COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF GRANT COUNTY SANITARY SEWER DISTRICT FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO CONSTRUCT AND APPROVAL TO FINANCE A SANITARY SEWER EXTENSION PROJECT	)))))	**CASE NO. 2013-00404**

APPLICATION

Comes now the Grant County Sanitary Sewer 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 Sanitary Sewer District Bullock Pen Lake Sewer Extension/Bingham Pump Station Relocation Improvement Project, ("Improvement Project") consisting of the relocation and improvement of a primary lift station and construction of approximately 3.59 miles of sanitary sewer lines to service customers in the Bullock Pen Lake area.

In support of this Application, this District states as follows:

1. The full name and post office address of the Applicant is Grant County Sanitary Sewer District, 1 Farrell Drive, P.O. Box 460, Crittenden, Kentucky 41030.

2. The governing body of the District is it's Board of Commissioners, a body corporate with the power to make contracts in the furtherance of the lawful and proper purposes as provided for in KRS 74.0010 et seq. The District is now and has been since 2005 regulated by the Public Service Commission ("Commission"). All records and proceedings of the District previously flied with the Commission are incorporated in this Application by reference.

3. This District is a non-profit sanitary sewer district and has no separate Articles of Incorporation or By-Laws.

4. The District was created by Ordinance of the Grant County Fiscal Court on October 7, 2002 in Ordinance No. 26-2002-2453 (Exhibit "1").

5. Pursuant to 807 KAR 5:001, the District states:

A. The District provides sanitary sewer collection and treatment services for approximately 1,500 customers within its territory. The majority of these customers are residential in nature with a limited number of commercial and industrial customers.

B. The territory served by the District is comprised principally of the geographic boundaries of the City of Crittenden, Kentucky. Services provided to some areas are outside of the geographic boundaries of Crittenden.

C. No increase in the rates charged by the District will be necessary to effectuate this project.

6. Pursuant to KRS 278.010 et. seq., the District seeks the following:

A. A Certificate of Public Convenience and Necessity permitting the District to relocate and construct a new lift station;

B. A Certificate of Public Convenience and Necessity for the installation of approximately 3.59 miles of new sanitary sewer lines to service new customers; and

C. Approval of the proposed plan of financing for the Project.

7. A description of the District's sanitary sewer system and its property stated at its original cost by account as referred to in its December 31, 2012 Annual Report which is incorporated herein by reference pursuant to 807 KAR 5:001 et seq (Exhibit "2").

8. The Improvement Project which is the subject matter of this Application consists of the following:

A. The District's current Bingham Lift Station was originally constructed in 1988. Due to increased residential and commercial development in the immediate area, the Bingham Lift Station is outdated and in need of major repair. Since the District acquired the sanitary sewer system from the City of Crittenden in 2004, the Bingham Lift Station has required an inordinate amount of repair, including replacement of motors, pumps, parts and the like. In addition, the Bingham Lift Station is currently constructed at a specific location that is no longer appropriate. The District needs to relocate its Bingham Lift Station in order to better service existing customers and to promote future growth in the area. See the attached Preliminary Engineering Report (Exhibit "3") for a more detailed description of this phase of the Improvement Project.

B. The second portion of the Improvement Project consists of the installation of approximately 3.59 miles of new sanitary sewer lines. This portion of the Improvement Project will add an additional 46 new customers. Currently, residents in the area of the proposed Improvement Project are served by on-site sanitary septic systems. Those residents are also in direct contact with, abut and/or are in the immediate watershed area of Bullock Pen Lake. It is the intention of the District to extend sanitary sewer service to the Bullock Pen Lake area in order to insure that contamination of the Bullock Pen Lake does not occur. Currently, the Bullock Pen Water District draws water from Bullock Pen Lake as one of its primary sources of water supply for its customers. See the attached Preliminary Engineering Report (Exhibit "3") for a more detailed description of this portion of the Improvement Project.

9. The Improvement Project is in the public's best interest and is required to

enable the District to better serve existing customers; to encourage continued growth and development in the District service area; to add an additional 46 customers; and, to protect Bullock Pen Lake from contamination by on-site residential septic systems.

10. The District does not contemplate having the Improvement Project constructed with any deviation from minimum construction standards of the Commission.

11. The total cost of the Improvement Project is approximately $1,276,449.00 as outlined in the attached Final Project Cost Estimate (Exhibit "4").

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

13. Copies of the certified bid tabulations for the Improvement Project are contained in the Final Engineering Report (Exhibit 5").

14. The 2012 Annual Report provides financial data for the 12 month period ending December 31, 2012. To the extent that the financial data contained in its 2012 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 moves for a deviation from 807 KAR 5:001 et seq. The District states there has been no change that is material in nature regarding the financial condition or operation of the District since December 31, 2012. The financial data contained in the 2012 Annual Audit Report is the most recent published financial data available to the District.

15. The District has bid the Project and is under a 90 day bid-hold period by the contractors. The bid-hold period ends January 6, 2014. As such, it is imperative that the Improvement Project be approved as quickly as possible in order to avoid the loss of favorable bids received by the District.

16. Total project cost is estimated to be approximately $1,276,449.00 financed as follows:

A. $1,211,449.00 of the total project cost will be financed through the Kentucky Infrastructure Authority (KIA) through a federally assisted Wastewater Revolving Loan Fund in an amount not to exceed $1,211,449.00. A copy of the Conditional Commitment Letter dated October 4, 2013 is contained in Exhibit "6". The KIA loan will bear interest at the rate of 3% per annum and be amortized over a period of 20 years. A loan servicing fee of 0.20% of the annual outstanding loan balance shall be payable to KIA as a part of each interest payment. Interest and principal payments shall be payable as set forth in the attached Conditional Commitment Letter dated October 4, 2013.

B. $65,000.00 of the total project cost will be payable by the District. Up to $46,000.00 of that amount will be payable from receipts of tap-on fees of new customers on the to be constructed sanitary sewer line.

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

18. The District has received all approvals and permits necessary to construct the Improvement Project, copies of which are attached hereto as Exhibit "6".

19. The District is providing three full sets of a Project Manual for the Improvement Project and all Engineering Plans and Specifications. (Exhibit "7".)

20. A rate increase will not be necessary to implement the Improvement Project.

21. The estimated cost of operation of the Improvement Project upon completion is attached as Exhibit "8".

WHEREFORE, the District requests that the Commission grant the following relief.

A. A Certificate of Public Convenience and Necessity permitting the District to construct the Grant County Sanitary Sewer District, Phase II Improvement Project;

B. For an Order approving the financing arrangements made by the District in the amount of $1,211,449.00 through Kentucky Infrastructure Authority, Wastewater Revolving Loan Fund.

GRANT COUNTY SANITARY SEWER DISTRICT

BY: Bobby Burgess
BOBBY BURGESS, CHAIRMAN

COMMONWEALTH OF KENTUCKY
COUNTY OF GRANT

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me by the said Bobby Burgess, Chairman, Grant County Sanitary Sewer District, this 12 day of November, 2013.

NOTARY PUBLIC
My Commission: 3/24/16

SKEES, WILSON & NIENABER, PLLC

THOMAS R. NIENABER - KBA#51820
7699 Ewing Boulevard, PO Box 756
Florence, KY 41042-0756
Phone: (859) 371-7407
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INDEX OF EXHIBITS

EXHIBIT NO.	DESCRIPTION
"1"	GRANT COUNTY SANITARY SEWER DISTRICT ORDINANCE
"2"	GRANT COUNTY SANITARY SEWER DISTRICT DECEMBER 31, 2012, AUDITED FINANCIAL STATEMENT AND 2012 DEPRECIATION SCHEDULE
"3"	PRELIMINARY ENGINEERING REPORT
"4"	FINAL PROJECT COST ESTIMATE
"5"	FINAL ENGINEERING REPORT AND BID TABULATIONS
"6"	KENTUCKY INFRASTRUCTURE AUTHORITY CONDITIONAL COMMITTMENT LETTER AND KENTUCKY DIVISION OF WATER APPROVALS
"7"	PROJECT MANUAL INCLUDING ENGINEERING PLANS AND SPECIFICATIONS
"8"	COST OF OPERATION ESTIMATE

ORDINANCE NO. 26-2002-453

AN ORDINANCE CREATING THE GRANT COUNTY SANITARY SEWER DISTRICT

BE IT ORDAINED BY THE FISCAL COURT OF GRANT COUNTY.

SECTION I:

WHEREAS, the General Assembly of the Commonwealth of Kentucky has enacted KRS 67.715 (2) which permits the County Judge/Executive, with the approval of the Fiscal Court, to create any special district; and

WHEREAS, the fiscal court of Grant County desires to protect and safeguard the property, health, safety, and welfare of the citizens and the environment of Grant County; and

WHEREAS, KRS 67.083 (3) (r) provides that a fiscal court may make provision for water and sewage and garbage disposal service, including management of onsite sewage disposal systems; and

WHEREAS, there presently exists within Grant County a public water district known as Bullock Pen Water District, same having been established and currently operated pursuant to KRS Chapter 74; and

WHEREAS, KRS 74.407 provides that a water district is authorized to acquire, develop, maintain and operate sewage disposal systems within the confines of their districts except operation of same within a municipal area having authority to provide sewer services must be with municipal consent; and

WHEREAS, KRS 74.407 provides that water district commissioners shall have all of the powers and authority as regards sewer systems that are conferred upon them for the purpose of furnishing a water supply under KRS 74.010 to 74.415; and

WHEREAS, the fiscal court of Grant County is of the opinion that the Grant County Sanitary Sewer District should be operated by and in conjunction with Bullock Pen Water District;

NOW, THEREFORE, the fiscal court of Grant County enacts this ordinance which shall be known and may be cited as the "Grant County Sanitary Sewer District Ordinance".

SECTION II:

There is hereby created the Grant County Sanitary Sewer District pursuant to KRS 67.715 (2), 67.083 (3) (r) and the applicable provisions of KRS Chapter 74, which shall serve in the interest of public safety, health and welfare within unincorporated areas of the territorial boundaries of Grant County;

The Grant County Sanitary Sewer District shall develop, implement, and maintain local sanitary sewer management for Grant County in accordance with the provisions of KRS Chapter 74, applicable administrative regulations promulgated by the Commonwealth of Kentucky, and the resolutions, orders or ordinances of the fiscal court of Grant County.

The Grant County Sanitary Sewer District shall be an organizational unit of county government attached to the Office of County Judge/Executive and shall have primary jurisdiction, responsibility, and authority for all matters pertaining to the management and operation of a sanitary sewer district within Grant County.

SECTION III.

The Grant County Sanitary Sewer District shall be managed by Bullock Pen Water District pursuant to the applicable provisions of KRS Chapter 74, applicable administrative regulations of the Commonwealth of Kentucky and applicable orders or ordinances of the Grant County Fiscal Court.

SECTION IV

The Grant County Sanitary Sewer District created hereby shall be a political subdivision of the County of Grant but same shall not be a special taxing district. The Grant County Sanitary Sewer District may make charges for service and land assessments for capital improvements.

SECTION V

The provisions of this ordinance are severable and if any provisions shall be held invalid or unconstitutional or inapplicable to any person or circumstance, such invalidity, unconstitutionality, or inapplicability shall not affect or impair the remaining provisions of this ordinance. This ordinance shall be in full force and effect from and after its approval, adoption and publication, and all ordinances or parts of ordinances in conflict herewith are hereby repealed and held for naught.

Approved on first reading and ordered published on the 16th day of September, 2002.

Approved on second reading on the 07th day of October, 2002.

Grant County Fiscal Court

By: _____
Judge/Executive

ATTEST:

_____
Clerk, Grant County Fiscal Court

GRANT COUNTY SANITARY SEWER DISTRICT

FINANCIAL STATEMENTS

For the Years Ended December 31, 2012 and 2011

GRANT COUNTY
SANITARY SEWER DISTRICT

FINANCIAL STATEMENTS

For the Years Ended December 31, 2012 and 2011

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GRANT COUNTY

SANITARY SEWER DISTRICT

FINANCIAL STATEMENTS

December 31, 2012 and 2011

Board of Commissioners

Bobby Burgess, Chairman

Dan Northcutt, Secretary

Charles Givin, Treasurer

Logan Murphy

Robert Worthington, Jr.

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
Grant County Sanitary Sewer District

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of Grant County Sanitary Sewer District (District), as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

-Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

-Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

3216 Dixie Highway • Erlanger, KY 41018 • Phone: (859)431-0700 • Fax: (859)655-4780 • www.vangorderwalker.com

-Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of Grant County Sanitary Sewer District as of December 31, 2012 and 2011 and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

-Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis* on pages 5-9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

-Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Grant County Sanitary Sewer District's basic financial statements. The supplementary schedules on page 21 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 16, 2013 on our consideration of Grant County Sanitary Sewer District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Grant County Sanitary Sewer District's internal control over financial reporting and compliance.

Van Gorder, Walker & Co., Inc.

Van Gorder, Walker & Co., Inc.
Erlanger, Kentucky
May 16, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Our discussion and analysis of the District's financial performance provides an overview of the District's financial activities for the year ended December 31, 2012. The information is presented in conjunction with the audited financial statements that follow this section.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at the close of the most recent year by $5,698,466 (net assets). This was an increase of $2,660 in comparison to the prior year. The District remained relatively static during 2012. There were no construction projects under way so there were not as many tap on fees or grants received during 2012 as there were during 2011. Consequently, the 2012 increase in net position was very small.

- At the end of the current year, unrestricted net assets were $544,166.

USING THIS ANNUAL REPORT

The financial statements presented herein include all of the activities of the District as prescribed in GASB Statements No. 34 through 63. The financial statements include a statement of net position, statement of revenues, expenses and changes in net position and statement of cash flows, notes to the financial statements and a supplemental schedule. These statements show the condition of the District's finances and the sources of income and the funds expended.

Basis of Accounting

The District's financial statements are prepared using the accrual basis of accounting.

The Statements of Net Position and Revenues, Expenses and Changes in Net Position

In the Statements of Net Position and the Statements of Revenues, Expenses and Changes in Net Position, we report the District's activities.

- The District charges rates for sewer usage based on the water consumption of its customers to cover all or most of the cost of certain services the District provides.

SUMMARY OF NET POSITION

Table 1 provides a summary of the District's net assets at December 31, 2012 and 2011.

Table 1
Net Assets

	2012	2011
Current Assets	$ 556,097	$ 509,856
Restricted Assets	185,906	219,806
Noncurrent Assets	6,340,622	6,471,136
Total Assets	7,082,625	7,200,798
Current Liabilities	37,382	58,474
Liabilities Payable from Restricted Assets	171,088	248,331
Long Term Liabilities	1,175,689	1,198,187
Total Liabilities	1,384,159	1,504,992
Net Position:		
Invested in Capital Assets, Net of Related Debt	5,070,341	5,183,092
Restricted	83,959	32,128
Unrestricted	544,166	480,586
Total Net Position	$5,698,466	$5,695,806

The District's net position for 2012 increased $2,660 as compared to a $177,658 increase in the previous year. The 2011 increase was due to increased capital contributions from the construction of the Phase I sewer expansion project. Since there was no construction project during 2012, the increase in net position for the year was much smaller than in 2011.

The largest portion of the District's net position (89%) reflects its investment in capital assets (e.g. land, buildings, infrastructure, machinery and equipment), less any related debt used to acquire those assets still outstanding. The District uses these capital assets to provide services to its customers; consequently, these assets are not available for future spending. Although the District's investments in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate the debt.

An additional portion of the District's net position (1.5%) is considered to be restricted. This amount represents resources that are subject to external restrictions on how they may be used.

The unrestricted net position may be used to meet the District's ongoing obligations to customers and creditors.

SUMMARY OF CHANGES IN NET POSITION

Operating Revenues
Operating revenues increased $7,426 or 1.2%. This was due to increased water usage because of a dryer summer than in the previous year and increased customers as a result of the completion of the Phase 1 sewer expansion project during 2011.

Operating Expenses
Operating expenses increased $53,414 or 8.7% during 2012. Approximately 50% of this increase was due to increased depreciation on the assets added during 2011 upon the completion of the sewer expansion project. The remaining increase was due to increases in management fees and practically every category of operation and maintenance expenses.

Loss on Disposition of Assets
The District's loss on disposition of assets decreased $14,631 from 2011 to 2012. During 2011 the District relocated a section of sewer main resulting in a loss of 12,299 on the line that was taken out of service due to the relocation. There were no line relocations during 2012 resulting in a smaller loss on disposal for the year

Capital Contributions
Capital contributions decreased $143,282 from 2011 to 2012. This decrease is primarily due to a decrease in customer tap fees and grant funds received as a result of the completion of the Phase I sewer expansion project during 2011.

The following schedule compares the revenues and expenses for the current year and the previous year.

Table 2
Changes in Net Position

	2012	2011
Operating Revenues:		
Sewer sales	$ 624,021	$ 614,713
Forfeited Discounts	9,308	9,285
Miscellaneous Services Revenues	11,065	12,970
Total Operating Revenues	644,394	636,968
Operating Expenses:		
Operation and Maintenance Expense	467,179	440,207
Depreciation and Amortization	200,689	174,247
Total Operating Expenses	667,868	614,454
Net Operating Income	(23,474)	22,514
Non-Operating Income(Expenses)		
Investment Income	1,690	2,153
Amortization of Bond Premium	1,402	1,402
Loss on Disposition of Assets	(2,289)	(16,920)
Interest on Long-Term Debt and Customer Deposits	(57,618)	(57,722)
Amortization of Bond Discount and Expenses	(2,436)	(2,436)
Net Non-Operating Expenses	(59,251)	(73,523)
Income Before Capital Contributions	(82,725)	(51,009)
Capital Contributions	85,385	228,667
Change in Net Position	2,660	177,658
Net Position – January 1	5,695,806	5,518,148
Net Position – December 31	$5,698,466	$5,695,806

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At December 31, 2012, the District had $6,303,858 invested in capital assets including land, buildings, sewer systems, equipment, and vehicles, as reflected in the following schedule. This represents a net decrease (additions less retirements and depreciation) of $123,478. This decrease is primarily due to the fact that depreciation expense during 2012 exceeded the amount expended on the asset additions during the year.

Table 3 Summarizes the District's capital assets at the end of 2012 as compared to 2011.

Table 3
Capital Assets at Year End

	2012	2011
Land	$ 25,000	$ 25,000
Construction in Progress	56,823	35,207
Equipment	35,704	35,028
Transportation Equipment	36,916	36,916
Collection System & Pump Stations	6,151,388	6,119,077
Collection Plant & Equipment	1,272,535	1,253,802
Subtotal	7,578,366	7,505,030
Accumulated Depreciation	(1,274,508)	(1,077,694)
Total Capital Assets	$6,303,858	$6,427,336

Debt Outstanding

Table 4 illustrates the District's outstanding debt at the end of 2012 compared to 2011.

Table 4
Outstanding Debt at Year End

	2012	2011
Bond Payable Obligations	$1,043,000	$1,112,000
Notes Payable	200,938	143,700
Total	$1,243,938	$1,255,700

At year-end, the District had $1,243,938 in outstanding notes and bonds compared to $1,255,700 last year. This is a decrease of $11,762. During 2012 the District borrowed an additional $133,176 from the Federally Assisted Wastewater Revolving Loan Fund. A portion of this loan, $69,384, was then forgiven. The remaining $63,790 was added to the existing note payable from the Phase 1 sewer expansion project. The note bears interest at 3% and must be repaid over twenty years. Payments began on June 1, 2012 and continue through December 1, 2031. The additional loan funds were used to repay the District for overages on the Phase 1 sewer expansion project.

The increase in outstanding debt was offset by the repayment of $6,554 on their outstanding note payable and $69,000 on their outstanding bond obligation.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The District's budget for 2013 projects operating income to remain about the same as in 2012. Operating revenues are expected to remain at the 2012 amount. Operating expenses are expected to increase, but only slightly, by approximately 1% or $8,800. The biggest change is expected in capital contributions which are expected to decline significantly. Since the Phase 1 sewer expansion project is complete, the District does not expect to receive any grants during 2013 and customer tap on fees are also expected to decline. In total customer contributions are expected to decline by approximately $80,000 from the amount reported during 2012. Consequently the District's net position is expected to decline by approximately $90,000 during 2013.

FINANCIAL CONTACT

This financial report is designed to provide our customers and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District Administrative Office at Farrell Drive, Crittenden, Kentucky 41030.

William Catlett, General Manager
Grant County Sanitary Sewer District

GRANT COUNTY SANITARY SEWER DISTRICT
STATEMENTS OF NET POSITION
December 31, 2012 and 2011

	2012	2011
ASSETS		
Current Assets		
Cash and cash equivalents	$ 293,656	$ 246,684
Certificate of deposit	154,694	153,423
Accounts receivable		
Customers, net of allowance	94,314	95,587
Others	1,747	2,774
Restitution receivable - Thurman	1,200	1,200
Reimbursement receivable - Grant Mobile Home Park	3,600	3,600
Prepaids	3,782	3,606
Accrued interest income	668	546
Unamortized expenses	2,436	2,436
Total Current Assets	556,097	509,856
Restricted Assets		
Bond sinking fund - Kentucky Rural Water	106,037	103,807
Construction funds	139	36,963
Customer deposits	79,730	79,036
Total Restricted Assets	185,906	219,806
Noncurrent Assets		
Restitution receivable - Thurman	6,908	8,208
Reimbursement receivable - Grant Mobile Home Park	7,735	11,035
Miscellaneous deferred charges		
Unamortized issue costs	22,121	24,557
Total Noncurrent Assets	36,764	43,800
Capital Assets		
Construction in progress	56,824	35,207
Land, building, transmission system, equipment, and vehicles	7,521,542	7,469,823
Less: accumulated depreciation	(1,274,508)	(1,077,694)
Total Capital Assets, net of depreciation	6,303,858	6,427,336
TOTAL ASSETS	$ 7,082,625	$ 7,200,798

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

GRANT COUNTY SANITARY SEWER DISTRICT
STATEMENTS OF NET POSITION
December 31, 2012 and 2011

	2012	2011
LIABILITIES		
Current Liabilities		
Accounts payable		
Trade	$ 34,806	$ 56,038
Accrued liabilities	1,174	1,034
Unamortized bond premium	1,402	1,402
Total Current Liabilities	37,382	58,474
Current Liabilities Payable From Restricted Assets		
Revenue bonds - current portion	73,000	69,000
Note payable - current portion	7,983	2,648
Construction accounts payable	-	85,089
Customer deposits	62,476	62,319
Accrued interest payable	22,217	23,554
Trash collection	5,412	5,721
Total Current Liabilities Payable From Restricted Assets	171,088	248,331
Long-Term Obligations		
Bonds	970,000	1,043,000
Note payable - KIA	192,956	141,052
Unamortized bond premium	12,733	14,135
Total Long-Term Obligations	1,175,689	1,198,187
TOTAL LIABILITIES	1,384,159	1,504,992
NET POSITION		
Invested in capital assets, net of related debt	5,070,341	5,183,092
Restricted	83,959	32,128
Unrestricted	544,166	480,586
TOTAL NET POSITION	$ 5,698,466	$ 5,695,806

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

GRANT COUNTY SANITARY SEWER DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Years Ended December 31, 2012 and 2011

	2012	2011
OPERATING REVENUES		
User fee revenue	$ 633,329	$ 623,998
Other service revenues	11,065	12,970
TOTAL OPERATING REVENUES	644,394	636,968
OPERATING EXPENSES		
Operations, maintenance, and administrative expenses	467,179	440,207
Depreciation and amortization	200,689	174,247
TOTAL OPERATING EXPENSES	667,868	614,454
OPERATING INCOME (LOSS)	(23,474)	22,514
NON-OPERATING INCOME (EXPENSE)		
Investment income	1,690	2,153
Amortization of bond premium	1,402	1,402
Interest on long-term obligations	(57,537)	(57,722)
Interest on customer deposits	(81)	-
Amortization of debt discount and expense	(2,436)	(2,436)
Loss on disposal of fixed assets	(2,289)	(16,920)
NET NON-OPERATING INCOME (EXPENSE)	(59,251)	(73,523)
NET INCOME (LOSS)	(82,725)	(51,009)
CAPITAL CONTRIBUTIONS	85,385	228,667
CHANGE IN NET POSITION	2,660	177,658
NET POSITION, JANUARY 1	5,695,806	5,518,148
NET POSITION, DECEMBER 31	$ 5,698,466	$ 5,695,806

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

GRANT COUNTY SANITARY SEWER DISTRICT
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2012 and 2011

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Received from customers	$ 651,294	$ 603,541
Paid to suppliers for goods and services	(482,287)	(425,127)
Paid to or on behalf of employees for services	(6,160)	(5,154)
NET CASH PROVIDED BY OPERATING ACTIVITIES	162,847	173,260
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition and construction of fixed assets	(164,589)	(640,896)
Purchase of investments	(1,271)	(1,033)
Interest on investments	1,568	1,708
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	(164,292)	(640,221)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal paid on long term debt	(75,553)	(64,000)
Proceeds received from the issuance of long term debt	63,792	5,000
Interest paid on long term debt	(58,955)	(61,537)
Contributed capital received	85,385	228,667
(Increase) Decrease in restricted cash	33,900	247,568
Increase (Decrease) in customer deposits	157	4,575
Increase (Decrease) in other restricted liabilities	(309)	5,721
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	48,417	365,994
INCREASE IN CASH AND CASH EQUIVALENTS	48,972	(100,967)
CASH AND CASH EQUIVALENTS-BEGINNING OF YEAR	246,684	347,651
CASH AND CASH EQUIVALENTS-END OF YEAR	$ 293,656	$ 246,684
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income (loss)	$ (23,474)	$ 22,514
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	200,689	174,247
Change in operating assets and liabilities		
(Increase)/Decrease in receivables	6,900	(33,427)
(Increase)/Decrease in prepaid assets	(176)	(325)
Increase/(Decrease) in accounts payable	(21,232)	10,105
Increase/(Decrease) in other accrued liabilities	140	146
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 162,847	$ 173,260
NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital assets (transmission mains, hydrants, etc.) contributed to the District	$ -	$ -
SUPPLEMENTAL INFORMATION		
Interest paid	$ 58,955	$ 61,537
Income taxes paid	$ -	$ -

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

NOTE 1 – GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

The Grant County Sanitary Sewer District (District) is a sanitary sewer utility that was established by the Grant County Fiscal Court on October 2, 2002. It was organized and operates under the provisions of the Kentucky Revised Statutes, Chapters 67 and 74. The District owns and operates sewer collection and treatment facilities that provide sanitary sewer service to residential, commercial, and industrial customers in Grant County, Kentucky. In 2003, the District appointed Commissioners and began negotiations to acquire the necessary assets from the City of Crittenden to begin operations as a sewer utility. On April 23, 2004, the District acquired the cash and infrastructure assets from the City of Crittenden Sewer Department in exchange for assuming the related bond debt and associated unamortized premiums and issue costs.

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 63, and related interpretations issued through December 31, 2012. 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 statement of net position. Net position (i.e.,

total assets net of total liabilities) is segregated into "invested in capital assets, net of related liabilities"; "restricted"; and "unrestricted" components.

Cash Equivalents
For purposes of the statements of net position and 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.

Budgets
In accordance with Kentucky Revised Statute 65.065, the District is required to submit a balanced budget to the Grant County Fiscal Court prior to December 1. The budget includes proposed expenditures and the means of financing them for the upcoming year. Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. Expenditures may not legally exceed budgeted appropriations at the fund level. All appropriations lapse at fiscal year end.

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. The District has no measurable inventory to report at December 31, 2012 and 2011.

Distribution System, Building, and Equipment
Property, plant, collection 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.

Miscellaneous Deferred Charges
Bond premiums and costs of issuance are deferred and amortized over the life of the bond. The costs associated with organizing the District have been accumulated and fully amortized as of April 2009. 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 collection system. The District also includes estimated cost figures for those lines contributed by outside contractors. During 2012 and 2011 these contributions consisted of the following:

Source	2012	2011
Tap in fees paid by new customers	$ 16,000	$ 116,535
Grant proceeds/receivables from state for sewer line extensions	69,385	112,132
Totals	$ 85,385	$ 228,667

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, 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 sewer service 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, the sale of fixed assets and interest income.

NOTE 2 – DEPOSITS AND INVESTMENTS

Deposits consist of checking accounts and are carried at cost, which approximates market value. The carrying amount of deposits is separately displayed on the statements of net position as "Cash and Cash Equivalents" and "Restricted Assets". At December 31, 2012 and 2011, the bank balances were $634,256 and $619,913, respectively, which were the same as the carrying amount. The District has amounts on deposit with one bank in excess of FDIC insured amounts. The bank has pledged collateral to cover excess amounts.

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, 2012. 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.

	Category 1	Category 2	Category 3	Fair Value/ Carrying Cost	Cost
Operation & maintenance	$ 448,489	$ -	$ -	$ 448,489	$ 448,489
Customer deposits	79,730	-	-	79,730	79,730
Debt payment accounts	-	-	106,037	106,037	106,037
Total	$ 528,219	$ -	$ 106,037	$ 634,256	$ 634,256

In accordance with GASB 40, the District has $106,037 in bond sinking fund investments held in federally backed US Treasury Obligations rated AAA/Aaa. The market risk on these investments is negligible.

NOTE 3 – RESTRICTED NET POSITION

Net position is comprised of the various net earnings from operating and non-operating revenues, expenses and contributions of capital. Net position is classified in the following three components: invested in capital assets, net of related debt; restricted; and unrestricted net position. Invested in capital assets, net of related debt consists of all capital assets net of accumulated depreciation and reduced by outstanding debt, that is attributable to the acquisition, construction and improvement of those assets. Restricted net position consists of assets, net of related liabilities, 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 position consists of all other assets, net of related liabilities, not included in the above categories.

Included in restricted net position at December 31,

	2012	2011
Bond sinking fund	$ 106,037	$ 103,807
Construction funds	139	36,964
Construction accounts payable	-	(85,089)
Accrued interest on bonds	(22,217)	(23,554)
Total Restricted Net Position	$ 83,959	$ 32,128

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. Capitalized interest for the years ended December 31, 2012 and 2011 was $0 and $2,447, respectively.

Asset Type	Balance at December 31, 2011	Additions	Retirements	Balance at December 31, 2012
Land	$ 25,000	$ -	$ -	$ 25,000
Construction in progress	35,207	25,976	(4,360)	56,823
Equipment	94,165	15,349	-	109,514
Mains	4,581,581	-	-	4,581,581
Pump stations	1,537,496	38,475	(6,164)	1,569,807
Structures and improvements	1,194,665	4,060	-	1,198,725
Transportation equipment	36,916	-	-	36,916
Subtotal	7,505,030	83,860	(10,524)	7,578,366
Accumulated depreciation	(1,077,694)	(200,689)	3,875	(1,274,508)
Fixed Assets, net	$ 6,427,336	$ (116,829)	$ (6,649)	$ 6,303,858

NOTE 5 – BONDED INDEBTEDNESS

Kentucky Rural Water Finance Corporation Bonds, Series 2001D

On September 25, 2002, the City of Crittenden participated in the Kentucky Rural Water Finance Corporation's first Flexible Term Finance Program wherein the proceeds of the revenue bonds issued were used to provide funds for several utility systems throughout Kentucky. The City's total share of the bond proceeds was $1,544,982. These funds were used for construction of a new wastewater treatment plant, two new pump stations, and the demolition of the old treatment plant, which all represent collateral on the bonds. The Grant County Sanitary Sewer District assumed bonds outstanding of $1,530,000 on April 23, 2004 pursuant to its takeover contract with the City of Crittenden. All revenue bonds mature on January 1st of each year ending in 2023. Principal is due in annual installments on January 1st through 2023. The bonds bear an interest rate of between 4.90% and 5.15% and are payable on January 1st and July 1st of each year. (See Note 10 - Subsequent Events)The remaining debt service is as follows:

Year	Interest Rates	Principal Amount	Interest Amount	Total Debt Service
2013	4.90-5.15%	$ 73,000	$ 50,238	$ 123,238
2014	4.90-5.15%	78,000	46,349	124,349
2015	4.90-5.15%	80,000	42,280	122,280
2016	4.90-5.15%	86,000	38,006	124,006
2017	4.90-5.15%	87,000	33,552	120,552
2018-2022	4.90-5.15%	519,000	95,284	614,284
2023	4.90-5.15%	120,000	2,940	122,940
Totals		$ 1,043,000	$ 308,649	$ 1,351,649

Note Payable – Kentucky Infrastructure Authority

The District entered into an agreement with the Kentucky Infrastructure Authority for additional funding for its Phase I Line Extension Project, which represents collateral on the note payable. The agreement is dated October 1, 2009. The funding comes from the Federally Assisted Wastewater Revolving Loan Fund, from which the District began drawing its funds in May 2010. The interest rate on this debt is 3.00%, and the maturity date is June 1, 2031.

Remaining debt service is as follows:

Year	Interest Rates	Principal Amount	Interest Amount	Total Debt Service
2013	3.00%	$ 7,983	$ 5,969	$ 13,952
2014	3.00%	8,224	5,728	13,952
2015	3.00%	8,473	5,479	13,952
2016	3.00%	8,729	5,223	13,952
2017	3.00%	8,993	4,959	13,952
2018-2022	3.00%	49,208	20,550	69,758
2023-2027	3.00%	57,108	12,650	69,758
2028-2031	3.00%	52,221	3,585	55,806
Totals		$ 200,939	$ 64,143	$ 265,082

NOTE 6 – RELATED PARTY TRANSACTIONS

The Grant County Sanitary Sewer District is operated by the staff of the Bullock Pen Water District. The Sewer District pays a management fee to the Bullock Pen Water District for these services. This fee was $126,420 and $115,764 in 2012 and 2011, respectively. The Chairman of the Board of Commissioners and two other commissioners of the District serve on the boards of both the Grant County Sanitary Sewer District and of the Bullock Pen Water District.

NOTE 7 – ECONOMIC DEPENDENCY/CREDIT RISK

Grant County Sanitary Sewer 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 County, Kentucky.

NOTE 8 – RESTITUTION AND REIMBURSEMENT RECEIVABLES

The District has a receivable balance due from Jonathan Thurman as restitution for past unpaid sewer 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 $8,108 and $9,408 as of December 31, 2012 and 2011, respectively.

The District also has a receivable balance due from the Grant Mobile Home Park as reimbursement for a lift station installed at its location. This reimbursement is to be paid over multiple years. The balance of this account was $11,335 and $14,635 at December 31, 2012 and 2011, respectively.

NOTE 9 – SUBSEQUENT EVENTS

Management has evaluated events through May 16, 2013, the date on which the financial statements were available for issue. The District has one event subsequent to December 31, 2012 but before the report date of May 16, 2013 to disclose.

On February 8, 2013, the District refinanced its Series 2002 Revenue Bonds originally assumed from the City of Crittenden. The new lease agreement is for $990,742, has a maturity date of February 8, 2023, and carries an interest rate of 2.80%

GRANT COUNTY SANITARY SEWER DISTRICT
SCHEDULES OF OPERATIONS, MAINTENANCE AND ADMINISTRATIVE EXPENSES
For the Years Ended December 31, 2012 and 2011

	2012	2011
Operations, Maintenance and Administrative Expenses		
Salaries and wages - commissioners	$ 6,300	$ 5,300
Advertising	331	173
Bad debt expense	9,487	7,878
Chemicals	15,595	9,767
Contractual services - accounting	30,740	28,579
Contractual services - engineering	12,261	6,316
Contractual services - legal	7,750	7,060
Contractual services - management	126,420	115,764
Contractual services - sample analysis	6,540	4,379
Contractual services - other	74,629	83,207
Insurance - general liability	6,311	5,799
Insurance - vehicle	1,323	1,260
Insurance - property	2,478	2,161
Materials and supplies	29,457	26,166
Miscellaneous	105	831
Payroll taxes	482	405
Purchased power	128,242	130,203
Rental of equipment	2,240	993
Transportation	5,371	3,008
Utility regulatory assessment	1,117	958
Total Operations, Maintenance and Administrative Expenses	$ 467,179	$ 440,207

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

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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
Grant County Sanitary Sewer District

We have audited, in accordance with the 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, the financial statements of the business-type activities of Grant County Sanitary Sewer District as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements which collectively comprise Grant County Sanitary Sewer District's basic financial statements and have issued our report thereon dated May 16, 2013.

Internal Control over Financial Reporting

In planning and performing our audits of the financial statements, we considered Grant County Sanitary Sewer District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Grant County Sanitary Sewer District's internal control. Accordingly, we do not express an opinion on the effectiveness of Grant County Sanitary Sewer District's internal control.

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. A *significant deficiency* is a deficiency, or a 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did not identify any deficiencies in internal control that we consider significant deficiencies.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Grant County Sanitary Sewer 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 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 audits, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Van Gorder, Walker & Co., Inc.

Van Gorder, Walker & Co., Inc.
Erlanger, Kentucky
May 16, 2013

No.	Description	Date Acquired	Date Sold	Cost/ Basis	Bus. Prct	Cur 179/ SDA	Prior 179/ SDA/ Depr	Method	Life	Current Depr
Form 1120S										
EQUIPMENT										
5	ISC 4 GAS MONITOR	6/22/04		2,044			1,530	S/L	10	204
6	AIR VENTALATION SYSTEM	6/24/04		1,189			892	S/L	10	119
7	CONFINED RESCUE EQUIPMENT	6/24/04		1,753			1,313	S/L	10	175
116	SEWER CAMERA	2/27/07		8,852			8,555	S/L	5	297
117	HAMMER DRILL	11/19/07		533			437	S/L	5	96
134	TORO MOWER & VELKE ATTACH	7/10/08		4,270			1,869	S/L	8	534
135	PORTABLE FLO METER	7/15/08		4,065			1,778	S/L	8	508
149	400' SWR HOSE-VACTOR TR	3/25/10		987			345	S/L	5	197
150	SEWER SNAKE	3/25/10		2,138			467	S/L	8	267
151	WELDER	4/20/10		1,850			385	S/L	8	231
157	50% OF MAP SYNC	1/27/11		4,935			452	S/L	10	494
158	50% OF BLIZZARD SNOW PLOW	2/03/11		1,000			92	S/L	10	100
159	SAFETY MONITOR	3/16/11		760			81	S/L	7	109
194	METAL DETECTOR	6/22/12		676				S/L	8	42
	Total EQUIPMENT			35,052		0	18,196			3,373
Furniture and Fixtures										
160	20% OF KAREN'S COMPUTER	3/04/11		650			108	S/L	5	130
	Total Furniture and Fixtures			650		0	108			130
Land										
39	5.3791 ACRES-DONATED-CITY	4/23/04		25,000						0
	Total Land			25,000		0	0			0
MAINS										
17	390 -8" GRAVIY DOWNTN PS	4/23/04		13,528			2,077	S/L	50	271
18	2,100 -4" FORCE-DOWNTN PS	4/23/04		44,528			6,831	S/L	50	891
19	AIR RE VALVE DOWNTN P S	4/23/04		1,272			197	S/L	50	25
20	3 MANHOLES DOWNTN P S	4/23/04		5,725			881	S/L	50	115
21	10--8" GRAVITY-491 P S	4/23/04		2,650			406	S/L	50	53
22	46--6" FORCE- 491 P S	4/23/04		1,463			223	S/L	50	29
23	AIR RELEASE VALVES-491 PS	4/23/04		4,453			682	S/L	50	89
24	4,576-12" GRAVITY-SCH T L	4/23/04		203,760			31,242	S/L	50	4,075

Client 2604 **GRANT COUNTY SANITARY SEWER DISTRICT** [redacted]

11/11/13 02:56PM

No.	Description	Date Acquired	Date Sold	Cost/ Basis	Bus. Pct.	Cur 179/ SDA	Prior 179/ SDA/ Depr.	Method	Life	Current Depr.
25	18 MANHOLES & 59 RISERS	4/23/04		40,462			6,202	S/L	50	809
30	2,249--10" GRAVITY MAIN	4/23/04		35,373			7,467	S/L	36.3	974
31	28,739--8" GRAVITY MAIN	4/23/04		430,217			90,788	S/L	36.3	11,842
32	510--6" SEWER LATERALS	4/23/04		5,013			1,058	S/L	36.3	138
33	3,405--4" SEWER LATERALS	4/23/04		30,125			6,356	S/L	36.3	829
34	147 MANHOLES	4/23/04		138,506			29,225	S/L	36.3	3,812
35	15,822'--6" FORCEMAIN	4/23/04		85,542			18,054	S/L	36.3	2,355
36	4,154'--4" FORCEMAIN	4/23/04		18,375			3,879	S/L	36.3	506
37	5--AIR RELEASE VALVES	4/23/04		2,458			521	S/L	36.3	68
38	PIPE ENCASEMENT	4/23/04		66,796			14,098	S/L	36.3	1,839
40	464' OF 8" G -S RIDGE APT	4/23/04		7,792			1,564	S/L	38.2	204
41	594' OF 2" F -S RIDGE APT	4/23/04		2,040			406	S/L	38.2	53
42	1 MANHOLE-S RIDGE APT	4/23/04		955			192	S/L	38.2	25
43	9,700' OF 8"G-GREENVW-NEW	4/23/04		209,843			32,721	S/L	49.2	4,268
44	2,100' OF 4"F-GREENVW-NEW	4/23/04		11,358			1,771	S/L	49.2	231
45	68 MANHOLES-GREENVW-NEW	4/23/04		83,583			13,033	S/L	49.2	1,700
47	3,700' OF 8" G-GREENVW II	4/23/04		75,159			12,481	S/L	46.2	1,628
48	14 MANHOLES-GREENVW II	4/23/04		16,158			2,683	S/L	46.2	350
49	4,400' OF 8" G-GREENVW I	4/23/04		87,443			14,843	S/L	45.2	1,936
50	10 MANHOLES-GREENVW I	4/23/04		11,292			1,917	S/L	45.2	250
51	500' OF 8" G-KYLEY	4/23/04		9,589			1,687	S/L	43.6	220
52	700' OF 3" F - KYLEY	4/23/04		3,051			537	S/L	43.6	70
53	3 MANHOLES - KYLEY	4/23/04		3,269			575	S/L	43.6	75
55	3,000' OF 6" G - MILLER	4/23/04		58,300			10,120	S/L	44.2	1,320
56	1,600' OG 6" F - MILLER	4/23/04		9,187			1,595	S/L	44.2	208
57	20 MANHOLES-MILLER	4/23/04		22,083			3,833	S/L	44.2	500
59	600' OF 6" G - BRIDGEVIEW	4/23/04		11,441			2,024	S/L	43.3	264
60	240' OF 3" F- BRIDGEVIEW	4/23/04		1,040			184	S/L	43.3	24
61	6 MANHOLES - BRIDGEVIEW	4/23/04		6,501			1,150	S/L	43.3	150
63	1,400' of 6" G-DALTON PL	4/23/04		26,745			4,723	S/L	43.4	616
64	2,500' OF 8" F-DALTON PL	4/23/04		16,281			2,875	S/L	43.4	375
65	14 MANHOLES-DALTON PL	4/23/04		15,196			2,683	S/L	43.4	350
66	1,200 ' OF 6" G-INDIAN HI	4/23/04		13,832			2,576	S/L	41.2	336
67	2462' OF 8" G-INDIAN HILL	4/23/04		44,595			8,303	S/L	41.2	1,083
68	600' OF 3" F-INDIAN HILL	4/23/04		2,470			460	S/L	41.2	60
69	700' OF 8" F-INDIAN HILL	4/23/04		4,322			805	S/L	41.2	105
70	38 MANHOLES	4/23/04		39,108			7,283	S/L	41.2	950
72	800' OF 6" G - PINHOOK	4/23/04		9,221			1,717	S/L	41.2	224
73	5,300' OF 8" G - PINHOOK	4/23/04		96,001			17,879	S/L	41.2	2,332

Client 2604 GRANT COUNTY SANITARY SEWER DISTRICT [redacted]

11/11/13 02:56PM

No.	Description	Date Acquired	Date Sold	Cost/ Basis	Bus. Pct	Cur 179/ SDA	Prior 179/ SDA/ Depr	Method	Life	Current Depr
74	3,000' OF 3" F - PINHOOK	4/23/04		12,350			2,300	S/L	41.2	300
75	58 MANHOLES - PINHOOK	4/23/04		59,692			11,117	S/L	41.2	1,450
76	400' OF 3" F - PINHOOK II	4/23/04		3,293			613	S/L	41.2	80
77	900' OF 8" F -PINHOOK II	4/23/04		5,557			1,035	S/L	41.2	135
79	1,200' OF 4" F-LEE HI	4/23/04		4,906			1,012	S/L	37.2	132
80	3 MANHOLES - LEE HI	4/23/04		2,787			575	S/L	37.2	75
82	1,400' OF 6" F-SO COURT	4/23/04		8,781			1,395	S/L	48.3	182
83	6 MANHOLES-SO COURT	4/23/04		7,237			1,150	S/L	48.3	150
85	2,800' OF 8" F-CLAIBORNE	4/23/04		20,020			3,220	S/L	47.7	420
86	6 MANHOLES-CLAIBORNE	4/23/04		7,150			1,150	S/L	47.7	150
88	88' OF 8" G-BULL PEN AC	4/23/04		1,407			299	S/L	36.3	39
89	96' OF 4" F- BULL PEN AC	4/23/04		383			84	S/L	36.3	11
90	298' OF 8" F-BULL PEN AC	4/23/04		1,624			345	S/L	36.3	45
91	4 MANHOLES-BULL PEN AC	4/23/04		3,634			767	S/L	36.3	100
92	4,800' OF 3" F - BRADFORD	4/23/04		19,760			3,680	S/L	41.2	480
93	12 MANHOLES-BRADFORD	4/23/04		12,350			2,300	S/L	41.2	300
95	11,500' OF 6" G-HARVESTOR	4/23/04		10,417			1,917	S/L	41.7	250
96	2,500' OF 3" F-HARVESTORS	4/23/04		36,458			6,708	S/L	41.7	875
100	11,500' OF 6" G-HARVESTOR	4/23/04		134,167			24,687	S/L	41.7	3,220
101	3,600' OF 8"G-MAPLE RIDGE	7/22/04		115,200			17,088	S/L	50	2,304
102	22 MANHOLES-MAPLE RIDGE I	7/22/04		33,000			4,895	S/L	50	660
103	3,387' - 8"G-CLAIBORN III	7/01/04		108,384			16,260	S/L	50	2,168
104	18 MANHOLES CLAIBORN III	7/01/04		27,000			4,050	S/L	50	540
107	3425' -8" G EAGLE CRK II	8/01/06		133,575			14,473	S/L	50	2,672
108	12 MANHOLES-E CREEK II	8/01/06		24,000			2,600	S/L	50	480
109	7146'-8" G MAPLE RIDGE II	2/06/06		278,694			32,979	S/L	50	5,574
110	33 MANHOLES-M RIDGE II	2/06/06		66,000			7,810	S/L	50	1,320
111	3100' 8" G-EAGLE CRK III	12/31/06		120,900			12,090	S/L	50	2,418
112	20 MANHOLES E CRK III	12/31/06		40,000			4,000	S/L	50	800
163	1040'-4" F MAIN GREENVW	6/30/11		15,940			159	S/L	50	319
167	4755' - 1 1/4" HDPE F MAIN	9/07/11		89,480			597	S/L	50	1,790
168	6842' - 2" FORCE MAIN	9/07/11		131,290			875	S/L	50	2,626
169	1516' - 3" PVC FORCE MAIN	9/07/11		33,652			224	S/L	50	673
170	14,335' - 6" FORCE MAIN	9/07/11		390,905			2,606	S/L	50	7,818
171	8,478' - 8" GRAVITY MAIN	9/07/11		561,780			3,745	S/L	50	11,236
172	914 -4" PVC LATERALS-GRAV	9/07/11		31,708			211	S/L	50	634
	Total MAINS			4,581,582		0	561,818			101,053

No.	Description	Date Acquired	Date Sold	Cost/ Basis	Bus. Pct	Cur 179/ SDA	Prior 179/ SDA/ Depr.	Method	Life	Current Depr.
	PUMP STATIONS									
2	491 PUMP STATIONS	4/23/04		75,804			14,528	S/L	40	1,895
4	EADS PUMP STATION	4/23/04		27,162			7,911	S/L	26.3	1,032
16	SAYERS PUMP STATION	4/23/04		37,107			7,114	S/L	40	928
27	BINGHAM PUMP STATION	4/23/04		26,717			7,782	S/L	26.3	1,015
28	RUSSELL ST PUMP STATION	4/23/04		22,264			6,485	S/L	26.3	846
29	CASE PUMP STATION	4/23/04		23,155			6,739	S/L	26.3	879
46	25 HP PUMP STA -GREENVIEW	4/23/04		39,167			7,777	S/L	39.2	1,000
54	3 HP PUMP S-130 KYLEY ST	4/23/04		20,992			4,792	S/L	33.6	625
58	5 HP PUMP S-104 MILLER D	4/23/04		25,625			5,750	S/L	34.2	750
62	5 HP PUMP S - BRIDGEVIEW	4/23/04		25,002			5,750	S/L	33.3	750
71	5 HP PS-8 DOVE LANE	4/23/04		23,375			5,750	S/L	31.2	750
78	5HP PS - PINHOOK	4/23/04		23,375			5,750	S/L	31.2	750
81	3HP PS - 250 LEE HI ST	4/23/04		16,980			4,792	S/L	27.2	625
84	5HP PS - VINCENT	4/23/04		28,729			5,674	S/L	38.3	751
87	15HP PS -CLAIBORNE	4/23/04		32,958			6,708	S/L	37.7	875
94	2HP PS-355 OAKWOOD DRIVE	4/23/04		19,480			4,792	S/L	31.2	625
97	15 HP PUMP STA - WALLER	4/23/04		27,708			6,708	S/L	31.7	875
98	5HP PS-200 BARLEY CT	4/23/04		23,750			5,750	S/L	31.7	750
99	5HP PS-255 WHEAT CT	4/23/04		23,750			5,750	S/L	31.7	750
114	REBUILD 5HP PUMP - SPARE	2/27/07		1,547			1,547	S/L	3	0
118	REBUILD SAYERS PUMP	1/29/07		3,113			3,113	S/L	3	0
119	REBUILD KYLEY 5 HP PUMP	2/27/07		1,572			1,572	S/L	3	0
120	REBUILD BINGHAM LN 15 HP	8/16/07		1,521			1,521	S/L	3	0
121	REBUILD BINGHAM LN 15 HP	9/07/07		1,385			1,385	S/L	3	0
122	REBUILD CASE LANE 15 HP	9/12/07		2,470			2,470	S/L	3	0
123	VINCENT LANE CONSOLIDATIO	9/17/07		6,433			761	S/L	36	179
125	REBUILD BRIDGEVIEW 5 HP	12/10/07		1,290			1,290	S/L	3	0
128	NEW 15 HP MTR-RUSSELL #1	1/29/08		3,492			3,492	S/L	3	0
129	REBUILD 15 HP PUMP SAYERS	6/30/08		3,859			3,859	S/L	3	0
130	REBUILD15 HP PUMP BINGHAM	7/31/08		1,108			1,108	S/L	3	0
131	REBUILD 5HP PUMP WALLER	10/14/08		4,037			4,037	S/L	3	0
136	REBUILD 25HP PUMP-GREENVI	4/03/09		3,752			3,440	S/L	3	312
137	REBUILD 15HP PUMP-CASE LN	4/21/09		1,836			1,632	S/L	3	204
138	1/2 HP VACUUM PUMP-BINGHA	7/24/09		752			606	S/L	3	146
139	REBUILD 15HP PUMP-BINGHAM	8/28/09		1,346			1,048	S/L	3	298
140	REBUILD 25HP PUMP-GREENVI	5/12/09		4,106			3,650	S/L	3	456
141	REBUILD PUMP-MILLER DRIVE	8/20/09	5/04/12	2,091			1,626	S/L	3	465

No.	Description	Date Acquired	Date Sold	Cost/ Basis	Bus. Pct.	Cur 179/ SDA	Prior 179/ SDA/ Depr.	Method	Life	Current Depr.
144	REBUILD 15HP PUMP-BINGHAM	9/29/09		1,397			1,048	S/L	3	349
145	NEW 5 HP PUMP #2-WHEAT CT	12/18/09		3,413			1,366	S/L	5	683
146	REBUILD15 HP MTR BRADFORD	2/26/10		1,822			1,113	S/L	3	607
147	REBLD 10 HP PUMPMILLER #1	6/23/10		1,909			954	S/L	3	636
148	BEARINGS 15HP-CASE LIFTST	8/24/10		950			423	S/L	3	317
152	REBLD NEW#2 PUMP-WHEAT CT	5/31/11		1,593			310	S/L	3	531
153	SEALS/BEARINGS-491 PUMP	3/22/11	7/31/12	2,835			709	S/L	3	551
154	SEALS/SEAL SEAT PLATE-491	4/29/11	7/31/12	1,238			275	S/L	3	249
155	BEARINGS IN MTR-EADS PUMP	5/12/11		1,008			224	S/L	3	336
156	BEARINGS- PUMP KYLEY LANE	6/30/11		1,489			248	S/L	3	496
162	FENCE AT PUMP STATIONS	7/07/11		3,168			79	S/L	20	158
164	3 HP GRINDER PUMP-BRIDGVW	11/29/11		3,288			39	S/L	7	470
165	5 HP GRINDER PUMP-WHEAT C	11/29/11		3,523			42	S/L	7	503
166	PIRAHNA 100/2 PUMP-INDIAN	12/12/11		5,018			42	S/L	10	502
173	22 IND GRINDER PITS	9/07/11		140,679			1,172	S/L	40	3,517
174	27 IND GRINDER PUMPS	9/07/11		41,137			1,371	S/L	10	4,114
175	LIFT STATION - CLB A	9/07/11		110,204			918	S/L	40	2,755
176	LIFT STATION - CLB B	9/07/11		104,292			869	S/L	40	2,607
177	LIFT STATION-KOA	9/07/11		249,590			2,080	S/L	40	6,240
178	LIFT STATION-KENDRICK	9/07/11		80,812			673	S/L	40	2,020
179	PUMP STATION-ANGELA DRIVE	9/07/11		70,206			585	S/L	40	1,755
180	PUMP STATIION-SHERMAN	9/07/11		115,115			959	S/L	40	2,878
181	4 WATER MTRS @ OLD PS	8/18/11		4,000			33	S/L	40	100
183	GRINDER PUMP-VINCENT BLVD	1/25/12		1,753				S/L	10	161
184	GRINDER PUMP-LEEHI	1/25/12		1,561				S/L	10	143
185	PIRANHA PUMP-INDIAN HILL	3/16/12		5,189				S/L	10	389
186	PUMP #2 - MILLER P S	5/04/12		4,821				S/L	10	321
187	GENERATOR DISCONNECT-CASE	5/24/12		887				S/L	20	26
188	GENERATOR DIS-INDIAN HILL	5/24/12		1,637				S/L	20	48
189	GENERATDR DIS-GREENVIEW	5/24/12		3,682				S/L	20	107
190	GENERATOR DIS-PINHOOK	5/24/12		829				S/L	20	24
191	ACCESS RD - WALLER P S	6/06/12		4,359				S/L	20	127
192	PUMP #1 - 491 PUMP STN	7/31/12		10,441				S/L	10	435
193	GRINDER PUMP-BRIDGEVIEW	9/28/12		3,315				S/L	10	83
	Total PUMP STATIONS			1,575,970		0	179,991			52,769
	SEWER PLANT EQUIPMENT									

Client 2604 GRANT COUNTY SANITARY SEWER DISTRICT [redacted]

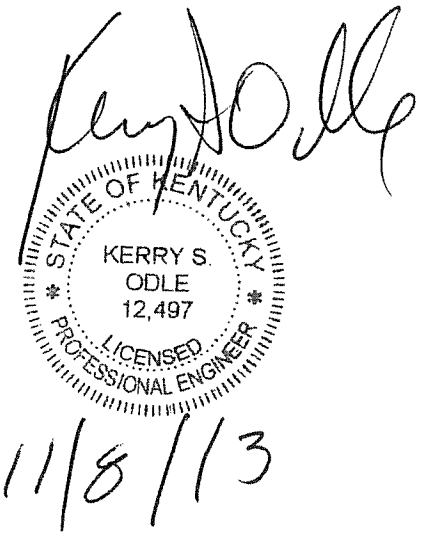
11/11/13 02:56PM

No.	Description	Date Acquired	Date Sold	Cost/ Basis	Bus. Pct	Cur 179/ SDA	Prior 179/ SDA/ Depr	Method	Life	Current Depr
9	MONOFLO GRINDER (MUNCHER)	9/30/04		13,265			9,621	S/L	10	1,327
113	NEW CHLORINE PUMP	8/10/06		1,007			547	S/L	10	101
115	NEW TRI-LOBE SWR BLOWER#1	4/26/07		6,473			6,043	S/L	5	430
126	REBUILD TRI-LOBE BLOWER#1	8/17/07		3,351			2,903	S/L	5	448
127	REBUILD TRI-LOBE BLOWER#2	11/27/07		3,380			2,760	S/L	5	620
132	1/2 OF DETROIT GENERATOR	3/28/08		19,800			3,713	S/L	20	990
133	REBUILD TRI-LOBE BLOWER#2	5/03/08		5,726			4,198	S/L	5	1,145
142	INFLUENT FLOW METER	6/24/09		6,135			1,535	S/L	10	614
195	DRUM TRANSFER PUMP	9/14/12		1,234				S/L	10	41
196	REBUILD CHEMICAL PUMP	9/21/12		1,042				S/L	3	87
197	PLANT COMPUTER SOFTWARE	9/30/12		580				S/L	3	48
198	NEW BLOWER AT PLANT	12/07/12		11,817				S/L	10	98
	Total SEWER PLANT EQUIPMENT			73,810		0	31,320			5,949
	STRUCTURES & IMPROVEMENTS									
1	WASTE WATER TREAT PLANT	4/23/04		768,545			147,307	S/L	40	19,214
3	WASTE WATER TREAT PLANT	4/23/04		133,586			38,900	S/L	26.3	5,074
10	OFFICE & BLOWER BUILDING	4/23/04		111,320			21,336	S/L	40	2,783
11	RELOCATE & REP OLD WWTP	4/23/04		101,929			19,535	S/L	40	2,548
12	ADD'L PARK AREA WWTP	4/23/04		6,645			2,546	S/L	20	332
13	GRAVEL ACCESS AREA WWTP	4/23/04		5,439			2,085	S/L	20	272
14	ACCESS ROAD WWTP	4/23/04		19,872			7,620	S/L	20	994
15	CHAIN LINK FENCE - WWTP	4/23/04		15,516			5,949	S/L	20	776
26	GRAVEL RD & CULV-SCH TR L	4/23/04		1,590			613	S/L	20	80
105	CONCRETE SEWER PLANT RD	5/31/05		30,223			9,948	S/L	20	1,511
182	REPLACE CHLORINE LINE-STP	5/04/12		4,060				S/L	40	68
	Total STRUCTURES & IMPROVEM			1,198,725		0	255,839			33,652
	TRANSPORTATION EQUIPMENT									
8	VACTOR TRUCK	5/20/04		11,624			11,624	S/L	5	0
106	NEW TRANSMISSION VACTOR T	10/25/05		4,502			4,502	S/L	5	0
124	1999 DODGE TRUCK	10/02/07		16,000			13,600	S/L	5	2,400
143	TRAILER FOR MOWER	3/20/09		1,000			275	S/L	10	100
161	TRANSMISS OVERHAUL VACTOR	9/07/11		3,790			421	S/L	3	1,263
	Total TRANSPORTATION EQUIPM			36,916		0	30,422			3,763
	Total Depreciation			7,527,705		0	1,077,694			200,689

No.	Description	Date Acquired	Date Sold	Cost/ Basis	Bus. Pct	Cur 179/ SDA	Prior 179/ SDA/ Depr.	Method	Life	Current Depr.
	Grand Total Depreciation			7,527,705		0	1,077,694			200,689
	Depreciation Assets Sold			6,164		0	2,610			1,265
	Depr Remaining Assets			7,521,541		0	1,075,084			199,424

EXHIBIT 3

Preliminary Engineering Report



Preliminary Engineering Report

Bullock Pen Lake Sewer Extension / Bingham Pump Station Relocation

Grant County

Grant County Sanitary Sewer District

By

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

September 2011

TABLE OF CONTENTS

#1

Clean Water Project Profile

Legal Applicant:	**Grant County Sanitary Sewer District**		
Project Title:	**Grant County Sanitary Sewer District - Bingham Pump Station Replacement**		
Project Number:	**SX21081307** 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:	**KY201202220175**	ECH Status:	**Endorse With Condition**
Applicant Entity Type:	**Water District (KRS 74)**		
Date Approved (AWMPC):	**07-17-2007**		

Project Description:

Relocate and replace the existing Bingham pump station. Pump station to be located approximately 2500 feet downstream fron the existing pump station.

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:

Due to sewer extension being added to the Bingham pump station, the station lacks adequate storage capacity. The top of the manholes of these extensions were lower than the design sewer level in the pump stations. Also with this project, more potential customers will be able to access the sewer.

Project Alternatives:

Alternate A:

Do nothing

Alternate B:

Split into 2 pump stations

Alternate C:

Add additional capacity only

Legal Applicant:

Entity Type:	**Water District (KRS 74)**	PSC Group ID:	**9002500**
Entity Name:	**Grant County Sanitary Sewer District**		
Web URL:			
Office EMail:			
Office Phone:	**859-428-1264** Toll Free:	Fax:	
Mail Address Line 1:	**PO Box 460**	Phys Address Line 1:	
Mail Address Line 2:		Phys Address Line 2:	
Mail City, State Zip:	**Crittenden, KY 41030**	Phys City, State Zip:	
Contact:	**Ernie Ryan**	Auth Official:	**Billy Catlett**
Contact Title:		Auth Official Title:	**Superintendent**
Contact EMail:		Auth Official EMail:	**bullockpen@fuse.net**
Contact Phone:	**859-428-1264**	Auth Official Phone:	**859-428-3060**
Contact Cell:		Auth Official Cell:	
Data Source:	**Kentucky Infrastructure Authority**		Date Last Modified: **03.20.2012**

Clean Water Project Profile

SX21081307 - Grant County Sanitary Sewer District
Grant County Sanitary Sewer District - Bingham Pump Station Replacement

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: **William L Catlett**
Title: **Manager**
Organization: **Bullock Pen Water District**
Address Line 1: **PO Box 460**
Address Line 2:
City: **Crittenden** State: **KY** Zip: **41030**
Phone: **859-393-4240** Fax:

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: **kodle@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: **12-31-2013**

Clean Water Project Profile

SX21081307 - Grant County Sanitary Sewer District
Grant County Sanitary Sewer District - Bingham Pump Station Replacement

Project Cost Classification:

Administrative Exp.:	
Legal Exp.:	**$ 2,000**
Land, Appraisals, Easements:	**$ 6,000**
Relocation Exp. & Payments:	
Planning:	**$ 5,000**
Engineering Fees - Design:	**$ 26,934**
Engineering Fees - Construction:	
Engineering Fees - Inspection:	**$ 22,520**
Engineering Fees - Other:	**$ 13,000**
Construction:	**$ 225,200**
Equipment:	
Miscellaneous:	**$ 25,000**
Contingencies:	**$ 22,446**
Total Project Cost:	**$ 348,100**

Construction Cost Categories:

WWTP Secondary Portion:	
WWTP Advanced Portion:	
Inflow & Infiltration Correction:	
Major Sewer Rehabilitation:	
Collector Sewers:	**$ 225,200**
Interceptor Sewers, including Pump Stations:	
Combined Sewer Overflow Correction:	
NPS Urban:	
Non-Categorized Cost:	
Total Construction:	**$ 225,200**

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: **$348,100**

Total Committed Funding: **$0**

Funding Gap: **$348,100 (Not Funded)**

☐ This project will be requesting SRF funding for Federal FY 2015.

Funding Source	Amount	Funding Status	Applicable Date
Pending State Line Item	$348,100	Anticipated	N/A
Total:	$348,100		

Detailed Project Schedule:

Environmental Review Status:

RD Approval:

CDBG Approval:

No approval, but Cross-Cutter Scoping Completed:

Construction Permit Application Date:

Construction Permit Application Status:

KPDES Permit Application Date:

KPDES Permit Application Status:

Estimated Bid Date:

Estimated Construction Start Date:

Clean Water Project Profile

SX21081307 - Grant County Sanitary Sewer District
Grant County Sanitary Sewer District - Bingham Pump Station Replacement

The following systems are beneficiaries of this project:

DOW PERMIT ID	System Name
KY0091634	Grant County Sanitary Sewer District

Project Ranking by AWMPC:

Regional Ranking(s):

Planning Unit Ranking:

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 (GIS Census Overlay):

	For Project Area	For Included Systems(s)
Serviceable Population	**37**	**5,335**
Serviceable households	**14**	**2,013**
Med. Household Income	**$48,370**	**$48,394**

New or Improved Service:

	Survey Based	GIS Census Overlay
To Unserved Households		**0**
To Underserved Households	511	**14**
To Total Households	**511**	**14**

Economic Impacts:

Jobs Created	
Jobs Retained	

CW Specific Impacts:

Wastewater Volumes (MGD):

For this project:	
For included system(s):	**0.300**
Reduced by this project:	

Other CW Specific Impacts:

- ☐ This project provides regionalization and/or consolidation of wastewater treatment systems.
- ☐ This project includes an on-site mound, and/or decentralized WW treatment system.
- ☐ This project is necessary to achieve full or partial compliance with a court order, agreed order, or a judicial or administrative concent decree.
- ☐ This project achieves voluntary compliance (violation with no order).
- ☑ This project is consistent with the approved facility plan.
- ☑ This project will have a positive impact on drinking water sources within a 5 mile radius.

* Drinking water sources impacted by this project:

BULLOCK PEN LAKE

Planning Needs:

- ☐ Combined Sewer Overflow (CSO) Correction.
- ☐ Sanitary Sewer Overflow (SSO) Correction.
- ☑ Replacement or Rehabilitation of Aging Infrastructure.
- ☐ New Treatment Plant.
- ☐ New Collector Sewers and Appurtenances.
- ☐ Decentralized Wastewater Treatment Systems.
- ☐ Upgrade to Advanced Treatment.
- ☐ Rehab/Upgrade/Expansion of Existing Treatment Plant.
- ☐ New Interceptor Sewers and Appurtenances.
- ☐ Storm Water Control.
- ☐ Non-Point Source (NPS) Pollution Control.
- ☐ Recycled Water Distribution.
- ☐ Planning.
- ☐ Other (specify):

Project Inventory (Mapped Features):

Point Features:

DOW Permit ID	Count	FeatureType	Purpose	Status	Existing Capacity	Proposed Capacity	Units
KY0091634	1	LIFTSTATION		NEW			

Line Features:

DOW Permit ID	Line Type	Purpose	Activity	Size (in.)	Material	Length (LF)
KY0091634	SEWER LINE	INTERCEPTOR	REHAB - REPLACE PROBLEM LINES	6.00	PVC	2,206
KY0091634	SEWER LINE	COLLECTOR	REHAB - REPLACE PROBLEM LINES	8.00	PVC	2,136
					Total Length	4,342

Administrative Components:

☐ Planning ☑ Design ☑ Construction ☐ Management

Wastewater Treatment Plants Eliminated:

☐ This project includes the elimination of wastewater treatment plant(s).

Sanitary Sewer Components:

☐ This project includes a new wastewater treatment plant.

Proposed design capacity (MGD): **0.000**

☐ This project includes an expansion of an existing wastewater treatment plant.

Current design capacity (MGD): **0.000**

Current treatment volume (MGD): **0.000**

Proposed design capacity (MGD): **0.000**

☐ This project includes rehabilitation of an existing wastewater treatment plant.

☐ This project includes upgrades to an existing wastewater treatment plant.

☑ This project includes rehabilitation or replacement of aging infractructure.

Total length of replaced infrastructure (LF): **4,342**

☐ This project includes new collector sewers.

Total length of replaced infrastructure (LF): **0**

☐ This project includes new interceptor sewers.

Total length of new interceptor sewer (LF): **0**

☐ This project includes elimination of existing sewer system components.

Number of raw sewage discharges eliminated: **0**

Number of failing septic systems eliminated: **0**

Number of non-failing septic systems eliminated: **0**

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
☐ Bioretention	$0
☐ Trees	$0
☐ Green Roofs	$0
☐ Permeable Pavement	$0
☐ Cisterns	$0
☐ Constructed Wetlands	$0
☐ Urban Forestry Programs	$0
☐ Downspout Disconnection	$0
☐ Riparian Buffers and Wetlands	$0
☐ Sustainable Landscaping and Site Design	$0
☐ Purchase of land or easements on land for riparian and wetland protection or restoration.	$0
☐ Fencing to divert livestock from streams and stream buffers.*	$0
Total Green Infrastructure Cost:	**$0**

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

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
☐	Installing or retrofitting water efficient devices such as plumbing fixtures and appliances (toilets, showerheads, urinals).	$0
☐	Installing any type of water meter in previously unmetered areas (can include backflow prevention if in conjunction with meter replacement).	$0
☐	Replacing existing broken/malfunctioning water meters with AMR or smart meters, meters with leak detection, backflow prevention.	$0
☐	Retrofitting/Adding AMR capabilities or leak equipment to existing meters.	$0
☐	Developing water audit and conservation plans, which are reasonably expected to result in a capital project.	$0
☐	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
☐	Retrofit or replacement of existing landscape irrigation/agricultural systems to more efficient landscape/agricultural irrigation systems (rain and moisture sensing equipment).	$0
☐	Water meter replacement with traditional water meters.*	$0
☐	Projects that result from a water audit or water conservation plan.*	$0
☐	Storage tank replacement/rehabilitation to reduce water loss.*	$0
☐	New water efficient landscape/agricultural irrigation system, where there currently is not one.*	$0
	Total Water Efficiency Cost:	$0

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

There are no Water Efficiency components specified for this 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
☐	Renewable energy projects such as wind, solar, geothermal, and micro-hydroelectric, and biogas combined heat and power systems that provide power to a POTW.	$0
☐	POTW-owned renewable energy projects.	$0
☐	Collection system infiltration/inflow (I/I) detection equipment.	$0
☐	POTW energy management planning, including energy assessments, energy audits, optimization studies, and sub-metering of individual processes to determine high energy use areas.	$0
☐	Projects that achieve a reduction in energy consumption (pumps, motors).*	$0
☐	Projects that cost effectively eliminate pumps or pumping stations.*	$0
☐	I/I correction projects that save energy from pumping and reduced treatment costs.*	$0
☐	I/I correction where excessive groundwater infiltration is contaminating the influent requiring otherwise unnecessary treatment processes.*	$0
☐	Replacing old motors with premium energy efficiency motors.*	$0
☐	Upgrade of POTW lighting to energy efficient sources.*	$0
☐	SCADA systems where substantial energy savings can be demonstrated.*	$0
☐	Variable Frequency Drive (VFD) controllers where substantial energy savings can be demonstrated.*	$0
	Total Energy Efficiency Cost:	$0

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

There are no Energy Efficiency components specified for this project.

Clean Water Project Profile

SX21081307 - Grant County Sanitary Sewer District
Grant County Sanitary Sewer District - Bingham Pump Station Replacement

Sustainable Infrastructure - Environmentally Innovative Infrastructure:

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
☐ Total integrated water resources management planning likely to result in a capital project.	$0
☐ Utility sustainability plan consistent with EPA's sustainability policy.	$0
☐ 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
☐ Planning activities by a POTW to prepare for adaptation to the long-term effects of climate change and/or extreme weather.	$0
☐ Construction of US Building Council LEED certified buildings, or renovation of an existing building on POTW facilities.	$0
☐ Decentralized wastewater treatment solutions to existing deficient or failing onsite wastewater systems.	$0
☐ Constructed wetlands projects used for municipal wastewater treatment, polishing, and/or effluent disposal.*	$0
☐ Projects that result from total/integrated water resource management planning consistent with the decision criteria for environmentally innovative projects and that are CWSRF eligible.	$0
☐ Projects that facilitate adaptation of POTWs to climate change identified by a carbon footprint assessment or climate adaption study.*	$0
☐ POTW upgrades or retrofits that remove phosphorus for beneficial use, such as biofuel production with algae.*	$0
☐ Projects that significantly reduce or eliminate the use of chemicals in wastewater treatment.*	$0
☐ Treatment technologies that significantly reduce the volume of residuals, generation of residuals, or lower the amount of chemicals in the residuals.*	$0
☐ Educational activities and demonstration projects for water or energy efficiency.*	$0
☐ Projects that achieve the goals/objectives of utility asset management plans.*	$0
☐ Sub-surface land application of effluent and other means for groundwater recharge, such as spray irrigation and overland flow.*	$0
Total Environmentally Innovative Cost:	**$0**

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

There are no Environmentally Innovative components specified for this project.

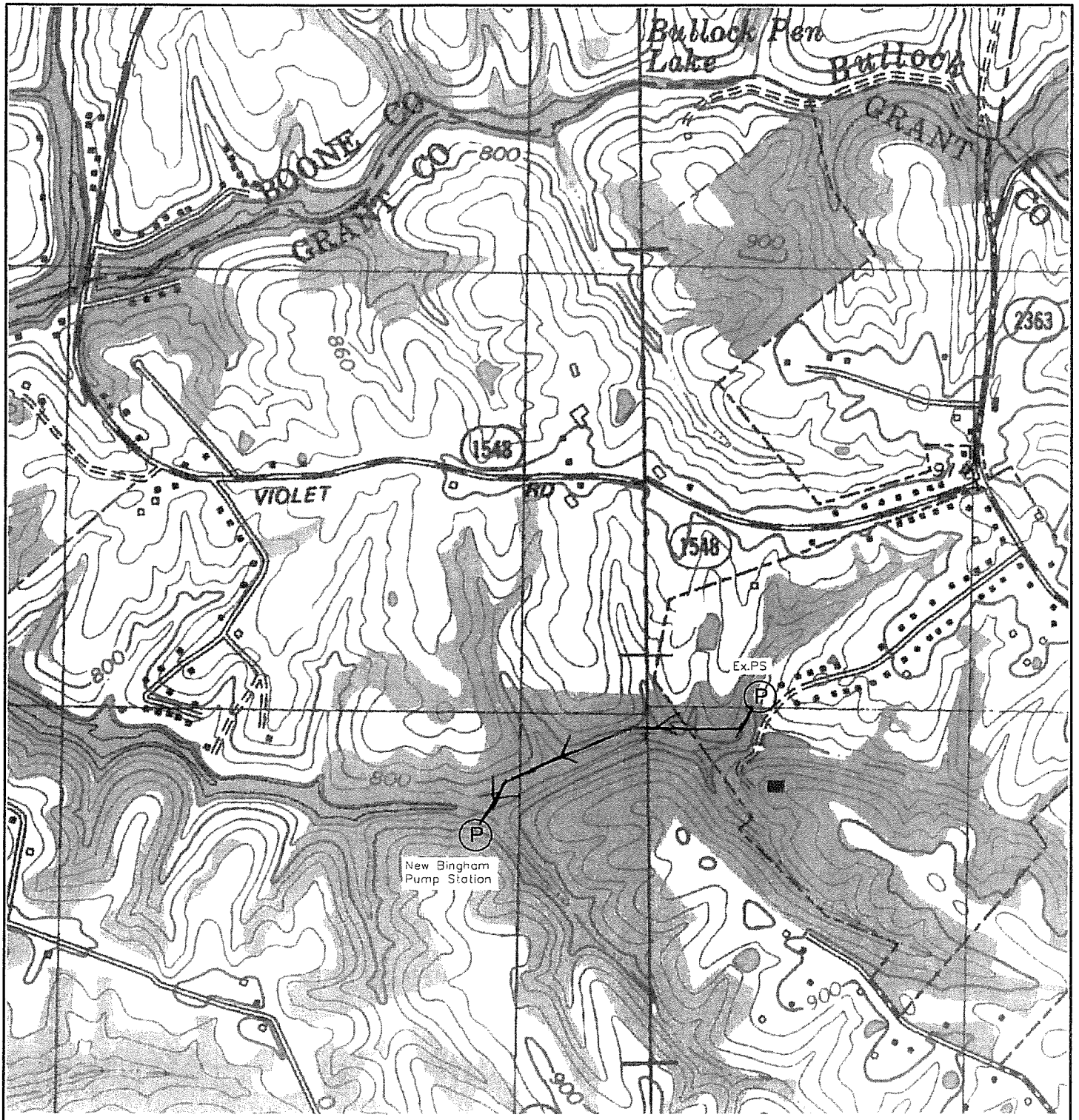
Sustainable Infrastructure - Asset Management:

If a category is selected, the applicant must provide proof to substantiate claims. The documents must be submitted to Anshu Singh (Anshu.Singh@ky.gov) for CW 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.

There are no Asset Management components specified for this project.

Project Status: Approved Date Approved: 07-17-2007 Date Revised:



FAILURE TO ABIDE BY DESIGN DOCUMENTS OR TO OBTAIN GUIDANCE FROM THE DESIGN PROFESSIONAL WAIVES ANY AND ALL RESPONSIBILITY AND LIABILITY FOR PROBLEMS WHICH ARISE FROM FAILURE TO FOLLOW THESE PLANS, SPECIFICATIONS AND THE DESIGN INTENT THEY CONVEY, OR FOR PROBLEMS WHICH ARISE FROM OTHERS' FAILURE TO OBTAIN AND/OR FOLLOW THE DESIGN PROFESSIONAL'S GUIDANCE WITH RESPECT TO ANY ERRORS, OMISSIONS, INCONSISTENCIES, AMBIGUITIES OR CONFLICTS WHICH ARE ALLEGED.

XRefs:

CMW Inc.
400 E. Vine, Ste 400, Lexington, KY 40507 859.254.6623 Fax 859.259.1877

USGS Map

Dwg: USGS Map - Bingham
Date: 09/12/2011

Bingham Pump Station Replacement
Grant County San Sewer District
Crittenden, Kentucky

Project Number
07467.01

EXHIBIT

KDOW USE ONLY
AI #:
SRF No.:
Score:

ENERGY AND ENVIRONMENT CABINET
Department for Environmental Protection
Kentucky Division of Water
Kentucky Clean Water State Revolving Fund (CWSRF)
Wastewater Project Questionnaire Form

ATTENTION: This form is for WASTEWATER PROJECTS ONLY. Please do not submit drinking water projects on this form.

PURPOSE: The purpose of this questionnaire is to gather information concerning potential projects eligible for funding from the Clean Water State Revolving Fund (CWSRF). The CWSRF was established through amendments to the Clean Water Act (CWA) to provide low-interest rate financing for construction of publicly owned treatment works (as defined in Section 212 of the Clean Water Act) or any project or activity that implements the Kentucky Nonpoint Source Management Program. This information will be used to develop a priority list of projects that will be eligible for assistance from the CWSRF. Please review the instructions, sign and date the questionnaire and submit to:

Water Infrastructure Branch
Attn: CWSRF Coordinator
Kentucky Division of Water
200 Fair Oak Lane, 4th Floor
Frankfort, Kentucky 40601
Email attachment to:anshu.singh@ky.gov

I. APPLICANT INFORMATION

1. Applicant: Grant County Sanitary Sewer District
2. KPDES # KY091634
3. Address:1 Farrell Drive , PO Box 460
4. City / Town: Crittenden, KY 41030 County(ies): Grant
5. Phone: 859 428-2112
6. Fax: 859 428-1293

KENTUCKY CLEAN WATER SRF PROJECT QUESTIONNAIRE FORM (CONTINUED)

II. AUTHORIZED OFFICIAL

1. Name: Bobby Burgess
2. Title: Chairman
3. Address:1 Farrell Drive, PO Box 460
4. City / Town: Crittenden, KY 41030 County(ies): Grant
5. Phone: 859 428-2112
6. Fax: 895 428-1293

III. CONTACT PERSON

1. Name: Kerry Odle
2. Title: Project Engineer
3. Address:CMW, Inc. 400 E. Vine Street, Suite 400
4. City / Town: Lexington, KY 40507 County(ies): Fayette
5. Phone: 859 254-6623
6. Fax: 859 259-1877

IV. PROJECT INFORMATION

1. **PROJECT TITLE:** Bullock Pen Lake Sewer Extension – Grant County Sanitary Sewer District

2. **WRIS # SX:** 21081308
   This number is assigned by an Area Development District (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 Systems (WRIS). Projects without the number and the required corresponding mapped/spatial information will not be accepted.

KENTUCKY CLEAN WATER SRF PROJECT QUESTIONNAIRE FORM (CONTINUED)

3. **PROJECT DESCRIPTION AND LOCATION:**
   Please include a detailed project description and maps showing the proposed project area and location or all existing and proposed facilities relating to the project. Please include any landmarks, highways, streams, etc. that would aid in locating the project area. Include latitude and longitude coordinates of the project or discharge locations, if known, on the map. Please attach additional sheets if necessary.

Extension of existing sewer system to service 53 new customers along Violet Road down to the crossing of Bullock Pen Lake. The project will eliminate 53 existing septic tanks that are in the Bullock Pen Lake watershed. The lake is one source of raw water for the Bullock Pen Water District.

4. **TOTAL PROJECT COST: $ 722,290.00**

5. **ESTIMATED CWSRF LOAN AMOUNT:** $ 722,290.00

6. **LIST OTHER FUNDING SOURCES AND AMOUNTS (IF KNOWN):**

Funding Source:	Amount ($):
None	

7. **PROJECT SCHEDULE**:
   List target or actual dates for submission of the following items to KDOW or KIA:

Task:	Date:
Loan Application	3-15-10
Facility Plan Approval	N/A
Environmental Review Documents	7-15-10
Construction Permit Application	7-15-10
KPDES Discharge Permit Application	N/A
Estimated Start Date of Construction	Nov, 2010

KENTUCKY CLEAN WATER SRF PROJECT QUESTIONNAIRE FORM (CONTINUED)

VI. REGIONALIZATION/DECENTRALIZATION

1. Will the project provide regionalization and/or consolidation of wastewater treatment systems?

   Yes [X] No

2. Will this project provide an on-site, mound, and/or clustered decentralized wastewater treatment system?

   [ ] Yes [X] No

VII. COMPLIANCE AND ENFORCEMENT

1. Is the project necessary to achieve full or partial compliance with a court order, agreed order, or a judicial or administrative consent decree? (Please attach a copy of the order or decree.)

   [ ] Yes [X] No

2. Is the project improvement necessary to allow the system to maintain compliance?

   [ ] Yes [X] No

3. Will the project achieves voluntary compliance (violation with no order)?

   [ ] Yes [X] No

VIII. WATER QUALITY

1. Will the project have a positive impact on drinking water sources within a 5-mile radius of its location?

   [X] Yes [ ] No

2. What receiving waterbody/waterbodies will be impacted by the project discharge (if any)?

   Bullock Pen Lake

IX. FINANCIAL NEED

1. What is the Median Household Income (MHI) of the service area?

   [ ] Less than $26,938 [ ] Between $26,938 and $33,672

   [X] Greater than $33,672

KENTUCKY CLEAN WATER SRF PROJECT QUESTIONNAIRE FORM (CONTINUED)

X. SUSTAINABLE AND/OR GREEN INFRASTRUCTURE INCENTIVES

1. Energy Efficiency:

[ ] Project reduces energy costs and consumption by replacing, reducing and/or controlling high-use operations such as motors, pumps, aeration systems, dewatering systems used in collection, pumping, storage, treatment, reuse/discharge and support systems (e.g., lighting and HVAC).

[ ] 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's] to reduce energy consumption and enhance process control.

[ ] Facility site planning includes facilities and building components designed to maximize energy efficiency.

[ ] Project/system has conducted an energy audit and/or energy reduction plan.

2. Green Infrastructure:

[ ] Project utilizes storm-water capture and/or rain harvesting techniques.

[ ] Construction/enhancement/restoration of wetland(s).

[ ] Protection and enhancement of riparian buffers and floodplains.

[ ] Environmentally Innovative Technologies/Other (Specify):

[ ] Low impact construction technology is used to minimize impacts to the existing surface.

3. Asset Management/Full-Cost Pricing:

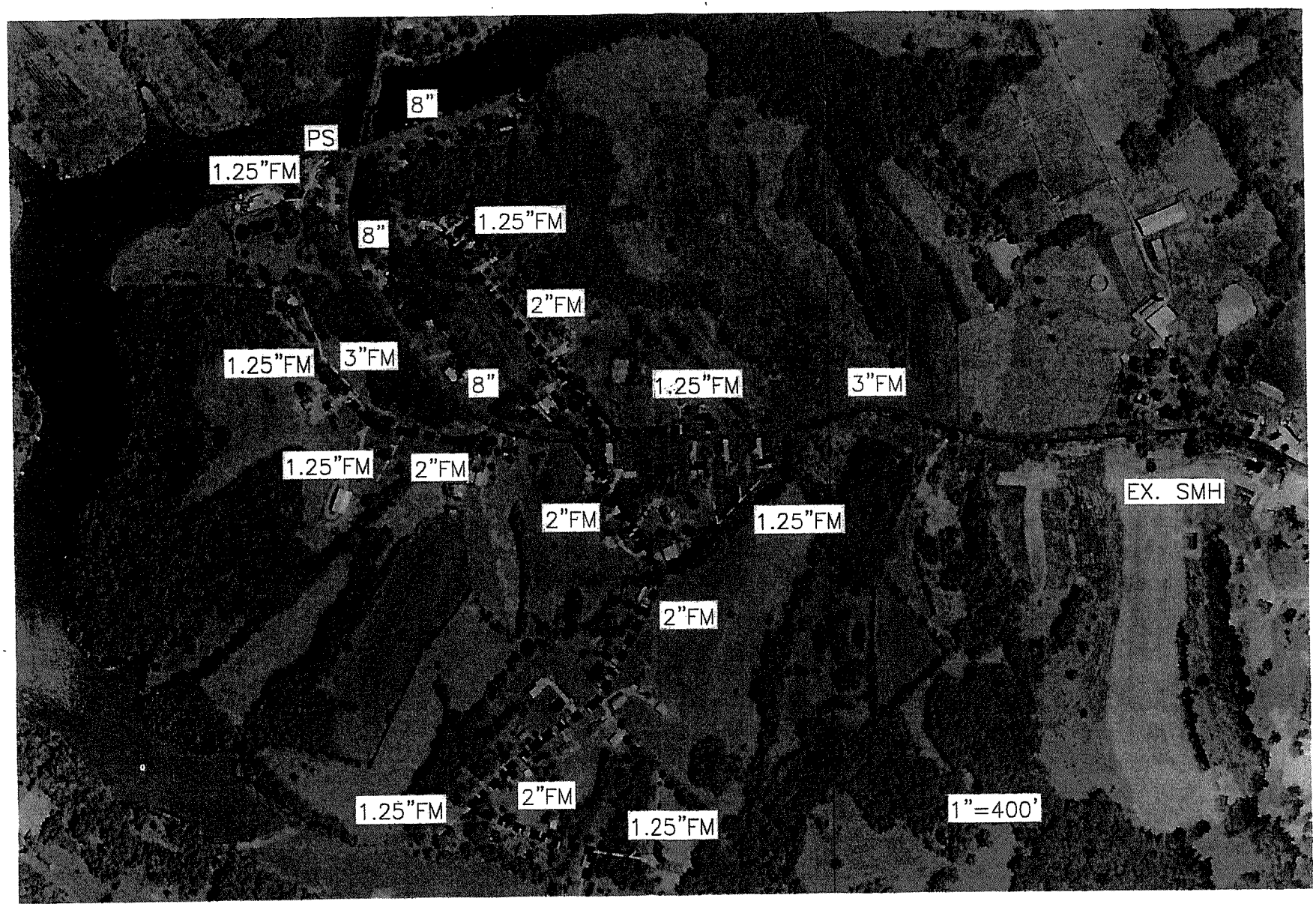
[ ] System has mapped its wastewater collection and treatment components and analyzed conditions, including risks of failure, expected dates of renewals and ultimate replacements, and sources and amounts of revenues needed to finance operations, maintenance and capital needs (e.g., Capital Improvement Plan).

[X] Project/System has developed appropriate pricing/rate/affordability standards to build, operate, and maintain systems.

[ ] Project/System has specifically allocated funds for the rehabilitation and replacement of aging and deteriorating infrastructure.

SIGNATURE OF APPLICANT:

Bobby Bourgeois / Chairman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KENTUCKY WASTEWATER PROJECT PROFILE

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

Grant County Sanitary Sewer District- Bullock Pen Lake Project

2. **Project Description:**

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

Extension of existing sewer system to service 53 new customers along Violet Road down to the crossing of Bullock Pen Lake. The project will eliminate 53 existing septic tanks and possible straight pipes that are in the Bullock Pen Lake watershed. The lake is the one source of raw water for the Bullock Pen Water District Water Treatment Plant.

Project Descriptor: Extend sewer system on Violet Road to 53 new customers.

WRIS Project Number (PNUM): *

*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: CMW, Inc.

If wastewater project, KPDES#(s):

Available:		Selected:
KY0002801 KY0020001 KY0020010 KY0020036 KY0020044 KY0020061 KY0020079 KY0020087 KY0020095 KY0020117	Include > < Remove	None Selected.. KY091634

If wastewater collection project, KIMOP#(s)

Available:		Selected:
KYP000015 KYP000032 KYP000034 KYP000035 KYP000036 KYP000037 KYP000038 KYP000039 KYP000040 KYP000041	Include > < Remove	None Selected..

3. Legal Applicant

Legal Applicant: Grant County Sanitary Sewer District

Wastewater Utility which will own proposed improvements: Grant County Sanitary Sewer District
(if different from Legal Applicant)

Organizational Structure: Municipality

Authorized Official Information

First Name: Bobby Last Name: Burgess M.I.:
Title: Chairman
Street Address Line 1: Grant County Sanitary Sewer District
Street Address Line 2: 1 Farrell Drive
P.O. Box: 460
City: Crittenden State: Ky Zip: 41030
County: Grant
Telephone: 859 428.2112 Ext:
Fax: 859 428.1293
Email: bullockpen@fuse.net

Contact Person Information

First Name: Gail Last Name: Bowling M.I.:
Title: Office Manager
Street Address Line 1: 1 Farrell Drive
Street Address Line 2:
P.O. Box: 460
City: Crittenden State: KY Zip: 41030
County: Grant
Telephone: 859 428-2112 Ext:
Fax: 859 428-1293
Email: bullockpen@fuse.net

Project Administrator Information

First Name: Kerry Last Name: Odle M.I.:
Title: Project Engineer
Street Address Line 1: 400 E. Vine St., Suite 400
Street Address Line 2:
P.O. Box:
City: Lexington State: KY Zip: 40507
County: Fayette
Telephone: 859.254.6623 Ext:
Fax: 859.259.1877
Email: kodle@cmwaec.com

Consulting Engineer Information

First Name: Kerry Last Name: Odle M.I.:
Firm: CMW, Inc.
Street Address Line 1: 400 E. Vine St., Suite 400
Street Address Line 2:
P.O. Box:
City: Lexington State: KY Zip: 40507
County: Fayette
Telephone: 859 254-6623 Ext: 104
Fax: 859 259-1877
Email: kodle@cmwaec.com

4. Project Type (check all that apply):

- [x] Facilities Planning
- [x] Sewer System Evaluation Survey Report
- [x] Design
- [x] Construction
- [ ] Management

5. Project Alternatives: Please list a minimum of three:
   a. Do nothing.
   b. Install all pressurized system.
   c. Install all gravity system.
6. Special Impact(s) of Proposed Wastewater Project:
   a. New service/improve service to 53 unserved 0 underserved households
   b. Number of new jobs: 0 Number of retained jobs: 0
   c. Other beneficial technical, managerial, fiscal impacts: (20 words or less)
      Eliminate 53 septic tanks and/or straight pipes that are in the Bullock Pen Lake and Bullock Pen Water District raw water intake watershed.
   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: 0
7. Median Household Income of Service Area:
   $ 038438
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) $ $ 722,290
   Total Estimated Project Cost $ $ 722,290

10. Project Data - Wastewater (complete all items which apply to this discrete project)

a. Is project related to modifications to treatment plant? ○ Yes ◉ No
   Current design treatment capacity 0 MGD
   Current treatment volume 0 MGD
   Treatment design capacity after project 0 MGD

b. Is project related to new collector sewer construction? ◉ Yes ○ No
   Total linear feet 0 15,221

c. Is project related to new interceptor sewer construction? ◉ Yes ○ No
   Total linear feet 0

d. Is project related to sewer rehab? ◉ Yes ◉ No
   Total linear feet 0

e. Number of lift stations required 0

f. Management (describe)

g. Does your agency currently provide sewer service ◉ Yes ○ No

TABLE 1: COST

Category

Secondary Treatment	Advanced Treatment	I/I Removal	Sewer Rehab	Collector Sewers	Interceptor Sewers	Combined Sewer Overflows	NPS Urban
0	0	0	0	X 15,221	0	0	0

Estimated Project Cost: $ $722,290

Allocated: $

Remaining Funds: $

TABLE 2: NEEDS

Public Health Concerns as a results of this Project

Number of Raw Sewage Discharges Eliminated	Number of Failing Septic Systems Eliminated	Septic Systems to be Eliminated	Total No. of WWTPs to be Eliminated	Total Average Design Flow from Eliminated WWTPs (MGD)
0	X 20	X 53	0	0

KPDES No.	Name of Plant Eliminated	Average Design Flow (MGD)
		0
		0
		0
		0
		0
		0

Date Project was approved by the Area Water Management Planning Council:

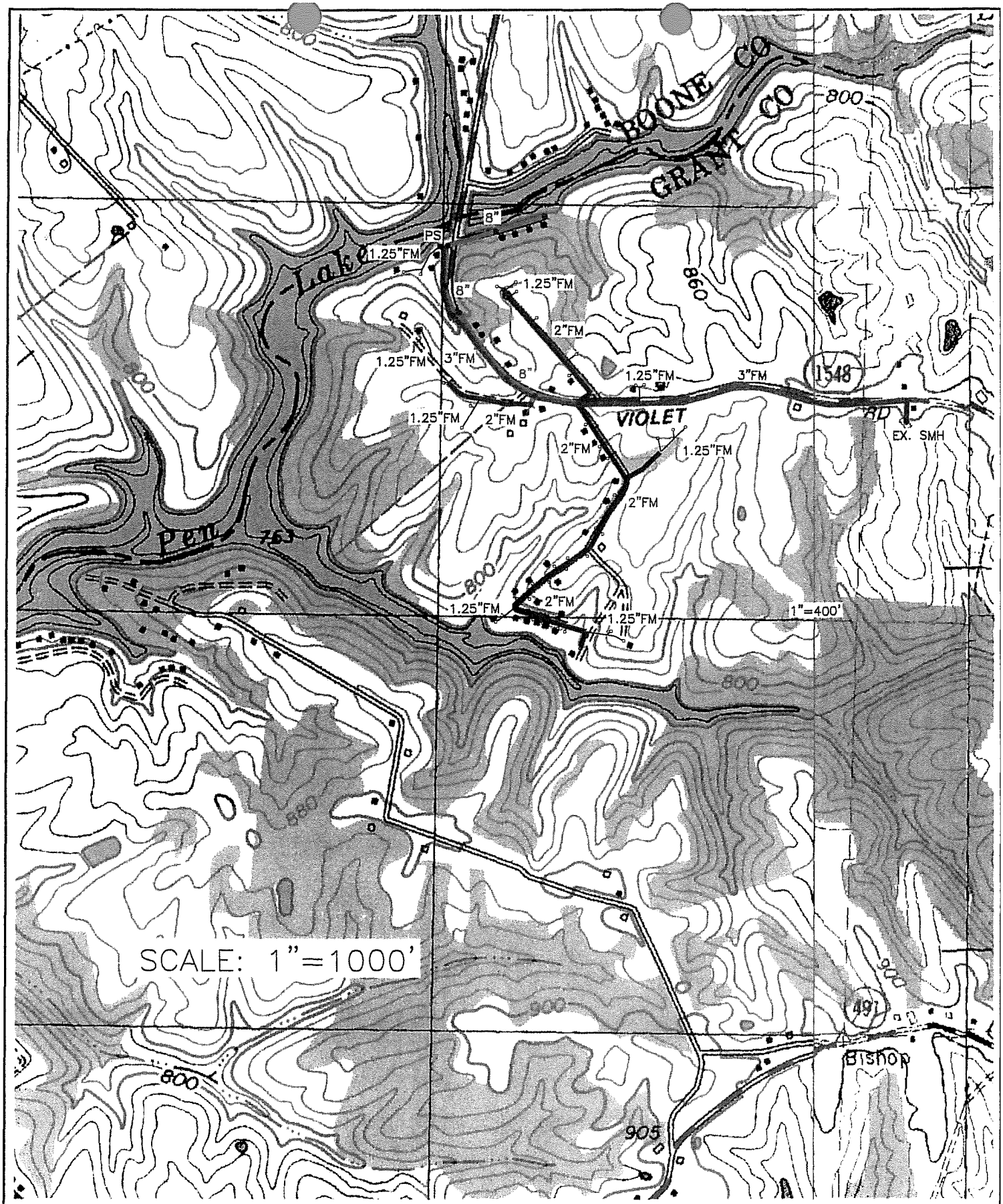
Submit Profile Save Profile

Project: BP Lake Area Sewer

Opinion of Probable Cost (December 16, 2009)

Item:	Quantity:	Unit:	Unit Cost	Cost:
Pump Station	*1*	*Ea.*	*55,000.00*	*$55,000.00*
Individual Grinder PS	*43*	*Ea.*	*5,250.00*	*225,750.00*
1-1/4" PVC Force Main	*1925*	*LF*	*7.85*	*15,111.00*
2" PVC Force Main	*5500*	*LF*	*8.40*	*46,200.00*
3" PVC Force Main	*4614*	*LF*	*7.35*	*33,912.00*
4" PVC laterals	*470*	*LF*	*21.00*	*9,870.00*
8" PVC Gravity sewer	*2712*	*LF*	*40.00*	*108,480.00*
San. Manholes	*11*	*Ea.*	*1,800.00*	*19,800.00*
Highway Bore (5@40') *(w/ encasement pipe)*	*200*	*LF*	*120.00*	*24,000.00*
Tie-in Ex. SMH	*1*	*Ea.*	*525.00*	*525.00*
Open-cut streets/drives	*475*	*LF*	*63.00*	*29,925.00*
Sewage Combo Air Valve	*3*	*Ea.*	*1,680.00*	*5,040.00*
Clean-outs	*53*	*Ea.*	*575.00*	*30,475.00*
	Total			**$604,088.00**

Project Cost	
Construction cost	*$604,088.00*
Legal	*8,000.00*
Preliminary Engineering	*5,000.00*
Easements (Preparation)	*20,000.00*
Easements (Purchase)	*60,000.00*
Engineering	*58,717.00*
Staking	*15,000.00*
Inspection	*40,957.00*
Contingencies	*60,338.00*
Total	**$872,100.00**



CMW inc.
400 E. Vine Street, Suite 400, Lexington, Kentucky 40507
Voice 859.254.6623 Fax 859.259.1677

BULLOCK PEN LAKE SEWER

GRANT COUNTY SANITARY SEWER
VIOLET ROAD
CRITTENDEN, KENTUCKY

Dwg: Dwg: Base.dwg
14 JANUARY 2010

Project Number
00008.22

1

#4

COMMONWEALTH OF KENTUCKY

CLEAN WATER STATE REVOLVING FUND

APPLICATION FOR FINANCIAL ASSISTANCE

FUND A

Kentucky
UNBRIDLED SPIRIT™

7. **PROJECT DESCRIPTION**

A. Describe the project and identify what is being constructed. Briefly explain the need for the project. Refer to Environmental Information Document (EID) if necessary (attach maps).

Extension of existing sewer system to service 53 new customers along Violet Road down to the crossing of Bullock Pen Lake. The project will eliminate 53 existing septic tanks and possible straight pipes that are in the Bullock Pen Lake watershed. The lake is the one source of raw water for the Bullock Pen Water Treatment Plant. Approximately 1.4 miles of pressurized sewer system with individual grinder pumps, 0.5 miles of gravity sewer, a pump station, and 0.9 miles of sanitary sewer force main are to be constructed.

B. Is this project consistent with the EID approved by DOW?

Environmental is being prepared.

C. Identify the discharge point(s) for the effluent generated as a result of this project.

Crittenden Waster Water Treatment Plant

D. Discuss the environmental benefits that will result from this project.

This project will eliminate 53 existing septic tanks and possible straight pipes that are in the Bullock Pen Lake watershed. The lake is the one source of raw water for the Bullock Pen Water Treatment Plant

8. **PROJECT SCHEDULE (Indicate Actual or Target dates)**

A. Environmental Information Document submitted to DOW	**02/01/2012**
B. Plans/Specs submitted to DOW	**03/01/2012**
C. Bid advertisement	**06/05/2012**
D. Bid opening	**06/15/2012**
E. Construction start	**09/15/2012**
F. Construction completion	**04/01/2013**

9. Does the Public Service Commission (PSC) have jurisdiction over this project?

☒ Yes ☐ No

If yes, describe their role and estimated schedule of review:

Review and approve plans and CWSRF Loan.

10. Is the system under sanction from any enforcement agency?

☐ Yes ☒ No

If yes, describe below, listing amounts and dates of any fines paid to date:

If under enforcement, is the project schedule in accordance with the court order?

☐ Yes ☐ No

11. Will the applicant utilize its own workforce to perform any services on the proposed project (Force Account)? ☐ Yes ☒ No

If yes, you must receive prior approval from DOW.

12. **DEMOGRAPHICS**

A. Current Population of Service Area: **4,699**

B. Projected Population of Service Area: 5 Year **5,471** 20 Year **7,150**

C. Number of Households in Service Area remaining unserved: **20**

D. Median Household Income of Applicant's Jurisdiction $ **53,520**

Part II – Financial Analysis

1. Will waste from the facilities being constructed be treated by another entity? ☐ Yes ☒ No

   If yes, describe the contractual relationship (e.g.; usage, price per gallon) and attach a copy of the agreement.

2. Does this system provide services to other communities? ☐ Yes ☒ No

   If yes, complete the following and attach a copy of the agreement:

Community	# of Customers	Revenue Derived
		$
		$
		$

3. A. Number of entities currently served (Please answer with exact number):

   1315 Residential 147 Commercial 5 Industrial

   B. Number of entities to be added to customer base as a result of proposed project (qualify if numbers are approximate).

   No. of **Residential** Area:

   51

   No. of **Commercial** Area:

   2

   No. of **Industrial** Area:

   0

   C. Attach evidence of new customers' willingness to connect, such as signup sheets, letters of interest or news articles. **None**

   D. If legal action is required to force connection, under what legal authority will it be accomplished?

   See Attached

4. **RATE STRUCTURE** (attach 2 copies each of current and proposed water **and** wastewater rate ordinances)

A. Date of last rate adjustment/amount of adjustment for an average residential customer.

Wastewater: $**5.25 to $5.31** / 1,000 gal Date: **04/15/2006**

Water: $**NA** / 1,000 gal Date: _____

Note: If billing is based on cubic feet please convert to gallons.

B. Current monthly charge for 4,000 gallons.

Wastewater: $**37.56** / 4,000 gal

Water: $**NA** / 4,000 gal

C. Have any public meetings been held on the proposed project for rate increases? ☐ Yes ☒ No

If yes, attach a copy of the minutes. **NA, no rate increases due to this project.**

D. Do any users provide more than 5% of the service revenue for the system? ☐ Yes ☒ No

If yes, list below:

Name	% Service Revenue

E. Raw water source is: **NA, GCSSD is not a water provider.**

---

5. List any proposed new businesses or housing developments in your service area including projected start date, anticipated usage and revenue impact.

None

---

6. Who performs service billings and collection services? If not the applicant, explain and provide a copy of any agreements.

Bullock Pen Water District – Copy of Agreement Attached

---

7. How many present or proposed customers have unmetered service? **0**

How will their services be billed?

8. Are revenues and expenses for the system accounted for separately? ☒ Yes ☐ No

If no, explain accounting procedures used:

SEPARATION OF ACCOUNTS IS REQUIRED FOR LOAN APPROVAL

9. A. Is the applicant required to have an annual audit performed? ☒ Yes ☐ No

If not, explain below:

B. What is the date of the last audit completed? **2010**

C. Provide two copies of each of the last three annual audit reports and/or the audited financial statements.

10. How does the applicant anticipate paying the increased debt service, operation and maintenance expenses required for this loan (e.g.; existing revenues, increased customers, higher rates or other special assistance)?

Increased customers and existing revenues.

11. Please calculate additional operation and maintenance expenses needed for first year of operation.

O & M as of last audit	O & M first year of operation	Difference
$**384,598**	$**397,418**	$**12,820**

12. Describe any operating expense changes that will occur as a result of this project.

No changes from normal operations and maintenance. Additional costs for maintenance of sewer lines and pumps.

13. Please calculate the amount of funds to be set aside annually for replacement costs. This amount should be based on the design life of the system.

Amount required by KIA.

14. Provide the following information for any state or federal funds for water and wastewater construction projects received during the past five years.

Date Awarded	Project	Funding Source	Amount	Type of Assistance
2005	Extension Phase I	KIA	$900,000	Grant
2008	Extension Phase I	KIA	$250,000	Grant
2008	Extension Phase I	KIA	$400,000	Grant
*2009	Extension Phase I	ARRA	$300,000	Loan

* Current letter in file requesting an additional $140,000 ARRA Funds for Extension Phase I project.

15. LONG-TERM DEBT – Provide the following information on all outstanding debt secured by the Enterprise Fund (wastewater and water and any other utility in the fund).

WASTEWATER

Creditor/ Issuer	Date of Issue	Orig Loan/ Bond Size	Principal Balance Outstanding	Interest Rate	Annual Principal Payment	Annual Interest Payment	Date of Final Maturity
KRWFC	9/2002	1,544,982	1,503,196	3.6–5.15	64,000	57,319	1/2023
ARRA		143,700	138,700	3.0	5,500	4,000	2031

WATER

Auditor/ Issuer	Date of Issue	Orig Loan/ Bond Size	Principal Balance Outstanding	Interest Rate	Annual Principal Payment	Annual Interest Payment	Date of Final Maturity

OTHER

Auditor/ Issuer	Date of Issue	Orig Loan/ Bond Size	Principal Balance Outstanding	Interest Rate	Annual Principal Payment	Annual Interest Payment	Date of Final Maturity

Part III - Budget Information
Project Cost Summary

Project Title GCSSD - Bullock Pen Lake Sewer Extension WRIS# SX: 21081308

Project Budget: Estimated 9/2/2011 (enter date) **As Bid** (enter date) **Revised** (enter date)

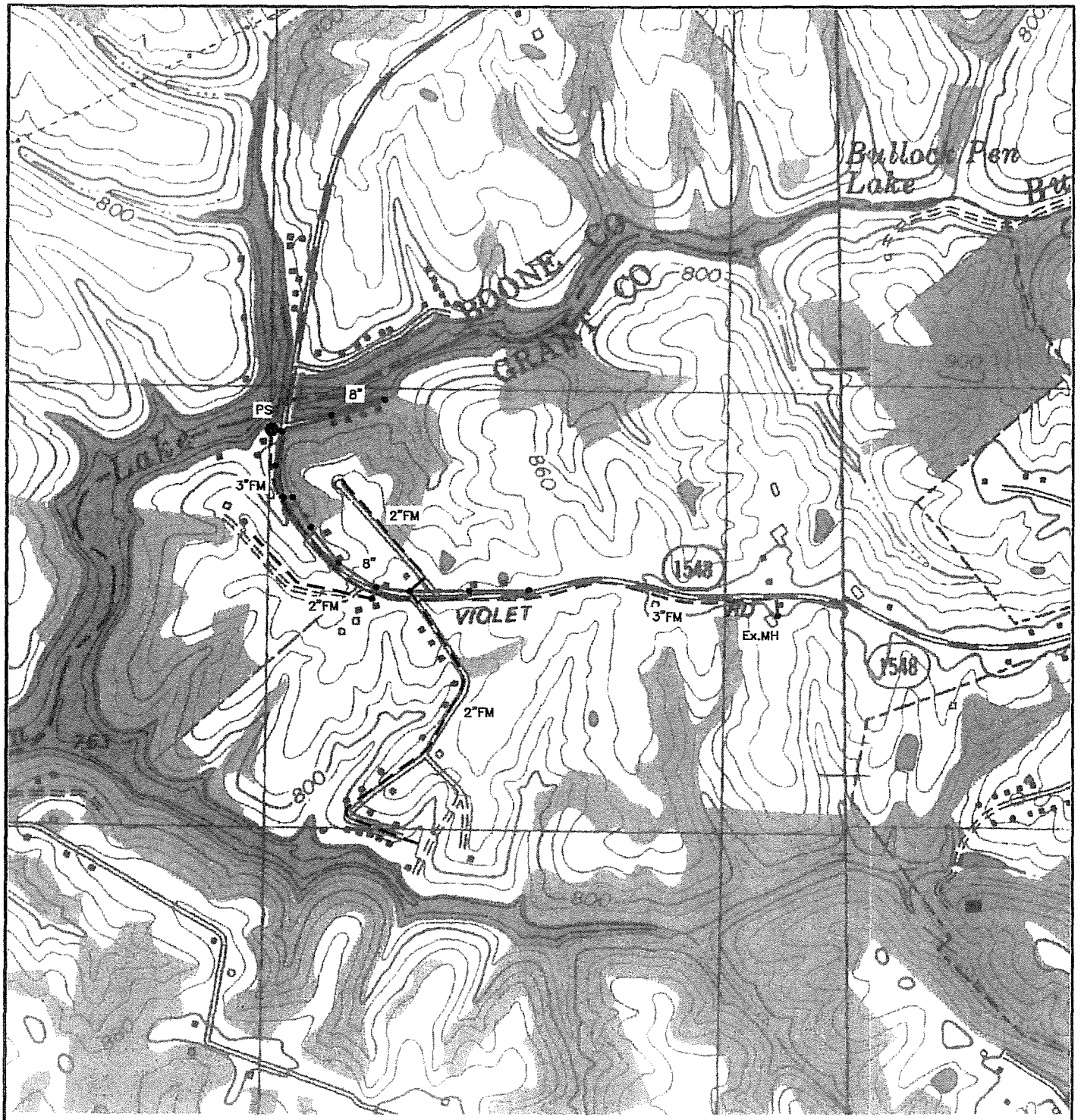
	Cost Classification	CWSRF KIA Loan	Funding Source 1	Funding Source 2	Funding Source 3	Funding Source 4	Funding Source 5	Local Funds	Unfunded Costs	Total
1	Administrative Expenses									-
2	Legal Expenses	8,000								8,000
3	Land, Appraisals, Easements							50,000		50,000
4	Relocation Expense & Payments									-
5	Planning	5,000								5,000
6	Engineering Fees - Design	58,717								58,717
7	Engineering Fees - Construction									-
8	Engineering Fees - Inspection	40,957								40,957
9	Engineering Fees - Other	35,000								35,000
10	Construction	604,088								604,088
11	Equipment									-
12	Miscellaneous	15,000								15,000
13	Contingencies	55,338								55,338
	Total	822,100	-	-	-	-	-	50,000	-	872,100

	Funding Sources	Amount	Date Committed
1		-	
2		-	
3		-	
4		-	
5		-	
	Total	-	

	Local Funding Sources	Amount	Date Committed
1	GCSSD - Tap Fees	50,000	
2			
3			
	Total	50,000	

Total Funding 872,100

Construction Cost Categories	Funding Source	Total Cost
(I) WWTP Secondary Portion		
(II) WWTP Advanced Portion		
(IIIA) Inflow and Infiltration Correction		
(IIIB) Major Sewer Rehabilitation		
(IVA) Collector Sewers	All	872,100
(IVB) Interceptor Sewers including Pump Stations		
(V) Combined Sewer Overflow Correction		
TOTAL CONSTRUCTION COSTS		872,100



2" PRESSURIZED SEWER FORCE MAIN

3" FORCE MAIN SEWER

8" GRAVITY SEWER

0 1000' 2000'

SCALE: 1"=1000'

N

CMW inc.

400 E. Vine, Ste 400, Lexington, KY 40507 859.254.6823 Fax 859.259.1877

USGS MAP

Bullock Pen Lake Sewer Extension
Grant County San Sewer District
Crittenden, Kentucky

Dwg: USGS Map.dwg
Date: 09/02/2011

Project Number
11049.01

EXHIBIT

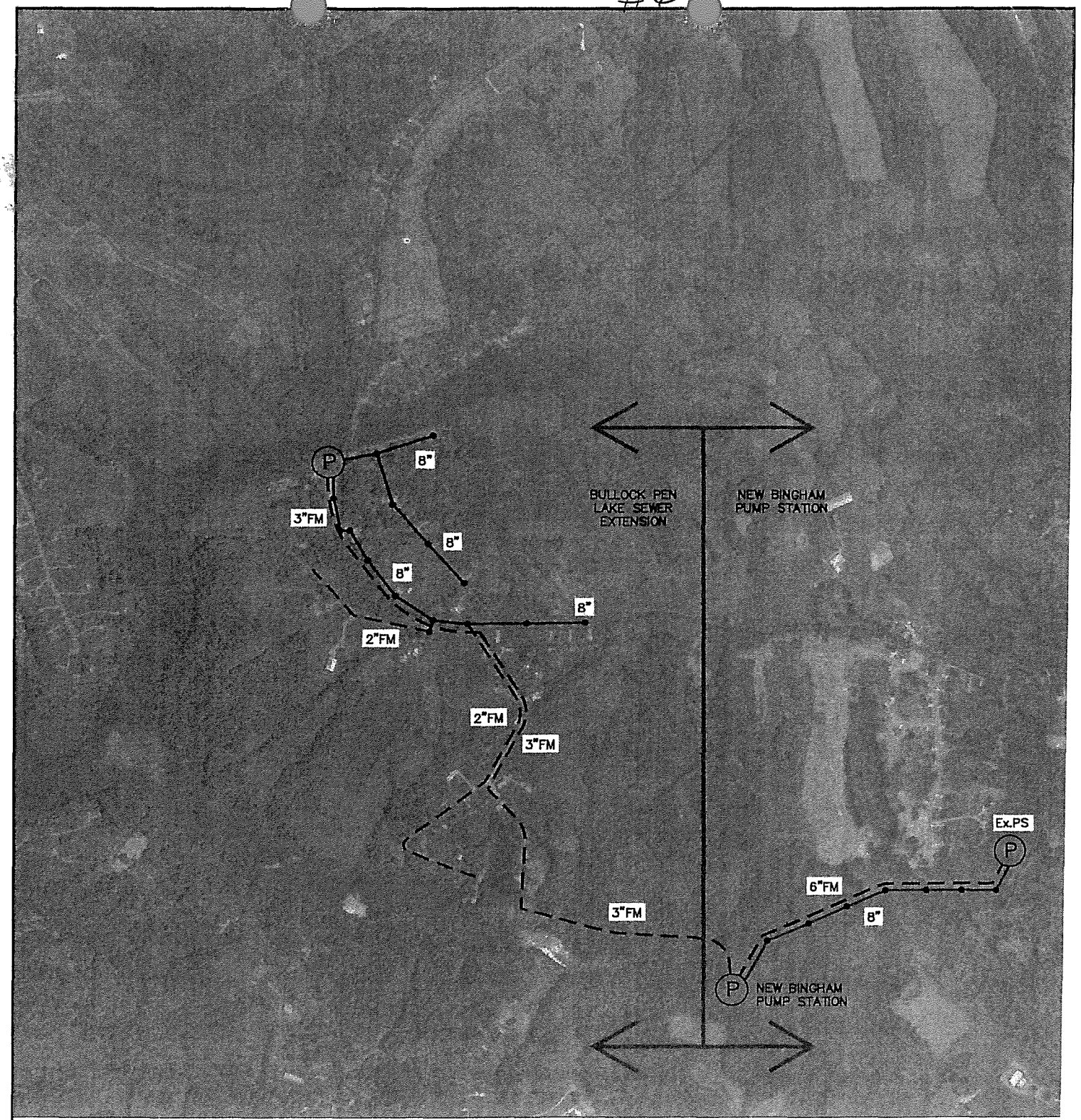
XRefs:

#5

Bullock Pen Lake Sewer Project
Summary of Cost
February 29, 2012

	Construction Cost	Project Cost
Bingham Pump Station Replacement	$229,080	$399,000
BP Lake Sewer (No Gravity Sewer) w / Bingham Pump Station Replacement 40 Customers	$562,275	$855,900
BP Lake Sewer (Entire Project) w / Bingham Pump Station Replacement 53 Customers	$826,667	$1,219,200

#6



P PUMP STATION

2" PRESSURIZED SEWER FORCE MAIN

3" FORCE MAIN SEWER

6" FORCE MAIN SEWER

8" GRAVITY SEWER

0 1000' 2000'

SCALE: 1"=1000'

N

FAILURE TO ABIDE BY CONSTRUCTION DOCUMENTS OR TO OBTAIN GUIDANCE FROM THE DESIGN PROFESSIONAL WHERE ANY DOUBT EXISTS, MAY RENDER ANY AND ALL RESPONSIBILITY AND LIABILITY FOR PROBLEMS WHICH ARISE FROM FAILURE TO FOLLOW THESE PLANS, SPECIFICATIONS AND THE INTENT THEREOF, OR FOR PROBLEMS WHICH ARISE FROM FAILURE TO OBTAIN AND/OR FOLLOW THE DESIGN PROFESSIONAL'S GUIDANCE WITH RESPECT TO ANY ERRORS, OMISSIONS, OR AMBIGUITIES CONTAINED IN THE CONSTRUCTION DOCUMENTS.

CMW, Inc.

400 E. Vine, Ste 400, Lexington, KY 40507 859.254.6623 Fax 859.259.1677

AERIAL IMAGE MAP

Bullock Pen Lake Sewer Extension
Grant County San Sewer District
Crittenden, Kentucky

Dwg: USGS Map.dwg
Date: 09/02/2011

Project Number
11049.01

EXHIBIT

(Refs:

#7

Clean Water Project Profile

Legal Applicant:	**Grant County Sanitary Sewer District**		
Project Title:	**GCSSD - Bullock Pen Lake Sewer Extension Phase II**		
Project Number:	**SX21081308** View Map	Submitted By:	**NKADD**
Funding Status:	**Over Funded**	Primary County:	**Grant**
Project Status:	**Approved**	Planning Unit:	**Grant**
Project Schedule:	**0-2 Years**	Multi-County:	**No**
E-Clearinghouse SAI:	**KY201108181108**	ECH Status:	**Endorse With Condition**
Applicant Entity Type:	**Water District (KRS 74)**		
Date Approved (AWMPC):	**01-28-2010**		

Project Description:

Extension of existing sewer system to service 46 new customers along Violet Rd adjacent to Bullock Pen Lake. The project will eliminate 46 existing septic tanks and possible straight pipes that are in the Bullock Pen Lake watershed. The lake is the one source of raw water for the Bullock Pen Water District water treatment plant. Replace and relocate an existing lift station.

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:

Eliminate 46 septic tanks and/or staight pipes that are in bullock pen lake and Bullock Pen Water District raw water intake watershed. Existing lift station to be replaced lacks adequate storage and was constructed in 1988.

Project Alternatives:

Alternate A:

Do nothing.

Alternate B:

Install a pressurized system.

Alternate C:

Install all gravity system.

Legal Applicant:

Entity Type:	**Water District (KRS 74)**	PSC Group ID:	**9002500**
Entity Name:	**Grant County Sanitary Sewer District**		
Web URL:			
Office EMail:			
Office Phone:	**859-428-1264** Toll Free:	Fax:	
Mail Address Line 1:	**PO Box 460**	Phys Address Line 1:	
Mail Address Line 2:		Phys Address Line 2:	
Mail City, State Zip:	**Crittenden, KY 41030**	Phys City, State Zip:	
Contact:	**Ernie Ryan**	Auth Official:	**Billy Catlett**
Contact Title:		Auth Official Title:	**Superintendent**
Contact EMail:		Auth Official EMail:	**bullockpen@fuse.net**
Contact Phone:	**859-428-1264**	Auth Official Phone:	**859-428-3060**
Contact Cell:		Auth Official Cell:	
Data Source:	**Kentucky Infrastructure Authority**	Date Last Modified:	**03.20.2012**

Clean Water Project Profile

SX21081308 - Grant County Sanitary Sewer District
GCSSD - Bullock Pen Lake Sewer Extension Phase II

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: **William L Catlett**
Title: **Manager**
Organization: **Bullock Pen Water District**
Address Line 1: **PO Box 460**
Address Line 2:
City: **Crittenden** State: **KY** Zip: **41030**
Phone: **859-393-4240** Fax:

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: **kodle@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: **12-31-2013**

Clean Water Project Profile

SX21081308 - Grant County Sanitary Sewer District
GCSSD - Bullock Pen Lake Sewer Extension Phase II

Project Cost Classification:

Administrative Exp.:	
Legal Exp.:	**$ 10,000**
Land, Appraisals, Easements:	**$ 10,000**
Relocation Exp. & Payments:	
Planning:	**$ 5,000**
Engineering Fees - Design:	**$ 101,306**
Engineering Fees - Construction:	
Engineering Fees - Inspection:	**$ 49,565**
Engineering Fees - Other:	**$ 45,000**
Construction:	**$ 835,836**
Equipment:	
Miscellaneous:	**$ 44,610**
Contingencies:	**$ 110,132**
Total Project Cost:	**$ 1,211,449**

Construction Cost Categories:

WWTP Secondary Portion:	
WWTP Advanced Portion:	
Inflow & Infiltration Correction:	
Major Sewer Rehabilitation:	
Collector Sewers:	**$ 835,836**
Interceptor Sewers, including Pump Stations:	
Combined Sewer Overflow Correction:	
NPS Urban:	
Non-Categorized Cost:	
Total Construction:	**$ 835,836**

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: **$1,211,449**

Total Committed Funding: **$1,226,700**

Funding Gap: **($15,251) (Over Funded)**

☐ This project will be requesting SRF funding for Federal FY 2015.

Funding Source	Amount	Funding Status	Applicable Date
KIA SRF Fund A Loan (CW)	$1,161,700	Committed	1/1/2013
Local	$65,000	Committed	1/1/2013
Total:	$1,226,700		

Detailed Project Schedule:

Environmental Review Status:

RD Approval:

CDBG Approval:

No approval, but Cross-Cutter Scoping Completed:

Construction Permit Application Date:	**03-01-2012**
Construction Permit Application Status:	**Submitted**
KPDES Permit Application Date:	
KPDES Permit Application Status:	
Estimated Bid Date:	**09-15-2013**
Estimated Construction Start Date:	**01-02-2014**

Clean Water Project Profile

SX21081308 - Grant County Sanitary Sewer District
GCSSD - Bullock Pen Lake Sewer Extension Phase II

The following systems are beneficiaries of this project:

DOW PERMIT ID	System Name
KY0091634	Grant County Sanitary Sewer District

Project Ranking by AWMPC:

Regional Ranking(s):

Planning Unit Ranking:

Total Points:

Plans and Specifications:

- ☑ Plans and specs have been sent to DOW. 8/8/2013
- ☐ 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 (GIS Census Overlay):

	For Project Area	For Included Systems(s)
Serviceable Population	**148**	**5,335**
Serviceable households	**58**	**2,013**
Med. Household Income	**$48,370**	**$48,394**

New or Improved Service:

	Survey Based	GIS Census Overlay
To Unserved Households	46	**58**
To Underserved Households	670	**0**
To Total Households	**716**	**58**

Economic Impacts:

Jobs Created	
Jobs Retained	

CW Specific Impacts:

Wastewater Volumes (MGD):

For this project:	0.011
For included system(s):	**0.300**
Reduced by this project:	

Other CW Specific Impacts:

- ☐ This project provides regionalization and/or consolidation of wastewater treatment systems.
- ☐ This project includes an on-site mound, and/or decentralized WW treatment system.
- ☐ This project is necessary to achieve full or partial compliance with a court order, agreed order, or a judicial or administrative concent decree.
- ☐ This project achieves voluntary compliance (violation with no order).
- ☑ This project is consistent with the approved facility plan.
- ☑ This project will have a positive impact on drinking water sources within a 5 mile radius.

* Drinking water sources impacted by this project:

BULLOCK PEN LAKE FOR BULLOCK PEN WATER DISTRICT

Planning Needs:

- ☐ Combined Sewer Overflow (CSO) Correction.
- ☐ Sanitary Sewer Overflow (SSO) Correction.
- ☑ Replacement or Rehabilitation of Aging Infrastructure.
- ☐ New Treatment Plant.
- ☑ New Collector Sewers and Appurtenances.
- ☐ Decentralized Wastewater Treatment Systems.
- ☐ Upgrade to Advanced Treatment.
- ☐ Rehab/Upgrade/Expansion of Existing Treatment Plant.
- ☐ New Interceptor Sewers and Appurtenances.
- ☐ Storm Water Control.
- ☐ Non-Point Source (NPS) Pollution Control.
- ☐ Recycled Water Distribution.
- ☐ Planning.
- ☐ Other (specify):

Project Inventory (Mapped Features):

Point Features:

DOW Permit ID	Count	FeatureType	Purpose	Status	Existing Capacity	Proposed Capacity	Units
KY0091634	1	LIFTSTATION		REHAB			

Line Features:

DOW Permit ID	Line Type	Purpose	Activity	Size (in.)	Material	Length (LF)
KY0091634	SEWER LINE	COLLECTOR	EXTENSION	1.25	PE	646
KY0091634	SEWER LINE	COLLECTOR	EXTENSION	1.50	PE	2,226
KY0091634	SEWER LINE	COLLECTOR	EXTENSION	2.00	PE	3,221
KY0091634	SEWER LINE	COLLECTOR	EXTENSION	3.00	PE	4,750
					Total Length	10,843

Administrative Components:

☑ Planning ☑ Design ☑ Construction ☐ Management

Wastewater Treatment Plants Eliminated:

☐ This project includes the elimination of wastewater treatment plant(s).

Sanitary Sewer Components:

☐ This project includes a new wastewater treatment plant.

Proposed design capacity (MGD): **0.000**

☐ This project includes an expansion of an existing wastewater treatment plant.

Current design capacity (MGD): **0.000**

Current treatment volume (MGD): **0.000**

Proposed design capacity (MGD): **0.000**

☐ This project includes rehabilitation of an existing wastewater treatment plant.

☐ This project includes upgrades to an existing wastewater treatment plant.

☑ This project includes rehabilitation or replacement of aging infractructure.

Total length of replaced infrastructure (LF):

☑ This project includes new collector sewers.

Total length of replaced infrastructure (LF): **10,843**

☐ This project includes new interceptor sewers.

Total length of new interceptor sewer (LF): **0**

☑ This project includes elimination of existing sewer system components.

Number of raw sewage discharges eliminated:

Number of failing septic systems eliminated: **16**

Number of non-failing septic systems eliminated: **30**

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
☐ Bioretention	$0
☐ Trees	$0
☐ Green Roofs	$0
☐ Permeable Pavement	$0
☐ Cisterns	$0
☐ Constructed Wetlands	$0
☐ Urban Forestry Programs	$0
☐ Downspout Disconnection	$0
☐ Riparian Buffers and Wetlands	$0
☐ Sustainable Landscaping and Site Design	$0
☐ Purchase of land or easements on land for riparian and wetland protection or restoration.	$0
☐ Fencing to divert livestock from streams and stream buffers.*	$0
Total Green Infrastructure Cost:	**$0**

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

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
☐	Installing or retrofitting water efficient devices such as plumbing fixtures and appliances (toilets, showerheads, urinals).	$0
☐	Installing any type of water meter in previously unmetered areas (can include backflow prevention if in conjunction with meter replacement).	$0
☐	Replacing existing broken/malfunctioning water meters with AMR or smart meters, meters with leak detection, backflow prevention.	$0
☐	Retrofitting/Adding AMR capabilities or leak equipment to existing meters.	$0
☐	Developing water audit and conservation plans, which are reasonably expected to result in a capital project.	$0
☐	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
☐	Retrofit or replacement of existing landscape irrigation/agricultural systems to more efficient landscape/agricultural irrigation systems (rain and moisture sensing equipment).	$0
☐	Water meter replacement with traditional water meters.*	$0
☐	Projects that result from a water audit or water conservation plan.*	$0
☐	Storage tank replacement/rehabilitation to reduce water loss.*	$0
☐	New water efficient landscape/agricultural irrigation system, where there currently is not one.*	$0
	Total Water Efficiency Cost:	$0

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

There are no Water Efficiency components specified for this 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
☐	Renewable energy projects such as wind, solar, geothermal, and micro-hydroelectric, and biogas combined heat and power systems that provide power to a POTW.	$0
☐	POTW-owned renewable energy projects.	$0
☐	Collection system infiltration/inflow (I/I) detection equipment.	$0
☐	POTW energy management planning, including energy assessments, energy audits, optimization studies, and sub-metering of individual processes to determine high energy use areas.	$0
☐	Projects that achieve a reduction in energy consumption (pumps, motors).*	$0
☐	Projects that cost effectively eliminate pumps or pumping stations.*	$0
☐	I/I correction projects that save energy from pumping and reduced treatment costs.*	$0
☐	I/I correction where excessive groundwater infiltration is contaminating the influent requiring otherwise unnecessary treatment processes.*	$0
☐	Replacing old motors with premium energy efficiency motors.*	$0
☐	Upgrade of POTW lighting to energy efficient sources.*	$0
☐	SCADA systems where substantial energy savings can be demonstrated.*	$0
☐	Variable Frequency Drive (VFD) controllers where substantial energy savings can be demonstrated.*	$0
	Total Energy Efficiency Cost:	$0

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

There are no Energy Efficiency components specified for this project.

Clean Water Project Profile

SX21081308 - Grant County Sanitary Sewer District
GCSSD - Bullock Pen Lake Sewer Extension Phase II

Sustainable Infrastructure - Environmentally Innovative Infrastructure:

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
☐	Total integrated water resources management planning likely to result in a capital project.	$0
☐	Utility sustainability plan consistent with EPA's sustainability policy.	$0
☐	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
☐	Planning activities by a POTW to prepare for adaptation to the long-term effects of climate change and/or extreme weather.	$0
☐	Construction of US Building Council LEED certified buildings, or renovation of an existing building on POTW facilities.	$0
☐	Decentralized wastewater treatment solutions to existing deficient or failing onsite wastewater systems.	$0
☐	Constructed wetlands projects used for municipal wastewater treatment, polishing, and/or effluent disposal.*	$0
☐	Projects that result from total/integrated water resource management planning consistent with the decision criteria for environmentally innovative projects and that are CWSRF eligible.	$0
☐	Projects that facilitate adaptation of POTWs to climate change identified by a carbon footprint assessment or climate adaption study.*	$0
☐	POTW upgrades or retrofits that remove phosphorus for beneficial use, such as biofuel production with algae.*	$0
☐	Projects that significantly reduce or eliminate the use of chemicals in wastewater treatment.*	$0
☐	Treatment technologies that significantly reduce the volume of residuals, generation of residuals, or lower the amount of chemicals in the residuals.*	$0
☐	Educational activities and demonstration projects for water or energy efficiency.*	$0
☐	Projects that achieve the goals/objectives of utility asset management plans.*	$0
☐	Sub-surface land application of effluent and other means for groundwater recharge, such as spray irrigation and overland flow.*	$0
	Total Environmentally Innovative Cost:	$0

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

There are no Environmentally Innovative components specified for this project.

Sustainable Infrastructure - Asset Management:

If a category is selected, the applicant must provide proof to substantiate claims. The documents must be submitted to Anshu Singh (Anshu.Singh@ky.gov) for CW 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.

There are no Asset Management components specified for this project.

Project Status: Approved Date Approved: 01-28-2010 Date Revised:

EXHIBIT 4

Final Project Cost Estimate

Project Cost
BP Lake Sewer And
Bingham Pump Station Replacement
Revised Design
October 15, 2013

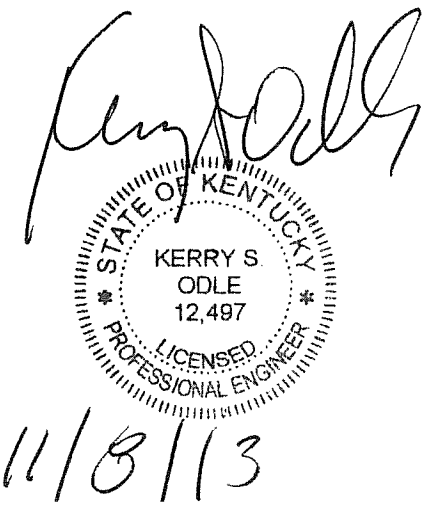
		Base Bids
1.	Construction Cost	$ 716,250.00
2.	Legal	$ 10,000.00
3.	Preliminary Engineering	$ 5,000.00
4.	Easement Preparation	$ 20,000.00
5.	Easements	$ 10,000.00
6.	Engineering	$ 89,524.00
7.	Staking	$ 15,000.00
8.	Inspection	$ 45,411.00
9.	Engineering Redesign	$ 14,000.00
10.	Electrical Home Hook-Ups	$ 27,300.00
11.	3 – Phase Electric	$ 5,000.00
12.	Archeological Study	$ 3,810.00
13.	Biological Study	$ 3,600.00
14.	Environmental	$ 10,000.00
15.	Administration	$ 10,000.00
16.	Contingency	$ 291,554.00
Total Project Cost		**$ 1,276,449.00**

Project Funding

Find A Loan	$1,211,449.00
Local Funds	$ 65,000.00
Total	**$1,276,449.00**

EXHIBIT 5

Final Engineering Report



11/8/13

Final Engineering Report

Bullock Pen Lake Sewer Extension / Bingham Pump Station Relocation

Grant County Sanitary Sewer District

By

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

November 2013

TABLE OF CONTENTS

ADVERTISEMENT FOR BIDS

Separate sealed BIDS for Contract #1 Bullock Pen Lake Sewer and Contract #2 Bingham Pump Station Relocation, will be received by the OWNER at the office of Grant County Sanitary Sewer District, 1 Farrell Drive, Crittenden, Kentucky, until 11:00 a.m., local time, on Tuesday, October 8, 2013, and then at said office publicly opened and read aloud.

Construction of Contract #1 Base Bid shall consist of approximately 7,303 LF of 3" force main, 2,255 LF of 2" force main, 1,410 LF 1 ½" force main, 5,130 LF of 1 ¼" force main, 8 sewage combination air valves, 8 flushing stations, 39 individual grinder pumps, 80 LF of road bores and steel encasement, 790 LF of free bore, 515 LF of bores with PVC encasement pipe and all necessary appurtenances.

Construction of Contract #1 Alternate #1 shall consist of approximately 505 LF of 2" force main, 370 LF of 1 ½" force main, 335 LF of 1 ¼" HDPE force main, 4 individual grinder pumps, 1 flushing station, 25 LF of free bore and all necessary appurtenances.

Construction of Contract #1 Alternate #2 shall consist of approximately 530 LF of 1 ½" force main, 1,115 LF of 1 ¼" force main, 50 LF bore with steel encasement, 1 flushing station, 3 individual grinding pumps and all necessary appurtenances.

Construction of Contract #2 Base Bid shall consist of approximately 92 LF of 8" PVC gravity sewer, 81 LF of 6" force main, 1 manhole, elimination of existing pump station, 1 submersible pump station, generator, and all necessary appurtenances.

Contractor may be on either Contract #1, Contract #2 or both contracts.

The CONTRACT DOCUMENTS may be examined at the following locations:

CMW, Inc., 400 East Vine Street, Suite 400, Lexington, KY
Grant County Sanitary Sewer District, 1 Farrell Drive, Crittenden, Kentucky.
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
Builders Exchange, 225 Walton Ave, Suite 100, Lexington, KY
Builders Exchange, 2300 Meadow Drive, Louisville, KY

Copies of the CONTRACT DOCUMENTS may be obtained from Lynn Imaging, 328 Old East Vine Street, Lexington, KY 40507, phone 859\255-1021 upon payment of $75.00 (non-refundable) for each set. Make checks payable to CMW, Inc.

If bidding documents are requested to be sent by mail, an additional cost for each set to cover cost of handling and postage will be required. This check should 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 for within 90 days after the date of the opening thereof.

The award will be made to the lowest, responsive, responsible bidder.

This procurement will be subject to regulations contained in 40 CFR Part 31.36 or with Division of Water Procurement Guidance including the Davis-Bacon Act.

Bidders must comply with Title VI of the Civil Rights Act of 1964, the Anti-Kickback Act, and the Contract Work Hours Standard Act and 40 CFR 31.36 L (3,4 & 6).

Bidders 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.

This project is in compliance with Executive Order 11246 (Equal Employment Opportunity) as amended.

The Contractor / Subcontractor 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 tables and goal set forth in 41 CFR 60-4 if applicable to the area of the project.

Bidder will make positive efforts to use small, minority, women owned and disadvantaged businesses.

September 25, 2013
Date

GRANT COUNTY SANITARY SEWER DISTRICT
BOBBY BURGESS, CHAIRMAN

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

CMW, Inc.
400 EAST VINE STREET
LEXINGTON, KENTUCKY 40507

PROJECT: Bullock Pen Lake Sewer/Bingham Pump Station Relocation

BUDGET: $835,836

BID DATE: 11:00 AM EDT on Tuesday October 8, 2013

GENERAL CONTRACTOR	BID BOND	ADDENDUM #1 9/25/2013	CONTRACT #1 BASE BID	ALTERNATE #1	ALTERNATE #2	TOTAL BASE BID AND ALTERNATE BIDS	CONTRACT #2	NOTES
onn Hurst LLC	X	X	$ 513,613.25	$ 40,381.00	$ 45,123.00	$ 599,117.25	$ 248,140.25	
Cumberland Piple LLC	X	X	$ 421,091.50	$ 32,169.60	$ 33,699.15	$ 486,960.25	$ 252,998.00	
Kenney Inc.	X	X	$ 485,216.80	$ 36,277.50	$ 39,847.50	$ 561,341.80	$ 241,857.60	
Lonkard Construciton	X	X	$ 473,802.00	$ 38,381.25	$ 43,088.75	$ 555,272.00	$ 229,290.00	

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

CMW, INC.

STATE OF KENTUCKY
KERRY S. ODLE
12,497
LICENSED PROFESSIONAL ENGINEER

10/15/13

GRANT COUNTY SANITARY SEWER DISTRICT
BULLOCK PEN LAKE SEWER / BINGHAM PUMP STATION RELOCATION
MINUTES

The Grant County Sanitary Sewer District Bid Opening for the Bullock Pen Lake Sewer / Bingham Pump Station Relocation was called to order at their office at 11:00 am, on October 8, 2013. Present at the Bid Opening on behalf of the District were Manager, Billy Catlett and Engineer, Kerry Odle. The attached Bid Opening / Sign-In Sheet list all who were present at the Bid Opening.

Kerry Odle called the Bid Opening to order at 11:00 am. Kerry Odle announced that no additional bids will be received. There were a total of four (4) bids received for Contract #1 and four (4) bids received for Contract #2. Mr. Catlett opened all bids and Mr. Odle checked for acknowledgement of Addendums, appropriate Bid Bonds and read the Bids as shown on the attached Tabulation of Bids.

The apparent low bidder for Contract #1 was announced as Cumberland Pipeline, LLC with a Base Bid of $421,091.50 and Total Bid of $486,960.25. The apparent low bidder for Contract #2 was announced as Lonkard Construction with a Bid of $229,290.00. Mr. Odle explained to those in attendance that the Bids would be reviewed more closely by CMW, Inc. and that a recommendation would be submitted to the District Board of Commissioners for consideration at their next monthly meeting scheduled for October 10, 2013.

At approximately 11:15 am, Mr. Odle announced the Bid Opening was closed.

Grant County Sewer District

By: _____

Kerry Odle, District Engineer

CMW Inc.

BID OPENING - Sign-in Sheet

DATE: OCTOBER 8, 2013 11:00 AM EDT

PROJECT: BULLOCK PEN LAKE SEWER / BINGHAM PUMP STATION RELOCATION

PROJECT NO. 11049.08

Name	Company / Organization	Address	Phone & Fax	Email
Gina Slayback	Lockard Const.	P.O. Box 123 Union Ky	384-3223 647-3993	gina@lockardconstruction.com
Homer Hurst Jr	Conn Hurst	829 Wilson Run Rd		
Mary Hurst	Cumberland Pipeline LLC	P.O. Box 277 Russell Springs Ky 42642	270-866-5030 270-866-7389	CP@ Cumberland pipeline. com
Billy Catlett	Grant Co. Sanitary Sewer			
Ron Jones	Kenney	PO Box 1305 Mt. Sterling, KY	859-498-3686 498-7478	Project Management @ Kenney Inc. Net

October 15, 2013

Mr. Bobby Burgess
Grant County Sanitary Sewer District
P.O. Box 460
Crittenden, Kentucky 41311

Re: Bullock Pen Lake Sewer Extension
Bingham Pump Station Relocation

Dear Bobby:

I have reviewed all bids and found no errors in the submitted bids. The low bidder for Contract #1 was Cumberland Pipeline, LLC with a Base Bid of $421,091.50 and Total Bid of $486,960.25. I have never worked with Cumberland Pipeline, LLC, but checked on several of their references including NKWD. All stated that they could do the work, sometimes did not finish within time the limits and had some pressure test problems. All stated that they would hire them again if they were low bidder.

The low bidder for Contract #2 was Lonkard Construction Company with a Bid of $229,290.00. Lonkard Construction Company was the contractor for the Phase I work and did a good job and are capable of performing the work for Contract #2.

I recommend that Contract #1 with Alternates be awarded to Cumberland Pipeline, LLC for a Total Bid of $486,960.25 and Contract #2 be awarded to Lonkard Construction Company for a Bid of $229,290.00. The Engineer Estimate for both contracts was $835,836.00.

Attached is a revised budget for this project.

If you have any questions, please feel free to give me a call.

Sincerely,

Kerry S. Odle, PE

Attachments

c: Bill Catlett, w/a
Tom Nienaber w/a
Dionne Cook, w/a
File w/a

Architecture • Engineering • Interior Design • Landscape Architecture
a: 400 E. Vine Street, Lexington, Kentucky 40507
o: 859-254-6623 f: 859-259-1877 w: www.cmwaec.com

BID

CONTRACT #1 – BULLOCK PEN LAKE SEWER
GRANT COUNTY
GRANT COUNTY SANITARY SEWER DISTRICT

Proposal of Cumberland Pipeline, LLC (hereinafter called "BIDDER"), a corporation * organized and existing under the laws of the State of Kentucky doing business as a corporation *.
To the Grant County Sanitary Sewer District (hereinafter called "OWNER").

In compliance with your Advertisement for Bids, BIDDER hereby proposes to perform all WORK for the construction of Contract #1 - Bullock Pen Lake Sewer, 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 90 consecutive calendar days, Alternate #1 within 10 consecutive calendar days and Alternate #2 within 10 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.

BIDDER acknowledges receipt of the following ADDENDUM:
Addendum No. 1 – Dated 9-25-13

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

NOTE: BIDS shall include sales tax and all other applicable taxes and fees.

(1) BIDS shall include sales tax and all other applicable taxes and fees.

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

(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.	3" HDPE Force Main	7303	LF	$ 13.65	$ 99,685.95
2.	2" HDPE Force Main	2255	LF	$ 12.85	$ 28,976.75
3.	1 ½" Force Main HDPE	1410	LF	$ 8.75	$ 12,337.50
4.	1 ¼" HDPE Force Main	5130	LF	$ 8.61	$ 44,169.30
5.	Connection to Existing Manhole	1	EA	$ 1,500.00	$ 1,500.00
6.	Bored and Steel Encasement for 3" Force Main	80	LF	$ 94.00	$ 7,520.00
7.	Free Bore for 3" Force Main	20	LF	$ 30.00	$ 600.00
8.	Free Bore for 2" Force Main	70	LF	$ 25.00	$ 1,750.00
9.	Free Bore for 1 ½" Force Main	105	LF	$ 25.00	$ 2,625.00
10.	Free Bore for 1 ¼" Force Main	80	LF	$ 25.00	$ 2,000.00
11.	Road Bore for 2" Force Main with 3" PVC Encasement Pipe	30	LF	$ 31.25	$ 937.50
12.	Road Bore for 1 ½" Force Main with 2" PVC Encasement Pipe	60	LF	$ 30.70	$ 1,842.00
13	Road Bore for 1 ¼" Force Main with 2" PVC Encasement Pipe	425	LF	$ 30.70	$ 13047.50
14.	Sewage Combination Air Valve with Box and Cover for Low Pressure Force Main	8	EA	$ 1,500.00	$ 12,000.00
15.	Flushing Station	8	EA	$ 1,400.00	$ 11,200.00

Item No.	Description	Estimated Quantity	Unit	Unit Price	Total Amount
16.	Individual Grinder Pumps including wet well, piping, valves, check valve lateral assembly and Necessary Appurtenances	39	EA	$ 4,600.00	$ 179,400.00
17.	Extra Crushed Stone Bedding (Undercut)	50	TONS	$ 30.00	$ 1,500.00

Total Part I (Base Bid - Contract #1) $ 421,091.50
(Use Figures)

Four Hundred Twenty-one Thousand Ninety-one Dollars and Fifty Cents
(Use Words)

Part II: Alternate Bid #1 - Contract #1

Item No.	Description	Estimated Quantity	Unit	Unit Price	Total Amount
1.	2" HDPE Force Main	505	LF	$ 10.85	$ 5,479.25
2.	1 ½" HDPE Force Main	370	LF	$ 8.80	$ 3,256.00
3.	1 ¼" HDPE Force Main	335	LF	$ 8.61	$ 2,884.35
4.	Individual Grinder Pumps, Including Wet Well and All Piping, Gate Valve and Check Valve (Lateral Assembly) on Force Main and Necessary Appurtenances	4	EA	$ 4,600.00	$ 18,400.00
5.	Flushing Station	1	EA	$ 1,400.00	$ 1,400.00
6.	Free Bore for 2" Force Main	25	LF	$ 30.00	$ 750.00

Total Part II: (Alternate Bid #1 – Contract #1) $ 32,169.60
(Use Figures)

Part II: Alternate Bid #2 – Contract #1

Item No.	Description	Estimated Quantity	Unit	Unit Price	Total Amount
1.	1 ½" HDPE Force Main	530	LF	$ 8.80	$ 4,664.00
2.	1 ¼" HDPE Force Main	1115	LF	$ 8.61	$ 9,600.15
3.	Individual Grinder Pumps, Including Wet Well and All Piping, Gate Valve and Check Valve (Lateral Assembly) on Force Main and Necessary Appurtenances	3	EA	$ 4,600.00	$ 13,800.00
4.	Flushing Station	1	EA	$ 1,400.00	$ 1,400.00
5.	Bore with Steel Encasement for 1 ½" Pipe	60	LF	$ 45.00	$ 2,700.00
6.	Road Bore for 1 ¼" Force Main with 2" PVC Encasement Pipe	50	LF	$ 30.70	$ 1,535.00

Total Part II: (Alternate Bid #2 – Contract #1) $ 33,699.15
(Use Figures)

Total (Base Bid & Alternate Bids – Contract #1) $ 486,960.25
(Use Figures)

Four Hundred Eighty-Six Thousand Nine Hundred Sixty Dollars and Twenty-five Cents
(Use Words)

SUBTOTALS AND 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.

Award of the Contract will be based on the lowest and best Total Base Bid and Alternate Bids.

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.

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 the bid security attached in the sum of $24,348.01 is to become the property of the Owner in the Event the contract and bond are not executed within the time above set forth, as liquidated damages for the delay and additional expense to the Owner caused thereby.

Twenty-four Thousand Three Hundred Forty-eight Dollars and One Cent

Respectfully submitted:

Cumberland Pipeline, LLC
(Name of Contracting Firm)

BY: Jack M. Hudson
Jack M. Hudson

TITLE: Managing Member

ADDRESS: P.O. Box 277, 130 Wilson St.
Russell Springs, KY 42642

DATE: October 8, 2013

155792711
DUNS Number

N/A
Central Contractor Registration Number (CCR)

Seal (If Bid by Corporation)

Attest: Glenda Snow

BID

CONTRACT #2 - BINGHAM PUMP STATION RELOCATION
GRANT COUNTY
GRANT COUNTY SANITARY SEWER DISTRICT

Proposal of LonKARD Construction Company (hereinafter called "BIDDER"), a Corporation * organized and existing under the laws of the State of Kentucky doing business as LonKARD Construction Company
To the Grant County Sanitary Sewer District (hereinafter called "OWNER").

In compliance with your Advertisement for Bids, BIDDER hereby proposes to perform all WORK for the construction of Contract #2 - Bingham Pump Station Relocation, 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 120 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.

BIDDER acknowledges receipt of the following ADDENDUM:
#1 9/25/13

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

NOTE: BIDS shall include sales tax and all other applicable taxes and fees.

(1) BIDS shall include sales tax and all other applicable taxes and fees.

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

(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 Sanitary Sewer SDR 35	92	LF	$ 85.-	$ 7820.-
2.	6" PVC Force Main	81	LF	$ 70.-	$ 5670.-
3.	Standard Manhole (5.01' to 8.0')	1	EA	$ 2000.-	$ 2000.-
4.	Lower Existing Manhole Top	3	EA	$ 1000.-	$ 3000.-
5.	Submersible Sewage Pump Station including Wet Well, Valve Vault, Fencing, All Piping, Grading, Crushed Stone, Access Road and Necessary Appurtenances	1	EA	$ 148,000.-	$ 148,000.-
6.	125 KW Generator w/Transfer Switches	1	EA	$ 53500.-	$ 53500.-
7.	Rehabilitation of Ex Pump Station including removal of pumps and piping, fill and construct channel in wet well to specified inverts, and temporary by-pass pumping around wetwell.	1	EA	$ 7500.-	$ 7500.-
8.	Silt Fencing	1	LS	$ 1500.-	$ 1500.-
9.	Extra Crushed Stone Bedding (Undercut)	20	TONS	$ 15.-	$ 300.-

Total Part I (Base Bid – Contract #2) $ 229,290.-
(Use Figures)

Two hundred twenty-nine thousand two hundred ninety dollars
(Use Words)

SUBTOTALS AND 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.

Award of the Contract will be based on the lowest and best Total Base Bid and Alternate Bids.

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.

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 the bid security attached in the sum of 5% of Total Bid $_____ is to become the property of the Owner in the Event the contract and bond are not executed within the time above set forth, as liquidated damages for the delay and additional expense to the Owner caused thereby.

Respectfully submitted:

Lonkard Construction Company
(Name of Contracting Firm)

BY: _____

TITLE: President

ADDRESS: 3 Lendale Drive
Florence, Ky 41042

DATE: October 08, 2013

043980445
DUNS Number

55MW4
Central Contractor Registration Number (CCR)

Seal (If Bid by Corporation)

Attest: _____
04-22-14 #664694

Project Cost
BP Lake Sewer And
Bingham Pump Station Replacement
Revised Design
October 15, 2013

		Base Bids
1.	Construction Cost	$ 716,250.00
2.	Legal	$ 10,000.00
3.	Preliminary Engineering	$ 5,000.00
4.	Easement Preparation	$ 20,000.00
5.	Easements	$ 10,000.00
6.	Engineering	$ 89,524.00
7.	Staking	$ 15,000.00
8.	Inspection	$ 45,411.00
9.	Engineering Redesign	$ 14,000.00
10.	Electrical Home Hook-Ups	$ 27,300.00
11.	3 – Phase Electric	$ 5,000.00
12.	Archeological Study	$ 3,810.00
13.	Biological Study	$ 3,600.00
14.	Environmental	$ 10,000.00
15.	Administration	$ 10,000.00
16.	Contingency	$ 291,554.00
Total Project Cost		**$ 1,276,449.00**

Project Funding

Find A Loan	$1,211,449.00
Local Funds	$ 65,000.00
Total	**$1,276,449.00**

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

September 9, 2013

Mr. William Catlett
Grant County Sanitary Sewer District
1 Farrell Drive
P. O. Box 460
Crittenden, KY 41030

RE: CWL 12109
Grant Co Sanitary Sewer District WWTP--1480
Contract 1 – Bullock Pen Lake Sewer Extension
Activity ID: FGL20130001

Dear Mr. Catlett:

The Kentucky Division of Water has reviewed for completeness and adequacy the construction plans and specifications submitted for the above referenced contract. The Division of Water hereby approves these plans and specifications. The approval conditions and a list of eligible/ineligible items are enclosed. Please note that ineligible items must be bid separately.

We are enclosing 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 before advertising for bids, four (4) complete sets of revised plans and specifications must be submitted to the Division of Water for approval. A second Division of Water construction approval must be issued by separate correspondence before proceeding with advertising for bids.

You may now advertise for bids on the construction of this project. In addition to other notifications, this project must be advertised in the newspaper of the largest daily circulation in the project area. You are cautioned not to advertise unless you have a proper wage decision. The Federal Davis-Bacon wage rates are applicable for this project. Please contact all other funding sources for their requirements.

A set of as-bid plans and specifications must be submitted to the Division of Water when the project is advertised for bids if changes were made by addenda after our approval.

You are reminded that these construction contracts are subject to the equal employment opportunity requirements contained in Executive Order 11246. Equal employment opportunity

affirmative action by the prime contractors and all subcontractors is mandated throughout the duration of the contract. Documentation of efforts to comply with Executive Order 11246, Equal Employment Opportunity is required. Compliance with the MBE/WBE Fair Share Policy in accordance with 40 CFR 31.36(e) is required.

Please review the attached Project Review and Cost Summary Form for details of the information to be collected and retained in your files or to be submitted to the Division for review and approval. This form must be completed, signed by the recipient, and with the necessary information be then forwarded to the Division of Water. 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.

The Division of Water will authorize you to award contracts when these documents are approved.

You are cautioned that the advertisement and award of this contract will be subject to the laws and regulations that govern the Clean Water State Revolving Fund (CWSRF) and to the conditions of your loan agreement. If we can be of further assistance, please call Mortaza Tabayeh, Project Engineer, at (502) 564-8158, extension 4826.

Sincerely,

Mark Rasche

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

MR: MT
C:

Kentucky Infrastructure Authority
Kerry Odle, P.E., CMW, Inc.
Cabinet for Economic Development
Grant County Health Department

CWL12109
Contract 1 – Bullock Pen Lake Sewer Extension

SRF ELIGIBLE ITEMS:

Contract No. 1: None identified as ineligible

SRF INELIGIBLE ITEMS:

Contract No. 1: None identified as ineligible

APPROVAL CONDITIONS:

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

September 19, 2013

Mr. John Covington
Executive Director
Kentucky Infrastructure Authority
1024 Capital Center Drive, Suite 340
Frankfort, Kentucky 40601

Re: CWL#12109 Fund A KIA A12-01
Grant Co Sanitary Sewer District WWTP--1480
Activity ID: FGL20120003
HUC11: 05100205390
Watershed Name: Tenmile Creek
Binding Commitment

Dear Mr. Covington:

The Division of Water (DOW) hereby certifies that the Grant County Sanitary Sewer District is entitled to receive priority for funding for their Bullock Pen Lake Sewer Extension project and is eligible to receive $1,211,449 from the Clean Water State Revolving Fund. The following information is provided:

1. Project specific environmental information was approved by DOW on April 8, 2013.

2. Plans and specifications were approved by DOW on September 9, 2013.

3. Construction bids are expected to be opened in October 2013.

The KIA conditional commitment letter should include the following general conditions to satisfy federal requirements:

1. The Authority to Award (bid) package, including the Disadvantaged Business Enterprise (DBE) reviews, must be approved by DOW prior to the contract being awarded. DOW must conduct a preconstruction and project management conference.

2. Documentation of final funding commitments from all parties other than the Kentucky Infrastructure Authority (KIA) as reflected in the credit analysis shall be provided to KIA prior to their loan closing and disbursement of the loan monies. Rejections of any anticipated project funding shall be immediately reported to KIA and may cause this loan to be subject to further consideration.

3. The borrower must complete and submit any missing or incomplete parts of the Application to KIA upon request.

4. The Loan Agreement must be executed within six (6) months from bid opening.

5. The city must agree to expend all loan funds within six months of the date of initiation of operation.

Upon compliance with the general conditions, the DOW will issue its final project certification prior to finalizing the loan agreement.

The SRF application review has been completed by staff of the KIA. If you have any questions or concerns regarding missing items or additional submission requirements, please contact Jeff Abshire at (502) 573-0260. Should you have any questions concerning this letter, do not hesitate to contact Buddy Griffin, Project Manager, at (502) 564-8158, extension 4971.

Sincerely,

Peter T. Goodmann, Director
Division of Water

PG/BG:bg

c: Mr. Bobby Burgess, Chairman
Mr. Kerry Odle P.E., CMW Inc

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

Steven L. Beshear
Governor

John E. Covington III
Executive Director

October 4, 2013

Mr. Bobby Burgess, Chairman
Grant County Sanitary Sewer District
P.O. Box 460
Crittenden, KY 41030

KENTUCKY INFRASTRUCTURE AUTHORITY
FEDERALLY ASSISTED WASTEWATER REVOLVING LOAN FUND
CONDITIONAL COMMITMENT LETTER (A12-01 (Reapproval))

Dear Chairman Burgess:

The Kentucky Infrastructure Authority ("the Authority") commends your efforts to improve public service facilities in your community. On October 4,2013, the Authority reapproved your loan for Bullock Pen Lake Sewer Extension subject to the conditions stated below. The total cost of the project shall not exceed $1,276,449 of which the Authority loan shall provide $1,211,449 of the funding. Other anticipated funding for the project is reflected in Attachment A. 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 Grant County Sanitary Sewer District upon satisfactory performance of the conditions set forth in this letter. A period of six months from the date of this letter (4/4/14) will be allowed for you to meet the conditions set forth in this letter and enter into an Assistance Agreement. 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 $1,211,449.

2. The loan shall bear interest at the rate of 3% 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 0.20% 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 "A" 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.

10. The Authority requires you to provide an annual financial audit to be performed 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.

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. 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.

4. 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.

5. 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.

6. The Borrower must complete and return to the Authority the attached "Authorization For Electronic Deposit of Vendor Payment" Form.

7. An environmental review shall be conducted by the Division of Water for all construction projects receiving CWSRF funds, within the term of this binding commitment and prior to project bid.

8. Technical plans and specifications and a complete CWSRF specifications checklist shall be approved by the Division of Water prior to project bid.

9. All easements or purchases of land shall be completed prior to commencement of construction. Clear Site Certification of all land or easement acquisitions shall be provided to the Division of Water. DOW representatives shall be notified for attendance of the pre-construction conference.

10. Project changes or additions shall require a complete environmental and change order review before they can be included in the CWSRF loan project.

11. Applicant must provide certification from their legal counsel stating that they have prepared construction specifications in accordance with all applicable state or federal wage rate laws, and that the procurement procedures, including those for construction, land, equipment and professional services that are a part of the project, are in compliance with applicable federal, state and local procurement laws.

12. The Borrower shall comply with all Davis Bacon related monitoring and reporting and require all contractors to pay wages pursuant to applicable prevailing wage rates (federal or state) for all work relating to the subject Project.

13. 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.

14. 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,

Tammy J. McCall
Financial Analyst

Attachments

cc: Kerry Odle, CMW, Inc.
Division of Water
Dirk Bedarff, Peck, Shaffer & Williams LLP
State and Local Debt Office, DLG
Borrower File - Grant County Sanitary Sewer District - A12-01 (Reapproval)

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

AUTHORIZATION FOR ELECTRONIC DEPOSIT
OF BORROWER PAYMENT
KENTUCKY INFRASTRUCTURE AUTHORITY
(FUND A12-01 (Reapproval))

Borrower Information:

Name: _____

Address: _____

City: _____ **State:** KY **Zip:** _____

Federal I.D. # _____

Contact Name: _____ **Telephone:** _____

Email: _____

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

Grant County Sanitary Sewer District
A12-01 (Reapproval)

EXECUTIVE SUMMARY
KENTUCKY INFRASTRUCTURE AUTHORITY
FUND A, FEDERALLY ASSISTED WASTEWATER
REVOLVING LOAN FUND

Reviewer	Brandi Armstrong
Date	October 3,2013
KIA Loan Number	A12-01 (Reapproval)
WRIS Number	SX21081308

BORROWER	GRANT COUNTY SANITARY SEWER DISTRICT GRANT COUNTY

BRIEF DESCRIPTION

The Grant County Sanitary Sewer District is requesting $1,211,449 in funds for the Bullock Pen Lake Sewer Extension projects. The project involves extending an existing sewer system to serve fifty-three new customers along Violet Road to the crossing of Bullock Pen Lake. It will eliminate septic tanks and possible straight pipes that are in the Bullock Pen watershed which is the sole source of water for the Bullock Pen Water Treatment Plant. Approximately 1.2 miles of pressurized sewer system with individual grinder pumps, 1.2 miles of gravity sewer, a pump station and 1.6 miles of force main will be constructed.

PROJECT FINANCING		PROJECT BUDGET	RD Fee %	Actual %	
Fund A Loan	$ 1,211,449	Legal Expenses			$ 10,000
Local Funds	65,000	Land, Easements			75,000
		Planning			5,000
		Eng - Design	8.9%	10.7%	101,306
		Eng - Constr / Insp	5.7%	5.2%	49,565
		Eng - Other			45,000
		Construction			835,836
		Contingency			110,132
		Other			44,610
TOTAL	$1,276,449	TOTAL			$1,276,449

REPAYMENT	Rate	3.00%	Est. Annual Payment	$83,413
	Term	20 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	CMW, Inc.		
	Bond Counsel	Peck, Shaffer, & Williams		
PROJECT SCHEDULE	Bid Opening	Oct-13		
	Construction Start	Jan-14		
	Construction Stop	May-14		
DEBT PER CUSTOMER	Existing	$798		
	Proposed	$1,438		
OTHER DEBT		See Attached		
OTHER STATE-FUNDED PROJECTS LAST 5 YRS		See Attached		

RESIDENTIAL RATES		Users	Avg. Bill	
	Current	1,467	$37.56	(for 4,000 gallons)
	Additional	53	$37.56	(for 4,000 gallons)

REGIONAL COORDINATION This project is consistent with regional planning recommendations.

CASHFLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2011	198,914	126,123	72,791	1.6
Audited 2012	178,905	134,508	44,397	1.3
Estimated 2013	231,015	137,189	93,826	1.7
Projected 2014	228,571	127,658	100,913	1.8
Projected 2015	249,906	211,071	38,835	1.2
Projected 2016	247,458	211,071	36,387	1.2
Projected 2017	244,885	211,071	33,814	1.2
Projected 2018	242,186	210,719	31,467	1.1

Reviewer: Brandi Armstrong
Date: October 3, 2013
Loan Number: A12-01 Reapproval

KENTUCKY INFRASTRUCTURE AUTHORITY
WASTEWATER REVOLVING LOAN FUND (FUND "A")
GRANT COUNTY SANITARY SEWER DISTRICT, GRANT COUNTY
PROJECT REVIEW
SX21081308

I. PROJECT DESCRIPTION

This project was originally approved by the KIA Board on January 5, 2012. The borrower was unable to complete the requirements for issuance of an assistance agreement before the extended Conditional Commitment date expired on July 5, 2013. The bids for the original project were significantly higher than anticipated resulting in a change in specifications for the project which resulted in the delay. The specification changes did not entirely offset the higher bid amounts resulting in an increase of $49,749 to the loan request.

The Grant County Sanitary Sewer District (District) is requesting $1,211,449 in Clean Water SRF funds for the Bullock Pen Lake Sewer Extension projects. The extension project involves extending an existing sewer system to serve fifty-three new customers along Violet Road to the crossing of Bullock Pen Lake. It will eliminate septic tanks and possible straight pipes that are in the Bullock Pen watershed which is the sole source of water for the Bullock Pen Water Treatment Plant. Approximately 1.2 miles of pressurized sewer system with individual grinder pumps, 1.2 miles of gravity sewer, a pump station and 1.6 miles of force main will be constructed. The project is necessary to handle the increased capacity generated by the new sewer extensions and will provide capacity for future customers.

The District is operated by the Bullock Pen Water District and is subject to PSC jurisdiction.

II. PROJECT BUDGET

	Total
Legal Expenses	$ 10,000
Land, Easements	75,000
Planning	5,000
Engineering Fees	195,871
Construction	835,836
Contingency	110,132
Other	44,610
Total	**$ 1,276,449**

III. PROJECT FUNDING

	Amount	%
Fund A Loan	1,211,449	95%
Local Funds	65,000	5%
Total	**$ 1,276,449**	**100%**

IV. KIA DEBT SERVICE

Construction Loan	$ 1,211,449
Interest Rate	3.0%
Loan Term (Years)	20
Estimated Annual Debt Service	$ 80,990
Administrative Fee (0.20%)	2,423
Total Estimated Annual Debt Service	**$ 83,413**

V. PROJECT SCHEDULE

Bid Opening	August 2013
Construction Start	January 2014
Construction Stop	May 2014

VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

A) Customers

	Current	Proposed	Total
Residential	1,315	51	1,366
Commercial	147	2	149
Industrial	5	0	5
Total	1,467	53	1,520

Connection to the system is required by ordinance of the Grant County Fiscal Court.

B) Rates

The monthly charge for wastewater utility service is:

	Current
Date of Last Rate Increase	4/15/2006
First 2,000 Gallons	$21.06
Next 3,000 Gallons (per 1,000)	8.25
Next 5,000 Gallons (per 1,000)	6.76
All Over 10,000 (per 1,000)	5.31
Cost for 4,000 gallons	$37.56
Affordability Index (Rate/MHI)	1.0%

VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2007-2011, the County's population was 24,720 with a Median Household Income (MHI) of $43,755. The median household income for the Commonwealth is $42,248. They will retain the 3.0% interest rate that was approved on the original project.

KAR 200 17:050 (9) (3) states:

"The applicant may reapply for a loan for any wastewater project for which the loan commitment has expired or has been rescinded under this section. An applicant that reapplies for a loan for substantially the same project shall be given, at the authority's discretion, the standard or hardship interest rate applicable when reapplying or the initial rate assigned, depending on affordability. Except, the interest rate shall not be lower than the initial rate assigned to the project."

VIII. 2011 CAPITALIZATION GRANT EQUIVALENCIES

1) Green Project Reserve - This project does not qualify for Green Project Reserve (GPR).

2) Additional Subsidization – This project does not qualify for additional subsidization.

IX. FINANCIAL ANALYSIS (See Exhibit 1)

Financial information was obtained from the audited financial statements for the years ended December 31, 2011 through 2012. Amounts for 2013 are estimated.

HISTORICAL

Revenues have risen nominally from $636,968 in 2011 to $708,538 in 2013 while operating expenses have risen 8% from $440,207 to $476,523. The utility has not had a rate increase since April 2006. Cash available for debt service has increased from $198,914 in 2011 to an estimated $231,015 in 2013. Debt service cost averaged about $132,000 for each of the three years. The debt coverage ratio was 1.6, 1.3 and 1.7, respectively for three year period.

The current ratio is estimated at 17.6 and debt to equity at 0.2 at the end of 2013. Unrestricted cash is equal to approximately fourteen months of operating expenses. Restricted assets are comprised of a bond sinking fund, construction funds and customer deposits.

PROJECTIONS

Projections are based on the following assumptions:

1. The utility will realize a full year of revenues in 2013 from the addition of 128 customers from a prior sewer expansion that was partially funded with KIA loan A2 09-35. Revenues from customer growth (53) from this proposed project will be realized in 2015.
2. Other revenue growth will be 1%
3. Operating expenses will increase 2% per year
4. The new debt service is estimated at $83,413
5. Debt service coverage is 1.2 in 2015 when principal and interest repayments begin and will remain above 1.0 through the last year projected which is 2018.

Based on the proforma assumptions, the utility shows adequate cash flow to repay the KIA Fund A loan.

REPLACEMENT RESERVE

The annual replacement cost is $3,000. This amount should be added to the replacement account each December 1 until the balance reaches $30,000 and maintained for the life of the loan.

X. DEBT OBLIGATIONS

	Outstanding	Maturity
Bank of Kentucky	$ 918,347	Feb-23
KIA (A2 09-35)	200,939	Dec-31
Total	**$ 1,119,286**	

XI. OTHER STATE OR FEDERAL FUNDING IN PAST FIVE YEARS

Project Title	Funding Source	Amount	Type
Sewer Line Extension - Phase I	HB608	250,000	Grant
Sewer Line Extension - Phase I	HB608	400,000	Grant

XII. CONTACTS

Applicant	
Name	Grant County Sanitary Sewer District
Address	P.O. Box 460
	Crittenden, KY 41030
County	Grant
Contact	Bobby Burgess
Phone	(859) 428-2112
Email	bullockpen@fuse.net

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

Engineer	
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.

GRANT COUNTY SANITARY SEWER DISTRICT
BALANCE SHEETS (DECEMBER YEAR END)

ASSETS	Audited 2011	Audited 2012	Estimated 2013	Upon Completion 2014
Current Assets				
Cash	400,107	448,350	542,176	643,089
Accounts Receivable	98,361	96,061	105,600	106,700
Other Current Assets	11,388	11,686	11,686	11,686
Total Current Assets	509,856	556,097	659,462	761,475
Restricted Assets				
Bond Sinking Fund	103,807	106,037	106,000	106,000
Construction Funds	36,963	139	0	0
Customer Deposits	79,036	79,730	79,000	79,000
Total Restricted Assets	219,806	185,906	185,000	185,000
Utility Plant				
Land, System, Building and Equipment	7,505,030	7,578,366	7,578,366	10,131,264
Less Accumulated Depreciation ( )	(1,077,694)	(1,274,508)	(1,479,211)	(1,688,008)
Net Fixed Assets	6,427,336	6,303,858	6,099,155	8,443,256
Other Assets				
Other	19,243	14,643	15,000	15,000
Unamortized Bond Costs and Discount, Net	24,557	22,121	19,685	17,249
Total Other Assets	43,800	36,764	34,685	32,249
Total Assets	7,200,798	7,082,625	6,978,302	9,421,980
LIABILITIES				
Current Liabilities				
Accounts Payable	56,036	34,806	35,000	37,000
Notes Payable	0	0	0	0
Other	2,436	2,576	2,500	2,500
Total Current Liabilities	58,474	37,382	37,500	39,500
Liabilities Payable - Restricted Assets				
Notes Payable - KIA	2,648	7,983	7,983	6,224
Construction Accounts Payable	85,089	0	0	0
C.P. Long Term Debt	69,000	73,000	73,000	89,130
Accrued Interest Payable	23,554	22,217	25,000	25,000
Customer Deposits	62,319	62,476	63,000	63,000
Other- Trash Collection	5,721	5,412	5,000	5,000
Total Liabilities Payable - Restricted Assets	248,331	171,088	173,983	190,354
Long Term Liabilities				
Long Term Debt	1,043,000	970,000	660,870	789,212
Notes Payable - KIA	141,052	192,956	184,973	176,749
Unamortized Bond Premium	14,135	12,733	11,331	9,929
Proposed KIA Loan	0	0	0	1,211,449
Total Long Term Liabilities	1,196,187	1,175,669	1,077,174	2,167,339
Total Liabilities	1,504,992	1,384,159	1,288,657	2,417,193
Retained Earnings:				
Invested in Capital Assets Net of Related Debt	5,183,092	5,070,341	4,952,329	6,168,492
Restricted	32,128	83,959	185,000	185,000
Unrestricted	480,586	544,186	552,316	651,295
Total Retained Earnings	5,695,806	5,696,466	5,689,645	7,004,787
Total Liabilities and Equities	7,200,796	7,082,625	6,978,302	9,421,980
Balance Sheet Analysis				
Current Ratio	8.7	14.9	17.6	19.3
Debt to Equity	0.3	0.2	0.2	0.3
Days Sales in Accounts Receivable	56.4	54.4	54.4	54.4
Months Operating Expenses in Unrestricted Cash	10.9	11.5	13.7	15.9

EXHIBIT 1
GRANT COUNTY SANITARY SEWER DISTRICT
CASH FLOW ANALYSIS (DECEMBER YEAR END)

	Audited	%	Audited	%	Estimated	Projected	Projected	Projected	Projected	Projected
Operating Revenues	**2011**	**Change**	**2012**	**Change**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
User Fees	623,998	1%	633,329	10%	697,362	704,336	735,279	742,632	750,058	757,559
Other	12,970	-15%	11,065	1%	11,176	11,288	11,401	11,515	11,630	11,746
Total Revenues	636,968	1%	644,394	10%	708,538	715,624	746,680	754,147	761,688	769,305
Operating Expenses										
Operating Expenses	440,207	6%	467,179	2%	476,523	486,053	495,774	505,689	515,803	526,119
Depreciation	174,247	15%	200,689	2%	204,703	208,797	212,973	217,232	221,577	226,009
Replacement Reserve					3,000	3,000	3,000	3,000	3,000	3,000
Total Expenses	614,454	9%	667,868	2%	684,226	697,850	711,747	725,921	740,380	755,128
Net Operating Income	22,514	-204%	(23,474)	-204%	24,312	17,774	34,933	28,226	21,308	14,177
Non-Operating Income and Expenses										
Interest Income	2,153	-22%	1,690	18%	2,000	2,000	2,000	2,000	2,000	2,000
Total Non-Operating Income & Expenses	2,153	-22%	1,690	18%	2,000	2,000	2,000	2,000	2,000	2,000
Add Non-Cash Expenses										
Depreciation	174,247	15%	200,689	2%	204,703	208,797	212,973	217,232	221,577	226,009
Cash Available for Debt Service	**198,914**	**-10%**	**178,905**	**29%**	**231,015**	**228,571**	**249,906**	**247,458**	**244,885**	**242,186**
Debt Service (enter as positive #'s)										
Existing Principal	66,648		75,553		80,983	97,354	100,131	102,987	105,924	108,780
Existing Interest	59,475		58,955		56,206	30,304	27,527	24,671	21,734	18,526
Proposed KIA Loan							83,413	83,413	83,413	83,413
Total Debt Service	126,123		134,508		137,189	127,658	211,071	211,071	211,071	210,719
Income After Debt Service	72,791		44,397		93,826	100,913	38,835	36,387	33,814	31,467
Debt Coverage Ratio	1.6		1.3		1.7	1.8	1.2	1.2	1.2	1.1

EXHIBIT "7"

THREE COMPLETE SETS OF THE PROJECT MANUAL INCLUDING ENGINEERING PLANS AND SPECIFICATIONS ARE ENCLOSED.

ADDITONAL COST OF OPERATION
Bullock Pen Lake Sewer / Bingham Pump Station Relocation

Individual Grinder Pumps
(Electricity paid by customer)

1. 25 pumps are inspected in One Day
   Cost 8 hr x $65 / hr (Asst. Sewer Superintendent and truck)
   Cost = $520 for Inspection of 25 pumps
   Inspections are made quarterly
   46 pumps in project
   46 / 25 x $520 /day x 4 Inspections - $3,827

2. After warranty period – Assume one pump per 25 to be replaced @ $1,800 per pump = $3,600

   Total Estimated Additional Cost of Operation: $7,427

Bingham Pump Station

1. Two times a week inspection cost will be the same for both the existing and new pump station.

2. Yearly maintenance cost of existing pump station is $1,812 which will be eliminated with new pump station. (-$1,812)

3. Yearly electrical cost for existing pump station is $1,326. Existing pump station has 4 – 15 hp pumps with limited storage capacity (more start-ups).

   New pump station with 2 – 30 hp pumps with premium efficiently motor with increased storage capacity (less start-ups). Estimated electrical usage will be 75% of the existing pump.

   Electrical Savings: (-$332)

   Total Electrical Savings: (-$2,144)

   Total Additional Cost of Operation: $5,283 / yr
   ($7,427 - $ 2,144)

CASE NO: 2013-00404

CONTAINS

LARGE OR OVERSIZED

MAP(S)

RECEIVED ON: November 15, 2013