

KENTUCKY RIVER AUTHORITY
MEETING NO. 208
AGENDA

Date: August 8, 2023
Time: 1:00 p.m.
Place: Lock and Dam 12
Hwy 1645
Ravenna, KY

1. Call to Order
2. Approval of Meeting Minutes #207
3. Financial Report – Jennie Wolfe
4. Update from Malissa McAlister on current activities with Kentucky Water Research Institute
5. Update on Kentucky River Hydroelectric Developments – David Brown Kinloch
6. Biennium Budget Presentation for FY25 and FY26 – Jennie Wolfe
7. Executive Director Report – David Hamilton
8. Chairman Report – Mark Smith
9. Discussion - Other
10. Comments from the public
11. Executive Session
 - Proposed Litigation KRS 61.810 (c)
 - Property Acquisition KRS 61.810 (b)
 - Personnel Matters KRS 61.810 (f)
12. 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 on Tuesday, August 8, 2023, at Lock and Dam 12 in Ravenna, Kentucky, pursuant to a meeting advisory posted at www.kra@gov and emailed to the KRA's distribution list. The following board members were present: Case Davis, David Jackson, John Lyons for Secretary Goodman, James Kay, Barry Sanders, Mark Smith, David West, and Glenn Napier. Also, in attendance were David Hamilton Executive Director for the Kentucky River Authority, KRA Staff members Jennie Wolfe and Bobby Webb.

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

2. Approval of Meeting Minutes #207. Upon a motion made by David Jackson and second by James Kay the meeting minutes were approved.

3. Financial Report. Jennie Wolfe summarized the financial reports for the months of April, May, and June. Upon a motion made by James Kay and second by Glenn Napier, the financial reports for the fourth quarter of the fiscal year were approved.

4. Update from Malissa McAlister on the current activities with KWRI (Kentucky Water Research Institute). Malissa McAlister introduced Andrea Drayer. She started with the University of Kentucky Water Research Institute on July 1. There will be a transition phase over the next year as Andrea Drayer takes over the position Malissa McAlister has held for the past 20 years. Malissa McAlister gave an update on the Glens Creek Watershed project in Woodford County. It is a signature Kentucky watershed because of the horse farms and distilleries in the area. There is a public meeting in the fall. Malissa and Andrea visited Whitesburg, Kentucky. It was the one-year anniversary of the flood. They visited with residents and farmers and held a stream bank erosion homeowners' workshop.

5. Update on Kentucky River Hydroelectric Developments. David Brown Kinloch explained the progress he had made since the 1980's when he started the process of operating hydroelectric plants in Kentucky. They had received funding from the United States Department of Agriculture REAP Grant (Rural Energy for America Program). They received grant funding for the Kentucky River Lock 7, Lock 12, and Lock 14 hydro facilities. The Kentucky River Lock 14 hydroelectric should be up and running by December 2024. The next project for David Brown Kinloch and his staff is the Kentucky River Lock 11 hydroelectric plant if they can get the funding. They have submitted the application for the Kentucky River Lock 13 hydroelectric facility. They have applied for the FERC license, for the preliminary project, at the Kentucky River Lock 9 and Lock 10.

6. Biennium Budget Presentation for FY25 and FY26. Jennie Wolfe presented the budget request for the period July 1, 2024, through June 30, 2026. The budget request is based on prior year revenue and expenses. The KRA budget is made up of two sources of revenue, the Tier I and Tier II water user fee and three programs. The first program is the General Operations program, and it funds the office operating expenses. There are approximately 53 entities that pay the Tier I water usage fee. There is also rental income for the Lock 7 and Lock 12 hydroelectric facilities. Total annual revenue in the general operations program is approximately \$1.2 million. There will

be an increase in rental income in fiscal year 2025 and 2026 when the Lock 14 hydroelectric project is complete. The expenses are about \$1.1 million annually. The expenses include personnel costs, the annual dredge contract, the agreements with the University of Kentucky and United States Geological Survey. The next program is the Lock and Dam Maintenance program. This program is supported by the Tier II water usage fee. Approximately 16 entities, that withdraw water from the main stem of the Kentucky River, pay this fee. The annual revenue is anywhere from \$5.5 to \$6 million. The debt service is paid from this program and is currently \$4.1 million per year. The last program is the Lock Operations Program. This program is general fund supported and pays the salaries and benefits of the four full time lockmasters. It covers the operation costs of Locks 1 through 4, the maintenance cost of all 14 lock and dam properties, buildings, and equipment. Any expenses that go over the normal operating costs of the agency are considered additional budget requests. The following will be included as additional budget request, two vacant positions, the increase cost of employee healthcare and retirement, the demolition of three lock houses once Locks 1 through 4 are transferred to the Commonwealth of Kentucky from the US Army Corps of Engineers. Upon a motion made by James Kay and second by David Jackson the draft version of the budget request was approved.

7. Executive Director Report. David Hamilton thanked David Brown Kinloch and his partners on what they had done to develop the hydroelectric plant at Kentucky River Lock and Dam 12 and hopes it can be an example for other locations. He thanked Malissa McAlister for the work over the past 20 years. The Lock 2 and 3 guide walls repair project had no bidders on the construction contract and will be re-bid on August 17. There is currently no capital construction taking place. It has been one year since the Dam 10 project was completed and recently completed the final walk through. Locks 1 through 4 have had good weather and water levels this summer. The boat traffic so far has been in the high 2000's for travel through the locks. There are currently four full time lockmasters. We may plan to hire another lockmaster through a temporary service that is on master agreement with the state. The Office of Financial Management has asked the KRA if they are interested in refinancing the bonds issued for the new dam at Lock and Dam 8. The bonds were issued as 20-year bonds in 2013. We are at the 10-year point and those bonds are callable. The length of time does not change on the bond issue but there could possibly be savings over the remaining 10 years.

John Jay Moore gave an update on the progress of his Eagle Scout project since the last meeting. John Jay had secured the funding for his signage. He is going to install 7 signs at Lock and Dam 7, 12 and 14. Proper signage prevents future deaths at the dams. He is purchasing 7 signs, 18"x24". There will be two signs at each lock and one at the boat ramp at Lock and Dam 7. He asked if the KRA would like to purchase bigger signs to install at the three locations, such as a 4'x6' or 6'x9'. The board decided to take this request to subcommittee to determine the exact size that was needed.

8. Chairman Report. The subcommittees will meet before the next board meeting to discuss the signs for Lock and Dam 7 in Jessamine County and the refinancing of State Property and Building Commissions Project 105, the bonds issued for the new dam at Lock and Dam 8 in Jessamine County.

9. Comments from the Public. The Estill County Judge Executive, Donnie Watson, invited the attendees to stop by and see the Kentucky River Park at the other end of Estill County. They have soccer fields, kayaks, a playground. The magistrates did most of the work themselves. They hosted a WOW event recently, Weekend on the Water. They hope to make it an annual event.

9. Adjourn. The meeting adjourned at 2:29 upon a motion made by David Jackson and second by James Kay.