

KENTUCKY INFRASTRUCTURE AUTHORITY

SECOND SUPPLEMENTAL ASSISTANCE AGREEMENT

**FEDERALLY ASSISTED WASTEWATER REVOLVING LOAN FUND PROGRAM
FUND A**

PROJECT NUMBER:	A15-026
GOVERNMENTAL AGENCY (Borrower):	Lexington-Fayette Urban County Government
GOVERNMENTAL AGENCY'S ADDRESS:	200 East Main Street Lexington, Kentucky 40507
DATE OF ASSISTANCE AGREEMENT:	September 1, 2016
DATE OF FIRST SUPPLEMENTAL ASSISTANCE AGREEMENT	May 1, 2018
DATE OF SECOND SUPPLEMENTAL ASSISTANCE AGREEMENT:	October 1, 2021
CFDA NO.:	66.458

SECOND SUPPLEMENTAL ASSISTANCE AGREEMENT

This Second Supplemental Assistance Agreement made and entered into as of the date set forth on the cover page hereof (the "Second Supplemental Assistance Agreement") by and between the KENTUCKY INFRASTRUCTURE AUTHORITY, a body corporate and politic, constituting a public corporation and governmental agency and instrumentality of the Commonwealth of Kentucky (the "Authority") and LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT, the Governmental Agency identified on the cover of this Second Supplemental Assistance Agreement (the "Governmental Agency"):

WITNESSETH:

WHEREAS, the Authority and the Governmental Agency have heretofore entered into an Assistance Agreement dated as of the date set forth on the cover page hereof (the "Assistance Agreement") for the purpose of providing financial assistance to the Governmental Agency in connection with the acquisition and construction of the Project, as defined in the Assistance Agreement; and

WHEREAS, the Assistance Agreement provides that it may be amended, supplemented or modified by the mutual agreement of the Governmental Agency and the Authority provided that such amendment, supplement or modification shall be in writing and executed by the respective duly authorized officers of the Governmental Agency and the Authority; and

WHEREAS, in order to obtain additional funds, the Governmental Agency entered into a First Supplemental Assistance Agreement dated as of May 1, 2018, with the Authority;

WHEREAS, the Authority and the Governmental Agency desire to amend certain provisions of the Assistance Agreement to provide additional funds to complete the Project;

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

ARTICLE I RELATION TO ASSISTANCE AGREEMENT

Section 1.1. This Second Supplemental Assistance Agreement is supplemental to the Assistance Agreement and the First Supplemental Assistance Agreement (collectively hereinafter referred to as the "Assistance Agreement") and shall be read and construed with the Assistance Agreement as though it were part of the same instrument. The provisions of the Assistance Agreement are hereby ratified and affirmed except as amended hereby. All capitalized terms used herein shall have the same meanings as provided in the Assistance Agreement, as amended by this Second Supplemental Assistance Agreement.

**ARTICLE II
AMENDMENTS TO ASSISTANCE AGREEMENT**

Section 2.1. Project Specifics, as defined in the Assistance Agreement and attached thereto as **Exhibit A**, are hereby amended by replacing said Project Specifics in their entirety with the Project Specifics attached hereto as Exhibit A.

Section 2.2. Additional Covenants and Agreements, as defined in the Assistance Agreement and attached thereto as **Exhibit G**, are hereby amended by replacing said Additional Covenants and Agreements in their entirety with the Additional Covenants and Agreements attached hereto as Exhibit G.

**ARTICLE III
REPRESENTATIONS AND WARRANTIES OF GOVERNMENTAL AGENCY**

Section 3.1. The Governmental Agency represents and warrants for the benefit of the Authority as follows:

(A) The Governmental Agency is a duly organized and validly existing Governmental Agency, as described in the Act, with full power to own its properties, conduct its affairs, enter into this Second Supplemental Assistance Agreement and consummate the transactions contemplated hereby.

(B) The negotiation, execution and delivery of this Second Supplemental Assistance Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all requisite action of the governing body of the Governmental Agency.

(C) This Second Supplemental Assistance Agreement has been duly executed and delivered by the Governmental Agency and is a valid and binding obligation of the Governmental Agency enforceable in accordance with its terms, except to the extent that the enforceability hereof may be limited by equitable principles and by bankruptcy, reorganization, moratorium, insolvency or similar laws heretofore or hereafter enacted relating to or affecting the enforcement of creditors' rights or remedies generally.

(D) To the knowledge of the Governmental Agency, there is no controversy or litigation of any nature pending or threatened in any court or before any board, tribunal or administrative body to challenge in any manner the authority of the Governmental Agency or its governing body to make payments under this Second Supplemental Assistance Agreement or to construct the Project; or to challenge in any manner the authority of the Governmental Agency or its governing body to take any of the actions that have been taken in the authorization or delivery of this Second Supplemental Assistance Agreement or the construction of the Project; or in any way contesting or affecting the validity of this Second Supplemental Assistance Agreement, or in any way questioning any proceedings taken with respect to the authorization or delivery by the Governmental Agency of this Second Supplemental Assistance Agreement, or the application of the proceeds thereof or the pledge or application of any monies or security provided therefor; or in any way questioning the due existence or powers of the Governmental Agency, or otherwise

wherein an unfavorable decision would have an adverse impact on the transactions authorized in connection with this Second Supplemental Assistance Agreement.

(E) The authorization and delivery of this Second Supplemental Assistance Agreement and the consummation of the transactions contemplated hereby will not constitute an event of default or violation or breach, or an event which, with the giving of notice or the passage of time or both, would constitute an event of default or violation or breach under any contract, agreement, instrument, indenture, lease, judicial or administrative order, decree, rule or regulation or other document or law affecting the Governmental Agency or its governing body.

(F) Pursuant to a resolution of the governing body, the Governmental Agency has approved and authorized the execution and delivery of this Second Supplemental Assistance Agreement. Such resolution was duly enacted or adopted at a duly called meeting held in accordance with the law of the governing body of the Governmental Agency at which a quorum was present and acting throughout; is in full force and effect; and has not been superseded, altered, amended or repealed as of the date hereof.

(G) All actions taken by the Governmental Agency in connection with this Second Supplemental Assistance Agreement, the Loan, and the Project have been in full compliance with the provisions of the Kentucky Open Meeting Law, KRS Sections 61.805 to 61.850.

(H) The Governmental Agency has all licenses, permits and other governmental approvals (including but not limited to all required approvals of the Kentucky Public Service Commission) required to own, occupy, operate, and maintain the System and the Project, to charge and collect the Service Charges, and to enter into this Assistance Agreement. The Governmental Agency is not in violation of and has not received any notice of an alleged violation of any zoning or land use laws applicable to the Project and has full right, power, and authority to perform the acts and things as provided for in this Second Supplemental Assistance Agreement.

(I) The Governmental Agency is in full compliance with all federal and state labor and procurement laws in connection with the planning, design, acquisition, and construction of the Project.

ARTICLE IV EFFECT OF SECOND SUPPLEMENTAL ASSISTANCE AGREEMENT

Section 4.1. From and after the time of taking effect of this Second Supplemental Assistance Agreement, the Assistance Agreement shall be, and be deemed to be, modified and amended in accordance herewith, and the respective rights, duties and obligations under the Assistance Agreement of the Authority and the Governmental Agency thereunder shall be determined, exercised and enforced thereunder subject in all respects to the provisions of this Second Supplemental Assistance Agreement, and all provisions hereof shall be deemed to be part of the terms and conditions of the Assistance Agreement for any and all purposes.

ARTICLE V
EFFECTIVE DATE; MISCELLANEOUS PROVISIONS

Section 5.1. Time of taking effect. This Second Supplemental Assistance Agreement shall be effective as of the date set forth on the cover page hereof.

Section 5.2. Invalidity of any provision. In case any one or more of the provisions contained herein shall be adjudicated by any court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be effected or impaired thereby.

Section 5.3. Execution in counterparts. This Second Supplemental Assistance Agreement may be simultaneously executed and delivered in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original, but such counterparts shall together constitute but one and the same instrument.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Second Supplemental Assistance Agreement to be executed by their respective duly authorized officers as of the date set forth on the cover page hereof.

KENTUCKY INFRASTRUCTURE
AUTHORITY

By: _____
Chairman

ATTEST:

By: _____
Secretary of Kentucky Infrastructure
Authority

GOVERNMENTAL AGENCY:
LEXINGTON-FAYETTE URBAN
COUNTY GOVERNMENT



By: Linda Gordon
Mayor

ATTEST:

By: Mackenzie Stock
Urban County Council Clerk

EXAMINED:

By: _____
Legal Counsel to the
Kentucky Infrastructure Authority

EXHIBIT A
LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT
PROJECT SPECIFICS
A15-026

GOVERNMENTAL AGENCY:

Name: Lexington-Fayette Urban County Government
200 East Main Street
Lexington, KY 40507

Contact
Person: Linda Gorton
Mayor

SYSTEM: Wastewater

PROJECT:

The Lexington-Fayette Urban County Government (LFUCG) is requesting a Fund A loan increase of \$15,788,138 as part of Phase 2 of the West Hickman WWTP Wet Weather Storage Tanks. This project was initially approved on December 4, 2014 and had one increase on April 9, 2018 that brought the total of Phase 1 to \$67,944,188. With this Phase 2 increase it will bring the total loan amount to \$83,732,326.

Design and construct Phase 2 of the Consent Decree required wastewater storage facility located at West Hickman WWTP in Jessamine County. Phase 1 included a 22 million gallon (MG) above ground storage tank along the necessary pumping facilities, piping and site work needed to place Phase 1 into service and integrate Phase 2 into future service.

Phase 2 will consist of a second 18 MG above ground storage tank along with infrastructure needed to operate Phase 1 and 2 in series. As recently as calendar year 2019, 13 sanitary sewer overflows (SSOs) were documented / reported on the trunk sewer immediately upstream from the Phase 1 tank. Completion of Phase 2 will further mitigate wet weather SSOs on this trunk sewer while at the same time providing sewer service for un-sewered parcels within Fayette / northern Jessamine counties.

In parts of the existing sanitary sewer it lacks sufficient capacity to meet LFUCG's EPA mandated Capacity Assurance Program. This \$15.8 M project is listed in LFUCG's approved Remedial Measures Plan submitted to USEPA on October 12, 2011 with capital construction schedule with a full compliance completion date of 12/31/2023.

PROJECT BUDGET:

	<u>Total</u>
Administrative Expenses	\$ 36,000
Engineering Fees - Design / Const	5,642,627
Engineering Fees - Inspection	907,501
Construction	75,116,762
Contingency	<u>2,029,436</u>
Total	\$ 83,732,326

FUNDING SOURCES:

	Amount	%
Fund A Loan	\$ 83,732,326	100%
Total	\$ 83,732,326	100%

KIA DEBT SERVICE:

Construction Loan	\$ 83,732,326
Less: Principal Forgiveness	0
Amortized Loan Amount	\$ 83,732,326
Interest Rate	1.75%
Loan Term (Years)	20
Estimated Annual Debt Service	\$ 4,980,031
Administrative Fee (0.20%)	167,465
Total Estimated Annual Debt Service	\$ 5,147,495

AMORTIZATION COMMENCEMENT DATE: June 1 and December 1

Interest payments will commence within six months from first draw of funds (estimated 12/01/21).

Full principal and interest payments on initial \$36 million will commence December 1, 2018.
Repayments on balance of loan will commence December 1, 2019.

REPLACEMENT RESERVE ACCOUNT: \$ 209,000 ANNUAL AMOUNT
 \$ 2,090,000 TOTAL AMOUNT

The annual replacement cost is \$209,000. This amount should be added to the replacement account each December 1 until the balance reaches \$2,090,000 and maintained for the life of the loan.

ADMINISTRATIVE FEE: 0.20%

DEFAULT RATE: 8.00%

DEBT OBLIGATIONS CURRENTLY OUTSTANDING:

	<u>Outstanding</u>	<u>Maturity</u>
2014A Refunding Sewer Bond	\$ 21,890,000	2030
2016D Refunding Public Facilities		2019
2019A Sewer Series	49,455,000	2031
KIA Loan (A209-08)	720,736	2030
KIA Loan (A209-09)	62,663	2030
KIA Loan (A09-01)	8,753,655	2031
KIA Loan (A10-08)	7,300,295	2035
KIA Loan (A12-16)	1,323,857	2036
KIA Loan (A13-002 i/a/o \$8.9M)	7,942,098	2038
KIA Loan (A13-003 i/a/o \$10.2M)	8,494,525	2036
KIA Loan (A13-007 i/a/o \$4.5M)		2037
KIA Loan (A13-015 i/a/o \$23.9M)	21,350,251	2038
KIA Loan (A13-018 i/a/o \$6.0M)	4,586,717	2037
KIA Loan (A14-001 i/a/o \$12.2M)	10,865,698	2038
KIA Loan (A15-026 i/a/o \$83.7M)	58,178,310	2038
KIA Loan (A17-003 i/a/o \$1.3M)	1,177,188	2037
KIA Loan (A17-005 i/a/o \$10M)	4,367,248	2040
Total	\$ 206,468,241	

LIABILITY INSURANCE COVERAGE:

Death or Personal Injury (per person)	_____
Death or Personal Injury (per occurrence)	_____
Property Damage on System	_____

Exhibit G
City of Lexington
A15-026
Phase II of a Multi-Phase Wet Weather Storage Facility

Phase I funding under the original Assistance Agreement dated September 1, 2016 is being utilized. Phase II Commitment Letter dated April 2, 2021 for the Supplemental Assistance Agreement has been executed and work on the project has begun.

The 30-day public comment period on the Finding of No Significant Impact Determination Reaffirmation for the project started on 8/25/21 and ends on 9/24/21.

Funding under the Supplemental Assistance Agreement will not be available to draw until the Environmental Approval letter is received by KIA along with the Authority to Award approval and Davis Bacon approval letter.



KENTUCKY INFRASTRUCTURE AUTHORITY

Andy Beshear
Governor

100 Airport Road
Frankfort, Kentucky 40601
(502) 573-0260
(502) 696-0676 (fax)
kia.ky.gov

Sandy Williams
Deputy Executive Director

April 2, 2021

The Honorable Linda Gorton, Mayor
Lexington-Fayette Urban County Government
200 East Main Street
Lexington, KY 40507

KENTUCKY INFRASTRUCTURE AUTHORITY FEDERALLY ASSISTED WASTEWATER REVOLVING LOAN FUND CONDITIONAL COMMITMENT LETTER (A15-026 (Increase))

Dear Mayor Gorton:

The Kentucky Infrastructure Authority ("the Authority") commends your efforts to improve public service facilities in your community. On April 1, 2021, the Authority approved your request for a loan increase in the amount of \$15,788,138, subject to the conditions stated in Attachment A to this letter. The total cost of the project shall not exceed \$83,732,326, without prior authorization of the Authority, of which the Authority loan shall provide \$83,732,326 of the funding. The final loan amount will be equal to the Authority's portion of estimated project cost applied to the actual project cost. Attachment B incorporated herein by reference fully describes the project.

An Assistance Agreement will be executed between the Authority and the Lexington-Fayette Urban County Government upon satisfactory performance of the conditions set forth in Attachment A. You must meet the conditions set forth in Attachment A and enter into an Assistance Agreement by April 2, 2022 (twelve months from the date of this letter). A one-time extension of up to six months may be granted for applicants that experience extenuating circumstances. Funds will be available for disbursement only after execution of the Assistance Agreement.

Mayor Gorton
April 2, 2021
Page 2

Please inform the Authority of any changes in your financing plan as soon as possible. We wish you every success for this project which will benefit both your community and the Commonwealth as a whole.

Sincerely,



Sandy Williams
Deputy Executive Director
Kentucky Infrastructure Authority

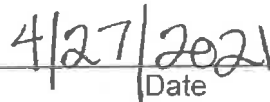
Attachments

cc: Robert Peterson, Lexington-Fayette Urban County Government
Tetra Tech, Herb LeMaster

Please sign and return a copy of this letter indicating your acceptance of this commitment and its terms. Also included is the "Statement of Approval of Projections of Revenue and Expenses" for you to complete after bid opening.



Accepted



Date

Mayor Gorton
April 2, 2021
Attachment A

The Assistance Agreement and this commitment shall be subject, but not limited to, the following terms:

1. The Authority project loan shall not exceed \$83,732,326 without prior authorization.
2. This loan was not eligible for principal forgiveness.
3. The loan shall bear interest at the rate of 1.75 % per annum commencing with the first draw of funds.
4. Interest shall be payable on the amount of actual funds received. The first payment shall be due on June 1, or December 1, immediately succeeding the date of the initial draw of funds, provided that if such June 1, or December 1, shall be less than three months since the date of the initial draw of funds, then the first interest payment date shall be the June 1, or December 1, which is at least six months from the date of the initial draw of funds. Interest payments will be due each six months thereafter until the loan is repaid. Please complete and return the attached authorization to U.S. Bank for processing.
5. Full principal payments will commence on the appropriate June 1, or December 1, within twelve months from initiation of operation. Full payments will be due each six months thereafter until the loan is repaid.
6. The loan shall be repaid over a period not to exceed 20 years from the date of initiation of operation for the project.
7. A loan servicing fee of 0.20% of the outstanding loan balance shall be payable to the Authority as a part of each interest payment.
8. Loan funds will only be disbursed after execution of the Assistance Agreement as project costs are incurred.
9. The Authority loan funds must be expended within six months of the official date of initiation of operation.
10. Fund "A" loan funds may be considered to be federal funds. If more than \$750,000 of federal funds is disbursed during any one (borrower) fiscal year, the borrower is required to have a single or program-specific audit conducted for that year in accordance with 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

Mayor Gorton
April 2, 2021
Attachment A

11. The Authority requires that an annual financial audit be provided for the life of the loan.
12. The final Assistance Agreement must be approved by ordinance or resolution, as applicable, of the city council or appropriate governing board.
13. The borrower must maintain a 1.1 debt coverage ratio throughout the life of the KIA loan. All borrowers are subject to at least an annual financial review for compliance.

The following is a list of the standard conditions to be satisfied prior to execution of the Assistance Agreement or incorporated in the Assistance Agreement. Any required documentation must be submitted to the party designated.

1. The Authority to Award (bid) package must be submitted to the Division of Water for approval within 14 days of bid opening.
2. The Assistance Agreement must be executed within six (6) months from bid opening.
3. Documentation of final funding commitments from all parties other than the Authority as reflected in the credit analysis shall be provided prior to preparation of the Assistance Agreement and disbursement of the loan monies. Rejections of any anticipated project funding shall be immediately reported and may cause this loan to be subject to further consideration.
4. The loan must undergo review by the Capital Projects and Bond Oversight Committee of the Kentucky Legislature prior to the State's execution of the Assistance Agreement. The committee meets monthly on the third Tuesday. Any special conditions listed in Attachment B must be satisfied before the project is presented before the Committee.
5. Any required adjustment in utility service rates shall be adopted by ordinance, municipal order or resolution by the appropriate governing body of the Borrower. Public hearings as required by law shall be held prior to the adoption of the service rate ordinance, order, or resolution. Any required approvals by the Kentucky Public Service Commission shall be obtained.
6. The Borrower must complete and return the attached "Authorization for Electronic Deposit of Vendor Payment" form to US Bank.

Mayor Gorton
April 2, 2021
Attachment A

7. The Borrower must provide documentation of Eclearinghouse Endorsement and Eclearinghouse Comments.
8. Prior to the project bid, an environmental review shall be conducted by the Division of Water for all construction projects receiving State Revolving Fund ("SRF") money.
9. Technical plans and specifications and a complete SRF specifications checklist shall be approved by the Division of Water prior to project bid.
10. All easements or purchases of land shall be completed prior to commencement of construction. Clear Site Certification of all land or easement acquisitions shall be provided to the Division of Water. DOW representatives shall be notified for attendance of the pre-construction conference.
11. Project changes or additions deviating from the original scope of work described in the Project Profile may require a new or amended environmental review and change order review before they can be included in the SRF loan project.
12. Borrower must provide certification from their legal counsel stating that they have prepared construction specifications in accordance with all applicable state or federal wage rate laws, and that the procurement procedures, including those for construction, land, equipment and professional services that are a part of the project, are in compliance with applicable federal, state and local procurement laws.
13. Implement the Kentucky Uniform System of Accounting (KUSoA), or an alternative approved by the Authority and assure that rates and charges for services are based upon the cost of providing such service.
14. The Borrower shall comply with all Davis Bacon related monitoring and reporting and require all contractors to pay wages pursuant to applicable prevailing wage rates for all work relating to the subject Project.
15. The project shall comply with the reporting requirements of the Transparency Act, and shall complete the attached Transparency Act Reporting Information Form and provide to the Authority no later than 30 days after the KIA Board approval date of your loan.
16. This project does not qualify for Green Project Reserve (GPR) funding.

Mayor Gorton
April 2, 2021
Attachment A

17. Based on the final "as-bid" project budget, the Borrower must provide satisfactory proof, based on then existing conditions, that the revenue projections in the attached descriptions are still obtainable and that the projections of operating expenses have not materially changed. The "as bid" project budget shall be reviewed and approved by the consulting engineer.
18. The project shall comply with American Iron and Steel requirements of The Consolidated Appropriations Act of 2014 (H.R. 3547), which became effective January 17, 2014, unless engineering plans and specifications were approved by the Division of Water prior to the effective date.
19. Pursuant to the Water Resources Reform and Development Act (WRRDA) of 2014, all CWSRF loan recipients must certify that they have a Fiscal Sustainability Plan for projects that involve the repair, replacement, or expansion of treatment works. Additionally, borrowers must also certify that they have studied and evaluated the cost and effectiveness of the processes, materials, techniques, and technologies for the funded project and that they have selected, to the maximum extent practicable, a project that maximizes the potential for efficient water and energy conservation, taking into consideration capital cost, operation and maintenance, and replacement cost.

SRF LOAN CONDITIONS CHECKLIST

Congratulations on receiving a conditional commitment of funding from the State Revolving Fund (SRF) Program. Borrowers will now be assigned a Compliance Analyst to help guide them through the rest of the loan process based on which Area Development District (ADD) they are located. Please submit all documents to one of the following contacts:

- Julie Bickers (Julie.Bickers@ky.gov, 502-892-3455): Purchase, Pennyriple, Green River, Barren River, Lake Cumberland.
- Debbie Landrum (Debbie.Landrum@ky.gov, 502-892-3454): Lincoln Trail, KIPDA, Northern KY, Bluegrass.
- Sarah Parsley (Sarah.Parsley@ky.gov, 502-892-3177): Buffalo Trace, Gateway, FIVCO, Big Sandy, KY River, Cumberland Valley

After all of the conditions of the Conditional Commitment Letter have been fulfilled, KIA will initiate the Assistance Agreement with the borrower. The Assistance Agreement must be fully executed before any funds may be disbursed. The following is a list of items needed to process your loan (forms can be found here <https://kia.ky.gov/FinancialAssistance/Pages/Forms.aspx>):

Before bid opening, submit the following items to the designated Compliance Analyst/DOW Contact:

Submit To:		
KIA	<input type="checkbox"/>	Conditional Commitment Letter (this letter is sent to the borrower via email shortly following KIA board approval and is to be signed by the authorizing official);
USBANKK	<input type="checkbox"/>	Authorization for Electronic Deposit/Debit of Borrower Disbursements/ Payment (these forms are attached to the loan commitment letter sent after KIA board approval and are to be signed by the authorizing official)
KIA	<input type="checkbox"/>	Transparency Form (this form is attached to the loan commitment letter sent after KIA board approval)
DOW	<input type="checkbox"/>	Fiscal Sustainability Plan Certification and Cost and Effectiveness Certification (required prior to plans approval)
DOW	<input type="checkbox"/>	Environmental review (Kentucky Division of Water will review and is required prior to plans approval. KIA will need copy of approval letter)
DOW	<input type="checkbox"/>	Plans and specifications (Kentucky Division of Water will review and KIA will need copy of approval letter)
KIA	<input type="checkbox"/>	Proof of compliance with any special condition identified in the Conditional Commitment Letter (e.g. adopted ordinance)

After the project has opened bids, please submit the following items to the designated Compliance Analyst/DOW Contact. It is imperative that the remaining standard conditions are fulfilled by the deadlines set forth in the Conditional Commitment Letter.

Submit To:		
DOW	<input type="checkbox"/>	Authority to Award (ATA) Package , the Kentucky Division of Water will review and forward approval to KIA.
DOW	<input type="checkbox"/>	Davis-Bacon prevailing wage rates , the Kentucky Division of Water will review and forward approval to KIA.
KIA	<input type="checkbox"/>	Procurement and Wage Certification (after bid opening.)
KIA	<input type="checkbox"/>	Certification of obtainable revenue projections (after bid opening.)
DOW	<input type="checkbox"/>	Certification of clear site (DOW will forward to KIA.)
	<input type="checkbox"/>	Plans and specifications approval from the Kentucky Division of Water (DOW will send approval to KIA.)
KIA	<input type="checkbox"/>	Public Service Commission (PSC) approval , (CPCN and Authorization to Incur Debt) if applicable.

SAMPLE LETTER

[Letterhead of Counsel for Water Utility]

[Date]

Kentucky Infrastructure Authority
100 Airport Road
Frankfort, Kentucky 40601

RE: SRF Loan#
City of xxxxx

Ladies and Gentlemen:

The undersigned is an attorney at law duly admitted to the practice of law in the Commonwealth of Kentucky and is legal counsel to the XXXXXXXXXXXXX, hereinafter referred to as the "Water Utility ". I am familiar with the organization and existence of the Water Utility and the laws of the Commonwealth applicable thereto. Additionally I am familiar with the water project (the "Project") with respect to which the funding commitment by and between the Kentucky Infrastructure Authority ("Authority") and the Water Utility.

I have reviewed the commitment letter by and between the Authority and the Water Utility and the documentation regarding wage rates and procurement with respect to the Project.

Based upon my review I am of the opinion that:

The Water Utility has prepared construction specifications in accordance with all applicable federal wage rate laws and that the procurement procedures including those for construction, land, equipment and professional services that are a part of the project are in compliance with all applicable federal, state and local procurement laws.

Respectfully,

**STATEMENT OF APPROVAL
OF PROJECTIONS OF REVENUE AND EXPENSES**

Borrower Name: _____

Loan No.: _____

I hereby certify that the revenue projections in the attached descriptions are still obtainable and that projections of operating expenses have not materially changed based on the "as-bid" budget submitted for the Project.

Signed: _____

Borrower

Date

ATTACHMENT B

**Lexington-Fayette Urban County Government
A15-026 (Increase)**

EXECUTIVE SUMMARY		Reviewer	Alex Fisher	
KENTUCKY INFRASTRUCTURE AUTHORITY		Date	April 1, 2021	
FUND A, FEDERALLY ASSISTED WASTEWATER		KIA Loan Number	A15-026 (Increase)	
REVOLVING LOAN FUND		WRIS Number	SX21067048	
BORROWER	LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT FAYETTE COUNTY			
BRIEF DESCRIPTION				
<p>The Lexington-Fayette Urban County Government (LFUCG) is requesting a Fund A loan increase of \$15,788,138 as part of Phase 2 of the West Hickman WWTP Wet Weather Storage Tanks. This project was initially approved on December 4, 2014 and had one increase on April 9, 2018 that brought the total of Phase 1 to \$67,944,188. With this Phase 2 increase it will bring the total loan amount to \$83,732,326.</p> <p>Design and construct Phase 2 of the Consent Decree required wastewater storage facility located at West Hickman WWTP in Jessamine County. Phase 1 included a 22 million gallon (MG) above ground storage tank along the necessary pumping facilities, piping and site work needed to place Phase 1 into service and integrate Phase 2 into future service.</p> <p>Phase 2 will consist of a second 18 MG above ground storage tank along with infrastructure needed to operate Phase 1 and 2 in series. As recently as calendar year 2019, 13 sanitary sewer overflows (SSOs) were documented / reported on the trunk sewer immediately upstream from the Phase 1 tank. Completion of Phase 2 will further mitigate wet weather SSOs on this trunk sewer while at the same time providing sewer service for un-sewered parcels within Fayette / northern Jessamine counties.</p> <p>In parts of the existing sanitary sewer it lacks sufficient capacity to meet LFUCG's EPA mandated Capacity Assurance Program. This \$15.8 M project is listed in LFUCG's approved Remedial Measures Plan submitted to USEPA on October 12, 2011 with capital construction schedule with a full compliance completion date of 12/31/2023.</p>				
PROJECT FINANCING		PROJECT BUDGET		
Fund A Loan	\$83,732,326	RD Fee %	Actual %	
		Administrative Expenses		\$36,000
		Eng - Design / Const	6.4%	7.3%
		Eng - Inspection	3.0%	1.2%
		Construction		75,116,762
		Contingency		2,029,436
TOTAL	\$83,732,326	TOTAL		\$83,732,326
REPAYMENT	Rate	1.75%	Est. Annual Payment	\$5,147,495
	Term	20 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	Tetra Tech		
	Bond Counsel	Rubin & Hays		
PROJECT SCHEDULE	Bid Opening	Jun-21		
	Construction Start	Sep-21		
	Construction Stop	Apr-23		
DEBT PER CUSTOMER	Existing	\$1,939		
	Proposed	\$2,343		
RESIDENTIAL RATES		<u>Users</u>	<u>Avg. Bill</u>	
	Current	109,411	\$31.44	(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 2018	27,204,648	8,258,739	18,945,909	3.3
Audited 2019	33,166,894	10,595,289	22,571,605	3.1
Audited 2020	33,341,428	14,610,132	18,731,296	2.3
Projected 2021	33,408,585	20,712,683	12,695,902	1.6
Projected 2022	33,793,770	18,991,135	14,802,635	1.8
Projected 2023	34,236,070	18,993,983	15,242,087	1.8
Projected 2024	34,648,078	20,558,481	14,089,597	1.7
Projected 2025	35,108,248	20,609,092	14,499,156	1.7

Reviewer: Alex Fisher
Date: April 1, 2021
Loan Number: A15-026 Increase

**KENTUCKY INFRASTRUCTURE AUTHORITY
WASTEWATER REVOLVING LOAN FUND (FUND A)
LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT, FAYETTE COUNTY
PROJECT REVIEW
SX21067048**

I. PROJECT DESCRIPTION

The Lexington-Fayette Urban County Government (LFUCG) is requesting a Fund A loan increase of \$15,788,138 as part of Phase 2 of the West Hickman WWTP Wet Weather Storage Tanks. This project was initially approved on December 4, 2014 and had one increase on April 9, 2018 that brought the total of Phase 1 to \$67,944,188. With this Phase 2 increase it will bring the total loan amount to \$83,732,326.

This project is to design and construct Phase 2 of the Consent Decree required wastewater storage facility located at West Hickman WWTP in Jessamine County. Phase 1 included a 22 million gallon (MG) above ground storage tank along the necessary pumping facilities, piping and site work needed to place Phase 1 into service and integrate Phase 2 into future service.

Phase 2 will consist of a second 18 MG above ground storage tank along with infrastructure needed to operate Phase 1 and 2 in series. As recently as calendar year 2019, 13 sanitary sewer overflows (SSOs) were documented / reported on the trunk sewer immediately upstream from the Phase 1 tank. Completion of Phase 2 will further mitigate wet weather SSOs on this trunk sewer while at the same time providing sewer service to unserved customers within Fayette / northern Jessamine counties.

In parts of the existing sanitary sewer it lacks sufficient capacity to meet LFUCG's EPA mandated Capacity Assurance Program. This \$15.8 M project is listed in LFUCG's approved Remedial Measures Plan submitted to USEPA on October 12, 2011 with capital construction schedule with a full compliance completion date of 12/31/2023.