

COMMONWEALTH OF KENTUCKY

IN RE: KENTUCKY RIVER AUTHORITY

MEETING NO. 173

December 2, 2014
1:00 P.M.
Bush Building
403 Wapping Street
Frankfort, Kentucky

APPEARANCES

Ms. Clare Sipple
CHAIR

Mr. Paul Gannoe
Proxy for Secretary Lori Flanery
Ms. Paulette Akers
Proxy for Secretary Len Peters
Mr. Ted Collins
Mr. Russ Meyer
Mr. Rodney Simpson
Mr. Keith Cartier
Mr. James Kay
Ms. Pat Banks
Mr. Herbbie Bannister
KENTUCKY RIVER AUTHORITY

Mr. Jerry Graves
EXECUTIVE DIRECTOR

CAPITAL CITY COURT REPORTING

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APPEARANCES
(Continued)

Ms. Sue Ann Elliston
Ms. Jennie Wolfe
Mr. David Hamilton
Mr. Bobby Webb
KRA STAFF

Mr. David Brown Kinloch
Mr. Tom Marshall
Mr. Mark Brewer
Mr. Jim Councill
Mr. Daniel Gilbert
Ms. Vicki Goins
Mr. Josh Morgan
Mr. Brent Litchi
Ms. Malissa McAlister
Mr. Eddie Hightower
Mr. Alan Banks
GUESTS

AGENDA

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MOTIONS

**MOTION TO APPROVE MINUTES OF
MEETING #172.....PAGE 7, LINE 12**

CHAIR SIPPLE: Has everyone had a chance to read the minutes? Do we have any additions or subtractions? If not, then, I will call for approval of the minutes. Do we have a motion?

MR. COLLINS: So moved.

MR. KAY: Second.

CHAIR SIPPLE: All those in favor, signify by saying aye. Any opposed? Minutes are approved.

**MOTION TO APPROVE FINANCIAL
REPORTPAGE 15, LINE 20**

CHAIR SIPPLE: I need a motion to approve the Financial Report.

MR. CARTIER: So moved.

CHAIR SIPPLE: Do I have a second?

MR. COLLINS: Second.

CHAIR SIPPLE: We have a second. All those in favor, signify by saying aye. Any opposed? The Financial Report is approved.

**MOTION TO APPROVE ISSUANCE
OF RFQ FOR DESIGN OF LOCK
AND DAM 10.....PAGE 25, LINE 21**

MR. BANNISTER: I would make a motion that we approve the issue of an RFQ for the design of Lock and Dam 10.

CHAIR SIPPLE: We have a motion. Do we have a second?

MR. MEYER: I'll second.

CHAIR SIPPLE: We have a second. Any more discussion? All those in favor, signify by saying aye. Any opposed?

**MOTION TO APPROVE LEASE RENEWAL
FOR HIGH BRIDGE PARKPAGE 26, LINE 18**

CHAIR SIPPLE: Do we have a motion to approve?

MR. MEYER: I make a motion.

MR. KAY: Second.

CHAIR SIPPLE: Any more discussion? All those in favor, signify by saying aye. Any opposed? It passes.

**MOTION TO APPROVE ANNUAL DONATION
FOR 2015 RIVER SWEEPPAGE 28, LINE 9**

MR. KAY: I was making a motion and you interrupted.

MR. GRAVES: I'm sorry.

CHAIR SIPPLE: James Kay has made the motion.

MS. BANKS: I'll second it.

CHAIR SIPPLE: And Pat seconds. All those in favor, signify by saying aye. Any opposed? Motion carries.

**MOTION TO APPROVE CONSIDERATION
FOR A PORTAGE AT LOCK AND**

DAM 4PAGE 47, LINE 4

MR. COLLINS: Madam Chairperson, would it be appropriate to make a motion to approve this concept as long as it follows all federal and state guidelines and laws and regulations?

CHAIR SIPPLE: I think that sounds like a good starting point.

MR. COLLINS: Okay. I'll make that motion, then.

MS. BANKS: I'll second it.

CHAIR SIPPLE: We have a motion and we have a second. Any further discussion? All those in favor, signify by saying aye. Any opposed? Unanimous.

**MOTION TO APPROVE
2014-2015 WATERSHED
GRANT APPLICATIONS.....PAGE57, LINE 17**

CHAIR SIPPLE: I'd like to entertain a motion to approve the dispensation of these funds.

MR. GANNOE: So moved.

MR. CARTIER: Second.

CHAIR SIPPLE: We've got a motion and a second. Any more discussion? All those in favor, signify by saying aye. Any opposed?

MOTION TO ELECT OFFICERS....PAGE 60, LINE 22

CHAIR SIPPLE: Then that would give us a slate of Clare Sipple, Chairperson; Rodney Simpson, Vice-Chair; James Kay, Treasurer; and Pat Banks, Secretary. Do we want to make a motion to approve this

slate?

MR. BANNISTER: So moved.

MR. COLLINS: Second.

CHAIR SIPPLE: We have a motion and a second. All those in favor, signify by saying aye. Any opposed? We've got our election of officers. Thank you all for your vote of confidence.

**MOTION TO APPROVE
RECEIVING ESTIMATES
ON REPAVING LOCK 5**

ACCESS ROAD.....PAGE 77, LINE 14

CHAIR SIPPLE: So, Keith, do you want to make that motion?

MR. CARTIER: So moved.

MR. BANNISTER: Second.

CHAIR SIPPLE: All those in favor, signify by saying aye. Any opposed?

MOTION TO ADJOURNPAGE 92, LINE 11

CHAIR SIPPLE: I'd like a motion to adjourn.

MR. COLLINS: Madam Chairman, I'd like to make that motion with one caveat, that we decided not to go into Closed Session at this time, that we may meet later for Closed Session. The only thing we decided while the door was closed, we just opened the door back up and to adjourn at this time. So, that's my motion.

MR. SIMPSON: I'll second that.

CHAIR SIPPLE: Thank you. We have a motion and a second. All those in favor, signify by saying aye.

1 CHAIR SIPPLE: Good afternoon.
2 Welcome to Meeting No. 173. Sue Ann, will you call
3 roll, please.

4 (ROLL CALL)

5 MS. ELLISTON: We do have a
6 quorum.

7 CHAIR SIPPLE: Thank you. Let's
8 go around the room, and we've got lots of guests today.

9 (INTRODUCTION OF GUESTS AND STAFF)

10 CHAIR SIPPLE: Thanks. Lots of
11 good visitors today.

12 Has everyone had a chance to read
13 the minutes? Do we have any additions or subtractions?
14 If not, then, I will call for approval of the minutes.
15 Do we have a motion?

16 MR. COLLINS: So moved.

17 MR. KAY: Second.

18 CHAIR SIPPLE: All those in favor,
19 signify by saying aye. Any opposed? Minutes are
20 approved.

21 The Financial Report. Jennie.

22 MS. WOLFE: My Financial Report is
23 going to cover August, September and October.

24 On August 1st, the total amount
25 billed in the Tier I Fund for the quarter ending June

1 30th is \$232,646. The Tier I revenue collected in
2 August was \$217,926.24, and that included both water
3 user fees and interest income.

4 The total expenditures in the Tier
5 I fund in August were \$59,252.07. This included salary,
6 benefits, operating expense and a contract payment to be
7 paid for the watershed agreement. The Tier I Fund ended
8 the month of August with a balance of \$1,044,731.70.

9 On August 1st, the total amount
10 billed in the Tier II Fund for the quarter ending June
11 30th was \$846,921. The Tier II revenue collected in
12 August was \$777,031.69, and that included water user
13 fees and interest income. The Tier II Fund ended the
14 month of August with a balance of \$3,022,541.14.

15 The Equipment Replacement Fund had
16 revenue of \$591.40 and ended the month with a balance of
17 \$40,898.21.

18 The General Fund had salary and
19 benefit expense of \$10,907.57 and operating expense of
20 \$9,694.26. The operating expenses were above normal in
21 August due to the annual fire and tornado insurance
22 premium and we also had a repair on the Ford truck. The
23 General Fund balance at the end of August was
24 \$187,093.19.

25 In the Capital Construction Funds

1 in August, the Dam 8 Renovation Fund had engineering
2 oversight of \$40,263.40 and construction expense of
3 \$1,271,512.96. The balance of the Dam 8 Fund at the end
4 of August was \$8,443,371.59.

5 In the Lock 1 and 2 Renovation
6 Fund, we had engineering oversight of \$45,875.81 and
7 construction expense of \$214,619.98. That fund ended
8 the month with a balance of \$3,036,086.34.

9 The Interest Earning Capital Fund
10 had interest in August of \$634.97 and ended the month
11 with a balance of \$22,374.50.

12 Moving on to September, the Tier I
13 Fund had revenue of \$7,108.49 and that included both
14 water user fees and interest income. The expenditures
15 for the month were \$63,139.75 and that included salary
16 and benefits, operating expense, along with a contract
17 payment to be paid for the watershed agreement, and we
18 also transferred funds to establish a construction
19 account for the renovation of the lockmaster house at
20 Lock 4. The balance at the end of the month was
21 \$988,700.44.

22 The Tier II revenue collected in
23 September was \$1,630.06. This included water user fees
24 and interest income. A debt service payment was made
25 for \$605,497.15 and the Tier II Fund ended the month of

1 September with a balance of \$2,418,674.05.

2 The Equipment Replacement Fund had
3 revenue of \$281.05, expense of \$144.79, and ended the
4 month with a balance of \$41,034.47.

5 In September, the General Fund had
6 salary and benefit expense of \$9,290.21, operating
7 expense of \$6,198.36. Once again, we had an above-
8 normal operating expense due to the annual automobile
9 insurance premium and the repair at Lock and Dam 3. The
10 repair at Lock and Dam 3 was to replace exposed wires
11 with conduit on the lock wall. The General Fund balance
12 at month end was \$171,604.62.

13 In the Capital Construction Funds
14 in September, the Dam 8 Renovation Fund had engineering
15 oversight of \$12,394 and construction expense of
16 \$138,213.82. The balance of the fund at month end was
17 \$8,292,763.77.

18 The Locks 1 and 2 Renovation Fund
19 had no reported expenses in September.

20 The Interest Earning Capital Fund
21 had interest in September of \$718.01 and ended with a
22 balance of \$23,092.51.

23 A new Capital Construction Fund
24 was established for the renovation of the lockmaster
25 house at Lock 4, and the beginning balance of that fund

1 was \$10,000.

2 In October----

3 MR. COLLINS: I'd like to ask a
4 question about September before we move on, please.

5 MS. WOLFE: Sure.

6 MR. COLLINS: The exposed wires
7 under the General Fund at Lock 3, didn't we just do an
8 extensive renovation at Lock 3?

9 MR. GRAVES: Yes, we did.

10 MR. COLLINS: How did we end up
11 with some wires that weren't in conduit?

12 MR. GRAVES: Well, the contract
13 was for the lock gates. We didn't have a contract with
14 any electrical. Do you want to answer that, David?

15 MR. HAMILTON: I can add a little
16 bit of history to it.

17 MR. COLLINS: Please.

18 MR. HAMILTON: The first go-around
19 when we were looking at rehabbing Locks 3 and 4, the
20 original design package had replacing the electrical
21 system with a pneumatic system because the electrical
22 system was so outdated, it really was difficult to bring
23 it up to code.

24 And with that first go-around, the
25 prices came back way too high to bid it out. So, we

1 just bid the Dam 3 project, so, it went out on the
2 street by itself. We went back to the drawing table,
3 and to get that price point down where we could bid out
4 Locks 3 and 4, we decided to leave the electrical system
5 in place.

6 So, the contract that Brayman had
7 for the rehab for 3 and 4 did not include any electrical
8 upgrade. So, it was basically the old system that had
9 been there since the Corps had done it.

10 MR. COLLINS: So, this is just a
11 safety issue to upgrade and put in conduit?

12 MR. HAMILTON: Well, it wasn't
13 just safety. Actually, we had lost power supply to the
14 river wall also. Somewhere along there it was a
15 disconnect, so, it needed to be repaired anyway.
16 Probably about half the season, we had to take a
17 generator across. So, it was not only safety but
18 functionality where we had lost power to the river wall.

19 MR. GRAVES: Probably if we had
20 contracted this out, if you had seen what these guys had
21 performed, Bobby and his crew, we probably would have
22 spent ten or twelve thousand dollars rather than this.

23 So, we did it in-house. I think
24 that \$1,900, I think half of that was to have a company
25 come down and drill a core hole for us. That was the

1 biggest cost we had. So, if we had contracted it out,
2 it would have been a bunch of money. So, Bobby's guys,
3 they saved the KRA quite a bit of money. And I was
4 going to bring that up later, but it's a good point.

5 MR. COLLINS: I just noticed this
6 and I wanted to ask about it. Thank you very much.

7 MR. BANNISTER: David, what was
8 the ballpark cost to upgrade the electrical facilities
9 on 3 and 4?

10 MR. HAMILTON: Oh, it's been too
11 long. Daniel, do you remember that? It goes back four
12 or five years.

13 MR. GILBERT: I don't remember.
14 It was a significant cost.

15 MR. HAMILTON: I don't think we
16 ever priced out a detailed amount to upgrade the
17 electric to electric. We just went with the first
18 option of going to a pneumatic system. I can look that
19 up for you. I'll get you a ballpark estimate.

20 MR. BANNISTER: Okay.

21 MS. WOLFE: In October, the Tier I
22 Fund had revenue collected of \$10,613.63. This included
23 water user fees and interest income. There was also a
24 prior year refund from UK for the watershed management
25 agreement for \$3,009.44.

1 The expenditures for the month
2 were \$61,605.24, and this included salary and operating
3 expense, along with a contract payment to UK. The
4 balance of the fund at month end was \$940,718.27.

5 The Tier II revenue in October was
6 \$74,049.87 and included water user fees and interest
7 income. The Tier II Fund ended the month with a balance
8 of \$2,492,723.92.

9 In the Equipment Replacement Fund,
10 the expense from the prior month of \$144.79 was moved to
11 the General Fund, and the Equipment Replacement Fund
12 ended the month with a balance of \$41,179.26.

13 The General Fund had salary and
14 benefit expense of \$9,720 and operating expense of
15 \$4,070.26. The General Fund balance at month end was
16 \$157,814.36.

17 In the Capital Construction Funds
18 in October, the Dam 8 Renovation Fund had construction
19 expense of \$494,166.98. The balance of the fund at the
20 end of October was \$7,798,596.79.

21 The Lock 1 and 2 Renovation Fund
22 had construction expense of \$513,591.28 and ended the
23 month with a balance of \$2,522,495.06.

24 The Interest Earning Capital Fund
25 had interest in October of \$806.82 and ended with a

1 balance of \$23,899.33.

2 The Lock 4 Lockhouse Renovation
3 Fund had expense of \$6,765 and this was for the design
4 of the renovation of the lockhouse. The remaining
5 balance in that fund is \$3,235.

6 Most recently, on November 3rd,
7 the water user invoices for the quarter ending September
8 30th were mailed out. The total amount billed in Tier I
9 was \$240,692, and the total amount billed in Tier II was
10 \$916,266. All of those funds have been collected except
11 for \$14,341, and most of that is Tier I.

12 The annual audit is complete and
13 we did receive a draft copy of the audit last Wednesday
14 at the end of the day. There were no findings or
15 comments on the audit. I will email the Board members a
16 copy of the audit once it's finalized and we receive the
17 final copy.

18 And, lastly, we have a debt
19 service payment on December 15th. Any questions?

20 CHAIR SIPPLE: Thanks, Jennie. I
21 need a motion to approve the Financial Report.

22 MR. CARTIER: So moved.

23 CHAIR SIPPLE: Do I have a second?

24 MR. COLLINS: Second.

25 CHAIR SIPPLE: We have a second.

1 All those in favor, signify by saying aye. Any opposed?
2 The Financial Report is approved.

3 Consideration for the design of
4 Lock and Dam 10. Jerry.

5 MR. GRAVES: I come to the Board
6 to ask for the consideration and approval to move
7 forward with the design of Lock and Dam 10, and I kind
8 of want to go through a little list of procedures that
9 we have to go through to do this.

10 First of all, we've already got
11 money set aside for the design. That's been set aside
12 for some time. Finance, if we get approval, the second
13 step - and Mr. Gannoe, you help me if I misspeak here -
14 will process an RFP.

15 After that, interviews will take
16 place to select a firm, and that interview process I
17 believe will be two employees from KRA, one person from
18 the Finance Cabinet----

19 MR. GANNOE: Two.

20 MR. GRAVES: Two, and an engineer
21 outside of Finance.

22 MR. GANNOE: Appointed by the
23 Governor.

24 MR. GRAVES: From the KRA, that
25 probably would be David and Jennie. It can't be a

1 nonmerit employee. It has to be a merit employee.

2 After that interview and selection
3 of a firm, they set up a contract. And then probably if
4 things go right, by the Fall of 2015, we probably would
5 have an approximate construction cost for this.

6 Then KRA would go to OFM, Office
7 of Financial Management, and the Budget Office to
8 determine how we're going to pay for it, the amount of
9 money that we would have to come up with. Then we would
10 have to come back to the Board to ask for a Tier II
11 increase to move forward.

12 Once we get the number, then,
13 that's when we will come to the Board and actually make
14 a recommendation to increase the Tier II fees. And
15 hopefully if everything goes right through the bidding
16 process, maybe by the Spring of 2016, that process would
17 start and construction would start.

18 That's kind of the short version
19 of the process that we go through. I think that's
20 correct, Mr. Gannoe.

21 So, I'm asking for consideration
22 and approval and discussion.

23 CHAIR SIPPLE: We've known with
24 our six-year plan that this was coming.

25 MR. GRAVES: This is part of our

1 six-year plan. This is something that the Board has
2 been notified of since the beginning. We've had many
3 discussions about it. That's the water resource for the
4 City of Winchester, East Kentucky Power, and I guess
5 indirectly the City of Richmond.

6 That is the first concrete
7 structure that we have, and I wish Greg Henry was here -
8 not that Bobby doesn't know - but Greg has a lot of
9 history about the leakage of that dam and some work
10 that's been done.

11 And we go by our six-year plan.
12 We just don't kind of pick out and choose. Consultants
13 have said on their radar this is the next big structure
14 that you need to address.

15 CHAIR SIPPLE: Any questions for
16 Jerry?

17 MR. CARTIER: Just for
18 clarification, Clare and Jerry. So, the request, if I
19 understand it, is to issue the RFP to----

20 MR. GRAVES: To start the design.

21 MR. CARTIER: To design.

22 MR. GRAVES: Yes, sir, the design
23 only at this point.

24 MR. CARTIER: And then later on,
25 you'd come back with here's what that would mean in

1 terms of if there needed to be additional bonds or
2 additional finance.

3 MR. GRAVES: Right. We would have
4 to bond the project. OFM and Budget tells us how much
5 we can bond and this is what the rate is going to be.
6 The last time when we had a rate increase, KRA didn't
7 come up with that number. OFM and the Budget Office
8 said this is what you need to do in order to pay off
9 your debt service.

10 Our debt service right now is
11 \$605,000 every quarter. That's for Dam 9 and 8. Nine
12 has been paid on, how many years, David or Jennie, five?

13 MS. WOLFE: I believe so.

14 MR. GRAVES: I believe five and
15 it's a 20-year note and we're paying down on that.
16 This is to get the ball rolling.

17 MR. CARTIER: And is there any
18 dollar amount associated with the design or is it just
19 approval to issue the RFP for the design? So, I guess I
20 just want to clarify what we are approving.

21 MR. GRAVES: We're approving to
22 allow the design and move forward. There's no dollar
23 amount. I have an amount we have set aside and I don't
24 mind giving it to you. We're hoping between \$1 million
25 and \$1.5 million for the design. That's about, what,

1 David?

2 MR. HAMILTON: Once the RFP goes
3 out and a firm is selected for the design, then, a
4 contract price gets negotiated at that point.

5 MR. CARTIER: I just wanted to
6 make sure I understood what we were----

7 MR. GRAVES: I don't want to hold
8 my feet to that either. It might come in considerably
9 lower.

10 MR. CARTIER: Thank you.

11 MR. GANNOE: There was a line item
12 approved in this year's budget that the Legislature
13 passed. And, so, this amount - and I can't remember the
14 exact amount that was passed, I just remember it was a
15 line - was authorized by the General Assembly for the
16 expenditure of funds on the design of Dam 10. Do you
17 remember the line item?

18 MS. WOLFE: I think it was 2.2.

19 MR. CARTIER: Thank you.

20 CHAIR SIPPLE: Anyone else?

21 MR. BANNISTER: It seems like
22 you're asking for approval to issue the RFP; but once a
23 firm is selected and the price is negotiated, would it
24 be applicable to come back to the Board and ask us to
25 approve that design fee? I mean, right now, you're

1 asking for an approval of an unknown amount.

2 MR. COLLINS: A blank check.

3 MR. MEYER: Up to a certain
4 amount.

5 CHAIR SIPPLE: If we have that 2.2
6 that was approved as a line item in our budget, then, we
7 can say that we would accept--the RFP is a Request for
8 Proposals and we have to do that first. And, then, my
9 guess--not my guess. I would assume that we would then,
10 after the contract is negotiated, that's going to take,
11 the RFP process usually takes six weeks, doesn't it?

12 MR. GRAVES: I'm going to let Mr.
13 Gannoe answer that.

14 MR. GANNOE: Sixty days.

15 CHAIR SIPPLE: Sixty days. So,
16 that's two months. So, then, we could schedule our next
17 meeting to be about the time that those came out.

18 MR. GRAVES: Our next Board
19 meeting will probably be in March.

20 CHAIR SIPPLE: So, we should have
21 those RFP's back. And the contract negotiation takes
22 how long, Mr. Gannoe?

23 MR. GANNOE: For a project like
24 this, we will probably negotiate a Phase A fee, a
25 schematic design fee which should be fairly simple, a

1 fairly short time just to get some general ideas of
2 recommendations. So, we should have within thirty days
3 probably after we make the selection, we could negotiate
4 a Phase A fee.

5 CHAIR SIPPLE: When would these
6 RFP's, when would that go out so that we would have kind
7 of a starting time? If we approve it at this meeting,
8 does it have to go through Finance before we can
9 advertise it?

10 MR. GANNOE: It does.

11 MR. GRAVES: It goes through
12 Paul's shop. So, I wouldn't think the ball would get
13 rolling until the first of January.

14 MR. GANNOE: Probably not before
15 then but easily by then. It's a fairly simple process.
16 There are parts of it that just take a little bit of
17 time.

18 CHAIR SIPPLE: And with the work
19 that was done on 10 when the Army Corps did----

20 MR. GRAVES: There was some
21 preliminary work.

22 CHAIR SIPPLE: There's some
23 preliminary work, environmental work that's already been
24 done, and, so, we don't have to pay for that again; but
25 if we know we've got 2.2, I think what we're doing, I

1 think what we're asking, Herbbie, is to just approve the
2 RFP and then we'll probably have a meeting after those
3 RFP's have come back and we have an idea of what's going
4 on. What do you think? Is that the best way to do this
5 because we're talking about maybe ninety days?

6 MR. GRAVES: When it's all said
7 and done, we can come back to the Board and say here's
8 what we have on the table and have a second approval to
9 move forward with the selection committee. Is that what
10 you're----

11 MR. BANNISTER: When I go to my
12 board and ask for engineering fees, I have an amount
13 that I have negotiated. I'm telling the board exactly
14 what our project is going to cost. So, if you're
15 asking for approval to issue an RFP, I'm okay with that.

16 MR. GRAVES: I don't have the
17 authority to--I mean, it has to go through Finance.
18 There's the difference. I've got to go through them
19 where you just have to go straight through your board.

20 MR. MEYER: You would approve the
21 dollar amount once it's all negotiated and then it comes
22 back to this Board to be approved and then that would be
23 that part of what you're talking about in the process.

24 MR. BANNISTER: I mean, somebody
25 else speak up if somebody else thinks it ought to be

1 done different, but, otherwise, if you don't come back
2 and tell us how much it costs up front, we're just----

3 MR. GRAVES: Everything we've ever
4 done has been--I've been probably the most transparent
5 person ever to sit in this seat.

6 We'll come back with this is going
7 to be the design cost. Once we get the design costs and
8 we move forward, then, once they come back with a
9 number, then, we'll come back to the Board again and say
10 this is what we think we need to borrow. Then we'll go
11 to Finance and OFM and the Budget Office and work that
12 out. They'll tell us you need to raise your rates "x"
13 amount in order to borrow this amount of money.

14 Every step we go through, Herbbie,
15 will be through the Board.

16 MR. BANNISTER: My other question
17 is, are you going out for proposals or qualifications?
18 When you send out an informational packet to engineers,
19 is it for qualifications or actual prices?

20 MR. GANNOE: Not prices.

21 MR. BANNISTER: Qualifications.

22 MR. GANNOE: And the statute calls
23 it Request for Proposals but it really is what's more
24 typically called a, it's a qualifications-based
25 selection. So, we short list to three and then the

1 committee evaluates those three and the highest-ranked
2 firm selected and then the statute allows us to
3 negotiate a fee with the highest-ranked firm.

4 MR. MEYER: And you don't have to
5 go with that firm if a fee can't be negotiated that's to
6 our liking. You can stop the process and go with
7 another firm if you want to if you feel like that their
8 price is high.

9 MR. BANNISTER: I agree, and I
10 think this Board should be the deciding factor if the
11 design fee is acceptable or not.

12 MR. MEYER: And it is. I know at
13 a local level on projects that we've done, that's the
14 way it's done and we have gotten to the price contract
15 part of it and we didn't like the price. So, we went
16 backwards and then we renegotiated with another firm
17 before we went forward, and that can be done because it
18 all stops right here.

19 CHAIR SIPPLE: Does that make you
20 feel more comfortable?

21 MR. BANNISTER: Yes. I'm fine. I
22 would make a motion that we approve the issue of an RFQ
23 for the design of Lock and Dam 10.

24 CHAIR SIPPLE: We have a motion.
25 Do we have a second?

1 MR. MEYER: I'll second.

2 CHAIR SIPPLE: We have a second.

3 Any more discussion? All those in favor, signify by

4 saying aye. Any opposed?

5 MR. GRAVES: Mr. Gannoe, thanks

6 for being here today.

7 CHAIR SIPPLE: Consideration of a

8 lease renewal for High Bridge Park. Sue.

9 MS. ELLISTON: The KRA has a lease

10 agreement with Jessamine County for the High Bridge

11 Park. We've had this lease agreement since 1997 and it

12 has an automatic renewal.

13 So, what you have before you today

14 is just an automatic one-year renewal that would run

15 through December 31, 2015. So, if you don't have any

16 questions, there's no dollars, no money. They take care

17 of the property. They do everything.

18 CHAIR SIPPLE: Any questions? Do

19 we have a motion to approve?

20 MR. MEYER: I make a motion.

21 MR. KAY: Second.

22 CHAIR SIPPLE: Any more

23 discussion? All those in favor, signify by saying aye.

24 Any opposed? It passes. Thank you.

25 The next item on the agenda is the

1 consideration of the annual donation for the 2015 River
2 Sweep. Sue, that's you again.

3 MS. ELLISTON: Last year, we had
4 another successful River Sweep. More of the canoeists
5 are starting to get involved with the River Sweep,
6 thanks to Pat and others.

7 Last year we had nineteen counties
8 that participated. Not all the counties got back with
9 me with their questionnaires. Only about ten of those
10 got back. So, I only have the numbers of those ten
11 counties with their totals.

12 Out of the ten, we had 560
13 volunteers, 55 tires, 253 bags, 5,980 pounds of trash,
14 6.5 tons of garbage and 80 miles of shoreline that were
15 cleaned up last year on the river and its tributaries.

16 This year, the River Sweep is
17 going to be held on June 20th. And, so, I'm asking
18 today that you all be a state sponsor which is \$5,000
19 which provides T-shirts and bags to all the volunteers.

20 MR. GRAVES: This is something I
21 highly recommend, if I may speak out of turn, and I'm
22 sorry, James, but it's been extremely successful, much
23 needed, much, much needed. We stopped one year and that
24 was one year too many. So, I think in the big scheme of
25 things,

1 this is something that I think we need to continue.

2 MS. BANKS: I think it gives the
3 River Authority a lot of visibility. People that don't
4 normally know what the River Authority does, they
5 associate it with the cleanup.

6 CHAIR SIPPLE: Any more
7 discussion?

8 MR. GRAVES: I interrupted James.

9 MR. KAY: I was making a motion
10 and you interrupted.

11 MR. GRAVES: I'm sorry.

12 CHAIR SIPPLE: James Kay has made
13 the motion.

14 MS. BANKS: I'll second it.

15 CHAIR SIPPLE: And Pat seconds.

16 All those in favor, signify by saying aye. Any opposed?
17 Motion carries. Thank you.

18 Now, this is an interesting
19 presentation that we have now. Ed Councill. The
20 Recreation Committee actually met last month and Ed made
21 this presentation to us and we asked him to come and
22 make it today to the whole group. So, Ed.

23 MR. COUNCILL: Thank you, Madam
24 Chair. You've got one heavy agenda today, so, I'm going
25 to keep it as short as I can, but I do think it's

1 important to give you a little bit of context.

2 And I will borrow Sue's mention
3 about seeing much more new activity as it relates to the
4 River Sweep each year and I think that's a sign I want
5 to underscore.

6 I was Chairman of the Professional
7 Paddle Sports Association, which is our trade
8 association, back in the early 2000's. I was shocked
9 when I got invited by the U.S. Army Corps of Engineers
10 to come to their conference, number one, and then to
11 chair a panel discussion on paddle sport safety. Why?
12 Paddle sport safety? Come on. The Coast Guard has got
13 nothing better to do than to check on how safe canoes
14 and kayaks and whitewater rafts are?

15 Well, I think too many shots
16 sometimes get taken at us Kentuckians, so, I decided to
17 do my homework. In 2003, there were about 50 million
18 people who recreated on America's waterways in power
19 water craft. Anybody want to venture a guess on how
20 many people recreated on America's waterways in non-
21 powered water craft - canoes, kayaks, whitewater rafts?

22 CHAIR SIPPLE: In 2003?

23 MR. COUNCILL: Two thousand and
24 three. Take a shot.

25 CHAIR SIPPLE: Three million.

1 MR. COUNCILL: Three million.
2 Anybody else? No. Well, I was surprised as you're
3 going to be. We had achieved parity with the motorized
4 recreational boating community. Fifty million people,
5 Americans, recreated on our waterways in 2003.

6 Since then, the numbers have
7 changed obviously. Five years later, sixty million
8 people recreated in motorized craft. Ninety million
9 people recreated in non-motorized craft - again, canoes,
10 kayaks, whitewater rafts. Whitewater rafts are pretty
11 flat. So, we're down to canoes and kayaks.

12 The reason why I'm here today is
13 really in recognition to some degree, to some degree of
14 the spurt in this healthy increase in outdoor activity
15 among us Americans. We rank sixth now in popularity to
16 running, biking, fishing, hiking and camping. Wow!

17 We are the fastest-growing of
18 those activities. We are increasing over a five-year
19 period about 25%. I think it's 25.4. Anyway, that's
20 enough about me and the sport I represent.

21 I would say also that there are
22 3,500 people like me, and I know that scares the hell
23 out of some of you.

24 My topic today is for a portage at
25 Lock 4. We have designed one, as I've sent to you in

1 advance a plan that accommodates most of those other
2 five most popular pursuits of us Americans, and it was
3 done so for a reason.

4 Why is this topic so important
5 right now? Well, you can tell in the packet that you
6 got. I believe that Bill Grier was right, that the
7 fifth life of the Kentucky River is upon us and we are
8 definitely at a tipping point.

9 We can no longer think about the
10 Kentucky River in the same old ways, and fortunately
11 this Board has taken upon itself a leadership position
12 and making sure that that hasn't happened in the past
13 several years and I'm very pleased about that.

14 Also in our local area, water has
15 become pretty high on the radar. Twenty-five years ago,
16 each one of our local governments passed the Elkhorn
17 Creek Charter Plan which is the biggest watershed off of
18 the Kentucky River, one of its main tributaries and also
19 the biggest one here in Franklin County.

20 Our Tourism Commission has
21 proposed and we've had public entities adopt a
22 Riverfront Development Plan. This guy from Vancouver,
23 Canada came to town several years ago, ten years ago and
24 we have now a Walk/Bike Frankfort Plan, and thanks to
25 Pat and her colleagues, the Kentucky Water River Trail

1 Plan.

2 We've generated the interest of
3 Kentucky State University to become interested in the
4 Kentucky River. They have a presence in downtown at the
5 old Customs House, the old Federal Courthouse, and
6 parked out back during the season would be its
7 Thoroughbred Kentucky River Science Lab.

8 And, now, if that's not enough,
9 the State has taken an initiative called Trail Towns.
10 And as you know, there's at least four of us towns
11 through which this river flows that are going to be high
12 on the list of priorities to make sure that designation
13 comes to them.

14 So, just looking at your handouts
15 I gave you in advance, what drove us in coming up with
16 this design? Well, obviously the safety of paddling
17 users. And, by the way, in 2003, eighty-four people
18 died among the fifty million who paddle and use kayaks
19 and whitewater rafts - eighty-four people. Sixty of
20 them were impaired and fifty-eight of the sixty were not
21 wearing PFD's, life jackets.

22 So, our record in terms of safety
23 as it stands compared to motorized craft is pretty darn
24 good, but to the U.S. Army Corps of Engineers and the
25 Coast Guard, one death is one too many.

1 So, I have participated as
2 representing our industry in formulating the safety
3 rules as it applies to non-motorized water craft in the
4 U.S. So, we also took a look at the safety features of
5 what we'd like to do in terms of a portage around Lock 4
6 and I think we've done a fairly good job.

7 We'd like to see that this example
8 might set a standard for the other thirteen locks and
9 the portages that have already been sketched out by the
10 National Park Service and come to the same kind of high
11 bar of excellence that we think we have here in these
12 drawings.

13 We're trying to make the Kentucky
14 River Trail real. Right now we've got fifteen finger
15 lakes that average twenty, twenty-two miles long. That
16 could get rather boring to even the least talented of
17 the paddlers that I know of. And this gives us a way to
18 make sure that the two hundred and fifty-five, fifty-six
19 miles that cover Carrollton to Beattyville can be done
20 continuously.

21 There are some national examples
22 like this that show the economic significance of such a
23 move and it's just what I said - significant. Ask
24 people in Vermont.

25 We also wanted to have user-

1 friendly infrastructure, what is really a trailhead for
2 our local area particularly, and I think we've done it.
3 And if you add an outdoor adventure tourism as a brand
4 for our destination here in Frankfort, I think you can
5 see the economic development benefits on the horizon.

6 Okay. The plan itself, if you've
7 had a chance to look at the drawings. We obviously paid
8 some attention to keeping KRA activities that you all
9 have a plan to move there and the public's activities
10 separate. We put them as far away from each other as we
11 could possibly get on the same piece of property.

12 We did provide the indoor and
13 outdoor accommodations and activities that's mentioned
14 in the sketch on the front cover of your handout.

15 And we've had the areas enhanced
16 with nonprofit organizations' participation. For
17 example, we've already contacted Reforest Frankfort to
18 make sure that we can get more trees planted where we'd
19 like to have them to make our small camping area as it
20 is more attractive.

21 Ironically, the first time I was
22 in this room at a KRA meeting, I witnessed a vote of
23 this organization to close every lock on the Kentucky
24 River. Ironically also and a total shock to me, at my
25 next meeting which was either three or six months later,

1 that vote was reversed and thank God.

2 The next time I'm here, I would
3 like to help celebrate the work that's right now in pen
4 and ink realized at Lock 4. I would at least like to
5 get the trail, the path and the steps installed between
6 now and June 20th for the River Sweep and for the River
7 Blast which will be our particular celebration of the
8 Kentucky River on June 20th.

9 I am prepared to answer any of
10 your questions, but I would like to just say as part of
11 the irony is that I usually introduce myself as an
12 aquaholic. There are two AA's. There are Alcoholics
13 Anonymous and there are Aquaholics Anonymous. I feel
14 right at home here today in the latter.

15 The difference is the other AA
16 tries to keep people away from their addictions. This
17 AA, I want to bring people to more and more addiction to
18 the water and how to enjoy it and how to use it better.

19 So, you had my handouts in
20 advance. I also put together a resolution for your
21 consideration. Note that there's some wiggle room in
22 that resolution on the last Be It Further Resolved that
23 any modifications that this organization would like to
24 make are welcome, and we've already made one safety
25 change to what was originally planned by the National

1 Park Service already and we welcome any others that
2 would make the thing more acceptable to you.

3 So, if there are any questions, I
4 will be glad to stand. And, by the way, my intent is to
5 have this done by June 20th at no cost to you guys.
6 You've got enough on your plate.

7 The reason I'm in a hurry if you
8 haven't already asked that question out loud is that for
9 me as a nonprofit, to actually see this thing realized
10 by having the path and the steps built by June 20th, I
11 have to take what's approved out to people who can give
12 me an estimate for how much it's going to cost to do the
13 pathway and the steps and then to people who are willing
14 to donate money to see that those things get built.

15 So, since you guys only meet every
16 three months, I need all the time I can get.

17 CHAIR SIPPLE: Thank you, Ed.
18 Question number one, how about the Army Corps as far as
19 permission for you to do this on their property? Do you
20 need to get permission from the Army Corps?

21 MR. COUNCILL: Absolutely. I have
22 to wait for the green light from you guys.

23 CHAIR SIPPLE: I said it at the
24 Recreation Committee meeting and I'll say it again.
25 It's a really wonderful plan. It's very well thought

1 out and it's not going to be any cost to this
2 organization, and it has taken a lot of our principles
3 and putting them all in one spot, and I like the idea
4 that it would be a model for the other portages. I'll
5 open it up to the floor, having said that.

6 MR. CARTIER: I have a couple of
7 questions. When we talked about the portages at one of
8 the more recent meetings, I raised the issue of fencing
9 or protection around the locks. I didn't see it here,
10 so, I will raise that again. It's probably a
11 requirement that the Board would want to have safety as
12 one of those key elements.

13 MR. GRAVES: First of all, we have
14 a standing agreement that's by law to have with Fish &
15 Wildlife. If you get on the concrete structures at any
16 of the locks and dams, you're subject to being fined and
17 taken away by Fish & Wildlife. So, we'll post signs to
18 that effect.

19 We'll have to put up a cable. We
20 won't fence because we found that if we fence, they tear
21 it down. High water tears it down. There will be some
22 type of cable system put up. It's just like putting a
23 lock on a door. It's just going to keep an honest
24 person out. A crook is going to get in no matter what.
25 So, people can shortcut the portage system.

1 moving like wildfire.

2 MR. CARTIER: I just want to be
3 clear. I wholeheartedly support the conception. My
4 concern is with safety.

5 MR. GRAVES: We'll do all we can -
6 signage, cable it, police it. Another thing, later -
7 and hopefully I'll go into this a little later about
8 getting our office over there - we'll have eyes.

9 I try to get over there at least
10 twice a day during the summer and we had a mother and
11 three kids. They were crossing the lock wall, going
12 across the gates. My eyes got that big around. Well,
13 what are you all doing? We're just looking around and
14 we've got signs everywhere, everywhere - on the dam, No
15 Trespassing - but they still continue to do it.

16 KRA will do our best to make sure
17 that this thing is as safe as we possibly can make it.

18 MR. CARTIER: And, then, long
19 term, ten years from now, fifteen years from now, as
20 these are constructed, what would be the vision for the
21 maintenance of the facilities as we go forward? Would
22 we be asking the KRA to take over that responsibility to
23 maintain the portages?

24 MS. BANKS: Part of the process
25 we've been trying to figure out as a Board and as the

1 communities has been that. So, we started the process
2 with the contracts with counties. Remember, they have
3 been making presentations to us.

4 Eight is a little bit different
5 because we're kind of doing a lot of that, but like with
6 Lee County, the idea, they presented for portages around
7 their lock and dams. Estill County made their
8 presentation, and that's for that long-term
9 sustainability.

10 I was going to ask Ed because
11 we're not partnering with a county, so, what are those
12 long-term--I think we want the sustainability and
13 maintenance. So, when we have partners with
14 maintenance, we save money, but we also have more people
15 there on the property and again the eyes.

16 MR. COUNCILL: Well, my board has
17 discussed this issue, too. I'm glad you raised it. We
18 were looking at perhaps forming a group called Friends
19 of Lock 4 Portage or something like that, probably a
20 little bit more sexy name, but to get donors to help us
21 at least take care of the cost of the maintenance.

22 We don't want to be a burden to
23 the KRA and its properties. We want to be an asset.
24 So, with that stated, I think we can raise the money to
25 do that.

1 MR. GRAVES: At 4, it's really
2 probably the best place because we have staff there all
3 the time and we try to keep that place - not that we
4 don't try to keep the other 13 facilities - but because
5 it's the capitol and it's got a lot of visibility. So,
6 as far as - Bobby is probably shaking his head wrong -
7 but it's not going to affect us at 4.

8 If this was at 14 and traveling
9 there, it would be different. If we can get agreements
10 with the local counties, that really helps Bobby and his
11 staff. It saves us a ton of money because we spend a
12 lot of money in mowing grass, a lot of money, and not
13 only on equipment but the gasoline and just the labor.

14 MR. GANNOE: The pilot project or
15 the beginnings of it would include, on the drawing,
16 would include like the portage, the upstream?

17 MR. COUNCILL: Yes.

18 MR. GANNOE: And, then, is it a
19 paved walking path?

20 MR. COUNCILL: It's crushed
21 gravel, a four-foot wide path, and then you had some of
22 the drawings that came out of the National Park Service.
23 I don't know that I sent these out but I noticed there
24 were some on the table, so, I'm assuming somebody got
25 it. So, it's steps going down to the steeper grades,

1 yes.

2 And I need that to take to a
3 contractor to give me an estimate on how much it's going
4 to cost so I can go to donors and find out how much
5 they're willing to put up.

6 MR. SIMPSON: Jerry, do you all
7 know if the Corps has got experience in this request
8 anywhere else in the country because with my experience
9 with the Corps, it could be a very long process of
10 getting this approval?

11 MR. GRAVES: Not that I know.
12 David, the Muskingum, would that be a possibility? I
13 don't know.

14 MR. HAMILTON: Nothing is fast
15 with the Corps. We found that out.

16 MR. SIMPSON: I figured that.

17 MR. HAMILTON: I mean, just to
18 tear down a wall, it took us over a year to get permits.

19 MR. GRAVES: The last piece of the
20 puzzle, and I'll kind of fast forward here, to start the
21 actual lockhouse, to actually put hammers and nails in
22 the building, I had a guy call me from the Corps and he
23 said, you went to the wrong person. He said, I'm the
24 guy that cuts the check. I thought what? I went all
25 the way to the top, but, anyway, this guy let me know

1 that everything had to go through his office now. So,
2 now I've got to get a hold of the plans and the
3 documents and electronically send those to him.

4 And you're right, nothing happens
5 with the Corps easy. It's just a long process. That's
6 why eventually we need to have these things handed over
7 to us because - I'm getting off track - but we've got
8 the two buildings down at 1 that are just a nightmare
9 and a liability to this organization. And I've got a
10 contractor there onsite now and in less than a half day
11 could have both of those buildings down and gone, but
12 now it's probably going to take me six months' worth of
13 going to the Corps and working through that process.

14 MR. SIMPSON: Does anybody have an
15 educated guess on how to expedite this?

16 CHAIR SIPPLE: You could give Ed
17 that guy's name.

18 MS. BANKS: I'm thinking Russ.

19 MR. GRAVES: I'm on speed dial.
20 They know me well.

21 MS. BANKS: How about Russ and
22 bringing in the National Park Service to talk to them?

23 MR. HAMILTON: The other thing you
24 could do is piecemeal, take out little bites at a time.
25 I know if you hit them with everything, especially the

1 lockmaster house, they get real sensitive on the
2 historical structures.

3 MR. COUNCILL: On June 30th, all I
4 want is that path and those steps and the signage.

5 MR. HAMILTON: The path and the
6 steps, but if you hit them with everything, it's
7 probably going to bog it down, but if you hit them with
8 small pieces, I think you could probably expedite it a
9 little bit that way.

10 MS. BANKS: And they would have to
11 work through us, though, right? For Ed's request, he
12 would need to work through us?

13 MR. HAMILTON: Yes, it would
14 probably go through us because we've got the lease
15 agreement with them.

16 MS. BANKS: And we've got
17 Carrollton here, too. He's listening because he knows
18 he's going to have to be dealing with the Army Corps.
19 We don't want everybody contacting the Army Corps. We
20 want them to come this way, right?

21 CHAIR SIPPLE: That would probably
22 be easier.

23 Are there any other questions? I
24 think it's a wonderful project. It fits into everything
25 that we've been talking about for the last three years

1 since we got involved with the National Park Service.

2 You've got a lot of hurdles to
3 overcome, but if we would just make an approval of this
4 conceptual plan, then, he could then go through us and
5 maybe through Russ to the Army Corps and get that
6 permission, and then there's a possibility. I wouldn't
7 get your hopes up too much for the June 20th deadline
8 but you've got to start somewhere.

9 Is there any more discussion?

10 MR. GANNOE: I'm sorry to keep
11 interrupting. I have a different perspective on some of
12 it, I guess. The only thing I'm concerned about is if
13 it's stairs on state property, we probably want to make
14 sure that whoever designed them had a professional stamp
15 and would have professional liability insurance behind
16 them so that all the issues are addressed -
17 accessibility, whatever issues that need to be addressed
18 along those lines.

19 So, if that's not included in the
20 resolution, we would want to make that it was.

21 CHAIR SIPPLE: Is Amy a licensed
22 landscape architect?

23 MR. COUNCILL: Who?

24 CHAIR SIPPLE: Amy Wilson, is that
25 who did the plans?

1 MR. COUNCILL: A landscape
2 architect did the plans, yes.

3 MR. GRAVES: You would accept
4 Jerry Graves' construction right now, wouldn't you?

5 MR. GANNOE: Yours I would but
6 nobody else's.

7 MR. GRAVES: I understand.

8 MR. GANNOE: We just need to make
9 sure that the Board is covered from a liability
10 standpoint and there's professional liability insurance
11 behind whatever is designed there.

12 MR. GRAVES: Just an FYI, from
13 where I sit, and you know I've said this hundreds of
14 times, we're a unique organization, the Kentucky River
15 Authority. We're basically running a business. That's
16 what we're doing. We're bringing in so much money a
17 quarter. We have debt payments.

18 We try, and I say we, the staff
19 that works with me, we try our daggonist to make sure
20 that we cross every "t" and dot every "i" and that's a
21 good question, but I like to just reinform the Board
22 that we account for every penny, every penny. We
23 account for every second and we take this extremely
24 serious. And I will never, ever put anybody in jeopardy
25 by shortchanging, shortcutting a way to make things

1 happen. I always bring it to you, lay it on the table,
2 be honest and up front with you and let you know what's
3 going on. So, sort of just an FYI.

4 MR. COLLINS: Madam Chairperson,
5 would it be appropriate to make a motion to approve this
6 concept as long as it follows all federal and state
7 guidelines and laws and regulations?

8 CHAIR SIPPLE: I think that sounds
9 like a good starting point.

10 MR. COLLINS: Okay. I'll make
11 that motion, then.

12 MS. BANKS: I'll second it.

13 CHAIR SIPPLE: We have a motion
14 and we have a second. Any further discussion? All
15 those in favor, signify by saying aye. Any opposed?
16 Unanimous.

17 MR. COUNCILL: Thank you.

18 CHAIR SIPPLE: Then, the next
19 would be, I'm going to make a change here. On Item No.
20 8, the consideration of the lease agreement, it's not
21 quite finished. So, what we have instead, we'd like to
22 have Malissa McAlister present the grants for the
23 watershed applications that she's got.

24 MS. McALISTER: We kind of snuck
25 this in last minute on you all. I don't know if you've

1 had much of a chance to look through the applications,
2 but I have been through them with Lindell Ormsbee at the
3 Water Research Institute, and we do have some funding
4 recommendations to help you out.

5 I always do a little map to show
6 where the watershed grant applications are coming from
7 throughout the basin. We had four different ones from
8 Fayette County, a new one from the Wilmore area of
9 Jessamine County. Bluegrass Greensource wants to do a
10 project in Mercer County and then another one from
11 Letcher County.

12 MR. GRAVES: Can I rudely
13 interrupt? Russ, before you leave, I'd like to say
14 thanks. Russ has got to go. He's doing orientation of
15 his new position as a State Representative.

16 MR. MEYER: District 39.

17 MR. GRAVES: I want to say thank
18 you for your help with KRA and being here, and I
19 appreciate everything you've done for us and I just want
20 to say thanks and I'm glad to see people in high places.

21 MR. MEYER: Absolutely. I've
22 enjoyed serving. Thank you.

23 CHAIR SIPPLE: Good luck in your
24 new job. We'll miss you.

25 MR. MEYER: Anytime you need

1 anything, always call.

2 MR. GRAVES: Sorry.

3 MS. McALISTER: I want to thank
4 you all for offering this opportunity for me to be able
5 to offer this to people throughout the basin.

6 It is really important to see
7 funding that seems to always bring in new people every
8 year that are interested in trying something out and it
9 has created several long-term water quality initiatives
10 of groups that I've worked with over several years with
11 further grant opportunities and community projects.
12 These are some of the waterways that have been involved
13 in those.

14 So, we try to let you think about
15 some different criteria that we look at when we consider
16 which grants to fund. We like to distribute the grants
17 throughout the basin as much as we can, create some
18 educational benefits so it's not just a very limited
19 group that's learning something from the project.
20 Obviously, we want to improve water quality, and we like
21 it when it's part of a bigger community effort so that
22 there are partners involved, and whether or not the
23 applicant has been funded multiple times and if they
24 were successful in their projects, and then just kind of
25 a distribution of different types of projects that they

1 want to do.

2 So, I'm going to go through these.
3 Did you all get this spreadsheet that had the listing?

4 CHAIR SIPPLE: Yes.

5 MS. McALISTER: So, I'll just go
6 through each of them fairly quickly and just raise your
7 hand or interrupt me if you have a question.

8 The first applicant is a new
9 applicant. It is for a tributary of South Elkhorn Creek
10 in Fayette County. It was submitted by a Watershed
11 Watch sampler who seems very engaged and she wants to do
12 something locally on this wetland stream area in this
13 neighborhood in Lexington by doing some kind of
14 streamside restoration and planting that would help
15 educate the residents there and maybe they would copy
16 those efforts on the stream alongside their property.

17 And they are requesting \$2,000.
18 We had a max of \$3,000 and they requested \$2,000, and
19 Lindell and I felt like this was a strong application.
20 So, we suggested approving them.

21 Bluegrass Greensource, used to be
22 Bluegrass PRIDE, has applied to do what they're good at,
23 environmental education through a community watershed
24 festival at Shakertown in Mercer County. They want to
25 make a big festival type atmosphere out of it but to

1 teach people and kids in the area about water issues and
2 let them do some paddling type things in the river and
3 the creek.

4 This compliments other efforts in
5 the Dix River watershed where we've been doing a lot of
6 work. We've had watershed festivals in Boyle, Lincoln
7 and Garrard. So, this is an adjacent county. And I
8 know that the Health Department there will be a good
9 partner also.

10 They are requesting \$3,000 and we
11 suggested giving them \$2,500. You may have noticed on
12 the spreadsheet that we reduced three of them by \$500 so
13 we could fund an additional applicant to spread the love
14 around the basin a little more.

15 Friends of Wolf Run. I will say
16 that this is a very good application. Lindell Ormsbee
17 said he thinks it may be the best we've ever received,
18 and that's not surprising.

19 Wolf Run has been a really high
20 level example of what can be done with water quality.
21 It's in Fayette County, and I don't know if any of you
22 have been to McConnell Springs there, an historic
23 location that they've restored, but they have a really
24 neat stormwater treatment pond that they've turned into
25 an educational resource. And they kind of tried this

1 concept last year but they want to do it in a different
2 way this year with their floating wetland islands that
3 treat the stormwater that runs off a very industrialized
4 area of Lexington.

5 It's pretty. It's aesthetic and
6 interesting to look at. It is seen by a lot of people,
7 and this year they're going to do more research as to
8 the actual water quality benefits and maybe that can be
9 copied elsewhere in Lexington.

10 And they requested \$2,500 and we
11 suggested approving that one.

12 This is another new applicant.
13 I'm really kind of excited about this one. It was
14 brought about by another Watershed Watch volunteer that
15 was in the Wilmore area and we've never done a project
16 there, but Town Creek flows directly through Wilmore
17 into Jessamine Creek which is also a really high quality
18 stream in Jessamine County, and this has a potential for
19 a lot of visibility and a neat kind of community
20 partnership arrangement with the local schools.

21 This is Adventure Serve Ministries
22 where Ichthus used to be held and they do a lot of
23 outreach, and, then, the City of Wilmore wants to be
24 involved, and they want to do tree planting to enhance
25 the stream and kind of raise - you can see there's quite

1 a bit of algae and it's not very well wooded and shaded.
2 So, they want to enhance the stream through town and
3 they're hoping to extend that beyond the reach of their
4 property.

5 And we suggested approving them
6 for a slightly reduced amount of \$2,500.

7 Montessori Middle School has
8 applied for several grants and you all have approved a
9 few of those. They have been working on improving the
10 stream of their property in Fayette County and using it
11 as an educational tool. And they had partnered with the
12 city and some environmental engineers on restoring the
13 segment of the stream which they flattened out the banks
14 and now they need to plant trees and shrubs and grasses
15 there.

16 They requested \$3,000. I think it
17 is a strong project. I think all of these applications
18 were very strong, but we are thinking that they can
19 provide their funding through Lexington's Stormwater
20 Grants Program and possibly be funded through them
21 instead, and actually I have a call in to that person at
22 Lexington to try to help out with that. So, we skipped
23 over that one for funding this year.

24 Headwaters is the one outlier
25 that's not in the Central Kentucky region. So, we liked

1 it for the geographic variety theme. They're in the
2 southeastern part of the basin. They have been funded
3 by you before. They want to partially fund the
4 watershed coordinator position again. They are hoping
5 to do something more formalized now where they develop a
6 watershed plan that can lead to a more likelihood of
7 grant funding to make significant water quality
8 improvements in Letcher County.

9 I noticed, and I don't know if you
10 looked at this closely, but their budget is kind of
11 conditional on them raising extra funds. I think the
12 cost of supporting a watershed coordinator is \$7,500.
13 So, they have to come up with the other funds to support
14 that person.

15 And we have done this with them
16 before that had a stipulation that if you don't receive
17 that additional money, we will request that you return
18 the funding and we can use it for a different project.
19 That's up to you but that's what we've done before. I
20 do think that having a dedicated staff person to work on
21 this is a good idea.

22 And then Appalshop. You all have
23 funded them twice before. They have been working on a
24 documentary video about the Kentucky River. And I've
25 seen it twice, once a couple of years ago and then once

1 a couple of months ago and it was very close to being
2 finished and it's really a neat overview about the
3 river. It has a lot of footage all the way from the
4 headwaters to the mouth at the Ohio River.

5 It has some short interviews
6 including one with Bill Grier, with people that are very
7 connected to the river. It is a little bit educational
8 but it's also just--I said I felt very relaxed because
9 there's some bluegrass music and classical music and
10 it's very artfully done and it has broad appeal, and
11 they want to show that on KET and then also provide it
12 for sale for use in libraries and schools.

13 I do feel like he means it this
14 time, Herbie Smith at Appalshop, that if he can get this
15 funding, they can go on and complete that and really set
16 so that it can be enjoyed more broadly. So, we
17 suggested approving that.

18 MR. BANNISTER: What is the length
19 of the video?

20 MS. McALISTER: It's 26 minutes
21 because that's what KET suggests for their airing time.

22 MS. BANKS: And we could invite
23 him to come show it here.

24 MS. McALISTER: I'm sure he would
25 be happy to.

1 MR. BANNISTER: Who would receive
2 the funds from the sale of that video?

3 MS. McALISTER: I assume that they
4 go back into Appalshop which is a small nonprofit. It's
5 in Whitesburg in Letcher County. I don't think they're
6 getting rich off of it, but I think it's been a bigger
7 endeavor than he realized.

8 And, actually, when he showed it,
9 he showed it to the Watershed Watch Board and we made a
10 lot of comments on ways to improve it, which I felt a
11 little bit guilty about but we just wanted to make it as
12 good as it could be.

13 The last one is another Montessori
14 School in Fayette County. They're very hands-on and I
15 agree with their idea that you learn through doing.
16 They had a really good application for doing a rain
17 garden on their property and rain barrels to try to
18 limit their stormwater impacts and use as educational
19 tools in the classroom and outside.

20 And they also requested \$3,000.
21 This is another project that we are going to try to help
22 get funded through the Lexington Stormwater Grants
23 Program because we think it's strong but we're trying to
24 find ways to fund as many projects as possible.

25 So, this is the final listing of

1 our funding recommendations for the \$15,000 that you had
2 allocated for watershed grants. And then the next slide
3 just shows the two that we suggested for passing on and
4 trying to get funded elsewhere.

5 CHAIR SIPPLE: Thank you, Malissa.
6 I really appreciate that you made the decision for us
7 this year.

8 MS. McALISTER: I don't like to
9 think that I made the decision.

10 CHAIR SIPPLE: No. You helped us
11 make it because last year, remember we went back and
12 forth and it took a lot of time. You all are the ones
13 who work directly with these applicants and I think that
14 you all have the best information about who is
15 deserving. And I agree that you've done a great job of
16 spreading the money out.

17 I'd like to entertain a motion to
18 approve the dispensation of these funds.

19 MR. GANNOE: So moved.

20 MR. CARTIER: Second.

21 CHAIR SIPPLE: We've got a motion
22 and a second. Any more discussion? All those in favor,
23 signify by saying aye. Any opposed? Thank you,
24 Malissa, very much.

25 Next we come to our election of

1 officers.

2 MR. GRAVES: If I can interrupt
3 here. I gave kudos to Russ, and I'd like to do the same
4 to Judge Collins who has been sitting on this Board for
5 a while. This is his last official Board meeting. He's
6 going into retirement. I understand fully. He bought
7 one of my old boats.

8 MR. COLLINS: Yes, a real old
9 boat.

10 MR. GRAVES: I appreciate all the
11 work you've done for us. You've been a good partner
12 with our relationship with county government. Sometimes
13 we get in binds, especially on River Sweep Day, and I've
14 called Ted at the midnight hour and say, Ted, I need
15 help and it's always been there. So, I appreciate that.
16 You've been an asset to us.

17 MR. COLLINS: I've enjoyed working
18 with each and every one of you, I really have.

19 CHAIR SIPPLE: I don't know how
20 we're going to replace the two of you because you all
21 have been wonderful to work with and have got a wealth
22 of knowledge and you will be greatly missed. You and
23 Russ were both on the Board when I first came on and you
24 all helped me a lot to understand the working of this
25 organization. So, thank you so much, and enjoy your

1 retirement.

2 So, we're going to lose two very
3 valuable members of our officer slate. So, I'd like to
4 take this opportunity to nominate anybody that is
5 willing to serve.

6 MR. COLLINS: I will nominate, if
7 I may, James Kay for the position I've held as Treasurer
8 for many years. I think James Kay would make a great
9 Treasurer.

10 MS. BANKS: I would like to
11 nominate Clare Sipple as Chair. I think you have done a
12 great job. You've been great to work with. I know it's
13 a hard job but I hope you will stay on.

14 CHAIR SIPPLE: I'd be happy to
15 serve again. So, thank you, Pat. I appreciate that.
16 We need a Vice-Chair. Warner is not here today.

17 MR. GRAVES: He said exclude him.

18 CHAIR SIPPLE: He said exclude
19 him. Does that mean he doesn't want to be on the Board
20 again?

21 MS. ELLISTON: No. He does not
22 want to be the Secretary because he's in and out of town
23 so much and doesn't feel like he could meet the
24 obligations.

25 MR. COLLINS: Madam Chair, is it

1 Vice-Chair, is that the terminology?

2 CHAIR SIPPLE: Yes.

3 MR. COLLINS: I'd like to nominate
4 Rodney Simpson.

5 CHAIR SIPPLE: Rodney, I did
6 notice that your term was supposed to expire. Have you
7 been reappointed?

8 MR. SIMPSON: I haven't received
9 anything yet.

10 CHAIR SIPPLE: We hope you will.
11 Have you heard anything?

12 MR. GRAVES: I can't say, but I
13 feel good about it.

14 CHAIR SIPPLE: We need someone for
15 Secretary.

16 MS. BANKS: If you need me, I can.

17 CHAIR SIPPLE: I will nominate Pat
18 Banks. I just didn't want to put anything else on you.
19 So, I nominate Pat Banks to be Secretary.

20 MS. BANKS: These meetings are
21 important to me.

22 CHAIR SIPPLE: Then that would
23 give us a slate of Clare Sipple, Chairperson; Rodney
24 Simpson, Vice-Chair; James Kay, Treasurer; and Pat
25 Banks, Secretary. Do we want to make a motion to

1 approve this slate?

2 MR. BANNISTER: So moved.

3 MR. COLLINS: Second.

4 CHAIR SIPPLE: We have a motion
5 and a second. All those in favor, signify by saying
6 aye. Any opposed? We've got our election of officers.
7 Thank you all for your vote of confidence.

8 Now we'll have the Engineer's
9 Report. So, David.

10 MR. HAMILTON: I'll just give you
11 a quick update on our projects, Locks 1 and 2 and the
12 Dam 8 project.

13 First of all, I've got some
14 interesting construction photos from the Locks 1 and 2
15 project. This is a picture of the valve blades, Lock 1,
16 the lower gate. This is from a while ago. I just
17 wanted to highlight it because it was a little different
18 from the other three sets of gates. That's the only set
19 of the cast steel gates and those were the only ones
20 that were rehabbed and reused.

21 Here's a picture of what the valve
22 blades look like at the other three sets of gates, and
23 we went ahead and had a change order and replaced those
24 with brand new valve blades.

25 This is one of the last remaining

1 repair items to the lock gates themselves. This is a
2 bent girder up at the upper gates at Lock 1 and that
3 should be taking place here within the next couple of
4 days. You can see there the gates have been sandblasted
5 and they used a red primer.

6 The gates at Lock #2, pretty much
7 all the repairs to the gates themselves are completed,
8 and I'll give you an update here on the schedule in just
9 a second.

10 As far as the cost of the projects
11 go, we just passed the 50% mark on what they billed, not
12 including their latest invoice. However, they're well
13 beyond 50% completion of the project. The million-
14 dollar question I'm sure a lot of you being KRA Board
15 members get is, are the locks still going to be open in
16 the spring of next year. And the simple, quick answer
17 is yes.

18 They're behind schedule.
19 Substantial completion was supposed to be October 28th.
20 It looks like they really won't be getting out final
21 completion really until early next year when they
22 finally complete the dredging, but right now there's no
23 indication that there will be any trouble meeting any
24 kind of deadline to have these locks open for next
25 season.

1 6,400 pounds and then back off a little bit and tighten
2 down the nuts, around 4,800 pounds. The first go-
3 around, they all pulled out. We didn't have a really
4 good bond where they cored out the stone masonry for
5 whatever reason and they just recently re-did those and
6 they stressed those yesterday and they all came back
7 okay.

8 So, the overall schedule, this is
9 the only handout you should have. On the left side of
10 the page is basically where we're at right now.

11 The key thing to point out on it
12 is the gates, the lower set of gates are back and
13 installed at both locations. They are functional.
14 There are some leaking issues that we need to address
15 before we do a final sign-off on those, but those are in
16 place.

17 The Lock 2 and Lock 1 upper gates
18 will be going in sometime next week, probably early to
19 mid next week.

20 Substantial completion, then, it
21 looks like it will happen sometime around Christmas and
22 then dredging, final punch list items, cleaning up.
23 Demobing around late January of next year.

24 Any questions on the Lock 1 and 2
25 project before we move on to Dam 8?

1 CHAIR SIPPLE: We've had cooler
2 than average temperatures now and I was wondering if the
3 final paint and the repointing the stone masonry, isn't
4 that temperature----

5 MR. HAMILTON: I believe they've
6 done most of the stone repointing. There is a
7 temperature cutoff in the contract documents. Either
8 they've got to wait for some warm weather or set up a
9 tent. They have had a tent set up for blasting
10 purposes. It's addressed in the contract documents.
11 So, there's a limit on that.

12 MR. SIMPSON: The leaning wall, I
13 don't see it on there.

14 MR. HAMILTON: It is going to be
15 handled separately. Originally, that was part of the
16 contract. That was the wall I was telling you about the
17 Corps drug out so long to get a permit for, and that's
18 why we had to pull it out of the project.

19 We finally got the permit. So, we
20 wanted to add it back in as a change order. The
21 contractor, Mac, reached out to several subs to see who
22 would be interested in performing that work - they even
23 looked at doing something themselves - and they could
24 not find anybody that was willing to commit to do it,
25 particularly this time of year is mainly the hitch.

1 Most of the people they talked to
2 were going to address it with some type of barge-mounted
3 equipment and they were afraid of being out there during
4 high water.

5 So, where we stand now is we are
6 going to put that out for bid separately ourselves. We
7 might be in the same boat where we get no bids or we get
8 bids that are extremely high and we just have to reject
9 them. We're going to put that out on the street for
10 bids. Hopefully we'll get something acceptable and we
11 can proceed as soon as Mac is done.

12 If not, the other option is to
13 possibly use some kind of monitoring program to see if
14 there is any movement in that wall, still operate during
15 the boating season and then address it at the end.
16 That's another option.

17 MR. SIMPSON: So, you don't
18 foresee a snag on your planned opening from that wall?

19 MR. HAMILTON: Not at this point.
20 We are still planning to open regardless.

21 MR. GRAVES: Mac is how many days
22 beyond----

23 MR. HAMILTON: October 28th is
24 substantial completion. So, it looks like they will be
25 at least two months behind substantial. So, there could

1 be some liquidated damages assessed on the project.

2 A couple of other things on the
3 cost of the project. You don't know exactly what kind
4 of repair work you're going to be into until you get the
5 gates out and get them sandblasted and looked at pretty
6 closely.

7 So, we had allotted or budgeted
8 just under \$140,000 for repairs to the gates themselves.
9 To date, we have expended just over \$91,000 of that, and
10 there's probably less than about \$10,000 mostly being
11 that bent girder that I showed that is going to be
12 replaced and that's not included in the spent-to-date.

13 So, it looks like we will end up
14 somewhere around \$40,000 left over from what we've
15 budgeted for the gate repairs, and I believe we've had
16 about \$20,000 worth of change orders. Part of it was
17 the hidden shafts which I've talked about in previous
18 meetings you can see in the left side of the photograph
19 there.

20 The extra new valve blades that we
21 had ordered was another change order. But all said and
22 done, there's going to be about \$20,000 in change
23 orders, \$40,000 coming back for being below what we
24 think the repairs are going to be. So, it looks like
25 we'll come out about \$20,000 to the good even with the

1 change orders. So, financially at this point, the
2 project is looking pretty good. Any questions on the
3 Locks 1 and 2 project?

4 Just a few pictures on Dam 8.
5 That is currently in a shutdown mode now. They don't
6 have quite the ability like you do at the lock where
7 you're working out, you're not right at the crest of the
8 main dam. So, they're in shutdown mode for the winter
9 and probably will not be back out to the site until late
10 spring of next year. So, I didn't really put a timeline
11 chart together for this project because it's hard to
12 tell exactly when they will get back out.

13 This is one item that they might
14 get out during the winter if they get a window of low
15 water and good weather. What you're looking at here is
16 Cell #1. They've got that poured. That was the very
17 first pour they did, and in this picture, they're doing
18 their drilling so they can begin their grouting on the
19 foundation. And all the grouting has been done
20 underneath Cell 1, partially in front of the lock and
21 partially up the bank. Obviously that was taken during
22 warmer weather.

23 This is a photograph of the west
24 closure cell. This would be on the Garrard County side,
25 and basically it's not a circular cell because you have

1 a rock bank that steps down. You can kind of see it in
2 the background of the photograph there, how the bedrock
3 steps down. So, you've got two parallel sheets, a row
4 of sheetpiling that was tied together, and that was the
5 last pour they did. That was a photograph of the pour
6 going in. You can see on the date there early November.

7 MR. GRAVES: Total yards, David,
8 how many yards of concrete?

9 MR. HAMILTON: Well, each cell is
10 56-1/2 foot diameter and it's about a 30-foot deep pour
11 there.

12 MR. GRAVES: Was it twenty-some
13 odd hours?

14 MR. HAMILTON: The first pour was
15 longer than 24 hours. It had something to do with their
16 pumping rates, but it's about a full 24-hour period of
17 pouring.

18 So, to just give you an overview,
19 it's kind of hard to tell where you are from just the
20 still photos there. So, they completed Cell #3, Cell #1
21 and the west closure cell on the left side of the
22 picture which leaves them the three sections in the
23 middle, Cell 2 and the two arccells. Then also another
24 big piece we'll be addressing in the lock chamber,
25 they're beefing up the upper stone sill where it's

1 starting to chip away from the freeze/thaw effect
2 underneath that cutoff wall. And another big part of
3 the project will be obviously the grouting. Like I
4 said, they've only grouted below Cell 1 and some of the
5 stuff in front of the locks and the bank itself.

6 They also will be putting in their
7 toe blocks and grouting in or tremie concrete just on
8 the downstream side of the new dam, and they will also
9 be extending the river lock wall up above Cell #1 just
10 as a safety feature for boaters that are coming in. It
11 gives them a little bit lengthier section of still water
12 before they can see that crest of the dam.

13 The billing on it also is just
14 past the 50% mark on the billing.

15 So, schedule-wise, they're looking
16 to be done late fall, early fall of next year hopefully.
17 Like I said, they've shut down now but they've committed
18 to put the resources in next year to be done by fall of
19 next year. So, hopefully they will get a better summer
20 than they've had this last year which was a banner year
21 for rain unfortunately for them.

22 MR. CARTIER: David, just a quick
23 question on that. What was the project originally
24 projected to run in terms of the schedule? Was it
25 supposed to be done around the fall?

1 MR. HAMILTON: It was a two-year
2 schedule. So, it was more spring. So, we're looking at
3 about six months or so behind.

4 A lot of their trouble came with
5 Cell 3. If you remember, almost to the day this year,
6 last year, it wasn't a huge flood. Two thousand twelve,
7 '13, they had a fairly high water event. It wasn't a
8 flood but it was high enough to where they were just a
9 couple of days away from getting that cell poured and
10 trees and debris came down and basically collapsed that
11 cell.

12 They basically lost two months of
13 time just getting caught back up, and it was two months,
14 not in the winter, it was two months of nice summer
15 construction time that they lost.

16 MR. GRAVES: It was ninety tons of
17 scrap metal.

18 MR. CARTIER: Is there any concern
19 that they won't be able to complete next year? That's a
20 two-part question. I'm just questioning, not knowing
21 the contractor, do they have enough solvency to go and
22 withstand a couple of these types of delays?

23 MR. HAMILTON: It's not like the
24 lock project where you're kind of exposed. If we had
25 one set of gates versus two, you've got a little more

1 risk exposure out there. You've still got the old dam,
2 still an old functional dam.

3 The main thing we want to be
4 careful of is that they don't run so far over that it
5 affects our bonds. I believe there's a penalty that we
6 pay - I'm not a bond guy - but there's a penalty we pay
7 if we don't spend it quick enough. So, that's the main
8 thing we're watching.

9 Obviously, again, like Locks 1 and
10 2, there's liquidated damages we can assess. So, if
11 they're out there for six months longer, Stantec folks
12 have got to be out there, and, so, we would address that
13 through the liquidated damages if we've got to expend
14 more money for project oversight and that kind of stuff,
15 but it's not quite as bad as Lock 1 and 2 where we're
16 really nervous. We don't want that risk exposure.

17 MR. COLLINS: Herbbie has got an
18 answer for us about concrete.

19 MR. BANNISTER: This was just a
20 rough calculation based on I think I heard you say it's
21 56 feet in diameter and 30 feet deep.

22 MR. HAMILTON: Right, up to that
23 first pour.

24 MR. BANNISTER: Eight thousand
25 five hundred and eighty-eight cubic yards of concrete.

1 And just to give you some perspective, the average
2 concrete truck holds about ten yards. So, each
3 circular pier would be 858 truckloads.

4 MR. GRAVES: I know some of the
5 Board members have been there, but if anybody ever wants
6 to go there, they've got a little city set up down
7 there. They've got their own plant and it's probably
8 the most remote lock and dam we have on the system as
9 far as accessibility.

10 And part of the problem there is
11 the channel is pretty narrow. Once they get out there,
12 it's not the height of the water, it's the swiftness.
13 And about twenty years ago, I think a crane did go over
14 8.

15 MR. HAMILTON: An interesting
16 thing is the guy that was working on the crane - he
17 wasn't on the crane when it went over - he's on the
18 project still.

19 One other thing, I will need is a
20 Board motion. This is a unique situation. It's the
21 only site of our fourteen locks where we have--well,
22 there's a couple where we have an easement. This is the
23 only one that has some stipulation in the easement
24 language that we have some maintenance duties related to
25 the roadway leading in.

1 done it once in the past which was probably seven or
2 eight years ago. It was further on up towards the main
3 road. This is mainly down closer to where our property
4 is.

5 MR. COLLINS: When are you
6 thinking about doing that work?

7 MR. HAMILTON: It would be next
8 spring.

9 CHAIR SIPPLE: You might make a
10 recommendation that you be sure and include some rolling
11 turnouts because probably the steepness of the grade is
12 what's making that wash out, and if you just put a
13 couple of asphalt rolling turnouts, it might slow that
14 down some.

15 MR. HAMILTON: That road, it's got
16 a ditch beside it. It drains that whole hillside and
17 it's always been a problem.

18 MR. GRAVES: We've done some
19 patchwork and we've put a Band-Aid on it. We looked
20 upstairs with Leased Properties, Paul, and pulled the
21 deed and it's something that the Army Corps of Engineers
22 had signed back in 1936 or something. We as KRA when we
23 took over that facility, we inherited that right-of-way.

24 Probably we could fight it. I
25 don't recommend that. I think we can expend some monies

1 and have everybody happy. We do use the right-of-way to
2 get there.

3 MR. COLLINS: Do you have a not-
4 to-exceed number?

5 MR. HAMILTON: Not at this point
6 but I could establish one. I'll tell you what I could
7 do. Since it's probably not going to be until spring, I
8 could go ahead and get some estimates just ballpark and
9 then maybe get an official----

10 MR. GRAVES: And bring it to the
11 March meeting.

12 MR. HAMILTON: It's kind of like
13 the Dam 10 design, kind of preapproval at this point and
14 then get the cost.

15 MR. CARTIER: David, just another
16 quick question on this one. I'm assuming the property
17 owner is raising the issue?

18 MR. GRAVES: Yes, sir.

19 MR. CARTIER: It's in the easement
20 agreement.

21 CHAIR SIPPLE: So, how about a
22 motion for David to get some estimates on re-paving that
23 800 to 1,000 feet, and then at our next Board meeting,
24 we will vote to approve.

25 MR. CARTIER: I'm sorry for

1 interrupting but I would suggest to get an estimate for
2 the entire road and then make two estimates, one for the
3 entire road while it's being done and then a second for
4 what you consider the worst.

5 MR. HAMILTON: So, the entire six-
6 tenths of a mile?

7 MR. CARTIER: That would be the
8 suggestion I have because the easement is still
9 dependent on the road being done that way. And as soon
10 as the new part is done, well, that old part is looking
11 kind of bad, too. So, if you wouldn't mind.

12 MR. HAMILTON: I'll be glad to
13 secure that.

14 CHAIR SIPPLE: So, Keith, do you
15 want to make that motion?

16 MR. CARTIER: So moved.

17 MR. BANNISTER: Second.

18 CHAIR SIPPLE: All those in favor,
19 signify by saying aye. Any opposed?

20 Is that everything?

21 MR. HAMILTON: That's everything.

22 CHAIR SIPPLE: Great. Thanks,
23 David. You have been very, very busy this past year.

24 Jerry, that brings us up to your
25 report.

1 MR. GRAVES: I've talked about
2 some of the things, but we're proceeding on the office
3 at 4. We've got one more hurdle and that's through the
4 Corps. As I said earlier, I've got to get one more
5 letter of permission. It has already taken 39 months
6 since we started this project when I came on board three
7 years ago, but we keep scratching. And, so, hopefully
8 we'll make this thing work.

9 They have in Mr. Gannoe's shop,
10 one of his engineers, we've had a lead paint test, I
11 guess. Naturally lead paint is there. So, we got an
12 approximate cost of \$5,300 to take care of that
13 situation. I think we had budgeted nine or ten
14 thousand, so, that was a pretty good deal.

15 MR. COLLINS: Let me interrupt you
16 there a second. Do you think it would be necessary to
17 do a Phase I environmental on that property?

18 MR. GANNOE: We could.

19 MR. COLLINS: But I mean is it
20 required or necessary?

21 MR. GANNOE: No.

22 MR. COLLINS: Okay.

23 MR. GRAVES: Our next big project
24 is to start our six-year capital plan. It's due to be
25 presented to LRC by the 15th of April. As soon as this

1 meeting is over, David and Jennie and Sue and I will sit
2 down and start that process. We'll have a draft for the
3 March meeting for approval by the Board to go forward.
4 And we follow the consultants how they've determined
5 which phase or which step we go next. So, we'll follow
6 that and we'll have that plan worked on.

7 Some miscellaneous things, we have
8 now six lockmasters. We finally got the hiring process.
9 I thought at the next Board meeting, Bobby will bring
10 his staff and introduce his staff to the Board and give
11 their locations for next year who will be where so
12 you'll have some faces with names.

13 I'd like for you to look over what
14 we've accomplished this past year. Clare just said
15 we're busy. We do a lot. As I said earlier, we're
16 running a business. I'm proud of the way we run things.

17 Staff will tell you, I'm
18 conscientious about time and attendance, money. I don't
19 think there's anybody else in state government picking
20 up nuts and bolts off the ground like we do to get
21 money. If you look in Jennie's report, we have forty-
22 some-odd thousand dollars that we've scrapped,
23 surplused. So, we're very frugal in how we run things.

24 Again, let me say thanks to Ted
25 and Russ for being on board. We appreciate their work.

1 And I want to say thanks to Clare
2 for sitting in her position. There's a lot of times
3 that she does a lot of things that people just don't
4 understand like I'll be calling or getting advice or
5 running things by her. So, she does a whole lot.

6 So, I appreciate that and I
7 appreciate the way we're going and I appreciate your
8 time today. I know it's been long but it's things that
9 we had to get done. I'm pretty well done.

10 CHAIR SIPPLE: Thank you, Jerry.

11 MR. CARTIER: Let me ask one
12 question. I think I heard, Jerry, you mentioned the
13 six-year plan is due next spring.

14 MR. GRAVES: Yes, sir.

15 MR. CARTIER: And it requires
16 Board approval. I would really like to make a formal
17 request. I would like to have the Board have a chance
18 to review it and not necessarily approve it at the same
19 meeting that we're seeing it for the first time.

20 MR. GRAVES: What we will do is we
21 will get a draft and we'll send that draft out and
22 whatever procedure or process we need to make sure that
23 you all feel comfortable.

24 MR. CARTIER: I'm not sure what
25 the other Board members would feel, but I would not

1 object to another meeting, if it's just a special one to
2 just review as a draft and then approve it at a
3 normally-scheduled meeting.

4 MR. GRAVES: That's not a problem.

5 MR. CARTIER: It's a big deal.

6 MR. GRAVES: Absolutely, because
7 that's what we try to follow. That's our Bible, so to
8 speak. So, we could probably do that.

9 CHAIR SIPPLE: Maybe have a
10 special-called meeting in February and then a full Board
11 meeting.

12 MR. GRAVES: Our Board meeting is
13 not chiseled in stone because, as you well know, no
14 disrespect, but to get twelve people to come for one
15 meeting is like herding cats and to get everybody here.
16 So, these people behind me do a good job of getting
17 everybody together and it's hard to do that.

18 So, we'll put on a February
19 special meeting and then we'll try to set something up
20 sometime in March so we can make this work. That's a
21 good point.

22 MR. CARTIER: The second part of
23 the request, I think we talked about this a few meetings
24 back, with some of the bonds maturing over time, one of
25 the requests as we need to issue more bonds is the

1 effect on people's bills. Is there anything that can be
2 done with timing of construction of some projects be
3 deferred until we've completed so we keep rates for
4 customers fairly consistent, to the extent we can? So,
5 I just ask for that kind of consideration in the six-
6 year plan is what kind of flexibility there may be in
7 that regard.

8 MR. GRAVES: We can do that. You
9 make a very valid point, I understand, but we're - and
10 I'm preaching to the choir - but we're dealing with
11 structures that are old. 60 Minutes had a special about
12 America's infrastructure - pretty scary.

13 I'm not out here trying to run
14 around and spend, spend, spend and build, build, build,
15 but I think we're obligated to at least take a good look
16 at it and move forward.

17 So, we'll look into it and we'll
18 try to make it work. I think we can make it work.

19 CHAIR SIPPLE: Too, Keith, I think
20 when we did our last six-year plan, two of the things we
21 talked about, 8 and 10 were crucial to get those done
22 because they had the karst underlaying them, but, then,
23 after that, we could maybe take a little more time.

24 I think once we get 10 underway,
25 then we can maybe put the skids on it a bit.

1 MR. GRAVES: We'll come up with a
2 good plan.

3 MR. CARTIER: I'm not suggesting
4 that. It's just making sure that we as a Board have
5 that appreciation.

6 MR. GRAVES: Absolutely.

7 MR. BANNISTER: I'd like to add
8 one other comment to Keith's and Jerry's about trying to
9 get all of us together.

10 The one thing I would like to
11 suggest that you all consider is making a formal date
12 that this Board meets instead of trying to figure out
13 what's best for everybody. Set it like the third or
14 fourth Tuesday at the end of the quarter month and it's
15 set in stone.

16 When you first join this Board,
17 everybody knows it's the third Thursday or whatever.
18 Make it consistent. It might help you all trying to get
19 all of us together. I would just suggest you consider
20 making a standard meeting date.

21 MR. GRAVES: Okay. We'll
22 definitely look into it, and that's a good suggestion.
23 I thought about that when I first got here.

24 CHAIR SIPPLE: I think that when
25 Jerry first got here, we had so many things that we had

1 to get caught up on. I know in 2012 or 2013, we had so
2 many meetings. We've had fairly regular meetings this
3 year, but I think it was in 2013 that we had probably
4 eight meetings just because we had so many things that
5 were underway, but I think we have calmed down a bit.

6 MR. GRAVES: And that's a good
7 point. It's nice to know that this day every quarter.
8 I understand. We'll look into that and see if we can't
9 come up with something.

10 MR. BANNISTER: And, Keith, I was
11 sitting here today thinking about the same thing about
12 Dam 10. Can you wait on something and get one debt paid
13 off, but I guess 7 and 8 are needing new loans, but I
14 think that's what we need to look at somewhere down the
15 road is when will a certain debt be paid off and when
16 can you start taking on the debt of another lock and
17 dam.

18 CHAIR SIPPLE: Okay.

19 MR. GRAVES: I'm finished.

20 CHAIR SIPPLE: Thank you, Jerry.
21 We had our first Recreation meeting on November 14th at
22 Hall's on the River. We had eleven people in attendance
23 and we had a very full agenda. I think we were there
24 for two and a half hours, but we talked about a lot of
25 different things.

1 We talked about the portage routes
2 around the locks and the dams for the counties, and we
3 talked about whose responsibility that was.

4 Sue has been working really hard
5 on doing lease agreements for the different counties
6 that have asked for these agreements, and she is real
7 close to having them done. She had the High Bridge
8 because that was one we had done repeatedly, but we're
9 still working on the other lease agreements. They're
10 back from Finance and Legal but she had to change some
11 things.

12 And then we talked about the
13 promotion events that relate to the Kentucky River. Our
14 River Blast this year was so successful, we're now
15 planning on having two River Blasts in 2015 - June 19
16 and 20 here in Frankfort and then in August at
17 Boonesborough again.

18 We talked about cooperative
19 agreements relating to governments and the Kentucky
20 River Authority. That was lease agreements, Army Corps.
21 Army Corps still has Locks 1 through 4. We have
22 agreements on the others, and we talked about the
23 difficulty of doing anything at all of those locks with
24 the Army Corps in charge.

25 So, we're all patient. Otherwise,

1 we wouldn't be involved with this organization, but we
2 talked about different thing that maybe help make that
3 easier.

4 One of the points that came up
5 that I wanted to bring up because we've talked about the
6 Kentucky River Water Trail Alliance which is just a
7 cooperative group that meets and it looks for ways to
8 promote the Kentucky River, and David brought up the
9 fact that he pays a lease at 7 and that he's also going
10 to be paying leases for locks up the river as he can and
11 that money goes into I guess our general funds. Is that
12 correct, Jerry?

13 MR. GRAVES: Tier I, I believe.

14 CHAIR SIPPLE: And we're always
15 looking for ways to fund some of these projects and
16 promotional events and that \$8,300, we wondered if maybe
17 we would consider putting it instead of just in Tier I,
18 we would maybe put that in a separate account that could
19 be used for promotions to help some of these counties as
20 they move forward with doing different events.

21 So, I know that's not a tremendous
22 amount of money but we get it every year and it's part
23 of our income that goes into Tier I, but we thought that
24 that might be a place that we could start with doing
25 some promotional funding for different projects. Would

1 anybody like to discuss this?

2 Also, our meeting was recorded
3 because this was a regular meeting. So, we do have
4 professional minutes that are kept for us. We had a
5 long, long discussion about a lot of different things
6 and I'm not going to go through everything.

7 Ed promoted his plan. So, we
8 weren't all surprised when we got to hear his plans for
9 4.

10 David Kinloch also as part of his
11 federal license with 12 and 14 is going to put in
12 fishing tiers, walkways and possibly portages at 12. Is
13 that correct, David?

14 MR. BROWN KINLOCH: Twelve and 14.

15 CHAIR SIPPLE: Twelve and 14, and,
16 then, we were just talking about different potential
17 uses around all the different parks.

18 MR. BROWN KINLOCH: And our
19 federal license comes up for renewal at 7 in 2022, but
20 we start the relicensing in 2017. So, we talked about
21 the possibility of doing some of those enhancements at
22 Lock 7 early as sort of a sweetener towards getting
23 relicensed.

24 Normally, you do it in 2022 when
25 you got your relicense, but we may be able to work with

1 the federal government and go ahead and start that
2 instead of 2017 because the need is now and a lot more
3 than 2022. So, that would be a way to get something in
4 at 7.

5 CHAIR SIPPLE: And David has put
6 in an application for a \$1 million grant, and the
7 government makes you spend this money. So, he would
8 like to spend it to help make those locks and dams
9 usable by other people. So, we really appreciated David
10 coming to our meeting.

11 And also this is my new Bible. If
12 anybody that's on this Board has not read Bill Grier's
13 Five Lives of the Kentucky River, I think it should be
14 recommended reading. I almost was going to ask if we
15 could afford to pay to buy copies and make sure that
16 everybody has a copy of this.

17 I think that Bill Grier did a
18 fabulous job defining the history of the locks and dams
19 on the Kentucky River. He talks about all the different
20 lives of the Kentucky River. It's a wonderful book.
21 It's not an expensive book and every chapter has
22 something that just fascinated me. And if you're
23 involved with the Kentucky River, I really think it
24 should be required reading.

25 Bill Grier is not in the best of

1 health. It's a shame because I think that this Board,
2 that we could definitely say we're working on the sixth
3 life of the Kentucky River when we're talking about the
4 types of recreation and the different types of uses and
5 the stewardship that we're providing for the river. I
6 think that this is something that if you are looking for
7 a Christmas present, you can ask your significant others
8 to give you a copy of this book.

9 So, I just wanted to present the
10 idea of possibly using that lease money for promotions
11 for recreation in the future. If we're going to have a
12 Recreation Committee, we don't just need to talk about
13 it, as Rodney says. We need to have money to promote
14 some of these projects that we're wanting to look at.
15 So, we're really delighted to have Rodney part of this
16 group. He always brings a lot to the table.

17 MS. BANKS: He said if a committee
18 is going to be effective, it's got to have a budget.

19 CHAIR SIPPLE: That's right. So,
20 we're asking for a budget for our committee. We've only
21 met one time and we're always asking for money. So, be
22 careful what you wish for.

23 We will have another meeting
24 before very long and we'll report back to you all the
25 specifics. Another Kentucky River Water Trail Alliance

1 conference was held in Beattyville last month and it was
2 well-attended. Our partnerships with different agencies
3 within the state just get stronger. Our partnerships
4 with the county governments up and down the Kentucky
5 River are stronger. Jerry started this process and I
6 think that we have all tried to carry it on.

7 MS. BANKS: I think people are
8 just, as we have moved up and down the river, they've
9 gotten to know what the River Authority is doing, and I
10 think we're building partnerships and they can be
11 helpful with some of the things we want to see happen.

12 CHAIR SIPPLE: And there's an
13 awful lot of education going on that always is going to
14 improve the stewardship of the Kentucky River and I
15 think that's a really important feature of our work with
16 this agency.

17 Anyway, I think that's all I have
18 for my report. We would like to go into Executive
19 Session. We have a couple of issues that we need to
20 talk about.

21 MR. HIGHTOWER: Clare, could I say
22 just one thing?

23 CHAIR SIPPLE: Yes.

24 MR. HIGHTOWER: I'm Eddie
25 Hightower with Winchester Utilities, and I just wanted

1 to thank the Board for moving ahead with Lock and Dam
2 10. Somebody from WU has been at just about every
3 meeting and you guys have done everything you said you
4 were going to do. So, we really do appreciate your
5 all's efforts in moving forward and I just wanted to say
6 thank you.

7 CHAIR SIPPLE: Does anyone else
8 have anything they'd like to say? We have an awful lot
9 of guests today. Do any of our guests like to say
10 anything? Tom down there, anything you want to say?

11 MR. MARSHALL: You don't want to
12 hear what I have to say. When I heard you're going to
13 raise the rates again, I started wondering about some of
14 the things that others have mentioned here.

15 You just had a 116% rate increase.
16 And I know the volume is not that great but it's a big
17 increase to a lot of people. And as some of the people
18 here know, rates are part of my history.

19 I would encourage you to think
20 about how much you're going to raise the rates and what
21 you're going to spend the money on.

22 My only other comment is if you're
23 going to hold these various meetings and discuss part of
24 what Herbbie said of having specific dates, you might
25 want to take a look at the Open Meetings Act.

1 CHAIR SIPPLE: Thank you, Tom.
2 Anyone else? Okay. I'll take a motion to adjourn.
3 MR. COLLINS: Are you going into
4 Executive Session?
5 CHAIR SIPPLE: Yes, we are.
6 MR. COLLINS: Then that's a
7 recess.
8 CHAIR SIPPLE: A recess. I'm
9 sorry. A recess.
10 OFF THE RECORD
11 CHAIR SIPPLE: I'd like a motion
12 to adjourn.
13 MR. COLLINS: Madam Chairman, I'd
14 like to make that motion with one caveat, that we
15 decided not to go into Closed Session at this time, that
16 we may meet later for Closed Session. The only thing we
17 decided while the door was closed, we just opened the
18 door back up and to adjourn at this time. So, that's my
19 motion.
20 MR. SIMPSON: I'll second that.
21 CHAIR SIPPLE: Thank you. We have
22 a motion and a second. All those in favor, signify by
23 saying aye.
24 MEETING ADJOURNED
25

STATE OF KENTUCKY

COUNTY OF FRANKLIN

I, Terri H. Pelosi, a notary public in and for the state and county aforesaid, do hereby certify that the foregoing pages are a true, correct and complete transcript of the proceeding taken down by me in the above-styled matter taken at the time and place set out in the caption hereof; that said proceedings were taken down by me in shorthand and afterwards transcribed by me; and that the appearances were as set out in the caption hereof.

Given under my hand as notary public aforesaid, this the 8th day of December, 2014.

Notary Public
State of Kentucky at Large

My commission expires February 10, 2017.