

NORTHERN KENTUCKY
WATER DISTRICT

Project
Memorial Parkway Treatment Plant
Advanced Treatment Facility

Campbell County
184-0456

BID INFORMATION AND BOARD RESOLUTION

Bid Tabulation

Engineer's Recommendation of Award

Board Resolution

ITEMS CONCERNING BID INFORMATION AND BOARD RESOLUTION

- The bid opening was December 16, 2009 and the bid tabulation is attached.
- The Engineer's Recommendation of Award is attached.
- The Board Resolution from the January 20, 2009 meeting is attached.

Case No. 2010-____
Exhibit C

NORTHERN KENTUCKY
WATER DISTRICT

Project
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Bid Tabulation

BID TAB

**Northern Kentucky Water District
Memorial Parkway Treatment Plant
Advanced Treatment**

December 16, 2009

<u>CONTRACTOR</u>	<u>BID AMOUNT</u>
Dugan & Meyers	\$12,227,000.00
Building Crafts, Inc.	\$12,835,538.00
W. Rogers	\$13,031,000.00
Reynolds, Inc.	\$13,253,000.00
EGC Construction	\$14,528,545.00
Kokosing	\$15,270,000.00
Shook	\$15,336,000.00
PAE & Associates, Inc.	\$15,479,000.00
3D Enterprises	\$16,639,000.00

Case No. 2010-____
Exhibit C

NORTHERN KENTUCKY
WATER DISTRICT

Project

Memorial Parkway Treatment Plant
Advanced Treatment Facility

Campbell County
184-0456

Engineer's Recommendation of Award



CH2MHILL

CH2M HILL
300 E-Business Way
Suite 400
Cincinnati, OH 45241
Tel 513.489.0779
Fax 513.489.0807

January 19, 2010

Ms. Amy Kramer
2835 Crescent Springs Road
P.O. Box 18640
Erlanger, KY 41018

Subject: Advanced Treatment Facility at Memorial Parkway Treatment Plant

Dear Ms. Kramer:

We have reviewed the bids received on December 12, 2009 and recommend award of the contract to the low bidder Dugan & Meyers Construction Company. The bid form from the low bidder was in order with the required inclusions and their bid amount was deemed highly competitive but reasonable in comparison to the other bids. The project resume was adequate and their performance on the referenced project was acceptable. We believe the firm is qualified to do the work and has submitted the lowest responsive bid. There have been no challenges from other bidders.

Several of the subcontractors listed on the Dugan & Meyers bid have performed successfully for NKWD in the past. We have little direct experience with the subcontractors who have not been involved in previous NKWD projects and it was not required for bidders to submit resumes for subcontractors. We have learned of no performance problems with those with whom we do not have direct past experience.

Materials related to the pursuit and selection of the subcontractors have been submitted by Dugan & Meyers and are in review by the State of Kentucky pursuant to the requirement to demonstrate that good faith efforts were taken to attract disadvantaged firms. No correspondence has been received from the state relative to the review of the submitted materials. Therefore our recommendation for award is conditional on receiving approval from the state.

Sincerely,

CH2M HILL

Nick Winnike
Project Manager

Cc: Brent Tippey/HDR

NORTHERN KENTUCKY
WATER DISTRICT

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Board Resolution

**Northern Kentucky Water District
Board of Commissioners Meeting
January 20, 2010**

A regular meeting of the Board of Commissioners of the Northern Kentucky Water District was held on January 20, 2010 at the District's facility located at 2835 Crescent Springs Road in Erlanger, Kentucky. All Commissioners were present, except Commissioner Frank Jackson. Also present were Ron Lovan, Richard Harrison, Bari Joslyn, Mark Lofland, Jack Bragg, Bob Buhrlage, Don Gibson, Mary Carol Wagner, Scott Shepherd, Jim Dierig, Bill Wulfeck, Amy Kramer and Brian Dunham. Brian Dunham departed at 2:01 p.m.

Commissioner Macke called the meeting to order at 12:38 p.m.

Mr. Buhrlage led those in attendance in the Pledge of Allegiance.

Mr. Lovan of the District staff advised those in attendance that Commissioner Jackson was in the hospital, but seemed to be doing well. Mr. Lovan expressed that everyone's thoughts and prayers were with Commissioner Jackson for a quick and full recovery.

The Commissioners reviewed correspondence received and articles published since the last regular Board meeting on December 17, 2009.

On motion of Commissioner Koester, seconded by Commissioner Sommerkamp, the Commissioners unanimously approved the minutes for the regular Board meeting held on December 17, 2009.

On motion of Commissioner Wagner, seconded by Commissioner Collins, and after discussion, the Commissioners unanimously approved the expenditures of the District for the month of December, 2009.

On motion of Commissioner Collins, seconded by Commissioner Koester, the Commissioners unanimously approved the change order to the contract documents with Lawrence Construction and Leasing, Inc. for the 42" Water Transmission Main along Mook Road & U.S. 27 to include the installation of sacrificial anode bags, and authorized the District staff to execute the appropriate contract documents.

On motion of Commissioner Sommerkamp, seconded by Commissioner Wagner, the Commissioners unanimously approved the award the Altamont Road Water Main Replacement Project to Ford Development Corporation, and authorized the District staff to execute the appropriate contract documents.

On motion of Commissioner Wagner, seconded by Commissioner Collins, the Commissioners unanimously approved entering into an agreement with the City of Southgate for the Linden Avenue Improvements Project, and authorized the District staff to execute the appropriate contract documents.

On motion of Commissioner Sommerkamp, seconded by Commissioner Koester, the Commissioners unanimously approved awarding the Steelman Avenue and Linet Avenue Water Main Replacement Project to Krebs Construction, and authorized the District staff to execute the appropriate contract documents.

On motion of Commissioner Collins, seconded by Commissioner Wagner, the Commissioners unanimously approved awarding the Installation of New Water Services to Becknell-Coghill, Inc., and authorized the District staff to execute the appropriate contract documents.

On motion of Commissioner Collins, seconded by Commissioner Sommerkamp, the Commissioners unanimously approved awarding the Memorial Parkway Treatment Plant Advanced Treatment construction project to Dugan & Meyers Construction Co., and authorized the District staff to execute the appropriate contract documents.

The Board considered the election of officers of the Board of Commissioners. On motion of Commissioner Koester, seconded by Commissioner Wagner, the Board unanimously agreed to elect Commissioner Collins as the Chair of the Board. On motion of Commissioner Sommerkamp, seconded by Commissioner Collins, the Board unanimously agreed to elect Commissioner Wagner as the Vice-Chair of the Board. On motion of Commissioner Collins, seconded by Commissioner Sommerkamp, the Board unanimously agreed to elect Commissioner Koester as Treasurer of the Board. On motion of Commissioner Wagner, seconded by Commissioner Sommerkamp, the Board unanimously agreed to elect Commissioner Macke as Secretary of the Board. It was agreed that all newly elected officers shall assume their duties on January 21, 2010.

The Commissioners reviewed the District's financial reports and Department reports.

Other matters of a general nature were discussed, including extending thanks to Commissioner Macke for his two terms as Chair of the Board.

On motion of Commissioner Collins, seconded by Commissioner Koester, the Board unanimously agreed to go into executive session under the provisions of KRS 61.810(1)(f) to discuss an individual employee and to protect the individual's personal privacy during such discussion. Immediately thereafter, Mr. Dunham excused himself and departed the Board meeting.

The Board returned to open session.

On motion of Commissioner Wagner, seconded by Commissioner Sommerkamp, the Board unanimously agreed to authorize and direct Commissioner Macke to execute an amendment to Mr. Lovan's employment agreement incorporating changes specified by the Board.

There being no further business to come before the Board, the meeting was adjourned.

CHAIRMAN

SECRETARY

NORTHERN KENTUCKY
WATER DISTRICT

Project
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Campbell County
184-0456

PROJECT FINANCE INFORMATION

Customers Added and Revenue Effect

Debt Issuance and Source of Debt

Additional Costs for Operating and Maintenance

USoA Plant Account

Depreciation Cost and Debt Service After Construction

Northern Kentucky Water District

Customers Added and Revenue Effect: There will be zero new customers added and no revenue effect as a result of the Memorial Parkway Treatment Plant Advanced Treatment Facility Project.

Debt Issuance and Source of Debt: This project will be paid from the District's Five-Year Capital Budget, PSC No. 136 "MPTP Advanced Treatment" with a revised budget of \$15,300,000, which includes construction cost, engineering, and contingencies. A summary of the project costs is provided below:

○ Design Engineering	\$ 1,000,000
○ Construction Engineering	\$ 846,000
○ Contractor's Bid	\$12,227,000
○ Misc. & Contingencies	\$ <u>1,227,000</u>
Total Project Cost	\$15,300,000

The project will be funded through multiple sources. The project is already partially funded through BAN 2009 in the amount of \$1,000,000 for design engineering services. The District has been approved for an \$8,000,000 State Revolving Fund loan, which will be used to partially fund \$8,000,000 of this project as shown in the attached Exhibit D1. It is proposed that the remaining \$6,300,000 be taken from future BAN 2010.

USoA Accounts: The amounts for the project cost of \$15,300,000 will fall under the following Uniform System of Accounts Codes:

Code 304 "Structures and Improvements"	\$9,480,154
Code 310 "Power Generation Equipment"	\$968,412
Code 311 "Pumping Equipment"	\$1,070,762
Code 320 "Water Treatment Equipment"	\$3,780,672

Additional Costs and O&M: Additional operating and maintenance costs incurred for the project are as follows:

Power	\$ 100,000
Labor	\$ 70,000
Maintenance	\$ <u>1,722,000</u>
	\$1,892,000 Annual O&M

Depreciation and Debt Service: Annual depreciation and debt service after construction are as follows and shown in Exhibit D2:

Depreciation: \$252,804/year over 37.5 years for Code 304 Structures & Improvements
\$48,420/year over 20 years for Code 310 Power Generation Equipment
\$53,538/year over 20 years for Code 311 Pumping Equipment
\$126,022/year over 30 years for Code 320 Water Treatment Equipment

Debt Service: \$498,747 over 20 years (2.2% SRF loan) and \$517,952 over 25 years (conventional 5.0% loan).

STEVEN L. BESHEAR
GOVERNOR



Too Red
R

LEONARD K. PETERS
SECRETARY

ENERGY AND ENVIRONMENT CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION
DIVISION OF WATER
200 FAIR OAKS LANE, 4TH FLOOR
FRANKFORT, KENTUCKY 40601
www.kentucky.gov

November 30, 2009

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

Re: DWL1014
Northern KY Water Service--2485
Activity ID: FGL20100003
DWSRF
Watershed Name: Banklick Creek
HUC 11# 05100101290

Dear Mr. Covington:

The Division of Water (DOW) hereby certifies that the Northern Kentucky Water District is entitled to receive priority for funding for the NKWD ADVANCED TREATMENT PROJECT and is eligible to receive \$8,000,000 from the Drinking Water State Revolving Fund. The following requirements have been addressed as follows:

1. Plans and specifications were approved on November 10, 2009.
2. Construction bids are expected to be opened on December 10, 2009.
3. The Categorical Exclusion Determination (CED) was approved on October 27, 2009.

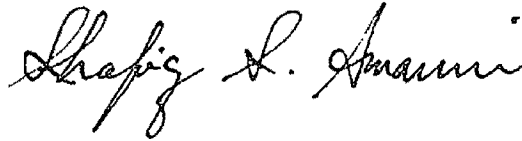
The binding commitment letter should include the following general conditions to satisfy federal requirements:

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

project funding shall be immediately reported to KIA and may cause this loan to be subject to further consideration.

The SRF application review has been completed by staff of the Kentucky Infrastructure Authority. As a reminder to the borrower, if the community should have any questions or concerns, regarding missing items or additional submission requirements, they should contact Kasi White at 502-573-0260. Should you have any questions concerning this letter, do not hesitate to contact Cathy Arnett, Project Administrator, at (502) 564-8158, extension 4594.

Sincerely,



Shafiq S. Amawi, Manager
Water Infrastructure Branch

SSA:CA

Enclosures

C: Brent Tippey, P. E., HDR/Quest Engineering, Inc.

KENTUCKY INFRASTRUCTURE AUTHORITY
Minutes of the Full Board

Meeting Date/Location: December 3, 2009 – 1:00 p.m.
Kentucky Infrastructure Authority
1024 Capital Center Drive, Suite 340, Frankfort

Members present:

Mr. Tony Wilder, Commissioner, Department for Local Government
Mr. Greg Haskamp, Finance and Administration Cabinet
(proxy for Secretary Jonathan Miller, FAC)
Mr. Peter Goodmann, Energy and Environment Cabinet
(proxy for Secretary Leonard K. Peters, EEC)
Mr. Ken Robinson, Economic Development Cabinet
(proxy for Secretary Larry Hayes, EDC)
Mr. Jeff Derouen, Executive Director, Public Service Commission
Mr. Gregory Heitzman, representing the American Water Works Association
Mr. David W. Cartmell, Mayor, City of Maysville, representing the Kentucky League of Cities
Mr. Thomas P. Calkins, representing the Kentucky Municipal Utilities Association
Ms. Linda C. Bridwell, representing for-profit private water companies
Mr. Jody Jenkins, Union County Judge/Executive, representing the Kentucky
Association of Counties

Members absent:

Mr. Damon Talley, representing the Kentucky Rural Water Association

Guests:

Mr. Shafiq Amawi, Division of Water
Ms. Kristi Culpepper, Legislative Research Commission
Ms. Samantha Gange, Legislative Research Commission
Ms. Linda Magee, Kentucky Cable Association
Ms. Deanna Sandefur, Flint Group
Mr. Mike Jones, Florence & Hutcheson Engineers
Mr. Joseph Anderson, Princeton Water and Wastewater Commission
Mr. Richard Harrison, Northern Kentucky Water District
Mr. Bob Sturdivant, HDR Engineering
Mr. John Scheben, Northern Kentucky Water District
Ms. Stacia Peyton, Department for Local Government
Mr. Ralph Johanson, GRW Engineers
Mr. Roger Recktenwald, Kentucky Association of Counties
Mr. Bobby Riffe, Geotech Engineering and Testing, Inc.
Mr. Pete Conrad, Green River Area Development District
Ms. Jennifer McIntosh, Kentucky River Area Development District
Mr. Steve Harris, R.M. Johnson Engineering
Mr. B. Russell Harper, Kentucky Council of Area Development Districts
Mr. Joe Burns, Kentucky Rural Water Association
Mr. Rusty Hollis, Kentucky Cable Telecommunications Association

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PROCEEDINGS

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

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

I. BUSINESS (Board Action Required)

A. 1. APPROVAL OF MINUTES

For: KIA Regular Board Meeting of November 12, 2009

Mr. Tom Calkins moved to approve the minutes of the November 12th, 2009 regular board meeting. Mr. Jeff Derouen seconded, and the motion carried unanimously.

At this time the Chair congratulated Louisville Water Company in obtaining a AAA credit rating from Standard & Poors.

B. NEW PROJECTS/ACTION ITEMS

1. CONSIDERATION OF THE KENTUCKY INFRASTRUCTURE AUTHORITY BUDGET REQUEST FOR FISCAL YEARS 2010-2011 AND 2011-2012

Ms. Denise Pitts, KIA, presented the Agency Budget Request Overview Report (handout) to the board. She summarized the operating budget and the capital budget that was submitted to the Governor for fiscal years 2010-2011 and 2011-2012.

Ms. Linda Bridwell moved to adopt the KIA Budget Request for Fiscal Years 2010-2011 and 2011-2012. Mr. Greg Heitzman seconded, and the motion carried unanimously.

2. RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED WASTEWATER REVOLVING FUND LOAN IN THE AMOUNT OF \$497,409 TO THE OHIO COUNTY REGIONAL WASTEWATER COMMISSION, OHIO COUNTY, KENTUCKY (A2 09-31) FUNDED IN WHOLE OR IN PART BY THE AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) OF 2009

Mr. Shafiq Amawi, Division of Water (DOW), and Ms. Kasi White, KIA, presented the project to the board. The Ohio County Regional Wastewater Commission

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requested a \$497,409 Fund A ARRA loan for the construction of a lift station and 10,000 linear feet of new sewer line. The project will allow the elimination of an on-site package treatment plant owned and operated by the Ohio County School District which discharges into a nearby unnamed tributary that is adjacent to the school's playground area. The new line will run from the lift station at Bluegrass Crossings Industrial Park to a newly constructed lift station at Southern Elementary School. In addition to removing a potential health hazard from the area the project will relieve the school system of the burden of maintaining and operating a sewer system. The commission provides wastewater treatment service to the cities of Beaver Dam, Centertown and Hartford. Both DOW and KIA staff recommended approval of the loan with the standard conditions and the additional ARRA conditions.

Mr. Greg Heitzman moved to approve the resolution. Ms. Linda Bridwell seconded, and the motion carried unanimously.

3. **RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED WASTEWATER REVOLVING FUND LOAN IN THE AMOUNT OF \$750,000 TO THE MOUNTAIN WATER DISTRICT, PIKE COUNTY, KENTUCKY (A2 09-32) FUNDED IN WHOLE OR IN PART BY THE AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) OF 2009**

Mr. Shafiq Amawi, DOW, and Ms. Sandy Williams, KIA, presented the project to the board. The Mountain Water District requested a \$750,000 Fund A ARRA loan for the Shelby Sanitary Sewer Project – Phase III. This project includes the installation of 2" to 6" collector sewer lines. The project will serve approximately 50 new customers and will provide sanitary sewer service to an area of the county with a high number of straight pipes and/or failing septic systems. Both DOW and KIA Staff recommended approval of the loan with the standard conditions, the additional ARRA conditions and the following special condition: The Repair and Maintenance Fund required by Kentucky Infrastructure Authority loan agreements with the Mountain Water District was underfunded by \$560,948 as of December 31, 2008. This deficiency is the result of not making scheduled deposits to the reserve and transferring reserve funds to the operating account to make loan payments. The Mountain Water District will negotiate with the KIA Executive Director for an equitable agreement to replenish the deficient reserve balances. Mr. Greg Heitzman recommended adding to the special condition that the Mountain Water District have until 12 months or until December 31, 2010, to correct the deficiency in the reserve balances.

Mr. Greg Heitzman moved to approve the resolution with the special condition and an additional condition that the replacement reserve deficiency is corrected within 12 months or by December 31, 2010. Mr. Tom Calkins seconded, and the motion carried unanimously. It was noted that Mr. Jeff Derouen's vote does not speak for the three commissioners who serve on the Public Service Commission.

4. **RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF**

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A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED WASTEWATER REVOLVING FUND LOAN IN THE AMOUNT OF \$625,000 TO THE MEADE COUNTY RIVERPORT AUTHORITY, MEADE COUNTY, KENTUCKY (A2 09-42) FUNDED IN WHOLE OR IN PART BY THE AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) OF 2009

Mr. Shafiq Amawi, DOW, and Ms. Sandy Williams, KIA, presented the project to the board. The Meade County Riverport Authority requested a \$625,000 Fund A ARRA loan for construction of eight inch diameter gravity sewers, two proposed duplex submersible lift stations and six inch HDPE sanitary sewer force mains to be constructed on the Riverport Authority in Meade County, KY. The individual lift stations will collect sanitary sewer from the proposed Riverport development and pump through independent force mains to the headworks facility at the existing City of Brandenburg Wastewater Treatment Plant. Specifically, the project includes approximately 2,400 linear feet of six inch diameter HDPE sewer force main, 1,400 linear feet of eight inch gravity sewer lines, several road crossings and two individual submersible sanitary sewer lift stations complete with emergency electrical generation systems and standard electrical facilities. Debt service will be funded through revenues and will be guaranteed by the Meade County Fiscal Court. Both DOW and KIA staff recommended approval of the loan with the standard conditions and the additional ARRA conditions.

Ms. Linda Bridwell moved to approve the resolution. Judge Jody Jenkins seconded, and the resolution was approved with eight approving and two opposing votes.

5. RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED WASTEWATER REVOLVING FUND LOAN IN THE AMOUNT OF \$1,500,000 TO THE TROUBLESOME CREEK ENVIRONMENTAL AUTHORITY, KNOTT COUNTY, KENTUCKY (A2 09-43) FUNDED IN WHOLE OR IN PART BY THE AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) OF 2009

Mr. Shafiq Amawi, DOW, and Ms. Sandy Williams, KIA, presented the project to the board. The Troublesome Creek Environmental Authority requested a \$1,500,000 Fund A ARRA loan for construction of a new 100,000 gallon per day wastewater treatment plant with collection lines initially running to 85 individual residences, 2 businesses, 18 apartments and a car wash. The project will eliminate straight pipes and failing systems in the area and restore the condition of Troublesome Creek. The creation of this wastewater treatment plant will also aid in the development of Knott County through Chestnut Mountain. Once the plant is operational, development can begin. It is expected that over 400 new homes will be constructed along with several new businesses. The development is expected to create over 100 new jobs for the area. Handouts were provided regarding information about the Troublesome Creek Environmental Authority and the proposed Chestnut Mountain development. Both DOW and KIA staff recommended approval of the loan with the standard conditions, the additional ARRA conditions and the following special conditions: (1) The Troublesome Creek Environmental Authority shall provide to KIA the Public Service Commission approved rates and service charges within 2 weeks of the final

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approval of those rates; (2) KIA requests that the Knott County Fiscal Court put a high priority on their authorization request for Coal Severance funding to retire the debt for the Economic Stimulus Funding Loan of the Troublesome Creek Environmental Authority for the purpose of constructing a wastewater treatment plant and sewer collection system in the Ball Creek area; and (3) If Coal Severance funding is unavailable to repay this loan, the Troublesome Creek Environmental Authority shall include annual debt service of \$41,164 in their budget submitted to the Public Service Commission in their rate case submittal and shall charge rates sufficient to repay the KIA loan.

Ms. Linda Bridwell moved to approve the resolution. Mayor David Cartmell seconded, and the motion carried unanimously. It was noted that Mr. Jeff Derouen's vote does not speak for the three commissioners who serve on the Public Service Commission.

6. RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED WASTEWATER REVOLVING FUND LOAN (A09-27) IN THE AMOUNT OF \$975,000 TO THE CITY OF PRINCETON, CALDWELL COUNTY, KENTUCKY

Mr. Shafiq Amawi, DOW, and Ms. Kasi White, KIA, presented the project to the board. The City of Princeton requested a \$975,000 Clean Water SRF loan to complement its previously approved \$1,000,000 Clean Water SRF ARRA loan to allow for additional rehabilitation as a result of the inspection conducted with ARRA funding. The original project included a detailed sewer system inspection followed by a major sewer rehabilitation project in two collection system basins. Due to the extensive deterioration of the lines found during the inspection, Princeton chose the pipe-bursting rehabilitation method versus cured-in-place to avoid extensive repairs before rehab can be completed. Approximately 75,000 l.f. of gravity sewer was inspected and approximately 19,500 l.f. will be included in the rehabilitation portion of the project. Both DOW and KIA staff recommended approval of the loan increase with the standard conditions.

Mayor David Cartmell moved to approve the resolution. Ms. Linda Bridwell seconded, and the motion carried unanimously.

7. 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 (F09-02) LOAN IN THE AMOUNT OF \$8,000,000 TO THE NORTHERN KENTUCKY WATER DISTRICT, KENTON COUNTY, KENTUCKY

Mr. Shafiq Amawi, DOW, and Ms. Kasi White, KIA, presented the project to the board. The Northern Kentucky Water District requested an \$8,000,000 Drinking Water SRF loan for its Advanced Treatment Project. The project is comprised of four phases and will promote public health and help maintain compliance with the Safe Drinking Water Act in a number of ways. Phase I involves replacement of filter media, underdrains and the addition of an air scour system to all 12 filters at the Fort Thomas WTP (FTTP) along with improvements to repair and correct

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moisture damage to the walls in the filter area. Phase II includes the addition of covers on sedimentation basins to control algae at the FTTP. Phases III and IV involve the installation of granular activated carbon (GAC) post-filter contactors, ultraviolet disinfection and replacement of undersized emergency power generators at two treatment plants (FTTP and Memorial Parkway). The addition of GAC is necessary for the District to comply with Stage 2 of the Disinfection By-Product Rule (DBPR) by 2012. The District will not be able to comply with this new regulation with the existing treatment processes at the treatment plants. Both DOW and KIA Staff recommended approval of the loan with the standard conditions.

Mr. Greg Heitzman discussed the standing policy of the board in limiting drinking water loan amounts to \$4,000,000 per applicant. He asked the KIA staff to research and see if it would be appropriate to raise the limit from \$4,000,000 to a higher level based on the applicant's request, considering there may be a pool of leveraged funds plus twice the amount of funding available from future capitalization grants. Mr. John Covington, KIA, agreed that a look the Drinking Water program assets and ability to loan funds would be beneficial.

Ms. Linda Bridwell moved to approve the resolution. Mr. Tom Calkins seconded, and the motion carried unanimously. It was noted that Mr. Jeff Derouen's vote does not speak for the three commissioners who serve on the Public Service Commission.

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

Ms. Sandy Williams, KIA, noted that 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.

APPLICANT	FUND	AMOUNT
Ohio County Regional Wastewater Commission	A	\$ 497,409
Mountain Water District	A	\$ 750,000
Meade County Riverport Authority	A	\$ 625,000
Troublesome Creek Environmental Authority	A	\$ 1,500,000
City of Princeton	A	\$ 975,000
Northern Kentucky Water District	F	\$ 8,000,000

Mr. Greg Heitzman moved to approve the resolution. Ms. Linda Bridwell seconded, and the motion carried unanimously.

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9. CONSIDERATION OF AMENDMENTS TO KIA BYLAWS

Ms. Sandy Williams, KIA, presented the proposed change to the KIA Bylaws. Upon request by the board last month, the official meeting time was taken out of the by-laws in order to set that meeting time by resolution.

Mr. Peter Goodmann moved to adopt the revised KIA Bylaws. Mr. Tom Calkins seconded, and the motion carried unanimously.

10. RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY TO ESTABLISH A STANDARD MEETING TIME FOR MONTHLY AUTHORITY BOARD MEETINGS OF 1:00 P.M. EASTERN TIME

Ms. Sandy Williams, KIA, presented the resolution to the board.

Mr. Peter Goodmann moved to approve the resolution. Ms. Linda Bridwell seconded, and the motion carried unanimously.

II. EXECUTIVE DIRECTOR'S REPORT

Mr. John Covington, KIA, updated the board on the following items:

- A. All ARRA projects have now been approved by the board. There are 17 Drinking Water ARRA projects of which 15 have opened bids and the remaining two are out to bid. There are two fully executed assistance agreements, three are out for signature, five have been drafted and seven are to be drafted. Six of the projects are under construction. There are 44 Clean Water ARRA projects of which 23 have opened bids, seven are anticipating opening bids in December and 10 open bids in January. There are two fully executed assistance agreements, two are out for signature, two are being drafted and 38 are to be drafted. Nine of the projects are under construction. The staff participated in a conference call this week with EPA Region IV and all states in Region IV to discuss the progress of each state's projects in order to meet the February 17, 2010, deadline.
- B. Mr. Covington presented the Wastewater project rankings and the Water project rankings that were submitted by the 15 Area Water Management Councils. A total of 300 projects were ranked by the Area Water Management Councils. Mr. Covington recommended that the board accept the rankings.
- C. Mr. Covington informed the board that they would receive a copy of the letter dated November 18, 2009, from the Capital Projects and Bond Oversight Committee explaining why they did not take action at its November 17th meeting on the loans to General Burnside State Park, Green River State Park and Pennyrile Forest Resort Park. The Committee did not question KIA's authority to make the loans, but questioned the Department of Park's ability to incur debt without budget authorization from the General Assembly. The letter was sent to the Secretary of the Finance Administration Cabinet who has the authority to override the Committee's decision. KIA is waiting for the Secretary's decision.

III. STATUS REPORT FOR FUNDS


- A. 2003 Coal/Tobacco Development Grants
- B. IEDF Fund Grants
- C. 2020 Account / Fund B Grants
- D. Funds A, A1, B, B1, C, F, F1

IV. ANNOUNCEMENTS/NOTIFICATIONS

- Next scheduled KIA board meeting:
Tentatively scheduled for
Thursday, January 7th, 2009
1024 Capital Center Drive, Suite 340
Frankfort, Kentucky

There being no further business Ms. Linda Bridwell moved to adjourn. Mr. Tom Calkins seconded and the motion carried unanimously. The December 3rd, 2009, regular meeting of the Board of the Kentucky Infrastructure Authority was adjourned.

Submitted by:


Sandy Williams, Secretary
Kentucky Infrastructure Authority

12-18-2009
Date

**Part III - Budget Information
Project Cost Summary**

Project Title Advanced Treatment - Phase III Memorial Parkway Plant

WRIS# WX:21

Project Budget: Estimated

30,000,000

enter date: 7/1/2009

As Bid

15,300,000

enter date: 12/16/2009

Revised

15,

enter date: 12/29/2009

Cost Classification		DWSRF KIA Loan	Funding Source 1	Funding Source 2	Funding Source 3	Funding Source 4	Funding Source 5	Local Funds
1	Administrative Expenses		4,000					
2	Legal Expenses		500					
3	Land, Appraisals, Easements		-					
4	Relocation Expense & Payments		-					
5	Planning		-					
6	Engineering Fees - Design		1,000,000					
7	Engineering Fees - Construction		350,000					
8	Engineering Fees - Inspection		496,000					
9	Engineering Fees - Other		-					
10	Construction	8,000,000	4,227,000					
11	Equipment		-					
12	Miscellaneous		-					
13	Contingencies		1,222,500					
	Total	8,000,000	7,300,000	-	-	-	-	

Funding Sources		Amount	Date Committed
1	Funding Source 1	7,300,000	NKWD
2	Funding Source 2	-	
3	Funding Source 3	-	
4	Funding Source 4	-	
5	Funding Source 5	-	
	Total	7,300,000	

Local Funding Sources		Amount	Date Committed
1			
2			
3			
	Total	-	

Cost Categories
Treatment
Transmission and Distribution
Source
Storage
Purchase of Systems
Restructuring
Land Acquisition
TOTAL COSTS

Total Funding

15,300,000

EXHIBIT
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Memorial Parkway Treatment Plant Advanced Treatment Project			
Depreciation	Cost	Depreciation Years	Annual Depreciation
Account 304 Structures & Improvements	\$9,480,154	37.5	\$252,804.11
Account 310 Power Generation Equipment	\$968,412	20	\$48,420.60
Account 311 Pumping Equipment	\$1,070,762	20	\$53,538.10
Account 320 Water Treatment Equipment	\$3,780,672	30	\$126,022.40
Total	\$15,300,000.00		\$480,785.21
Debt Service on SRF Loan			
Total Borrowed	\$8,000,000		
Interest Rate including administration fee	2.20%		
Term (Years)	20		
Annual Debt Service SRF	\$498,747.35		
Debt service on bond issue			
Total Borrowed	\$7,300,000		
Interest Rate	5.00%		
Term (Years)	25		
Annual Debt Service Traditional	\$517,952.94		
Total Annual Debt Service	\$1,016,700.29		

