

KENTUCKY RIVER AUTHORITY
MEETING NO. 209
AGENDA

Date: November 14, 2023
Time: 1:00 p.m.
Place: Bush Building
403 Wapping Street
Frankfort, Kentucky

1. Call to Order
2. Approval of Meeting Minutes #208
3. Financial Report – Jennie Wolfe
4. Discussion of potential refunding of State Property and Building Commission Project 105 – Office of Financial Management
5. USDA PACE Programs for new hydroelectric projects on the Kentucky River – David Brown Kinloch
6. Approval of Lease and Operating agreement at Lock and Dam 11 for hydroelectric development – David Hamilton
7. Approval to postpone the Locks 2 and 3 Guide Walls project – David Hamilton and Mark Smith
8. Election of 2024 Officers
9. Election of 2024 Subcommittees
 - Water Quality
 - Marketing and Recreation
 - Finance
10. Executive Director Report – David Hamilton
11. Chairman Report – Mark Smith
12. Discussion - Other
13. Comments from the public
14. Executive Session
 - Proposed Litigation KRS 61.810 (c)
 - Property Acquisition KRS 61.810 (b)
 - Personnel Matters KRS 61.810 (f)
15. Adjourn

The Kentucky River Authority will maintain and manage water resources of the Kentucky River Basin to provide a clean and reliable water supply for the citizens of the Basin. The Kentucky River Authority will provide leadership and a common forum for all stakeholders of the Kentucky River Basin in order to promote the highest and best uses of the water resources of the Kentucky River Basin.

A meeting of the Kentucky River Authority (KRA) was held at 1:00 pm at the Bush Building in Frankfort, Kentucky on Tuesday, November 14, 2023, pursuant to a meeting advisory posted at www.kra@gov and emailed to the KRA's distribution list. The following board members were present: Shan Dutta for Secretary Johnson, John Lyons for Secretary Goodman, Mark Smith, Barry Sanders, James Kay, Glenn Napier, Amanda Stacy, Case Davis, and David West. Also in attendance were David Hamilton Executive Director for the Kentucky River Authority, KRA Staff members, Bobby Webb, and Jennie Wolfe.

The meeting proceeded as follows:

1. Call to Order. Chairman Mark Smith called the meeting to order. Jennie Wolfe took roll call and announced there was a quorum.

2. Approval of Meeting Minutes. Upon the motion made by Barry Sanders and second by James Kay the board unanimously approved the August 8, 2023, board meeting minutes.

3. Financial Report. Jennie Wolfe summarized the financial reports for the months July, August, and September. Upon a motion made by James Kay and second by Glenn Napier the board unanimously approved the financial reports for the first quarter of the fiscal year.

4. Discussion of potential refunding of State Property and Building Commission Project 105. Steven Starkweather, with the Office of Financial Management in the Finance and Administration Cabinet, explained the bonds that were issued for the renovation of Dam 8 in Jessamine County and the rehabilitation to Locks 1 and 2 were callable. This means we had reached the 10-year date of the bonds being issued and could be refinanced for a savings to the Kentucky River Authority for the remaining 10-year term of the bonds. Steven Starkweather explained the process to refinance the bonds had to be approved by the KRA board, then the State Property and Building Commission and then finally the Capital Project Bond Oversight Committee. Once those approvals are in place, the Office of Financial Management will monitor the market and advised the Kentucky River Authority when to refinance the bonds. As of today, November 14, 2023, there is no savings to the Kentucky River Authority. Upon a motion made by James Kay and second by John Lyons the board unanimously approved the resolution the refinance the SPBC Project 105 bonds.

(Mark Smith, Board Chairman, recommended moving to agenda item 7)

7. Approval to postpone the Locks 2 and 3 Guide Walls project. David Hamilton recapped the Finance Subcommittee meeting that had been held on October 24, 2023. He explained the project had been bid out twice with no construction bids returned. The third bid returned with two contractors bidding the project. The low bid was from MAC Construction at \$8 million dollars, which was \$5 million over budget. When the Finance Subcommittee met and discussed the issue, they agreed to set aside the Locks 2 and 3 Guide Walls repair project for now and move forward with the project for the repair of Dam 7. The repairs needed at Dam 7 is the next project in the six-year capital construction plan for the Kentucky River Authority. There may also be grant

funding opportunities for the Dam 7 project but to apply for the grants, the design process must be complete. The other option for funding capital projects is to complete the design of Dam 7 and then re-bid the Locks 2 and 3 Guide Walls repair project along with the Dam 7 repair project. With a larger scale project, less risk is involved for the contractor even though the construction sites are not located near each other. The Kentucky River Authority Board made a recommendation to postpone the construction contract at Locks 2 and 3 and move forward with the design of Dam 7 repairs project, with the exception of an emergency at Locks 2 and 3. Upon a motion made by David West and second by John Lyons the board unanimously approved the recommendation by the board to postpone the project at Locks 2 and 3.

5. USDA PACE Programs for new hydroelectric projects on the Kentucky River. David Brown Kinloch, with Appalachia Hydro Partners, LLC, explained his company had received funding from the USDA PACE (Powering Affordable Clean Energy) Program for all four of the upcoming hydroelectric projects on the Kentucky River. These projects will be located at Locks and Dams 11, 13, 9, and 10. All four of those sites have concrete lock chambers and that makes the de-watering and construction process easier. The USDA PACE Program provides loans to finance power generation projects for renewable energy resources in rural communities. The program is particularly interested in projects in eastern Kentucky since the coal plants and coal mines are being retired. This is the first time a hydroelectric company in the United States had received the funding. Berea College is the financial partner on the project. The deadline for the project is eight years. David Brown Kinloch went to Washington DC and met with officials on the programs and licensing methods to cut the process of receiving the license to two years, instead of seven and half as it was for the Lock and Dam 12 hydroelectric project.

6. Approval of Lease and Operating agreement at Lock and Dam 11 for hydroelectric development. David Hamilton explained to the board, part of the approval for David Brown Kinloch getting the funding for the hydroelectric project at Lock and Dam 11, is having a lease and operating agreement in place. The Kentucky River Authority currently has lease and operating agreements with hydroelectric at Locks and Dams 7, 12 and 14. The board had previously approved the lease and operating agreement at Lock and Dam 13. The reason the lease and operating agreement at Lock and Dam 11 had not been previously approved is because David Brown Kinloch had just recently acquired the license for that lock and dam. It was previously held by Rye Development. David Hamilton then explained under normal state procurement laws a lease and operating agreement must be bid out, but the FERC license gives the “sole source” ability to not have to bid this out. The lease and operating agreement for Lock and Dam 11 will have to have final approval from the Finance and Administration cabinet secretary and the Division of Real Properties. The lease and operating agreement will be the same language as for Locks and Dams 12 and 14. Upon a motion made by John Lyons and second by Barry Sanders the board unanimously approved the Lease and Operating agreement for Lock and Dam 11 hydroelectric.

8. Election of 2024 Officers. Upon a motion from Case Davis and second from Glenn Napier the current slate of officers were elected to serve in the same capacity in 2024.

- Chairman – Mark Smith
- Vice Chairman – Barry Sanders
- Secretary – Harold Rainwater
- Treasurer – James Kay

9. Election of 2024 Subcommittees. The memberships of the 2023 subcommittees were retained for 2024.

- Marketing and Recreation: David West, David Jackson, James Kay, and Mark Smith
- Finance: Harold Rainwater, James Kay, Amanda Stacy, Shan Dutta, and Mark Smith
- Water Quality: Barry Sanders, Glenn Napier, John Lyons, Case Davis, and Mark Smith

10. Executive Director Report. David Hamilton gave lock usage totals for the 2023 lock season which ended October 29, 2023. There was a total of 5,369 people and 1,417 boats that went through Locks 1 through 4. There was a roof replacement at the large building at Lock 4 that houses all the equipment and the office at Lock 3. The transfer of ownership of Locks 1 – 4 is still in process and we are waiting on the Army Corps of Engineers to complete the transfer.

11. Chairman Report. Mark Smith set the 2024 meeting dates:

- February 13, 2024
- May 14, 2024
- August 13, 2024
- November 12, 2024

12. Comments from the public. Pat Banks asked the board who oversaw docks breaking free and potentially causing damage in the Kentucky River. An anonymous person from Estill County is concerned the dock, that was near the bridge in Irvine, had broken free and could cause damage. She went on to state the boat ramp in that same area needs maintenance. David Hamilton stated there is no regulatory authority that governs docks or abandoned boats on the Kentucky River. John Lyons asked Pat Banks if there was fuel pumps or gasoline on the dock and she stated there was not. David Hamilton stated there was no agreement for the boat ramp in Estill County between the county and the Kentucky River Authority. Normally when boat ramps are built, it is on the county to maintain the boat ramp. Next Pat Banks went on to ask for letters of support for a grant she is applying for through the LiKEN for Green Infrastructure. Lastly Pat Banks asked for an additional \$2,000 to \$3,000 for the lesson plan she had created to get it to the final draft. Once she has the final draft it will be available in electronic format. Mark Smith stated the Marketing and Recreation Subcommittee will meet in January 2024 to discuss the 2024 River Sweep and the lesson plan Pat Banks had presented to the KRA board.

13. Adjourn. The meeting adjourned at 2:09 pm upon a motion by James Kay and second by Case Davis.