

CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

Minutes

September 26, 2024

Call to Order and Roll Call

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

Present were:

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

Guests: Kevin Cardwell, Deputy State Budget Director, Office of State Budget Director; Sandy Williams, Executive Director, Kentucky Infrastructure Authority; Katie Smith, Deputy Secretary and Commissioner, Department for Financial Services, Cabinet for Economic Development; Kylee Palmer, Director of Program Administration, Department for Financial Services, Cabinet for Economic Development; and, Chelsey Couch, Executive Director, Office of Financial Management.

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

Approval of Minutes

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

Information Items

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

Project Report from the Finance and Administration Cabinet

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

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

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

Report from the Office of Financial Management

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

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

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

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

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

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

Next Meeting Date

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

Adjournment

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