drinking water supply project (the "Project") with respect to which the Assistance Agreement by and between the Kentucky Infrastructure Authority ("Authority") and the Borrower (the "Assistance Agreement") is being authorized, executed, and delivered. Capitalized but undefined terms utilized herein shall have the meanings provided in the Assistance Agreement.

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

Based upon my review I am of the opinion that:

1. The Borrower is a duly organized and existing 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.

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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 §§ 61.805 to 61.850, inclusive, of the Kentucky Revised Statutes.

Very truly yours,

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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 $2,304,263
Loan Interest Rate	2.00%
Default Interest Rate:	8.00%
Authority's Administrative Fee:	0.25%
Loan Payment Dates:	June 1 and December 1
Estimated Amortization Commencement Date:	June 1, 2027
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.

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KENTUCKY INFRASTRUCTURE AUTHORITY
ANTICIPATED REPAYMENT SCHEDULE
LOAN #F22-030
CANNONSBURG WATER DISTRICT

2.00% Interest
$70,177.71 P & I Calculation

Payment Date	Principal Due	Interest Due	Interest Rate	Principal & Interest	Servicing Fee	Credit Due	Total Payment	Principal Balance	R & M Reserve	Total Reserve
								$2,304,263.00		
06/01/27	$47,135.08	$23,042.63	2.00%	$70,177.71	$2,880.33	$0.00	$73,058.04	$2,257,127.92	$0.00	$0.00
12/01/27	$47,606.43	$22,571.28	2.00%	$70,177.71	$2,821.41	$0.00	$72,999.12	$2,209,521.49	$5,800.00	$5,800.00
06/01/28	$48,082.50	$22,095.21	2.00%	$70,177.71	$2,761.90	$0.00	$72,939.61	$2,161,438.99	$0.00	$5,800.00
12/01/28	$48,563.32	$21,614.39	2.00%	$70,177.71	$2,701.80	$0.00	$72,879.51	$2,112,875.67	$5,800.00	$11,600.00
06/01/29	$49,048.95	$21,128.76	2.00%	$70,177.71	$2,641.09	$0.00	$72,818.80	$2,063,826.72	$0.00	$11,600.00
12/01/29	$49,539.44	$20,638.27	2.00%	$70,177.71	$2,579.78	$0.00	$72,757.49	$2,014,287.28	$5,800.00	$17,400.00
06/01/30	$50,034.84	$20,142.87	2.00%	$70,177.71	$2,517.86	$0.00	$72,695.57	$1,964,252.44	$0.00	$17,400.00
12/01/30	$50,535.19	$19,642.52	2.00%	$70,177.71	$2,455.32	$0.00	$72,633.03	$1,913,717.25	$5,800.00	$23,200.00
06/01/31	$51,040.54	$19,137.17	2.00%	$70,177.71	$2,392.15	$0.00	$72,569.86	$1,862,676.71	$0.00	$23,200.00
12/01/31	$51,550.94	$18,626.77	2.00%	$70,177.71	$2,328.35	$0.00	$72,506.06	$1,811,125.77	$5,800.00	$29,000.00
06/01/32	$52,066.45	$18,111.26	2.00%	$70,177.71	$2,263.91	$0.00	$72,441.62	$1,759,059.32	$0.00	$29,000.00
12/01/32	$52,587.12	$17,590.59	2.00%	$70,177.71	$2,198.82	$0.00	$72,376.53	$1,706,472.20	$5,800.00	$34,800.00
06/01/33	$53,112.99	$17,064.72	2.00%	$70,177.71	$2,133.09	$0.00	$72,310.80	$1,653,359.21	$0.00	$34,800.00
12/01/33	$53,644.12	$16,533.59	2.00%	$70,177.71	$2,066.70	$0.00	$72,244.41	$1,599,715.09	$5,800.00	$40,600.00
06/01/34	$54,180.56	$15,997.15	2.00%	$70,177.71	$1,999.64	$0.00	$72,177.35	$1,545,534.53	$0.00	$40,600.00
12/01/34	$54,722.36	$15,455.35	2.00%	$70,177.71	$1,931.92	$0.00	$72,109.63	$1,490,812.17	$5,800.00	$46,400.00
06/01/35	$55,269.59	$14,908.12	2.00%	$70,177.71	$1,863.52	$0.00	$72,041.23	$1,435,542.58	$0.00	$46,400.00
12/01/35	$55,822.28	$14,355.43	2.00%	$70,177.71	$1,794.43	$0.00	$71,972.14	$1,379,720.30	$5,800.00	$52,200.00
06/01/36	$56,380.51	$13,797.20	2.00%	$70,177.71	$1,724.65	$0.00	$71,902.36	$1,323,339.79	$0.00	$52,200.00
12/01/36	$56,944.31	$13,233.40	2.00%	$70,177.71	$1,654.17	$0.00	$71,831.88	$1,266,395.48	$5,800.00	$58,000.00
06/01/37	$57,513.76	$12,663.95	2.00%	$70,177.71	$1,582.99	$0.00	$71,760.70	$1,208,881.72	$0.00	$58,000.00
12/01/37	$58,088.89	$12,088.82	2.00%	$70,177.71	$1,511.10	$0.00	$71,688.81	$1,150,792.83	$5,800.00	$63,800.00
06/01/38	$58,669.78	$11,507.93	2.00%	$70,177.71	$1,438.49	$0.00	$71,616.20	$1,092,123.05	$0.00	$63,800.00
12/01/38	$59,256.48	$10,921.23	2.00%	$70,177.71	$1,365.15	$0.00	$71,542.86	$1,032,866.57	$5,800.00	$69,600.00
06/01/39	$59,849.04	$10,328.67	2.00%	$70,177.71	$1,291.08	$0.00	$71,468.79	$973,017.53	$0.00	$69,600.00
12/01/39	$60,447.53	$9,730.18	2.00%	$70,177.71	$1,216.27	$0.00	$71,393.98	$912,570.00	$5,800.00	$75,400.00
06/01/40	$61,052.01	$9,125.70	2.00%	$70,177.71	$1,140.71	$0.00	$71,318.42	$851,517.99	$0.00	$75,400.00
12/01/40	$61,662.53	$8,515.18	2.00%	$70,177.71	$1,064.40	$0.00	$71,242.11	$789,855.46	$5,800.00	$81,200.00
06/01/41	$62,279.16	$7,898.55	2.00%	$70,177.71	$987.32	$0.00	$71,165.03	$727,576.30	$0.00	$81,200.00
12/01/41	$62,901.95	$7,275.76	2.00%	$70,177.71	$909.47	$0.00	$71,087.18	$664,674.35	$5,800.00	$87,000.00
06/01/42	$63,530.97	$6,646.74	2.00%	$70,177.71	$830.84	$0.00	$71,008.55	$601,143.38	$0.00	$87,000.00
12/01/42	$64,166.28	$6,011.43	2.00%	$70,177.71	$751.43	$0.00	$70,929.14	$536,977.10	$5,800.00	$92,800.00
06/01/43	$64,807.94	$5,369.77	2.00%	$70,177.71	$671.22	$0.00	$70,848.93	$472,169.16	$0.00	$92,800.00
12/01/43	$65,456.02	$4,721.69	2.00%	$70,177.71	$590.21	$0.00	$70,767.92	$406,713.14	$5,800.00	$98,600.00
06/01/44	$66,110.58	$4,067.13	2.00%	$70,177.71	$508.39	$0.00	$70,686.10	$340,602.56	$0.00	$98,600.00
12/01/44	$66,771.68	$3,406.03	2.00%	$70,177.71	$425.75	$0.00	$70,603.46	$273,830.88	$5,800.00	$104,400.00
06/01/45	$67,439.40	$2,738.31	2.00%	$70,177.71	$342.29	$0.00	$70,520.00	$206,391.48	$0.00	$104,400.00
12/01/45	$68,113.80	$2,063.91	2.00%	$70,177.71	$257.99	$0.00	$70,435.70	$138,277.68	$5,800.00	$110,200.00
06/01/46	$68,794.93	$1,382.78	2.00%	$70,177.71	$172.85	$0.00	$70,350.56	$69,482.75	$0.00	$110,200.00
12/01/46	$69,482.75	$694.96	2.00%	$70,177.71	$86.85	$0.00	$70,264.56	$0.00	$5,800.00	$116,000.00
Totals	**$2,304,263.00**	**$502,845.40**		**$2,807,108.40**	**$62,855.64**	**$0.00**	**$2,869,964.04**		**$116,000.00**	

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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 # F22-030 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 $5,800 in the Maintenance Fund on each December 1st occurring during the term of the Loan, up to a maximum total balance of $116,000, for so long as the Loan is owed and outstanding hereunder.

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

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KENTUCKY INFRASTRUCTURE AUTHORITY
Minutes of the Full Board

Meeting Date/Location: **July 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

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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 NTEREST RATES AND ADMINISTRATIVE FEES FOR THE PERIOD AUGUST 1, 2022 THROUGH JUNE 30, 2023

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

One standard interest rate and two nonstandard interest rates will be offered to borrowers. The standard rate shall be 2.25% and the nonstandard rates shall be 1.25% and 0.50% based on the income parameters defined in the 2023 Drinking Water State Revolving Fund Intended Use Plan.

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

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

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

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

One standard interest rate and three nonstandard interest rates will be offered to borrowers. The standard rate shall be 2.25%. Two nonstandard rates shall be 1.25% and 0.50% based on the income parameters defined in the 2023 Clean Water and Drinking Water State Revolving Fund Intended Use Plans. The rate for all broadband projects shall be 4.25% (the third nonstandard rate).

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

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

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

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

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

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

5. A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR AN INFRASTRUCTURE REVOLVING FUND LOAN (B22-004) FOR AN AMOUNT UP TO $4,500,000 TO THE WESTERN PULASKI COUNTY WATER DISTRICT, PULASKI COUNTY, KENTUCKY

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

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

Ms. Linda Bridwell abstained from voting. Judge Mark McKenzie moved to approve the Fund B Loan, (B22-004), for a loan amount up to $4,500,000 to the Western Pulaski County Water District with the standard conditions, along with the following special condition: By August 31, 2022, the Western Pulaski County Water District Board, demonstrating their intentions to increase the revenues as necessary and authorized by the PSC to meet the loan requirements over the life of the loan. The proposed water rate increase currently with PSC case #2021-00335 will exceed the 1.1 debt coverage ratio requirement with the Kentucky Infrastructure Authority. Mr. Carey Johnson seconded and the motion was unanimously approved.

6. A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR AN INFRASTRUCTURE REVOLVING FUND LOAN (B22-005) FOR AN AMOUNT UP TO $2,743,000 TO THE BRONSTON WATER ASSOCIATION INC, PULASKI COUNTY, KENTUCKY

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

Thousands of linear feet of PVC that will be replaced are shown below.
• 8” PVC 1,000 LF extension along Colyer Rd.

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

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

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

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

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

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

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

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

Ms. Linda Bridwell asked that if it was a maintenance issue, did it quality 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.

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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 CANNONSBURG WATER DISTRICT, BOYD COUNTY, KENTUCKY

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

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

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

12 A RESOLUTION OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING AND APPROVING THE ISSUANCE OF OBLIGATIONS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY TO REIMBURSE CAPITAL EXPENDITURES MADE BY GOVERNMENTAL AGENCIES PURSUANT TO LOANS MADE BY THE KENTUCKY INFRASTRUCTURE AUTHORITY TO SUCH GOVERNMENTAL AGENCIES

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

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

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

II. EXECUTIVE DIRECTOR'S REPORT

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

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

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

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

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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 **July 14, 2022**
Kentucky Infrastructure Authority Secretary Date

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KENTUCKY INFRASTRUCTURE AUTHORITY
Minutes of the Full Board

Meeting Date/Location: **April 3, 2025 – 1:00 p.m.**
Kentucky Infrastructure Authority
100 Airport Road
Frankfort, KY 40601

Members Present:
Chairman Matt Sawyers, Commissioner Department of Local Government
Ms. Linda Bridwell, Executive Director, Public Service Commission
Ms. Geri Grigsby, proxy for Secretary Holly Johnson, Finance and Administration Cabinet
Ms. Rebecca Goodman, Secretary, Energy and Environment Cabinet
Judge Mark McKenzie, representing Kentucky Association of Counties
Ms. Shelley Porter, representing For Profit Water Companies
Mr. Russell Rose, representing Kentucky Rural Water Association
Ms. Jenny Schenkenfelder, proxy for Secretary Jeff Noel, Cabinet for Economic Development
Mr. Shaun Youravich, representing Kentucky Section of the American Water Works Association

Members Absent:
Mr. Robert A. Amato
Mayor Bruce Fraley, representing Kentucky League of Cities

KIA Staff:
Ms. Sandy Williams, Executive Director
Mr. Milward Dedman, Deputy Executive Director
Ms. Julie Bickers, Regional Compliance Coordinator
Mr. Jim Carpenter, Fiscal Officer & KIA Treasurer
Mr. Kelly Cunnagin, Executive Staff Advisor
Mr. Rick Harris, Federal Program Specialist
Ms. Debbie Landrum, Regional Compliance Coordinator
Ms. Natalie Lile, Assistant General Counsel
Ms. Meg Link, Administrative Specialist III, and KIA Secretary
Mr. Russell Neal, Staff Assistant
Ms. Sandy Rankin, Federal Program Specialist
Mr. Don Schierer, WRIS Resource Management Analyst
Mr. Jeremy Skinner, Financial Analyst
Mr. Thomas Schubert, GIS Specialist

Guests:
Mr. Ben Allen, Bell Engineering
Mr. Jasper Ball, FIVCO Area Development District
Mr. William Ballard, East Clark County Water District
Mr. Robert Bates, GRW Engineers
Mr. Jory Becker, Division of Water
Mr. Casey Cash, Bluegrass Area Development District
Ms. Hollie Delaney, Division of Water
Mr. Brandon Gibson, Department for Local Government
Mr. Michael Lile, Bell Engineering

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Ms. Bethany Padgett, Office of Financial Management
Mr. Eric Patton, Greenup County
Ms. Melissa Perry, Office of Financial Management
Ms. Shanna Stone, Oldham County Water District
Mr. Tim Webb, Cannonsburg Water District
Ms. Savannah Wiley, Legislative Research Commission
Ms. Lisa Wilson-Plajer, Gonzalez Companies LLC
Mr. Scott Young, Kentucky Rural Water

I. PROCEEDINGS

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

A. BUSINESS (Board Action Required)

1. APPROVAL OF MINUTES

***For:* KIA Regular Board Meeting of March 6, 2025**

Ms. Linda Bridwell made the motion to approve the February 6, 2025, minutes. Secretary Rebecca Goodman 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 AN INFRASTRUCTURE REVOLVING FUND LOAN (B25-008) FOR AN AMOUNT UP TO $841,383 TO THE EAST CLARK COUNTY WATER DISTRICT, CLARK COUNTY, KENTUCKY

Mr. Jeremy Skinner, KIA, discussed the East Clark County Water District's request for a Fund B loan in the amount of $841,383. This loan will be used in conjunction with a previously awarded Cleaner Water Program grant to fund the Mt Sterling Rd and KY 89 Water Line Upgrade project. This project will replace some of the oldest water lines in the District's system. The existing water lines experience frequent leaks and breaks causing service disruptions as well as potential health hazards.

The project will replace approximately 3,200 linear feet (LF) of 6-inch water line along Mt. Sterling Road (US 60), approximately 7,200 LF of 6-inch water line along KY 89, and approximately 750 LF of 3-inch water line along Hilltop Drive with new Class 250 SDR 17 PVC. Creek crossings will be installed by directional drill method using DR 11 HDPE water line. The project will also include either new meter settings and service line from the new water mains or reconnection to the existing meter settings. Other proposed project components include valves, flush hydrants, and road bores with steel cover pipe.

Secretary asked East Clark County officials about their water loss percentages. They noted that they had been 18%, but down to 11% currently.

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Ms. Linda Bridwell and Ms. Shelley Porter abstained from the voting. Mr. Russ Rose made the motion to approve the Fund B loan for an amount up to $841,383 to the East Clark County Water District with the standard conditions. Judge Mark McKenzie seconded, and the motion was approved.

2. **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 (C25-001) FOR AN AMOUNT UP TO $6,129,061 TO THE OLDHAM COUNTY WATER DISTRICT, OLDHAM COUNTY, KENTUCKY**

Mr. Jeremy Skinner, KIA, discussed the Oldham County Water District's request for a Fund C loan in the amount of $6,129,061 for the US 42 West Improvements from KY-393 to KY-1694 project. This project includes the installation of approximately 22,300 linear feet of 12-inch water line along US 42 from KY-393 to KY-1694. This project will increase water pressure and flow to an underserved portion of the District's customer base. The new water line will also provide a looped connection to multiple points in this part of the District's distribution system, strengthening the existing infrastructure and maintaining water supply in the event of a break.

This project is one phase of a larger project intended to provide redundancy and improve the water pressure and flow in this part of the county. A second phase of the project, which includes the installation of water line from KY-1694 to South Buckeye Lane, will be funded with previously awarded Cleaner Water Program Grants.

Oldham County Water District serves 8,576 residential customers and 682 commercial and industrial customers. The District also sells water to the LaGrange Utilities Commission.

Mr. Russ Rose recused himself from the conversation, as well as voting. Ms. Linda Bridwell abstained from the vote. Mr. Shaun Youravich made the motion to approve the Fund C loan to the Oldham County Water District for a total loan amount up to $6,129,061 with the standard conditions. Ms. Shelley Porter seconded the motion, and the motion was approved.

3. **A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING AN AMENDMENT TO THE CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED DRINKING WATER REVOLVING FUND F LOAN (F22-030) INCREASE FOR AN ADDITIONAL AMOUNT UP TO $619,180, FOR A TOTAL LOAN AMOUNT UP TO $2,304,263 TO THE CANNONSBURG WATER DISTRICT, BOYD COUNTY, KENTUCKY**

Ms. Sandy Rankin, on behalf of John Brady, KIA, discussed the Cannonsburg Water District's request for a Fund F loan increase in the amount of $619,180 for the Shoppes Road Water Line Replacement Phase 2 project. The original loan was approved by the KIA Board on July 7, 2022. This will bring their total KIA loan amount up to $2,304,263. The increase request is due to bids coming in higher than the amount originally budgeted. No additional work is being funded.

The project is a continuation of the Water District's water loss reduction efforts established in Phase 1. Approximately 17,000 total linear feet (LF) of problematic asbestos cement water line will be replaced. This consists of 2,000 LF of 12" line and 15,000 LF of 6" line. A 1,000 gallon per minute booster pump station (BPS) will also be replaced. Approximately 180 service line connections will be installed due to aging service line material. The project

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will improve water service in the area and help reduce O&M costs associated with daily operations.

The Water District currently serves 3,359 residential customers and 253 commercial and other customers.

Ms. Linda Bridwell abstained from voting. Deputy Secretary Geri Grigsby made the motion to approve the Fund F loan increase to the Cannonsburg Water District for $619,180 for a total loan amount up to $$2,304,263 with the standard conditions. Secretary Rebecca Goodman seconded, and the motion carried.

4 RESOLUTION OF THE KENTUCKY INFRASTRUCTURE AUTHORITY 4. AUTHORIZING AND APPROVING THE ISSUANCE OF OBLIGATIONS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY TO REIMBURSE CAPITAL EXPENDITURES MADE BY GOVERNMENTAL AGENCIES PURSUANT TO LOANS MADE BY THE KENTUCKY INFRASTRUCTURE AUTHORITY TO SUCH GOVERNMENTAL AGENCIES

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

BORROWER	FUND	AMOUNT	LOAN TOTAL
East Clark County Water District	B25-008	$ 841,383	$ 841,383
Oldham County Water District	C25-001	$6,129,061	$6,129,061
Cannonsburg Water District (Increase)	F22-030	$ 619,180	$2,304,263

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

II. EXECUTIVE DIRECTOR'S REPORT

Director Williams Thanked everyone for their flexibility in changing the in-person meeting to virtual, due to the adverse weather conditions. KIA wanted to keep everyone safe and felt it was in everyone's best interest to move to Zoom. *I'm thankful to see our board members and guests remotely today. Thanks to Mr. Gary Larimore and Mr. Scott Young from Kentucky Rural Water for participating in today's meeting.*

She noted that the KIA State Revolving Fund staff will be attending the Council for Infrastructure Financing Authorities Conference in Washington DC the week of April 21st. Staff will have the opportunity to meet with EPA HQ, EPA Region 4, and peers from 50 states that do the same type of water and sewer infrastructure financing we do.

She thanked Ms. Hollie Delaney, DOW, and her staff for timely providing the SRF ranked project lists to KIA for inclusion in the SRF Intended Use Plans (IUP). This is an important first step in the SRF funding cycle.

She mentioned that House Joint Resolution 30 has been passed into law. The bill was delivered to the Secretary of State on March 28th. The final version of the bill is available on LRC's website legislature.ky.gov. This joint resolution provides Kentucky WWATERS funding for 34 unique projects with $65,673,500 of funding allotted from state fiscal year 2025 and $21,609,500 of funding allotted from state fiscal year 2026. Staff is finalizing the financing agreements to have the agreements out to the designated recipients as quickly as possible.

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No final legislative action was taken on HB 741, making changes to the KY WWATERS requirements, so the requirements for the program will be the same as last year. Staff is reviewing the scoring weights and rubric. We anticipate having slight program revisions for review prior to the May meeting when we would be requesting your approval of program changes. The new application acceptance period will come after the May board meeting.

Ms. Linda Bridwell asked to have the floor for a moment. She wanted to update the Board about a PSC investigation into the Livingston Water District. The KIA Board approved funding to Wood Creek Water District through the KYWWATERS Emergency program to pay some debt owed to Wood Creek, which resulted in Livingston's customers losing their water service. Livingston has not paid their past due amount and has not made monthly payments as we stipulated. Wood Creek has notified Livingston that their water service will once again be disconnected if the full amount has not been paid by April 7th.

III. ANNOUNCEMENTS/NOTIFICATIONS

Next regularly scheduled KIA board meeting:

Thursday, May 1, 2025, at 1:00 p.m.

There being no further business, Secretary Goodman moved to adjourn the April 3, 2025, meeting. Ms. Linda Bridwell seconded, and the motion carried unanimously. The meeting of the Board of the Kentucky Infrastructure Authority was adjourned.

Submitted by:

*Margaret F. Link*_____ *April 10, 2025*
Kentucky Infrastructure Authority Secretary Date

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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

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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.

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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

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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

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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.

Docusign Envelope ID: 837CE60A-862D-449E-AEF2-F6B91E4E7B90

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.

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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.

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CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

Minutes

April 28, 2025

Call to Order and Roll Call
The April meeting of the Capital Projects and Bond Oversight Committee was held on April 28, 2025, at 12:00 PM in Room 131 of the Capitol Annex. Representative Shawn McPherson, Chair, called the meeting to order, and the secretary called the roll.

Present were:
Members: Representative Shawn McPherson Co-Chair; Senator Shelley Funke Frommeyer Co-Chair; Senators Rick Girdler, and Robin L. Webb; Representatives Jason Petrie, Sarah Stalker, and Walker Thomas.

Guests: Jordan Smith, Assistant Vice President of Public Affairs, Murray State University; Elizabeth Baker, Senior Director, Strategic Capital Planning and Legislative Analysis, University Budget Office, University of Kentucky; Jennifer Fraker, Director, Government Relations, University of Kentucky; Janice Tomes, Deputy State Budget Director, Office of State Budget Director; Captain Kevin Johnson, Commander, Properties Management Branch, Kentucky State Police; Natalie Brawner, Director, Division of Real Properties, Department for Facilities and Support Services; Sandy Williams, Executive Director, Kentucky Infrastructure Authority; Chelsey Couch, Executive Director, Office of Financial Management.

LRC Staff: Katherine Halloran, Savannah Wiley, and Amie Elam.

Approval of Minutes
Co-Chair Funke Frommeyer moved to approve the minutes of the February 25, 2025 meeting. The motion was seconded by Senator Girdler, and the minutes were approved without objection by voice vote.

Correspondence and Information Items
Ms. Halloran presented the information items as A. KRS 26A.168(1), KRS 45.793, and KRS 45.818 Quarterly Capital Projects Status Reports. Also included were B. KRS 45.760(5) Postsecondary Medical and Research Equipment Purchases - University of Kentucky, C. KRS 45.800(2)/KRS 45.810(3) and KRS 45.800(4)/KRS 45.810(4) Correspondence, D. School District Debt Issues - New Projects - General Obligation Bonds for Fayette County, Hart County, and Jessamine County, E. KRS 48.111(6)(a) Advertisement Notices for Leased Space - Finance and Administration Cabinet, F. Updated KRS 56.823(12) Tenant Improvement

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Fund Request, G. KRS 56.863(11) Semi-Annual Report of the Kentucky Asset/Liability Commission; and H. Postsecondary Asset Preservation Pool Projects for Kentucky Community and Technical College and Eastern Kentucky University.

Project Report from the Postsecondary Institutions
Mr. Smith presented information on the Project Report from the Postsecondary Institutions - Murray State University - New Project - Curris Center Roof Replacement.

In response to a question from Representative Thomas, Mr. Smith said that Murray State University did not have significant flooding damage.

Representative Thomas moved to approve the action item, and Representative Petrie seconded the motion. The project was approved without objection by unanimous roll call vote.

Public-Private Partnership Report from the Postsecondary Institutions
Ms. Baker and Ms. Fraker presented information on the Public-Private Partnership Report from the Postsecondary Institutions - University of Kentucky - Improve Campus Parking and Transportation System (South Campus).

In response to a question from Co-Chair Funke Frommeyer, Ms. Fraker said that the student recreation fee will increase to $21 per semester. Ms. Baker said the recreation center is open to students, staff, and guests.

Co-Chair Funke Frommeyer moved to approve the action item, and Representative Thomas seconded the motion. The P3 development agreement was approved without objection by unanimous roll call vote.

Project Report from the Finance and Administration Cabinet
Ms. Tomes presented one project requiring no action. The project was for a Pool Allocation - Justice and Public Safety Cabinet, Kentucky State Police (Maintenance Pools - 2022-2024 and 2024-2026), KSP Post 11 Building Renovations.

In response to a question from Representative Petrie, Captain Johnson stated that this will be a long-term investment in this facility. He added that it would be ten years or more before the Post 11 facility would be up for replacement.

Lease Report from the Finance and Administration Cabinet
Ms. Brawner presented seven lease renewals and one lease modification, requiring action. Senator Girdler moved to roll the lease transactions into one roll call vote. The motion was seconded by Representative Stalker, and the votes were rolled into one without objection.

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The eight lease transactions included one lease renewal with Rate Increase - Cabinet for Health and Family Services, Department for Community Based Services, Scott County, PR-5874, six renewals with the same terms and conditions for the General Government Cabinet, Unified Prosecutorial System, Offices of the Commonwealth's Attorney, Jefferson County, PR-2591; Cabinet for Health and Family Services, Department for Community Based Services, Montgomery County, PR-2829; Cabinet for Health and Family Services, Department for Community Based Services, Shelby County, PR-4432; Cabinet for Health and Family Services, Department for Community Based Services, Greenup County, PR-5501; Transportation Cabinet, Department of Vehicle Regulation, Jefferson County, PR-5683; and, the Transportation Cabinet, Department of Highways, Whitley County, PR-5723, and one Lease Modification of at Least $50,000 (Amortization of Improvements) - General Government Cabinet, Office of the Secretary of State, Franklin County, PR-5866.

Senator Webb moved to approve the lease transactions, and Senator Girdler seconded the motion. The transactions were approved without objection by unanimous roll call vote.

Report from the Office of Financial Management

Ms. Williams presented information on three Kentucky Infrastructure Authority water loans requiring action and a line-item sewer grant requiring no action. Senator Webb seconded the motion, and the votes were rolled into one without objection.

The three loans were a. Infrastructure Revolving Fund (Fund B) Program Loan East Clark Water District (Clark County), B25-008; b. Governmental Agencies (Fund C) Program Loan - Oldham County Water District (Oldham County), C25-001; and, the c. Drinking Water State Revolving Fund (Fund F) Program Loan (Increase) - Cannonsburg Water District (Boyd County), F22-030.

Senator Girdler moved to approve the water loans, and Senator Webb seconded the motion. The loans were approved without objection by unanimous roll call vote.

The line-item grant requiring no action was for House Bill 1 (2024 Regular Session), Line-Item Grant - Sewer (One) for Springfield Water & Sewer Commission.

Ms. Couch presented information from the Office of Financial Management (OFM) on one previous debt issue requiring no action and eight school district debt issues with School Facilities Construction Commission debt service participation requiring action.

Senator Frommeyer moved to roll the eight SFCC debt issues into one roll call vote, and the motion was seconded by Senator Webb. The votes were rolled into one without objection. There were no questions.

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New projects included 1. General Obligation Bonds for a. Franklin County; b. McLean County; c. Paris Independent (Bourbon County); and 2. Revenue Bonds for a. Clinton County; b. Fulton Independent (Fulton County); c. Lincoln County; d. Somerset Independent (Pulaski County); and, e. Spencer County.

In response to a question from Representative Petrie, Ms. Couch stated that general obligation bonds are performing well, and currently, there are no concerns.

Co-Chair Funke Frommeyer moved to approve the SFCC debt issues, and the motion was seconded by Senator Webb. The debt issues were approved without objection by a unanimous roll call vote.

Adjournment

There being no further business before the committee, the meeting was adjourned at 12:37 p.m.

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GENERAL CLOSING CERTIFICATE OF THE BORROWER

Dated February 1, 2026

Re: Assistance Agreement dated as of February 1, 2026, by and between the Kentucky Infrastructure Authority and Cannonsburg Water District

In connection with the above-identified Assistance Agreement (the "Assistance Agreement"), the Cannonsburg 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

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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.

CANNONSBURG WATER DISTRICT

By: Robert McGuire
Chair

Attest:

By: Pamela Vanhoose
Secretary

Certificate Of Completion

Envelope Id: 837CE60A-862D-449E-AEF2-F6B91E4E7B90 | Status: Completed

Subject: Complete with DocuSign: KIA F22-030 - Assistance Agreement with Cannonsburg Water District

Source Envelope:

Document Pages: 75 | Signatures: 9 | Envelope Originator:

Certificate Pages: 7 | Initials: 0 | Meghan Savercool

AutoNav: Enabled | 255 E. Fifth Street

EnvelopeId Stamping: Enabled | Suite 1900

Time Zone: (UTC-08:00) Pacific Time (US & Canada) | Cincinnati, OH 45202

Meghan.Savercool@Dinsmore.com

IP Address: 66.192.64.34

Record Tracking

Status: Original | Holder: Meghan Savercool | Location: DocuSign

1/29/2026 8:44:13 AM | Meghan.Savercool@Dinsmore.com

Signer Events	Signature	Timestamp
Robert McGuire Mcguire.edmonds@gmail.com Owner Security Level: Email, Account Authentication (None)	Robert McGuire Signature Adoption: Pre-selected Style Using IP Address: 2600:387:3:801::17 Signed using mobile	Sent: 2/6/2026 8:55:53 AM Resent: 2/12/2026 10:46:59 AM Viewed: 2/12/2026 10:55:14 AM Signed: 2/12/2026 10:56:15 AM
Electronic Record and Signature Disclosure: Accepted: 2/6/2026 9:28:55 AM ID: 5804cd93-7840-47dd-9597-2d4854902e50		
Pamela Vanhoose pamelavanhoose@yahoo.com Security Level: Email, Account Authentication (None)	Pamela Vanhoose Signature Adoption: Pre-selected Style Using IP Address: 98.17.157.242 Signed using mobile	Sent: 2/12/2026 10:56:20 AM Viewed: 2/12/2026 11:59:11 AM Signed: 2/12/2026 12:37:25 PM
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Matt Stephens Matt.Stephens@ky.gov Security Level: Email, Account Authentication (None)	Matt Stephens Signature Adoption: Pre-selected Style Using IP Address: 2603:6012:ee00:14:813c:81d2:c3b6:ed65	Sent: 2/12/2026 12:37:28 PM Resent: 3/2/2026 6:32:43 AM Viewed: 3/2/2026 8:34:05 AM Signed: 3/3/2026 8:32:43 AM
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Matt Sawyers Mary.Palmer@ky.gov Security Level: Email, Account Authentication (None)	Matt Sawyers Signature Adoption: Pre-selected Style Using IP Address: 73.107.76.58	Sent: 3/3/2026 8:32:47 AM Viewed: 3/3/2026 8:59:48 AM Signed: 3/3/2026 9:01:45 AM
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Margaret F. Link meg.link@ky.gov Security Level: Email, Account Authentication (None)	Margaret F. Link Signature Adoption: Pre-selected Style Using IP Address: 205.204.186.1	Sent: 3/3/2026 9:01:49 AM Viewed: 3/3/2026 9:03:30 AM Signed: 3/3/2026 9:07:33 AM
Electronic Record and Signature Disclosure: Accepted: 5/2/2024 6:55:12 AM ID: 8ce52fe1-8903-4d9c-a729-77420075db7c		
Barbara Dickens Barbara.Dickens@ky.gov General Counsel Finance & Administration Cabinet Security Level: Email, Account Authentication (None)	Barbara Dickens Signature Adoption: Pre-selected Style Using IP Address: 205.204.186.53	Sent: 3/3/2026 9:07:38 AM Viewed: 3/3/2026 10:42:14 AM Signed: 3/3/2026 10:42:21 AM
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Holly M. Johnson hollymccoy.johnson@ky.gov Secretary Finance & Administration Cabinet Security Level: Email, Account Authentication (None)	Holly M. Johnson Signature Adoption: Pre-selected Style Using IP Address: 205.204.186.53	Sent: 3/3/2026 10:42:24 AM Viewed: 3/3/2026 12:11:19 PM Signed: 3/3/2026 12:11:32 PM
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In Person Signer Events	Signature	Timestamp

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Carol Webb carol.webb@dinsmore.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	COPIED	Sent: 2/6/2026 8:55:50 AM

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Mark Franklin mark.franklin@dinsmore.com Partner Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	COPIED	Sent: 2/6/2026 8:55:50 AM
Meghan Savercool Meghan.Savercool@Dinsmore.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	COPIED	Sent: 2/6/2026 8:55:49 AM Resent: 3/3/2026 12:11:41 PM
Robert Aldridge robertV.aldridge@ky.gov Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	COPIED	Sent: 2/6/2026 8:55:50 AM
Robert Bowman abowman@hkbell.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	COPIED	Sent: 2/6/2026 8:55:51 AM
Shawna J. Herman shawna.herman@dinsmore.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	COPIED	Sent: 2/6/2026 8:55:51 AM
Sherry Gallion sherry@cannonsburgwater.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	COPIED	Sent: 2/6/2026 8:55:51 AM Viewed: 2/17/2026 5:48:48 AM
Tim Webb tim@cannonsburgwater.com District Manager Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	COPIED	Sent: 2/6/2026 8:55:52 AM Viewed: 2/7/2026 9:24:27 AM

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Laura Gillis laura.gillis@ky.gov Executive Secretary Finance & Administration Cabinet Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	COPIED	Sent: 3/3/2026 10:42:24 AM
Traci Walker traci.walker@ky.gov Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	COPIED	Sent: 3/3/2026 10:42:24 AM

Witness Events	Signature	Timestamp

Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
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Signing Complete	Security Checked	3/3/2026 12:11:32 PM
Completed	Security Checked	3/3/2026 12:11:32 PM

Payment Events	Status	Timestamps

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