WATER QUALITY FEES BOARD
MINUTES
April 14, 2022
Regular Meeting

I. **<u>CALL TO ORDER</u>** – Harry Clarke called the April 14th Meeting of the Water Quality Fees Board (WQFB) to order at 9:15 a.m.

<u>Water Quality Fees Board Members in Attendance</u>: Harry Clarke, Donna Fogle (arrived at 9:24 a.m.), David Lowe, and Aaron Vaught. George Woolwine was absent.

<u>Staff Members in Attendance</u>: Charles Martin, P.E., Director, DWQ; Greg Lubeck, P.E., Deputy Director, DWQ; Lindsie Nicholas, P.E., DWQ; Frank Mabson, DWQ; Denice Bullock, DWQ; Doug Baldwin, P.E.; and Michael Cravens, Department of Law.

<u>Guests in Attendance</u>: Dave Osbourne, President of Ellerslie at Delong Homeowners Association; Erik Dawalt, Ridgewater, LLC; Britney Ragland, P.E., CEM, Utilities Engineering Manager, UK Utilities & Energy Management; Graham Gray, Facilities Utilities & Energy Management Engineer, UK Facilities Management; Shane Tedder, Sustainability Coordinator, UK Facilities Management.

II. **<u>APPROVAL OF MINUTES</u>** - Mr. Clarke asked the WQFB to review the minutes of January 13, 2022, Water Quality Fees Board Meeting.

<u>Mr. Vaught moved to accept the minutes as written. The motion was seconded by Mr. Lowe, and the motion passed unanimously. Fogle and Woolwine were absent</u>.

III. **<u>FY 2021 ELLERSLIE AT DELONG HOMEOWNERS ASSOCIATION, INC.</u>** – Request to amend the scope of the project for properties located at 446 Weston Park; 253 and 264 Ellerslie Park Boulevard and 3904 Tatton Park due to flooding and erosion issues since the Grant Award Agreement was approved by the Lexington-Fayette Urban County Council (LFUCG).

<u>Presentation</u>: Dave Osbourne, President of Ellerslie at Delong Homeowners Association, expressed his support of the work being done by the consultant in Ridgewater LLC and said Ellerslie at Delong HOAis requesting to change the scope of the project to address other flooding and erosion issues that were not included in the original Grant Award Agreement.

Mr. Osbourne briefly explained that Ellerslie at Delong is located along Richmond Road across from Jacobson Park and is adjacent to the Lexington Reservoir #4. He said that there is a 40-acres parcel adjacent to the reservoir currently under construction for single-family homes. At some point, the large greenspace next to Richmond Road will be under construction to build 96 condominiums. Once the construction is completed there will be approximately 500 new homes in the area, adding to the drainage of the captioned project.

Erik Dawalt, Ridgewater, LLC, briefly explained that the objective of the grant project is to help mitigate backyard flooding and improve the water quality by reducing sedimentation from the streambank and stormwater swale / ditch erosion.

Mr. Dawalt indicated that the project elements of the original Grant Award Agreement (GAA) included stabilizing and / or repairing several areas throughout the site totaling 1,100 linear feet. As part of the GAA, they had intended to repair a portion of the swale behind the houses along Ellerslie Park Blvd. Over the last few months, other neighbors located on Ellerslie Park Blvd that were not included in the GAA have reported that during rain events, the swale behind their homes pools causing water to back up between their houses. To help mitigate that flooding, they are now proposing to redesign their calculation to include the entire length of the swale from 600 linear feet to 950 linear feet, resulting in 1,210 linear feet.

Mr. Dawalt said that the GAA shows the total project cost is approximately $125,000.00 ($25,000.00 from the Grantee and $100,000.00 grant amount). With the change in scope, they are now estimating the budget will increase to approximately $126,634.42 ($26,634.47 from the Grantee and $100,000.00 from the grant amount).

Mr. Dawalt ended by saying that there will be no change to the grant funds awarded by Urban County Council, but the Homeowners Association portion will increase to cover the additional cost of $1,634.47. He noted that the Homeowners Association will apply for future grants for any additional work that will be required in this area.

Board comments and questions: Mr. Dawalt said that the ditch between Branham Park and Somersly Place is filling up with silt from the construction area. He explained that it does not make sense to clean this area at this time when there is currently an active construction site nearby.

Mr. Vaught asked if there is any other proposed development near the area. Mr. Osbourne indicated that there will be 96 condominiums near Richmond Road.

Mr. Clarke asked for clarification of the request. Mr. Dawalt indicated that they are proposing to repair an additional 230 linear feet at the outfall ditches, repair 30 linear feet on the outfall apron and extend the repair of the swale from 600 linear feet to 950 linear feet. This change will help address the upstream work.

Mr. Clarke asked the staff for their thoughts. Mr. Mabson replied that the staff is recommending approval of the Grantee's request to amend the scope of the current grant project. He explained that there will be a cost increase, but the Grantee will absorb the increase and no additional funds will come from the grant.

Mr. Clarke asked if the Grantee will be submitting future applications. Mr. Dawalt nodded in agreement. Mr. Mabson replied affirmatively, noting that extending the repair to the swale will help mitigate the flooding along the back of the houses.

Doug Baldwin, P.E., the projects current Grant Manager, explained that when the swale was first built, the intent was to take the water away from the back of the houses. However, due to a poor design, the water does not drain properly. The Grantee is now proposing to repair the entire length of the swale to help prevent the flooding.

Charlie Martin said that he is bothered that the city is spending funds on a recently developed area with poor quality work.

Mr. Clarke said that he is bothered by the change in scope.

Mr. Vaught moved to accept the change in scope. The motion was seconded by Mr. Lowe, and the motion passed unanimously. Fogle and Woolwine were absent.

IV. **FY 2020 THE UNIVERSITY OF KENTUCKY RESEARCH FOUNDATION (UKRF) PRESENTATION** – Request to amend the scope of the the FY20 Class B Infrastructure project at 751 Price Avenue due to hid bids caused by rising construction costs since the Grant Award Agreement was approved by the Lexington-Fayette Urban County Council (LFUCG).

Presentation: Britney Ragland, P.E., CEM, Utilities Engineering Manager, UK Utilities & Energy Management, briefly commented that the location of the project site is situated along Virginia Avenue between Norfolk Southern Railroad and Press Avenue.

Ms. Ragland said that the intent of the project is to improve the quality and decrease the quantity of stormwater flowing to Wolf Run Creek. This project will harvest stormwater for use in the University of Kentucky's (UK) Cooling Towers at Central Utility Plant #4 (CUP). She added that the project also has a positive educational benefit and will be formally connected with the University's outreach and public education efforts through the Stormwater Quality Plan. This plant could be the start of having cooling towers throughout the United States.

Note: Ms. Fogle arrived at the meeting.

Ms. Ragland presented an aerial view of the project site and explaining the layout of the property and the surrounding businesses. There is a 200-acre campus watershed that drains to Wolf Run via the Simpson Avenue outfall point through an 8' x 8' partially exposed box culvert. This area of the campus is intensely developed and more than 50% of the watershed is covered with impervious surfaces. The cooling towers in Central Utility Plant #4 consume over 45,000,000 gallons of water per year as of FY21. She noted that this plant is adjacent to the Simpson Avenue outfall point.

Ms. Ragland said that the University conducted a feasibility study and found that the flow in this stormwater conduit ranged from 56,000 gallons to 15,500,000 gallons per day between May and October of 2017. The University conservatively anticipates harvesting 23,000,000 gallons / year, assuming a harvesting efficiency of 25% of available flow (170 million gallons). This would generate expected savings for the water cost to be $139,000 and sanitary sewer cost of $65,000 for a total of $204,000 in savings annually.

Ms. Ragland said that the Project Elements will consist of the following:
1. The existing box culvert will be cut into and a trench drain installed at the bottom to divert the flow towards the pump station. The trench drain is designed to maximize the available water and prevent large debris from entering the pump station.
2. A pump station will be installed adjacent to the box culvert. A bag filter will be installed on the discharge of the station to remove small, dissolved, unwanted particles in the water.
3. Piping system to transfer water to the storage tanks for the cooling towers.
4. Metering & controls, including conductivity sensor.

Ms. Ragland briefly explained the project history.
- 2017 – Study performed; design concept & budget developed;
- July 2018 – Project applied for a grant;
- July 2019 - Project re-applied for a grant;
- October 2019 - WQFB requested a presentation for clarification and an award was made shortly thereafter;
- March 2020 – COVID19 impacts regular operations;
- September 2020 – Approved Grant Award Agreement delivered to UK;
- Summer 2021 – Completion of project plans by Bell Engineering;
- November 2021 – Quotes for project construction obtained at $650k; project placed on hold for evaluation;
- December 2021 – Plans reviewed by 3rd party consultant for additional cost-savings opportunities;
- April 2021 – Project issued for bid in parallel with the request for additional funding from LFUCG.

Charlie Martin asked if the University of Kentucky has reviewed any bids. Ms. Ragland replied they received two quotes, not bids. Mr. Tedder replied the project is currently out for bid, and is due April 20, 2022.

Graham Gray, Facilities Utilities & Energy Management Engineer, UK Facilities Management, said that there are four (4) cooling towers on campus that are interconnected through 25 miles of piping. This is how 200 buildings are cooled during the warmer season.

Mr. Gray briefly explained the project budget comparison between 2017 and 2022 noting the cost increase was due to the following:
- Market Conditions have increased for both material and labor costs
  - Many UK capital projects are bidding 2-3x higher than expected
- Preliminary budget underestimated electrical and control needs (i.e. metering, conductivity sensors)
- Lack of Confidence in quotes from Fall 2021

- Breakouts were given for excavation, vault, pumps, filter unit, piping, electrical (~$460k of $650k)
- Breakouts are <u>not</u> available for items such as labor, work on box culverts, erosion control, fencing, and contingency
- UK team elected to review the design and send for a bid

Mr. Gray explained the following status of the project.

- UK team elected to reissue the project via competitive bidding to temper market conditions and tighten pricing.
- Project design was reviewed by 3rd party consultant with minor cost-reduction suggestions sent to Bell Engineering and included in current plans.
- Current Schedule:
  - Project issued for bids: March 29th, 2022
  - Pre-bid site meeting: April 5th, 2022
  - Questions Due: April 8th, 2022
  - Addendum Issue: April 14th, 2022
  - Bid Opening: April 20th, 2022 @ 3pm
  - Substantial Completion: 120 days (~Sept 1)
  - Final Completion: 30 days thereafter (~Oct 1)

Mr. Gray added that despite economic challenges, the University of Kentucky plans to continue with the execution of the project this year. The benefits to LFUCG and UK include 23M gallons or more water harvested from the storm culvert; educational opportunities; financial benefit (3.3-year payback); creating an innovative project with the potential to be duplicated on campus or elsewhere. He added that they will receive new bids on April 20, 2022.

Mr. Gray said that the University of Kentucky prefers an option where the project can move forward; at the same time, be able to receive additional funding from the city.

<u>Questions and comments</u> - Mr. Mabson asked how the University plans to fund the project if funds are not available through the grant program. Mr. Gray responded at this point the project is upside down until they receive the new bids. It is possible the additional funds could come from the University of Kentucky, but they cannot say until they receive the bids. Mr. Gray said that the staff wanted to give the Board an update as to where they are with the project and perhaps see if there is a way to receive additional funding from the city.

Mr. Martin suggested that the University of Kentucky look into the American Rescue Plan Act (ARPA). He added that ARPA is looking for an innovative project such as this especially through the Division of Water or through the Kentucky Infrastructure.

Mr. Martin said that bids open on April 20th and are typically good for 90-days. Mr. Gray agreed. Mr. Martin then said that some contractors will honor the bid for longer than 90-days but it has to be mutually agreed upon. Mr. Gray agreed. Mr. Martin said that this is a significant request, and he is trying to determine what latitude the Board has to consider this request.

Mr. Martin then asked how big are the pumps on the pump station. Ms. Ragland said that the pumps top out at 400 GPMs. Mr. Martin said that all pumps cost about $1,000 per horsepower. Ms. Ragland responded they can find out the cost. Mr. Martin said that on the 2017 cost analysis the electrical work was missed and asked for a copy of the bid document once they receive them to see what is listed. Mr. Gray agreed.

Mr. Gray said that alternative options for the University of Kentucky are

1) move forward with purchasing and storing the equipment until 2023;
2) submit an application for an FY 2023 Class B Infrastructure grant
3) the WQFB gives consent for the University of Kentucky to revise the scope of the project, which would include purchasing the material only using the FY 2020 grant funds or

4) the University of Kentucky continues with the construction of the project and be reimbursed using the grant funds from the FY 2023 Class B Infrastructure grant.

Mr. Martin commented that in the past the Division of Water Quality has stored equipment to save on sales tax but they didn't have it in storage very long. Mr. Gray said that the sales tax will be significant. Mr. Martin agreed. Mr. Gray said that having the equipment in storage would not be their preference but they understand that may be an option.

Mr. Mabson said that if the University of Kentucky is not awarded additional funds from the Innovative and Experimental pool, then the University of Kentucky is requesting the Board to reduce the scope of the project which will result in pausing construction activities as it will need to reapply and be awarded additional funds from the FY 2023 grant cycle. Mr. Gray agreed and added that they understand there are no guarantees they will be awarded the funding.

Mr. Mabon said that even if the University of Kentucky is awarded a second grant the issue would become the Notice to Proceed. Mr. Gray said that they would use the funds from the FY 2020 to purchase the equipment only and then store it until needed. Mr. Mabson said that the issue is whether the organization would be allowed to continue on with construction activities. Mr. Gray said that the staff would be fully aware that the FY 2020 grant would solely be used to purchase the equipment and not the installation of the equipment. There would be no construction done with the FY 2020 grant funds.

Mr. Mabson directed the Board's attention to the UK proposal alternative options and said that the Grantee is requesting the Board to approve a scope modification to use the existing FY 2020 funds on the consultant design fees and the purchase of equipment and supplies. Then they can reapply for an FY 2023 Infrastructure grant and if awarded, they could use those funds for construction. Mr. Gray agreed.

Mr. Vaught said that the FY 2020 grant would be used for the purchase of the equipment, but who is to say the UKRF is awarded an FY 2023 grant. Mr. Gray said that they have discussed this issue with the Vice President and bids are coming in but they cannot say at this time.

Mr. Mabson said that if the Board approved to reduce the scope it would need to include the stipulation that if the UKRF reapplies and is not awarded an FY 2023 grant if the project is not completed the University of Kentucky would be responsible to reimburse the $216,800 to the city. Mr. Clarke indicated his agreement.

Mr. Clarke asked about how much the University would request in FY 2023. He commented that the grant would not be able to fully help with the overall project. Mr. Grey briefly explained the following potential cost share of additional funds:

Total Project Costs w/ Bid:	$700,000	$685,000	$600,000	$500,000
LFUCG Grant (80%)	*$216,800*	*$216,800*	*$216,800*	*$216,800*
UK Match (20%)	*$ 54,200*	*$ 54,200*	*$ 54,200*	*$ 54,200*
Total Funded	$271,000	$271,000	$271,000	$271,000
LFUCG Additional Funds (80%)	**$343,200**	**$331,200**	**$263,200**	**$183,200**
UK Additional (20%)	$ 85,800	$ 82,800	$ 65,800	$ 45,800
Additional Total Proposed	$429,000	$414,000	$329,000	$229,000

Mr. Gray said that the original quote they received will not complete this project.

Mr. Mabson said that it seems that the University of Kentucky's preferred options are

1) Have the grant program provide additional funding as soon as possible;
2) The Board amends the scope of the project to allow the University of Kentucky to use the FY 2020 grant funds to pay for the consultant design fees and equipment and supplies.

Mr. Mabson noted that the second option is to have the University of Kentucky reapply for a Class B Infrastructure grant during the FY 2023 cycle.

Mr. Clarke asked if this project considered as innovative. Mr. Mabson replied affirmatively. Mr. Clarke indicated his concern with the increase in cost. Mr. Gray briefly explained the cost analysis of other projects and indicated that the market conditions can and have changed. Mr. Martin agreed and said that with the market escalating, this is why he requested to review the proposed bids to compare the price from then and now.

Mr. Mabson asked what economic challenges have there been since the grant was awarded. Mr. Gray briefly explained where they believe the original bid lacked some required components. Mr. Mabson pointed out that the construction costs were originally proposed in 2017 at $28,180, but now the construction cost has increased to $244,600.00. He indicated that the staff also has concerns over the increase in costs, and would rather the Board make a fully informed decision. Mr. Mabson noted that with new bids coming in the next week the Board would have an opportunity to be more informed before deciding a path.

Mr. Clarke said that even if the Board agreed to award additional funds that would still not be enough for the project to proceed. Mr. Gray said that the University of Kentucky would have to increase its shares as well. Mr. Mabson reiterated that the staff could add a stipulation that the project must be completed.

Mr. Martin asked what is the payback for this project. Mr. Gray said that the project cost is $650,000 +/- then the payback would be 3.3 years.

Mr. Clarke asked how the University of Kentucky feels about the number of years to pay back on this project. Mr. Gray indicated that they are agreeable. He added that this project is sustainable, students can use it as a resource, and it is good for the city and the University of Kentucky.

Mr. Martin said that a small percentage of the sewer user fees would change. Mr. Gray replied that they understood. Shane Tedder, Sustainability Coordinator, UK Facilities Management said that they had discussions in 2019 about metering in such a way to pay for the harvested water that was being sent to the city. Mr. Martin said that was part of the discussions from the beginning.

Mr. Martin said that the city cannot just give the University of Kentucky all of that money if those numbers are righteous. He added that if there is a 3.3-year payback the University of Kentucky may need to be more comfortable with payback being between 5 and 10 years. The long timeframe still makes sense economically, but it’s not as good as 3.3 years of payback. Mr. Gray said that still is not a bad business decision. Mr. Martin indicated anything less than 10 years is good.

Mr. Gray said that this request is fuzzy, they have shared all of their information and they do plan to have bids in the next week.

Mr. Mabson said that the staff had initially thought to recommend using the Innovation and Experimental funds through the change order process. However, the Law Department, as well as the Director, still needs fully weigh in. Another option would be to reduce the scope of the project then the University of Kentucky could reapply for an FY 2023 Class B Infrastructure grant; and if awarded, the staff would add a stipulation to reflect the University of Kentucky would be required to cover any overages and complete the project. Mr. Mabson said that the Code of Ordinance seems to give a little latitude in this area, howeverhe needs to be advised by Law.

Michael Cravens, Law Department, indicated that the $216,800.00 is a not to exceed amount and if the bid comes in higher the University of Kentucky should be responsible to make up that difference. It would be unusual for the Board to raise that amount via a change order. What has been done is to take a harder look at the grant project in terms of phasing it out. What this means is to take the existing grant and allow the University of Kentucky to reduce the scope of the project then reapply for additional funds during the FY 2023 cycle. This would allow the staff to review the budgets, bids, and so forth and allow the Board to make an informed decision.

Mr. Cravens said that legally the Board has a lot of discretion, but asked what is more equitable – to give more money or to allow the University of Kentucky to submit another application to allow the staff a second review? He then said that the Board does have discretion as to how to administer the grant funds but we try to keep the grant program to be as competitive as possible. We know the University of Kentucky has a great project, but from the program administration standpoint treating this as a new grant application would allow enough time for the staff to suggest a recommendation using the current information from the University of Kentucky versus giving additional funds withough having enough information to go by.

Mr. Mabson said that staff has never submitted a change order to the Urban County Council (UCC) for grant funds and imagines that the original Grant Award Agreement would need to accompany the change order request as supplemental materials for context to the UCC.

Mr. Clarke asked should the University of Kentucky apply during the FY 2023 grant cycle and what is the timeframe for them to receive additional funds if awarded. Mr. Mabson gave a brief explanation and noted late November 2022 at best, if awarded and a request to expedite the contract is received.

Mr. Vaught asked for clarification of what happens if the organization does not go through with the project, Mr. Mabson said that if the University of Kentucky does not follow through with the project then any funds disbursed would have to be reimbursed to the city.

Ms. Fogle expressed concern and commented that everything seems to be predicated on something else happening. There are no guarantees that the funding would be granted. She would prefer the Board to have actual numbers to decide as opposed to "what-if" scenarios. Mr. Mabson suggested postponing until after the bids are finalized. Mr. Martin indicated that if the Board postponed this item then the staff would have a better understanding.

Mr. Clarke said that the amounts are still over $300,000.00. Mr. Mabson said that the Class B Infrastructure has a cap of $360,000.00, which would help.

Mr. Lowe briefly touched on the pros and cons of the different scenarios related to funding at this project.

Mr. Mabson said that if a change order is approved by the Board, it will also need to be approved by the Urban County Council.

Mr. Martin said that the proposed cost share for Class B Infrastructure is not enough to cover the project. If we were to proceed with the change order he has to present and justify the change order to the Urban County Council. He would need to demonstrate a high level of commitment between the University of Kentucky and the Lexington-Fayette Urban County Government to partnering together and not set precedence by saying if a project runs longer than expected the city will foot the bill.

Mr. Lowe said that the electrical cost was missing in the first round and there is no way to show what that amount should have cost.

Mr. Clarke said that the Board needs to know what obligation the University of Kentucky will be fulfilling, and what they are willing to do. He does not believe the incentive grant program is made to do everything for a project and what needs to be done to complete it.

Mr. Gray said that once they receive the bids they can speak with the University of Kentucky Vice President to see how much they are willing to put toward this project. Once that happens they will have a better knowledge of how to proceed. Ms. Ragland said that the University of Kentucky and the LFUCG could agree to match funds. Mr. Clarke indicated that the Board would not agree to that until all the information is submitted to make an informed decision.

Mr. Tedder said that the "80% and 20%" shown on the additional funds mirror the conditions on the original grant and is not a hard line for the University of Kentucky. He said that the numbers could be expanded at any time to have additional complexity to show those additional funds are cost-shared differently than the initial award. Mr. Martin said that some format of what is being displayed would need to be submitted with the Bluesheet Memo to the Urban County Council. Mr. Tedder said that given the economics of this project it makes sense that the University of Kentucky would be prepared to make the necessary changes to the cost share.

Mr. Tedder asked if the scope changes and the awarded grant amount goes toward equipment purchases would there be any constraint should the University of Kentucky decides to greenlight on their own. Mr. Mabson clarified that the University of Kentucky would utilize the current award and be responsible for any additional costs and to complete the project. Mr. Martin said that if the grant is closed then the University of Kentucky is demonstrating the equipment been purchased.

Mr. Mabson clarified that the original grant project would need to remain open until the project is completed. However, after the grant is completed it would just mean the University of Kentucky's cost share had increased.

Mr. Cravens indicated that should the Board reduce the scope of the project and the grant funds are used for its intended purpose then the University of Kentucky's obligation is fulfilled.

Mr. Mabson indicated that should the Board vote to amend the initial contract, staff should add an additional stipulation that the project still must be completed before closing we could close out the grant. Mr. Cravens said that we do not want to say the grant funds were extended for a purpose not consistent with the Stormwater Quality Incentive Grant Program.

Mr. Mabson said that should the Board reduce the scope of the project and allow the Grantee to continue with those activities, it would be a matter of adjusting the language regarding the Notice to Proceed in the second Grant Award Agreement if awarded.

Mr. Clarke said that he has a problem with using the change orderprocess for grants.

Ms. Nicholas believes it would be less desirable for the Board to 1) allow the scope of the project to be changed, and 2) allow the University of Kentucky to apply for another grant during the FY 2023 grant cycle, then use those funds for work that was meant to be completed by the previous grant.

Ms. Nicholas said that this is an innovative and experimental project, and the Board does have the discretion to decide to change the amount of the request for an increase to a more comfortable level to help the project succeed. She added that the University of Kentucky staff will receive their bids next week and it might be worth postponing this item and reconvening for a special meeting until after that time. This would allow for a discussion about real numbers.

Mr. Mabson said that holding a special meeting would be a good option and hopefully leaves the change order option on the table. He then said that it would be hard for the University of Kentucky to put an application together for a project that is moving in real-time.

Mr. Clarke said that grants are competitive. If the Board decides to make a change without knowing how competitive it will be. Mr. Mabson said that the project was already deemed innovative and experimental and the IE fundsmight still be available. However, there is also a chance other projects could qualify as innovative and experimental in either of the grant categories (i.e., Class A, Class B Education and Infrastructure).

Mr. Lowe said that the bids will be available next week and he is in support of having a special meeting, but what happens if the bids come in higher than what is being presented today. It seems that the Board is more comfortable with the University of Kentucky filing a new application for the FY 2023 grant cycle. Mr. Mabson said that the Board can determine how much of the innovative and experimental funds to utilize. Mr. Lowe said that would be an unusual action. The more typical would be for the University of Kentucky to purchase the equipment and then apply for an FY 2023 grant for the rest of the project. Mr. Mabson agreed. Mr. Lowes said that the Board has to consider their level of comfort.

Mr. Clarke said that this type of action is setting a precedence. Mr. Mabson replied that he cannot disagree.

Mr. Clarke asked the Board if they are comfortable scheduling a special meeting.

Mr. Gray said that they can come back with more accurate information for the Board to consider. Mr. Tedder said out of respect for the Board's time, any application of the innovative and experimental funds will be a precedent as those funds have never been awarded. He added that the Board has the discretion to award the increase and the University of Kentucky would need to come up with the rest. The difference between numbers on the quotes and numbers that will be received on the bids will be placed on the University of Kentucky side. Mr. Tedder said that a certain amount could be granted from the innovative and experimental funds now to support the University of Kentucky project without increasing the risk. Mr. Mabson remarked that using the change order process for grants would also be unusual; adding that staff believes it would be in the best interest to hold a special meeting to continue discussions.

Ms. Nicholas said that the Board needs to clearly define what they expect from the University of Kentucky should they allow them to amend their scope, continue with the construction, retain their current funding, then reapply for the FY 2023 grant funds and if awarded use those funds for work done on the previous grant work.

Mr. Martin expressed his concern about turning the incentive grant program into a reimbursement program. Ms. Nicholas and Mr. Mabson both agreed.

Mr. Mabson asked if the staff was more comfortable with the UK halting all activities until the new FY 2023 application is submitted. He stated that if awarded the Grant Award Agreement draft process for UK could be expedited; meaning they could be given priorityso the Urban County Council could take action. Mr. Clarke said that the Board would not be comfortable with the University of Kentucky spending more than $271,000.00.

Ms. Nicholas said that the University of Kentucky wants to continue this project. She asked if the Board would be agreeable to changing the scope of the project if an added stipulation were to be added. Mr. Mabson said that the University of Kentucky would need to draw a line and pause the project, then apply for funding for remaining activities.

Mr. Clarke said that the Board agrees to hold a special meeting on May 5, 2022; and at that time, both options will be discussed further.

Mr. Mabson said that the current bids would need to be provided prior to the special meeting.

Mr. Gray said that they will also speak with the University of Kentucky Vice President regarding this issue and report back to the staff and Board.

Mr. Clarke asked if the University of Kentucky could speak about the project and the benefits of this project at the beginning of the May 5th special meeting.

Mr. Tanner made note that given the scope of the project the University of Kentucky will always pay more than they would be eligible to receive in funding.

Mr. Vaught moved to schedule a Special Meeting on Thursday, May 5, 2022 at 9 a.am. The motion was seconded by Mr. Lowe, and the motion passed unanimously. Mr. Woolwine was absent.

V. **INCENTIVE GRANT STATUS UPDATE** - Mr. Mabson briefly provided an update on the Incentive Grants from FY 2016 to FY 2022; commenting on a few select projects.

Erik Dawalt, Ridgewater, LLC, gave a brief update on the Incentive Grants his company is involved with.

VI. **OTHER MATTERS**

1. **WATER QUALITY FEES BOARD MEETING** – Mr. Mabson indicated that the next regular meeting was scheduled for Thursday, July 14, 2022; however, there are stormwater conferences occurring that week and staff needs to attend. With the Boards approval, the staff is requesting the July meeting to be changed to July 21, 2022.

   Mr. Lowe moved to change the Water Quality Fees Board meeting held on Thursday, July 14, 2022, to Thursday, July 21, 2022. The motion was seconded by Mr. Vaught, and the motion passed unanimously. Mr. Woolwine was absent.

VII. **ADJOURNMENT** - The meeting was adjourned at 10:53 a.m. Upon adjournment, those who were available and able met at 101 West Loudon Avenue to tour the FY 2019 Incentive Grant-funded Best Management Practices at Greyline Station.