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PUBLIC SERVICE  
COMMISSION

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE BULLOCK )  
PEN WATER DISTRICT FOR A )  
CERTIFICATE OF PUBLIC CONVENIENCE )  
AND NECESSITY TO CONSTRUCT AND )  
FINANCE A WATER TOWER PROJECT )

CASE NO. 2012- 00354

APPLICATION

Comes now Bullock Pen Water District ("District"), by and through its Chairman, Bobby Burgess, and respectfully submits its Application for a Certificate of Public Convenience and Necessity and approval of financing for the Grant County Improvement Project, Phase 12 consisting of a 500,000 gallon elevated water storage tank and related water line improvements.

1. The District is a water district created and existing under and by virtue of Chapter 74 of the Kentucky Revised Statutes.

2. The post office address of the District is:

Bullock Pen Water District  
Attn: Mr. Bobby Burgess, Chairman  
1 Farrell Drive  
P.O. Box 188  
Crittenden, KY 41030

3. The District is a non-profit water district and has no separate Articles of Incorporation or By-laws.

4. The District, pursuant to the provisions of KRS 278.023 seeks:

(a) A Certificate of Public Convenience and Necessity permitting the District to construct a water improvement system consisting of a 500,000 gallon elevated water storage tank and 1.17 miles of 8 inch water lines; and

(b) Approval of the proposed plan of financing for the Project.

5. A description of the District's water system and its property stated at its original cost by accounts is contained in its 2011 Annual Report which is incorporated herein by reference pursuant to 807 KAR 5:001 et seq. All required financial schedules and other data are contained in the 2011 Annual Report.

6. The District services approximately 7,000 residential customers in Grant, Kenton, Pendleton, Boone and Gallatin Counties. The majority of the District's customers are located in Grant County. The District has a very limited number of non-residential customers.

7. The Phase 12 Grant County Improvements ("Project") consists of the construction of a 500,000 gallon water storage tank to be constructed on an approximate 0.5 acre tract of real estate located on the southwest quadrant of I-75 and KY 491 and 1.17 miles of 8 inch water lines needed to service the water storage tank. See the attached Preliminary Engineering Report (Exhibit "A") for a more detailed description of the Project.

8. The Project is in the public's best interest and is required to permit continued growth and development in the Grant County Service area. The Project does not contemplate servicing new or additional customers. The Project contemplates improved water service to its entire District customer base.

9. The District does not contemplate having the Project constructed with any deviation from minimum construction standards of the Public Service Commission.

10. The total cost of the Project is approximately \$1,876,300.00 as set forth in the Final Project Cost Estimate (Exhibit "B").

11. The District has acquired a tract of real estate consisting of 0.51 acres from 491 Corporation by gift. A copy of the Deed conveying title to the real estate and related Internal Revenue Service documentation is attached as Exhibit "C".

12. The proposed Project will not compete with any other utility in the area.

13. Based upon the following facts, the District believes that it is in the public's best interest that a Certificate of Public Convenience and necessity be granted:

A. The Water Tower to be constructed will improve water service and insure continuity of water service throughout the District's entire water system.

B. The Water Tower to be constructed will insure that the District is able to meet minimum storage capacity requirements for the foreseeable future.

C. The Project will be financed under terms which will not require a rate increase.

14. Copies of the certified bid tabulations for the Project are contained in the final engineering Report (Exhibit "D").

15. The following information is supplied pursuant to 807 KAR 5:001 et seq to demonstrate that the project is in the public best interest:

A. The proposed Project will increase the amount of water storage for the District by 500,000 gallons.

B. With the new water lines and water line extensions, the Project will directly furnish water to the Mt. Zion water storage tank and service areas west of I-75, all of which will include water service to the District's existing customers over a substantial area of the District.

C. The Project will also incorporate a new generator system at the water storage tank site which would allow the water storage tank to properly operate when electric service is unavailable. The proposed generator will also supply electricity to the Grant County Sanitary Sewer District's pump station directly across the road from the proposed water storage tank thereby providing electric service during the period of electric outage. The Grant County Sanitary Sewer District has committed \$30,000.00 to be applied to the cost of the generator representing its share of the total generator cost.

16. The District incorporates herein its 2011 Annual Audit Report, a copy of which is on file with the PSC and attached Exhibit "E". The 2011 Annual Report provides financial data for the 12 month period ending December 31, 2011. To the extent that the financial data

contained in a 2011 Annual Report does not contain financial data for the period ending within 90 days of the filing of this Application, the District would request and move for a deviation from 807 KAR 5:001 et seq. The District states that there has been no change that is material in nature regarding the financial condition or operation of the District since December 31, 2011. The financial data contained in the 2011 Annual Report is the most recent published financial data available to the District.

17. The District has bid the Project and is under a 90 day bid-hold period by the contractors. The bid-hold period ends September 19, 2012. As such, is imperative that the Project be approved as quickly as possible in order to avoid the loss of favorable bids received by the District.

18. The Project will be financed as follows:

- (a) The District has received a \$1,663,000.00 (plus 10%) loan from KIA/DWSRF (Exhibit "F"). The District has requested that KIA/DWSRF increase the \$1,663,000.00 approved loan by the allowable ten percent (10%), \$1,663,000.00 making the total loan amount \$1,796,300.00.
- (b) The District will contribute \$50,000.00 of its own funds to the Project.
- (c) The District will not need a rate increase to fund the proposed project.
- (d) The estimated cost of operation of the Project after the completion of same is contained in the attached Final Engineering Report identified as Exhibit "D".

19. The District does not plan to support the Application with prepared testimony.

20. The District has received all permits necessary to construct the Project, copies of which are attached hereto as Exhibit "G".

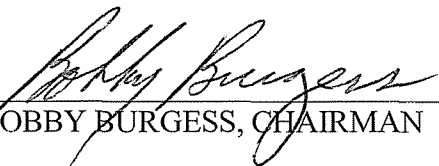
21. The District is providing three full sets of the Project Manuals for Contract # 1, Contract # 2 and all engineering Plans and Specifications.

WHEREFORE, the District requests that the Public Service Commission grant to the Applicant the following:

A. A Certificate of Public Convenience and necessity permitting the District to construct the Grant County Improvements, Phase 12 Project;

B. An Order approving the financing arrangements made by the District, including (1) the borrowing of \$1,876,300.00 from Kentucky Infrastructure Authority (DWSRF Loan Program)

BULLOCK PEN WATER DISTRICT

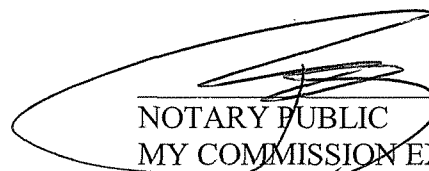
BY:   
BOBBY BURGESS, CHAIRMAN

COMMONWEALTH OF KENTUCKY

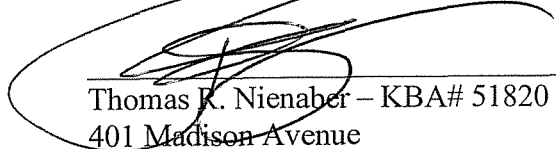
COUNTY OF GRANT

The undersigned BOBBY BURGESS, Chairman of the BULLOCK PEN WATER DISTRICT, being duly sworn states and deposes that he is the Chairman of the Board of Commissioners of the Bullock Pen Water District. The undersign states that he had read the foregoing Application and has noted the contents thereof and that they are true and correct to the best of his knowledge and belief.

IN TESTIMONY WHEREOF, witness the signature of the undersigned this 24 day of July, 2012.

  
NOTARY PUBLIC  
MY COMMISSION EXPIRES: 3/24/16

BERGER & NIENABER, P.S.C.

A large, stylized handwritten signature in black ink, appearing to be 'T. Nienaber', is written over a horizontal line.

Thomas K. Nienaber – KBA# 51820  
401 Madison Avenue  
Covington, KY 41011  
(859) 491-9088



## **Exhibit A**

### **Preliminary Engineering Report**



**Preliminary Engineering Report**

**Grant County Improvements Phase 12**

**Grant County**

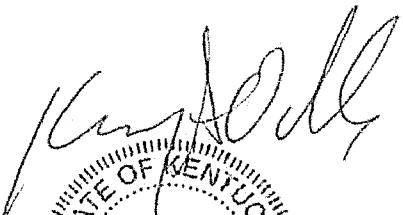
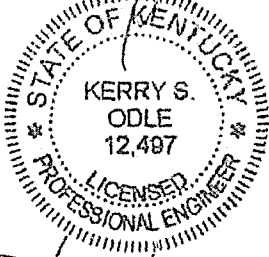
**Bullock Pen Water District**

**By**

**CMW, Inc.  
400 E. Vine Street  
Suite 400  
Lexington, KY 40507**

**December 2007**

**Revised February 2009  
Revised January 2010  
Revised November 2010**

  
  
7/13/12

## **TABLE OF CONTENTS**

1. DWSRF Project Questionnaire – December 2007
2. DWSRF Project Questionnaire – February 2009
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4. Project Profile
5. Project Cost
6. Opinion of Probable Construction Cost
7. Project Map



2007

# DRINKING WATER STATE REVOLVING FUND PROJECT QUESTIONNAIRE

DOW use only
SRF No. _____
SCORE: _____

Please type or print clearly for consideration

## Applicant Information

- LEGAL APPLICANT Bullock Pen Water District
- PUBLIC WATER SYSTEM (If different from legal applicant) \_\_\_\_\_
- PWSID #: KY410047
- ADDRESS PO Box 188 Crittenden, KY 41030
- CONTACT Billy Catlett
- PHONE (area code first) 8594282112
- COUNTY Grant

## Project Information

- PROJECT TITLE Bullock Pen Water District Grant County Improvements Project
- WRIS WX# \_\_\_\_\_  
\*This number is assigned by an ADD through the respective Area Water Management Planning Council once the project profile is approved by the Council. This number ties each project to mapped/spatial information in the Water Resource Information System (WRIS). Projects without this number and the required corresponding mapped/spatial information will not be accepted.
- PROJECT DESCRIPTION See Attached Sheet
- DESCRIBE IN SPECIFIC DETAIL HOW THE PROPOSED PROJECT WILL PROMOTE PUBLIC HEALTH OR ACHIEVE AND/OR MAINTAIN COMPLIANCE WITH THE SAFE DRINKING WATER ACT. See Attached Sheet
- TOTAL PROJECT COST ESTIMATE \$1,663,000.00
- ESTIMATED SRF LOAN AMOUNT \$1,663,000.00
- PROJECT TYPE:     PLANNING         DESIGN         CONSTRUCTION
- ESTIMATED BID DATE: December 8, 2008  
ESTIMATED START OF CONSTRUCTION: April 9, 2009
- IS THE PWS UNDER AN EXECUTED AGREED ORDER WITH THE ENVIRONMENTAL AND PUBLIC PROTECTION CABINET THAT IS ASSOCIATED WITH THIS PROJECT?  
 YES                       NO  
(THE PROPOSED PROJECT MUST RECTIFY THE PROBLEM/S WITHIN THE PWS THAT RESULTED IN THE NEED FOR THE AGREED ORDER.)

## 10. PROJECT DESCRIPTION

Construction of 500,000 gallon elevated water storage tank, pump station and 1.38 miles of 8 inch water line.

## 11. DESCRIPTION INSPECIFIC DETAIL HOW THE PROPOSED PROJECT WILL PROMOTE PUBLIC HEALTH OF ACHIEVE AND/OR MAINTAIN COMPLIANCE WITH THE SAFE DRINKING WATER ACT.

The new tank will be filled by the water treatment plant high service pump. This tank constructed on west side of I-75 will assist in storing water with the 200,000 gallon tank east of I-75. The pump station will then pump water through new 8 inch water line, replaced 4 and 3 inch AC lines, replaced 4 inch PVC lines and existing 6inch PVC water line to fill the existing Mt. Zion tank. The current path of feeding this tank along with two other tanks, at times causes high pressure on water lines in Zion Station area. This new configuration will have all tanks filling faster and reduction of high pressure.

### Source Water Quantity and Quality

17. IS PROJECT RELATED TO SOURCE WATER PROTECTION?  YES  NO  
ACRES \_\_\_\_\_ COST/ACRE \_\_\_\_\_  
LAND USE CONTROL \_\_\_\_\_
18. IS PROJECT RELATED TO A POTABLE OR RAW WATER SOURCE?  YES  NO  
 POTABLE SOURCE  RAW WATER SOURCE
19. WILL A PUBLIC WATER SYSTEM BE ELIMINATED THROUGH A MERGER?  
 YES  NO  
\_\_ NUMBER OF SYSTEMS SERVING 500 OR FEWER POPULATION \_\_\_\_\_ PWSID  
\_\_ NUMBER OF SYSTEMS SERVING 501 - 3000 POPULATION \_\_\_\_\_ PWSID  
\_\_ NUMBER OF SYSTEMS SERVING 3001 - 10000 POPULATION \_\_\_\_\_ PWSID  
\_\_ NUMBER OF SYSTEMS SERVING 10001 OR GREATER POPULATION \_\_\_\_\_ PWSID
20. WILL A WATER TREATMENT PLANT (FACILITY ONLY) BE ELIMINATED VIA AN INTERCONNECTION?  YES  NO  
\_\_ NUMBER OF WATER TREATMENT PLANTS ELIMINATED \_\_\_\_\_ PWSID  
\_\_ NUMBER OF SUPPLEMENTAL POTABLE WATER SUPPLIES \_\_\_\_\_ PWSID  
\_\_ NUMBER OF EMERGENCY BACKUP POTABLE WATER SUPPLIES \_\_\_\_\_ PWSID
21. WILL THE EXISTING RAW WATER SOURCE BE REPLACED?  YES  NO  
IF YES, IDENTIFY THE REPLACEMENT SOURCE: \_\_\_\_\_
22. WILL THE EXISTING RAW WATER SOURCE BE SUPPLEMENTED?  YES  NO  
IF YES, IDENTIFY THE SUPPLEMENTAL SOURCE: \_\_\_\_\_
23. WILL NEW WELLS BE CONSTRUCTED?  YES  NO  
IF YES, HOW MANY \_\_\_\_\_ TOTAL MGD \_\_\_\_\_

### Treatment

24. IS PROJECT RELATED TO A NEW WATER TREATMENT PLANT?  YES  NO  
IF YES, PROVIDE THE PROPOSED DESIGN CAPACITY \_\_\_\_\_
25. IS PROJECT RELATED TO THE EXPANSION OF AN EXISTING WATER TREATMENT PLANT?  YES  NO  
IF YES, PROVIDE THE CURRENT DESIGN CAPACITY \_\_\_\_\_ PROPOSED \_\_\_\_\_
26. IS THE PROJECT RELATED TO SECURITY AT THE WATER TREATMENT PLANT?  
 YES  NO IF YES, DESCRIBE: \_\_\_\_\_
27. CHECK THOSE THAT APPLY:
- |   |                                     |  |
|---|-------------------------------------|--|
| <input type="checkbox"/> PRE-FILTRATION                                   | <input type="checkbox"/> VOCs       | <input type="checkbox"/> SOCs          |
| <input type="checkbox"/> FILTRATION (SWTR COMPLIANCE)                     | <input type="checkbox"/> IOCs       | <input type="checkbox"/> RADIONUCLIDES |
| <input type="checkbox"/> DISINFECTION PROCESS (CT MICROBIAL INACTIVATION) | <input type="checkbox"/> SECs _____ |  |
| <input type="checkbox"/> DISINFECTION BY-PRODUCTS                         |                                     |  |

### Distribution

28. IS THE PROJECT RELATED TO A WATERLINE EXTENSION (*NOT* REPLACEMENT)?  
 YES  NO IF YES, NUMBER OF *NEW* HOMES SERVED: 0,  
EXISTING HOMES SERVED: 0, AND COMMERCIAL/INDUSTRIAL: 0.  
ASSOCIATE DEMAND 0 GPD.
29. IS THE PURPOSE OF THE LINE EXTENSION TO LOOP THE EXISTING DISTRIBUTION SYSTEM?  YES  NO
30. TOTAL LINEAR FEET OF NEW LINE: 4840
31. LINE SIZE (INCHES)  2  3  4  6  8  10  GREATER THAN 10
32. IS THE PROJECT RELATED TO A WATERLINE IMPROVEMENT/REPLACEMENT?  
 YES  NO IF YES, PROVIDE THE TOTAL LINEAR FEET 2420, BROKEN DOWN AS FOLLOWS:  
 INADEQUATELY SIZED LINE 2420 LF  
 LEAKS, BREAKS, RESTRICTIVE FLOW DUE TO AGE \_\_\_\_\_ LF  
 REPLACEMENT OF LEAD, COPPER, ASBESTOS-CEMENT LINES 1210 LF
33. IS THE PROJECT RELATED TO A WATER STORAGE TANK?  YES  NO  
IF YES, INDICATE:  
NUMBER OF NEW TANKS 1  
NUMBER OF REHABILITATED TANKS 0  
PRIMARY REASON FOR INCREASED STORAGE: To increase storage filled by water treatment plant and NKWD master meter
34. TOTAL GALLONS OF INCREASED STORAGE 500,000

35. TOTAL GALLONS OF EXISTING STORAGE IN SYSTEM 1,300,000

36. IS PROJECT RELATED TO A PUMP STATION?  YES  NO

IF YES, INDICATE:

NUMBER OF NEW PUMPS 2

NUMBER OF REHABILITATED PUMPS 0

37. IS THE PUMP TO BOOST PRESSURE?  YES  NO

38. IS THE PUMP TO FILL A STORAGE TANK?  YES  NO

39. IS THE PROJECT RELATED TO SECURITY WITHIN THE DISTRIBUTION SYSTEM?

YES  NO

IF YES, DESCRIBE: \_\_\_\_\_

### Distribution

#### Authorized Official Information

TITLE Chairman

FIRST NAME Bobby LAST NAME Burgess M.I. \_\_\_\_\_

MAILING ADDRESS PO Box 188

CITY Crittenden COUNTY Grant STATE KY ZIP 41030

PHONE (859)428-2112 FAX (859) 428-1293

EMAIL bullockpen@fuse.net

Contact Person Information (i.e. Consulting Engineer, Project Administrator)

TITLE Project Engineer

FIRST NAME Kerry LAST NAME Odle M.I. S

MAILING ADDRESS CMW, Inc., 138 N. Keeneland Drive, Suite E

CITY Richmond COUNTY Madison STATE KY ZIP 40475

PHONE (859)623-2966 FAX (859)623-0886

EMAIL kodle@cmwaec.com

**PURPOSE:** The purpose of this questionnaire is to gather information concerning potential projects eligible for funding from the Drinking Water State Revolving Loan Fund (DWSRF). The DWSRF was established through amendments to the Safe Drinking Water Act (SDWA) to provide low-interest rate financing for water supply and distribution systems to meet the goals of the SDWA by addressing public health needs and compliance. This information will be used to develop a priority list of projects that will be eligible for assistance from the DWSRF. Please sign and date the questionnaire and submit to:

DRINKING WATER BRANCH OR leslie.harp@ky.gov  
ATTN: DWSRF COORDINATOR  
DIVISION OF WATER  
14 REILLY ROAD  
FRANKFORT, KY 40601

Bobby Burgess  
SIGNATURE

12-12-07  
DATE

2009



# DRINKING WATER STATE REVOLVING FUND PROJECT QUESTIONNAIRE

DOW use only

AI No. \_\_\_\_\_

SRF No. \_\_\_\_\_

SCORE: \_\_\_\_\_

**ATTENTION:** This form is for Drinking Water projects only. Please do not submit wastewater projects on this form.

## Applicant Information

(Please type or print clearly)

1. LEGAL APPLICANT Bullock Pen Water District
2. PUBLIC WATER SYSTEM (If different from legal applicant) \_\_\_\_\_
3. PWSID #: KY0410047
4. ADDRESS P.O. Box 188, Crittenden, Kentucky 41030
5. CONTACT PERSON Billy Catlett
6. PHONE (area code first) (859) 428-2112
7. COUNTY Grant

## Project Information

8. PROJECT TITLE BPWD Grant County Improvement Project

9. WRIS WX# 21081304

\*This number is assigned by an ADD through the respective Area Water Management Planning Council once the project profile is approved by the Council. This number ties each project to mapped/spatial information in the Water Resource Information System (WRIS). Projects without this number and the required corresponding mapped/spatial information will not be accepted.

10. PROJECT DESCRIPTION

Construction of 500,000 gallon elevated water storage tank, pump station and 0.92 mile of new 8 inch water line and 0.46 mile of 8 inch water line to replace existing 3 and 4 inch water line.

11. IN ONE TO TWO PARAGRAPHS, DESCRIBE IN SPECIFIC DETAIL HOW THE PROPOSED PROJECT WILL PROMOTE PUBLIC HEALTH OR ACHIEVE AND/OR MAINTAIN COMPLIANCE WITH THE SAFE DRINKING WATER ACT

The new 500,000 gallon tank will enable Bullock Pen Water District to maintain a minimum of 24 hour storage. With the new water lines the Mount Zion tank will be filled from new tank and water will not have to cross I-75.



12. TOTAL PROJECT COST ESTIMATE \$1,663,000

13. ESTIMATED SRF LOAN AMOUNT \$1,663,000 (There is a \$4,000,000 cap per funding cycle.)

14. PROJECT TYPE:  PLANNING  DESIGN  CONSTRUCTION

15. ESTIMATED BID DATE: 07/01/09  
ESTIMATED START OF CONSTRUCTION: 10/15/09

16. IS THE PWS UNDER AN EXECUTED AGREED ORDER WITH THE ENERGY AND ENVIRONMENT CABINET THAT IS ASSOCIATED WITH THIS PROJECT?

YES  NO

(The proposed project must rectify the problem/s within the PWS that resulted in the need for the Agreed Order.)

### Source Water Quantity and Quality

17. IS PROJECT RELATED TO SOURCE WATER PROTECTION?  YES  NO  
ACRES \_\_\_\_\_ COST/ACRE \_\_\_\_\_ LAND USE CONTROL \_\_\_\_\_

18. IS PROJECT RELATED TO A POTABLE OR RAW WATER SOURCE?  YES  NO  
 POTABLE SOURCE  RAW WATER SOURCE

19. WILL A PUBLIC WATER SYSTEM BE ELIMINATED THROUGH A MERGER?  
 YES  NO

\_\_ NUMBER OF SYSTEMS SERVING 500 OR FEWER POPULATION \_\_\_\_\_ PWSID

\_\_ NUMBER OF SYSTEMS SERVING 501 – 3000 POPULATION \_\_\_\_\_ PWSID

\_\_ NUMBER OF SYSTEMS SERVING 3001 - 10000 POPULATION \_\_\_\_\_ PWSID

\_\_ NUMBER OF SYSTEMS SERVING 10001 OR GREATER POPULATION \_\_\_\_\_ PWSID

20. WILL A WATER TREATMENT PLANT (FACILITY ONLY) BE ELIMINATED VIA AN INTERCONNECTION?  YES  NO

\_\_ NUMBER OF WATER TREATMENT PLANTS ELIMINATED \_\_\_\_\_ PWSID

21. WILL THE EXISTING RAW WATER SOURCE BE REPLACED?  YES  NO  
IF YES, IDENTIFY THE REPLACEMENT SOURCE: \_\_\_\_\_

22. WILL THE EXISTING RAW WATER SOURCE BE SUPPLEMENTED?  YES  NO  
IF YES, IDENTIFY THE SUPPLEMENTAL SOURCE:

\_\_\_ NUMBER OF SUPPLEMENTAL POTABLE WATER SUPPLIES \_\_\_\_\_ PWSID

\_\_\_ NUMBER OF EMERGENCY BACKUP POTABLE WATER SUPPLIES \_\_\_\_\_ PWSID

23. WILL NEW WELLS BE CONSTRUCTED?  YES  NO  
IF YES, HOW MANY \_\_\_\_\_ TOTAL MGD \_\_\_\_\_

### Treatment

24. IS PROJECT RELATED TO A NEW WATER TREATMENT PLANT?  YES  NO  
IF YES, PROVIDE THE PROPOSED DESIGN CAPACITY \_\_\_\_\_

25. IS PROJECT RELATED TO THE EXPANSION OF AN EXISTING WATER TREATMENT PLANT?  YES  NO

IF YES, PROVIDE THE CURRENT DESIGN CAPACITY \_\_\_\_\_ PROPOSED \_\_\_\_\_

26. IS THE PROJECT RELATED TO SECURITY AT THE WATER TREATMENT PLANT?  
 YES  NO IF YES, DESCRIBE: \_\_\_\_\_

27. CHECK THOSE THAT APPLY:

PRE-FILTRATION

VOCs

SOCs

FILTRATION (SWTR COMPLIANCE)

IOCs

RADIONUCLIDES

DISINFECTION PROCESS (CT MICROBIAL INACTIVATION)

SECs \_\_\_\_\_

DISINFECTION BY-PRODUCTS

### Distribution

28. IS THE PROJECT RELATED TO A WATERLINE EXTENSION?  YES  NO

(For the purposes of this questionnaire, a waterline extension is defined as the installation of new waterline where there was not previously any waterline. This is not to be confused with a waterline replacement where new line is installed in an area where there is already a line, due to the inadequate size, age, or condition of the existing waterline.)

IF YES, PROVIDE THE NUMBER OF NEW CONNECTIONS PROJECTED 0

(For the purposes of this questionnaire, a new connection is defined as setting a meter to a household or business that has relied on a well, water hauler, or cistern as their primary source for drinking water. Please do not include in this box, existing customers that will benefit from the project.)

29. IS THE PURPOSE OF THE LINE EXTENSION TO LOOP THE EXISTING DISTRIBUTION SYSTEM?  YES  NO

TYPE OF PROJECT	LINE SIZE	LINEAR FEET
	8 inch	4,860

30. TOTAL LINEAR FEET OF NEW LINE: 4,860

31. LINE SIZE (INCHES)  2  3  4  6  8  10  GREATER THAN 10

32. IS THE PROJECT RELATED TO A WATERLINE IMPROVEMENT/REPLACEMENT?  YES  NO IF YES, PROVIDE THE TOTAL LINEAR FEET 2,420, BROKEN DOWN AS FOLLOWS:

INADEQUATELY SIZED LINE 2,420 LF

LEAKS, BREAKS, RESTRICTIVE FLOW DUE TO AGE 0 LF

REPLACEMENT OF LEAD, COPPER, ASBESTOS-CEMENT LINES \_\_\_\_\_ LF

33. IS THE PROJECT RELATED TO A WATER STORAGE TANK?  YES  NO

IF YES, INDICATE:

NUMBER OF NEW TANKS 1

NUMBER OF REHABILITATED TANKS \_\_\_\_\_

PRIMARY REASON FOR INCREASED STORAGE: Meet 24 hour storage requirements and provide storage from water plant west of I-75

34. TOTAL GALLONS OF INCREASED STORAGE 500,000

35. TOTAL GALLONS OF EXISTING STORAGE IN SYSTEM 1,245,000

36. IS PROJECT RELATED TO A PUMP STATION?  YES  NO

IF YES, INDICATE:

NUMBER OF NEW PUMP STATIONS 1

NUMBER OF REHABILITATED PUMP STATIONS 0

(Identify number of pump stations rather than number of individual pumps.)

37. IS THE PUMP STATION TO BOOST PRESSURE?  YES  NO

38. IS THE PUMP TO FILL A STORAGE TANK?  YES  NO

39. IS THE PROJECT RELATED TO SECURITY WITHIN THE DISTRIBUTION SYSTEM?

YES  NO

IF YES, DESCRIBE: \_\_\_\_\_

### Contact Information

#### Authorized Official Information

TITLE Chairman

FIRST NAME Bobby LAST NAME Burgess M.I. \_\_\_\_\_

MAILING ADDRESS Bullock Pen Water District, P.O. Box 188

CITY Crittenden COUNTY Grant STATE KY ZIP 41030

PHONE (859) 428-2112 FAX (859) 428-1293

EMAIL bullockpen@fuse.net

#### Contact Person Information (i.e., Consulting Engineer, Project Administrator)

TITLE Project Engineer

FIRST NAME Kerry LAST NAME Odle M.I. S.

MAILING ADDRESS 400 East Vine Street, Suite 400

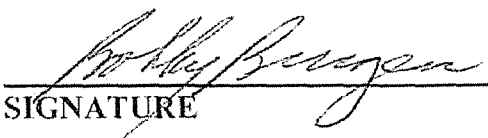
CITY Lexington COUNTY Grant STATE KY ZIP 40507

PHONE (859) 254-6623 FAX (859) 259-1877

EMAIL kodle@cmwaec.com

**PURPOSE:** The purpose of this questionnaire is to gather information concerning potential projects eligible for funding from the Drinking Water State Revolving Loan Fund (DWSRF). The DWSRF was established through amendments to the Safe Drinking Water Act (SDWA) to provide low-interest rate financing for water supply and distribution systems to meet the goals of the SDWA by addressing public health needs and compliance. This information will be used to develop a priority list of projects that will be eligible for assistance from the DWSRF. Please sign and date the questionnaire and submit to:

**DRINKING WATER BRANCH** OR [amanda.yeary@ky.gov](mailto:amanda.yeary@ky.gov)  
**ATTN: DWSRF COORDINATOR**  
**DIVISION OF WATER**  
**200 FAIR OAKS**  
**FRANKFORT, KY 40601**

  
SIGNATURE

2-25-09  
DATE

## Economic Recovery Funds (ERF) - Project Consideration Form

*This form MUST be completed and returned electronically to the Division of Water (DOW) no later than February 27, 2009 for any applicant to receive Economic Recovery Funds consideration. If the project is not currently ranked on the 2010 priority list, a Project Questionnaire and the additional required materials must be submitted to the DOW by February 27, 2009 to be ranked for ERF consideration. The Division of Water contacts for submittal of the above forms are listed below:*

For Drinking Water Projects:           Amanda Yeary           [Amanda.yeary@ky.gov](mailto:Amanda.yeary@ky.gov)  
For Wastewater Projects:               Anshu Singh             [anshu.singh@ky.gov](mailto:anshu.singh@ky.gov)

Applicant (Must be governmental entity): Bullock Pen Water District  
County: Grant

Project Name:                               Grant County Improvement Project

WX / SX Number (required): WX21081304

### Priority Ranking Information

Rank from 2010 Intended Use Plan (if applicable) N/A   Score \_\_\_\_\_

### Funding Information

Total Project Cost:   \$1,663,000  
Requested SRF Amount:                       \$1,663,000

If the SRF loan will not fully fund the project, is the remaining funding package complete? Yes N/A           No \_\_\_\_\_

If yes, what are the other funding sources and the status of their commitments?

Funding Source	Amount	Status

### Green Infrastructure Aspect of Project

If your project includes green infrastructure components (this includes water or energy efficiency improvements or other environmentally innovative activities), please provide the details of the "green" components and what dollar amount of the SRF loan requested, would be to fund these components.

SRF \$ Amount related to "green" component           \$ 0

Provide details of "green components": \_\_\_\_\_

\_\_\_\_\_

**Ready-to-Proceed Verification**

(Please see the below questions and check Yes or No)

	Yes	No
Have Plans and Specifications been approved by DOW?		X
Has the project received an E-Clearinghouse endorsement?		X
Was the E-Clearinghouse Endorsement Conditional?		X
Has the Environmental Review been completed?		X
Does the project qualify for a Categorical Exclusion (CE)?	X	
Have the necessary permits been obtained for construction?		X
Have all land acquisitions and easements needed for the project been obtained?		X
Does the Project Profile description in WRIS accurately reflect the project?	X	
Is the system under sanction from any enforcement agency?		X
Does the system anticipate a rate increase related to the project's implementation?	X	

**Project Schedule and Milestone Dates**

Milestones	For consideration, must be prior to date listed below	Date
Plans & Specifications Submission	4/17/09	04/17/09
Plans & Specifications Approval	8/1/09	05/17/09
E-Clearinghouse Submission		03/09/09
E-Clearinghouse Endorsement		04/09/09
Environmental Review Completion	8/1/09	06/01/09
Proposed Bid Advertisement	10/1/09	06/15/09
Proposed Construction Start	2/16/10	10/15/09
Proposed Construction End Date	2/16/2012	10/15/10

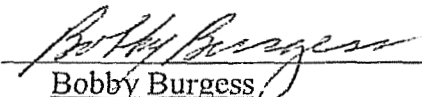
**Jobs Information**

Please provide the anticipated number of jobs retained or created for this project? 24

**Please provide contact information for questions relating to this form only:**

Contact: Kerry Odle  
Email: kodle@cmwaec.com  
Telephone: (859) 254-6623

**Please execute below acknowledging that the information provided is the most recent available at the time of submission:**

Signed:   
Name: Bobby Burgess  
Title: Chairman

### KENTUCKY WATER PROJECT PROFILE

Areas indicated with (\*) are required fields.

**1.\* Project Title (use title which will be identifiable by local community):**

Bullock Pen Water District - Grant County Improvement Project

**2.\* Project Description:**

Provide a brief narrative denoting if project relates to source, distribution, treatment, storage or other)

Construction of a new 500,000 gallon elevated water storage tank, pump station, and 0.92 miles of new 8-inch water line to replace existing 3 and 4 inch water line.

\* Project Descriptor: water storage tank construction, waterline replacement, pump

\* WRIS Project Number (PNUM): WX21081304

This number is assigned by an ADD through the respective Area Water Management Planning Council once the project profile is approved by the Council. This number ties each project to mapped/spatial information in the Water Resource Information System (WRIS). Project profiles without this number AND the required corresponding mapped/spatial information will NOT be accepted.

\* Project County: Grant

\* Is it a multi-county project:  Yes  No

\* Project Submitted By: Northern Kentucky

\* Select the PWSID# from the list below:

Available:

- 0010082
- 0010702
- 0020386
- 0020956
- 0030007
- 0030239
- 0030660
- 0040015
- 0040020

Selected:

0410047

Include >

< Remove

**3. Legal Applicant**

\* Legal Applicant: Bullock Pen Water District

Water Utility which will own proposed improvements:  
(if different from Legal Applicant)

\* Organizational Structure: Water District

**Authorized Official Information**

\* First Name: Bobby

\* Last Name: Burgess

M.I.:

\* Title: Chairman

\* Street Address Line 1: 1 Farrell Drive

Street Address Line 2:

\* P.O. Box: 188

• City: Crittenden • State: KY • Zip: 41030  
 • County: Grant  
 • Telephone: (859) 428-2112 Ext:  
 Fax:  
 Email: bullockpen@fuse.net

**Contact Person Information**

• First Name: Paula • Last Name: Nassie M.I.:  
 • Title: Office Manager  
 • Street Address Line 1: 1 Farrell Drive  
 Street Address Line 2:  
 • P.O. Box: 188  
 • City: Crittenden • State: KY • Zip: 41030  
 • County: Grant  
 • Telephone: 859-428-2112 Ext:  
 Fax:  
 Email: bullockpen@fuse.net

**Project Administrator Information**

• First Name: Kerry • Last Name: Odle M.I.:  
 Title: Project Engineer  
 Street Address Line 1: 138 N. Keeneland Dr. Suite E  
 Street Address Line 2:  
 P.O. Box: 831  
 City: Richmond State: KY Zip:  
 County:  
 • Telephone: 859-623-2966 Ext:  
 Fax:  
 Email: kodie@cmwaec.com

**Consulting Engineer Information**

• First Name: Kerry • Last Name: Odle M.I.:  
 Firm: CMW, Inc.  
 Street Address Line 1:  
 Street Address Line 2:  
 P.O. Box:  
 City: State: Zip:  
 County:  
 • Telephone: 859-623-2966 Ext:  
 Fax:  
 Email:

**4.\* Project Type (atleast one required/check all that apply):**

- Planning
- Design
- Construction



| Management

5. Project Alternatives: Please list a minimum of three:

a.\* do nothing

b.\* replace existing tank on east side of I-75

c.\* Bore under I-75 instead of connecting at Duncan Road

6. Special Impact(s) of Proposed Water Project:

a.\* New service/improve service to 0 unserved 3000 underserved households

b. Number of new jobs: 0 Number of retained jobs: 0

c. Other beneficial technical, managerial, fiscal impacts: (20 words or less)
Fill tank at Mt. Zion and reduce pressure from existing pump at Crittenden

d.\* Does proposed activity relate to public health protection emergency: Yes No

e.\* Does project involve regionalization: Yes No

f. Number of systems affected/involved: 1

7.\* Median Household Income of Service Area:

\$ 38438

8.\* Project Start Schedule:

Years 0-2 Years 3-10 Years 11-20

9. Estimated Funding Sources:

\* Estimated Local Funding Amount \$ 0

\* Estimated Other Funding Amount (all sources) \$ 1663000

Total Estimated Project Cost \$ 1663000

10. Project Data - Water (complete all items which apply to your project)

a.\* Is project related to source protection? Yes No

Drinking Water Facilities

b.\* Is project related to source? Yes No

c.\* Is project related to water treatment? Yes No

d.\* Is project related to distribution (Extension/Rehab)? Yes No

Check all that apply to your project

Extension Water Tank

Rehab/Improvement Pump Station

Proposed project involves construction of line

Total linear feet 4840 of new line

Line Size (in inches) 2 3 4 6 8 10 greater than 10

Material Ductile Iron PVC PE Other

Project activity improves pressure, as a result of

Replacement of 2420 total linear feet of inadequately sized lines

500000 total gallons of increased storage due to additional demand

Leaks, Breaks, or restrictive flows due to age

Project activity improves water quality by providing:

Adequate turnover of water

Proper maintenance of disinfection residual

Replacement of 1210 total linear feet of lead, copper, asbestos-cement lines

Briefly describe why the above items apply to your project:

Replacing 1210 feet AC pipe and 2410 feet of undersized pipe.

e. Management (describe)

f. Other (describe)

g. Date Project was approved by the Area Water Management Planning Council: 03/19/2006

2010



Energy and Environment Cabinet  
Kentucky Division of Water

PROJECT QUESTIONNAIRE FORM  
Drinking Water State Revolving Fund

DOW use only
AI No. _____
SRF No. _____
SCORE: _____

ATTENTION: This form is for DRINKING WATER PROJECTS ONLY. Please do not submit wastewater projects on this form.

PURPOSE: The purpose of this questionnaire is to gather information concerning potential projects eligible for funding from the Drinking Water State Revolving Loan Fund (DWSRF). The DWSRF was established through amendments to the Safe Drinking Water Act (SDWA) to provide low-interest rate financing for water supply and distribution systems to meet the goals of the SDWA by addressing public health needs and compliance. This information will be used to develop a priority list of projects that will be eligible for assistance from the DWSRF. Please attach an 8x11 map (if you have one available), sign and date the questionnaire and submit to:

DIVISION OF WATER  
WATER INFRASTRUCTURE BRANCH  
ATTN: AMANDA YEARY  
200 FAIR OAKS LANE  
FRANKFORT, KY 40601

OR

By e-mail attachment to:

[amanda.yeary@ky.gov](mailto:amanda.yeary@ky.gov)

APPLICANT INFORMATION

Applicant Bullock Pen Water District

PWSID # KY 0410047 Existing Population Served 23,755

Address P.O. Box 188

City Crittenden, Kentucky County Grant Zip 41030

Phone ( 859 ) 428 - 2112 E-mail bullockpen@fuse.net  
Area Code

Fax ( 859 ) 428 - 1293  
Area Code

AUTHORIZED OFFICIAL

Bobby Burgess  
First MI Last

Title Chairman

Address Bullock Pen Water District

City P. O. Box 188, Crittenden, KY County Grant Zip 41030

Phone ( 859 ) 428 - 2112 E-mail bullockpen@fuse.net  
Area Code

Fax ( 859 ) 428 - 1293  
Area Code

SIGNATURE

DATE

1-5-2010

CONTACT PERSON

Kerry Odle  
First MI Last

Title Project Engineer

Address CMW, Inc. 400 E. Vine Street, Suite 400

City Lexington, KY County Fayette Zip 40507

Phone ( 859 ) 254 - 6623 E-mail kdodie@cmwaeec.com  
Area Code

Fax ( 859 ) 259 - 1977  
Area Code



Energy and Environment Cabinet  
Kentucky Division of Water

PROJECT QUESTIONNAIRE FORM  
Drinking Water State Revolving Fund

DOW use only	
AI No.	_____
SRF No.	_____
SCORE:	_____

ATTENTION: This form is for DRINKING WATER PROJECTS ONLY. Please do not submit wastewater projects on this form.

PURPOSE: The purpose of this questionnaire is to gather information concerning potential projects eligible for funding from the Drinking Water State Revolving Loan Fund (DWSRF). The DWSRF was established through amendments to the Safe Drinking Water Act (SDWA) to provide low-interest rate financing for water supply and distribution systems to meet the goals of the SDWA by addressing public health needs and compliance. This information will be used to develop a priority list of projects that will be eligible for assistance from the DWSRF. Please attach an 8x11 map (if you have one available), sign and date the questionnaire and submit to:

DIVISION OF WATER  
WATER INFRASTRUCTURE BRANCH  
ATTN: AMANDA YEARY  
200 FAIR OAKS LANE  
FRANKFORT, KY 40601

OR By e-mail attachment to:  
[amanda.yeary@ky.gov](mailto:amanda.yeary@ky.gov)

APPLICANT INFORMATION

Applicant Bullock Pen Water District

PWSID # KY 0410047 Existing Population Served 23,755

Address P.O. Box 188

City Crittenden, Kentucky County Grant \_\_\_\_\_ Zip 41030

Phone ( 859 ) \_\_\_\_\_ 428 - \_\_\_\_\_ 2112 E-mail bullockpen@fuse.net  
Area Code

Fax ( 859 ) \_\_\_\_\_ 428 - \_\_\_\_\_ 1293  
Area Code

AUTHORIZED OFFICIAL

\_\_\_\_\_ Bobby \_\_\_\_\_ Burgess  
First MI Last

Title Chairman

Address Bullock Pen Water District

City P. O. Box 188, Crittenden, KY County Grant \_\_\_\_\_ Zip 41030

Phone ( 859 ) \_\_\_\_\_ 428 - \_\_\_\_\_ 2112 E-mail bullockpen@fuse.net  
Area Code

Fax ( 859 ) \_\_\_\_\_ 428 - \_\_\_\_\_ 1293  
Area Code

SIGNATURE

DATE

CONTACT PERSON

\_\_\_\_\_ Kerry \_\_\_\_\_ S \_\_\_\_\_ Odle  
First MI Last

Title Project Engineer

Address CMW, Inc. 400 E. Vine Street, Suite 400

City Lexington, KY County Fayette Zip 40507

Phone ( 859 ) \_\_\_\_\_ 254 - \_\_\_\_\_ 6623 E-mail kodle@cmwaec.com  
Area Code

Fax ( 859 ) \_\_\_\_\_ 259 - \_\_\_\_\_ 1877  
Area Code

**PROJECT INFORMATION**

Project Title Bullock Pen Water District Grant County Improvements

WRIS # WX 21081304  
 (This number is assigned by an ADD through the respective Area Water Management Planning Council once the project profile is approved by the Council. This number links each project to mapped/spatial information in the Water Resource Information System)

**Project Description**

Construction of 500,000 gallon elevated water storage tank, pump station with variable frequency drive controller and 0.92 miles of new 8" PVC water line and 0.46 miles of 8" PVC water line to replace existing 3" and 4" water line.

**How does the proposed project promote public health or achieve and/or maintain compliance with the Safe Drinking Water Act?**

The new tank will be filled by the water treatment plant high service pump. This tank constructed on the west side of I-75 will assist in storing water with the new 200,000 gallon tank east of I-75. The pump station will then pump water through the new 8" water line, replaced 4 and 3 inch AC lines, replaced 4inch PVC lines and existing 6 inch PVC water line to fill the existing Mt. Zion tank. the current path of feeding this tank, along with two other tanks, at times causes high pressure on the water lines in the Zion Station area. This new configuration will have all the tanks filling faster with a reduction of high pressure.

Total Project Cost Estimate \$1,663,000.00

Estimated SRF Loan Amount (Max. \$4,000,000/funding cycle) \$1,663,000.00

Project type:  Planning  Design  Construction

Estimated Bid Date 1-Aug-10

Estimated Start of Construction 1-Nov-10

**I - REGIONALIZATION**

- |   |   |  |
|---|---|--|
| (a) Will a Public Water System (PWS) be eliminated through a merger or acquisition<br>(Elimination of a PWSID)? _____ Number of PWSs eliminated | Yes <input type="checkbox"/>            | No <input checked="" type="checkbox"/> |
| (b) Will a water treatment plant(s) be eliminated through an interconnection?<br>_____ Number of WTPs eliminated                                | Yes <input type="checkbox"/>            | No <input checked="" type="checkbox"/> |
| (c) Will the project supplement the existing potable water supply?<br>If so, identify the source(s)? _____                                      | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/>            |
| (d) Will the project replace or supplement the raw water source?<br>If so, identify the source(s)? _____  | Yes <input type="checkbox"/>            | No <input checked="" type="checkbox"/> |
| (e) Will the project provide an emergency only water supply?<br>If so, identify the source(s)? _____  | Yes <input type="checkbox"/>            | No <input checked="" type="checkbox"/> |

**II - PUBLIC HEALTH CRITERIA - TREATMENT**

(a) TREATMENT FACILITIES  
 Is the project related to the construction of water treatment facilities? Yes  No

(i) New  (i) Expansion  (ii) Rehabilitation  (ii) Upgrade

(iii) Redundant Systems/emergency power generators Number of units:

Capacity:  
 Existing: \_\_\_\_\_ mgd  
 Proposed: \_\_\_\_\_ mgd

(b) TREATMENT - ACUTE PUBLIC HEALTH RISK  
 (i) Will the project provide treatment to meet Cryptosporidium removal/ inactivation requirements? Yes  No   
 How? \_\_\_\_\_

(ii) Will the project provide treatment to meet CT inactivation requirements? Yes  No   
 How? \_\_\_\_\_

(c) TREATMENT - CHRONIC PUBLIC HEALTH RISK  
 (i) Will the project provide treatment modifications to meet the Disinfectants/ Disinfection Byproducts Rule at the Water Treatment Plant? Yes  No   
 How? \_\_\_\_\_

(ii) Will the project provide treatment modifications for VOCs, IOCs, SOCs, or Radionuclides? Yes  No   
 How? \_\_\_\_\_

(d) Will the project provide treatment to address Secondary Contaminants? Yes  No   
 How? \_\_\_\_\_

**III - PUBLIC HEALTH CRITERIA-DISTRIBUTION**

(a) HYDRAULICS/STORAGE  
 (i) Will the project replace inadequately sized waterlines? Yes  No

Location Hopewell Road Duncan \_\_\_\_\_  
 Linear Feet 1210 2915 \_\_\_\_\_

(ii) Will the project replace lines with leaks, breaks, or restrictive flows due to age? Yes  No

Location Hopewell Road Duncan \_\_\_\_\_  
 Linear Feet 1210 2915 \_\_\_\_\_

(iii) Will the project involve construction of new water storage tanks or pump stations? Yes  No   
 Number of tanks 1 Number of pump stations 1

Primary reason for increased storage  
To provide additional storage to meet 24 hr. storage requirement and to provide storage west of I-75.

Primary reason for pump station  Boost Pressure  
 Fill Storage Tank

Total Existing Storage 1,300,000 gallons Proposed Storage 500,000 gallons

(iv) Will the project include rehabilitation of a water storage tank or pump station? Yes  No   
 Number of tanks \_\_\_\_\_ Number of pump stations \_\_\_\_\_

(b) FINISHED WATER QUALITY  
 (i) Will the project include infrastructure to address inadequate turnover? Yes  No   
 Describe Currently water is pumped from plant to Crittenden tank to Sherman tank to Mt. Zion tank. The project will pump water from the plant to new tank to the Mt. Zion tank, reducing the pumping distance and need for storage in one tank.

(ii) Will the project include infrastructure to address inability to maintain disinfection residual? Yes  No   
 Describe Eliminate dead end lines on Duncan Road.

(iii) Will the project include replacement of lead or asbestos-cement waterlines? Yes  No

Location Hopewell Rd and KY 491 \_\_\_\_\_  
 Linear Feet 1210 \_\_\_\_\_

(iv) Will the project include redundant equipment or emergency power generators? Number of units: \_\_\_\_\_

**IV - EXTENSION OF SERVICE**

- (a) Is the project related to a waterline extension? Yes  No   
*(For the purposes of this questionnaire, a waterline extension is defined as the installation of a new waterline where there was not previously any waterline. This is not to be confused with a water line replacement where a new line is installed in an area where there is already a line, due to the inadequate size, age, or condition of the existing waterline.)*  
 If yes, provide the number of new connections projected. \_\_\_\_\_ 0  
*(For the purposes of this questionnaire, a new connection is defined as setting a meter to a household or business that has relied on a well, water hauler or cistern as their primary source for drinking water. Please do not include in the box, existing customers that will benefit from the project.)*

**V - SECURITY**

- (a) Is the project related to security at the treatment facilities or in the distribution system?  Both  WTP  Distribution  
 Is the project related to land acquisition for source water protection? Yes  No   
 acres \_\_\_\_\_ cost/acre \_\_\_\_\_ Land Use Control \_\_\_\_\_

**VI - COMPLIANCE WITH ENFORCEMENT ACTION**

- (a) Is the system operating under an Agreed Order or other enforcement action? Yes  No   
*(The proposed project must rectify the problem/s within the PWS that resulted in the need for the Agreed Order.)*

**VII - PUBLIC WATER SYSTEM FINANCIAL NEED**

- What is the Median Household Income (MHI) of the service area?
- a)  Less than \$26,938  X- Over \$33,672 b)  \$26,939 - \$33,672

**SUSTAINABLE AND GREEN INFRASTRUCTURE INCENTIVES**

**Does the project incorporate Sustainable Infrastructure/Green Initiatives categories/components?**  
*NOTE: The following four categories are considered incentives. Projects that incorporate components from any of the categories will receive bonus points on the project priority ranking for drinking water projects. If a category is selected, the applicant must provide proof to substantiate claims. Please place a check next to the category if it is a component of the project.*

- (a) **Energy Efficiency**
- (i)  Project reduces energy costs and consumption by replacing, reducing and/or controlling high-use operations used in treatment, pumping, storage, and support systems (e.g., lighting and HVAC)
  - (ii)  Project utilizes SCADA (Supervisory Control And Data Acquisition) system, which performs data collection and control at the supervisory level that is placed on top of a real-time control system (multiple Programmable Logic Controls [PLC] to reduce energy consumption and enhance process control
  - (iii)  Facility site planning includes facilities and building components designed to maximize energy efficiency
  - (iv)  Project/ System has conducted an energy audit and/or energy reduction plan
- (b) **Water Efficiency/Green Infrastructure**
- (i)  Use of improved technologies and practices to deliver equal or better services with less water
  - (ii)  Implementation of a water conservation plan
  - (iii)  Implementation of infrastructure practices that provide pollutant removal benefits for both surface and groundwater sources
  - (iv)  Low impact construction technology is used to minimize impacts to the existing surface
  - (v)  Environmentally innovative technologies/other (specify)
- (d) **Asset Management/Full-Cost Pricing**
- (i)  System has mapped its treatment, distribution, and storage infrastructure and analyzed conditions, including risks of failure, expected dates of renewals and ultimate replacements, and sources and amounts of revenues needed to finance operations, maintenance and capital needs (e.g., Capital Improvement Plan)
  - (ii)  System has developed appropriate rate structures to build, operate, and maintain the water works
  - (iii)  System has specifically allocated funds for the rehabilitation and replacement of aging and deteriorating infrastructure



# Drinking Water Project Profile

Legal Applicant: **Bullock Pen Water District**

Project Title: **Bullock Pen Water District - Grant County Improvement Project**

Project Number: **WX21081304**      View Map

Submitted By: **NKADD**

Funding Status: **Not Funded**

Primary County: **Grant**

Project Status: **Approved**

Planning Unit: **Grant**

Project Schedule: **0-2 Years**

Multi-County: **No**

E-Clearinghouse SAI: **KY201103220375**

ECH Status: **Endorse With Condition**

Applicant Entity Type: **Water District (KRS 74)**

Date Approved (AWMPC): **03-19-2008**

### Project Description:

**Construction of a new 500,000 gallon elevated water storage tank, pump station, and 0.92 miles of new 8-inch water line to replace existing 3 and 4 inch water line.**

### Need for Project:

*Briefly describe how this project promotes public health or achieves and/or maintains compliance with the Clean Water Act or Safe Drinking Water Act:*

**Fill tank at Mt. Zion and reduce pressure from existing pump at Crittenden.**

### Project Alternatives:

Alternate A:

**Do nothing**

Alternate B:

**Replace existing tank on east side of I-75**

Alternate C:

**Bore under I-75 instead of connecting at Duncan Road**

### Legal Applicant:

Entity Type: **Water District (KRS 74)**

PSC Group ID: **19200**

Entity Name: **Bullock Pen Water District**

Web URL:

Office EMail: **bullockpen@fuse.net**

Office Phone: **859-428-2112**

Toll Free:

Fax: **859-428-1293**

Mail Address Line 1: **PO Box 188**

Phys Address Line 1:

Mail Address Line 2:

Phys Address Line 2:

Mail City, State Zip: **Crittenden, KY 41030**

Phys City, State Zip:

Contact: **Bobby Burgess**

Manager: **Bobby Burgess**

Contact Title:

Manager Title:

Contact EMail: **bullockpen@fuse.net**

Manager EMail: **bullockpen@fuse.net**

Contact Phone: **859-428-2112**

Manager Phone: **859-428-2112**

Contact Cell:

Manager Cell:

Authorized Official: **Bobby Burgess**

Auth. Official Title:

Auth. Official EMail: **bullockpen@fuse.net**

Auth. Official Phone: **859-428-2112**

Auth. Official Cell:

Data Source: **KENTUCKY INFRASTRUCTURE AUTHORITY**

Date Last Modified: **01.05.2011**





**Drinking Water Project Profile**  
 WX21081304 - Bullock Pen Water District  
 Bullock Pen Water District - Grant County Improvement Project

**Project Administrator (PA) Information**

Name: **Kerry S Odle**  
 Title: **Cmw, Inc.**  
 Organization: **CMW**  
 Address Line 1: **400 E. Vine St**  
 Address Line 2: **Suite 400**  
 City: **Lexington** State: **KY** Zip: **40507**  
 Phone: **859-254-6623 Ext. 104** Fax: **859-259-1877**

**Applicant Contact (AC) Information**

Name: **Kerry S Odle**  
 Title: **Cmw, Inc.**  
 Organization: **CMW**  
 Address Line 1: **400 E. Vine St**  
 Address Line 2: **Suite 400**  
 City: **Lexington** State: **KY** Zip: **40507**  
 Phone: **859-254-6623 Ext. 104** Fax: **859-259-1877**

**Project Engineer (PE) Information:**

This project requires a licensed Professional Engineer.

License No: **PE 12497**  
 PE Name: **Kerry Stuart Odle**  
 Phone: **859-254-6623** Fax: **859-259-1877**  
 E-Mail: **kodle@cmwaec.com**  
 Firm Name: **CMW, Inc.**  
 Addr Line 1: **CMW Inc**  
 Addr Line 2: **400 E. Vine St., Suite 400**  
 Addr Line 3:  
 City: **Lexington** State: **KY** Zip: **40507**  
 Status: **Current** Disciplinary Actions: **NO**  
 Issued: **07-22-1981** Expires: **06-30-2014**

**Engineering Firm Information:**

Permit No: **128**  
 Firm Name: **CMW, Inc.**  
 Phone: **859-254-6623** Fax: **859-259-1877**  
 Web URL:  
 EMail: **kreeves@cmwaec.com**  
 Addr Line 1: **400 E. Vine St., Ste. 400**  
 Addr Line 2:  
 City: **Lexington** State: **KY** Zip: **40507**  
 Status: **Current** Disciplinary Actions: **NO**  
 Issued: **03-16-1993** Expires: **12-31-2012**



**Drinking Water Project Profile**  
 WX21081304 - Bullock Pen Water District  
 Bullock Pen Water District - Grant County Improvement Project

**Estimated Budget**

**Project Cost Classification:**

Administrative Exp.:	<b>\$ 10,200</b>
Legal Exp.:	
Land, Appraisals, Easements:	<b>\$ 13,300</b>
Relocation Exp. & Payments:	
Planning:	<b>\$ 26,800</b>
Engineering Fees - Design:	<b>\$ 116,500</b>
Engineering Fees - Construction:	<b>\$ 49,100</b>
Engineering Fees - Inspection:	<b>\$ 66,700</b>
Engineering Fees - Other:	
Construction:	<b>\$ 1,280,500</b>
Equipment:	
Miscellaneous:	
Contingencies:	<b>\$ 99,900</b>
<b>Total Project Cost:</b>	<b>\$ 1,663,000</b>

**Construction Cost Categories:**

Treatment:	
Transmission & Distribution:	<b>\$ 1,280,500</b>
Source:	
Storage:	
Purchase of Systems:	
Restructuring:	
Land Acquisition:	
Non-Catagorized:	
<b>Total Construction:</b>	<b>\$ 1,280,500</b>

**Total Sustainable Infrastructure Costs:**

Note: Total Sustainability Infrastructure Costs are included within construction and other costs reported in this section. This breakout is provided for SRF review purposes.

**Project Funding Sources:**

Total Project Cost: **\$1,663,000**  
 Total Committed Funding: **\$0**  
 Funding Gap: **\$1,663,000 (Not Funded)**

This project will be requesting SRF funding for Federal FY 2013.

<b>Funding Source</b>	<b>Amount</b>	<b>Funding Status</b>	<b>Applicable Date</b>
Pending State Line Item	\$1,663,000	Anticipated	N/A
<b>Total:</b>	<b>\$1,663,000</b>		

**Detailed Project Schedule:**

Environmental Review Status:  
 RD Approval Date:  
 CDBG Approval Date:  
 No approval, but Cross-Cutter Scoping Completed:  
 Construction Permit Application Date:  
 Construction Permit Application Status:  
 Estimated Bid Date:  
 Estimated Construction Start Date:



## Drinking Water Project Profile

WX21081304 - Bullock Pen Water District  
Bullock Pen Water District - Grant County Improvement Project

---

The following systems are beneficiaries of this project:

<b>DOW PERMIT ID</b>	<b>System Name</b>
KY0410047	Bullock Pen Water District

**Project Ranking by AWMPC:**

Regional Ranking(s): **NKADD**      **20**  
 Planning Unit Ranking:                      **3**  
 Total Points:

**Plans and Specifications:**

- Plans and specs have been sent to DOW.
- Plans and specs have been reviewed by DOW.
- Plans and specs have been sent to PSC.
- Plans and specs have been reviewed by PSC.

**Demographic Impacts:**

	For Project Area	For Included Systems(s)
Serviceable Population	1,790	19,544
Serviceable households	686	7,516
Med. Household Income	\$47,454	\$49,868

**New or Improved Service:**

	Survey Based	GIS Census Overlay
To Unserved Households		<b>363</b>
To Underserved Households	3,000	<b>547</b>
To Total Households	<b>3,000</b>	<b>910</b>

**Economic Impacts:**

Jobs Created  
Jobs Retained

---

**DW Specific Impacts:**

- This project relates to a public health emergency.
- This project will assist a non-compliant system to achieve compliance.
- This project will assist a compliant system to meet future requirements
- This project will provide assistance not compliance related.
- This project will address the terms of the Court Order and/or Agreed Order.
- The system(s) involved with this project have achieved voluntary compliance with violations before being referred for an enforcement case.



## Drinking Water Project Profile

WX21081304 - Bullock Pen Water District  
Bullock Pen Water District - Grant County Improvement Project

### Project Inventory (Mapped Features):

#### Point Features:

DOW Permit ID	Count	FeatureType	Purpose	Status	Existing Capacity	Proposed Capacity	Units
KY0410047	1	PUMP STATION	PUMP - FILL TANK	NEW			
KY0410047	1	WATER TANK	TANK - INCREASE STORAGE	NEW		500,000.00	GALLONS

#### Line Features:

DOW Permit ID	Line Type	Purpose	Activity	Size (in.)	Material	Length (LF)
KY 0410047	WATER LINE: FINISHED	DISTRIBUTION	EXTENSION	8.00	PVC	2,853
KY 0410047	WATER LINE: FINISHED	DISTRIBUTION	REHAB - REPLACE UNDERSIZED LINES	8.00	PVC	2,634
Total Length						5,487

#### Administrative Components:

- Planning
  Design
  Construction
  Management

### Regionalization Components:

#### Public Water Systems Eliminated:

- This project includes the elimination of public water system(s) through merger or acquisition.

#### Water Treatment Plants Eliminated:

- This project includes the elimination of water treatment plant(s) through interconnect(s).

#### Supplementation of Raw Water Supply:

- This project includes supplementing the existing raw water supply.

#### Supplementation of Potable Water Supply:

- This project includes supplementing the existing potable water supply.

#### Emergency Only Water Supply:

- This project provides emergency only water supply.

### Water Source Protection:

- This project includes land acquisition for water source protection.



**Drinking Water Project Profile**  
WX21081304 - Bullock Pen Water District  
Bullock Pen Water District - Grant County Improvement Project

**Water Treatment Components:**

- This project includes water treatment components

**Treatment Activities:**

- This project includes a new water treatment plant.
- This project includes an expansion of an existing water treatment plant.
- This project includes rehabilitation of an existing water treatment plant.
- This project includes upgrades to an existing water treatment plant.
- This project includes emergency power generators for treatment activities.
- This project includes redundant treatment processes.

**Acute Public Health Risk:**

- This project includes infrastructure options to meet Cryptosporidium removal/inactivation requirements.
- This project includes infrastructure options to meet CT inactivation requirements.

**Chronic Public Health Risk:**

- This project includes treatment modifications to meet the Disinfectants/Disinfection Byproducts Rule at the water treatment plant.
- This project will provide treatment modifications for VOCs, IOCs, SOC, or Radionuclides.

**Secondary Contaminants:**

- This project includes treatment modifications to address Secondary Contaminants.

**Security:**

- This project includes security components for water treatment facilities.

**Water Distribution and Storage:**

- This project includes water distribution and/or storage components.

**Water Line Extensions:**

- This project includes water line extension(s).

Length of extensions: **2,853 LF**

Number of new connections: **0**

**Redundancy Components:**

- This project includes emergency power generators for distribution and/or storage activities.

Number of units provided: **0**

- This project includes redundant distribution and/or storage processes.



**Drinking Water Project Profile**  
 WX21081304 - Bullock Pen Water District  
 Bullock Pen Water District - Grant County Improvement Project

**Finished Water Quality:**

- This project includes infrastructure to address inadequate water turnover and disinfection byproducts (DBPs).

Number of loops created:

- This project includes a tank mixing system.

Replace undersized lines.

- This project includes infrastructure to address inability to maintain disinfection residual.

**Water Line Replacement:**

- This project replaces problem water lines (breaks, leaks, or restrictive flows due to age), water lines consisting of lead and/or asbestos-cement (AC), and/or inadequately sized water lines.

**Roads Serviced by Line Replacements:**

Road Name	LF Serviced
Duncan Rd	1,170
Hopewell Rd	2,734
I-75	2,181
Lebanon Rd	1,190
Total	7,275

**Water Storage and Pressure Components:**

- This project includes the construction of new water tank(s).

Number of new tank(s): **1**

Proposed storage capacity of new tank(s): **500,000**

Population growth.

- This project includes the replacement of existing water tank(s).

- This project includes the rehabilitation of existing water tank(s).

- This project includes the construction of new pump station(s).

- This project includes new pump stations for boosting pressure .

- This project includes new pump stations for filling water tanks.

- This project includes the rehabilitation of existing pump station(s).

**Security:**

- This project includes security components for water distribution infrastructure.



# Drinking Water Project Profile

WX21081304 - Bullock Pen Water District

Bullock Pen Water District - Grant County Improvement Project

## Sustainable Infrastructure - Green Infrastructure:

Green stormwater infrastructure includes a wide array of practices at multiple scales that manage wet weather and that maintains and restores natural hydrology by infiltrating, evapotranspiring and harvesting and using stormwater. On a regional scale, green infrastructure is the preservation and restoration of natural landscape features, such as forests, floodplains, and wetlands, coupled with policies such as infill and redevelopment that reduce overall imperviousness in a watershed. On the local scale, green infrastructure consists of site and neighborhood-specific practices, such as:

Component	Cost
<input type="checkbox"/> Bioretention	\$0
<input type="checkbox"/> Trees	\$0
<input type="checkbox"/> Green Roofs	\$0
<input type="checkbox"/> Permeable Pavement	\$0
<input type="checkbox"/> Cisterns	\$0
<b>Total Green Infrastructure Cost:</b>	<b>\$0</b>

*There are no Green Infrastructure components specified for this project.*

## Sustainable Infrastructure - Water Efficiency:

The use of improved technologies and practices to deliver equal or better services with less water. Water efficiency encompasses conservation and reuse efforts, as well as water loss reduction and prevention, to protect water resources for the future. Examples include:

Component	Cost
<input type="checkbox"/> Installing or retrofitting water efficient devices such as plumbing fixtures and appliances (toilets, showerheads, urinals).	\$0
<input type="checkbox"/> Installing any type of water meter in previously unmetered areas (can include backflow prevention if in conjunction with meter replacement).	\$0
<input type="checkbox"/> Replacing existing broken/malfunctioning water meters with AMR or smart meters, meters with leak detection, backflow prevention.	\$0
<input type="checkbox"/> Retrofitting/adding AMR capabilities or leak equipment to existing meters.	\$0
<input type="checkbox"/> Conducting water utility audits, leak detection studies, and water use efficiency baseline studies, which are reasonably expected to result in a capital project or in a reduction in demand to alleviate the need for additional capital investment.	\$0
<input type="checkbox"/> Developing conservation plans/programs reasonable expected to result in a water conserving capital project or in a reduction in demand to alleviate the need for capital investment.	\$0
<input type="checkbox"/> Recycling and water reuse projects that replace potable sources with non-potable sources (Gray water, condensate, and wastewater effluent reuse systems, extra treatment or distribution costs associated with water reuse).	\$0
<input type="checkbox"/> Retrofit or replacement of existing landscape irrigation systems to more efficient landscape irrigation systems.	\$0
<input type="checkbox"/> Water meter replacement with traditional water meters.*	\$0
<input type="checkbox"/> Distribution pipe replacement or rehabilitation to reduce water loss and prevent water main breaks.*	\$0
<input type="checkbox"/> Storage tank replacement/rehabilitation to reduce water loss.*	\$0
<input type="checkbox"/> New water efficient landscape irrigation system, where there currently is not one.*	\$0
<b>Total Water Efficiency Cost:</b>	<b>\$0</b>

*\* Indicates a business case may be required for this item.*

*There are no Water Efficiency components specified for this project.*



**Drinking Water Project Profile**  
 WX21081304 - Bullock Pen Water District  
 Bullock Pen Water District - Grant County Improvement Project

**Sustainable Infrastructure - Energy Efficiency:**

*Energy efficiency is the use of improved technologies and practices to reduce the energy consumption of water projects, use energy in a more efficient way, and/or produce/utilize renewable energy. Examples include:*

Component	Cost
<input type="checkbox"/> Renewable energy projects, which are part of a public health project, such as wind, solar, geothermal, and micro-hydroelectric that provides power to a utility.	\$0
<input checked="" type="checkbox"/> Utility-owned or publicly-owned renewable energy projects.	\$0
<input type="checkbox"/> Utility energy management planning, including energy assessments, energy audits, optimization studies, and sub-metering of individual processes to determine high energy use areas.	\$0
<input checked="" type="checkbox"/> Energy efficient retrofits, upgrades, or new pumping systems and treatment processes (including variable frequency drives (VFDs).*	\$0
<input type="checkbox"/> Pump refurbishment to optimize pump efficiency.*	\$0
<input type="checkbox"/> Projects that result from an energy efficient related assessment.*	\$0
<input type="checkbox"/> Projects that cost effectively eliminate pumps or pumping stations.*	\$0
<input type="checkbox"/> Projects that achieve the remaining increments of energy efficiency in a system that is already very efficient.*	\$0
<input type="checkbox"/> Upgrade of lighting to energy efficient sources.*	\$0
<input type="checkbox"/> Automated and remote control systems (SCADA) that achieve substantial energy savings.*	\$0
<b>Total Energy Efficiency Cost:</b>	<b>\$0</b>

\* Indicates a business case may be required for this item.

**There are no Energy Efficiency components specified for this project.**

**Sustainable Infrastructure - Environmentally Innovative:**

*Environmentally innovative projects include those that demonstrate new and/or innovative approaches to delivering services or managing water resources in a more sustainable way. Examples include:*

Component	Cost
<input type="checkbox"/> Total integrated water resources management planning, or other planning framework where project life cycle costs are minimized, which enables communities to adopt more efficient and cost-effective infrastructure solutions.	\$0
<input type="checkbox"/> Plans to improve water quantity and quality associated with water system technical, financial, and managerial capacity.	\$0
<input type="checkbox"/> Source water protection planning (delineation, monitoring, modeling).	\$0
<input checked="" type="checkbox"/> Planning activities to prepare for adaptation to the long-term effects of climate change and/or extreme weather.	\$0
<input type="checkbox"/> Utility sustainability plan consistent with EPA's sustainability policy.	\$0
<input checked="" type="checkbox"/> Greenhouse gas inventory or mitigation plan and submission of a GHG inventory to a registry as long as it is being done for an SRF eligible facility.	\$0
<input checked="" type="checkbox"/> Construction of US Building Council LEED certified buildings, or renovation of an existing building.	\$0
<input type="checkbox"/> Projects that significantly reduce or eliminate the use of chemicals in water treatment.*	\$0
<input type="checkbox"/> Treatment technologies or approaches that significantly reduce the volume of residuals, minimize the generation of residuals, or lower the amount of chemicals in the residuals.*	\$0
<input type="checkbox"/> Trenchless or low impact construction technology.*	\$0
<input type="checkbox"/> Using recycled materials or re-using materials on-site.*	\$0
<input type="checkbox"/> Educational activities and demonstration projects for water or energy efficiency (such as rain gardens).*	\$0
<input type="checkbox"/> Projects that achieve the goals/objectives of utility asset management plans.*	\$0
<b>Total Environmentally Innovative Cost:</b>	<b>\$0</b>

\* Indicates a business case may be required for this item.

**There are no Environmentally Innovative components specified for this project.**





**Drinking Water Project Profile**  
WX21081304 - Bullock Pen Water District  
Bullock Pen Water District - Grant County Improvement Project

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**Sustainable Infrastructure - Asset Management:**

*If a category is selected, the applicant must provide proof to substantiate claims. The documents must be submitted to Amanda Yeary (Amanda.Yeary@ky.gov) for DW projects.*

**Component**

- 
- The system(s) has a Capital Improvement Plan or similar planning document.
  - The system(s) involved in this project have developed appropriate rate structures to build, operate, and maintain.
  - The system(s) involved in this project have specifically allocated funds for the rehabilitation and replacement of aging and deteriorating infrastructure.

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***There are no Asset Management components specified for this project.***

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**Project Status:** Approved

Date Approved: 03-19-2008

Date Revised:

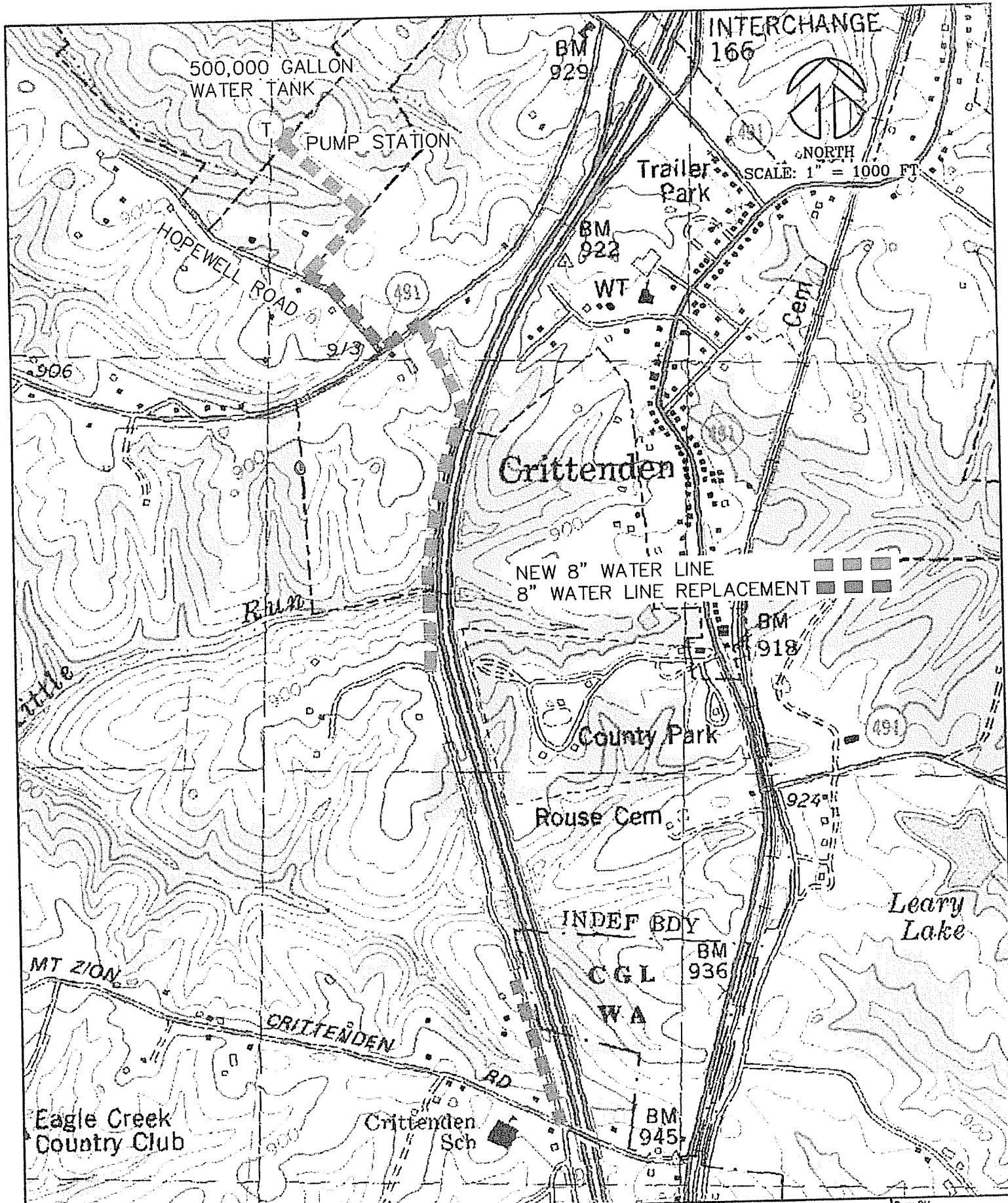
**Grant County Water District Improvements  
Bullock Pen Water District  
Project Cost  
12/11/07**

1. Construction	\$1,277,480
2. Environmental	\$8,000
3. Rate Analysis and PSC Submittal	\$10,000
4. Preliminary Engineering Report	\$5,000
5. Engineering Design	\$108,841
6. Resident Inspection	\$67,962
7. Easements	\$10,000
8. Land Acquisition	\$30,000
9. Geotechnical	\$5,000
10. Tank Site Survey	\$3,000
11. Legal	\$10,000
12. Contingencies	<u>\$127,717</u>
<b>Total Project Cost:</b>	<b>\$1,663,000</b>

**Grant County Water District Improvements  
Bullock Pen Water District  
Project Cost  
12/11/07**

Construction Cost

1. 8" PVC Water Line 7,260 LF @ \$13/LF	\$94,380
2. Connection to Existing Water Line 6 EA @ \$1,700/EA	\$10,200
3. 8" Gate Valve 7 EA @ \$925/EA	\$6,475
4. Fire Hydrant 6 EA @ \$2,800/EA	\$16,800
5. Road Bore 60 LF @ \$120/LF	\$7,200
6. Air Relief Valve 1 EA @ \$825/EA	\$825
7. Reconnect Existing Meters 11 EA @ \$600/EA	\$6,600
8. Pump Station 1 EA @ \$70,000/EA	\$70,000
9. 500,000 Gallon Tank 1 EA @ \$1,050,000	\$1,050,000
10. Telemetry 1 LS @ \$15,000/LS	<u>\$15,000</u>
<b>Total Construction Cost:</b>	<b>\$1,277,480</b>



NEW 8" WATER LINE  
 8" WATER LINE REPLACEMENT

GRANT COUNTY IMPROVEMENT PROJECT  
 BULLOCK PEN WATER DISTRICT  
 500,000 GAL. TANK AND BPS  
 CRITTENDEN, KY.

Dwg: DH  
 Project Number  
 07522.01  
 © 2001 CMW  
 1

**CMW** inc.  
 128 N. Keeneland Dr. Ste F Richmond, KY 40475



## **Exhibit B**

### **Final Project Cost Estimate**

**Grant County Water District Improvements  
Bullock Pen Water District  
As-Bid Project Cost  
July 6, 2012**

1. Construction	\$1,623,982
2. Environmental	\$ 8,000
3. Archeological Study	\$ 3,477
4. Biological Study	\$ 3,300
5. Preliminary Engineering Report	\$ 5,000
6. Engineering Design	\$ 111,750
7. Resident Inspection	\$ 69,827
8. Geotechnical	\$ 4,977
9. Telemetry	\$ 18,000
10. Legal	\$ 10,000
11. Contingencies	\$ 17,987
<b>Total Project Cost:</b>	<b>\$1,876,300</b>

Project Funding

DWSRF (plus 10%)	\$1,796,300
BPWD	\$ 50,000
GCSSD	\$ 30,000
<b>Total Project Funding</b>	<b>\$1,876,300</b>





**GENERAL WARRANTY DEED**

KNOW ALL MEN BY THESE PRESENTS:

That Grantor: 491 CORPORATION, an Ohio Corporation, authorized to do business in Kentucky, by and through its President, John W. Wright, whose mailing address is: 3839 Millsbrae Avenue, Cincinnati, OH 45209-2217

for and in consideration of One Dollar (\$1.00) to it paid by the Grantee herein, the receipt of which is acknowledged, does bargain, sell and convey to:

Grantee: BULLOCK PEN WATER DISTRICT, a governmental agency created pursuant to Kentucky Revised Statutes, Chapter 74, in fee simple, its

successors and assigns forever, the following described real estate in the City of Crittenden, County of Grant and Commonwealth of Kentucky, to wit:

Grantee mailing address: 1 Farrell Drive, P.O. Box 188, Crittenden, KY 41030

Present street address: KY 491, Crittenden, KY 41030

Group No. \_\_\_\_\_

P.I.D.N. \_\_\_\_\_

Containing 0.51 acres as more particularly described in the attached Exhibit "A".

Subject to all easements, restrictions, covenants and other matters of record.

Being a part of the same property conveyed to Grantor by Deed of Conveyance dated October 13, 1977 and recorded October 18, 1977 in Deed Book 131, page 604 of the Grant County Clerk's records at Williamstown, Kentucky.

THIS TRANSFER IS EXEMPT PURSUANT TO KRS 142.050(7)(b).

Pursuant to KRS 382.135(c), the in-care-of address for current year tax bill shall be: 1 Farrell Drive, P.O. Box 188, Crittenden, KY 41030

Together with all the privileges and appurtenances to the same belonging.

TO HAVE AND TO HOLD the same to the said Grantee, BULLOCK PEN WATER DISTRICT, a governmental agency created pursuant to Kentucky Revised Statutes, Chapter 74, in fee simple, its

successors and assigns forever, the Grantor its successors and assigns, HEREBY COVENANTING with the Grantee its successors and assigns, that the title so conveyed is clear, free and unencumbered, and that they will warrant and defend the same against all legal claims **RECEIVED** GRANT COUNTY CLERK

NOV 22 2011

LEATHA CONRAD, CLERK  
BY *[Signature]*

IN WITNESS WHEREOF, the said Grantor, 491 CORPORATION, an Ohio Corporation, authorized to do business in Kentucky, by and through its President, John W. Wright, hereunto sets its hand this 22<sup>nd</sup> day of November, 2011.

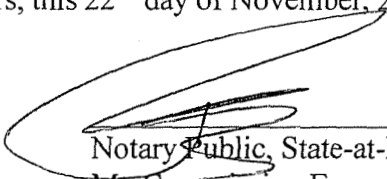
491 CORPORATION

BY: John W. Wright Pres.  
JOHN W. WRIGHT, PRESIDENT

COMMONWEALTH OF KENTUCKY

COUNTY OF GRANT

Subscribed, sworn to and acknowledged before me by the said Grantor, 491 CORPORATION, by and through its President, JOHN W. WRIGHT, pursuant to duly authorized and adopted resolution of its Board of Directors, this 22<sup>nd</sup> day of November, 2011.

  
Notary Public, State-at-Large  
My Commission Exp.: 3/24/12

CONSIDERATION CERTIFICATE

F.M.V. \$33,500.00.00

The consideration for this conveyance is a gift from Grantor to Grantee consistent with the provisions of the Internal Revenue Code. Grantee acknowledges by execution of this Deed of Conveyance it is a qualified charitable organization pursuant to Section 170(c) of the Internal Revenue Code.

Grantor and Grantee certify, under oath, that the consideration reflected in this Deed is the full consideration paid for the property and Grantee joins in this Deed for the sole purpose of making this certificate about the consideration.

Sworn to this 22<sup>nd</sup> day of November, 2011.

GRANTOR:

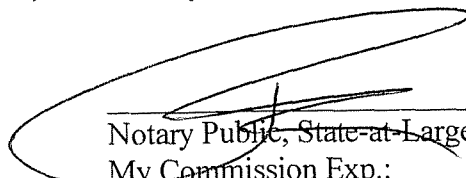
491 CORPORATION

BY: John W. Wright Pres.  
JOHN W. WRIGHT, PRESIDENT

COMMONWEALTH OF KENTUCKY

COUNTY OF GRANT

Subscribed, sworn to and acknowledged before me by the said Grantor, 491 CORPORATION, by and through its President, JOHN W. WRIGHT, pursuant to duly authorized and adopted resolution of its Board of Directors, this 22<sup>nd</sup> day of November, 2011.

  
Notary Public, State-at-Large  
My Commission Exp.: 3/24/12

GRANTEE:

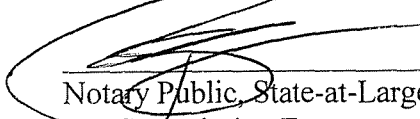
BULLOCK PEN WATER DISTRICT

BY: Bobby Burgess  
BOBBY BURGESS, CHAIRMAN

COMMONWEALTH OF KENTUCKY

COUNTY OF GRANT

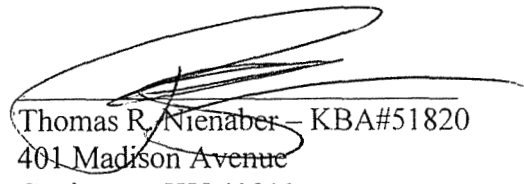
Subscribed, sworn to and acknowledged before me by the said Grantee, BULLOCK PEN WATER DISTRICT, by and through its Chairman, BOBBY BURGESS, pursuant to duly authorized and adopted resolution of its Board of Commissioners, this 22<sup>nd</sup> day of November, 2011.

  
Notary Public, State-at-Large  
My Commission Exp.: 3/24/12

THIS DEED PREPARED BY:

BERGER, COX & NIENABER, P.S.C.

*Mail  
for*



Thomas R. Nienaber - KBA#51820  
401 Madison Avenue  
Covington, KY 41011  
(859) 491-9088

DESCRIPTION OF TRACT "A"

ALL THAT TRACT OF LAND IN THE CITY OF CRITTENDEN, GRANT COUNTY, KENTUCKY ALSO BEING APPROXIMATELY 300 FEET WEST OF I-75 AND 1500 FEET SOUTHWEST OF THE I-75 AND KENTUCKY HIGHWAY 491 INTERCHANGE AND MORE PARTICULARLY DESCRIBED AS FOLLOWS.

BEGINNING AT A CONCRETE RIGHT OF WAY MARKER SET IN THE WEST RIGHT OF WAY OF KENTUCKY HIGHWAY 491 (SEE DEED BOOK 261 PAGE 545), SAID POINT BEING COMMON TO THE PROPERTY CONVEYED TO THE 491 CORPORATION (SEE DEED BOOK 131 PAGE 604) AND SAID RIGHT OF WAY, THENCE 1 LINE WITH SAID RIGHT OF WAY;

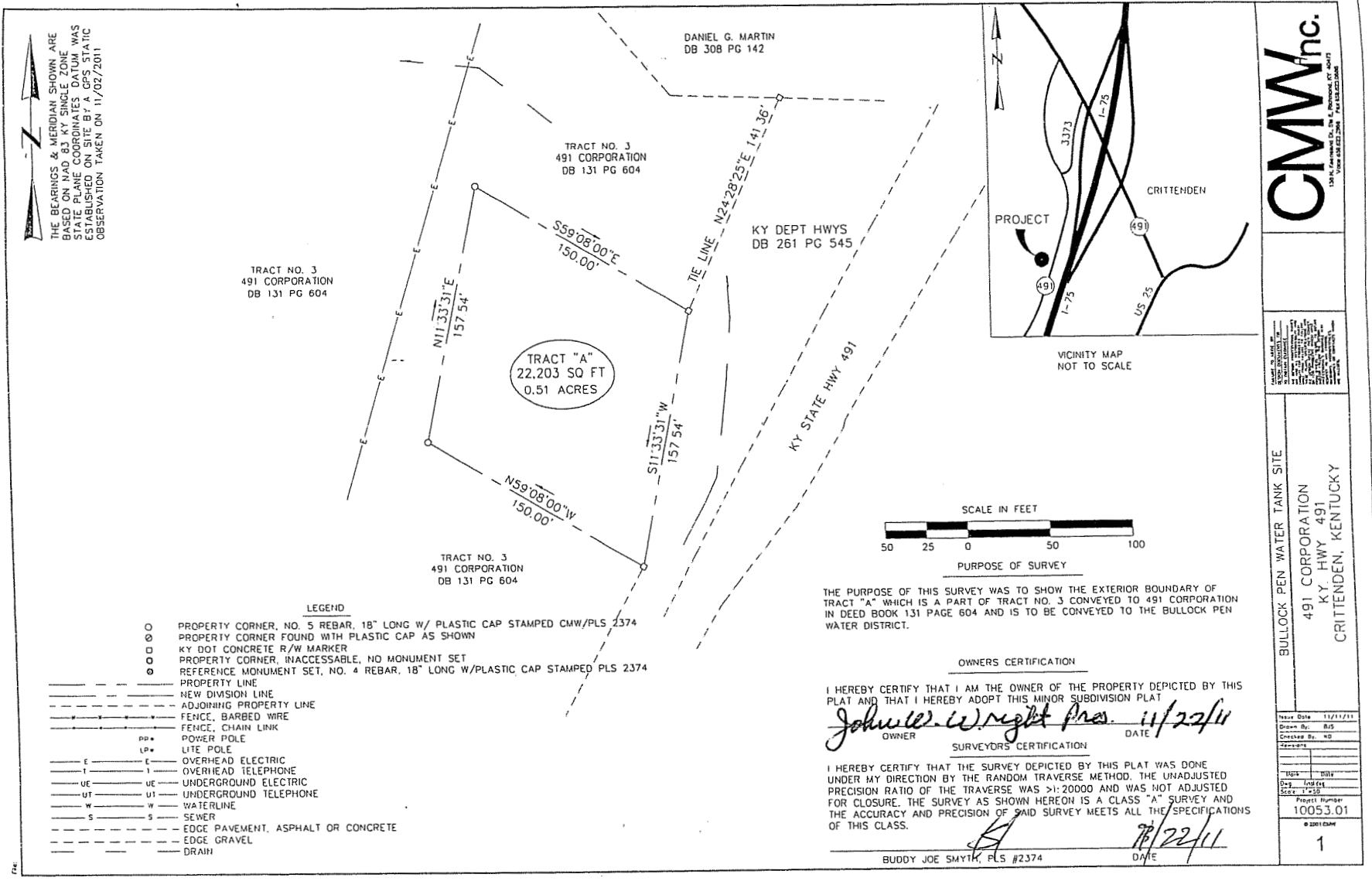
1. S11°33'31"W 157.54 FEET TO A CONCRETE RIGHT OF WAY MARKER SET IN THE WEST RIGHT OF WAY OF KENTUCKY HIGHWAY 491

THENCE 3 LINES SERVERING TRACT NO. 3 OF THE 491 CORPORATION PROPERTY;

1. N59°08'00"W 150.00 FEET TO AN IRON PIN SET THIS SURVEY
2. N11°33'31"E 157.54 FEET TO AN IRON PIN SET THIS SURVEY

3. S59°08'00"E 150.00 FEET TO THE POINT OF BEGINNING, CONTAINING 0.51 ACRES AND BEING A PART OF TRACT NO. 3, CONVEYED TO THE 491 CORPORATION IN DEED BOOK 131 PAGE 604 OF THE GRANT COUNTY COURT CLERKS RECORDS.

THE BEARINGS IN THIS DESCRIPTION ARE BASED ON NAD 83, KENTUCKY SINGLE ZONE COORDINATES OBTAINED BY A STATIC GPS OBSERVATION TAKEN 11/02/2011, IRON PINS SET THIS SURVEY ARE #5 REBARS, 18" LONG WITH PVC CAPS STAMPED CMW/PLS2374. SURVEY WAS UNDER THE DIRECTION OF BUDDY J. SMYTH PLS 2374



**CMW inc.**  
158 N. FARMERS DR., N. BIRMINGHAM, KY 40117  
Voice 606.222.2981 Fax 606.222.2980

STATE OF KENTUCKY  
COUNTY OF GRANT  
I, CLERK OF COURTS, DO HEREBY CERTIFY THAT THIS IS A TRUE AND CORRECT COPY OF THE ORIGINAL AS FILED IN MY OFFICE ON 11/22/11.

BULLOCK PEN WATER TANK SITE  
491 CORPORATION  
KY HWY 491  
CRITTENDEN, KENTUCKY

Date	11/21/11
Drawn By	RJS
Checked By	JD
2nd Date	
1st Date	
Drawn	
Scale	1"=20'
Project Number	10053.01
© 2011 CMW	
	1

**Grant County Planning Commission Acknowledgment**

The transfer of real estate contemplated herein consisting of 0.51 acres is to a political subdivision of Grant County, Kentucky and, as such, is exempt from planning and zoning regulations pursuant to KRS 100.361. The Grant County Planning Commission executes this Conveyance Plat for the purpose of acknowledging the exemption of Bullock Pen Water District from all planning and zoning regulations relating to this transfer.

Grant County Planning Commission  
By: *Rebecca Ruholl*  
Rebecca Ruholl, Executive Director

Name(s) shown on your income tax return **491 Corporation** Identifying number **31-2915981**

**Section B. Donated Property Over \$5,000 (Except Certain Publicly Traded Securities)**—List in this section only items (or groups of similar items) for which you claimed a deduction of more than \$5,000 per item or group (except contributions of certain publicly traded securities reported in Section A). An appraisal is generally required for property listed in Section B (see instructions).

**Part I Information on Donated Property**—To be completed by the taxpayer and/or the appraiser.

4 Check the box that describes the type of property donated:

- Art\* (contribution of \$20,000 or more)
Art\* (contribution of less than \$20,000)
Collectibles\*\*
Qualified Conservation Contribution
Other Real Estate
Intellectual Property
Equipment
Securities
Other

\*Art includes paintings, sculptures, watercolors, prints, drawings, ceramics, antiques, decorative arts, textiles, carpets, silver, rare manuscripts, historical memorabilia, and other similar objects.

\*\*Collectibles include coins, stamps, books, gems, jewelry, sports memorabilia, dolls, etc., but not art as defined above.

Note. In certain cases, you must attach a qualified appraisal of the property. See instructions.

Table with 5 main rows (A-D) and 7 columns: (a) Description of donated property, (b) Summary of overall physical condition, (c) Appraised fair market value, (d) Date acquired, (e) How acquired, (f) Donor's cost, (g) For bargain sales, (h) Amount claimed as a deduction, (i) Average trading price.

**Part II Taxpayer (Donor) Statement**—List each item included in Part I above that the appraisal identifies as having a value of \$500 or less. See instructions.

I declare that the following item(s) included in Part I above has to the best of my knowledge and belief an appraised value of not more than \$500 (per item). Enter identifying letter from Part I and describe the specific item. See instructions.

Signature of taxpayer (donor) \_\_\_\_\_ Date \_\_\_\_\_

**Part III Declaration of Appraiser**

I declare that I am not the donor, the donee, a party to the transaction in which the donor acquired the property, employed by, or related to any of the foregoing persons, or married to any person who is related to any of the foregoing persons. And, if regularly used by the donor, donee, or party to the transaction, I performed the majority of my appraisals during my tax year for other persons.

Also, I declare that I hold myself out to the public as an appraiser or perform appraisals on a regular basis; and that because of my qualifications as described in the appraisal, I am qualified to make appraisals of the type of property being valued. I certify that the appraisal fees were not based on a percentage of the appraised property value.

Sign Here Signature *Byron C. Wynn* Title *Appraiser* Date *9/21/11*

Business address (including room or suite no.) *402 Lakespur Court Edgewood KY 41017* Identifying number *405 82 0453*

**Part IV Donee Acknowledgment**—To be completed by the charitable organization.

This charitable organization acknowledges that it is a qualified organization under section 170(c) and that it received the donated property as described in Section B, Part I, above on the following date \_\_\_\_\_

Furthermore, this organization affirms that in the event it sells, exchanges, or otherwise disposes of the property described in Section B, Part I (or any portion thereof) within 3 years after the date of receipt, it will file Form 8282, Donee Information Return, with the IRS and give the donor a copy of that form. This acknowledgment does not represent agreement with the claimed fair market value.

Does the organization intend to use the property for an unrelated use?  Yes  No

Name of charitable organization (donee) *Bullock Pen Water Dist.* Employer identification number \_\_\_\_\_
Address (number, street, and room or suite no.) *1 Farrell Dr.* City or town, state, and ZIP code *Crittenden, KY 41030*
Authorized signature *William Z. Carter* Title *Superintendent* Date \_\_\_\_\_





**Exhibit D**

**Final Engineering Report**

**Final Engineering Report**

**Grant County Improvements Phase 12**

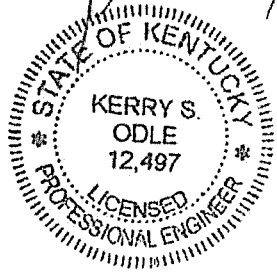
**Bullock Pen Water District**

**By**

**CMW, Inc.  
400 E. Vine Street  
Suite 400  
Lexington, KY 40507**

**July, 2012**

*Kerry Odle*



7/13/12

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**ADVERTISEMENT FOR BIDS**

Bullock Pen Water District

Separate sealed BIDS for Contract #1 – 500,000 Gallon Elevated Water Storage Tank and Contract #2 – Grant County Improvements Phase 12, Grant County, will be received by the Owner at the office of Bullock Pen Water District, Crittenden, Kentucky, until 11:00 a.m. EDT on Thursday, June 21, 2012 and then publicly opened and read aloud.

Construction of Contract #1 will consist of construction of a 500,000 gallon elevated water storage tank, a prefabricated pump station including roadways, fencing, piping, valves, hydrants, generator, seeding and all other necessary appurtenances.

Construction of Contract #2 will consist of approximately 6020 LF of 8" PVC water line, 13 gate valves, 5 dry tap connections, 4 fire hydrants, 40 LF bores with steel encasement, 30 LF of open cut with steel encasement, directional bores, 160 LF of 8" HD PE pipe, and all necessary appurtenances.

The CONTRACT DOCUMENTS may be examined at the following locations:

- CMW, Inc., 400 E. Vine Street, Suite 400, Lexington, KY
- Bullock Pen Water District, 1 Farrell Drive, Crittenden, KY
- Associated General Contractors/McCraw Hill/Dodge Plan Room, 950 Contract Street, Suite 100A, Lexington, KY
- Allied Construction Industries, 1010 Yale Avenue, Cincinnati, OH
- Reed Construction Data/ABC Plan Room, 1812 Taylor Avenue, Louisville, KY
- Reed Construction Data/ABC Plan Room, 2020 Liberty Road, Suite 110, Lexington, KY
- F. W. Dodge Plan Room, Grant Baldwin Building, 655 Eden Park Road, Suite 515, Cincinnati, OH 45202

Copies of the CONTRACT DOCUMENTS may be obtained from Lynn Imaging, 328 Old East Vine Street, Lexington, KY 40507, phone 859\255-1021 upon the following non-refundable payment of \$50.00 for Contract #1 and \$50.00 for Contract #2 for each set.

If bidding documents are requested to be sent by mail, include an additional \$14.00 for each set to cover cost of handling and postage. This check shall be made payable to Lynn Imaging.

The Owner reserves the right to waive any informalities or to reject any or all bids.

Each bidder must deposit with his bid, security in the amount, form and subject to the conditions provided in the Information for Bidders.

No bidder may withdraw his bid within 90 days after the actual date of the opening thereof.

Award will be made to the lowest responsive, responsible Bidder unless all bids are rejected.

Each bidder will make positive efforts to use small, minority, woman owned and disadvantaged businesses.

**GRANT COUNTY IMPROVEMENTS, PHASE 12  
BULLOCK PEN WATER DISTRICT**

**10053.01**

Each bidder must comply with Title VI of the Civil Rights Act of 1964, the Anti-Kickback Act, and Contract Work Hours Standard Act.

Each bidder must comply with the President's Executive Order No. 11246 as amended, which prohibits discrimination in employment regarding race, creed, color, sex or national origin.

Each bidder shall provide a Certification of Prior Work under Executive Order 11246 (Equal Employment Opportunity) as amended.

Each bidder and their subcontractors will comply with 41 CFR 60-4, in regard to Affirmative Action, to insure equal opportunity to females and minorities and will apply the time table and goal set forth in 41 CFR 60-4.

Each bidder will make positive efforts to use small, minority, woman owned and disadvantaged businesses.

This contract is being funded in part with the Kentucky Infrastructure Authority Federal Assisted Drinking Water Revolving Fund Loan.

June 7, 2012  
Date

BULLOCK PEN WATER DISTRICT  
CRITTENDEN, KENTUCKY

CMW, INC.  
400 E. VINE STREET  
SUITE 400  
LEXINGTON, KENTUCKY



**BID TABULATION**

EAST VINE STREET  
 BINGTON, KENTUCKY 40507

PROJECT: Contract #1 - 500,000 Gallon Elevated Water Storage Tank

PROJECT BUDG \$1,359,807

DATE: 11:00 AM EDT on Thursday June 21, 2012

GENERAL CONTRACTOR	BID BOND	ADDENDUM #1 6/6/2012	ADDENDUM #2 6/15/2012	TOTAL ALTERNATE	TOTAL BASE BID		NOTES
Edwell Tanks, Inc.	X	X	X	\$184,000.00 *\$ 65,000.00	\$ 1,451,800.00	\$ 1,516,800.00	*In alternate bid, contractor did not deduct original paint bid item.
Penix Fabricators & Erectors, Inc.	X	X	X	\$ 80,000.00	\$ 1,494,654.00	\$ 1,574,654.00	

CERTIFY THAT THE ABOVE IS A TRUE AND ACCURATE TABULATION OF THE BIDS RECEIVED FOR THIS PROJECT ON THE DATE LISTED ABOVE.

CMW, INC.  
 By: *Kent Adley*



# BID TABULATION

EAST VINE STREET  
INGTON, KENTUCKY 40507

PROJECT: Contract # 2 - Grant County Improvements Phase 12

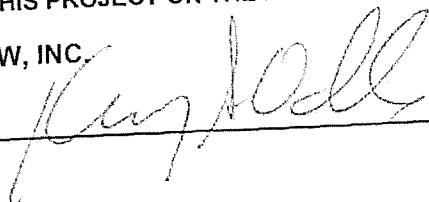
PROJECT BUDGET: \$160,842.00

DATE: 11:00 AM EDT on Thursday June 21, 2012

GENERAL CONTRACTOR	BID BOND	ADDENDUM 1 6/6/2012	ADDENDUM 2 6/15/2012	BASE BID	NOTES
ley Excavating, LLC	X	X	X	\$ 172,182.50	
Hughes Construction	X	X	X	\$ 247,718.00	
ary Construction Inc	X	X	X	\$ 195,511.00	
nnHurst LLC					
ammer and Sons					
le Contracting	X	X	X	\$ 192,795.00	
ocks Inc					
uthern Backhoe Inc	X	X	X	\$ 218,410.00	
ton Excavating LLC					
ited Excavating					

CERTIFY THAT THE ABOVE IS A TRUE AND ACCURATE TABULATION OF THE BIDS RECEIVED FOR THIS PROJECT ON THE DATE LISTED ABOVE.

CMW, INC.

By: 

TO: Mr. Bobby Burgess, Chairman  
Bullock Pen Water District

FROM: Kerry Odle,  
CMW, Inc.

DATE: June 26, 2012

RE: Grant County Improvements Phase 12  
Contracts 1 & 2

SUBJECT: Bid Opening Minutes

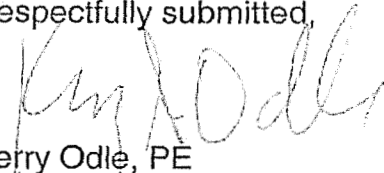
Bids were accepted for both contracts by the Bullock Pen Water District (BPWD) Until 11:00 p.m. on Thursday, June 21, 2012. Beginning at 11:00 p.m. Kerry Odle, Project Engineer announced that it was 11:00 p.m. and no further bids would be accepted. Mr. Odle thanked all contractors for their bid and introduced Billy Catlett, Manager of BPWD and Brian Simpson, Water Distribution Assistant of BPWD.

Mr. Odle opened all bids for Contract #1 and read all bids as shown on the attached Bid Tabulation. The apparent low bidder was announced as Caldwell Tanks, Inc. with a bid of \$1,451,800.00. Mr. Odle opened all bids for Contract #2 and read all bids as shown on the attached Bid Tabulation. The apparent low bidder was announced as Bailey Excavating, LLC with a bid of \$172,182.50.

Please find attached is a list of attendees at the Bid Opening.

With no further business, the bid opening was complete.

Respectfully submitted,



Kerry Odle, PE

Attachment

c: Amy Johnson w/a  
Billy Catlett, w/a  
Tom Nienaber w/a  
file w/a

**CMW** inc.

ARCHITECTURE ENGINEERING INTERIOR DESIGN LANDSCAPE ARCHITECTURE

400 East Vine Street Suite 400, Lexington, KY 40507 859 254 6623 Fax 859 259 1877



DATE: June 21, 2012 11:00 AM EDT

PROJECT: Contract #2 - Grant County Improvements Phase 12

PROJECT NO. 10053.01

Name	Company / Organization	Address	Phone & Fax	Email
Steve Lewis	Bailey Excavating		606-312-1633	
Mike Stull	Caldwell Tanks		502-964-3361	
FRANK MASSEY	PHOENIX FABRICATORS		317-271-7002	
Dean Smith	Hale Contracting	Skyway Dr. Williamsburg	859-824-6331	
Mike Milby	Southern Backhoe	808 W Main St Cannonsville, KY	270-789-9986	
Billy Casin	Bullock Pen Water		606-315-5581	
Justin Conk	CJ Hughes/Conkurst			
Brian Simpson	Bullock Pen Water			
Billy Catlett	BPWD			
Kerry Ogle	CMW Inc			

July 9, 2012

Mr. Bobby Burgess, Chairman  
Bullock Pen Water District  
P.O. Box 188  
Crittenden, KY 41030

RE: Grant County Improvement Phase 12  
Bullock Pen Water District

Dear Bobby,

I have reviewed all bids and found no errors in the bid. The low bidder for Contract #1 was Caldwell Tanks, Inc. with a bid of \$1,451,800.00. The low bidder for Contract #2 was Bailey Excavating, LLC with a bid of \$172,182.50.

Caldwell Tanks, Inc. has built numerous tanks for me including three for the Bullock Pen Water District. I have never had any problems with them on any of my tank projects with them.

I reviewed the experience of both first and second low bids due to the Bullock Pen Water District commissioners voting to award the contract to the second low bidder (Hale Contracting, Inc.) if allowed by the DWSRF funding source. The reason for awarding to second low bidder was that the contractor was from Grant County and their was only a \$20,612.50 (12%) difference between the two bids.

Bailey Excavating, LLC furnished a list of the five recent utility projects, for which I attempted to contact either the Engineer or Owner. All projects were performed for utility companies. Representatives of four of the projects responded with all responses giving a Bailey Excavating, LLC an excellent rating on his quality of work, and completion within time limits. None of the projects had any customer or owner complaints and all warranty work was done in a timely manner. All respondents stated that they would award another contract to Bailey Excavating, LLC.

Hale Contracting, Inc. furnished a list of nine recent utility projects in which three were contacted. Six of the projects had Logan Murphy as the Engineer and since at BPWD meeting Commissioner Murphy stated that they did excellent work on all his projects, I did not contact the Owners. Of the projects submitted all were for private developments except for a project for the City of Williamstown and one for Northern Kentucky University. Both of these Owners said that Hale Contracting Inc. had done several projects for each of them. All of the three contracted engineers or owners said that he did excellent work and within the time limits. None of the projects had any customer or owner complaints and all warranty work was done in a timely manner. All respondents stated that they would award another contract to him.



ARCHITECTURE ENGINEERING INTERIOR DESIGN LANDSCAPE ARCHITECTURE

400 East Vine Street, Suite 400, Lexington, KY 40507 859.254.6623 Fax 859.259.1877  
www.cmwinc.com

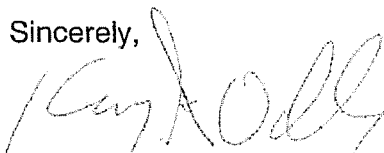
In correspondence with Sandy Williams of KIA, she stated that the law requires to award to the lowest responsive responsible bidder which is as stated in the bidding documents. Based on my review of the experience of both contractors, both of them should have no problem in completing this project, and based on their history both of them should do a high quality job with minimum, if any customer complaints. Based on our bid documents and KIA's comments, I see no way we can award this contract to anyone but Bailey Excavating, Inc. since they were the low bidder, met all requirements of bid documents and have the experience to perform the work. I will send an advance copy of this letter to Tom Nienaber for his legal review.

Attached is a copy of the As-Bid Budget for this project. Due to the cost of the tank, the addition of the generator and control valves, the project was over budget. With the DWSRF loan you are allowed 10% additional funds without KIA Board approval. The attached revised budget is balanced by using the DWSRF loan with the 10% allowance, increasing BPWD contribution by \$20,000.00 for generator and receiving a \$30,000.00 contribution for the generator from GCSSD. This will leave only a \$17,987.00 in contingency, which is only 1.1% of the construction cost. Based on my history with water storage tank projects, the Change Orders are very limited with most of the projects having no cost overruns.

I checked with Caldwell Tank's Inc. on the cost savings. If we decided to go to a 400,000 gallon elevated storage tank, their estimate of preliminary savings would be approximately \$50,000.00 to \$70,000.00. The only savings would be in the material and labor for steel tank, in the foundation and in the painting. If requested, they could get exact cost savings but at this time, I did not request it. For a 400,000 gallon tank, the head range would remain the same, but the bowl diameter would decrease from 56 feet to 50 feet. The piping, grading, pump station, etc. would remain the same. This amount of savings will not get us within the original budget. Due to the need to submit to the Public Service Commission and receiving an order before bids expire (90 days) the project will be prepared prior to July's regular meeting. If at the regular meeting this recommendation is changed, the PSC Application could be revised or withdrawn.

I recommend that Contract #1 be awarded to Caldwell Tanks, Inc. at the bid price of \$1,451,800.00. I further recommend that Contract #2 be awarded to Bailey Excavating, Inc. at the bid price of \$172,182.50 and that the funding for the project be shown on the attachment with the total budget amount as \$1,876,300.

If you have any questions, please feel free to contact me at (859) 254-6623.

Sincerely,  
  
Kerry S. Odle, PE

c: Billy Catlett w/a  
Amy Johnson w/a  
Tom Nienaber w/a  
File w/a

**500,000 GALLON ELEVATED WATER STORAGE TANK, PHASE 12 10053.01  
BULLOCK PEN WATER DISTRICT**

**BID**

**CONTRACT #1  
500,000 GALLON ELEVATED WATER STORAGE TANK  
GRANT COUNTY  
BULLOCK PEN WATER DISTRICT**

Proposal of Caldwell Tanks, Inc. (hereinafter called "BIDDER"), a corporation organized and existing under the laws of the State of Kentucky doing business as a Corporation \*.

To the Bullock Pen Water District (hereinafter called "OWNER").

In compliance with your Advertisement for Bids, BIDDER hereby proposes to perform all WORK for the construction of Contract #1 – 500,000 Gallon Elevated Water Storage Tank, in strict accordance with the CONTRACT DOCUMENTS, within the time set forth therein, and at the prices stated below.

By submission of this BID, the BIDDER certifies, and in the case of a joint BID each party thereto certifies as to its own organization, that this BID has been arrived at independently, without consultation, communication, or agreement as to any matter relating to this BID with any other BIDDER or with any competitor.

Bidder hereby agrees to commence work under this contract on or before a date to be specified in the NOTICE TO PROCEED and to fully complete the base bid within 330 consecutive calendar days. BIDDER further agrees to pay as liquidated damages, the sum of \$500 for each consecutive calendar day thereafter as hereinafter provided in Section 15 of the General Conditions.

\* Insert "a corporation", "a partnership", or "an individual" as applicable.

**500,000 GALLON ELEVATED WATER STORAGE TANK, PHASE 12 10053.01  
BULLOCK PEN WATER DISTRICT**

BIDDER acknowledges receipt of the following ADDENDUM:

No. 1 Dated 5/6/12 No. \_\_\_\_\_ Dated \_\_\_\_\_  
 No. 2 Dated 6/15/12 No. \_\_\_\_\_ Dated \_\_\_\_\_

BIDDER agrees to perform all the work described in the CONTRACT DOCUMENTS for the following unit prices:

- NOTE: (1) BIDS shall include sales tax and all other applicable taxes and fees.  
 (2) Breakdown of work is for general information. Any work shown on Drawings and/or specified but not listed below shall be included in total base bid. Cost of items of work not specifically described below may be added to related bid item(s) at bidder's discretion.

**BID SCHEDULE**

Part I. Base Bid

ITEM NO.	DESCRIPTION	ESTIMATED QUANTITY	UNIT	UNIT PRICE	TOTAL AMOUNT
1.	Site Grading Including Entrance	1	LS	\$ 75,000	\$ 75,000
2.	Silt Fencing	1	<del>LF</del> LS	\$ 1,000	\$ 1,000
3.	Rock Check Dam	2	EA	\$ 350	\$ 700
4.	18" Reinforced Concrete Pipe	64	LF	\$ 75	\$ 4,800
5.	#57 Crushed Stone	80	TON	\$ 35	\$ 2,800
6.	#2 Crushed Stone	170	TON	\$ 30	\$ 5,100
7.	Piping, Valves, Control Valve, Check Valves, Fire Hydrants, Connection, and Related Appurtenances	1	LS	\$ 125,000	\$ 125,000
8.	500,000 Gallon Elevated Water Storage Tank	1	LS	\$ 883,000	\$ 883,000
9.	Preparation and Painting of Water Storage Tank	1	LS	\$ 119,000	\$ 119,000
10.	Above Ground Prefabricated Pump Station and Building with all Piping Valves, Piping, Electrical Service and Misc. Items as Shown on Drawing	1	EA	\$ 165,000	\$ 165,000

500,000 GALLON ELEVATED WATER STORAGE TANK, PHASE 12 10053.01  
 BULLOCK PEN WATER DISTRICT

11.	Class III Channel Lining	40	TONS	\$ 35	\$ 1,400
12.	Fencing	1	LS	\$ 15,000	\$ 15,000
13.	Seeding Including Erosion Control Blanket	1	LS	\$ 9,000	\$ 9,000
14.	175 KW Generator	1	EA	\$ 45,000	\$ 45,000

TOTAL PART I: BASE BID

\$ 1,451,800.<sup>00</sup>  
 (USE FIGURES)

One Million Four Hundred Fifty One Thousand Eight Hundred Dollars  
 (USE WORDS) and No Cents

Part II: Alternate Bid

ITEM NO.	DESCRIPTION	ESTIMATED QUANTITY	UNIT	UNIT PRICE	TOTAL AMOUNT
1.	Painting Alternate	1	LS	\$ 184,000	\$ 184,000

TOTAL PART II: ALTERNATE BID

\$ 184,000.<sup>00</sup>  
 (USE FIGURES)

One Hundred Eighty Four Thousand Dollars and No Cents  
 (USE WORDS)

TOTAL AMOUNTS SHALL BE SHOWN IN BOTH WORDS AND FIGURES. IN CASE OF DISCREPANCIES, THE AMOUNT AS WRITTEN IN WORDS SHALL GOVERN.

The above price shall include all labor, materials, bailing, shoring, removal, overhead, profit, insurance, etc., to cover the finished work of the several kinds called for. Changes shall be processed in accordance with the General Conditions.

Determination of low bidder will be based on the lowest and best Total Bid. Award will be made to the lowest responsive, responsible Bidder.

The Bidder agrees that the Owner reserves the right to delete the whole or any part of the project from the Contract.

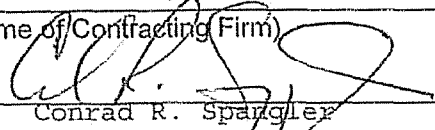
The Bidder understands that the Owner reserves the right to reject any or all bids and to waive any informalities in the bidding.

The Bidder agrees that this bid shall be good and may not be withdrawn for a period of ninety (90) calendar days after the scheduled closing time for receiving bids.

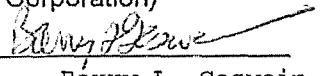
**500,000 GALLON ELEVATED WATER STORAGE TANK, PHASE 12 10053.01  
BULLOCK PEN WATER DISTRICT**

Upon receipt of written notice of the acceptance of this bid, Bidder will execute the formal contract attached within ten (10) days and deliver a surety bond or bonds as required by Article 22 of the General Conditions.

Respectfully submitted:

Caldwell Tank, Inc.  
(Name of Contracting Firm)  
BY:   
Conrad R. Spangler  
TITLE: Regional Sales Manager  
ADDRESS: 4000 Tower Road  
Louisville, KY 40219  
DATE: June 21, 2012  
N/A  
License No. (if applicable)

Seal (If Bid by Corporation)

Attest:   
Barry L. Geswein, Secretary

END BID FORM

BID (Revised)

CONTRACT #2  
GRANT COUNTY IMPROVEMENTS, PHASE 12  
GRANT COUNTY  
BULLOCK PEN WATER DISTRICT

Proposal of Bailey Excavating LLC (hereinafter called "BIDDER"), a corporation organized and existing under the laws of the State of Kentucky doing business as Bailey Excavating LLC \* Individual  
To the Bullock Pen Water District (hereinafter called "OWNER").

In compliance with your Advertisement for Bids, BIDDER hereby proposes to perform all WORK for the construction of Contract #2 – Grant County Improvements – Phase 12, Grant County, in strict accordance with the CONTRACT DOCUMENTS, within the time set forth therein, and at the prices stated below.

By submission of this BID, the BIDDER certifies, and in the case of a joint BID each party thereto certifies as to its own organization, that this BID has been arrived at independently, without consultation, communication, or agreement as to any matter relating to this BID with any other BIDDER or with any competitor.

Bidder hereby agrees to commence work under this contract on or before a date to be specified in the NOTICE TO PROCEED and to fully complete the base bid within 60 consecutive calendar days. BIDDER further agrees to pay as liquidated damages, the sum of \$500 for each consecutive calendar day thereafter as hereinafter provided in Section 15 of the General Conditions.

\* Insert "a corporation", "a partnership", or "an individual" as applicable.



**GRANT COUNTY IMPROVEMENTS, PHASE 12  
BULLOCK PEN WATER DISTRICT**

10053.01

BIDDER acknowledges receipt of the following ADDENDUM:

No. 1 Dated 5-6-12 No. 2 Dated 6-15-12  
 No. \_\_\_\_\_ Dated \_\_\_\_\_ No. \_\_\_\_\_ Dated \_\_\_\_\_

BIDDER agrees to perform all the work described in the CONTRACT DOCUMENTS for the following unit prices:

- NOTE: (1) BIDS shall include sales tax and all other applicable taxes and fees.
- (2) Breakdown of work is for general information. Any work shown on Drawings and/or specified but not listed below shall be included in total base bid. Cost of items of work not specifically described below may be added to related bid item(s) at bidder's discretion.

**BID SCHEDULE**

Part I. Base Bid

ITEM NO.	DESCRIPTION	ESTIMATED QUANTITY	UNIT	UNIT PRICE	TOTAL AMOUNT
1.	8" PVC Water Main, Class 250	6,020	LF	\$ 12.50	\$ 75,250
2.	8" HDPE Pipe, DR 11	160	LF	\$ 24.25	\$ 3,880.00
3.	Connection to Existing 6" Water Main (Dry Tap)	4	EA	\$ 1,585.00	\$ 6,340.00
4.	Connection to Existing 4" Water Main (Dry Taps)	1	EA	\$ 1,200.00	\$ 1,200.00
5.	8" Gate Valve, Complete with Box and Cover	9	EA	\$ 1,050.00	\$ 9,450.00
6.	6" MJ Gate Valve, Complete with Box and Cover	2	EA	\$ 645.00	\$ 1,290.00
7.	8" Gate Valve Complete with By Pass Meter	2	EA	\$ 1,750.00	\$ 3,500.00
8.	Fire Hydrant, Complete with Gate Valve	4	EA	\$ 3,585.00	\$ 14,340.00
9.	Air Relief Valve	5	EA	\$ 1,500.00	\$ 7,500.00
10.	Reconnect Existing Fire Hydrant	1	EA	\$ 875.00	\$ 875.00
11.	Jack and Bore with Steel Encasement" Pipe	70	LF	\$ 185.00	\$ 12,950.00

**GRANT COUNTY IMPROVEMENTS, PHASE 12  
BULLOCK PEN WATER DISTRICT**

10053.01

12.	Open Cut with Steel Encasement Pipe	20	LF	\$ 145. <sup>00</sup>	\$ 2,900. <sup>00</sup>
13.	Directional bore with 14" HDPE Pipe	1	EA	\$ 25,000. <sup>00</sup>	\$ 25,000. <sup>00</sup>
14.	Concrete Encasement	5	CY	\$ 125. <sup>00</sup>	\$ 625. <sup>00</sup>
15.	Extra Crushed Stone Bedding	50	TONS	\$ 18. <sup>95</sup>	\$ 947. <sup>50</sup>
16.	Replacement and Reconnect of 3/4" x 5/8" meter	8	EA	\$ 585. <sup>00</sup>	\$ 4,680. <sup>00</sup>
17.	3/4" PE Service Line	10	LF	\$ 6. <sup>50</sup>	\$ 65. <sup>00</sup>
18.	1" PE Service Line	80	LF	\$ 8. <sup>00</sup>	\$ 640. <sup>00</sup>
19.	1" PE Service Line Jacked Under Roadway	60	LF	\$ 12. <sup>50</sup>	\$ 750. <sup>00</sup>

**TOTAL PART I: BASE BID**

\$ 172,182.<sup>50</sup>  
(USE FIGURES)

One Hundred Seventy Two Thousand One Hundred Eighty Two.<sup>50</sup>  
(USE WORDS)

TOTAL AMOUNTS SHALL BE SHOWN IN BOTH WORDS AND FIGURES. IN CASE OF DISCREPANCIES, THE AMOUNT AS WRITTEN IN WORDS SHALL GOVERN.

The above price shall include all labor, materials, bailing, shoring, removal, overhead, profit, insurance, etc., to cover the finished work of the several kinds called for. Changes shall be processed in accordance with the General Conditions.

Determination of low bidder will be based on the lowest and best Total Bid. Award will be made to the lowest responsive, responsible Bidder.

The Bidder agrees that the Owner reserves the right to delete the whole or any part of the project from the Contract.

The Bidder understands that the Owner reserves the right to reject any or all bids and to waive any informalities in the bidding.

The Bidder agrees that this bid shall be good and may not be withdrawn for a period of ninety (90) calendar days after the scheduled closing time for receiving bids.

**GRANT COUNTY IMPROVEMENTS, PHASE 12  
BULLOCK PEN WATER DISTRICT**

**10053.01**

Upon receipt of written notice of the acceptance of this bid, Bidder will execute the formal contract attached within ten (10) days and deliver a surety bond or bonds as required by Article 22 of the General Conditions.

Respectfully submitted:

Bailey Excavating LLC  
(Name of Contracting Firm)

BY: Brad Bailey

TITLE: Owner/Member

ADDRESS: 595 Ann Gabbard Rd  
London, KY 40741

DATE: 6-20-12

N/A  
License No. (if applicable)

Seal (If Bid by Corporation)

Attest: \_\_\_\_\_

END BID FORM

**Grant County Water District Improvements  
Bullock Pen Water District  
As-Bid Project Cost  
July 6, 2012**

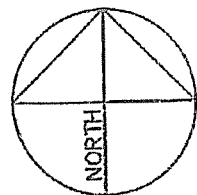
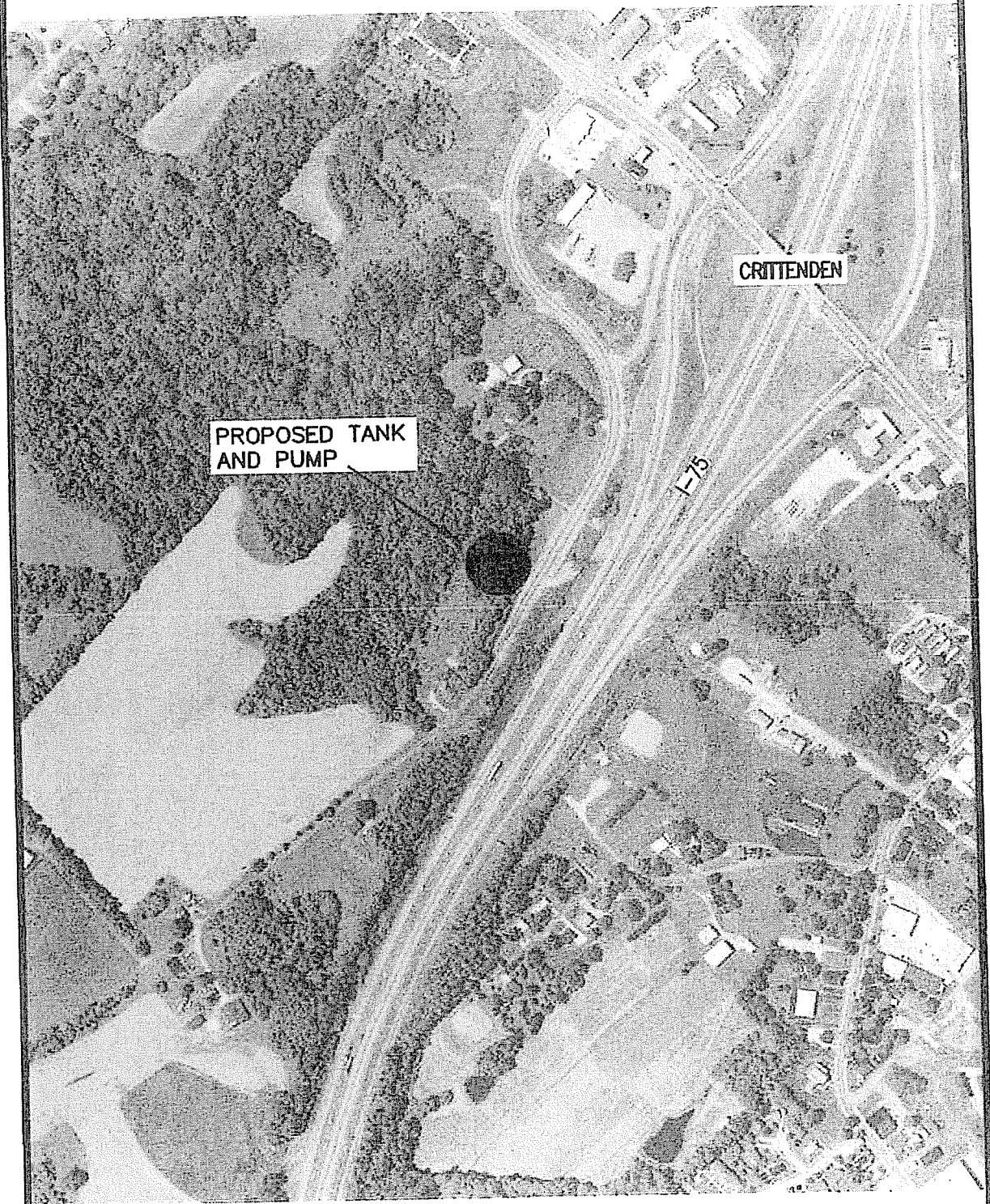
1. Construction	\$1,623,982
2. Environmental	\$ 8,000
3. Archeological Study	\$ 3,477
4. Biological Study	\$ 3,300
5. Preliminary Engineering Report	\$ 5,000
6. Engineering Design	\$ 111,750
7. Resident Inspection	\$ 69,827
8. Geotechnical	\$ 4,977
9. Telemetry	\$ 18,000
10. Legal	\$ 10,000
11. Contingencies	\$ 17,987
<b>Total Project Cost:</b>	<b>\$1,876,300</b>

Project Funding

DWSRF (plus 10%)	\$1,796,300
BPWD	\$ 50,000
GCSSD	\$ 30,000
<b>Total Project Funding</b>	<b>\$1,876,300</b>

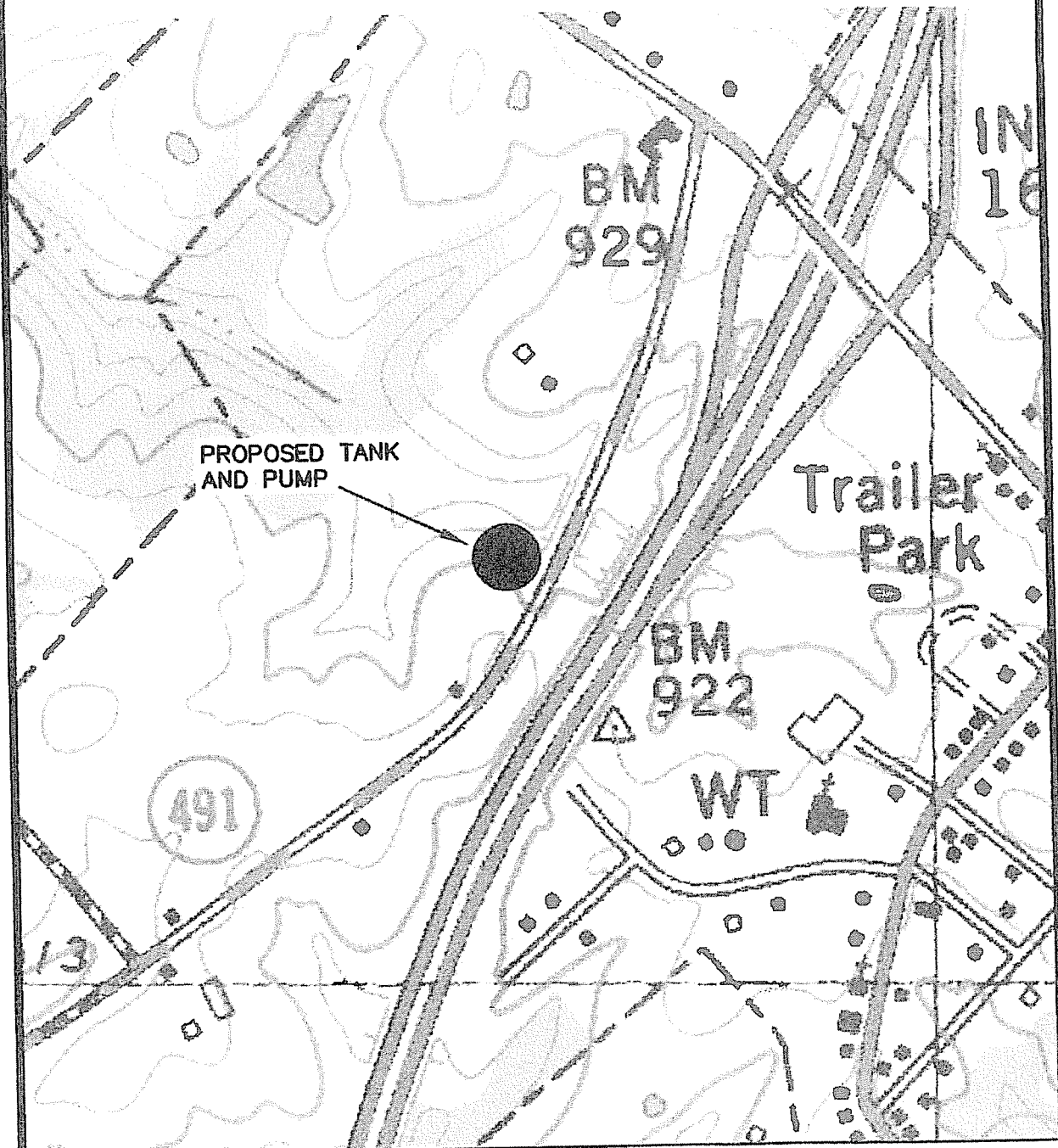
# SITE LOCATION MAP

SCALE 1" = 500'

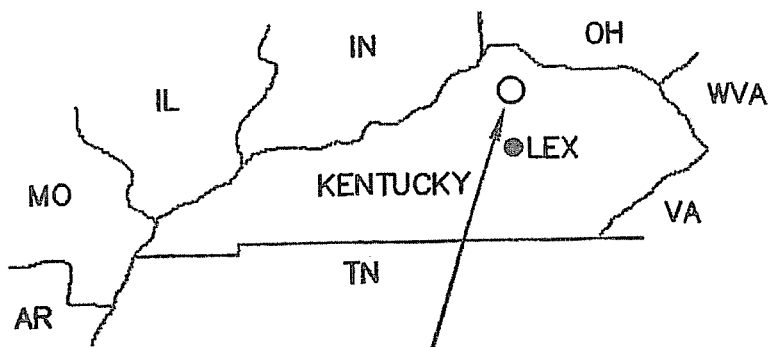


# USGS TOPOGRAPHIC MAP

SCALE 1" = 500'

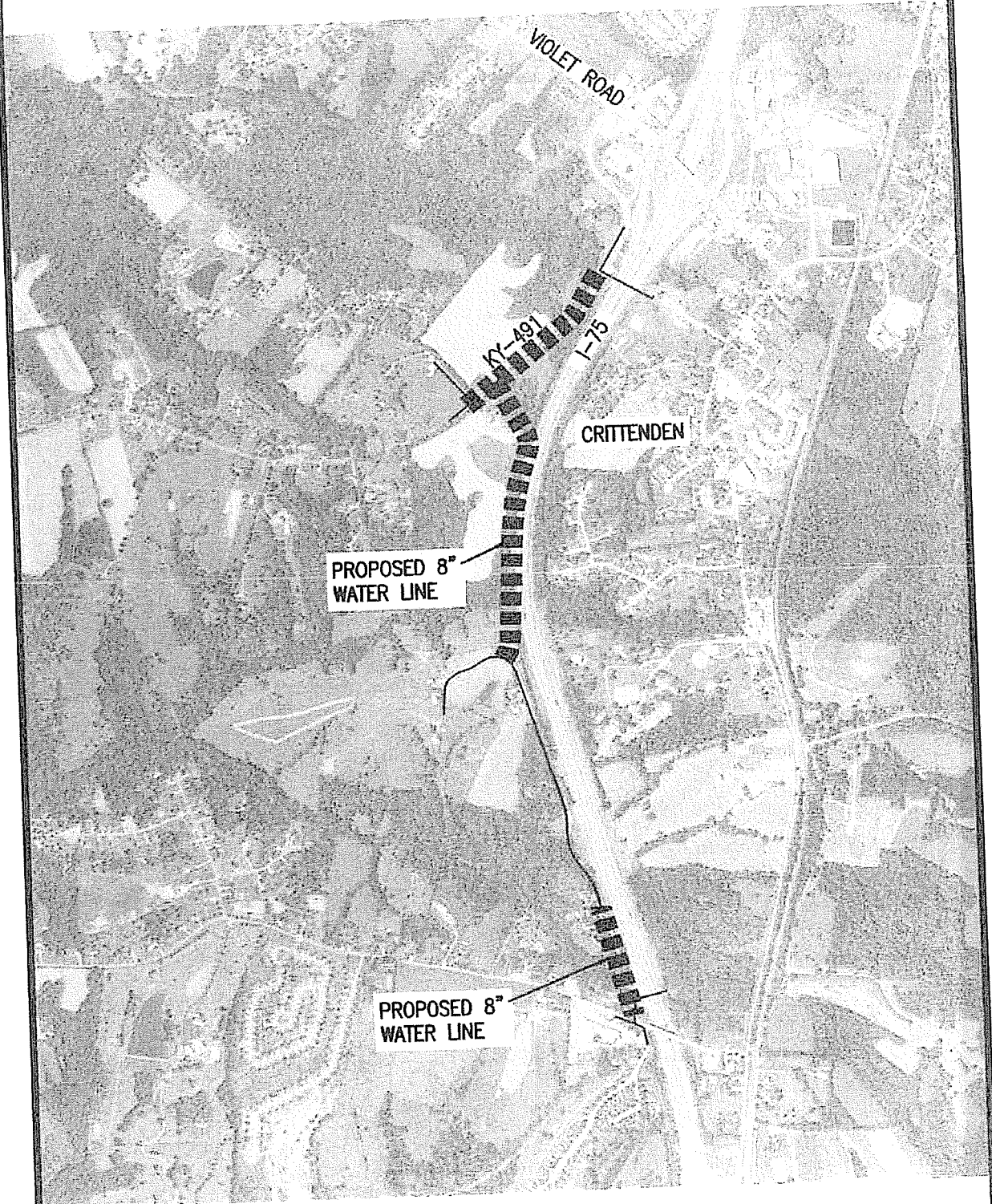


## AREA LOCATION MAP



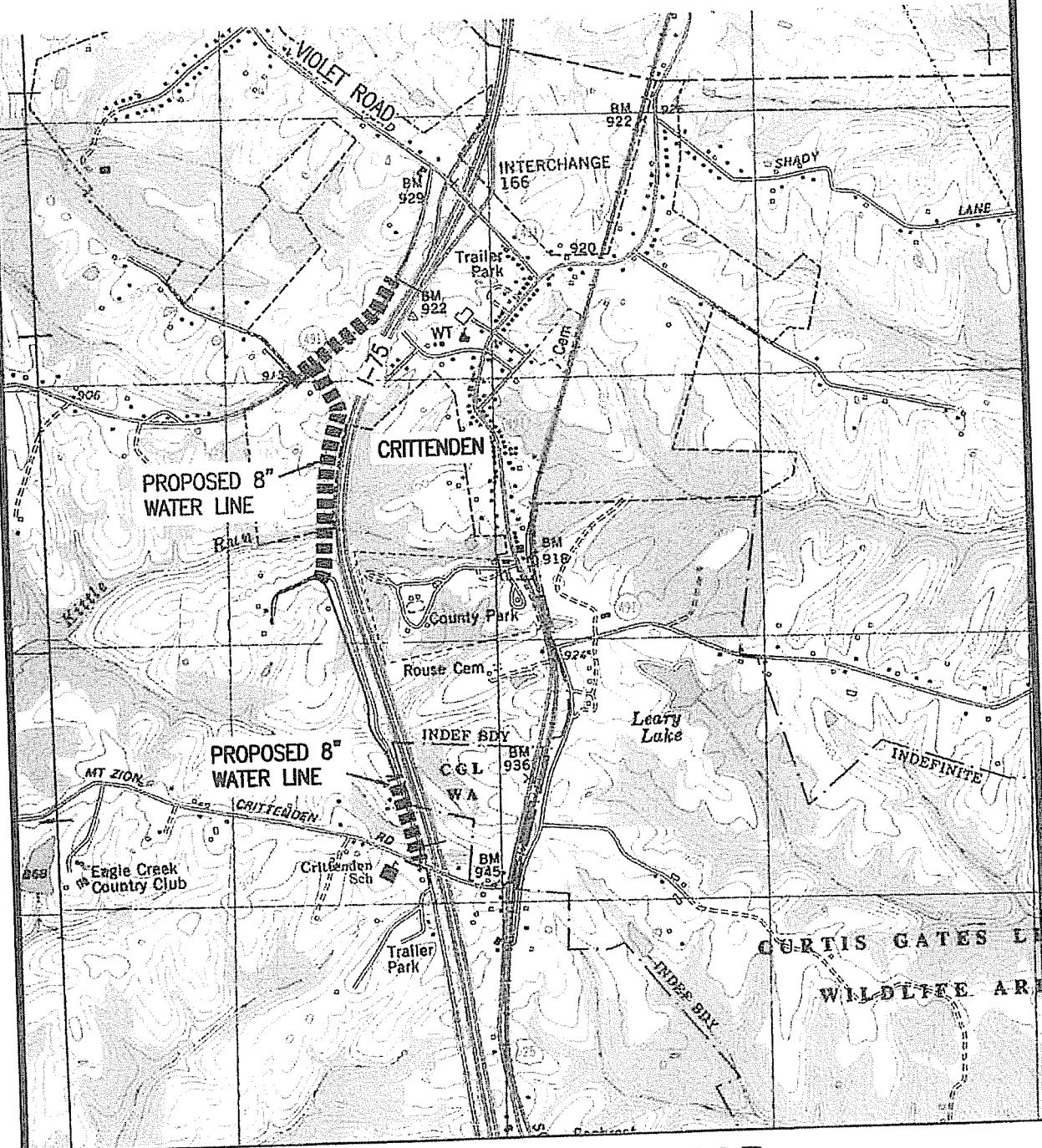
# SITE LOCATION MAP

SCALE 1" = 1,500'

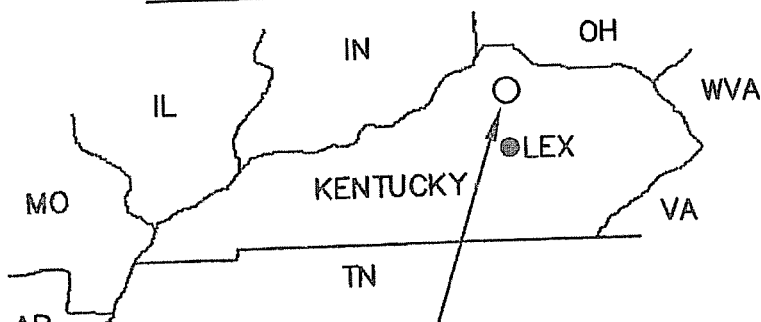


# USGS TOPOGRAPHIC MAP

SCALE 1" = 2,000'



## AREA LOCATION MAP





**Project O & M Cost**

**Grant County Improvements Phase 12**

Salary and Wages:	\$12,956
Employee Pension & Benefits:	\$8,335
Transportation Expense:	\$937
Insurance:	\$837
Power Savings (See Green Project Reserve)	(-\$2,601)
<b>Total O &amp; M Project Cost:</b>	<b>\$20,464</b>

**Bullock Pen Water District  
Grant County Improvement Project  
DWL1133**

**Green Project Reserve (GPR) – Energy Efficiency Business Case**

Summary

- This project involves the construction of a new 500,000 gallon elevated storage tank, a new pump station, and 0.92 miles of new 8 inch water line replacing 3 & 4 inch water lines to serve the west side of I-75 through Crittenden & Grant County. The new tank, pump station, and water lines are to meet the Kentucky Division of Water requirements.
- New pump station is to include high efficiency pumps and motors with variable frequency drive controls.
- DWSRF Loan amount is \$1,663,000.
- New pump station cost is estimated at \$120,000.
- Estimated energy efficiency (green) portion of loan is 7.2%.

Calculated Energy Efficiency of New Pumps

- New pumps will have a rated efficiency of 83% minimum.
- New energy efficient motors will have a rated efficiency of 92% minimum. With the variable frequency drive controls, we expect the load factor to be approximately 96%. Therefore, the total efficiency of the new motors are  $(92\%)(96\%) = 88\%$ .
- Total efficiency (wire-to-water) of proposed new pumps & motors =  $(83\%)(88\%) = 73\%$  (pump efficiency times total motor efficiency).

Calculated Energy Efficiency of Existing Pumps

- Existing pumps currently serving the project area have a rated efficiency of 73%.
- Existing motors currently serving the project area have an efficiency of approximately 90%. The existing 50 hp pump motors run most efficient at approximately 43 hp, so the load factor of the existing motors are approximately  $(43/50)(100) = 86\%$ . Therefore, the total efficiency of the existing motors are approximately  $(86\%)(90\%) = 78\%$ .
- Total efficiency (wire-to-water) of the existing pumps & motors =  $(73\%)(78\%) = 57\%$  (pump efficiency times total motor efficiency).

Results

- To compare the efficiency of the proposed new pumps & motors with the existing pumps & motors, divide the total efficiency of the proposed new pumps & motors by the total efficiency of the existing pumps & motors:  $73\% / 57\% = 1.28$ .
- Thus, the increased total efficiency of the proposed new pumps & motors is 28%.

## Conclusion

- Efficiency of the water system is to improve due to shorter pipe runs to serve the project area.
- Service area of the existing pumps is to be greatly reduced and thus the existing inefficient pumps will be used less.
- Proposed new energy efficient motors are to have variable frequency drive controls which will reduce energy consumption.
- Total efficiency of the proposed new pumps and motors is 28% more efficient than the existing pumps and motors currently serving the project area. This level of efficiency is greater than the recommended 20% minimum efficiency increase for pumps & motors
- Proposed energy efficient pump motors are 30 hp, while the existing pump motors currently serving the project area are 50 hp. The reduction in horsepower will reduce energy consumption.
- Existing pump motors currently serving the project area have a power consumption of  $[(50 \text{ HP})(0.746 \text{ KWhr / HP})] / (78\% \text{ efficiency}) = 47.82 \text{ KWhr}$ .
- Proposed energy efficient motors will have a power consumption of  $[(30 \text{ HP})(0.746 \text{ KWhr / HP})] / (88\% \text{ efficiency}) = 25.43 \text{ KWhr}$ .
- At \$0.0505 per KWhr and 2,300 hours of usage per year, energy reduction with the proposed new pumps and motors versus the existing pumps and motors will save  $(47.82 \text{ KWhr} - 25.43 \text{ KWhr})(2,300 \text{ hr})(\$0.0505) = \$2,600.60$  annually.



**BULLOCK PEN WATER DISTRICT**  
**FINANCIAL STATEMENTS**

**For the Years Ended December 31, 2011 and 2010**

**BULLOCK PEN WATER DISTRICT**  
**FINANCIAL STATEMENTS**  
**December 31, 2011 and 2010**

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**BULLOCK PEN WATER DISTRICT**  
**FINANCIAL STATEMENTS**  
**December 31, 2011 and 2010**

**Board of Commissioners**

Bobby Burgess, Chairman

Charles Givin, Treasurer

Jimmie King, Secretary

Billy Frank Simpson, Commissioner

Andrea Walton, Commissioner

**Of Counsel**

Thomas R. Nienaber, Esq.

**Administration**

William L. Catlett, General Manager



Van Gorder, Walker & Co., Inc.  
Certified Public Accountants

Charles A. Van Gorder, CPA  
John P. Walker, CPA, MBA  
Lori A. Owen, CPA  
John R. Chamberlin, CPA, MBA  
Members of AICPA & KYCPA  
Licensed in Kentucky & Ohio

## Independent Auditor's Report

### **To the Board of Commissioners Bullock Pen Water District**

We have audited the accompanying balance sheets of the Bullock Pen Water District (District) as of December 31, 2011 and 2010 and the related statements of revenues, expenses, and changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform our audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Bullock Pen Water District as of December 31, 2011 and 2010, and the results of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated April 6, 2012 on our consideration of the Bullock Pen Water District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

The management's discussion and analysis on pages 3-7 and the supplementary schedules on page 26 are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

**Van Gorder, Walker & Company, Inc.**  
Erlanger, Kentucky  
April 6, 2012



<b>BULLOCK PEN WATER DISTRICT</b> <b>BALANCE SHEETS</b> <b>December 31, 2011 and 2010</b>
---

	<u>2011</u>	<u>2010</u>
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 819,164	\$ 457,719
Accounts receivable		
Customers, net of allowance	581,581	563,820
Other	31,037	18,528
Restitution receivable - Thurman	1,200	-
Inventories	130,471	175,138
Prepays	55,288	34,825
Unamortized expenses	23,140	23,694
Total Current Assets	<u>1,641,881</u>	<u>1,273,724</u>
Restricted Assets		
Debt service reserve fund - Kentucky Infrastructure Authority	18,053	19,689
Current reserve fund - USDA Rural Development	148,363	147,807
Debt payment account	345,629	272,888
Construction fund	-	15,391
Accounts receivable - surcharges	12,318	10,864
Customer deposits	165,011	153,996
Maintenance and replacement reserve	430,661	369,883
Total Restricted Assets	<u>1,120,035</u>	<u>990,518</u>
Noncurrent Assets		
Restitution receivable - Thurman	8,316	-
Miscellaneous deferred charges		
Unamortized issue costs	91,900	105,380
Unamortized tap-in expense	46,946	48,579
Deferred rate case expense	16,054	24,081
Total Noncurrent Assets	<u>163,216</u>	<u>178,040</u>
Capital Assets		
Land, building, transmission system, equipment, and vehicles	25,633,274	25,508,089
Construction in progress	44,433	31,795
Total utility plant in service	25,677,707	25,539,884
Less: accumulated depreciation	(6,935,663)	(6,404,648)
Total Capital Assets, net of depreciation	<u>18,742,044</u>	<u>19,135,236</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 21,667,176</u></u>	<u><u>\$ 21,577,518</u></u>

The accompanying notes are an integral part of these financial statements.

<b>BULLOCK PEN WATER DISTRICT</b> <b>BALANCE SHEETS</b> <b>December 31, 2011 and 2010</b>
---

	<u>2011</u>	<u>2010</u>
<b>LIABILITIES</b>		
Current Liabilities		
Accounts payable	\$ 135,176	\$ 156,717
Accrued liabilities	70,083	55,838
Total Current Liabilities	<u>205,259</u>	<u>212,555</u>
Current Liabilities Payable From Restricted Assets		
Revenue bonds - current portion	178,000	166,000
Notes payable - current portion	216,698	232,683
Lease obligations - current portion	171,206	173,781
Customer deposits	151,036	140,537
Accrued interest payable	54,962	57,904
Accounts payable - construction	5,000	100,515
Total Current Liabilities Payable From Restricted Assets	<u>776,902</u>	<u>871,420</u>
Long-Term Obligations		
Bonds	2,195,000	2,373,000
Notes payable	3,040,174	3,210,757
Capital lease obligations	848,808	1,024,585
Total Long-Term Obligations	<u>6,083,982</u>	<u>6,608,342</u>
<b>TOTAL LIABILITIES</b>	<u>7,066,143</u>	<u>7,692,317</u>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	12,288,892	12,073,844
Restricted	628,183	565,324
Unrestricted	<u>1,683,958</u>	<u>1,246,033</u>
<b>TOTAL NET ASSETS</b>	<u>14,601,033</u>	<u>13,885,201</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 21,667,176</u>	<u>\$ 21,577,518</u>

The accompanying notes are an integral part of these financial statements.

<b>BULLOCK PEN WATER DISTRICT</b> <b>STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS</b> <b>For the Years Ended December 31, 2011 and 2010</b>
--

	<u>2011</u>	<u>2010</u>
<b>OPERATING REVENUES</b>		
Water revenue	\$ 3,895,879	\$ 4,010,790
Management fees	<u>122,939</u>	<u>142,093</u>
<b>TOTAL OPERATING REVENUES</b>	<u>4,018,818</u>	<u>4,152,883</u>
<b>OPERATING EXPENSES</b>		
Water purchased	921,669	968,851
Operations, maintenance, and administrative expenses	1,697,225	1,727,357
Depreciation and amortization	<u>573,314</u>	<u>533,908</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>3,192,208</u>	<u>3,230,116</u>
<b>OPERATING INCOME</b>	<u>826,610</u>	<u>922,767</u>
<b>NON-OPERATING INCOME (EXPENSE)</b>		
Investment income	5,450	7,711
Loss on sale of assets	(105)	(1,436)
Interest on long-term obligations	(251,287)	(249,096)
Amortization of bond discounts and expenses	<u>(14,034)</u>	<u>(13,270)</u>
<b>NET NON-OPERATING INCOME (EXPENSE)</b>	<u>(259,976)</u>	<u>(256,091)</u>
<b>NET INCOME</b>	566,634	666,676
<b>CAPITAL CONTRIBUTIONS</b>	<u>149,198</u>	<u>169,876</u>
<b>CHANGE IN NET ASSETS</b>	715,832	836,552
<b>NET ASSETS, JANUARY 1</b>	<u>13,885,201</u>	<u>13,048,649</u>
<b>NET ASSETS, DECEMBER 31</b>	<u>\$ 14,601,033</u>	<u>\$ 13,885,201</u>

The accompanying notes are an integral part of these financial statements.

<b>BULLOCK PEN WATER DISTRICT</b> <b>STATEMENTS OF CASH FLOWS</b> <b>For the Years Ended December 31, 2011 and 2010</b>
---

	<u>2011</u>	<u>2010</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Received from customers	\$ 3,979,032	\$ 4,011,399
Paid to suppliers for goods and services	(1,588,354)	(1,639,389)
Paid to or on behalf of employees for services	(1,013,632)	(1,114,640)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>1,377,046</u>	<u>1,257,370</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition and construction of fixed assets	(267,933)	(1,152,081)
Interest on investments	5,450	7,711
Proceeds from sale of fixed assets	1,851	-
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<u>(260,632)</u>	<u>(1,144,370)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Contributed capital received	149,198	130,312
Increase in customer deposits	10,499	14,771
Interest paid on long term debt	(254,229)	(295,459)
Loan proceeds	45,384	1,993,866
Principal paid on long term debt	(576,304)	(1,554,126)
Payment of rate case expenses	-	(4,000)
(Increase)/decrease in restricted assets	(129,517)	(21,362)
<b>NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>(754,969)</u>	<u>264,002</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	361,445	377,002
<b>CASH AND CASH EQUIVALENTS-BEGINNING OF YEAR</b>	<u>457,719</u>	<u>80,717</u>
<b>CASH AND CASH EQUIVALENTS-END OF YEAR</b>	<u>\$ 819,164</u>	<u>\$ 457,719</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating income/(loss)	\$ 826,610	\$ 922,767
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	573,314	533,908
Change in operating assets and liabilities		
Decrease (increase) in receivables	(39,786)	(141,484)
Decrease (increase) in inventories	44,667	(25,947)
Decrease (increase) in prepaid assets	(20,463)	4,079
Increase (decrease) in accounts payable	(21,541)	13,200
Increase (decrease) in other accrued liabilities	14,245	(49,153)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>\$ 1,377,046</u>	<u>\$ 1,257,370</u>
<b>SUPPLEMENTAL INFORMATION</b>		
Interest paid	<u>\$ 254,229</u>	<u>\$ 295,459</u>
Non-cash contribution to fixed assets	<u>\$ -</u>	<u>\$ 42,067</u>

The accompanying notes are an integral part of these financial statements.

<b>BULLOCK PEN WATER DISTRICT</b> <b>NOTES TO THE FINANCIAL STATEMENTS</b> <b>December 31, 2011 and 2010</b>
--

**NOTE 1 – GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES**

The Bullock Pen Water District (District) is a water utility, which provides service to residential and commercial customers in Grant, Boone, Kenton, Pendleton and Gallatin Counties in Kentucky. The District was created by the Grant County Fiscal Court under the provisions of chapter 74 of the Kentucky Revised Statutes (KRS) in 1957.

Regulatory Requirements

The District is subject to the regulatory authority of the Kentucky Public Service Commission (PSC) pursuant to KRS 278.040.

Basis of Accounting

The District's financial statements are presented on the full accrual basis in accordance with accounting principles generally accepted in the United States of America. The District applies all Governmental Accounting Standards Board (GASB) pronouncements as well as Financial Accounting Standards Board (FASB) statements and interpretations, and the Accounting Principles Board (APB) Opinions of the Committee on Accounting Procedure issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

The District has adopted GASB Statements 33 through 49, along with related interpretations, issued through December 31, 2011. Statement No. 33 required capital contributions to be recorded in the statement of revenues, expenses and changes in net assets. Statement 34 and subsequent statements and interpretations required certain other changes in terminology, format and content, as well as inclusion of the management's discussion and analysis as required supplementary information.

All activities of the District are accounted for within a single proprietary (enterprise) reporting entity. Proprietary entities are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expense, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The accounting and financial reporting treatment applied to the District is determined by its measurement focus. The transactions of the District are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the balance sheets. Net assets (i.e., total assets net of total liabilities) are segregated into "invested in capital assets, net of related liabilities"; "restricted"; and "unrestricted" components.

Cash Equivalents

For purposes of the balance sheets and the statements of cash flows, the District considers all unrestricted highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

<p><b>BULLOCK PEN WATER DISTRICT</b>  <b>NOTES TO THE FINANCIAL STATEMENTS</b>  <b>December 31, 2011 and 2010</b></p>
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Inventories

Inventories are stated at the lower of cost or market. Cost is determined under the First-In, First-Out (FIFO) method. Market is determined on the basis of estimated realizable market values.

Distribution System, Building, and Equipment

Property, plant, transmission lines, and equipment are recorded at cost and depreciated over their estimated useful lives using the straight line method. Upon sale or retirement, the cost and related accumulated depreciation are removed from the respective accounts and the resulting gain or loss is included in the "Non-Operating Income (Expense)" portion of results of operations.

Construction in Progress

Capitalizable costs incurred on projects which are not in use or ready for use at year end are held as "Construction in Progress". When the asset under construction is ready for use, related costs are transferred to the asset account. The Construction in Progress account was \$44,433 and \$31,795 at December 31, 2011 and 2010, respectively.

Miscellaneous Deferred Charges

The costs of issuance of the District's Revenue Bonds are deferred and recorded as unamortized issue costs and are being amortized over the life of the bond issues. The District amortizes expenses related to tapping into the Northern Kentucky Water District. The District also amortizes costs associated with the preparation, filing, and completion of its rate case proceedings.

Capital Contributions

In conformity with the provisions of Governmental Accounting Standards Board Statement No. 33 – *Accounting and Financial Reporting for Non-Exchange Transactions*, amounts related to customer contributions in aid of construction have been reported as other income in the District's income statement. These contributions represent customer tap-in fees and other contributions to recover the costs of extensions of the distribution system. The District also includes estimated cost figures for those lines contributed by outside contractors. During 2011 and 2010 these contributions consisted of the following:

<u>Source</u>	<u>2011</u>	<u>2010</u>
Tap in fees and construction costs paid by new customers	\$ 60,171	\$ 48,000
Surcharges - Phases 5, 6, 7, 8, and 10	89,026	82,312
Total income received in aid of construction	149,197	130,312
Waterlines and related infrastructure received without cost	-	39,564
Total capital contributions	<u>\$ 149,197</u>	<u>\$ 169,876</u>

Income Tax Status

The District is exempt from federal and state income taxes since it is a governmental entity. Accordingly, the financial statements include no provision for income taxes.

Use of Estimates

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets,

<b>BULLOCK PEN WATER DISTRICT</b> <b>NOTES TO THE FINANCIAL STATEMENTS</b> <b>December 31, 2011 and 2010</b>
--

liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Operating Revenues and Non-operating Revenues

Revenues have been classified as operating and non-operating. Operating revenues are those revenues that are directly generated from the sale of water to customers. Non-operating revenues are those revenues that arise from the overall function of the entity. Examples of non-operating revenues are grant revenues, sales of fixed assets and interest income.

**NOTE 2 – DEPOSITS AND INVESTMENTS**

Deposits consist of checking accounts and certificates of deposit. They are carried at cost, which approximates market value. The carrying amount of deposits is separately displayed on the balance sheets as “Cash and Cash Equivalents” and “Restricted Assets”. At December 31, 2011 and 2010, the bank balances were \$1,926,881 and \$1,437,373, respectively, which were the same as the carrying amount.

Funds in excess of current expenses or obligations of the District are invested in certificates of deposit issued by, or other interest bearing accounts of, banks that are insured by the Federal Deposit Insurance Corporation.

The District has amounts on deposit with two banks in excess of FDIC insured amounts. The banks have pledged collateral agreements to cover such excess amounts. At December 31, 2011, all amounts held on deposit by the District were sufficiently collateralized.

Effective January 1, 1998, investments are reported at fair value which is determined using the selected basis. Short term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair market value. The District’s investments are categorized to give an indication of the level of risk assumed by the District at December 31, 2011. The categories are described as follows:

Category 1 – Insured and registered, with securities held by the entity or its agent in the entity’s name;

Category 2 – Uninsured and unregistered, with securities held by the counterparty’s trust department or agent in the entity’s name;

Category 3 – Uninsured and unregistered, with securities held by the counterparty, or its trust department or agent but not in the entity’s name.

<p><b>BULLOCK PEN WATER DISTRICT</b>  <b>NOTES TO THE FINANCIAL STATEMENTS</b>  <b>December 31, 2011 and 2010</b></p>
---

At December, 31, 2011	Category 1	Category 2	Category 3	Fair Value/ Carrying Cost	Cost
Operation and maintenance	\$ 819,164	\$ -	\$ -	\$ 819,164	\$ 819,164
Customer deposits	165,011	-	-	165,011	165,011
Debt payment accounts	157,337	-	206,345	363,682	363,682
Current and replacement reserve	579,024	-	-	579,024	579,024
Construction funds	-	-	-	-	-
<b>Total</b>	<b>\$ 1,720,536</b>	<b>\$ -</b>	<b>\$ 206,345</b>	<b>\$ 1,926,881</b>	<b>\$ 1,926,881</b>

In accordance with GASB 40, the District has \$188,292 in bond sinking funds and unused construction funds held in investments in federally backed US Treasury Obligations rated AAA/Aaa. The market risk on these investments is negligible. The District also has \$18,053 held in fiduciary trust by the Kentucky Infrastructure Authority.

**NOTE 3 – RESTRICTED NET ASSETS**

Net assets comprise the various net earnings from operating and non-operating revenues, expenses and contributions of capital. Net assets are classified in the following three components: invested in capital assets, net of related debt; restricted; and unrestricted net assets. Invested in capital assets, net of related debt consists of all capital assets net of accumulated depreciation and reduced by outstanding debts, that is attributable to the acquisition, construction and improvement of those assets. Restricted net assets consists of net assets for which constraints are placed thereon by external parties, such as lenders, grantors, contributors, laws, regulations and enabling legislation, including self-imposed legal mandates. Unrestricted net assets consist of all other net assets not included in the above categories. Included in restricted net assets at December 31,

	2011	2010
Accounts receivable	\$ 5,290	\$ 3,278
Construction accounts payable	-	(100,515)
Construction fund	-	15,391
Current reserve fund - USRDA	143,400	143,400
Debt payment account	205,845	197,674
Accrued interest payable	(37,316)	(57,904)
Portion of bonds payable	(114,000)	-
Maintenance and replacement	424,964	364,000
<b>Total Restricted Net Assets</b>	<b>\$ 628,183</b>	<b>\$ 565,324</b>

**NOTE 4 – UTILITY PLANT IN SERVICE**

All property, plant and equipment including infrastructure assets are recorded at cost and depreciated over their estimated useful lives, using the straight-line method. Upon sale or retirement, the cost and related accumulated depreciation are eliminated from the respective accounts and the resulting gain or loss included in the results of operations. Repair and maintenance charges, which do not increase the useful lives of the assets, are charged to income as incurred. Interest incurred on construction funding during the period of construction is capitalized and is added to the item under construction rather than charged to expense as incurred.



**BULLOCK PEN WATER DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2011 and 2010**

Asset Type	Balance at December 31, 2010	Additions	Retirements	Balance at December 31, 2011
Land	\$ 161,757	\$ -	\$ -	\$ 161,757
Buildings and improvements	1,494,323	47,607	(1,708)	1,540,222
Construction in progress	31,795	72,940	(60,302)	44,433
Distribution reservoirs and standpipes	2,127,209	-	-	2,127,209
Furniture and fixtures	72,545	3,630	-	76,175
Hydrants	1,273,130	-	-	1,273,130
Meter system and installation	3,897,054	51,267	-	3,948,321
Other plant and misc. equipment	331,996	12,356	(12,430)	331,922
Pumping equipment	46,238	2,134	-	48,372
Tools and lab equipment	54,580	12,036	(10,225)	56,391
Transmission mains	15,678,136	17,496	-	15,695,632
Transportation equipment	277,880	3,738	(14,000)	267,618
Water treatment equipment	93,241	14,016	(732)	106,525
Subtotal	25,539,884	237,220	(99,397)	25,677,707
Accumulated depreciation	(6,404,648)	(563,654)	32,639	(6,935,663)
Fixed Assets, net	<u>\$ 19,135,236</u>	<u>\$ (326,434)</u>	<u>\$ (66,758)</u>	<u>\$ 18,742,044</u>

During 2011, the District capitalized \$0 of the depreciation expense on the backhoe used for setting meters. In 2010, the District capitalized \$2,503, reducing depreciation expense from \$526,751 to \$524,248.

**NOTE 5 – BONDED INDEBTEDNESS**

Water Works System Revenue Bonds, U.S. Department of Agriculture 1978

On December 21, 1978, the District sold \$1,330,000 of revenue bonds for the purpose of financing the costs of major water system facilities. All bonds mature on January 1<sup>st</sup> of each year beginning in 1981 and ending in 2018. Interest is payable on January 1<sup>st</sup> and July 1<sup>st</sup> of each year and principal is due in annual installments on January 1<sup>st</sup> through 2018. The remaining debt service is as follows:

Year	Interest Rates	Principal Amount	Interest Amount	Total Debt Service
2012	5.00%	\$ 59,000	\$ 20,000	\$ 79,000
2013	5.00%	62,000	17,050	79,050
2014	5.00%	65,000	13,950	78,950
2015	5.00%	68,000	10,700	78,700
2016	5.00%	71,000	7,300	78,300
2017-2018	5.00%	75,000	3,750	78,750
Totals		<u>\$ 400,000</u>	<u>\$ 72,750</u>	<u>\$ 472,750</u>

Water Works System Revenue Bonds, U.S. Department of Agriculture 1982

On August 6, 1982, the District sold \$125,000 of revenue bonds for the purpose of financing the costs of major water system facilities. All bonds mature on January 1<sup>st</sup> of each year beginning in 1984 and ending in 2022. Interest is payable on January 1<sup>st</sup> and July 1<sup>st</sup> of each year and principal is due in annual installments on January 1<sup>st</sup> through 2022.

<b>BULLOCK PEN WATER DISTRICT</b> <b>NOTES TO THE FINANCIAL STATEMENTS</b> <b>December 31, 2011 and 2010</b>
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The remaining debt service is as follows:

Year	Interest Rates	Principal Amount	Interest Amount	Total Debt Service
2012	5.00%	\$ 5,000	\$ 2,950	\$ 7,950
2013	5.00%	5,000	2,700	7,700
2014	5.00%	5,000	2,450	7,450
2015	5.00%	5,000	2,200	7,200
2016	5.00%	6,000	1,950	7,950
2017-2022	5.00%	33,000	5,100	38,100
Totals		\$ 59,000	\$ 17,350	\$ 76,350

Kentucky Rural Water Finance Corporation Bonds, Series 2001C - Surcharge

On May 15, 2002, the District participated in the Kentucky Rural Water Finance Corporation's first Flexible Term Finance Program Remarketing. The District's total share of the bond proceeds was \$715,000 for Phase V of the District's waterline extension; \$374,000 of that amount was funded by customer surcharges. These surcharges are paid by customers who benefited from the waterline extension and are used to provide refunding for the bonds. All surcharge bonds mature on February 1<sup>st</sup> of each year beginning in 2004 and ending in 2027. Interest is payable on February 1<sup>st</sup> and August 1<sup>st</sup> of each year and principal is due in annual installments on February 1<sup>st</sup> through 2027. The remaining debt service is as follows:

Year	Interest Rates	Principal Amount	Interest Amount	Total Debt Service
2012	5.15-5.45%	\$ 14,000	\$ 15,459	\$ 29,459
2013	5.15-5.45%	14,000	14,738	28,738
2014	5.15-5.45%	13,000	14,043	27,043
2015	5.15-5.45%	13,000	13,373	26,373
2016	5.15-5.45%	16,000	12,627	28,627
2017-2027	5.15-5.45%	225,000	73,523	298,523
Totals		\$ 295,000	\$ 143,763	\$ 438,763

Kentucky Rural Water Finance Corporation Revenue Bonds, Series 2001C - Phase V

As mentioned above, on May 15, 2002, the District participated in the Kentucky Rural Water Finance Corporation's first Flexible Term Finance Program Remarketing. The District's total share of the bond proceeds was \$715,000 for Phase V of the District's waterline extension; \$341,000 of that amount was funded by District revenue. The Revenue Bonds are refunded by District water revenue. All bonds mature on February 1<sup>st</sup> of each year beginning in 2004 and ending in 2027. Interest is payable on February 1<sup>st</sup> and August 1<sup>st</sup> of each year and principal is due in annual installments on February 1<sup>st</sup> through 2027.

<p><b>BULLOCK PEN WATER DISTRICT</b>  <b>NOTES TO THE FINANCIAL STATEMENTS</b>  <b>December 31, 2011 and 2010</b></p>
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The remaining debt service is as follows:

Year	Interest Rates	Principal Amount	Interest Amount	Total Debt Service
2012	5.15-5.45%	\$ 11,000	\$ 13,937	\$ 24,937
2013	5.15-5.45%	11,000	13,371	24,371
2014	5.15-5.45%	12,000	12,779	24,779
2015	5.15-5.45%	12,000	12,161	24,161
2016	5.15-5.45%	14,000	11,491	25,491
2017-2027	5.15-5.45%	205,000	67,041	272,041
Totals		\$ 265,000	\$ 130,780	\$ 395,780

Kentucky Rural Water Finance Corporation Revenue Bonds, Series 2001C - Refinancing

On July 31, 2002, the District sold \$574,000 of revenue bonds for the purpose of refinancing existing obligations. All bonds mature on February 1<sup>st</sup> of each year beginning in 2003 and ending in 2021. Interest is payable on February 1<sup>st</sup> and August 1<sup>st</sup> of each year and principal is due in annual installments on February 1<sup>st</sup> through 2021. The remaining debt service is as follows:

Year	Interest Rates	Principal Amount	Interest Amount	Total Debt Service
2012	4.03-5.00%	\$ 29,000	\$ 15,432	\$ 44,432
2013	4.15-5.00%	30,000	14,226	44,226
2014	4.15-5.00%	31,000	12,960	43,960
2015	4.40-5.00%	33,000	11,591	44,591
2016	4.50-5.00%	33,000	10,123	43,123
2017-2021	4.60-5.00%	195,000	24,800	219,800
Totals		\$ 351,000	\$ 89,132	\$ 440,132

Kentucky Rural Water Finance Corporation Revenue Bonds, Series 2001G - Dry Ridge Tank

On July 29, 2003, the District sold \$460,000 of revenue bonds for the purpose of installing a water tower in Dry Ridge, Kentucky. All bonds mature on February 1<sup>st</sup> of each year beginning in 2004 and ending in 2018. Interest is payable on February 1<sup>st</sup> and August 1<sup>st</sup> of each year and principal is due in annual installments on February 1<sup>st</sup>. The remaining debt service is as follows:

Year	Interest Rates	Principal Amount	Interest Amount	Total Debt Service
2012	4.12-4.52%	\$ 31,000	\$ 10,447	\$ 41,447
2013	4.52%	32,000	9,085	41,085
2014	4.52%	35,000	7,571	42,571
2015	4.52%	35,000	5,989	40,989
2016	4.52%	40,000	4,294	44,294
2017-2018	4.52%	75,000	3,503	78,503
Totals		\$ 248,000	\$ 40,889	\$ 288,889

Kentucky Rural Water Finance Corporation Revenue Bonds, Series 2004D - Phase 7

On October 19, 2004, the District sold \$98,000 of revenue bonds for the purpose of funding its Phase 7 waterline extension project. All bonds mature on February 1<sup>st</sup> of each year beginning in 2005 and ending in 2019. Interest is payable on February 1<sup>st</sup> and August 1<sup>st</sup> of each year and principal is due in annual installments on February 1<sup>st</sup> through 2019. The remaining debt service is as follows:

<b>BULLOCK PEN WATER DISTRICT</b> <b>NOTES TO THE FINANCIAL STATEMENTS</b> <b>December 31, 2011 and 2010</b>
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Year	Interest Rates	Principal Amount	Interest Amount	Total Debt Service
2012	3.50-4.12%	\$ 6,000	\$ 2,131	\$ 8,131
2013	3.62-4.12%	7,000	1,898	8,898
2014	4.12%	7,000	1,627	8,627
2015	4.12%	7,000	1,339	8,339
2016	4.12%	7,000	1,051	8,051
2017-2019	4.12%	22,000	1,401	23,401
Totals		\$ 56,000	\$ 9,447	\$ 65,447

Kentucky Rural Water Finance Corporation Revenue Bonds, Series 2005B - Phase 8

On October 19, 2005, the District sold \$514,000 of revenue bonds for the purpose of funding its Phase 8 waterline extension project. All bonds mature on February 1<sup>st</sup> of each year beginning in 2007 and ending in 2031. Interest is payable on February 1<sup>st</sup> and August 1<sup>st</sup> of each year and principal is due in annual installments on February 1<sup>st</sup> through 2031. The remaining debt service is as follows:

Year	Interest Rates	Principal Amount	Interest Amount	Total Debt Service
2012	4.09-4.59%	\$ 15,000	\$ 18,997	\$ 33,997
2013	4.09-4.59%	15,000	18,383	33,383
2014	4.09-4.59%	16,000	17,749	33,749
2015	4.09-4.59%	17,000	17,074	34,074
2016	4.09-4.59%	17,000	16,379	33,379
2017-2031	4.09-4.59%	367,000	135,534	502,534
Totals		\$ 447,000	\$ 224,116	\$ 671,116

Kentucky Rural Water Finance Corporation Revenue Bonds, Series 2005B - Phase 10

On October 19, 2005, the District sold \$290,000 of revenue bonds for the purpose of funding its Phase 10 waterline extension project. All bonds mature on February 1<sup>st</sup> of each year beginning in 2007 and ending in 2031. Interest is payable on February 1<sup>st</sup> and August 1<sup>st</sup> of each year and principal is due in annual installments on February 1<sup>st</sup> through 2031. The remaining debt service is as follows:

Year	Interest Rates	Principal Amount	Interest Amount	Total Debt Service
2012	4.09-4.59%	\$ 8,000	\$ 10,717	\$ 18,717
2013	4.09-4.59%	9,000	10,369	19,369
2014	4.09-4.59%	9,000	10,001	19,001
2015	4.09-4.59%	9,000	9,633	18,633
2016	4.09-4.59%	10,000	9,245	19,245
2017-2031	4.09-4.59%	207,000	76,161	283,161
Totals		\$ 252,000	\$ 126,126	\$ 378,126

<b>BULLOCK PEN WATER DISTRICT</b> <b>NOTES TO THE FINANCIAL STATEMENTS</b> <b>December 31, 2011 and 2010</b>
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**NOTE 6 – NOTES PAYABLE**

Kentucky Infrastructure Authority - 1991

On August 29, 1991, the District signed a note from the Kentucky Infrastructure Authority for \$437,655. Water system revenues serve as collateral for this loan. This note was refunded and refinanced on December 19, 2002 and again on August 1, 2004. The most recent note carries a variable interest rate between 2.25-4.84% and matured on June 1, 2011. This note has been paid off, and therefore has a balance of \$0 at December 31, 2011.

Kentucky Infrastructure Authority - 1993

On April 7, 1993, the District signed a note from the Kentucky Infrastructure Authority for \$582,599. Water system revenues serve as collateral for this loan. This note was refunded and refinanced on December 19, 2002 and again on August 1, 2004. The most recent note carries a variable interest rate between 2.25-5.19% and matures on June 1, 2013. The remaining debt service is as follows:

<u>Year</u>	<u>Interest Rates</u>	<u>Principal Amount</u>	<u>Interest Amount</u>	<u>Total Debt Service</u>
2012	5.04-5.19%	\$ 35,000	\$ 2,698	\$ 37,698
2013	5.19%	17,500	908	18,408
Totals		<u>\$ 52,500</u>	<u>\$ 3,606</u>	<u>\$ 56,106</u>

Kentucky Infrastructure Authority - Drinking Water Supply Project 2002

On February 1, 2002, the District signed a note from the Kentucky Infrastructure Authority for \$350,367 to fund waterline replacement and extension projects. Water system revenues serve as collateral for this loan. The note carries an interest rate of 3.80% and matures on December 1, 2022. The remaining debt service is as follows:

<u>Year</u>	<u>Interest Rates</u>	<u>Principal Amount</u>	<u>Interest Amount</u>	<u>Total Debt Service</u>
2012	3.80%	\$ 16,793	\$ 8,376	\$ 25,169
2013	3.80%	17,438	7,731	25,169
2014	3.80%	18,106	7,063	25,169
2015	3.80%	18,801	6,368	25,169
2016	3.80%	19,522	5,647	25,169
2017-2022	3.80%	133,906	17,105	151,011
Totals		<u>\$ 224,566</u>	<u>\$ 52,290</u>	<u>\$ 276,856</u>

Kentucky Infrastructure Authority - Drinking Water Supply Project 2003

On November 1, 2003, the District signed a note from the Kentucky Infrastructure Authority for \$1,210,604 to fund waterline extension projects and the Mt. Zion water tank installation. Water system revenues serve as collateral for this loan. The note carries an interest rate of 3.0% and matures on June 1, 2024.

<b>BULLOCK PEN WATER DISTRICT</b> <b>NOTES TO THE FINANCIAL STATEMENTS</b> <b>December 31, 2011 and 2010</b>
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The remaining debt service is as follows:

<u>Year</u>	<u>Interest Rates</u>	<u>Principal Amount</u>	<u>Interest Amount</u>	<u>Total Debt Service</u>
2012	3.00%	\$ 56,322	\$ 24,790	\$ 81,112
2013	3.00%	58,024	23,088	81,112
2014	3.00%	59,778	21,334	81,112
2015	3.00%	61,585	19,527	81,112
2016	3.00%	63,446	17,666	81,112
2017-2024	3.00%	<u>541,145</u>	<u>67,188</u>	<u>608,333</u>
Totals		<u>\$ 840,300</u>	<u>\$ 173,593</u>	<u>\$ 1,013,893</u>

Kentucky Infrastructure Authority – Drinking Water Supply Project 2010

During 2009, the District executed a drawdown loan with the Kentucky Infrastructure Authority in order to finance its Phase 6 waterline extension project. The District continued to draw on this loan during 2011. Water system revenues serve as collateral for this loan. The loan carries an interest rate of 3.0% and matures on December 1, 2030. The balance on this loan at December 31, 2011 is \$2,111,284. The remaining debt service is as follows:

<u>Year</u>	<u>Interest Rates</u>	<u>Principal Amount</u>	<u>Interest Amount</u>	<u>Total Debt Service</u>
2012	3.00%	\$ 83,877	\$ 62,714	\$ 146,591
2013	3.00%	86,412	60,179	146,591
2014	3.00%	89,024	57,567	146,591
2015	3.00%	91,715	54,876	146,591
2016	3.00%	94,487	52,104	146,591
2017-2030	3.00%	<u>1,665,769</u>	<u>386,509</u>	<u>2,052,278</u>
Totals		<u>\$ 2,111,284</u>	<u>\$ 673,949</u>	<u>\$ 2,785,233</u>

Forcht Bank – Vehicle Notes Payable

On June 28, 2010, the District executed a loan payable for a 2010 Chevrolet Silverado truck in the amount of \$39,599. Payments of \$19,795 were made on this loan during the year. This loan carries an interest rate of 4.50%, and matures on June 28, 2012. The vehicle serves as collateral for this loan.

Remaining debt service is as follows:

<u>Year</u>	<u>Interest Rates</u>	<u>Principal Amount</u>	<u>Interest Amount</u>	<u>Total Debt Service</u>
2012	4.50%	\$ 10,235	\$ 135	\$ 10,370
Totals		<u>\$ 10,235</u>	<u>\$ 135</u>	<u>\$ 10,370</u>

On October 5, 2010, the District executed a second loan payable for a 2011 Ford Ranger truck in the amount of \$17,388. Payments of \$7,864 were made on this loan during the year. This loan carries an interest rate of 4.50%, and matures on October 4, 2012. The vehicle serves as collateral for this loan.

<p><b>BULLOCK PEN WATER DISTRICT</b>  <b>NOTES TO THE FINANCIAL STATEMENTS</b>  <b>December 31, 2011 and 2010</b></p>
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Remaining debt service is as follows:

<u>Year</u>	<u>Interest Rates</u>	<u>Principal Amount</u>	<u>Interest Amount</u>	<u>Total Debt Service</u>
2012	4.50%	\$ 7,435	\$ 154	\$ 7,589
Totals		\$ 7,435	\$ 154	\$ 7,589

Software Solutions – Note Payable

On May 29, 2010, the District executed a loan payable for the purchase and integration of new software, through Software Solutions Incorporated, in the amount of \$21,105. Payments of \$7,035 were made on this loan during the year. This loan carries no interest, and matures on May 29, 2013. The software serves as collateral for this loan. Remaining debt service is as follows:

<u>Year</u>	<u>Interest Rates</u>	<u>Principal Amount</u>	<u>Interest Amount</u>	<u>Total Debt Service</u>
2012	0.00%	\$ 7,035	\$ -	\$ 7,035
2013	0.00%	3,517	-	3,517
Totals		\$ 10,552	\$ -	\$ 10,552

Forcht Bank - Line of Credit

On April 1, 2004, the District opened a \$300,000 line of credit from Forcht Bank (formerly Eagle Bank) in anticipation of a 2005 bond issue. The loan was used as interim financing to fund early portions of the Phase 10 waterline extension project. System revenues serve as collateral for this loan. As of December 2010, the District had paid off the balance on this line of credit in its entirety. Therefore, this line of credit carried a balance of \$0 at both December 31, 2011 and 2010.

**NOTE 7 – CAPITAL LEASES**

Kentucky Association of Counties Leasing Trust - 1995

On September 7, 1995, the District signed a capital lease agreement for \$1,500,000 for a water tower, waterlines and associated infrastructure. The leased assets are included on the fixed asset summary in Note 4, and also serve as collateral for this debt. The lease was set to mature on January 20, 2019, but the balance of \$877,000 was paid off early in 2010 by the execution of a new capital lease through the Grant County Fiscal Court.

Kentucky Association of Counties Leasing Trust - 1996

On November 20, 1996 the District signed a capital lease agreement for \$336,000 for water lines, meters, and hydrants. The fixed assets are included in transmission mains, meters, and hydrants on the fixed asset summary in Note 4, and also serve as collateral for this debt. The lease was set to mature on January 20, 2016, but the balance of \$171,000 was paid off early in 2010 by the execution of a new capital lease through the Grant County Fiscal Court.

Grant County Fiscal Court - 2010

On May 4, 2010, the District signed a capital lease agreement with the Grant County Fiscal Court for \$1,020,000, which served to relinquish the District's obligations on its capital lease agreements through the Kentucky Association of Counties Leasing Trust. This lease agreement therefore covers water lines, meters, hydrants, and other infrastructure associated with those leases. The fixed assets are included on the fixed asset summary in Note 4, and also serve as

<b>BULLOCK PEN WATER DISTRICT</b> <b>NOTES TO THE FINANCIAL STATEMENTS</b> <b>December 31, 2011 and 2010</b>
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collateral for this debt. The lease matures on February 1, 2019. Amortization of the lease is included in the depreciation expense. Future minimum lease payments are as follows:

<u>Year</u>	<u>Interest Rates</u>	<u>Principal Amount</u>	<u>Interest Amount</u>	<u>Total Lease Payment</u>
2012	1.40-3.30%	\$ 115,000	\$ 21,413	\$ 136,413
2013	1.70-3.30%	120,000	19,588	139,588
2014	2.00-3.30%	120,000	17,368	137,368
2015	2.40-3.30%	120,000	14,728	134,728
2016	3.00-3.30%	135,000	11,263	146,263
2017-2019	3.00-3.30%	290,000	14,306	304,306
Totals		<u>\$ 900,000</u>	<u>\$ 98,666</u>	<u>\$ 998,666</u>

Old National Bank - 2003

On September 1, 2003 the District signed a capital lease agreement for \$477,050 for water meter automated read heads. The interest rate is 4.5%. These read heads are included in meters on the fixed asset summary in Note 4, and also serve as collateral on this debt. The lease matures on February 5, 2014. Amortization of the lease is included in the depreciation expense. Future minimum lease payments are as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Amount</u>	<u>Total Lease Payment</u>
2012	\$ 55,996	\$ 4,461	\$ 60,457
2013	58,569	1,888	60,457
2014	5,449	56	5,505
Totals	<u>\$ 120,014</u>	<u>\$ 6,405</u>	<u>\$ 126,419</u>

Old National Bank - 2004

On March 5, 2004 the District signed a capital lease agreement for \$170,450 for water meter automated read heads. The interest rate is 4.5%. These read heads are included in meters on the fixed asset summary in Note 4, and also serve as collateral on this debt. The lease matured on March 5, 2011 and final payment was made during the year.



<b>BULLOCK PEN WATER DISTRICT</b> <b>NOTES TO THE FINANCIAL STATEMENTS</b> <b>December 31, 2011 and 2010</b>
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**NOTE 8 – INDEBTEDNESS SUMMARY**

The changes in long-term indebtedness for 2011 are as follows:

Debt Instrument	Balance at December 31, 2010	Additions	Retirements	Balance at December 31, 2011
USDA revenue bonds of 1978	\$ 456,000	\$ -	\$ (56,000)	\$ 400,000
USDA revenue bonds of 1982	63,000	-	(4,000)	59,000
KRW series 2001C bonds - Surcharge	305,000	-	(10,000)	295,000
KRW series 2001C bonds - Phase V	275,000	-	(10,000)	265,000
KRW series 2001C bonds - Refinancing	380,000	-	(29,000)	351,000
KRW series 2004D bonds - Phase 7	62,000	-	(6,000)	56,000
KRW series 2001G bonds - Dry Ridge	277,000	-	(29,000)	248,000
KRW series 2005B bonds - Phase 8	461,000	-	(14,000)	447,000
KRW series 2005B bonds - Phase 10	260,000	-	(8,000)	252,000
Note payable - KIA 1991	12,500	-	(12,500)	-
Note payable - KIA 1993	85,000	-	(32,500)	52,500
Note payable - KIA 2002	240,739	-	(16,173)	224,566
Note payable - KIA 2003	894,970	-	(54,670)	840,300
Note payable - Software Solutions	17,587	-	(7,035)	10,552
Note payable - 2010 Chevrolet Silverado	30,030	-	(19,795)	10,235
Note payable - 2011 Ford Ranger	15,299	-	(7,864)	7,435
Construction loan - KIA	2,147,316	45,384	(81,416)	2,111,284
Capital lease - Grant County Fiscal Court	1,020,000	-	(120,000)	900,000
Capital lease - Old National 2003	173,751	-	(53,737)	120,014
Capital lease - Old National 2004	4,614	-	(4,614)	-
Subtotal	<u>7,180,806</u>	<u>\$ 45,384</u>	<u>\$ (576,304)</u>	<u>6,649,886</u>
Less: current portion of long-term debt	<u>(572,464)</u>			<u>(565,904)</u>
Total Long-Term Indebtedness	<u>\$ 6,608,342</u>			<u>\$ 6,083,982</u>

**NOTE 9 – EMPLOYEE RETIREMENT SYSTEM**

County Employees Retirement System

Employees who work an average of 100 hours per month participate in the County Employees Retirement System of Kentucky (CERS). It is a cost sharing multiple-employer defined benefit pension plan created by and operated under Kentucky law. CERS covers substantially all regular full-time employees of each county and school board, and any additional local agencies electing to participate in the system. The plan provides for retirement, disability and death benefits to plan members. Retirement benefits may be extended to beneficiaries of plan members under certain circumstances. Cost-of-living adjustments are provided at the discretion of the State Legislature. For the years ended December 31, 2011 and 2010 plan members were required to contribute 5% of their annual creditable compensation. Members hired on or after September 1, 2008 are required to contribute 6%. The additional 1% is considered a health insurance contribution.

Employer contribution rates are actuarially determined. Such contribution rates are determined by the Board of Trustees of the Kentucky Retirement System. They may amend contribution rates as of the first day of July, if it is determined necessary to satisfy requirements determined in accordance with actuarial basis adopted by the Board. From January until July 2011 the employer contribution rate was 16.93%. From July until December 2011, the employer rate was

<b>BULLOCK PEN WATER DISTRICT</b> <b>NOTES TO THE FINANCIAL STATEMENTS</b> <b>December 31, 2011 and 2010</b>
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18.96%. From January until July 2010 the employer contribution rate was 16.16%. From July until December 2010, the employer rate was 16.93%.

The District has made 100% of all required contributions for each of the years ended December 31, 2011, 2010, 2009, 2008, and 2007. Information about the contributions made by the District and the employees, as well as gross payroll and covered payroll follows:

	2011	2010	2009	2008	2007
Gross Payroll - All Employees	\$684,217	\$ 685,089	\$660,208	\$763,492	\$703,985
Gross Payroll - Covered Employees	634,083	648,571	620,617	701,020	660,940
Employee Contribution	31,353	32,691	31,051	35,051	33,047
Employer Contribution (expense)	109,960	107,283	92,028	106,700	97,345

**NOTE 10 – RELATED PARTY TRANSACTIONS**

The staff of the Bullock Pen Water District operates the Grant County Sewer District as well. The District receives a management fee from the Grant County Sewer District for these services. This fee was \$122,939 and \$142,093 in 2011 and 2010, respectively. The Chairman of the Board of Commissioners and two other commissioners of the District serve on the boards of both the Bullock Pen Water District and the Grant County Sewer District.

**NOTE 11 – ECONOMIC DEPENDENCY/CREDIT RISK**

Bullock Pen Water District is a government agency operating with one office in Crittenden, Kentucky. It grants credit to customers who are primarily local residents and businesses. The District receives all of its operating revenues from customers in Grant, Pendleton, Kenton, Boone and Gallatin Counties in Kentucky.

**NOTE 12 – CONCENTRATIONS**

The District has agreements to purchase water from the cities of Walton and Williamstown, Kentucky, the Northern Kentucky Water District, and the Boone County Water District.

**NOTE 13 – RESTITUTION RECEIVABLE**

The District has a receivable balance due from Jonathan Thurman as restitution for past unpaid water charges. This restitution balance is unsecured and non-interest bearing, and is to be paid over multiple years. The entire account balance becomes immediately due and payable upon default of the monthly payment. The balance of this account was \$9,516 as December 31, 2011.

<b>BULLOCK PEN WATER DISTRICT</b> <b>SCHEDULES OF OPERATIONS, MAINTENANCE AND ADMINISTRATIVE EXPENSES</b> <b>For the Years Ended December 31, 2011 and 2010</b>
---

	<u>2011</u>	<u>2010</u>
Operations, Maintenance and Administrative Expenses		
Salaries and wages - employees	\$ 646,881	\$ 650,312
Employee pension and benefits	368,196	401,975
Advertising	793	1,253
Bad debt expense	27,309	36,015
Chemicals	96,139	82,354
Commissioners' fees	12,800	13,200
Contractual services - accounting	59,877	58,302
Contractual services - engineering	20,433	21,248
Contractual services - legal	10,051	19,122
Contractual services - management	2,137	3,114
Contractual services - water test	14,375	17,784
Contractual services - other	68,230	58,529
Insurance - general liability	11,106	13,362
Insurance - other	7,792	6,668
Insurance - vehicle	4,504	3,806
Insurance - workers' compensation	11,892	16,718
Materials and supplies	145,162	142,325
Miscellaneous	836	527
Payroll taxes	48,430	48,896
Purchased power	80,779	73,955
Rental of property and equipment	10,974	12,775
Transportation	42,396	40,633
Utility regulatory assessment	6,133	4,484
	<u>          </u>	<u>          </u>
Total Operations, Maintenance and Administrative Expenses	<u>\$ 1,697,225</u>	<u>\$ 1,727,357</u>



Van Gorder, Walker & Co., Inc.  
Certified Public Accountants

Charles A. Van Gorder, CPA  
John P. Walker, CPA, MBA  
Lori A. Owen, CPA  
John R. Chamberlin, CPA, MBA  
Members of AICPA & KYCPA  
Licensed in Kentucky & Ohio

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING  
STANDARDS***

**To the Board of Commissioners  
Bullock Pen Water District**

We have audited the financial statements of the business-type activities of the Bullock Pen Water District as of and for the years ended December 31, 2011 and 2010, and have issued our report thereon dated April 6, 2012. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audits, we considered the Bullock Pen Water District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Bullock Pen Water District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Bullock Pen Water District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section, and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

***Lack of Segregation of Duties***

Condition: We noted that due to the size of the District and financial considerations, some of the executing and recording of transactions are performed by the same person.



Criteria: Segregation of duties is a necessary part of any system of internal control. Segregating the processes of authorizing, executing and recording transactions is essential.

Effect: Lack of segregation of duties could allow for receipts to be diverted away from the District and expenses not attributed to the District could be paid for from the District's cash account. The District has determined that the cost of mitigation is not justified when compared to the risk of the related transactions.

Recommendation: Due to the size of the District and other financial considerations, internal controls should be implemented, to the highest appropriate level, to segregate the duties of the personnel. Controls should then be monitored to ascertain that they are sufficient to reduce the risk of material misstatement to an acceptable level.

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

#### Compliance

As part of obtaining reasonable assurance about whether the Bullock Pen Water District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Bullock Pen Water District in a separate letter dated April 6, 2012.

This report is intended solely for the information and use of management, the Board of Commissioners, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Van Gorder, Walker & Co., Inc.  
Erlanger, Kentucky  
April 6, 2012





**Steven L. Beshear**  
Governor

**KENTUCKY INFRASTRUCTURE AUTHORITY**

1024 Capital Center Drive, Suite 340  
Frankfort, Kentucky 40601  
Phone (502) 573-0260  
Fax (502) 573-0157  
<http://kia.ky.gov>

**John E. Covington III**  
Executive Director

April 21, 2011

Mr. Bobby Burgess, Chairman  
Bullock Pen Water District  
P.O. Box 188  
Crittenden, KY 41030

**KENTUCKY INFRASTRUCTURE AUTHORITY  
FEDERALLY ASSISTED DRINKING WATER REVOLVING LOAN FUND  
CONDITIONAL COMMITMENT LETTER (F11-05)**

Dear Mr. Burgess:

The Kentucky Infrastructure Authority ("the Authority") commends your efforts to improve public service facilities in your community. On April 7, 2011, the Authority approved your loan for the BPWD Grant County Improvements project subject to the conditions stated below. The total cost of the project shall not exceed \$1,663,000 of which the Authority loan shall provide \$1,633,000 of the funding. The final loan amount will be equal to the Authority's portion of estimated project cost applied to the actual project cost. Attachment A incorporated herein by reference fully describes the project.

An Assistance Agreement will be executed between the Authority and the Bullock Pen Water District upon satisfactory performance of the conditions set forth in this letter. A period of twelve months from the date of this letter (4/21/2012) will be allowed for you to meet the conditions set forth in this letter and enter into an Assistance Agreement. A one-time extension of up to six months may be granted for applicants that experience extenuating circumstances. Funds will be available for disbursement only after execution of the Assistance Agreement.

The Assistance Agreement and this commitment shall be subject, but not limited to, the following terms:

1. The Authority project loan shall not exceed \$1,633,000.

Mr. Bobby Burgess  
April 21, 2011  
Page 2

2. The loan shall bear interest at the rate of 2% per annum commencing with the first draw of funds.
3. The loan shall be repaid over a period not to exceed 20 years from the date the loan is closed.
4. Interest shall be payable on the amount of actual funds received. The first payment shall be due on June 1 or December 1 immediately succeeding the date of the initial draw of funds, provided that if such June 1 or December 1 shall be less than three months since the date of the initial draw of funds, then the first interest payment date shall be the June 1 or December 1 which is at least six months from the date of the initial draw of funds. Interest payments will be due each six months thereafter until the loan is repaid.
5. Full principal payments will commence on the appropriate June 1 or December 1 within twelve months from initiation of operation. Full payments will be due each six months thereafter until the loan is repaid.
6. A loan servicing fee of 0.25% of the annual outstanding loan balance shall be payable to the Authority as a part of each interest payment.
7. Loan funds will be disbursed after execution of the Assistance Agreement as project costs are incurred.
8. The Authority loan funds must be expended within six months of the official date of initiation of operation.
9. Fund "F" loan funds are considered to be federal funds. OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations, requires that all recipients and subrecipients **expending \$500,000 or more in a year in federal awards must have a single or program-specific audit conducted for that year** in accordance with the Circular. If the federal amount expended plus all other federal funds expended exceeds the threshold, you are required to arrange for an A-133 audit to be performed by an independent, licensed CPA, or in special cases, the Auditor of Public Accounts of the Commonwealth of Kentucky. The Authority requires an annual audit to be preformed for the life of the loan.

The following is a list of the standard conditions to be satisfied prior to execution of the Assistance Agreement or incorporated in the Assistance Agreement. Any required documentation must be submitted to the party designated.



Mr. Bobby Burgess

April 21, 2011

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1. The Authority to Award (bid) package must be submitted to the Division of Water for approval within 14 days of bid opening.
2. The Assistance Agreement must be executed within six (6) months from bid opening.
3. The Borrower must agree to expend all Authority loan funds within six months of the date of initiation of operation.
4. Documentation of final funding commitments from all parties other than the Authority as reflected in the credit analysis shall be provided prior to preparation of the Assistance Agreement and disbursement of the loan monies. Rejections of any anticipated project funding shall be immediately reported and may cause this loan to be subject to further consideration.
5. The loan must undergo review by the Capital Projects and Bond Oversight Committee of the Kentucky Legislature prior to the state's execution of the Assistance Agreement. The committee meets monthly on the third Tuesday. At this time we know of no further submission required for their review; however, they may request information as needed.
6. Any required adjustment in utility service rates shall be adopted by ordinance, municipal order or resolution by the appropriate governing body of the Borrower. Public hearings as required by law shall be held prior to the adoption of the service rate ordinance, order, or resolution. Any required approvals by the Kentucky Public Service Commission shall be obtained.
7. All easements or purchases of land shall be completed prior to commencement of construction. Certification of all land or easement acquisitions shall be provided to the Division of Water.
8. The Borrower must complete and return to the Authority the attached "Authorization For Electronic Deposit of Vendor Payment" Form.
9. The Authority to Award Package documentation shall be submitted to and approved by DOW.
10. An environmental review shall be conducted by the Division of Water for all construction projects receiving DWSRF funds, within the term of this binding commitment and prior to project bid.
11. Technical plans and specifications and a complete DWSRF specifications checklist shall be approved by the Division of Water prior to project bid.

Mr. Bobby Burgess  
April 21, 2011  
Page 4

12. A clear site certificate shall be obtained and DOW representatives shall be notified for attendance of the pre-construction conference.
13. Project changes or additions shall require a complete environmental and change order review before they can be included in the DWSRF loan project.

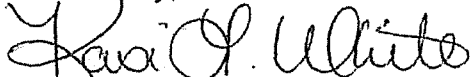
The following is a list of additional conditions to be satisfied prior to execution of the Assistance Agreement or incorporated in the Assistance Agreement. Any required documentation must be submitted to the party designated.

1. The Borrower shall require all contractors to pay wages pursuant to applicable prevailing wage rates (federal or state) for all work relating to the subject Project. The Borrower shall, if applicable, comply with all Davis Bacon related monitoring and reporting.
2. The project shall comply with the reporting requirements of the Transparency Act, and shall complete the attached Transparency Act Reporting Information Form and provide to the Authority no later than 30 days after the KIA Board approval date of your loan.
3. If the project has a "Green Reserve" component, the Borrower must submit a Business Case, if required.

Any special conditions listed below and/or stated in Attachment A must be resolved.

Please inform the Authority of any changes in your financing plan as soon as possible. We wish you every success for this project which will benefit both your community and the Commonwealth as a whole.

Sincerely,



Kasi L. White  
Financial Analyst

#### Attachments

cc: Kerry Odle, CMW, Inc.  
Division of Water  
Dirk Bedarff, Peck, Shaffer & Williams LLP  
State Local Debt Office, DLG  
Borrower File - Bullock Pen Water District - F11-05

Mr. Bobby Burgess  
April 21, 2011  
Page 5

Please sign and return a copy of this letter indicating your acceptance of this commitment and its terms. Also attach the completed "Authorization For Electronic Deposit of Vendor Payment" Form.

---

Accepted

---

Date

**TRANSPARENCY ACT REPORTING INFORMATION FORM**  
**CLEAN WATER STATE REVOLVING FUND**  
**AND**  
**DRINKING WATER STATE REVOLVING FUND**

This form is required for projects funded in whole or in part from the Clean Water State Revolving Fund or the Drinking Water State Revolving Fund. This form is to be completed and returned with the signed Conditional Commitment Letter from the Kentucky Infrastructure Authority.

Borrower Information:

Name:	Bullock Pen Water District
Data Universal Numbering system (DUNS) No.*:	
KIA Loan Number:	F11-05
Street Address	
City, State and Zip (Zip must include 4 digit extension)	
Federal Congressional District(s) of Borrower Utility Service Area:	

\*If the DUNS No. provided above is registered under a different name than the recipient of funding, please provide the registration name below:

DUNS Name	
-----------	--

\*If the recipient has not yet obtained a DUNS Number, please do so no later than 30 days after the KIA Board approval date of your loan request and provide notification to KIA of the number once issued. For instructions on DUNS registration, please contact [kasi.white@ky.gov](mailto:kasi.white@ky.gov).

Physical Location of Project (Primary Place of Performance)

Street Address	
City, State and Zip (Zip must include 4 digit extension)	
Federal Congressional District(s) of Project Location	

Reliance upon Federal Assistance (please answer the below questions Yes or No):

Did recipient receive 80% or more of its annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards) during the last fiscal year?	NO
Did recipient receive \$25 million or more in annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards) during the last fiscal year?	NO
Does the public have access to compensation of senior executives of the recipient through periodic reports filed under Section 13A or 15D of the Securities Exchange Act of 1934 or Section 6104 of the Internal Revenue Code of 1986?	NO

DUNS Registration Information: <http://fedgov.dnb.com/webform> OR 1-866-705-5711

Registration can be completed over the phone or via the web. Phone registration requests take approximately 10 minutes and are free. Internet requests are fulfilled within 24 hours.

**AUTHORIZATION FOR ELECTRONIC DEPOSIT  
OF BORROWER PAYMENT  
KENTUCKY INFRASTRUCTURE AUTHORITY  
(FUND F11-05)**

**Borrower Information:**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: KY Zip: \_\_\_\_\_

Telephone: \_\_\_\_\_ Contact: \_\_\_\_\_

Federal I.D. # \_\_\_\_\_

**Financial Institution Information:**

Bank Name: \_\_\_\_\_

Branch: \_\_\_\_\_ Phone No: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Transit / ABA No.: \_\_\_\_\_

Account Name: \_\_\_\_\_

Account Number: \_\_\_\_\_

I, the undersigned, authorize payments directly to the account indicated above and to correct any errors which may occur from the transactions. I also authorize the Financial Institution to post these transactions to that account.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Name Printed: \_\_\_\_\_ Job Title: \_\_\_\_\_

Please return completed form to:

**Kentucky Infrastructure Authority  
1024 Capital Center Drive, Suite 340  
Frankfort, KY 40601  
phone: 502-573-0260  
fax: 502-573-0157**

**ATTACHMENT A**

**Bullock Pen Water District  
F11-05**

**EXECUTIVE SUMMARY  
KENTUCKY INFRASTRUCTURE AUTHORITY  
FUND F, FEDERALLY ASSISTED DRINKING WATER  
REVOLVING LOAN FUND**

Reviewer: Kasi White  
Date: April 7, 2011  
KIA Loan Number: F11-05  
WRIS Number: WX21081304

**BORROWER:** BULLOCK PEN WATER DISTRICT  
GRANT COUNTY

**BRIEF DESCRIPTION:**

This project is for the construction of a 500,000 gallon elevated water storage tank, pump station with variable frequency drive controller, the installation of .92 miles of new 8" PVC water line and the replacement of .46 miles of 3" and 4" water lines with 8" water lines. The tank will be constructed on the west side of Interstate 75 and will supplement water storage with a 200,000 gallon tank that is on the east side of I-75. The pump station will then pump water through the new lines to fill the existing Mt. Zion tank. The current path of feeding this tank, along with two other tanks, at times causes high pressure on the water lines in the Zion Station area. The new configuration will result in all tanks filling faster while reducing pressure.

**PROJECT FINANCING:**

Fund F Loan \$ 1,633,000  
Local Funds 30,000

**TOTAL** \$ 1,663,000

**PROJECT BUDGET**

Legal Expenses 10,000  
Land, Easements 30,000  
Engineering Fees 202,803  
Construction 1,277,480  
Contingency 127,717  
Other 15,000

**TOTAL** \$ 1,663,000

**REPAYMENT**

Rate 2.00% Est. Annual Payment \$ 103,550  
Term 20 years 1st Payment 6 Mo. after first draw

**PROFESSIONAL SERVICES**

Engineer CMW, Inc.  
Bond Counsel Peck, Shaffer, & Williams

**PROJECT SCHEDULE**

Bid Opening: August, 2011  
Construction Start: October, 2011  
Construction Stop: April, 2013

**DEBT PER CUSTOMER**

Existing: \$ 1,027  
Proposed: \$ 1,013

**OTHER DEBT**

See Attached

**OTHER STATE-FUNDED  
PROJECTS LAST 5 YRS**

See Attached

**RESIDENTIAL RATES**

	Users	Avg. Bill
Current	6,989	\$ 44.19 (for 4,000 gallons)
Additional	0	\$ 44.19 (for 4,000 gallons)

**REGIONAL COORDINATION**

This project is consistent with regional planning recommendations.

**CASHFLOW**

	Cash Available for Debt Service	Debt Service	Income after Debt Service	Coverage Ratio
Audited 2007	545,351	749,012	(203,661)	0.73
Audited 2008	250,442	729,279	(478,837)	0.34
Audited 2009	508,560	714,732	(206,172)	0.71
Preliminary 2010	1,414,386	801,585	612,801	1.76
Projected 2011	1,348,623	825,969	522,654	1.63
Projected 2012	1,288,892	832,405	456,487	1.55
Projected 2013	1,233,220	829,767	403,453	1.49
Projected 2014	1,198,286	789,995	408,291	1.52
Projected 2015	1,121,251	777,170	344,081	1.44

Reviewer: Kasi White  
Date: April 7, 2011  
Loan Number: F11-05

**KENTUCKY INFRASTRUCTURE AUTHORITY  
DRINKING WATER STATE REVOLVING FUND (FUND "F")  
BULLOCK PEN WATER DISTRICT  
GRANT COUNTY  
PROJECT REVIEW  
WX21081304**

**I. PROJECT DESCRIPTION**

The Bullock Pen Water District (the "District") is requesting a \$1,633,000 Drinking Water SRF loan for the Grant County Improvements project. The project is for the construction of a 500,000 gallon elevated water storage tank, pump station with variable frequency drive controller, the installation of .92 miles of new 8" PVC water line and the replacement of .46 miles of 3" and 4" water lines with 8" water lines. The tank will be constructed on the west side of Interstate 75 and will supplement water storage with a 200,000 gallon tank that is on the east side of Interstate 75. The pump station will then pump water through the new lines to fill the existing Mt. Zion tank. The current path of feeding this tank, along with two other tanks, at times causes high pressure on the water lines in the Zion Station area. The new configuration will result in all tanks filling faster while reducing pressure.

The District serves areas of Grant, Boone, Kenton, Pendleton and Gallatin Counties. They purchase water from the Boone County Water District, Northern Kentucky Water District and the cities of Walton and Williamstown.

**II. PROJECT BUDGET**

	<u>Total</u>
Legal Expenses	10,000
Land, Easements	30,000
Engineering Fees	202,803
Construction	1,277,480
Contingency	127,717
Other	15,000
<b>Total</b>	<b>\$ 1,663,000</b>

**III. PROJECT FUNDING**

	<u>Amount</u>	<u>%</u>
Fund F Loan	\$ 1,633,000	98%
Local Funds	30,000	2%
<b>Total</b>	<b>\$ 1,663,000</b>	<b>100%</b>



#### **IV. KIA DEBT SERVICE**

Construction Loan	\$ 1,633,000
Interest Rate	2.00%
Loan Term (Years)	20
Estimated Annual Debt Service	\$ 99,468
Administrative Fee (0.25%)	4,083
<b>Total Estimated Annual Debt Service</b>	<b>\$ 103,550</b>

#### **V. PROJECT SCHEDULE**

Bid Opening:	August, 2011
Construction Start:	October, 2011
Construction Stop:	April, 2013

#### **VI. CUSTOMER COMPOSITION AND RATE STRUCTURE**

##### **A) Customers**

<u>Customers</u>	<u>Current</u>
Residential	6,623
Commercial	361
Industrial	5
Total	6,989

##### **B) Rates**

Water rates are subject to PSC jurisdiction. Rates were last increased by the district in January 2010.

Rates Per 1,000 Gallons	
First 2,000 gallons (Minimum Bill)	\$26.59
Next 3,000 gallons (per 1000 gal)	8.80
Next 5,000 gallons (per 1000 gal)	7.96
Next 10,000 gallons (per 1000 gal)	7.11
All Over 20,000 gal, per 1000 gal)	6.26
<b>Cost for 4,000 gallons</b>	<b>\$44.19</b>
<b>Affordability Index (Rate/MHI)</b>	<b>1.4%</b>

Surcharges ranging from \$10 to \$15 per month also exist for five expansion areas within the district.

## **VII. DEMOGRAPHICS**

In 2000, Grant County had a population of 22,384 with a Median Household Income (MHI) of \$38,438. The median household income for the Commonwealth is \$33,672. The project will qualify for a 2% interest rate because the District is a regional service provider.

## **VIII. 2010 CAPITALIZATION GRANT EQUIVALENCIES**

- 1) Green Project Reserve - This project qualifies for \$120,000 in Green Project Reserve (GPR) funding under the category of Energy Efficiency.
- 2) Additional Subsidization – This project does not qualify for additional subsidization.

## **IX. FINANCIAL ANALYSIS (See Exhibit 1)**

Financial information for the District was obtained from audited financial statements for the years ended December 31, 2007 through 2009 and a preliminary draft of the 2010 financial statements.

### **HISTORICAL**

Revenues have increased 100% from \$2,986,801 in 2007 to \$4,152,883 in 2010 due to a combination of customer growth and rate increases. The District's customer base has increased approximately 20% from 5,559 in 6,989 since 2007. Additionally, rates were increased 44.5% at the beginning of 2010. Customer growth has been driven by expansion projects that were funded with a mix of new debt and grant funding.

Purchased water costs have increased 26% while operating expenses have fluctuated but increased 2% for the same period. Revenues did not keep pace with expense increases in 2007 through 2009 resulting in a decrease in the debt coverage ratio to below 1.0 for each year. With the rate increase at the beginning of 2010 the debt coverage ratio improved from .71 to 1.76 in 2010.

The current ratio improved to 5.99 in 2010 and has remained above 2.0 in all prior years. However debt to equity remained relatively constant ranging from 0.5 (low) to 0.57 (high). The District's financial position reflects adequate capacity to assume the additional debt.

### **PROJECTED**

Projections are based on the following assumptions:

- Revenues will increase by 2% annually for customer growth from existing capacity.
- Purchased water cost will and operating expenses will increase by 5% annually.
- The replacement reserve for this project is \$4,083 annually. Total replacement reserve on KIA loans will be \$60,964 in 2011 and decline to \$15,464 in 2014.

Based on the above assumptions, the District will meet the required cash flow with a debt coverage ratio range of 1.44 to 1.63 for years 2011 through 2015.

## REPLACEMENT RESERVE

The annual replacement cost is \$4,500. This amount should be added to the replacement account each December 1 until the balance reaches \$45,000 and maintained for the life of the loan.

## **X. DEBT OBLIGATIONS**

	<u>Outstanding</u>	<u>Maturity</u>
1978 Rural Development Bonds	\$ 456,000	Jan-18
1982 Rural Development Bonds	63,000	Jan-22
2001C KRWFC Bonds - Surcharge	305,000	Jan-27
2001C KRWFC Bonds - Phase 5	275,000	Jan-27
2001C KRWFC Bonds - Refinancing	380,000	Jan-21
2001G KRWFC Bonds - Dry Ridge Tank	277,000	Jan-18
2004D KRWFC Bonds - Phase 7	62,000	Jan-19
2005B KRWFC Bonds - Phase 8	461,000	Jan-31
2005B KRWFC Bonds - Phase 10	260,000	Jan-31
1991 KIA Fund C Loan (C89-05)	12,500	Jun-11
1993 KIA Fund C Loan (C91-13)	85,000	Jun-13
2002 KIA Fund F Loan (F01-06)	240,739	Jun-22
2003 KIA Fund F Loan (F02-11)	894,970	Jun-24
2009 KIA Fund F Loan (F07-09)	2,147,316	Jun-30
2004 Forcht Bank Line of Credit (\$300,000)	0	Not specified
Forcht Bank Note Payable	30,030	Jun-12
Forcht Bank Note Payable	15,299	Oct-12
Software Solutions Note Payable	17,587	May-13
Capital Lease - Grant County Fiscal Court	1,020,000	Feb-19
2003 Old National Bank Capital Lease	173,751	Feb-14
2004 Old National Bank Capital Lease	4,614	Mar-11
<b>Total</b>	<b>\$ 7,180,806</b>	

## **XI. OTHER STATE OR FEDERAL FUNDING IN PAST FIVE YEARS**

<u>Project Title</u>	<u>Funding Source</u>	<u>Amount</u>	<u>Type</u>
Water Line Extension Phase 11 (2008)	KIA	50,000	Grant
Water Line Extension Phase 11 (2006)	KIA	750,000	Grant
Water Line Extension Phase 11 (2008)	EPA	200,000	Grant

## **XII. CONTACTS**

### **Applicant**

Name Bullock Pen Water District  
Address P.O. Box 188  
Crittenden, KY 41030  
County Grant  
Contact Bobby Burgess  
Phone (859) 428-2112  
Email BullockPen@fuse.net

### **Engineer / Applicant Contact**

Name Kerry Odle  
Firm CMW, Inc.  
Address 400 East Vine Street, Suite 400  
Lexington, KY 40507  
Phone (859) 254-6623  
Email kodle@cmwaec.com

## **XIII. RECOMMENDATIONS**

KIA staff recommends approval of the loan with the standard conditions.

**BULLOCK PEN WATER DISTRICT  
BALANCE SHEETS (DECEMBER YEAR END)**

ASSETS	Audited 2007	Audited 2008	Audited 2009	Preliminary 2010	Upon Completion 2013
<b>Current Assets</b>					
Cash	184,057	113,604	80,717	457,719	403,453
Certificates of Deposit	268,775	58,516	0	0	0
Accounts Receivable	447,250	409,731	440,864	582,348	616,800
Inventory	139,064	139,568	149,191	175,138	175,138
Prepaid	47,609	36,381	38,904	34,825	34,825
Accrued Interest Income	2,291	283	0	0	0
Unamortized Expenses	15,455	11,775	17,514	23,694	23,694
<b>Total Current Assets</b>	<b>1,104,501</b>	<b>769,858</b>	<b>727,190</b>	<b>1,273,724</b>	<b>1,253,910</b>
<b>Restricted Assets</b>					
Loan Proceeds Fund	1,139	1,158	0		0
Debt Service Reserve Fund - KIA	16,147	18,562	20,976	19,689	21,000
Current Reserve Fund - Rural Development	166,145	145,325	147,011	147,807	147,807
Debt Payment Account	314,970	316,243	245,611	272,888	272,888
Maintenance and Replacement Reserve	221,304	272,934	314,362	369,883	543,275
Customer Deposits	127,452	133,381	137,345	153,996	153,996
Construction Funds	41,507	116,691	94,345	15,391	15,391
Accounts Receivable - Surcharges	9,718	6,411	9,505	10,864	10,864
Grant Receivable	105,107	72,295	0	0	0
<b>Total Restricted Assets</b>	<b>1,003,489</b>	<b>1,083,000</b>	<b>969,156</b>	<b>990,518</b>	<b>1,165,221</b>
<b>Utility Plant</b>					
Land, System, Building and Equipment	22,752,256	23,244,565	24,568,692	25,539,884	27,248,268
<b>Total</b>	<b>22,752,256</b>	<b>23,244,565</b>	<b>24,568,692</b>	<b>25,539,884</b>	<b>27,248,268</b>
Less Accumulated Depreciation ( )	(5,045,622)	(5,542,930)	(5,954,702)	(6,404,648)	(8,484,072)
<b>Net Fixed Assets</b>	<b>17,706,634</b>	<b>17,701,635</b>	<b>18,613,990</b>	<b>19,135,236</b>	<b>18,764,196</b>
<b>Other Assets</b>					
Miscellaneous Deferred Charges	140,959	139,101	149,292	178,040	178,040
<b>Total Other Assets</b>	<b>140,959</b>	<b>139,101</b>	<b>149,292</b>	<b>178,040</b>	<b>178,040</b>
<b>Total Assets</b>	<b>19,955,583</b>	<b>19,693,594</b>	<b>20,459,628</b>	<b>21,577,518</b>	<b>21,361,367</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Accounts Payable	152,412	160,126	143,517	156,717	153,193
Withholdings and Accrued Liabilities	68,119	79,425	104,991	55,838	55,838
Notes Payable	0	115,000	115,000	0	0
<b>Total Current Liabilities</b>	<b>220,531</b>	<b>354,551</b>	<b>363,508</b>	<b>212,555</b>	<b>209,031</b>
<b>Liabilities Payable - Restricted Assets</b>					
Revenue Bonds - C.P.	152,000	157,000	162,000	166,000	193,000
Notes Payable - C.P.	119,444	121,509	123,641	232,683	200,312
Leases - C.P.	162,725	165,387	170,643	173,781	130,019
Customer Deposits	110,896	117,165	125,766	140,537	140,537
Accrued Interest Payable	52,550	49,228	50,409	57,904	52,500
Accounts Payable - Construction and Meters	183,262	221,016	245,231	100,515	0
<b>Total Liabilities Payable - Restricted Assets</b>	<b>780,877</b>	<b>831,305</b>	<b>877,690</b>	<b>871,420</b>	<b>716,368</b>
<b>Long Term Liabilities</b>					
Revenue Refunding Bonds	2,858,000	2,701,000	2,539,000	2,373,000	1,844,000
Notes Payable	1,478,357	1,356,849	2,484,749	3,210,757	4,212,217
Capital Lease Obligations	1,494,570	1,323,062	1,146,032	1,024,585	501,239
KIA Note Payable	0	0	0	0	0
<b>Total Long Term Liabilities</b>	<b>5,830,927</b>	<b>5,380,911</b>	<b>6,169,781</b>	<b>6,608,342</b>	<b>6,557,456</b>
<b>Total Liabilities</b>	<b>6,832,335</b>	<b>6,566,767</b>	<b>7,410,979</b>	<b>7,692,317</b>	<b>7,482,855</b>
<b>Retained Earnings:</b>					
Invested in Capital Assets Net of Related Debt	11,537,672	11,808,704	12,068,745	12,073,844	12,316,761
Restricted	457,265	515,063	467,017	585,323	582,611
Unrestricted	1,128,311	803,060	512,887	1,246,034	979,141
<b>Total Retained Earnings</b>	<b>13,123,248</b>	<b>13,126,827</b>	<b>13,048,649</b>	<b>13,885,201</b>	<b>13,878,512</b>
<b>Total Liabilities and Equities</b>	<b>19,955,583</b>	<b>19,693,594</b>	<b>20,459,628</b>	<b>21,577,518</b>	<b>21,361,367</b>
<b>Balance Sheet Analysis</b>					
Current Ratio	5.01	2.17	2.00	5.99	6.00
Debt to Equity	0.52	0.50	0.57	0.55	0.54
Working Capital	883,970	415,307	363,682	1,061,169	1,044,879
Percent of Total Assets in Working Capital	4.43%	2.11%	1.78%	4.92%	4.89%
Days Sales in Accounts Receivable	54.7	51.6	54.6	51.2	51.2

**EXHIBIT 1  
BULLOCK PEN WATER DISTRICT  
CASH FLOW ANALYSIS (DECEMBER YEAR END)**

	Audited 2007	% Change	Audited 2008	% Change	Audited 2009	% Change	Preliminary 2010	Projected 2011	Projected 2012	Projected 2013	Projected 2014	Projected 2015
<b>Operating Revenues</b>												
Water Revenue and Penalties	2,876,797	-3%	2,784,496	2%	2,832,666	42%	4,010,790	4,091,006	4,172,826	4,256,283	4,341,409	4,428,237
Management Fees	110,004	4%	114,174	1%	115,665	23%	142,093	142,100	142,100	142,100	142,100	142,100
<b>Total Revenues</b>	<b>2,986,801</b>	<b>-3%</b>	<b>2,898,670</b>	<b>2%</b>	<b>2,948,331</b>	<b>41%</b>	<b>4,152,883</b>	<b>4,233,106</b>	<b>4,314,926</b>	<b>4,398,383</b>	<b>4,483,509</b>	<b>4,570,337</b>
<b>Operating Expenses</b>												
Purchased Water	766,310	14%	870,316	-1%	859,050	13%	968,851	1,017,294	1,068,159	1,121,567	1,177,645	1,236,527
Operating Expenses	1,685,926	4%	1,748,494	-12%	1,538,853	12%	1,727,357	1,813,725	1,904,411	1,999,632	2,099,614	2,204,595
Depreciation	462,650	8%	498,961	0%	498,542	7%	533,908	603,608	683,908	791,908	913,808	1,035,708
Replacement Reserve	50,000		50,000		50,000		50,000	60,964	60,964	51,464	15,464	15,464
<b>Total Expenses</b>	<b>2,964,886</b>	<b>7%</b>	<b>3,167,771</b>	<b>-7%</b>	<b>2,946,445</b>	<b>11%</b>	<b>3,280,116</b>	<b>3,495,591</b>	<b>3,717,442</b>	<b>3,964,571</b>	<b>4,206,531</b>	<b>4,492,294</b>
<b>Net Operating Income</b>	<b>21,915</b>	<b>-1328%</b>	<b>(269,101)</b>	<b>-101%</b>	<b>1,886</b>	<b>46176%</b>	<b>872,767</b>	<b>737,515</b>	<b>597,484</b>	<b>433,812</b>	<b>276,978</b>	<b>78,043</b>
<b>Non-Operating Income and Expenses</b>												
Interest Income	44,786	-54%	20,582	-60%	8,132	-5%	7,711	7,500	7,500	7,500	7,500	7,500
Other	16,000		0		0		0	0	0	0	0	0
<b>Total Non-Operating Income &amp; Expenses</b>	<b>60,786</b>	<b>-66%</b>	<b>20,582</b>	<b>-60%</b>	<b>8,132</b>	<b>-5%</b>	<b>7,711</b>	<b>7,500</b>	<b>7,500</b>	<b>7,500</b>	<b>7,500</b>	<b>7,500</b>
<b>Add Non-Cash Expenses</b>												
Depreciation	462,650	8%	498,961	0%	498,542	7%	533,908	603,608	683,908	791,908	913,808	1,035,708
<b>Cash Available for Debt Service</b>	<b>545,351</b>	<b>-54%</b>	<b>250,442</b>	<b>103%</b>	<b>508,560</b>	<b>178%</b>	<b>1,414,386</b>	<b>1,348,623</b>	<b>1,288,892</b>	<b>1,233,220</b>	<b>1,198,286</b>	<b>1,121,251</b>
<b>Debt Service</b> (enter as positive #'s)												
Existing Principal	444,494		440,289		450,283		506,126	572,464	564,962	546,460	489,927	492,601
Existing Interest	304,518		288,990		264,449		295,459	253,505	234,783	215,202	196,518	181,019
Proposed KIA Loan									32,660	68,105	103,550	103,550
<b>Total Debt Service</b>	<b>749,012</b>		<b>729,279</b>		<b>714,732</b>		<b>801,585</b>	<b>825,969</b>	<b>832,405</b>	<b>829,767</b>	<b>789,995</b>	<b>777,170</b>
<b>Income After Debt Service</b>	<b>(203,661)</b>		<b>(478,837)</b>		<b>(206,172)</b>		<b>612,801</b>	<b>522,654</b>	<b>456,487</b>	<b>403,453</b>	<b>408,291</b>	<b>344,081</b>
<b>Debt Coverage Ratio</b>	<b>0.73</b>		<b>0.34</b>		<b>0.71</b>		<b>1.76</b>	<b>1.63</b>	<b>1.55</b>	<b>1.49</b>	<b>1.52</b>	<b>1.44</b>

# BULLOCK PEN WATER DISTRICT

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1 FARRELL DRIVE • P.O. BOX 188 • CRITTENDEN, KY 41030 • (859) 428-2112

July 12, 2012

Ms. Sandy Williams  
Kentucky Infrastructure Authority  
1024 Capital Center Drive, Suite 340  
Frankfort, KY 40601

RE: F11 – 05 Loan  
Drinking Water State Revolving Fund

Dear Ms. Williams,

The Bullock Pen Water District would like to increase the previously approved loan by the allowable ten per cent (\$163,300.00) making the total loan amount at \$1,796,300.00. Attached is a copy of the revised budget with the increase loan amount.

The additional funding is needed due to bids being higher than the original estimate due to foundation design of tank (due to depth to rock), furnish and installing a generator for pump station, increase labor cost due to use of Davis Bacon wage rates and increases in these wage rates from time of original estimate.

If additional information is needed, please feel free to contact Kerry Odle, our Engineer at (859) 254-6623.

Sincerely,



Bobby Burgess, Chairman

attachment

c: CMW w/a  
file w/a





**Exhibit E**

**Division of Water Approval Letter**



STEVEN L. BESHEAR  
GOVERNOR

LEONARD K. PETERS  
SECRETARY

ENERGY AND ENVIRONMENT CABINET  
DEPARTMENT FOR ENVIRONMENTAL PROTECTION  
DIVISION OF WATER  
200 FAIR OAKS LANE, 4TH FLOOR  
FRANKFORT, KENTUCKY 40601  
[www.kentucky.gov](http://www.kentucky.gov)

May 17, 2012

Mr. William R. Catlett, Superintendent  
Bullock Pen Water District  
One Farrell Dr.  
Crittenden, Kentucky 41030

RE: Bullock Pen Water District  
AI # 1476, APE20120002  
PWSID # 0410047-12-002  
Grant County Improvement Project Phase  
12, Cont#1 & Cont#2  
Grant County, KY

Dear Mr. Catlett:

We have reviewed the plans and specifications for the above referenced project. The plans include the construction of the following:

- A) Contract 1 involves the construction of a new 500,000 gallon water storage tank west of Interstate 75 in Crittenden, Grant County, KY, and a new above ground booster pump station with vertical in-line pumps, capable of 410 gpm at 195 ft of TDH at 83% pump efficiency
- B) Contract 2 involves the construction of approximately 5,575 feet of 8-inch PVC and 72 ft of 12-inch PVC water line along Lebanon Road (KY-491)

This is to advise that plans and specifications for the above referenced project are APPROVED with respect to sanitary features of design, as of this date with the requirements contained in the attached construction permit.

Additionally, your application indicates that the above described project is funded by a State Revolving Fund (SRF) Loan Consequently, the following stipulations must also be observed.

1. You will receive one (1) set of approved plans and specifications. An identical set should be made available at the project site at all times. If modifications are made to these plans and specifications prior to bidding, then four (4) complete sets of revised plans and specifications shall be submitted to the Division of Water for approval.



Bullock Pen Water District  
AI# 1476, APE20120001  
PWSID# 0410047-12-002  
Grant County Improvement Project Phase 12, Cont#1 & Cont#2  
Grant County, KY  
May 8, 2012  
Page 2 of 4

Our notice of construction approval will be issued at a later date by separate correspondence.

2. Construction authorization will be granted when clear site certificates of all involved properties have been submitted to the Division of Water
3. Two (2) set of AS-BID plans and specifications (with the APPROVAL conditions addressed) and a copy of the Advertisement shall be submitted to the Division of Water when the project is advertised. These items will be reviewed as part of the Authority to Award process. A checklist is attached for your use.
4. Please be advised that the construction contract is subject to the Equal Employment opportunity requirements contained in Executive Order 11246. Equal Employment opportunity affirmative action by the prime contractor and all subcontractors is mandated throughout the duration of the contract. Documentation of efforts to comply with Executive Order 11246, Equal Employment Opportunity in accordance with the EPA Special Notice to Bidders is required. Compliance with the MBE/WBE Fair Share Policy in accordance with 40 CFR 31.36(e) is required.
5. Review the attached Project Review and Cost Summary Form for details of the information to either be collected and submitted to the Division for review and approval or to be retained by the grantee in their records. This project Review and Cost Summary is to be completed, signed, and with the necessary information be then forwarded to the Division by the recipient. This signature will certify that all the information to be retained by the recipient has been secured and is available for review by the Division at the pre-construction conference. The required information must be forwarded to the Division for review within fourteen (14) days of bid opening.
6. Upon approval of the documents, the Division of Water will authorize you to award the construction contract, and arrange for a pre-construction conference. Division of Water staff **must** be present at this pre-construction conference.
7. You are cautioned that the advertisement and award of this contract will be subject to the laws and regulations that govern the EPA SRF process.
8. If sanitary features of the approved plans are to be changed during construction, the engineer shall submit the revision to the Division of Water for approval prior to implementation of the modification. Written approval from the Division of Water must be granted prior to on-site work dedicated to the adjustment.
9. When this project is completed, the owner shall submit a written certification to the Division of Water that the above referenced water facilities have been constructed

Bullock Pen Water District  
AI# 1476, APE20120001  
PWSID# 0410047-12-002  
Grant County Improvement Project Phase 12, Cont#1 & Cont#2  
Grant County, KY  
May 8, 2012  
Page 3 of 4

and tested in accordance with the approved plans. Such certification shall be signed by a licensed professional engineer.

10. When this project is completed, the engineer shall submit as-built drawings to the Division of Water.

Unless construction of this project is begun within two (2) years from the issuance date of this permit, the permit shall expire. If this permit expires, the original plans and specifications may be resubmitted for a new comprehensive review.

This approval has been issued under the provisions of KRS Chapter 224 and regulations promulgated pursuant thereto. Issuance of this approval does not relieve the applicant from the responsibility of obtaining any other approvals, permits or licenses required by this Cabinet and other state, federal and local agencies.

If you have any questions concerning this project, please contact Fred Sarabi at 502/564-8158, ext 4825.

Sincerely,



Mark Rasche, P.E.  
Supervisor, Engineering Section  
Drinking Water Branch  
Division of Water

MR:FS

Enclosures

C: CMW, Inc.  
Grant County Health Department  
Division of Plumbing  
David Holroyd, EPA Region IV  
Cathy Arnett, SRF/SPAP Section

Bullock Pen Water District  
AI# 1476, APE20120001  
PWSID# 0410047-12-002  
Grant County Improvement Project Phase 12, Cont#1 & Cont#2  
Grant County, KY  
May 8, 2012  
Page 4 of 4

**A) (FUND A/F/EPA) INELIGIBLE ITEMS:**

**No ineligible items noted**

**(B) APPROVAL CONDITIONS:**

**Clear site Certificates are required before construction can commence  
And the loan agreement executed.**

## Distribution-Major Construction

Bullock Pen Water District  
Facility Requirements

Activity ID No.: APE20120002

Page 1 of 21

**CT0000000034 (Grant County Improvement Project Phase#12) 5,665 ft of 8-inch PVC, 72 ft of 12-inch PVC, 410 gpm at 195 ft of TDH and 1000 gallon elevated water storage tank:**

### Monitoring Requirements:

Condition No.	Parameter	Condition
0-1	Coliform	The presence or absence of total Coliform monitored by sampling and analysis as needed shall be determined for the new or relocated water line(s). Take samples at connection points to existing lines, at 1 mile intervals, and at dead ends without omitting any branch of the new or relocated water line. Sample bottles shall be clearly identified as "special" construction tests. [401 KAR 8:100 Section 1(7), 401 KAR 8:150 Section 4, Recommended Standards for Water Works 8.5.6] This requirement is applicable during the following months: All Year. Statistical basis: Instantaneous determination.
1-2	Coliform	The presence or absence of total Coliform monitored by sampling and analysis as needed shall be determined for the new storage structure(s). With at least 1 sample taken at least 24 hours after the first construction complete sample(s), take 2 or more samples from the yard hydrant, the outlet piping from the storage structure, or a sample tap directly connected to the storage structure. Sample bottles shall be clearly identified as "special" construction tests. [Recommended Standards for Water Works 7.0.18, 401 KAR 8:150 Section 4] This requirement is applicable during the following months: All Year. Statistical basis: Instantaneous determination.
4-3	Coliform	The presence or absence of total Coliform monitored by sampling and analysis as needed shall be determined for the new pump(s). If the pump(s) are independent of (not directly connected to) the new or relocated lines, take at least 1 sample at the discharge side pitcock. Otherwise, no additional sampling beyond the sampling required for new or relocated lines shall be required in association with the pump(s). Sample bottles shall be clearly identified as "special" construction tests. [401 KAR 8:100 Section 1(7)] This requirement is applicable during the following months: All Year. Statistical basis: Instantaneous determination.

### Submittal/Action Requirements:

**Coliform:**

Condition No.	Condition
S-1	Coliform For new construction projects, the distribution system, using the most expedient method, shall submit Coliform test results to the Cabinet: Due immediately following disinfection and flushing. [401 KAR 8:150 Section 4(2)]

**Distribution-Major Construction**

Bullock Pen Water District  
Facility Requirements

Activity ID No.: APE20120002

ACT0000000034 (continued):

Submittal/Action Requirements:

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Condition No.	Condition
S-2	For proposed changes to the approved plan, submit information: Due prior to any modification to the Cabinet for approval. Changes to the approved plan shall not be implemented without the prior written approval of the Cabinet. [401 KAR 8:100 Section 1(8)]
S-3	The person who presented the plans shall submit the professional engineer's certification: Due when construction is complete to the Division of Water. The certification shall be signed by a registered professional engineer and state that the water project has been constructed and tested in accordance with the approved plans, specifications, and requirements. [401 KAR 8:100 Section 1(8)]

Narrative Requirements:

**Additional Limitations:**

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Condition No.	Condition
T-1	Additional Limitations: Chlorinated water resulting from disinfection of project components shall be disposed in a manner which will not violate 401 KAR 5:031. [401 KAR 8:020 Section 2(20)]

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Condition No.	Condition
T-2	This project has been permitted under the provisions of KRS Chapter 224 and regulations promulgated pursuant thereto. Issuance of this permit does not relieve the applicant from the responsibility of obtaining any other approvals, permits or licenses required by this Cabinet and other state, federal and local agencies. Further, this permit does not address the authority of the permittee to provide service to the area to be served. [401 KAR 8:100 Section 1(7)]
T-3	Unless construction of this project is begun within 2 year from the issuance date of this permit, the permit shall expire. If requested prior to the permit expiration, an official extension from the Division of Water may be granted. If this permit expires, the original plans and specifications may be resubmitted for a new comprehensive review. If you have any questions concerning this project, please contact the Drinking Water Branch at 502/564-3410. [401 KAR 8:100 Section 1(9)]

**Distribution-Major Construction**

Bullock Pen Water District  
Facility Requirements

Activity ID No.: APE20120002

Narrative Requirements:

Condition

Condition

Final approval of facility. Upon completion of construction, the person who presented the plans shall certify in writing that the project has been completed in accordance with the "approved" plans and specifications. The public water supply shall operate the facility consistent with the approved plans and specifications. Any proposed change to the approved plan shall be submitted to the cabinet for approval. The public water supply shall not implement any change to the approved plan without the prior written approval of the cabinet. [401 KAR 8:100 Section 401 KAR 8:100(1)(8)]

During construction, a set of approved plans and specification shall be available at the job site at all times. All work shall be performed in accordance with the approved plans and specifications. [401 KAR 8:100 Section 1(7)(a)]



## Distribution-Major Construction

Bullock Pen Water District  
Facility Requirements

Activity ID No.: APE20120002

Page 4 of 21

ORT0000000037 (Waterline Extension) 5,665 ft of 8-inch PVC and 72 ft of 12-inch PVC:

### Limitation Requirements:

Condition No.	Parameter	Condition
L-1	Depth	A continuous and uniform bedding shall be provided in the trench for all buried pipe. Backfill material shall be tamped in layers around the pipe and to a sufficient height above the pipe to adequately support and protect the pipe. Stones found in the trench shall be removed for a Depth $\geq 6$ in below the bottom of the pipe. [Recommended Standards for Water Works 8.5.2] This requirement is applicable during the following months: All Year. Statistical basis: Not applicable.
L-2	Depth	All water lines shall be covered to a Depth $\geq 30$ in to prevent freezing. [Recommended Standards for Water Works 8.5.3, 401 KAR 8:100 Section 1(7)] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.
L-3	Diameter	All new and existing water lines serving fire hydrants or where fire protection is provided shall have Diameter $\geq 6$ in. [Recommended Standards for Water Works 8.1.2] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.
L-4	Distance	Water lines shall have a sufficient quantity of valves so that inconvenience and sanitary hazards will be minimized during repairs. A valve spacing Distance $\leq 1.0$ mi should be utilized. [Recommended Standards for Water Works 8.2] This requirement is applicable during the following months: All Year. Statistical basis: Not applicable.
L-5	Distance	Hydrant drains shall not be connected to sanitary sewers or storm drains and shall be located a Distance $> 10$ ft from sanitary sewers and storm drains. [Recommended Standards for Water Works 8.3.4] This requirement is applicable during the following months: All Year. Statistical basis: Not applicable.
L-6	Distance	Except when not practical, water lines shall be laid a horizontal Distance $\geq 10$ ft from any existing or proposed sewer. The distance shall be measured edge to edge. In cases where it is not practical to maintain a 10 foot separation, water lines may be installed closer to a sewer provided that the water lines shall be laid in a separate trench or on an undisturbed shelf located on one side of the sewer at such an elevation that the bottom of the water line is at least 18 inches above the top of the sewer. [Recommended Standards for Water Works 8.6.2] This requirement is applicable during the following months: All Year. Statistical basis: Not applicable.

## Distribution-Major Construction

Bullock Pen Water District  
Facility Requirements

Activity ID No.: APE20120002

Page 5 of 21

0000000037 (continued):

mitation Requirements:

Condition	Parameter	Condition
7	Distance	<p>When water lines and sewers cross,</p> <ol style="list-style-type: none"> <li>1) water lines shall be laid such that either</li> <li>a) the the top of the water line is a vertical Distance <math>\geq 18</math> in below the bottom of the sewer line or</li> <li>b) the bottom of the water line is a vertical Distance <math>\geq 18</math> in above the top of the sewer line,</li> <li>2) 1 full length of the water pipe shall be located so that both joints of the water pipe will be as far from the sewer as possible, and</li> <li>3) special structural support for the water and sewer pipes may be required. [Recommended Standards for Water Works 8.6.3]</li> </ol> <p>This requirement is applicable during the following months: All Year. Statistical basis: Not applicable.</p>
-8	Distance	<p>The open end of an air relief pipe from automatic valves shall be extended a Distance <math>\geq 1.0</math> ft above grade and provided with a screened, downward-facing elbow. The pipe from a manually operated valve shall be extended to the top of the pit. Use of manual air relief valves is recommended wherever possible. [Recommended Standards for Water Works 8.4.2] This requirement is applicable during the following months: All Year. Statistical basis: Not applicable.</p>
-9	Pressure	<p>Pipes shall not be installed unless all points of the distribution system remain designed for ground level Pressure <math>\geq 20</math> psi under all conditions of flow. [Recommended Standards for Water Works 8.1.1] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.</p>
L-10	Pressure	<p>Pressure <math>\geq 30</math> psi must be available on the discharge side of all meters. [401 KAR 8:100 Section 4(2)] This requirement is applicable during the following months: All Year. Statistical basis: Instantaneous determination.</p>
L-11	Residual Disinfection	<p>New or relocated water lines shall be thoroughly disinfected (in accordance with AWWA Standard C651) upon completion of construction and before being placed into service. To disinfect the new or relocated lines use chlorine or chlorine compounds in such amounts as to produce an initial disinfectant concentration of at least 50 ppm and a Residual Disinfection <math>\geq 25</math> ppm at the end of 24 hours. Follow the line disinfection with thorough flushing and place the lines into service if, and only if, Coliform monitoring applicable to the line does not show the presence of Coliform. If Coliform is detected, repeat flushing of the line and Coliform monitoring. If Coliform is still detected, repeat disinfection and flushing as if the line has never been disinfected. Continue the described process until monitoring does not show the presence of Coliform. [401 KAR 8:150 Section 4(1), Recommended Standards for Water Works 8.5.6] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.</p>

## Distribution-Major Construction

Bullock Pen Water District  
Facility Requirements

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ORT0000000037 (continued):

Limitation Requirements:

Condition No.	Parameter	Condition
L-12	Velocity	Each blow-off or fire hydrant shall be sized so that Velocity $\geq$ 2.5 ft/sec can be achieved in the water main served by the blow-off or hydrant during flushing. [Recommended Standards for Water Works 8.1.6.b, 401 KAR 8:100 Section 1(7)] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.

Monitoring Requirements:

Condition No.	Parameter	Condition
M-1	leaks	The presence or absence of leaks monitored by physical testing as needed shall be determined in all types of installed pipe. Pressure testing and leakage testing shall be in accordance with the latest edition of AWWA Standard C600. [Recommended Standards for Water Works 8.5.5] This requirement is applicable during the following months: All Year. Statistical basis: Instantaneous determination.

Narrative Requirements:

### Asbestos (Friable):

Condition No.	Condition
T-1	Asbestos (Friable): If the existing water line to be tapped is asbestos concrete, then the contractor shall conform to OSHA regulations governing the handling of hazardous waste during the process of tapping the asbestos concrete line. Pieces of asbestos concrete resulting from the tap shall be double bagged, placed in a rigid container and disposed of in an approved landfill. [401 KAR 8:100 Section 1(7)]

## Distribution-Major Construction

Bullock Pen Water District  
Facility Requirements

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T0000000037 (continued):

Descriptive Requirements:  
Additional Limitations:

Condition

Condition

Additional Limitations:  
Water line installation shall be in accordance with AWWA standards or manufacturer recommendations. [Recommended Standards for Water Works 8.5.1]

Additional Limitations:  
Pipes, fittings, valves and fire hydrants shall conform to the latest standards issued by the AWWA or NSF (if such standards exist). PVC and PE piping used must be certified to ANSI/NSF Standard 61. [Recommended Standards for Water Works 8.0.1]

Additional Limitations:  
At high points in water lines, where air can accumulate, provisions shall be made to remove the air by means of hydrants or air relief valves. Automatic air relief valves shall not be used in situations where manhole or chamber flooding may occur. [Recommended Standards for Water Works 8.4.1]

Additional Limitations:  
All tees, bends, plugs and hydrants shall be provided with reaction blocking, tie rods or joints designed to prevent movement. [Recommended Standards for Water Works 8.5.4]

Additional Limitations:  
A fire hydrant or blow-off shall be required at the end of each dead end line. [Recommended Standards for Water Works 8.1.6]

Additional Limitations:  
For each fire hydrant, auxiliary valves shall be installed in the hydrant lead pipe. [Recommended Standards for Water Works 8.3.3]

Additional Limitations:  
No flushing device, blow-off, or air relief valve shall be directly connected to any sewer. Chambers, pits or manholes containing valves, blow-offs, meters, or other such appurtenances shall not be directly connected to any storm drain or sanitary sewer. Such chambers, pits or manholes shall be drained to absorption pits underground or to the surface of the ground where they are not subject to flooding by surface water. [Recommended Standards for Water Works 8.1.6, Recommended Standards for Water Works 8.4.3]

Additional Limitations:  
If water lines are installed or replaced in areas of organic contamination or in areas within 200 ft of underground or petroleum storage tanks, ductile iron or other nonpermeable materials shall be used in all portions of the water line installation or replacement. [401 KAR 8:100 Section 1(5)(d)6, Recommended Standards for Water Works 8.0.2]

**Distribution-Major Construction**

Bullock Pen Water District  
Facility Requirements

Activity ID No.: APE20120002

**ORT0000000037 (continued):**

**Narrative Requirements:**

**Additional Limitations:**

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Condition No.	Condition
T-10	Additional Limitations: No water pipe shall pass through or come in contact with any part of a sewer manhole. [Recommended Standards for Water Works 8.6.6]
T-11	Additional Limitations: If a fire sprinkler system is to be installed, a double check detector assembly approved for backflow prevention shall be utilized. The double check detector assembly of the system shall be accessible for testing. [401 KAR 8:100 Section 1(7)]

## Distribution-Major Construction

Bullock Pen Water District  
Facility Requirements

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T0000000038 (booster pump station) **Booster Pump Station with 410 gpm at 195 ft of TDH:**

mitation Requirements:

Condition	Parameter	Condition
1	Pressure	Pump stations shall be located or controlled so that intake Pressure $\geq 20$ psi is maintained during normal pump operation. [Recommended Standards for Water Works 6.4.b] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.
2	Pressure	Pump stations shall be located or controlled so that an automatic cutoff or a low pressure controller maintains a Pressure $\geq 10$ psi in the suction line under all operating conditions. [Recommended Standards for Water Works 6.4.c] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.
3	Residual Disinfection	New pumps shall be thoroughly disinfected (in accordance with AWWA Standard C651) upon completion of construction and before being placed into service. To disinfect new pumps use chlorine or chlorine compounds in such amounts as to produce an initial disinfectant concentration of at least 50 ppm and a Residual Disinfection $\geq 25$ ppm at the end of 24 hours. Follow the disinfection with thorough flushing and place each pump into service if, and only if, Coliform monitoring applicable to the pump does not show the presence of Coliform. If Coliform is detected, repeat flushing of the pump and Coliform monitoring. If Coliform is still detected, repeat disinfection and flushing as if the pump has never been disinfected. Continue the described process until monitoring does not show the presence of Coliform. [401 KAR 8:100 Section 1(7)] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.
L-4	Slope	Pumping facilities shall be located and designed to maintain the sanitary quality of pumped water. As part of this, all pump station floors shall have Slope $\geq 3$ in per 10 ft to a suitable drain. [Recommended Standards for Water Works 6.2.e, Recommended Standards for Water Works 6.0, Recommended Standards for Water Works 6.1] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.
L-5	Air Change Rate	Ventilation shall conform to existing local and/or state codes. At a minimum forced ventilation shall produce an Air Change Rate $\geq 6$ air change(s)/hr. [401 KAR 8:100 Section 1(7), Recommended Standards for Water Works 6.2.5] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.

**Distribution-Major Construction**

Bullock Pen Water District  
Facility Requirements

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DRT0000000038 (continued):

Limitation Requirements:

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Condition No.	Parameter	Condition
L-6	Height	Pumping stations shall not be subject to flooding. To this end, 1) grading around stations shall lead surface drainage away and 2) stations shall be elevated or protected to a Height $\geq$ 3 ft above the highest of the following: a) the 100-year flood elevation, or b) the highest recorded flood elevation. [Recommended Standards for Water Works 6.1.1, Recommended Standards for Water Works 6.0] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.
L-7	Height	When a pump station has pits or compartments which must be entered, stairways or ladders shall be provided between all floors. Stairs shall have risers with a Height $\leq$ 9 in, handrails on both sides, and treads with non-slip material wide enough for safety. [Recommended Standards for Water Works 6.2.3] This requirement is applicable during the following months: All Year. Statistical basis: Maximum.

Narrative Requirements:

**Additional Limitations:**

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Condition No.	Condition
T-1	Additional Limitations: Pumping stations shall be so located that the proposed site will meet the requirements for hydraulics of the system. [Recommended Standards for Water Works 6.1]
T-2	Additional Limitations: Pumping stations shall be readily accessible at all times for servicing and repairs. [Recommended Standards for Water Works 6.1.1.b, Recommended Standards for Water Works 6.4.3]
T-3	Additional Limitations: Pumping stations shall be designed to prevent vandalism and protect against entrance of animals or unauthorized persons. [Recommended Standards for Water Works 6.1.1.d]
T-4	Additional Limitations: Pumping stations shall be of durable construction with outward-opening doors. [Recommended Standards for Water Works 6.2.b]

**Distribution-Major Construction**

Bullock Pen Water District  
Facility Requirements

Activity ID No.: APE20120002

T0000000038 (continued):

Descriptive Requirements:  
Additional Limitations:

Condition

Additional Limitations:

Pumping stations shall be fire and weather resistant. [Recommended Standards for Water Works 6.2.b]

Additional Limitations:

Pumping stations shall have suitable pump gland discharges so that drainage from the glands is not onto the floor. [Recommended Standards for Water Works 6.2.f]

Additional Limitations:

If underground structures are present at pumping stations, they shall be waterproofed. [Recommended Standards for Water Works 6.2.d]

Additional Limitations:

Pumping stations shall have adequate space for the installation of additional pumps. [Recommended Standards for Water Works 6.2.a]

Additional Limitations:

Pumping stations shall have adequate space for the safe servicing of all equipment. [Recommended Standards for Water Works 6.2.a]

Additional Limitations:

Pump stations shall have crane-ways, hoist beams, eyebolts, or other adequate facilities for servicing or removal of pumps, motors or other heavy equipment. [Recommended Standards for Water Works 6.2.2.a]

Additional Limitations:

Pump stations shall have openings as needed for removal of heavy or bulky equipment. [Recommended Standards for Water Works 6.2.2.b]

Additional Limitations:

Pump stations shall have a convenient tool board, or other facilities as needed, for proper maintenance of equipment. [Recommended Standards for Water Works 6.2.2.c]

Additional Limitations:

In areas where excess moisture could cause safety hazards or damage to equipment, dehumidification shall be provided. [401 KAR 8:100 Section 1(7), Recommended Standards for Water Works 6.2.6]

Additional Limitations:

Electrical controls shall be located above grade. [Recommended Standards for Water Works 6.6.5]



## Distribution-Major Construction

Bullock Pen Water District  
Facility Requirements

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ORT0000000038 (continued):

Narrative Requirements:

### Additional Limitations:

Condition No.	Condition
T-15	<p>Additional Limitations: All electrical equipment and work shall conform with the applicable state and local electrical codes and the National Electrical Code. [Recommended Standards for Water Works 6.5, Recommended Standards for Water Works 6.2.7]</p>
T-16	<p>Additional Limitations: Pump stations shall be adequately lighted throughout. [Recommended Standards for Water Works 6.2.7]</p>
T-17	<p>Additional Limitations: All automatic pump stations shall be provided with automatic signaling apparatus which will report when the station is out of service. All remote controlled stations shall be electrically operated and controlled and shall have signaling apparatus of proven performance. [Recommended Standards for Water Works 6.5]</p>
T-18	<p>Additional Limitations: Automatic or remote control pump stations shall be located or shall have control devices setup so that the range between start and cutoff pressure prevents excessive pump cycling. [Recommended Standards for Water Works 6.4.d]</p>
T-19	<p>Additional Limitations: Equipment shall be provided or other arrangements made to prevent surge pressures from activating controls which switch on pumps or activate other equipment outside the normal design cycle of operation. [Recommended Standards for Water Works 6.6.5]</p>
T-20	<p>Additional Limitations: Provisions shall be made to prevent energizing the motor in the event of a backspin cycle. [Recommended Standards for Water Works 6.6.5]</p>
T-21	<p>Additional Limitations: Pump stations shall be provided with enough heat to prevent freezing of equipment or treatment processes. [Recommended Standards for Water Works 6.2.4]</p>
T-22	<p>Additional Limitations: Pump stations shall have at least 2 pumps. Pumps shall be sized so that if any single pump is out service, the remaining pump or pumps shall be capable of providing the peak demand on the station. [Recommended Standards for Water Works 6.3, Recommended Standards for Water Works 6.4.1]</p>
T-23	<p>Additional Limitations: Provisions shall be made for pump alternation. [Recommended Standards for Water Works 6.6.5]</p>

## Distribution-Major Construction

Bullock Pen Water District  
Facility Requirements

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T0000000038 (continued):

narrative Requirements:

Additional Limitations:

Condition

Condition

Additional Limitations:  
Pumps shall

- a) have ample capacity to supply the peak demand against the required distribution system pressure without dangerous overloading,
- b) be driven by prime movers able to meet the maximum horsepower condition of the pumps,
- c) be provided readily available spare parts and tools, and
- d) be served by control equipment that is properly protected against temperatures to be encountered. [Recommended Standards for Water Works 6.3]

Additional Limitations:

Pumps, their prime movers and accessories shall be controlled in such a manner that they will operate at rated capacity without dangerous overload. [Recommended Standards for Water Works 6.6.5]

Additional Limitations:

Pump stations shall be located or controlled so that a bypass is available. [Recommended Standards for Water Works 6.4.e]

Additional Limitations:

Pump stations shall contain indicating and totalizing metering of the total water pumped. Each pump shall have

- a) a standard pressure gauge on its discharge line and
- b) a compound gauge on its suction line.

Each pump should have a means for measuring the instantaneous volume per time discharge. [401 KAR 8:100 Section 1(7), Recommended Standards for Water Works 6.4.2, Recommended Standards for Water Works 6.6.3]

Additional Limitations:

Pumps shall be adequately valved to permit satisfactory operation, maintenance and repair of the equipment. Each pump shall have a positive-acting check valve on the discharge side between the pump and the shut-off valve. [Recommended Standards for Water Works 6.6.1]

## Distribution-Major Construction

Bullock Pen Water District  
Facility Requirements

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ORT0000000038 (continued):

Narrative Requirements:

### Additional Limitations:

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Condition

No. Condition

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T-29

Additional Limitations:

Piping for pumps shall, in general,

- 1) be designed so that the friction losses will be minimized,
- 2) not be subject to contamination,
- 3) have watertight joints,
- 4) be protected against surge or water hammer,
- 5) be provided with restraints where necessary, and
- 6) a) be such that each pump has an individual suction line or
- 6) b) be manifolded such that the lines insure similar hydraulic and operating conditions. [Recommended Standards for Water Works 6.6.2]

T-30

Additional Limitations:

To ensure continuous service when the primary power is interrupted, power supplied to pump stations shall be

- a) from at least 2 independent sources or
- b) from a primary source with a standby or auxiliary source provided.

If standby power is provided by onsite generators or engines, the fuel storage and fuel line must be designed to protect the water supply from contamination.  
[Recommended Standards for Water Works 6.6.6]

## Distribution-Major Construction

Bullock Pen Water District  
Facility Requirements

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### 0000000002 (Elevated Water Storage Tank) 500,000 gallon elevated water storage tank:

#### Installation Requirements:

Condition	Parameter	Condition
	Depth	High and low level Depth $\geq 30$ ft apart should not be allowed in storage structures providing pressure to a distribution system. [Recommended Standards for Water Works 7.3.2] This requirement is applicable during the following months: All Year. Statistical basis: Maximum.
2	Distance	To prevent excessive erosion of storage structure foundations, the overflow and main drain shall either a) discharge to concrete or other stable surfaces (splash pads) which extend a Distance $\geq 10$ ft away from the base of the storage structure or b) discharge directly into a crushed stone pit that is at least 2' x 2' x 2' which is a Distance $\geq 10$ ft away from the base of the storage structure. [401 KAR 8:100 Section 1(7)] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.
-3	Height	Tanks shall have an overflow which is a) brought down to a Height $\geq 12$ and $\leq 24$ in above the ground surface, b) of sufficient diameter to permit waste of water in excess of the filling rate, c) open downward, d) screened with twenty-four mesh noncorrodible screen installed within the pipe at a location least susceptible to damage by vandalism, and e) when not internal, e) i) located on the outside of the tank so that any discharge is visible, when internal, e) ii) located in the access tube. [Recommended Standards for Water Works 7.0.7] This requirement is applicable during the following months: All Year. Statistical basis: Not applicable.
L-4	Height	Tanks shall have manholes that are a) framed a Height $\geq 4$ in above the surface of the roof at the opening and b) fitted with a solid watertight cover which overlaps the framed opening and extends down around the frame at least 2 inches. Manholes should be hinged at one side and shall have a locking device. [Recommended Standards for Water Works 7.0.8] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.

## Distribution-Major Construction

Bullock Pen Water District  
Facility Requirements

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FOR0000000002 (continued):

Narrative Requirements:

### Additional Limitations:

Condition No.	Condition
T-1	<p>Additional Limitations: The materials and designs used for storage structures shall provide stability and durability as well as protection for the quality of the stored water. Steel structures shall follow the AWWA standards wherever they are applicable. Other materials of construction are acceptable when properly designed to meet the requirements in this permit. [Recommended Standards for Water Works 7.0]</p>
T-2	<p>Additional Limitations: The safety of employees must be considered in the design of any tank. The design of tanks shall</p> <ol style="list-style-type: none"><li>meet or exceed the minimum requirements of pertinent safety laws and regulations in the areas where the tanks are constructed,</li><li>include ladders, ladder guards and balcony railings (where applicable),</li><li>locate entrance hatches in safe places,</li><li>provide railings or handholds where persons must transfer from an access tube to the water compartment, and</li><li>consider confined space entry requirements.</li></ol> <p>Additionally, if tanks have riser pipes over 8 inches in diameter, the tanks shall have protective bars over the riser openings inside of the tank. [Recommended Standards for Water Works 7.0.12]</p>
T-3	<p>Additional Limitations: Storage structures shall be designed with reasonably convenient access to the interior for cleaning and maintenance. Where space permits, at least 2 manholes shall be provided above the waterline at each water compartment. [Recommended Standards for Water Works 7.0.8]</p>
T-4	<p>Additional Limitations: Fencing, locks on access manholes, and other necessary precautions shall be provided to prevent trespassing, vandalism, and sabotage. [Recommended Standards for Water Works 7.0.4]</p>
T-5	<p>Additional Limitations: All storage structures and their appurtenances, especially the riser pipes, overflows, and vents, shall be designed to prevent freezing. [Recommended Standards for Water Works 7.0.13]</p>
T-6	<p>Additional Limitations: Tanks shall be constructed with no openings except properly constructed vents, manholes, overflows, risers, drains, control ports, and piping for inflow and outflow. Any pipes running through the roof or sidewall must be welded or properly gasketed. [Recommended Standards for Water Works 7.0.10]</p>

## Distribution-Major Construction

Bullock Pen Water District  
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R000000002 (continued):

narrative Requirements:

Additional Limitations:

Condition

Condition

7 Additional Limitations:  
All finished water storage structures shall have suitable watertight roofs and sidewalls which exclude birds, animals, insects, and excessive dust. [Recommended Standards for Water Works 7.0.3, Recommended Standards for Water Works 7.0.10]

8 Additional Limitations:  
The roof of each storage structure shall be well drained. Downspout pipes shall not enter or pass through storage structures. Parapets or similar structures which would tend to hold water and snow on a storage structure roof shall not be approved unless adequate waterproofing and drainage are provided. [Recommended Standards for Water Works 7.0.11]

9 Additional Limitations:  
Storage structures shall be designed so they can be isolated from the distribution system and drained for cleaning or maintenance without necessitating loss of pressure in the distribution system. [Recommended Standards for Water Works 7.3.2, Recommended Standards for Water Works 7.0.5]

10 Additional Limitations:  
Storage structure drains shall discharge to the ground surface at a drainage structure inlet or splash plate. [Recommended Standards for Water Works 7.3.2, Recommended Standards for Water Works 7.0.7]

11 Additional Limitations:  
No drain on a storage structure may have a direct connection to a sewer or storm drain. [Recommended Standards for Water Works 7.0.5, Recommended Standards for Water Works 7.0.7, Recommended Standards for Water Works 7.3.2]

12 Additional Limitations:  
Main drains from storage structures shall have a twenty-four mesh noncorrodible screen installed within the drain pipe at a location least susceptible to damage by vandalism. [401 KAR 8:100 Section 1(7)]

13 Additional Limitations:  
Storage structures shall be designed to facilitate turn over of water. [401 KAR 8:100 Section 1(7), Recommended Standards for Water Works 7.0.6]

14 Additional Limitations:  
Storage structures shall have sufficient capacity, as determined from engineering studies, to meet domestic demands. Additionally, if fire protection is provided, capacity shall also be sufficient to meet fire flow demands. [401 KAR 8:100 Section 1(7), Recommended Standards for Water Works 7.0.1]

## Distribution-Major Construction

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FOR0000000002 (continued):

Narrative Requirements:

### Additional Limitations:

Condition No.	Condition
T-15	<p>Additional Limitations: Storage structure discharge pipes shall be located in a manner that will prevent the flow of sediment into the distribution system. Additionally, removable silt stops should be provided. [Recommended Standards for Water Works 7.0.15]</p>
T-16	<p>Additional Limitations: Appropriate sampling tap(s) shall be provided to facilitate collection of water samples for both bacteriologic and chemical analyses. [Recommended Standards for Water Works 7.0.19]</p>
T-17	<p>Additional Limitations: Storage structures shall be vented. Overflows shall not be considered as vents. Open construction between the sidewall and roof is not permitted. Vents shall</p> <ul style="list-style-type: none"><li>a) prevent the entrance of rainwater,</li><li>b) exclude birds and animals, and</li><li>c) exclude insects and dust (as much as compatible with effective venting).</li></ul> <p>Vents may use four-mesh noncorrodible screen. [Recommended Standards for Water Works 7.0.9]</p>
T-18	<p>Additional Limitations: Adequate controls shall be provided to maintain levels in storage structures. The level controls shall be acceptable to the Division of Water. Level indicating devices should be provided at a central location. Overflow and low-level warnings or alarms should be located at places in the community where they will be under responsible surveillance 24 hrs a day. [401 KAR 8:100 Section 1(7), Recommended Standards for Water Works 7.3.3]</p>
T-19	<p>Additional Limitations: If storage structures have a catwalk over the water, the catwalk floor shall be solid with raised edges so that shoe scrapings and dirt will not fall into the water. [Recommended Standards for Water Works 7.0.14]</p>
T-20	<p>Additional Limitations: Proper protection shall be given to metal surfaces by</p> <ul style="list-style-type: none"><li>a) paints or other protective coatings and/or</li><li>b) cathodic protective devices. [Recommended Standards for Water Works 7.0.17]</li></ul>

**Distribution-Major Construction**

Bullock Pen Water District  
Facility Requirements

Activity ID No.: APE20120002

R0000000002 (continued):

narrative Requirements:

Additional Limitations:

Condition

Condition

1 Additional Limitations:

If cathodic protection is utilized,

- a) competent technical personnel should design and install the protection and
- b) a maintenance contract should be provided. [Recommended Standards for Water Works 7.0.17]

2 Additional Limitations:

If the interior of the storage structure is coated or lined, the coating or lining shall be of a type approved by the Division of Water for use in contact with potable water. [401 KAR 8:020 Section 2(19)]

23 Additional Limitations:

Paints and coatings

- a) shall meet NSF standard 61,
  - b) shall be acceptable to the Division of Water,
  - c) shall be properly applied and cured, and
  - d) shall not transfer any substance to the water which will be toxic or cause tastes or odors (following curing).
- Wax coatings shall not be used in any storage structure and must be completely removed before using other paints or coatings in an existing storage structure. [401 KAR 8:100 Section 1(7), Recommended Standards for Water Works 7.0.17]



## Distribution-Major Construction

Bullock Pen Water District

Facility Requirements

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TOR0000000002 (continued):

Narrative Requirements:

### Additional Limitations:

Condition No.	Condition
T-24	<p>Additional Limitations: New water storage structures shall be thoroughly disinfected (in accordance with AWWA Standard C652) upon completion of construction and before being placed into service. To disinfect new storage structures</p> <ol style="list-style-type: none"><li>1) remove all scaffolding, planks, tools, rags, and other items that are not part of the structural or operational facilities of the storage structure,</li><li>2) clean thoroughly by sweeping, scrubbing, using high-pressure water jets, or some equivalently effective means, and</li><li>3) use chlorine or chlorine compounds as subsequently described.</li></ol> <p>Finalize disinfection by</p> <ol style="list-style-type: none"><li>a) chlorination method 1, described in detail at AWWA Standard C652 Section 4.3.1,</li><li>b) chlorination method 2, described in detail at AWWA Standard C652 Section 4.3.2, or</li><li>c) chlorination method 3, described in detail at AWWA Standard C652 Section 4.3.3.</li></ol> <p>See the following conditions for abbreviated descriptions of the methods. Following the finalization of disinfection, place storage structures into service if, and only if, Coliform monitoring applicable to the storage structure does not show the presence of Coliform. If Coliform is detected, flush the tank and repeat Coliform monitoring. If Coliform is still detected, repeat disinfection and flushing as if the tank has never been disinfected. Continue the described process until monitoring does not show the presence of Coliform. [Recommended Standards for Water Works 7.0.18]</p>
T-25	<p>If applicable, chlorination method 1 generally requires</p> <ol style="list-style-type: none"><li>a) filling a storage structure to the overflow level with water providing a free chlorine Residual Disinfection <math>\geq 10</math> ppm and</li><li>b) <ol style="list-style-type: none"><li>i) completely draining the storage facility and refilling or</li><li>ii) otherwise reducing (in accordance with method 1) the free chlorine residual to a level appropriate for distribution. [Recommended Standards for Water Works 7.0.18]</li></ol></li></ol>
T-26	<p>If applicable, chlorination method 2 generally requires</p> <ol style="list-style-type: none"><li>a) scrubbing or spraying the water-contact surfaces of a storage structure with a water solution having an available chlorine concentration = 200 ppm and</li><li>b) purging of the strong chlorine solution and filling to the overflow level. [Recommended Standards for Water Works 7.0.18]</li></ol>

**Distribution-Major Construction**

Bullock Pen Water District  
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**R0000000002 (continued):**

**Narrative Requirements:**

Condition

Condition

- 7 If applicable, chlorination method 3 generally requires
- a) filling a storage structure to approximately 5% of the total storage volume with water having an available chlorine concentration of 50 ppm,
  - b) continued filling of the storage structure to the overflow level with normal potable water, and
  - c) purging the storage structure so that various disinfection by-products do not reach water consumers. [Recommended Standards for Water Works 7.0.18, 401 KAR 8:100 Section 1(7)]

**CASE NO: 2012-00354**

**CONTAINS  
LARGE OR OVERSIZED  
MAP(S)**

**RECEIVED ON: July 27, 2012**