

COMMONWEALTH OF KENTUCKY

IN RE: KENTUCKY RIVER AUTHORITY

MEETING NO. 176

September 2, 2015
10:00 A.M.
Lock and Dam 4
1021 Kentucky Avenue
Frankfort, Kentucky

APPEARANCES

Ms. Clare Sipple
CHAIR

Ms. Pat Banks
Mr. Charles Bush
Mr. Warner Caines
Mr. Keith Cartier
Mr. Tom Gabbard
Mr. James Kay
Mr. Rodney Simpson
Mr. Jack Stickney
Mr. Houston wells
KENTUCKY RIVER AUTHORITY

Mr. Jerry Graves
EXECUTIVE DIRECTOR

MOORE COURT REPORTING SERVICES
RITA S. MOORE
74 REILLY ROAD
FRANKFORT, KENTUCKY 40601
(502) 223-3507

APPEARANCES
(Continued)

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

Mr. Stu Brown
Mr. Mike Flynn
Ms. Joy Jeffries
Mr. David Brown Kinloch
Ms. Kara Smothermon
Mr. Lee Webster
GUESTS

AGENDA

| | |
|---|----------|
| 1. Call to Order. | 7 |
| 2. Approval of Minutes. | 8 |
| 3. Financial Report - Jennie Wolfe. | 8 - 13 |
| 4. Consideration of the Proposed FY 2016 - 2018 Operating Budget - Jennie Wolfe. | .13 - 31 |
| 5. Discussion and Consideration for Vehicle Purchase - Jerry Graves. | .31 - 35 |
| 6. Consideration of changes to lease agreements for Locks and Dams 11, 12, 13 and 14 - Sue Elliston | .35 - 46 |
| 7. Consideration of Automatic Renewal of Lee's Boat Dock - Sue Elliston | .46 - 50 |
| 8. Discussion and consideration of cost to repave Lock 5 road - David Hamilton. | .50 - 60 |
| 9. Engineer's Report - David Hamilton | .60 - 72 |
| 10. Executive Director's Report - Jerry Graves | .72 - 73 |
| 11. Chairperson's Report - Clare Sipple. | .74 - 75 |
| 12. Comments by Joy Jeffries | .75 - 78 |
| 13. Other Business. | .79 - 85 |
| 14. Executive Session - Personnel (Transcript Contained in Separate Binder) | |
| 15. Adjourn | 86 |

MOTIONS

MOTION TO APPROVE MINUTES OF
MEETING #175. PAGE 8, LINE 10

MS. SIPPLE: Thank you all. Has everyone had a chance to read the minutes? They were sent out last week. Has everyone seen the minutes? And, if so, do we have any corrections? If not, could we have a motion to approve the minutes?

MR. KAY: So move.

MS. SIPPLE: James Kay makes the motion. Do we have a second?

MR. WELLS: Second.

MS. SIPPLE: Houston wells. All those in favor, signify by saying aye. All opposed. The minutes are approved.

MOTION TO APPROVE FINANCIAL
REPORTS. PAGE 13, LINE 6

MS. SIPPLE: Thanks, Jennie. You make it easy to understand. Do we have a motion to approve the Financial Report?

MR. CARTIER: So move.

MS. SIPPLE: Keith Cartier makes the motion. Do we have a second?

MR. KAY: Second.

MS. SIPPLE: James Kay second. All those in favor, signify by saying aye. Any opposed? The Financial Reports are done.

MOTION TO APPROVE FY 2016-2018
BUDGET REQUEST PAGE 30, LINE 22

MS. SIPPLE: Any other questions? I call for a motion, then, to approve the budget request.

MS. BANKS: I do.

MS. SIPPLE: Pat Banks made the motion to approve. Do I have a second.

MR. CARTIER: Second.

MS. SIPPLE: Second Keith Cartier. All those in favor, signify by saying aye. Any opposed? The motion carries.

MOTIONS

MOTION TO APPROVE VEHICLE

PURCHASE. PAGE 35, LINE 10

MR. SIMPSON: I'll make a motion to buy a truck with a \$40,000 limit on the spending with air-conditioning.

MS. SIPPLE: All right. Rodney has made a motion ---

MR. GRAVES: It's going to have air. I'm not that bad.

MS. SIPPLE: Rodney has made the motion. Do we have a second?

MR. KAY: Second.

MS. SIPPLE: James Kay seconds. Any other discussion? All those in favor, signify by saying aye. Any opposed? All right, you get your new truck.

MOTION TO MAKE CHANGES TO LEASE AGREEMENTS

FOR LOCKS & DAMS 11, 12, 13 & 14. . . PAGE 46, LINE 15

MR. SIMPSON: Madam Chair, I move to accept staff's recommendations concerning Locks and Dams 11, 12, 13 and 14 as presented.

MS. SIPPLE: Thank you, Rodney.

MR. STICKNEY: And I second.

MS. SIPPLE: We've got a motion and a motion and a second. Do we have anymore discussion? Then, I'll call for the vote. All in favor, signify by saying aye. Any opposed? It's unanimous.

MOTION TO APPROVE THE REQUEST TO PAVE

LOCK 5 ROAD. PAGE 60, LINE 5

MS. SIPPLE: Okay. Any questions for David? Call for a motion, please.

MR. CARTIER: I move that we approve the request to pave.

MS. SIPPLE: Keith Cartier makes the motion. Do we have a second?

MR. WELLS: Second.

MS. SIPPLE: Houston wells makes the second. Any further discussion? All those in favor, signify by saying aye. Any opposed? Okay, thank you.

MOTIONS

MOTION TO GO INTO EXECUTIVE

SESSION.PAGE 85, LINE 13

MS. SIPPLE: I need someone to please make a motion to close the -- can I make the motion to close the open meeting? And I'm going to cite KRS 61.810. The Kentucky River Authority Board is going into closed session to discuss personnel matters. So, we would like for our court reporter to stay but everyone else will have to go. So, thank you all for coming. We enjoyed seeing you.

MR. WELLS: If you need a motion, I make the motion.

MS. SIPPLE: Okay, Houston is making the motion. Do we have a second?

MR. BUSH: Second.

MS. SIPPLE: Charles Bush has made the second. All those in favor, signify by saying aye. Any opposed? All right. We're going into closed session.

MOTION TO ADJOURN

PAGE 86, LINE 5

MS. SIPPLE: Call for a motion to adjourn.

MR. WELLS: So move.

MR. KAY: Second.

MS. SIPPLE: Let's see, Houston; James Kay second. All those in favor, signify by saying aye.(Motion carries)

1 MS. SIPPLE: I'm going to officially
2 call this meeting to order. This is Meeting #176,
3 September 2nd, 2015. Sue, could you call the roll for us,
4 please? And after Sue calls the roll, I would like for
5 everyone seated in the audience to identify yourself. We
6 have a new recording secretary today, and she doesn't know
7 us all. So, we need to get everybody's name down for the
8 record.

9 (ROLL CALL)

10 MS. ELLISTON: We have a quorum.

11 MS. SIPPLE: Great. Thank you, Sue.
12 Then, if we could go with that good-looking man down on the
13 far left there.

14 MR. WEBB: Bobby Webb, Kentucky River
15 Authority.

16 MR. WEBSTER: I'm Lee Webster with
17 Stantec.

18 MS. JEFFRIES: I'm Joy Jeffries,
19 Frankfort/Franklin County Tourism & Frankfort/Franklin
20 County Riverfront Development.

21 MS. WOLFE: Jennie Wolfe, Kentucky
22 River Authority.

23 MR. RUSSELL: Tom Russell, Kentucky
24 River Authority.

25 MS. ELLISTON: Sue Elliston, Kentucky

1 River Authority.

2 MR. HAMILTON: David Hamilton, KRA.

3 MR. KINLOCH: David Brown Kinloch,
4 Shaker Landing Hydro.

5 MR. BROWN: Stu Brown from
6 Versailles/Woodford County.

7 MR. FLYNN: Mike Flynn with Winchester
8 Municipal Utilities.

9 MS. SMOTHERMAN: Kara Smotherman.

10 MS. SIPPLE: Thank you all. Has
11 everyone had a chance to read the minutes? They were sent
12 out last week. Has everyone seen the minutes? And, if so,
13 do we have any corrections? If not, could we have a motion
14 to approve the minutes?

15 MR. KAY: So move.

16 MS. SIPPLE: James Kay makes the motion
17 to approve the minutes. Do we have a second?

18 MR. WELLS: Second.

19 MS. SIPPLE: Houston wells. All those
20 in favor, signify by saying aye. All opposed. The minutes
21 are approved. Jennie, can you give our financial?

22 MS. WOLFE: Today, I will cover the
23 Financial Reports for May, June and July. In May, the Tier
24 I fee receipts were \$207,546.69. Interest income was
25 \$80.15. Total revenue in the Tier I Fund in May was

1 \$207,626.84. The expenditures for the month were
2 \$59,008.48. That included salary and operating expense,
3 along with a contract payment to UK. The Tier I Fund ended
4 the month of May with a cash balance of \$1,090,858.

5 In the Tier II Fund, Tier II fee
6 receipts were \$733,107.67. Interest income was \$268.70,
7 for a total revenue of \$733,376.37. Dive services were
8 required at Lock and Dam 3 due to three high-water events.
9 The charge for their services was \$20,000. The Tier II
10 Fund ended the month of May with a cash balance of
11 \$3,704,381.26.

12 In the Equipment Replacement Fund,
13 there was revenue of \$50; expenditures of \$1,211; and the
14 Fund ended the month with a cash balance of \$39,452.16.

15 The General Fund expenditures includes
16 salary and operating expense for \$19,255.03 and ended with
17 a balance of \$9,560.83.

18 Capital Construction Funds in May, the
19 Dam 8 Project had expenditures of \$4,680.90 and ended with
20 a balance of \$7,053,630.16. The Locks 1 and 2 Rehab
21 Project had expenditures of \$99,448.09 and ended with a
22 balance of \$631,589.62. The Interest-Earning Capital Fund
23 had interest income of \$622.99 and ended with a balance of
24 \$27,995.73.

25 Are there any questions on the May

1 Financial Report? Okay.

2 In June, which is the last month of the
3 fiscal year, the Tier I fee receipts were \$9,745.67.
4 Interest income was \$83.28. Total revenue in the Tier I
5 Fund was \$9,828.95. Expenditures for the month were
6 \$54,887.70. It included one pay period and operating
7 expense, along with a payment to UK. The Fund ended the
8 month and the fiscal year with a cash balance of
9 \$1,045,799.25.

10 Also, I noted in the June Financial
11 Report that the fiscal year ends June 30th. So, cash is
12 cash on June 30th. But we paid three more payments out of
13 our budget early in July. So, that cash comes out of the
14 next Fiscal Year; but we hit the budget in Fiscal Year '15.
15 So, we had enough money to cover that; but the cash is cash
16 on June 30th. So, you can't change that.

17 In the Tier II Fund, fee receipts in
18 July were \$14,061.40. Interest income is \$252.28. Total
19 revenue in the Tier II Fund was \$14,313.68. A debt service
20 payment was made on June 15th for \$579,273.67. We also
21 made a cash transfer to establish the Dam 10 Design
22 Project, Phase I for \$175,930. The Tier II Fund ended the
23 month with a cash balance of \$2,963,491.27.

24 The Equipment Replacement Fund had
25 revenue in June of \$125, expenditures of \$2,427.32, and

1 ended the month and the fiscal year with a cash balance of
2 \$37,149.84.

3 The General Fund had salary and
4 operating expenses of \$9,555.83, and we ended with a
5 balance of \$5.00. So, we gave \$5.00 back to the General
6 Fund.

7 For the Capital Construction Funds in
8 June ---

9 MR. GRAVES: That's a good job.

10 MS. SIPPLE: Yeah, that's a good job.

11 MS. WOLFE: The Dam 8 Renovation Fund
12 had expenses of \$31,762.90 and ended the month with a
13 balance of \$7,021,867.26. The Locks 1 and 2 Renovation
14 Fund had expenditures of \$52,998.83 and ended with a
15 balance of \$578,590.79. The Interest-Earning Capital Fund
16 had interest of \$621.14 and ended with a cash balance of
17 \$28,616.87. A new fund was created for the design of Lock
18 and Dam 10 and received a cash transfer of \$175,930.00.

19 Any questions on the June report?

20 Okay. In July, we started Fiscal Year '16. The Tier I fee
21 receipts were \$10,481.26. Interest income was \$81.58.
22 Total revenue in the Tier I Fund \$10,562.84. Expenditures
23 for the month were \$133,138.72. This included normal
24 salary and operating expense, along with the deferred June
25 30th payroll and the other expenditures I mentioned at the

1 end of June. The cash balance in the Tier I Fund at the
2 end of July was \$923,223.37.

3 In the Tier II Fund, fee receipts for
4 the month were \$44,201.82. Interest income, \$255.65.
5 Total revenue in the Tier II Fund in July, \$44,457.47. The
6 cash balance at the end of July in the Tier II Fund,
7 \$3,007,948.74.

8 The Equipment Replacement Fund had
9 revenue of \$350 for the sale of navigation charts and ended
10 the month with a cash balance of \$37,499.84.

11 The General Fund appropriation on July
12 1 was \$255,500. Expenditures in July were \$40,667.96 and
13 ended with a balance of \$214,832.04.

14 For the Capital Construction Funds in
15 July, a transfer was made from the Lock and Dam Maintenance
16 Pool, which is where the remaining 2013 bond sale money is,
17 to the Dam 8 Renovation Fund for \$10,555. This was a
18 change order to increase the project budget due to the west
19 closure cell and a rock wall adjustment. Change orders
20 to-date on the Dam 8 Project are .071% of the project
21 budget. The Dam 8 Renovation Fund received the transfer in
22 of \$10,555. Expenditures were \$355,070.75 and ended the
23 month with a balance of \$6,677,351.51. The Locks 1 and 2
24 Renovation Project had expenditures of \$1,902.45 and ended
25 the month with a balance of \$576,688.34. The

1 Interest-Earning Capital Fund had interest income of
2 \$661.59 and ended the month of July with a balance of
3 \$29,278.46.

4 Are there any questions on the July
5 report? Okay. That's all I have for that.

6 MS. SIPPLE: Thanks, Jennie. You make
7 it easy to understand. Do we have a motion to approve the
8 Financial Report.

9 MR. CARTIER: So move.

10 MS. SIPPLE: Keith Cartier makes the
11 motion. Do we have a second?

12 MR. KAY: Second.

13 MS. SIPPLE: James Kay second. All
14 those in favor, signify by saying aye. Any opposed? The
15 Financial Reports are done.

16 Now, Jennie, while we've got you here,
17 let's go on and do this budget.

18 MS. WOLFE: Okay. Are you all ready to
19 start on the budget? David has got some pictures, too,
20 that I'll show you when we get to that point. This budget
21 request is for the period July 1, 2016 through June 30,
22 2018. The River Authority budget is based on three
23 programs and two main sources of revenue. So, I'm going to
24 recap the account structure before we get started.

25 The first program is the General

1 Operations Program or the Tier I Fund. It is used to pay
2 the salary and benefits of four office personnel and the
3 operating expenses of the office. The USGS contract and
4 the UK contract are also paid from the Tier I Fund. This
5 fund has a dedicated quarterly revenue stream based on Tier
6 I water usage.

7 The next program is the Locks and Dams
8 Construction Maintenance Program or the Tier II Fund. It
9 is used to pay debt service and also can be used on capital
10 projects. The revenue in this fund is supported by water
11 withdrawn from the main stem of the Kentucky River or the
12 Tier II water user fees.

13 The last program is the Locks
14 Operations Program. It combines two funds; the KRA
15 Equipment Replacement Fund and also the General Fund
16 appropriation. There is no dedicated revenue stream. The
17 General Fund consists of the amount that is appropriated to
18 the Kentucky River Authority. This fund supports three
19 Lockmasters and one Program Coordinator salary and also the
20 operating expenses for the locks and maintaining equipment,
21 buildings and property.

22 So, on the first page of the proposed
23 budget, it breaks down the Kentucky River Authority revenue
24 from each fund. For Tier I and Tier II water user fees and
25 also other revenue sources, in Fiscal Year '14 and Fiscal

1 Year '15, the actual revenue is shown in those gray boxes.
2 The current year is Fiscal Year '16. That's the budgeted
3 year. And, then, the two requested years follow.

4 In the Tier I Fund, we have budgeted
5 revenue for Tier I water user fees, rental income from the
6 Lock 7 hydro, and interest income. The budget revenue did
7 not change from previous years since there will be no
8 change to the Tier I water user fee.

9 In the Tier II Fund, Fiscal Year '16
10 and '17 are budgeted the same as Fiscal Year '15. Then, in
11 Fiscal Year '18, I took into account a potential rate
12 increase of approximately ten cents that would go into
13 effect July 1, 2017 to fund additional debt service for the
14 construction of a new Lock and Dam 10.

15 Lastly, there is no dedicated revenue
16 stream in the Equipment Replacement Fund. That revenue is
17 generated from the sale of navigation charts or if and when
18 we sell scrap metal.

19 MS. SIPPLE: You all have cleaned it
20 all up by now, haven't you?

21 MR. GRAVES: We're just about. We got
22 \$200 the other day. So, we're working on it.

23 MS. WOLFE: I wanted to mention with
24 Locks 1 through 4 open, the navigation charts have been
25 selling pretty consistently. I projected in both Fiscal

1 Year '17 and '18 that we would sell 20 navigation charts.
2 But since May 22nd of this year when the locks opened, we
3 have sold 37 navigation charts and generated \$925 in
4 revenue from the navigation charts.

5 If there's no questions on the revenue
6 portion of the budget, I'll move on.

7 MR. STICKNEY: I have a question on the
8 revenue.

9 MS. WOLFE: Yes.

10 MR. STICKNEY: What are the rates in
11 the Tier I and II now? And you said in 2017, you expect a
12 ten cents increase in Tier II?

13 MS. WOLFE: Right now, the current rate
14 for Tier I is .022 cents per 1,000 gallons; and the Tier II
15 rate is 13 cents per 1,000 gallons. And in order for us to
16 take on additional debt, we would have to raise rates. And
17 the additional debt would be to fund the Lock and Dam 10
18 Project.

19 MS. SIPPLE: Jennie, you said it was
20 .022 per 1,000 for Tier I. And for Tier II, it was how
21 much?

22 MS. WOLFE: Thirteen cents.

23 MR. GRAVES: Thirteen cents. So,
24 households using -- 15 cents per 1,000 gallons for each
25 household. So, a normal household is ---

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MR. CARTIER: Four thousand.

MR. GRAVES: --- 4,000. So, you're looking at 60 cents right now that we're collecting to fund our projects. And our debt service every quarter is \$579,000. So, that's how we pay our debt service. And Tier II has never -- I think has ever been raised.

MS. WOLFE: Tier I.

MR. GRAVES: I'm sorry, Tier I. Tier II has been raised I think once. I believe that's right.

MS. WOLFE: Okay. So, we'll move to the next page. The baseline budget request for each program is the minimum amount it takes to operate, and that's based on prior year expenditures. So, this is the General Operation Program or the Tier I baseline budget. These requests are based on the two historical years that are shown in gray. And for the Tier I Fund expenses, it includes four categories; personnel, operating, grants and capital outlay.

The personnel expense includes the salary and benefits of four office personnel, Board per diem and other professional services. The salary and benefits expense is based on personnel runs that are provided by the Budget Office, but those will not be available until mid-September. So, these are estimates.

The operating expense of the office is

1 based on historical numbers. In the grants category, I
2 budgeted \$251,000 in the two requested years. That would
3 include the USGS contract for \$142,380 and the UK contract
4 for \$107,870.

5 The last category is capital outlay,
6 and it includes any cash that would be transferred to a
7 Capital Fund. And I just estimated 50,000 for that
8 category.

9 The additional budget requests include
10 any expenses that go above the baseline budget. The Budget
11 Office requires each agency budget for defined calculations
12 and the full actuarial required contribution or the
13 retirement contribution. The defined calculations include
14 increased costs for annual salary increments, increases in
15 health insurance; just the fixed costs. And I based these
16 amounts for the defined calculations and the full ARC on
17 Fiscal Year '14 to '16 budgeted amounts because the Budget
18 Office had not published that information before I had to
19 send you all the Board packages. So, they did come out
20 with those numbers late last week.

21 And the retirement contribution this
22 year is 39% in Fiscal Year '16. And in Fiscal Year '17,
23 that retirement contribution will be 45.46%; and in Fiscal
24 Year '18, 45.08%. So, it's about a 6% increase in the
25 retirement contribution in the next two fiscal years. And,

1 then, the health insurance will increase 3% in the next two
2 fiscal years.

3 The way the additional budget request
4 is shown is by reducing receipts by the amount of the
5 request. So, in Fiscal Years '17 and '18, we have
6 requested \$523,600 in additional budget requests; and our
7 revenue is 909,300. So, you would reduce your revenue by
8 your amount of your additional budget requests. And if we
9 are allowed to -- if we are granted the additional budget
10 requests that we ask for, we'll still have a balance
11 forward going into the next fiscal year.

12 The additional budget request that we
13 include in this budget include dredge services. This is to
14 dredge Locks 1 through 5 each summer. Dredging is required
15 to maintain lock and dam structures and also create and
16 maintain the storage capacity in the pools. The service
17 will be contracted through Finance Facilities, and we
18 budgeted 155,000 each year.

19 The next budget request is the Lock 4
20 Lockmaster house renovation. This project has not moved
21 forward. So, we're going to include that in the budget
22 again.

23 The next additional budget request is
24 for temporary workers hired during the lock season. We
25 have requested 40,000 each year. That is a little bit high

1 because our actual -- in 2014, we paid \$30,245 for
2 temporary workers. And in Calendar Year 2015, we paid --
3 or in this current year, we have so far spent \$26,463 on
4 temporary workers. So, we just went ahead and budgeted
5 40,000 for that.

6 And, then, David. The next additional
7 budget request is the demolition of five lockhouses. And
8 we have some pictures here to show you the lockhouses that
9 are in poor condition and cannot be saved. These are the
10 lockhouses at Lock and Dam 1 in Carrollton, Kentucky. This
11 is Lock and Dam 3. That's one of the houses. And, then,
12 this is Lock and Dam 12 and both of the houses there.

13 MR. WELLS: Are they under the
14 Historical Registry?

15 MR. GRAVES: To do the ones at 1 and 3,
16 we've got to go through the Corps. Since we own the one at
17 11, ---

18 MS. WOLFE: Twelve.

19 MR. GRAVES: --- at 12, we're trying to
20 work a deal with the county there. We're trying to cut
21 some type of deal with them. The inside of these buildings
22 are totally gutted. You can't go inside. The floor is
23 rotted out. All the water that's gone through those
24 things. And the liability, the homeless stay there. We're
25 always running somebody out of there.

1 what we'd like to do eventually, once
2 we get this established to demolish these buildings, is
3 take the foundation at 1 and leave it and come in and put a
4 roof system over that and let that be our storage building
5 for Lock and Dam 1. We've got just a little 16 by 16 hut
6 there. We can't even put a spike pole in it. The spike
7 pole is 20 foot in length, and that's the way we get our
8 debris away from the locks. So, that will save us some
9 money there.

10 But it's something we're going to have
11 to do at some point in time. I've asked the Corps to do
12 this, and they don't even respond. I don't know how many
13 times I've asked them.

14 MS. SIPPLE: I think what Houston was
15 asking are all these houses on the National ---

16 MR. GRAVES: Yes. They're on the
17 -- yeah.

18 MS. SIPPLE: They're on the Register.

19 MR. GRAVES: So, we've got to go
20 through Craig Potts to get through that process. And Craig
21 has toured these facilities with us. And he agrees with us
22 that they're past the point of no return. I went around
23 the bush to answer your question, but ---

24 MR. WELLS: I was going to bring you
25 back. I was letting you go and then bring you back.

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MR. GRAVES: Yeah, okay.

MR. WELLS: But she helped on it.

MS. WOLFE: Are there any questions on the Tier I General Operations Program budget request? Okay. We'll move on to the next page. This is the Locks and Dams Construction Maintenance Program or the Tier II baseline budget request. It includes the Tier II water user receipts and debt service payments. These requests are based on the two historical years shown in gray. And at the bottom of the page, you will see the scheduled debt service payments for Fiscal Year '17 and Fiscal Year '18. Those payments are shown with no credit taken. There's actually a quarterly credit that we receive of \$25,870; but for budgeting purposes, you do not include your credits. You just include principal and interest.

There are two additional budget requests in this program. One is to fund emergency dive services if, by chance, we have high water again this next year. The dive services were about \$4,000 a day; and we'd like to budget for five days.

The next additional budget request is additional debt service for the construction of a new Lock and Dam at Lock and Dam 10. In order for KRA to take on that project, we would have to sell bonds; take on additional debt; and increase the Tier II rates. We

1 anticipate the following time line, but this is pure
2 speculation at this point.

3 The design will be completed and the
4 project will be ready to bid next winter. Then, the
5 Kentucky River Authority will go to the Office of Financial
6 Management; and they will do their studies. And they will
7 come to the Kentucky River Authority Board Meeting, and
8 they will present kind of like they did last time for the
9 2013 bond sale. And if the Board approves, in Spring of
10 2017, we would sell bonds and the project would be bid out;
11 and there would be a rate increase July 1, 2017.

12 For budget purposes, I've used a 10
13 cent rate increase because that's what the Board has
14 discussed previously. And I've also estimated 1.5 million
15 as the additional debt in Fiscal Year '18. Which I don't
16 think it would be that much; but until we get to that
17 point, we won't know.

18 Are there any questions on the Lock and
19 Dam Constructions Program? Okay.

20 The last one is the Lock and Dam
21 Operations Program. This program is comprised of both
22 General Fund dollars and Restricted Fund. There's no
23 dedicated revenue in this fund. The General Fund
24 appropriation supports the personnel and operating expense
25 of four full-time staff. The general appropriation this

1 fiscal year is \$255,500. So, that's what our baseline
2 budget request has to be in Fiscal Year '17 and Fiscal Year
3 '18; and anything more than that has to be an additional
4 budget request.

5 The Restricted Fund portion of this
6 program is the Equipment Replacement Fund, and any revenue
7 in that program comes from the sale of scrap metal or
8 navigation charts.

9 So, the additional budget request
10 includes fully funding retirement and also funding the
11 defined contributions that are increased costs above the
12 baseline budget. And, once again, those numbers below in
13 that gray box are based on Fiscal Year '14 to '16 numbers.
14 And they will increase slightly; like I said, 6% for
15 retirement and 3% for health insurance.

16 The total amount requested in Fiscal
17 Year '17 and '18 for the Lock and Dam Operations additional
18 budget requests is \$223,225 in both years. KRA is
19 requesting to fill two full-time Lockmaster positions and
20 funding those positions from General Fund dollars. Okay,
21 David.

22 The next one is the renovation of the
23 Lock 1 office and to build a storage shed. So, here's the
24 current Lock 1 office. This was originally built by the
25 U.S. Army Corps of Engineers, and it is in need of repair.

1 This is where we store lock wall equipment, weed eaters and
2 mowers that are used to maintain the property.

3 MR. GRAVES: And it is in the process
4 of being painted. If you know anything about the guys at
5 Lock 1, if you stand still very long, they're going to
6 paint you. So, that building is going to be painted as we
7 speak.

8 MS. WOLFE: Okay. And, then, the last
9 request is \$85,625 in each fiscal year for miscellaneous
10 equipment costs. In your Board package, I detailed the
11 equipment that Kentucky River Authority is requesting.
12 Most of our equipment on our inventory was given to us by
13 the U.S. Army Corps of Engineers. We spend a lot of money
14 on -- not a lot of money. We spend money on repairs and
15 replacement parts, and some of that equipment just needs to
16 be replaced altogether.

17 MR. GRAVES: If I can quickly speak to
18 that. We're very fortunate. We have two guys on staff
19 that works with Bobby that are mechanics by trade. And I
20 don't know what it would cost us if we had -- well, \$80 an
21 hour. Just to give you an example, to have some of the
22 cylinders that move the leafs to the gates up and down, we
23 were quoted \$80 an hour to rehab those things. Our guys
24 are doing them right here in-house.

25 One of the guys was leaving Lock 2 one

1 night and a deer crossed the road. It's the truck sitting
2 out here, the white truck. He tattooed the deer. The door
3 lost. The truck took a hit. And Bobby and his staff
4 refurbished that truck by just buying parts and pieces and
5 put it back together. So, kudos to those guys for what
6 they did. They saved us a lot of money.

7 So, unless it's something major, all
8 the work is done right here in this building you see.
9 we'll take motors off one lawnmower and transfer it to
10 another one. They make things work. But you can only
11 band-aid so long. We're getting to the point we're just
12 about running out of band-aids. So, that's why we're
13 asking for this.

14 MS. WOLFE: Are there any questions on
15 the General Operations? Okay. The last page of your
16 handout is -- the top portion is the six-year -- is the
17 Capital Projects from the Six-Year Plan that we presented
18 back in January. There is no change to these plans;
19 construct Lock and Dam 10, design and repair Dam 6 and 7.

20 The last thing on this sheet is
21 something that I have to submit to the Office of Financial
22 Management each year to show that the Kentucky River
23 Authority water users are using enough gallons of water to
24 cover our debt payments. And that's just for your all's
25 informational purposes.

1 So, this concludes the budget request
2 presentation. The budget is due October 30th to the Office
3 of the State Budget Director and LRC. The River
4 Authority's budget, the expenses do not exceed the
5 revenues. And I request Board approval of the Fiscal Year
6 2016 to 2018 Operating Budget request.

7 MS. SIPPLE: Thank you, Jennie. Very
8 good job. I think that the way that Jennie presents her
9 budgets and her financial reports is easy for people who
10 are non-financial people to understand. And I do
11 appreciate that, Jennie. So, do we have any questions
12 about Jennie's budget request? Any additions,
13 subtractions?

14 MR. GRAVES: One other comment. Not
15 only has Jennie done all of this, but we're also starting
16 the beginning of our audit. She's calculated all -- did
17 all this, plus the State Auditors are doing their annual.
18 She's been busy, extremely busy. So, I appreciate it.
19 Thanks.

20 MR. WELLS: Jerry, being a relatively
21 new member on this Board, explain what happens here. Does
22 this go back to Finance for approval? Does this go to the
23 legislative bodies for approval? How does this process
24 work?

25 MS. WOLFE: After you all approve this

1 budget, we have a budgeting system called KBUD; and I enter
2 everything into there. And, then, Kara Smotherman is our
3 Budget Analyst; and she'll review it. And if she doesn't
4 see anything wrong, then, it will move on. Or if she sees
5 things that I need to change, she'll send it back. But it
6 kind of goes to her for final approval; and if there's no
7 changes, then, it moves on.

8 MR. WELLS: Moves on.

9 MR. GRAVES: It's the start of the
10 process.

11 MS. WOLFE: Right, because January the
12 Legislators come in.

13 MR. WELLS: That's what I was ---

14 MR. GRAVES: Right.

15 MR. WELLS: --- alluding to.

16 MR. GRAVES: This is the ground level
17 to get it to ---

18 MR. WELLS: Through Finance?

19 MR. GRAVES: It goes through Finance,
20 through Kara, her office, and on up. So, we're just --
21 we're the ground level phase. We have to submit something.
22 Am I right, Ms. Smotherman?

23

24 MS. SMOTHERMAN: Yes. Once I get it, I
25 make sure that Jennie has done everything in accordance

1 with the budget instructions; and she and I work together.
2 And, then, after that, after it's -- you know, because you
3 can request whatever you want to request as long as it's in
4 line with the instructions. And, then, after that, the new
5 Governor will make his decisions on what he approves as far
6 as the additional requests and any other sort of change he
7 might make. And, then, he will present that to the
8 Legislature come January; and, then, they make their
9 decision. And once they pass their budget bill, probably
10 about August -- no, April, it will be final.

11 MR. WELLS: So, whatever we approve
12 today is not necessarily what we're going to see?

13 MS. WOLFE: Correct.

14 MR. GRAVES: Right, correct.

15 MS. WOLFE: It's just what we ---

16 MR. GRAVES: It's just the start of the
17 process.

18 MR. WELLS: Okay.

19 MS. SIPPLE: Good question.

20 MR. CARTIER: One other question just
21 for clarification. So, if I look at the additional budget
22 requests under Tier I, the General Operations Fund, I can
23 see that that's well within our total receipts and
24 revenues.

25 MS. WOLFE: Correct.

1 MR. CARTIER: Can you just help explain
2 for the additional requests on the General Fund, ---

3 MS. WOLFE: In the General Fund.

4 MR. CARTIER: --- how we might cover
5 that with the appropriation?

6 MS. WOLFE: We're just asking for more
7 General Fund dollars.

8 MR. CARTIER: So, that would be the
9 request?

10 MS. WOLFE: Right.

11 MR. CARTIER: Okay, thank you.

12 MR. GRAVES: We're wishing.

13 MS. WOLFE: We're wishing.

14 MR. GRAVES: Hoping.

15 MS. WOLFE: We're hoping, yeah;
16 begging.

17 MR. GRAVES: Crossing our fingers,
18 yeah.

19 MS. WOLFE: Begging.

20 MR. CARTIER: Thank you.

21 MR. GRAVES: It doesn't hurt to ask.

22 MS. SIPPLE: Any other questions? I
23 call for a motion, then, to approve this budget request.

24 MS. BANKS: I do.

25 MS. SIPPLE: Pat Banks made the motion

1 to approve. Do I have a second?

2 MR. CARTIER: Second.

3 MR. SIPPLE: Second Keith Cartier. All
4 those in favor, signify by saying aye. Any opposed? The
5 motion carries. Thank you, Jennie, very much.

6 MS. WOLFE: You're welcome.

7 MS. SIPPLE: Now, we come to one of our
8 budget increase things. Jerry.

9 MR. GRAVES: I'm asking -- well, let me
10 back up. Four years ago, I came here and started this job.
11 As I said earlier, we had 11 vehicles, nine people. Today
12 we've got 11 people, three vehicles. We have a Ford pickup
13 truck out here that has 131,705 miles. We have a Chevy
14 that survived the deer crash. It has 260,633 miles. Then,
15 we have a Tahoe that has 99,443 miles. The Chevy is
16 burning almost as much oil as it is gas. Am I right,
17 Bobby?

18 MR. WEBB: Yes.

19 MR. GRAVES: I know they're putting
20 quite a bit of oil. But I said we can buy a lot of oil
21 before we buy another vehicle. So, I'm asking the Board
22 for a request and approval for a new truck. And, trust me,
23 this hurts because I'm probably as tight as anybody around
24 here; but it's something that we need. We've got 14
25 facilities, plus the park that we're taking care of. And

1 we're just running out of -- some of us are using our
2 private vehicles.

3 So, we can buy off the master agreement
4 through the state a vehicle. We've looked at a --
5 hopefully, I can come up with it. The state has a master
6 agreement with Bob Hook Chevrolet out of Louisville. It's
7 something that we don't select. It's on the master
8 agreement. This is what it is.

9 We can purchase a truck that will make
10 Bobby happy. Four-wheel drive. As you can see, we've got
11 equipment out here that we haul; tractors and boats and
12 other etceteras. And this is going to run us probably
13 somewhere between \$34,732 and maybe a tad more. So, I'm
14 asking the Board to approve up to a \$40,000 threshold on a
15 new pickup truck for the Kentucky River Authority, not to
16 exceed 40,000. I'm thinking we can get by on 34,700.
17 That's what we've been quoted with ---

18 MR. WELLS: Does it have to have any
19 additional type of equipment put on it?

20 MR. GRAVES: Well, we're -- it will be
21 four-wheel drive. It's the 350 series. Is that right,
22 Bobby?

23 MR. WEBB: Right.

24 MR. GRAVES: Which is the heavy-duty.
25 It will pull our big John Deere. We're putting the bumper

1 guard on the -- I don't know a whole lot about these
2 things, but it's got the bumper guard on the front. The
3 only thing it doesn't have that Bobby has asked for is a
4 wench.

5 UNKNOWN: It's a deer guard, isn't it?

6 MR. GRAVES: Yeah. But it's pretty
7 much -- I think it's going to be what we need. We're
8 getting the plain Jane.

9 MR. WEBB: Utility work bed, gooseneck.

10 MR. GRAVES: Yeah, gooseneck
11 capabilities. Bobby, yeah, tell us what you've asked for.

12 MR. WEBB: It's a four-wheel drive
13 Chevy with a utility work bed, gooseneck accessible.
14 wench accessible, brush guard front bumper for the deer,
15 the roads we travel. And you said we're going gas or
16 diesel. We're not sure price-wise on that.

17 MR. GRAVES: I've decided on gas
18 because it's \$7,000 cheaper. I had gone to a diesel.
19 We've kind of been tossing it back and forth. So, diesel
20 will run us about 41,000. The gas one is going to run us
21 about 35.

22 MS. SIPPLE: I wanted to make the note
23 here that in the budget, we've still got 37,499.84 in the
24 Equipment Replacement Fund. Is that where you would take
25 the ---

1 MR. GRAVES: No, this is coming out of
2 Tier I.

3 MS. SIPPLE: Tier I, okay.

4 MR. GRAVES: Tier I, yeah. So, it
5 isn't coming from the General Fund. It's coming out of the
6 user fees.

7 MS. SIPPLE: User fees, okay.

8 MR. SIMPSON: What do you do with your
9 old truck? Is it a trade-in or a keeper?

10 MR. GRAVES: We're going to keep it.
11 We're going to keep it till it just says I quit. And what
12 we do, these trucks are all over town; all except one.
13 Bobby is the only person we have on 24/7.

14 MR. WELLS: It sounds to me like you
15 need more than one truck to be honest with you. And I'm
16 not ---

17 MR. GRAVES: I do, I do. But, you
18 know, we probably -- and I'm going to brag on our staff.
19 We do more with less than anybody, I believe. We could use
20 a couple; but I thought if I can get one this year out of
21 you guys, then, maybe next year we'll come back and ask for
22 another one.

23 MR. WELLS: So, you don't think you'll
24 have to spend that -- are you going to spend that thirty
25 ---

1 MS. SIPPLE: That's for just standard
2 equipment; mowers, etcetera.

3 MR. WELLS: Standard equipment, okay.
4 It wasn't for a vehicle, then. Okay.

5 MS. SIPPLE: I was just saying if you
6 had a question about where it was coming.

7 MR. GRAVES: Yeah. This comes from
8 Tier I. So, it's \$34,732 for a gasoline pickup truck that
9 Bobby has requested.

10 MR. SIMPSON: I'll make a motion to buy
11 a truck with a \$40,000 limit on the spending, with
12 air-conditioning.

13 MS. SIPPLE: All right. Rodney has
14 made a ---

15 MR. GRAVES: It's going to have air.
16 I'm not that bad.

17 MS. SIPPLE: Rodney has made the
18 motion. Do we have a second?

19 MR. KAY: Second.

20 MS. SIPPLE: James Kay seconds. Any
21 other discussion? All those in favor, signify by saying
22 aye. Any opposed? All right, you get your new truck.

23 MR. GRAVES: Thank you.

24 MR. WEBB: Thank you.

25 MS. SIPPLE: And you deserve it. All

1 right, Agenda Item #6, Sue Elliston is going to talk about
2 the consideration of the changes to the lease agreements
3 for Locks and Dams 11, 12, 13 and 14.

4 MS. ELLISTON: We took up some lease
5 agreements just a couple of meetings ago, I believe. After
6 meeting with the counties and talking with them about
7 receiving grants to do things at these Lock and Dam
8 properties, I found out they have to have a 30-year lease
9 agreement in order to get grants. So, after talking with
10 Jerry, Pat and I believe Clare, Elaine Wilson that's been
11 helping with some of the portage things that we're doing on
12 the Locks and Dams, we decided that we would do a 30-year
13 lease agreement if you all were okay with it.

14 So, the lease agreements that I have
15 here are 11, 12, 13 and 14. We already had lease
16 agreements with them. I'm just asking that we change it to
17 a 30-year lease agreement.

18 MR. WELLS: From what? What was it?

19 MS. ELLISTON: A year-to-year.

20 MR. WELLS: Year-to-year?

21 MS. ELLISTON: Yeah, uh-huh

22 (affirmative). On this lease term, you all can still get
23 out of the lease -- either party can -- within 90 days.
24 The River Authority can get out of it within 30 days. So,
25 we still have the right to cancel anytime we want to within

1 those limited days. So, that's on Section 1 that I emailed
2 you all yesterday on the lease term. And I've got copies.
3 I didn't make a bunch of copies. I have those if you all
4 would like that.

5 MS. SIPPLE: They're what, 17??? pages
6 long or something.

7 MS. ELLISTON: Yeah, and the
8 attachments are a lot longer. Also, the other thing that
9 we have in here is the section Maintenance of Leased
10 Properties under Section 9G about the portages; that it has
11 to be 500 feet above the dam and 300 feet below the dam
12 just for safety concerns. Because most counties that we
13 have been talking to, they do want to put a portage in.
14 It's just when the funds become available.

15 Also, with talking with David and
16 Tommy, we decided that we need some type of signage to be
17 uniform up and down the river at each portage. So, that's
18 under H. It's going to be a 24 x 24 blaze orange
19 reflective sign; and I have those here, too. One is going
20 to be a danger hazardous recirculating dam which will be
21 above the dam. And the other one is just portage sign that
22 will be above and below at each intake/outtake. I'm not
23 real sure of the correct terminology on that.

24 The lawyers also just asked that we put
25 Section 26 in here. It's an Executive Order just stating

1 about minimum wage regulations. So, basically, that's the
2 only changes that I've made to those.

3 I've already talked with all the County
4 Judges. They're agreeable with this. So, that's what I
5 have here today if you all are agreeable of changing to a
6 30-year term.

7 MR. BUSH: Are you working with
8 Finance?

9 MR. GRAVES: Sue has been working with
10 Nancy Brown with ---

11 MS. ELLISTON: Nancy, yeah.

12 MR. BUSH: Okay. I'm sorry about that.

13 MS. ELLISTON: She's wonderful.

14 MR. BUSH: Great.

15 MS. ELLISTON: And Patrick has already
16 reviewed this, too. Him and Nancy have looked over
17 everything.

18 MR. GRAVES: It's gone through Finance,
19 Legal and ---

20 MR. BUSH: You read my mind.

21 MR. GRAVES: I knew that. I said
22 Charles will be asking a question.

23 MR. BUSH: Thank you.

24 MS. SIPPLE: Any other questions?

25 MR. STICKNEY: Yeah, I've got a

1 question. On that 500 foot above and 400 foot below, was
2 that for the portages or for the signs?

3 MS. ELLISTON: Both.

4 MR. STICKNEY: Both?

5 MS. ELLISTON: Uh-huh (affirmative),
6 because where we want the signage is actually at the --
7 well, I don't know if all you all know about 4 where we
8 have the portage here. So, where they will be taking out
9 of the river, that's where we want the sign. Where they're
10 putting back in the river, that's where we want the sign.
11 And we require them to be 500 feet above and 300 feet
12 below.

13 MR. STICKNEY: Three hundred?

14 MS. ELLISTON: Uh-huh (affirmative).

15 MR. WELLS: From? I forgot where you
16 said. From the dam itself ---

17 MS. ELLISTON: Uh-huh (affirmative).

18 MR. WELLS: --- or from the -- okay.

19 MS. ELLISTON: The dam itself.

20 MR. WELLS: From the dam itself, okay.

21 MS. ELLISTON: Uh-huh (affirmative).

22 For the portage, yeah, it would be 500 feet above.

23 MR. RUSSELL: And I've actually got a
24 little bit of video on here I could show you all where the
25 drone was a little closer to the water, and I probably

1 wasn't a couple hundred feet above the dam. But if you're
2 low profile, there's no way. Unless you just knew the
3 structures that said that there was a dam -- a low-head dam
4 there, you cannot tell that you're getting ready to come up
5 on a 14-foot drop.

6 Even at a three-mile-an-hour current,
7 you're traveling about 260 feet a minute, roughly, give or
8 take a little bit. At five miles an hour, you know, you're
9 at almost 500 feet. And that gives you a minute to get
10 from the buoys over to the portage or away from that dam.
11 So, we need to set buoys up and down the river and get
12 these things identified. And David can -- you'll see it
13 here just as soon as he gets it up.

14 MR. GRAVES: We've got buoys set at all
15 the operational locks as we speak, and we'll be putting
16 additional buoys in. But just like this past spring, we
17 lost how many buoys, Bobby? Two, three?

18 MR. WEBB: Two at Lock 1 ---

19 MR. GRAVES: Two of them.

20 MR. WEBB: --- and one at Lock 3.

21 MR. GRAVES: You get a high water
22 event, a tree or something ---

23 MR. RUSSELL: I think it's right there,
24 David. If you all will look -- and I was a little nervous
25 flying this close to the water -- but you'll see the waves

1 on the water. Now the horizon is gone downstream. So,
2 unless you just knew by the structures what you were coming
3 up on, with any flow at all you're inside the -- probably
4 in trouble already there. I did the calculations and the
5 math of the currents.

6 MR. WELLS: So, let's say if Fiscal
7 Court decides to do the portage, do they come to you for
8 approval of where their spots would be?

9 MR. GRAVES: Right.

10 MR. WELLS: The 500 foot or the 300
11 foot, they would ---

12 MR. GRAVES: Right.

13 MR. WELLS: --- have to get approval by
14 you?

15 MR. GRAVES: Right.

16 MS. SIPPLE: And we have portages drawn
17 up for all the Locks and Dams -- the National Park Service,
18 the landscape architect that did that for us; and these are
19 sort of guidelines. But, then, after he drew them up,
20 Tommy gave us that 500 and 300. So, we have adjusted. I
21 think most of those drawings have been adjusted. No, they
22 haven't been. But that's something that has to be done.
23 It has to be 500 and 300, no less than that.

24 MR. STICKNEY: I have another question.
25 who and what decides during the river at high flow when

1 these portages will be shut down or anything? who makes
2 that decision?

3 MR. GRAVES: Me. I closed one through
4 four ---

5 MS. ELLISTON: He asked about portages.

6 MR. GRAVES: Oh, portages.

7 MR. STICKNEY: Portages, the portages.

8 MR. GRAVES: Well, ---

9 MR. RUSSELL: That's a common sense
10 thing.

11 MR. GRAVES: Yeah.

12 MR. RUSSELL: That's a bad answer.

13 MR. GRAVES: I guess to try and answer
14 your question, we had water -- the normal pool at four is
15 seven foot. The river got to 22. And it's just -- it's
16 unsafe. So, I just told Bobby, I said we'll put it on our
17 website; one through four is closed till further notice.
18 So, if we have the same situation, I think this Authority
19 here has the -- you know, we can say 14 through eight is
20 closed.

21 MR. SIMPSON: I don't think those five
22 jet skiers got that message, by the way, did they?

23 MR. GRAVES: Well, we had -- yeah. We
24 had six jet skies come up from the Ohio River when the
25 river was 22 foot and went over our locks. They went over

1 Lock 4, and Bobby and them saw it. And water at 22 foot is
2 about six to eight inches, Bobby, over top the gates?

3 MR. WEBB: Uh-huh (affirmative).

4 MR. GRAVES: And they went over those
5 gates.

6 MS. SIPPLE: Going how fast?

7 MR. GRAVES: Oh, I don't know. Bobby
8 said they were going pretty fast. So, I don't know what
9 they would do to the gates; but we've had probably multiple
10 drownings right there.

11 MR. RUSSELL: You know, generally, the
12 conversation that David and I have about paddlers is
13 probably not the 22-foot river because most people know to
14 stay off of the river; but, you know, when I get a
15 four-foot rise or I get a five-foot rise where if anybody's
16 looking out there, I can paddle with the current
17 downstream. That's a huge concern of mine, huge concern.

18 And these portages -- some of these
19 portages going upriver are going to be off of KRA property.
20 So, they'll have to enter into an agreement with a private
21 landowner. But, still, again, I think we probably have --
22 you all probably have the right to say the portage is
23 closed. But, you know, can I determine when it's safe and
24 when it's not safe? I can make a best guess call, but I
25 can't vouch for -- you know, I've got a plan for the worst

1 paddler, not the best paddler. You know, the best paddler
2 I generally don't go rescue. The worst paddler I generally
3 go rescue.

4 MR. BUSH: Well, thank you for that.

5 MS. SIPPLE: And that would be a
6 county-by-county sort of ---

7 MR. RUSSELL: Yes.

8 MS. SIPPLE: --- decision to be made.

9 MR. RUSSELL: And I really wouldn't
10 have a problem with it on the county since they've got to
11 carry a million liability ---

12 MS. SIPPLE: Yeah.

13 MR. RUSSELL: --- insurance on that.
14 But if they ask something, I would offer my opinion on this
15 after some conversation with everybody to see ---

16 MS. BANKS: Well, it seems like on our
17 website, though, that that would be -- you know, you could
18 put a concern or alert up and say high water, recommended
19 not to -- and that would be ---

20 MR. RUSSELL: But that doesn't cover
21 the guy that's halfway down the river, you know, say he's
22 going to do a three-day trip.

23 MS. BANKS: Yeah.

24 MR. RUSSELL: I get a two-inch rain in
25 Anderson County, and I get a big rise here. Nobody's going

1 to see that.

2 MS. BANKS: Yeah, that's true.

3 MR. RUSSELL: So, there are lots of
4 issues with the portage and the paddling and especially the
5 low-head dams.

6 MS. SIPPLE: But we have those same
7 issues without the portages now.

8 MR. RUSSELL: Yes, ma'am, without a
9 doubt.

10 MS. SIPPLE: And, so, I think that we
11 talk about common sense, and I don't know. All the
12 counties don't have disaster emergency services, do they?

13 MR. RUSSELL: Yes, ma'am.

14 MS. SIPPLE: They do all?

15 MR. RUSSELL: Yes, ma'am.

16 MS. SIPPLE: So, that would be
17 something that we might want to -- I know you all get
18 together and talk about such things. This is something
19 that you might want to talk about. But I do think it's
20 going to be up to the County Coordinator to make that
21 determination. We've got the USGS gauges at every lock and
22 dam, and I think that we just need to have that be on an
23 agenda when you all get your guys together.

24 MR. RUSSELL: I agree. I think that's
25 a conversation that needs to be had up and down the river

1 for everybody that's involved with this thing, especially
2 as the leases start getting signed and approved and things
3 of that nature, you know. The DM Director probably needs
4 to understand there is a certain level of responsibility on
5 his part or on the county's part for river safety concerns
6 and issues, rescues, things of that nature.

7 MS. SIPPLE: And the local EMTs and EMS
8 because I know I've had conversations with the Clark County
9 fellows and they just -- this is the first year they've
10 done high-water rescue training. And it's something that
11 every county needs to do but finding the time and the
12 facilities and something in your budget. But as more
13 people get on the water, we're going to have more rescues.

14 MR. RUSSELL: Yes, ma'am.

15 MR. SIMPSON: Madam Chair, I move to
16 accept staff's recommendations concerning Locks and Dams
17 11, 12, 13 and 14 as presented.

18 MS. SIPPLE: Thank you, Rodney.

19 MR. STICKNEY: And I second.

20 MS. SIPPLE: We've got a motion and a
21 second. Do we have anymore discussion? Then, I call for
22 the vote. All those in favor, signify by saying aye. Any
23 opposed? It's unanimous.

24 MS. ELLISTON: Thank you all.

25 MS. SIPPLE: As long as we've got you

1 here, the consideration of the automatic renewal of the
2 Lee's Boat Dock.

3 MS. ELLISTON: Yes. We have leased
4 that from Finance since 2004. We actually just mow the
5 grass, weedeat, pick up the trash there, keep it looking
6 nice for the worker -- or I guess citizens, workers that
7 come in behind the Capitol there.

8 MR. GRAVES: It's located on Old
9 Lawrenceburg Road.

10 MS. ELLISTON: Yeah. I don't even know
11 the name of the road there.

12 MR. GRAVES: It's on Old Lawrenceburg
13 Road.

14 MS. ELLISTON: And it just comes up for
15 renewal every year. So, I'm just asking if you all would
16 still like to renew that lease agreement with the Finance
17 Cabinet for us to still take care of it.

18 MS. SIPPLE: Anybody have any questions
19 about this lease? Then, can I call for a motion, please?

20 MR. WELLS: Are you just talking about
21 around the boat dock or the whole area?

22 MR. GRAVES: We mow and weedeat that
23 five or six acres there. This is something that I
24 inherited when I got here. As far as the ramp, usually
25 Finance/Facilities???? has helped out on that. They'll go

1 down and take a backhoe and clean the ramp. We've kind of
2 got a gentleman's agreement with that. So, we just keep it
3 clean, mow it.

4 Do I like it? Maybe not, but it's
5 something that we're doing. It's not killing us. It might
6 be killing Bobby and the guys, but that's where some of the
7 guys were this morning. Make it look nice. And we get a
8 lot of good compliments.

9 MS. ELLISTON: Uh-huh (affirmative).

10 MR. GRAVES: It's used a lot, a whole
11 lot.

12 MS. WELLS: It is. I agree.

13 MR. GRAVES: There's a lot of use out
14 of it. So, we do our best to make sure it looks
15 acceptable. And that's why those guys went down this
16 morning, to make sure for the holiday weekend it would be
17 nice and clean.

18 MR. CARTIER: Is that a public boat
19 dock?

20 MR. GRAVES: It's public, yeah.

21 MR. CARTIER: Is it state?

22 MR. GRAVES: It used to be a marina/
23 boat storage. And the state came in and bought that
24 ground; and they just kept the ramp and made the rest of
25 the area for people to come in with runabouts, etcetera to

1 use. So, it's public, yeah.

2 It's just one of those things we do,
3 and we've been doing it for the four years I've been here
4 and four years prior to that. So, I ---

5 MR. WELLS: There's lots of talk,
6 though, the city might -- city and county or committee
7 might come in and ask the Finance Department to take it
8 over to do something for ---

9 MR. GRAVES: Yeah, and that wouldn't
10 break my heart.

11 MR. WELLS: I know. I know it wouldn't
12 break your heart.

13 MR. GRAVES: It wouldn't break my
14 heart. But, you know, it's something that gives us more
15 goodwill. Not that we're in the goodwill business, but it
16 doesn't hurt us. So, I don't have a problem with it.

17 MR. STICKNEY: Let me ask a question.
18 I'm not familiar with this boat dock, but is there signage
19 there indicating that ---

20 MR. GRAVES: Yeah.

21 MR. STICKNEY: --- we do maintain?

22 MR. GRAVES: Yes, sir. There's a sign
23 there. Are you familiar with where Cliffside Restaurant
24 is?

25 MR. STICKNEY: Yes.

1 MR. GRAVES: Go straight to the Capital
2 and make a left.

3 MR. STICKNEY: Yes.

4 MR. GRAVES: Across there, and you'll
5 go right by before you get to the -- down by the new
6 bridges.

7 MS. ELLISTON: I think he's asking ---
8 MR. STICKNEY: About the signage.
9 MS. ELLISTON: --- if there's any
10 signage about ---

11 MR. GRAVES: Yeah, yeah. I said yes.
12 MS. ELLISTON: --- that for us taking
13 care of it.

14 MR. GRAVES: Yeah, there's a Kentucky
15 River Authority sign there. Yeah, there is.

16 MS. SIPPLE: Any other questions? Call
17 for a motion.

18 MR. WELLS: I'll make the motion.
19 MS. SIPPLE: We've got a motion,
20 Houston wells. Do we have a second?

21 MR. SIMPSON: I'll second.
22 MS. SIPPLE: Rodney Simpson seconds.
23 All those in favor, signify by saying aye. Any opposed?
24 Very good. Thank you.

25 MS. ELLISTON: Thank you.

1 MS. SIPPLE: All right, David. And I
2 want to say, if you all haven't seen the video that David's
3 in on going up and down the river, the video that was done
4 with the historic photos and, then, you on the river
5 talking about the locks and dams, it's really excellent.

6 MR. HAMILTON: I've got some of it
7 today.

8 MS. SIPPLE: Okay, good. And I would
9 like to request, Tommy, if we could, if you can get the DVD
10 that's got your drone views of all the locks and dams going
11 up the river, I'd love for every member of the River
12 Authority to have a copy of that. And if you haven't seen
13 David's video that he's in, I think we all need to have
14 one.

15 MR. RUSSELL: Yes, ma'am. You know I
16 will.

17 MS. SIPPLE: I know you will, but I --
18 we don't expect you to -- we don't want you to pay for it.
19 We'll get the River Authority to pay for it.

20 MR. RUSSELL: Let me edit it down to
21 where it's not seven minutes a lock is what I would like to
22 do.

23 MS. SIPPLE: Okay.

24 MR. RUSSELL: And it'll have a fly up
25 and down and across and get it down to a couple or three

1 minutes per lock and dam. That way, you're not looking at
2 an hour and seven minutes worth of stuff on there.

3 MS. SIPPLE: Okay.

4 MR. RUSSELL: And I'll get that to ---

5 MR. SIMPSON: You know, for a marketing
6 purpose, it would be good to have it on YouTube.

7 MR. RUSSELL: Sir?

8 MR. SIMPSON: For marketing purposes,
9 YouTube would ---

10 MR. RUSSELL: Yes, sir; and that's
11 probably where we'll provide a link to YouTube. I've
12 talked to my tech guy, and that's what he suggested to me
13 would probably be the best thing. So, as soon as I can get
14 it edited down. The Judge gives gets me a little slack,
15 gets me a little time, you know.

16 MS. SIPPLE: Now that the water is
17 down, you ought to have all kinds of time.

18 MR. RUSSELL: Yes, ma'am.

19 MS. SIPPLE: Well, thank you very much
20 for doing that.

21 MR. HAMILTON: The first item there is
22 for approval for an expenditure on Lock 5 road. This was
23 an item that came up in a previous Board Meeting. If I
24 remember correctly, it was approved in principle; but it
25 was mentioned that we wanted to see the price on it. And,

1 so, what we did on that, the Kentucky Transportation
2 Cabinet has a master agreement for each county. They bid
3 out a unit price for asphalt for each county. So, a
4 particular contract would get the contract for Anderson
5 County or Woodford County. In this case, Lock 5 is in
6 Anderson County; and the master agreement holder in that
7 county is Mego Construction.

8 And you should have a spreadsheet in
9 your handouts that breaks down the costs. And what we
10 have, just as a refresher, that is about a 3,000-foot
11 access easement that we have to get down to Lock #5. That
12 is the only way we have to get down to that structure.
13 That is something that we inherited in the deeds that we
14 got from the Corps of Engineers when we took over ownership
15 of that property.

16 So, again, it's about a 3,000-foot
17 section. There's two main sections. There's a 900-foot
18 section which drops down to the river bottom, and that
19 section is a lot rougher. You can go down in a low-profile
20 vehicle like a sedan, but you're just going to have to
21 straddle the ruts a little bit. The upper section is not
22 nearly as bad. So, that's why it's broken down into two
23 sections.

24 The upper section is about 2,100 feet,
25 and they're proposing a one-inch depth of asphalt. The

1 worst section, the 910-foot section, they're looking at an
2 overall 3-1/2 inches of asphalt. And based on the unit
3 prices per their master agreement, it puts the total paving
4 cost at \$29,542.33.

5 Typically, as part of their master
6 agreement, we have to purchase a minimum of 500 tons unless
7 the contractor agrees to do less. And in this case, they
8 have. So, price-wise, I think it comes out quite a bit
9 better because the master agreement is set up for much
10 larger projects. So, the unit prices are going to be very
11 good compared to if we just got a contractor out there to
12 bid it out.

13 So, this is to seek approval from the
14 Board to expend the funds for this work. According to the
15 contractor, their schedule, it would be done in late
16 September, early October.

17 MR. WELLS: Is this in Woodford County?

18 MR. HAMILTON: Anderson County.

19 MR. GRAVES: Anderson County. This is
20 something we inherited back from 1935. It says in the
21 easement that we shall.

22 MR. WELLS: Really?

23 MR. GRAVES: Yes.

24 MR. WELLS: I was going to say, this
25 ought to be a county. Of course, could you not get the

1 county to agree to do it? You pay for the blacktop and,
2 then, they do it?

3 MR. HAMILTON: We tried that once
4 seven, eight years ago. We tried to set up an MOA with the
5 county. It never really went anywhere. I can't remember
6 why it petered out.

7 MS. SIPPLE: Well, seven or eight years
8 ago was 2008. That's why it probably petered out.

9 MR. WELLS: Well, I mean, I'm not
10 trying to nickel and dime you; but in all honesty, ---

11 MR. GRAVES: Oh, I agree. This is a --
12 the county road kind of ends -- I wish we had an aerial
13 drawing included with this, but the county road ends and
14 this takes off. It T's off to the county road.

15 MR. CARTIER: And the only use of it is
16 to get down to ---

17 MR. GRAVES: That's the only -- yeah.

18 MR. HAMILTON: Do you have wifi?

19 MR. RUSSELL: I think in that bag I've
20 got a wifi.

21 MR. WELLS: Well, there is the problem.
22 You cannot -- they cannot blacktop unless it is ---

23 MS. SIPPLE: A county road.

24 MR. WELLS: --- a county road.

25 MR. GRAVES: Right.

1 MR. WELLS: You could give them over
2 the easement and let them have the easement, which is very
3 easily done, which we do in Franklin County quite -- doing
4 several times this summer. Turn the easements over; and,
5 then, the county takes over the road. The county will take
6 over the road.

7 MR. GRAVES: Right.

8 MR. WELLS: And, then, the county can
9 come in and blacktop it at that point.

10 MR. RUSSELL: Judge, I would say
11 Anderson County owes us a favor, but it's Lawrenceburg that
12 owes us a favor.

13 MR. WELLS: Well, actually, the Judge
14 is a pretty good guy, too. Seven years ago, the Judges are
15 different. People are different. It might behoove you to
16 just ask.

17 MR. GRAVES: I wouldn't mind doing
18 that.

19 MR. WELLS: I mean, I can set up a
20 meeting if you want to; or you can go see him. He's a good
21 guy; Aubrey Gritton. But, anyway, he ---

22 MR. GRAVES: I don't mind doing that.

23 MR. WELLS: It could save you quite a
24 bit of money, but that's just my -- in Franklin County, we
25 would do it.

1 MR. GRAVES: Right.

2 MR. WELLS: I would think that ---

3 MR. GRAVES: We've gone down since I've
4 been here the four years. We've done patchwork. We've
5 done concrete. We've done bagged asphalt. And it's just
6 -- like I said, we've put a lot of band-aids on it. And
7 this lady is -- she's not killing us, but she calls quite
8 frequently to ask about her road. And, you know, it's
9 there in the contract. I'm not opposed to it. Whatever
10 the Board wants me to do, we'll be glad to do it.

11 MS. SIPPLE: David, you all really need
12 to get that paved this year, though, don't you?

13 MR. HAMILTON: Yeah. I mean ---

14 MR. WELLS: You're right.

15 MS. SIPPLE: And it's not going to be
16 in Anderson County's budget for this year, but maybe what
17 we should do is do it this time. Which fund would this
18 come out of, Jennie?

19 MS. WOLFE: We proposed Tier I.

20 MR. GRAVES: Tier I.

21 MS. SIPPLE: Yeah, okay. So, we've got
22 enough money in Tier I to take care of that and the
23 vehicle. But I suggest that we look into redoing that
24 lease agreement with -- the easement agreement with
25 Anderson County because I think that would save us a lot of

1 money.

2 MR. WELLS: In the long-run, it would.

3 MS. SIPPLE: Yes.

4 MR. WELLS: If you would just give the
5 easement over to them.

6 MR. GRAVES: Well, it's actually with
7 the homeowner -- or the people who own the land.

8 MR. WELLS: Oh, it is?

9 MR. GRAVES: Yeah. It's not with the
10 county.

11 MS. SIPPLE: Oh, it's an easement from
12 their property.

13 MR. WELLS: It's an easement with them.

14 MR. GRAVES: It's an easement with
15 them.

16 MS. SIPPLE: Oh, I got you.

17 MR. WELLS: Okay, I didn't understand
18 that.

19 MR. GRAVES: Yeah. Let's go back to
20 the beginning. It's an easement through personal-owned
21 property.

22 MS. SIPPLE: Privately-owned. No,
23 never mind.

24 MR. WELLS: Oh, okay. Then, that won't
25 work. Yeah, that won't work.

1 MR. GRAVES: So, she's kind of holding
2 our feet to the fire because ---

3 MR. WELLS: I understand.

4 MR. GRAVES: And, actually, if you go
5 even deeper, it says about the maintenance due to ---

6 MR. HAMILTON: Passable in all weather.

7 MR. GRAVES: All weather conditions.

8 MS. SIPPLE: She could make you come in
9 and plow it?

10 MR. GRAVES: She could.

11 MS. SIPPLE: I'd pave it and ---

12 MR. GRAVES: I mean, it's in the deed.

13 MR. WELLS: Is that her only way of
14 ingress/egress, through ---

15 MR. GRAVES: That's it.

16 MR. WELLS: --- this road, too?

17 MR. GRAVES: You go down this road and
18 you go straight into the river. It's straight into Lock 5.
19 Lock 5 sits up on a hill.

20 MR. WELLS: So, the county comes in and
21 scrapes the road up to a certain point. And, then, after
22 that, it's ---

23 MR. GRAVES: They're done. Like I
24 said, the last so many miles on this is their private road.

25 MR. WELLS: Yeah, you can't do ---

1 MR. GRAVES: I probably should have
2 gone a little deeper.

3 MR. WELLS: Yeah, you can't do
4 anything.

5 MS. SIPPLE: Okay. Any other questions
6 for David? Call for a motion, please.

7 MR. CARTIER: I move that we approve
8 the request to pave.

9 MR. SIPPLE: Keith Cartier makes the
10 motion. Do we have a second?

11 MR. WELLS: Second.

12 MS. SIPPLE: Houston wells makes the
13 second. Any further discussion? All those in favor,
14 signify by saying aye. Any opposed? Okay, thank you.

15 All right, David, while you're up
16 there.

17 MR. HAMILTON: Okay. Well, the
18 aforementioned video I'll pull up here. The first thing
19 I'll touch on will be the locks. I guess we've had one
20 Board Meeting since they opened already. But the season
21 has gone real well, as has been mentioned. The equipment
22 -- the operating equipment -- the pumps, the drills, the
23 gear boxes -- that's what's starting to get old. We've got
24 that budgeted to start replacing that. But all in all, the
25 locks themselves have worked fairly well. Jerry, I think

1 your Director's Report is going to go over the numbers of
2 how many lockages we've had; but I think we've had a very
3 successful year.

4 A lot of you went to the ribbon-
5 cutting ceremony a month ago -- a couple of months ago.
6 This is some footage put together by one of the contractors
7 that did some of the design work. Hopefully, it works.

8 (VIDEO SHOWN AT THIS TIME)

9 MR. HAMILTON: That was the ribbon-
10 cutting ceremony.

11 MR. CARTIER: Great speech, Jerry.

12 MR. GRAVES: I'm glad they cut me off.
13 It was about 20 degrees warmer that day than it is today, I
14 believe. It was a scorcher. It was.

15 MS. SIPPLE: All of a sudden, it just
16 got hot in here.

17 MR. GRAVES: Yeah.

18 MR. HAMILTON: I did not make it to the
19 ribbon-cutting. I was stuck on a dredge boat for most of
20 the spring, and I learned a lot of things. Learned how to
21 and not to lock a barge through. It's kind of hard to see
22 with the light, but that is the -- we had 138-foot long
23 barge come up with crane. Aquarius Marine has our master
24 agreement to do this work. They came up and did it in mid
25 to late June. I think it was June 18th or 19th. But what

1 I would call classic dredging where you were moving sand
2 bars and silts and mud, but primarily just around the
3 locks. That's where you have most of your silt buildup.

4 This particular photo is Lock 4 at the
5 lower approach. And they would just bring up -- and you
6 saw the mud and sand in those areas. Once you got away
7 from the locks, though, -- and we spent probably -- I'd say
8 we were up there for six -- on the river for six weeks
9 dredging. And I would say maybe 70, 80% of it was spent
10 with snags just because they take so long. They break
11 apart when you're trying to grab them, or you grab a-hold
12 of it and it would go under water and you spend another 20
13 minutes trying to find it.

14 But we tried to get as many snags out
15 as possible. Obviously, we didn't get every single one of
16 them. And, then, it was unfortunate with the high water
17 that we had. We weren't able to see as much, and, plus,
18 the stuff washed in after the dredge boat had already left.
19 But here's a photo of some of the typical stuff that they
20 were pulling up out of the river.

21 MR. STICKNEY: So, what was the reach
22 that you all did this work on?

23 MR. HAMILTON: Not very far. They
24 would go out maybe -- from the front of the barge maybe 30
25 feet or so; not real far.

1 MR. STICKNEY: I mean what section of
2 the Kentucky?

3 MR. HAMILTON: Oh, what's the reach of
4 the river.

5 MR. STICKNEY: Yes.

6 MR. HAMILTON: We went all the way from
7 the mouth of the Kentucky to Dam #5. We went up into the
8 approach of five, reached over those gates and dredged the
9 debris that was lodged up against our bow. So, the first
10 82 miles.

11 MR. GRAVES: What we try to do is take
12 the center of the river and go 50 foot each way. And
13 that's pretty much what the Corps -- they usually say about
14 a 100-foot channel, six foot deep. So, we try to go along
15 those guidelines as much as possible. If something were on
16 the bank that was very obvious that we could get and needed
17 to be moved, then, we'd move that.

18 MS. SIPPLE: What would you do with the
19 snags and the debris after you've picked it up out of the
20 water?

21 MR. HAMILTON: We would put them up
22 just on the banks, try to get them back in the tree line.
23 There's really no good way -- you know, the things are so
24 massive, you could maybe get two or three on a barge; and,
25 then, it would be ---

1 MS. SIPPLE: This has been a problem
2 ever since the Kentucky River has been navigated ---

3 MR. HAMILTON: Yeah.

4 MS. SIPPLE: --- since 1780.

5 MR. GRAVES: This is probably the first
6 time the river has been dredged in about ---

7 MR. HAMILTON: 2004.

8 MR. GRAVES: 2004, was that ---

9 MR. HAMILTON: We did do some dredging;
10 not to this extent. We did primarily around the
11 approaches. We didn't do a lot of snags.

12 MR. GRAVES: I think anything like this
13 has probably been back to '78; after the '78 flood, if I'm
14 right.

15 MR. STICKNEY: So, what permits did you
16 have to get to do this?

17 MR. HAMILTON: We had two permits; one
18 from the Corps and one from the Division of water. The one
19 from the Corps is good for ten years, and the Division of
20 water's is five years. I believe the Division of water's
21 comes up next year. So, we'll have to renew that one. So,
22 that will be done again -- the primary stipulation in that
23 permit is we have to wait till after fish spawn season
24 which puts it in mid June, June 15th.

25 It's kind of tricky because we open the

1 locks end of May. So, we've got big sand piles against our
2 lock gates. We kind of have people just -- through or like
3 we did this year get some divers in there and get it
4 cleared up enough where we can get a gate open either
5 partway or all the way.

6 MR. STICKNEY: Were there any municipal
7 intakes in this reach?

8 MR. HAMILTON: Yeah. There would be
9 Frankfort's was there and, then, Kentucky American's River
10 Station 2.

11 MR. STICKNEY: When you were doing the
12 work, did you contact them; these municipal intakes?

13 MR. HAMILTON: No, but they're marked
14 the charts. There was one tree, it was not on the
15 municipal intake. It was on the intake -- I believe the
16 rock quarry at Harrod's Concrete has got a little intake
17 there. And there was a tree there that was kind of close
18 to theirs. And we just -- we did not mess with that in
19 that it was close to the intakes.

20 MR. STICKNEY: The reason I'm bringing
21 that up, I know this year Irvine had a lot of problems with
22 the banks slipping down and causing problems in their
23 intake. And I wanted to make sure you contacted the
24 municipalities and let them know you were doing work, you
25 know, just so there was communication.

1 MR. HAMILTON: Yeah. The only thing
2 that we did, we didn't -- I didn't talk to anyone with the
3 Frankfort Plant Board or Kentucky American when we were
4 doing it. But the only thing that we would have been doing
5 anywhere within miles would have just been getting trees
6 like that. But that is a good idea to go ahead and contact
7 them next time.

8 MR. WELLS: Are you going to be doing
9 this again next year?

10 MR. HAMILTON: That's the ---

11 MR. GRAVES: Hopefully not to the
12 extent of this year. I mean, like I said, this is the
13 first time it's been done in 30 some-odd years. So,
14 hopefully, next year won't be as bad financially and as
15 long.

16 MR. HAMILTON: We anticipated a couple
17 of weeks. Like I said, we were out there for six weeks.
18 Now, a lot of that was shutdown because of the weather,
19 high water.

20 MR. WELLS: Did this spring flooding
21 have an effect on it, too?

22 MR. GRAVES: A bunch.

23 MR. HAMILTON: Yeah, as far as how much
24 there was out there, yeah.

25 MR. GRAVES: Yeah, it affected us a

1 bunch. Actually, the barge got caught upriver for a week
2 in high water. When the river back in July got to 22 foot,
3 he was hung up there. That's when I did some negotiation
4 to keep us from paying as much as we would.

5 MR. HAMILTON: So, that was the
6 dredging. An update on projects, Dam 8, we just recently
7 poured another one of the main cells, #3 -- or, sorry, Cell
8 2. This is them, basically getting the last little bit of
9 the fine silt and sediment out of the bottom before they do
10 the concrete pour. This is the final preparation before
11 doing the cap on Cell 3, which I believe that cap was late
12 last week.

13 MR. GRAVES: It's done? Good.

14 MR. HAMILTON: Then, here is a change
15 order that you haven't seen the paperwork on yet. We had
16 leakage coming through on the Garrard County side. The
17 lock is on the Jessamine County side. And we had a
18 significant amount of leakage coming through this rock on
19 the Garrard County side. So, they had to pour a concrete
20 wedge to seal that off before doing their normal
21 (inaudible). And, then, they're going to have to go back
22 in and anchor that back in. So, that will be a change
23 order that we'll be seeing at the next Board Meeting.

24 The overall schedule on this project
25 due to the high water, they've requested and were granted

1 an extension for their schedule. Substantial completion is
2 now set for November 25th. The final completion is
3 Christmas Day, December 25th.

4 MS. SIPPLE: That's just for the dam?

5 MR. HAMILTON: That's for the whole
6 project.

7 MS. SIPPLE: So, percentage-wise,
8 they're at what percentage?

9 MR. HAMILTON: I'd say 70%.

10 MR. GRAVES: Seventy, yeah. They've
11 come a long way in the last six weeks since the water has
12 finally settled down.

13 MR. HAMILTON: And, then, the last
14 thing I wanted to touch on is the Dam 10 project. As
15 pointed out earlier, that Design Phase I has begun.
16 They're going over some of the old study documents. And
17 that was a project that dates back to the early 2000's, and
18 it's a joint project with the Corps of Engineers. So,
19 Stantec has been going over those reports. They also did a
20 site reconnaissance a few weeks ago.

21 And I wanted to show you a video of
22 that particular dam. In the foreground here is the
23 auxiliary dam. That's where in 1904, the dam came flank
24 during high water, and they came back and built that to
25 seal off that hole. Here's the lock chamber that sits out

1 in the middle of the river; downstream gates; upstream
2 gates. This is Winchester's municipal water intake just
3 immediately upstream a little ways.

4 In the background going off the picture
5 is the main concrete dam. This is the second from Dam 9 on
6 up. They're concrete structures instead of the stone
7 masonry locks and the timber dams which you've got
8 downstream that are concrete modeling structures. However,
9 the auxiliary dam does sit on the timber dam. Here's the
10 famous Boonesboro Beach downstream. This is Madison County
11 on the left, Clark County on the right.

12 So, as part of this project, there will
13 be a new dam constructed upstream, very similar to what we
14 see at Dam 9. However, there will be a cell that goes in
15 front of this lock. Part of the project will be to rehab
16 this lock. It looks like we may go with a smaller
17 dimension, smaller gates. You can see down here the
18 sediment that's built up downstream of these gates. And,
19 again, this is what's holding back the water supply for the
20 City of Winchester.

21 MS. BANKS: So, the silt is actually
22 protecting the water supply for Winchester?

23 MR. HAMILTON: Yeah, I mean it's
24 helping. Those gates there are -- they filled where the
25 wood timbers were. They've welded those shut; and where

1 the wood used to be, they've filled that with concrete.
2 But, yeah, the timber there, the sand is actually probably
3 putting an upstream load on that from the lower gates
4 there.

5 MR. GRAVES: I'd say that's 30 foot of
6 sand, David.

7 MR. HAMILTON: Yeah, I'd say so.

8 MR. GRAVES: Inside the chamber, it's
9 15 foot deep. And, so, that's on the downside. So, that's
10 a whole lot of sand.

11 MR. WELLS: And that's really from
12 silt? We didn't ---

13 MR. HAMILTON: That's just ---

14 MR. WELLS: It's just silt?

15 MR. GRAVES: Yeah, over the years.

16 MS. SIPPLE: You know how snow drifts
17 work. They always are deposited downhill. This is a sand
18 ---

19 MR. WELLS: Sand, uh-huh (affirmative).

20 MR. STICKNEY: During a flood event,
21 how high does the water get above that concrete structure?

22 MR. HAMILTON: I think Sue Ann could
23 tell us. Let's see here. I think we can go back here. It
24 gets well up. Sue Ann's office sits up here on this berm.
25 You might be able to see it. I mean, it gets well up into

1 the -- we lost that port-a-potty in 2010, but it gets ---

2 MR. STICKNEY: So, you can't see any of
3 the concrete, then?

4 MR. HAMILTON: No, no. You're talking
5 about a 30- to 40-foot rise.

6 MR. GRAVES: In 2010, water would have
7 been in this building about -- well, we've got a marker
8 over here. Ten inches deep, Bobby?

9 MR. WEBB: (Inaudible).

10 MR. GRAVES: In 2010, we had ten inches
11 of water in here. And this gives you an example.

12 MS. ELLISTON: It's gotten in the
13 parking lot several times this year at ten.

14 MR. HAMILTON: The 2010 flood is right
15 here. The Kentucky River is right there.

16 MR. GRAVES: In 1978, it would be three
17 foot. It was 48.34. So, another three foot vertical would
18 be what the '78 flood would have been. Is that right, Tom,
19 I think?

20 MR. RUSSELL: That's the flood record,
21 48 and change.

22 MR. GRAVES: Yeah, 48.34 I think is the
23 flood of record.

24 MR. STICKNEY: So, my guess, in that
25 chamber, it's more than just silt. I'm sure it's sand been

1 washed in there and all types ---

2 MR. HAMILTON: It's mostly sand. Yeah,
3 it looks like that stuff that's on Boonesboro Beach pretty
4 much. Probably some -- and all other kinds of stuff in
5 there. They're getting back to schedule on that project.
6 Like I said, the Phase I study is underway. We have a
7 Design Alternatives Meeting set for the end of September.
8 Stantec plans to have a Design Alternatives Report to us by
9 the end of October, and that will be presented at the
10 November KRA Board Meeting. And as Jennie mentioned with
11 her report, we anticipate bidding that out for construction
12 during the winter of 2016-2017. The design will probably
13 be done in the Fall of 2016, but that's kind of the end of
14 your construction season. So, bidding will probably be
15 done in February/March of 2017. And I believe that's all I
16 have. Any questions?

17 MS. SIPPLE: Thank you, David. All
18 right. It's up to Jerry now, Executive Director's Report.

19 MR. GRAVES: Yes, ma'am. I'm going to
20 try to keep it short. I know it's hot. I just want to
21 take a few minutes and recognize Bobby Webb and his staff
22 and Sue's staff for the work that's gone on since early
23 spring. We have had -- what did I do with my note, Sue,
24 the lockages? I've got so many papers. Hold on, here we
25 go. We, just FYI, through the 30th of August, 1, 2, 3 and

1 4 -- and this includes one weekend the locks were totally
2 closed and three weekends where water was extremely high
3 and not good for boating. And as Clare said earlier, we're
4 not in the boating business; but that's part of our
5 business. But we've had 689 total lockages, 1,147 boats
6 and 4,338 people go through these locks. That includes a
7 really bad summer up until the last three weeks.

8 So, our guys have and Bobby's staff and
9 Sue's staff have done a heck of a job. They work hard,
10 real hard. They put up with me. And I just want to say
11 thanks to those guys for what they've done. It hasn't been
12 easy. We've only got seven people doing all this work.
13 So, if you get a chance to go around and look at them, I
14 would do so just to see what they've done.

15 Other than that, I appreciate your help
16 on the vehicle and what you've done. We've been busy,
17 extremely busy. As you well know, Jennie has been
18 extremely busy getting this budget together; working with
19 the audit; and her stress level has been fairly high. And
20 putting up with me. I've been trying to leave her alone.
21 But other than that, we're moving along. We're doing a lot
22 of things. We work hard. And that's pretty much it. Any
23 questions concerning what's been going on?

24 UNKNOWN: I'd like to make a statement.
25 Most of you all know me. I operate the -- or manage the

1 Frankfort Boat Club. It's one of the oldest marinas in
2 this part of the United States. And each weekend, each
3 Saturday afternoon when the boats come up from the Ohio
4 River, you'd expect to hear them dock their boats and talk
5 about how beautiful the ride was. The first thing
6 everybody says -- and I'm literally telling the exact truth
7 -- the first thing they say is those are the nicest lock
8 people that we've ever encountered.

9 They're so complimentary of the fellows
10 that work up and down the river. They've helped them find
11 -- get their stray dogs back on the boats that jump off the
12 boats, and they've helped them with directions,
13 instructions. And everybody is very complimentary of Bobby
14 and his people. A great job.

15 MR. GRAVES: I'm finished, in more ways
16 than one.

17 MS. SIPPLE: I'm going to give a very
18 short report as well. I just wanted to say that this year
19 on the Kentucky River has been a very exciting one. We've
20 had the two River Blasts events. And, Joy, I'm going to
21 ask you to give us a little report on your event. I was at
22 Boonesboro, and it was a nice way to introduce people to
23 the river that haven't been there.

24 I have been sampling the river -- the
25 quality of the water at Boonesboro. And I was hoping that

1 Melissa McAlister would be here to interpret these results.
2 But after speaking with the people at the lab at WMU and
3 doing this, they said there is no bacteria -- harmful
4 bacteria in the Kentucky River. It's really low. Our
5 results were 29.5 one week; the next week, 34.5. Last
6 week, it was 12.1. I mean, we're talking -- I sample for
7 the Kentucky River Watershed Watch. We never have this low
8 readings in our creeks. So, I know that the Kentucky River
9 is in good health; and I'm glad that there are more people
10 coming to the river. So, that's pretty much what I have to
11 say. Joy, would you like to add anything? This is Joy
12 Jeffries with Frankfort Tourism and with the Frankfort
13 Waterfront.

14 MS. JEFFRIES: I would first like to
15 say thank you to the River Authority, certainly to Jerry
16 and his staff. I know when we started riverfront
17 development in Frankfort and Franklin County, very shortly
18 after we started riverfront development, the locks all
19 closed; and we soon became lakefront development instead of
20 riverfront. And we started lobbying heavily to get money
21 for the locks.

22 And I was thinking as they were looking
23 up and down -- Clare and Pat -- looking up and down the
24 locks and those, and we remember walking on every, single
25 one of those to work on the portages, and how thankful we

1 are that they are all open.

2 And I totally concur with Rodney about
3 the Lockmasters because I'm down there frequently to meet
4 the boaters that come into Frankfort, and that is the first
5 thing they say. And we've got a new business coming to
6 Frankfort; Rockin' Thunder which is out of Madison,
7 Indiana. And they're bringing jet boats down here on a
8 Friday, staying overnight and going back to the Ohio River
9 on Saturday.

10 And those people are bringing -- the
11 people that are coming in besides the -- well, those people
12 stay in a hotel, too. But the boats that are coming down,
13 most of those people are staying at the Capital Plaza. And
14 our riverfront development that promoted the Frankfort
15 River Blast, the total economic impact for that event --
16 this was the stats that we got from the state -- were over
17 1.1 -- almost 1.2 million dollars. And primarily what
18 bumped that a lot was the out-of-state boaters that we had,
19 out-of-state people that we had.

20 I would also like to say that it's
21 probably more than that because the documented attendance
22 was 3,128; and I absolutely refuse, even though it was very
23 hard to let myself do it, but I wouldn't make any
24 guesstimates. I did only what we could prove with ticket
25 money and cookers. And we know it was way more than that

1 because several of the gates were not counting children and
2 not charging children. So, we know it was way more than
3 that; but that's what we can absolutely prove.

4 We are very thrilled as we look going
5 forward. We're already beginning on the River Blast for
6 next year. And we've already got a manual put together,
7 how to do it, and to make it much easier for ourselves.
8 And our social media has gone crazy over this thing;
9 absolutely crazy. And as Clare and Pat know and certainly
10 Jerry and Rodney, that our goal has not been to have a
11 River Blast. That was just a very convenient way to get
12 people to know what was happening. Our goal was to tell
13 them that Frankfort was here and ready and open and ready
14 for them to come.

15 And the gentlemen -- the couple that
16 own Rockin' Thunder said that they were ready to come down
17 the year before when we didn't get it done that year. And
18 Captain Paul said to me every time they would pass the
19 opening into the Kentucky River, he would say to their
20 passengers, now, they're going to be opening clear down to
21 Frankfort. That's the promise land. And I said, well, I
22 guess that made us Moses, Rodney. So, we were very happy
23 to have that open.

24 You can read the rest of it. We've got
25 a lot of things going on. But our goal is to get more and

1 more and more people on the Kentucky River, which was our
2 goal from the beginning. And our city and county are very
3 thrilled at what's happening as we are.

4 The lock opening, to me, -- the
5 ribbon-cutting for the locks was more exciting than the
6 River Blast was because, I mean, that was such a long, hard
7 journey for all of us. And I just cannot tell you --
8 Jerry, you are a hero in our eyes because ---

9 MR. GRAVES: Thank you.

10 MS. JEFFRIES: You came in and took
11 control and your staff and your Board. This is not a
12 pleasure thing. This is economic development. And we are
13 deeply, deeply grateful. Thank you all.

14 MS. SIPPLE: Thank you, Joy. Okay, do
15 we have anything else in other business at this time?
16 Jack?

17 MR. STICKNEY: Yeah, I have a comment.
18 I have kind of a concern about the dredging issues in the
19 river. Most of you all know that I work for Kentucky Rural
20 Water Association. I work with water utilities statewide.
21 I deal a lot with the utilities upstream and downstream of
22 the Kentucky River. I ask them issues they may have and
23 stuff. But I dare say there's probably not an intake on
24 the Kentucky River that doesn't have a sediment problem and
25 a siltation problem, a sand problem in their intakes. And

1 I know for sure the headwater systems do. And we're
2 spending a lot of our effort, time and our dredging
3 downstream, Lock 1 to 5; but, yet, we've done nothing for
4 those upper utilities. And they really do have issues.

5 So, I think we should consider ways
6 that maybe we could help alleviate some of their
7 sedimentation problems in their intakes. I know it's an
8 issue for the utility to take care of.

9 MR. GRAVES: Right.

10 MR. STICKNEY: But, yet, we're taking
11 care of these issues downstream but we're not doing
12 anything upstream.

13 MS. SIPPLE: I think that a big part of
14 that problem, Jack, is that we can't mobilize this barge
15 all the way up to the headwaters because we can't get it
16 there. There's just no way. How big did you say that
17 dredge ---

18 MR. GRAVES: 137 by ---

19 MR. HAMILTON: 138 by 35.

20 MR. GRAVES: By 35.

21 MS. SIPPLE: Yeah. So, getting the
22 boat there is the problem. And this is one of the things
23 that we discussed several years ago when we were talking
24 about permanently closing all the locks. I said how are we
25 going to take care of anything upstream if you can't get

1 the locks open. You can't mobilize equipment to get up and
2 down the river. The sites, the locations of these locks
3 and dams, it's really, really difficult. If you don't have
4 all your locks operational, then, you can't get equipment
5 up there.

6 MR. STICKNEY: Well, the issue came up
7 on the Tug Fork and the Big Sandy over there. And they
8 have smaller platforms, and they have devices on them like
9 with arms on them where they can reach out except on a
10 smaller scale. And, then, they have ---

11 MR. GRAVES: Right. The problem we
12 have when you take a bucket -- what am I looking for,
13 David?

14 MR. HAMILTON: Clam shell.

15 MS. SIPPLE: Clam shell.

16 MR. GRAVES: An excavator. When you
17 put that on a barge.

18 MR. HAMILTON: Right.

19 MR. GRAVES: So, all you do is what I
20 call like spreading icing on a cake. You just move it from
21 here to there. The only true way to dredge is actually put
22 something like we had come up and actually go down and clam
23 and pull stuff out. I don't disagree. I agree with you.
24 I think you're right. But getting there, you have to --
25 they have the barges that snap together. I think Tom can

1 tell us what did it cost us -- or not us, but the city?

2 MR. RUSSELL: I -- in a little bitty
3 ole front-end -- I mean an excavator and a barge when you
4 all sent me the boat dock from Richmond. It was like
5 \$36,000. To get it -- it was like \$18,000. That's just
6 coming out of Louisville with one barge and one little
7 bitty tug that they hauled in on a trailer. So, the
8 mobilization and de-mob is obviously the biggest expense
9 that you'll ever see. That would be something that
10 probably you would offer up the utilities to pay a whole
11 lot of it. You know, you would have to enter into several
12 partnerships to make that cost-effective.

13 And I do understand the plight of the
14 River Authority. The locks and dams are Homeland Security
15 issues that we've done risk assessment and analysis on all
16 the dams up and down the river just for that fact. And,
17 then, the water intakes are a big part of business; but the
18 cost is a consideration. You can't drive it up the river.

19 MR. WELLS: What do you think about the
20 municipalities or whoever the proprietors are of the water
21 working with us to do this? Because to be honest with you,
22 I heard him say that we were very cautious about removing
23 silt and debris from the intakes as if it was not our
24 obligation and we needed as a liability issue to stay away
25 from that in his cautious remarks about doing that. And,

1 then, you asked that question. So, my concern is is this
2 something we should be doing? And, if so, then, maybe we
3 ought to be partnering with -- if other entities above the
4 locks are willing to help us, maybe we can do that as a
5 partnership.

6 MR. GRAVES: I think you make a good
7 point. I don't have a problem sitting down with Kentucky
8 American or the Frankfort municipality -- the Plant Board
9 and talk to them. I'm like David. I thought about going
10 over -- and this probably maybe is my fault when I call
11 somebody and say, hey, we're coming up, do you want us to
12 do this. And I even thought about if we go over and take
13 one bucket out of there and tear up something, you know,
14 one good deed doesn't go unpunished. And I was thinking
15 ---

16 MR. CAINES: It may be a problem up and
17 down the river for other utilities, but Frankfort does not
18 have any problems. Of course, Kentucky American, I don't
19 know ---

20 MR. GRAVES: I don't know your all's
21 procedures, how you all maintain that.

22 MR. CARTIER: We don't really need to
23 dredge. We do clean out intakes occasionally, but we
24 haven't ---

25 MR. GRAVES: Yeah. We just stay away

1 from them from the liability point. Because I thought, if
2 I go over there and take one dip out of there and we don't
3 know what's under there and we hook a 50-foot tree that's
4 that big around and I snap whatever that's taking out
5 water, then, I'm on the hook. So, out of sight, out of
6 mind.

7 MR. CARTIER: I think -- and maybe
8 Jack's point is maybe some of the smaller utilities may not
9 have as much infrastructure around their intakes to protect
10 things. And I know Irvine did have some of those issues
11 around. So, that might be the next time we do it. But
12 from my perspective, I understood David's primary objective
13 of doing that was navigation and around the locks, really.

14 MR. GRAVES: Right.

15 MR. CARTIER: So, it was cleaning out
16 so we could operate locks more effectively.

17 MR. GRAVES: Right.

18 MR. CARTIER: And to help navigation
19 kind of in the center of the channel more than anything
20 else.

21 MR. GRAVES: Exactly.

22 MR. CARTIER: I think, Jack, if your
23 point is while they do it, you know, is there anything they
24 could do to partnership with some of that, I think it
25 wouldn't hurt to reach out to folks. But there is that

1 liability and risk associated with it. So, the contractor
2 would have to have that understanding. So, it is a ---

3 MR. STICKNEY: Well, certainly. But,
4 also, a lot of these utilities I think feel that they're
5 not getting any benefit from the River Authority, you know,
6 as far as helping in their counties and stuff.

7 MR. GRAVES: Right.

8 MR. STICKNEY: And I'm just thinking
9 that may be an avenue that we could possibly help them out.

10 MR. CARTIER: Sure, especially upriver.

11 MR. STICKNEY: Yeah, in the upper
12 reaches, above Beattyville, which there's a half a dozen
13 utilities up there.

14 MR. RUSSELL: I would think there would
15 be some upriver that probably have more problems or issues
16 than others up the river. And, you know, coming from the
17 world of EM, I can't call 511 and spray that. So, there
18 would have to be a lot of things to go through to see
19 exactly where the intake is. But the ones with the most
20 problems, I don't see -- it looks like you could get
21 together with a whole lot of people and see if you could
22 alleviate or help them with their problems on the worst-
23 case scenarios.

24 MS. SIPPLE: And since mobilization and
25 demobilization are so expensive, if you could work out some

1 -- talk to your -- since you're part of that group, suggest
2 that they see what they could do about getting together,
3 doing it all at once; start at the top, work your way down.
4 And it would cut your costs, but I don't know how -- I feel
5 for you, but I don't know quite how we could help.

6 But if we do get upstream, -- and
7 that's the other thing. It's through no fault of the local
8 governments at the headwaters that the locks were closed.
9 And it's unfortunate because that was an unintended
10 consequence, I'm sure, for keeping those channels open and
11 making us able to be able to go up there and dredge.

12 Anybody else? Okay. I would like to
13 -- we need to go into Executive Session. I need someone to
14 please make a motion to close the -- can I make the motion
15 to close the open meeting? And I'm going to cite KRS
16 61.810. The Kentucky River Authority Board is going into
17 closed session to discuss personnel matters. So, we would
18 like for our court reporter to stay but everyone else will
19 have to go. So, thank you all for coming. We enjoyed
20 seeing you.

21 MR. WELLS: If you need a motion, I
22 make the motion.

23 MS. SIPPLE: Okay, Houston is making
24 the motion. Do we have a second?

25 MR. BUSH: Second.

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MS. SIPPLE: Charles Bush has made the second. All those in favor, signify by saying aye. Any opposed? All right. We're going into closed session.

(EXECUTIVE SESSION)

MS. SIPPLE: Call for a motion to adjourn.

MR. WELLS: So move.

MR. KAY: Second.

MS. SIPPLE: Let's see, Houston; James Kay, second. All those in favor, signify by saying aye.

(Motion carries)

(END OF MEETING)

STATE OF KENTUCKY

COUNTY OF FRANKLIN

I, Rita Susan Moore, a notary public in and for the state and county aforesaid, do hereby certify that the foregoing eighty-six pages are a true, correct and complete transcript of the above-styled meeting taken at the time and place set out in the caption hereof; that said meeting was 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 16th day of September, 2015.

Notary Public
State of Kentucky at Large

My commission expires January 8, 2016.