



**FINANCE AND ADMINISTRATION CABINET  
OFFICE OF THE CONTROLLER  
OFFICE OF FINANCIAL MANAGEMENT**

200 Mero Street, 5<sup>th</sup> Floor  
Frankfort, Kentucky 40622  
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**Andy Beshear**  
GOVERNOR

**Holly M. Johnson**  
SECRETARY

**L. Joe McDaniel**  
CONTROLLER

**Ryan Barrow**  
EXECUTIVE DIRECTOR

March 5, 2024

The Honorable Senator Rick Girdler, Co-Chair  
The Honorable Representative Deanna Frazier Gordon, Co-Chair  
Capital Projects and Bond Oversight Committee  
Legislative Research Commission  
Capitol Annex Building  
Frankfort, Kentucky 40601

Dear Senator Girdler and Representative Frazier Gordon:

Listed below is information regarding various projects and reports that will be presented to the Capital Projects and Bond Oversight (“CPBO”) Committee at the March meeting.

The Kentucky Infrastructure Authority (“KIA”) will present the following loans for the Committee’s approval:

<u>Fund A Loan</u>	
City of Ashland	\$44,000,000
City of Providence	\$7,230,000
Adair County Water District	\$2,672,250
City of Springfield f/b/o Springfield Water and Sewer Commission	\$2,623,000
<u>Fund C Loan</u>	
Bronston Water Association	\$625,420
<u>Fund F Loan</u>	
City of Providence	\$2,600,000
City of Springfield f/b/o Springfield Water and Sewer Commission	\$2,894,924
Martin County Water District	\$299,250
City of Paintsville f/b/o Paintsville Utilities Commission	\$418,000
Southern Water & Sewer District	\$247,575
City of Prestonsburg f/b/o Prestonsburg City Utilities Commission	\$416,250

City of Pikeville	\$119,902
Ohio County Water District	\$185,000
City of Ashland	\$874,130
Mountain Water District	\$435,720

The KIA will present Cleaner Water Program Grants for both water and sewer for approval. A detailed list of projects can be found starting on page five.

The Cabinet for Economic Development will present thirteen (13) Economic Development Fund (“EDF”) grants for the Committee’s approval:

EDF grant to the City of Bardstown on behalf of the Nelson County Fiscal Court	\$631,510
EDF grant to the City of Hodgenville on behalf of the LaRue County Fiscal Court	\$600,000
EDF grant to the City of Somerset on behalf of the Somerset Pulaski Economic Development Authority, Inc.	\$500,000
EDF grant to the City of Winchester on behalf of the Winchester/Clark County Industrial Development Authority	\$2,000,000
EDF grant to the Clinton County Fiscal Court on behalf of the Clinton County Industrial Development Authority	\$164,613
EDF grant to the Graves County Fiscal Court on behalf of the Graves County Economic Development, Inc.	\$1,623,750
EDF grant to the Green County Fiscal Court on behalf of the Green Economic Team, Inc.	\$1,000,000
EDF grant to the Laurel County Fiscal Court on behalf of the London-Laurel County Economic Development Authority	\$1,978,262
EDF grant to the Logan County Fiscal Court on behalf of the Logan Industrial Development Authority, Inc.	\$2,000,000
EDF grant to the Montgomery County Fiscal Court on behalf of the Mt. Sterling - Montgomery County Industrial Authority	\$2,000,000
EDF grant to the Scott County Fiscal Court on behalf of the City of Georgetown	\$1,500,000
EDF grant to the Wayne County Fiscal Court on behalf of the Wayne County Industrial Authority	\$493,643

EDF grant to the Webster County Fiscal Court on behalf of  
the Webster County Industrial Development Authority \$529,065

The Office of Financial Management (“OFM”) will present four (4) new bond issue reports for the Committee’s approval:

Northern Kentucky University General Receipts Refunding  
Bonds, 2024 Series A \$27,060,000\*

Kentucky Housing Corporation Multifamily Conduit  
Revenue Bonds (Chenoweth Wood Apartments), Series 2024 \$11,500,000+

State Property and Buildings Commission Revenue Bonds,  
Project No. 130 Series A, Revenue Refunding Bonds, Series B  
and Revenue Refunding Bonds, Series C (Optional Tender) \$860,000,000+

Kentucky Asset/Liability Commission Project Notes, 2024  
Federal Highway Trust Fund (GARVEEs) First Refunding  
Series A \$90,000,000+

Estimated\*  
Not to Exceed+

The School Facilities Construction Commission is submitting the following additional information for the Committee’s approval:

Calloway County \$4,320,000\*  
Mercer County \$37,000,000\*

Estimated\*

An OFM staff member will attend the CPBO meeting to answer any questions regarding this information. Please contact me if there are any questions or should your staff require additional information.

Sincerely,



Ryan Barrow,  
Executive Director

Attachment

**Kentucky Infrastructure Authority  
Projects for March 2023  
Capital Projects and Bond Oversight Committee**

▪ **Fund A Loan**

<u>Loan #</u>	<u>Borrower</u>	<u>Amount Requested</u>	<u>Amount Loan Total</u>	<u>County</u>
A22-005	City of Ashland	\$ 44,000,000	\$ 44,000,000	Boyd
A23-001S	City of Providence	\$ 7,230,000	\$ 7,230,000	Webster
A24-007	Adair County Water District	\$ 2,672,250	\$ 2,672,250	Adair
A24-016S	City of Springfield f/b/o Springfield Water & Sewer Commission	\$ 2,623,000	\$ 2,623,000	Washington

▪ **Fund B Loan**

<u>Loan #</u>	<u>Borrower</u>	<u>Amount Requested</u>	<u>Amount Loan Total</u>	<u>County</u>
B22-005	Bronston Water Association (Increase)	\$ 625,420	\$ 3,368,420	Pulaski

▪ **Fund F Loan**

<u>Loan #</u>	<u>Borrower</u>	<u>Amount Requested</u>	<u>Amount Loan Total</u>	<u>County</u>
F22-021	City of Providence	\$ 2,600,000	\$ 2,600,000	Webster
F24-005	City of Springfield f/b/o Springfield Water & Sewer Commission	\$ 2,894,924	\$ 2,894,924	Washington
F24-022L	Martin County Water District	\$ 299,250	\$ 299,250	Martin
F24-026L	City of Paintsville f/b/o Paintsville Utilities Commission	\$ 418,000	\$ 418,000	Johnson
F24-036L	Southern Water & Sewer District	\$ 247,575	\$ 247,575	Floyd
F24-037L	City of Prestonsburg f/b/o Prestonsburg City Utilities Commission	\$ 416,250	\$ 416,250	Floyd
F24-048L	City of Pikeville	\$ 119,902	\$ 119,902	Pike
F24-051L	Ohio County Water District	\$ 185,000	\$ 185,000	Ohio
F24-056L	City of Ashland	\$ 874,130	\$ 874,130	Boyd
F24-063L	Mountain Water District	\$ 435,720	\$ 435,720	Pike

**2021 Cleaner Water Program Grants - Sewer**

Grant Number	Grantee	Project Title	Amount	County	Allocation Pool
21CWS141	City of Trenton	Trenton - CWP Sewer System Improvements	\$ 146,703.00	Todd	County - R

**2021 Cleaner Water Program Grants - Water**

Grant Number	Grantee	Project Title	Amount	County	Allocation Pool
21CWW010	Sharpsburg Water District	Sharpsburg Water District Water Tank Rehab Project	\$ 10,000.00	Bath	Supplemental
21CWW147	City of Burgin	Burgin - Water System Improvements Project	\$ 33,521.00	Mercer	Supplemental
21CWW348	City of South Shore	South Shore Scaffold-Firebrick Water Extension Project	\$ 1,029,080.00	Lewis	County - R
21CWW349	Kirksville Water Association Inc	Kirksville Road Water Line Replacement	\$ 30,429.12	Madison	County - R

**2022 Cleaner Water Program Grants - Sewer**

Grant Number	Grantee	Project Title	Amount	County	Allocation Pool
22CWS049	City of Raceland	Raceland Ave Sewer Rehab	\$ 25,000.00	Greenup	County - R
22CWS168	City of Beattyville	Wastewater Treatment Plant Screen Replacement	\$ 224,603.00	Lee	County - R
22CWS169	City of Island	Island Sewer Plant and Lift Station Generators Project	\$ 40,646.00	McLean	County - R

**2022 Cleaner Water Program Grants - Water**

Grant Number	Grantee	Project Title	Amount	County	Allocation Pool
22CWW361	Louisville Water Company	Oak Street 48-inch Rehabilitation	\$ 535,346.00	Jefferson	County - R
22CWW362	South Eastern Water Association Inc	2023 Various Waterline Upgrades	\$ 416,203.00	Pulaski	County - R
22CWW363	Jackson County Water Association Inc	Contract 5: County Waterline Extension	\$ 400,000.00	Jackson	County - R
22CWW364	City of Manchester	Water Meter Replacement	\$ 617,925.00	Clay	County - R
22CWW365	East Daviess County Water Association Inc	Knottsville Tank Rehab	\$ 486,000.00	Daviess	County - R

<b>EXECUTIVE SUMMARY</b>		Reviewer	John Brady	
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		Date	March 7, 2024	
<b>FUND A, FEDERALLY ASSISTED WASTEWATER</b>		KIA Loan Number	A22-005	
<b>REVOLVING LOAN FUND</b>		WRIS Number	SX21019065	
BORROWER	CITY OF ASHLAND BOYD COUNTY			
BRIEF DESCRIPTION				
<p>The City of Ashland is requesting a Fund A loan in the amount of \$44,000,000 for the Wastewater Treatment Plant (WWTP) Expansion and Improvements project. The City is undertaking the project to address several objectives to meet their long term control plan and comply with an Agreed Order received from the EPA. New headworks at the WWTP will provide preliminary treatment capacity up to 40 million gallons per day (mgd). 22 mgd will undergo full biological treatment and disinfection and up to 18 mgd will be directed to storage tanks. The disinfection process will be upgraded to eliminate the use of chlorine gas. SCADA and telemetry systems will also be upgraded to improve operational efficiency. Upgrades will be made to address anticipated nutrient removal for the treated effluent discharge to the Ohio River. Other work at the WWTP will include the construction of new clarifiers, capacity for increased leachate, and the replacement of many aged pieces of equipment.</p>				
PROJECT FINANCING		PROJECT BUDGET		
Fund A Loan	\$44,000,000	Administrative Expenses	\$150,000	
Local	15,000,000	Construction	65,863,000	
Other	19,400,000	Eng - Design / Const	3,021,700	
		Eng - Insp	970,300	
		Eng - Other	150,000	
		Contingency	8,245,000	
TOTAL	<u>\$78,400,000</u>	TOTAL	<u>\$78,400,000</u>	
REPAYMENT	Rate	1.25%	Est. Annual Payment	\$2,267,578
	Term	20 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	Strand Associates, Inc.		
	Bond Counsel	Dinsmore & Shohl, LLP		
PROJECT SCHEDULE	Bid Opening	Jun-24		
	Construction Start	Aug-24		
	Construction Stop	Aug-26		
DEBT PER CUSTOMER	Existing	\$561		
	Proposed	\$1,990		
OTHER DEBT	See Attached			
RESIDENTIAL RATES	Current	<u>Users</u>	<u>Avg. Bill</u>	
		8,694	\$30.58	(for 4,000 gallons)
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.			
CASHFLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2020	5,168,863	1,631,300	3,537,563	3.2
Audited 2021	4,232,635	2,211,597	2,021,038	1.9
Audited 2022	4,423,709	2,340,729	2,082,980	1.9
Projected 2023	4,299,839	2,313,245	1,986,594	1.9
Projected 2024	6,167,929	2,324,790	3,843,139	2.7
Projected 2025	7,618,247	1,802,444	5,815,803	4.2
Projected 2026	7,128,463	1,540,655	5,587,808	4.6
Projected 2027	6,513,985	5,139,571	1,374,414	1.3

Reviewer: John Brady  
Date: March 7, 2024  
Loan Number: A22-005

**KENTUCKY INFRASTRUCTURE AUTHORITY  
WASTEWATER REVOLVING LOAN FUND (FUND A)  
CITY OF ASHLAND, BOYD COUNTY  
PROJECT REVIEW  
SX21019065**

**I. PROJECT DESCRIPTION**

The City of Ashland is requesting a Fund A loan in the amount of \$44,000,000 for the Wastewater Treatment Plant (WWTP) Expansion and Improvements project. The City is undertaking the project to address several objectives to meet their long term control plan and comply with an Agreed Order received from the EPA. New headworks at the WWTP will provide preliminary treatment capacity up to 40 million gallons per day (mgd). 22 mgd will undergo full biological treatment and disinfection and up to 18 mgd will be directed to storage tanks. The disinfection process will be upgraded to eliminate the use of chlorine gas. SCADA and telemetry systems will also be upgraded to improve operational efficiency. Upgrades will be made to address anticipated nutrient removal for the treated effluent discharge to the Ohio River. Other work at the WWTP will include the construction of new clarifiers, capacity for increased leachate, and the replacement of many aged pieces of equipment.

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

**II. PROJECT BUDGET**

	<u><b>Total</b></u>
Construction	\$65,863,000
Administrative Expenses	150,000
Engineering Fees - Design	1,965,000
Engineering Fees - Construction	1,056,700
Engineering Fees - Inspection	970,300
Engineering Fees - Other	150,000
Contingency	<u>8,245,000</u>
<b>Total</b>	<b>\$78,400,000</b>

### III. PROJECT FUNDING

	<u>Amount</u>	<u>%</u>
Fund A Loan	\$44,000,000	56%
Local	15,000,000	19%
Other	19,400,000	25%
<b>Total</b>	<b>\$78,400,000</b>	<b>100%</b>

### IV. KIA DEBT SERVICE

Construction Loan	\$44,000,000
Less: Principal Forgiveness	<u>5,673,937</u>
Amortized Loan Amount	\$38,326,063
Interest Rate	1.25%
Loan Term (Years)	<u>20</u>
Estimated Annual Debt Service	\$ 2,171,763
Administrative Fee (0.25%)	<u>95,815</u>
<b>Total Estimated Annual Debt Service</b>	<b>\$ 2,267,578</b>

### V. PROJECT SCHEDULE

Bid Opening	June 2024
Construction Start	August 2024
Construction Stop	August 2026

### VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

#### A) Customers

<u>Customers</u>	<u>Current</u>
Residential	7,250
Commercial	1,441
Industrial	<u>3</u>
<b>Total</b>	<b>8,694</b>



## B) Rates

### Sewer - Inside City

	Current	Prior	Prior
Date of Last Increase	1/1/2024	7/1/2023	1/1/2023
Minimum 1,000 gallons	\$ 6.77	\$ 6.45	\$ 5.86
Additional per 1,000 gallons	6.77	6.45	5.86
EPA CSO Charge	3.50	3.50	3.50
Cost for 4,000 gallons	\$ 30.58	\$ 29.30	\$ 26.94
Increase %	4.4%	8.8%	3.1%
Affordability Index	0.8%	0.8%	0.7%

### Sewer - Outside City

	Current	Prior	Prior
Date of Last Increase	1/1/2024	7/1/2023	1/1/2023
Minimum 2,000 gallons	\$ 20.30	\$ 19.36	\$ 17.62
Additional per 1,000 gallons	10.15	9.68	8.81
EPA CSO Charge	3.50	3.50	3.50
Cost for 4,000 gallons	\$ 44.10	\$ 42.22	\$ 38.74
Increase %	4.5%	9.0%	3.4%

### Water - Inside City

	Current	Prior	Prior
Date of Last Increase	1/1/2024	7/1/2023	1/1/2023
Minimum 1,000 gallons	\$ 15.73	\$ 15.00	\$ 13.64
Next 1,000 gallons	7.92	7.45	6.86
Over 2,000 gallons (per 1,000)	5.96	5.68	5.16
Cost for 4,000 gallons	\$ 35.57	\$ 33.81	\$ 30.82
Increase %	5.2%	9.7%	3.5%
Affordability Index	0.9%	0.9%	0.8%

### Water - Outside City

	Current	Prior	Prior
Date of Last Increase	1/1/2024	7/1/2023	1/1/2023
Minimum 2,000 gallons	\$ 34.75	\$ 33.13	\$ 30.13
Additional per 1,000 gallons	10.17	9.69	8.81
Cost for 4,000 gallons	\$ 55.09	\$ 52.51	\$ 47.75
Increase %	4.9%	10.0%	3.5%
Affordability Index	1.5%	1.4%	1.3%

## **VII. DEMOGRAPHICS**

Based on current Census data from the American Community Survey 5-Year Estimate 2017-2021, the Utility's service area population is 21,654 with a Median Household Income (MHI) of \$45,568. The MHI for the Commonwealth is \$55,454. The project will qualify for a 1.25% interest rate.

## **VIII. 2022 CAPITALIZATION GRANT EQUIVALENCIES**

- 1) Green Project Reserve - This project qualifies for Green Project Reserve funding for \$1,500,000.
- 2) Additional Subsidization – This project qualifies for additional subsidization. Principal forgiveness of 12.9% of the assistance amount, not to exceed \$5,673,937, will be credited to the loan balance.

## **IX. FINANCIAL ANALYSIS**

Financial information was obtained from the audited financial statements for the years ended June 30, 2020 through June 30, 2022. The non-cash impacts of GASB 68 – Accounting and Financial Reporting for Pensions and GASB 75 – Accounting and Financial Reporting for Other Postemployment Benefit have been removed from the operating expenses. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

### **HISTORY**

Total revenues increased 8.5% from \$17.83 million in 2020 to \$19.35 million in 2022 primarily due to rate increases. Operating expenses increased 17.1% from \$12.76 million to \$14.94 million during the same period due to repairs and costs associated with water distribution and sewer collection. The debt coverage ratio was 3.2, 1.9, and 1.9 in 2020, 2021, and 2022.

The balance sheet reflects a current ratio of 0.8, a debt-to-equity ratio of 1.5, 54.8 days of sales in accounts receivable, and 3.0 months of operating expenses in unrestricted cash.

### **PROJECTIONS**

Projections are based on the following assumptions:

- 1) Retail sewer revenues will increase 3% in 2023, 12% in 2024, and 8% in 2025 due to existing rate increases.
- 2) Wholesale sewer revenues will increase 3.4% in 2023 and 11.7% in 2024 due to existing rate increases.
- 3) Retail water revenues will increase 3.6% in 2023, 14.1% in 2024, and 12.7% in 2025 due to existing rate increases.

- 2025 due to existing rate increases.
- 4) Operating expenses will increase 3% annually due to inflation.
  - 5) Debt service coverage is 1.3 in 2027 when principal and interest repayments begin.

Based on the pro forma assumptions, the utility shows adequate cash flow to repay the KIA Fund A loan.

**REPLACEMENT RESERVE**

The replacement reserve will be 5% (\$2,200,000 total) of the final amount borrowed (prior to principal forgiveness) to be funded annually (\$110,000 yearly) each December 1 for 20 years and maintained for the life of the loan.

**X. DEBT OBLIGATIONS**

	<u>Outstanding</u>	<u>Maturity</u>
2013 Revenue Bonds	\$ 1,000,000	2024
2015 Revenue Bonds	2,245,000	2030
2020 Revenue Bonds	10,700,000	2041
Capital Lease	792,083	2029
KIA Loan A10-01	4,139,794	2034
KIA Loan C18-006	749,748	2025
<b>Total</b>	<b>\$19,626,625</b>	

**XI. CONTACTS**

<b>Legal Applicant</b>	
Entity Name	City of Ashland
Authorized Official	Matthew Perkins (Mayor)
County	Boyd
Email	mperkins@ashlandky.gov
Phone	(606) 385-3300
Address	PO Box 1839 Ashland, KY 41105

**Applicant Contact**

Name	Steve Cole
Organization	City of Ashland
Email	scole@ashlandky.gov
Phone	(606) 385-3334
Address	1700 Greenup Ave, Ste 408 Ashland, KY 41101

**Project Administrator**

Name	Jasper Ball
Organization	FIVCO ADD
Email	jasper@fivco.org
Phone	(606) 929-1366
Address	32 FIVCO Court Grayson, KY 41143

**Consulting Engineer**

PE Name	Mark Sneve
Firm Name	Strand Associates, Inc.
Email	mark.sneve@strand.com
Phone	(502) 583-7020
Address	325 W Main St Louisville, KY 40202

**XII. RECOMMENDATIONS**

KIA staff recommends approval of the loan with the standard conditions.

**CITY OF ASHLAND  
FINANCIAL SUMMARY (JUNE YEAR END)**

	<u>Audited 2020</u>	<u>Audited 2021</u>	<u>Audited 2022</u>	<u>Projected 2023</u>	<u>Projected 2024</u>	<u>Projected 2025</u>	<u>Projected 2026</u>	<u>Projected 2027</u>
<b>Balance Sheet</b>								
<b>Assets</b>								
Current Assets	3,989,810	6,799,362	8,106,053	8,549,568	9,668,196	11,120,656	12,238,218	12,513,101
Other Assets	60,771,952	74,040,568	73,179,558	71,913,786	72,133,251	73,930,846	75,546,046	150,230,530
<b>Total</b>	<b>64,761,762</b>	<b>80,839,930</b>	<b>81,285,611</b>	<b>80,463,354</b>	<b>81,801,446</b>	<b>85,051,502</b>	<b>87,784,264</b>	<b>162,743,630</b>
<b>Liabilities &amp; Equity</b>								
Current Liabilities	3,403,667	8,580,608	10,229,102	10,304,385	9,850,375	9,645,713	9,704,301	12,650,204
Long Term Liabilities	29,721,847	41,038,425	38,984,672	37,072,643	35,638,324	34,432,767	33,193,222	86,758,937
<b>Total Liabilities</b>	<b>33,125,514</b>	<b>49,619,033</b>	<b>49,213,774</b>	<b>47,377,028</b>	<b>45,488,699</b>	<b>44,078,480</b>	<b>42,897,523</b>	<b>99,409,141</b>
<b>Net Assets</b>	<b>31,636,248</b>	<b>31,220,897</b>	<b>32,071,837</b>	<b>33,086,326</b>	<b>36,312,747</b>	<b>40,973,022</b>	<b>44,886,741</b>	<b>63,334,489</b>
<b>Cash Flow</b>								
Revenues	17,826,233	17,849,689	19,345,219	19,652,886	21,982,644	23,908,480	23,908,480	23,908,480
Operating Expenses	12,755,369	13,670,761	14,940,726	15,410,021	15,871,689	16,347,207	16,836,991	17,451,469
Other Income	97,999	53,707	19,216	56,974	56,974	56,974	56,974	56,974
<b>Cash Flow Before Debt Service</b>	<b>5,168,863</b>	<b>4,232,635</b>	<b>4,423,709</b>	<b>4,299,839</b>	<b>6,167,929</b>	<b>7,618,247</b>	<b>7,128,463</b>	<b>6,513,985</b>
<b>Debt Service</b>								
Existing Debt Service	1,631,300	2,211,597	2,340,729	2,313,245	2,324,790	1,802,444	1,540,655	5,139,571
Proposed KIA Loan	0	0	0	0	0	0	0	2,267,578
<b>Total Debt Service</b>	<b>1,631,300</b>	<b>2,211,597</b>	<b>2,340,729</b>	<b>2,313,245</b>	<b>2,324,790</b>	<b>1,802,444</b>	<b>1,540,655</b>	<b>7,407,149</b>
<b>Cash Flow After Debt Service</b>	<b>3,537,563</b>	<b>2,021,038</b>	<b>2,082,980</b>	<b>1,986,594</b>	<b>3,843,139</b>	<b>5,815,803</b>	<b>5,587,808</b>	<b>1,374,414</b>
<b>Ratios</b>								
Current Ratio	1.2	0.8	0.8	0.8	1.0	1.2	1.3	1.0
Debt to Equity	1.0	1.6	1.5	1.4	1.3	1.1	1.0	1.6
Days Sales in Accounts Receivable	55.1	55.8	54.8	54.8	54.8	54.8	54.8	54.8
Months Operating Expenses in Unrestricted Cash	0.3	2.6	3.0	3.3	3.8	4.5	5.2	5.4
Debt Coverage Ratio	3.2	1.9	1.9	1.9	2.7	4.2	4.6	1.3

<b>EXECUTIVE SUMMARY</b>		Reviewer	John Brady	
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		Date	March 7, 2024	
<b>FUND A, FEDERALLY ASSISTED WASTEWATER</b>		KIA Loan Number	A23-001S	
<b>REVOLVING LOAN FUND</b>		WRIS Number	SX21233025	
BORROWER	CITY OF PROVIDENCE WEBSTER COUNTY			
BRIEF DESCRIPTION				
<p>The City of Providence is requesting a Fund A loan in the amount of \$7,230,000 for the Sanitary Sewer Upgrades project. In order to maintain compliance with an Agreed Order the City was required to complete a Sanitary Sewer Evaluation Survey on their collection system. This planning and design phase was funded with KIA Loan A21-021 and will be rolled into the new construction loan. The construction portion of the project will include the rehabilitation or replacement of up to 12,000 linear feet of 8" gravity sewer. Additional work in the collection system will consist of the replacement of manholes and the rehabilitation of two pump station. The City will also upgrade certain equipment at the Wastewater Treatment Plant without expanding the overall capacity of the facility. The headworks, clarifier, oxidation ditch, and flow meters will all be improved. The overall project will mitigate inflow and infiltration issues throughout the City while bringing the sewer system into compliance with applicable regulations.</p>				
PROJECT FINANCING		PROJECT BUDGET		
Fund A Loan	\$6,530,000	Administrative Expenses	\$120,000	
A21 P&D	700,000	Legal Expenses	20,000	
CDBG	1,000,000	Land, Easements	50,000	
DRA	2,000,000	Relocation Expense & Payments	20,000	
Other	770,000	Planning	285,000	
		Eng - Design / Const	645,000	
		Eng - Insp	409,000	
		Construction	8,637,000	
		Contingency	814,000	
TOTAL	\$11,000,000	TOTAL	\$11,000,000	
REPAYMENT	Rate	0.50%	Est. Annual Payment	\$146,968
	Term	30 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	HMB Professional Engineers		
	Bond Counsel	Dinsmore & Shohl, LLP		
PROJECT SCHEDULE	Bid Opening	Dec-24		
	Construction Start	Mar-25		
	Construction Stop	Mar-26		
DEBT PER CUSTOMER	Existing	\$47		
	Proposed	\$1,699		
OTHER DEBT	See Attached			
RESIDENTIAL RATES	Current	Users	Avg. Bill	
		987	\$31.70 (for 4,000 gallons)	
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.			
CASHFLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2020	157,649	310,296	(152,646)	0.5
Audited 2021	124,367	311,048	(186,681)	0.4
Audited 2022	40,164	217,170	(177,006)	0.2
Projected 2023	21,055	0	21,055	n/a
Projected 2024	187,373	0	187,373	n/a
Projected 2025	167,492	0	167,492	n/a
Projected 2026	122,613	87,789	34,824	1.4
Projected 2027	220,017	175,578	44,439	1.3

Reviewer: John Brady  
Date: March 7, 2024  
Loan Number: A23-001S

**KENTUCKY INFRASTRUCTURE AUTHORITY  
WASTEWATER REVOLVING LOAN FUND (FUND A)  
CITY OF PROVIDENCE, WEBSTER COUNTY  
PROJECT REVIEW  
SX21233025**

**I. PROJECT DESCRIPTION**

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

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

**II. PROJECT BUDGET**

	<u><b>Total</b></u>
Administrative Expenses	\$ 120,000
Legal Expenses	20,000
Land, Easements	50,000
Relocation Expense & Payments	20,000
Planning	285,000
Engineering Fees - Design	515,000
Engineering Fees - Construction	130,000
Engineering Fees - Inspection	409,000
Construction	8,637,000
Contingency	814,000
<b>Total</b>	<b><u>\$11,000,000</u></b>

**III. PROJECT FUNDING**

	<u>Amount</u>	<u>%</u>
Fund A Loan	\$ 6,530,000	59%
A21 P&D	700,000	6%
CDBG	1,000,000	9%
DRA	2,000,000	18%
Other	770,000	7%
<b>Total</b>	<b>\$11,000,000</b>	<b>100%</b>

**IV. KIA DEBT SERVICE**

Construction Loan	\$ 7,230,000
Less: Principal Forgiveness	<u>3,406,443</u>
Amortized Loan Amount	\$ 3,823,557
Interest Rate	0.50%
Loan Term (Years)	<u>30</u>
Estimated Annual Debt Service	\$ 137,409
Administrative Fee (0.25%)	<u>9,559</u>
<b>Total Estimated Annual Debt Service</b>	<b>\$ 146,968</b>

**V. PROJECT SCHEDULE**

Bid Opening:	December 2024
Construction Start:	March 2025
Construction Stop:	March 2026

**VI. CUSTOMER COMPOSITION AND RATE STRUCTURE**

**A) Customers**

<u>Customers</u>	<u>Current</u>
Residential	913
Commercial	73
Wholesale	<u>1</u>
<b>Total</b>	<b>987</b>



**B) Rates**

<b>Sewer</b>	<u>Current</u>	<u>Prior</u>
Date of Last Increase	07/01/23	07/30/91
Minimum (2,000 gallons)	\$19.00	\$15.50
Per 1,000 gallons after	6.35	5.17
Cost for 4,000 gallons	\$31.70	\$25.84
Increase %	22.7%	
Affordability Index (Rate/MHI)	0.9%	0.7%

<b>Water</b>	<b>Inside City</b>		<b>Outside City</b>	
	<u>Current</u>	<u>Prior</u>	<u>Current</u>	<u>Prior</u>
Date of Last Increase	07/01/23	09/16/13	07/01/23	09/16/13
Minimum (2,000 gallons)	\$18.00	\$15.67	\$29.00	\$25.05
Next 3,000 gallons (per 1,000)	3.88	3.38	5.27	4.58
Cost for 4,000 gallons	\$25.76	\$22.43	\$39.54	\$34.21
Increase %	14.8%		15.6%	
Affordability Index (Rate/MHI)	0.7%	0.6%	1.1%	0.9%

**VII. DEMOGRAPHICS**

Based on current Census data from the American Community Survey 5-Year Estimate 2017-2021, the Utility’s service area population was 2,523 with a Median Household Income (MHI) of \$44,308. The MHI for the Commonwealth is \$55,454. The project will qualify for a 0.50% interest rate.

**VIII. 2023 CAPITALIZATION GRANT EQUIVALENCIES**

- 1) Green Project Reserve - This project does not qualify for Green Project Reserve funding.
- 2) Additional Subsidization – This project qualifies for additional subsidization. Principal forgiveness of 47.1% of the assistance amount, not to exceed \$3,406,443 will be credited to the loan balance.

**IX. FINANCIAL ANALYSIS**

Financial information was obtained from the audited financial statements for the years ended June 30, 2020 through June 30, 2022. The non-cash impacts of GASB 68 – Accounting and Financial Reporting for Pensions and GASB 75 – Accounting and Financial Reporting for Other Postemployment Benefit have been removed from the operating expenses.

## HISTORY

Total revenues increased 4.6% from \$951,659 in 2020 to \$995,078 in 2022. Operating expenses increased 20% from \$796,345 to \$955,469 during the same period primarily due to increased payroll costs. The debt coverage ratio was 0.5, 0.4, and 0.2 in 2020, 2021, and 2022.

The balance sheet reflects a current ratio of 2.4, a debt-to-equity ratio of 1.6, 48.5 days of sales in accounts receivable, and 0.4 months of operating expenses in unrestricted cash.

## PROJECTIONS

Projections are based on the following assumptions:

- 1) Sewer revenues will increase 22.7% in 2024 due to an existing rate increase.
- 2) Water revenues will increase 14.8% in 2024 due to an existing rate increase.
- 3) Total revenues will increase \$120,000 per year in 2027 to maintain the 1.1 debt coverage ratio requirement.
- 4) Operating expenses will increase 2% annually due to inflation.
- 5) Debt service coverage is 1.3 in 2027 when the first full year of principal and interest repayments begin.

Based on the pro forma assumptions, the utility shows adequate cash flow to repay the KIA Fund A loan.

## REPLACEMENT RESERVE

The replacement reserve will be 5% (\$362,000 total) of the final amount borrowed (prior to principal forgiveness) to be funded annually (\$18,100 yearly) each December 1 for 20 years and maintained for the life of the loan.

## X. DEBT OBLIGATIONS

	<u>Outstanding</u>	<u>Maturity</u>
KIA Loan F22-021 (i.a.o. \$3,196,000)		TBD
<b>Total</b>	<b>\$ -</b>	

## **XI. CONTACTS**

### **Legal Applicant**

Entity Name	City of Providence
Authorized Official	Butch Hackney (Mayor)
County	Webster
Email	tconrad@providenceky.com
Phone	(270) 667-5463
Address	PO Box 128 Providence, KY 42450

### **Applicant Contact**

Name	Jamie Harkins
Organization	City of Providence
Email	jharkins@providenceky.com
Phone	(270) 667-5463
Address	PO Box 128 Providence, KY 42450

### **Project Administrator**

Name	Blake Edge
Organization	Green River ADD
Email	blakeedge@gradd.com
Phone	(270) 852-1335
Address	300 GRADD Way Owensboro, KY 42301

### **Consulting Engineer**

PE Name	Christopher Stewart
Firm Name	HMB Professional Engineers
Email	castewart@hmbpe.com
Phone	(502) 695-9800
Address	3 HMB Circle Frankfort, KY 40601

## **XII. RECOMMENDATIONS**

KIA staff recommends approval of the loan with the standard conditions and the following special condition:

The City will pass a resolution demonstrating their intention to increase revenues as necessary to maintain KIA's required 1.1 debt coverage ratio. KIA staff review indicates that service revenues will need to increase approximately \$120,000, or 10%, by FY2027 to meet the loan requirement.

**CITY OF PROVIDENCE  
FINANCIAL SUMMARY (JUNE YEAR END)**

	<u>Audited 2020</u>	<u>Audited 2021</u>	<u>Audited 2022</u>	<u>Projected 2023</u>	<u>Projected 2024</u>	<u>Projected 2025</u>	<u>Projected 2026</u>	<u>Projected 2027</u>
<b>Balance Sheet</b>								
<b>Assets</b>								
Current Assets	1,131,408	1,106,660	1,146,668	643,022	855,095	1,022,587	1,057,411	1,117,550
Other Assets	4,629,938	4,546,578	4,352,537	4,185,062	4,017,587	3,850,112	16,942,637	16,435,162
<b>Total</b>	<b>5,761,346</b>	<b>5,653,238</b>	<b>5,499,205</b>	<b>4,828,084</b>	<b>4,872,682</b>	<b>4,872,699</b>	<b>18,000,048</b>	<b>17,552,712</b>
<b>Liabilities &amp; Equity</b>								
Current Liabilities	803,554	666,155	470,112	469,633	474,033	478,433	634,877	639,477
Long Term Liabilities	2,327,855	2,441,476	2,896,289	2,491,323	2,491,323	2,491,323	6,897,697	6,745,753
<b>Total Liabilities</b>	<b>3,131,409</b>	<b>3,107,631</b>	<b>3,366,401</b>	<b>2,960,956</b>	<b>2,965,356</b>	<b>2,969,756</b>	<b>7,532,574</b>	<b>7,385,230</b>
<b>Net Assets</b>	<b>2,629,937</b>	<b>2,545,607</b>	<b>2,132,804</b>	<b>1,867,128</b>	<b>1,907,326</b>	<b>1,902,943</b>	<b>10,467,474</b>	<b>10,167,482</b>
<b>Cash Flow</b>								
Revenues	951,659	957,728	995,078	995,078	1,180,888	1,180,888	1,180,888	1,298,977
Operating Expenses	796,345	833,590	955,469	974,578	994,070	1,013,951	1,058,830	1,079,515
Other Income	2,335	229	555	555	555	555	555	555
<b>Cash Flow Before Debt Service</b>	<b>157,649</b>	<b>124,367</b>	<b>40,164</b>	<b>21,055</b>	<b>187,373</b>	<b>167,492</b>	<b>122,613</b>	<b>220,017</b>
<b>Debt Service</b>								
Existing Debt Service	310,296	311,048	217,170	0	0	0	14,305	175,578
Proposed KIA Loan	0	0	0	0	0	0	73,484	146,968
<b>Total Debt Service</b>	<b>310,296</b>	<b>311,048</b>	<b>217,170</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>87,789</b>	<b>322,546</b>
<b>Cash Flow After Debt Service</b>	<b>(152,646)</b>	<b>(186,681)</b>	<b>(177,006)</b>	<b>21,055</b>	<b>187,373</b>	<b>167,492</b>	<b>34,824</b>	<b>44,439</b>
<b>Ratios</b>								
Current Ratio	1.4	1.7	2.4	1.4	1.8	2.1	1.7	1.7
Debt to Equity	1.2	1.2	1.6	1.6	1.6	1.6	0.7	0.7
Days Sales in Accounts Receivable	47.4	47.7	48.5	48.5	48.5	48.5	48.5	48.5
Months Operating Expenses in Unrestricted Cash	0.7	0.6	0.4	0.7	2.9	4.8	5.2	5.7
Debt Coverage Ratio	0.5	0.4	0.2	N/A	N/A	N/A	1.4	1.3

<b>EXECUTIVE SUMMARY</b>		Reviewer	Sandy Sanders	
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		Date	March 7, 2024	
<b>FUND A, FEDERALLY ASSISTED WASTEWATER</b>		KIA Loan Number	A24-007	
<b>REVOLVING LOAN FUND</b>		WRIS Number	SX21001019	
BORROWER	ADAIR COUNTY WATER DISTRICT ADAIR COUNTY			
BRIEF DESCRIPTION The Adair County Water District is requesting a Fund A loan in the amount of \$2,672,250 for the Phase 24 Wastewater System Improvements and Upgrades Project. This project will replace the undersized Burkesville Road and Walmart lift stations, relocating the Burkesville station to a lower elevation for better operation, as well as installing a force main to run from the new location to the existing location (approximately 2,600 LF). Six (6) individual grinder pumps will be replaced with new duplex style lift stations as well as replacing the last two diffusers, converting the disinfection system to PAA and installing a grit removal system at the WWTP. Additionally, the collection system in the Fortune Street, Monroe Street and Young Street areas will be rehabbed requiring approximately 1,900 LF of manhole lining and lining 15-20 manholes.				
PROJECT FINANCING		PROJECT BUDGET		
KIA Loan A24-007	\$2,672,250	Administrative Expenses	\$20,000	
		Legal Expenses	2,500	
		Planning	10,000	
		Eng - Design / Const	163,000	
		Eng - Insp	97,000	
		Eng - Other	20,000	
		Construction	2,144,750	
		Contingency	215,000	
TOTAL	\$2,672,250	TOTAL	\$2,672,250	
REPAYMENT	Rate	1.25%	Est. Annual Payment	\$116,972
	Term	20 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	Kentucky Engineering Group, PLLC		
	Bond Counsel			
PROJECT SCHEDULE	Bid Opening	Dec-24		
	Construction Start	Mar-25		
	Construction Stop	Mar-26		
DEBT PER CUSTOMER	Existing	\$13,319		
	Proposed	\$12,264		
OTHER DEBT	See Attached			
RESIDENTIAL RATES	Current	Users	Avg. Bill	
		1,769	\$54.46 (for 4,000 gallons)	
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.			
CASHFLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2020	1,557,967	1,627,157	(69,190)	1.0
Audited 2021	2,152,762	1,632,291	520,471	1.3
Audited 2022	2,132,443	1,682,752	449,691	1.3
Projected 2023	2,641,459	1,678,323	963,136	1.6
Projected 2024	3,100,732	1,665,063	1,435,669	1.9
Projected 2025	3,020,979	1,661,967	1,359,012	1.8
Projected 2026	2,922,031	1,710,106	1,211,925	1.7
Projected 2027	2,839,056	1,776,445	1,062,611	1.6

Reviewer: Sandy Sanders  
Date: March 7, 2024  
Loan Number: A24-007

**KENTUCKY INFRASTRUCTURE AUTHORITY  
WASTEWATER REVOLVING LOAN FUND (FUND A)  
ADAIR COUNTY WATER DISTRICT, ADAIR COUNTY  
PROJECT REVIEW  
SX21001019**

**I. PROJECT DESCRIPTION**

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

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

**II. PROJECT BUDGET**

	<u>Total</u>
Administrative Expenses	\$ 20,000
Legal Expenses	2,500
Planning	10,000
Engineering Fees - Design	130,400
Engineering Fees - Construction	32,600
Engineering Fees - Inspection	97,000
Engineering Fees - Other	20,000
Construction	2,144,750
Contingency	215,000
<b>Total</b>	<b>\$ 2,672,250</b>

**III. PROJECT FUNDING**

	<u>Amount</u>	<u>%</u>
KIA Loan A24-007	\$ 2,672,250	100%
<b>Total</b>	<b>\$ 2,672,250</b>	<b>100%</b>

**IV. KIA DEBT SERVICE**

Construction Loan	\$ 2,672,250
Less: Principal Forgiveness	<u>695,218</u>
Amortized Loan Amount	\$ 1,977,032
Interest Rate	1.25%
Loan Term (Years)	<u>20</u>
Estimated Annual Debt Service	\$ 112,029
Administrative Fee (0.25%)	<u>4,943</u>
<b>Total Estimated Annual Debt Service</b>	<b>\$ 116,972</b>

**V. PROJECT SCHEDULE**

Bid Opening:	December 2024
Construction Start:	March 2025
Construction Stop:	March 2026

**VI. CUSTOMER COMPOSITION AND RATE STRUCTURE**

**A) Customers**

Customers	Current	Proposed	Total
Residential	1,193	0	1,193
Commercial	475	0	475
Industrial	101	0	101
<b>Total</b>	<u>1,769</u>	<u>0</u>	<u>1,769</u>

**B) Rates**

<b>Sewer</b>	Current	Prior	Prior
Date of Last Rate Increase	<u>02/09/24</u>	<u>02/09/23</u>	<u>02/09/22</u>
Minimum	\$10.66	\$9.44	\$8.22
Per Gallon	0.01095	0.00970	0.00845
Cost for 4,000 gallons	<u>\$54.46</u>	<u>\$48.24</u>	<u>\$42.02</u>
Increase %	12.9%	14.8%	
Affordability Index (Rate/MHI)	1.4%	1.3%	



<b>Water</b>	<b>Current</b>	<b>Prior</b>	<b>Prior</b>
Date of Last Rate Increase	02/09/24	02/09/23	02/09/22
First 1,000 gallons	\$25.76	\$23.80	\$21.85
Next 4,000 gallons (per 1,000)	9.06	8.38	7.69
Cost for 4,000 gallons	\$52.94	\$48.94	\$44.92
Increase %	8.2%	8.9%	
Affordability Index (Rate/MHI)	1.4%	1.3%	1.2%

**VII. DEMOGRAPHICS**

Based on current Census data from the American Community Survey 5-Year Estimate 2017-2021, the Utility’s service area population was 5,060 with a Median Household Income (MHI) of \$45,647. The MHI for the Commonwealth is \$55,454. The project will qualify for a 1.25% interest rate.

**VIII. 2023 CAPITALIZATION GRANT EQUIVALENCIES**

- 1) Green Project Reserve - This project qualifies for Green Project Reserve funding for \$410,000.
- 2) Additional Subsidization – This project qualifies for additional subsidization. Principal forgiveness of \$695,218 will be credited to the loan balance.

**IX. FINANCIAL ANALYSIS**

Financial information was obtained from the audited financial statements for the years ended June 30, 2020, through June 30, 2022. The non-cash impacts of GASB 68 – Accounting and Financial Reporting for Pensions and GASB 75 – Accounting and Financial Reporting for Other Postemployment Benefit have been removed from the operating expenses. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

**HISTORY**

Total sewer and water revenues increased 31.6% from \$ 4.53 million in 2020 to \$5.95 million in 2022 due to rate increases. Operating expenses increased 28.0% from \$4.96 million to \$5.83 million during the same period largely due to an increase in the cost of materials along with availability. The debt coverage ratio was 1.0, 1.3, and 1.3 in 2020, 2021, and 2022.

The balance sheet reflects a current ratio of 1.4, a debt-to-equity ratio of 1.3, 32.5 days of sales in accounts receivable, and 3.7 months of operating expenses in unrestricted cash.

## PROJECTIONS

Projections are based on the following assumptions:

- 1) Sewer revenues will increase by approximately \$173,000 in FY2023 and \$173,000 in FY2024 due to rate increases.
- 2) Water Revenues will increase by approximately \$413,000 in FY2023 and \$414,000 in FY2024 due to rates increases.
- 3) Expenses for both sewer and water will increase 2% annually due to inflation.
- 4) Debt service coverage is 1.7 in 2026 when principal and interest repayments begin.

Based on the pro forma assumptions, the utility shows adequate cash flow to repay the KIA Fund A loan.

The Adair County Water District is regulated by the Public Service Commission (PSC) and will need to apply to the PSC, pursuant to KRS 278.300, for debt authorization for the \$2,672,250 loan and must receive a Certificate of Public Convenience and Necessity, pursuant to KRS 278.020.

## REPLACEMENT RESERVE

The replacement reserve will be 5% (\$134,000 total) of the final amount borrowed (prior to principal forgiveness, if any) to be funded annually (\$6,700 yearly) each December 1 for 20 years and maintained for the life of the loan.

**X. DEBT OBLIGATIONS**

	<b>Outstanding</b>	<b>Maturity</b>
2009 WD Water Revenue Bond	\$ 910,000	2050
2011 Water Revenue Bond	1,002,000	2051
2012 WD Water Revenue Bond	1,250,000	2052
2013-D WD Water Revenue Bond	1,900,000	2040
2020 Revenue Bonds	1,908,000	2061
2020-G PP Refunding and Improvement Revenue Bond	4,875,000	2045
KIA Loan F06-01	1,334,959	2028
KIA Loan F07-01	321,211	2032
KIA Loan F10-01	2,099,668	2032
KIA Loan F10-02	846,824	2032
KIA Loan F11-10	663,699	2034
KIA Loan F12-04	2,191,060	2044
KIA Loan F20-09	1,461,756	2052
2014 Revenue Bonds	614,500	2054
KIA Loan F23-006S (i.a.o. \$4,377,650)	0	0
<b>Total</b>	<b>\$21,378,677</b>	

**XI. CONTACTS**

<b>Legal Applicant</b>	
Entity Name	Adair County Water District
Authorized Official	Lenny Stone (General Manager)
County	Adair
Email	lenny.stone@caud.net
Phone	270-384-2181
Address	PO Box 567 109 Grant Lane Columbia, KY 42728

<b>Applicant Contact</b>	
Name	Lenny Stone
Organization	Columbia/Adair Utilities District
Email	lenny.stone@caud.net
Phone	270-384-2181
Address	PO Box 567 109 Grant Lane Columbia, KY 42728

**Project Administrator**

Name	Holly Nicholas
Organization	Kentucky Engineering Group, PLLC
Email	hnicholas@kyengr.com
Phone	859-251-4127
Address	PO Box 1034 Versailles, KY 40383

**Consulting Engineer**

PE Name	James C. Thompson
Firm Name	Kentucky Engineering Group, PLLC
Email	jthompson@kyengr.com
Phone	859-251-4127
Address	101 High Street Versailles, KY 40383

**XII. RECOMMENDATIONS**

KIA staff recommends approval of the loan with the standard conditions.

**ADAIR COUNTY WATER DISTRICT  
FINANCIAL SUMMARY (DECEMBER YEAR END)**

	<u>Audited</u> <u>2020</u>	<u>Audited</u> <u>2021</u>	<u>Audited</u> <u>2022</u>	<u>Projected</u> <u>2023</u>	<u>Projected</u> <u>2024</u>	<u>Projected</u> <u>2025</u>	<u>Projected</u> <u>2026</u>	<u>Projected</u> <u>2027</u>
<b>Balance Sheet</b>								
<b>Assets</b>								
Current Assets	905,136	1,429,328	2,313,933	1,920,319	2,383,550	2,702,159	2,921,377	2,964,605
Other Assets	45,968,650	48,139,493	46,059,526	45,071,640	44,099,445	43,143,015	49,045,945	47,892,247
<b>Total</b>	<b>46,873,786</b>	<b>49,568,821</b>	<b>48,373,459</b>	<b>46,991,959</b>	<b>46,482,995</b>	<b>45,845,174</b>	<b>51,967,322</b>	<b>50,856,852</b>
<b>Liabilities &amp; Equity</b>								
Current Liabilities	1,799,984	1,801,734	1,629,910	1,665,946	1,689,753	1,634,332	1,832,118	1,556,816
Long Term Liabilities	23,710,634	26,169,738	26,005,825	24,725,028	23,424,523	22,183,640	23,953,990	22,799,123
<b>Total Liabilities</b>	<b>25,510,618</b>	<b>27,971,472</b>	<b>27,635,735</b>	<b>26,390,974</b>	<b>25,114,277</b>	<b>23,817,972</b>	<b>25,786,107</b>	<b>24,355,939</b>
<b>Net Assets</b>	<b>21,363,168</b>	<b>21,597,349</b>	<b>20,737,724</b>	<b>20,600,985</b>	<b>21,368,718</b>	<b>22,027,201</b>	<b>26,181,214</b>	<b>26,500,914</b>
<b>Cash Flow</b>								
Revenues	4,525,737	5,473,645	5,953,698	6,539,370	7,126,532	7,126,532	7,126,532	7,126,532
Operating Expenses	2,995,423	3,332,588	3,832,783	3,909,439	4,037,328	4,117,081	4,216,029	4,299,004
Other Income	27,653	11,705	11,528	11,528	11,528	11,528	11,528	11,528
<b>Cash Flow Before Debt Service</b>	<b>1,557,967</b>	<b>2,152,762</b>	<b>2,132,443</b>	<b>2,641,459</b>	<b>3,100,732</b>	<b>3,020,979</b>	<b>2,922,031</b>	<b>2,839,056</b>
<b>Debt Service</b>								
Existing Debt Service	1,627,157	1,632,291	1,682,752	1,678,323	1,665,063	1,661,967	1,710,106	1,776,445
Proposed KIA Loan	0	0	0	0	0	0	0	0
<b>Total Debt Service</b>	<b>1,627,157</b>	<b>1,632,291</b>	<b>1,682,752</b>	<b>1,678,323</b>	<b>1,665,063</b>	<b>1,661,967</b>	<b>1,710,106</b>	<b>1,776,445</b>
<b>Cash Flow After Debt Service</b>	<b>(69,190)</b>	<b>520,471</b>	<b>449,691</b>	<b>963,136</b>	<b>1,435,669</b>	<b>1,359,012</b>	<b>1,211,925</b>	<b>1,062,611</b>
<b>Ratios</b>								
Current Ratio	0.5	0.8	1.4	1.2	1.4	1.7	1.6	1.9
Debt to Equity	1.2	1.3	1.3	1.3	1.2	1.1	1.0	0.9
Days Sales in Accounts Receivable	42.4	37.2	32.5	32.5	32.5	32.5	32.5	32.5
Months Operating Expenses in Unrestricted Cash	0.6	2.3	3.7	3.5	4.7	5.5	6.0	6.0
Debt Coverage Ratio	1.0	1.3	1.3	1.6	1.9	1.8	1.7	1.6

<b>EXECUTIVE SUMMARY</b>		Reviewer	Sandy Sanders	
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		Date	March 7, 2024	
<b>FUND A, FEDERALLY ASSISTED WASTEWATER</b>		KIA Loan Number	A24-016S	
<b>REVOLVING LOAN FUND</b>		WRIS Number	SX21229013	
BORROWER	CITY OF SPRINGFIELD FBO SPRINGFIELD WATER & SEWER COMMISSION WASHINGTON COUNTY			
BRIEF DESCRIPTION				
The Springfield Water & Sewer Commission is requesting a Fund A loan in the amount of \$2,623,000 for the Springfield WWTP SBR project. This project will expand the Springfield WWTP by adding a planned Sequencing Batch Reactor (SBR). Recent industrial and residential development has expedited the need to proceed more quickly than anticipated. The plant will increase capacity from 1.3 MGD to 1.7 MGD per day allowing them to meet peak flow demands. Approximately 4,500 LF of 8" collection lines in the Maplewood Avenue area will also be rehabbed to eliminate known sources of I&I contributing to excess treatment.				
PROJECT FINANCING		PROJECT BUDGET		
Fund A Loan	\$2,623,000	Administrative Expenses	\$1,000	
		Legal Expenses	1,000	
		Planning	1,000	
		Eng - Design / Const	160,000	
		Eng - Insp	95,000	
		Construction	2,150,000	
		Contingency	215,000	
TOTAL	\$2,623,000	TOTAL	\$2,623,000	
REPAYMENT	Rate	0.50%	Est. Annual Payment	\$74,591
	Term	30 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	Jonathan R. Walton		
	Bond Counsel	Dinsmore & Shohl, LLP		
PROJECT SCHEDULE	Bid Opening	Aug-24		
	Construction Start	Jan-25		
	Construction Stop	Jul-26		
DEBT PER CUSTOMER	Existing	\$3,384		
	Proposed	\$3,972		
OTHER DEBT	See Attached			
RESIDENTIAL RATES		<u>Users</u>	<u>Avg. Bill</u>	
	Current	1,428	\$50.94 (for 4,000 gallons)	
	Additional	2	\$50.94 (for 4,000 gallons)	
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.			
CASHFLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2021	1,302,150	3,806,799	(2,504,649)	0.3
Audited 2022	1,431,689	9,903,538	(8,471,849)	0.1
Audited 2023	1,223,023	968,061	254,962	1.3
Projected 2024	1,161,487	1,068,202	93,285	1.1
Projected 2025	1,371,939	1,071,149	300,790	1.3
Projected 2026	1,709,839	1,070,594	639,245	1.6
Projected 2027	1,678,972	1,284,268	394,704	1.3
Projected 2028	1,668,908	1,301,802	367,106	1.3

Reviewer: Sandy Sanders  
 Date: March 7, 2024  
 Loan Number: A24-016S

**KENTUCKY INFRASTRUCTURE AUTHORITY  
 WASTEWATER REVOLVING LOAN FUND (FUND A)  
 CITY OF SPRINGFIELD FBO SPRINGFIELD WATER & SEWER COMMISSION,  
 WASHINGTON COUNTY  
 PROJECT REVIEW  
 SX21229013**

**I. PROJECT DESCRIPTION**

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

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

**II. PROJECT BUDGET**

	<b>Total</b>
Administrative Expenses	\$ 1,000
Legal Expenses	1,000
Planning	1,000
Engineering Fees - Design	130,000
Engineering Fees - Construction	30,000
Engineering Fees - Inspection	95,000
Construction	2,150,000
Contingency	215,000
<b>Total</b>	<b>\$ 2,623,000</b>

**III. PROJECT FUNDING**

	<b>Amount</b>	<b>%</b>
Fund A Loan	\$ 2,623,000	100%
<b>Total</b>	<b>\$ 2,623,000</b>	<b>100%</b>

**IV. KIA DEBT SERVICE**

Construction Loan	\$ 2,623,000
Less: Principal Forgiveness	682,405
Amortized Loan Amount	\$ 1,940,595
Interest Rate	0.50%
Loan Term (Years)	30
Estimated Annual Debt Service	\$ 69,740
Administrative Fee (0.25%)	4,851
<b>Total Estimated Annual Debt Service</b>	<b>\$ 74,591</b>

**V. PROJECT SCHEDULE**

Bid Opening: August 2024  
 Construction Start: January 2025  
 Construction Stop: July 2026

**VI. CUSTOMER COMPOSITION AND RATE STRUCTURE**

**A) Customers**

Customers	Current	Proposed	Total
Residential	1,212	0	1,212
Commercial	205	0	205
Industrial	11	2	13
Total	1,428	2	1,430

**B) Rates**

<b>SEWER</b>	Current	Prior	Prior
Date of Last Rate Increase	07/01/23	07/01/22	07/01/21
Minimum - First 1,500 Gallons	\$24.96	\$24.47	\$23.99
Next 8,500 Gallons, per 1,000 Gallons	10.39	10.19	9.99
Next 15,000 Gallons, per 1,000 Gallons	9.50	9.31	9.13
Cost for 4,000 gallons	\$50.94	\$49.95	\$48.97
Increase %	2.0%	2.0%	
Affordability Index (Rate/MHI)	1.4%	1.4%	



<b>WATER - Inside</b>	Current	Prior	Prior
Date of Last Rate Increase	07/01/23	07/01/22	07/01/21
Minimum - First 1,500 Gallons	\$12.11	\$11.87	\$11.64
Next 3,500 Gallons, per 1,000 Gallons	4.54	4.45	4.36
Next 5,000 Gallons, per 1,000 Gallons	3.58	3.51	3.44
Cost for 4,000 gallons	\$23.46	\$23.00	\$22.54
Increase %	2.0%	2.0%	
Affordability Index (Rate/MHI)	0.7%	0.6%	

<b>WATER - Outside</b>	Current	Prior	Prior
Date of Last Rate Increase	07/01/23	07/01/22	07/01/21
Minimum - First 1,500 Gallons	\$19.82	\$19.43	\$19.05
Next 3,500 Gallons, per 1,000 Gallons	11.04	10.82	10.61
Next 5,000 Gallons, per 1,000 Gallons	6.56	6.43	6.30
Cost for 4,000 gallons	\$47.42	\$46.48	\$45.58
Increase %	2.0%	2.0%	
Affordability Index (Rate/MHI)	1.3%	1.3%	

## **VII. DEMOGRAPHICS**

Based on current Census data from the American Community Survey 5-Year Estimate 2017-2021, the Utility's service area population was 2,872 with a Median Household Income (MHI) of \$42,539. The MHI for the Commonwealth is \$55,454. The project will qualify for a 0.50% interest rate.

## **VIII. 2023 CAPITALIZATION GRANT EQUIVALENCIES**

- 1) Green Project Reserve - This project does not qualify for Green Project Reserve funding.
- 2) Additional Subsidization – This project qualifies for additional subsidization. Principal forgiveness of \$682,405 will be credited to the loan balance.

## **IX. FINANCIAL ANALYSIS**

Financial information was obtained from the audited financial statements for the years ended June 30, 2021, through June 30, 2023. The non-cash impacts of GASB 68 – Accounting and Financial Reporting for Pensions and GASB 75 – Accounting and Financial Reporting for Other Postemployment Benefit have been removed from the operating expenses. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

### **HISTORY**

Total sewer and water revenues increased 26% from \$3.64 million in 2021 to \$4.59 million in 2023 due to rate increases. Operating expenses increased 41.3% from \$3.67 million to \$5.03 million during the same period due largely to increases in chemicals, sludge disposal and salaries. The debt coverage ratio was 0.3, 0.1, and 1.3 in 2021, 2022, and 2023.

The balance sheet reflects a current ratio of 1.1, a debt-to-equity ratio of 1.2, 49.0 days of sales in accounts receivable, and 3.8 months of operating expenses in unrestricted cash.

### **PROJECTIONS**

Projections are based on the following assumptions:

- 1) Sewer revenues will increase 2% each year due to COLA increases.
- 2) Water revenues will increase 2% each year due to COLA increases.
- 3) Expenses for sewer and water will increase 3% each year due to inflation.
- 4) Debt service coverage is 1.3 in FY2027 when principal and interest repayments begin.

Based on the pro forma assumptions, the utility shows adequate cash flow to repay the KIA Fund A loan.

### **REPLACEMENT RESERVE**

The replacement reserve will be 5% (\$132,000 total) of the final amount borrowed (prior to principal forgiveness) to be funded annually (\$6,600 yearly) each December 1 for 20 years and maintained for the life of the loan.

**X. DEBT OBLIGATIONS**

	<u>Outstanding</u>	<u>Maturity</u>
Series 2020A Revenue Bonds	\$ 8,657,000	2061
Series 2020B Revenue Bonds	3,087,000	2061
Series 2013 Revenue Bonds	1,634,500	2052
Series 2016A Revenue Bonds	1,219,500	2056
Series 2016B Revenue Bonds	632,500	2056
Series 2015 Revenue Bonds	599,000	2055
Series 2012C Revenue Bonds	1,757,500	2039
Series 2015E Revenue Bonds	1,440,417	2043
Series 2020C Revenue Bonds	1,275,000	2046
KIA Loan F209-01	173,427	2030
Series 2023A - Interim Loan	1,141,277	2025
Bank Loan	85,166	2027
KIA Loan F24-005 (i.a.o. \$2,894,924)	0	TBD
KIA Loan F24-013S (i.a.o. \$2,473,070)	0	TBD
KIA Loan B23-002 (i.a.o. \$635,000)	0	TBD
KIA Loan F24-030L (i.a.o. \$855,000)	0	TBD
<b>Total</b>	<b>\$21,702,287</b>	

**XI. CONTACTS**

<b>Legal Applicant</b>	
Entity Name	City of Springfield fbo Springfield Water & Sewer Commission
Authorized Official	Chris Essex (Mayor)
County	Washington
Email	chris.essex@springfieldky.org
Phone	859-336-5440
Address	PO Box 307 603 W Main Street Springfield, KY 40069

<b>Applicant Contact/Project Administrator</b>	
Name	Angela Culver
Organization	Springfield Water & Sewer Commission
Email	angela.culver@springfieldwater.org
Phone	859-336-5454
Address	PO Box 307 Springfield, KY 40069

<b>Project Administrator</b>	
Name	Angela Culver
Organization	Springfield Water & Sewer Commission
Email	angela.culver@springfieldwater.org
Phone	859-336-5454
Address	PO Box 307 Springfield, KY 40069

<b>Consulting Engineer</b>	
PE Name	Jonathan R. Walton
Email	reese.walton@hdrinc.com
Phone	502-909-3285
Address	1615 Clearview Drive Louisville, KY 40222

**XII. RECOMMENDATIONS**

KIA staff recommends approval of the loan with the standard conditions.

**CITY OF SPRINGFIELD FBO SPRINGFIELD WATER & SEWER COMMISSION  
FINANCIAL SUMMARY (JUNE YEAR END)**

	<u>Audited</u> <u>2021</u>	<u>Audited</u> <u>2022</u>	<u>Audited</u> <u>2023</u>	<u>Projected</u> <u>2024</u>	<u>Projected</u> <u>2025</u>	<u>Projected</u> <u>2026</u>	<u>Projected</u> <u>2027</u>	<u>Projected</u> <u>2028</u>
<b>Balance Sheet</b>								
<b>Assets</b>								
Current Assets	1,989,576	1,875,679	2,011,490	2,036,177	2,138,835	2,326,684	2,419,525	2,507,145
Other Assets	43,266,848	45,792,479	46,944,567	46,806,589	45,101,664	43,601,928	50,752,553	49,035,106
Total	<u>45,256,424</u>	<u>47,668,158</u>	<u>48,956,057</u>	<u>48,842,766</u>	<u>47,240,499</u>	<u>45,928,612</u>	<u>53,172,078</u>	<u>51,542,251</u>
<b>Liabilities &amp; Equity</b>								
Current Liabilities	9,263,008	952,606	1,820,783	1,901,621	1,939,298	1,980,473	2,211,922	2,217,581
Long Term Liabilities	16,580,740	24,416,803	24,944,481	25,813,388	25,141,418	24,452,473	28,420,677	27,544,524
Total Liabilities	<u>25,843,748</u>	<u>25,369,409</u>	<u>26,765,264</u>	<u>27,715,009</u>	<u>27,080,716</u>	<u>26,432,946</u>	<u>30,632,599</u>	<u>29,762,105</u>
Net Assets	<u>19,412,676</u>	<u>22,298,749</u>	<u>22,190,793</u>	<u>21,127,757</u>	<u>20,159,783</u>	<u>19,495,666</u>	<u>22,539,479</u>	<u>21,780,146</u>
<b>Cash Flow</b>								
Revenues	3,644,502	4,016,762	4,591,062	4,636,144	4,952,293	5,399,061	5,502,428	5,607,862
Operating Expenses	2,420,284	2,614,582	3,420,611	3,527,229	3,632,926	3,741,794	3,876,028	3,991,526
Other Income	77,932	29,509	52,572	52,572	52,572	52,572	52,572	52,572
Cash Flow Before Debt Service	<u>1,302,150</u>	<u>1,431,689</u>	<u>1,223,023</u>	<u>1,161,487</u>	<u>1,371,939</u>	<u>1,709,839</u>	<u>1,678,972</u>	<u>1,668,908</u>
<b>Debt Service</b>								
Existing Debt Service	3,806,799	9,903,538	968,061	1,068,202	1,071,149	1,070,594	1,246,972	1,227,211
Proposed KIA Loan	0	0	0	0	0	0	37,296	74,591
Total Debt Service	<u>3,806,799</u>	<u>9,903,538</u>	<u>968,061</u>	<u>1,068,202</u>	<u>1,071,149</u>	<u>1,070,594</u>	<u>1,284,268</u>	<u>1,301,802</u>
Cash Flow After Debt Service	<u>(2,504,649)</u>	<u>(8,471,849)</u>	<u>254,962</u>	<u>93,285</u>	<u>300,790</u>	<u>639,245</u>	<u>394,704</u>	<u>367,106</u>
<b>Ratios</b>								
Current Ratio	0.2	2.0	1.1	1.1	1.1	1.2	1.1	1.1
Debt to Equity	1.3	1.1	1.2	1.3	1.3	1.4	1.4	1.4
Days Sales in Accounts Receivable	61.5	56.7	49.0	49.0	49.0	49.0	49.0	49.0
Months Operating Expenses in Unrestricted Cash	5.4	4.4	3.8	3.7	3.8	4.1	4.2	4.3
Debt Coverage Ratio	0.3	0.1	1.3	1.1	1.3	1.6	1.3	1.3

<b>EXECUTIVE SUMMARY</b>		Reviewer	John Brady	
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		Date	March 7, 2024	
<b>FUND B, INFRASTRUCTURE</b>		KIA Loan Number	B22-005 (Increase)	
<b>REVOLVING LOAN FUND</b>		WRIS Number	WX21199137	
BORROWER	BRONSTON WATER ASSOCIATION INC PULASKI COUNTY			
BRIEF DESCRIPTION				
<p>The Bronston Water Association (BWA) is requesting a Fund B loan increase in the amount of \$625,420 for the 2022 Water System Improvements and Replacements project. The original loan was approved by the KIA Board on July 7, 2022. The increase will bring the total KIA loan amount up to \$3,368,420. No additional work is being funded with the increased funding request. The project was scaled down before being bid due to increased costs for materials in recent years. Two alternates that were part of the initial project were put into place and BWA is now looking to fund those. The overall project consists of the replacement of approximately 46,000 linear feet of waterline throughout the system. 12,000 linear feet of existing 4" line along Kentucky Highway 790 will be replaced with new 6" pvc. Around 33,500 linear feet of 3" waterline in Pulaski County and Wayne County will be replaced with new pvc and an additional 850 linear feet of 8" waterline will be extended along Gibson Lane. The project also includes the installation of approximately 1,180 radio read meters.</p>				
PROJECT FINANCING		PROJECT BUDGET		
Fund B Loan	\$3,368,420	Administrative Expenses	\$15,000	
		Legal Expenses	10,000	
		Eng - Design / Const	180,000	
		Eng - Insp	105,000	
		Construction	2,798,340	
		Contingency	260,080	
TOTAL	<u>\$3,368,420</u>	TOTAL	<u>\$3,368,420</u>	
REPAYMENT	Rate	0.25%	Est. Annual Payment \$179,509	
	Term	20 Years	1st Payment 6 Mo. after first draw	
PROFESSIONAL SERVICES	Engineer	Monarch Engineering, Inc		
	Bond Counsel	Rubin & Hays		
PROJECT SCHEDULE	Bid Opening	Dec-23		
	Construction Start	Jun-24		
	Construction Stop	Mar-25		
DEBT PER CUSTOMER	Existing	\$2,109		
	Proposed	\$3,777		
OTHER DEBT	See Attached			
RESIDENTIAL RATES	Current	<u>Users</u> 1,864	<u>Avg. Bill</u> \$48.41	(for 4,000 gallons)
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.			
CASHFLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2020	230,641	166,575	64,066	1.4
Audited 2021	330,554	162,104	168,450	2.0
Audited 2022	338,420	169,858	168,562	2.0
Projected 2023	426,348	175,975	250,373	2.4
Projected 2024	502,899	186,381	316,518	2.7
Projected 2025	486,242	276,136	210,107	1.8
Projected 2026	477,820	365,891	111,929	1.3
Projected 2027	469,230	365,891	103,339	1.3

Reviewer: John Brady  
 Date: March 7, 2024  
 Loan Number: B22-005 Increase

**KENTUCKY INFRASTRUCTURE AUTHORITY  
 INFRASTRUCTURE REVOLVING LOAN FUND (FUND B)  
 BRONSTON WATER ASSOCIATION, PULASKI COUNTY  
 PROJECT REVIEW  
 WX21199137**

**I. PROJECT DESCRIPTION**

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

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

**II. PROJECT BUDGET**

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

**III. PROJECT FUNDING**

	<u>Amount</u>	<u>%</u>
Fund B Loan	\$ 3,368,420	100%
<b>Total</b>	<b>\$ 3,368,420</b>	<b>100%</b>

**IV. KIA DEBT SERVICE**

Amortized Loan Amount	\$ 3,368,420
Interest Rate	0.25%
Loan Term (Years)	20
Estimated Annual Debt Service	\$ 172,772
Administrative Fee (0.20%)	6,737
<b>Total Estimated Annual Debt Service</b>	<b>\$ 179,509</b>

**V. PROJECT SCHEDULE**

Bid Opening:	December 2023
Construction Start:	June 2024
Construction Stop:	March 2025

**VI. RATE STRUCTURE**

**A. Customers**

Customers	Current
Residential	1,796
Commercial	68
Industrial	0
<b>Total</b>	<b>1,864</b>

**B. Rates**

	Current	Prior	Prior
Date of Last Rate Increase	11/06/23	10/12/22	2/4/2021
Minimum (1,500 gallons)	\$25.81	\$24.44	\$22.20
Over 1,500 gallons (per 1,000)	9.04	8.13	7.38
Cost for 4,000 gallons	\$48.41	\$44.77	\$40.65
Increase %	8.1%	10.1%	
Affordability Index (Rate/MHI)	1.5%	1.4%	1.3%



## **VII. DEMOGRAPHICS**

Based on current Census data from the American Community Survey 5-Year Estimate 2016-2020, the Utility's service area population was 3,146 with a Median Household Income (MHI) of \$37,785. The MHI for the Commonwealth was \$50,589. The project will qualify for a 0.25% interest rate.

## **VIII. FINANCIAL ANALYSIS**

Financial information was obtained from the audited financial statements for the years ended December 31, 2020 through December 31, 2022.

### **HISTORY**

Total water revenues increased 19.8% from \$816,494 in 2020 to \$978,164 in 2022 due to rate increases. Operating expenses increased 8.7% from \$589,781 to \$641,106 during the same period due mostly to the cost of materials and repairs.

The balance sheet reflects a current ratio of 6.3, a debt-to-equity ratio of 1.0, 56.5 days of sales in accounts receivable, and 4.8 months of operating expenses in unrestricted cash.

### **PROJECTIONS**

Projections are based on the following assumptions:

- 1) Water revenues will increase 10.1% in 2023 and 8.1% in 2024 due to existing rate increases.
- 2) Operating expenses will increase 2% annually due to inflation.
- 3) Debt service coverage is 1.3 in 2026 when the first full year of principal and interest repayments begin.

Based on the pro forma assumptions, the utility shows adequate cash flow to repay the KIA Fund B loan.

The BWA is regulated by the Public Service Commission (PSC) and will need to apply to the PSC, pursuant to KRS 278.300, for debt authorization for the \$3,368,420 loan and must receive a Certificate of Public Convenience and Necessity, pursuant to KRS 278.020.

### **REPLACEMENT RESERVE**

The replacement reserve will be 5% (\$168,000 total) of the final amount borrowed to be funded annually (\$8,400 yearly) each December 1 for 20 years and maintained for the life of the loan.

**IX. DEBT OBLIGATIONS**

	<u>Outstanding</u>	<u>Maturity</u>
2003 USDA RUS	\$ 306,646	2043
2008 USDA RUS	704,466	2048
2010 USDA RUS	378,822	2050
2014 USDA RUS	696,530	2054
2017 USDA RUS	1,302,890	2057
2021 USDA RUS	555,000	2061
<b>Total</b>	<b>\$3,944,354</b>	

**X. CONTACTS**

<b>Legal Applicant</b>	
Entity Name	Bronston Water Association Inc
Authorized Official	Eric Keith (President)
County	Pulaski
Email	bronstonwater@gmail.com
Phone	(606) 561-5209
Address	PO Box 243 2013 Hwy 90 Bronston, KY 42518

<b>Applicant Contact</b>	
Name	JC New
Organization	Bronston Water Association
Email	bronstonwater@gmail.com
Phone	(606) 561-5209
Address	PO Box 243 Bronston, KY 42518

<b>Project Administrator</b>	
Name	Deron Byrne
Organization	Monarch Engineering, Inc
Email	dbyrne@monarchengineering.net
Phone	(502) 839-1310
Address	556 Carlton Dr. Lawrenceburg, KY 40342

**Consulting Engineer**

PE Name	David Bowles
Firm Name	Monarch Engineering, Inc
Email	dbowles@monarchengineering.net
Phone	(502) 839-1310
Address	556 Carlton Dr. Lawrenceburg, KY 40342

**XI. RECOMMENDATIONS**

KIA staff recommends approval of the loan increase with the standard conditions.

**BRONSTON WATER ASSOCIATION INC**  
**FINANCIAL SUMMARY (DECEMBER YEAR END)**

	<u>Audited</u> <u>2020</u>	<u>Audited</u> <u>2021</u>	<u>Audited</u> <u>2022</u>	<u>Projected</u> <u>2023</u>	<u>Projected</u> <u>2024</u>	<u>Projected</u> <u>2025</u>	<u>Projected</u> <u>2026</u>	<u>Projected</u> <u>2027</u>
<b>Balance Sheet</b>								
<b>Assets</b>								
Current Assets	1,078,241	1,218,924	1,344,294	1,459,246	1,598,953	1,682,996	1,727,768	1,769,103
Other Assets	6,587,196	7,036,495	6,787,949	6,647,334	6,546,406	9,665,840	9,357,948	9,044,902
<b>Total</b>	<b>7,665,437</b>	<b>8,255,419</b>	<b>8,132,243</b>	<b>8,106,580</b>	<b>8,145,359</b>	<b>11,348,836</b>	<b>11,085,716</b>	<b>10,814,005</b>
<b>Liabilities &amp; Equity</b>								
Current Liabilities	220,153	213,933	213,173	226,103	228,931	400,249	403,217	406,260
Long Term Liabilities	3,463,190	3,945,661	3,854,330	3,764,633	3,672,608	6,778,185	6,512,874	6,245,020
<b>Total Liabilities</b>	<b>3,683,343</b>	<b>4,159,594</b>	<b>4,067,503</b>	<b>3,990,736</b>	<b>3,901,539</b>	<b>7,178,434</b>	<b>6,916,091</b>	<b>6,651,280</b>
<b>Net Assets</b>	<b>3,982,094</b>	<b>4,095,825</b>	<b>4,064,740</b>	<b>4,115,844</b>	<b>4,243,820</b>	<b>4,170,402</b>	<b>4,169,625</b>	<b>4,162,725</b>
<b>Cash Flow</b>								
Revenues	816,494	849,860	978,164	1,074,028	1,158,674	1,158,674	1,158,674	1,158,674
Operating Expenses	589,781	521,483	641,106	649,042	657,137	673,794	682,216	690,806
Other Income	3,928	2,177	1,362	1,362	1,362	1,362	1,362	1,362
<b>Cash Flow Before Debt Service</b>	<b>230,641</b>	<b>330,554</b>	<b>338,420</b>	<b>426,348</b>	<b>502,899</b>	<b>486,242</b>	<b>477,820</b>	<b>469,230</b>
<b>Debt Service</b>								
Existing Debt Service	166,575	162,104	169,858	175,975	186,381	186,381	186,382	186,382
Proposed KIA Loan	0	0	0	0	0	89,755	179,509	179,509
<b>Total Debt Service</b>	<b>166,575</b>	<b>162,104</b>	<b>169,858</b>	<b>175,975</b>	<b>186,381</b>	<b>276,136</b>	<b>365,891</b>	<b>365,891</b>
<b>Cash Flow After Debt Service</b>	<b>64,066</b>	<b>168,450</b>	<b>168,562</b>	<b>250,373</b>	<b>316,518</b>	<b>210,107</b>	<b>111,929</b>	<b>103,339</b>
<b>Ratios</b>								
Current Ratio	4.9	5.7	6.3	6.5	7.0	4.2	4.3	4.4
Debt to Equity	0.9	1.0	1.0	1.0	0.9	1.7	1.7	1.6
Days Sales in Accounts Receivable	31.9	29.7	56.5	56.5	56.5	56.5	56.5	56.5
Months Operating Expenses in Unrestricted Cash	3.2	5.8	4.8	6.6	8.8	10.2	10.9	11.5
Debt Coverage Ratio	1.4	2.0	2.0	2.4	2.7	1.8	1.3	1.3

<b>EXECUTIVE SUMMARY</b>		Reviewer	John Brady	
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		Date	March 7, 2024	
<b>FUND F, FEDERALLY ASSISTED DRINKING WATER</b>		KIA Loan Number	F22-021	
<b>REVOLVING LOAN FUND</b>		WRIS Number	WX21233056	
BORROWER	CITY OF PROVIDENCE WEBSTER COUNTY			
BRIEF DESCRIPTION				
The City of Providence is requesting a Fund F loan in the amount of \$2,600,000 for the Cast Iron Pipe Rehab project. Approximately 12,000 linear feet of cast iron pipe will be replaced with 6" pvc. The existing lines are aging and continue to contribute to the City's water loss problem. Other components consist of reconnecting 500 existing meters, assembling 40 fire hydrants, and replacing the asphalt above where the lines are being replaced. This project is associated with the City's Sanitary Sewer Upgrades project. The water and sewer lines in these projects run parallel to each other and replacing simultaneously will allow them to only pay for asphalt and restoration costs once.				
PROJECT FINANCING		PROJECT BUDGET		
Fund F Loan	\$2,600,000	Administrative Expenses	\$20,000	
		Legal Expenses	10,000	
		Land, Easements	10,000	
		Relocation Expense & Payments	10,000	
		Planning	5,000	
		Eng - Design / Const	169,000	
		Eng - Insp	100,000	
		Construction	2,100,000	
		Contingency	176,000	
TOTAL	\$2,600,000	TOTAL	\$2,600,000	
REPAYMENT	Rate	0.50%	Est. Annual Payment \$28,610	
	Term	30 Years	1st Payment 6 Mo. after first draw	
PROFESSIONAL SERVICES	Engineer	HMB Professional Engineers		
	Bond Counsel	Dinsmore & Shohl, LLP		
PROJECT SCHEDULE	Bid Opening	Dec-24		
	Construction Start	Mar-25		
	Construction Stop	Mar-26		
DEBT PER CUSTOMER	Existing	\$47		
	Proposed	\$1,699		
OTHER DEBT	See Attached			
RESIDENTIAL RATES	Current	Users	Avg. Bill	
		1,437	\$25.76 (for 4,000 gallons)	
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.			
CASHFLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2020	157,649	310,296	(152,647)	0.5
Audited 2021	124,367	311,048	(186,681)	0.4
Audited 2022	40,164	217,170	(177,006)	0.2
Projected 2023	21,055	0	21,055	n/a
Projected 2024	187,373	0	187,373	n/a
Projected 2025	167,492	0	167,492	n/a
Projected 2026	122,613	87,789	34,824	1.4
Projected 2027	220,017	175,578	44,439	1.3

Reviewer: John Brady  
 Date: March 7, 2024  
 Loan Number: F22-021

**KENTUCKY INFRASTRUCTURE AUTHORITY  
 DRINKING WATER STATE REVOLVING FUND (FUND F)  
 CITY OF PROVIDENCE, WEBSTER COUNTY  
 PROJECT REVIEW  
 WX21233056**

**I. PROJECT DESCRIPTION**

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

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

**II. PROJECT BUDGET**

	<u>Total</u>
Administrative Expenses	\$ 20,000
Legal Expenses	10,000
Land, Easements	10,000
Relocation Expense & Payments	10,000
Planning	5,000
Engineering Fees - Design	135,000
Engineering Fees - Construction	34,000
Engineering Fees - Inspection	100,000
Construction	2,100,000
Contingency	176,000
<b>Total</b>	<b>\$ 2,600,000</b>

**III. PROJECT FUNDING**

	<u>Amount</u>	<u>%</u>
Fund F Loan	\$ 2,600,000	100%
<b>Total</b>	<b>\$ 2,600,000</b>	<b>100%</b>

**IV. KIA DEBT SERVICE**

Construction Loan	\$ 2,600,000
Less: Principal Forgiveness	<u>1,865,239</u>
Amortized Loan Amount	\$ 734,761
Interest Rate	0.50%
Loan Term (Years)	<u>30</u>
Estimated Annual Debt Service	\$ 26,405
Administrative Fee (0.30%)	<u>2,204</u>
<b>Total Estimated Annual Debt Service</b>	<b>\$ 28,610</b>

**V. PROJECT SCHEDULE**

Bid Opening:	December 2024
Construction Start:	March 2025
Construction Stop:	March 2026

**VI. CUSTOMER COMPOSITION AND RATE STRUCTURE**

**A) Customers**

<u>Customers</u>	<u>Current</u>
Residential	1,340
Commercial	89
Industrial	<u>8</u>
<b>Total</b>	<b>1,437</b>

**B) Rates**

<b>Water</b>	<b>Inside City</b>		<b>Outside City</b>	
	Current	Prior	Current	Prior
Date of Last Increase	07/01/23	09/16/13	07/01/23	09/16/13
Minimum (2,000 gallons)	\$18.00	\$15.67	\$29.00	\$25.05
Next 3,000 gallons (per 1,000)	3.88	3.38	5.27	4.58
Cost for 4,000 gallons	\$25.76	\$22.43	\$39.54	\$34.21
Increase %	14.8%		15.6%	
Affordability Index (Rate/MHI)	0.8%	0.7%	1.2%	1.1%

<b>Sewer</b>	Current	Prior
Date of Last Increase	07/01/23	07/30/91
Minimum (2,000 gallons)	\$19.00	\$15.50
Per 1,000 gallons after	6.35	5.17
Cost for 4,000 gallons	\$31.70	\$25.84
Increase %	22.7%	
Affordability Index (Rate/MHI)	1.0%	0.8%

**VII. DEMOGRAPHICS**

Based on current Census data from the American Community Survey 5-Year Estimate 2016-2020, the Utility’s service area population was 3,353 with a Median Household Income (MHI) of \$38,735. The MHI for the Commonwealth is \$52,238. The project will qualify for a 0.50% interest rate.

**VIII. 2023 CAPITALIZATION GRANT EQUIVALENCIES**

- 1) Green Project Reserve - The Drinking Water capitalization grant does not contain a “green” requirement.
- 2) Additional Subsidization – This project qualifies for additional subsidization. Principal forgiveness of 71.7% of the assistance amount, not to exceed \$1,865,239, will be credited to the loan balance.

**IX. FINANCIAL ANALYSIS**

Financial information was obtained from the audited financial statements for the years ended June 30, 2020 through June 30, 2022. The non-cash impacts of GASB 68 – Accounting and Financial Reporting for Pensions and GASB 75 – Accounting and Financial Reporting for Other Postemployment Benefit have been removed from the operating expenses.



## HISTORY

Total revenues increased 4.6% from \$951,659 in 2020 to \$995,078 in 2022. Operating expenses increased 20% from \$796,345 to \$955,469 during the same period primarily due to increased payroll costs. The debt coverage ratio was 0.5, 0.4, and 0.2 in 2020, 2021, and 2022.

The balance sheet reflects a current ratio of 2.4, a debt-to-equity ratio of 1.6, 48.5 days of sales in accounts receivable, and 0.4 months of operating expenses in unrestricted cash.

## PROJECTIONS

Projections are based on the following assumptions:

- 1) Sewer revenues will increase 22.7% in 2024 due to an existing rate increase.
- 2) Water revenues will increase 14.8% in 2024 due to an existing rate increase.
- 3) Total revenues will increase \$120,000 per year in 2027 to maintain the 1.1 debt coverage ratio requirement.
- 4) Operating expenses will increase 2% annually due to inflation.
- 5) Debt service coverage is 1.3 in 2027 when the first full year of principal and interest repayments begin.

Based on the pro forma assumptions, the utility shows adequate cash flow to repay the KIA Fund F loan.

## REPLACEMENT RESERVE

The replacement reserve will be 5% (\$130,000 total) of the final amount borrowed (prior to principal forgiveness) to be funded annually (\$6,500 yearly) each December 1 for 20 years and maintained for the life of the loan.

## X. DEBT OBLIGATIONS

	<u>Outstanding</u>	<u>Maturity</u>
KIA Loan A23-001S (i.a.o. \$7,230,000)		TBD
<b>Total</b>	<b>\$ -</b>	

## **XI. CONTACTS**

### **Legal Applicant**

Entity Name	City of Providence
Authorized Official	Butch Hackney (Mayor)
County	Webster
Email	tconrad@providenceky.com
Phone	(270) 667-5463
Address	PO Box 128 Providence, KY 42450

### **Applicant Contact**

Name	Jamie Harkins
Organization	City of Providence
Email	jharkins@providenceky.com
Phone	(270) 667-5463
Address	PO Box 128 Providence, KY 42450

### **Project Administrator**

Name	Blake Edge
Organization	Green River ADD
Email	blakeedge@gradd.com
Phone	(270) 852-1335
Address	300 GRADD Way Owensboro, KY 42301

### **Consulting Engineer**

PE Name	Christopher Stewart
Firm Name	HMB Professional Engineers
Email	castewart@hmbpe.com
Phone	(502) 695-9800
Address	3 HMB Circle Frankfort, KY 40601

## **XII. RECOMMENDATIONS**

KIA staff recommends approval of the loan with the standard conditions and the following special condition:

The City will pass a resolution demonstrating their intention to increase revenues as necessary to maintain KIA's required 1.1 debt coverage ratio. KIA staff review indicates that service revenues will need to increase approximately \$120,000, or 10%, by FY2027 to meet the loan requirement.

**CITY OF PROVIDENCE  
FINANCIAL SUMMARY (JUNE YEAR END)**

	<u>Audited 2020</u>	<u>Audited 2021</u>	<u>Audited 2022</u>	<u>Projected 2023</u>	<u>Projected 2024</u>	<u>Projected 2025</u>	<u>Projected 2026</u>	<u>Projected 2027</u>
<b>Balance Sheet</b>								
<b>Assets</b>								
Current Assets	1,131,408	1,106,660	1,146,668	643,022	855,095	1,022,587	1,057,411	1,117,550
Other Assets	4,629,938	4,546,578	4,352,537	4,185,062	4,017,587	3,850,112	16,942,637	16,435,162
<b>Total</b>	<b>5,761,346</b>	<b>5,653,238</b>	<b>5,499,205</b>	<b>4,828,084</b>	<b>4,872,682</b>	<b>4,872,699</b>	<b>18,000,048</b>	<b>17,552,712</b>
<b>Liabilities &amp; Equity</b>								
Current Liabilities	803,554	666,155	470,112	469,633	474,033	478,433	634,877	639,477
Long Term Liabilities	2,327,855	2,441,476	2,896,289	2,491,323	2,491,323	2,491,323	6,897,697	6,745,753
<b>Total Liabilities</b>	<b>3,131,409</b>	<b>3,107,631</b>	<b>3,366,401</b>	<b>2,960,956</b>	<b>2,965,356</b>	<b>2,969,756</b>	<b>7,532,574</b>	<b>7,385,230</b>
<b>Net Assets</b>	<b>2,629,937</b>	<b>2,545,607</b>	<b>2,132,804</b>	<b>1,867,128</b>	<b>1,907,326</b>	<b>1,902,943</b>	<b>10,467,474</b>	<b>10,167,482</b>
<b>Cash Flow</b>								
Revenues	951,659	957,728	995,078	995,078	1,180,888	1,180,888	1,180,888	1,298,977
Operating Expenses	796,345	833,590	955,469	974,578	994,070	1,013,951	1,058,830	1,079,515
Other Income	2,335	229	555	555	555	555	555	555
<b>Cash Flow Before Debt Service</b>	<b>157,649</b>	<b>124,367</b>	<b>40,164</b>	<b>21,055</b>	<b>187,373</b>	<b>167,492</b>	<b>122,613</b>	<b>220,017</b>
<b>Debt Service</b>								
Existing Debt Service	310,296	311,048	217,170	0	0	0	73,484	175,578
Proposed KIA Loan	0	0	0	0	0	0	14,305	28,610
<b>Total Debt Service</b>	<b>310,296</b>	<b>311,048</b>	<b>217,170</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>87,789</b>	<b>204,188</b>
<b>Cash Flow After Debt Service</b>	<b>(152,647)</b>	<b>(186,681)</b>	<b>(177,006)</b>	<b>21,055</b>	<b>187,373</b>	<b>167,492</b>	<b>34,824</b>	<b>44,439</b>
<b>Ratios</b>								
Current Ratio	1.4	1.7	2.4	1.4	1.8	2.1	1.7	1.7
Debt to Equity	1.2	1.2	1.6	1.6	1.6	1.6	0.7	0.7
Days Sales in Accounts Receivable	47.4	47.7	48.5	48.5	48.5	48.5	48.5	48.5
Months Operating Expenses in Unrestricted Cash	0.7	0.6	0.4	0.7	2.9	4.8	5.2	5.7
Debt Coverage Ratio	0.5	0.4	0.2	N/A	N/A	N/A	1.4	1.3

<b>EXECUTIVE SUMMARY</b>		Reviewer	Sandy Sanders	
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		Date	March 7, 2024	
<b>FUND F, FEDERALLY ASSISTED DRINKING WATER</b>		KIA Loan Number	F24-005	
<b>REVOLVING LOAN FUND</b>		WRIS Number	WX21229024	
<b>BORROWER</b>	CITY OF SPRINGFIELD FBO SPRINGFIELD WATER & SEWER COMMISSION WASHINGTON COUNTY			
<b>BRIEF DESCRIPTION</b>				
The Springfield Water & Sewer Commission is requesting a Fund F loan in the amount of \$2,894,924 for the Water Main Assessment, Replacement Planning & Design - WTP & Priority Area 1 project. This project includes the assessment, design and replacement of aging facilities in Priority Area 1. Most water lines were installed over 70 years ago. Lead service lines identified during the assessment will be replaced on the public and private sides of the meters. The addition of a carbon feed system and stainless-steel weirs for the basins at the Water Treatment Plant will enhance the water quality and prepare the district for handling potential emerging contaminants.				
<b>PROJECT FINANCING</b>		<b>PROJECT BUDGET</b>		
Fund F Loan	\$2,894,924	Administrative Expenses	\$120,000	
22CWW202 Grant	210,576	Legal Expenses	30,000	
		Land, Easements	20,000	
		Planning	88,000	
		Eng - Design / Const	173,000	
		Eng - Insp	101,000	
		Eng - Other	72,500	
		Construction	2,260,000	
		Contingency	226,000	
		Other	15,000	
<b>TOTAL</b>	<b>\$3,105,500</b>	<b>TOTAL</b>	<b>\$3,105,500</b>	
<b>REPAYMENT</b>	Rate	1.25%	Est. Annual Payment	\$82,369
	Term	20 Years	1st Payment	6 Mo. after first draw
<b>PROFESSIONAL SERVICES</b>	Engineer	Bell Engineering		
	Bond Counsel	Dinsmore & Shohl, LLP		
<b>PROJECT SCHEDULE</b>	Bid Opening	Dec-24		
	Construction Start	Feb-25		
	Construction Stop	Dec-25		
<b>DEBT PER CUSTOMER</b>	Existing	\$3,384		
	Proposed	\$3,972		
<b>OTHER DEBT</b>	See Attached			
<b>RESIDENTIAL RATES</b>		<u>Users</u>	<u>Avg. Bill</u>	
	Current	4,982	\$50.94	(for 4,000 gallons)
	Additional	0	\$50.94	(for 4,000 gallons)
<b>REGIONAL COORDINATION</b>	This project is consistent with regional planning recommendations.			
<b>CASHFLOW</b>	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2021	1,302,150	3,806,799	(2,504,649)	0.3
Audited 2022	1,431,689	9,903,538	(8,471,849)	0.1
Audited 2023	1,223,023	968,061	254,962	1.3
Projected 2024	1,161,487	1,068,202	93,285	1.1
Projected 2025	1,371,939	1,071,149	300,790	1.3
Projected 2026	1,709,839	1,070,594	639,245	1.6
Projected 2027	1,678,972	1,284,268	394,704	1.3
Projected 2028	1,668,908	1,301,802	367,106	1.3

Reviewer: Sandy Sanders  
 Date: March 7, 2024  
 Loan Number: F24-005

**KENTUCKY INFRASTRUCTURE AUTHORITY  
 DRINKING WATER STATE REVOLVING FUND (FUND F)  
 CITY OF SPRINGFIELD FBO SPRINGFIELD WATER & SEWER COMMISSION,  
 WASHINGTON COUNTY  
 PROJECT REVIEW  
 WX21229024**

**I. PROJECT DESCRIPTION**

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

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

**II. PROJECT BUDGET**

	<b>Total</b>
Administrative Expenses	\$ 120,000
Legal Expenses	30,000
Land, Easements	20,000
Planning	88,000
Engineering Fees - Design	120,000
Engineering Fees - Construction	53,000
Engineering Fees - Inspection	101,000
Engineering Fees - Other	72,500
Construction	2,260,000
Contingency	226,000
Other	15,000
<b>Total</b>	<b>\$ 3,105,500</b>

**III. PROJECT FUNDING**

	<b>Amount</b>	<b>%</b>
Fund F Loan	\$ 2,894,924	93%
22CWW202 Grant	210,576	7%
<b>Total</b>	<b>\$ 3,105,500</b>	<b>100%</b>

**IV. KIA DEBT SERVICE**

Construction Loan	\$ 2,894,924
Less: Principal Forgiveness	<u>1,514,420</u>
Amortized Loan Amount	\$ 1,380,504
Interest Rate	1.25%
Loan Term (Years)	<u>20</u>
Estimated Annual Debt Service	\$ 78,227
Administrative Fee (0.30%)	<u>4,142</u>
<b>Total Estimated Annual Debt Service</b>	<b>\$ 82,369</b>

**V. PROJECT SCHEDULE**

Bid Opening: December 2024  
 Construction Start: February 2025  
 Construction Stop: December 2025

**VI. CUSTOMER COMPOSITION AND RATE STRUCTURE**

**A) Customers**

Customers	Current	Proposed	Total
Residential	4,685	0	4,685
Commercial	291	0	291
Industrial	6	0	6
<b>Total</b>	<u>4,982</u>	<u>0</u>	<u>4,982</u>

**B) Rates**

<b>SEWER</b>	Current	Prior	Prior
Date of Last Rate Increase	<u>07/01/23</u>	<u>07/01/22</u>	<u>07/01/21</u>
Minimum - First 1,500 Gallons	\$24.96	\$24.47	\$23.99
Next 8,500 Gallons, per 1,000 Gallons	10.39	10.19	9.99
Next 15,000 Gallons, per 1,000 Gallons	9.50	9.31	9.13
Cost for 4,000 gallons	<u>\$50.94</u>	<u>\$49.95</u>	<u>\$48.97</u>
Increase %	2.0%	2.0%	
Affordability Index (Rate/MHI)	1.1%	1.1%	

<b>WATER - Inside</b>	Current	Prior	Prior
Date of Last Rate Increase	07/01/23	07/01/22	07/01/21
Minimum - First 1,500 Gallons	\$12.11	\$11.87	\$11.64
Next 3,500 Gallons, per 1,000 Gallons	4.54	4.45	4.36
Next 5,000 Gallons, per 1,000 Gallons	3.58	3.51	3.44
Cost for 4,000 gallons	\$23.46	\$23.00	\$22.54
Increase %	2.0%	2.0%	
Affordability Index (Rate/MHI)	0.5%	0.5%	

<b>WATER - Outside</b>	Current	Prior	Prior
Date of Last Rate Increase	07/01/23	07/01/22	07/01/21
Minimum - First 1,500 Gallons	\$19.82	\$19.43	\$19.05
Next 3,500 Gallons, per 1,000 Gallons	11.04	10.82	10.61
Next 5,000 Gallons, per 1,000 Gallons	6.56	6.43	6.30
Cost for 4,000 gallons	\$47.42	\$46.48	\$45.58
Increase %	2.0%	2.0%	
Affordability Index (Rate/MHI)	1.0%	1.0%	

## **VII. DEMOGRAPHICS**

Based on current Census data from the American Community Survey 5-Year Estimate 2017-2021, the Utility's service area population was 10,757 with a Median Household Income (MHI) of \$55,273. The MHI for the Commonwealth is \$55,454. The project will qualify for a 1.25% interest rate.

## **VIII. 2023 CAPITALIZATION GRANT EQUIVALENCIES**

- 1) Green Project Reserve - The Drinking Water capitalization grant does not contain a "green" requirement.
- 2) Additional Subsidization – This project qualifies for additional subsidization. Principal forgiveness of \$1,514,420 will be credited to the loan balance.



## **IX. FINANCIAL ANALYSIS**

Financial information was obtained from the audited financial statements for the years ended June 30, 2021, through June 30, 2023. The non-cash impacts of GASB 68 – Accounting and Financial Reporting for Pensions and GASB 75 – Accounting and Financial Reporting for Other Postemployment Benefit have been removed from the operating expenses. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

### **HISTORY**

Total sewer and water revenues increased 26% from \$3.64 million in 2021 to \$4.59 million in 2023 due to rate increases. Operating expenses increased 41.3% from \$3.67 million to \$5.03 million during the same period due largely to increases in chemicals, sludge disposal and salaries. The debt coverage ratio was 0.3, 0.1, and 1.3 in 2021, 2022, and 2023.

The balance sheet reflects a current ratio of 1.1, a debt-to-equity ratio of 1.2, 49.0 days of sales in accounts receivable, and 3.8 months of operating expenses in unrestricted cash.

### **PROJECTIONS**

Projections are based on the following assumptions:

- 1) Sewer revenues will increase 2% each year due to COLA increases.
- 2) Water revenues will increase 2% each year due to COLA increases.
- 3) Expenses for sewer and water will increase 3% each year due to inflation.
- 4) Debt service coverage is 1.3 in FY2027 when principal and interest repayments begin.

Based on the pro forma assumptions, the utility shows adequate cash flow to repay the KIA Fund F loan.

### **REPLACEMENT RESERVE**

The replacement reserve will be 5% (\$144,000 total) of the final amount borrowed (prior to principal forgiveness) to be funded annually (\$7,200 yearly) each December 1 for 20 years and maintained for the life of the loan.

**X. DEBT OBLIGATIONS**

	<u>Outstanding</u>	<u>Maturity</u>
Series 2020A Revenue Bonds	\$ 8,657,000	2061
Series 2020B Revenue Bonds	3,087,000	2061
Series 2013 Revenue Bonds	1,634,500	2052
Series 2016A Revenue Bonds	1,219,500	2056
Series 2016B Revenue Bonds	632,500	2056
Series 2015 Revenue Bonds	599,000	2055
Series 2012C Revenue Bonds	1,757,500	2039
Series 2015E Revenue Bonds	1,440,417	2043
Series 2020C Revenue Bonds	1,275,000	2046
KIA Loan F209-01	173,427	2030
Series 2023A - Interim Loan	1,141,277	2025
Bank Loan	85,166	2027
KIA Loan A24-016S (i.a.o. \$2,623,000)	0	TBD
KIA Loan F24-013S (i.a.o. \$2,473,070)	0	TBD
KIA Loan B23-002 (i.a.o. \$635,000)	0	TBD
KIA Loan F24-030L (i.a.o. \$855,000)	0	TBD
<b>Total</b>	<b>\$21,702,287</b>	

**XI. CONTACTS**

<b>Legal Applicant</b>	
Entity Name	City of Springfield fbo Springfield Water & Sewer Commission
Authorized Official	Chris Essex (Mayor)
County	Washington
Email	chris.essex@springfieldky.org
Phone	859-336-5440
Address	PO Box 307, 603 W Main Street Springfield, KY 40069

<b>Applicant Contact</b>	
Name	David Bartley
Organization	Springfield Water & Sewer Commission
Email	davidabartley@springfieldwater.org
Phone	859-336-5454
Address	PO Box 307 Springfield, KY 40069

<b>Project Administrator</b>	
Name	Angela Culver
Organization	Springfield Water & Sewer Commission
Email	angela.culver@springfieldwater.org
Phone	859-336-5454
Address	PO Box 307 Springfield, KY 40069

<b>Consulting Engineer</b>	
PE Name	Jonathan Stephen Rehner
Firm Name	Bell Engineering
Email	jrehner@hkbell.com
Phone	859-278-5412
Address	2480 Fortune Drive Suite 350

**XII. RECOMMENDATIONS**

KIA staff recommends approval of the loan with the standard conditions.

**CITY OF SPRINGFIELD FBO SPRINGFIELD WATER & SEWER COMMISSION  
FINANCIAL SUMMARY (JUNE YEAR END)**

	<u>Audited</u> <u>2021</u>	<u>Audited</u> <u>2022</u>	<u>Audited</u> <u>2023</u>	<u>Projected</u> <u>2024</u>	<u>Projected</u> <u>2025</u>	<u>Projected</u> <u>2026</u>	<u>Projected</u> <u>2027</u>	<u>Projected</u> <u>2028</u>
<b>Balance Sheet</b>								
<b>Assets</b>								
Current Assets	1,989,576	1,875,679	2,011,490	2,036,177	2,138,835	2,326,684	2,419,525	2,507,145
Other Assets	43,266,848	45,792,479	46,944,567	46,806,589	45,101,664	43,601,928	50,752,553	49,035,106
Total	<u>45,256,424</u>	<u>47,668,158</u>	<u>48,956,057</u>	<u>48,842,766</u>	<u>47,240,499</u>	<u>45,928,612</u>	<u>53,172,078</u>	<u>51,542,251</u>
<b>Liabilities &amp; Equity</b>								
Current Liabilities	9,263,008	952,606	1,820,783	1,901,621	1,939,298	1,980,473	2,211,922	2,217,581
Long Term Liabilities	16,580,740	24,416,803	24,944,481	25,813,388	25,141,418	24,452,473	28,420,677	27,544,524
Total Liabilities	<u>25,843,748</u>	<u>25,369,409</u>	<u>26,765,264</u>	<u>27,715,009</u>	<u>27,080,716</u>	<u>26,432,946</u>	<u>30,632,599</u>	<u>29,762,105</u>
Net Assets	<u>19,412,676</u>	<u>22,298,749</u>	<u>22,190,793</u>	<u>21,127,757</u>	<u>20,159,783</u>	<u>19,495,666</u>	<u>22,539,479</u>	<u>21,780,146</u>
<b>Cash Flow</b>								
Revenues	3,644,502	4,016,762	4,591,062	4,636,144	4,952,293	5,399,061	5,502,428	5,607,862
Operating Expenses	2,420,284	2,614,582	3,420,611	3,527,229	3,632,926	3,741,794	3,876,028	3,991,526
Other Income	77,932	29,509	52,572	52,572	52,572	52,572	52,572	52,572
Cash Flow Before Debt Service	<u>1,302,150</u>	<u>1,431,689</u>	<u>1,223,023</u>	<u>1,161,487</u>	<u>1,371,939</u>	<u>1,709,839</u>	<u>1,678,972</u>	<u>1,668,908</u>
<b>Debt Service</b>								
Existing Debt Service	3,806,799	9,903,538	968,061	1,068,202	1,071,149	1,070,594	1,201,899	1,219,433
Proposed KIA Loan	0	0	0	0	0	0	82,369	82,369
Total Debt Service	<u>3,806,799</u>	<u>9,903,538</u>	<u>968,061</u>	<u>1,068,202</u>	<u>1,071,149</u>	<u>1,070,594</u>	<u>1,284,268</u>	<u>1,301,802</u>
Cash Flow After Debt Service	<u>(2,504,649)</u>	<u>(8,471,849)</u>	<u>254,962</u>	<u>93,285</u>	<u>300,790</u>	<u>639,245</u>	<u>394,704</u>	<u>367,106</u>
<b>Ratios</b>								
Current Ratio	0.2	2.0	1.1	1.1	1.1	1.2	1.1	1.1
Debt to Equity	1.3	1.1	1.2	1.3	1.3	1.4	1.4	1.4
Days Sales in Accounts Receivable	61.5	56.7	49.0	49.0	49.0	49.0	49.0	49.0
Months Operating Expenses in Unrestricted Cash	5.4	4.4	3.8	3.7	3.8	4.1	4.2	4.3
Debt Coverage Ratio	0.3	0.1	1.3	1.1	1.3	1.6	1.3	1.3

<b>EXECUTIVE SUMMARY</b>		Reviewer	John Brady	
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		Date	March 7, 2024	
<b>FUND F. FEDERALLY ASSISTED DRINKING WATER</b>		KIA Loan Number	F24-022L	
<b>REVOLVING LOAN FUND</b>				
BORROWER	MARTIN COUNTY WATER DISTRICT MARTIN COUNTY			
BRIEF DESCRIPTION				
<p>The Martin County Water District is requesting a Fund F loan in the amount of \$299,250 for the Lead Service Line Inventory project. This project includes a comprehensive inventory of each service connection within the system to determine the service line material on both sides of the meter. Customer outreach and engagement will be thorough to maximize cost effectiveness and public education about the project. First, a survey will be mailed to each service address for customers to fill out describing their service line information. Second, a team will be sent to knock on doors and complete inspections on any exposed service lines for any remaining unknown lines. Third, a team will be sent to complete inspections using electrical resistance measurement for any remaining unknown lines. Fourth, a team will be sent to hydro excavate on either side of the meter to inspect the service lines for any remaining unknown lines. The inventory process will utilize ARCGIS to assist with inventory development, record-keeping, and submission of required documentation to regulatory agencies. A combination of ArcGIS and Excel spreadsheets will be used to submit the inventory to DOW. The inventory process will include record review, creation of digital/electronic service line inventory procedures, creation of GIS methods for documenting service line materials, incorporation of vacuum or hydro excavation procedures, and the employment of sub-contractors to conduct field work related to the service line inventory when necessary, and creating or instituting emerging technologies and methods and using Statistical Analysis when necessary. The inventory process will also utilize esri dashboards created by Kentucky Rural Water Association for SL inventories.</p>				
PROJECT FINANCING		PROJECT BUDGET		
Fund F Loan	\$299,250	Administration Expenses	\$2,834	
		Legal Expenses	1,500	
		Equipment	200,000	
		Contingency	29,916	
		Other	65,000	
TOTAL	\$299,250	TOTAL	\$299,250	
REPAYMENT	Rate	0.00%	Est. Annual Payment	N/A
	Term	N/A		
PROFESSIONAL SERVICES				
	Bond Counsel	Dinsmore & Shohl, LLP		
DEBT PER CUSTOMER				
	Existing	\$927		
RESIDENTIAL RATES				
	Current	<u>Users</u>	<u>Avg. Bill</u>	
		3,372	\$62.40	(for 4,000 gallons)
REGIONAL COORDINATION This project is consistent with regional planning recommendations.				
CASHFLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2020	(23,294)	211,143	(234,437)	-0.1
Audited 2021	51,503	215,333	(163,830)	0.2
Audited 2022	225,409	222,822	2,587	1.0
Projected 2023	274,787	183,021	91,766	1.5
Projected 2024	218,821	118,021	100,800	1.9
Projected 2025	161,736	184,202	(22,466)	0.9
Projected 2026	103,509	169,579	(66,070)	0.6
Projected 2027	44,118	169,579	(125,461)	0.3

Reviewer: John Brady  
Date: March 7, 2024  
Loan Number: F24-022L

**KENTUCKY INFRASTRUCTURE AUTHORITY  
DRINKING WATER STATE REVOLVING FUND (FUND F)  
MARTIN COUNTY WATER DISTRICT  
PROJECT REVIEW  
WX21159018**

**I. PROJECT DESCRIPTION**

The Martin County Water District (MCWD) is requesting a Fund F loan in the amount of \$299,250 for the Lead Service Line Inventory project. This project includes a comprehensive inventory of each service connection within the system to determine the service line material on both sides of the meter. Customer outreach and engagement will be thorough to maximize cost effectiveness and public education about the project. First, a survey will be mailed to each service address for customers to fill out describing their service line information. Second, a team will be sent to knock on doors and complete inspections on any exposed service lines for any remaining unknown lines. Third, a team will be sent to complete inspections using electrical resistance measurement for any remaining unknown lines. Fourth, a team will be sent to hydro excavate on either side of the meter to inspect the service lines for any remaining unknown lines. The inventory process will utilize ARCGIS to assist with inventory development, record-keeping, and submission of required documentation to regulatory agencies. A combination of ArcGIS and Excel spreadsheets will be used to submit the inventory to DOW. The inventory process will include record review, creation of digital/electronic service line inventory procedures, creation of GIS methods for documenting service line materials, incorporation of vacuum or hydro excavation procedures, and the employment of sub-contractors to conduct field work related to the service line inventory when necessary, and creating or instituting emerging technologies and methods and using Statistical Analysis when necessary. The inventory process will also utilize esri dashboards created by Kentucky Rural Water Association for SL inventories.

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

**II. PROJECT BUDGET**

	<u>Total</u>
Administration Expenses	\$ 2,834
Legal Expenses	1,500
Equipment	200,000
Contingency	29,916
Other	65,000
<b>Total</b>	<b>\$ 299,250</b>

**III. PROJECT FUNDING**

	<u>Amount</u>	<u>%</u>
Fund F Loan	\$ 299,250	100%
<b>Total</b>	<b>\$ 299,250</b>	<b>100%</b>

**IV. CUSTOMER COMPOSITION AND RATE STRUCTURE**

**A) Customers**

<u>Customers</u>	<u>Current</u>
Residential	3,089
Commercial	229
Other	54
<b>Total</b>	<b>3,372</b>

**B) Rates**

	<u>Current</u>	<u>Prior</u>
Date of Last Rate Increase	02/08/22	11/15/19
Minimum (2,000 gallons)	\$41.42	\$33.32
Over 2,000 gallons (per 1,000)	10.49	8.43
Cost for 4,000 gallons	\$62.40	\$50.18
Increase %	24.4%	
Affordability Index (Rate/MHI)	1.8%	1.4%

**V. DEMOGRAPHICS**

Based on current Census data from the American Community Survey 5-Year Estimate 2017-2021, the Utility’s service area population was 11,203 with a Median Household Income (MHI) of \$41,569. The MHI for the Commonwealth is \$55,454.

**VI. 2023 CAPITALIZATION GRANT EQUIVALENCIES**

- 1) Green Project Reserve - The Drinking Water capitalization grant does not contain a “green” requirement.
- 2) Additional Subsidization – This project qualifies for 100% principal forgiveness, in the amount of \$299,250

**VII. FINANCIAL ANALYSIS**

Financial information was obtained from the audited financial statements for the years ended December 31, 2020 through December 31, 2022. The non-cash impacts of GASB 68 – Accounting and Financial Reporting for Pensions and GASB 75 – Accounting and Financial Reporting for Other Postemployment Benefit have been removed from the operating expenses. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

**HISTORY**

Total revenues increased 17.8% from \$2.51 million in 2020 to \$2.96 million in 2022 primarily due to a rate increase. Operating expenses increased 5.0% from \$2.54 million to \$2.66 million during the same period due to increased costs for maintenance, repairs, and general operations. The debt coverage ratio was -0.1, 0.2, and 1.0 in 2020, 2021, and 2022.

The balance sheet reflects a current ratio of 1.2, a debt-to-equity ratio of 0.3, 38.7 days of sales in accounts receivable, and 1.2 months of operating expenses in unrestricted cash.

No repayment is required for this funding. There is also no service fee or replacement reserve required.

The MCWD is regulated by the Public Service Commission (PSC) and will need to comply with any necessary filings or required approvals by the PSC.

**VIII. CONTACTS**

<b>Legal Applicant</b>	
Entity Name	Martin County Water District
Authorized Official	Jimmy Kerr (Chairman)
County	Martin
Email	jdandamykerr@yahoo.com
Phone	(606) 298-3885
Address	387 E Main St Inez, KY 41224



**Applicant Contact**

Name	Craig Miller
Organization	Alliance Water
Email	cmiller@alliancewater.com
Phone	(606) 298-3885
Address	387 E Main St Inez, KY 41224

**Project Administrator**

Name	Matt Scofield
Organization	Big Sandy ADD
Email	matt.scofield@bigsandy.org
Phone	(606) 886-2374
Address	110 Resource Court Prestonsburg, KY 41653

**IX. RECOMMENDATIONS**

KIA staff recommends approval of the loan with the standard conditions.

<b>EXECUTIVE SUMMARY</b>		Reviewer	John Brady	
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		Date	March 7, 2024	
<b>FUND F, FEDERALLY ASSISTED DRINKING WATER</b>		KIA Loan Number	F24-026L	
<b>REVOLVING LOAN FUND</b>		WRIS Number	WX21115033	
BORROWER	CITY OF PAINTSVILLE JOHNSON COUNTY			
BRIEF DESCRIPTION				
<p>The City of Paintsville on behalf of the Paintsville Utilities Commission is requesting a Fund F loan in the amount of \$418,000 for the Lead Service Line Inventory project. This project includes a comprehensive inventory of each service connection within the system to determine the service line material on both sides of the meter. Customer outreach and engagement will be thorough to maximize cost effectiveness and public education about the project. First, a survey will be mailed to each service address for customers to fill out describing their service line information. Second, a team will be sent to knock on doors and complete inspections on any exposed service lines for any remaining unknown lines. Third, a team will be sent to complete inspections using electrical resistance measurement for any remaining unknown lines. Fourth, a team will be sent to hydro excavate on either side of the meter to inspect the service lines for any remaining unknown lines. The inventory process will utilize ARCGIS to assist with inventory development, record-keeping, and submission of required documentation to regulatory agencies. A combination of ArcGIS and Excel spreadsheets will be used to submit the inventory to DOW. The inventory process will include record review, creation of digital/electronic service line inventory procedures, creation of GIS methods for documenting service line materials, incorporation of vacuum or hydro excavation procedures, and the employment of sub-contractors to conduct field work related to the service line inventory when necessary, and creating or instituting emerging technologies and methods and using Statistical Analysis when necessary. The inventory process will also utilize esri dashboards created by Kentucky Rural Water Association for SL inventories.</p>				
PROJECT FINANCING		PROJECT BUDGET		
Fund F Loan	\$418,000	Administrative Expenses	\$268,684	
Local	117,645	Equipment	266,961	
TOTAL	<u>\$535,645</u>	TOTAL	<u>\$535,645</u>	
REPAYMENT	Rate	0.00%	Est. Annual Payment	N/A
	Term	N/A	1st Payment	N/A
PROFESSIONAL SERVICES	Bond Counsel	Dinsmore & Shohl, LLP		
DEBT PER CUSTOMER	Existing	\$3,257		
RESIDENTIAL RATES	Current	<u>Users</u> 8,456	<u>Avg. Bill</u> \$36.13	(for 4,000 gallons)
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.			
CASHFLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2021	3,037,701	1,303,370	1,734,331	2.3
Audited 2022	2,785,057	1,630,447	1,154,610	1.7
Audited 2023	3,113,498	1,776,069	1,337,429	1.8
Projected 2024	3,436,129	1,485,289	1,950,840	2.3
Projected 2025	3,294,157	1,485,990	1,808,167	2.2
Projected 2026	3,149,346	1,486,200	1,663,146	2.1
Projected 2027	3,001,639	1,463,652	1,537,987	2.1
Projected 2028	2,850,978	1,468,405	1,382,573	1.9

Reviewer: John Brady  
Date: March 7, 2023  
Loan Number: F24-026L

**KENTUCKY INFRASTRUCTURE AUTHORITY  
DRINKING WATER STATE REVOLVING FUND (FUND F)  
CITY OF PAINTSVILLE F/B/O PAINTSVILLE UTILITIES COMMISSION  
JOHNSON COUNTY  
PROJECT REVIEW  
WX21115033**

**I. PROJECT DESCRIPTION**

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

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

**II. PROJECT BUDGET**

	<b>Total</b>
Administrative Expenses	\$ 268,684
Equipment	266,961
<b>Total</b>	<b>\$ 535,645</b>

**III. PROJECT FUNDING**

	<u>Amount</u>	<u>%</u>
Fund F Loan	\$ 418,000	78%
Local	117,645	22%
<b>Total</b>	<b>\$ 535,645</b>	<b>100%</b>

**IV. CUSTOMER COMPOSITION AND RATE STRUCTURE**

**A) Customers**

<u>Customers</u>	<u>Current</u>
Residential	7,721
Commercial	720
Industrial	15
<b>Total</b>	<b>8,456</b>

**B) Rates**

<b>Water - Inside City</b>	<u>Current</u>	<u>Prior</u>
Date of Last Rate Increase	11/01/23	02/01/23
Minimum (First 2,000 gallons)	\$18.29	\$17.17
Next 3,000 gallons (per 1,000)	8.92	8.38
Cost for 4,000 gallons	\$36.13	\$33.93
Increase %	6.5%	
Affordability Index (Rate/MHI)	1.1%	1.0%

<b>Water - Outside City</b>	<u>Current</u>	<u>Prior</u>
Date of Last Rate Increase	11/01/23	02/01/23
Minimum (First 2,000 gallons)	\$26.67	\$25.04
Next 3,000 gallons (per 1,000)	11.22	10.54
Cost for 4,000 gallons	\$49.11	\$46.12
Increase %	6.5%	
Affordability Index (Rate/MHI)	1.5%	1.4%

<b>Sewer</b>	<u>Current</u>	<u>Prior</u>
Date of Last Rate Increase	11/01/23	02/01/23
Minimum (First 2,000 gallons)	\$20.26	\$19.02
Next 3,000 gallons (per 1,000)	9.69	9.10
Cost for 4,000 gallons	\$39.64	\$37.22
Increase %	6.5%	
Affordability Index (Rate/MHI)	1.2%	1.1%

**V. DEMOGRAPHICS**

Based on current Census data from the American Community Survey 5-Year Estimate 2017-2021, the Utility’s service area population was 21,295 with a Median Household Income (MHI) of \$40,122. The MHI for the Commonwealth is \$55,454.

**VI. 2023 CAPITALIZATION GRANT EQUIVALENCIES**

- 1) Green Project Reserve - The Drinking Water capitalization grant does not contain a “green” requirement.
- 2) Additional Subsidization – This project qualifies for 100% principal forgiveness, in the amount of \$418,000

**VII. FINANCIAL ANALYSIS**

Financial information was obtained from the audited financial statements for the years ended June 30, 2021 through June 30, 2023. The non-cash impacts of GASB 68 – Accounting and Financial Reporting for Pensions and GASB 75 – Accounting and Financial Reporting for Other Postemployment Benefit have been removed from the operating expenses. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

**HISTORY**

Total revenues increased 11.2% from \$9.01 million in 2021 to \$10.02 million in 2023 due to rate increases. Operating expenses increased 16.2% from \$5.99 million to \$6.96 million during the same period. The debt coverage ratio was 2.3, 1.7, and 1.8 in 2021, 2022, and 2023.

The balance sheet reflects a current ratio of 1.6, a debt-to-equity ratio of 0.7, 31.4 days of sales in accounts receivable, and 6.2 months of operating expenses in unrestricted cash.

No repayment is required for this funding. There is also no service fee or replacement reserve required.

## VIII. CONTACTS

<b>Legal Applicant</b>	
Entity Name	City of Paintsville
Authorized Official	Mike Runyon (Mayor)
County	Johnson
Email	mayor.runyon@cityofpaintsville.net
Phone	(606) 789-2600
Address	PO Box 630 Paintsville, KY 41240

<b>Applicant Contact</b>	
Name	Bob Pack
Organization	Paintsville Utilities Commission
Email	bpack@paintsvilleutilities.com
Phone	(606) 789-2630
Address	PO Box 630 Paintsville, KY 41240

<b>Project Administrator</b>	
Name	Matt Scofield
Organization	Big Sandy ADD
Email	matt.scofield@bigsandy.org
Phone	(606) 886-2374
Address	110 Resource Dr Prestonsburg, KY 41653

## IX. RECOMMENDATIONS

KIA staff recommends approval of the loan with the standard conditions.

<b>EXECUTIVE SUMMARY</b>		Reviewer	John Brady	
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		Date	March 7, 2024	
<b>FUND F, FEDERALLY ASSISTED DRINKING WATER</b>		KIA Loan Number	F24-036L	
<b>REVOLVING LOAN FUND</b>		WRIS Number	WX21071022	
BORROWER	SOUTHERN WATER & SEWER DISTRICT FLOYD COUNTY			
BRIEF DESCRIPTION				
<p>The Southern Water &amp; Sewer District (SWSD) is requesting a Fund F loan in the amount of \$247,575 for the Lead Service Line Inventory project. The project will include a comprehensive inventory of each service connection within the system to determine the service line material on both sides of the meter. SWSD proposes to contract for the development of an ESRI based GIS/AM framework that builds upon the existing WRIS data with a GIS schema necessary to support lead service line inventory requirements. A map for both office and field staff will be created that will allow for individual and batch editing of the data. After the lead service line inventory has begun, a public facing map for will be developed to share the status of its lead service line location findings to the public and DOW. Additional contract personnel will be hired and trained to collect service line data through customer engagement surveys, historical records, visual inspection or excavation to update the service line layer. Field verified data will be captured with sub-foot GPS technology. Upon completion, the service line inventory the data can be exported to a spreadsheet or shared with DOW through ArcGIS Online to meet compliance requirements. The outcome of this project will leave SW&amp;SD with a sustainable system of data analytics to support operations and management to sustain capital planning and compliance goals well into the future.</p>				
PROJECT FINANCING		PROJECT BUDGET		
Fund F Loan	\$247,575	Administrative Expenses	\$12,500	
		Equipment	129,479	
		Contingency	26,526	
		Other	79,070	
TOTAL	<u>\$247,575</u>	TOTAL	<u>\$247,575</u>	
REPAYMENT	Rate	0.00%	Est. Annual Payment	N/A
	Term	N/A	1st Payment	N/A
PROFESSIONAL SERVICES	Bond Counsel	Dinsmore & Shohl, LLP		
DEBT PER CUSTOMER	Existing	\$823		
OTHER DEBT	See Attached			
RESIDENTIAL RATES	Current	<u>Users</u> 5,396	<u>Avg. Bill</u> \$43.16	(for 4,000 gallons)
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.			
CASHFLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2020	1,256,257	938,326	317,931	1.3
Audited 2021	1,336,501	764,691	571,810	1.7
Audited 2022	1,079,826	805,879	273,947	1.3
Projected 2023	1,166,975	775,884	391,091	1.5
Projected 2024	1,252,314	750,120	502,194	1.7
Projected 2025	1,170,618	466,960	703,658	2.5
Projected 2026	1,087,288	285,073	802,215	3.8
Projected 2027	1,002,292	259,704	742,588	3.9

Reviewer: John Brady  
Date: March 7, 2024  
Loan Number: F24-036L

**KENTUCKY INFRASTRUCTURE AUTHORITY  
DRINKING WATER STATE REVOLVING FUND (FUND F)  
SOUTHERN WATER & SEWER DISTRICT, FLOYD COUNTY  
PROJECT REVIEW  
WX21071022**

**I. PROJECT DESCRIPTION**

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

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

**II. PROJECT BUDGET**

	<b>Total</b>
Administrative Expenses	\$ 12,500
Equipment	129,479
Contingency	26,526
Other	79,070
<b>Total</b>	<b>\$ 247,575</b>



**III. PROJECT FUNDING**

	<u>Amount</u>	<u>%</u>
Fund F Loan	\$ 247,575	100%
<b>Total</b>	<b>\$ 247,575</b>	<b>100%</b>

**IV. CUSTOMER COMPOSITION AND RATE STRUCTURE**

**A) Customers**

<u>Customers</u>	<u>Current</u>
Residential	5,188
Commercial	203
Industrial	5
<b>Total</b>	<b>5,396</b>

**B) Rates**

	<u>Current</u>	<u>Prior</u>	<u>Prior</u>
Date of Last Rate Increase	01/01/24	01/01/23	11/07/19
Minimum (First 2,000 gallons)	\$24.40	\$23.40	\$22.40
Over 2,000 gallons (per 1,000)	9.38	9.00	8.61
Cost for 4,000 gallons	\$43.16	\$41.40	\$39.62
Increase %	4.3%	4.5%	
Affordability Index (Rate/MHI)	1.5%	1.4%	1.4%

**V. DEMOGRAPHICS**

Based on current Census data from the American Community Survey 5-Year Estimate 2017-2021, the Utility’s service area population was 16,782 with a Median Household Income (MHI) of \$35,055. The MHI for the Commonwealth is \$55,454.

**VI. 2023 CAPITALIZATION GRANT EQUIVALENCIES**

- 1) Green Project Reserve - The Drinking Water capitalization grant does not contain a “green” requirement.
- 2) Additional Subsidization – This project qualifies for 100% principal forgiveness, in the amount of \$247,575.

## VII. FINANCIAL ANALYSIS

Financial information was obtained from the audited financial statements for the years ended December 31, 2020 through December 31, 2022. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

### HISTORY

Total water revenues decreased 3.5% from \$5.19 million in 2020 to \$5.01 million in 2022. Operating expenses decreased 0.1% from \$3.93 million to \$3.92 million during the same period. The debt coverage ratio was 1.3, 1.7, and 1.3 in 2020, 2021, and 2022.

The balance sheet reflects a current ratio of 1.2, a debt-to-equity ratio of 0.3, 131.3 days of sales in accounts receivable, and 0 months of operating expenses in unrestricted cash.

No repayment is required for this funding. There is also no service fee or replacement reserve required.

The SWSD is regulated by the Public Service Commission (PSC) and will need to comply with any necessary filings or required approvals by the PSC.

## VIII. CONTACTS

<b>Legal Applicant</b>	
Entity Name	Southern Water & Sewer District
Authorized Official	Jeff Prater (Chairman)
County	Floyd
Email	jprater@bigsandyrecc.com
Phone	(606) 791-4095
Address	245 KY Route 680 McDowell, KY 41647

<b>Applicant Contact</b>	
Name	Grondall Porter
Organization	Utility Management Group
Email	gpotter@umgllc.net
Phone	(606) 437-4754
Address	287 Island Creek Rd Pikeville, KY 41501

**Project Administrator**

Name	Matt Scofield
Organization	Big Sandy ADD
Email	matt.scofield@bigsandy.org
Phone	(606) 886-2374
Address	110 Resource Court Prestonsburg, KY 41653

**IX. RECOMMENDATIONS**

KIA staff recommends approval of the loan with the standard conditions.

<b>EXECUTIVE SUMMARY</b>		Reviewer	John Brady	
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		Date	March 7, 2024	
<b>FUND F, FEDERALLY ASSISTED DRINKING WATER</b>		KIA Loan Number	F24-037L	
<b>REVOLVING LOAN FUND</b>		WRIS Number	WX21071025	
BORROWER	CITY OF PRESTONSBURG FLOYD COUNTY			
BRIEF DESCRIPTION				
<p>The City of Prestonsburg on behalf of the Prestonsburg City Utilities Commission is requesting a Fund F loan in the amount of \$416,250 for the Lead Service Line Inventory project. This project includes a comprehensive inventory of each service connection within the system to determine the service line material on both sides of the meter. Customer outreach and engagement will be thorough to maximize cost effectiveness and public education about the project. First, a survey will be mailed to each service address for customers to fill out describing their service line information. Second, a team will be sent to knock on doors and complete inspections on any exposed service lines for any remaining unknown lines. Third, a team will be sent to complete inspections using electrical resistance measurement for any remaining unknown lines. Fourth, a team will be sent to hydro excavate on either side of the meter to inspect the service lines for any remaining unknown lines. The inventory process will utilize ARCGIS to assist with inventory development, record-keeping, and submission of required documentation to regulatory agencies. A combination of ArcGIS and Excel spreadsheets will be used to submit the inventory to DOW. The inventory process will include record review, creation of digital/electronic service line inventory procedures, creation of GIS methods for documenting service line materials, incorporation of vacuum or hydro excavation procedures, and the employment of sub-contractors to conduct field work related to the service line inventory when necessary, and creating or instituting emerging technologies and methods and using Statistical Analysis when necessary. The inventory process will also utilize esri dashboards created by Kentucky Rural Water Association for SL inventories.</p>				
PROJECT FINANCING		PROJECT BUDGET		
Fund F Loan	\$416,250	Administrative Expenses	\$5,592	
		Legal Expenses	1,550	
		Planning	6,400	
		Equipment	131,725	
		Contingency	37,840	
		Other	233,143	
TOTAL	<u>\$416,250</u>	TOTAL	<u>\$416,250</u>	
REPAYMENT	Rate	0.00%	Est. Annual Payment	N/A
	Term	N/A	1st Payment	N/A
PROFESSIONAL SERVICES				
	Bond Counsel	Dinsmore & Shohl, LLP		
DEBT PER CUSTOMER	Existing	\$1,802		
RESIDENTIAL RATES				
	Current	<u>Users</u> 8,769	<u>Avg. Bill</u> \$39.62	(for 4,000 gallons)
REGIONAL COORDINATION This project is consistent with regional planning recommendations.				
CASHFLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2021	2,482,855	1,413,262	1,069,593	1.8
Audited 2022	2,590,909	1,498,811	1,092,098	1.7
Audited 2023	2,353,236	1,408,904	944,332	1.7
Projected 2024	2,952,591	1,322,301	1,630,290	2.2
Projected 2025	2,771,071	1,321,721	1,449,350	2.1
Projected 2026	2,585,921	1,324,021	1,261,900	2.0
Projected 2027	2,397,068	1,325,664	1,071,404	1.8
Projected 2028	2,204,438	1,320,651	883,787	1.7

Reviewer: John Brady  
Date: March 7, 2024  
Loan Number: F24-037L

**KENTUCKY INFRASTRUCTURE AUTHORITY  
DRINKING WATER STATE REVOLVING FUND (FUND F)  
CITY OF PRESTONSBURG F/B/O  
PRESTONSBURG CITY'S UTILITIES COMMISSION, FLOYD COUNTY  
PROJECT REVIEW  
WX21071025**

**I. PROJECT DESCRIPTION**

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

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

**II. PROJECT BUDGET**

	<u>Total</u>
Administrative Expenses	\$ 5,592
Legal Expenses	1,550
Planning	6,400
Equipment	131,725
Contingency	37,840
Other	233,143
<b>Total</b>	<b>\$ 416,250</b>

**III. PROJECT FUNDING**

	<u>Amount</u>	<u>%</u>
Fund F Loan	\$ 416,250	100%
<b>Total</b>	<b>\$ 416,250</b>	<b>100%</b>

**IV. CUSTOMER COMPOSITION AND RATE STRUCTURE**

**A) Customers**

<u>Customers</u>	<u>Current</u>
Residential	7,804
Commercial	962
Industrial	3
<b>Total</b>	<b>8,769</b>

**B) Rates**

<b>Water - Inside City</b>	<u>Current</u>	<u>Prior</u>
Date of Last Rate Increase	03/01/23	02/01/22
Minimum Bill (1,000 gallons)	\$10.52	\$10.52
Per 1,000 gallons	9.70	8.70
Cost for 4,000 gallons	\$39.62	\$36.62
Increase %	8.2%	
Affordability Index (Rate/MHI)	1.2%	1.1%

<b>Water - Outside City</b>	<u>Current</u>	<u>Prior</u>
Date of Last Rate Increase	03/01/23	02/01/22
Minimum Bill (1,000 gallons)	\$10.52	\$10.52
Per 1,000 gallons	12.50	11.20
Cost for 4,000 gallons	\$48.02	\$44.12
Increase %	8.8%	
Affordability Index (Rate/MHI)	1.5%	1.3%

**V. DEMOGRAPHICS**

Based on current Census data from the American Community Survey 5-Year Estimate 2017-2021, the Utility’s service area population was 17,230 with a Median Household Income (MHI) of \$39,277. The MHI for the Commonwealth is \$55,454.

**VI. 2023 CAPITALIZATION GRANT EQUIVALENCIES**

- 1) Green Project Reserve - The Drinking Water capitalization grant does not contain a “green” requirement.
- 2) Additional Subsidization – This project qualifies for 100% principal forgiveness, in the amount of \$416,250.

**VII. FINANCIAL ANALYSIS**

Financial information was obtained from the audited financial statements for the years ended June 30, 2021 through June 30, 2023. The non-cash impacts of GASB 68 – Accounting and Financial Reporting for Pensions and GASB 75 – Accounting and Financial Reporting for Other Postemployment Benefit have been removed from the operating expenses. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

**HISTORY**

Total revenues increased 12.5% from \$9.98 million in 2021 to \$11.22 million in 2023 due to rate increases. Operating expenses increased 18.7% from \$7.49 million to \$8.89 during the same period. The debt coverage ratio was 1.8, 1.7, and 1.7 in 2021, 2022, and 2023.

The balance sheet reflects a current ratio of 2.1, a debt-to-equity ratio of 20.4, 28.8 days of sales in accounts receivable, and 3.1 months of operating expenses in unrestricted cash.

No repayment is required for this funding. There is also no service fee or replacement reserve required.

**VIII. CONTACTS**

<b>Legal Applicant</b>	
Entity Name	City of Prestonsburg
Authorized Official	Les Stapleton (Mayor)
County	Floyd
Email	les.stapleton@prestonsburgcity.org
Phone	(606) 886-2335
Address	200 North Lake Dr Prestonsburg, KY 41653

<b>Applicant Contact</b>	
Name	Brian Music
Organization	Prestonsburg City Utilities Commission
Email	bmpcuc@bellsouth.net
Phone	(606) 886-6871
Address	2560 South Lake Dr Prestonsburg, KY 41653

<b>Project Administrator</b>	
Name	Matt Scofield
Organization	Big Sandy ADD
Email	matt.scofield@bigsandy.org
Phone	(606) 886-2374
Address	110 Resource Court Prestonsburg, KY 41653

**IX. RECOMMENDATIONS**

KIA staff recommends approval of the loan with the standard conditions.



<b>EXECUTIVE SUMMARY</b>		Reviewer	John Brady	
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		Date	March 7, 2024	
<b>FUND F, FEDERALLY ASSISTED DRINKING WATER</b>		KIA Loan Number	F24-048L	
<b>REVOLVING LOAN FUND</b>		WRIS Number	WX21195064	
BORROWER	CITY OF PIKEVILLE PIKE COUNTY			
BRIEF DESCRIPTION				
<p>The City of Pikeville is requesting a Fund F loan in the amount of \$119,902 for the Lead Service Line Inventory project. The project will include a comprehensive inventory of each service connection within the system to determine the service line material on both sides of the meter. The City proposes to contract for the development of an ESRI based GIS/AM framework that builds upon the existing WRIS data with a GIS schema necessary to support lead service line inventory requirements. A map for both office and field staff will be created that will allow for individual and batch editing of the data. After the lead service line inventory has begun, a public facing map for will be developed to share the status of its lead service line location findings to the public and DOW. Additional contract personnel will be hired and trained to collect service line data through customer engagement surveys, historical records, visual inspection or excavation to update the service line layer. Field verified data will be captured with sub-foot GPS technology. Upon completion, the service line inventory the data can be exported to a spreadsheet or shared with DOW through ArcGIS Online to meet compliance requirements. The outcome of this project will leave Pikeville with a sustainable system of data analytics to support operations and management to sustain capital planning and compliance goals well into the future.</p>				
PROJECT FINANCING		PROJECT BUDGET		
Fund F Loan	\$119,902	Equipment	\$18,014	
Local	125,999	Contingency	26,347	
		Other	201,540	
TOTAL	<u>\$245,901</u>	TOTAL	<u>\$245,901</u>	
REPAYMENT	Rate	0.00%	Est. Annual Payment	N/A
	Term	N/A	1st Payment	N/A
PROFESSIONAL SERVICES				
	Bond Counsel	Dinsmore & Shohl, LLP		
DEBT PER CUSTOMER	Existing	\$795		
RESIDENTIAL RATES	Current	<u>Users</u> 4,682	<u>Avg. Bill</u> \$35.00	(for 4,000 gallons)
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.			
CASHFLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2021	625,636	330,524	295,112	1.9
Audited 2022	593,066	413,060	180,006	1.4
Audited 2023	985,911	308,407	677,504	3.2
Projected 2024	889,885	249,234	640,651	3.6
Projected 2025	830,100	247,312	582,788	3.4
Projected 2026	769,119	245,027	524,092	3.1
Projected 2027	706,919	247,116	459,803	2.9
Projected 2028	643,475	250,519	392,956	2.6

Reviewer: John Brady  
Date: March 7, 2024  
Loan Number: F24-048L

**KENTUCKY INFRASTRUCTURE AUTHORITY  
DRINKING WATER STATE REVOLVING FUND (FUND F)  
CITY PF PIKEVILLE, PIKE COUNTY  
PROJECT REVIEW  
WX21195064**

**I. PROJECT DESCRIPTION**

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

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

**II. PROJECT BUDGET**

	<b>Total</b>
Equipment	\$ 18,014
Contingency	26,347
Other	201,540
<b>Total</b>	<b>\$ 245,901</b>

### III. PROJECT FUNDING

	<u>Amount</u>	<u>%</u>
Fund F Loan	\$ 119,902	49%
Local	125,999	51%
<b>Total</b>	<b>\$ 245,901</b>	<b>100%</b>

### IV. CUSTOMER COMPOSITION AND RATE STRUCTURE

#### A) Customers

<u>Customers</u>	<u>Current</u>
Residential	3,594
Commercial	1,082
Industrial	6
<b>Total</b>	<b>4,682</b>

#### B) Rates

<b>Water - Inside City</b>	<u>Current</u>	<u>Prior</u>
Date of Last Rate Increase	09/01/22	02/01/19
Minimum (first 2,000 gallons)	\$16.00	\$12.32
Next 8,000 gallons (per 1,000)	9.50	6.82
Cost for 4,000 gallons	\$35.00	\$25.96
Increase %	34.8%	
Affordability Index (Rate/MHI)	1.0%	0.8%

<b>Water - Outside City</b>	<u>Current</u>
Date of Last Rate Increase	09/01/22
Minimum (first 2,000 gallons)	\$31.50
Next 8,000 gallons (per 1,000)	8.82
Cost for 4,000 gallons	\$49.14
Affordability Index (Rate/MHI)	1.4%

### V. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2017-2021, the Utility's service area population was 10,600 with a Median Household Income (MHI) of \$40,792. The MHI for the Commonwealth is \$55,454.

**VI. 2023 CAPITALIZATION GRANT EQUIVALENCIES**

- 1) Green Project Reserve - The Drinking Water capitalization grant does not contain a “green” requirement.
- 2) Additional Subsidization – This project qualifies for 100% principal forgiveness, in the amount of \$119,902.

**VII. FINANCIAL ANALYSIS**

Financial information was obtained from the audited financial statements for the years ended December 31, 2021 through December 31, 2023. The non-cash impacts of GASB 68 – Accounting and Financial Reporting for Pensions and GASB 75 – Accounting and Financial Reporting for Other Postemployment Benefit have been removed from the operating expenses. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

**HISTORY**

Total water revenues increased 15.9% from \$3.32 million in 2021 to \$3.85 million in 2023. Operating expenses increased 8.3% from \$2.71 million to \$2.93 million during the same period. The debt coverage ratio was 1.9, 1.4, and 3.2 in 2021, 2022, and 2023.

The balance sheet reflects a current ratio of 7.9, a debt-to-equity ratio of 0.4, 60.9 days of sales in accounts receivable, and 8.9 months of operating expenses in unrestricted cash.

No repayment is required for this funding. There is also no service fee or replacement reserve required.

**VIII. CONTACTS**

<b>Legal Applicant</b>	
Entity Name	City of Pikeville
Authorized Official	James Carter (Mayor)
County	Pike
Email	james.carter@pikevilleky.gov
Phone	(606) 437-5100
Address	243 Main St Pikeville, KY 41501

**Applicant Contact**

Name	Tonya Taylor
Organization	City of Pikeville
Email	tonya.taylor@pikevilleky.gov
Phone	(606) 437-5103
Address	243 Main St Pikeville, KY 41501

**Project Administrator**

Name	Donnie Slone
Organization	Utility Management Group
Email	dslone@umgllc.net
Phone	(606) 437-5114
Address	304 Island Creek Rd Pikeville, KY 41502

**IX. RECOMMENDATIONS**

KIA staff recommends approval of the loan with the standard conditions.

<b>EXECUTIVE SUMMARY</b>		Reviewer	John Brady	
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		Date	March 7, 2024	
<b>FUND F, FEDERALLY ASSISTED DRINKING WATER</b>		KIA Loan Number	F24-051L	
<b>REVOLVING LOAN FUND</b>		WRIS Number	WX21183062	
BORROWER	OHIO COUNTY WATER DISTRICT OHIO COUNTY			
BRIEF DESCRIPTION				
<p>The Ohio County Water District (OCWD) is requesting a Fund F loan in the amount of \$185,000 for the Lead Service Line Asset Management and Inventory project. The project will include a comprehensive inventory of each service connection to determine the service line material on both the utility and private side of the meter. The Water District will utilize ARC GIS Online Asset management tools and dashboards to assist with inventory development, record-keeping, and required documentation to submit to the Division of Water. The OCWD and contract labor will be utilized to complete the inventory using the following methods: previous materials evaluation, installation date after lead ban use, installation records, distribution inspection records, service line diameter greater than 2", historical repair record, field verified during routine work, field verified by excavation, field verified visual inspection at meter pit, field verified CCTV, water sampling, predictive modeling, etc.. The system contains 679 miles of service lines and 7,620 service connections so utilizing contract labor will be crucial to assist the district in completing the inventory. Customer outreach will be a priority to maximize cost effectiveness and public education about the project. Surveys will be used to conduct outreach to its customer base. These surveys will be mailed to the residents. The OCWD will also send out personnel to visit each customer that they do not receive a response from. For any remaining lines that are unknown, teams will inspect the service lines and if needed hydro excavate on either side of the meter to inspect the service line materials.</p>				
PROJECT FINANCING		PROJECT BUDGET		
Fund F Loan	\$185,000	Administrative Expenses	\$10,000	
		Planning	150,000	
		Equipment	20,000	
		Other	5,000	
TOTAL	<u>\$185,000</u>	TOTAL	<u>\$185,000</u>	
REPAYMENT	Rate	0.00%	Est. Annual Payment	N/A
	Term	N/A	1st Payment	N/A
PROFESSIONAL SERVICES				
	Bond Counsel	Dinsmore & Shohl, LLP		
DEBT PER CUSTOMER	Existing	\$1,678		
RESIDENTIAL RATES				
	Current	<u>Users</u>	<u>Avg. Bill</u>	
		6,137	\$47.55	(for 4,000 gallons)
REGIONAL COORDINATION This project is consistent with regional planning recommendations.				
CASHFLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2020	698,666	738,961	(40,295)	0.9
Audited 2021	1,339,793	823,102	516,691	1.6
Audited 2022	1,093,839	828,855	264,984	1.3
Projected 2023	1,022,037	822,418	199,619	1.2
Projected 2024	948,799	701,641	247,158	1.4
Projected 2025	874,096	703,060	171,036	1.2
Projected 2026	797,899	703,960	93,939	1.1
Projected 2027	720,178	704,340	15,838	1.0

Reviewer: John Brady  
Date: March 7, 2024  
Loan Number: F24-051L

**KENTUCKY INFRASTRUCTURE AUTHORITY  
DRINKING WATER STATE REVOLVING FUND (FUND F)  
OHIO COUNTY WATER DISTRICT  
PROJECT REVIEW  
WX21183062**

**I. PROJECT DESCRIPTION**

The Ohio County Water District (OCWD) is requesting a Fund F loan in the amount of \$185,000 for the Lead Service Line Asset Management and Inventory project. The project will include a comprehensive inventory of each service connection to determine the service line material on both the utility and private side of the meter. The Water District will utilize ARC GIS Online Asset management tools and dashboards to assist with inventory development, record-keeping, and required documentation to submit to the Division of Water. The OCWD and contract labor will be utilized to complete the inventory using the following methods: previous materials evaluation, installation date after lead ban use, installation records, distribution inspection records, service line diameter greater than 2", historical repair record, field verified during routine work, field verified by excavation, field verified visual inspection at meter pit, field verified CCTV, water sampling, predictive modeling, etc.. The system contains 679 miles of service lines and 7,620 service connections so utilizing contract labor will be crucial to assist the district in completing the inventory. Customer outreach will be a priority to maximize cost effectiveness and public education about the project. Surveys will be used to conduct outreach to its customer base. These surveys will be mailed to the residents. The OCWD will also send out personnel to visit each customer that they do not receive a response from. For any remaining lines that are unknown, teams will inspect the service lines and if needed hydro excavate on either side of the meter to inspect the service line materials.

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

**II. PROJECT BUDGET**

	<u>Total</u>
Administrative Expenses	\$ 10,000
Planning	150,000
Equipment	20,000
Other	5,000
<b>Total</b>	<b>\$ 185,000</b>

### III. PROJECT FUNDING

	<u>Amount</u>	<u>%</u>
Fund F Loan	\$ 185,000	100%
<b>Total</b>	<b>\$ 185,000</b>	<b>100%</b>

### IV. CUSTOMER COMPOSITION AND RATE STRUCTURE

#### A) Customers

<u>Customers</u>	<u>Current</u>
Residential	5,849
Commercial	140
Other	148
<b>Total</b>	<b>6,137</b>

#### B) Rates

	<u>Current</u>	<u>Prior</u>
Date of Last Rate Increase	12/03/20	07/21/09
Minimum (2,000 gallons)	\$25.97	\$21.13
Next 18,000 gallons (per 1,000)	10.79	8.78
Cost for 4,000 gallons	\$47.55	\$38.69
Increase %	22.9%	
Affordability Index (Rate/MHI)	1.1%	0.9%

### V. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2017-2021, the Utility's service area population was 14,967 with a Median Household Income (MHI) of \$51,806. The MHI for the Commonwealth is \$55,454.

### VI. 2023 CAPITALIZATION GRANT EQUIVALENCIES

- 1) Green Project Reserve - The Drinking Water capitalization grant does not contain a "green" requirement.
- 2) Additional Subsidization – This project qualifies for 100% principal forgiveness, in the amount of \$185,000



## **VII. FINANCIAL ANALYSIS**

Financial information was obtained from the audited financial statements for the years ended June 30, 2020 through June 30, 2022. The non-cash impacts of GASB 68 – Accounting and Financial Reporting for Pensions and GASB 75 – Accounting and Financial Reporting for Other Postemployment Benefit have been removed from the operating expenses. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

### **HISTORY**

Total water revenues increased 24.5% from \$3.74 million in 2020 to \$4.66 million in 2022 due to rate increases. Operating expenses 17.3% from \$3.06 million to \$3.59 million during the same period. The debt coverage ratio was 0.9, 1.6, and 1.3 in 2020, 2021, and 2022.

The balance sheet reflects a current ratio of 1.9, a debt-to-equity ratio of 0.8, 30.5 days of sales in accounts receivable, and 4.2 months of operating expenses in unrestricted cash.

No repayment is required for this funding. There is also no service fee or replacement reserve required.

The OCWD is regulated by the Public Service Commission (PSC) and will need to comply with any necessary filings or required approvals by the PSC.

## **VIII. CONTACTS**

<b>Legal Applicant</b>	
Entity Name	Ohio County Water District
Authorized Official	Bob Everley (Chairman)
County	Ohio
Phone	(270) 298-7704
Address	124 E Washington St Hartford, KY 42347

**Applicant Contact**

Name	Renetta Romero
Organization	Ohio County Water District
Email	rromero@ocwdky.org
Phone	(270) 298-7704
Address	124 E Washington St Hartford, KY 42347

**Project Administrator**

Name	Eric Hickman
Organization	Ohio County Water District
Email	ehickman@ocwdky.org
Phone	(270) 298-7704
Address	124 E Washington St Hartford, KY 42347

**IX. RECOMMENDATIONS**

KIA staff recommends approval of the loan with the standard conditions.

<b>EXECUTIVE SUMMARY</b>		Reviewer	John Brady	
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		Date	March 7, 2024	
<b>FUND F, FEDERALLY ASSISTED DRINKING WATER</b>		KIA Loan Number	F24-056L	
<b>REVOLVING LOAN FUND</b>		WRIS Number	WX21019064	
BORROWER	CITY OF ASHLAND BOYD COUNTY			
BRIEF DESCRIPTION				
<p>The City of Ashland is requesting a Fund A loan in the amount of \$874,130 for the Lead Service Line Inventory and Assessment project. New regulations require the replacement of lead service lines. To meet these regulations, the City will evaluate and document the materials of existing water service lines throughout the entire distribution system. The identification initiative will include various resources and techniques to identify existing service line materials. The various resources and techniques include: review of construction and plumbing codes, permits, and existing records or other documentation; review of water system records, including distribution system drawings, historical records, meter installation records, historical capital and master plans, and system operating procedures; distribution system inspection and installation records; statistical methods; physical sampling by excavating and potholing. Both for health reasons and to meet new EPA regulations, this work is required to be done.</p>				
PROJECT FINANCING		PROJECT BUDGET		
KIA Loan F24-056L	\$874,130	Administrative Expenses	\$50,000	
		Planning	200,000	
		Construction	624,130	
TOTAL	<u>\$874,130</u>	TOTAL	<u>\$874,130</u>	
REPAYMENT	Rate	0.00%	Est. Annual Payment	N/A
	Term	N/A	1st Payment	N/A
PROFESSIONAL SERVICES				
	Bond Counsel	Dinsmore & Shohl, LLP		
DEBT PER CUSTOMER	Existing	\$951		
RESIDENTIAL RATES	Current	<u>Users</u> 14,596	<u>Avg. Bill</u> \$30.58	(for 4,000 gallons)
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.			
CASHFLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2020	5,168,863	1,631,300	3,537,563	3.2
Audited 2021	4,232,635	2,211,597	2,021,038	1.9
Audited 2022	4,423,709	2,340,729	2,082,980	1.9
Projected 2023	4,299,839	2,313,245	1,986,594	1.9
Projected 2024	6,167,929	2,324,790	3,843,139	2.7
Projected 2025	7,618,247	1,802,444	5,815,803	4.2
Projected 2026	7,128,463	1,540,655	5,587,808	4.6
Projected 2027	6,513,985	5,139,571	1,374,414	1.3

Reviewer: John Brady  
 Date: March 7, 2024  
 Loan Number: F24-056L

**KENTUCKY INFRASTRUCTURE AUTHORITY  
 DRINKING WATER STATE REVOLVING FUND (FUND F)  
 CITY OF ASHLAND, BOYD COUNTY  
 PROJECT REVIEW  
 WX21019064**

**I. PROJECT DESCRIPTION**

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

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

**II. PROJECT BUDGET**

	<b>Total</b>
Administrative Expenses	\$ 50,000
Planning	200,000
Construction	624,130
<b>Total</b>	<b>\$ 874,130</b>

**III. PROJECT FUNDING**

	<b>Amount</b>	<b>%</b>
KIA Loan F24-056L	\$ 874,130	100%
<b>Total</b>	<b>\$ 874,130</b>	<b>100%</b>

**IV. CUSTOMER COMPOSITION AND RATE STRUCTURE**

**A) Customers**

Customers	Current
Residential	12,304
Commercial	2,281
Industrial	11
Total	14,596

**B) Rates**

<b>Water - Inside City</b>			
	Current	Prior	Prior
Date of Last Increase	1/1/2024	7/1/2023	1/1/2023
Minimum 1,000 gallons	\$ 15.73	\$ 15.00	\$ 13.64
Next 1,000 gallons	7.92	7.45	6.86
Over 2,000 gallons (per 1,000)	5.96	5.68	5.16
Cost for 4,000 gallons	\$ 35.57	\$ 33.81	\$ 30.82
Increase %	5.2%	9.7%	
Affordability Index	0.9%	0.8%	0.8%

<b>Water - Outside City</b>			
	Current	Prior	Prior
Date of Last Increase	1/1/2024	7/1/2023	1/1/2023
Minimum 2,000 gallons	\$ 34.75	\$ 33.13	\$ 30.13
Additional per 1,000 gallons	10.17	9.69	8.81
Cost for 4,000 gallons	\$ 55.09	\$ 52.51	\$ 47.75
Increase %	4.9%	10.0%	
Affordability Index	1.4%	1.3%	1.2%

**V. DEMOGRAPHICS**

Based on current Census data from the American Community Survey 5-Year Estimate 2017-2021, the Utility’s service area population was 34,926 with a Median Household Income (MHI) of \$48,535. The MHI for the Commonwealth is \$55,454.

**VI. 2023 CAPITALIZATION GRANT EQUIVALENCIES**

- 1) Green Project Reserve - The Drinking Water capitalization grant does not contain a “green” requirement.

2) Additional Subsidization – This project qualifies for 100% principal forgiveness, in the amount of \$874,130.

## **VII. FINANCIAL ANALYSIS**

Financial information was obtained from the audited financial statements for the years ended June 30, 2020 through June 30, 2022. The non-cash impacts of GASB 68 – Accounting and Financial Reporting for Pensions and GASB 75 – Accounting and Financial Reporting for Other Postemployment Benefit have been removed from the operating expenses. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

### **HISTORY**

Total revenues increased 8.5% from \$17.83 million in 2020 to \$19.35 million in 2022 due to rate increases. Operating expenses increased 17.1% from \$12.76 million to \$14.94 million during the same period. The debt coverage ratio was 3.2, 1.9, and 1.9 in 2020, 2021, and 2022.

The balance sheet reflects a current ratio of 0.8, a debt-to-equity ratio of 1.5, 54.8 days of sales in accounts receivable, and 3.0 months of operating expenses in unrestricted cash.

No repayment is required for this funding. There is also no service fee or replacement reserve required.

## **VIII. CONTACTS**

<b>Legal Applicant</b>	
Entity Name	City of Ashland
Authorized Official	Matthew Perkins (Mayor)
County	Boyd
Email	mperkins@ashlandky.gov
Phone	(606) 385-3300
Address	PO Box 1839 Ashland, KY 41105

**Applicant Contact**

Name	Steve Cole
Organization	City of Ashland
Email	scole@ashlandky.gov
Phone	(606) 385-3334
Address	1700 Greenup Ave, Ste 408 Ashland, KY 41101

**Project Administrator**

Name	Jasper Ball
Organization	FIVCO ADD
Email	jasper@fivco.org
Phone	(606) 929-1366
Address	32 FIVCO Court Grayson, KY 41143

**IX. RECOMMENDATIONS**

KIA staff recommends approval of the loan with the standard conditions.

<b>EXECUTIVE SUMMARY</b>		Reviewer	John Brady	
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		Date	March 7, 2024	
<b>FUND F, FEDERALLY ASSISTED DRINKING WATER</b>		KIA Loan Number	F24-063L	
<b>REVOLVING LOAN FUND</b>		WRIS Number	WX21195066	
BORROWER	MOUNTAIN WATER DISTRICT PIKE COUNTY			
BRIEF DESCRIPTION				
<p>The Mountain Water District (MWD) is requesting a Fund F loan in the amount of \$435,720 for the Lead Service Line Inventory project. The MWD has begun the inventory process by conducting outreach and education to engage customers to complete a service line survey. While this is a low cost and low return method, the MWD does not have the workforce available to complete the full system inventory themselves. MWD proposes to contract for the development of an ESRI based GIS/AM framework that builds upon the existing WRIS data with a GIS schema necessary to support lead service line inventory requirements. A map for both office and field staff will be created that will allow for individual and batch editing of the data. After the lead service line inventory has begun, a public facing map will be developed to share the status of its lead service line location findings to the public and DOW. Additional contract personnel will be hired and trained to collect service line data through customer engagement surveys, historical records, visual inspection, and/or excavation to update the service line layer. Field verified data will be captured with sub-foot GPS technology. Upon completion, the service line inventory data can be exported to a spreadsheet or shared with DOW through ArcGIS Online to meet compliance requirements. The outcome of this project will provide a sustainable system of data analytics to support operations and management to sustain capital planning and compliance goals well into the future.</p>				
PROJECT FINANCING		PROJECT BUDGET		
Fund F Loan	\$435,720	Administrative Expenses	\$12,500	
		Construction	163,200	
		Equipment	239,271	
		Other	20,749	
TOTAL	<u>\$435,720</u>	TOTAL	<u>\$435,720</u>	
REPAYMENT	Rate	0.00%	Est. Annual Payment	N/A
	Term	N/A	1st Payment	N/A
PROFESSIONAL SERVICES	Bond Counsel	Dinsmore & Shohl, LLP		
DEBT PER CUSTOMER	Existing	\$1,058		
RESIDENTIAL RATES	Current	<u>Users</u> 16,519	<u>Avg. Bill</u> \$54.91	(for 4,000 gallons)
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.			
CASHFLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2020	2,511,320	3,539,458	(1,028,138)	0.7
Audited 2021	2,327,700	1,846,021	481,679	1.3
Audited 2022	1,757,914	1,399,416	358,498	1.3
Projected 2023	1,600,279	1,627,119	(26,840)	1.0
Projected 2024	2,052,859	1,241,675	811,184	1.7
Projected 2025	1,888,856	1,147,545	741,311	1.6
Projected 2026	1,721,573	1,028,252	693,321	1.7
Projected 2027	1,550,944	1,017,347	533,597	1.5



Reviewer: John Brady  
Date: March 7, 2024  
Loan Number: F24-063L

**KENTUCKY INFRASTRUCTURE AUTHORITY  
DRINKING WATER STATE REVOLVING FUND (FUND F)  
MOUNTAIN WATER DISTRICT, PIKE COUNTY  
PROJECT REVIEW  
WX21195066**

**I. PROJECT DESCRIPTION**

The Mountain Water District (MWD) is requesting a Fund F loan in the amount of \$435,720 for the Lead Service Line Inventory project. The MWD has begun the inventory process by conducting outreach and education to engage customers to complete a service line survey. While this is a low cost and low return method, the MWD does not have the workforce available to complete the full system inventory themselves. MWD proposes to contract for the development of an ESRI based GIS/AM framework that builds upon the existing WRIS data with a GIS schema necessary to support lead service line inventory requirements. A map for both office and field staff will be created that will allow for individual and batch editing of the data. After the lead service line inventory has begun, a public facing map will be developed to share the status of its lead service line location findings to the public and DOW. Additional contract personnel will be hired and trained to collect service line data through customer engagement surveys, historical records, visual inspection, and/or excavation to update the service line layer. Field verified data will be captured with sub-foot GPS technology. Upon completion, the service line inventory data can be exported to a spreadsheet or shared with DOW through ArcGIS Online to meet compliance requirements. The outcome of this project will provide a sustainable system of data analytics to support operations and management to sustain capital planning and compliance goals well into the future.

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

**II. PROJECT BUDGET**

	<u><b>Total</b></u>
Administrative Expenses	\$ 12,500
Construction	163,200
Equipment	239,271
Other	20,749
<b>Total</b>	<b>\$ 435,720</b>

**III. PROJECT FUNDING**

	<u>Amount</u>	<u>%</u>
Fund F Loan	\$ 435,720	100%
<b>Total</b>	<b>\$ 435,720</b>	<b>100%</b>

**IV. CUSTOMER COMPOSITION AND RATE STRUCTURE**

**A) Customers**

<u>Customers</u>	<u>Current</u>
Residential	15,058
Commercial	1,306
Industrial	155
<b>Total</b>	<b>16,519</b>

**B) Rates**

<b>Water</b>	<u>Current</u>	<u>Prior</u>
Date of Last Rate Increase	10/31/23	12/11/22
Minimum	\$8.99	\$24.09
Per 1,000 gallons	11.48	8.55
Cost for 4,000 gallons	\$54.91	\$41.19
Increase %	33.3%	
Affordability Index (Rate/MHI)	1.4%	1.3%

**V. DEMOGRAPHICS**

Based on current Census data from the American Community Survey 5-Year Estimate 2017-2021, the Utility’s service area population was 35,094 with a Median Household Income (MHI) of \$37,514. The MHI for the Commonwealth is \$55,454.

**VI. 2023 CAPITALIZATION GRANT EQUIVALENCIES**

- 1) Green Project Reserve - The Drinking Water capitalization grant does not contain a “green” requirement.
- 2) Additional Subsidization – This project qualifies for 100% principal forgiveness, in the amount of \$435,720.

## VII. FINANCIAL ANALYSIS

Financial information was obtained from the audited financial statements for the years ended December 31, 2020 through December 31, 2022. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

### HISTORY

Total revenues increased 4.1% from \$10.41 million in 2020 to \$10.84 million in 2022. Operating expenses increased 15% from \$7.90 million to \$9.01 million during the same period. The debt coverage ratio was 0.7, 1.3, and 1.3 in 2020, 2021, and 2022.

The balance sheet reflects a current ratio of 0.7, a debt-to-equity ratio of 0.4, 46.1 days of sales in accounts receivable, and 0.1 months of operating expenses in unrestricted cash.

No repayment is required for this funding. There is also no service fee or replacement reserve required.

The MWD is regulated by the Public Service Commission (PSC) and will need to comply with any necessary filings or required approvals by the PSC.

## VIII. CONTACTS

<b>Legal Applicant</b>	
Entity Name	Mountain Water District
Authorized Official	Randy Tackett (Chairman)
County	Pike
Email	randytackett55@gmail.com
Phone	(606) 794-6494
Address	PO Box 3157 Pikeville, KY 41502

<b>Applicant Contact</b>	
Name	Tammy Olsen
Organization	Mountain Water District
Email	tolson@mtwater.org
Phone	(606) 631-9162
Address	PO Box 3157 Pikeville, KY 41502

**Project Administrator**

Name	Matt Scofield
Organization	Big Sandy ADD
Email	matt.scofield@bigsandy.org
Phone	(606) 886-2374
Address	110 Resource Court Prestonsburg, KY 41653

**IX. RECOMMENDATIONS**

KIA staff recommends approval of the loan with the standard conditions.

<b>EXECUTIVE SUMMARY</b>		Reviewer	Julie Bickers
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		CPBOC Date	March 19, 2024
<b>DRINKING WATER AND WASTEWATER GRANT PROGRAM</b>		KIA Grant Number	21CWS141
<b>CLEANER WATER PROGRAM GRANT</b>		WRIS Number	SX21219032
GRANTEE	TRENTON, CITY OF TODD COUNTY		
BRIEF DESCRIPTION			
This project will use Cleaner Water Grant Funds to make improvements to the Wastewater Treatment Plant and the City Park Lift Station. Improvements at the sewer plant include replacing two dry-pit centrifugal pumps, installing a new epoxy liner in the wet well, and constructing a new chemical storage room. Improvements to the Lift Station at the City Park include a new enclosure over the pumps.			
PROJECT FINANCING		PROJECT BUDGET	RD Fee % Actual %
CWP - Sewer Grant - 21CWS141	\$146,703	Construction	\$146,703
TOTAL	\$146,703	TOTAL	\$146,703
PROFESSIONAL SERVICES	Engineer	TBD	
PROJECT SCHEDULE	Bid Opening	TBD	
	Construction Start	TBD	
	Construction Stop	TBD	
RESIDENTIAL RATES	Current	<u>Users</u> 185	<u>Avg. Bill</u> \$ 41.67 (for 4,000 gallons)
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.		
Allocation Source	Allocated County	Allocated Amount	
County Allocation Pool	Todd County	\$ 146,703.00	
	Total	\$ 146,703.00	
Notes:			
This grant is a reallocation from a previously approved grant. Previous Grantee: City of Trenton Previous Grant #21CWS095 Previous Project: Trenton - Wastewater Treatment Plant Improvements Project Previous WRIS #SX21219011 Prior Approval Date: March 17, 2022			

<b>EXECUTIVE SUMMARY</b> <b>KENTUCKY INFRASTRUCTURE AUTHORITY</b> <b>DRINKING WATER AND WASTEWATER GRANT PROGRAM</b> <b>CLEANER WATER PROGRAM GRANT</b>		Reviewer CPBOC Date KIA Grant Number WRIS Number	Julie Bickers March 19, 2024 21CWW010 WX21011021
GRANTEE	SHARPSBURG WATER DISTRICT BATH COUNTY		
BRIEF DESCRIPTION			
<p>Sharpsburg Water District proposes a project which would rehabilitate and refurbish the 119000 Gallon Sharpsburg Tank located within the system. The Sharpsburg Water District has a directly serviceable population of approximately 3269, or 1466 households, with serviceable connections in both Bath and Nicholas counties. The proposed refurbishments would include painting, sand blasting, and recoating the interior of the Sharpsburg Tank. The proposed project would also see the installation of new equipment on the tank to improve water turnover quality to reduce public health risk of consuming and using stale water. The exterior coating of the Sharpsburg Tank would be pressure washed with biodegradable detergent (max 3,500psi) then remove loose rust and scale the exterior with wire brushes and hand scrapers in accordance with SSPC#2 (hand too cleaning). The exterior of the tank will then be spot primed and two (2) finished coats of Sherwin Williams acrylic will be applied. The interior coating of the Sharpsburg Tank will have all rust sandblasted and abraded areas of the tank will be restored to an SSPC #10 (near white blast) condition. All remaining areas will be brush blasted, with stripe coating applied on all seems and welds. Two (2) complete coats of epoxy will then be applied to complete the interior. The interior coating will be Sherwin Williams Dura-Plate 325. A (1) 6 inch round 1/4 inch thick patch plate will be installed over a deteriorated area of the tank. The proposed project area would improve water quality for currently 1451 underserved households within the systems serviceable area, which is approximately 98.9% of the systems serviceable households.</p>			
PROJECT FINANCING		PROJECT BUDGET	
CWP - Water Grant - 21CWW010	\$160,676	Administrative Expenses	\$2,410
CWP Supplemental Pool-Increase	10,000	Eng - Design / Const	27,000
		Construction	134,124
		Contingency	7,142
TOTAL	\$170,676	TOTAL	\$170,676
PROFESSIONAL SERVICES	Engineer	Kentucky Engineering Group PLLC	
PROJECT SCHEDULE	Bid Opening	TBD	
	Construction Start	TBD	
	Construction Stop	TBD	
RESIDENTIAL RATES	Current	<u>Users</u> 1,554	<u>Avg. Bill</u> \$ 47.99 (for 4,000 gallons)
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.		
Allocation Source	Allocated County	Allocated Amount	
County Allocation Pool	Bath County	\$ 153,025.00	
Supplemental Pool		\$ 17,651.00	
	Total	\$ 170,676.00	
Notes:			
Prior Approval:			
County Allocation	Bath	\$ 76,513	March 17, 2022
County Allocation Pool Reallocation	Bath	\$ 76,512	February 27, 2024
Supplemental Pool	Supplemental Increase	\$ 7,651	January 30, 2024
Supplemental Pool	Supplemental Increase	\$ 10,000	Pending Approval March 19, 2024



<b>EXECUTIVE SUMMARY</b>		Reviewer	Julie Bickers
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		CPBOC Date	March 19, 2024
<b>DRINKING WATER AND WASTEWATER GRANT PROGRAM</b>		KIA Grant Number	21CWW348
<b>CLEANER WATER PROGRAM GRANT</b>		WRIS Number	WX21089131
GRANTEE	SOUTH SHORE, CITY OF LEWIS COUNTY		
BRIEF DESCRIPTION			
This project will serve approximately 13 new customers in the Firebrick and Scaffold Lick areas of Lewis County who are currently unserved. It should also alleviate pressure problems for approximately 200 households in Lewis County. The project consists of a 50K gallon water storage tank, a booster pump station, a SCADA System upgrade and approximately 11,400 l.f. of 4" water line.			
PROJECT FINANCING		PROJECT BUDGET	
CWP - Water Grant - 21CWW348	\$1,029,080	Administrative Expenses	\$20,000
Other Funding	1,155,920	Legal Expenses	10,000
		Land, Easements	75,000
		Planning	10,000
		Eng - Design / Const	7.9% 7.3% 133,000
		Eng - Insp	4.8% 4.5% 82,000
		Construction	1,650,000
		Contingency	165,000
		Other	40,000
TOTAL	\$2,185,000	TOTAL	\$2,185,000
PROFESSIONAL SERVICES	Engineer	TBD	
PROJECT SCHEDULE	Bid Opening	July 1, 2024	
	Construction Start	October 1, 2024	
	Construction Stop	October 1, 2025	
RESIDENTIAL RATES		<u>Users</u>	<u>Avg. Bill</u>
	Current	2,071	\$ 26.22 (for 4,000 gallons)
	Additional	30	
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.		
Allocation Source	Allocated County	Allocated Amount	
Unserved Rural Pool		\$ 1,029,080.00	
	Total	\$ 1,029,080.00	
Notes:			
This grant is a reallocation from a previously approved grant. Previous Grantee: Garrison-Quincy-Ky-O-Heights Water District Previous Grant #21CWW288 Previous Project: Eastern Lewis-Garrison Water Extension Previous WRIS #WX21135020 Prior Approval Date: September 29, 2022			



<b>EXECUTIVE SUMMARY</b>		Reviewer	Julie Bickers
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		CPBOC Date	March 19, 2024
<b>DRINKING WATER AND WASTEWATER GRANT PROGRAM</b>		KIA Grant Number	21CWW349
<b>CLEANER WATER PROGRAM GRANT</b>		WRIS Number	WX21151077
GRANTEE	KIRKSVILLE WATER ASSOCIATION INC MADISON COUNTY		
BRIEF DESCRIPTION			
Replacement of 6" water line along Kirksville Road.			
PROJECT FINANCING		PROJECT BUDGET	RD Fee % Actual %
CWP - Water Grant - 21CWW349	\$30,429	Administrative Expenses	\$1,000
Local Funds	51,071	Eng - Design / Const	0.0% 3.2% 2,500
		Construction	78,000
TOTAL	<u>\$81,500</u>	TOTAL	<u>\$81,500</u>
PROFESSIONAL SERVICES	Engineer	Haworth-Meyer-Boleyn Professional Engineers, LLC.	
PROJECT SCHEDULE	Bid Opening	May 1, 2024	
	Construction Start	May 15, 2024	
	Construction Stop	June 15, 2024	
RESIDENTIAL RATES	Current	<u>Users</u> 1,959	<u>Avg. Bill</u> \$ 41.51 (for 4,000 gallons)
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.		
Allocation Source	Allocated County	Allocated Amount	
County Allocation Pool	Madison County	\$ 30,429.12	
	Total	\$ 30,429.12	
Notes:			
<p>This grant is a reallocation from a previously approved grant.  Previous Grantee: Kirksville Water Association Inc  Previous Grant #21CWW311  Previous Project: Kirksville Water Association - Caleast Road Water Line Upgrade  Previous WRIS #WX21151020  Prior Approval Date: December 27, 2022</p>			

**EXECUTIVE SUMMARY**  
**KENTUCKY INFRASTRUCTURE AUTHORITY**  
**DRINKING WATER AND WASTEWATER GRANT PROGRAM**  
**CLEANER WATER PROGRAM GRANT**

Reviewer Julie Bickers  
 CPBOC Date March 19, 2024  
 KIA Grant Number 22CWS049  
 WRIS Number SX21089131

GRANTEE RACELAND, CITY OF  
 GREENUP COUNTY

**BRIEF DESCRIPTION**

The current sewer lines feeding much of the southern portion of the Raceland System drains along an 8" clay tile that was installed sometime in the 1960s. Over the years, this tile has started to fail and requires frequent work. There are also stoppages in the tile that restrict flow, especially during rain events. This project would replace the clay tile from Pond Run to Ridge Road with a new 10" PVC line.

PROJECT FINANCING		PROJECT BUDGET		RD Fee %	Actual %
CWP - Sewer Grant - 22CWS049	\$452,231	Administrative Expenses			\$9,000
CWP Supplemental Increase	25,000	Land, Easements			2,500
		Planning			4,500
		Eng - Design / Const	10.9%	9.5%	37,184
		Eng - Insp	8.3%	7.4%	29,086
		Eng - Other			3,500
		Construction			358,408
		Contingency			33,053
<b>TOTAL</b>	<b>\$477,231</b>	<b>TOTAL</b>			<b>\$477,231</b>

PROFESSIONAL SERVICES Engineer TBD

PROJECT SCHEDULE Bid Opening TBD  
 Construction Start TBD  
 Construction Stop TBD

RESIDENTIAL RATES Current Users 0 \$ Avg. Bill - (for 4,000 gallons)

REGIONAL COORDINATION This project is consistent with regional planning recommendations.

Allocation Source	Allocated County	Allocated Amount
County Allocation Pool	Greenup County	\$ 477,231.00
	Total	\$ 477,231.00

**Notes:**

Prior Approval:  
 County Allocation Pool Greenup \$ 452,231 December 27, 2022  
 County Allocation Pool Reallocation \$ 25,000 Pending Approval March 19, 2024

This grant is being allocated additional funds through the reallocation of a previously approved grant.  
 Previous Grantee: City of Raceland  
 Previous Grant #22CWS048  
 Previous Project: Tonawanda Ct Sewer Replacement  
 Previous WRIS #SX21089130  
 Prior Approval Date: December 27, 2022

<b>EXECUTIVE SUMMARY</b> <b>KENTUCKY INFRASTRUCTURE AUTHORITY</b> <b>DRINKING WATER AND WASTEWATER GRANT PROGRAM</b> <b>CLEANER WATER PROGRAM GRANT</b>		Reviewer CPBOC Date KIA Grant Number WRIS Number	Julie Bickers March 19, 2024 22CWS168 SX21129012
GRANTEE	BEATTYVILLE, CITY OF LEE COUNTY		
BRIEF DESCRIPTION			
This project will consist of furnishing and installing of a mechanical screen for the wastewater treatment plant as well as a new control panel for the screen.			
PROJECT FINANCING		PROJECT BUDGET	
CWP - Sewer Grant - 22CWS168	\$224,603	RD Fee %	Actual %
		Administrative Expenses	\$11,200
		Eng - Design / Const	12.7% 12.8% 22,000
		Eng - Insp	11.1% 11.7% 20,000
		Construction	155,000
		Contingency	16,403
TOTAL	\$224,603	TOTAL	\$224,603
PROFESSIONAL SERVICES	Engineer	TBD	
PROJECT SCHEDULE	Bid Opening	July 15, 2024	
	Construction Start	August 30, 2024	
	Construction Stop	August 30, 2025	
RESIDENTIAL RATES	Current	<u>Users</u> 733	<u>Avg. Bill</u> \$ 50.52 (for 4,000 gallons)
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.		
Allocation Source	Allocated County	Allocated Amount	
County Allocation Pool	Lee County	\$ 224,603.00	
	Total	\$ 224,603.00	
Notes:			
This grant is a reallocation from a previously approved grant. Previous Grantee: City of Beattyville Previous Grant #22CWS083 Previous Project: Wastewater Treatment Plant Rehab Previous WRIS #SX21129010 Prior Approval Date: December 27, 2022			

<b>EXECUTIVE SUMMARY</b>		Reviewer	Julie Bickers
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		CPBOC Date	March 19, 2024
<b>DRINKING WATER AND WASTEWATER GRANT PROGRAM</b>		KIA Grant Number	22CWS169
<b>CLEANER WATER PROGRAM GRANT</b>		WRIS Number	SX21149024
GRANTEE	ISLAND, CITY OF MCLEAN COUNTY		
BRIEF DESCRIPTION			
This project will place stationary generators at the Island wastewater plant as well as at the Hwy 431 and Hwy 85 lift stations.			
PROJECT FINANCING		PROJECT BUDGET	RD Fee %    Actual %
CWP - Sewer Grant - 22CWS169	\$40,646	Eng - Design / Const	#DIV/0!    #DIV/0!    \$12,000
Local ARPA	124,254	Equipment	152,900
<b>TOTAL</b>	<b>\$164,900</b>	<b>TOTAL</b>	<b>\$164,900</b>
PROFESSIONAL SERVICES	Engineer	TBD	
PROJECT SCHEDULE	Bid Opening	July 1, 2024	
	Construction Start	September 1, 2024	
	Construction Stop	November 1, 2024	
RESIDENTIAL RATES	Current	<u>Users</u> 198	<u>Avg. Bill</u> \$ 56.04 (for 4,000 gallons)
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.		
Allocation Source	Allocated County	Allocated Amount	
County Allocation Pool	McLean County	\$ 40,646.00	
	Total	\$ 40,646.00	
Notes:			
<p>This grant is a reallocation from a previously approved grant.  Previous Grantee: City of Island  Previous Grant #22CWW121  Previous Project: Island Water Meter Replacement  Previous WRIS #WX21149073  Prior Approva Date: December 27, 2022</p>			

<b>EXECUTIVE SUMMARY</b>		Reviewer	Julie Bickers
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		CPBOC Date	March 19, 2024
<b>DRINKING WATER AND WASTEWATER GRANT PROGRAM</b>		KIA Grant Number	22CWW361
<b>CLEANER WATER PROGRAM GRANT</b>		WRIS Number	WX21111192
GRANTEE	LOUISVILLE WATER COMPANY JEFFERSON COUNTY		
BRIEF DESCRIPTION			
<p>This main was installed in the 1890's and is composed of cast iron pipe with leadite joints. In recent years Louisville Water has experienced a failure of this main and as a result, the company has initiated a project to rehabilitate this main in a phased approach. Phase 1 will begin at Dumesnil St east of S 12th Street heading northeast and terminating at the CSX railway crossing. The project then resumes at W Oak St just east of S 7th Street and terminating on W Oak St at S Brook St. The scope for this phase includes the rehabilitation of the existing 48-inch cast iron (4,300 LF) by sliplining and open trench installation methods. The new pipeline installation includes: sliplining 3,800+/- lineal feet of 42-inch OD welded steel pipe and open cut 500+/- lineal feet of 42-inch OD welded steel pipe and appurtenances along the existing route. Also included in this project are eight (8) distribution tie-in connections to the proposed 42" water main, three (3) drain valve assemblies, four (4) 42-inch gate valves and the replacement of one (1) 48-inch gate valve.</p>			
PROJECT FINANCING		PROJECT BUDGET	RD Fee % Actual %
CWP - Water Grant - 22CWW361	\$535,346	Administrative Expenses	\$35,000
CWP Grant 21CWW098	5,625,796	Eng - Design / Const	6.6% 3.0% 195,000
Other Funding	586,940	Eng - Insp	3.3% 0.9% 58,000
		Construction	6,460,082
TOTAL	\$6,748,082	TOTAL	\$6,748,082
PROFESSIONAL SERVICES	Engineer	TBD	
PROJECT SCHEDULE	Bid Opening	TBD	
	Construction Start	TBD	
	Construction Stop	TBD	
RESIDENTIAL RATES	Current	<u>Users</u> 281,841	<u>Avg. Bill</u> \$ 26.88 (for 4,000 gallons)
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.		
Allocation Source	Allocated County	Allocated Amount	
County Allocation Pool	Jefferson County	\$ 535,346.00	
	Total	\$ 535,346.00	
Notes:			
<p>This grant is a reallocation from a previously approved grant.  Previous Grantee: Louisville Water Company  Previous Grant #22CWW162  Previous Project: Sylvania No. 6 Road Water Main Extension  Previous WRIS #WX21111140  Prior Approval Date: December 27, 2022</p>			

<b>EXECUTIVE SUMMARY</b>		Reviewer	Julie Bickers
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		CPBOC Date	March 19, 2024
<b>DRINKING WATER AND WASTEWATER GRANT PROGRAM</b>		KIA Grant Number	22CWW362
<b>CLEANER WATER PROGRAM GRANT</b>		WRIS Number	WX21199153
GRANTEE	SOUTH EASTERN WATER ASSOCIATION INC PULASKI COUNTY		
BRIEF DESCRIPTION			
The project consist of the following: 5,400 L.F. of existing 6" waterline replacement with 10" D.I. waterline along US 27, 1,050 L.F. of existing 6" waterline replacement with 8" PVC waterline along Heather Way, 800 L.F. of existing 4" and 6" waterline replacement with 8" PVC waterline along KY 769, 2,800 L.F. of 4" PVC waterline extension along Mayfield School Road, 300 L.F. of 4" PVC waterline extension along Mark Welborn Road, and 2,600 L.F. of 3" PVC waterline extension along Broyles Road, and all necessary appurtenances. Water quality will improve with the loops created at Mayfield School Road, Broyles Road, and Mark Welborn Road. The upgrade along US 27 will increase the flow capacity of the existing Tateville pump station south of Burnside.			
PROJECT FINANCING		PROJECT BUDGET	RD Fee % Actual %
CWP - Water Grant - 22CWW362	\$416,203	Administrative Expenses	\$30,000
Other Funding	1,496,797	Legal Expenses	5,400
		Planning	10,000
		Eng - Design / Const	8.1% 7.5% 124,000
		Eng - Insp	4.9% 4.6% 76,700
		Eng - Other	12,000
		Construction	1,504,400
		Contingency	150,500
TOTAL	\$1,913,000	TOTAL	\$1,913,000
PROFESSIONAL SERVICES	Engineer	Kenvirons, Inc.	
PROJECT SCHEDULE	Bid Opening	TBD	
	Construction Start	TBD	
	Construction Stop	TBD	
RESIDENTIAL RATES	Current	Users 7,635	Avg. Bill \$ 52.90 (for 4,000 gallons)
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.		
Allocation Source	Allocated County	Allocated Amount	
County Allocation Pool	Pulaski County	\$ 416,203.00	
	Total	\$ 416,203.00	
Notes:			
This grant is a reallocation from a previously approved grant. Previous Grantee: South Eastern Waster Association Inc Previous Grant #22CWW334 Previous Project: Sandy Gap Area Improvements - Phase 3 Previous WRIS #WX21199151 Prior Approval Date: March 29, 2023			

<b>EXECUTIVE SUMMARY</b>		Reviewer	Julie Bickers
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		CPBOC Date	March 19, 2024
<b>DRINKING WATER AND WASTEWATER GRANT PROGRAM</b>		KIA Grant Number	22CWW363
<b>CLEANER WATER PROGRAM GRANT</b>		WRIS Number	WX21109009
GRANTEE	JACKSON COUNTY WATER ASSOCIATION INC JACKSON COUNTY		
BRIEF DESCRIPTION			
Extension of approximately 1.5 miles of 3" PVC, SDR-17 waterline along 4 roads in the county serving an estimated 22 customers. Specific roads, footage, and number of customers follows. Crank Road - 0.35 miles, 6 homes; Dunagin Road - 0.45 miles, 7 homes; Mae Gumm Road - 0.4 miles, 6 homes; Vickers Bates Road - 0.3 miles, 3 homes. If funds remain at the completion of the above roads, the remainder will be used on the following roads: T. Stanford Road - 0.4 miles, 4 homes. Creech Road - 0.55 miles.			
PROJECT FINANCING		PROJECT BUDGET	
CWP - Water Grant - 22CWW363	\$400,000	RD Fee %	Actual %
		Administrative Expenses	\$10,000
		Planning	8,000
		Eng - Design / Const	11.1% 10.2% 33,000
		Eng - Insp	8.6% 8.1% 26,200
		Construction	294,000
		Contingency	28,800
TOTAL	\$400,000	TOTAL	\$400,000
PROFESSIONAL SERVICES	Engineer	Kenvirons, Inc.	
PROJECT SCHEDULE	Bid Opening	July 1, 2024	
	Construction Start	October 1, 2024	
	Construction Stop	February 1, 2025	
RESIDENTIAL RATES		<u>Users</u>	<u>Avg. Bill</u>
	Current	4,832	\$ 46.50 (for 4,000 gallons)
	Additional	37	
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.		
Allocation Source	Allocated County	Allocated Amount	
County Allocation Pool	Jackson County	\$ 400,000.00	
	Total	\$ 400,000.00	
Notes:			
This grant is a reallocation from a previously approved grant. Previous Grantee: Jackson County Water Association Inc Previous Grant #22CWW294 Previous Project: JCWA - Water Treatment Plant Improvements Previous WRIS #WX21109010 Prior Approval Date: March 29, 2023			

<b>EXECUTIVE SUMMARY</b>		Reviewer	Julie Bickers
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		CPBOC Date	March 19, 2024
<b>DRINKING WATER AND WASTEWATER GRANT PROGRAM</b>		KIA Grant Number	22CWW364
<b>CLEANER WATER PROGRAM GRANT</b>		WRIS Number	WX21051006
GRANTEE	MANCHESTER, CITY OF CLAY COUNTY		
BRIEF DESCRIPTION			
This project will replace 1,800 aging/failing water meters with radio read meters. Pressure reducing regulators will also be replaced in this project.			
PROJECT FINANCING		PROJECT BUDGET	RD Fee % Actual %
CWP - Water Grant - 22CWW364	\$617,925	Administrative Expenses	\$18,500
		Eng - Design / Const	9.9% 3.6% 21,000
		Construction	578,425
TOTAL	\$617,925	TOTAL	\$617,925
PROFESSIONAL SERVICES	Engineer	Rhody Engineering, LLC	
PROJECT SCHEDULE	Bid Opening	TBD	
	Construction Start	TBD	
	Construction Stop	TBD	
RESIDENTIAL RATES	Current	<u>Users</u> 4,269	<u>Avg. Bill</u> \$ 11.40 (for 4,000 gallons)
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.		
Allocation Source	Allocated County	Allocated Amount	
County Allocation Pool	Clay County	\$ 617,925.00	
	Total	\$ 617,925.00	
Notes:			
This grant is a reallocation of a previously approved grant. Previous Grantee: City of Manchester Previous Grant #22CWW288 Previous Project: Water Tank Project Previous WRIS #WX21051005 Prior Approval Date: March 29, 2023			



<b>EXECUTIVE SUMMARY</b>		Reviewer	Julie Bickers
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		CPBOC Date	March 19, 2024
<b>DRINKING WATER AND WASTEWATER GRANT PROGRAM</b>		KIA Grant Number	22CWW365
<b>CLEANER WATER PROGRAM GRANT</b>		WRIS Number	WX21059082
GRANTEE	EAST DAVIESS COUNTY WATER ASSOCIATION INC DAVIESS COUNTY		
BRIEF DESCRIPTION			
Knottsville Tank is a 750,000 gallon water tank that needs to undergo rehab to correct deterioration issues. The tank will be emptied and sandblasted on the interior and exterior. The tank will also need repainting done with three coats of primer on the interior and two coats on the exterior.			
PROJECT FINANCING		PROJECT BUDGET	RD Fee % Actual %
CWP - Water Grant - 22CWW365	\$486,000	Administrative Expenses	\$10,000
Other Funding	149,000	Eng - Design / Const	10.0% 9.1% 50,000
		Eng - Insp	7.1% 4.5% 25,000
		Construction	550,000
TOTAL	<u>\$635,000</u>	TOTAL	<u>\$635,000</u>
PROFESSIONAL SERVICES	Engineer	Bluegrass Engineering, PLLC	
PROJECT SCHEDULE	Bid Opening	October 1, 2024	
	Construction Start	December 1, 2024	
	Construction Stop	April 1, 2025	
RESIDENTIAL RATES	Current	<u>Users</u> 4,820	<u>Avg. Bill</u> \$ 39.46 (for 4,000 gallons)
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.		
Allocation Source	Allocated County	Allocated Amount	
County Allocation Pool	Daviess County	\$ 486,000.00	
	Total	\$ 486,000.00	
Notes:			
This grant is a reallocation from a previously approved grant. Previous Grantee: East Daviess County Water Association Inc Previous Grant #22CWW144 Previous Project: Yelvington-Knottsville Rd Water Line Extension Previous WRIS #22CWW144 Prior Approval Date: December 27, 2022			



CABINET FOR ECONOMIC DEVELOPMENT

Andy Beshear  
Governor

Old Capitol Annex  
300 West Broadway  
Frankfort, Kentucky 40601

Jeff Noel  
Secretary

February 15, 2024

Holly M. Johnson, Secretary  
Finance and Administration Cabinet  
200 Mero Street, 5<sup>th</sup> Floor  
Frankfort, KY 40601

**RE: Economic Development Fund Grant - \$631,510 to City of Bardstown on behalf of the Nelson County Fiscal Court**

Dear Secretary Johnson:


In accordance with KRS 154.12-100, this letter shall serve as notice of my recommendation for the use of \$631,510 in Economic Development Fund (EDF) funds for the purpose of making a grant to the City of Bardstown on behalf of the Nelson County Fiscal Court.

The City of Bardstown on behalf of the Nelson County Fiscal Court is seeking to extend utilities and the existing roadway in the Nelson County Industrial Park. This project was a potential infrastructure project identified by an independent site selection consultant as having the potential for future investment/location of an economic development project.

Under the terms of the EDF grant agreement, requests may be submitted no more than monthly and funds shall be disbursed on a reimbursement basis. Supporting documentation of invoices, proof of payment, matching funds, etc. and a progress report will be required to be submitted with each request. Upon staff's review and approval of all documentation, funds will be disbursed to the local government entity to provide to the project applicant.

I respectfully request your concurrence in the funding of this project. If KEDFA approves this proposal, I would ask that you place this project on the next agenda of the State Property and Buildings Commission. Please feel free to contact me if you have any questions.

Sincerely,

  
Jeff Noel  
Secretary

**AGREED TO AND APPROVED BY:**

DocuSigned by:  
  
81C993F6FA23433...  
Secretary, Finance and Administration Cabinet    Date    2/21/2024

cc: Kristina Slattery  
Katie Smith

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY  
ECONOMIC DEVELOPMENT FUND (EDF)  
KENTUCKY PRODUCT DEVELOPMENT INITIATIVE (KPMI) PROJECT REPORT**

**Date:** February 29, 2024  
**Grantee:** City of Bardstown  
**Beneficiary:** Nelson County Fiscal Court  
**City:** Bardstown **County:** Nelson  
**Activity:** Manufacturing  
**Bus. Dev. Contact:** M. Jollie **DFS Staff:** B. Combs  
**Project Description:**

The City of Bardstown on behalf of the Nelson County Fiscal Court is seeking to extend utilities and the existing roadway in the Nelson County Industrial Park. This project was a potential infrastructure project identified by an independent site selection consultant as having the potential for future investment/location of an economic development project.

**Select Owned or Leased**

Infrastructure Extensions/Improvements  
 Site Preparation  
 Road Improvements  
**TOTAL**

<b>Total Investment</b>
\$725,000
\$88,020
\$450,000
<b>\$1,263,020</b>

**Anticipated Project Funding**

Economic Development Fund Grant (State)  
 Nelson County Fiscal Court Funds  
 City of Bardstown Funds  
 BIDC  
**TOTAL**

<b>Amount</b>	<b>% of Total</b>
\$631,510	50.0%
\$210,504	16.7%
\$210,503	16.7%
\$210,503	16.7%
<b>\$1,263,020</b>	<b>100.0%</b>

**Other Terms:** In accordance with the grant agreement, disbursement requests may be submitted no more than monthly requesting funds to be disbursed on a reimbursement basis. Supporting documentation of invoices, proof of payment, matching funds, etc. and a progress report will be required to be submitted with each request. Upon staff's review and approval of all documentation, funds will be disbursed to the local government entity to provide to the project applicant.

**RECOMMENDED ECONOMIC DEVELOPMENT FUND AMOUNT:**

**\$631,510**

**Recommendation:**

Staff recommends approval of this KPMI-EDF grant subject to the terms set forth in this report and the recommendation letter from the Secretary of the Cabinet for Economic Development (CED). In accordance with KRS 154.12-100, KEDFA's approval of this grant is subject to CED's receipt of the Secretary of the Finance and Administration Cabinet's concurrence to CED's use of the funds for this project.



CABINET FOR ECONOMIC DEVELOPMENT

Andy Beshear  
Governor

Old Capitol Annex  
300 West Broadway  
Frankfort, Kentucky 40601

Jeff Noel  
Secretary

February 21, 2024

Holly M. Johnson, Secretary  
Finance and Administration Cabinet  
200 Mero Street, 5<sup>th</sup> Floor  
Frankfort, KY 40601

**RE: Economic Development Fund Grant - \$600,000 to the City of Hodgenville on behalf of the LaRue County Fiscal Court.**

Dear Secretary Johnson:

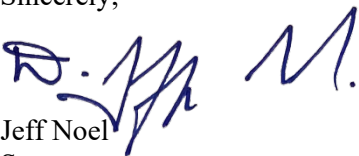
In accordance with KRS 154.12-100, this letter shall serve as notice of my recommendation for the use of \$600,000 in Economic Development Fund (EDF) funds for the purpose of making a grant to the City of Hodgenville on behalf of the LaRue County Fiscal Court.

The City of Hodgenville on behalf of the LaRue County Fiscal Court is seeking to install sanitary sewer forced main to land set aside for industrial development in Upton. This project was a potential infrastructure project identified by an independent site selection consultant as having the potential for future investment/location of an economic development project.

Under the terms of the EDF grant agreement, requests may be submitted no more than monthly and funds shall be disbursed on a reimbursement basis. Supporting documentation of invoices, proof of payment, matching funds, etc. and a progress report will be required to be submitted with each request. Upon staff's review and approval of all documentation, funds will be disbursed to the local government entity to provide to the project applicant.

I respectfully request your concurrence in the funding of this project. If KEDFA approves this proposal, I would ask that you place this project on the next agenda of the State Property and Buildings Commission. Please feel free to contact me if you have any questions.

Sincerely,

  
Jeff Noel  
Secretary

**AGREED TO AND APPROVED BY:**

DocuSigned by:  
  
81C993F6EA23433...  
Secretary, Finance and Administration Cabinet Date 2/22/2024

cc: Kristina Slattery  
Katie Smith



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY  
ECONOMIC DEVELOPMENT FUND (EDF)  
KENTUCKY PRODUCT DEVELOPMENT INITIATIVE (KPDI) PROJECT REPORT**

**Date:** February 29, 2024  
**Grantee:** City of Hodgenville  
**Beneficiary:** LaRue County Fiscal Court  
**City:** Upton **County:** LaRue  
**Activity:** Manufacturing  
**Bus. Dev. Contact:** C. Prather **DFS Staff:** B. Combs

**Project Description:** The City of Hodgenville on behalf of the LaRue County Fiscal Court is seeking to install sanitary sewer forced main to land set aside for industrial development in Upton. This project was a potential infrastructure project identified by an independent site selection consultant as having the potential for future investment/location of an economic development project.

<b>Anticipated Project Investment - Owned</b>	<b>Total Investment</b>
Infrastructure Extensions/Improvements	\$1,200,000
<b>TOTAL</b>	<b>\$1,200,000</b>

<b>Anticipated Project Funding</b>	<b>Amount</b>	<b>% of Total</b>
Economic Development Fund Grant (State)	\$600,000	50.0%
LaRue County Fiscal Court Funds	\$600,000	50.0%
<b>TOTAL</b>	<b>\$1,200,000</b>	<b>100.0%</b>

**Other Terms:** In accordance with the grant agreement, disbursement requests may be submitted no more than monthly requesting funds to be disbursed on a reimbursement basis. Supporting documentation of invoices, proof of payment, matching funds, etc. and a progress report will be required to be submitted with each request. Upon staff's review and approval of all documentation, funds will be disbursed to the local government entity to provide to the project applicant.

**RECOMMENDED ECONOMIC DEVELOPMENT FUND AMOUNT:** **\$600,000**

**Recommendation:** Staff recommends approval of this KPDI-EDF grant subject to the terms set forth in this report and the recommendation letter from the Secretary of the Cabinet for Economic Development (CED). In accordance with KRS 154.12-100, KEDFA's approval of this grant is subject to CED's receipt of the Secretary of the Finance and Administration Cabinet's concurrence to CED's use of the funds for this project.



CABINET FOR ECONOMIC DEVELOPMENT

Andy Beshear  
Governor

Old Capitol Annex  
300 West Broadway  
Frankfort, Kentucky 40601

Jeff Noel  
Secretary

February 23, 2024

Holly M. Johnson, Secretary  
Finance and Administration Cabinet  
200 Mero Street, 5<sup>th</sup> Floor  
Frankfort, KY 40601

**RE: Economic Development Fund Grant - \$500,000 to the City of Somerset on behalf of the Somerset Pulaski Economic Development Authority, Inc.**

Dear Secretary Johnson:


In accordance with KRS 154.12-100, this letter shall serve as notice of my recommendation for the use of \$500,000 in Economic Development Fund (EDF) funds for the purpose of making a grant to the City of Somerset on behalf of the Somerset Pulaski Economic Development Authority.

The City of Somerset on behalf of the Somerset Pulaski Economic Development Authority (SPEDA) is seeking to complete phased work and an intersection into a 142-acre site, known as the SPEDA Commerce Park. The park has been annexed into the City of Somerset, and as part of the annexation the city will assist in installing city-owned water, sewer, and natural gas. The project was identified by an independent site selection consultant as having the potential for future investment/location of an economic development project.

Under the terms of the EDF grant agreement, requests may be submitted no more than monthly and funds shall be disbursed on a reimbursement basis. Supporting documentation of invoices, proof of payment, matching funds, etc. and a progress report will be required to be submitted with each request. Upon staff's review and approval of all documentation, funds will be disbursed to the local government entity to provide to the project applicant.

I respectfully request your concurrence in the funding of this project. If KEDFA approves this proposal, I would ask that you place this project on the next agenda of the State Property and Buildings Commission. Please feel free to contact me if you have any questions.

Sincerely,

  
Jeff Noel  
Secretary

**AGREED TO AND APPROVED BY:**

DocuSigned by:  
 2/28/2024  
81C993F6FA23433...  
Secretary, Finance and Administration Cabinet Date

cc: Kristina Slattery  
Katie Smith

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY  
ECONOMIC DEVELOPMENT FUND (EDF)  
KENTUCKY PRODUCT DEVELOPMENT INITIATIVE (KPMI) PROJECT REPORT**

**Date:** February 29, 2024  
**Grantee:** City of Somerset  
**Beneficiary:** Somerset Pulaski Economic Development Authority, Inc.  
**City:** Somerset **County:** Pulaski  
**Activity:** Manufacturing  
**Bus. Dev. Contact:** C. Prather **DFS Staff:** M. Jordan  
**Project Description:** The City of Somerset on behalf of the Somerset Pulaski Economic Development Authority (SPEDA) is seeking to complete phased work and an intersection into a 142-acre site, known as the SPEDA Commerce Park. The park has been annexed into the City of Somerset, and as part of the annexation the city will assist in installing city-owned water, sewer, and natural gas. The project was identified by an independent site selection consultant as having the potential for future investment/location of an economic development project.

**Anticipated Project Investment - Owned**  
 Infrastructure Extensions/Improvements  
**TOTAL**

Total Investment
\$1,052,000
<b>\$1,052,000</b>

**Anticipated Project Funding**  
 Economic Development Fund Grant (State)  
 SPEDA  
**TOTAL**

Amount	% of Total
\$500,000	47.5%
\$552,000	52.5%
<b>\$1,052,000</b>	100.0%

**Other Terms:** In accordance with the grant agreement, disbursement requests may be submitted no more than monthly requesting funds to be disbursed on a reimbursement basis. Supporting documentation of invoices, proof of payment, matching funds, etc. and a progress report will be required to be submitted with each request. Upon staff's review and approval of all documentation, funds will be disbursed to the local government entity to provide to the project applicant.

**RECOMMENDED ECONOMIC DEVELOPMENT FUND AMOUNT:** **\$500,000**

**Recommendation:**  
 Staff recommends approval of this KPMI-EDF grant subject to the terms set forth in this report and the recommendation letter from the Secretary of the Cabinet for Economic Development (CED). In accordance with KRS 154.12-100, KEDFA's approval of this grant is subject to CED's receipt of the Secretary of the Finance and Administration Cabinet's concurrence to CED's use of the funds for this project.



CABINET FOR ECONOMIC DEVELOPMENT

Andy Beshear  
Governor

Old Capitol Annex  
300 West Broadway  
Frankfort, Kentucky 40601

Jeff Noel  
Secretary

February 15, 2024

Holly M. Johnson, Secretary  
Finance and Administration Cabinet  
200 Mero Street, 5<sup>th</sup> Floor  
Frankfort, KY 40601

**RE: Economic Development Fund Grant - \$2,000,000 to the City of Winchester on behalf of the Winchester/Clark County Industrial Development Authority**

Dear Secretary Johnson:

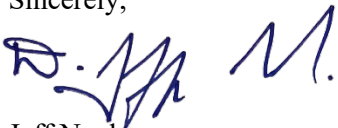
In accordance with KRS 154.12-100, this letter shall serve as notice of my recommendation for the use of \$2,000,000 in Economic Development Fund (EDF) funds for the purpose of making a grant to the City of Winchester on behalf of Winchester/Clark County Industrial Development Authority.

The City of Winchester on behalf of the Winchester/Clark County Industrial Development Authority is seeking to complete site preparation and infrastructure improvements to provide Clark County with new business opportunity and provide impact for future construction of industries. The project was identified by an independent site selection consultant as having the potential for future investment/location of an economic development project.

Under the terms of the EDF grant agreement, requests may be submitted no more than monthly and funds shall be disbursed on a reimbursement basis. Supporting documentation of invoices, proof of payment, matching funds, etc. and a progress report will be required to be submitted with each request. Upon staff's review and approval of all documentation, funds will be disbursed to the local government entity to provide to the project applicant.

I respectfully request your concurrence in the funding of this project. If KEDFA approves this proposal, I would ask that you place this project on the next agenda of the State Property and Buildings Commission. Please feel free to contact me if you have any questions.

Sincerely,

  
Jeff Noel  
Secretary

**AGREED TO AND APPROVED BY:**

DocuSigned by:  
  
81C993F6EA23433...  
Secretary, Finance and Administration Cabinet Date 2/20/2024

cc: Kristina Slattery  
Katie Smith





**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY  
ECONOMIC DEVELOPMENT FUND (EDF)  
KENTUCKY PRODUCT DEVELOPMENT INITIATIVE (KPDI) PROJECT REPORT**

**Date:** February 29, 2024  
**Grantee:** City of Winchester  
**Beneficiary:** Winchester/Clark County Industrial Development Authority  
**City:** Winchester **County:** Clark  
**Activity:** Manufacturing  
**Bus. Dev. Contact:** A. Chilton **DFS Staff:** R. Aiken

**Project Description:**

The City of Winchester on behalf of the Winchester/Clark County Industrial Development Authority is seeking to complete site preparation and infrastructure improvements to provide Clark County with new business opportunity and provide impact for future construction of industries. The project was identified by an independent site selection consultant as having the potential for future investment/location of an economic development project.

**Anticipated Project Investment - Owned**

Infrastructure Extensions/Improvements  
 Site Preparation  
 Other  
**TOTAL**

<b>Total Investment</b>
\$1,000,000
\$4,000,000
\$600,000
<b>\$5,600,000</b>

**Anticipated Project Funding**

Economic Development Fund Grant (State)  
 WCCIDA Funds  
**TOTAL**

<b>Amount</b>	<b>% of Total</b>
\$2,000,000	35.7%
\$3,600,000	64.3%
<b>\$5,600,000</b>	100.0%

**Other Terms:**

In accordance with the grant agreement, disbursement requests may be submitted no more than monthly requesting funds to be disbursed on a reimbursement basis. Supporting documentation of invoices, proof of payment, matching funds, etc. and a progress report will be required to be submitted with each request. Upon staff's review and approval of all documentation, funds will be disbursed to the local government entity to provide to the project applicant.

**RECOMMENDED ECONOMIC DEVELOPMENT FUND AMOUNT:****\$2,000,000****Recommendation:**

Staff recommends approval of this KPDI-EDF grant subject to the terms set forth in this report and the recommendation letter from the Secretary of the Cabinet for Economic Development (CED). In accordance with KRS 154.12-100, KEDFA's approval of this grant is subject to CED's receipt of the Secretary of the Finance and Administration Cabinet's concurrence to CED's use of the funds for this project.



CABINET FOR ECONOMIC DEVELOPMENT

Andy Beshear  
Governor

Old Capitol Annex  
300 West Broadway  
Frankfort, Kentucky 40601

Jeff Noel  
Secretary

February 15, 2024

Holly M. Johnson, Secretary  
Finance and Administration Cabinet  
200 Mero Street, 5<sup>th</sup> Floor  
Frankfort, KY 40601

**RE: Economic Development Fund Grant - \$164,613 to Clinton County Fiscal Court on behalf of the Clinton County Industrial Development Authority**

Dear Secretary Johnson:


In accordance with KRS 154.12-100, this letter shall serve as notice of my recommendation for the use of \$164,613 in Economic Development Fund (EDF) funds for the purpose of making a grant to the Clinton County Fiscal Court on behalf of the Clinton County Industrial Development Authority.

The Clinton County Fiscal Court on behalf of the Clinton County Industrial Development Authority is extending water and sewer lines to the Clinton County Industrial Park. The Clinton County Fiscal Court and the Clinton County Industrial Development Authority will provide the match funds. The project was identified by an independent site selection consultant as having the potential for future investment/location of an economic development project.

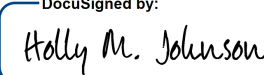
Under the terms of the EDF grant agreement, requests may be submitted no more than monthly and funds shall be disbursed on a reimbursement basis. Supporting documentation of invoices, proof of payment, matching funds, etc. and a progress report will be required to be submitted with each request. Upon staff's review and approval of all documentation, funds will be disbursed to the local government entity to provide to the project applicant.

I respectfully request your concurrence in the funding of this project. If KEDFA approves this proposal, I would ask that you place this project on the next agenda of the State Property and Buildings Commission. Please feel free to contact me if you have any questions.

Sincerely,

  
Jeff Noel  
Secretary

**AGREED TO AND APPROVED BY:**

DocuSigned by:  
  
81C993F6FA23433...  
Holly M. Johnson  
Secretary, Finance and Administration Cabinet Date 2/20/2024

cc: Kristina Slattery  
Katie Smith



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY  
ECONOMIC DEVELOPMENT FUND (EDF)  
KENTUCKY PRODUCT DEVELOPMENT INITIATIVE (KPDI) PROJECT REPORT**

**Date:**  
**Grantee:** Clinton County Fiscal Court  
**Beneficiary:** Clinton County Industrial Development Authority  
**City:** Albany **County:** Clinton  
**Activity:** Manufacturing  
**Bus. Dev. Contact:** D. Milbern **DFS Staff:** J. Gearon

**Project Description:**

The Clinton County Fiscal Court on behalf of the Clinton County Industrial Development Authority is extending water and sewer lines to the Clinton County Industrial Park. The Clinton County Fiscal Court and the Clinton County Industrial Development Authority will provide the match funds. The project was identified by an independent site selection consultant as having the potential for future investment/location of an economic development project.

**Anticipated Project Investment - Owned**

Infrastructure Extensions/Improvements

Other

**TOTAL**

<b>Total Investment</b>
\$329,226
\$0
<b>\$329,226</b>

**Anticipated Project Funding**

Economic Development Fund Grant (State)

TVA

**TOTAL**

<b>Amount</b>	<b>% of Total</b>
\$164,613	50.0%
\$164,613	50.0%
<b>\$329,226</b>	<b>100.0%</b>

**Other Terms:**

In accordance with the grant agreement, disbursement requests may be submitted no more than monthly requesting funds to be disbursed on a reimbursement basis. Supporting documentation of invoices, proof of payment, matching funds, etc. and a progress report will be required to be submitted with each request. Upon staff's review and approval of all documentation, funds will be disbursed to the local government entity to provide to the project applicant.

**RECOMMENDED ECONOMIC DEVELOPMENT FUND AMOUNT:****\$164,613****Recommendation:**

Staff recommends approval of this KPDI-EDF grant subject to the terms set forth in this report and the recommendation letter from the Secretary of the Cabinet for Economic Development (CED). In accordance with KRS 154.12-100, KEDFA's approval of this grant is subject to CED's receipt of the Secretary of the Finance and Administration Cabinet's concurrence to CED's use of the funds for this project.



CABINET FOR ECONOMIC DEVELOPMENT

Andy Beshear  
Governor

Old Capitol Annex  
300 West Broadway  
Frankfort, Kentucky 40601

Jeff Noel  
Secretary

February 15, 2023

Holly M. Johnson, Secretary  
Finance and Administration Cabinet  
200 Mero Street, 5<sup>th</sup> Floor  
Frankfort, KY 40601

**RE: Economic Development Fund Grant - \$1,623,750 to Graves County Fiscal Court on behalf of the Graves County Economic Development, Inc.**

Dear Secretary Johnson:

In accordance with KRS 154.12-100, this letter shall serve as notice of my recommendation for the use of \$1,623,750 in Economic Development Fund (EDF) funds for the purpose of making a grant to the Graves County Fiscal Court on behalf of Graves County Economic Development, Inc.

The Graves County Fiscal Court on behalf of Graves County Economic Development, Inc. is seeking in the acquisition and development of a site in Graves County. This project was a potential infrastructure project identified by an independent site selection consultant as having the potential for future investment/location of an economic development project.

Under the terms of the EDF grant agreement, requests may be submitted no more than monthly and funds shall be disbursed on a reimbursement basis. Supporting documentation of invoices, proof of payment, matching funds, etc. and a progress report will be required to be submitted with each request. Upon staff's review and approval of all documentation, funds will be disbursed to the local government entity to provide to the project applicant.

I respectfully request your concurrence in the funding of this project. If KEDFA approves this proposal, I would ask that you place this project on the next agenda of the State Property and Buildings Commission. Please feel free to contact me if you have any questions.

Sincerely,

Jeff Noel  
Secretary

**AGREED TO AND APPROVED BY:**

DocuSigned by:  
*Holly M. Johnson* 2/21/2024  
81C993F6FA23433...  
Secretary, Finance and Administration Cabinet Date

cc: Kristina Slattery  
Katie Smith



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY  
ECONOMIC DEVELOPMENT FUND (EDF)  
KENTUCKY PRODUCT DEVELOPMENT INITIATIVE (KPMI) PROJECT REPORT**

**Date:** February 29, 2024  
**Grantee:** Graves County Fiscal Court  
**Beneficiary:** Graves County Economic Development, Inc.  
**City:** Mayfield **County:** Graves  
**Activity:** Manufacturing  
**Bus. Dev. Contact:** C. Peek **DFS Staff:** M. Elder  
**Project Description:** Graves County Fiscal Court on behalf of the Graves County Economic Development, Inc. will assist in the acquisition and development of a site in Graves County. The site development will provide Graves County with new business opportunities and provide impact for future construction of industries. The project was identified by an independent site selection consultant as having the potential for future investment/location of an economic development project.

**Anticipated Project Investment - Owned**

	<b>Total Investment</b>
Land/Building Acquisition	\$1,250,000
Infrastructure Extensions/Improvements	\$1,000,000
Site Preparation	\$787,000
Road Improvements	\$210,500
<b>TOTAL</b>	<b>\$3,247,500</b>

**Anticipated Project Funding**

	<b>Amount</b>	<b>% of Total</b>
Economic Development Fund Grant (State)	\$1,623,750	50.0%
Graves County Economic Development	\$1,623,750	50.0%
<b>TOTAL</b>	<b>\$3,247,500</b>	<b>100.0%</b>

**Other Terms:** In accordance with the grant agreement, disbursement requests may be submitted no more than monthly requesting funds to be disbursed on a reimbursement basis. Supporting documentation of invoices, proof of payment, matching funds, etc. and a progress report will be required to be submitted with each request. Upon staff's review and approval of all documentation, funds will be disbursed to the local government entity to provide to the project applicant.

**RECOMMENDED ECONOMIC DEVELOPMENT FUND AMOUNT:****\$1,623,750****Recommendation:**

Staff recommends approval of this KPMI-EDF grant subject to the terms set forth in this report and the recommendation letter from the Secretary of the Cabinet for Economic Development (CED). In accordance with KRS 154.12-100, KEDFA's approval of this grant is subject to CED's receipt of the Secretary of the Finance and Administration Cabinet's concurrence to CED's use of the funds for this project.



CABINET FOR ECONOMIC DEVELOPMENT

Andy Beshear  
Governor

Old Capitol Annex  
300 West Broadway  
Frankfort, Kentucky 40601

Jeff Noel  
Secretary

February 23, 2024

Holly M. Johnson, Secretary  
Finance and Administration Cabinet  
200 Mero Street, 5<sup>th</sup> Floor  
Frankfort, KY 40601

**RE: Economic Development Fund Grant - \$1,000,000 to Green County Fiscal Court on behalf of the Green Economic Team, Inc.**

Dear Secretary Johnson:

In accordance with KRS 154.12-100, this letter shall serve as notice of my recommendation for the use of \$1,000,000 in Economic Development Fund (EDF) funds for the purpose of making a grant to the Green County Fiscal Court on behalf of the Green County Economic Team, Inc.

The Green County Fiscal Court on behalf of the Green Economic Team, Inc. is seeking to complete site preparation and construct a 20,000 square foot building at the Greensburg Industrial Park. The project was identified by an independent site selection consultant as having the potential for future investment/location of an economic development project.

Under the terms of the EDF grant agreement, requests may be submitted no more than monthly and funds shall be disbursed on a reimbursement basis. Supporting documentation of invoices, proof of payment, matching funds, etc. and a progress report will be required to be submitted with each request. Upon staff's review and approval of all documentation, funds will be disbursed to the local government entity to provide to the project applicant.

I respectfully request your concurrence in the funding of this project. If KEDFA approves this proposal, I would ask that you place this project on the next agenda of the State Property and Buildings Commission. Please feel free to contact me if you have any questions.

Sincerely,

  
Jeff Noel  
Secretary

**AGREED TO AND APPROVED BY:**

DocuSigned by:  
  
81C993E6FA23433  
Secretary, Finance and Administration Cabinet      Date      2/28/2024

cc: Kristina Slattery  
Katie Smith

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY  
ECONOMIC DEVELOPMENT FUND (EDF)  
KENTUCKY PRODUCT DEVELOPMENT INITIATIVE (KPMI) PROJECT REPORT**

**Date:** February 29, 2024  
**Grantee:** Green County Fiscal Court  
**Beneficiary:** Green Economic Team, Inc.  
**City:** Greensburg **County:** Green  
**Activity:** Manufacturing  
**Bus. Dev. Contact:** C. Prather **DFS Staff:** M. Jordan

**Project Description:** The Green County Fiscal Court on behalf of the Green Economic Team, Inc. is seeking to complete site preparation and construct a 20,000 square foot building at the Greensburg Industrial Park. The project was identified by an independent site selection consultant as having the potential for future investment/location of an economic development project.

**Anticipated Project Investment - Owned**

Site Prep  
 Building Construction  
**TOTAL**

<b>Total Investment</b>	
	\$300,000
	\$1,700,000
	<b>\$2,000,000</b>

**Anticipated Project Funding**

Economic Development Fund Grant (State)  
 Local Funds  
**TOTAL**

	<b>Amount</b>	<b>% of Total</b>
Economic Development Fund Grant (State)	\$1,000,000	50.0%
Local Funds	\$1,000,000	50.0%
<b>TOTAL</b>	<b>\$2,000,000</b>	<b>100.0%</b>

**Other Terms:** In accordance with the grant agreement, disbursement requests may be submitted no more than monthly requesting funds to be disbursed on a reimbursement basis. Supporting documentation of invoices, proof of payment, matching funds, etc. and a progress report will be required to be submitted with each request. Upon staff's review and approval of all documentation, funds will be disbursed to the local government entity to provide to the project applicant.

**RECOMMENDED ECONOMIC DEVELOPMENT FUND AMOUNT:**

**\$1,000,000**

**Recommendation:**

Staff recommends approval of this KPMI-EDF grant subject to the terms set forth in this report and the recommendation letter from the Secretary of the Cabinet for Economic Development (CED). In accordance with KRS 154.12-100, KEDFA's approval of this grant is subject to CED's receipt of the Secretary of the Finance and Administration Cabinet's concurrence to CED's use of the funds for this project.



CABINET FOR ECONOMIC DEVELOPMENT

Andy Beshear  
Governor

Old Capitol Annex  
300 West Broadway  
Frankfort, Kentucky 40601

Jeff Noel  
Secretary

February 20, 2024

Holly M. Johnson, Secretary  
Finance and Administration Cabinet  
200 Mero Street, 5<sup>th</sup> Floor  
Frankfort, KY 40601

**RE: Economic Development Fund Grant - \$1,978,262 to Laurel County Fiscal Court on behalf of the London-Laurel County Economic Development Authority**

Dear Secretary Johnson:

In accordance with KRS 154.12-100, this letter shall serve as notice of my recommendation for the use of \$1,978,262 in Economic Development Fund (EDF) funds for the purpose of making a grant to the Laurel County Fiscal Court on behalf of the London-Laurel County Economic Development Authority.

The Laurel County Fiscal Court on behalf of the London-Laurel County Economic Development Authority (LLCEDA) is seeking to acquire and complete infrastructure extensions on a 170-acre property in Laurel County. LLCEDA has already performed due diligence studies to ensure the property is a viable investment and will be providing the match to the KPDI funds. The project was identified by an independent site selection consultant as having the potential for future investment/location of an economic development project.

Under the terms of the EDF grant agreement, requests may be submitted no more than monthly and funds shall be disbursed on a reimbursement basis. Supporting documentation of invoices, proof of payment, matching funds, etc. and a progress report will be required to be submitted with each request. Upon staff's review and approval of all documentation, funds will be disbursed to the local government entity to provide to the project applicant.

I respectfully request your concurrence in the funding of this project. If KEDFA approves this proposal, I would ask that you place this project on the next agenda of the State Property and Buildings Commission. Please feel free to contact me if you have any questions.

Sincerely,

Jeff Noel  
Secretary

**AGREED TO AND APPROVED BY:**

DocuSigned by:

Holly M. Johnson

2/21/2024

81C993F6FA23433...

Secretary, Finance and Administration Cabinet Date

cc: Kristina Slattery  
Katie Smith





**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY  
ECONOMIC DEVELOPMENT FUND (EDF)  
KENTUCKY PRODUCT DEVELOPMENT INITIATIVE (KPDI) PROJECT REPORT**

**Date:** February 29, 2024  
**Grantee:** Laurel County Fiscal Court  
**Beneficiary:** London-Laurel County Economic Development Authority  
**City:** London **County:** Laurel  
**Activity:** Manufacturing  
**Bus. Dev. Contact:** A. Chilton **DFS Staff:** M. Jordan

**Project Description:** The London County Fiscal Court on behalf of the London-Laurel County Economic Development Authority (LLCEDA) is seeking to acquire and complete infrastructure extensions on a 170 acre property in Laurel County. LLCEDA has already performed due diligence studies to ensure the property is a viable investment and will be providing the match to the KPDI funds. The project was identified by an independent site selection consultant as having the potential for future investment/location of an economic development project.

**Anticipated Project Investment - Owned**

Land/Building Acquisition

Infrastructure Extensions/Improvements

**TOTAL**

<b>Total Investment</b>
\$2,581,873
\$1,374,650
<b>\$3,956,523</b>

**Anticipated Project Funding**

Economic Development Fund Grant (State)

London-Laurel County EDA

**TOTAL**

<b>Amount</b>	<b>% of Total</b>
\$1,978,262	50.0%
\$1,978,262	50.0%
<b>\$3,956,523</b>	<b>100.0%</b>

**Other Terms:**

In accordance with the grant agreement, disbursement requests may be submitted no more than monthly requesting funds to be disbursed on a reimbursement basis. Supporting documentation of invoices, proof of payment, matching funds, etc. and a progress report will be required to be submitted with each request. Upon staff's review and approval of all documentation, funds will be disbursed to the local government entity to provide to the project applicant.

**RECOMMENDED ECONOMIC DEVELOPMENT FUND AMOUNT:****\$1,978,262****Recommendation:**

Staff recommends approval of this KPDI-EDF grant subject to the terms set forth in this report and the recommendation letter from the Secretary of the Cabinet for Economic Development (CED). In accordance with KRS 154.12-100, KEDFA's approval of this grant is subject to CED's receipt of the Secretary of the Finance and Administration Cabinet's concurrence to CED's use of the funds for this project.



CABINET FOR ECONOMIC DEVELOPMENT

Andy Beshear  
Governor

Old Capitol Annex  
300 West Broadway  
Frankfort, Kentucky 40601

Jeff Noel  
Secretary

February 15, 2024

Holly M. Johnson, Secretary  
Finance and Administration Cabinet  
200 Mero Street, 5<sup>th</sup> Floor  
Frankfort, KY 40601

**RE: Economic Development Fund Grant - \$2,000,000 to Logan County Fiscal Court on behalf of the Logan Industrial Development Authority, Inc.**

Dear Secretary Johnson:

In accordance with KRS 154.12-100, this letter shall serve as notice of my recommendation for the use of \$2,000,000 in Economic Development Fund (EDF) funds for the purpose of making a grant to the Logan County Fiscal Court on behalf of the Logan Industrial Development Authority, Inc.

The Logan County Fiscal Court on behalf of the Logan Industrial Development Authority, Inc. is seeking to construct a speculative building with an expansion pad at the Shelton Lane Industrial Park. This project was a potential infrastructure project identified by an independent site selection consultant as having the potential for future investment/location of an economic development project.

Under the terms of the EDF grant agreement, requests may be submitted no more than monthly and funds shall be disbursed on a reimbursement basis. Supporting documentation of invoices, proof of payment, matching funds, etc. and a progress report will be required to be submitted with each request. Upon staff's review and approval of all documentation, funds will be disbursed to the local government entity to provide to the project applicant.

I respectfully request your concurrence in the funding of this project. If KEDFA approves this proposal, I would ask that you place this project on the next agenda of the State Property and Buildings Commission. Please feel free to contact me if you have any questions.

Sincerely,

Jeff Noel  
Secretary

**AGREED TO AND APPROVED BY:**

DocuSigned by:  
  
81C993F6FA23433...  
Secretary, Finance and Administration Cabinet    Date

2/21/2024

cc: Kristina Slattery  
Katie Smith

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY  
ECONOMIC DEVELOPMENT FUND (EDF)  
KENTUCKY PRODUCT DEVELOPMENT INITIATIVE (KPMI) PROJECT REPORT**

**Date:** February 29, 2024  
**Grantee:** Logan County Fiscal Court  
**Beneficiary:** Logan Industrial Development Authority, Inc.  
**City:** Russellville **County:** Logan  
**Activity:** Manufacturing  
**Bus. Dev. Contact:** S. Moseley **DFS Staff:** B. Combs  
**Project Description:** The Logan County Fiscal Court on behalf of the Logan Industrial Development Authority, Inc. is seeking to construct a speculative building with an expansion pad at the Shelton Lane Industrial Park. This project was a potential infrastructure project identified by an independent site selection consultant as having the potential for future investment/location of an economic development project.

**Anticipated Project Investment - Owned**

Infrastructure Extensions/Improvements  
 Site Preparation  
 Building Construction/Renovation  
 Other  
**TOTAL**

Total Investment
\$477,350
\$1,439,620
\$5,800,000
\$27,650
<b>\$7,744,620</b>

**Anticipated Project Funding**

Economic Development Fund Grant (State)  
 Bank Loan  
 Utility Grant  
**TOTAL**

Amount	% of Total
\$2,000,000	25.8%
\$4,994,620	64.5%
\$750,000	9.7%
<b>\$7,744,620</b>	100.0%

**Other Terms:** In accordance with the grant agreement, disbursement requests may be submitted no more than monthly requesting funds to be disbursed on a reimbursement basis. Supporting documentation of invoices, proof of payment, matching funds, etc. and a progress report will be required to be submitted with each request. Upon staff's review and approval of all documentation, funds will be disbursed to the local government entity to provide to the project applicant.

**RECOMMENDED ECONOMIC DEVELOPMENT FUND AMOUNT:**

**\$2,000,000**

**Recommendation:**

Staff recommends approval of this KPMI-EDF grant subject to the terms set forth in this report and the recommendation letter from the Secretary of the Cabinet for Economic Development (CED). In accordance with KRS 154.12-100, KEDFA's approval of this grant is subject to CED's receipt of the Secretary of the Finance and Administration Cabinet's concurrence to CED's use of the funds for this project.



CABINET FOR ECONOMIC DEVELOPMENT

Andy Beshear  
Governor

Old Capitol Annex  
300 West Broadway  
Frankfort, Kentucky 40601

Jeff Noel  
Secretary

February 23, 2024

Holly M. Johnson, Secretary  
Finance and Administration Cabinet  
200 Mero Street, 5<sup>th</sup> Floor  
Frankfort, KY 40601

**RE: Economic Development Fund Grant - \$2,000,000 to Montgomery County Fiscal Court on behalf of the Mt. Sterling - Montgomery County Industrial Authority**

Dear Secretary Johnson:

In accordance with KRS 154.12-100, this letter shall serve as notice of my recommendation for the use of \$2,000,000 in Economic Development Fund (EDF) funds for the purpose of making a grant to the Montgomery County Fiscal Court on behalf of the Mt. Sterling - Montgomery County Industrial Authority.

The Montgomery County Fiscal Court on behalf of the Mt. Sterling - Montgomery County Industrial Authority is purchasing property on Owingsville Road and conducting related site engineering and development. The match funds are being met by the discounted sales price on land to be acquired and are based on the appraised value of the land as verified by an independent appraisal. The project was identified by an independent site selection consultant as having the potential for future investment/location of an economic development project.

Under the terms of the EDF grant agreement, requests may be submitted no more than monthly and funds shall be disbursed on a reimbursement basis. Supporting documentation of invoices, proof of payment, matching funds, etc. and a progress report will be required to be submitted with each request. Upon staff's review and approval of all documentation, funds will be disbursed to the local government entity to provide to the project applicant.

I respectfully request your concurrence in the funding of this project. If KEDFA approves this proposal, I would ask that you place this project on the next agenda of the State Property and Buildings Commission. Please feel free to contact me if you have any questions.

Sincerely,

Jeff Noel  
Secretary

**AGREED TO AND APPROVED BY:**

DocuSigned by:

2/28/2024

81C993F6FA23433...

Holly M. Johnson  
Secretary, Finance and Administration Cabinet Date

cc: Kristina Slattery  
Katie Smith



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY  
ECONOMIC DEVELOPMENT FUND (EDF)  
KENTUCKY PRODUCT DEVELOPMENT INITIATIVE (KPMI) PROJECT REPORT**

**Date:** February 29, 2024  
**Grantee:** Montgomery County Fiscal Court  
**Beneficiary:** Mt. Sterling - Montgomery County Industrial Authority  
**City:** Mt. Sterling **County:** Montgomery  
**Activity:** Manufacturing  
**Bus. Dev. Contact:** M. Jollie **DFS Staff:** J. Gearon

**Project Description:** The Montgomery County Fiscal Court on behalf of the Mt. Sterling - Montgomery County Industrial Authority is purchasing property on Owingsville Road and conducting related site engineering and development. The match funds are being met by the discounted sales price on land to be acquired, and are based on the appraised value of the land as verified by an independent appraisal. The project was identified by an independent site selection consultant as having the potential for future investment/location of an economic development project.

**Anticipated Project Investment - Owned**

Land/Building Acquisition  
 Site Preparation  
 Other - Due Diligence  
**TOTAL**

<b>Total Investment</b>
\$4,100,000
\$125,000
\$125,000
<b>\$4,350,000</b>

**Anticipated Project Funding**

Economic Development Fund Grant (State)  
 Bank Loan  
 Other - Appraised Value above Cost  
**TOTAL**

<b>Amount</b>	<b>% of Total</b>
\$2,000,000	46.0%
\$250,000	5.7%
\$2,100,000	48.3%
<b>\$4,350,000</b>	100.0%

**Other Terms:** In accordance with the grant agreement, the matching dollar amount will be validated by an independent appraisal to the satisfaction of the Cabinet. Disbursement requests may be submitted no more than monthly requesting funds to be disbursed on a reimbursement basis. Supporting documentation of invoices, proof of payment, matching funds, etc. and a progress report will be required to be submitted with each request. Upon staff's review and approval of all documentation, funds will be disbursed to the local government entity to provide to the project applicant.

**RECOMMENDED ECONOMIC DEVELOPMENT FUND AMOUNT:**

**\$2,000,000**

**Recommendation:**

Staff recommends approval of this KPMI-EDF grant subject to the terms set forth in this report and the recommendation letter from the Secretary of the Cabinet for Economic Development (CED). In accordance with KRS 154.12-100, KEDFA's approval of this grant is subject to CED's receipt of the Secretary of the Finance and Administration Cabinet's concurrence to CED's use of the funds for this project.



CABINET FOR ECONOMIC DEVELOPMENT

Andy Beshear  
Governor

Old Capitol Annex  
300 West Broadway  
Frankfort, Kentucky 40601

Jeff Noel  
Secretary

February 16, 2024

Holly M. Johnson, Secretary  
Finance and Administration Cabinet  
200 Mero Street, 5<sup>th</sup> Floor  
Frankfort, KY 40601

**RE: Economic Development Fund Grant - \$1,500,000 to the Scott County Fiscal Court on behalf of the City of Georgetown**

Dear Secretary Johnson:

In accordance with KRS 154.12-100, this letter shall serve as notice of my recommendation for the use of \$1,500,000 in Economic Development Fund (EDF) funds for the purpose of making a grant to the Scott County Fiscal Court on behalf of the City of Georgetown.

The Scott County Fiscal Court on behalf of the City of Georgetown is seeking to complete road and infrastructure improvements, due diligence, and site preparation work in the Lanes Run Business Park. The site development will provide Scott County with new business opportunities and provide impact for future construction of industries. This project was a potential infrastructure project identified by an independent site selection consultant as having the potential for future investment/location of an economic development project.

Under the terms of the EDF grant agreement, requests may be submitted no more than monthly and funds shall be disbursed on a reimbursement basis. Supporting documentation of invoices, proof of payment, matching funds, etc. and a progress report will be required to be submitted with each request. Upon staff's review and approval of all documentation, funds will be disbursed to the local government entity to provide to the project applicant.

I respectfully request your concurrence in the funding of this project. If KEDFA approves this proposal, I would ask that you place this project on the next agenda of the State Property and Buildings Commission. Please feel free to contact me if you have any questions.

Sincerely,

Jeff Noel  
Secretary

**AGREED TO AND APPROVED BY:**

DocuSigned by:  
*Holly M. Johnson* 2/21/2024  
81C993F6FA23433...  
Secretary, Finance and Administration Cabinet Date

cc: Kristina Slattery  
Katie Smith

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY  
ECONOMIC DEVELOPMENT FUND (EDF)  
KENTUCKY PRODUCT DEVELOPMENT INITIATIVE (KPMI) PROJECT REPORT**

**Date:** February 29, 2024  
**Grantee:** Scott County Fiscal Court  
**Beneficiary:** City of Georgetown  
**City:** Georgetown **County:** Scott  
**Activity:** Manufacturing  
**Bus. Dev. Contact:** C. Dodd **DFS Staff:** R. Aiken

**Project Description:** The Scott County Fiscal Court on behalf of the City of Georgetown is seeking to complete road and infrastructure improvements, due diligence, and site preparation work in the Lanes Run Business Park. The site development will provide Scott County with new business opportunities and provide impact for future construction of industries. This project was a potential infrastructure project identified by an independent site selection consultant as having the potential for future investment/location of an economic development project.

<b>Anticipated Project Investment - Owned</b>	<b>Total Investment</b>
Infrastructure Extensions/Improvements	\$1,428,696
Site Preparation	\$1,093,403
Road Improvements	\$413,549
Due Diligence	\$64,352
<b>TOTAL</b>	<b>\$3,000,000</b>

<b>Anticipated Project Funding</b>	<b>Amount</b>	<b>% of Total</b>
Economic Development Fund Grant (State)	\$1,500,000	50.0%
City of Georgetown Funds	\$500,000	16.7%
Scott County United Funds	\$500,000	16.7%
Scott County Funds	\$500,000	16.7%
<b>TOTAL</b>	<b>\$3,000,000</b>	<b>100.0%</b>

**Other Terms:** In accordance with the grant agreement, disbursement requests may be submitted no more than monthly requesting funds to be disbursed on a reimbursement basis. Supporting documentation of invoices, proof of payment, matching funds, etc. and a progress report will be required to be submitted with each request. Upon staff’s review and approval of all documentation, funds will be disbursed to the local government entity to provide to the project applicant.

**RECOMMENDED ECONOMIC DEVELOPMENT FUND AMOUNT:** **\$1,500,000**

**Recommendation:**  
 Staff recommends approval of this KPMI-EDF grant subject to the terms set forth in this report and the recommendation letter from the Secretary of the Cabinet for Economic Development (CED). In accordance with KRS 154.12-100, KEDFA's approval of this grant is subject to CED's receipt of the Secretary of the Finance and Administration Cabinet's concurrence to CED's use of the funds for this project.



CABINET FOR ECONOMIC DEVELOPMENT

Andy Beshear  
Governor

Old Capitol Annex  
300 West Broadway  
Frankfort, Kentucky 40601

Jeff Noel  
Secretary

February 1, 2024

Holly M. Johnson, Secretary  
Finance and Administration Cabinet  
200 Mero Street, 5<sup>th</sup> Floor  
Frankfort, KY 40601

**RE: Economic Development Fund Grant \$493,643 to Wayne County Fiscal Court on behalf of the Wayne County Industrial Authority**

Dear Secretary Johnson:

In accordance with KRS 154.12-100, this letter shall serve as notice of my recommendation for the use of **\$493,643** in Economic Development Fund (EDF) funds for the purpose of making a grant to the Wayne County Fiscal Court on behalf of the Wayne County Industrial Authority.

The Wayne County Fiscal Court on behalf of the Wayne County Industrial Authority is seeking to acquire additional acreage to expand the Monticello Wayne County Business Park. This project was a potential infrastructure project identified by an independent site selection consultant as having the potential for future investment/location of an economic development project.

Under the terms of the EDF grant agreement, requests may be submitted no more than monthly and funds shall be disbursed on a reimbursement basis. Supporting documentation of invoices, proof of payment, matching funds, etc. and a progress report will be required to be submitted with each request. Upon staff's review and approval of all documentation, funds will be disbursed to the local government entity to provide to the project applicant.

I respectfully request your concurrence in the funding of this project. If KEDFA approves this proposal, I would ask that you place this project on the next agenda of the State Property and Buildings Commission. Please feel free to contact me if you have any questions.

Sincerely,

Jeff Noel  
Secretary

**AGREED TO AND APPROVED BY:**

DocuSigned by:

Holly M. Johnson

2/5/2024

84C993F6FA23433...

Secretary, Finance and Administration Cabinet Date

cc: Kristina Slattery  
Katie Smith



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY  
ECONOMIC DEVELOPMENT FUND (EDF)  
KENTUCKY PRODUCT DEVELOPMENT INITIATIVE (KPDI) PROJECT REPORT**

**Date:** February 29, 2024  
**Grantee:** Wayne County Fiscal Court  
**Beneficiary:** Wayne County Industrial Authority  
**City:** Monticello **County:** Wayne  
**Activity:** Manufacturing  
**Bus. Dev. Contact:** D. Milbern **DFS Staff:** R. Aiken  
**Project Description:**

The Wayne County Fiscal Court on behalf of the Wayne County Industrial Authority is seeking to acquire additional acreage to expand the Monticello Wayne County Business Park. This project was a potential infrastructure project identified by an independent site selection consultant as having the potential for future investment/location of an economic development project.

**Anticipated Project Investment - Owned**

Land/Building Acquisition

**TOTAL**

Total Investment
\$987,286
<b>\$987,286</b>

**Anticipated Project Funding**

Economic Development Fund Grant (State)

Bank Loan

**TOTAL**

Amount	% of Total
\$493,643	50.0%
\$493,643	50.0%
<b>\$987,286</b>	<b>100.0%</b>

**Other Terms:**

In accordance with the grant agreement, disbursement requests may be submitted no more than monthly requesting funds to be disbursed on a reimbursement basis. Supporting documentation of invoices, proof of payment, matching funds, etc. and a progress report will be required to be submitted with each request. Upon staff's review and approval of all documentation, funds will be disbursed to the local government entity to provide to the project applicant.

**RECOMMENDED ECONOMIC DEVELOPMENT FUND AMOUNT:****\$493,643****Recommendation:**

Staff recommends approval of this KPDI-EDF grant subject to the terms set forth in this report and the recommendation letter from the Secretary of the Cabinet for Economic Development (CED). In accordance with KRS 154.12-100, KEDFA's approval of this grant is subject to CED's receipt of the Secretary of the Finance and Administration Cabinet's concurrence to CED's use of the funds for this project.



CABINET FOR ECONOMIC DEVELOPMENT

Andy Beshear  
Governor

Old Capitol Annex  
300 West Broadway  
Frankfort, Kentucky 40601

Jeff Noel  
Secretary

February 15, 2024

Holly M. Johnson, Secretary  
Finance and Administration Cabinet  
200 Mero Street, 5<sup>th</sup> Floor  
Frankfort, KY 40601

**RE: Economic Development Fund Grant – \$529,065 to the Webster County Fiscal Court on behalf of the Webster County Industrial Development Authority**

Dear Secretary Johnson:

In accordance with KRS 154.12-100, this letter shall serve as notice of my recommendation for the use of \$529,065 in Economic Development Fund (EDF) funds for the purpose of making a grant to the Webster County Fiscal Court on behalf of the Webster County Industrial Development Authority.

The Webster County Fiscal Court on behalf of the Webster County Industrial Development Authority is seeking to complete due diligence, site preparation, and road improvements to provide Webster County with new business opportunity and provide impact for future construction of industries. This project was a potential infrastructure project identified by an independent site selection consultant as having the potential for future investment/location of an economic development project.

Under the terms of the EDF grant agreement, requests may be submitted no more than monthly and funds shall be disbursed on a reimbursement basis. Supporting documentation of invoices, proof of payment, matching funds, etc. and a progress report will be required to be submitted with each request. Upon staff’s review and approval of all documentation, funds will be disbursed to the local government entity to provide to the project applicant.

I respectfully request your concurrence in the funding of this project. If KEDFA approves this proposal, I would ask that you place this project on the next agenda of the State Property and Buildings Commission. Please feel free to contact me if you have any questions.

Sincerely,

Jeff Noel  
Secretary

**AGREED TO AND APPROVED BY:**

DocuSigned by:  
Holly M. Johnson 2/21/2024  
81C993F6FA23433  
Secretary, Finance and Administration Cabinet Date

cc: Kristina Slattery  
Katie Smith

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY  
ECONOMIC DEVELOPMENT FUND (EDF)  
KENTUCKY PRODUCT DEVELOPMENT INITIATIVE (KPDI) PROJECT REPORT**

**Date:** February 29, 2024  
**Grantee:** Webster County Fiscal Court  
**Beneficiary:** Webster County Industrial Development Authority  
**City:** Sebree **County:** Webster  
**Activity:** Manufacturing  
**Bus. Dev. Contact:** D. Milbern **DFS Staff:** R. Aiken  
**Project Description:** The Webster County Fiscal Court on behalf of the Webster County Industrial Development Authority is seeking to complete due diligence, site preparation, and road improvements to provide Webster County with new business opportunity and provide impact for future construction of industries. This project was a potential infrastructure project identified by an independent site selection consultant as having the potential for future investment/location of an economic development project.

**Anticipated Project Investment - Owned**

Road Improvements  
 Site Preparation  
 Due Diligence

Total Investment
\$904,000
\$100,000
\$54,130
<b>\$1,058,130</b>

**TOTAL****Anticipated Project Funding**

Economic Development Fund Grant (State)  
 Webster County IDA Funds

Amount	% of Total
\$529,065	50.0%
\$529,065	50.0%
<b>\$1,058,130</b>	100.0%

**TOTAL**

**Other Terms:** In accordance with the grant agreement, disbursement requests may be submitted no more than monthly requesting funds to be disbursed on a reimbursement basis. Supporting documentation of invoices, proof of payment, matching funds, etc. and a progress report will be required to be submitted with each request. Upon staff's review and approval of all documentation, funds will be disbursed to the local government entity to provide to the project applicant.

**RECOMMENDED ECONOMIC DEVELOPMENT FUND AMOUNT:****\$529,065****Recommendation:**

Staff recommends approval of this KPDI-EDF grant subject to the terms set forth in this report and the recommendation letter from the Secretary of the Cabinet for Economic Development (CED). In accordance with KRS 154.12-100, KEDFA's approval of this grant is subject to CED's receipt of the Secretary of the Finance and Administration Cabinet's concurrence to CED's use of the funds for this project.

PRELIMINARY NEW BOND ISSUE REPORT \*

Issue: Northern Kentucky University  
 General Receipts Refunding Bonds, 2024 Series A

Purpose of Issue: Bond proceeds will be used to 1) refund certain outstanding Northern Kentucky University General Receipts Bonds, 2014 Series A for present value savings; and 2) pay cost of issuance.

Date of Sale: April 4, 2024  
 Date of Delivery: April 24, 2024

Ratings:  
 Moody's TBD

2024 Series A (\$)

**Sources:**

Par amount of bonds:	\$27,060,000.00
Premium:	2,785,180.55
<b>Total Sources:</b>	<u>\$29,845,180.55</u>

**Uses:**

Refunding Escrow Deposit:	\$29,459,196.04
Issuance Cost:	385,984.51
<b>Total Uses:</b>	<u>\$29,845,180.55</u>

All-in True Interest Cost:	3.1439%
Final Maturity Date:	9/1/2033
Average Annual Debt Service:	\$3,625,592.48
Total Debt Service:	\$34,302,133.33
Average Life (years):	5.35

Refunding Summary:

Bond Issues Being Refinanced:	2014 Series A
Par Amount of Refunded Bonds:	\$29,290,000.00
Net PV Savings:	\$2,211,339.34
Percentage Savings of Refunded Bonds:	7.5498%

Method of Sale:	Competitive
Bond Counsel:	Dinsmore & Shohl
Trustee:	U.S. Bank
Financial Advisor:	Baird

Based off cashflows and rates as of 2/26/2024  
 Preliminary Subject to Change

BOND DEBT SERVICE

Northern Kentucky University  
 Hypothetical General Receipts Refunding Bonds  
 A2/A1 Capital Markets Rates as of 2.23.24  
 Refunding All Callable Maturities

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
09/01/2024	2,200,000	5.000%	623,883.33	2,823,883.33	
03/01/2025			621,500.00	621,500.00	
06/30/2025					3,445,383.33
09/01/2025	2,260,000	5.000%	621,500.00	2,881,500.00	
03/01/2026			565,000.00	565,000.00	
06/30/2026					3,446,500.00
09/01/2026	2,370,000	5.000%	565,000.00	2,935,000.00	
03/01/2027			505,750.00	505,750.00	
06/30/2027					3,440,750.00
09/01/2027	2,490,000	5.000%	505,750.00	2,995,750.00	
03/01/2028			443,500.00	443,500.00	
06/30/2028					3,439,250.00
09/01/2028	2,600,000	5.000%	443,500.00	3,043,500.00	
03/01/2029			378,500.00	378,500.00	
06/30/2029					3,422,000.00
09/01/2029	2,735,000	5.000%	378,500.00	3,113,500.00	
03/01/2030			310,125.00	310,125.00	
06/30/2030					3,423,625.00
09/01/2030	2,870,000	5.000%	310,125.00	3,180,125.00	
03/01/2031			238,375.00	238,375.00	
06/30/2031					3,418,500.00
09/01/2031	3,020,000	5.000%	238,375.00	3,258,375.00	
03/01/2032			162,875.00	162,875.00	
06/30/2032					3,421,250.00
09/01/2032	3,175,000	5.000%	162,875.00	3,337,875.00	
03/01/2033			83,500.00	83,500.00	
06/30/2033					3,421,375.00
09/01/2033	3,340,000	5.000%	83,500.00	3,423,500.00	
06/30/2034					3,423,500.00
	27,060,000		7,242,133.33	34,302,133.33	34,302,133.33



SAVINGS

Northern Kentucky University  
 Hypothetical General Receipts Refunding Bonds  
 A2/A1 Capital Markets Rates as of 2.23.24  
 Refunding All Callable Maturities

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 03/15/2024 @ 2.8689541%
06/30/2025	3,698,025.00	3,445,383.33	252,641.67	248,950.43
06/30/2026	3,698,025.00	3,446,500.00	251,525.00	240,955.63
06/30/2027	3,696,900.00	3,440,750.00	256,150.00	238,571.40
06/30/2028	3,694,400.00	3,439,250.00	255,150.00	231,037.37
06/30/2029	3,674,312.50	3,422,000.00	252,312.50	222,077.63
06/30/2030	3,676,562.50	3,423,625.00	252,937.50	216,401.98
06/30/2031	3,672,162.50	3,418,500.00	253,662.50	210,952.56
06/30/2032	3,675,756.25	3,421,250.00	254,506.25	205,733.77
06/30/2033	3,676,868.75	3,421,375.00	255,493.75	200,753.86
06/30/2034	3,675,262.50	3,423,500.00	251,762.50	192,285.20
	36,838,275.00	34,302,133.33	2,536,141.67	2,207,719.83

Savings Summary

PV of savings from cash flow	2,207,719.83
Plus: Refunding funds on hand	3,619.51
Net PV Savings	<u>2,211,339.34</u>



## NEW BOND ISSUE REPORT

### **BOND ISSUE**

Name of Bond Issue: Kentucky Housing Corporation Multifamily Conduit Revenue Bonds (Chenoweth Woods Apartments), Series 2024

Purpose of Issue: The bonds will be used to finance the acquisition, rehabilitation and equipping of Chenoweth Woods Apartments, a multifamily residential rental facility consisting of one-hundred (100) units, located in Jefferson County, Kentucky, to be known as Chenoweth Woods Apartments. The Kentucky Housing Corporation has conducted a public hearing concerning the proposed project on March 11, 2024, following the delivery of notice to the public at least seven days prior to such hearing.

Name of Project: Chenoweth Woods Apartments

KHC Inducement: December 14, 2023

Anticipated Date of Sale: May 2, 2024

Anticipated Date of Issuance: May 2, 2024

Anticipated Ratings: Private Placement

Anticipated Net Proceeds: \$11,500,000

Cost of Issuance: See Exhibit A attached (Fees associated paid from owner equity)

Bond Discount: \$0

Debt Service Reserve Fund: \$0, but an estimated \$678,557 operating reserve will be funded from equity.

Total Project Cost: \$22,058,526 (estimated)

Terms of Issue: Net interest rate: 5.86%  
Term: May 1, 2064  
Average debt service: \$745,870.53  
Gross debt service: \$29,834,821.22

First Call Date: TBD

Premium at First Call: No premium

Method of Sale: Private Placement

Bond Counsel: Dinsmore & Shohl LLP

Underwriter Counsel: N/A

Financial Advisor: N/A

Bond Purchaser: Grandbridge Real Estate Capital

Trustee: TBD

**Exhibit A**

**Project Funding Sources:**

KHC Tax-Exempt Bond Proceeds	\$11,500,000
Taxable Permanent Loan	\$612,600
Transferred Reserves	\$100,000
Deferred Development Fee	\$2,315,526
Income from Operations during construction	\$706,400
<u>LIHTC Equity</u>	<u>\$6,824,000</u>
Total	\$22,058,526

**Fees Paid:**

Origination Fee	\$189,735
KHC Tax-Exempt Bond Application Fee	\$3,500
KHC Tax Credit Reservation Fee	\$74,232
KHC Market Study Review Fee	\$1,200
KHC Construction Inspection Fee	\$13,124
KHC Tax-Exempt Bond Upfront Issuer Fee	\$74,994
KHC Tax-Exempt Bond Annual Issuer Fee	\$0
KHC Tax-Exempt Bond Counsel Fee	\$19,000
KHC Tax-Exempt Bond Administrative Fee	\$5,000
Bond Counsel	\$89,000
<u>TEFRA/Publication/Print</u>	<u>\$5,000</u>
	\$474,785



# THE FAIRSTEAD TEAM



## JEFFREY GOLDBERG CEO

—

Jeffrey Goldberg is the CEO of Fairstead where he leads and directs all investment and operational decision making for the company. He has extensive experience and a 25-year track record developing, owning, and operating multifamily real estate. Throughout his career, he has been responsible for approximately \$8 billion in real estate. Jeffrey is a co-founder of the private equity/real estate law firm Sadis & Goldberg LLP. He was named an Entrepreneur Of The Year by Ernst & Young and a Crain's New York Business Notable Leader in Real Estate. He earned a BS in Accounting from the State University of New York-Albany and serves on Mount Sinai Hospital's Child Psychiatry advisory board.



## **LUAI ABDALLAH**

**Senior Vice President,  
Operations**

—

Luai Abdallah oversees Fairstead's mid-Atlantic communities and brings over 17 years of experience in real estate. Before joining Fairstead, Luai served as the Director of Property Operations at MidPen Housing where he oversaw 4000+ units across 45+ apartment communities in the San Francisco Bay Area. Prior to MidPen, Luai was the Executive Vice President at Somerset Pacific where oversaw Compliance, HR, Marketing, Operations and Facilities for 40 properties across 10 states. Luai holds a BA in Urban Planning and Community Development from Portland State University.



## **DESIREE ANDREPONT**

**Director,  
Development**

—

Desiree Andrepont is a Director on the Development team with broad experience in all aspects of residential real estate development and construction. She has experience working with for-profit and non-profit organizations on market rate and affordable housing developments, facilities expansion, and commercial development projects. Specialties include executive management, affordable housing, housing authority, housing policy, real estate finance, tax-exempt bonds, Low Income Housing Tax Credit, Historic Tax Credit, and community engagement.



**AVI BLUM**  
Chief Accounting Officer,

—

Avi Blum, Chief Accounting Officer, joined Fairstead in 2019. Prior to joining Fairstead, Avi oversaw the Finance, Accounting, HR, and payroll divisions at Hidrock Properties as the Director of Finance. Preceding Hidrock, Avi served as the Controller at HAP Investments, an international real estate development company headquartered in New York. During his time there, Mr. Blum was responsible for the day-to-day operations of the company's developments and operational buildings and management and leasing companies. Furthermore, Mr. Blum was a manager in a regional accounting firm where, in addition to supervising audit and tax staff, he advised his clients on various matters including business forecasting and budgeting, financial consultations and exit strategies. Avi earned his B.S. in Accounting from Touro College and holds a Certified Public Accountant license in the State of New York.



**BOBBY BYRD**  
Managing Partner,  
Development

—

Bobby leads affordable development at Fairstead. Prior to joining the company, Bobby worked on market-rate developments for The Bozzuto Group and founded Community Development Partners, which developed more than \$80 million of new affordable housing. Before that, Bobby held several positions at Microsoft and served as an Army Engineer Officer. A graduate of the United States Military Academy (West Point), where he earned a BS in Aerospace Engineering, Bobby also earned an MPP from the University of Michigan and an MBA from the Massachusetts Institute of Technology.



## ESTELLE CHAN

Director,  
Development

—  
Estelle focuses on the acquisition and development of affordable housing for Fairstead across the U.S. Prior to joining the company, Estelle worked at Omni New York, where she was responsible for the development of more than 1,300 units of affordable and mixed-income housing in New York and New Jersey. Before that, she worked at JTC Corporation in Singapore, where she became an AICP-certified planner and oversaw the permitting of office park projects valued at \$8 billion. Estelle earned a BA in urban studies from Columbia University and an MS in Real Estate Development from Massachusetts Institute of Technology.



## ROBERT DUNN

Managing Director,  
Asset Management

—  
Rob oversees the management and expansion for Fairstead's portfolio of workforce, market-rate, and mixed-use communities. Before joining the company, he was Vice President of HUBBNYC Properties, where he directed the asset management group, oversaw property management, and assisted with capital transactions. Prior to that, Rob worked at Long Wharf Capital and Meridian Investments. Rob earned a BA in Political Science from Colgate University and an MPS/RE from Cornell University.



## CATHERINE FENNELL

Director,  
Development

—

Catherine Fennell is a Director on the Development team working on mid-Atlantic acquisitions and development. Prior to joining Fairstead, she was the Deputy Commissioner for the Baltimore City Department of Housing and Community Development, worked on multi-family acquisitions and development for Landex, Urban Atlantic and NHP, among others, and was a consultant under her own development company, Heatherbrook Development. She has a JD from the University of Baltimore School of Law.



## MICHAEL GILBERT

Director,  
Energy & Sustainability

—

Michael leads all of Fairstead's sustainability initiatives. Before joining the company, Michael was Manager of Business Development for Con Edison in New York City, responsible for shepherding project opportunities in energy efficiency, demand management, and customer resiliency, among other areas. Prior to that, among several endeavors, Michael worked for the U.S. Environmental Protection Agency on hazardous-waste remediation and international development. A licensed Professional Engineer and Certified Energy Manager, Michael holds a BS in Agricultural Engineering and an MS in Environmental Engineering from Cornell University, and an MBA from the University of Connecticut.



## **NOAH HALE**

### Managing Director, Development

—

Noah supports Fairstead's growth planning for the acquisition, rehabilitation, and development of affordable and mixed-income housing, focusing on core markets across the U.S. Before joining the company, Noah was Director of Development for TM Associates Development, where under his leadership more than 1,500 units in multiple projects were entitled, in development and completed. Noah, who earned a BS in Resource Economics from the University of Florida, is currently pursuing an MPS in Real Estate at Georgetown University.



## **SETH HOFFMAN**

### General Counsel

—

Seth oversees all legal aspects at Fairstead, including transactions, corporate activities, and risk management. Before joining the company, he was Chief Operating Officer and General Counsel of HighBrook Investors, a real estate fund; and an attorney with the law firms Jones Day as well as Fried, Frank, Harris, Shriver & Jacobson LLP. Seth, who earned a BA from State University of New York-Buffalo and a JD from Fordham University, is Chairman of the advisory board for Schools That Can (New York) and is a member of the board of directors of the New York State Association for Affordable Housing.



**ALLAN IZZO**  
Director,  
Development

—

Allan Izzo is a Director on the Development team overseeing Mid West & West Coast acquisitions and development and he leads Fairstead's Denver HQ office. Allan has extensive experience in multi-family development and has worked on many large multi-family acquisitions, Low Income Housing Tax Credit transactions and more. Allan also has experience in construction management and asset management of large affordable portfolios throughout the country. Prior to joining Fairstead, he worked at Steele Properties and Friedland Properties.



**MICHAEL KORNSPUN**  
Director,  
Development

—

Michael focuses on the development and rehabilitation of affordable and public housing at Fairstead. Before joining the company, Michael was a Senior Developer/Senior Advisor at Pennrose LLC/Hunt Companies, a strategic partnership between, respectively, a well-established real estate developer and family-owned investor. Immediately prior to those roles, Michael ran his own affordable housing development firm and before that he held a variety of senior real estate investment positions. Michael, who earned his BS in Economics from the State University of New York-New Paltz, earned an MS in Real Estate Investment and Development from New York University.



## OCEAN LO

### Director, Development

—

Ocean Lo is a Director at Fairstead overseeing market-rate acquisitions. He has more than a decade of experience in real estate investment and ground-up development and has worked on more than \$1 billion of transactions throughout North America. Prior to joining Fairstead, he worked in acquisitions and development at Fieldstone Properties, Magnum Real Estate Group, and Gaia Real Estate Investments. He earned a BA in Structural Engineering from the University of Waterloo and a Master's degree in Real Estate Development from Columbia University.



## CHRIS MANNING

### VP, Community Impact & Government Affairs

—

Chris oversees Fairstead corporate partnerships with community organizations, industry groups and elected officials. Prior to Fairstead, Chris lead community engagement and government relations for Nemours, a 501c3 charitable foundation that owns and operates two children's hospitals and a multistate network of pediatric healthcare practices. Chris spent nearly eight years working in NYC government during the Bloomberg Administration first as a Senior Legislative Representative in the Office of City Legislative Affairs and subsequently as Assistant Commissioner for Intergovernmental Affairs at the NYC Health Department. He began his career managing health education and public advocacy initiatives for the American Heart Association. Chris holds a BS in Community Health from Slippery Rock University of Pennsylvania and an MPA in Health Policy & Management from New York University's Robert F. Wagner School of Public Service.





**DAVID MURSTEIN**  
Managing Director,  
Development

—  
David manages the team focused on sourcing value-add and opportunistic investments in the market-rate, multi-family sector. Prior to joining Fairstead, he was Senior Vice President for C-III Partners, where he sourced, negotiated, and closed real estate transactions throughout the U.S. David started his real estate career in managing acquisitions at Related Capital Company. He received his BS in Economics from the University of Pennsylvania.



**STEPHANIE PEREZ**  
Chief People Officer

—  
Stephanie leads all strategic and operational human resources at Fairstead. Prior to joining the company, Stephanie was Director of Human Resources and Associate Principal at Perkins Eastman, where she drove talent development and engagement. Before that, she held positions with IPG Mediabrands, Mace, and Cushman & Wakefield. Stephanie earned a BBA in Management and Marketing from the University of Houston and an MBA in Human Resource Management from the University of Houston-Clear Lake.



## MARCO WILLIAMSON

### Managing Director, Design & Construction

—

Marco Williamson is a Managing Director at Fairstead, with years of experience overseeing and managing the construction of development projects to ensure they are delivered in accordance with approved budgets, schedules, and quality standards. Prior to Fairstead, Marco worked for top Architecture, Real Estate Development and Construction Management firms, such as: JD/MD Carlisle, TF Cornerstone, Monadnock Construction & Development, and Macklowe Properties. Past projects include a diverse mix of commercial buildings, hotels, and luxury condominiums and rentals, with a specialization in high-rise construction. His leadership has helped in the successful completion of projects such as Canco Lofts, NYU Dormitories, Eventi Hotel, The Beatrice Residences, Queens West Development and the Hunters Point South Development. Marco holds an MS from Columbia University in Construction Administration.



## TRICIA YARGER

### Head of Capital Markets

—

Tricia leads Fairstead's Capital Markets team, where she manages the firm's debt and equity relationships while helping outside capital partners direct their investments into Fairstead properties. Prior to joining the company, she was a Director with Citi Community Capital, responsible for the origination and structuring of affordable, multi-family debt transactions. Before that, she held roles at Centerline Capital Group and General Electric. In her career, she has closed 191 multi-family, affordable-housing real estate transactions, creating and renovating 28,100 apartments totaling more than \$3.39 billion of debt originations. Tricia graduated from Boston College with a BS in Finance.

**Preliminary New Bond Issue Report \***

Issue: State Property & Buildings Commission  
 Revenue Bonds, Project No. 130 Series A  
 Revenue Refunding Bonds, Project No. 130 Series B  
 Revenue Refunding Bonds, Project No. 130 Series C (Optional Tender)

Purpose of Issue: To (i) provide permanent financing for approximately \$250 million General Fund supported capital projects authorized by the General Assembly of the Commonwealth of Kentucky in H.B. 1 (2010 Special Session), H.B. 265 (2012 Session), H.B. 235 (2014 Session), H.B. 303 (2016 Session), H.B. 200 (2018 Session), H.B. 268 (2019 Session), H.B. 352 (2020 Session), H.B. 192 (2021 Session), H.B. 1 (2022 Session), H.B. 241 (2022 Session) and any additional public projects for which an appropriation is made in the 2024 Session; (ii) refund certain outstanding Build America Bonds for present value savings; (iii) optional tender of certain outstanding SPBC Bonds for present value savings; and, (iv) pay costs of issuance.

Please see Exhibit A for the list of projects expected to be financed.

Projected Date of Sale: April 10, 2024  
 Date of Delivery: April 30, 2024

Ratings:  
 Moody's TBD  
 Fitch TBD

	<u>Series A</u>	<u>Series B</u>	<u>Series C</u>	<u>Total</u>
<b><u>Sources:</u></b>				
Par Amount of Bonds:	\$223,260,000	\$406,725,000	\$19,380,000	\$649,365,000
Premium:	27,802,311	27,417,834	2,051,249	57,271,394
Accrued Interest:		4,453,420		
<b><u>Total Sources:</u></b>	<u>\$251,062,311</u>	<u>\$438,596,253</u>	<u>\$21,431,249</u>	<u>\$711,089,813</u>
<b><u>Uses:</u></b>				
Project Fund Deposit:	\$250,000,000			\$250,000,000
Refunding Escrow Deposit:		\$437,041,807	\$21,260,416	458,302,223
Cost of Issuance:	1,062,311	1,554,446	170,833	2,787,590
<b><u>Total Uses:</u></b>	<u>\$251,062,311</u>	<u>\$438,596,253</u>	<u>\$21,431,249</u>	<u>\$711,089,813</u>

All-in True Interest Cost:	3.805%	2.944%	3.008%	3.487%
Final Maturity Date:	November 1, 2044	November 1, 2030	November 1, 2033	November 1, 2044
Average Annual Debt Service:	\$17,854,171	\$72,948,981	\$2,587,158	\$42,180,317
Total Debt Service:	\$366,060,099	\$474,168,375	\$24,585,192	\$864,813,665
Average Life (years):	12.641	3.316	5.372	6.585

**Refunding Summary:**

Bond Issue Being Refinanced:	See Summary of Bonds Refunded (attached)		
Par Amount of Tendered Bonds:		\$23,160,000	
Par Amount of Refunded Bonds:	\$428,290,000		
Net PV Savings:	\$6,491,637	\$1,450,143	
Percentage Savings of Tendered Bonds (Assuming 15% participation):		7.483%	
Percentage Savings of Refunded Bonds:	1.596%		

Method of Sale: Negotiated  
 Bond Counsel: Kutak Rock LLP  
 Underwriter: BofA Securities, Inc.  
 Underwriter's Counsel: Dinsmore & Shohl LLP  
 Trustee: TBD  
 Financial Advisor: Office of Financial Management

Based off cashflows as of 2/29/2024  
*\*Preliminary Subject to Change*

**EXHIBIT A**  
**THE PROJECT**

The Cabinet will lease all of the property, economic development projects or community development projects, as described below, to the extent proceeds of the Bonds are used to pay the costs thereof (portions of which costs have been paid with proceeds of Commission bonds previously issued or may be paid from the proceeds of Commission bonds to be issued in the future).

<b>Agency</b>	<b>Project Title</b>	<b>Amount</b>
<b><u>2010-12</u></b>		
Economic Development-Financial Incentives	KEDFA	\$22,050,000
<b><u>2012-14</u></b>		
Environmental Protection	Maxey Flats Cap	1,479,477
Behavioral Health	Electrical System Upgrade at Western - Design	262,657
<b><u>2014-16</u></b>		
Finance and Admin-General Admin	Next Generation Kentucky Information Highway	3,356,661
Finance and Admin-General Admin	Business-One Stop Portal - Phase II	2,444
Public Health	Radiation Monitoring Equipment	566,895
Eastern Ky University	Construct Science Building – Phase II & III	811
Ky State University	Replace Boilers and Repair Aging Distribution Lines	344,238
Morehead State University	Renovate/Expand Student Services Facility	212,574
KCTCS	Construct Advanced Manufacturing Facility - Georgetown	40,632
State Fair Board	Ky International Convention Center Renovation and Expansion	201,297
State Fair Board	Freedom Hall Sewer Line Replacement	99,260
Ky Center for the Arts	Roof Replacement	495,856
Parks	Upgrade Guest Accommodations	70,574
Murray State University	Construct New Breathitt Veterinary Center	1,183,823
University of Louisville	Construct Belknap Classroom/Academic Building	552
<b><u>2016-18</u></b>		
Economic Development	High-Tech Construction/Investment Pool - 2016-2018	7,000,000
Economic Development	Kentucky Economic Development Finance Authority Loan Pool - 2016-2018	984,416
Education and Workforce-Gen Admin & Program Support	Workforce Development Construction Pool	620,675
Dept of Education-Operations & Support Services	Kentucky School for the Blind Howser Hall Renovation	13,184
Dept of Education-Operations & Support Services	Kentucky School for the Deaf New Elementary Building	87,390
Dept of Education-Operations & Support Services	Kentucky School for the Deaf McDaniel/Scoggin Education Building	273
Finance-General Administration	Business One-Stop Portal-Phase III	6,458,766
Facilities and Support Services	Upgrade L&N Building	529,572
Facilities and Support Services	HVAC Replacement-CHR Building	394,855

Behavioral Health, Developmental and Intellectual Disabilities	Western State Hospital-Electrical Upgrade-Phase I	26,839
Corrections-Adult Institutions	Kentucky Correctional Institution for Women-Sewer Plant/Lines	1,047,836
Parks	Maintenance Pool 2016-2018	5,092
State Fair Board	Kentucky Exposition Center Roof Repair	688,185

**2018**

Education and Workforce Development-KET	FCC Transmitter Repack 2018-2020	170,302
Facilities and Support Services	L&N Building Security and Structural Repairs	559,447
Facilities and Support Services	Upgrade Capitol Mechanical and Electrical System, Phase I	19,448
Facilities and Support Services	Emergency Generator Replacement COT/CHR	53,332
Health & Family Services-BHDID	Electrical & Telecommunications Upgrade-Western State Hospital, Phase II	2,795,013
Health & Family Services-BHDID	HVAC System Replacement – Hazelwood	878,881
Health & Family Services-BHDID	Renovate/Replace Cottages - Oakwood, Phase I	111,673
Justice Cabinet-Corrections-Adult Institutions	Demolish and Repair Tower Ky State Reformatory	2,889,800
Justice Cabinet-Corrections-Adult Institutions	Replace Perimeter Fence, Kentucky State Reformatory	214,807
Justice Cabinet - State Police	Two-Way Radio System Replacement, Phase I	88,495,568
Military Affairs	Armory Modernization Pool - 2018-2020	43,681
Parks	Maintenance Pool - 2018-2020	239,244
State Fair Board	Kentucky International Convention Center East Roof Replacement	503,596
Revenue	Integrated Tax System	67,779,311
Finance - COT	Legacy System Replacement	2,189,196
KYTC	Kentucky Aviation Economic Development Fund	308,363

**2019**

Economic Development	Economic Development Bond Bool	25,000,000
Parks	Hospitality Upgrades Pool	17,305
Parks	Life Safety System Upgrade and ADA Improvements Pool	48,248
Parks	Utilities and Communications Cabling Infrastructure Rep Pool	374,606
Parks	Lodge Roof Replacement and Repairs Pool	1,219,789
Parks	Waste Water Treatment and Infrastructure Upgrades Pool	6,591,804

**2020-2021**

EKU	Purchase Aviation Maintenance Technician/Pilot Training Equipment	253,805
EKU	Construct Aviation/Aerospace Instructional Facility	4,906,800
Attorney General	Technology Upgrades	1,484,980
Finance & Administration	Maintenance Pool	135,790
Finance & Administration	Capitol Campus Upgrade	273,461,334
Finance & Administration	Air Handler Replacement and Repair-Central Lab	470,079
Finance & Administration	Elevator Upgrades - Phase I	166,970
Corrections	Repair/Replace Roofs - Eastern KY Correctional Complex	975,229
Corrections	Generator Replacement – Various Facilities	3,896,019

CHFS-Behavioral Health	Western State Hospital - Electrical Upgrade - Phase III	3,401,920
CHFS-Behavioral Health	Oakwood Renovate/Replace Cottages - Phase II	7,695,118
CHFS-Behavioral Health	Oakwood Replace, Upgrade and Enhance Emergency Generators	1,614,192
State Fair Board	Prestonia Grounds and Infrastructure Improvements	301,120
Parks	Wastewater Treatment Upgrades Pool	9,775,000
Parks	Maintenance Pool	9,762
Environmental Protection	State-Owned Dam Repair Pool	4,944,233
Education	School Safety Facilities Upgrade	465,275
Veterans' Affairs	Construct Bowling Green Veterans Center	10,425,000
Economic Development	Economic Development Bond Program	2,500,000
Economic Development	High-Tech Construction/Investment Pool	2,500,000
Economic Development	Ky Economic Development Finance Authority Loan Pool	2,500,000
Heritage Council	Records Digitization	8,908
Local Government	Flood Control – state match for Federal Funds	33,284
Education and Labor	Replace Unemployment Insurance System	10,000,000
Corrections	Design Relocation of Corrections Medical Facility	3,220,478
Corrections	Design of the Expansion of Little Sandy Correctional Complex	2,202,252
Kentucky State University	Roof Repair and Replacement Pool	2,227,143
University of Kentucky	Sanders-Brown Center on Aging	12,059,817

**2022**

Eastern KY University	Renovate Alumni Coliseum	30,532,741
Eastern KY University	Construct New Model Laboratory School	90,000,000
Eastern KY University	Asset Preservation Pool	49,783,862
Kentucky State University	Asset Preservation Pool	12,695,391
Morehead St University	Construct Science & Engineering Building	98,000,000
Morehead St University	Asset Preservation Pool	31,171,314
Murray St University	Construct School of Nursing and Health Professional Bldg	45,334,202
Murray St University	Asset Preservation Pool	42,435,238
Northern KY University	Expand Hermann Science Center	79,299,996
Northern KY University	Asset Preservation Pool	42,632,993
University of Kentucky	Construct Health Education Building	249,898,048
University of Kentucky	Asset Preservation Pool	148,768,142
University of Louisville	Speed School Addition	65,000,000
University of Louisville	Asset Preservation Pool	75,282,913
Western KY University	Construct New Gordon Ford College of Business	73,777,267
Western KY University	Asset Preservation Pool	65,719,492
KCTCS	Renovate Occupational Tech Ph 1-Elizabethtown CC	16,500,000
KCTCS	Expand Leitchfield Campus – Elizabethtown CTC	9,000,000
KCTCS	Construct Student/Classroom – Bluegrass CTC Newtown	52,200,000
KCTCS	Asset Preservation Pool	141,129,538
Kentucky Infrastructure Authority	Fund A – Federally Assisted Wastewater Program	11,804,469
Kentucky Infrastructure Authority	Fund F – Drinking Water Revolving Loan Program	11,422,284
Kentucky Infrastructure Authority	Fund B – Infrastructure Revolving Loan Program	25,000,000
Military Affairs	Construct Readiness Center Somerset	4,227,000

Local Government	Flood Control Matching Fund	10,852,629
Economic Development	Economic Development Bond Program	10,000,000
Economic Development	High-Tech Construction/Investment Pool	10,000,000
Economic Development	Ky Economic Development Finance Authority Ln Pool	10,000,000
KY Dpt of Education	State Schools Safety and Security Pool	2,805,000
KY Dpt of Education	State Schoold Dormitory and Cottage Renovation	6,210,984
KY Dpt of Education	Construct Leadership Trng Cntr Classrooms	5,992,592
Environment Protection	State-Owned Dam Repair	7,500,000
Environment Protection	Southern Wood Treatment Site	5,484,400
Controller	eMARS Upgrade	6,888,077
Facilities	Historic Properties Deferred Maintenance	1,630,154
Facilities	HVAC Replacement/Rebuild – Various	4,276,375
Facilities	L&N Building Exterior Upgrade	6,374,600
Facilities	CHR – Escalators Replacement/Elevator Upgrades	6,659,205
Behavioral Health	Oakwood – Renovate/Replace Cottages, Phase III	9,998,000
Behavioral Health	Western State Nursing Facility – Renovations	6,336,000
Income Support	Kentucky Child Support Enforcement System (KASES III)	11,216,833
Community Based Services	The Workers Information System (TWIST) Modernization	8,823,318
Criminal Justice Training	New Indoor Firing Range	27,035,766
Corrections	Relocate Medical Services/CPTU from the Reformatory	171,126,000
Corrections	Little Sandy Correctional Complex-Expansion	84,828,078
State Police	Post 7 (Richmond) & 10 (Harlan) Construction	8,438,700
State Police	KEWS Fiberglass Shelter Replacement	5,292,750
Parks	State Parks Improvement	71,000,000
Parks	Lake Barkley State Resort Park – Emergency Repairs	7,500,000
Parks	Jenny Wiley State Resort Park – Emergency Repairs	5,500,000
Parks	Campground Updates	40,000,000
Parks	Utility Improvements	20,000,000
Parks	Broadband Upgrades	6,000,000
Horse Park	Renovate International Museum of the Horse	3,782,644
Fair Board	State Fair Board Property Improvements	179,551,810
Fair Board	Maintenance Pool	1,201,828
Transportation Cabinet	Barkley Regional Airport Improvement Projects Pool	5,300,000
Transportation Cabinet	Mt. Sterling/Montgomery Co Airport Improvement Pool	7,766,575
Transportation Cabinet	Bardstown/Nelson Co Airport Improvement Pool	7,700,000
	Unallocated Bond Proceeds from SPBC 128	(150,000,000)
	<b>Grand Total</b>	<b>\$2,715,049,964</b>

**BOND DEBT SERVICE**

Commonwealth of Kentucky State Property and Buildings Commission  
 Revenue Bonds, Project No. 130 Series A, Revenue Refunding Bonds, Project No. 130 Series B, and  
 Revenue Refunding Bonds, Project No. 130 Series C  
**\*\*Preliminary, Subject to Change\*\***  
 Market Conditions as of 2/29/2024

Dated Date                    04/30/2024  
 Delivery Date                04/30/2024

Period Ending	Principal	Coupon	Interest	Debt Service
06/30/2025	57,635,000	5.000%	31,145,521.43	88,780,521.43
06/30/2026	65,795,000	5.000%	28,025,837.50	93,820,837.50
06/30/2027	72,420,000	5.000%	24,570,462.50	96,990,462.50
06/30/2028	75,355,000	5.000%	20,876,087.50	96,231,087.50
06/30/2029	79,135,000	5.000%	17,013,837.50	96,148,837.50
06/30/2030	82,800,000	5.000%	12,965,462.50	95,765,462.50
06/30/2031	33,395,000	5.000%	10,060,587.50	43,455,587.50
06/30/2032	11,950,000	5.000%	8,926,962.50	20,876,962.50
06/30/2033	10,690,000	5.000%	8,360,962.50	19,050,962.50
06/30/2034	10,740,000	5.000%	7,825,212.50	18,565,212.50
06/30/2035	10,445,000	5.000%	7,295,587.50	17,740,587.50
06/30/2036	10,980,000	5.000%	6,759,962.50	17,739,962.50
06/30/2037	11,540,000	5.000%	6,196,962.50	17,736,962.50
06/30/2038	12,135,000	5.000%	5,605,087.50	17,740,087.50
06/30/2039	12,755,000	5.000%	4,982,837.50	17,737,837.50
06/30/2040	13,410,000	5.000%	4,328,712.50	17,738,712.50
06/30/2041	14,100,000	5.000%	3,640,962.50	17,740,962.50
06/30/2042	14,820,000	5.000%	2,917,962.50	17,737,962.50
06/30/2043	15,580,000	5.000%	2,157,962.50	17,737,962.50
06/30/2044	16,400,000	5.250%	1,337,962.50	17,737,962.50
06/30/2045	17,285,000	5.250%	453,731.25	17,738,731.25
	649,365,000		215,448,665.18	864,813,665.18



**SAVINGS**

Commonwealth of Kentucky State Property and Buildings Commission  
 Revenue Bonds, Project No. 130 Series A, Revenue Refunding Bonds, Project No. 130 Series B, and  
 Revenue Refunding Bonds, Project No. 130 Series C  
**\*\*Preliminary, Subject to Change\*\***  
 Market Conditions as of 2/29/2024

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 04/30/2024 @ 3.1516583%
06/30/2024	170,842.78	-	170,842.78	170,827.94
06/30/2025	78,641,363.55	77,502,066.67	1,139,296.88	1,333,369.25
06/30/2026	77,829,943.11	76,080,125.00	1,749,818.11	1,873,963.64
06/30/2027	81,028,211.79	79,251,250.00	1,776,961.79	1,838,676.26
06/30/2028	80,268,577.83	78,490,875.00	1,777,702.83	1,788,711.40
06/30/2029	80,188,766.73	78,411,000.00	1,777,766.73	1,730,002.07
06/30/2030	79,802,968.61	78,029,250.00	1,773,718.61	1,673,593.33
06/30/2031	27,495,346.65	25,716,375.00	1,778,971.65	1,458,847.81
06/30/2032	3,355,797.36	3,136,250.00	219,547.36	180,240.60
06/30/2033	1,532,384.41	1,311,250.00	221,134.41	175,732.13
06/30/2034	1,047,539.03	825,125.00	222,414.03	169,303.64
	511,361,741.85	498,753,566.67	12,608,175.18	12,393,268.08

Savings Summary

Deliv Date	Less: Prior Funds on Hand	Refunding Funds on Hand	Total	Present Value to 04/30/2024 @ 3.1516583%
04/30/2024	-	431.90	431.90	431.90
05/01/2024	-4,453,419.83	549.44	-4,452,870.39	-4,452,483.62
				-4,452,051.72

PV of savings from cash flow	12,393,268.08
Adjustments	-4,452,051.72
<b>Net PV Savings</b>	<b>7,941,216.37</b>

**SUMMARY OF BONDS REFUNDED**

Commonwealth of Kentucky State Property and Buildings Commission  
 Revenue Bonds, Project No. 130 Series A, Revenue Refunding Bonds, Project No. 130 Series B, and  
 Revenue Refunding Bonds, Project No. 130 Series C

**\*\*Preliminary, Subject to Change\*\***

Market Conditions as of 2/29/2024

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Project No. 95C, 95C_BAB, TERM_1:					
	08/01/2024	6.573%	20,510,000	05/31/2024	103.277
	08/01/2025	6.573%	21,400,000	05/31/2024	103.277
	08/01/2026	6.573%	22,330,000	05/31/2024	103.277
	08/01/2027	6.573%	23,305,000	05/31/2024	103.277
	08/01/2028	6.573%	24,315,000	05/31/2024	103.277
	08/01/2029	6.573%	<u>25,375,000</u>	05/31/2024	103.277
			137,235,000		
Project No. 96C, 96C_BAB, TERM_1:					
	11/01/2024	6.155%	23,930,000	05/31/2024	102.373
	11/01/2025	6.155%	21,985,000	05/31/2024	102.373
	11/01/2026	6.155%	22,885,000	05/31/2024	102.373
	11/01/2027	6.155%	23,830,000	05/31/2024	102.373
	11/01/2028	6.155%	24,810,000	05/31/2024	102.373
	11/01/2029	6.155%	<u>25,835,000</u>	05/31/2024	102.373
			143,275,000		
Project No. 99C, 99C_BAB, TERM_1:					
	11/01/2026	5.921%	20,220,000	05/31/2024	102.580
	11/01/2027	5.921%	21,030,000	05/31/2024	102.580
	11/01/2028	5.921%	21,880,000	05/31/2024	102.580
	11/01/2029	5.921%	22,760,000	05/31/2024	102.580
	11/01/2030	5.921%	<u>23,675,000</u>	05/31/2024	102.580
			109,565,000		
Project No. 99C, 99C_BAB, TERM_2:					
	11/01/2024	5.373%	18,765,000	05/31/2024	100.000
	11/01/2025	5.373%	<u>19,450,000</u>	05/31/2024	100.000
			38,215,000		
Project No. 117C, PROJ117C, SERIAL1:					
	05/01/2026	3.407%	605,000	04/30/2024	98.089
	05/01/2027	3.507%	990,000	04/30/2024	97.628
	05/01/2028	3.657%	320,000	04/30/2024	97.471
	05/01/2029	3.757%	<u>315,000</u>	04/30/2024	97.280
			2,230,000		
Project No. 122D, PROJ122D, SERIAL1:					
	11/01/2026	2.393%	1,575,000	04/30/2024	95.335
	11/01/2027	2.522%	1,615,000	04/30/2024	94.110
	11/01/2028	2.572%	1,655,000	04/30/2024	92.772
	11/01/2029	2.622%	1,700,000	04/30/2024	91.448
	11/01/2030	2.722%	1,745,000	04/30/2024	90.467
	11/01/2031	2.772%	<u>1,795,000</u>	04/30/2024	89.294
			10,085,000		
Project No. 125B, PROJ125B, SERIAL1:					
	09/01/2026	1.239%	1,325,000	04/30/2024	93.070
	09/01/2027	1.696%	1,345,000	04/30/2024	91.826
	09/01/2028	1.846%	1,370,000	04/30/2024	90.180
	09/01/2029	2.023%	1,395,000	04/30/2024	88.885
	09/01/2030	2.123%	1,425,000	04/30/2024	87.428
	09/01/2031	2.223%	1,460,000	04/30/2024	86.131
	09/01/2032	2.323%	1,490,000	04/30/2024	85.015
	09/01/2033	2.423%	<u>1,035,000</u>	04/30/2024	84.093
			10,845,000		
			451,450,000		

## Preliminary New Bond Issue Information

Issue: Kentucky Asset/Liability Commission Project Notes, 2024 Federal Highway Trust Fund (GARVEEs) First Refunding Series A

Purpose of Issue: To provide financing for a refunding that will include (i) the 2014 Series A Notes previously authorized by H.B. 3 of the 2010 Extraordinary Session for the purpose of producing economic savings, and (ii) to pay for costs of issuing the Notes.

Proposed Date of Sale: May 8, 2024  
 Proposed Date of Delivery: June 3, 2024

### 2024 Federal Highway Trust Fund

Expected Rating: TBD  
 S&P

<u>Sources:</u>	<u>Refunding of 2014 Series A</u>
Par amount of notes	81,375,000.00
Premium/Original Issue Discount	3,329,336.25
Total Sources	84,704,336.25

<u>Uses:</u>	
SLGS Purchase	84,211,091.00
Cash Deposit	0.37
Issuance Cost/Underwriter's Discount	493,244.88
Total Uses	84,704,336.25

Estimated Savings: 1,816,276  
 Estimated Savings Percentage: 3.28%

Arbitrage Yield: 2.81%  
 All-in True Interest Cost: 3.13%  
 Final Maturity Date: September 1, 2026  
 Average Annual Debt Service: 39,765,223  
 Total Debt Service: 89,250,833

Method of Sale: Negotiated  
 Bond Counsel: Dinsmore and Shohl LLP  
 Trustee: TBD  
 Underwriter: J.P.Morgan Securities LLC

Preliminary, subject to change  
 The Kentucky Transportation Cabinet has a memorandum of agreement with the Federal Highway Administration for payment of the GARVEEs from the federal annual obligation authority.

## BOND DEBT SERVICE

Kentucky Asset/Liability Commission  
Project Notes, 2024 Federal Highway Trust Fund First Refunding Series A  
\*\*\*Preliminary\*\*\*  
Rates as of January 10, 2024

<b>Period Ending</b>	<b>Principal</b>	<b>Coupon</b>	<b>Interest</b>	<b>Debt Service</b>
06/30/2025			3,028,958.33	3,028,958.33
06/30/2026	25,125,000	5.000%	3,440,625.00	28,565,625.00
06/30/2027	56,250,000	5.000%	1,406,250.00	57,656,250.00
	81,375,000		7,875,833.33	89,250,833.33

## SAVINGS

Kentucky Asset/Liability Commission  
 Project Notes, 2024 Federal Highway Trust Fund First Refunding Series A  
 \*\*\*Preliminary\*\*\*  
 Rates as of January 10, 2024

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 06/03/2024 @ 2.8125047%
06/30/2025	3,995,500.00	3,028,958.33	966,541.67	960,469.89
06/30/2026	29,515,750.00	28,565,625.00	950,125.00	917,913.94
06/30/2027	58,603,000.00	57,656,250.00	946,750.00	889,224.46
	92,114,250.00	89,250,833.33	2,863,416.67	2,767,608.29

### Savings Summary

PV of savings from cash flow	2,767,608.29
Plus: Refunding funds on hand	4,994.88
	2,772,603.17
Net PV Savings	2,772,603.17

## SUMMARY OF BONDS REFUNDED

Kentucky Asset/Liability Commission  
 Project Notes, 2024 Federal Highway Trust Fund First Refunding Series A  
 \*\*\*Preliminary\*\*\*  
 Rates as of January 10, 2024

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Project Notes, 2014 Federal Highway Trust Fund First Series A, SERIAL:					
	09/01/2025	3.500%	5,800,000	09/01/2024	100.000
	09/01/2025	5.000%	20,330,000	09/01/2024	100.000
	09/01/2026	3.750%	6,780,000	09/01/2024	100.000
	09/01/2026	5.000%	50,435,000	09/01/2024	100.000
			83,345,000		



## School Facilities Construction Commission

Finance and Administration Cabinet  
700 Louisville Rd  
Carriage House


Frankfort, Kentucky 40601  
(502) 564-5582  
(888) 979-6152 Fax  
[www.sfcc.ky.gov](http://www.sfcc.ky.gov)

**HEATHER OVERBY**  
Chairman  
**CHELSEY COUCH**  
Executive Director

**ANDY BESHEAR**  
Governor  
**MS. HOLLY M. JOHNSON**  
Secretary

### **MEMORANDUM**

**TO:** Ryan Barrow  
Office of Financial Management

**FROM:** Kristi Russell, SFCC 

**DATE:** March 5, 2024

**SUBJECT:** Capital Projects and Bond Oversight Committee (CPBO)

The following information is submitted for consideration by CPBO at their next meeting tentatively scheduled for March 19, 2024:

Calloway County- \$4,320,000 estimated – Refunding of 2013 bonds. State estimated annual debt service is \$57,796 and local is \$510,255. No tax increase is necessary to finance this project.

Mercer County- \$37,000,000 estimated – New middle school. State estimated annual debt service is \$47,790 and local is \$2,717,695. No tax increase is necessary to finance this project.

If you or the Committee needs any additional information, please feel free to contact me.





February 29, 2024

Ms. Katherine Halloran  
700 Capital Avenue  
Frankfort, Kentucky 40601

Re: Reporting of Bond Issuance Costs to the Capital Projects and Bond Oversight  
Committee ("Bond Oversight Committee")

Dear Ms. Halloran:

Enclosed please find a Bond Payee Disclosure form for the following bond issue:

\$4,320,000 (est.)  
Calloway County  
School District Finance Corporation  
Energy Conservation Refunding Revenue Bonds,  
Series of 2024

Please be advised that the enclosed costs are estimated. Actual costs will not be known until the bonds are sold. Please be advised that no tax increases are necessary to support this financing.

We hereby request that the above bond issue be considered by the Bond Oversight Committee at its next meeting.

If you need any additional information, please call me at 502.588.1829.

Sincerely,

*/s/ Grant Needham*

Grant Needham  
Baird Public Finance



## BOND PAYEE DISCLOSURE FORM

Par Amount:	\$4,320,000
Issue Name:	Calloway County School District Finance Corporation Energy Conservation Refunding Revenue Bonds, Series of 2024
Purpose:	Financing related to the refunding of the Series 2013 energy conservation bonds.
Projected Sale Date of Bonds:	March / April 2024
First Call Date:	TBD
Method of Sale:	Competitive
Place/Time of Sale:	TBD
Bond Rating:	Expected "A1" – Moody's
Bond Counsel:	Steptoe & Johnson
Fiscal Agent:	Baird

Date Received by SFCC: / / *To be filled in by SFCC*

Date Scheduled for Committee Review: / / *To be filled in by SFCC*

	SFCC Portion	Local Portion	Total
Estimated par amount of Bonds:	\$458,649	\$3,861,351	\$4,320,000
% Share of total Bonds:	11%	89%	100%
Estimated average annual debt service:	57,796	510,255	568,051
Estimated debt service reserve:	-	-	-
<b>Estimated Costs of Issuance <sup>(1)</sup>:</b>			
Fiscal Agent, Bond Counsel, Advertisements, Printing, etc.	3,215	27,065	30,280
Special Tax Counsel	-	-	-
Number Verifications	-	-	-
Bond Rating	1,433	12,067	13,500
Underwriter's Discount	4,586	38,614	43,200
Paying Agent/Escrow Agent Bank	424	3,576	4,000
<b>Total Cost of Issuance:</b>	<b>\$9,658</b>	<b>\$81,322</b>	<b>\$90,980</b>

**Anticipated Interest Rates:**

1 Years:	5.00%	3 Years:	5.00%
5 Years:	5.00%	10 Years:	4.00%

(1) Actual costs will not be known until the bonds are sold.

SOURCES AND USES OF FUNDS

Calloway County School District Finance Corporation  
 Energy Conservation Refunding Revenue Bonds, Series of 2024  
 BQ A1 Enh Rates as of 2/13/2024

Dated Date 04/15/2024  
 Delivery Date 04/15/2024

Sources:	SFCC	General Fund	Restricted Fund	Total
<b>Bond Proceeds:</b>				
Par Amount	458,649.00	3,322,671.00	538,680.00	4,320,000.00
Premium	37,494.01	285,148.41	53,811.22	376,453.64
	496,143.01	3,607,819.41	592,491.22	4,696,453.64
<b>Uses:</b>				
	SFCC	General Fund	Restricted Fund	Total
<b>Refunding Escrow Deposits:</b>				
Cash Deposit	473,931.29	3,550,395.35	577,400.72	4,601,727.36
<b>Cost of Issuance:</b>				
FA/BC	3,214.79	23,289.46	3,775.75	30,280.00
Moody's	1,433.28	10,383.35	1,683.37	13,500.00
Paying Agent	424.68	3,076.55	498.77	4,000.00
	5,072.75	36,749.36	5,957.89	47,780.00
<b>Underwriter's Discount:</b>				
Underwriter's Discount	4,586.49	33,226.71	5,386.80	43,200.00
<b>Other Uses of Funds:</b>				
Additional Proceeds	12,552.48	-12,552.01	3,745.81	3,746.28
	496,143.01	3,607,819.41	592,491.22	4,696,453.64



BOND DEBT SERVICE

Calloway County School District Finance Corporation  
 Energy Conservation Refunding Revenue Bonds, Series of 2024  
 BQ A1 Enh Rates as of 2/13/2024

Period Ending	Principal	Coupon	Interest	Debt Service
06/30/2025	255,000	5.000%	160,994.18	415,994.18
06/30/2026	245,000	5.000%	189,900.02	434,900.02
06/30/2027	275,000	5.000%	177,650.02	452,650.02
06/30/2028	315,000	5.000%	163,900.02	478,900.02
06/30/2029	345,000	5.000%	148,150.02	493,150.02
06/30/2030	445,000	5.000%	130,900.02	575,900.02
06/30/2031	525,000	5.000%	108,650.02	633,650.02
06/30/2032	580,000	5.000%	82,400.02	662,400.02
06/30/2033	640,000	4.000%	53,400.00	693,400.00
06/30/2034	695,000	4.000%	27,800.00	722,800.00
	4,320,000		1,243,744.32	5,563,744.32



BOND DEBT SERVICE

Calloway County School District Finance Corporation  
 Energy Conservation Refunding Revenue Bonds, Series of 2024  
 BQ A1 Enh Rates as of 2/13/2024

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
08/01/2024			59,669.17	59,669.17	
02/01/2025	255,000	5.000%	101,325.01	356,325.01	
06/30/2025					415,994.18
08/01/2025			94,950.01	94,950.01	
02/01/2026	245,000	5.000%	94,950.01	339,950.01	
06/30/2026					434,900.02
08/01/2026			88,825.01	88,825.01	
02/01/2027	275,000	5.000%	88,825.01	363,825.01	
06/30/2027					452,650.02
08/01/2027			81,950.01	81,950.01	
02/01/2028	315,000	5.000%	81,950.01	396,950.01	
06/30/2028					478,900.02
08/01/2028			74,075.01	74,075.01	
02/01/2029	345,000	5.000%	74,075.01	419,075.01	
06/30/2029					493,150.02
08/01/2029			65,450.01	65,450.01	
02/01/2030	445,000	5.000%	65,450.01	510,450.01	
06/30/2030					575,900.02
08/01/2030			54,325.01	54,325.01	
02/01/2031	525,000	5.000%	54,325.01	579,325.01	
06/30/2031					633,650.02
08/01/2031			41,200.01	41,200.01	
02/01/2032	580,000	5.000%	41,200.01	621,200.01	
06/30/2032					662,400.02
08/01/2032			26,700.00	26,700.00	
02/01/2033	640,000	4.000%	26,700.00	666,700.00	
06/30/2033					693,400.00
08/01/2033			13,900.00	13,900.00	
02/01/2034	695,000	4.000%	13,900.00	708,900.00	
06/30/2034					722,800.00
	4,320,000		1,243,744.32	5,563,744.32	5,563,744.32



BOND DEBT SERVICE

Calloway County School District Finance Corporation  
SFCC

Period Ending	Principal	Coupon	Interest	Debt Service
06/30/2025	40,442	5.000%	17,352.54	57,794.54
06/30/2026	37,976	5.000%	19,820.26	57,796.26
06/30/2027	39,875	5.000%	17,921.46	57,796.46
06/30/2028	41,868	5.000%	15,927.72	57,795.72
06/30/2029	43,962	5.000%	13,834.32	57,796.32
06/30/2030	46,159	5.000%	11,636.22	57,795.22
06/30/2031	48,467	5.000%	9,328.26	57,795.26
06/30/2032	50,891	5.000%	6,904.92	57,795.92
06/30/2033	53,436	4.000%	4,360.36	57,796.36
06/30/2034	55,573	4.000%	2,222.92	57,795.92
	458,649		119,308.98	577,957.98



BOND DEBT SERVICE

Calloway County School District Finance Corporation  
General Fund

Period Ending	Principal	Coupon	Interest	Debt Service
06/30/2025	206,962	5.000%	124,176.91	331,138.91
06/30/2026	203,312	5.000%	145,958.50	349,270.50
06/30/2027	232,602	5.000%	135,792.90	368,394.90
06/30/2028	264,406	5.000%	124,162.80	388,568.80
06/30/2029	298,910	5.000%	110,942.50	409,852.50
06/30/2030	336,310	5.000%	95,997.00	432,307.00
06/30/2031	376,817	5.000%	79,181.50	455,998.50
06/30/2032	420,656	5.000%	60,340.64	480,996.64
06/30/2033	468,067	4.000%	39,307.84	507,374.84
06/30/2034	514,629	4.000%	20,585.16	535,214.16
	3,322,671		936,445.75	4,259,116.75

BOND DEBT SERVICE

Calloway County School District Finance Corporation  
Restricted Fund

Period Ending	Principal	Coupon	Interest	Debt Service
06/30/2025	7,596	5.000%	19,464.73	27,060.73
06/30/2026	3,712	5.000%	24,121.26	27,833.26
06/30/2027	2,523	5.000%	23,935.66	26,458.66
06/30/2028	8,726	5.000%	23,809.50	32,535.50
06/30/2029	2,128	5.000%	23,373.20	25,501.20
06/30/2030	62,531	5.000%	23,266.80	85,797.80
06/30/2031	99,716	5.000%	20,140.26	119,856.26
06/30/2032	108,453	5.000%	15,154.46	123,607.46
06/30/2033	118,497	4.000%	9,731.80	128,228.80
06/30/2034	124,798	4.000%	4,991.92	129,789.92
	538,680		187,989.59	726,669.59



BOND DEBT SERVICE

Calloway County School District Finance Corporation  
SFCC

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
08/01/2024			6,431.36	6,431.36	
02/01/2025	40,442	5.000%	10,921.18	51,363.18	
06/30/2025					57,794.54
08/01/2025			9,910.13	9,910.13	
02/01/2026	37,976	5.000%	9,910.13	47,886.13	
06/30/2026					57,796.26
08/01/2026			8,960.73	8,960.73	
02/01/2027	39,875	5.000%	8,960.73	48,835.73	
06/30/2027					57,796.46
08/01/2027			7,963.86	7,963.86	
02/01/2028	41,868	5.000%	7,963.86	49,831.86	
06/30/2028					57,795.72
08/01/2028			6,917.16	6,917.16	
02/01/2029	43,962	5.000%	6,917.16	50,879.16	
06/30/2029					57,796.32
08/01/2029			5,818.11	5,818.11	
02/01/2030	46,159	5.000%	5,818.11	51,977.11	
06/30/2030					57,795.22
08/01/2030			4,664.13	4,664.13	
02/01/2031	48,467	5.000%	4,664.13	53,131.13	
06/30/2031					57,795.26
08/01/2031			3,452.46	3,452.46	
02/01/2032	50,891	5.000%	3,452.46	54,343.46	
06/30/2032					57,795.92
08/01/2032			2,180.18	2,180.18	
02/01/2033	53,436	4.000%	2,180.18	55,616.18	
06/30/2033					57,796.36
08/01/2033			1,111.46	1,111.46	
02/01/2034	55,573	4.000%	1,111.46	56,684.46	
06/30/2034					57,795.92
	458,649		119,308.98	577,957.98	577,957.98





BOND DEBT SERVICE

Calloway County School District Finance Corporation  
General Fund

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
08/01/2024			46,023.61	46,023.61	
02/01/2025	206,962	5.000%	78,153.30	285,115.30	
06/30/2025					331,138.91
08/01/2025			72,979.25	72,979.25	
02/01/2026	203,312	5.000%	72,979.25	276,291.25	
06/30/2026					349,270.50
08/01/2026			67,896.45	67,896.45	
02/01/2027	232,602	5.000%	67,896.45	300,498.45	
06/30/2027					368,394.90
08/01/2027			62,081.40	62,081.40	
02/01/2028	264,406	5.000%	62,081.40	326,487.40	
06/30/2028					388,568.80
08/01/2028			55,471.25	55,471.25	
02/01/2029	298,910	5.000%	55,471.25	354,381.25	
06/30/2029					409,852.50
08/01/2029			47,998.50	47,998.50	
02/01/2030	336,310	5.000%	47,998.50	384,308.50	
06/30/2030					432,307.00
08/01/2030			39,590.75	39,590.75	
02/01/2031	376,817	5.000%	39,590.75	416,407.75	
06/30/2031					455,998.50
08/01/2031			30,170.32	30,170.32	
02/01/2032	420,656	5.000%	30,170.32	450,826.32	
06/30/2032					480,996.64
08/01/2032			19,653.92	19,653.92	
02/01/2033	468,067	4.000%	19,653.92	487,720.92	
06/30/2033					507,374.84
08/01/2033			10,292.58	10,292.58	
02/01/2034	514,629	4.000%	10,292.58	524,921.58	
06/30/2034					535,214.16
	3,322,671		936,445.75	4,259,116.75	4,259,116.75



BOND DEBT SERVICE

Calloway County School District Finance Corporation  
Restricted Fund

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
08/01/2024			7,214.20	7,214.20	
02/01/2025	7,596	5.000%	12,250.53	19,846.53	
06/30/2025					27,060.73
08/01/2025			12,060.63	12,060.63	
02/01/2026	3,712	5.000%	12,060.63	15,772.63	
06/30/2026					27,833.26
08/01/2026			11,967.83	11,967.83	
02/01/2027	2,523	5.000%	11,967.83	14,490.83	
06/30/2027					26,458.66
08/01/2027			11,904.75	11,904.75	
02/01/2028	8,726	5.000%	11,904.75	20,630.75	
06/30/2028					32,535.50
08/01/2028			11,686.60	11,686.60	
02/01/2029	2,128	5.000%	11,686.60	13,814.60	
06/30/2029					25,501.20
08/01/2029			11,633.40	11,633.40	
02/01/2030	62,531	5.000%	11,633.40	74,164.40	
06/30/2030					85,797.80
08/01/2030			10,070.13	10,070.13	
02/01/2031	99,716	5.000%	10,070.13	109,786.13	
06/30/2031					119,856.26
08/01/2031			7,577.23	7,577.23	
02/01/2032	108,453	5.000%	7,577.23	116,030.23	
06/30/2032					123,607.46
08/01/2032			4,865.90	4,865.90	
02/01/2033	118,497	4.000%	4,865.90	123,362.90	
06/30/2033					128,228.80
08/01/2033			2,495.96	2,495.96	
02/01/2034	124,798	4.000%	2,495.96	127,293.96	
06/30/2034					129,789.92
	538,680		187,989.59	726,669.59	726,669.59



BOND PRICING

Calloway County School District Finance Corporation  
 Energy Conservation Refunding Revenue Bonds, Series of 2024  
 BQ A1 Enh Rates as of 2/13/2024

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price
Bond Component:								
	02/01/2025	255,000	5.000%	3.330%	101.293			
	02/01/2026	245,000	5.000%	3.130%	103.233			
	02/01/2027	275,000	5.000%	2.990%	105.345			
	02/01/2028	315,000	5.000%	2.900%	107.489			
	02/01/2029	345,000	5.000%	2.910%	109.285			
	02/01/2030	445,000	5.000%	2.910%	111.066			
	02/01/2031	525,000	5.000%	2.910%	112.796			
	02/01/2032	580,000	5.000%	2.920%	114.402			
	02/01/2033	640,000	4.000%	2.960%	107.188	3.061%	02/01/2032	100.000
	02/01/2034	695,000	4.000%	2.980%	107.044	3.158%	02/01/2032	100.000
		4,320,000						

Dated Date	04/15/2024	
Delivery Date	04/15/2024	
First Coupon	08/01/2024	
Par Amount	4,320,000.00	
Premium	376,453.64	
Production	4,696,453.64	108.714205%
Underwriter's Discount	-43,200.00	-1.000000%
Purchase Price	4,653,253.64	107.714205%
Accrued Interest		
Net Proceeds	4,653,253.64	



BOND SUMMARY STATISTICS

Calloway County School District Finance Corporation  
 Energy Conservation Refunding Revenue Bonds, Series of 2024  
 BQ A1 Enh Rates as of 2/13/2024

Dated Date	04/15/2024
Delivery Date	04/15/2024
Last Maturity	02/01/2034
Arbitrage Yield	2.946979%
True Interest Cost (TIC)	3.180519%
Net Interest Cost (NIC)	3.327574%
All-In TIC	3.370445%
Average Coupon	4.545517%
Average Life (years)	6.334
Weighted Average Maturity (years)	6.375
Duration of Issue (years)	5.531
Par Amount	4,320,000.00
Bond Proceeds	4,696,453.64
Total Interest	1,243,744.32
Net Interest	910,490.68
Total Debt Service	5,563,744.32
Maximum Annual Debt Service	722,800.00
Average Annual Debt Service	568,051.04
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	10.000000
Total Underwriter's Discount	10.000000
Bid Price	107.714205

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Bond Component	4,320,000.00	108.714	4.54551629%	6.334	2,411.35
	4,320,000.00			6.334	2,411.35

	TIC	All-In TIC	Arbitrage Yield
Par Value	4,320,000.00	4,320,000.00	4,320,000.00
+ Accrued Interest			
+ Premium (Discount)	376,453.64	376,453.64	376,453.64
- Underwriter's Discount	-43,200.00	-43,200.00	
- Cost of Issuance Expense		-47,780.00	
- Other Amounts			
Target Value	4,653,253.64	4,605,473.64	4,696,453.64
Target Date	04/15/2024	04/15/2024	04/15/2024
Yield	3.180519%	3.370445%	2.946979%



CPBO SAVINGS REPORT FOR K-12

Calloway County School District Finance Corporation  
 Energy Conservation Refunding Revenue Bonds, Series of 2024  
 BQ A1 Enh Rates as of 2/13/2024

Date	Prior Debt Service	Refunding Debt Service	Refunding Net Cash Flow	Savings	Present Value to 04/15/2024 @ 2.946979%
06/30/2025	434,056.26	415,994.18	415,994.18	18,062.08	18,077.00
06/30/2026	451,406.24	434,900.02	434,900.02	16,506.22	15,532.78
06/30/2027	472,306.24	452,650.02	452,650.02	19,656.22	18,009.07
06/30/2028	494,906.24	478,900.02	478,900.02	16,006.22	14,232.24
06/30/2029	511,106.24	493,150.02	493,150.02	17,956.22	15,529.20
06/30/2030	591,106.24	575,900.02	575,900.02	15,206.22	12,774.27
06/30/2031	652,306.24	633,650.02	633,650.02	18,656.22	15,254.91
06/30/2032	680,306.24	662,400.02	662,400.02	17,906.22	14,242.94
06/30/2033	711,306.24	693,400.00	693,400.00	17,906.24	13,860.80
06/30/2034	739,287.50	722,800.00	722,800.00	16,487.50	12,388.05
	5,738,093.68	5,563,744.32	5,563,744.32	174,349.36	149,901.25

Savings Summary

Gross Savings Amount	174,349.36
Present Value Savings Amount	153,647.53
Net Present Value % of Refunded Bonds	3.38%
Negative Arbitrage	
Efficiency Ratio	100.00%

CPBO SAVINGS REPORT FOR K-12

Calloway County School District Finance Corporation  
SFCC

Date	Prior Debt Service	Refunding Debt Service	Refunding Net Cash Flow	Savings	Present Value to 04/15/2024 @ 2.946979%
06/30/2025	57,795.00	57,794.54	57,794.54	0.46	38.73
06/30/2026	57,796.58	57,796.26	57,796.26	0.32	-19.46
06/30/2027	57,796.46	57,796.46	57,796.46		-15.31
06/30/2028	57,796.26	57,795.72	57,795.72	0.54	-12.35
06/30/2029	57,796.66	57,796.32	57,796.32	0.34	-9.99
06/30/2030	57,795.94	57,795.22	57,795.22	0.72	-7.04
06/30/2031	57,795.34	57,795.26	57,795.26	0.08	-4.87
06/30/2032	57,796.94	57,795.92	57,795.92	1.02	-1.33
06/30/2033	57,796.62	57,796.36	57,796.36	0.26	0.93
06/30/2034	57,796.66	57,795.92	57,795.92	0.74	0.92
	577,962.46	577,957.98	577,957.98	4.48	-29.77

Savings Summary

Gross Savings Amount	4.48
Present Value Savings Amount	12,522.71
Net Present Value % of Refunded Bonds	2.67%
Negative Arbitrage	
Efficiency Ratio	100.00%

CPBO SAVINGS REPORT FOR K-12

Calloway County School District Finance Corporation  
General Fund

Date	Prior Debt Service	Refunding Debt Service	Refunding Net Cash Flow	Savings	Present Value to 04/15/2024 @ 2.946979%
06/30/2025	345,881.46	331,138.91	331,138.91	14,742.55	14,733.64
06/30/2026	364,012.82	349,270.50	349,270.50	14,742.32	13,888.13
06/30/2027	383,137.04	368,394.90	368,394.90	14,742.14	13,505.30
06/30/2028	403,311.24	388,568.80	388,568.80	14,742.44	13,124.55
06/30/2029	424,594.96	409,852.50	409,852.50	14,742.46	12,756.65
06/30/2030	447,048.96	432,307.00	432,307.00	14,741.96	12,401.17
06/30/2031	470,740.84	455,998.50	455,998.50	14,742.34	12,059.05
06/30/2032	495,738.52	480,996.64	480,996.64	14,741.88	11,728.65
06/30/2033	522,116.96	507,374.84	507,374.84	14,742.12	11,411.00
06/30/2034	549,955.98	535,214.16	535,214.16	14,741.82	11,075.71
	4,406,538.78	4,259,116.75	4,259,116.75	147,422.03	126,683.84

Savings Summary

Gross Savings Amount	147,422.03
Present Value Savings Amount	114,131.83
Net Present Value % of Refunded Bonds	3.25%
Negative Arbitrage	
Efficiency Ratio	100.00%

CPBO SAVINGS REPORT FOR K-12

Calloway County School District Finance Corporation  
Restricted Fund

Date	Prior Debt Service	Refunding Debt Service	Refunding Net Cash Flow	Savings	Present Value to 04/15/2024 @ 2.946979%
06/30/2025	30,379.80	27,060.73	27,060.73	3,319.07	3,304.63
06/30/2026	29,596.84	27,833.26	27,833.26	1,763.58	1,664.11
06/30/2027	31,372.74	26,458.66	26,458.66	4,914.08	4,519.08
06/30/2028	33,798.74	32,535.50	32,535.50	1,263.24	1,120.04
06/30/2029	28,714.62	25,501.20	25,501.20	3,213.42	2,782.54
06/30/2030	86,261.34	85,797.80	85,797.80	463.54	380.15
06/30/2031	123,770.06	119,856.26	119,856.26	3,913.80	3,200.73
06/30/2032	126,770.78	123,607.46	123,607.46	3,163.32	2,515.63
06/30/2033	131,392.66	128,228.80	128,228.80	3,163.86	2,448.87
06/30/2034	131,534.86	129,789.92	129,789.92	1,744.94	1,311.42
	753,592.44	726,669.59	726,669.59	26,922.85	23,247.18

Savings Summary

Gross Savings Amount	26,922.85
Present Value Savings Amount	26,992.99
Net Present Value % of Refunded Bonds	4.73%
Negative Arbitrage	
Efficiency Ratio	100.00%



## SUMMARY OF REFUNDING RESULTS

Calloway County School District Finance Corporation  
 Energy Conservation Refunding Revenue Bonds, Series of 2024  
 BQ A1 Enh Rates as of 2/13/2024

Dated Date	04/15/2024
Delivery Date	04/15/2024
Arbitrage yield	2.946979%
Escrow yield	0.000000%
Value of Negative Arbitrage	
Bond Par Amount	4,320,000.00
True Interest Cost	3.180519%
Net Interest Cost	3.327574%
Average Coupon	4.545517%
Average Life	6.334
Par amount of refunded bonds	4,550,000.00
Average coupon of refunded bonds	4.035398%
Average life of refunded bonds	6.270
PV of prior debt to 04/15/2024 @ 2.946979%	4,862,839.46
Net PV Savings	153,647.53
Percentage savings of refunded bonds	3.376869%
Percentage savings of refunding bonds	3.556656%

## SUMMARY OF REFUNDING RESULTS

Calloway County School District Finance Corporation  
SFCC

Dated Date	04/15/2024
Delivery Date	04/15/2024
Arbitrage yield	2.946979%
Escrow yield	0.000000%
Value of Negative Arbitrage	
Bond Par Amount	458,649.00
True Interest Cost	3.192765%
Net Interest Cost	3.337216%
Average Coupon	4.608253%
Average Life	5.645
Par amount of refunded bonds	468,679.00
Average coupon of refunded bonds	4.015283%
Average life of refunded bonds	5.609
PV of prior debt to 04/15/2024 @ 2.946979%	497,499.83
Net PV Savings	12,522.71
Percentage savings of refunded bonds	2.671916%
Percentage savings of refunding bonds	2.730347%

## SUMMARY OF REFUNDING RESULTS

Calloway County School District Finance Corporation  
General Fund

Dated Date	04/15/2024
Delivery Date	04/15/2024
Arbitrage yield	2.946979%
Escrow yield	0.000000%
Value of Negative Arbitrage	
Bond Par Amount	3,322,671.00
True Interest Cost	3.183481%
Net Interest Cost	3.329350%
Average Coupon	4.554632%
Average Life	6.188
Par amount of refunded bonds	3,510,569.00
Average coupon of refunded bonds	4.032386%
Average life of refunded bonds	6.129
PV of prior debt to 04/15/2024 @ 2.946979%	3,746,731.48
Net PV Savings	114,131.83
Percentage savings of refunded bonds	3.251092%
Percentage savings of refunding bonds	3.434942%

## SUMMARY OF REFUNDING RESULTS

Calloway County School District Finance Corporation  
Restricted Fund

Dated Date	04/15/2024
Delivery Date	04/15/2024
Arbitrage yield	2.946979%
Escrow yield	0.000000%
Value of Negative Arbitrage	
Bond Par Amount	538,680.00
True Interest Cost	3.158310%
Net Interest Cost	3.312979%
Average Coupon	4.462471%
Average Life	7.820
Par amount of refunded bonds	570,752.00
Average coupon of refunded bonds	4.062235%
Average life of refunded bonds	7.682
PV of prior debt to 04/15/2024 @ 2.946979%	618,608.15
Net PV Savings	26,992.99
Percentage savings of refunded bonds	4.729373%
Percentage savings of refunding bonds	5.010951%

SUMMARY OF BONDS REFUNDED

Calloway County School District Finance Corporation  
 Energy Conservation Refunding Revenue Bonds, Series of 2024  
 BQ A1 Enh Rates as of 2/13/2024

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Series 2013 (General Fund), 13_GF, SERIALS:					
	02/01/2025	3.000%	208,021	05/15/2024	100.000
	02/01/2026	3.250%	232,393	05/15/2024	100.000
	02/01/2027	4.000%	259,070	05/15/2024	100.000
	02/01/2028	4.000%	289,607	05/15/2024	100.000
	02/01/2029	4.000%	322,475	05/15/2024	100.000
	02/01/2032	4.000%	436,664	05/15/2024	100.000
	02/01/2033	4.125%	480,509	05/15/2024	100.000
	02/01/2034	4.125%	528,169	05/15/2024	100.000
			2,756,908		
Series 2013 (General Fund), 13_GF, TERM31:					
	02/01/2031	4.000%	753,661	05/15/2024	100.000
Series 2013 (Restricted Fund), 13_RF, SERIALS:					
	02/01/2025	3.000%	7,365	05/15/2024	100.000
	02/01/2026	3.250%	6,803	05/15/2024	100.000
	02/01/2027	4.000%	8,800	05/15/2024	100.000
	02/01/2028	4.000%	11,578	05/15/2024	100.000
	02/01/2029	4.000%	6,957	05/15/2024	100.000
	02/01/2032	4.000%	112,078	05/15/2024	100.000
	02/01/2033	4.125%	121,183	05/15/2024	100.000
	02/01/2034	4.125%	126,324	05/15/2024	100.000
			401,088		
Series 2013 (Restricted Fund), 13_RF, TERM31:					
	02/01/2031	4.000%	169,664	05/15/2024	100.000
Series 2013 (SFCC), 13_SFCC, SERIALS:					
	02/01/2025	3.000%	39,614	05/15/2024	100.000
	02/01/2026	3.250%	40,804	05/15/2024	100.000
	02/01/2027	4.000%	42,130	05/15/2024	100.000
	02/01/2028	4.000%	43,815	05/15/2024	100.000
	02/01/2029	4.000%	45,568	05/15/2024	100.000
	02/01/2032	4.000%	51,258	05/15/2024	100.000
	02/01/2033	4.125%	53,308	05/15/2024	100.000
	02/01/2034	4.125%	55,507	05/15/2024	100.000
			372,004		
Series 2013 (SFCC), 13_SFCC, TERM31:					
	02/01/2031	4.000%	96,675	05/15/2024	100.000
			4,550,000		



SUMMARY OF BONDS REFUNDED

Calloway County School District Finance Corporation  
SFCC

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Series 2013 (SFCC), 13_SFCC, SERIALS:					
	02/01/2025	3.000%	39,614	05/15/2024	100.000
	02/01/2026	3.250%	40,804	05/15/2024	100.000
	02/01/2027	4.000%	42,130	05/15/2024	100.000
	02/01/2028	4.000%	43,815	05/15/2024	100.000
	02/01/2029	4.000%	45,568	05/15/2024	100.000
	02/01/2032	4.000%	51,258	05/15/2024	100.000
	02/01/2033	4.125%	53,308	05/15/2024	100.000
	02/01/2034	4.125%	55,507	05/15/2024	100.000
			372,004		
Series 2013 (SFCC), 13_SFCC, TERM31:					
	02/01/2031	4.000%	96,675	05/15/2024	100.000
			468,679		

SUMMARY OF BONDS REFUNDED

Calloway County School District Finance Corporation  
General Fund

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Series 2013 (General Fund), 13_GF, SERIALS:					
	02/01/2025	3.000%	208,021	05/15/2024	100.000
	02/01/2026	3.250%	232,393	05/15/2024	100.000
	02/01/2027	4.000%	259,070	05/15/2024	100.000
	02/01/2028	4.000%	289,607	05/15/2024	100.000
	02/01/2029	4.000%	322,475	05/15/2024	100.000
	02/01/2032	4.000%	436,664	05/15/2024	100.000
	02/01/2033	4.125%	480,509	05/15/2024	100.000
	02/01/2034	4.125%	528,169	05/15/2024	100.000
			2,756,908		
Series 2013 (General Fund), 13_GF, TERM31:					
	02/01/2031	4.000%	753,661	05/15/2024	100.000
			3,510,569		

SUMMARY OF BONDS REFUNDED

Calloway County School District Finance Corporation  
Restricted Fund

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Series 2013 (Restricted Fund), 13_RF, SERIALS:					
	02/01/2025	3.000%	7,365	05/15/2024	100.000
	02/01/2026	3.250%	6,803	05/15/2024	100.000
	02/01/2027	4.000%	8,800	05/15/2024	100.000
	02/01/2028	4.000%	11,578	05/15/2024	100.000
	02/01/2029	4.000%	6,957	05/15/2024	100.000
	02/01/2032	4.000%	112,078	05/15/2024	100.000
	02/01/2033	4.125%	121,183	05/15/2024	100.000
	02/01/2034	4.125%	126,324	05/15/2024	100.000
			401,088		
Series 2013 (Restricted Fund), 13_RF, TERM31:					
	02/01/2031	4.000%	169,664	05/15/2024	100.000
			570,752		





SAVINGS

Calloway County School District Finance Corporation  
 Energy Conservation Refunding Revenue Bonds, Series of 2024  
 BQ A1 Enh Rates as of 2/13/2024

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 04/15/2024 @ 2.9469794%
06/30/2025	434,056.26	415,994.18	18,062.08	18,077.00
06/30/2026	451,406.24	434,900.02	16,506.22	15,532.78
06/30/2027	472,306.24	452,650.02	19,656.22	18,009.07
06/30/2028	494,906.24	478,900.02	16,006.22	14,232.24
06/30/2029	511,106.24	493,150.02	17,956.22	15,529.20
06/30/2030	591,106.24	575,900.02	15,206.22	12,774.27
06/30/2031	652,306.24	633,650.02	18,656.22	15,254.91
06/30/2032	680,306.24	662,400.02	17,906.22	14,242.94
06/30/2033	711,306.24	693,400.00	17,906.24	13,860.80
06/30/2034	739,287.50	722,800.00	16,487.50	12,388.05
	5,738,093.68	5,563,744.32	174,349.36	149,901.25

Savings Summary

PV of savings from cash flow	149,901.25
Plus: Refunding funds on hand	3,746.28
Net PV Savings	153,647.53

SAVINGS

Calloway County School District Finance Corporation  
SFCC

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 04/15/2024 @ 2.9469794%
06/30/2025	57,795.00	57,794.54	0.46	38.73
06/30/2026	57,796.58	57,796.26	0.32	-19.46
06/30/2027	57,796.46	57,796.46		-15.31
06/30/2028	57,796.26	57,795.72	0.54	-12.35
06/30/2029	57,796.66	57,796.32	0.34	-9.99
06/30/2030	57,795.94	57,795.22	0.72	-7.04
06/30/2031	57,795.34	57,795.26	0.08	-4.87
06/30/2032	57,796.94	57,795.92	1.02	-1.33
06/30/2033	57,796.62	57,796.36	0.26	0.93
06/30/2034	57,796.66	57,795.92	0.74	0.92
	577,962.46	577,957.98	4.48	-29.77

Savings Summary

PV of savings from cash flow	-29.77
Plus: Refunding funds on hand	12,552.48
Net PV Savings	12,522.71

SAVINGS

Calloway County School District Finance Corporation  
General Fund

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 04/15/2024 @ 2.9469794%
06/30/2025	345,881.46	331,138.91	14,742.55	14,733.64
06/30/2026	364,012.82	349,270.50	14,742.32	13,888.13
06/30/2027	383,137.04	368,394.90	14,742.14	13,505.30
06/30/2028	403,311.24	388,568.80	14,742.44	13,124.55
06/30/2029	424,594.96	409,852.50	14,742.46	12,756.65
06/30/2030	447,048.96	432,307.00	14,741.96	12,401.17
06/30/2031	470,740.84	455,998.50	14,742.34	12,059.05
06/30/2032	495,738.52	480,996.64	14,741.88	11,728.65
06/30/2033	522,116.96	507,374.84	14,742.12	11,411.00
06/30/2034	549,955.98	535,214.16	14,741.82	11,075.71
	4,406,538.78	4,259,116.75	147,422.03	126,683.84

Savings Summary

PV of savings from cash flow	126,683.84
Plus: Refunding funds on hand	-12,552.01
Net PV Savings	114,131.83

SAVINGS

Calloway County School District Finance Corporation  
Restricted Fund

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 04/15/2024 @ 2.9469794%
06/30/2025	30,379.80	27,060.73	3,319.07	3,304.63
06/30/2026	29,596.84	27,833.26	1,763.58	1,664.11
06/30/2027	31,372.74	26,458.66	4,914.08	4,519.08
06/30/2028	33,798.74	32,535.50	1,263.24	1,120.04
06/30/2029	28,714.62	25,501.20	3,213.42	2,782.54
06/30/2030	86,261.34	85,797.80	463.54	380.15
06/30/2031	123,770.06	119,856.26	3,913.80	3,200.73
06/30/2032	126,770.78	123,607.46	3,163.32	2,515.63
06/30/2033	131,392.66	128,228.80	3,163.86	2,448.87
06/30/2034	131,534.86	129,789.92	1,744.94	1,311.42
	753,592.44	726,669.59	26,922.85	23,247.18

Savings Summary

PV of savings from cash flow	23,247.18
Plus: Refunding funds on hand	3,745.81
Net PV Savings	26,992.99

PRIOR BOND DEBT SERVICE

Calloway County School District Finance Corporation  
 Energy Conservation Refunding Revenue Bonds, Series of 2024  
 BQ A1 Enh Rates as of 2/13/2024

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
08/01/2024			89,528.13	89,528.13	
02/01/2025	255,000	3.000%	89,528.13	344,528.13	
06/30/2025					434,056.26
08/01/2025			85,703.12	85,703.12	
02/01/2026	280,000	3.250%	85,703.12	365,703.12	
06/30/2026					451,406.24
08/01/2026			81,153.12	81,153.12	
02/01/2027	310,000	4.000%	81,153.12	391,153.12	
06/30/2027					472,306.24
08/01/2027			74,953.12	74,953.12	
02/01/2028	345,000	4.000%	74,953.12	419,953.12	
06/30/2028					494,906.24
08/01/2028			68,053.12	68,053.12	
02/01/2029	375,000	4.000%	68,053.12	443,053.12	
06/30/2029					511,106.24
08/01/2029			60,553.12	60,553.12	
02/01/2030	470,000	4.000%	60,553.12	530,553.12	
06/30/2030					591,106.24
08/01/2030			51,153.12	51,153.12	
02/01/2031	550,000	4.000%	51,153.12	601,153.12	
06/30/2031					652,306.24
08/01/2031			40,153.12	40,153.12	
02/01/2032	600,000	4.000%	40,153.12	640,153.12	
06/30/2032					680,306.24
08/01/2032			28,153.12	28,153.12	
02/01/2033	655,000	4.125%	28,153.12	683,153.12	
06/30/2033					711,306.24
08/01/2033			14,643.75	14,643.75	
02/01/2034	710,000	4.125%	14,643.75	724,643.75	
06/30/2034					739,287.50
	4,550,000		1,188,093.68	5,738,093.68	5,738,093.68



PRIOR BOND DEBT SERVICE

Calloway County School District Finance Corporation  
SFCC

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
08/01/2024			9,090.50	9,090.50	
02/01/2025	39,614	3.000%	9,090.50	48,704.50	
06/30/2025					57,795.00
08/01/2025			8,496.29	8,496.29	
02/01/2026	40,804	3.250%	8,496.29	49,300.29	
06/30/2026					57,796.58
08/01/2026			7,833.23	7,833.23	
02/01/2027	42,130	4.000%	7,833.23	49,963.23	
06/30/2027					57,796.46
08/01/2027			6,990.63	6,990.63	
02/01/2028	43,815	4.000%	6,990.63	50,805.63	
06/30/2028					57,796.26
08/01/2028			6,114.33	6,114.33	
02/01/2029	45,568	4.000%	6,114.33	51,682.33	
06/30/2029					57,796.66
08/01/2029			5,202.97	5,202.97	
02/01/2030	47,390	4.000%	5,202.97	52,592.97	
06/30/2030					57,795.94
08/01/2030			4,255.17	4,255.17	
02/01/2031	49,285	4.000%	4,255.17	53,540.17	
06/30/2031					57,795.34
08/01/2031			3,269.47	3,269.47	
02/01/2032	51,258	4.000%	3,269.47	54,527.47	
06/30/2032					57,796.94
08/01/2032			2,244.31	2,244.31	
02/01/2033	53,308	4.125%	2,244.31	55,552.31	
06/30/2033					57,796.62
08/01/2033			1,144.83	1,144.83	
02/01/2034	55,507	4.125%	1,144.83	56,651.83	
06/30/2034					57,796.66
	468,679		109,283.46	577,962.46	577,962.46

PRIOR BOND DEBT SERVICE

Calloway County School District Finance Corporation  
General Fund

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
08/01/2024			68,930.23	68,930.23	
02/01/2025	208,021	3.000%	68,930.23	276,951.23	
06/30/2025					345,881.46
08/01/2025			65,809.91	65,809.91	
02/01/2026	232,393	3.250%	65,809.91	298,202.91	
06/30/2026					364,012.82
08/01/2026			62,033.52	62,033.52	
02/01/2027	259,070	4.000%	62,033.52	321,103.52	
06/30/2027					383,137.04
08/01/2027			56,852.12	56,852.12	
02/01/2028	289,607	4.000%	56,852.12	346,459.12	
06/30/2028					403,311.24
08/01/2028			51,059.98	51,059.98	
02/01/2029	322,475	4.000%	51,059.98	373,534.98	
06/30/2029					424,594.96
08/01/2029			44,610.48	44,610.48	
02/01/2030	357,828	4.000%	44,610.48	402,438.48	
06/30/2030					447,048.96
08/01/2030			37,453.92	37,453.92	
02/01/2031	395,833	4.000%	37,453.92	433,286.92	
06/30/2031					470,740.84
08/01/2031			29,537.26	29,537.26	
02/01/2032	436,664	4.000%	29,537.26	466,201.26	
06/30/2032					495,738.52
08/01/2032			20,803.98	20,803.98	
02/01/2033	480,509	4.125%	20,803.98	501,312.98	
06/30/2033					522,116.96
08/01/2033			10,893.49	10,893.49	
02/01/2034	528,169	4.125%	10,893.49	539,062.49	
06/30/2034					549,955.98
	3,510,569		895,969.78	4,406,538.78	4,406,538.78



PRIOR BOND DEBT SERVICE

Calloway County School District Finance Corporation  
Restricted Fund

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
08/01/2024			11,507.40	11,507.40	
02/01/2025	7,365	3.000%	11,507.40	18,872.40	
06/30/2025					30,379.80
08/01/2025			11,396.92	11,396.92	
02/01/2026	6,803	3.250%	11,396.92	18,199.92	
06/30/2026					29,596.84
08/01/2026			11,286.37	11,286.37	
02/01/2027	8,800	4.000%	11,286.37	20,086.37	
06/30/2027					31,372.74
08/01/2027			11,110.37	11,110.37	
02/01/2028	11,578	4.000%	11,110.37	22,688.37	
06/30/2028					33,798.74
08/01/2028			10,878.81	10,878.81	
02/01/2029	6,957	4.000%	10,878.81	17,835.81	
06/30/2029					28,714.62
08/01/2029			10,739.67	10,739.67	
02/01/2030	64,782	4.000%	10,739.67	75,521.67	
06/30/2030					86,261.34
08/01/2030			9,444.03	9,444.03	
02/01/2031	104,882	4.000%	9,444.03	114,326.03	
06/30/2031					123,770.06
08/01/2031			7,346.39	7,346.39	
02/01/2032	112,078	4.000%	7,346.39	119,424.39	
06/30/2032					126,770.78
08/01/2032			5,104.83	5,104.83	
02/01/2033	121,183	4.125%	5,104.83	126,287.83	
06/30/2033					131,392.66
08/01/2033			2,605.43	2,605.43	
02/01/2034	126,324	4.125%	2,605.43	128,929.43	
06/30/2034					131,534.86
	570,752		182,840.44	753,592.44	753,592.44





ESCROW COST

Calloway County School District Finance Corporation  
Energy Conservation Refunding Revenue Bonds, Series of 2024  
BQ A1 Enh Rates as of 2/13/2024

Purchase Date	Cost of Securities	Cash Deposit	Total Escrow Cost
04/15/2024		4,601,727.36	4,601,727.36
	0	4,601,727.36	4,601,727.36

ESCROW REQUIREMENTS

Calloway County School District Finance Corporation  
Energy Conservation Refunding Revenue Bonds, Series of 2024  
BQ A1 Enh Rates as of 2/13/2024

Period Ending	Interest	Principal Redeemed	Total
05/15/2024	51,727.36	4,550,000	4,601,727.36
	51,727.36	4,550,000	4,601,727.36

ESCROW STATISTICS

Calloway County School District Finance Corporation  
 Energy Conservation Refunding Revenue Bonds, Series of 2024  
 BQ A1 Enh Rates as of 2/13/2024

Escrow	Total Escrow Cost	Modified Duration (years)	Yield to Receipt Date	Yield to Disbursement Date	Perfect Escrow Cost	Value of Negative Arbitrage	Cost of Dead Time
SFCC, Global Proceeds Escrow:	473,931.29		0.000000%	0.000000%	472,777.30		1,153.99
General Fund, Global Proceeds Escrow:	3,550,395.35		0.000000%	0.000000%	3,541,750.39		8,644.96
Restricted Fund, Global Proceeds Escrow:	577,400.72		0.000000%	0.000000%	575,994.79		1,405.93
	4,601,727.36				4,590,522.48	0.00	11,204.88

Delivery date 04/15/2024  
 Arbitrage yield 2.946979%



ESCROW SUFFICIENCY

Calloway County School District Finance Corporation  
 Energy Conservation Refunding Revenue Bonds, Series of 2024  
 BQ A1 Enh Rates as of 2/13/2024

Date	Escrow Requirement	Net Escrow Receipts	Excess Receipts	Excess Balance
04/15/2024		4,601,727.36	4,601,727.36	4,601,727.36
05/15/2024	4,601,727.36		-4,601,727.36	
	4,601,727.36	4,601,727.36	0.00	





February 20, 2024

School Facilities Construction Commission  
Attn: Chelsey Couch Executive Director  
Carriage House  
Frankfort, KY 40601

RE: \$37,000,000 Mercer County School District Finance Corporation  
School Building Revenue Bonds, Series of 2023

Dear Ms. Couch:

Please find enclosed a Bond Payee Disclosure Form and Plan of Financing related to the above-referenced series of Bonds. The Bonds will be used to finance construction of a new middle school.

We would like to go ahead and submit the plan to Bond Oversight so that we will be ready to proceed with the bond sale in the coming months. The Bonds will be funded with 1.76% SFCC funds.

Please process this bond disclosure form for review by the Bond Oversight Committee at their next meeting. Should you have any questions or require any additional information, please contact our office.

Sincerely,

A handwritten signature in black ink, appearing to read 'L Theinert', with a long horizontal flourish extending to the right.

Lincoln Theinert

147 East Third Street  
Lexington, KY  
40508

859/977-6600

fax: 859/381-1357

[www.rsamuni.com](http://www.rsamuni.com)

Enclosures

# BOND PAYEE DISCLOSURE FORM

Par Amount:	<b>\$37,000,000</b>	
District	Mercer County School District	
Issue Name:	School Building Revenue Bonds, Series 2024	
Purpose:	Construct New Elementary School	
Projected Sale Date:	Q2 2024	
First Call Date:	8 Years at par	
Method of Sale:	Competitive Bids	
Place/time of sale:	Parity /SFCC, Frankfort, Ky. / TBD	
Bond Rating:	Moody's: "A1"	
Bond Counsel:	Steptoe and Johnson, Louisville, KY	
Fiscal Agent:	RSA Advisors LLC, Lexington, Kentucky	
Date received by SFCC:	/ /	<i>To be filled in by SFCC</i>
Date scheduled for Committee review:	/ /	<i>To be filled in by SFCC</i>

	SFCC Portion	Local Portion	Total
Estimated par amount of Bonds:	\$650,000	\$36,350,000	\$37,000,000
% Share of total Bonds:	1.76%	98.24%	100.00%
Estimated average annual debt service:	\$47,790	\$2,717,695	\$2,765,485
Estimated debt service reserve:	\$0	\$0	\$0

**Estimated Cost of Issuance:**

	SFCC Portion	Local Portion	Total
Fiscal Agent, Bond Counsel, etc	\$2,828	\$158,172	\$161,000
Special Tax Counsel	\$0	\$0	\$0
Number verifications	\$0	\$0	\$0
Bond Rating & Bank Fee	\$770	\$43,080	\$43,850
Underwriter's Discount	\$13,000	\$727,000	\$740,000
Credit Enhancement	\$0	\$0	\$0
<b>Total Cost of Issuance:</b>	<b>\$16,599</b>	<b>\$928,251</b>	<b>\$944,850</b>

**Anticipated Interest Rates:**      5 Years: 3.000%    10 Years: 3.080%    15 Years: 3.600%  
 20 Years: 3.900%

**Notes: No Tax Increase required**

# ESTIMATED SOURCES & USES

<u>Sources Of Funds</u>	
Par Amount of Bonds	\$37,000,000.00
Cash	\$0.00
Esser	\$0.00
LAVEC	\$0.00
<b>Total Sources</b>	<b>\$37,000,000.00</b>
<u>Uses Of Funds</u>	
Deposit to Project Construction Fund	\$36,055,150.00
Total Underwriter's Discount (2.00%)	\$740,000.00
Costs of Issuance	\$204,850.00
<b>Total Uses</b>	<b>\$37,000,000.00</b>

# MERCER COUNTY SCHOOL DISTRICT

## PLAN OF FINANCING - SERIES 2024

Date of Report: 02.20.24

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Local Bond Payments Outstanding .....	1
Summary of Funds for Bond Payments .....	2
Projected Series 2024.....	3
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# MERCER COUNTY SCHOOL DISTRICT

## OUTSTANDING NET LOCAL DEBT SERVICE

	A	B	C	D	E	F	G	H	Total
					Gen. Fund				
FYE	Series 2012-R*	Series 2013-R*	Series 2013	Series 2014-R*	Series 2015	Series 2016-R*	Series 2019 Energy	Series 2022	Debt Service
2024	\$174,972	\$288,550	\$74,642	\$162,144		\$1,974,044	\$131,384	\$245,200	\$3,050,935
2025		\$273,150	\$72,648	\$165,779		\$2,162,944	\$130,633	\$245,050	\$3,050,204
2026		\$277,750	\$70,548	\$164,203		\$2,167,044	\$129,472	\$244,900	\$3,053,917
2027			\$53,604	\$162,486		\$2,459,192	\$127,900	\$244,750	\$3,047,932
2028			\$184,623	\$923,657			\$335,911	\$574,575	\$2,018,767
2029			\$187,985	\$910,900			\$337,206	\$579,150	\$2,015,242
2030			\$185,797	\$910,800			\$342,782	\$578,350	\$2,017,729
2031			\$187,858	\$908,630			\$342,486	\$577,250	\$2,016,224
2032			\$189,058				\$345,861	\$585,700	\$1,120,619
2033			\$189,857				\$347,689	\$578,775	\$1,116,321
2034			\$202,160				\$352,239	\$566,525	\$1,120,923
2035							\$350,608	\$583,288	\$933,896
2036							\$352,967	\$573,959	\$926,926
2037							\$358,365	\$578,941	\$937,306
2038							\$361,535	\$578,038	\$939,573
2039							\$358,252	\$576,325	\$934,577
2040								\$578,369	\$578,369
2041								\$574,150	\$574,150
2042								\$578,500	\$578,500
2043								\$576,300	\$576,300
2044									
<b>Totals:</b>	\$174,972	\$839,450	\$1,598,779	\$4,308,601		\$8,763,224	\$4,705,291	\$10,218,094	\$30,608,410

# MERCER COUNTY SCHOOL DISTRICT

## SUMMARY OF FUNDS AVAILABLE

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
FYE	Local Nickel	Growth Nickel	Equalized Growth Nickel	Capital Outlay @ 80%	FSPK	Additional FSPK	Additional General Fund	Total Local Funds	Less Current Payments	Local Funds Available	2016 SFCC Offer	2018 SFCC Offer	2020 SFCC Offer	Total Funds Available
2024	\$849,935	\$849,935	\$849,935	\$191,204	\$364,211	\$728,422		\$3,833,642	(\$3,050,935)	\$782,707				\$782,707
2025	\$849,935	\$849,935	\$849,935	\$191,204	\$596,045	\$1,192,091		\$4,529,145	(\$3,050,204)	\$1,478,941	\$7,469	\$23,737	\$16,584	\$1,510,147
2026	\$849,935	\$849,935	\$849,935	\$191,204	\$596,045	\$1,192,091		\$4,529,145	(\$3,053,917)	\$1,475,228	\$7,469	\$23,737	\$16,584	\$1,506,434
2027	\$849,935	\$849,935	\$849,935	\$191,204	\$596,045	\$1,192,091		\$4,529,145	(\$3,047,932)	\$1,481,213	\$7,469	\$23,737	\$16,584	\$1,512,419
2028	\$849,935	\$849,935	\$849,935	\$191,204	\$596,045	\$1,192,091		\$4,529,145	(\$2,018,767)	\$2,510,378	\$7,469	\$23,737	\$16,584	\$2,541,584
2029	\$849,935	\$849,935	\$849,935	\$191,204	\$596,045	\$1,192,091		\$4,529,145	(\$2,015,242)	\$2,513,903	\$7,469	\$23,737	\$16,584	\$2,545,109
2030	\$849,935	\$849,935	\$849,935	\$191,204	\$596,045	\$1,192,091		\$4,529,145	(\$2,017,729)	\$2,511,416	\$7,469	\$23,737	\$16,584	\$2,542,622
2031	\$849,935	\$849,935	\$849,935	\$191,204	\$596,045	\$1,192,091		\$4,529,145	(\$2,016,224)	\$2,512,921	\$7,469	\$23,737	\$16,584	\$2,544,127
2032	\$849,935	\$849,935	\$849,935	\$191,204	\$596,045	\$1,192,091		\$4,529,145	(\$1,120,619)	\$3,408,526	\$7,469	\$23,737	\$16,584	\$3,439,732
2033	\$849,935	\$849,935	\$849,935	\$191,204	\$596,045	\$1,192,091		\$4,529,145	(\$1,116,321)	\$3,412,823	\$7,469	\$23,737	\$16,584	\$3,444,029
2034	\$849,935	\$849,935	\$849,935	\$191,204	\$596,045	\$1,192,091		\$4,529,145	(\$1,120,923)	\$3,408,221	\$7,469	\$23,737	\$16,584	\$3,439,427
2035	\$849,935	\$849,935	\$849,935	\$191,204	\$596,045	\$1,192,091		\$4,529,145	(\$933,896)	\$3,595,249	\$7,469	\$23,737	\$16,584	\$3,626,455
2036	\$849,935	\$849,935	\$849,935	\$191,204	\$596,045	\$1,192,091		\$4,529,145	(\$926,926)	\$3,602,219	\$7,469	\$23,737	\$16,584	\$3,633,425
2037	\$849,935	\$849,935	\$849,935	\$191,204	\$596,045	\$1,192,091		\$4,529,145	(\$937,306)	\$3,591,839	\$7,469	\$23,737	\$16,584	\$3,623,045
2038	\$849,935	\$849,935	\$849,935	\$191,204	\$596,045	\$1,192,091		\$4,529,145	(\$939,573)	\$3,589,572	\$7,469	\$23,737	\$16,584	\$3,620,778
2039	\$849,935	\$849,935	\$849,935	\$191,204	\$596,045	\$1,192,091		\$4,529,145	(\$934,577)	\$3,594,568	\$7,469	\$23,737	\$16,584	\$3,625,774
2040	\$849,935	\$849,935	\$849,935	\$191,204	\$596,045	\$1,192,091		\$4,529,145	(\$578,369)	\$3,950,776	\$7,469	\$23,737	\$16,584	\$3,981,982
2041	\$849,935	\$849,935	\$849,935	\$191,204	\$596,045	\$1,192,091		\$4,529,145	(\$574,150)	\$3,954,995	\$7,469	\$23,737	\$16,584	\$3,986,201
2042	\$849,935	\$849,935	\$849,935	\$191,204	\$596,045	\$1,192,091		\$4,529,145	(\$578,500)	\$3,950,645	\$7,469	\$23,737	\$16,584	\$3,981,851
2043	\$849,935	\$849,935	\$849,935	\$191,204	\$596,045	\$596,045		\$3,933,100	(\$576,300)	\$3,356,800	\$7,469	\$23,737	\$16,584	\$3,388,006
2044	\$849,935	\$849,935	\$849,935	\$191,204	\$596,045	\$596,045		\$3,933,100		\$3,933,100	\$7,469	\$23,737	\$16,584	\$3,964,306
2045	\$849,935	\$849,935	\$849,935	\$191,204	\$596,045	\$596,045		\$3,933,100		\$3,933,100				\$3,933,100
2046	\$849,935	\$849,935	\$849,935	\$191,204	\$596,045	\$596,045		\$3,933,100		\$3,933,100				\$3,933,100
2047	\$849,935	\$849,935	\$849,935	\$191,204	\$596,045	\$596,045		\$3,933,100		\$3,933,100				\$3,933,100
2048	\$849,935	\$849,935	\$849,935	\$191,204	\$596,045	\$596,045		\$3,933,100		\$3,933,100				\$3,933,100

**NOTES:** Data based on KDE Seek Forecast Calculations (FY 23-24)

# MERCER COUNTY SCHOOL DISTRICT

## PROJECTED SERIES 2024

<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>	<u>H</u>	<u>I</u>	<u>J</u>	<u>K</u>
Current Payments	FY June 30	Principal Payment	Coupon	Interest Payments	Total Payments	SFCC Portion	Local Portion	Projected All Local Payments Outstanding	Local Funds Available	Local Funds Available For Future Projects
\$3,050,935	2024							\$3,050,935	\$3,833,642	\$782,707
\$3,050,204	2025	\$30,000	3.200%	\$1,285,466	\$1,315,466	\$47,790	\$1,267,676	\$4,317,880	\$4,529,145	\$211,265
\$3,053,917	2026	\$35,000	3.050%	\$1,284,506	\$1,319,506	\$47,790	\$1,271,716	\$4,325,632	\$4,529,145	\$203,513
\$3,047,932	2027	\$40,000	3.000%	\$1,283,438	\$1,323,438	\$47,790	\$1,275,648	\$4,323,580	\$4,529,145	\$205,565
\$2,018,767	2028	\$845,000	3.000%	\$1,282,238	\$2,127,238	\$47,790	\$2,079,448	\$4,098,215	\$4,529,145	\$430,930
\$2,015,242	2029	\$875,000	3.000%	\$1,256,888	\$2,131,888	\$47,790	\$2,084,098	\$4,099,340	\$4,529,145	\$429,805
\$2,017,729	2030	\$900,000	3.000%	\$1,230,638	\$2,130,638	\$47,790	\$2,082,848	\$4,100,577	\$4,529,145	\$428,568
\$2,016,224	2031	\$925,000	3.020%	\$1,203,638	\$2,128,638	\$47,790	\$2,080,848	\$4,097,072	\$4,529,145	\$432,073
\$1,120,619	2032	\$1,850,000	3.040%	\$1,175,703	\$3,025,703	\$47,790	\$2,977,913	\$4,098,532	\$4,529,145	\$430,613
\$1,116,321	2033	\$1,910,000	3.060%	\$1,119,463	\$3,029,463	\$47,790	\$2,981,673	\$4,097,994	\$4,529,145	\$431,150
\$1,120,923	2034	\$1,965,000	3.080%	\$1,061,017	\$3,026,017	\$47,790	\$2,978,227	\$4,099,150	\$4,529,145	\$429,994
\$933,896	2035	\$2,210,000	3.150%	\$1,000,495	\$3,210,495	\$47,790	\$3,162,705	\$4,096,601	\$4,529,145	\$432,544
\$926,926	2036	\$2,290,000	3.250%	\$930,880	\$3,220,880	\$47,790	\$3,173,090	\$4,100,016	\$4,529,145	\$429,129
\$937,306	2037	\$2,350,000	3.350%	\$856,455	\$3,206,455	\$47,790	\$3,158,665	\$4,095,971	\$4,529,145	\$433,174
\$939,573	2038	\$2,430,000	3.500%	\$777,730	\$3,207,730	\$47,790	\$3,159,940	\$4,099,513	\$4,529,145	\$429,632
\$934,577	2039	\$2,520,000	3.600%	\$692,680	\$3,212,680	\$47,790	\$3,164,890	\$4,099,467	\$4,529,145	\$429,678
\$578,369	2040	\$2,965,000	3.700%	\$601,960	\$3,566,960	\$47,790	\$3,519,170	\$4,097,539	\$4,529,145	\$431,606
\$574,150	2041	\$3,080,000	3.750%	\$492,255	\$3,572,255	\$47,790	\$3,524,465	\$4,098,615	\$4,529,145	\$430,530
\$578,500	2042	\$3,190,000	3.800%	\$376,755	\$3,566,755	\$47,790	\$3,518,965	\$4,097,465	\$4,529,145	\$431,680
\$576,300	2043	\$2,950,000	3.850%	\$255,535	\$3,205,535	\$47,790	\$3,157,745	\$3,734,045	\$3,933,100	\$199,055
	2044	\$3,640,000	3.900%	\$141,960	\$3,781,960	\$47,790	\$3,734,170	\$3,734,170	\$3,933,100	\$198,930
\$30,608,410	<b>Totals:</b>	\$37,000,000		\$18,309,699	\$55,309,699	\$955,800	\$54,353,899	\$84,962,309	\$93,224,450	\$8,262,141

## **Municipal Advisor Disclosure of Conflicts of Interest and Other Information**

RSA Advisors, LLC (“RSA Advisors”)

### **Introduction**

RSA Advisors is a registered municipal advisory firm registered with the Securities and Exchange Commission (the “SEC”) and the Municipal Securities Rulemaking Board (the “MSRB”). In accordance with MSRB rules, this disclosure statement is provided by RSA Advisors to each client prior to the execution of its advisory agreement with written disclosures of any material conflicts of interest and legal or disciplinary events that are required to be disclosed with respect to providing financial advisory services pursuant to MSRB Rule G-42(b) and (c) (ii).

RSA Advisors employs a number of resources to identify and subsequently manage actual or potential conflicts of interest. These resources include the implementation of policies and procedures and a supervisory structure.

### **General Conflict of Interest Disclosures**

**Disciplinary History:** As a registered municipal advisory firm registered with the “SEC” and the “MSRB”, our disciplinary events are required to be disclosed on our forms MA and MA-I filed with the SEC. To review the disclosures on these forms, you may access them electronically via the SEC's Electronic Data Gathering, Analysis, and Retrieval System (EDGAR) at: [www.sec.gov](http://www.sec.gov)

**Compensation Based:** The fees due under a Municipal Advisor Agreement may be based on the size of the transaction and the payment of such fees shall be contingent upon the closing of the transaction. While this form of compensation is usual and customary in the municipal securities market, this may present a conflict of interest. RSA believes that this conflict of interest will not impair our ability to render unbiased advice or to fulfill our fiduciary duty to the client.

**Sponsorships and Donations:** Upon request, RSA Advisors may provide sponsorships or donations to various municipal organizations (to which you may be a member), charitable organizations or client sponsored events. RSA Advisors limits the size of any such sponsorship or donation to a reasonable level taking into consideration various matters such as the purpose of the organization, other sponsorships or donations made to the organization and RSA Advisors' role and physical presence in the community and the state.

**Other Municipal Advisory Relationship:** RSA Advisors serves a wide variety of clients that may potentially have interests that could have a direct or indirect impact on the interests of the client. RSA Advisors could potentially face a conflict of interest arising from these competing client interests. None of these other relationships or engagements would impair RSA Advisors' ability to fulfill its regulatory duties to the client. To our knowledge, following reasonable inquiry, we are not aware of any actual or potential conflicts of interest that could reasonably be anticipated to impair our ability to provide advice to or on behalf of the client in accordance with the applicable standards of conduct of MSRB Rule G-42. If RSA becomes aware of any potential or actual conflict of interest after this disclosure, we will disclose the detailed information in writing to the client in a timely manner including a plan for mitigation.