

**DAMON R. TALLEY, P.S.C.**

112 N. LINCOLN BLVD.  
P.O. Box 150  
HODGENVILLE, KENTUCKY 42748

TEL. (270) 358-3187  
FAX (270) 358-9560

December 1, 2010

DAMON R. TALLEY

**ATTORNEY AT LAW**

Mr. Jeff Derouen  
Executive Director  
Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, KY 40602

RECEIVED

DEC 02 2010

PUBLIC SERVICE  
COMMISSION

RE: Southeastern Water Association, Inc.

CASE NO. 2010-00470

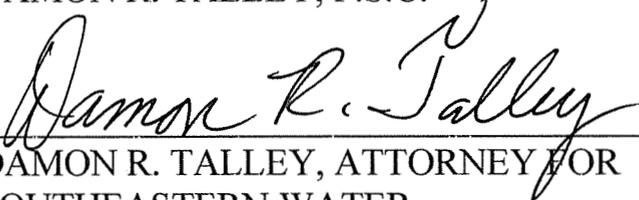
Dear Mr. Derouen:

Enclosed are the original and ten (10) copies of the Application of the Southeastern Water Association, Inc.

The Application is being filed pursuant to the provisions of KRS 278.023 and 807 KAR 5:069 which requires Commission approval within 30 days.

Should you need any additional information, please let me know.

Yours truly,  
DAMON R. TALLEY, P.S.C.

  
DAMON R. TALLEY, ATTORNEY FOR  
SOUTHEASTERN WATER  
ASSOCIATION, INC.

DRT/ms

Enclosures

cc: Morris Vaughn, General Manager  
Southeastern Water Association, Inc.

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

RECEIVED

THE APPLICATION OF SOUTHEASTERN WATER ASSOCIATION, INC., PULASKI, COUNTY, KENTUCKY, (1) FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY AUTHORIZING CONSTRUCTION OF MAJOR ADDITIONS AND IMPROVEMENTS TO ITS WATER DISTRIBUTION SYSTEM; (2) SEEKING APPROVAL OF REVISED WATER SERVICE RATES AND CHARGES; AND (3) SEEKING APPROVAL OF THE PROPOSED PLAN OF FINANCING, PURSUANT TO THE PROVISIONS OF KRS 278.023 AND 807 KAR 5:069.

) DEC 02 2010
) PUBLIC SERVICE COMMISSION
)
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) CASE NO.
) 2010-00470
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The Applicant, SOUTHEASTERN WATER ASSOCIATION, INC., (the "Association") situated in Pulaski County, Kentucky, acting by and through its Board of Directors, respectfully tenders this Application and requests that the Public Service Commission of Kentucky (the "Commission") enter its Order pursuant to KRS 278.023 and 807 KAR 5:069: (1) issuing a Certificate of Public Convenience and Necessity authorizing the Association to construct major additions and improvements to its water system (the "Project") for the purpose of furnishing an adequate and reliable supply of pure and

potable water for domestic, agricultural and commercial use in the area served by the Association; (2) approving the adjustment of water rates and charges to be levied and collected by the Association; (3) and approving the proposed plan of financing said Project. In support of this Application, and in conformity with the regulations of the Commission, the Association states as follows:

1. The Association is a non-profit corporation which was organized and established on December 17, 1993, pursuant to the provisions of KRS Chapter 273. The Association was created as a result of the merger of the following water associations: Barnesburg, Elihu-Rush Branch, Nelson Valley, and Tatesville pursuant to the February 22, 1988 Order of the Commission in PSC Case No. 9967. The Association is now, and has been since its inception, regulated by the Commission. All records and proceedings of the Commission with reference to the Association are incorporated into this Application by reference. A certified copy of the Articles of Incorporation (Consolidation) of the Association is attached hereto and incorporated herein by reference as **EXHIBIT 1.**

2. The mailing address of the Association is:

Southeastern Water Association, Inc.  
147 East Somerset Church Road  
Somerset, Kentucky 42503  
ATTENTION: Morris Vaughn, General Manager  
TELEPHONE: (606) 678-5501

3. The governing body of the Association is its Board of Directors. The present members of the Board of Directors, and their respective offices, are as follows: Joe Richards, I, President; Harvey Phelps, Vice-President; Ernest Stout, Jr., Secretary-Treasurer; Wade Bumgardner, Director; Joe Dale Crawford, Director; Bobby Crowe, Director; Mark Davis, Director; and Dwight Faulkner, Director.

4. The Project consists of the construction and installation of the following improvements:

- A. A 200,000-gallon elevated water storage tank and related appurtenances;
- B. A 100,000-gallon elevated water storage tank and related appurtenances;
- C. Two (2) new booster pump stations and related appurtenances;
- D. Approximately 33,240 linear feet of 12-inch diameter water lines and related appurtenances;
- E. Approximately 15,300 linear feet of 8-inch diameter water lines and related appurtenances;

- F. Approximately 44,700 linear feet of 6-inch diameter water lines and related appurtenances;
- G. Approximately 7,000 linear feet of 4-inch diameter water lines and related appurtenances; and
- H. Approximately 2,950 linear feet of 3-inch diameter water lines and related appurtenances.

5. The Project cost is \$5,670,000. The Association proposes to finance the construction of the Project through a loan from the United States of America, acting by and through the U.S. Department of Agriculture, Rural Development (the "USDA-RD" or "RD"). The loan is in the amount of \$3,995,000. It will be for a 40 year period with an interest rate not to exceed 2.25%. The balance of the Project cost will be funded by an RD grant in the amount of \$1,655,000 and a \$20,000 contribution from the Association. The financing sources are as follows:

|                          |                |
|--------------------------|----------------|
| USDA-RD Loan             | \$ 3,995,000.  |
| USDA-RD Grant            | 1,655,000.     |
| Association Contribution | <u>20,000.</u> |
| TOTAL:                   | \$ 5,670,000.  |

6. The Association has entered into an agreement with the USDA-RD which sets forth the specific terms and conditions for obtaining the loan and grant. The Letter of Conditions, which contains these terms and conditions, is attached hereto and incorporated herein by reference as **EXHIBIT 2**.

7. The schedule setting forth the water rates and charges required by the USDA-RD is contained in paragraph 27 of the Letter of Conditions.

8. On November 18, 2010, the USDA-RD amended the original Letter of Conditions by revising paragraph 27 to establish minimum bill amounts for all meter sizes. The Amended Letter of Conditions is attached hereto and incorporated hereto by reference as **EXHIBIT 3**.

9. The Association's consulting engineers, Kenvirons, Inc, Frankfort, Kentucky (the "Engineers"), have prepared a Preliminary Engineering Report and a Final Engineering Report, as well as detailed plans and specifications, for the construction and installation of the Project. The Preliminary Engineering Report and the Final Engineering Report are attached hereto and incorporated herein by reference as **EXHIBITS 4 and 5**. **EXHIBITS 4 and 5** contain, among other things, a description of the Project, cost figures and other pertinent financial data and projections, data justifying the proposed rate schedule, and proposed plans for the financing of the Project. Maps showing the location and routes of the various water lines included in the Project are attached as **EXHIBIT 10**.

10. It is the opinion of the Board of Directors of the Association that the public health, safety and general welfare of the citizens and inhabitants of the

area served by the Association will be promoted and served by the construction of the Project and the proposed method of financing the Project.

11. The Association has caused public advertising to be made according to law soliciting competitive bids for the construction and installation of the Project; has received, opened and considered the construction bids; and has received data prepared by the Engineers showing the bids received and the recommendation of the Engineers with respect thereto. The Engineers' certified bid tabulations are attached hereto and incorporated herein by reference as **EXHIBIT 6**.

12. The USDA-RD has approved the Association's proposed award of the best bids as evidenced by the Letter of Concurrence in Bid Award dated November 4, 2010, which is attached hereto and incorporated herein by reference as **EXHIBIT 7**.

13. Attached hereto and incorporated herein by reference as **EXHIBIT 8** is a certified statement from the President of the Association, based upon the statements, representations, and professional opinions of the Engineers for the Association, concerning the following:

- A. The proposed plans and specifications for the Project have been designed to meet the minimum construction and operating requirements set out in 807 KAR 5:066, Section 4 (3) and (4); Section 5 (1); Sections 6 and 7; Section 8 (1) through (3); Section 9 (1) and Section 10;
- B. All other state approvals or permits have already been obtained;
- C. The proposed rates of the Association shall produce the total revenue requirements set out in the engineering reports; and
- D. Setting out the dates when it is anticipated that construction will begin and end.

14. The Association does not contemplate having the Project constructed with any deviation from minimum construction standards or operating conditions of the Commission.

15. The proposed adjusted water rates and charges of the Association are set forth in the Amended Letter of Conditions (**EXHIBIT 3**), which amends paragraph 27 of the Original Letter of Conditions (**EXHIBIT 2**), and in the Notice of Adjustment of Water Rates which is attached hereto and incorporated herein by reference as **EXHIBIT 9**.

16. The Association has arranged for the publication, prior to or at the same time this Application is filed, of a Notice of Adjustment of Water Rates pursuant to Section 2 of 807 KAR 5:069 in The Commonwealth Journal, Somerset, Kentucky, which is the newspaper of general circulation in the

Association's service area. This Notice sets out the current rates and the proposed rates of the Association and a brief description of the Project. A copy of the newspaper clipping and an Affidavit of Publication evidencing publication in the newspaper will be submitted to the Commission promptly upon receipt thereof.

17. The Association plans to use any contingency funds remaining after construction of the Project to make additional water system improvements. These improvements will be made with the approval and under the supervision of the USDA-RD.

18. The Association respectfully represents to the Commission that there is a genuine need and demand for the Project.

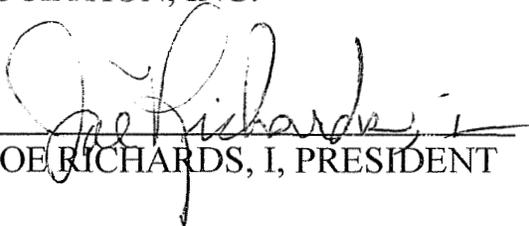
**[The remainder of this page intentionally left blank.]**

WHEREFORE, the Applicant, the Southeastern Water Association, Inc., respectfully requests the Commission to issue the following:

- A. A Certificate of Public Convenience and Necessity authorizing the construction and installation of the Project;
- B. An Order approving the proposed plan of financing which consists of a loan in the amount of \$3,995,000, at a rate not to exceed 2.25%, which will be provided by the USDA-RD; and
- C. An Order approving the proposed schedule of water service rates and charges as set forth in the Letter of Conditions and Amended Letter of Conditions filed herewith as **EXHIBITS 2** and **3**.

Respectfully submitted,

SOUTHEASTERN WATER  
ASSOCIATION, INC.

BY:   
JOE RICHARDS, I, PRESIDENT

  
DAMON R. TALLEY, P.S.C.  
Counsel for Applicant  
P.O. Box 150  
112 N. Lincoln Blvd.  
Hodgenville, KY 42748  
(270) 358-3187 FAX (270) 358-9560  
Email: drtalley@windstream.net



|           |  |
|-----------|--|
| <b>1</b>  | <b>Articles of Incorporation</b>           |
| <b>2</b>  | <b>Letter of Conditions</b>                |
| <b>3</b>  | <b>Amended Letter of Conditions</b>        |
| <b>4</b>  | <b>Preliminary Engineering Report</b>      |
| <b>5</b>  | <b>Final Engineering Report</b>            |
| <b>6</b>  | <b>Bid Tabulations</b>                     |
| <b>7</b>  | <b>RD Letter of Concurrence</b>            |
| <b>8</b>  | <b>Certified Statement of President</b>    |
| <b>9</b>  | <b>Notice of Adjustment of Water Rates</b> |
| <b>10</b> | <b>Maps</b>                                |

# **EXHIBIT 1**

**CERTIFICATION  
AS TO  
ARTICLES OF INCORPORATION**

I, **ERNEST STOUT, JR.**, do hereby certify that I am the duly elected, qualified and acting Secretary of the Board of Directors of the **SOUTHEASTERN WATER ASSOCIATION, INC.**, a Kentucky Corporation; that the attached copy of the Articles of Incorporation/Consolidation of the Corporation is a true and correct copy of said Articles; that said Articles have not been amended; and that said Articles are still in full force and effect.

This 29 day of Nov., 2010.

**SOUTHEASTERN WATER  
ASSOCIATION, INC.**

BY: Ernest Stout Jr  
**ERNEST STOUT, JR., SECRETARY**

STATE OF KENTUCKY

COUNTY OF PULASKI

The foregoing Certification was subscribed, sworn to, and acknowledged before me this Nov, 29 day of, 2010, by **ERNEST STOUT, JR.**, as Secretary of the **SOUTHEASTERN WATER ASSOCIATION, INC.**, a Kentucky Corporation, for and on behalf of the Corporation.

Marcia Chag Vaughn  
NOTARY PUBLIC, State at Large

MY COMMISSION EXPIRES: 4/10/2011

041042

ARTICLES OF CONSOLIDATION

ELIHU TATEVILLE WATER ASSOCIATION P.O. BOX 722

NAME

ADDRESS

SOMERSET, KENTUCKY 42502

CITY/STATE/ZIP

AND

NELSON VALLEY WATER ASSOCIATION P.O. BOX 910

NAME

ADDRESS

SOMERSET, KENTUCKY 42502

CITY/STATE/ZIP

RECEIVED & FILED  
\$8.00  
DEC 17 2 07 PM '93  
SHERIFF'S OFFICE  
CLERK OF COURTS  
KENTUCKY

KNOWN ALL MEN BY THESE PRESENTS:

That we, whose names are to subscribed, acting as incorporators for the purpose of forming a non profit corporation under the provisions of Chapter 273 of the Kentucky Revised Statutes, assuming and claiming all powers, rights, privileges and immunities granted or permitted bodies corporation under said laws, and do hereby adopt the following Articles of Consolidation and set forth the following plan of consolidation.

ARTICLE I

PLAN OF CONSOLIDATION

Pursuant to KRS 74.361, 273.281 and an Order of the Public Service Commission of Kentucky dated February 22, 1988 in Case NO. 9967, the boards of the directors of the corporations enumerated below do hereby set forth their plan of consolidation as required by KRS 273.281 and affirmatively state as follows:

1. The identities of the corporations to be consolidated are: Elihu Tateville Water Association, P.O. Box 722, Somerset, Kentucky 42502, and Nelson Valley Water Association, P.O. Box 910, Somerset, Kentucky 42502.

2. The name and address of the new corporation is to be Southeastern Water Association Inc., P.O. Box 722, Somerset, Kentucky 42502.

3. Pursuant to an Order of the Public Service Commission and after an affirmative vote by the membership of each consolidating corporation, the consolidating corporations shall cease to exist and the new corporation will assume and claim all powers, rights, privileges and immunities granted or permitted by law, and previously held and adopted by the consolidating corporations and subject to all the duties and liabilities of a corporation organized under the provisions of KRS Chapter 273.

4. The assets and liabilities of the consolidating corporations shall be merged to the extent allowed by law with the exception that outstanding obligations of the consolidating corporations which are secured by a pledge of the income and revenues of the systems operated by each of them shall continue to be retired from such money and funds as shall be collected from the users of facilities operated by such consolidated corporations in the original area served in accordance with the terms and provisions of KRS 74.361(5) and the authorizing resolutions or indentures under which the outstanding obligations were issued, until all such obligations have been retired by payment, debt consolidation or re-issuance.

5. The existing board of directors of each consolidating

corporations shall serve on the board of the new corporation until such time as the first annual election of directors to be held no later than 120 days from the filing of these articles. Thereafter, the number and terms of directors shall be governed by the provisions of Articles IX herein.

6. On April 12, 1993, at a annual meeting of the members of Elihu Tateville Water Association, duly held in accordance with KRS Chapter 273 and the Articles of Incorporation and Bylaws of Elihu Tateville Water Association, a quorum having been present and the plan of consolidation receiving two thirds votes of those present or by proxy voting, the above Plan of Consolidation was duly adopted.

7. On March 1, 1993, at a annual meeting of the members of Nelson Valley Water Association, duly held in accordance with KRS Chapter 273 and the Articles of Incorporation and Bylaws of Nelson Valley Water Association, a quorum having been present and the plan of consolidation receiving two thirds votes of those present or by proxy voting, the above Plan of Consolidation was duly adopted.

## ARTICLE II

### NAME

The name of this corporation shall be SOUTH EASTERN WATER ASSOCIATION INC..

## ARTICLE III

### REGISTERED OFFICE AND AGENT

The registered office of the corporation shall be at Somerset, County of Pulaski, State of Kentucky; the registered agent at such address is Kenneth D. Morrow Manager

NAME

TITLE

1851 West Hwy. 80 Somerset, Kentucky 42501.

ADDRESS

CITY/STATE/ZIP

ARTICLE IV

PURPOSE

The purpose of said corporation shall be to establish, develop and operate a complete water supply and distribution system by purchase, development, or otherwise to construct reservoirs or water towers, erect pumping machinery lay water mains, pipes and hydrants; to furnish and sell water to members of the corporation, public bodies and local businesses, for fire protection, drinking and general farm and domestic use and collect payment for rental or sale of same and doing all things necessary, convenient and incidental thereto.

ARTICLE V

SEAL

This corporation shall have a seal, which shall contain the corporate name, Kentucky, and the words "corporate seal."

ARTICLE VI

POWERS

The corporation shall have all powers provided by law.

ARTICLE VII

MEMBERSHIP

Persons may become members of the corporation as provided in the By-Laws.

DURATION

The corporation shall be of perpetual duration.

ARTICLE IX

BOARD OF DIRECTORS

1. The affairs of this corporation shall be managed by a board of seven directors to be elected by and from the members thereof and shall serve for three years and until their successors are elected. The size of the Board may not be changed except by amendment to these articles. At the first annual election, two directors shall be elected for a term of one year; two directors shall be elected for a term of two years; three directors shall be elected for a term of three years. Thereafter, directors shall be elected for a term of three years.

2. If the office of any director become vacant by reason of death, resignation, retirement, disqualification or otherwise, except removal from office, a majority of the remaining directors thought not less than a quorum shall, by a majority vote, choose a successor who shall hold office until the next annual meeting of the members of the corporation, at which time the members shall elect a director for the unexpired term, or terms.

3. A majority of the Directors must be present at a meeting to conduct the business of the corporation.

4. Until the first annual election and as specified in Article I, paragraph 5, the following persons shall be Directors:

| <u>NAME</u>     | <u>ADDRESS</u>                              |
|-----------------|---|
| Keith Dinsmore  | 180 Strawberry Rd. Somerset, Ky. 42501      |
| Sam Davis       | Box 84 S. Hwy. 27, Tateville, Ky. 42558     |
| Joe Richards II | 401 Pole Ridge Rd. Somerset, Ky. 42501      |
| Earnest Stout   | 1466 Stout Hill Tateville, Ky. 42558        |
| V.C. Wallace    | Route 7 Box 96 Somerset, Ky. 42501          |
| Valando Taylor  | 3572 Hwy. 39 Somerset, Ky. 42501            |
| Leamon Colyer   | 4765 Hwy. 39 Somerset, Ky. 42501            |
| Joe Crawford    | 777 Stilesville Rd. Science Hill, Ky. 42553 |
| Bobby Crow      | 3821 East Coleman Rd. Somerset, Ky. 42501   |

5. The Board of Directors shall have their annual meeting after the annual meeting of members hereinafter provided for, at a time and place to be designated by the President, and will elected from their own number a President, Vice-President, Secretary and Treasurer.

6. The Board of Directors shall have other meetings as provided in the By-Laws.

#### ARTICLES X

#### MEETINGS

1. The annual meeting of the members of this corporation for the purpose of electing directors and transacting such other business as may properly come before it at such time, shall be held on the 2nd Monday in April, of each year at the time and place specified by the Board of Directors, notice of meeting may be by letter sent to each member or published in paper as per notice for special meeting.

2. Special meetings of the members of this corporation may be called by the President at any time or place within the county upon publishing in the newspaper of general circulation for three

consecutive weeks. With the first issue to run not more than 35 days prior to the meeting and the last issue to run not less than 10 days prior to the meeting, and such meeting shall be called by him at any time upon written demand of majority of the directors or of any ten (10) members and in case of his neglect or refusal to call such meeting, which shall be the same as though called by the President. If the purpose of the meeting is to amend the articles then the notice of meetings signed by the Secretary shall set forth the proposed amendment in substance. Articles may be amended by a two thirds vote of the members present at such meeting or voting by proxy.

#### ARTICLE XI

##### INCORPORATORS

The names and addresses of the incorporators are:

| <u>NAME</u>     | <u>ADDRESS</u>                             |
|-----------------|--|
| Keith Dinsmore  | 180 Strawberry Rd. Somerset, Ky. 42501     |
| Sam Davis       | Box 84 S. Hwy. 27 Tateville, Ky. 42558     |
| Joe Richards II | 401 Pole Ridge Rd. Somerset, Ky. 42501     |
| Earnest Stout   | 1466 Stout Hill, Tateville, Ky. 42558      |
| V.C. Wallace    | Route 7 Box 96 Somerset, Ky. 42501         |
| Joe Crawford    | 777 Stilesville Rd. Science Hill, Ky. 4255 |
| Bobby Crow      | 3821 East Coleman Rd. Somerset, Ky. 42501  |

#### ARTICLES XII

##### BY-LAWS

The corporation may make and amend By-Laws at its pleasure through its Board of Directors.

IN WITNESS WHEREOF, we have hereto subscribed our names this the

9<sup>th</sup> day of December, 1993.

Keith Dinsmore

KEITH DINSMORE PRESIDENT

Joe Richards II

JOE RICHARDS II SECRETARY

STATE OF KENTUCKY

COUNTY OF Pulaski

On this the 9<sup>th</sup> day of December, 1993,

before me the undersigned Notary Public, in and for the said County, personally appeared Keith Dinsmore and Joe Richards II, to me know to be the persons named in and who executed the foregoing instrument and acknowledge that they executed the same as their voluntary act and deed.

Shirley J. Davis

NOTARY PUBLIC

My commission expires: 4-13-96

IN WITNESS WHEREOF, we have hereunto subscribed our names this the

Book 001 / Page 010

9th day of December, 1993

Valando Taylor  
VALANDO TAYLOR PRESIDENT

Joe Crawford  
JOE CRAWFORD SECRETARY

STATE OF KENTUCKY  
COUNTY OF Pulaski

On this the 9th day of December, 1993,  
before me the undersigned Notary Public, in and for said County,  
personally appeared Valando Taylor and Joe Crawford,  
to me know to be the persons named in and who executed the foregoing  
instrument and acknowledged that they executed the same as their  
voluntary act and deed.

Wanda J. Dantz  
NOTARY PUBLIC  
My Commission expires: 4-13-96

DEC 10 1993

STATE OF KENTUCKY COUNTY OF PULASKI, SCT.  
I, Willard Hansford, Clerk of the Pulaski County Court, certify that on the 27 day of Dec,  
1993, the foregoing instrument was produced to me certified as above and filed for record. Whereupon I  
have recorded the same, together with this certificate, this 28 day of Dec, 1993, in  
Art B. Inc. Book 17 Page 665  
Attest: WILLARD HANSFORD, Clerk By Margaret Jane Adams J.C.

076691

ARTICLES OF MERGER OF  
SOUTH EASTERN WATER ASSOCIATION, INC.  
AND  
BARNESBURG WATER ASSOCIATION, INC.

JOHN T. ...  
SECRETARY  
SOUTH EASTERN WATER ASSOCIATION, INC.  
*John T. ...*

NOV 26 9 17 AM '96  
*Ch. J. ...*

RECEIVED & FILED

\*\* \*\* \* \* \* \* \*

This is a Plan of Merger of South Eastern Water Association, Inc., a Kentucky non-profit corporation, and Barnesburg Water Association, Inc., a Kentucky non-profit corporation, prepared pursuant to the provisions of KRS 273.287. Barnesburg Water Association, Inc., is sometimes herein referred to as the "acquired corporation." South Eastern Water Association is sometimes hereinafter referred to as the "surviving corporation."

Neither the surviving corporation nor acquired corporation has members entitled to vote of the merger. The plan of merger as contained in these articles of merger were approved at a meeting of the board of directors of Barnesburg Water Association, Inc., held October 14, 1996 and the merger was approved by the Board of Directors of South Eastern Water Association, Inc., at a board of directors meeting held on October 14, 1996. The plan received the unanimous vote of the directors of both corporations in attendance at the meeting and a quorum of each board was present at the respective meetings.

A. THE PLAN OF MERGER:

1. Names: The names of the corporations proposing to be merged are South Eastern Water Association, Inc. and Barnesburg Water Association, Inc. Barnesburg Water Association, Inc., the acquired corporation, proposes to merge into South Eastern Water Association, Inc., the surviving corporation.

**B. TERMS AND CONDITIONS:**

The terms and conditions of the proposed merger and the mode of carrying it into effect are as follows:

1. The acquired corporation shall merge into the surviving corporation in a manner and with the effect provided by the statutes of Kentucky.
2. The merger shall be effective as of the date of filing of the Articles of Merger with the Kentucky Secretary of State.
3. On the effective date, the acquired corporation shall merge into the surviving corporation, the separate corporate existence of the acquired corporation shall cease, and South Eastern Water Association, Inc., shall continue as the surviving corporation. The address of the surviving corporation of the South Eastern Water Association, Inc., 147 East Somerset Church Road, Somerset, Kentucky 42503.
4. The surviving corporation shall assume all powers, rights, privileges and immunities granted or permitted by law, previously held and adopted by the acquired corporation and subject to the duties and liabilities of the corporation organized under the provisions of KRS Chapter 273.
5. The assets and liabilities of the acquired corporation shall be merge to the extent allowed by law, with the exception that outstanding obligations of the acquired corporation and the surviving corporation shall continue to be retired from such money and funds as shall be collected from the facilities operated by each such corporation in the original area served in accordance with the terms and provisions of KRS 74.361(5) as made applicable by KRS 74.361(9) and the authorizing resolution or indenture under which the outstanding obligations

were issued, until all of the obligations had been retired by payment, debt consolidation or reissuance.

6. The existing Board of Directors of South Eastern Water Association, Inc., along with two (2) directors of Barnesburg Water Association, Inc., being the president and vice president, shall serve on the board of the surviving corporation until such time as the annual election of directors to be held no more than two hundred (200) days from the filing of these articles. Thereafter, the number and term of the directors shall be governed by the provisions of Article VIII of the bylaws upon proper notice as indicated in the bylaws. The bylaws of South Eastern Water Association, Inc. shall be amended accordingly and said amended bylaws shall be the bylaws of the surviving corporation.

**C. BOARD OF DIRECTORS:**

Until the first annual election of the board of directors as specified herein, the following persons shall serve as directors:

|                    |  |
|--------------------|--|
| Joe Richards, Sr., | 3735 Rush Branch Road, Somerset, Kentucky 42501    |
| Sam Davis,         | P. O. Box 320, Tateville, Kentucky 42558           |
| Ernest Stout,      | 230 Stout Hill, Burnside, Kentucky 42519           |
| Joe Richards, II,  | 401 Poleridge Road, Somerset, Kentucky 42503       |
| Virgil C. Wallace, | 2780 Rush Branch Road, Somerset, Kentucky 42503    |
| Joe Crawford,      | 751 Stylesville Road, Science Hill, Kentucky 42553 |
| Bobbie Crowe,      | 209 E. Coleman Road, Somerset, Kentucky 42503      |
| Harvey Phelps,     | 1271 Old Mt. Vernon Road, Somerset, Kentucky 42503 |
| Wade Bumgardner,   | 861 Old Mt. Vernon Road, Somerset, Kentucky 42503  |

Done under our hands on this the 14 day of October, 1996.

BARNESBURG WATER ASSOCIATION, INC.

BY: Harvey Phelps  
Harvey Phelps, President

SOUTH EASTERN WATER ASSOCIATION, INC.

BY: Joe Richards  
Joe Richards, President

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STATE OF KENTUCKY COUNTY OF PULASKI, SCT.

I, Willard Hansford, Clerk of the Pulaski County Court, certify that on the 27 day of Nov, 1996, the foregoing instrument was produced to me certified as above and filed for record. Whereupon I have recorded the same, together with this certificate, this 2 day of Dec, 1996, in

Out of Inc Book 20 Page 91  
Attest: WILLARD HANSFORD, Clerk By W. Hansford W. Hansford D.C.

# **EXHIBIT 2**



United States Department of Agriculture  
Rural Development  
Kentucky State Office

January 4, 2010

Mr. Joe Richards, President  
Southeastern Water Association, Inc.  
PO Box 778  
Somerset, Kentucky 42502

Dear Mr. Richards:

This letter establishes conditions which must be understood and agreed to by you before further consideration may be given to the application. The loan and grant will be administered on behalf of the Rural Utilities Service (RUS) by the State and Area office staff of USDA Rural Development. Any changes in project cost, source of funds, scope of services or any other significant changes in the project or applicant must be reported to and approved by USDA Rural Development, by written amendment to this letter. Any changes not approved by Rural Development shall be cause for discontinuing processing of the application. It should also be understood that Rural Development is under no obligation to provide additional funds to meet an overrun in construction costs.

This letter is not to be considered as loan and grant approval or as a representation as to the availability of funds. The docket may be completed on the basis of a RUS loan not to exceed \$3,995,000; a RUS grant not to exceed \$1,655,000; and an applicant cash contribution in the amount of \$20,000.

If Rural Development makes the loan, the interest rate will be the lower of the rate in effect at the time of loan approval or the rate in effect at the time of loan closing, unless the applicant otherwise chooses. The loan will be considered approved on the date a signed copy of Form RD 1940-1, "Request for Obligation of Funds," is mailed to you.

Please complete and return the attached Form RD 1942-46, "Letter of Intent to Meet Conditions," if you desire that further consideration be given to your application.

The "Letter of Intent to Meet Conditions" must be executed within three weeks from the date of this letter or it becomes invalid unless a time extension is granted by Rural Development.

If the conditions set forth in this letter are not met within 240 days from the date hereof, Rural Development reserves the right to discontinue the processing of the application.

In signing Form RD 1942-46, "Letter of Intent to Meet Conditions," you are agreeing to complete the following as expeditiously as possible:

1. Number of Users and Their Contribution:

There shall be 7,293 water users, of which 7,279 are existing users and 14 are new users contributing \$7,000 in connection fees toward the cost of the project. The connection fees will be collected prior to advertising for construction bids and will be placed in the construction account at loan pre-closing, unless spent for authorized purposes prior to loan pre-closing. The Area Director will review and authenticate the number of users and amount of connection fees prior to advertising for construction bids.

2. Grant Agreement:

Attached is a copy of RUS Bulletin 1780-12, "Water and Waste System Grant Agreement," for your review. You will be required to execute a completed form at the time of grant closing.

3. Drug-Free Work Place:

Prior to grant closing, the Association will be required to execute Form AD-1049, "Certification Regarding Drug-Free Workplace Requirements (Grants) Alternative I - For Grantees Other Than Individuals."

4. Repayment Period:

The loan will be scheduled for repayment over a period not to exceed 40 years from the date of the Promissory Note. Principal payment will not be deferred for a period in excess of two years from the date of the Promissory Note. The Association may be required to adopt a supplemental payment agreement providing for monthly payments of principal and interest so long as the Promissory Note is held or insured by RUS. Monthly payments will be approximate amortized installments.

5. Recommended Repayment Method:

Payments on this loan shall be made using the Preauthorized Debit (PAD) payment method. This procedure eliminates the need for paper checks and ensures timely receipt of RD loan payments. To initiate PAD payments, Form RD 3550-28, "Authorization Agreement for Preauthorized Payments," should be signed by the Association to authorize the electronic withdrawal of funds from your designated bank account on the exact installment payment due date. The Area Director will furnish the necessary forms and further guidance on the PAD procedure.

6. Reserve Accounts:

Reserves must be properly budgeted to maintain the financial viability of any operation. Reserves are important to fund unanticipated emergency maintenance, pay for repairs, and assist with debt service should the need arise.

The Association will be required to deposit \$1,370 per month into a "Funded Debt Reserve Account" until the account reaches \$164,400. The deposits are to be resumed any time the account falls below the \$164,400.

The required monthly deposits to the Reserve Account and required Reserve Account levels are in addition to the requirements of the Association's prior loan resolutions.

The monthly deposits to the Reserve Account are required to commence with the first month of the first full fiscal year after the facility becomes operational.

The Association also needs to fund an account for short-lived assets by depositing a sum of \$1,500 monthly to the account. The funds in the short-lived asset account may be used by the Association as needed to replace or add short-lived assets in the Association's water system.

7. Security Requirements:

The loan will be secured by a real estate mortgage, a financing statement, and a pledge of gross water revenue, in the Loan Resolution and Financing Statement.

8. Land Rights and Real Property:

The Association will be required to furnish satisfactory title, easements, etc., necessary to install, maintain and operate the facility to serve the intended users. The pipelines will be on private rights-of-way where feasible. Easements and options are to be secured prior to advertising for construction bids.

9. Organization:

The Association will be legally organized under applicable KRS, which will permit them to perform this service, borrow and repay money.

10. Business Operations:

The Association will be required to operate the system under a well-established set of resolutions, rules and regulations. A budget must be established annually and adopted by the Association after review by Rural Development. At no later than loan pre-closing, the Association will be required to furnish a prior approved management plan to include, as a minimum, provisions for management, maintenance, meter reading, miscellaneous services, billing, collecting, delayed payment penalties, disconnect/reconnect fees, bookkeeping, making and delivering required reports and audits.

11. Accounts, Records and Audits:

The Association will be required to maintain adequate records and accounts and submit annual budgets and year-end reports (annual audits) in accordance with subsection 1780.47 of RUS Instruction 1780.

The enclosed audit booklet will be used as a guide for preparation of audits. The Association shall be required to submit a copy of its audit agreement for review and concurrence by Rural Development prior to pre-closing the loan.

12. Accomplish Audits for Years in Which Federal Financial Assistance is Received:

The Association will accomplish audits in accordance with OMB Circular A-133, during the years in which federal funds are received. The Association will provide copies of the audits to the Area Office and the appropriate Federal cognizant agency as designated by OMB Circular A-133.

13. Insurance and Bonding:

The following insurance and bonding will be required:

- A. Adequate Liability and Property Damage Insurance including vehicular coverage, if applicable, must be obtained and maintained by the Association. The Association should obtain amounts of coverage as recommended by its attorney, consulting engineer and/or insurance provider.
- B. Worker's Compensation - The Association will carry worker's compensation insurance for employees in accordance with applicable state laws.
- C. Fidelity Bond - The Association will provide Fidelity Bond Coverage for all persons who have access to funds. Coverage may be provided either for all individual positions or persons, or through "blanket" coverage providing protection for all appropriate employees and/or officials. The amount of coverage required for all RUS loans is \$715,000\*.
- D. Real Property Insurance - The Association will obtain and maintain adequate fire and extended coverage on all structures including major items of equipment or machinery located in the structures. The amounts of coverage should be based on recommendations obtained by the Association from its attorney, consulting engineer and/or insurance provider. Subsurface lift stations do not have to be covered except for the value of electrical and pumping equipment therein.
- E. Flood Insurance - The Association will obtain and maintain adequate coverage on any facilities located in special flood and mudslide prone areas.

14. Planning and Performing Development:

- A. The engineer should not be authorized to commence work on final plans and specifications until a determination has been made that the project can be planned and constructed within the estimated cost shown in paragraph "24" of this letter. The engineer may then proceed to develop final plans and specifications to be completed no later than 210 days from this date, and prepare bid documents. The Area Director is prepared to furnish the necessary guide to follow so as to keep the project plans and documents within our guidelines and requirements. The project should not be advertised for construction bids until all easements and enforceable options have been obtained, and total funds are committed or available for the project.

B. The following documents will be submitted to Rural Development for review and must be concurred in by Rural Development prior to advertisement for construction bids:

1. Final plans, specifications and bid documents.
2. Applicant's letter on efforts to encourage small business and minority - owned business participation.
3. Legal Service Agreements.
4. Engineering Agreements.

Revision in these documents will be subject to Rural Development concurrence. Any agreements, contracts, etc. not reviewed and approved by Rural Development will not be eligible for payment from project funds or revenues from facilities financed by this Agency.

15. Civil Rights & Equal Opportunity:

You should be aware of and will be required to comply with other federal statute requirements including but not limited to:

A. Section 504 of the Rehabilitation Act of 1973:

Under Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), no handicapped individual in the United States shall, solely by reason of their handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Rural Development financial assistance.

B. Civil Rights Act of 1964:

All borrowers are subject to, and facilities must be operated in accordance with, Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d *et seq.*) and Subpart E of Part 1901 of this Title, particularly as it relates to conducting and reporting of compliance reviews. Instruments of conveyance for loans and/or grants subject to the Act must contain the covenant required by paragraph 1901.202(e) of this Title.

C. The Americans with Disabilities Act (ADA) of 1990:

This Act (42 U.S.C. 12101 *et seq.*) prohibits discrimination on the basis of disability in employment, state and local government services, public transportation, public accommodations, facilities, and telecommunications. Title II of the Act applies to facilities operated by state and local public entities that provide services, programs, and activities. Title III of the Act applies to facilities owned, leased, or operated by private entities that accommodate the public.

D. Age Discrimination Act of 1975:

This Act (42 U.S.C. 6101 *et seq.*) provides that no person in the United States shall, on the basis of age, be excluded from participation in, be denied the benefits

of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

Rural Development financial programs must be extended without regard to race, color, religion, sex, national origin, marital status, age, or physical or mental handicap.

16. Closing Instructions:

The Office of General Counsel, our Regional Attorney, will be required to write closing instructions in connection with this loan. Conditions listed therein must be met by the Association.

17. Compliance with Special Laws and Regulations:

The Association will be required to conform to any and all state and local laws and regulations affecting this type project.

18. System Operator:

The Association is reminded that the system operator must have an Operator's Certificate issued by the State.

19. Prior to Pre-Closing the Loan, the Association Will Be Required to Adopt:

- A. Form RD 1942-8, "Resolution of Members or Stockholders."
- B. Form RUS Bulletin 1780-28, "Loan Resolution Security Agreement."
- C. Form RD 400-1, "Equal Opportunity Agreement."
- D. Form RD 400-4, "Assurance Agreement."
- E. Form AD-1047, "Certification Regarding Debarment, Suspension, and Other Responsibility Matters - Primary Covered Transaction."
- F. Form RD 1910-11, "Applicant Certification Federal Collection Policies for Consumer or Commercial Debts."
- G. RD Instruction 1940-Q, Exhibit A-1, "Certification for Contracts, Grants and Loans."
- H. RUS Bulletin 1780-22, "Eligibility Certification."

20. Refinancing and Graduation Requirements:

The Association is reminded that if at any time it shall appear to the Government that the Association is able to refinance the amount of the RUS indebtedness then outstanding, in whole or in part, by obtaining a loan from commercial sources at reasonable rates and terms, upon the

request of the Government, the Association will apply for and accept such loan in sufficient amount to repay the Government.

21. Commercial Interim Financing:

The Association will be required to use commercial interim financing for the project during construction for the RUS loan portion of the financing, if available at reasonable rates and terms.

Before the loan is closed, the Association will be required to provide Rural Development with statements from the contractor, engineer and attorneys that they have been paid to date in accordance with their contract or other agreements and, in the case of the contractor, that he has paid his suppliers and sub-contractors.

22. Disbursement of Project Funds:

A construction account for the purpose of disbursement of project funds (RUS) will be established by the Association prior to start of construction. The position of officials entrusted with the receipt and disbursement of RUS project funds will be covered by a "Fidelity Bond," with USDA Rural Development as Co-Obligee, in the amount of construction funds on hand at any one time during the construction phase.

For each "construction account" as established, if the amount of RUS loan and grant funds plus any applicant contributions or funds from other sources to be deposited into the account are expected to exceed \$100,000 at any time, the financial institution will secure the amount in excess of \$100,000 by pledging collateral with the Federal Reserve Bank in an amount not less than the excess in accordance with 7 CFR, 1902.7(a).

During construction, the Association shall disburse project funds in a manner consistent with subsection 1780.76 (e) of RUS Instruction 1780. Form RD 1924-18, "Partial Payment Estimate," or similar form approved by Rural Development, shall be used for the purpose of documenting periodic construction estimates, and shall be submitted to Rural Development for review and acceptance. Prior to disbursement of funds by the Association, the Board of Directors shall review and approve each payment estimate. All bills and vouchers must be approved by Rural Development prior to payment by the Association.

Form RD 440-11, "Estimate of Funds Needed for 30-Day Period Commencing \_\_\_\_\_," will be prepared by the Association and submitted to Rural Development in order that a periodic advance of federal cash may be requested.

Borrowers receiving federal loan and/or grant funds by EFT will have funds directly deposited to a specified account at a financial institution with funds being available to the recipient on the date of payment. The borrower should complete Form SF-3881, "Electronic Funds Transfer Payment Enrollment Form," for each account where funds will be electronically received. The completed form(s) must be received by Rural Development at least thirty (30) days prior to the first advance of funds.

Monthly audits of the Association's construction account records shall be made by Rural Development.

23. Disbursement of Grant Funds:

The RUS funds will be advanced as they are needed in the amount(s) necessary to cover the RUS proportionate share of obligations due and payable by the Association. Grant funds, upon receipt, must be deposited in an interest bearing account in accordance with 7 CFR part 3019 (as applicable). Interest earned on grant funds in excess of \$250 (as applicable) per year will be submitted to RUS at least quarterly.

24. Cost of Facility:

Breakdown of Costs:

|                                       |                |
|---------------------------------------|----------------|
| Development                           | \$ 4,486,700   |
| Land and Rights                       | 20,500         |
| Legal                                 | 10,000         |
| Engineering                           | 469,000        |
| Interest                              | 150,000        |
| Other: Environmental & Administrative | 84,600         |
| Contingencies                         | <u>449,200</u> |
| TOTAL                                 | \$ 5,670,000   |

Financing:

|  |               |
|--|---------------|
| RUS Loan                               | \$ 3,995,000  |
| RUS Grant                              | 1,655,000     |
| Applicant Contribution/Connection Fees | <u>20,000</u> |
| TOTAL                                  | \$ 5,670,000  |

25. Use of Remaining Project Funds:

The applicant contribution and connection fees shall be considered as the first funds expended. After providing for all authorized costs, any remaining project funds will be considered to be RUS grant funds and refunded in proportion to participation in the project. If the amount of unused project funds exceeds the grants, that part would be RUS loan funds.

26. Proposed Operating Budget:

You will be required to submit to Rural Development a copy of your proposed annual operating budget that supports the proposed loan repayment prior to this agency giving you written authorization to proceed with the bidding phase. The operating budget should be based on a typical year cash flow, subject to completion of this project in the first full year of operation. Form RD 442-7, Operating Budget, or similar form may be utilized for this purpose.

27. Rates and Charges:

Rates and charges for facilities and services rendered by the Association must be at least adequate to meet cost of maintaining, repairing and operating the water system and meeting

required principal and interest payments and the required deposits to debt service and/or depreciation reserve.

Water rates will be at least:

|          |       |              |                            |
|----------|-------|--------------|----------------------------|
| First    | 2,000 | gallons @ \$ | 23.25. - Minimum Bill.     |
| All Over | 2,000 | gallons @ \$ | 9.95. - per 1,000 gallons. |

All wholesale sales will be at the rate of \$2.74 per 1,000 gallons.

28. Water Purchase Contract:

The Association will submit a Water Purchase Contract for approval by Rural Development before advertising for construction bids. If the contract is not on Form RD 442-30, "Water Purchase Contract," the contract will require approval by our Regional Attorney. The contract must meet the requirements of subsection 1780.62 of RUS Instruction 1780.

29. Compliance with the Bioterrorism Act:

Prior to pre-closing, the Association will provide a certification they have completed a Vulnerability Assessment (VA) and prepared an emergency response plan (ERP) as required by the Safe Drinking Water Act (SDWA).

30. Floodplain Construction:

The Association will be required to pass and adopt a Resolution or amend its By-Laws whereby the Association will deny any water service to any future customer wishing to build on or develop property located within a designated floodplain. If a customer or developer requests service for construction in a designated floodplain, the customer or developer must provide evidence and a justification for approval by the Association and Rural Development officials that there are no other alternatives to construction or development within the designated floodplain. The community must be a participant in the National Flood Insurance Program (NFIP) and the customer or developer must obtain the required permits prior to the tap on restrictions being waived.

31. Division of Water (DOW) Health & Sanitary Certification:

The Median Household Income (MHI) for the Association's service area qualifies this project for the poverty interest rate. A certification from the Division of Water stating this project will remove a health or sanitary problem will be required. This certification must be obtained prior to loan pre-closing.

32. Mitigation Measures:

- A. The project shall be in compliance with all requirements noted in the Governor's Office for Local Development letter dated May 18, 2009, from Ms. Lee Nalley.
- B. The line design and construction shall be accomplished in a way that will leave

flood plains and farmland without effect after construction is complete. The Army Corps of Engineers Nationwide Permit No. 12 applies to all floodplain and wetland utility line construction.

- C. Any excavation by Contractor that uncovers a historical or archaeological artifact shall be immediately reported to Owner and a representative of Agency. Construction shall be temporarily halted pending the notification process and further directions issued by Agency after consultation with the State Historic Preservation Officer (SHPO).
- D. The design and construction shall be in compliance with all local, state and federal environmental statutes, regulations and executive orders applicable to the project.
- E. Best Management Practices shall be incorporated into the project design, construction, and maintenance.

33. **American Recovery and Reinvestment Act of 2009 ("Recovery Act").**

Recovery Act requirements apply to this financing. In addition to the other conditions contained in this Letter of Conditions, you must understand and agree to these following conditions specific to the Recovery Act:

- A. Certifications. With respect to Recovery Act funds made available to State or local governments for infrastructure investments, Section 1511 of the Recovery Act requires the Governor, mayor or other chief executive, as appropriate, to certify that the infrastructure investment has been properly approved as required by law and that the chief executive accepts responsibility that the infrastructure investment is an appropriate use of taxpayer dollars. RD Water and Waste personnel will provide specific guidance on the information required in the certification.
- B. Reports on Use of Funds. Section 1512 of the Recovery Act requires each recipient receiving Recovery Act funding to provide specific information to the government on a periodic basis for inclusion in various internal and publicly-available reports. RD Water and Waste Program personnel will provide specific guidance on the type and frequency of information required to assist Recovery Act recipients in complying with this condition.
- C. ~~\*~~Buy American. Section 1605 of the Recovery Act requires that all projects financed with Recovery Act funds be bid and constructed using only iron, steel and manufactured goods produced in the United States in accordance with Section 1605 of the Recovery Act. Specific guidance, including contract provisions to be included in any construction contracts, is being formulated and drafted as of the date of this Letter of Conditions. RD Water and Waste Program personnel will provide specific guidance related to this condition as soon as it is available.
- D. ~~\*~~Wage Rate Requirements. Section 1606 of the Recovery Act requires that all laborers and mechanics employed by contractors and subcontractors for the project will be paid wages at rates not less than those prevailing on projects of a character similar in the

locality where this project will occur. Specific guidance, including contract provisions to be included in any construction or otherwise related contracts, is being formulated and drafted as of the date of this Letter of Conditions. RD Water and Waste Program personnel will provide specific guidance related to this condition as soon as it is available.

**Compliance with the conditions in this section is required for financing under the Recovery Act.** However, these conditions are not substitutes for, or in lieu of, the remaining conditions contained in this Letter of Conditions. Each of the conditions in this Letter of Conditions must also be understood and complied with to receive financing for your project.

34. Final Approval Conditions:

Final approval of this assistance will depend on your willingness, with the assistance of all your co-workers, to meet the conditions of this letter in an orderly and systematic manner. Then too, final approval will depend on funds being available.

If you desire to proceed with your application, the Area Director will allot a reasonable portion of time to provide guidance in application processing.

Sincerely,



THOMAS G. FERN  
State Director

Enclosures

cc: Area Director - London, Kentucky  
Lake Cumberland ADD – Russell Springs, Kentucky  
Bruce Orwin - Somerset, Kentucky  
Kenvirons - Frankfort, Kentucky  
PSC - ATTN: Dennis Jones - Frankfort, Kentucky

# **EXHIBIT 3**



United States Department of Agriculture  
Rural Development  
Kentucky State Office

November 18, 2010

Mr. Joe Richards, President  
Southeastern Water Association, Inc.  
PO Box 778  
Somerset, Kentucky 42502

Re: Letter of Conditions Dated January 4, 2010

Dear Mr. Richards:

This letter shall serve as Amendment No. 1 to the Letter of Conditions dated 1/4/10. The purpose of this amendment is to revise the rates and charges.

Paragraph numbered "27" is revised to read as follows:

" 27. Rates and Charges:

Rates and charges for facilities and services rendered by the Association must be at least adequate to meet cost of maintaining, repairing and operating the water system and meeting required principal and interest payments and the required deposits to debt service and/or depreciation reserve.

Water rates will be at least:

5/8 x 3/4 Inch:

|          |       |              |                            |
|----------|-------|--------------|----------------------------|
| First    | 2,000 | gallons @ \$ | 23.25. - Minimum Bill.     |
| All Over | 2,000 | gallons @ \$ | 9.95. - per 1,000 gallons. |

1 Inch:

|          |       |              |                            |
|----------|-------|--------------|----------------------------|
| First    | 5,000 | gallons @ \$ | 53.10. - Minimum Bill.     |
| All Over | 5,000 | gallons @ \$ | 9.95. - per 1,000 gallons. |

1 1/2 Inch:

|          |        |              |                            |
|----------|--------|--------------|----------------------------|
| First    | 10,000 | gallons @ \$ | 102.85. - Minimum Bill.    |
| All Over | 10,000 | gallons @ \$ | 9.95. - per 1,000 gallons. |

**2 Inch:**

First 20,000 gallons @ \$ 202.35. - Minimum Bill.  
 All Over 20,000 gallons @ \$ 9.95. - per 1,000 gallons.

**3 Inch:**

First 30,000 gallons @ \$ 301.85. - Minimum Bill.  
 All Over 30,000 gallons @ \$ 9.95. - per 1,000 gallons.

**4 Inch:**

First 50,000 gallons @ \$ 500.85. - Minimum Bill.  
 All Over 50,000 gallons @ \$ 9.95. - per 1,000 gallons.

**6 Inch:**

First 100,000 gallons @ \$ 998.35. - Minimum Bill.  
 All Over 100,000 gallons @ \$ 9.95. - per 1,000 gallons.

All Wholesale rates will be according to existing contracts and amendments to those contracts.”

All other provisions of the referenced Letter of Conditions remain in full force and unchanged.

Sincerely,

  
 THOMAS G. FERN  
 State Director

- cc: Area Director - London, Kentucky
- Lake Cumberland ADD – Russell Springs, Kentucky
- D. Bruce Orwin - Somerset, Kentucky
- Kenvirons - Frankfort, Kentucky
- PSC - ATTN: Dennis Jones - Frankfort, Kentucky

**EXHIBIT 4**

**PRELIMINARY  
ENGINEERING  
REPORT**

# PRELIMINARY ENGINEERING REPORT

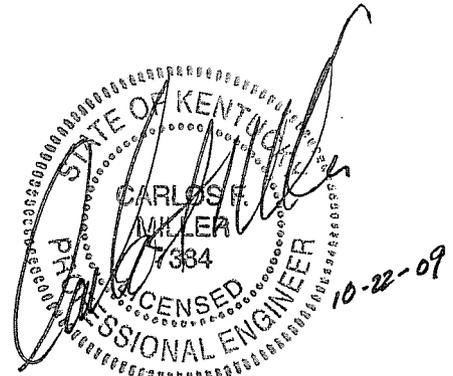
FOR

## SOUTHEASTERN WATER ASSOCIATION

### JAMES ROAD / BANDY AREA REINFORCEMENT FACILITIES AND SYSTEM EXTENSIONS

PROJECT No. 2007269

OCTOBER, 2009



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## **INTRODUCTION**

The potable water supply for the eastern half of Pulaski County was initially provided by four water utilities beginning in the latter part of the 1960s. The water providers were Nelson Valley, Elihu-Rush Branch, Tateville and Barnesburg Water Associations. Customer growth and system expansion has been significant over the years for all four utilities. The Public Service Commission, in recognition of the advantages of consolidated operation, sought a merger of these four entities into one water association. The merger was accomplished in 1996 consolidating the four utilities into the Southeastern Water Association. The service rates were revised from four separate rates to one system-wide rate. SEWA now operates from a new office facility on East Somerset Church Road.

## **GEOGRAPHIC LOCATION**

Pulaski County is located in southcentral part of Kentucky. The county seat is Somerset which is located near the geographical center of the county. The water association's service area presently comprises the territory from the northern Pulaski-Lincoln County boundary around the east side of Somerset including the eastern half of the county to the southern boundary with McCreary County. Figure 1 shows the location of the county.

## **PROJECT NEED**

The only sources of water available to county residents are wells, springs and cisterns. Widespread contamination of wells and springs has been thoroughly documented. Over seventy percent of wells tested in the association's service area have been judged unfit for human consumption. The health and welfare of the county residents depend on a good water supply. Extension of the association's facilities throughout the county is the only source of potable water available. Extensions of water lines into presently unserved areas will abate an existing potential health hazard.

There are some specific areas in the merged service area that currently experience low pressures. In some cases the tanks were not constructed to an appropriate elevation to allow drawdown and offset friction losses during high demand periods. In some instances, due to customer growth and resulting increased demands, the system is incapable of delivering water in the required quantities at the required pressures. Pipeline reinforcements are needed in specific areas in order for the association to continue providing good and reliable services.

It has been six years since the four utilities have merged into the Southeastern Water Association. There has been a tremendous improvement in the operation, service and financial integrity of the merged utility relative to the previously

separate utilities. SEWA is presently attempting to extend service into the unserved areas of Pulaski County and reinforce the weak points in the system. Low interest loans and grants are desperately needed to accomplish this objective.

## **ALTERNATIVE SOURCES**

The City of Somerset is the regional provider of treated water in Pulaski County. The raw water source is Lake Cumberland which is virtually unlimited in quantity and excellent in quality. SEWA purchases all of its treated water from Somerset. There is no other source of treated water and SEWA is the only source for distributing water throughout the eastern portion of the county.

## **EXISTING FACILITIES**

The existing facilities consist of approximately:

1. 500 miles of water lines in sizes 3-inch through 8-inch.
2. Storage Tanks

|               |                |         |
|---------------|----------------|---------|
| Elevated (4)  | 300,000        | gallons |
| Ground (6)    | 800,000        | gallons |
| Standpipe (2) | <u>500,000</u> | gallons |
| Total Storage | 1,600,000      | gallons |
3. Pump Stations  
(1) 400 gpm; (3) 100 gpm; (2) 75 gpm; (1) 160 gpm; (2) 90 gpm
4. Phase 3 extensions project is currently under construction with completion anticipated in September, 2008. This project will add forty (40) miles of pipeline in sizes 3-inch through 8-inch; a 100,000 gallon elevated tank; booster pumping station (60 GPM); hydropneumatic booster pump station.
5. A project, funded with a state grant is scheduled for construction completion in October, 2008, consists of 8-inch and 6-inch pipeline along KY 80 replacing and old troublesome 6-inch PVC pipeline; extension and hydropneumatic pump station on Grundy Woods Road; extension on Mize Cemetery Road.

SEWA purchases all of its water from Somerset at a rate of \$2.00 per thousand gallons. The SEWA is the merger result of four water utilities and the system is widespread over a major part of one of the largest counties in the state. The condition of all aspects of the system is not fully known. The continued efforts of the management since the merger have greatly enhanced the efficiency and reliability of this large system. Generally, the system appears to be in good physical condition. The system contains inordinately large quantities of 4-inch

and 3-inch lines. Customer growth with the attendant increased demand is severely stressing the capacity of these small lines in some areas. System reinforcements are presently needed and will become increasingly necessary in the future.



## PROPOSED FACILITIES

There were several line extensions, into presently unserved areas, that were investigated including house counts. There are also some problem areas in the existing system that need immediate attention. The cost of correcting the problem areas and extending all of the new lines is approximately \$7,000,000 and beyond the practical scope of funding. Consequently, the capital improvements program will need to be done in phases. The extent of the facilities improvements and extensions is limited by funding allocations. The primary objective is to correct the existing problem areas and, if there are monies left, to extend water service into presently unserved areas. Priority will be given to extensions into unserved areas that will also alleviate a problem or render a better operation. There are locations in the SEWA system service area that are at elevations above the existing storage tanks. This project addresses two (2) of those areas.

1. Cannonball Road traverses along one of those high elevation ridges. This project contains a pump station and storage tank set at an elevation that will provide service to this area of high elevation. More importantly, the transmission main along James Road will be supplied directly from Somerset's 16-inch main on KY 80 and pumped into the proposed tank. These facilities will serve a much broader area of the system. The Dahl-Elrod pump station and tank provide water to the entire eastern region of the system. The proposed facilities will relieve the Dahl-Elrod facilities of a significant demand load. The proposed tank will also render obsolete a hydropneumatic booster station that serves Grundy Woods. The proposed project will provide service to thirteen (13) residences and the Camp Victory Church Camp which houses approximately 200 persons during the summer.

The proposed facilities consist of the following:

- 1.1 Tie-in to Somerset's 16-inch main on KY 80 with an 8-inch pipeline and extending along James Road and Cannonball Road for approximately 15,000 LF to a new 300,000 gallon elevated storage tank. A booster pump station is proposed near the intersection of James Road and KY 692.
  - 1.2 Extend from the existing 4-inch pipeline on Cannonball Road for a distance of approximately 7,300 LF.
  - 1.3 Extend from Cannonball Road approximately 5,000 LF down Flat Rock Road and Camp Victory Road to the Camp Victory church camp.
2. The Hwy 39 area north from Somerset is serviced exclusively through a system of 3 and 4-inch pipelines. The ground elevations increase almost 200

feet from Somerset to the Bandy area and the Lincoln County line. Southeastern Water Association serves customers in Lincoln County immediately across the county line. These areas in northern Pulaski County and Lincoln County contiguous to Hwy 39 and referenced herein as the Bandy area have experienced low pressures for several years. The proposed pipeline reinforcements, storage tank and pump station will alleviate the long occurring problems in this area.

A new school is presently proposed at the intersection of Coleman Road and Hwy 39. The present system cannot provide the required fire flow requirements. The installation of the Bandy project will relieve the operational hydraulics in this area and allow a fire flow provision of approximately 700 GPM at the school site as long as the Bandy pump is **not** operating.

The proposed Bandy facilities consists of the following:

- 2.1 An 8-inch reinforcement pipeline extending north approximately 32,000 LF along Hwy 39 from the terminus of the existing 8-inch pipeline at Coleman Road to Ocalo Road and 6-inch pipeline, approximately 30,000 LF, extending form Ocalo Road to Hwy 70 and along Hwy 70.
- 2.2 A 100,000 gallon elevated storage tank and booster pump station.

The opinion of probable construction cost for the combined James Road and Bandy project is shown in Exhibit 1. The opinion of probable project cost is \$5,670,000 as summarized in Exhibit 2.

If monies are left after the improvements and extensions in the initially proposed project are completed, line extensions will be installed until the funds are fully utilized. The availability of funds will dictate whether these extensions, in part or entirety, can be done in this phase.

The maps bound in this report show the facilities proposed in this project.

## **WATER SYSTEM OPERATION**

Preliminary hydraulic analysis utilizing computer modeling has been done to determine line sizes and need for other hydraulic elements. The system was designed and sized to meet the anticipated peak demand conditions and to allow for normal growth. The maps in the back of this report show all water lines recommended as a part of this construction project. The system has been designed so that water pressures at the meters of individual customers will not be less than 30 psi at peak flow conditions. Where static pressures exceed 150 psi, individual pressure regulators will be required to protect fixtures from high pressure.

Storage tanks are used in the water system to stabilize the pressure throughout the system, to provide sufficient water to take care of instantaneous peak requirements, to provide water in the event of temporary failure of the source and to provide water during peak days if the water demand exceeds the capacity of the source. The tanks must be of sufficient elevation to maintain a minimum of 30 psi pressure in the zone they serve and to provide for at least a one day water requirement under average conditions.

The existing tanks are filled by pumping stations equipped with duplicate pumps which run alternately.

Pumps are designed to maintain an operating level in the tanks about 10 to 12 feet lower than the overflow level of the tanks. This requires pumping to begin when the water level in the tanks drop to the operating level; pumping stops when the tanks are refilled to the overflow level. This procedure provides adequate pressure stabilization of the system. The Supervisory Control and Data Acquisition (SCADA) computer operated radio telemetry facilities provide system-wide control and operational information for all pumps and tanks.

## **LAND, WATER AND OTHER RIGHTS AND PERMITS**

### ***Land***

There is one (1) tank and two (2) pump stations in this project for which land will need to be acquired.

### ***Water***

SEWA purchases all of its water from Somerset at a rate of \$2.00 per thousand gallons. The estimated demand for the 13 potential customers located along the proposed extensions is 3,600 GPD. The Somerset treatment capacity is adequate to provide the additional demand proposed in this project.

### ***Other Rights and Permits***

The majority of all transmission mains will be laid on private property. This will require both a permanent easement and a temporary construction easement; both are usually combined on one easement form. A description of the easements necessary will be prepared by the engineer. From these descriptions, the attorney will prepare the easement and right-of-way documents. SEWA will then be responsible for obtaining the signatures of property owners, conveying these easements. If for any unforeseen reason private easements cannot be obtained, water mains may be constructed on highway rights-of-way. A permit for this type of construction must be obtained from the affected highway department (either state or county). This permit can be incorporated into the permit necessary for line crossings of highways.

If U.S. Forest land is encountered, a permit from the U.S. Forest Service will be required for pipeline construction through Forest Service land. The engineer will assist in the acquisition of this permit.

Several other permits and approvals will be necessary before completion of the project. Among these are: Kentucky Division of Water; a permit for stream crossing from the Kentucky Department for Natural Resources and Environmental Protection; Kentucky Public Service Commission; and the U.S. Army Corps of Engineers for stream crossings. The District's attorney, engineer and the Rural Development county supervisor will advise and assist in procuring the necessary and proper permits and approvals.

## **PROJECT FUNDING**

The scope and cost of this project will require several funding sources. A Rural Development loan and grant will be requested. Application will be submitted to the Appalachian Regional Commission for a grant from that agency if available. State grant funds will also be requested.

# EXHIBIT 1

## SOUTHEASTERN WATER ASSOCIATION JAMES ROAD AND BANDY AREAS OPINION OF PROBABLE CONSTRUCTION COST

| Item                                 | Unit | Unit Cost  | James Road Reinforcement |              | Cannonball Road |            | Flat Rock/ Camp Victory Roads |           | Bandy Tank and Reinforcements |              | Total Cost     |              |
|--------------------------------------|------|------------|--------------------------|--------------|-----------------|------------|-------------------------------|-----------|-------------------------------|--------------|----------------|--------------|
|                                      |      |            | Quantity                 | Cost         | Quantity        | Cost       | Quantity                      | Cost      | Quantity                      | Cost         | Quantity       | Cost         |
| 1 8" PVC, SDR 17                     | LF   | \$20.00    | 5,400                    | \$108,000.00 |                 | \$0.00     |                               | \$0.00    | 27,000                        | \$540,000.00 | 32,400         | \$648,000.00 |
| 2 8" Ductile Iron                    | LF   | 40.00      | 10,200                   | 408,000.00   |                 | 0.00       |                               | 0.00      | 5,000                         | 200,000.00   | 15,200         | 608,000.00   |
| 3 6" PVC, SDR 17                     | LF   | 15.00      |                          | 0.00         | 7,300           | 109,500.00 |                               | 0.00      | 30,000                        | 450,000.00   | 37,300         | 559,500.00   |
| 4 4" PVC, SDR 17                     | LF   | 13.00      |                          | 0.00         |                 | 0.00       | 2,800                         | 36,400.00 |                               | 0.00         | 2,800          | 36,400.00    |
| 5 4" Ductile Iron                    | LF   | 21.00      |                          | 0.00         |                 | 0.00       | 2,000                         | 42,000.00 |                               | 0.00         | 2,000          | 42,000.00    |
| 6 8" Gate Valve                      | EA   | 1,200.00   | 10                       | 12,000.00    |                 | 0.00       |                               | 0.00      | 12                            | 14,400.00    | 22             | 26,400.00    |
| 7 6" Gate Valve                      | EA   | 800.00     |                          | 0.00         | 5               | 4,000.00   |                               | 0.00      | 10                            | 8,000.00     | 15             | 12,000.00    |
| 8 4" Gate Valve                      | EA   | 500.00     |                          | 0.00         |                 | 0.00       | 4                             | 2,000.00  |                               | 0.00         | 4              | 2,000.00     |
| 9 Bored Encasement for 8" Pipe       | LF   | 150.00     | 600                      | 90,000.00    |                 | 0.00       |                               | 0.00      | 400                           | 60,000.00    | 1,000          | 150,000.00   |
| 10 Bored Encasement for 6" Pipe      | LF   | 110.00     |                          | 0.00         | 100             | 11,000.00  |                               | 0.00      | 200                           | 22,000.00    | 300            | 33,000.00    |
| 11 Open Cut Encasement for 6" Pipe   | LF   | 80.00      |                          | 0.00         |                 | 0.00       |                               | 0.00      | 200                           | 16,000.00    | 200            | 16,000.00    |
| 12 Bored Encasement for 4" Pipe      | LF   | 100.00     |                          | 0.00         |                 | 0.00       | 200                           | 20,000.00 |                               | 0.00         | 200            | 20,000.00    |
| 13 Free Bore for 8" and 6" Pipe      | LF   | 50.00      |                          | 0.00         |                 | 0.00       |                               | 0.00      | 500                           | 25,000.00    | 500            | 25,000.00    |
| 14 Pavement Replacement              |      |            |                          |              |                 |            |                               |           |                               |              |                |              |
| 14.1 Crushed Stone Paving            | LF   | 10.00      | 1,500                    | 15,000.00    | 1,000           | 10,000.00  | 500                           | 5,000.00  | 3,500                         | 35,000.00    | 6,500          | 65,000.00    |
| 14.2 Bituminous Paving               | LF   | 50.00      | 200                      | 10,000.00    | 100             | 5,000.00   | 200                           | 10,000.00 | 200                           | 10,000.00    | 700            | 35,000.00    |
| 15 Meter Installation                | EA   | 600.00     |                          | 0.00         | 5               | 3,000.00   | 8                             | 4,800.00  |                               | 0.00         | 13             | 7,800.00     |
| 16 Service Tubing                    | LF   | 6.00       |                          | 0.00         | 200             | 1,200.00   | 400                           | 2,400.00  |                               | 0.00         | 600            | 3,600.00     |
| 17 Air Release Valve                 | EA   | 700.00     | 5                        | 3,500.00     |                 | 0.00       |                               | 0.00      | 6                             | 4,200.00     | 11             | 7,700.00     |
| 18 Booster Pump Station (James Road) | EA   | 200,000.00 | 1                        | 200,000.00   |                 | 0.00       |                               | 0.00      |                               | 0.00         | 1              | 200,000.00   |
| 19 Booster Pump Station (Bandy)      | EA   | 200,000.00 |                          | 0.00         |                 | 0.00       |                               | 0.00      | 1                             | 200,000.00   | 1              | 200,000.00   |
| 20 Master Meter w/B.F. Preventor     | EA   | 30,000.00  | 1                        | 30,000.00    |                 | 0.00       |                               | 0.00      |                               | 0.00         | 1              | 30,000.00    |
| 21 Tie-in to Existing Pipe           | EA   | 2,000.00   | 3                        | 6,000.00     | 1               | 2,000.00   |                               | 0.00      | 10                            | 20,000.00    | 14             | 28,000.00    |
| 22 16" x 8" TS & V                   | EA   | 4,000.00   | 1                        | 4,000.00     |                 | 0.00       |                               | 0.00      |                               | 0.00         | 1              | 4,000.00     |
| 23 4" x 4" TS & V                    | EA   | 1,500.00   |                          | 0.00         |                 | 0.00       |                               | 0.00      | 6                             | 9,000.00     | 6              | 9,000.00     |
| 24 3" x 3" TS & V                    | EA   | 1,400.00   |                          | 0.00         |                 | 0.00       |                               | 0.00      | 2                             | 2,800.00     | 2              | 2,800.00     |
| 25 300,000 Gal. Elevated Tank        | EA   | 850,000.00 |                          | 0.00         |                 | 0.00       |                               | 0.00      | 1                             | 850,000.00   | 1              | 850,000.00   |
| 26 100,000 Gal. Elevated Tank        | EA   | 550,000.00 | 1                        | 550,000.00   |                 | 0.00       |                               | 0.00      |                               | 0.00         | 1              | 550,000.00   |
| 27 Pressure Reducing Station         | EA   | 17,000.00  | 3                        | 51,000.00    |                 | 0.00       |                               | 0.00      |                               | 0.00         | 3              | 51,000.00    |
| 28 6" Blow-off, Type 2               | EA   | 1,000.00   |                          | 0.00         | 1               | 1,000.00   |                               | 0.00      |                               | 0.00         | 1              | 1,000.00     |
| 29 4" Blow-off, Type 2               | EA   | 800.00     |                          | 0.00         |                 | 0.00       | 1                             | 800.00    |                               | 0.00         | 1              | 800.00       |
| 30 3" Blow-off, Type 1               | EA   | 1,500.00   |                          | 0.00         | 1               | 1,500.00   |                               | 0.00      | 5                             | 7,500.00     | 6              | 9,000.00     |
| 31 4" Creek Crossing, Type B         | EA   | 80.00      |                          | 0.00         |                 | 0.00       | 70                            | 5,600.00  |                               | 0.00         | 70             | 5,600.00     |
| 32 Directional Bore Stream Crossing  | EA   | 18,000.00  |                          | 0.00         |                 | 0.00       |                               | 0.00      | 2                             | 36,000.00    | 2              | 36,000.00    |
| 33 Private Sewer Crossing            | LF   | 12.00      |                          | 0.00         |                 | 0.00       |                               | 0.00      | 200                           | 2,400.00     | 200            | 2,400.00     |
| 34 Final Pipeline Cleanup            | LF   | 1.00       | 15,600                   | 15,600.00    | 7,300           | 7,300.00   | 4,800                         | 4,800.00  | 62,000                        | 62,000.00    | 89,700         | 89,700.00    |
| 35 Buck Creek Dir. Bore              | LS   | 60,000.00  |                          | 0.00         |                 | 0.00       |                               | 0.00      | 1                             | 60,000.00    | 1              | 60,000.00    |
| 36 Telemetry                         | EA   | 30,000.00  | 1                        | 30,000.00    |                 | 0.00       |                               | 0.00      | 1                             | 30,000.00    | 2              | 60,000.00    |
|                                      |      |            | \$1,533,100.00           |              | \$155,500.00    |            | \$133,800.00                  |           | \$2,664,300.00                |              | \$4,486,700.00 |              |

## EXHIBIT 2

### SOUTHEASTERN WATER ASSOCIATION JAMES ROAD AND BANDY AREAS OPINION OF PROBABLE PROJECT COSTS AND FUNDING

#### PROJECT COST

|                           |                       |
|---------------------------|-----------------------|
| Total Construction Cost   | \$4,486,700.00        |
| Contingency               | 449,200.00            |
| Engineering               | 307,100.00            |
| Inspection                | 162,000.00            |
| Geotechnical              | 12,000.00             |
| Environmental             | 20,000.00             |
| Local Counsel             | 10,000.00             |
| PSC Submittal             | 2,500.00              |
| Land and Rights           | 20,500.00             |
| Capitalized Interest      | 150,000.00            |
| Administration            | 50,000.00             |
|                           | <hr/>                 |
| <b>TOTAL PROJECT COST</b> | <b>\$5,670,000.00</b> |

#### PROJECT FUNDING

|                              |                       |
|------------------------------|-----------------------|
| RD Loan                      | \$3,955,000.00        |
| RD Grant                     | 1,695,000.00          |
| Owner Contribution           | 20,000.00             |
|                              | <hr/>                 |
| <b>TOTAL PROJECT FUNDING</b> | <b>\$5,670,000.00</b> |

NOTE: Specific funding is to be arranged. The funding mix is an estimate.  
Grant amounts will be based on availability.

### EXHIBIT 3

## SOUTHEASTERN WATER ASSOCIATION EXISTING REVENUE REQUIREMENT (PSC REPORT, 2008)

#### 1. OPERATING & MAINTENANCE

|                                |                    |
|--------------------------------|--------------------|
| Water Supply (Purchased Water) | \$1,288,938        |
| Power for Pumping              | 75,369             |
| Water Treatment                | 9,546              |
| Transmission & Distribution    | 242,510            |
| Customer Accounts              | 360,138            |
| Administration & General       | 418,166            |
| Taxes                          | <u>27,496</u>      |
|                                | <b>\$2,422,163</b> |

#### 2. DEBT SERVICE

|                |                |                  |
|----------------|----------------|------------------|
| 2.1 GECC Notes | \$31,275       |                  |
| 2.2 RD Notes   | <u>455,619</u> |                  |
|                |                | <b>\$486,894</b> |

#### 3. DEBT SERVICE COVERAGE

|                    |                 |
|--------------------|-----------------|
| \$486,894 X 0.10 = | <b>\$48,689</b> |
|--------------------|-----------------|

#### 4. DEPRECIATION

\$557,773

**TOTAL EXISTING REVENUE REQUIREMENT** **\$3,515,519**

Note: General Customer Sales for 2008 = \$2,537,688

$$\text{Existing Rate Increase required} = \frac{\$3,515,519 - \$17,872 - \$88,948}{\$2,537,688} = 1.34 \text{ or } 34\%$$

## EXHIBIT 4

### ADJUSTMENTS TO 2008 EXPENSES

#### I. COST FOR ADDED CUSTOMERS

##### 1. ADDED CUSTOMERS

|  |                 |
|--|-----------------|
| Customer Count at August, 2009                           | 7,461           |
| Avg. Customer Count during 2008                          | <u>7,241</u>    |
| ADDITIONAL CUSTOMERS                                     | 220             |
| A. Purchased Water:                                      |                 |
| 220 cust. x 3.5 gal/mo. x 12 ÷ 0.85 =                    | 10,870 M Gals.  |
| Cost: 10,870 x \$2.00 =                                  | \$21,740        |
| B. Pumping: 10,870 x \$0.10 =                            | 1,087           |
| C. Trans. & Dist.: 73 inch-miles x \$100.00<br>(Phase 3) | 7,300           |
| D. Customer Accounts: 220 cust. x \$50.00                | 11,000          |
| E. Admin. & General: 220 x \$40.00                       | <u>8,800</u>    |
| <b>TOTAL EXPENSES FOR ADDED CUSTOMERS</b>                | <b>\$49,927</b> |

#### II. EXISTING EXPENSES

##### 1. HEALTH INSURANCE

|                                       |          |
|---------------------------------------|----------|
| \$12,000 per year increase = \$12,000 |          |
| Annualized to 2011 = 3 x \$12,000     | \$36,000 |

##### 2. SALARY INCREASES

|                                       |              |
|---------------------------------------|--------------|
| 2008 to 2011 at 3% per year           |              |
| \$316,000 (2011) - \$289,381 (2008) = | \$26,619     |
| FICA @ 7.65%                          | <u>2,036</u> |
|                                       | \$28,655     |

**ADJUSTMENTS TO 2002 EXPENSES** **\$84,184**

**TOTAL ADJUSTMENTS** **\$114,582**

**EXHIBIT 5**  
**OPINION OF PROBABLE**  
**Annual Revenue Requirement**  
**FOR**  
**2009 PHASE 4 Project**

**1. O & M EXPENSES**

|   |                 |
|---|-----------------|
| 1.1 Purchased Water<br>14 cust. x 3,500 gal/mo x 12 ÷ 0.85 = 691,764 gals.<br>Cost = 691.8 x \$2.00 | \$1,384         |
| 1.2 Pumping: 691.7 x \$0.10   | 692             |
| 1.3 Transmission & Distribution<br>\$100/inch-mile x 66 inch-miles                                  | 6,600           |
| 1.4 Customer Accounts<br>\$50/customer x 14   | 700             |
| 1.5 General & Administration<br>\$40/customer x 14  | 560             |
| 1.6 Water Treatment   | <u>200</u>      |
| <b>TOTAL O &amp; M EXPENSES</b>   | <b>\$10,136</b> |

**2. DEBT SERVICE**

|  |         |
|--|---------|
| 2.1 \$3,955,000 @ 4.5% for 38 yrs.<br>\$3,955,000 x .05551 | 219,542 |
| 2.2 Coverage: \$219,542 x .10                              | 21,954  |

**3. DEPRECIATION**

|                         |               |
|-------------------------|---------------|
| \$4,486,000 ÷ 50 yrs. = | <u>89,700</u> |
|-------------------------|---------------|

|                                  |                  |
|----------------------------------|------------------|
| <b>TOTAL REVENUE REQUIREMENT</b> | <b>\$341,332</b> |
|----------------------------------|------------------|

## EXHIBIT 6

### PRO FORMA REVENUE REQUIREMENT

|                                     | <u>EXISTING</u><br>(Ex. 3) | <u>ADJUSTMENTS<br/>TO 2008</u><br>(Ex. 4) | <u>PHASE 4<br/>PROJECT</u><br>(Ex. 5) | <u>2011<br/>PRO FORMA<br/>REVENUE<br/>REQUIREMENT</u> |
|-------------------------------------|----------------------------|---|---------------------------------------|---|
| 1. OPERATING & MAINTENANCE          |                            |   |                                       |   |
| Water Supply                        | \$1,288,938                | \$21,740                                  | \$1,384                               | \$1,312,062   |
| Power for Pumping                   | 75,369                     | 1,087                                     | 692                                   | 77,148  |
| Water Treatment                     | 9,546                      | ---                                       | 200                                   | 9,746   |
| Trans. & Dist.                      | 242,510                    | 7,300                                     | 6,600                                 | 256,410   |
| Customer Accounts                   | 360,138                    | 11,000                                    | 700                                   | 371,838   |
| Admin. & General                    | 418,166                    | 8,800                                     | 560                                   | 427,526   |
| Taxes                               | 27,496                     | ---                                       | ---                                   | 27,496  |
| Insurance                           | ---                        | 36,000                                    | ---                                   | 36,000  |
| Salary Increase                     | ---                        | 28,655                                    | ---                                   | 28,655  |
|                                     | \$2,422,163                | \$114,582                                 | \$10,136                              | \$2,546,881   |
| 2. DEBT SERVICE                     |                            |   |                                       |   |
| RD: Principal                       | \$98,229                   | \$29,330 <sup>(1)</sup>                   | \$41,567                              | \$169,126   |
| Interest                            | 300,148                    | 120,487                                   | 177,975                               | 598,610   |
| GECC: Principal                     | 14,804                     | 1,715                                     | ---                                   | 16,519  |
| Interest                            | 16,471                     | (-) 1,715                                 | ---                                   | 14,756  |
|                                     | \$429,652                  | \$149,817                                 | \$219,542                             | \$799,011   |
| 3. DEBT SERVICE COVERAGE            |                            |   |                                       |   |
|                                     | \$42,965                   | \$14,982 <sup>(1)</sup>                   | \$21,954                              | \$79,901  |
| <b>TOTALS</b>                       | <b>\$2,894,780</b>         | <b>\$279,381</b>                          | <b>\$251,632</b>                      | <b>\$3,425,793</b>                                    |
| 4. DEPRECIATION                     |                            |   |                                       |   |
|                                     | \$557,773                  | ---                                       | \$89,700                              | \$647,473   |
| <b>TOTAL INCLUDING DEPRECIATION</b> | <b>\$3,452,553</b>         | <b>\$279,381</b>                          | <b>\$341,332</b>                      | <b>\$4,073,266</b>                                    |

<sup>(1)</sup> Phase 3 Extensions (Principal and Interest payment begins)

## EXHIBIT 7

### BILLING ANALYSIS

|                    | <u>BILLS</u>  | <u>GALLONS</u>   | <u>FIRST 2000</u> | <u>OVER 2000</u> |
|--------------------|---------------|------------------|-------------------|------------------|
| First 2000 Gallons | 32,545        | 26,519           | 26,519            |                  |
| Over 2000 Gallons  | <u>54,347</u> | <u>293,354</u>   | <u>108,694</u>    | <u>184,660</u>   |
|                    | 86,892        | 319,873          | 135,213           | 184,660          |
| <br>Burnside       | <br><u>12</u> | <br><u>7,355</u> |                   |                  |
|                    | 86,904        | 333,539          |                   |                  |

|                    | <u>BILLS</u> | <u>GALLONS</u> | <u>EXIST. RATE</u> | <u>2002 GENERAL<br/>CUST. SALES</u> |
|--------------------|--------------|----------------|--------------------|-------------------------------------|
| First 2000         | 86,892       | ---            | 15.50              | \$1,346,826                         |
| Over 2000          |              | 184,660        | 6.50               | <u>1,200,290</u>                    |
|                    |              |                |                    | \$2,547,116                         |
| Burnside           |              | 7,355          | 2.43               | <u>17,873</u>                       |
| <b>TOTAL SALES</b> |              |                |                    | <b>\$2,564,989</b>                  |

#### CONFIRMATION OF BILLING ANALYSIS

|                                      | <u>2008 Annual<br/>Report</u> | <u>Adjusted Billing<br/>Analysis</u> | <u>Percentage<br/>Difference</u> |
|--------------------------------------|-------------------------------|--------------------------------------|----------------------------------|
| Water Sales to General<br>Customers  | \$2,537,688                   | \$2,547,116                          | 0.37                             |
| Gallons Sold to General<br>Customers | 319,873,000                   | 319,873,000                          | 0.00                             |
| Average Customer Count               | 7,241                         | 7,241                                | 0.00                             |

## EXHIBIT 8

### REVENUES WITH EXISTING RATES

|   |               |
|---|---------------|
| 1. Existing General Customers (2008)  | \$2,537,688   |
| 2. Customers Added to Existing System (See Ex. 4)<br>220 cust. x \$25.25 x 12 mo. = | 66,660        |
| 3. Burnside (2008)  | 17,872        |
| 4. Other Water Revenues (2008)  | <u>88,948</u> |

**TOTAL REVENUES** **\$2,711,168**

Pro Forma Revenue Requirement (Ex. 9) \$4,073,266

$$\text{Rate Increase Required} = \frac{4,073,266 - 17,872 - 88,948}{2,537,688 + 66,660} = 1.53 \text{ or } 53\%$$

## EXHIBIT 9

### RATE ADJUSTMENT AND PROJECTED WATER SALES REVENUES

|                        | <u>Existing Rate</u> | PHASE 4<br><u>Proposed Rate</u> | <u>Percent Increase</u> |
|------------------------|----------------------|---------------------------------|-------------------------|
| First 2000 Gal.        | \$ 15.50 (min.)      | \$23.25 (min.)                  | 50.0%                   |
| Over 2000 Gal.         | 6.50 per 1000 gals.  | 9.95 per 1000 gals.             | 53.0%                   |
| Avg. Bill of 3500 gal. | \$25.25              | \$38.18                         | 51.0%                   |

#### PROJECTED REVENUES

##### 1. Existing 2008 Customers

|                 | <u>Bills</u> | <u>Gallons</u> | <u>Proposed Rate</u> | <u>Projected Water Sales</u> |
|-----------------|--------------|----------------|----------------------|------------------------------|
| First 2000 Gal. | 86,892       |                | 23.25 (min.)         | \$ 2,020,239                 |
| Over 2000 Gal.  |              | 184,660        | 9.95 per 1000 gals.  | <u>1,837,367</u>             |
|                 |              | <b>TOTAL</b>   |                      | <b>\$ 3,857,606</b>          |

##### 1. Burnside

7,355 x \$2.74 \$ 20,153

##### 2. Added Customers to Existing System

220 cust. x \$38.18 x 12 \$ 100,795

##### 3. Proposed Phase 4

System Extensions: 14 cust. x \$38.18 x 12 \$ 6,414

**TOTAL PROJECTED WATER SALES REVENUES \$ 3,984,968**

**EXHIBIT 10**  
**CASH FLOW SUMMARY**

**1. REVENUES**

|                             |  |                    |
|-----------------------------|--|--------------------|
| 1.1 Water Sales (Exhibit 9) |  | \$3,984,968        |
| Misc. Service Revenues      |  | <u>88,948</u>      |
| <b>TOTAL REVENUES</b>       |  | <b>\$4,073,916</b> |

**2. O & M EXPENSES**

|                         |               |                    |
|-------------------------|---------------|--------------------|
| 2.1 2008                | \$2,422,163   |                    |
| 2.2 Adjustments to 2008 | 114,582       |                    |
| 2.3 Proposed Phase 4    | <u>10,136</u> |                    |
|                         |               | <b>\$2,546,881</b> |

**3. DEBT SERVICE**

|                      |                |                  |
|----------------------|----------------|------------------|
| 3.1 Existing (2008)  | \$429,652      |                  |
| 3.2 Adjustments      | 149,817        |                  |
| 3.3 Proposed Phase 4 | <u>219,542</u> |                  |
|                      |                | <b>\$799,011</b> |

**4. CAPITAL IMPROVEMENTS**

|                                      |  |                         |
|--------------------------------------|--|-------------------------|
|                                      |  | <b><u>\$647,473</u></b> |
| <b>AMOUNT LEFT FOR COVERAGE</b>      |  | <b>\$80,551</b>         |
| Total Projected Coverage (Exhibit 6) |  | \$79,901                |

## EXHIBIT 11

### SOUTHEASTERN WATER ASSOCIATION WHOLESALE WATER RATE TO BURNSIDE

#### 1.0 USAGE AND COST DATA

|                              | Million Gallons<br><u>Per Year</u> | Proportionate<br><u>Usage</u> |
|------------------------------|------------------------------------|-------------------------------|
| Southeastern Usage           | 150,053                            | .95                           |
| Burnside Usage               | <u>7,114</u>                       | <u>.05</u>                    |
| (Usage Period: 7-08 to 6-09) | 157,167                            | 1.00                          |

#### 1.1 COST OF JOINTLY USED FACILITIES

|  |        |                    |
|--|--------|--------------------|
| 6" Pipe - 24,000 L.F. @ \$3.40/LF .....    | \$     | 81,600             |
| 6" Gate Valves - 7 @ \$150/EA .....        |        | 1,050              |
| Creek Crossing - 300 LF @ \$45.00/LF ..... |        | 13,500             |
| Bore & Case - 180 @ \$40/EA .....          |        | 7,200              |
| Master Meter .....                         |        | <u>5,500</u>       |
| <br><i>Total Construction Cost</i> .....   | <br>\$ | <br>108,850        |
| <i>Non-Construction Cost</i> .....         |        | <u>27,212</u>      |
| <br><b>TOTAL PROJECT COST</b> .....        | <br>\$ | <br><b>136,062</b> |

#### 1.2 DEBT SERVICE

|   |            |
|---|------------|
| Loan – \$123,000                            |            |
| Assume 5% for 38 years                      |            |
| Debt Service = \$123,000 x .05929 = \$7,293 |            |
| Coverage @ 10%                              | <u>729</u> |
|   | \$8,022    |

#### 1.3 Annual Depreciation

|                              |                                      |
|------------------------------|--------------------------------------|
| \$ 108,850 ÷ 50 years =      | \$2,177                              |
| (1,327,000 + 175,000) ÷ 50 = | <u>30,040</u> (1247 Trans. Pipeline) |
|                              | \$32, 217                            |

(EXHIBIT 11 Continued)

1.4 INCH-MILES OF JOINTLY USED PIPELINE

$$\frac{24,000}{5,280} \times 6'' = 27 \text{ inch-miles}$$

$$\frac{26,000}{5,280} \times 8'' = \underline{39} \text{ inch-miles (1247 Trans. Pipeline)}$$

Total 66 inch-miles

2.0 COST OF SERVICE

|   | <u>Annual Cost</u> |
|---|--------------------|
| a. Purchased Water –<br>7,114 MGals ÷ 0.85 x \$2.00 <sup>(1)</sup>          | \$16,739           |
| b. Transmission and Distribution Expense<br>\$100 <sup>(2)</sup> x 66 x .05 | 330                |
| c. Debt Service -- 7,293 x .33 <sup>(3)</sup> x .05                         | 120                |
| d. Depreciation – \$32,217 x .05  | 1,611              |
| e. Coverage – \$729 x .33 <sup>(3)</sup> x .05                              | 12                 |
| f. Maintenance of Meters  |                    |
| Somerset Meter: \$100 x .05   | 5                  |
| Burnside Meter  | 100                |
| g. New Meter Cost: \$2,950 ÷ 5 yrs <sup>(4)</sup>                           | <u>590</u>         |
| <b>TOTAL ALLOCATED COST</b>   | <b>\$19,507</b>    |

**Rate = \$19,507 ÷ 7,114 = \$2.74/1,000 gals.**

(1) SEWA purchases water from Somerset at \$2.00 per thousand gallons.

(2) Cost per inch-mile from other water districts.

(3) Jointly Used Facilities Cost = \$108,850

Total Construction Cost = \$329,045 = 0.33

(4) New master meter to replace old one amortized over 5 year period.

(5) The jointly used facilities include the 6-inch and 8-inch pipelines and appurtenances along Hwy 1247 from the Somerset master meter on Hwy 914 to the Burnside connection. The gallons shown in Item 1 are gallons purchased per the utilities' records.

**APPENDIX 1**  
**PROJECT MAPS**

**[SEE EXHIBIT 10  
FOR PROJECT MAPS]**

**SUMMARY ADDENDUM**  
**TO**  
**PRELIMINARY ENGINEERING REPORT**

SUMMARY ADDENDUM  
TO  
PRELIMINARY ENGINEERING REPORT

DATED September 10, 2009

FOR

Southeastern Water Association  
James Road/Bandy Area Reinforcements  
(NAME OF PROJECT)

APPLICANT CONTACT PERSON Morris Vaughn

APPLICANT PHONE NUMBER 606-678-5501

APPLICANT TAX IDENTIFICATION NUMBER (TIN) 61-1282354

***ITEMS IN BOLD ITALIC PRINT ARE APPLICABLE TO SEWER SYSTEMS.***

In order to avoid unnecessary delays in application processing, the applicant and its consulting engineer should prepare a summary of the preliminary report in accordance with this Guide.

Please complete the applicable sections of the Summary Addendum. ***Please note, if water and sewer revenue will both be taken as security for the loan, all user information and characteristics of both utility systems will be needed even though the project will benefit only one utility.***

Feasibility reviews and grant determinations may be processed more accurately and more rapidly if the Summary/Addendum is submitted simultaneously with the preliminary engineering report, or as soon thereafter as possible.

I. GENERAL

A. Proposed Project: Provide a brief description of the proposed project. In addition to this summary, the applicant/engineer should submit a project map of the service area.

Water system reinforcements and extensions including approximately 47,000 LF of 8-inch pipe; 30,000 LF of 6-inch pipe; 13,000 LF of 4-inch pipe; two (2) booster pump stations; one 100,000 gallon and one 200,000 gallon elevated storage tanks. The project will provide service to 15 residences and a church camp.

II. **FACILITY CHARACTERISTICS OF EXISTING SEWER SYSTEM**

A. *Sewage Treatment:*

1. *Type* \_\_\_\_\_

2. *Method of Sludge Disposal* \_\_\_\_\_

3. *Cost per 1,000 gallons is sewage treatment is contracted:*

\$ \_\_\_\_\_

4. *Date Constructed* \_\_\_\_\_

B. *Treatment Capacity of Sewage Treatment Plant* \_\_\_\_\_

C. *Type of Sewage Collector System (Describe)* \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

D. *Number and Capacity of Sewage Lift Stations* \_\_\_\_\_

\_\_\_\_\_

**E. Sewage Collection System:**

Lineal Feet of Collection Lines, by size 6" \_\_\_\_\_ 8" \_\_\_\_\_  
10" \_\_\_\_\_ 12" \_\_\_\_\_, Larger \_\_\_\_\_  
Date(s) Constructed \_\_\_\_\_

**F. Conditions of Existing System:** Briefly describe the conditions and suitability for continued use of facility now owned by the applicant. Include any major renovation that will be needed within five to ten years.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**III. FACILITY CHARACTERISTICS OF EXISTING WATER SYSTEM**

A. Water Source: Describe adequacy of source (quality and quantity). Include an explanation of raw water source, raw water intake structure, treatment plant capacity, and current level of production (WTP). Also describe the adequacy of Water Purchase Contract if applicable.

Raw water source: Lake Cumberland – Excellent quality and quantity  
Somerset WTP: Capacity 10 MGD Average Prod. 6.5 MGD; Max. Day 8  
MGD  
Water purchase contract will be revised if required.

If the applicant purchases water:

Seller(s);

1. City of Somerset \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

Price/1,000 gallons:

1. \$2.00 \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

Present Estimated Market Value of Existing System: \$ \_\_\_\_\_

B. Water Storage:

|                                  |                     |   |               |   |
|----------------------------------|---------------------|---|---------------|---|
| Type:                            | Ground Storage Tank | 6 | Elevated Tank | 5 |
|                                  | Standpipe           | 2 | Other         |   |
| Number of Storage Structures     | 13                  |   |               |   |
| Total Storage Volume Capacity    | 1,550,000           |   |               |   |
| Date Storage Tank(s) Constructed | 1968-2005           |   |               |   |

C. Water Distribution System:

|  |   |         |     |         |
|--|---|---------|-----|---------|
| Pipe Material                          | PVC, AC, DT   |         |     |         |
| Lineal Feet of Pipe:                   | 3" Diameter   | 976,000 | 4"  | 778,000 |
|  | 6"  | 544,000 | 8"  | 49,800  |
|  | 10"   |         | 12" |         |
|  | 16"   |         | 20" |         |
|  | 24"   |         |     |         |
| Date(s) Water Lines Constructed        | 1967-2005   |         |     |         |
| Number and Capacity of Pump Station(s) | 400 GPM(3); 100 GPM (2);<br>75 GPM (1); 160 GPM (1); 90 GPM (1); 80 GPM (1) |         |     |         |

D. Condition of Existing Water System:

Briefly describe the condition and suitability for continued use of facility now owned by the applicant. Include any major renovation that will be needed within five to ten years.

Condition of system is generally good. Reinforcements of 3'' and 4'' pipelines in system will be needed. Two tanks and pump stations and reinforcements for major transmission arteries are required.

E. Percentage of Water Loss Existing System 14%

#### IV. EXISTING LONG-TERM INDEBTEDNESS (SEE ATTACHMENT IV)

##### A. List of Bonds and Notes:

| <u>Date of Issue</u> | <u>Bond/Note Holder</u> | <u>Principal Balance</u> | <u>Payment Date</u> | <u>Bond Type Water/Sewer*</u> |   | <u>Amount on Deposit in Reserve Account</u> |
|----------------------|-------------------------|--------------------------|---------------------|-------------------------------|---|---|
| 1991 Issue           | RD                      | \$295,658                | Feb 12              | %                             | % |   |
| 1995 Issue           | RD                      | \$718,286                | Sept 4              | %                             | % |   |
| 1197 Issue           | RD                      | \$1,676,217              | Oct 17              | %                             | % |   |
| 1992 Issue           | GECC                    | \$42,167                 | June 1              | %                             | % |   |
| 1996 Issue           | GECC                    | \$243,861                | June 1              | %                             | % |   |
| 2002 (Ph 1) Issue    | RD                      | \$1,387,802              | July 10             |                               |   |   |
| 2005 (Ph 2) Issue    | RD                      | \$1,784,385              | July 10             |                               |   |   |
| 2007 (Ph 3) Issue    | RD                      | \$2,749,022              | July 10             |                               |   |   |

\*If a combined issue, show attributable portion to each system.

##### B. Principal and Interest Payments: (Begin with Next Fiscal Year Payment)

| <u>Date of Issue</u> | <u>Bond/Note Holder</u> | <u>Payment Year 2010</u> |                         | <u>Payment Year 2011</u> |                         | <u>Payment Year 2012</u> |                         |
|----------------------|-------------------------|--------------------------|-------------------------|--------------------------|-------------------------|--------------------------|-------------------------|
|                      |                         | <u>Principal Payment</u> | <u>Interest Payment</u> | <u>Principal Payment</u> | <u>Interest Payment</u> | <u>Principal Payment</u> | <u>Interest Payment</u> |
| 1991 Issue           | RD                      | \$14,783                 | \$7,511                 | \$14,407                 | \$7,887                 | \$14,013                 | \$8,281                 |
| 1995 Issue           | RD                      | 21,030                   | 34,477                  | 22,040                   | 33,468                  | 23,098                   | 32,410                  |
| 1997 Issue           | RD                      | 50,632                   | 82,135                  | 53,113                   | 79,654                  | 55,716                   | 77,051                  |
| 1992 Issue           | GECC                    | 4,231                    | 2,108                   | 4,442                    | 1,897                   | 4,664                    | 1,675                   |
| 1996 Issue           | GECC                    | 10,573                   | 14,363                  | 11,195                   | 13,741                  | 11,855                   | 13,081                  |
| 2002 Issue           | RD                      | 18,586                   | 67,655                  | 19,492                   | 66,749                  | 20,442                   | 65,799                  |
| 2005 Issue           | RD                      | 21,270                   | 80,297                  | 22,227                   | 79,340                  | 23,227                   | 78,340                  |
| 2007 Issue           | RD                      | 29,548                   | 120,270                 | 30,481                   | 118,977                 | 32,175                   | 117,643                 |
| <b>TOTALS</b>        |                         | <b>\$170,653</b>         | <b>\$408,816</b>        | <b>\$177,397</b>         | <b>\$401,713</b>        | <b>\$185,190</b>         | <b>\$394,280</b>        |

Note: Total Existing Debt Service = \$579,470

V. EXISTING SHORT-TERM INDEBTEDNESS

A. List of All Short Term Debts: (Do Not Show Any Debt Listed in Paragraph IV Above)

| <u>Lender or Lesser</u> | <u>Date of Issue (Month &amp; Year)</u> | <u>Principal Balance</u> | <u>Purpose (Water and/ or Sewer)</u> | <u>Payment Date</u> | <u>Principal &amp; Interest Payment (P&amp;I)</u> | <u>Date to Be Paid In Full</u> |
|-------------------------|---|--------------------------|--------------------------------------|---------------------|---|--------------------------------|
| _____                   | _____                                   | _____                    | _____                                | _____               | _____   | _____                          |
| _____                   | _____                                   | _____                    | _____                                | _____               | _____   | _____                          |
| _____                   | _____                                   | _____                    | _____                                | _____               | _____   | _____                          |
| _____                   | _____                                   | _____                    | _____                                | _____               | _____   | _____                          |
| _____                   | _____                                   | _____                    | _____                                | _____               | _____   | _____                          |
| _____                   | _____                                   | _____                    | _____                                | _____               | _____   | _____                          |

VI. LAND AND RIGHTS - EXISTING SYSTEM(S)

|                                  |       |          |              |             |
|----------------------------------|-------|----------|--------------|-------------|
| Number of Treatment Plant Sites: | Water | --       | <i>Sewer</i> | _____       |
| Number of Storage Tank Sites:    | Water | 13       | <i>Sewer</i> | _____       |
| Number of Pump Stations:         | Water | 9        | <i>Sewer</i> | _____       |
| Total Acreage:                   | Water | 12 Acres | <i>Sewer</i> | _____ Acres |
| Purchase Price:                  | Water | \$40,000 | <i>Sewer</i> | _____ \$    |

VII. NUMBER OF EXISTING USERS

|  | Water | <i>Sewer</i> |
|--|-------|--------------|
| Residential (In Town)*                                     | _____ | _____        |
| Residential (Out of Town)*                                 | 7,279 | _____        |
| Non-Residential (In Town)                                  | _____ | _____        |
| Non-Residential (Out of Town)                              | 182   | _____        |
| Total  | 7,461 | _____        |
| Number to Total Potential Users Living in the Service Area | 8,000 | _____        |

VIII. CURRENT WATER AND SEWER CONNECTION FEES FOR EACH SIZE WATER METER CONNECTION

| <u>Meter Size</u> | <u>Water Connection Fee</u> | <u>Sewer Connection Fee</u> |
|-------------------|-----------------------------|-----------------------------|
| 5/8" x 3/4"       | \$525                       | \$                          |
| 1-inch            | \$ at cost                  | \$                          |

IX. SEWER RATES - EXISTING SYSTEM

Percentage of Water Bill \_\_\_\_\_ %    Minimum Charge \$ \_\_\_\_\_

Other: (If Charge Not Based on Water Bill) \_\_\_\_\_

---

Date This Rate Went Into Effect \_\_\_\_\_

X. WATER RATES - EXISTING SYSTEM

Existing Rate Schedule:

|          |       |           |         |                    |
|----------|-------|-----------|---------|--------------------|
| First    | 2,000 | Gallons @ | \$15.50 | Minimum.           |
| Next     |       | Gallons @ | \$      | per 1,000 Gallons. |
| Next     |       | Gallons @ | \$      | per 1,000 Gallons. |
| Next     |       | Gallons @ | \$      | per 1,000 Gallons. |
| Next     |       | Gallons @ | \$      | per 1,000 Gallons. |
| Next     |       | Gallons @ | \$      | per 1,000 Gallons. |
| All Over | 2,000 | Gallons @ | \$6.50  | per 1,000 Gallons. |

Date This Rate Went Into Effect August 29, 2006

If More Than One Rate Schedule, Please Include All Schedules.

**XI. ANALYSIS OF ACTUAL SEWER USAGE - EXISTING SYSTEM - 12 MONTH PERIOD**

For Period \_\_\_\_\_ to \_\_\_\_\_.

All  
Meter

| <u>Meter Sizes</u> | <u>Monthly Sewer Usage</u> | <u>Average</u>       | <u>Residential</u>  |                     | <u>Non-Residential</u> |                     |
|--------------------|----------------------------|----------------------|---------------------|---------------------|------------------------|---------------------|
|                    |                            |                      | <u>No. of Users</u> | <u>Usage (1000)</u> | <u>No. of Users</u>    | <u>Usage (1000)</u> |
| 0                  | - 2,000 Gal.               | 1,000                |                     |                     |                        |                     |
| 2,000              | - 3,000 Gal.               | 2,500                |                     |                     |                        |                     |
| 3,000              | - 4,000 Gal.               | 3,500                |                     |                     |                        |                     |
| 4,000              | - 5,000 Gal.               | 4,500                |                     |                     |                        |                     |
| 5,000              | - 6,000 Gal.               | 5,500                |                     |                     |                        |                     |
| 6,000              | - 7,000 Gal.               | 6,500                |                     |                     |                        |                     |
| 7,000              | - 8,000 Gal.               | 7,500                |                     |                     |                        |                     |
| 8,000              | - 9,000 Gal.               | 8,500                |                     |                     |                        |                     |
| 9,000              | - 10,000 Gal.              | 9,500                |                     |                     |                        |                     |
| 10,000             | - 11,000 Gal.              | 10,500               |                     |                     |                        |                     |
| 11,000             | - 12,000 Gal.              | 11,500               |                     |                     |                        |                     |
| 12,000             | - 13,000 Gal.              | 12,500               |                     |                     |                        |                     |
| 13,000             | - 14,000 Gal.              | 13,500               |                     |                     |                        |                     |
| 14,000             | - 15,000 Gal.              | 14,500               |                     |                     |                        |                     |
| 15,000             | - 16,000 Gal.              | 15,500               |                     |                     |                        |                     |
| 16,000             | - 17,000 Gal.              | 16,500               |                     |                     |                        |                     |
| 17,000             | - 18,000 Gal.              | 17,500               |                     |                     |                        |                     |
| 18,000             | - 19,000 Gal.              | 18,500               |                     |                     |                        |                     |
| 19,000             | - 20,000 Gal.              | 19,500               |                     |                     |                        |                     |
|                    | - Gal.                     |                      |                     |                     |                        |                     |
|                    | - Gal.                     |                      |                     |                     |                        |                     |
|                    | - Gal.                     |                      |                     |                     |                        |                     |
|                    |                            | <b>Total</b>         | ( )                 | ( )                 | ( )                    | ( )                 |
|                    |                            | <b>Average Usage</b> |                     | ( )                 |                        | ( )                 |



**XIII. FACILITY CHARACTERISTICS OF PROPOSED SEWER SYSTEM**

**A. Sewage Treatment:**

1. Type \_\_\_\_\_
2. Method of Sludge Disposal \_\_\_\_\_  
\_\_\_\_\_
3. Cost per 1,000 gallons if sewage treatment is contracted:  
\$ \_\_\_\_\_  
\_\_\_\_\_

**B. Treatment Capacity of Sewage Treatment Plant** \_\_\_\_\_

**C. Type of Sewage Collector System (Describe)** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**D. Number and Capacity of Sewage Lift Stations** \_\_\_\_\_  
\_\_\_\_\_

**E. Sewage Collection System:**

Lineal Feet of Collector Lines, by size 6" \_\_\_\_\_ 8" \_\_\_\_\_  
10" \_\_\_\_\_ 12" \_\_\_\_\_ Larger \_\_\_\_\_

**XIV. LAND AND RIGHTS - PROPOSED SEWER SYSTEM**

|  |                    |
|--|--------------------|
| <i>Number of Treatment Plant Sites</i> | _____              |
| <i>Number of Pump Sites</i>            | _____              |
| <i>Number of Other Sites</i>           | _____              |
| <i>Total Acreage</i>                   | <i>Acres</i> _____ |
| <i>Purchase Price</i>                  | <i>\$</i> _____    |

XV. FACILITY CHARACTERISTICS OF PROPOSED WATER SYSTEM

A. Water Source: Describe adequacy of source (quality and quantity). Include an explanation of raw water source, raw water intake structure, treatment plant capacity, and current level of production (WTP). Also describe the adequacy of Water Purchase Contract if applicable.

See III A.

B. Water Storage:

|                               |                |               |          |
|-------------------------------|----------------|---------------|----------|
| Type: Ground Storage Tank     | _____          | Elevated Tank | <u>2</u> |
| Standpipe                     | _____          | Other         | _____    |
| Number of Storage Structures  | <u>2</u>       |               |          |
| Total Storage Volume Capacity | <u>300,000</u> |               |          |

C. Water Distribution System:

|  |                                 |     |               |
|--|---------------------------------|-----|---------------|
| Pipe Material                          | <u>PVC</u>                      |     |               |
| Lineal Feet of Pipe:                   | 3" Diameter                     | 4"  | <u>13,000</u> |
|  | 6" <u>30,000</u>                | 8"  | <u>47,000</u> |
|  | 10" _____                       | 12" | _____         |
| Number and Capacity of Pump Station(s) | <u>175 GPM (1); 200 GPM (1)</u> |     |               |

XVI. LAND AND RIGHTS - PROPOSED WATER SYSTEM

|                                 |                                      |
|---------------------------------|--------------------------------------|
| Number of Treatment Plant Sites | _____                                |
| Number of Storage Tank Sites    | <u>1 (one tank on existing site)</u> |
| Number of Pump Stations         | <u>2</u>                             |
| Total Acreage                   | <u>0.8Acres</u>                      |
| Purchase Price                  | <u>NA</u>                            |

**XVII. NUMBER OF NEW SEWER USERS**

|   |       |
|---|-------|
| <i>Residential (In Town)*</i>                                     | _____ |
| <i>Residential (Out of Town)*</i>                                 | _____ |
| <i>Non-Residential (In Town)</i>                                  | _____ |
| <i>Non-Residential (Out of Town)</i>                              | _____ |
| <i>Total</i>  | _____ |
| <i>Number to Total Potential Users Living in the Service Area</i> | _____ |

**\*Note:** *Residential Users: Classify by type of user regardless of quantity of water used. This classification should include those meters serving individual rural residences.*

**XVIII. PROPOSED SEWER CONNECTION FEES FOR EACH SIZE WATER METER CONNECTION**

| <u>Meter Size</u> | <u>Connection Fee</u> |
|-------------------|-----------------------|
| 5/8" x 3/4"       | \$ _____              |
| 1-Inch            | \$ _____              |
| 1-1/2 Inch        | \$ _____              |
| 2-Inch            | \$ _____              |
| 3-Inch            | \$ _____              |
| 4-Inch            | \$ _____              |
| 5-Inch            | \$ _____              |
| 6-Inch            | \$ _____              |

XIX. NUMBER OF NEW WATER USERS

|  |    |
|--|----|
| Residential (In Town)*                                     |    |
| Residential (Out of Town)*                                 | 15 |
| Non-Residential (In Town)                                  |    |
| Non-Residential (Out of Town)                              | 1  |
| Total  |    |
| Number to Total Potential Users Living in the Service Area | 16 |

\*Note: Residential Users: Classify by type of user regardless of quantity of water used. This classification should include those meters serving individual rural residences.

XX. PROPOSED WATER CONNECTION FEES FOR EACH SIZE WATER METER CONNECTION

| <u>Meter Size</u> | <u>Connection Fee</u> |
|-------------------|-----------------------|
| 5/8" x 3/4"       | \$525                 |
| 1-Inch            | \$ at cost            |
| 1-1/2 Inch        | \$                    |
| 2-Inch            | \$                    |
| 3-Inch            | \$                    |
| 4-Inch            | \$                    |
| 5-Inch            | \$                    |
| 6-Inch            | \$                    |

**XXI. SEWER RATES - PROPOSED**

**A. Proposed Rate Schedule without RUS Grant:**

Percentage of Water Bill \_\_\_\_\_ % Minimum Charge \$ \_\_\_\_\_  
 Other: (If Charge Not Based on Water Bill) \_\_\_\_\_

**Proposed Rate Schedule: (Without RUS Grant)**

|                 |       |           |          |                           |
|-----------------|-------|-----------|----------|---------------------------|
| <i>First</i>    | _____ | Gallons @ | \$ _____ | <i>Minimum.</i>           |
| <i>Next</i>     | _____ | Gallons @ | \$ _____ | <i>per 1,000 Gallons.</i> |
| <i>Next</i>     | _____ | Gallons @ | \$ _____ | <i>per 1,000 Gallons.</i> |
| <i>Next</i>     | _____ | Gallons @ | \$ _____ | <i>per 1,000 Gallons.</i> |
| <i>Next</i>     | _____ | Gallons @ | \$ _____ | <i>per 1,000 Gallons.</i> |
| <i>Next</i>     | _____ | Gallons @ | \$ _____ | <i>per 1,000 Gallons.</i> |
| <i>All Over</i> | _____ | Gallons @ | \$ _____ | <i>per 1,000 Gallons.</i> |

*The above proposed rate, without RUS grant, must be completed for each grant. If the applicant/engineer desires, there is no objection to recommending a proposed rate with an estimated RUS grant in the Table below. However, the preparer should remember that the Table (A) above must be completed prior to Table (B).*

**B. Recommended Rate Schedule with RUS Grant:**

Percentage of Water Bill \_\_\_\_\_ % Minimum Charge \$ \_\_\_\_\_  
 Other: (If Charge Not Based on Water Bill) \_\_\_\_\_

**Proposed Rate Schedule: (With RUS Grant)**

|                 |       |           |          |                           |
|-----------------|-------|-----------|----------|---------------------------|
| <i>First</i>    | _____ | Gallons @ | \$ _____ | <i>Minimum.</i>           |
| <i>Next</i>     | _____ | Gallons @ | \$ _____ | <i>per 1,000 Gallons.</i> |
| <i>Next</i>     | _____ | Gallons @ | \$ _____ | <i>per 1,000 Gallons.</i> |
| <i>Next</i>     | _____ | Gallons @ | \$ _____ | <i>per 1,000 Gallons.</i> |
| <i>Next</i>     | _____ | Gallons @ | \$ _____ | <i>per 1,000 Gallons.</i> |
| <i>Next</i>     | _____ | Gallons @ | \$ _____ | <i>per 1,000 Gallons.</i> |
| <i>All Over</i> | _____ | Gallons @ | \$ _____ | <i>per 1,000 Gallons.</i> |

*If more than one rate, use additional sheets.*

XXII. WATER RATES – PROPOSED

A. Proposed Rate Schedule Without RUS Grant:

|          |              |           |                |                    |
|----------|--------------|-----------|----------------|--------------------|
| First    | <u>2,000</u> | Gallons @ | <u>\$23.72</u> | Minimum.           |
| Next     |              | Gallons @ | <u>\$</u>      | per 1,000 Gallons. |
| Next     |              | Gallons @ | <u>\$</u>      | per 1,000 Gallons. |
| Next     |              | Gallons @ | <u>\$</u>      | per 1,000 Gallons. |
| Next     |              | Gallons @ | <u>\$</u>      | per 1,000 Gallons. |
| Next     |              | Gallons @ | <u>\$</u>      | per 1,000 Gallons. |
| All Over | <u>2,000</u> | Gallons @ | <u>\$10.00</u> | per 1,000 Gallons. |

The above proposed rate, without RUS grant, must be completed for each grant. If the applicant/engineer desires, there is no objection to recommending a proposed rate with an estimated RUS grant in the Table below. However, the preparer should remember that the Table (A) above must be completed prior to Table (B).

B. Recommended Rate Schedule with RUS Grant:

|          |              |           |                |                    |
|----------|--------------|-----------|----------------|--------------------|
| First    | <u>2,000</u> | Gallons @ | <u>\$23.25</u> | Minimum.           |
| Next     |              | Gallons @ | <u>\$</u>      | per 1,000 Gallons. |
| Next     |              | Gallons @ | <u>\$</u>      | per 1,000 Gallons. |
| Next     |              | Gallons @ | <u>\$</u>      | per 1,000 Gallons. |
| Next     |              | Gallons @ | <u>\$</u>      | per 1,000 Gallons. |
| Next     |              | Gallons @ | <u>\$</u>      | per 1,000 Gallons. |
| All Over | <u>2,000</u> | Gallons @ | <u>\$9.95</u>  | per 1,000 Gallons. |

If more than one rate, use additional sheets.

Burnside Wholesale Rate \$2.74 per 1,000 gallons (see Exhibit 11 in Preliminary Engineering Report).

**XXIII. FORECAST OF SEWER USAGE - INCOME - EXISTING SYSTEM - EXISTING USERS**

| Meter Size*    | Monthly Sewer Usage |   |                              | Average Rate | Residential    |              |        | Non-Residential |              |        |
|----------------|---------------------|---|------------------------------|--------------|----------------|--------------|--------|-----------------|--------------|--------|
|                |                     |   |                              |              | No. of Users** | Usage (1000) | Income | No. of Users    | Usage (1000) | Income |
|                | 0                   | - | 2,000 Gal.                   | 1,000        |                |              |        |                 |              |        |
|                | 2,000               | - | 3,000 Gal.                   | 2,500        |                |              |        |                 |              |        |
|                | 3,000               | - | 4,000 Gal.                   | 3,500        |                |              |        |                 |              |        |
|                | 4,000               | - | 5,000 Gal.                   | 4,500        |                |              |        |                 |              |        |
|                | 5,000               | - | 6,000 Gal.                   | 5,500        |                |              |        |                 |              |        |
|                | 6,000               | - | 7,000 Gal.                   | 6,500        |                |              |        |                 |              |        |
| 5/8 x 3/4 Inch | 7,000               | - | 8,000 Gal.                   | 7,500        |                |              |        |                 |              |        |
|                | 8,000               | - | 9,000 Gal.                   | 8,500        |                |              |        |                 |              |        |
|                | 9,000               | - | 10,000 Gal.                  | 9,500        |                |              |        |                 |              |        |
|                | 10,000              | - | 11,000 Gal.                  | 10,500       |                |              |        |                 |              |        |
|                | 11,000              | - | 12,000 Gal.                  | 11,500       |                |              |        |                 |              |        |
|                | 12,000              | - | 13,000 Gal.                  | 12,500       |                |              |        |                 |              |        |
|                | 13,000              | - | 14,000 Gal.                  | 13,500       |                |              |        |                 |              |        |
|                | 14,000              | - | 15,000 Gal.                  | 14,500       |                |              |        |                 |              |        |
|                | 15,000              | - | 16,000 Gal.                  | 15,500       |                |              |        |                 |              |        |
|                | 16,000              | - | 17,000 Gal.                  | 16,500       |                |              |        |                 |              |        |
|                | 17,000              | - | 18,000 Gal.                  | 17,500       |                |              |        |                 |              |        |
|                | 18,000              | - | 19,000 Gal.                  | 18,500       |                |              |        |                 |              |        |
|                | 19,000              | - | 20,000 Gal.                  | 19,500       |                |              |        |                 |              |        |
|                |                     | - | Gal.                         |              |                |              |        |                 |              |        |
|                |                     | - | Gal.                         |              |                |              |        |                 |              |        |
|                |                     | - | Gal.                         |              |                |              |        |                 |              |        |
|                |                     |   | <b>Subtotal</b>              |              | ( )            | ( )          | ( )    | ( )             | ( )          | ( )    |
|                |                     |   | <b>Average Monthly Rate</b>  | ( )          |                |              |        |                 |              |        |
|                |                     |   | <b>Average Monthly Usage</b> |              | ( )            |              |        | ( )             |              |        |

\* Breakdown of meter size usage is not required unless different sewer rates are charged based on size of water meter.

\*\* Number of users should reflect the actual number of "meter settings".

|               |       |                 |       |       |       |       |       |       |       |
|---------------|-------|-----------------|-------|-------|-------|-------|-------|-------|-------|
| 1-Inch        | _____ | Gal.            | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               | _____ | Gal.            | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               | _____ | Gal.            | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               | _____ | Gal.            | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               | _____ | Gal.            | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               |       | <i>Subtotal</i> |       |       | ( )   | ( )   | ( )   | ( )   | ( )   |
| 1-1/2<br>Inch | _____ | Gal.            | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               | _____ | Gal.            | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               | _____ | Gal.            | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               | _____ | Gal.            | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               | _____ | Gal.            | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               |       | <i>Subtotal</i> |       |       | ( )   | ( )   | ( )   | ( )   | ( )   |
| 2-<br>Inch    | _____ | Gal.            | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               | _____ | Gal.            | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               | _____ | Gal.            | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               | _____ | Gal.            | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               | _____ | Gal.            | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               |       | <i>Subtotal</i> |       |       | ( )   | ( )   | ( )   | ( )   | ( )   |
| 3-<br>Inch    | _____ | Gal.            | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               | _____ | Gal.            | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               | _____ | Gal.            | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               | _____ | Gal.            | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               | _____ | Gal.            | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               |       | <i>Subtotal</i> |       |       | ( )   | ( )   | ( )   | ( )   | ( )   |
| 4-Inch        | _____ | Gal.            | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               | _____ | Gal.            | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               | _____ | Gal.            | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               | _____ | Gal.            | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               | _____ | Gal.            | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               |       | <i>Subtotal</i> |       |       | ( )   | ( )   | ( )   | ( )   | ( )   |

\* Breakdown of meter size usage is not required unless different sewer rates are charged based on size of water meter.

\*\* Number of users should reflect the actual number of "meter settings".

|            |       |               |                 |       |       |       |       |       |       |
|------------|-------|---------------|-----------------|-------|-------|-------|-------|-------|-------|
| 5-<br>Inch | _____ | _____ Gal.    | _____           | _____ | _____ | _____ | _____ | _____ | _____ |
|            | _____ | _____ Gal.    | _____           | _____ | _____ | _____ | _____ | _____ | _____ |
|            | _____ | _____ Gal.    | _____           | _____ | _____ | _____ | _____ | _____ | _____ |
|            | _____ | _____ Gal.    | _____           | _____ | _____ | _____ | _____ | _____ | _____ |
|            | _____ | _____ Gal.    | _____           | _____ | _____ | _____ | _____ | _____ | _____ |
|            |       |               | <i>Subtotal</i> |       | ( )   | ( )   | ( )   | ( )   | ( )   |
| 6-<br>Inch | _____ | _____ Gal.    | _____           | _____ | _____ | _____ | _____ | _____ | _____ |
|            | _____ | _____ Gal.    | _____           | _____ | _____ | _____ | _____ | _____ | _____ |
|            | _____ | _____ Gal.    | _____           | _____ | _____ | _____ | _____ | _____ | _____ |
|            | _____ | _____ Gal.    | _____           | _____ | _____ | _____ | _____ | _____ | _____ |
|            | _____ | _____ Gal.    | _____           | _____ | _____ | _____ | _____ | _____ | _____ |
|            |       |               | <i>Subtotal</i> |       | ( )   | ( )   | ( )   | ( )   | ( )   |
|            |       | <b>TOTALS</b> |                 | ( )   | ( )   | ( )   |       |       |       |

**MULTI-FAMILY AND APARTMENT USER ANALYSIS**

*If billed as a typical user, the information should be included in the residential information above. If not billed as a typical residential user, please explain below.*

| <i>Name of Unit</i> | <i>Number of Units</i> | <i>Number of Meters</i> | <i>Revenue Calculations</i> |
|---------------------|------------------------|-------------------------|-----------------------------|
| _____               | _____                  | _____                   | _____                       |
| _____               | _____                  | _____                   | _____                       |
| _____               | _____                  | _____                   | _____                       |
| _____               | _____                  | _____                   | _____                       |
| _____               | _____                  | _____                   | _____                       |
| _____               | _____                  | _____                   | _____                       |
| _____               | _____                  | _____                   | _____                       |

\* Breakdown of meter size usage is not required unless different sewer rates are charged based on size of water meter.

\*\* Number of users should reflect the actual number of "meter settings".



|               |       |                 |       |       |       |       |       |       |       |
|---------------|-------|-----------------|-------|-------|-------|-------|-------|-------|-------|
| 1-Inch        | _____ | Gal.            | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               | _____ | Gal.            | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               | _____ | Gal.            | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               | _____ | Gal.            | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               | _____ | Gal.            | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               |       | <i>Subtotal</i> |       |       | ( )   | ( )   | ( )   | ( )   | ( )   |
| 1-1/2<br>Inch | _____ | Gal.            | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               | _____ | Gal.            | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               | _____ | Gal.            | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               | _____ | Gal.            | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               | _____ | Gal.            | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               |       | <i>Subtotal</i> |       |       | ( )   | ( )   | ( )   | ( )   | ( )   |
| 2-<br>Inch    | _____ | Gal.            | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               | _____ | Gal.            | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               | _____ | Gal.            | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               | _____ | Gal.            | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               | _____ | Gal.            | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               |       | <i>Subtotal</i> |       |       | ( )   | ( )   | ( )   | ( )   | ( )   |
| 3-<br>Inch    | _____ | Gal.            | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               | _____ | Gal.            | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               | _____ | Gal.            | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               | _____ | Gal.            | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               | _____ | Gal.            | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               |       | <i>Subtotal</i> |       |       | ( )   | ( )   | ( )   | ( )   | ( )   |
| 4-Inch        | _____ | Gal.            | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               | _____ | Gal.            | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               | _____ | Gal.            | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               | _____ | Gal.            | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               | _____ | Gal.            | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               |       | <i>Subtotal</i> |       |       | ( )   | ( )   | ( )   | ( )   | ( )   |

\* Breakdown of meter size usage is not required unless different sewer rates are charged based on size of water meter.

\*\* Number of users should reflect the actual number of "meter settings".

|            |       |               |                 |       |       |       |       |       |       |
|------------|-------|---------------|-----------------|-------|-------|-------|-------|-------|-------|
| 5-<br>Inch | _____ | _____         | Gal.            | _____ | _____ | _____ | _____ | _____ | _____ |
|            | _____ | _____         | Gal.            | _____ | _____ | _____ | _____ | _____ | _____ |
|            | _____ | _____         | Gal.            | _____ | _____ | _____ | _____ | _____ | _____ |
|            | _____ | _____         | Gal.            | _____ | _____ | _____ | _____ | _____ | _____ |
|            | _____ | _____         | Gal.            | _____ | _____ | _____ | _____ | _____ | _____ |
|            |       |               | <i>Subtotal</i> |       | ( )   | ( )   | ( )   | ( )   | ( )   |
| 6-<br>Inch | _____ | _____         | Gal.            | _____ | _____ | _____ | _____ | _____ | _____ |
|            | _____ | _____         | Gal.            | _____ | _____ | _____ | _____ | _____ | _____ |
|            | _____ | _____         | Gal.            | _____ | _____ | _____ | _____ | _____ | _____ |
|            | _____ | _____         | Gal.            | _____ | _____ | _____ | _____ | _____ | _____ |
|            | _____ | _____         | Gal.            | _____ | _____ | _____ | _____ | _____ | _____ |
|            |       |               | <i>Subtotal</i> |       | ( )   | ( )   | ( )   | ( )   | ( )   |
|            |       | <b>TOTALS</b> |                 | ( )   | ( )   | ( )   |       |       |       |

**MULTI-FAMILY AND APARTMENT USER ANALYSIS**

*If billed as a typical user, the information should be included in the residential information above. If not billed as a typical residential user, please explain below.*

| <i>Name of Unit</i> | <i>Number of Units</i> | <i>Number of Meters</i> | <i>Revenue Calculations</i> |
|---------------------|------------------------|-------------------------|-----------------------------|
| _____               | _____                  | _____                   | _____                       |
| _____               | _____                  | _____                   | _____                       |
| _____               | _____                  | _____                   | _____                       |
| _____               | _____                  | _____                   | _____                       |
| _____               | _____                  | _____                   | _____                       |
| _____               | _____                  | _____                   | _____                       |
| _____               | _____                  | _____                   | _____                       |

\* *Breakdown of meter size usage is not required unless different sewer rates are charged based on size of water meter.*

\*\* *Number of users should reflect the actual number of "meter settings".*

XXV. FORECAST OF WATER USAGE - INCOME - EXISTING SYSTEM - EXISTING USERS

| Meter Size* | Monthly Water Usage |   |             | Average                            | Average Rate | Residential    |              |           | Non-Residential |              |          |
|-------------|---------------------|---|-------------|------------------------------------|--------------|----------------|--------------|-----------|-----------------|--------------|----------|
|             |                     |   |             |                                    |              | No. of Users** | Usage (1000) | Income    | No. of Users    | Usage (1000) | Income   |
|             | 0                   | - | 2,000 Gal.  | 1,000                              | \$23.25      | 31,235         | 25,792       | \$726,214 | 1310            | 727          | \$30,458 |
|             | 2,000               | - | 3,000 Gal.  | 2,500                              | 28.23        | 14,564         | 37,095       | 411,142   | 151             | 378          | 4,263    |
|             | 3,000               | - | 4,000 Gal.  | 3,500                              | 38.18        | 12,660         | 44,558       | 483,359   | 81              | 285          | 3,093    |
|             | 4,000               | - | 5,000 Gal.  | 4,500                              | 48.13        | 9,117          | 41,117       | 438,801   | 66              | 301          | 3,176    |
|             | 5,000               | - | 6,000 Gal.  | 5,500                              | 58.08        | 6,017          | 33,117       | 349,467   | 57              | 317          | 3,311    |
|             | 6,000               | - | 7,000 Gal.  | 6,500                              | 68.03        | 3,587          | 23,279       | 244,024   | 57              | 373          | 3,878    |
| 5/8 x 3/4   | 7,000               | - | 8,000 Gal.  | 7,500                              | 77.98        | 2,228          | 16,695       | 173,739   | 47              | 353          | 3,665    |
| Inch        | 8,000               | - | 9,000 Gal.  | 8,500                              | 87.93        | 1,482          | 12,592       | 130,312   | 37              | 316          | 3,253    |
|             | 9,000               | - | 10,000 Gal. | 9,500                              | 97.88        | 955            | 9,062        | 93,475    | 27              | 259          | 2,643    |
|             | 10,000              | - | 11,000 Gal. | 10,500                             | 107.83       | 637            | 6,678        | 68,688    | 20              | 212          | 2,157    |
|             | 11,000              | - | 12,000 Gal. | 11,500                             | 117.78       | 418            | 4,800        | 49,232    | 19              | 221          | 2,238    |
|             | 12,000              | - | 13,000 Gal. | 12,500                             | 127.73       | 308            | 3,857        | 39,341    | 13              | 162          | 1,660    |
|             | 13,000              | - | 14,000 Gal. | 13,500                             | 137.68       | 232            | 3,123        | 31,942    | 14              | 189          | 1,927    |
|             | 14,000              | - | 15,000 Gal. | 14,500                             | 147.63       | 154            | 2,227        | 22,735    | 15              | 218          | 2,214    |
|             | 15,000              | - | 16,000 Gal. | 15,500                             | 157.58       | 165            | 2,556        | 26,001    | 10              | 156          | 1,576    |
|             | 16,000              | - | 17,000 Gal. | 16,500                             | 167.53       | 114            | 1,876        | 19,098    | 7               | 116          | 1,173    |
|             | 17,000              | - | 18,000 Gal. | 17,500                             | 177.48       | 71             | 1,241        | 12,601    | 10              | 177          | 1,775    |
|             | 18,000              | - | 19,000 Gal. | 18,500                             | 187.43       | 76             | 1,415        | 14,245    | 11              | 205          | 2,062    |
|             | 19,000              | - | 20,000 Gal. | 19,500                             | 197.38       | 65             | 1,267        | 12,830    | 12              | 234          | 2,368    |
|             | over                |   | 20,000 Gal. | 41,400                             | 415.28       | 623            | 25,803       | 258,719   |                 |              |          |
|             | over                |   | 20,000      | 75,000                             | 749.60       |                |              |           | 220             | 16,524       | 164,912  |
|             |                     |   |             | Subtotal                           |              | 84,708         | 298,150      | 3,605,965 | 2,184           | 21,723       | 241,801  |
|             |                     |   |             | Average Monthly Rate               | 38.18        |                |              |           |                 |              |          |
|             |                     |   |             | Average Monthly Usage              |              |                | 3.5          |           |                 |              |          |
|             |                     |   |             | Added Customers to Existing System | 38.18        | 2,640          |              | 100,795   |                 |              |          |
|             |                     |   |             |                                    |              |                |              | 3,706,760 |                 |              |          |

\* Breakdown of meter size usage is not required unless different water rates are charged based on size of water meter.

\*\* Number of users should reflect the actual number of “meter settings”.

City of Burnside

|               |       | Gal.       | 2.74 per<br>1,000 gals. |       |       |       | 12 | 7,355 | 20,153 |
|---------------|-------|------------|-------------------------|-------|-------|-------|----|-------|--------|
| 1-Inch        | _____ | _____ Gal. | _____                   | _____ | _____ | _____ |    |       |        |
|               | _____ | _____ Gal. | _____                   | _____ | _____ | _____ |    |       |        |
|               | _____ | _____ Gal. | _____                   | _____ | _____ | _____ |    |       |        |
|               | _____ | _____ Gal. | _____                   | _____ | _____ | _____ |    |       |        |
|               | _____ | _____ Gal. | _____                   | _____ | _____ | _____ |    |       |        |
|               |       | Subtotal   |                         |       |       |       |    |       | 20,153 |
| 1-1/2<br>Inch | _____ | _____ Gal. | _____                   | _____ | _____ | _____ |    |       |        |
|               | _____ | _____ Gal. | _____                   | _____ | _____ | _____ |    |       |        |
|               | _____ | _____ Gal. | _____                   | _____ | _____ | _____ |    |       |        |
|               | _____ | _____ Gal. | _____                   | _____ | _____ | _____ |    |       |        |
|               | _____ | _____ Gal. | _____                   | _____ | _____ | _____ |    |       |        |
|               |       | Subtotal   |                         |       |       |       |    |       |        |
| 2- Inch       | _____ | _____ Gal. | _____                   | _____ | _____ | _____ |    |       |        |
|               | _____ | _____ Gal. | _____                   | _____ | _____ | _____ |    |       |        |
|               | _____ | _____ Gal. | _____                   | _____ | _____ | _____ |    |       |        |
|               | _____ | _____ Gal. | _____                   | _____ | _____ | _____ |    |       |        |
|               | _____ | _____ Gal. | _____                   | _____ | _____ | _____ |    |       |        |
|               |       | Subtotal   |                         |       |       |       |    |       |        |
| 3- Inch       | _____ | _____ Gal. | _____                   | _____ | _____ | _____ |    |       |        |
|               | _____ | _____ Gal. | _____                   | _____ | _____ | _____ |    |       |        |
|               | _____ | _____ Gal. | _____                   | _____ | _____ | _____ |    |       |        |
|               | _____ | _____ Gal. | _____                   | _____ | _____ | _____ |    |       |        |
|               | _____ | _____ Gal. | _____                   | _____ | _____ | _____ |    |       |        |
|               |       | Subtotal   |                         |       |       |       |    |       |        |
| 4-Inch        | _____ | _____ Gal. | _____                   | _____ | _____ | _____ |    |       |        |
|               | _____ | _____ Gal. | _____                   | _____ | _____ | _____ |    |       |        |
|               | _____ | _____ Gal. | _____                   | _____ | _____ | _____ |    |       |        |
|               | _____ | _____ Gal. | _____                   | _____ | _____ | _____ |    |       |        |
|               | _____ | _____ Gal. | _____                   | _____ | _____ | _____ |    |       |        |
|               |       | Subtotal   |                         |       |       |       |    |       |        |

\* Breakdown of meter size usage is not required unless different water rates are charged based on size of water meter.

\*\* Number of users should reflect the actual number of “meter settings”.

|        |  |          |  |  |        |         |           |       |        |         |
|--------|--|----------|--|--|--------|---------|-----------|-------|--------|---------|
|        |  | Gal.     |  |  |        |         |           |       |        |         |
|        |  | Gal.     |  |  |        |         |           |       |        |         |
|        |  | Gal.     |  |  |        |         |           |       |        |         |
|        |  | Gal.     |  |  |        |         |           |       |        |         |
|        |  | Gal.     |  |  |        |         |           |       |        |         |
|        |  | Subtotal |  |  |        |         |           |       |        |         |
|        |  | Gal.     |  |  |        |         |           |       |        |         |
|        |  | Gal.     |  |  |        |         |           |       |        |         |
| 6-Inch |  | Gal.     |  |  |        |         |           |       |        |         |
|        |  | Gal.     |  |  |        |         |           |       |        |         |
|        |  | Gal.     |  |  |        |         |           |       |        |         |
|        |  | Subtotal |  |  |        |         |           |       |        |         |
|        |  | TOTALS   |  |  | 84,708 | 298,150 | 3,706,760 | 2,196 | 29,078 | 261,954 |

MULTI-FAMILY AND APARTMENT USER ANALYSIS

If billed as a typical user, the information should be included in the residential information above. If not billed as a typical residential user, please explain below.

| Name of Unit | Number of Units | Number of Meters | Revenue Calculations |
|--------------|-----------------|------------------|----------------------|
|              |                 |                  |                      |
|              |                 |                  |                      |
|              |                 |                  |                      |
|              |                 |                  |                      |
|              |                 |                  |                      |
|              |                 |                  |                      |
|              |                 |                  |                      |

\* Breakdown of meter size usage is not required unless different water rates are charged based on size of water meter.

\*\* Number of users should reflect the actual number of "meter settings".

XXVI. FORECAST OF WATER USAGE - INCOME - NEW USERS - EXTENSION ONLY

| Meter Size* | Monthly Sewer Usage |   |                       | Average Rate | Residential    |              |        | Non-Residential |              |        |     |
|-------------|---------------------|---|-----------------------|--------------|----------------|--------------|--------|-----------------|--------------|--------|-----|
|             |                     |   |                       |              | No. of Users** | Usage (1000) | Income | No. of Users    | Usage (1000) | Income |     |
|             | 0                   | - | 2,000 Gal.            | 1,000        |                |              |        |                 |              |        |     |
|             | 2,000               | - | 3,000 Gal.            | 2,500        |                |              |        |                 |              |        |     |
|             | 3,000               | - | 4,000 Gal.            | 3,500        | \$38.18        | 168          | 588    | 6,414           |              |        |     |
|             | 4,000               | - | 5,000 Gal.            | 4,500        |                |              |        |                 |              |        |     |
|             | 5,000               | - | 6,000 Gal.            | 5,500        |                |              |        |                 |              |        |     |
|             | 6,000               | - | 7,000 Gal.            | 6,500        |                |              |        |                 |              |        |     |
| 5/8 x 3/4   | 7,000               | - | 8,000 Gal.            | 7,500        |                |              |        |                 |              |        |     |
| Inch        | 8,000               | - | 9,000 Gal.            | 8,500        |                |              |        |                 |              |        |     |
|             | 9,000               | - | 10,000 Gal.           | 9,500        |                |              |        |                 |              |        |     |
|             | 10,000              | - | 11,000 Gal.           | 10,500       |                |              |        |                 |              |        |     |
|             | 11,000              | - | 12,000 Gal.           | 11,500       |                |              |        |                 |              |        |     |
|             | 12,000              | - | 13,000 Gal.           | 12,500       |                |              |        |                 |              |        |     |
|             | 13,000              | - | 14,000 Gal.           | 13,500       |                |              |        |                 |              |        |     |
|             | 14,000              | - | 15,000 Gal.           | 14,500       |                |              |        |                 |              |        |     |
|             | 15,000              | - | 16,000 Gal.           | 15,500       |                |              |        |                 |              |        |     |
|             | 16,000              | - | 17,000 Gal.           | 16,500       |                |              |        |                 |              |        |     |
|             | 17,000              | - | 18,000 Gal.           | 17,500       |                |              |        |                 |              |        |     |
|             | 18,000              | - | 19,000 Gal.           | 18,500       |                |              |        |                 |              |        |     |
|             | 19,000              | - | 20,000 Gal.           | 19,500       |                |              |        |                 |              |        |     |
|             |                     | - | Gal.                  |              |                |              |        |                 |              |        |     |
|             |                     | - | Gal.                  |              |                |              |        |                 |              |        |     |
|             |                     | - | Gal.                  |              |                |              |        |                 |              |        |     |
|             |                     |   | Subtotal              |              |                | 168          | 588    | 6,414           | ( )          | ( )    | ( ) |
|             |                     |   | Average Monthly Rate  | \$38.18      |                |              |        |                 |              |        |     |
|             |                     |   | Average Monthly Usage |              |                | 3.5          |        |                 | ( )          |        |     |

\* Breakdown of meter size usage is not required unless different sewer rates are charged based on size of water meter.

\*\* Number of users should reflect the actual number of "meter settings".

|               |       |       |          |       |       |       |       |       |       |       |
|---------------|-------|-------|----------|-------|-------|-------|-------|-------|-------|-------|
| 1-Inch        | _____ | _____ | Gal.     | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               | _____ | _____ | Gal.     | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               | _____ | _____ | Gal.     | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               | _____ | _____ | Gal.     | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               | _____ | _____ | Gal.     | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               |       |       | Subtotal |       |       | ( )   | ( )   | ( )   | ( )   | ( )   |
| 1-1/2<br>Inch | _____ | _____ | Gal.     | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               | _____ | _____ | Gal.     | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               | _____ | _____ | Gal.     | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               | _____ | _____ | Gal.     | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               | _____ | _____ | Gal.     | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               |       |       | Subtotal |       |       | ( )   | ( )   | ( )   | ( )   | ( )   |
| 2- Inch       | _____ | _____ | Gal.     | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               | _____ | _____ | Gal.     | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               | _____ | _____ | Gal.     | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               | _____ | _____ | Gal.     | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               | _____ | _____ | Gal.     | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               |       |       | Subtotal |       |       | ( )   | ( )   | ( )   | ( )   | ( )   |
| 3- Inch       | _____ | _____ | Gal.     | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               | _____ | _____ | Gal.     | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               | _____ | _____ | Gal.     | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               | _____ | _____ | Gal.     | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               | _____ | _____ | Gal.     | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               |       |       | Subtotal |       |       | ( )   | ( )   | ( )   | ( )   | ( )   |
| 4-Inch        | _____ | _____ | Gal.     | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               | _____ | _____ | Gal.     | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               | _____ | _____ | Gal.     | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               | _____ | _____ | Gal.     | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               | _____ | _____ | Gal.     | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
|               |       |       | Subtotal |       |       | ( )   | ( )   | ( )   | ( )   | ( )   |

\* Breakdown of meter size usage is not required unless different sewer rates are charged based on size of water meter.

\*\* Number of users should reflect the actual number of “meter settings”.

|         |       |       |          |       |       |       |         |       |       |
|---------|-------|-------|----------|-------|-------|-------|---------|-------|-------|
| 5- Inch | _____ | _____ | Gal.     | _____ | _____ | _____ | _____   | _____ | _____ |
|         | _____ | _____ | Gal.     | _____ | _____ | _____ | _____   | _____ | _____ |
|         | _____ | _____ | Gal.     | _____ | _____ | _____ | _____   | _____ | _____ |
|         | _____ | _____ | Gal.     | _____ | _____ | _____ | _____   | _____ | _____ |
|         | _____ | _____ | Gal.     | _____ | _____ | _____ | _____   | _____ | _____ |
|         | _____ | _____ | Subtotal |       | ( )   | ( )   | ( )     | ( )   | ( )   |
| 6- Inch | _____ | _____ | Gal.     | _____ | _____ | _____ | _____   | _____ | _____ |
|         | _____ | _____ | Gal.     | _____ | _____ | _____ | _____   | _____ | _____ |
|         | _____ | _____ | Gal.     | _____ | _____ | _____ | _____   | _____ | _____ |
|         | _____ | _____ | Gal.     | _____ | _____ | _____ | _____   | _____ | _____ |
|         | _____ | _____ | Gal.     | _____ | _____ | _____ | _____   | _____ | _____ |
|         | _____ | _____ | Subtotal |       | ( )   | ( )   | ( )     | ( )   | ( )   |
| TOTALS  |       |       |          |       | (115) | (495) | (3,490) |       |       |

### MULTI-FAMILY AND APARTMENT USER ANALYSIS

If billed as a typical user, the information should be included in the residential information above. If not billed as a typical residential user, please explain below.

| Name of Unit | Number of Units | Number of Meters | Revenue Calculations |
|--------------|-----------------|------------------|----------------------|
| _____        | _____           | _____            | _____                |
| _____        | _____           | _____            | _____                |
| _____        | _____           | _____            | _____                |
| _____        | _____           | _____            | _____                |
| _____        | _____           | _____            | _____                |
| _____        | _____           | _____            | _____                |
| _____        | _____           | _____            | _____                |

\* Breakdown of meter size usage is not required unless different sewer rates are charged based on size of water meter.

\*\* Number of users should reflect the actual number of "meter settings".

**XXVII. CURRENT OPERATING BUDGET (SEWER SYSTEM)**  
*(As of the last full operating year.)*

**A. Operating Income:**

|                                       |           |
|---------------------------------------|-----------|
| <i>Sewer Revenue</i>                  | \$ _____  |
| <i>Late Charge Fees</i>               | _____     |
| <i>Other (Describe)</i>               | _____     |
| <i>Less Allowances and Deductions</i> | ( _____ ) |
| <i>Total Operating Income</i>         | \$ _____  |

**B. Operation and Maintenance Expenses:**  
*(Based on Uniform System of Accounts prescribed by National Association of  
Regulatory Utility Commissioners)*

|   |          |
|---|----------|
| <i>Operation Expense</i>                        | \$ _____ |
| <i>Maintenance Expense</i>                      | _____    |
| <i>Customer Accounts Expense</i>                | _____    |
| <i>Administrative and General Expense</i>       | _____    |
| <i>Total Operating and Maintenance Expenses</i> | \$ _____ |
| <i>Net Operating Income</i>                     | \$ _____ |

**C. Non-Operating Income:**

|                                   |          |
|-----------------------------------|----------|
| <i>Interest on Deposits</i>       | \$ _____ |
| <i>Other (Identify)</i>           | _____    |
| <i>Total Non-Operating Income</i> | \$ _____ |

**D. Net Income**

\$ \_\_\_\_\_

**E. Debt Repayment:**

|                             |          |
|-----------------------------|----------|
| <i>RUS Interest</i>         | \$ _____ |
| <i>RUS Principal</i>        | _____    |
| <i>Non-RUS Interest</i>     | _____    |
| <i>Non-RUS Principal</i>    | _____    |
| <i>Total Debt Repayment</i> | \$ _____ |

**F. Balance Available for Coverage**

\$ \_\_\_\_\_

**XXVIII. PROPOSED OPERATING BUDGET (SEWER SYSTEM) - EXISTING SYSTEM AND  
NEW USERS (1st Full Year of Operation) Year Ending \_\_\_\_\_**

**A. Operating Income:**

|                                       |                 |
|---------------------------------------|-----------------|
| <i>Sewer Revenue</i>                  | \$ _____        |
| <i>Late Charge Fees</i>               | _____           |
| <i>Other (Describe)</i>               | _____           |
| <i>Less Allowances and Deductions</i> | ( _____ )       |
| <b>Total Operating Income</b>         | <b>\$ _____</b> |

**B. Operation and Maintenance Expenses:  
(Based on Uniform System of Accounts prescribed by National Association of  
Regulatory Utility Commissioners)**

|   |                 |
|---|-----------------|
| <i>Operation Expense</i>                        | \$ _____        |
| <i>Maintenance Expense</i>                      | _____           |
| <i>Customer Accounts Expense</i>                | _____           |
| <i>Administrative and General Expense</i>       | _____           |
| <b>Total Operating and Maintenance Expenses</b> | <b>\$ _____</b> |
| <b>Net Operating Income</b>                     | <b>\$ _____</b> |

**C. Non-Operating Income:**

|                                   |                 |
|-----------------------------------|-----------------|
| <i>Interest on Deposits</i>       | \$ _____        |
| <i>Other (Identify)</i>           | _____           |
| <b>Total Non-Operating Income</b> | <b>\$ _____</b> |

**D. Net Income**

\$ \_\_\_\_\_

**E. Debt Repayment:**

|                             |                 |
|-----------------------------|-----------------|
| <i>RUS Interest</i>         | \$ _____        |
| <i>RUS Principal</i>        | _____           |
| <i>Non-RUS Interest</i>     | _____           |
| <i>Non-RUS Principal</i>    | _____           |
| <b>Total Debt Repayment</b> | <b>\$ _____</b> |

**F. Balance Available for Coverage**

\$ \_\_\_\_\_

**XXIX. PROPOSED OPERATING BUDGET (SEWER SYSTEM) - NEW USERS - EXTENSION**  
**ONLY (1st Full Year of Operation) Year Ending \_\_\_\_\_**

**A. Operating Income:**

|                                       |           |
|---------------------------------------|-----------|
| <i>Sewer Revenue</i>                  | \$ _____  |
| <i>Late Charge Fees</i>               | _____     |
| <i>Other (Describe)</i>               | _____     |
| <i>Less Allowances and Deductions</i> | ( _____ ) |
| <b>Total Operating Income</b>         | \$ _____  |

**B. Operation and Maintenance Expenses:**  
*(Based on Uniform System of Accounts prescribed by National Association of Regulatory Utility Commissioners)*

|   |          |
|---|----------|
| <i>Operation Expense</i>                        | \$ _____ |
| <i>Maintenance Expense</i>                      | _____    |
| <i>Customer Accounts Expense</i>                | _____    |
| <i>Administrative and General Expense</i>       | _____    |
| <b>Total Operating and Maintenance Expenses</b> | \$ _____ |
| <b>Net Operating Income</b>                     | \$ _____ |

**C. Non-Operating Income:**

|                                   |          |
|-----------------------------------|----------|
| <i>Interest on Deposits</i>       | \$ _____ |
| <i>Other (Identify)</i>           | _____    |
| <b>Total Non-Operating Income</b> | \$ _____ |

**D. Net Income**

\$ \_\_\_\_\_

**E. Debt Repayment:**

|                             |          |
|-----------------------------|----------|
| <i>RUS Interest</i>         | \$ _____ |
| <i>RUS Principal</i>        | _____    |
| <i>Non-RUS Interest</i>     | _____    |
| <i>Non-RUS Principal</i>    | _____    |
| <b>Total Debt Repayment</b> | \$ _____ |

**F. Balance Available for Coverage**

\$ \_\_\_\_\_

XXX. CURRENT OPERATING BUDGET (WATER SYSTEM)

(As of the last full operating year.) Jan – Dec, 2008

A. Operating Income:

|                                       |                             |
|---------------------------------------|-----------------------------|
| Water Sales                           | \$2,555,560                 |
| Disconnect/Reconnect/Late Charge Fees | <u>34,785</u>               |
| Other (Describe) Forfeited Discounts  | <u>54,163</u>               |
| Less Allowances and Deductions        | <u>                    </u> |
| Total Operating Income                | <u>\$2,644,508</u>          |

B. Operation and Maintenance Expenses:

(Based on Uniform System of Accounts prescribed by National Association of Regulatory Utility Commissioners)

|                                       |                    |
|---------------------------------------|--------------------|
| Source of Supply Expense              | \$1,288,938        |
| Pumping Expense                       | <u>75,369</u>      |
| Water Treatment Expense               | <u>9,546</u>       |
| Transmission and Distribution Expense | <u>242,510</u>     |
| Customer Accounts Expense             | <u>360,138</u>     |
| Administrative and General Expense    | <u>418,166</u>     |
| Taxes                                 | <u>27,496</u>      |
| Total Operating Expenses              | <u>\$2,422,163</u> |
| Net Operating Income                  | <u>\$222,345</u>   |

C. Non-Operating Income:

|                            |                             |
|----------------------------|-----------------------------|
| Interest on Deposits       | <u>\$8,558</u>              |
| Other (Identify)           | <u>                    </u> |
| Total Non-Operating Income | <u>\$8,558</u>              |

D. Net Income \$230,903

E. Debt Repayment: <sup>(1)</sup> Principal and Interest

|                      |                                |
|----------------------|--------------------------------|
| RUS Interest         | <u>\$455,619<sup>(1)</sup></u> |
| RUS Principal        | <u>                    </u>    |
| Non-RUS Interest     | <u>31,275<sup>(1)</sup></u>    |
| Non-RUS Principal    | <u>                    </u>    |
| Total Debt Repayment | <u>\$486,894</u>               |

F. Balance Available for Coverage \$(255,991)  
2008 Depreciation Expense (\$557,773) not included

XXXI. PROPOSED OPERATING BUDGET (WATER SYSTEM) EXISTING SYSTEM AND NEW USERS  
 (1st Full Year of Operation) Year Ending Dec. 31, 2011

A. Operating Income:

|                                       |             |
|---------------------------------------|-------------|
| Water Sales                           | \$3,975,128 |
| Disconnect/Reconnect/Late Charge Fees | 34,785      |
| Other (Describe) Forfeited Discounts  | 54,163      |
| Less Allowances and Deductions        |             |
| Total Operating Income                | \$4,064,076 |

B. Operation and Maintenance Expenses:

(Based on Uniform System of Accounts prescribed by National Association of Regulatory Utility Commissioners)

|                                       |             |
|---------------------------------------|-------------|
| Source of Supply Expense              | \$1,312,062 |
| Pumping Expense                       | 77,148      |
| Water Treatment Expense               | 9,746       |
| Transmission and Distribution Expense | 256,410     |
| Customer Accounts Expense             | 371,838     |
| Administrative and General Expense    | 519,677     |
| Capital Improvements                  | 647,473     |
| Total Operating Expenses              | \$3,194,354 |
| Net Operating Income                  | \$869,722   |

C. Non-Operating Income:

|                            |    |
|----------------------------|----|
| Interest on Deposits       | -- |
| Other (Identify)           | -- |
| Total Non-Operating Income | -- |

D. Net Income \$869,722

E. Debt Repayment:

|                      |           |
|----------------------|-----------|
| RUS Interest         | \$598,610 |
| RUS Principal        | 169,126   |
| Non-RUS Interest     | 14,756    |
| Non-RUS Principal    | 16,519    |
| Total Debt Repayment | \$799,011 |

F. Balance Available for Coverage \$70,711

XXXII. PROPOSED OPERATING BUDGET (WATER SYSTEM) NEW USERS EXTENSION ONLY  
 (1st Full Year of Operation) Year Ending Dec. 31, 2011

A. Operating Income:

|                                       |         |
|---------------------------------------|---------|
| Water Sales                           | \$6,414 |
| Disconnect/Reconnect/Late Charge Fees | _____   |
| Other (Describe)                      | _____   |
| Less Allowances and Deductions        | _____   |
| Total Operating Income                | _____   |

B. Operation and Maintenance Expenses:

(Based on Uniform System of Accounts prescribed by National Association of Regulatory Utility Commissioners)

|                                       |           |
|---------------------------------------|-----------|
| Source of Supply Expense              | \$1,384   |
| Pumping Expense                       | 692       |
| Water Treatment Expense               | 200       |
| Transmission and Distribution Expense | 6,600     |
| Customer Accounts Expense             | 700       |
| Administrative and General Expense    | 560       |
| Total Operating Expenses              | \$10,136  |
| Net Operating Income                  | (\$3,722) |

C. Non-Operating Income:

|                            |          |
|----------------------------|----------|
| Interest on Deposits       | \$ _____ |
| Other (Identify)           | _____    |
| Total Non-Operating Income | \$ _____ |

D. Net Income

\_\_\_\_\_ \$(3,722)

E. Debt Repayment:

|                      |          |
|----------------------|----------|
| RUS Interest         | \$11,567 |
| RUS Principal        | 2,701    |
| Non-RUS Interest     | _____    |
| Non-RUS Principal    | _____    |
| Total Debt Repayment | \$14,268 |

F. Balance Available for Coverage

\_\_\_\_\_ \$(17,990)

**XXXIII. ESTIMATED PROJECT COST - SEWER**  
*(Round to nearest \$100)*

|  | <i>COLLECTION</i> | <i>TREATMENT</i> | <i>TOTAL</i> |
|--|-------------------|------------------|--------------|
| <i>Development</i>                       | _____             | _____            | _____        |
| <i>Land &amp; Rights</i>                 | _____             | _____            | _____        |
| <i>Legal</i>                             | _____             | _____            | _____        |
| <i>Engineering</i>                       | _____             | _____            | _____        |
| <i>Interest</i>                          | _____             | _____            | _____        |
| <i>Contingencies</i>                     | _____             | _____            | _____        |
| <i>Initial Operating and Maintenance</i> | _____             | _____            | _____        |
| <i>Other</i>                             | _____             | _____            | _____        |
| <b>TOTAL</b>                             | _____             | _____            | _____        |

**XXXIV. ESTIMATED PROJECT FUNDING - SEWER**

|   | <i>COLLECTION</i> | <i>TREATMENT</i> | <i>TOTAL</i> |
|---|-------------------|------------------|--------------|
| <i>Applicant - User Contribution Fees</i> | _____             | _____            | _____        |
| <i>Other - Applicant Contribution</i>     | _____             | _____            | _____        |
| <i>RUS Loan</i>                           | _____             | _____            | _____        |
| <i>RUS Grant</i>                          | _____             | _____            | _____        |
| <i>ARC Grant (If applicable)</i>          | _____             | _____            | _____        |
| <i>CDBG (If applicable)</i>               | _____             | _____            | _____        |
| <i>Other (Specify)</i>                    | _____             | _____            | _____        |
| <i>Other (Specify)</i>                    | _____             | _____            | _____        |

XXXV. ESTIMATED PROJECT COST - WATER

|                 |             |
|-----------------|-------------|
| Development     | \$4,486,700 |
| Land and Rights | 20,500      |
| Legal           | 10,000      |
| Engineering     | 469,000     |
| Interest        | 150,000     |
| Contingencies   | 449,200     |
| Administration  |             |
| Other           | 84,500      |
| TOTAL           | \$5,670,000 |

XXXVI. PROPOSED PROJECT FUNDING

|   |             |
|---|-------------|
| Applicant - User Connection Fees 14 x \$525 | \$7,350     |
| Other Applicant Contribution                | 12,650      |
| RUS Financial Assistance                    | 3,955,000   |
| RUS Grant                                   | 1,695,000   |
| ARC Grant (If applicable)                   |             |
| Other (Specify) 2005 IEDF Grant             |             |
| County – 2006 IEDF Grant/                   |             |
| Other (Specify) 2006 IEDF Grant             |             |
| Other (Specify) 2006 IEDF Grant             |             |
| TOTAL                                       | \$5,670,000 |

**EXHIBIT 5**

**FINAL  
ENGINEERING  
REPORT**

# FINAL ENGINEERING REPORT

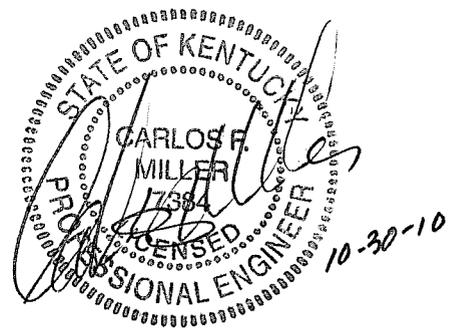
*FOR*

## SOUTHEASTERN WATER ASSOCIATION

### JAMES ROAD / BANDY AREA REINFORCEMENT FACILITIES AND SYSTEM EXTENSIONS

PROJECT No. 2007269

OCTOBER, 2010



A Preliminary Engineering Report dated October, 2009 describes, in detail, the scope and need for this project. The report is included herewith by reference.

Bids were received on October 28, 2010. The project was bid in three (3) contracts. The number of bids submitted for each contract are as follows:

- Contract 7: James Road / Bandy Area Pipeline Extensions (6)
- Contract 8: James Road and Bandy Pump Stations (3)
- Contract 9: Hubble Knob and Bandy Tanks (2)

The low bidder for Contract 7 was Weddle Enterprises, Somerset, KY in the amount of \$1,909,219 for the Base Project, and \$2,420,699 which included Additive Alternates 1-4. The low bidder for Contract 8 was Conley Gregory Construction, Monticello, KY in the amount of \$473,008.60. The low bidder for Contract 9 was Phoenix Fabricators, Avon, Indiana in the amount of \$1,114,631. A copy of the certified bid tabulations is included in this report.

The project funding, per the Rural Development Letter of Conditions, is \$5,670,000. The funding sources available for this project are as follows:

|                                   |                    |
|-----------------------------------|--------------------|
| Rural Development Loan            | \$3,995,000        |
| Rural Development Grant           | 1,655,000          |
| Local Contribution                | <u>20,000</u>      |
| Total per RD Letter of Conditions | <u>\$5,670,000</u> |
| Total Funding Available           | \$5,670,000        |

The construction bids for this project, including Additive Alternates 1-4 as contained in the Contract 7 bid, are within the project funding budget. A revised project cost breakdown is as follows:

| <u>BUDGET ITEM</u>                         | <u>R.D. LETTER OF<br/>CONDITIONS</u> | <u>REVISED<br/>(SEE EXHIBIT 2)</u> |
|--|--------------------------------------|------------------------------------|
| Development                                | \$4,486,700                          | \$4,008,339                        |
| Land & Rights                              | 20,500                               | 6,465                              |
| Legal                                      | 10,000                               | 10,000                             |
| Engineering                                | 469,000                              | 442,884 <sup>(1)</sup>             |
| Other: Environmental and<br>Administrative | 84,600                               | 82,127                             |
| Interest                                   | 150,000                              | 150,000                            |
| Contingencies                              | <u>449,200</u>                       | <u>970,185</u>                     |
|  | \$5,670,000                          | \$5,670,000                        |

(1) ENGINEERING

|                                  |               |
|----------------------------------|---------------|
| Design (6.90%)                   | \$276,575     |
| Construction Observation (3.70%) | 148,309       |
| Preliminary Engineering Report   | <u>18,000</u> |
|                                  | \$442,884     |

**RECOMMENDATIONS**

1. The bid amounts for the project are in the acceptable range for the types of work involved. The contractors that submitted the low bids have completed projects for Kenvirons in the past and are experienced and acceptable.
2. It is recommended that Contract 7 – James Road / Bandy Area Pipeline Extensions be awarded to Weddle Enterprises, including Additive Alternates 1-4, in the amount of \$2,420,699.
3. It is recommended that Contract 8 – James Road and Bandy Pump Stations be awarded to Conley Gregory Construction in the amount of \$473,008.60.
4. It is recommended that Contract 9 – Hubble Knob and Bandy Tanks be awarded to Phoenix Fabricators in the amount of \$1,114,631.
5. Proceed with the application to the Public Service Commission for authority to construct the facilities and adjust the rates.
6. Remaining monies should be used to install additional improvements and reinforcements in the system. When the initial project is substantially complete and the amount of remaining monies can be more precisely determined, a report relative to recommended facilities will be submitted. Specifically, the severe problems with the pump operating times of the Dahl Pump Station and filling of the Mt. Victory Tank are in urgent need of attention. There are also areas in the system containing bad pipe and fittings that need to be replaced. Any left-over funds from this project should be used to correct these existing problems.

## EXHIBIT 1

### REIMBURSABLE PROJECT COSTS

|  |                 |                        |
|--|-----------------|------------------------|
| PHOTO SCIENCE                                  |                 |                        |
| James Road (Aerial Photography)                | \$1,390         |                        |
| Bandy (Aerial Photography)                     | 1,212           |                        |
| Contract Prints                                | 1,717           |                        |
| Plan Sheet Images                              | 240             |                        |
| Plan Sheet Images                              | <u>320</u>      |                        |
|  |                 | <b>\$4,879.00</b>      |
| GEOTECHNICAL INVESTIGATIONS                    |                 |                        |
| ATC (Hubble Knob Tank)                         | \$4,950         |                        |
| QORE (Bandy Tank)                              | <u>6,500</u>    |                        |
|  |                 | <b>11,450.00</b>       |
| LEXINGTON HERALD-LEADER                        |                 | <b>498.32</b>          |
| JACK SCHOCK, ARCHAEOLOGIST                     |                 |                        |
| Bandy Pump Station Site                        | \$1,500         |                        |
| Tank and Pump Station Sites                    | <u>1,800</u>    |                        |
|  |                 | <b>3,300.00</b>        |
| GLENNA LONG (BANDY PUMP STATION SITE PURCHASE) |                 | <b>4,000.00</b>        |
| DAVIS ENGINEERING                              |                 |                        |
| Bandy Pump Station Site Plat                   | \$536.17        |                        |
| Hubble Knob Tank Site Plat                     | <u>1,929.00</u> |                        |
|  |                 | <b>2,465.17</b>        |
| ENVIRONMENTAL ASSESSMENT SERVICES              |                 | <b>5,000.00</b>        |
| STEPHENS BIOLOGICAL CONSULTING                 |                 | <b><u>4,500.00</u></b> |
|  |                 |                        |
| <b>TOTAL REIMBURSABLE PROJECT COSTS</b>        |                 | <b>\$36,092.32</b>     |

## EXHIBIT 2

### REIMBURSABLE COSTS IN LETTER OF CONDITIONS BREAKDOWN (See Exhibit 1 for Details)

|     |   |                    |
|-----|---|--------------------|
| 1.  | <u>LAND &amp; RIGHTS</u>                                |                    |
| 1.1 | Glenna Long (Site Purchase for Bandy Pump Site)         | \$4,000.00         |
| 1.2 | Davis Engineering (Plat Preparation, Deed Search, etc.) |                    |
|     | Hubble Tank Site  | 536.17             |
|     | Bandy Pump Station Site                                 | <u>1,929.00</u>    |
|     | <b>TOTAL LAND &amp; RIGHTS</b>                          | <b>\$6,465.17</b>  |
| 2.  | <u>OTHER: ENVIRONMENTAL AND ADMINISTRATIVE</u>          |                    |
| 2.1 | Geotechnical Investigation                              |                    |
|     | Hubble Tank   | \$4,950.00         |
|     | Bandy Tank  | <u>6,500.00</u>    |
|     |   | \$11,450.00        |
| 2.2 | Environmental   |                    |
|     | Jack Schock (Archaeological)                            | \$3,300.00         |
|     | Environmental Assessment Services                       | 5,000.00           |
|     | Stephens Biological Consulting                          | <u>4,500.00</u>    |
|     |   | \$12,800.00        |
| 2.3 | Photo Science   | \$4,879.00         |
| 2.4 | Lexington Heral-Leader                                  | \$498.32           |
| 2.5 | PSC Submittal   | \$2,500.00         |
| 2.6 | ARRA Administration                                     | <u>\$50,000.00</u> |
|     | <b>TOTAL ENVIRONMENTAL &amp; ADMINISTRATIVE</b>         | <b>\$82,127.00</b> |

## **BID TABULATIONS**

**CONTRACT 7: JAMES ROAD/BANDY AREA  
REINFORCEMENTS AND EXTENSIONS**

KENVIRONS, INC  
 452 VERSAILLES ROAD  
 FRANKFORT, KY 40601  
 TEL (502) 695-4357  
 FAX (502) 695-4363

PROJECT: BID TABULATIONS  
 Contract 7: James Road/Bandy Area Reinforcements and Extensions  
 LOCATION: Somerset, KY  
 BID DATE: October 28, 2010 at 1:00 P M Local Time

SHEET 1 OF 6

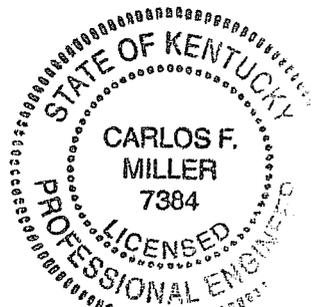
BASE BID

| ITEM NO.            | ITEM DISCRIPTION   | UNIT | QUANTITY | Weddie Enterprises, Inc.<br>25 Shane's Lane<br>Somerset, KY 42501 |                | Cumberland Pipeline, LLC<br>P. O. Box 277<br>Russell Springs, KY 42642 |                | United Pipeline, Inc.<br>48 Hagan Street<br>Tompkinsville, KY 42167 |                |
|---------------------|--|------|----------|---|----------------|--|----------------|---|----------------|
|                     |  |      |          | UNIT COST   | COST           | UNIT COST  | COST           | UNIT COST   | COST           |
| 1                   | 12" Ductile Iron Pipe, P.O., CL 350                      | LF   | 2,900    | \$34.70   | \$100,630.00   | \$31.40  | \$91,060.00    | \$29.17   | \$84,593.00    |
| 2                   | 12" Ductile Iron Pipe, P.O., CL 350 with Nitrile Gaskets | LF   | 940      | 34.00   | 31,960.00      | 33.25  | 31,255.00      | 30.80   | 28,952.00      |
| 3                   | 8" Ductile Iron Pipe, P.O., CL 350                       | LF   | 1,500    | 36.60   | 54,900.00      | 25.85  | 38,775.00      | 21.66   | 32,490.00      |
| 4                   | 6" Ductile Iron Pipe, P.O., CL 350 with Nitrile Gaskets  | LF   | 200      | 23.00   | 4,600.00       | 23.90  | 4,780.00       | 20.24   | 4,048.00       |
| 5                   | 12" PVC Pipe, SDR 17                                     | LF   | 29,400   | 21.40   | 629,160.00     | 22.20  | 652,680.00     | 22.18   | 652,092.00     |
| 6                   | 8" PVC Pipe, SDR 17                                      | LF   | 13,800   | 17.75   | 244,950.00     | 18.65  | 257,370.00     | 15.69   | 216,522.00     |
| 7                   | 6" PVC Pipe, SDR 17                                      | LF   | 19,400   | 12.85   | 249,290.00     | 18.90  | 366,660.00     | 13.32   | 258,408.00     |
| 8                   | 4" PVC Pipe, SDR 17                                      | LF   | 7,000    | 12.40   | 86,800.00      | 14.70  | 102,900.00     | 11.62   | 81,340.00      |
| 9                   | 3" PVC Pipe, SDR 17                                      | LF   | 150      | 3.00  | 450.00         | 11.25  | 1,687.50       | 10.93   | 1,639.50       |
| 10                  | Bored Encasement for 12" Carrier Pipe                    | LF   | 150      | 170.00  | 25,500.00      | 156.80   | 23,520.00      | 214.86  | 32,228.00      |
| 11                  | Open Cut Encasement for 12" Carrier Pipe                 | LF   | 100      | 50.00   | 5,000.00       | 66.80  | 6,680.00       | 87.04   | 8,704.00       |
| 12                  | Bored Encasement for 8" Carrier Pipe                     | LF   | 305      | 144.00  | 43,920.00      | 142.25   | 43,386.25      | 198.90  | 60,664.50      |
| 13                  | Open Cut Encasement for 8" Carrier Pipe                  | LF   | 30       | 58.00   | 1,740.00       | 47.25  | 1,417.50       | 81.47   | 2,444.10       |
| 14                  | Bored Encasement for 6" Carrier Pipe                     | LF   | 80       | 118.00  | 9,440.00       | 95.50  | 7,640.00       | 194.68  | 15,574.40      |
| 15                  | Open Cut Encasement for 6" Carrier Pipe                  | LF   | 0        | 36.00   | 0.00           | 47.25  | 0.00           | 0.00  | 0.00           |
| 16                  | Bored Encasement for 4" Carrier Pipe                     | LF   | 40       | 114.00  | 4,560.00       | 77.70  | 3,108.00       | 189.10  | 7,564.00       |
| 17                  | Trenched Creek Crossing for 12" Pipe, Type B             | LF   | 20       | 98.00   | 1,960.00       | 80.00  | 1,600.00       | 140.95  | 2,819.00       |
| 18                  | Trenched Creek Crossing for 8" Pipe, Type B              | LF   | 20       | 99.00   | 1,980.00       | 66.00  | 1,320.00       | 126.88  | 2,537.60       |
| 19                  | Trenched Creek Crossing for 6" Pipe, Type A              | LF   | 0        | 68.00   | 0.00           | 70.00  | 0.00           | 0.00  | 0.00           |
| 20                  | Directional Bore Creek Crossing for 12" Pipe             | EA   | 1        | 5,464.00  | 5,464.00       | 24,000.00  | 24,000.00      | 30,000.00   | 30,000.00      |
| 21                  | Directional Bore Creek Crossing for 8" Pipe              | EA   | 1        | 2,490.00  | 2,490.00       | 12,000.00  | 12,000.00      | 30,000.00   | 30,000.00      |
| 22                  | Buck Creek Directional Bore                              | EA   | 1        | 41,100.00   | 41,100.00      | 48,400.00  | 48,400.00      | 39,646.11   | 39,646.11      |
| 23                  | 8" x 8" TS&V (KY 80 Connection)                          | EA   | 1        | 3,185.00  | 3,185.00       | 2,300.00   | 2,300.00       | 2,261.57  | 2,261.57       |
| 24                  | 6" x 6" TS&V (KY 39 Tie-in to Ocala Road)                | EA   | 1        | 2,675.00  | 2,675.00       | 1,775.00   | 1,775.00       | 1,850.31  | 1,850.31       |
| 25                  | 4" x 4" TS&V and 6" x 4" Reducer (KY 1003 Tie-in)        | EA   | 2        | 2,325.00  | 4,650.00       | 1,625.00   | 3,250.00       | 1,273.71  | 2,547.42       |
| 26                  | 4" x 4" TS&V (KY 39 Tie-in to Ocala Road)                | EA   | 1        | 2,160.00  | 2,160.00       | 1,700.00   | 1,700.00       | 1,602.63  | 1,602.63       |
| 27                  | 8" Tie-in at Stub-out (Hubble Knob)                      | EA   | 1        | 730.00  | 730.00         | 1,000.00   | 1,000.00       | 799.56  | 799.56         |
| 28                  | 12" Tie-in at 8" Stub-out (KY 39 & Coleman Road)         | EA   | 1        | 820.00  | 820.00         | 900.00   | 900.00         | 969.71  | 969.71         |
| 29                  | 12" Gate Valve   | EA   | 22       | 2,770.00  | 60,940.00      | 2,100.00   | 46,200.00      | 2,382.66  | 52,418.52      |
| 30                  | 8" Gate Valve  | EA   | 5        | 1,375.00  | 6,875.00       | 1,200.00   | 6,000.00       | 1,540.40  | 7,702.00       |
| 31                  | 6" Gate Valve  | EA   | 7        | 930.00  | 6,510.00       | 800.00   | 5,600.00       | 1,222.90  | 8,560.30       |
| 32                  | 4" Gate Valve  | EA   | 3        | 805.00  | 2,415.00       | 580.00   | 1,740.00       | 1,102.66  | 3,307.98       |
| 33                  | 3" Gate Valve  | EA   | 0        | 690.00  | 0.00           | 570.00   | 0.00           | 0.00  | 0.00           |
| 34                  | 4" Blowoff Assembly Type 2                               | EA   | 2        | 1,390.00  | 2,780.00       | 750.00   | 1,500.00       | 809.64  | 1,619.28       |
| 35                  | 3" Blowoff Assembly Type 1                               | EA   | 1        | 1,425.00  | 1,425.00       | 1,450.00   | 1,450.00       | 1,071.48  | 1,071.48       |
| 36                  | 3" Blowoff Assembly Type 2                               | EA   | 0        | 430.00  | 0.00           | 740.00   | 0.00           | 0.00  | 0.00           |
| 37                  | Pavement Replacement                                     |      |          |   |                |  |                |   |                |
| 37.1                | Concrete   | LF   | 500      | 30.00   | 15,000.00      | 30.00  | 15,000.00      | 30.00   | 15,000.00      |
| 37.2                | Heavy Duty Bituminous                                    | LF   | 1,000    | 20.00   | 20,000.00      | 30.00  | 30,000.00      | 20.00   | 20,000.00      |
| 37.3                | Light Duty Bituminous                                    | LF   | 2,000    | 20.00   | 40,000.00      | 25.00  | 50,000.00      | 15.00   | 30,000.00      |
| 37.4                | Crushed Stone  | LF   | 6,000    | 3.00  | 18,000.00      | 7.00   | 42,000.00      | 15.00   | 90,000.00      |
| 38                  | 3" Pressure Reducing Station                             | EA   | 3        | 18,425.00   | 55,275.00      | 19,200.00  | 57,600.00      | 2,140.68  | 6,422.04       |
| 39                  | Air Release Valve  | EA   | 5        | 515.00  | 2,575.00       | 840.00   | 4,200.00       | 1,027.76  | 5,138.80       |
| 40                  | Creek Crossing Test Meter                                | EA   | 1        | 1,100.00  | 1,100.00       | 800.00   | 800.00         | 2,970.21  | 2,970.21       |
| 41                  | 5/8" x 3/4" Meter Installation                           | EA   | 13       | 450.00  | 5,850.00       | 725.00   | 9,425.00       | 343.97  | 4,471.61       |
| 42                  | 3/4" Service Tubing                                      | LF   | 800      | 4.00  | 3,200.00       | 8.39   | 6,712.00       | 2.75  | 2,200.00       |
| 43                  | Final Pipeline Cleanup                                   | LF   | 74,650   | 1.00  | 74,650.00      | 1.00   | 74,650.00      | 1.00  | 74,650.00      |
| 44                  | Private Sewer Crossing                                   | LF   | 200      | 1.00  | 200.00         | 30.00  | 6,000.00       | 5.00  | 1,000.00       |
| 45                  | Free Bore for 4" through 12" Pipe                        | LF   | 500      | 45.00   | 22,500.00      | 40.00  | 20,000.00      | 40.00   | 20,000.00      |
| 46                  | Concrete Thrust Collar                                   | EA   | 1        | 1,460.00  | 1,460.00       | 1,000.00   | 1,000.00       | 2,000.00  | 2,000.00       |
| 47                  | Fire Hydrant, Type 3                                     | EA   | 1        | 3,400.00  | 3,400.00       | 3,250.00   | 3,250.00       | 3,546.35  | 3,546.35       |
| 48                  | Miscellaneous Fittings at KY39/Ocala Road Intersection   | LS   | 1        | 2,260.00  | 2,260.00       | 5,000.00   | 5,000.00       | 3,553.96  | 3,553.96       |
| 49                  | Tracer Wire Access Post                                  | EA   | 50       | 55.00   | 2,750.00       | 50.00  | 2,500.00       | 50.00   | 2,500.00       |
| TOTAL BASE BID      |  |      |          |   | \$1,909,219.00 |  | \$2,121,791.25 |   | \$1,960,630.94 |
| ADD ALTERNATE NO. 1 |  |      |          |   | \$293,570.00   |  | \$222,222.30   |   | \$328,157.10   |
| ADD ALTERNATE NO. 2 |  |      |          |   | \$140,120.00   |  | \$97,440.00    |   | \$162,152.64   |
| ADD ALTERNATE NO. 3 |  |      |          |   | \$30,490.00    |  | \$49,118.00    |   | \$58,829.18    |
| ADD ALTERNATE NO. 4 |  |      |          |   | \$47,300.00    |  | \$38,950.00    |   | \$29,692.86    |
| TOTAL BID           |  |      |          |   | \$2,420,699.00 |  | \$2,529,521.55 |   | \$2,539,462.72 |

THE ABOVE IS A TRUE AND COMPLETE TABULATION OF BIDS RECEIVED UNTIL 1:00 P M Local Time on October 28, 2010

BY:

*Carlos F. Miller* 10-29-10  
 Carlos F. Miller, P E DATE



KENVIRONS, INC  
 452 VERSAILLES ROAD  
 FRANKFORT, KY 40601  
 TEL (502) 695-4357  
 FAX (502) 695-4363

BID TABULATIONS  
 Contract 7: James Road/Bandy Area Reinforcements and Extensions  
 PROJECT: Somerset, KY  
 LOCATION: October 28, 2010 at 1:00 P M Local Time  
 BID DATE:

SHEET 2 OF 6

| ITEM NO.              | ITEM DESCRIPTION   | UNIT | QUANTITY | Cleary Construction, Inc.<br>2096 Edmonton Road<br>Tompkinsville, KY 42167 |                       | Clay Pipeline, Inc.<br>70 Fox Hollow Road<br>Manchester, KY 40962 |                       | K. Carrender Construction Co., Inc.<br>200 Ringgold Road<br>Somerset, KY 42503 |                       |
|-----------------------|--|------|----------|--|-----------------------|---|-----------------------|--|-----------------------|
|                       |  |      |          | UNIT COST  | COST                  | UNIT COST   | COST                  | UNIT COST  | COST                  |
| 1                     | 12" Ductile Iron Pipe, P.O., CL 350                      | LF   | 2,900    | \$35.00  | \$101,500.00          | \$39.45   | \$114,405.00          | \$45.50  | \$131,950.00          |
| 2                     | 12" Ductile Iron Pipe, P.O., CL 350 with Nitrile Gaskets | LF   | 940      | 36.00  | 33,840.00             | 41.40   | 38,916.00             | 47.50  | 44,650.00             |
| 3                     | 8" Ductile Iron Pipe, P.O., CL 350                       | LF   | 1,500    | 27.00  | 40,500.00             | 23.80   | 35,700.00             | 37.50  | 56,250.00             |
| 4                     | 6" Ductile Iron Pipe, P.O., CL 350 with Nitrile Gaskets  | LF   | 200      | 26.00  | 5,200.00              | 21.90   | 4,380.00              | 29.50  | 5,900.00              |
| 5                     | 12" PVC Pipe, SDR 17                                     | LF   | 29,400   | 28.00  | 823,200.00            | 27.15   | 798,210.00            | 23.15  | 680,610.00            |
| 6                     | 8" PVC Pipe, SDR 17                                      | LF   | 13,600   | 21.00  | 289,800.00            | 17.70   | 244,260.00            | 16.50  | 227,700.00            |
| 7                     | 6" PVC Pipe, SDR 17                                      | LF   | 19,400   | 19.00  | 368,600.00            | 15.40   | 298,760.00            | 12.00  | 232,800.00            |
| 8                     | 4" PVC Pipe, SDR 17                                      | LF   | 7,000    | 17.00  | 119,000.00            | 13.70   | 95,900.00             | 10.00  | 70,000.00             |
| 9                     | 3" PVC Pipe, SDR 17                                      | LF   | 150      | 16.00  | 2,400.00              | 13.00   | 1,950.00              | 9.50   | 1,425.00              |
| 10                    | Bored Encasement for 12" Carrier Pipe                    | LF   | 150      | 112.00   | 16,800.00             | 145.00  | 21,750.00             | 180.00   | 27,000.00             |
| 11                    | Open Cut Encasement for 12" Carrier Pipe                 | LF   | 100      | 67.00  | 6,700.00              | 125.00  | 12,500.00             | 60.00  | 6,000.00              |
| 12                    | Bored Encasement for 8" Carrier Pipe                     | LF   | 305      | 88.00  | 26,840.00             | 140.00  | 42,700.00             | 160.00   | 48,800.00             |
| 13                    | Open Cut Encasement for 8" Carrier Pipe                  | LF   | 30       | 60.00  | 1,800.00              | 121.00  | 3,630.00              | 50.00  | 1,500.00              |
| 14                    | Bored Encasement for 6" Carrier Pipe                     | LF   | 80       | 70.00  | 5,600.00              | 120.00  | 9,600.00              | 150.00   | 12,000.00             |
| 15                    | Open Cut Encasement for 6" Carrier Pipe                  | LF   | 0        | 52.00  | 0.00                  | 0.00  | 0.00                  | 50.00  | 0.00                  |
| 16                    | Bored Encasement for 4" Carrier Pipe                     | LF   | 40       | 50.00  | 2,000.00              | 115.00  | 4,600.00              | 140.00   | 5,600.00              |
| 17                    | Trenched Creek Crossing for 12" Pipe, Type B             | LF   | 20       | 140.00   | 2,800.00              | 128.00  | 2,560.00              | 120.00   | 2,400.00              |
| 18                    | Trenched Creek Crossing for 8" Pipe, Type B              | LF   | 20       | 127.00   | 2,540.00              | 122.00  | 2,440.00              | 115.00   | 2,300.00              |
| 19                    | Trenched Creek Crossing for 6" Pipe, Type A              | LF   | 0        | 90.00  | 0.00                  | 0.00  | 0.00                  | 90.00  | 0.00                  |
| 20                    | Directional Bore Creek Crossing for 12" Pipe             | EA   | 1        | 5,000.00   | 5,000.00              | 16,000.00   | 16,000.00             | 7,500.00   | 7,500.00              |
| 21                    | Directional Bore Creek Crossing for 8" Pipe              | EA   | 1        | 4,000.00   | 4,000.00              | 10,000.00   | 10,000.00             | 7,250.00   | 7,250.00              |
| 22                    | Buck Creek Directional Bore                              | EA   | 1        | 85,000.00  | 85,000.00             | 60,000.00   | 60,000.00             | 200,000.00   | 200,000.00            |
| 23                    | 8" x 8" TS&V (KY 80 Connection)                          | EA   | 1        | 3,300.00   | 3,300.00              | 2,700.00  | 2,700.00              | 2,100.00   | 2,100.00              |
| 24                    | 6" x 6" TS&V (KY 39 Tie-in to Ocala Road)                | EA   | 1        | 2,600.00   | 2,600.00              | 2,275.00  | 2,275.00              | 1,500.00   | 1,500.00              |
| 25                    | 4" x 4" TS&V and 6" x 4" Reducer (KY 1003 Tie-in)        | EA   | 2        | 2,000.00   | 4,000.00              | 1,885.00  | 3,730.00              | 1,400.00   | 2,800.00              |
| 26                    | 4" x 4" TS&V (KY 39 Tie-in to Ocala Road)                | EA   | 1        | 2,000.00   | 2,000.00              | 1,727.00  | 1,727.00              | 1,400.00   | 1,400.00              |
| 27                    | 8" Tie-in at Stub-out (Hubble Knob)                      | EA   | 1        | 900.00   | 900.00                | 735.00  | 735.00                | 600.00   | 600.00                |
| 28                    | 12" Tie-in at 8" Stub-out (KY 39 & Coleman Road)         | EA   | 1        | 1,100.00   | 1,100.00              | 1,015.00  | 1,015.00              | 600.00   | 600.00                |
| 29                    | 12" Gate Valve   | EA   | 22       | 2,180.00   | 47,960.00             | 2,750.00  | 60,500.00             | 1,950.00   | 42,900.00             |
| 30                    | 8" Gate Valve  | EA   | 5        | 1,290.00   | 6,450.00              | 1,460.00  | 7,300.00              | 1,200.00   | 6,000.00              |
| 31                    | 6" Gate Valve  | EA   | 7        | 920.00   | 6,440.00              | 1,160.00  | 8,120.00              | 850.00   | 5,950.00              |
| 32                    | 4" Gate Valve  | EA   | 3        | 750.00   | 2,250.00              | 1,050.00  | 3,150.00              | 700.00   | 2,100.00              |
| 33                    | 3" Gate Valve  | EA   | 0        | 660.00   | 0.00                  | 0.00  | 0.00                  | 675.00   | 0.00                  |
| 34                    | 4" Blowoff Assembly Type 2                               | EA   | 2        | 1,100.00   | 2,200.00              | 1,550.00  | 3,100.00              | 1,500.00   | 3,000.00              |
| 35                    | 3" Blowoff Assembly Type 1                               | EA   | 1        | 1,250.00   | 1,250.00              | 1,550.00  | 1,550.00              | 1,800.00   | 1,800.00              |
| 36                    | 3" Blowoff Assembly Type 2                               | EA   | 0        | 1,030.00   | 0.00                  | 0.00  | 0.00                  | 1,400.00   | 0.00                  |
| 37                    | Pavement Replacement                                     |      |          |  |                       |   |                       |  |                       |
| 37.1                  | Concrete   | LF   | 500      | 40.00  | 20,000.00             | 20.00   | 10,000.00             | 60.00  | 30,000.00             |
| 37.2                  | Heavy Duty Bituminous                                    | LF   | 1,000    | 1.00   | 1,000.00              | 20.00   | 20,000.00             | 45.00  | 45,000.00             |
| 37.3                  | Light Duty Bituminous                                    | LF   | 2,000    | 1.00   | 2,000.00              | 20.00   | 40,000.00             | 25.00  | 50,000.00             |
| 37.4                  | Crushed Stone  | LF   | 6,000    | 1.00   | 6,000.00              | 10.00   | 60,000.00             | 10.00  | 60,000.00             |
| 38                    | 3" Pressure Reducing Station                             | EA   | 3        | 12,000.00  | 36,000.00             | 12,650.00   | 37,950.00             | 15,000.00  | 45,000.00             |
| 39                    | Air Release Valve  | EA   | 5        | 600.00   | 3,000.00              | 840.00  | 4,200.00              | 1,800.00   | 9,000.00              |
| 40                    | Creek Crossing Test Meter                                | EA   | 1        | 2,800.00   | 2,800.00              | 975.00  | 975.00                | 900.00   | 900.00                |
| 41                    | 5/8" x 3/4" Meter Installation                           | EA   | 13       | 500.00   | 6,500.00              | 725.00  | 9,425.00              | 900.00   | 11,700.00             |
| 42                    | 3/4" Service Tubing                                      | LF   | 800      | 9.00   | 7,200.00              | 10.00   | 8,000.00              | 10.00  | 8,000.00              |
| 43                    | Final Pipeline Cleanup                                   | LF   | 74,650   | 1.00   | 74,650.00             | 1.00  | 74,650.00             | 1.00   | 74,650.00             |
| 44                    | Private Sewar Crossing                                   | LF   | 200      | 5.00   | 1,000.00              | 10.00   | 2,000.00              | 30.00  | 6,000.00              |
| 45                    | Free Bore for 4" through 12" Pipe                        | LF   | 500      | 25.00  | 12,500.00             | 40.00   | 20,000.00             | 50.00  | 25,000.00             |
| 46                    | Concrete Thrust Collar                                   | EA   | 1        | 750.00   | 750.00                | 100.00  | 100.00                | 1,000.00   | 1,000.00              |
| 47                    | Fire Hydrant, Type 3                                     | EA   | 1        | 3,300.00   | 3,300.00              | 4,455.00  | 4,455.00              | 3,500.00   | 3,500.00              |
| 48                    | Miscellaneous Fittings at KY39/Ocala Road Intersection   | LS   | 1        | 1,000.00   | 1,000.00              | 2,000.00  | 2,000.00              | 5,000.00   | 5,000.00              |
| 49                    | Tracer Wire Access Post                                  | EA   | 50       | 85.00  | 4,250.00              | 30.00   | 1,500.00              | 80.00  | 4,000.00              |
| <b>TOTAL BASE BID</b> |  |      |          |  | <b>\$2,205,520.00</b> |   | <b>\$2,209,418.00</b> |  | <b>\$2,221,135.00</b> |
| ADD ALTERNATE NO. 1   |  |      |          |  | \$240,520.00          |   | \$285,890.00          |  | \$310,010.00          |
| ADD ALTERNATE NO. 2   |  |      |          |  | \$111,605.00          |   | \$137,885.00          |  | \$148,250.00          |
| ADD ALTERNATE NO. 3   |  |      |          |  | \$59,042.00           |   | \$53,435.00           |  | \$60,580.00           |
| ADD ALTERNATE NO. 4   |  |      |          |  | \$51,000.00           |   | \$51,910.00           |  | \$41,500.00           |
| <b>TOTAL BID</b>      |  |      |          |  | <b>\$2,667,687.00</b> |   | <b>\$2,738,638.00</b> |  | <b>\$2,781,455.00</b> |

THE ABOVE IS A TRUE AND COMPLETE TABULATION OF BIDS RECEIVED UNTIL 1:00 P M Local Time on October 28, 2010

BY:

*Carlos F. Miller* 10-29-10  
 Carlos F. Miller, P.E. DATE



ALTERNATE NO. 1

| ITEM NO.            | ITEM DISCRIPTION                            | UNIT | QUANTITY | Weddle Enterprises, Inc. |              | Cumberland Pipeline, LLC |              | United Pipeline, Inc. |              |
|---------------------|---|------|----------|--------------------------|--------------|--------------------------|--------------|-----------------------|--------------|
|                     |   |      |          | UNIT COST                | COST         | UNIT COST                | COST         | UNIT COST             | COST         |
| 7                   | 6" PVC Pipe, SRD 17                         | LF   | 17,400   | 12.85                    | 223,590.00   | 8.35                     | 145,290.00   | 13.31                 | 231,594.00   |
| 14                  | Bored Encasement for 6" Carrier Pipe        | LF   | 90       | 118.00                   | 10,620.00    | 80.42                    | 7,237.80     | 196.30                | 17,567.00    |
| 15                  | Open Cut Encasement for 6" Carrier Pipe     | LF   | 50       | 36.00                    | 1,800.00     | 51.75                    | 2,587.50     | 50.00                 | 2,500.00     |
| 19                  | Trenched Creek Crossing for 6" Pipe, Type A | LF   | 20       | 68.00                    | 1,360.00     | 65.35                    | 1,307.00     | 122.24                | 2,444.80     |
| 31                  | 6" Gate Valve                               | EA   | 7        | 930.00                   | 6,510.00     | 800.00                   | 5,600.00     | 1,222.90              | 8,560.30     |
| 37                  | Pavement Replacement                        |      |          |                          |              |                          |              |                       |              |
| 37.1                | Concrete                                    | LF   | 100      | 30.00                    | 3,000.00     | 30.00                    | 3,000.00     | 30.00                 | 3,000.00     |
| 37.2                | Heavy Duty Bituminous                       | LF   | 200      | 20.00                    | 4,000.00     | 30.00                    | 6,000.00     | 20.00                 | 4,000.00     |
| 37.3                | Light Duty Bituminous                       | LF   | 500      | 20.00                    | 10,000.00    | 25.00                    | 12,500.00    | 15.00                 | 7,500.00     |
| 37.4                | Crushed Stone                               | LF   | 1,500    | 3.00                     | 4,500.00     | 6.00                     | 9,000.00     | 15.00                 | 22,500.00    |
| 39                  | Air Release Valve                           | EA   | 2        | 515.00                   | 1,030.00     | 850.00                   | 1,700.00     | 945.50                | 1,891.00     |
| 43                  | Final Pipeline Cleanup                      | LF   | 17,400   | 1.00                     | 17,400.00    | 1.00                     | 17,400.00    | 1.00                  | 17,400.00    |
| 44                  | Private Sewer Crossing                      | LF   | 100      | 1.00                     | 100.00       | 20.00                    | 2,000.00     | 5.00                  | 500.00       |
| 45                  | Free Bore for 4" through 12" Pipe           | LF   | 200      | 45.00                    | 9,000.00     | 40.00                    | 8,000.00     | 40.00                 | 8,000.00     |
| 49                  | Tracer Wire Access Post                     | EA   | 12       | 55.00                    | 660.00       | 50.00                    | 600.00       | 50.00                 | 600.00       |
| ADD ALTERNATE NO. 1 |   |      |          |                          | \$293,570.00 |                          | \$222,222.30 |                       | \$328,157.10 |

ALTERNATE NO. 1

| ITEM NO.            | ITEM DISCRIPTION                            | UNIT | QUANTITY | Cleary Construction, Inc. |              | Clay Pipeline, Inc. |              | K. Carrender Construction Co., Inc. |              |
|---------------------|---|------|----------|---------------------------|--------------|---------------------|--------------|-------------------------------------|--------------|
|                     |   |      |          | UNIT COST                 | COST         | UNIT COST           | COST         | UNIT COST                           | COST         |
| 7                   | 6" PVC Pipe, SRD 17                         | LF   | 17,400   | 11.20                     | 194,880.00   | 11.45               | 199,230.00   | 12.00                               | 208,800.00   |
| 14                  | Bored Encasement for 6" Carrier Pipe        | LF   | 90       | 82.00                     | 7,380.00     | 120.00              | 10,800.00    | 150.00                              | 13,500.00    |
| 15                  | Open Cut Encasement for 6" Carrier Pipe     | LF   | 50       | 52.00                     | 2,600.00     | 120.00              | 6,000.00     | 50.00                               | 2,500.00     |
| 19                  | Trenched Creek Crossing for 6" Pipe, Type A | LF   | 20       | 90.00                     | 1,800.00     | 120.00              | 2,400.00     | 90.00                               | 1,800.00     |
| 31                  | 6" Gate Valve                               | EA   | 7        | 920.00                    | 6,440.00     | 1,160.00            | 8,120.00     | 850.00                              | 5,950.00     |
| 37                  | Pavement Replacement                        |      |          |                           |              |                     |              |                                     |              |
| 37.1                | Concrete                                    | LF   | 100      | 1.00                      | 100.00       | 20.00               | 2,000.00     | 60.00                               | 6,000.00     |
| 37.2                | Heavy Duty Bituminous                       | LF   | 200      | 1.00                      | 200.00       | 20.00               | 4,000.00     | 45.00                               | 9,000.00     |
| 37.3                | Light Duty Bituminous                       | LF   | 500      | 1.00                      | 500.00       | 20.00               | 10,000.00    | 25.00                               | 12,500.00    |
| 37.4                | Crushed Stone                               | LF   | 1,500    | 1.00                      | 1,500.00     | 10.00               | 15,000.00    | 10.00                               | 15,000.00    |
| 39                  | Air Release Valve                           | EA   | 2        | 600.00                    | 1,200.00     | 840.00              | 1,680.00     | 1,800.00                            | 3,600.00     |
| 43                  | Final Pipeline Cleanup                      | LF   | 17,400   | 1.00                      | 17,400.00    | 1.00                | 17,400.00    | 1.00                                | 17,400.00    |
| 44                  | Private Sewer Crossing                      | LF   | 100      | 5.00                      | 500.00       | 10.00               | 1,000.00     | 30.00                               | 3,000.00     |
| 45                  | Free Bore for 4" through 12" Pipe           | LF   | 200      | 25.00                     | 5,000.00     | 40.00               | 8,000.00     | 50.00                               | 10,000.00    |
| 49                  | Tracer Wire Access Post                     | EA   | 12       | 85.00                     | 1,020.00     | 30.00               | 360.00       | 80.00                               | 960.00       |
| ADD ALTERNATE NO. 1 |   |      |          |                           | \$240,520.00 |                     | \$285,990.00 |                                     | \$310,010.00 |

ALTERNATE NO. 2

| ITEM NO.            | ITEM DISCRPTION                         | UNIT | QUANTITY | Weddle Enterprises, Inc. |              | Cumberland Pipeline, LLC |             | United Pipeline, Inc. |              |
|---------------------|---|------|----------|--------------------------|--------------|--------------------------|-------------|-----------------------|--------------|
|                     |   |      |          | UNIT COST                | COST         | UNIT COST                | COST        | UNIT COST             | COST         |
| 7                   | 6" PVC Pipe, SRD 17                     | LF   | 7,700    | 12.85                    | 98,945.00    | 7.40                     | 56,980.00   | 13.14                 | 101,178.00   |
| 14                  | Bored Encasement for 6" Carrier Pipe    | LF   | 115      | 118.00                   | 13,570.00    | 81.00                    | 9,315.00    | 194.38                | 22,353.70    |
| 15                  | Open Cut Encasement for 6" Carrier Pipe | LF   | 20       | 36.00                    | 720.00       | 52.25                    | 1,045.00    | 70.98                 | 1,419.60     |
| 24                  | 6" x 6" TS&V                            | EA   | 2        | 2,675.00                 | 5,350.00     | 1,775.00                 | 3,550.00    | 1,788.03              | 3,576.06     |
| 31                  | 6" Gate Valve                           | EA   | 2        | 930.00                   | 1,860.00     | 800.00                   | 1,600.00    | 1,187.64              | 2,375.28     |
| 37                  | Pavement Replacement                    |      |          |                          |              |                          |             |                       |              |
| 37.1                | Concrete                                | LF   | 30       | 30.00                    | 900.00       | 30.00                    | 900.00      | 30.00                 | 900.00       |
| 37.2                | Heavy Duty Bituminous                   | LF   | 60       | 20.00                    | 1,200.00     | 30.00                    | 1,800.00    | 20.00                 | 1,200.00     |
| 37.3                | Light Duty Bituminous                   | LF   | 60       | 20.00                    | 1,200.00     | 25.00                    | 1,500.00    | 15.00                 | 900.00       |
| 37.4                | Crushed Stone                           | LF   | 1,000    | 3.00                     | 3,000.00     | 6.00                     | 6,000.00    | 15.00                 | 15,000.00    |
| 43                  | Final Pipeline Cleanup                  | LF   | 8,500    | 1.00                     | 8,500.00     | 1.00                     | 8,500.00    | 1.00                  | 8,500.00     |
| 44                  | Private Sewer Crossing                  | LF   | 100      | 1.00                     | 100.00       | 20.00                    | 2,000.00    | 5.00                  | 500.00       |
| 45                  | Free Bore for 4" through 12" Pipe       | LF   | 100      | 45.00                    | 4,500.00     | 40.00                    | 4,000.00    | 40.00                 | 4,000.00     |
| 49                  | Tracer Wire Access Post                 | EA   | 5        | 55.00                    | 275.00       | 50.00                    | 250.00      | 50.00                 | 250.00       |
| ADD ALTERNATE NO. 2 |   |      |          |                          | \$140,120.00 |                          | \$97,440.00 |                       | \$162,152.64 |

ALTERNATE NO. 2

| ITEM NO.            | ITEM DISCRPTION                         | UNIT | QUANTITY | Cleary Construction, Inc. |              | Clay Pipeline, Inc. |              | K. Carrender Construction Co., Inc. |              |
|---------------------|---|------|----------|---------------------------|--------------|---------------------|--------------|-------------------------------------|--------------|
|                     |   |      |          | UNIT COST                 | COST         | UNIT COST           | COST         | UNIT COST                           | COST         |
| 7                   | 6" PVC Pipe, SRD 17                     | LF   | 7,700    | 10.60                     | 81,620.00    | 11.45               | 88,165.00    | 12.00                               | 92,400.00    |
| 14                  | Bored Encasement for 6" Carrier Pipe    | LF   | 115      | 82.00                     | 9,430.00     | 120.00              | 13,800.00    | 150.00                              | 17,250.00    |
| 15                  | Open Cut Encasement for 6" Carrier Pipe | LF   | 20       | 52.00                     | 1,040.00     | 120.00              | 2,400.00     | 50.00                               | 1,000.00     |
| 24                  | 6" x 6" TS&V                            | EA   | 2        | 2,300.00                  | 4,600.00     | 2,275.00            | 4,550.00     | 1,500.00                            | 3,000.00     |
| 31                  | 6" Gate Valve                           | EA   | 2        | 920.00                    | 1,840.00     | 1,160.00            | 2,320.00     | 850.00                              | 1,700.00     |
| 37                  | Pavement Replacement                    |      |          |                           |              |                     |              |                                     |              |
| 37.1                | Concrete                                | LF   | 30       | 1.00                      | 30.00        | 20.00               | 600.00       | 60.00                               | 1,800.00     |
| 37.2                | Heavy Duty Bituminous                   | LF   | 60       | 1.00                      | 60.00        | 20.00               | 1,200.00     | 45.00                               | 2,700.00     |
| 37.3                | Light Duty Bituminous                   | LF   | 60       | 1.00                      | 60.00        | 20.00               | 1,200.00     | 25.00                               | 1,500.00     |
| 37.4                | Crushed Stone                           | LF   | 1,000    | 1.00                      | 1,000.00     | 10.00               | 10,000.00    | 10.00                               | 10,000.00    |
| 43                  | Final Pipeline Cleanup                  | LF   | 8,500    | 1.00                      | 8,500.00     | 1.00                | 8,500.00     | 1.00                                | 8,500.00     |
| 44                  | Private Sewer Crossing                  | LF   | 100      | 5.00                      | 500.00       | 10.00               | 1,000.00     | 30.00                               | 3,000.00     |
| 45                  | Free Bore for 4" through 12" Pipe       | LF   | 100      | 25.00                     | 2,500.00     | 40.00               | 4,000.00     | 50.00                               | 5,000.00     |
| 49                  | Tracer Wire Access Post                 | EA   | 5        | 85.00                     | 425.00       | 30.00               | 150.00       | 80.00                               | 400.00       |
| ADD ALTERNATE NO. 2 |   |      |          |                           | \$111,605.00 |                     | \$137,885.00 |                                     | \$148,250.00 |

KENVIRONS, INC.  
 452 VERSAILLES ROAD  
 FRANKFORT, KY 40601  
 TEL (502) 695-4357  
 FAX (502) 695-4363

**BID TABULATIONS**  
 PROJECT: Contract 7: James Road/Bandy Area Reinforcements and Extensions  
 LOCATION: Somerset, KY  
 BID DATE: October 28, 2010 at 1:00 P M Local Time

SHEET 5 OF 6

| ALTERNATE NO. 3     |                                   |      |          | Weddle Enterprises, Inc.<br>25 Shane's Lane<br>Somerset, KY 42501 |             | Cumberland Pipeline, LLC<br>P.O. Box 277<br>Russell Springs, KY 42642 |             | United Pipeline, Inc.<br>48 Hagan Street<br>Tompkinsville, KY 42167 |             |
|---------------------|-----------------------------------|------|----------|---|-------------|---|-------------|---|-------------|
| ITEM NO.            | ITEM DISCRIPTION                  | UNIT | QUANTITY | UNIT COST   | COST        | UNIT COST   | COST        | UNIT COST   | COST        |
| 9                   | 3" PVC Pipe, SDR 17               | LF   | 2,800    | 3.00  | 8,400.00    | 8.25  | 23,100.00   | 10.97   | 30,716.00   |
| 33                  | 3" Gate Valve                     | EA   | 10       | 690.00  | 6,900.00    | 530.00  | 5,300.00    | 1,036.09  | 10,360.90   |
| 36                  | 3" Blowoff Assembly Type 2        | EA   | 1        | 430.00  | 430.00      | 740.00  | 740.00      | 818.78  | 818.78      |
| 37                  | Pavement Replacement              |      |          |   |             |   |             |   |             |
| 37.1                | Concrete                          | LF   | 10       | 30.00   | 300.00      | 30.00   | 300.00      | 30.00   | 300.00      |
| 37.2                | Heavy Duty Bituminous             | LF   | 50       | 20.00   | 1,000.00    | 30.00   | 1,500.00    | 20.00   | 1,000.00    |
| 37.3                | Light Duty Bituminous             | LF   | 100      | 20.00   | 2,000.00    | 25.00   | 2,500.00    | 15.00   | 1,500.00    |
| 37.4                | Crushed Stone                     | LF   | 300      | 3.00  | 900.00      | 6.00  | 1,800.00    | 15.00   | 4,500.00    |
| 41                  | 5/8" x 3/4" Meter Installation    | EA   | 5        | 450.00  | 2,250.00    | 700.00  | 3,500.00    | 337.10  | 1,685.50    |
| 42                  | 3/4" Service Tubing               | LF   | 200      | 4.00  | 800.00      | 7.39  | 1,478.00    | 2.74  | 548.00      |
| 43                  | Final Pipeline Cleanup            | LF   | 2,800    | 1.00  | 2,800.00    | 1.00  | 2,800.00    | 1.00  | 2,800.00    |
| 44                  | Private Sewer Crossing            | LF   | 100      | 1.00  | 100.00      | 20.00   | 2,000.00    | 5.00  | 500.00      |
| 45                  | Free Bore for 4" through 12" Pipe | LF   | 100      | 45.00   | 4,500.00    | 40.00   | 4,000.00    | 40.00   | 4,000.00    |
| 49                  | Tracer Wire Access Post           | EA   | 2        | 55.00   | 110.00      | 50.00   | 100.00      | 50.00   | 100.00      |
| ADD ALTERNATE NO. 3 |                                   |      |          |   | \$30,490.00 |   | \$49,118.00 |   | \$58,829.18 |

| ALTERNATE NO. 3     |                                   |      |          | Cleary Construction, Inc.<br>2006 Edmonton Road<br>Tompkinsville, KY 42167 |             | Clay Pipeline, Inc.<br>70 Fox Hollow Road<br>Manchester, KY 40962 |             | K. Carrender Construction Co., Inc.<br>200 Ringgold Road<br>Somerset, KY 42503 |             |
|---------------------|-----------------------------------|------|----------|--|-------------|---|-------------|--|-------------|
| ITEM NO.            | ITEM DISCRIPTION                  | UNIT | QUANTITY | UNIT COST  | COST        | UNIT COST   | COST        | UNIT COST  | COST        |
| 9                   | 3" PVC Pipe, SDR 17               | LF   | 2,800    | 14.00  | 39,200.00   | 8.00  | 22,400.00   | 9.50   | 26,600.00   |
| 33                  | 3" Gate Valve                     | EA   | 10       | 660.00   | 6,600.00    | 980.00  | 9,800.00    | 675.00   | 6,750.00    |
| 36                  | 3" Blowoff Assembly Type 2        | EA   | 1        | 1,030.00   | 1,030.00    | 1,550.00  | 1,550.00    | 1,400.00   | 1,400.00    |
| 37                  | Pavement Replacement              |      |          |  |             |   |             |  |             |
| 37.1                | Concrete                          | LF   | 10       | 30.00  | 300.00      | 20.00   | 200.00      | 60.00  | 600.00      |
| 37.2                | Heavy Duty Bituminous             | LF   | 50       | 5.00   | 250.00      | 20.00   | 1,000.00    | 45.00  | 2,250.00    |
| 37.3                | Light Duty Bituminous             | LF   | 100      | 5.00   | 500.00      | 20.00   | 2,000.00    | 25.00  | 2,500.00    |
| 37.4                | Crushed Stone                     | LF   | 300      | 5.00   | 1,500.00    | 10.00   | 3,000.00    | 10.00  | 3,000.00    |
| 41                  | 5/8" x 3/4" Meter Installation    | EA   | 5        | 500.00   | 2,500.00    | 725.00  | 3,625.00    | 900.00   | 4,500.00    |
| 42                  | 3/4" Service Tubing               | LF   | 200      | 6.00   | 1,200.00    | 10.00   | 2,000.00    | 10.00  | 2,000.00    |
| 43                  | Final Pipeline Cleanup            | LF   | 2,800    | 1.00   | 2,800.00    | 1.00  | 2,800.00    | 1.00   | 2,800.00    |
| 44                  | Private Sewer Crossing            | LF   | 100      | 5.00   | 500.00      | 10.00   | 1,000.00    | 30.00  | 3,000.00    |
| 45                  | Free Bore for 4" through 12" Pipe | LF   | 100      | 25.00  | 2,500.00    | 40.00   | 4,000.00    | 50.00  | 5,000.00    |
| 49                  | Tracer Wire Access Post           | EA   | 2        | 81.00  | 162.00      | 30.00   | 60.00       | 80.00  | 160.00      |
| ADD ALTERNATE NO. 3 |                                   |      |          |  | \$59,042.00 |   | \$53,435.00 |  | \$60,560.00 |

ALTERNATE NO. 4

| ITEM NO.            | ITEM DISCRPTION                                      | UNIT | QUANTITY | Weddle Enterprises, Inc. |             | Cumberland Pipeline, LLC |             | United Pipeline, Inc. |             |
|---------------------|--|------|----------|--------------------------|-------------|--------------------------|-------------|-----------------------|-------------|
|                     |  |      |          | UNIT COST                | COST        | UNIT COST                | COST        | UNIT COST             | COST        |
| 1                   | Northern School Tie-In (Sheet 3)                     | LS   | 1        | \$3,100.00               | \$3,100.00  | \$2,700.00               | \$2,700.00  | \$2,264.44            | \$2,264.44  |
| 2                   | KY 635 Tie-In (Sheet 4)                              | LS   | 1        | 2,900.00                 | 2,900.00    | 2,000.00                 | 2,000.00    | 1,959.41              | 1,959.41    |
| 3                   | Sholwell Lane and Verde Estates Tie-In (Sheet 4)     | LS   | 1        | 9,400.00                 | 9,400.00    | 7,400.00                 | 7,400.00    | 3,237.05              | 3,237.05    |
| 4                   | Cave Springs Tie-In (Sheet 6)                        | LS   | 1        | 2,900.00                 | 2,900.00    | 2,225.00                 | 2,225.00    | 1,992.53              | 1,992.53    |
| 5                   | Price Road Tie-In (Sheet 6)                          | LS   | 1        | 2,900.00                 | 2,900.00    | 2,200.00                 | 2,200.00    | 1,992.37              | 1,992.37    |
| 6                   | Lady Bird Lane Tie-In (Sheet 7)                      | LS   | 1        | 2,900.00                 | 2,900.00    | 3,225.00                 | 3,225.00    | 1,992.53              | 1,992.53    |
| 7                   | Old Bull Road and Mark Welborn Road Tie-In (Sheet 8) | LS   | 1        | 2,900.00                 | 2,900.00    | 2,350.00                 | 2,350.00    | 1,992.53              | 1,992.53    |
| 8                   | Big Horn Drive (Sheet 9)                             | LS   | 1        | 2,900.00                 | 2,900.00    | 2,250.00                 | 2,250.00    | 1,992.53              | 1,992.53    |
| 9                   | Ed Epperson Road (Sheet 9)                           | LS   | 1        | 2,900.00                 | 2,900.00    | 2,250.00                 | 2,250.00    | 1,992.53              | 1,992.53    |
| 10                  | KY 452 Tie-In (Sheet 10)                             | LS   | 1        | 2,900.00                 | 2,900.00    | 2,250.00                 | 2,250.00    | 1,998.73              | 1,998.73    |
| 11                  | Nubbin Ridge Road Tie-In (Sheet 10)                  | LS   | 1        | 2,900.00                 | 2,900.00    | 2,850.00                 | 2,850.00    | 1,992.53              | 1,992.53    |
| 12                  | Epperson Road Tie-In (Sheet 13)                      | LS   | 1        | 2,900.00                 | 2,900.00    | 2,250.00                 | 2,250.00    | 1,992.53              | 1,992.53    |
| 13                  | KY 39 Tie-In (Sheet 14)                              | LS   | 1        | 2,900.00                 | 2,900.00    | 2,250.00                 | 2,250.00    | 2,302.62              | 2,302.62    |
| 14                  | Petrey Road Tie-In (Sheet 15)                        | LS   | 1        | 2,900.00                 | 2,900.00    | 2,750.00                 | 2,750.00    | 1,990.53              | 1,990.53    |
| ADD ALTERNATE NO. 4 |  |      |          |                          | \$47,300.00 |                          | \$38,950.00 |                       | \$29,692.86 |

ALTERNATE NO. 4

| ITEM NO.            | ITEM DISCRPTION                                      | UNIT | QUANTITY | Cleary Construction, Inc. |             | Clay Pipeline, Inc. |             | K. Carrender Construction Co., Inc. |             |
|---------------------|--|------|----------|---------------------------|-------------|---------------------|-------------|-------------------------------------|-------------|
|                     |  |      |          | UNIT COST                 | COST        | UNIT COST           | COST        | UNIT COST                           | COST        |
| 1                   | Northern School Tie-In (Sheet 3)                     | LS   | 1        | \$3,800.00                | \$3,800.00  | \$2,295.00          | \$2,295.00  | \$2,000.00                          | \$2,000.00  |
| 2                   | KY 635 Tie-In (Sheet 4)                              | LS   | 1        | 3,500.00                  | 3,500.00    | 3,530.00            | 3,530.00    | 1,800.00                            | 1,800.00    |
| 3                   | Sholwell Lane and Verde Estates Tie-In (Sheet 4)     | LS   | 1        | 4,850.00                  | 4,850.00    | 4,670.00            | 4,670.00    | 16,500.00                           | 16,500.00   |
| 4                   | Cave Springs Tie-In (Sheet 6)                        | LS   | 1        | 3,500.00                  | 3,500.00    | 3,595.00            | 3,595.00    | 1,750.00                            | 1,750.00    |
| 5                   | Price Road Tie-In (Sheet 6)                          | LS   | 1        | 3,500.00                  | 3,500.00    | 5,220.00            | 5,220.00    | 1,800.00                            | 1,800.00    |
| 6                   | Lady Bird Lane Tie-In (Sheet 7)                      | LS   | 1        | 3,500.00                  | 3,500.00    | 3,950.00            | 3,950.00    | 1,750.00                            | 1,750.00    |
| 7                   | Old Bull Road and Mark Welborn Road Tie-In (Sheet 8) | LS   | 1        | 3,500.00                  | 3,500.00    | 3,470.00            | 3,470.00    | 1,900.00                            | 1,900.00    |
| 8                   | Big Horn Drive (Sheet 9)                             | LS   | 1        | 3,500.00                  | 3,500.00    | 3,595.00            | 3,595.00    | 1,750.00                            | 1,750.00    |
| 9                   | Ed Epperson Road (Sheet 9)                           | LS   | 1        | 3,500.00                  | 3,500.00    | 3,595.00            | 3,595.00    | 1,750.00                            | 1,750.00    |
| 10                  | KY 452 Tie-In (Sheet 10)                             | LS   | 1        | 3,500.00                  | 3,500.00    | 3,570.00            | 3,570.00    | 1,800.00                            | 1,800.00    |
| 11                  | Nubbin Ridge Road Tie-In (Sheet 10)                  | LS   | 1        | 3,500.00                  | 3,500.00    | 3,595.00            | 3,595.00    | 3,300.00                            | 3,300.00    |
| 12                  | Epperson Road Tie-In (Sheet 13)                      | LS   | 1        | 3,500.00                  | 3,500.00    | 3,635.00            | 3,635.00    | 1,750.00                            | 1,750.00    |
| 13                  | KY 39 Tie-In (Sheet 14)                              | LS   | 1        | 3,850.00                  | 3,850.00    | 3,595.00            | 3,595.00    | 1,750.00                            | 1,750.00    |
| 14                  | Petrey Road Tie-In (Sheet 15)                        | LS   | 1        | 3,500.00                  | 3,500.00    | 3,595.00            | 3,595.00    | 1,900.00                            | 1,900.00    |
| ADD ALTERNATE NO. 4 |  |      |          |                           | \$51,000.00 |                     | \$51,910.00 |                                     | \$41,500.00 |

**CONTRACT 8: JAMES ROAD/BANDY AREA  
PUMP STATIONS**

KENVIRONS, INC.  
 452 VERSAILLES ROAD  
 FRANKFORT, KENTUCKY 40601  
 TEL (502) 695-4357  
 FAX (502) 695-4363

**BID TABULATIONS**

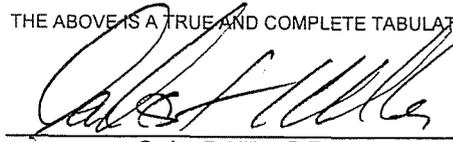
PROJECT: Contract 8: James Road/Bandy Area Pump Stations  
 LOCATION: Somerset, KY  
 BID DATE: October 28, 2010 at 1:00 P.M. (Local Time)

**Base Bid**

| ITEM NO.                             | ITEM DESCRIPTION                               | UNIT | QUANTITY | Conley H. Gregory Construction, Inc.<br>1900 North Main Street<br>Monticello, KY 42633 |                     | Cumberland Pipeline, LLC<br>P.O. Box 277<br>Russell Springs, KY 42642 |                     | K. Carrender Construction Co., Inc.<br>200 Ringgold Road<br>Somerset, KY 42503 |                     |
|--------------------------------------|--|------|----------|--|---------------------|---|---------------------|--|---------------------|
|                                      |  |      |          | UNIT COST  | COST                | UNIT COST   | COST                | UNIT COST  | COST                |
| 1                                    | Pump Station, Complete and Operable            | LS   | 1        | \$185,419.41   | \$185,419.41        | \$195,000.00  | \$195,000.00        | \$130,000.00   | \$130,000.00        |
| 2                                    | Earthwork                                      | LS   | 1        | 5,000.00   | 5,000.00            | 7,000.00  | 7,000.00            | 5,000.00   | 5,000.00            |
| 3                                    | Foundation                                     | LS   | 1        | 20,000.00  | 20,000.00           | 8,000.00  | 8,000.00            | 25,000.00  | 25,000.00           |
| 4                                    | Painting                                       | LS   | 1        | 6,500.00   | 6,500.00            | 12,000.00   | 12,000.00           | 10,000.00  | 10,000.00           |
| 5                                    | Site Restoration                               | LS   | 1        | 5,000.00   | 5,000.00            | 5,000.00  | 5,000.00            | 2,000.00   | 2,000.00            |
| 6                                    | Yard Piping including Valves and Appurtenances | LS   | 1        | 20,000.00  | 20,000.00           | 15,000.00   | 15,000.00           | 60,000.00  | 60,000.00           |
| 7                                    | Crushed Stone paving per plan dimensions       | SY   | 60       | 15.00  | 900.00              | 10.00   | 600.00              | 30.00  | 1,800.00            |
| 8                                    | Chain Link Fencing including 16' Gate          | LF   | 170      | 42.00  | 7,140.00            | 65.00   | 11,050.00           | 42.00  | 7,140.00            |
| <b>TOTAL BANDY PUMP STATION</b>      |  |      |          |  | <b>\$249,959.41</b> |   | <b>\$253,650.00</b> |  | <b>\$240,940.00</b> |
| <b>TOTAL JAMES ROAD PUMP STATION</b> |  |      |          |  | <b>\$223,049.19</b> |   | <b>\$234,900.00</b> |  | <b>\$247,800.00</b> |
| <b>TOTAL BASE BID</b>                |  |      |          |  | <b>\$473,008.60</b> |   | <b>\$488,550.00</b> |  | <b>\$488,740.00</b> |

THE ABOVE IS A TRUE AND COMPLETE TABULATION OF BIDS RECEIVED UNTIL 1:00 P.M. Local Time on October 28, 2010.

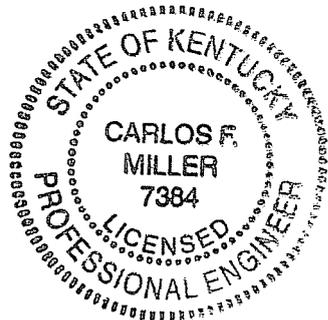
BY:



Carlos F. Miller, P.E.

10-29-10

DATE



KENVIRONS, INC.  
 452 VERSAILLES ROAD  
 FRANKFORT, KENTUCKY 40601  
 TEL (502) 695-4357  
 FAX (502) 695-4363

**BID TABULATIONS**

PROJECT: Contract 8: James Road/Bandy Area Pump Stations  
 LOCATION: Somerset, KY  
 BID DATE: October 28, 2010 at 1:00 P.M. (Local Time)

| Base Bid                             |  |      |          | Conley H. Gregory Construction, Inc.<br>1900 North Main Street<br>Monticello, KY 42633 |                     | Cumberland Pipeline, LLC<br>P.O. Box 277<br>Russell Springs, KY 42642 |                     | K. Carrender Construction Co., Inc.<br>200 Ringgold Road<br>Somerset, KY 42503 |                     |
|--------------------------------------|--|------|----------|--|---------------------|---|---------------------|--|---------------------|
| ITEM NO.                             | ITEM DESCRIPTION                               | UNIT | QUANTITY | UNIT COST  | COST                | UNIT COST   | COST                | UNIT COST  | COST                |
| 1                                    | Pump Station, Complete and Operable            | LS   | 1        | \$167,189.19   | \$167,189.19        | \$182,000.00  | \$182,000.00        | \$130,000.00   | \$130,000.00        |
| 2                                    | Earthwork                                      | LS   | 1        | 5,000.00   | 5,000.00            | 6,000.00  | 6,000.00            | 10,000.00  | 10,000.00           |
| 3                                    | Foundation                                     | LS   | 1        | 15,000.00  | 15,000.00           | 7,000.00  | 7,000.00            | 25,000.00  | 25,000.00           |
| 4                                    | Painting                                       | LS   | 1        | 6,500.00   | 6,500.00            | 11,000.00   | 11,000.00           | 10,000.00  | 10,000.00           |
| 5                                    | Site Restoration                               | LS   | 1        | 5,000.00   | 5,000.00            | 5,000.00  | 5,000.00            | 2,000.00   | 2,000.00            |
| 6                                    | Yard Piping including Valves and Appurtenances | LS   | 1        | 15,000.00  | 15,000.00           | 11,000.00   | 11,000.00           | 60,000.00  | 60,000.00           |
| 7                                    | Crushed stone paving per plan dimensions       | SY   | 120      | 15.00  | 1,800.00            | 10.00   | 1,200.00            | 30.00  | 3,600.00            |
| 8                                    | Chain Link Fencing including 16' Gate          | LF   | 180      | 42.00  | 7,560.00            | 65.00   | 11,700.00           | 40.00  | 7,200.00            |
| <b>TOTAL JAMES ROAD PUMP STATION</b> |  |      |          |  | <b>\$223,049.19</b> |   | <b>\$234,900.00</b> |  | <b>\$247,800.00</b> |

THE ABOVE IS A TRUE AND COMPLETE TABULATION OF BIDS RECEIVED UNTIL 1:00 P.M. Local Time on October 28, 2010.

**CONTRACT 9: BANDY AND HUBBLE KNOB  
ELEVATED WATER TANKS**

KENVIRONS, INC.  
 452 VERSAILLES ROAD  
 FRANKFORT, KENTUCKY 40601  
 TEL (502) 695-4357  
 FAX (502) 695-4363

**BID TABULATIONS**  
 PROJECT: Contract 9: Bandy and Hubble Knob Elevated Water Tanks  
 LOCATION: Somerset, KY  
 BID DATE: October 28, 2010 at 1:00 P.M. (Local Time)

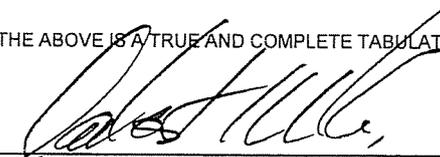
**Base Bid**

|  |  |
|--|--|
| Phoenix Fabricators & Erectors, Inc.<br>182 South County Road 900 East<br>Avon, IN 46123 | Caldwell Tanks, Inc.<br>P.O. Box 35770<br>Louisville, KY 40232 |
|--|--|

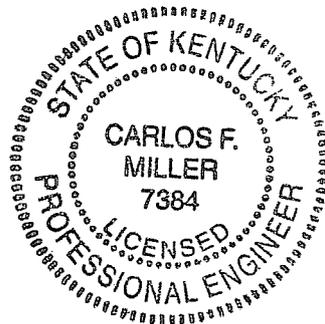
| ITEM NO.                          | ITEM DESCRIPTION                                      | UNIT | QUANTITY | UNIT COST    | COST                  | UNIT COST    | COST                  |
|-----------------------------------|---|------|----------|--------------|-----------------------|--------------|-----------------------|
| 1                                 | 200,000 Gallon Elevated Water Storage Tank            | LS   | 1        | \$330,013.00 | \$330,013.00          | \$384,000.00 | \$384,000.00          |
| 2                                 | Earthwork   | LS   | 1        | 10,000.00    | 10,000.00             | 4,000.00     | 4,000.00              |
| 3                                 | Foundation  | LS   | 1        | 70,000.00    | 70,000.00             | 70,000.00    | 70,000.00             |
| 4                                 | Painting  | LS   | 1        | 104,000.00   | 104,000.00            | 134,000.00   | 134,000.00            |
| 5                                 | Yard Work including Lined Channels & Site Restoration | LS   | 1        | 1,000.00     | 1,000.00              | 5,500.00     | 5,500.00              |
| 6                                 | Yard Piping   | LS   | 1        | 33,000.00    | 33,000.00             | 10,000.00    | 10,000.00             |
| 7                                 | Check Valve Station                                   | LS   | 1        | 20,000.00    | 20,000.00             | 15,500.00    | 15,500.00             |
| 8                                 | Fencing   | LF   | 100      | 28.00        | 2,800.00              | 20.00        | 2,000.00              |
| 9                                 | Access Road   | LS   | 1        | 1.00         | 1.00                  | 1,000.00     | 1,000.00              |
| 10                                | Mixing System   | LS   | 1        | 10,000.00    | 10,000.00             | 4,000.00     | 4,000.00              |
| <b>TOTAL BANDY TANK BID</b>       |   |      |          |              | <b>\$580,814.00</b>   |              | <b>\$630,000.00</b>   |
| <b>TOTAL HUBBLE KNOB TANK BID</b> |   |      |          |              | <b>\$533,817.00</b>   |              | <b>\$505,000.00</b>   |
| <b>TOTAL BASE BID</b>             |   |      |          |              | <b>\$1,114,631.00</b> |              | <b>\$1,135,000.00</b> |

THE ABOVE IS A TRUE AND COMPLETE TABULATION OF BIDS RECEIVED UNTIL 1:00 P.M. Local Time on October 28, 2010.

BY:

  
 Carlos F. Miller, P.E.

10-29-10  
 DATE



KENVIRONS, INC.  
 452 VERSAILLES ROAD  
 FRANKFORT, KENTUCKY 40601  
 TEL (502) 695-4357  
 FAX (502) 695-4363

**BID TABULATIONS**  
 PROJECT: Contract 9: Bandy and Hubble Knob Elevated Water Tanks  
 LOCATION: Somerset, KY  
 BID DATE: October 28, 2010 at 1:00 P.M. (Local Time)

| Base Bid                          |   |      |          | Phoenix Fabricators & Erectors, Inc.<br>182 South County Road 900 East<br>Avon, IN 46123 |                     | Caldwell Tanks, Inc.<br>P.O. Box 35770<br>Louisville, KY 40232 |                     |
|-----------------------------------|---|------|----------|--|---------------------|--|---------------------|
| ITEM NO.                          | ITEM DESCRIPTION                                      | UNIT | QUANTITY | UNIT COST  | COST                | UNIT COST  | COST                |
| 1                                 | 100,000 Gallon Elevated Water Storage Tank            | LS   | 1        | \$311,417.00   | \$311,417.00        | \$259,000.00   | \$259,000.00        |
| 2                                 | Earthwork   | LS   | 1        | 10,000.00  | 10,000.00           | 3,000.00   | 3,000.00            |
| 3                                 | Foundation  | LS   | 1        | 65,000.00  | 65,000.00           | 90,000.00  | 90,000.00           |
| 4                                 | Painting  | LS   | 1        | 79,000.00  | 79,000.00           | 94,000.00  | 94,000.00           |
| 5                                 | Yard Work including Lined Channels & Site Restoration | LS   | 1        | 1,000.00   | 1,000.00            | 15,000.00  | 15,000.00           |
| 6                                 | Yard Piping   | LS   | 1        | 25,000.00  | 25,000.00           | 10,000.00  | 10,000.00           |
| 7                                 | Check Valve Station                                   | LS   | 1        | 20,000.00  | 20,000.00           | 16,000.00  | 16,000.00           |
| 8                                 | Fencing   | LF   | 300      | 28.00  | 8,400.00            | 20.00  | 6,000.00            |
| 9                                 | Access Road   | LS   | 1        | 5,000.00   | 5,000.00            | 8,000.00   | 8,000.00            |
| 10                                | Mixing System   | LS   | 1        | 9,000.00   | 9,000.00            | 4,000.00   | 4,000.00            |
| <b>TOTAL HUBBLE KNOB TANK BID</b> |   |      |          |  | <b>\$533,817.00</b> |  | <b>\$505,000.00</b> |

THE ABOVE IS A TRUE AND COMPLETE TABULATION OF BIDS RECEIVED UNTIL 1:00 P.M. Local Time on October 28, 2010.

## **EXHIBIT 6**

# **CERTIFIED BID TABULATIONS**

**Contract 7 Water Lines**

**Contract 8 Booster Pump Stations**

**Contract 9 Elevated Water Storage Tanks**

**CONTRACT 7: JAMES ROAD/BANDY AREA  
REINFORCEMENTS AND EXTENSIONS**

KENVIRONS, INC.  
452 VERSAILLES ROAD  
FRANKFORT, KY 40601  
TEL (502) 695-4357  
FAX (502) 695-4363

**BID TABULATIONS**  
Contract 7: James Road/Bandy Area Reinforcements and Extensions  
LOCATION: Somerset, KY  
BID DATE: October 28, 2010 at 1:00 P M Local Time

SHEET 1 OF 6

| BASE BID              |  |      |          | Weddle Enterprises, Inc.<br>25 Shane's Lane<br>Somerset, KY 42501 |                       | Cumberland Pipeline, LLC<br>P.O. Box 277<br>Russell Springs, KY 42642 |                       | United Pipeline, Inc.<br>48 Hagan Street<br>Tompkinsville, KY 42167 |                       |
|-----------------------|--|------|----------|---|-----------------------|---|-----------------------|---|-----------------------|
| ITEM NO.              | ITEM DESCRIPTION   | UNIT | QUANTITY | UNIT COST   | COST                  | UNIT COST   | COST                  | UNIT COST   | COST                  |
| 1                     | 12" Ductile Iron Pipe, P.O., CL 350                      | LF   | 2,900    | \$34.70   | \$100,630.00          | \$31.40   | \$91,060.00           | \$28.17   | \$84,593.00           |
| 2                     | 12" Ductile Iron Pipe, P.O., CL 350 with Nitrile Gaskets | LF   | 940      | 34.00   | 31,960.00             | 33.25   | 31,255.00             | 30.80   | 28,852.00             |
| 3                     | 8" Ductile Iron Pipe, P.O., CL 350                       | LF   | 1,500    | 36.80   | 54,900.00             | 25.85   | 38,775.00             | 21.66   | 32,490.00             |
| 4                     | 6" Ductile Iron Pipe, P.O., CL 350 with Nitrile Gaskets  | LF   | 200      | 23.00   | 4,600.00              | 23.90   | 4,780.00              | 20.24   | 4,048.00              |
| 5                     | 12" PVC Pipe, SDR 17                                     | LF   | 29,400   | 21.40   | 629,160.00            | 22.20   | 652,680.00            | 22.18   | 652,082.00            |
| 6                     | 8" PVC Pipe, SDR 17                                      | LF   | 13,800   | 17.75   | 244,950.00            | 18.65   | 257,370.00            | 15.69   | 216,522.00            |
| 7                     | 6" PVC Pipe, SDR 17                                      | LF   | 19,400   | 12.85   | 249,290.00            | 18.90   | 366,660.00            | 13.32   | 258,408.00            |
| 8                     | 4" PVC Pipe, SDR 17                                      | LF   | 7,000    | 12.40   | 86,800.00             | 14.70   | 102,900.00            | 11.62   | 81,340.00             |
| 9                     | 3" PVC Pipe, SDR 17                                      | LF   | 150      | 3.00  | 450.00                | 11.25   | 1,687.50              | 10.93   | 1,639.50              |
| 10                    | Bored Encasement for 12" Carrier Pipe                    | LF   | 150      | 170.00  | 25,500.00             | 156.80  | 23,520.00             | 214.86  | 32,229.00             |
| 11                    | Open Cut Encasement for 12" Carrier Pipe                 | LF   | 100      | 50.00   | 5,000.00              | 66.80   | 6,680.00              | 87.04   | 8,704.00              |
| 12                    | Bored Encasement for 8" Carrier Pipe                     | LF   | 305      | 144.00  | 43,920.00             | 142.25  | 43,386.25             | 198.90  | 60,664.50             |
| 13                    | Open Cut Encasement for 8" Carrier Pipe                  | LF   | 30       | 56.00   | 1,680.00              | 47.25   | 1,417.50              | 81.47   | 2,444.10              |
| 14                    | Bored Encasement for 6" Carrier Pipe                     | LF   | 80       | 118.00  | 9,440.00              | 95.50   | 7,640.00              | 194.68  | 15,574.40             |
| 15                    | Open Cut Encasement for 6" Carrier Pipe                  | LF   | 0        | 36.00   | 0.00                  | 47.25   | 0.00                  | 0.00  | 0.00                  |
| 16                    | Bored Encasement for 4" Carrier Pipe                     | LF   | 40       | 114.00  | 4,560.00              | 77.70   | 3,108.00              | 189.10  | 7,564.00              |
| 17                    | Trenched Creek Crossing for 12" Pipe, Type B             | LF   | 20       | 98.00   | 1,960.00              | 80.00   | 1,600.00              | 140.95  | 2,819.00              |
| 18                    | Trenched Creek Crossing for 8" Pipe, Type B              | LF   | 20       | 99.00   | 1,980.00              | 66.00   | 1,320.00              | 126.88  | 2,537.60              |
| 19                    | Trenched Creek Crossing for 6" Pipe, Type A              | LF   | 0        | 68.00   | 0.00                  | 70.00   | 0.00                  | 0.00  | 0.00                  |
| 20                    | Directional Bore Creek Crossing for 12" Pipe             | EA   | 1        | 5,464.00  | 5,464.00              | 24,000.00   | 24,000.00             | 30,000.00   | 30,000.00             |
| 21                    | Directional Bore Creek Crossing for 8" Pipe              | EA   | 1        | 2,490.00  | 2,490.00              | 12,000.00   | 12,000.00             | 30,000.00   | 30,000.00             |
| 22                    | Buck Creek Directional Bore                              | EA   | 1        | 41,100.00   | 41,100.00             | 48,400.00   | 48,400.00             | 39,646.11   | 39,646.11             |
| 23                    | 8" x 8" TS&V (KY 80 Connection)                          | EA   | 1        | 3,185.00  | 3,185.00              | 2,300.00  | 2,300.00              | 2,261.57  | 2,261.57              |
| 24                    | 6" x 6" TS&V (KY 39 Tie-in to Ocala Road)                | EA   | 1        | 2,675.00  | 2,675.00              | 1,775.00  | 1,775.00              | 1,850.31  | 1,850.31              |
| 25                    | 4" x 4" TS&V and 6" x 4" Reducer (KY 1003 Tie-in)        | EA   | 2        | 2,325.00  | 4,650.00              | 1,625.00  | 3,250.00              | 1,273.71  | 2,547.42              |
| 26                    | 4" x 4" TS&V (KY 39 Tie-in to Ocala Road)                | EA   | 1        | 2,160.00  | 2,160.00              | 1,700.00  | 1,700.00              | 1,602.63  | 1,602.63              |
| 27                    | 8" Tie-in at Stub-out (Hubble Knob)                      | EA   | 1        | 730.00  | 730.00                | 1,000.00  | 1,000.00              | 799.56  | 799.56                |
| 28                    | 12" Tie-in at 8" Stub-out (KY 39 & Coleman Road)         | EA   | 1        | 820.00  | 820.00                | 900.00  | 900.00                | 868.71  | 868.71                |
| 29                    | 12" Gate Valve   | EA   | 22       | 2,770.00  | 60,940.00             | 2,100.00  | 46,200.00             | 2,382.66  | 52,418.52             |
| 30                    | 8" Gate Valve  | EA   | 5        | 1,375.00  | 6,875.00              | 1,200.00  | 6,000.00              | 1,540.40  | 7,702.00              |
| 31                    | 6" Gate Valve  | EA   | 7        | 930.00  | 6,510.00              | 800.00  | 5,600.00              | 1,222.90  | 8,560.30              |
| 32                    | 4" Gate Valve  | EA   | 3        | 805.00  | 2,415.00              | 580.00  | 1,740.00              | 1,102.66  | 3,307.98              |
| 33                    | 3" Gate Valve  | EA   | 0        | 690.00  | 0.00                  | 570.00  | 0.00                  | 0.00  | 0.00                  |
| 34                    | 4" Blowoff Assembly Type 2                               | EA   | 2        | 1,390.00  | 2,780.00              | 750.00  | 1,500.00              | 909.64  | 1,819.28              |
| 35                    | 3" Blowoff Assembly Type 1                               | EA   | 1        | 1,425.00  | 1,425.00              | 1,450.00  | 1,450.00              | 1,071.48  | 1,071.48              |
| 36                    | 3" Blowoff Assembly Type 2                               | EA   | 0        | 430.00  | 0.00                  | 740.00  | 0.00                  | 0.00  | 0.00                  |
| 37                    | Pavement Replacement                                     |      |          |   |                       |   |                       |   |                       |
| 37.1                  | Concrete   | LF   | 500      | 30.00   | 15,000.00             | 30.00   | 15,000.00             | 30.00   | 15,000.00             |
| 37.2                  | Heavy Duty Bituminous                                    | LF   | 1,000    | 20.00   | 20,000.00             | 30.00   | 30,000.00             | 20.00   | 20,000.00             |
| 37.3                  | Light Duty Bituminous                                    | LF   | 2,000    | 20.00   | 40,000.00             | 25.00   | 50,000.00             | 15.00   | 30,000.00             |
| 37.4                  | Crushed Stone  | LF   | 6,000    | 3.00  | 18,000.00             | 7.00  | 42,000.00             | 15.00   | 90,000.00             |
| 38                    | 3" Pressure Reducing Station                             | EA   | 3        | 18,425.00   | 55,275.00             | 19,200.00   | 57,600.00             | 2,140.68  | 6,422.04              |
| 39                    | Air Release Valve  | EA   | 5        | 515.00  | 2,575.00              | 840.00  | 4,200.00              | 1,027.76  | 5,138.80              |
| 40                    | Creek Crossing Test Meter                                | EA   | 1        | 1,100.00  | 1,100.00              | 800.00  | 800.00                | 2,970.21  | 2,970.21              |
| 41                    | 5/8" x 3/4" Meter Installation                           | EA   | 13       | 450.00  | 5,850.00              | 725.00  | 9,425.00              | 343.97  | 4,471.61              |
| 42                    | 3/4" Service Tubing                                      | LF   | 800      | 4.00  | 3,200.00              | 8.39  | 6,712.00              | 2.75  | 2,200.00              |
| 43                    | Final Pipeline Cleanup                                   | LF   | 74,650   | 1.00  | 74,650.00             | 1.00  | 74,650.00             | 1.00  | 74,650.00             |
| 44                    | Private Sewer Crossing                                   | LF   | 200      | 1.00  | 200.00                | 30.00   | 6,000.00              | 5.00  | 1,000.00              |
| 45                    | Free Bore for 4" through 12" Pipe                        | LF   | 500      | 45.00   | 22,500.00             | 40.00   | 20,000.00             | 40.00   | 20,000.00             |
| 46                    | Concrete Thrust Collar                                   | EA   | 1        | 1,460.00  | 1,460.00              | 1,000.00  | 1,000.00              | 2,000.00  | 2,000.00              |
| 47                    | Fire Hydrant, Type 3                                     | EA   | 1        | 3,400.00  | 3,400.00              | 3,250.00  | 3,250.00              | 3,546.35  | 3,546.35              |
| 48                    | Miscellaneous Fittings at KY39/Ocala Road Intersection   | LS   | 1        | 2,260.00  | 2,260.00              | 5,000.00  | 5,000.00              | 3,553.96  | 3,553.96              |
| 49                    | Tracer Wire Access Post                                  | EA   | 50       | 55.00   | 2,750.00              | 50.00   | 2,500.00              | 50.00   | 2,500.00              |
| <b>TOTAL BASE BID</b> |  |      |          |   | <b>\$1,809,219.00</b> |   | <b>\$2,121,791.25</b> |   | <b>\$1,960,630.94</b> |
| ADD ALTERNATE NO. 1   |  |      |          |   | \$293,570.00          |   | \$222,222.30          |   | \$328,157.10          |
| ADD ALTERNATE NO. 2   |  |      |          |   | \$140,120.00          |   | \$97,440.00           |   | \$162,152.64          |
| ADD ALTERNATE NO. 3   |  |      |          |   | \$30,490.00           |   | \$49,118.00           |   | \$58,829.18           |
| ADD ALTERNATE NO. 4   |  |      |          |   | \$47,300.00           |   | \$38,950.00           |   | \$29,692.86           |
| <b>TOTAL BID</b>      |  |      |          |   | <b>\$2,420,699.00</b> |   | <b>\$2,529,521.55</b> |   | <b>\$2,539,462.72</b> |

THE ABOVE IS A TRUE AND COMPLETE TABULATION OF BIDS RECEIVED UNTIL 1:00 P M Local Time on October 28, 2010

BY:

*Carlos F. Miller*  
Carlos F. Miller, P.E.      10-29-10  
DATE



KENVIRONS, INC  
 452 VERSAILLES ROAD  
 FRANKFORT, KY 40601  
 TEL (502) 695-4357  
 FAX (502) 695-4383

PROJECT: Bid TABULATIONS  
 LOCATION: Contract 7: James Road/Bandy Area Reinforcements and Extensions  
 BID DATE: Somerset, KY  
 October 28, 2010 at 1:00 P M Local Time

SHEET 2 OF 6

BASE BID

| ITEM NO.            | ITEM DESCRIPTION   | UNIT | QUANTITY | Cleary Construction, Inc.<br>2008 Edmonson Road<br>Tompkinsville, KY 42167 |                | Clay Pipeline, Inc.<br>70 Fox Hollow Road<br>Manchester, KY 40962 |                | K. Carrender Construction Co., Inc.<br>200 Ringgold Road<br>Somerset, KY 42503 |                |
|---------------------|--|------|----------|--|----------------|---|----------------|--|----------------|
|                     |  |      |          | UNIT COST  | COST           | UNIT COST   | COST           | UNIT COST  | COST           |
| 1                   | 12" Ductile Iron Pipe, P.O., CL 350                      | LF   | 2,900    | \$35.00  | \$101,500.00   | \$39.45   | \$114,405.00   | \$45.50  | \$131,950.00   |
| 2                   | 12" Ductile Iron Pipe, P.O., CL 350 with Nitrile Gaskets | LF   | 940      | 36.00  | 33,840.00      | 41.40   | 38,916.00      | 47.50  | 44,650.00      |
| 3                   | 8" Ductile Iron Pipe, P.O., CL 350                       | LF   | 1,500    | 27.00  | 40,500.00      | 23.80   | 35,700.00      | 37.50  | 56,250.00      |
| 4                   | 6" Ductile Iron Pipe, P.O., CL 350 with Nitrile Gaskets  | LF   | 200      | 26.00  | 5,200.00       | 21.90   | 4,380.00       | 29.50  | 5,900.00       |
| 5                   | 12" PVC Pipe, SDR 17                                     | LF   | 29,400   | 28.00  | 823,200.00     | 27.15   | 798,210.00     | 23.15  | 680,610.00     |
| 6                   | 8" PVC Pipe, SDR 17                                      | LF   | 13,800   | 21.00  | 289,800.00     | 17.70   | 244,260.00     | 16.50  | 227,700.00     |
| 7                   | 6" PVC Pipe, SDR 17                                      | LF   | 19,400   | 19.00  | 368,600.00     | 15.40   | 298,760.00     | 12.00  | 232,800.00     |
| 8                   | 4" PVC Pipe, SDR 17                                      | LF   | 7,000    | 17.00  | 119,000.00     | 13.70   | 95,900.00      | 10.00  | 70,000.00      |
| 9                   | 3" PVC Pipe, SDR 17                                      | LF   | 150      | 16.00  | 2,400.00       | 13.00   | 1,950.00       | 9.50   | 1,425.00       |
| 10                  | Bored Encasement for 12" Carrier Pipe                    | LF   | 150      | 112.00   | 16,800.00      | 145.00  | 21,750.00      | 180.00   | 27,000.00      |
| 11                  | Open Cut Encasement for 12" Carrier Pipe                 | LF   | 100      | 67.00  | 6,700.00       | 125.00  | 12,500.00      | 60.00  | 6,000.00       |
| 12                  | Bored Encasement for 8" Carrier Pipe                     | LF   | 305      | 88.00  | 26,840.00      | 140.00  | 42,700.00      | 160.00   | 48,800.00      |
| 13                  | Open Cut Encasement for 8" Carrier Pipe                  | LF   | 30       | 60.00  | 1,800.00       | 121.00  | 3,630.00       | 50.00  | 1,500.00       |
| 14                  | Bored Encasement for 6" Carrier Pipe                     | LF   | 80       | 70.00  | 5,600.00       | 120.00  | 9,600.00       | 150.00   | 12,000.00      |
| 15                  | Open Cut Encasement for 6" Carrier Pipe                  | LF   | 0        | 52.00  | 0.00           | 0.00  | 0.00           | 50.00  | 0.00           |
| 16                  | Bored Encasement for 4" Carrier Pipe                     | LF   | 40       | 50.00  | 2,000.00       | 115.00  | 4,600.00       | 140.00   | 5,600.00       |
| 17                  | Trenched Creek Crossing for 12" Pipe, Type B             | LF   | 20       | 140.00   | 2,800.00       | 128.00  | 2,560.00       | 120.00   | 2,400.00       |
| 18                  | Trenched Creek Crossing for 8" Pipe, Type B              | LF   | 20       | 127.00   | 2,540.00       | 122.00  | 2,440.00       | 115.00   | 2,300.00       |
| 19                  | Trenched Creek Crossing for 6" Pipe, Type A              | LF   | 0        | 90.00  | 0.00           | 0.00  | 0.00           | 90.00  | 0.00           |
| 20                  | Directional Bore Creek Crossing for 12" Pipe             | EA   | 1        | 5,000.00   | 5,000.00       | 16,000.00   | 16,000.00      | 7,500.00   | 7,500.00       |
| 21                  | Directional Bore Creek Crossing for 8" Pipe              | EA   | 1        | 4,000.00   | 4,000.00       | 10,000.00   | 10,000.00      | 7,250.00   | 7,250.00       |
| 22                  | Buck Creek Directional Bore                              | EA   | 1        | 85,000.00  | 85,000.00      | 60,000.00   | 60,000.00      | 200,000.00   | 200,000.00     |
| 23                  | 8" x 8" TS&V (KY 80 Connection)                          | EA   | 1        | 3,300.00   | 3,300.00       | 2,700.00  | 2,700.00       | 2,100.00   | 2,100.00       |
| 24                  | 6" x 6" TS&V (KY 39 Tie-in to Ocala Road)                | EA   | 1        | 2,600.00   | 2,600.00       | 2,275.00  | 2,275.00       | 1,500.00   | 1,500.00       |
| 25                  | 4" x 4" TS&V and 6" x 4" Reducer (KY 1003 Tie-in)        | EA   | 2        | 2,000.00   | 4,000.00       | 1,865.00  | 3,730.00       | 1,400.00   | 2,800.00       |
| 26                  | 4" x 4" TS&V (KY 39 Tie-in to Ocala Road)                | EA   | 1        | 2,000.00   | 2,000.00       | 1,727.00  | 1,727.00       | 1,400.00   | 1,400.00       |
| 27                  | 8" Tie-in at Stub-out (Hubble Knob)                      | EA   | 1        | 900.00   | 900.00         | 735.00  | 735.00         | 600.00   | 600.00         |
| 28                  | 12" Tie-in at 8" Stub-out (KY 39 & Coleman Road)         | EA   | 1        | 1,100.00   | 1,100.00       | 1,015.00  | 1,015.00       | 600.00   | 600.00         |
| 29                  | 12" Gate Valve   | EA   | 22       | 2,180.00   | 47,960.00      | 2,750.00  | 60,500.00      | 1,950.00   | 42,900.00      |
| 30                  | 8" Gate Valve  | EA   | 5        | 1,290.00   | 6,450.00       | 1,460.00  | 7,300.00       | 1,200.00   | 6,000.00       |
| 31                  | 6" Gate Valve  | EA   | 7        | 920.00   | 6,440.00       | 1,160.00  | 8,120.00       | 850.00   | 5,950.00       |
| 32                  | 4" Gate Valve  | EA   | 3        | 750.00   | 2,250.00       | 1,050.00  | 3,150.00       | 700.00   | 2,100.00       |
| 33                  | 3" Gate Valve  | EA   | 0        | 660.00   | 0.00           | 0.00  | 0.00           | 675.00   | 0.00           |
| 34                  | 4" Blowoff Assembly Type 2                               | EA   | 2        | 1,100.00   | 2,200.00       | 1,550.00  | 3,100.00       | 1,500.00   | 3,000.00       |
| 35                  | 3" Blowoff Assembly Type 1                               | EA   | 1        | 1,250.00   | 1,250.00       | 1,550.00  | 1,550.00       | 1,800.00   | 1,800.00       |
| 36                  | 3" Blowoff Assembly Type 2                               | EA   | 0        | 1,030.00   | 0.00           | 0.00  | 0.00           | 1,400.00   | 0.00           |
| 37                  | Pavement Replacement                                     |      |          |  |                |   |                |  |                |
| 37.1                | Concrete   | LF   | 500      | 40.00  | 20,000.00      | 20.00   | 10,000.00      | 60.00  | 30,000.00      |
| 37.2                | Heavy Duty Bituminous                                    | LF   | 1,000    | 1.00   | 1,000.00       | 20.00   | 20,000.00      | 45.00  | 45,000.00      |
| 37.3                | Light Duty Bituminous                                    | LF   | 2,000    | 1.00   | 2,000.00       | 20.00   | 40,000.00      | 25.00  | 50,000.00      |
| 37.4                | Crushed Stone  | LF   | 6,000    | 1.00   | 6,000.00       | 10.00   | 60,000.00      | 10.00  | 60,000.00      |
| 38                  | 3" Pressure Reducing Station                             | EA   | 3        | 12,000.00  | 36,000.00      | 12,650.00   | 37,950.00      | 15,000.00  | 45,000.00      |
| 39                  | Air Release Valve  | EA   | 5        | 600.00   | 3,000.00       | 840.00  | 4,200.00       | 1,800.00   | 9,000.00       |
| 40                  | Creek Crossing Test Meter                                | EA   | 1        | 2,800.00   | 2,800.00       | 975.00  | 975.00         | 900.00   | 900.00         |
| 41                  | 5/8" x 3/4" Meter Installation                           | EA   | 13       | 500.00   | 6,500.00       | 725.00  | 9,425.00       | 900.00   | 11,700.00      |
| 42                  | 3/4" Service Tubing                                      | LF   | 800      | 9.00   | 7,200.00       | 10.00   | 8,000.00       | 10.00  | 8,000.00       |
| 43                  | Final Pipeline Cleanup                                   | LF   | 74,650   | 1.00   | 74,650.00      | 1.00  | 74,650.00      | 1.00   | 74,650.00      |
| 44                  | Private Sewer Crossing                                   | LF   | 200      | 5.00   | 1,000.00       | 10.00   | 2,000.00       | 30.00  | 6,000.00       |
| 45                  | Free Bore for 4" through 12" Pipe                        | LF   | 500      | 25.00  | 12,500.00      | 40.00   | 20,000.00      | 50.00  | 25,000.00      |
| 46                  | Concrete Thrust Collar                                   | EA   | 1        | 750.00   | 750.00         | 100.00  | 100.00         | 1,000.00   | 1,000.00       |
| 47                  | Fire Hydrant, Type 3                                     | EA   | 1        | 3,300.00   | 3,300.00       | 4,455.00  | 4,455.00       | 3,500.00   | 3,500.00       |
| 48                  | Miscellaneous Fittings at KY39/Ocala Road Intersection   | LS   | 1        | 1,000.00   | 1,000.00       | 2,000.00  | 2,000.00       | 5,000.00   | 5,000.00       |
| 49                  | Tracer Wire Access Post                                  | EA   | 50       | 85.00  | 4,250.00       | 30.00   | 1,500.00       | 80.00  | 4,000.00       |
| TOTAL BASE BID      |  |      |          |  | \$2,205,520.00 |   | \$2,209,418.00 |  | \$2,221,135.00 |
| ADD ALTERNATE NO. 1 |  |      |          |  | \$240,520.00   |   | \$285,980.00   |  | \$310,010.00   |
| ADD ALTERNATE NO. 2 |  |      |          |  | \$111,605.00   |   | \$137,885.00   |  | \$148,250.00   |
| ADD ALTERNATE NO. 3 |  |      |          |  | \$59,042.00    |   | \$53,435.00    |  | \$60,560.00    |
| ADD ALTERNATE NO. 4 |  |      |          |  | \$51,000.00    |   | \$51,910.00    |  | \$41,500.00    |
| TOTAL BID           |  |      |          |  | \$2,667,687.00 |   | \$2,738,638.00 |  | \$2,781,455.00 |

THE ABOVE IS A TRUE AND COMPLETE TABULATION OF BIDS RECEIVED UNTIL 1:00 P M Local Time on October 28, 2010.

BY:

*Carlos F. Miller* 10-29-10  
 Carlos F. Miller, P.E. DATE



KENVIRONS, INC  
 452 VERSAILLES ROAD  
 FRANKFORT, KY 40601  
 TEL (502) 695-4357  
 FAX (502) 695-4363

**BID TABULATIONS**  
 PROJECT: Contract 7: James Road/Bandy Area Reinforcements and Extensions  
 LOCATION: Somerset, KY  
 BID DATE: October 28, 2010 at 1:00 P.M. Local Time

SHEET 3 OF 6

| ALTERNATE NO. 1     |   |      |          | Weddle Enterprises, Inc.<br>25 Shane's Lane<br>Somerset, KY 42501 |              | Cumberland Pipeline, LLC<br>P.O. Box 277<br>Russell Springs, KY 42642 |              | United Pipeline, Inc.<br>48 Hagan Street<br>Tompkinsville, KY 42167 |              |
|---------------------|---|------|----------|---|--------------|---|--------------|---|--------------|
| ITEM NO.            | ITEM DISCRIPTION                            | UNIT | QUANTITY | UNIT COST   | COST         | UNIT COST   | COST         | UNIT COST   | COST         |
| 7                   | 6" PVC Pipe, SRD 17                         | LF   | 17,400   | 12.85   | 223,590.00   | 8.35  | 145,290.00   | 13.31   | 231,594.00   |
| 14                  | Bored Encasement for 6" Carrier Pipe        | LF   | 90       | 118.00  | 10,820.00    | 80.42   | 7,237.80     | 196.30  | 17,667.00    |
| 15                  | Open Cut Encasement for 6" Carrier Pipe     | LF   | 50       | 36.00   | 1,800.00     | 51.75   | 2,587.50     | 50.00   | 2,500.00     |
| 19                  | Trenched Creek Crossing for 6" Pipe, Type A | LF   | 20       | 68.00   | 1,360.00     | 65.35   | 1,307.00     | 122.24  | 2,444.80     |
| 31                  | 6" Gate Valve                               | EA   | 7        | 930.00  | 6,510.00     | 800.00  | 5,600.00     | 1,222.90  | 8,560.30     |
| 37                  | Pavement Replacement                        |      |          |   |              |   |              |   |              |
| 37.1                | Concrete                                    | LF   | 100      | 30.00   | 3,000.00     | 30.00   | 3,000.00     | 30.00   | 3,000.00     |
| 37.2                | Heavy Duty Bituminous                       | LF   | 200      | 20.00   | 4,000.00     | 30.00   | 6,000.00     | 20.00   | 4,000.00     |
| 37.3                | Light Duty Bituminous                       | LF   | 500      | 20.00   | 10,000.00    | 25.00   | 12,500.00    | 15.00   | 7,500.00     |
| 37.4                | Crushed Stone                               | LF   | 1,500    | 3.00  | 4,500.00     | 6.00  | 9,000.00     | 15.00   | 22,500.00    |
| 39                  | Air Release Valve                           | EA   | 2        | 515.00  | 1,030.00     | 850.00  | 1,700.00     | 945.50  | 1,891.00     |
| 43                  | Final Pipeline Cleanup                      | LF   | 17,400   | 1.00  | 17,400.00    | 1.00  | 17,400.00    | 1.00  | 17,400.00    |
| 44                  | Private Sewer Crossing                      | LF   | 100      | 1.00  | 100.00       | 20.00   | 2,000.00     | 5.00  | 500.00       |
| 45                  | Free Bore for 4" through 12" Pipe           | LF   | 200      | 45.00   | 9,000.00     | 40.00   | 8,000.00     | 40.00   | 8,000.00     |
| 49                  | Tracer Wire Access Post                     | EA   | 12       | 55.00   | 660.00       | 50.00   | 600.00       | 50.00   | 600.00       |
| ADD ALTERNATE NO. 1 |   |      |          |   | \$293,570.00 |   | \$222,222.30 |   | \$328,157.10 |

| ALTERNATE NO. 1     |   |      |          | Cleary Construction, Inc.<br>2006 Edmonton Road<br>Tompkinsville, KY 42167 |              | Clay Pipeline, Inc.<br>70 Fox Hollow Road<br>Manchester, KY 40962 |              | K. Carrender Construction Co., Inc.<br>200 Ringgold Road<br>Somerset, KY 42503 |              |
|---------------------|---|------|----------|--|--------------|---|--------------|--|--------------|
| ITEM NO.            | ITEM DISCRIPTION                            | UNIT | QUANTITY | UNIT COST  | COST         | UNIT COST   | COST         | UNIT COST  | COST         |
| 7                   | 6" PVC Pipe, SRD 17                         | LF   | 17,400   | 11.20  | 194,880.00   | 11.45   | 199,230.00   | 12.00  | 208,800.00   |
| 14                  | Bored Encasement for 6" Carrier Pipe        | LF   | 90       | 82.00  | 7,380.00     | 120.00  | 10,800.00    | 150.00   | 13,500.00    |
| 15                  | Open Cut Encasement for 6" Carrier Pipe     | LF   | 50       | 52.00  | 2,600.00     | 120.00  | 6,000.00     | 50.00  | 2,500.00     |
| 19                  | Trenched Creek Crossing for 6" Pipe, Type A | LF   | 20       | 90.00  | 1,800.00     | 120.00  | 2,400.00     | 90.00  | 1,800.00     |
| 31                  | 6" Gate Valve                               | EA   | 7        | 920.00   | 6,440.00     | 1,160.00  | 8,120.00     | 850.00   | 5,950.00     |
| 37                  | Pavement Replacement                        |      |          |  |              |   |              |  |              |
| 37.1                | Concrete                                    | LF   | 100      | 1.00   | 100.00       | 20.00   | 2,000.00     | 60.00  | 6,000.00     |
| 37.2                | Heavy Duty Bituminous                       | LF   | 200      | 1.00   | 200.00       | 20.00   | 4,000.00     | 45.00  | 9,000.00     |
| 37.3                | Light Duty Bituminous                       | LF   | 500      | 1.00   | 500.00       | 20.00   | 10,000.00    | 25.00  | 12,500.00    |
| 37.4                | Crushed Stone                               | LF   | 1,500    | 1.00   | 1,500.00     | 10.00   | 15,000.00    | 10.00  | 15,000.00    |
| 39                  | Air Release Valve                           | EA   | 2        | 600.00   | 1,200.00     | 840.00  | 1,680.00     | 1,800.00   | 3,600.00     |
| 43                  | Final Pipeline Cleanup                      | LF   | 17,400   | 1.00   | 17,400.00    | 1.00  | 17,400.00    | 1.00   | 17,400.00    |
| 44                  | Private Sewer Crossing                      | LF   | 100      | 5.00   | 500.00       | 10.00   | 1,000.00     | 30.00  | 3,000.00     |
| 45                  | Free Bore for 4" through 12" Pipe           | LF   | 200      | 25.00  | 5,000.00     | 40.00   | 8,000.00     | 50.00  | 10,000.00    |
| 49                  | Tracer Wire Access Post                     | EA   | 12       | 85.00  | 1,020.00     | 30.00   | 360.00       | 80.00  | 960.00       |
| ADD ALTERNATE NO. 1 |   |      |          |  | \$240,520.00 |   | \$285,990.00 |  | \$310,010.00 |

KENVIRONS, INC.  
 452 VERSAILLES ROAD  
 FRANKFORT, KY 40601  
 TEL (502) 695-4357  
 FAX (502) 695-4363

**BID TABULATIONS**  
 PROJECT: Contract 7: James Road/Bandy Area Reinforcements and Extensions  
 LOCATION: Somerset, KY  
 BID DATE: October 28, 2010 at 1:00 P M Local Time

SHEET 4 OF 6

ALTERNATE NO. 2

| ITEM NO.            | ITEM DISCRIPTION                        | UNIT | QUANTITY | Weddle Enterprises, Inc.<br>25 Shane's Lane<br>Somerset, KY 42501 |              | Cumberland Pipeline, LLC<br>P.O. Box 277<br>Russell Springs, KY 42642 |             | Unifed Pipeline, Inc.<br>48 Hagan Street<br>Tompkinsville, KY 42167 |              |
|---------------------|---|------|----------|---|--------------|---|-------------|---|--------------|
|                     |   |      |          | UNIT COST   | COST         | UNIT COST   | COST        | UNIT COST   | COST         |
| 7                   | 6" PVC Pipe, SRD 17                     | LF   | 7,700    | 12.85   | 98,945.00    | 7.40  | 56,980.00   | 13.14   | 101,178.00   |
| 14                  | Bored Encasement for 6" Carrier Pipe    | LF   | 115      | 118.00  | 13,570.00    | 81.00   | 9,315.00    | 194.38  | 22,353.70    |
| 15                  | Open Cut Encasement for 6" Carrier Pipe | LF   | 20       | 36.00   | 720.00       | 52.25   | 1,045.00    | 70.98   | 1,419.60     |
| 24                  | 6" x 6" TS&V                            | EA   | 2        | 2,675.00  | 5,350.00     | 1,775.00  | 3,550.00    | 1,788.03  | 3,576.06     |
| 31                  | 6" Gate Valve                           | EA   | 2        | 930.00  | 1,860.00     | 800.00  | 1,600.00    | 1,187.64  | 2,375.28     |
| 37                  | Pavement Replacement                    |      |          |   |              |   |             |   |              |
| 37.1                | Concrete                                | LF   | 30       | 30.00   | 900.00       | 30.00   | 900.00      | 30.00   | 900.00       |
| 37.2                | Heavy Duty Bituminous                   | LF   | 60       | 20.00   | 1,200.00     | 30.00   | 1,800.00    | 20.00   | 1,200.00     |
| 37.3                | Light Duty Bituminous                   | LF   | 60       | 20.00   | 1,200.00     | 25.00   | 1,500.00    | 15.00   | 900.00       |
| 37.4                | Crushed Stone                           | LF   | 1,000    | 3.00  | 3,000.00     | 6.00  | 6,000.00    | 15.00   | 15,000.00    |
| 43                  | Final Pipeline Cleanup                  | LF   | 8,500    | 1.00  | 8,500.00     | 1.00  | 8,500.00    | 1.00  | 8,500.00     |
| 44                  | Private Sewer Crossing                  | LF   | 100      | 1.00  | 100.00       | 20.00   | 2,000.00    | 5.00  | 500.00       |
| 45                  | Free Bore for 4" through 12" Pipe       | LF   | 100      | 45.00   | 4,500.00     | 40.00   | 4,000.00    | 40.00   | 4,000.00     |
| 49                  | Tracer Wire Access Post                 | EA   | 5        | 55.00   | 275.00       | 50.00   | 250.00      | 50.00   | 250.00       |
| ADD ALTERNATE NO. 2 |   |      |          |   | \$140,120.00 |   | \$97,440.00 |   | \$162,152.64 |

ALTERNATE NO. 2

| ITEM NO.            | ITEM DISCRIPTION                        | UNIT | QUANTITY | Cleary Construction, Inc.<br>2006 Edmonton Road<br>Tompkinsville, KY 42167 |              | Clay Pipeline, Inc.<br>70 Fox Hollow Road<br>Manchester, KY 40962 |              | K. Carrender Construction Co., Inc.<br>200 Ringgold Road<br>Somerset, KY 42503 |              |
|---------------------|---|------|----------|--|--------------|---|--------------|--|--------------|
|                     |   |      |          | UNIT COST  | COST         | UNIT COST   | COST         | UNIT COST  | COST         |
| 7                   | 6" PVC Pipe, SRD 17                     | LF   | 7,700    | 10.60  | 81,620.00    | 11.45   | 88,165.00    | 12.00  | 92,400.00    |
| 14                  | Bored Encasement for 6" Carrier Pipe    | LF   | 115      | 82.00  | 9,430.00     | 120.00  | 13,800.00    | 150.00   | 17,250.00    |
| 15                  | Open Cut Encasement for 6" Carrier Pipe | LF   | 20       | 52.00  | 1,040.00     | 120.00  | 2,400.00     | 50.00  | 1,000.00     |
| 24                  | 6" x 6" TS&V                            | EA   | 2        | 2,300.00   | 4,600.00     | 2,275.00  | 4,550.00     | 1,500.00   | 3,000.00     |
| 31                  | 6" Gate Valve                           | EA   | 2        | 920.00   | 1,840.00     | 1,160.00  | 2,320.00     | 850.00   | 1,700.00     |
| 37                  | Pavement Replacement                    |      |          |  |              |   |              |  |              |
| 37.1                | Concrete                                | LF   | 30       | 1.00   | 30.00        | 20.00   | 600.00       | 60.00  | 1,800.00     |
| 37.2                | Heavy Duty Bituminous                   | LF   | 60       | 1.00   | 60.00        | 20.00   | 1,200.00     | 45.00  | 2,700.00     |
| 37.3                | Light Duty Bituminous                   | LF   | 60       | 1.00   | 60.00        | 20.00   | 1,200.00     | 25.00  | 1,500.00     |
| 37.4                | Crushed Stone                           | LF   | 1,000    | 1.00   | 1,000.00     | 10.00   | 10,000.00    | 10.00  | 10,000.00    |
| 43                  | Final Pipeline Cleanup                  | LF   | 8,500    | 1.00   | 8,500.00     | 1.00  | 8,500.00     | 1.00   | 8,500.00     |
| 44                  | Private Sewer Crossing                  | LF   | 100      | 5.00   | 500.00       | 10.00   | 1,000.00     | 30.00  | 3,000.00     |
| 45                  | Free Bore for 4" through 12" Pipe       | LF   | 100      | 25.00  | 2,500.00     | 40.00   | 4,000.00     | 50.00  | 5,000.00     |
| 49                  | Tracer Wire Access Post                 | EA   | 5        | 85.00  | 425.00       | 30.00   | 150.00       | 80.00  | 400.00       |
| ADD ALTERNATE NO. 2 |   |      |          |  | \$111,605.00 |   | \$137,885.00 |  | \$148,250.00 |

KENVIRONS, INC.  
 452 VERSAILLES ROAD  
 FRANKFORT, KY 40601  
 TEL (502) 695-4357  
 FAX (502) 695-4363

**BID TABULATIONS**  
 Contract 7: James Road/Bandy Area Reinforcements and Extensions  
 PROJECT: Somerset, KY  
 LOCATION: Somerset, KY  
 BID DATE: October 28, 2010 at 1:00 P.M. Local Time

SHEET 5 OF 6

ALTERNATE NO. 3

|                     |                                   |      |          | Weddle Enterprises, Inc.<br>25 Shane's Lane<br>Somerset, KY 42501 |             | Cumberland Pipeline, LLC<br>P.O. Box 277<br>Russell Springs, KY 42642 |             | United Pipeline, Inc.<br>48 Hagan Street<br>Tompkinsville, KY 42167 |             |
|---------------------|-----------------------------------|------|----------|---|-------------|---|-------------|---|-------------|
| ITEM NO.            | ITEM DESCRIPTION                  | UNIT | QUANTITY | UNIT COST   | COST        | UNIT COST   | COST        | UNIT COST   | COST        |
| 9                   | 3" PVC Pipe, SDR 17               | LF   | 2,800    | 3.00  | 8,400.00    | 8.25  | 23,100.00   | 10.97   | 30,716.00   |
| 33                  | 3" Gate Valve                     | EA   | 10       | 690.00  | 6,900.00    | 530.00  | 5,300.00    | 1,036.09  | 10,360.90   |
| 36                  | 3" Blowoff Assembly Type 2        | EA   | 1        | 430.00  | 430.00      | 740.00  | 740.00      | 818.78  | 818.78      |
| 37                  | Pavement Replacement              |      |          |   |             |   |             |   |             |
| 37.1                | Concrete                          | LF   | 10       | 30.00   | 300.00      | 30.00   | 300.00      | 30.00   | 300.00      |
| 37.2                | Heavy Duty Bituminous             | LF   | 50       | 20.00   | 1,000.00    | 30.00   | 1,500.00    | 20.00   | 1,000.00    |
| 37.3                | Light Duty Bituminous             | LF   | 100      | 20.00   | 2,000.00    | 25.00   | 2,500.00    | 15.00   | 1,500.00    |
| 37.4                | Crushed Stone                     | LF   | 300      | 3.00  | 900.00      | 6.00  | 1,800.00    | 15.00   | 4,500.00    |
| 41                  | 5/8" x 3/4" Meter Installation    | EA   | 5        | 450.00  | 2,250.00    | 700.00  | 3,500.00    | 337.10  | 1,685.50    |
| 42                  | 3/4" Service Tubing               | LF   | 200      | 4.00  | 800.00      | 7.39  | 1,478.00    | 2.74  | 548.00      |
| 43                  | Final Pipeline Cleanup            | LF   | 2,800    | 1.00  | 2,800.00    | 1.00  | 2,800.00    | 1.00  | 2,800.00    |
| 44                  | Private Sewer Crossing            | LF   | 100      | 1.00  | 100.00      | 20.00   | 2,000.00    | 5.00  | 500.00      |
| 45                  | Free Bore for 4" through 12" Pipe | LF   | 100      | 45.00   | 4,500.00    | 40.00   | 4,000.00    | 40.00   | 4,000.00    |
| 49                  | Tracer Wire Access Post           | EA   | 2        | 55.00   | 110.00      | 50.00   | 100.00      | 50.00   | 100.00      |
| ADD ALTERNATE NO. 3 |                                   |      |          |   | \$30,490.00 |   | \$49,118.00 |   | \$58,829.18 |

ALTERNATE NO. 3

|                     |                                   |      |          | Cleary Construction, Inc.<br>2006 Edmonton Road<br>Tompkinsville, KY 42167 |             | Clay Pipeline, Inc.<br>70 Fox Hollow Road<br>Manchester, KY 40862 |             | K. Carrender Construction Co., Inc.<br>200 Ringgold Road<br>Somerset, KY 42503 |             |
|---------------------|-----------------------------------|------|----------|--|-------------|---|-------------|--|-------------|
| ITEM NO.            | ITEM DESCRIPTION                  | UNIT | QUANTITY | UNIT COST  | COST        | UNIT COST   | COST        | UNIT COST  | COST        |
| 9                   | 3" PVC Pipe, SDR 17               | LF   | 2,800    | 14.00  | 39,200.00   | 8.00  | 22,400.00   | 9.50   | 26,600.00   |
| 33                  | 3" Gate Valve                     | EA   | 10       | 660.00   | 6,600.00    | 980.00  | 9,800.00    | 675.00   | 6,750.00    |
| 36                  | 3" Blowoff Assembly Type 2        | EA   | 1        | 1,030.00   | 1,030.00    | 1,550.00  | 1,550.00    | 1,400.00   | 1,400.00    |
| 37                  | Pavement Replacement              |      |          |  |             |   |             |  |             |
| 37.1                | Concrete                          | LF   | 10       | 30.00  | 300.00      | 20.00   | 200.00      | 60.00  | 600.00      |
| 37.2                | Heavy Duty Bituminous             | LF   | 50       | 5.00   | 250.00      | 20.00   | 1,000.00    | 45.00  | 2,250.00    |
| 37.3                | Light Duty Bituminous             | LF   | 100      | 5.00   | 500.00      | 20.00   | 2,000.00    | 25.00  | 2,500.00    |
| 37.4                | Crushed Stone                     | LF   | 300      | 5.00   | 1,500.00    | 10.00   | 3,000.00    | 10.00  | 3,000.00    |
| 41                  | 5/8" x 3/4" Meter Installation    | EA   | 5        | 500.00   | 2,500.00    | 725.00  | 3,625.00    | 900.00   | 4,500.00    |
| 42                  | 3/4" Service Tubing               | LF   | 200      | 6.00   | 1,200.00    | 10.00   | 2,000.00    | 10.00  | 2,000.00    |
| 43                  | Final Pipeline Cleanup            | LF   | 2,800    | 1.00   | 2,800.00    | 1.00  | 2,800.00    | 1.00   | 2,800.00    |
| 44                  | Private Sewer Crossing            | LF   | 100      | 5.00   | 500.00      | 10.00   | 1,000.00    | 30.00  | 3,000.00    |
| 45                  | Free Bore for 4" through 12" Pipe | LF   | 100      | 25.00  | 2,500.00    | 40.00   | 4,000.00    | 50.00  | 5,000.00    |
| 49                  | Tracer Wire Access Post           | EA   | 2        | 81.00  | 162.00      | 30.00   | 60.00       | 80.00  | 160.00      |
| ADD ALTERNATE NO. 3 |                                   |      |          |  | \$59,042.00 |   | \$53,435.00 |  | \$60,560.00 |

KENVIRONS, INC  
 452 VERSAILLES ROAD  
 FRANKFORT, KY 40601  
 TEL (502) 695-4357  
 FAX (502) 695-4363

BID TABULATIONS  
 PROJECT: Contract 7: James Road/Bandy Area Reinforcements and Extensions  
 LOCATION: Somerset, KY  
 BID DATE: October 28, 2010 at 1:00 P M Local Time

SHEET 6 OF 6

ALTERNATE NO. 4

|                            |  |      |          | Weddle Enterprises, Inc.<br>25 Shane's Lane<br>Somerset, KY 42501 |                    | Cumberland Pipeline, LLC<br>P. O. Box 277<br>Russell Springs, KY 42642 |                    | United Pipeline, Inc.<br>48 Hagan Street<br>Tompkinsville, KY 42167 |                    |
|----------------------------|--|------|----------|---|--------------------|--|--------------------|---|--------------------|
| ITEM NO.                   | ITEM DISCRPTION                                      | UNIT | QUANTITY | UNIT COST   | COST               | UNIT COST  | COST               | UNIT COST   | COST               |
| 1                          | Northern School Tie-In (Sheet 3)                     | LS   | 1        | \$3,100.00  | \$3,100.00         | \$2,700.00   | \$2,700.00         | \$2,264.44  | \$2,264.44         |
| 2                          | KY 635 Tie-In (Sheet 4)                              | LS   | 1        | 2,900.00  | 2,900.00           | 2,000.00   | 2,000.00           | 1,959.41  | 1,959.41           |
| 3                          | Shotwell Lane and Verde Estates Tie-In (Sheet 4)     | LS   | 1        | 9,400.00  | 9,400.00           | 7,400.00   | 7,400.00           | 3,237.05  | 3,237.05           |
| 4                          | Cave Springs Tie-In (Sheet 6)                        | LS   | 1        | 2,900.00  | 2,900.00           | 2,225.00   | 2,225.00           | 1,992.53  | 1,992.53           |
| 5                          | Price Road Tie-In (Sheet 6)                          | LS   | 1        | 2,900.00  | 2,900.00           | 2,200.00   | 2,200.00           | 1,992.37  | 1,992.37           |
| 6                          | Lady Bird Lane Tie-In (Sheet 7)                      | LS   | 1        | 2,900.00  | 2,900.00           | 3,225.00   | 3,225.00           | 1,992.53  | 1,992.53           |
| 7                          | Old Bull Road and Mark Welborn Road Tie-In (Sheet 8) | LS   | 1        | 2,900.00  | 2,900.00           | 2,350.00   | 2,350.00           | 1,992.53  | 1,992.53           |
| 8                          | Big Horn Drive (Sheet 9)                             | LS   | 1        | 2,900.00  | 2,900.00           | 2,250.00   | 2,250.00           | 1,992.53  | 1,992.53           |
| 9                          | Ed Epperson Road (Sheet 9)                           | LS   | 1        | 2,900.00  | 2,900.00           | 2,250.00   | 2,250.00           | 1,992.53  | 1,992.53           |
| 10                         | KY 452 Tie-In (Sheet 10)                             | LS   | 1        | 2,900.00  | 2,900.00           | 2,250.00   | 2,250.00           | 1,998.73  | 1,998.73           |
| 11                         | Nubbin Ridge Road Tie-In (Sheet 10)                  | LS   | 1        | 2,900.00  | 2,900.00           | 2,850.00   | 2,850.00           | 1,992.53  | 1,992.53           |
| 12                         | Epperson Road Tie-In (Sheet 13)                      | LS   | 1        | 2,900.00  | 2,900.00           | 2,250.00   | 2,250.00           | 1,992.53  | 1,992.53           |
| 13                         | KY 39 Tie-In (Sheet 14)                              | LS   | 1        | 2,900.00  | 2,900.00           | 2,250.00   | 2,250.00           | 2,302.62  | 2,302.62           |
| 14                         | Petrey Road Tie-In (Sheet 15)                        | LS   | 1        | 2,900.00  | 2,900.00           | 2,750.00   | 2,750.00           | 1,990.53  | 1,990.53           |
| <b>ADD ALTERNATE NO. 4</b> |  |      |          |   | <b>\$47,300.00</b> |  | <b>\$38,950.00</b> |   | <b>\$29,692.66</b> |

ALTERNATE NO. 4

|                            |  |      |          | Cleary Construction, Inc.<br>2006 Edmonton Road<br>Tompkinsville, KY 42167 |                    | Clay Pipeline, Inc.<br>70 Fox Hollow Road<br>Manchester, KY 40962 |                    | K. Carrender Construction Co., Inc.<br>200 Ringgold Road<br>Somerset, KY 42503 |                    |
|----------------------------|--|------|----------|--|--------------------|---|--------------------|--|--------------------|
| ITEM NO.                   | ITEM DISCRPTION                                      | UNIT | QUANTITY | UNIT COST  | COST               | UNIT COST   | COST               | UNIT COST  | COST               |
| 1                          | Northern School Tie-In (Sheet 3)                     | LS   | 1        | \$3,800.00   | \$3,800.00         | \$2,295.00  | \$2,295.00         | \$2,000.00   | \$2,000.00         |
| 2                          | KY 635 Tie-In (Sheet 4)                              | LS   | 1        | 3,500.00   | 3,500.00           | 3,530.00  | 3,530.00           | 1,800.00   | 1,800.00           |
| 3                          | Shotwell Lane and Verde Estates Tie-In (Sheet 4)     | LS   | 1        | 4,850.00   | 4,850.00           | 4,670.00  | 4,670.00           | 16,500.00  | 16,500.00          |
| 4                          | Cave Springs Tie-In (Sheet 6)                        | LS   | 1        | 3,500.00   | 3,500.00           | 3,595.00  | 3,595.00           | 1,750.00   | 1,750.00           |
| 5                          | Price Road Tie-In (Sheet 6)                          | LS   | 1        | 3,500.00   | 3,500.00           | 5,220.00  | 5,220.00           | 1,800.00   | 1,800.00           |
| 6                          | Lady Bird Lane Tie-In (Sheet 7)                      | LS   | 1        | 3,500.00   | 3,500.00           | 3,950.00  | 3,950.00           | 1,750.00   | 1,750.00           |
| 7                          | Old Bull Road and Mark Welborn Road Tie-In (Sheet 8) | LS   | 1        | 3,500.00   | 3,500.00           | 3,470.00  | 3,470.00           | 1,900.00   | 1,900.00           |
| 8                          | Big Horn Drive (Sheet 9)                             | LS   | 1        | 3,500.00   | 3,500.00           | 3,595.00  | 3,595.00           | 1,750.00   | 1,750.00           |
| 9                          | Ed Epperson Road (Sheet 9)                           | LS   | 1        | 3,500.00   | 3,500.00           | 3,595.00  | 3,595.00           | 1,750.00   | 1,750.00           |
| 10                         | KY 452 Tie-In (Sheet 10)                             | LS   | 1        | 3,500.00   | 3,500.00           | 3,570.00  | 3,570.00           | 1,800.00   | 1,800.00           |
| 11                         | Nubbin Ridge Road Tie-In (Sheet 10)                  | LS   | 1        | 3,500.00   | 3,500.00           | 3,595.00  | 3,595.00           | 3,300.00   | 3,300.00           |
| 12                         | Epperson Road Tie-In (Sheet 13)                      | LS   | 1        | 3,500.00   | 3,500.00           | 3,835.00  | 3,635.00           | 1,750.00   | 1,750.00           |
| 13                         | KY 39 Tie-In (Sheet 14)                              | LS   | 1        | 3,850.00   | 3,850.00           | 3,595.00  | 3,595.00           | 1,750.00   | 1,750.00           |
| 14                         | Petrey Road Tie-In (Sheet 15)                        | LS   | 1        | 3,500.00   | 3,500.00           | 3,595.00  | 3,595.00           | 1,900.00   | 1,900.00           |
| <b>ADD ALTERNATE NO. 4</b> |  |      |          |  | <b>\$51,000.00</b> |   | <b>\$51,910.00</b> |  | <b>\$41,500.00</b> |

**CONTRACT 8: JAMES ROAD/BANDY AREA  
PUMP STATIONS**

KEN...S, INC.  
 452 V. ...AILLES ROAD  
 FRANKFORT, KENTUCKY 40601  
 TEL (502) 695-4357  
 FAX (502) 695-4363

**BID TABULA:**  
 PROJECT: Contract 8: James Road/Bandy Area Pump Stations  
 LOCATION: Somerset, KY  
 BID DATE: October 28, 2010 at 1:00 P.M. (Locatl Time)

**Base Bid**

| ITEM NO.                             | ITEM DESCRIPTION                               | UNIT | QUANTITY | Conley H. Gregory Construction, Inc.<br>1900 North Main Street<br>Monticello, KY 42633 |                     | Cumberland Pipeline, LLC<br>P.O. Box 277<br>Russell Springs, KY 42642 |                     | K. Carrender Construction Co., Inc.<br>200 Ringgold Road<br>Somerset, KY 42503 |                     |
|--------------------------------------|--|------|----------|--|---------------------|---|---------------------|--|---------------------|
|                                      |  |      |          | UNIT COST  | COST                | UNIT COST   | COST                | UNIT COST  | COST                |
| 1                                    | Pump Station, Complete and Operable            | LS   | 1        | \$185,419.41   | \$185,419.41        | \$195,000.00  | \$195,000.00        | \$130,000.00   | \$130,000.00        |
| 2                                    | Earthwork                                      | LS   | 1        | 5,000.00   | 5,000.00            | 7,000.00  | 7,000.00            | 5,000.00   | 5,000.00            |
| 3                                    | Foundation                                     | LS   | 1        | 20,000.00  | 20,000.00           | 8,000.00  | 8,000.00            | 25,000.00  | 25,000.00           |
| 4                                    | Painting                                       | LS   | 1        | 6,500.00   | 6,500.00            | 12,000.00   | 12,000.00           | 10,000.00  | 10,000.00           |
| 5                                    | Site Restoration                               | LS   | 1        | 5,000.00   | 5,000.00            | 5,000.00  | 5,000.00            | 2,000.00   | 2,000.00            |
| 6                                    | Yard Piping including Valves and Appurtenances | LS   | 1        | 20,000.00  | 20,000.00           | 15,000.00   | 15,000.00           | 60,000.00  | 60,000.00           |
| 7                                    | Crushed Stone paving per plan dimensions       | SY   | 60       | 15.00  | 900.00              | 10.00   | 600.00              | 30.00  | 1,800.00            |
| 8                                    | Chain Link Fencing including 16' Gate          | LF   | 170      | 42.00  | 7,140.00            | 65.00   | 11,050.00           | 42.00  | 7,140.00            |
| <b>TOTAL BANDY PUMP STATION</b>      |  |      |          |  | <b>\$249,959.41</b> |   | <b>\$253,650.00</b> |  | <b>\$240,940.00</b> |
| <b>TOTAL JAMES ROAD PUMP STATION</b> |  |      |          |  | <b>\$223,049.19</b> |   | <b>\$234,900.00</b> |  | <b>\$247,800.00</b> |
| <b>TOTAL BASE BID</b>                |  |      |          |  | <b>\$473,008.60</b> |   | <b>\$488,550.00</b> |  | <b>\$488,740.00</b> |

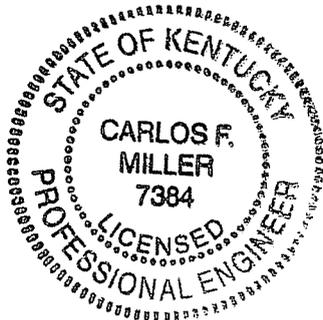
THE ABOVE IS A TRUE AND COMPLETE TABULATION OF BIDS RECEIVED UNTIL 1:00 P.M. Local Time on October 28, 2010.

BY:

*Carlos F. Miller*  
 Carlos F. Miller, P.E.

10-29-10

DATE



KEN...S, INC.  
 452 ...AILLES ROAD  
 FRANKFORT, KENTUCKY 40601  
 TEL (502) 695-4357  
 FAX (502) 695-4363

**BID TABULA** ;  
 PROJECT: Contract 8: James Road/Bandy Area Pump Stations  
 LOCATION: Somerset, KY  
 BID DATE: October 28, 2010 at 1:00 P.M. (Local Time)

**Base Bid**

|                                      |  |      |          | Conley H. Gregory Construction, Inc.<br>1900 North Main Street<br>Monticello, KY 42633 |                     | Cumberland Pipeline, LLC<br>P.O. Box 277<br>Russell Springs, KY 42642 |                     | K. Carrender Construction Co., inc.<br>200 Ringgold Road<br>Somerset, KY 42503 |                     |
|--------------------------------------|--|------|----------|--|---------------------|---|---------------------|--|---------------------|
|                                      |  |      |          | UNIT COST  | COST                | UNIT COST   | COST                | UNIT COST  | COST                |
| ITEM NO.                             | ITEM DESCRIPTION                               | UNIT | QUANTITY |  |                     |   |                     |  |                     |
| 1                                    | Pump Station, Complete and Operable            | LS   | 1        | \$167,189.19   | \$167,189.19        | \$182,000.00  | \$182,000.00        | \$130,000.00   | \$130,000.00        |
| 2                                    | Earthwork                                      | LS   | 1        | 5,000.00   | 5,000.00            | 6,000.00  | 6,000.00            | 10,000.00  | 10,000.00           |
| 3                                    | Foundation                                     | LS   | 1        | 15,000.00  | 15,000.00           | 7,000.00  | 7,000.00            | 25,000.00  | 25,000.00           |
| 4                                    | Painting                                       | LS   | 1        | 6,500.00   | 6,500.00            | 11,000.00   | 11,000.00           | 10,000.00  | 10,000.00           |
| 5                                    | Site Restoration                               | LS   | 1        | 5,000.00   | 5,000.00            | 5,000.00  | 5,000.00            | 2,000.00   | 2,000.00            |
| 6                                    | Yard Piping including Valves and Appurtenances | LS   | 1        | 15,000.00  | 15,000.00           | 11,000.00   | 11,000.00           | 60,000.00  | 60,000.00           |
| 7                                    | Crushed stone paving per plan dimensions       | SY   | 120      | 15.00  | 1,800.00            | 10.00   | 1,200.00            | 30.00  | 3,600.00            |
| 8                                    | Chain Link Fencing including 16' Gate          | LF   | 180      | 42.00  | 7,560.00            | 65.00   | 11,700.00           | 40.00  | 7,200.00            |
| <b>TOTAL JAMES ROAD PUMP STATION</b> |  |      |          |  | <b>\$223,049.19</b> |   | <b>\$234,900.00</b> |  | <b>\$247,800.00</b> |

THE ABOVE IS A TRUE AND COMPLETE TABULATION OF BIDS RECEIVED UNTIL 1:00 P.M. Local Time on October 28, 2010.

**CONTRACT 9: BANDY AND HUBBLE KNOB  
ELEVATED WATER TANKS**

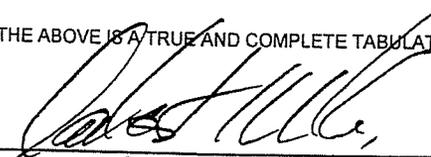
KEN...S, INC.  
 452...AILLES ROAD  
 FRANKFORT, KENTUCKY 40601  
 TEL (502) 695-4357  
 FAX (502) 695-4363

**BID TABULA**  
 PROJECT: Contract 9: Bandy and Hubble Knob Elevated Water Tanks  
 LOCATION: Somerset, KY  
 BID DATE: October 28, 2010 at 1:00 P.M. (Local Time)

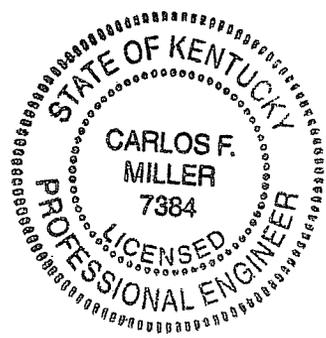
**Base Bid**

|                                   |   |      |          | Phoenix Fabricators & Erectors, Inc.<br>182 South County Road 900 East<br>Avon, IN 46123 |                       | Caldwell Tanks, Inc.<br>P.O. Box 35770<br>Louisville, KY 40232 |                       |
|-----------------------------------|---|------|----------|--|-----------------------|--|-----------------------|
| ITEM NO.                          | ITEM DESCRIPTION                                      | UNIT | QUANTITY | UNIT COST  | COST                  | UNIT COST  | COST                  |
| 1                                 | 200,000 Gallon Elevated Water Storage Tank            | LS   | 1        | \$330,013.00   | \$330,013.00          | \$384,000.00   | \$384,000.00          |
| 2                                 | Earthwork   | LS   | 1        | 10,000.00  | 10,000.00             | 4,000.00   | 4,000.00              |
| 3                                 | Foundation  | LS   | 1        | 70,000.00  | 70,000.00             | 70,000.00  | 70,000.00             |
| 4                                 | Painting  | LS   | 1        | 104,000.00   | 104,000.00            | 134,000.00   | 134,000.00            |
| 5                                 | Yard Work including Lined Channels & Site Restoration | LS   | 1        | 1,000.00   | 1,000.00              | 5,500.00   | 5,500.00              |
| 6                                 | Yard Piping   | LS   | 1        | 33,000.00  | 33,000.00             | 10,000.00  | 10,000.00             |
| 7                                 | Check Valve Station                                   | LS   | 1        | 20,000.00  | 20,000.00             | 15,500.00  | 15,500.00             |
| 8                                 | Fencing   | LF   | 100      | 28.00  | 2,800.00              | 20.00  | 2,000.00              |
| 9                                 | Access Road   | LS   | 1        | 1.00   | 1.00                  | 1,000.00   | 1,000.00              |
| 10                                | Mixing System   | LS   | 1        | 10,000.00  | 10,000.00             | 4,000.00   | 4,000.00              |
| <b>TOTAL BANDY TANK BID</b>       |   |      |          |  | <b>\$580,814.00</b>   |  | <b>\$630,000.00</b>   |
| <b>TOTAL HUBBLE KNOB TANK BID</b> |   |      |          |  | <b>\$533,817.00</b>   |  | <b>\$505,000.00</b>   |
| <b>TOTAL BASE BID</b>             |   |      |          |  | <b>\$1,114,631.00</b> |  | <b>\$1,135,000.00</b> |

THE ABOVE IS A TRUE AND COMPLETE TABULATION OF BIDS RECEIVED UNTIL 1:00 P.M. Local Time on October 28, 2010.

BY:   
 Carlos F. Miller, P.E.

10-29-10  
 DATE



KEN IS, INC.  
 452 \ AILLES ROAD  
 FRANKFORT, KENTUCKY 40601  
 TEL (502) 695-4357  
 FAX (502) 695-4363

**BID TABULA**  
 PROJECT: Contract 9: Banuy and Hubble Knob Elevated Water Tanks  
 LOCATION: Somerset, KY  
 BID DATE: October 28, 2010 at 1:00 P.M. (Local Time)

**Base Bid**

|                                   |   |      |          | Phoenix Fabricators & Erectors, Inc.<br>182 South County Road 900 East<br>Avon, IN 46123 |                     | Caldwell Tanks, Inc.<br>P.O. Box 35770<br>Louisville, KY 40232 |                     |
|-----------------------------------|---|------|----------|--|---------------------|--|---------------------|
|                                   |   |      |          | UNIT COST  | COST                | UNIT COST  | COST                |
| ITEM NO.                          | ITEM DESCRIPTION                                      | UNIT | QUANTITY |  |                     |  |                     |
| 1                                 | 100,000 Gallon Elevated Water Storage Tank            | LS   | 1        | \$311,417.00   | \$311,417.00        | \$259,000.00   | \$259,000.00        |
| 2                                 | Earthwork   | LS   | 1        | 10,000.00  | 10,000.00           | 3,000.00   | 3,000.00            |
| 3                                 | Foundation  | LS   | 1        | 65,000.00  | 65,000.00           | 90,000.00  | 90,000.00           |
| 4                                 | Painting  | LS   | 1        | 79,000.00  | 79,000.00           | 94,000.00  | 94,000.00           |
| 5                                 | Yard Work including Lined Channels & Site Restoration | LS   | 1        | 1,000.00   | 1,000.00            | 15,000.00  | 15,000.00           |
| 6                                 | Yard Piping   | LS   | 1        | 25,000.00  | 25,000.00           | 10,000.00  | 10,000.00           |
| 7                                 | Check Valve Station                                   | LS   | 1        | 20,000.00  | 20,000.00           | 16,000.00  | 16,000.00           |
| 8                                 | Fencing   | LF   | 300      | 28.00  | 8,400.00            | 20.00  | 6,000.00            |
| 9                                 | Access Road   | LS   | 1        | 5,000.00   | 5,000.00            | 8,000.00   | 8,000.00            |
| 10                                | Mixing System   | LS   | 1        | 9,000.00   | 9,000.00            | 4,000.00   | 4,000.00            |
| <b>TOTAL HUBBLE KNOB TANK BID</b> |   |      |          |  | <b>\$533,817.00</b> |  | <b>\$505,000.00</b> |

THE ABOVE IS A TRUE AND COMPLETE TABULATION OF BIDS RECEIVED UNTIL 1:00 P.M. Local Time on October 28, 2010.

# **EXHIBIT 7**



EXHIBIT 7

United States Department of Agriculture  
Rural Development  
Kentucky State Office

November 4, 2010



SUBJECT: Southeastern Water Association  
ARRA- 2010 Water Line Extensions and Reinforcements  
Contract Award Concurrence

TO: Area Director  
London, Kentucky

Based on the bids received and the recommendation of the consulting engineer, Rural Development concurs in the award of subject contract to the low bidder on Contract 7, Weddle Enterprises, in the amount of \$2,420,699.00, the low bidder on Contract 8, Conley Gregory Construction Co., in the amount of \$473,008.60, and the low bidder on Contract 9, Phoenix Fabricators, Inc., in the amount of \$1,114,631.00.

If you have any questions, please contact Julie Anderson, State Engineer, at (859) 224-7348.

  
THOMAS G. FERN  
State Director  
Rural Development

cc: ~~Kenvirons~~  
Frankfort, Kentucky

771 Corporate Drive • Suite 200 • Lexington, KY 40503  
Phone: (859) 224-7300 • Fax: (859) 224-7425 • TDD: (859) 224-7422 • Web: <http://www.rurdev.usda.gov/ky>

Committed to the future of rural communities.

"USDA is an equal opportunity provider, employer and lender."  
To file a complaint of discrimination write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14<sup>th</sup> and Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice or TDD).

# **EXHIBIT 8**

EXHIBIT 8

**CERTIFICATE OF PRESIDENT OF SOUTHEASTERN WATER  
ASSOCIATION, INC. AS TO STATEMENT REQUIRED BY  
SECTION 1(5) OF 807 KAR 5:069**

I, JOE RICHARDS, I, hereby certify that I am the duly qualified and acting President of the Southeastern Water Association, Inc. of Pulaski County, Kentucky, and that said Association, in cooperation with Kenvirons, Inc., Frankfort, Kentucky, the Engineers for the Association (the "Engineers"), is in the process of arranging for the finance and construction of extensions, additions and improvements to the waterworks system of the Association (the "Project").

Based on information furnished to me by said Engineers for the Association, I hereby certify as follows:

1. That the proposed plans and specifications for the Project have been designed to meet the minimum construction and operating requirements set out in 807 KAR 5:066, Section 4 (3) and (4); Section 5 (1); Sections 6 and 7; Section 8 (1) through (3); Section 9 (1) and Section 10.

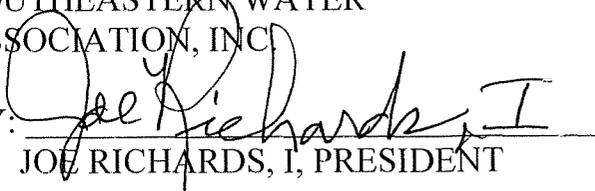
2. That all other state approvals and/or permits have already been obtained.

3. That the water rates proposed by the Association in its attached Application filed with the Public Service Commission of Kentucky are contemplated to produce the total revenue requirements set out in the Engineering Reports prepared by such Engineers and filed with the Public Service Commission.

4. That it is now contemplated that construction of the Project will begin on or about January 17, 2011, and will end on or about August 31, 2011.

IN TESTIMONY WHEREOF, witness my signature this NOV. 29, 2010.

SOUTHEASTERN WATER  
ASSOCIATION, INC.

BY: 

JOE RICHARDS, I, PRESIDENT

STATE OF KENTUCKY     )  
  ) SS:  
COUNTY OF PULASKI    )

Subscribed and sworn to before me by JOE RICHARDS, I, President of the Board of Directors of the SOUTHEASTERN WATER ASSOCIATION, INC., on this Nov. 29, 2010.

  
NOTARY PUBLIC, STATE AT LARGE

MY COMMISSION EXPIRES: 4/10/2011

## **EXHIBIT 9**

**NOTICE OF ADJUSTMENT OF WATER RATES**

**SOUTHEASTERN WATER ASSOCIATION, INC.**

Notice is hereby given that, pursuant to an application filed with the Public Service Commission of Kentucky under KRS 278.023 by the Southeastern Water Association, Inc. (the "Association"), the Association proposes to adjust its monthly water service rates as follows:

| <b>Meter Size</b>                | <b>Current Rates</b>      | <b>Proposed Rates</b>    |
|----------------------------------|---------------------------|--------------------------|
| <b>5/8 X 3/4 Inch Connection</b> |                           |                          |
| First 2,000 gallons              | \$15.50 (Minimum Bill)    | \$23.25 (Minimum Bill)   |
| All Over 2,000 gallons           | 6.50 per 1,000 gallons    | 9.95 per 1,000 gallons   |
| <b>1 Inch Connection</b>         |                           |                          |
| First 5,000 gallons              | \$ 6.50 per 1,000 gallons | \$53.10 (Minimum Bill)   |
| All Over 5,000 gallons           | 6.50 per 1,000 gallons    | 9.95 per 1,000 gallons   |
| <b>1-1/2 Inch Connection</b>     |                           |                          |
| First 10,000 gallons             | \$ 6.50 per 1,000 gallons | \$ 102.85 (Minimum Bill) |
| All Over 10,000 gallons          | 6.50 per 1,000 gallons    | 9.95 per 1,000 gallons   |
| <b>2 Inch Connection</b>         |                           |                          |
| First 20,000 gallons             | \$ 6.50 per 1,000 gallons | \$ 202.35 (Minimum Bill) |
| All Over 20,000 gallons          | 6.50 per 1,000 gallons    | 9.95 per 1,000 gallons   |
| <b>3 Inch Connection</b>         |                           |                          |
| First 30,000 gallons             | \$ 6.50 per 1,000 gallons | \$ 301.85 (Minimum Bill) |
| All Over 30,000 gallons          | 6.50 per 1,000 gallons    | 9.95 per 1,000 gallons   |
| <b>4 Inch Connection</b>         |                           |                          |
| First 50,000 gallons             | \$ 6.50 per 1,000 gallons | \$ 500.85 (Minimum Bill) |
| All Over 50,000 gallons          | 6.50 per 1,000 gallons    | 9.95 per 1,000 gallons   |
| <b>6 Inch Connection</b>         |                           |                          |
| First 100,000 gallons            | \$ 6.50 per 1,000 gallons | \$ 998.35 (Minimum Bill) |
| All Over 100,000 gallons         | 6.50 per 1,000 gallons    | 9.95 per 1,000 gallons   |

**WHOLESALE**                      \$ 2.43 per 1,000 gallons              \$ 2.43 per 1,000 gallons

The proposed rate adjustment is required by the U. S. Department of Agriculture, Rural Development ("RD") in connection with a loan by RD to the Association in the amount of \$3,995,000.

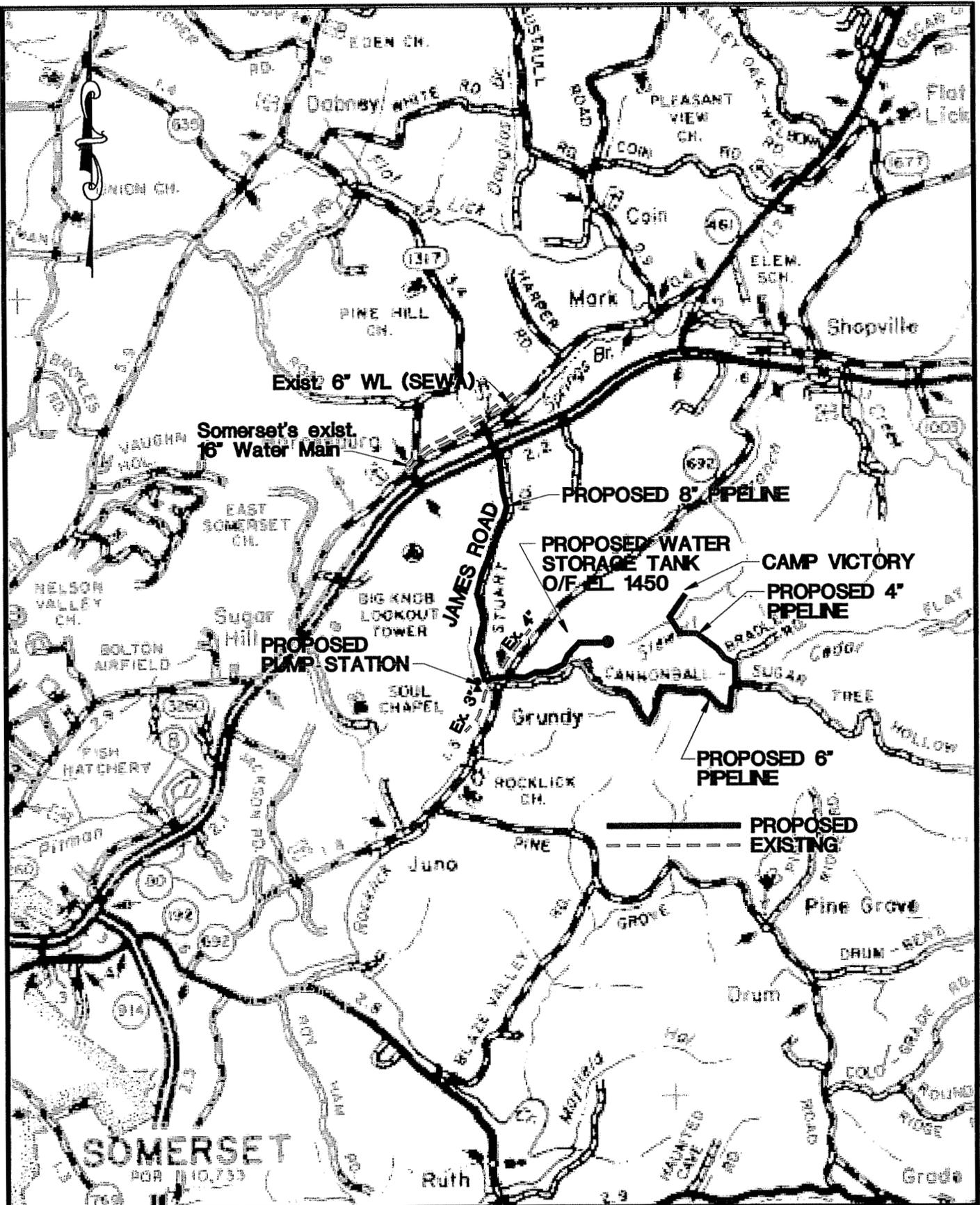
The RD loan proceeds will be used in conjunction with a RD Grant in the amount of \$1,655,000, and a contribution from the Association in the amount of \$20,000 to finance a water system improvement project which consists of the construction and installation of the following improvements: a 200,000 gallon water storage tank and related appurtenances; a 100,000 gallon water storage tank and related appurtenances; two (2) new booster pump stations and related appurtenances; and approximately 20 miles of 12" to 3" water transmission and distribution lines and related appurtenances.

**SOUTHEASTERN WATER  
ASSOCIATION, INC.  
147 EAST SOMERSET CHURCH ROAD  
SOMERSET, KY 42503**

# **EXHIBIT 10**

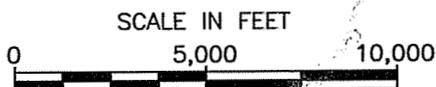
## **MAPS**

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PULASKI COUNTY KDOT HIGHWAY MAP

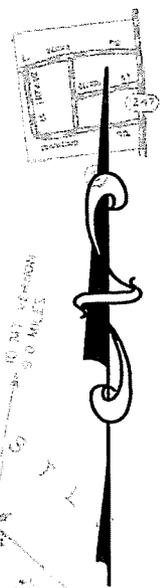
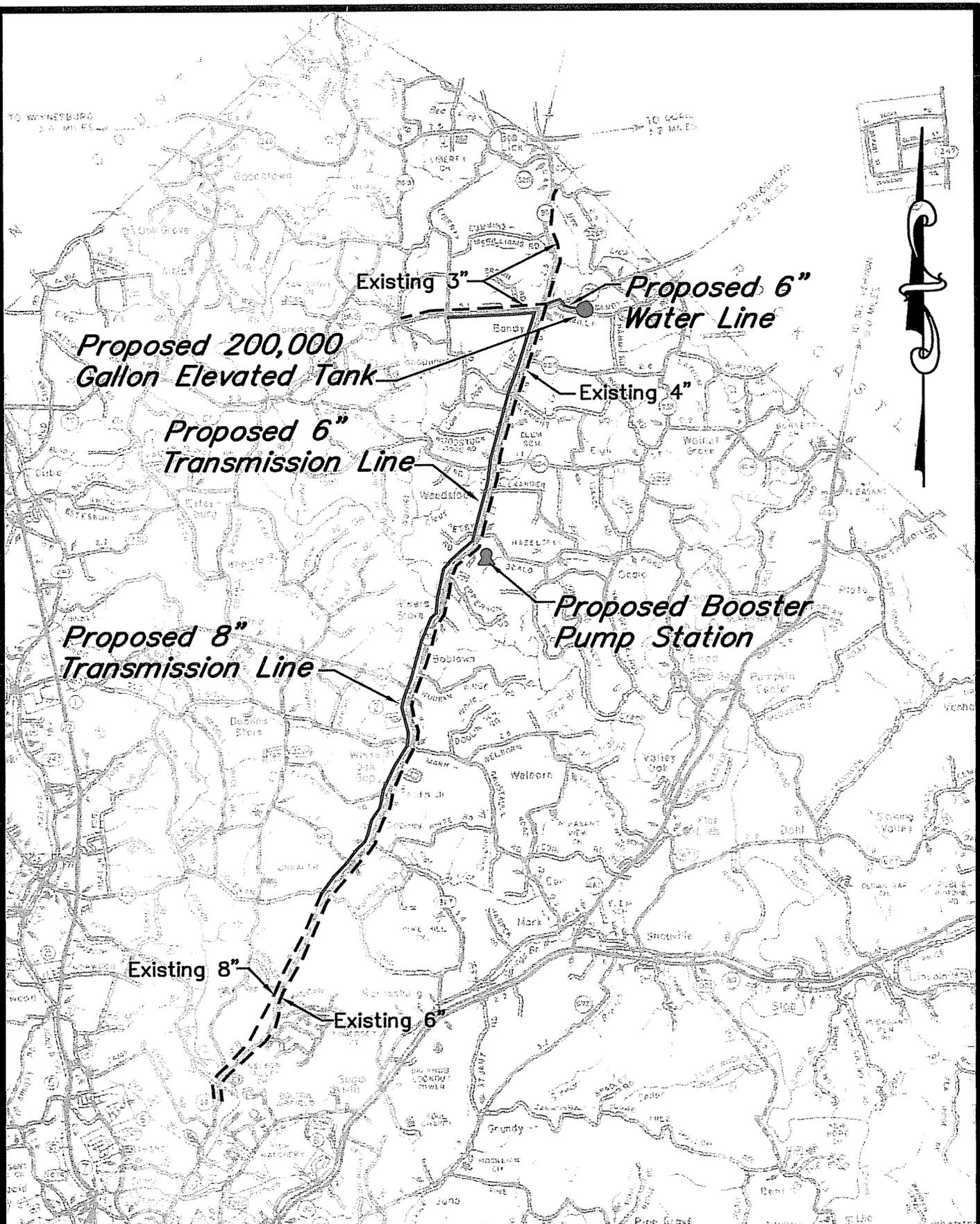
SOUTHERN WATER ASSOCIATION  
JAMES ROAD REINFORCEMENT  
PULASKI COUNTY, KENTUCKY



KENVIRONS, INC.

452 VERSAILLES ROAD, FRANKFORT, KENTUCKY  
(502) 695-4357

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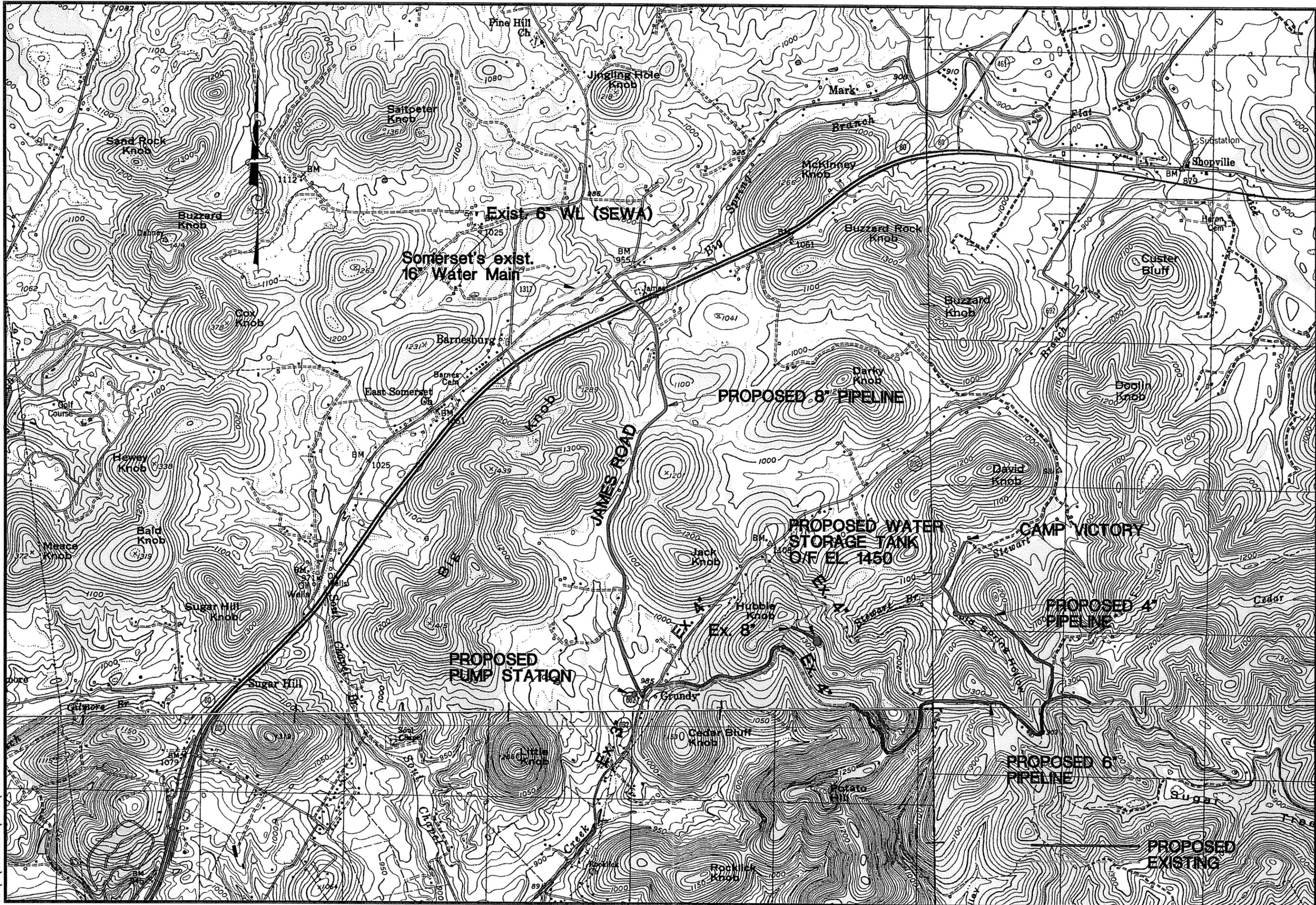


**PULASKI COUNTY, KY**

|   |  |
|---|--|
| <b>SOUTHEASTERN WATER ASSOCIATION<br/>BANDY AREA REINFORCEMENT FACILITIES</b>   |  |
|  <b>KENVIRONS, INC.</b><br>452 VERSAILLES ROAD, FRANKFORT, KENTUCKY<br>(502) 695-4357 | <b>SCALE: 1"=10,000'</b><br><br><b>PROJECT NO.<br/>2007270</b> |

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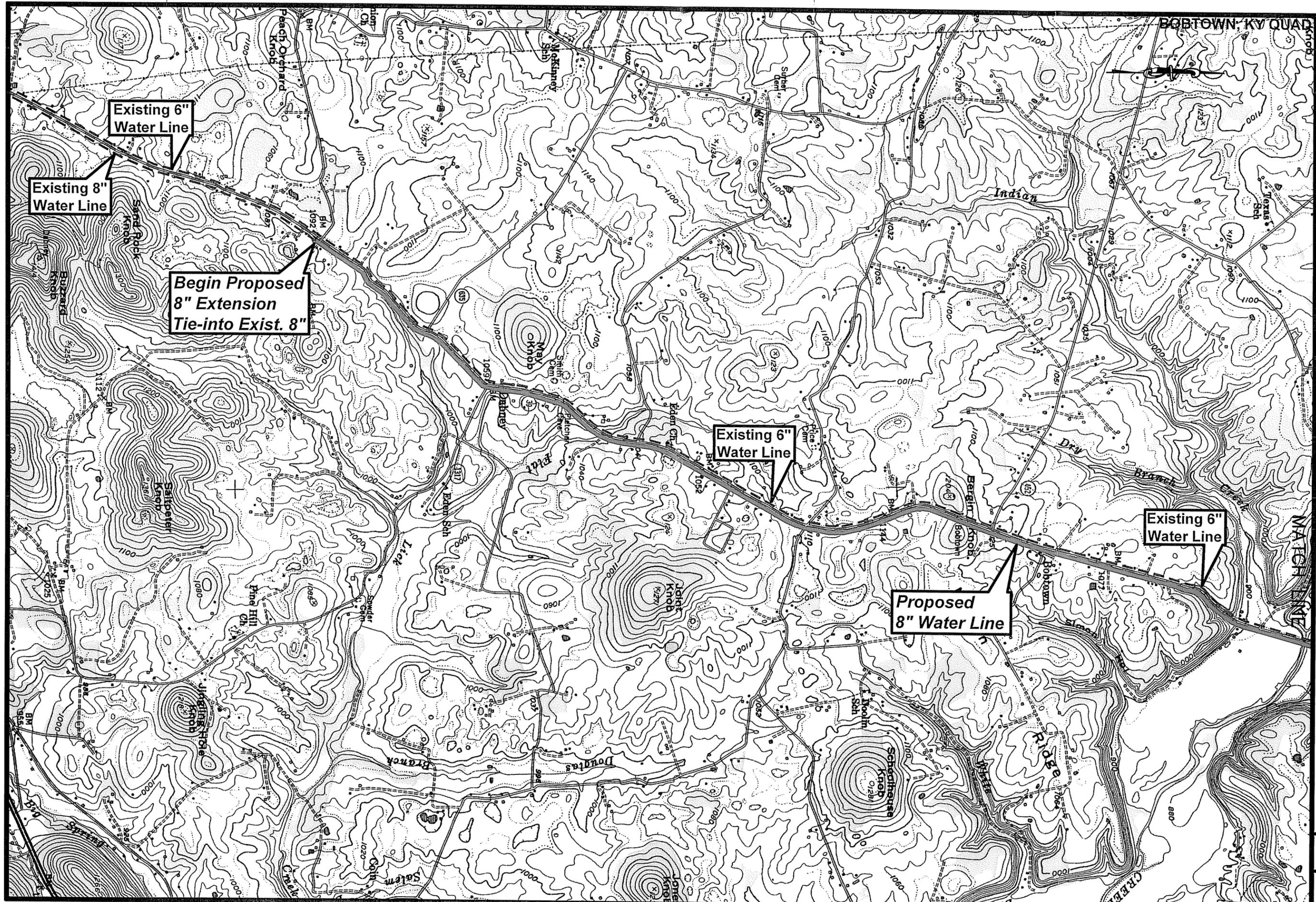
SOUTHEASTERN WATER ASSOCIATION  
 JAMES ROAD REINFORCEMENT  
 PULASKI COUNTY, KENTUCKY

DRAWN BY: JKP  
 CHECKED BY: CFM  
 CHECKED BY:  
 DATE: 09/07  
 SCALE: 1"=2,000'  
 REV:

**KENVIRONS, INC.**  
 FRANKFORT, KENTUCKY



PROJECT NO.  
 2007269  
 SHEET NO.  
 1 of 1



Existing 6"  
Water Line

Existing 8"  
Water Line

Begin Proposed  
8" Extension  
Tie-into Exist. 8"

Existing 6"  
Water Line

Proposed  
8" Water Line

Existing 6"  
Water Line

SOUTHEASTERN WATER ASSOCIATION  
BANDY TANK & REINFORCEMENT PROJECT  
PULASKI COUNTY, KENTUCKY

DRAWN BY: PTH  
CHECKED BY: CFM  
DATE: OCT. 2008  
SCALE: 1"=2000'  
REV:

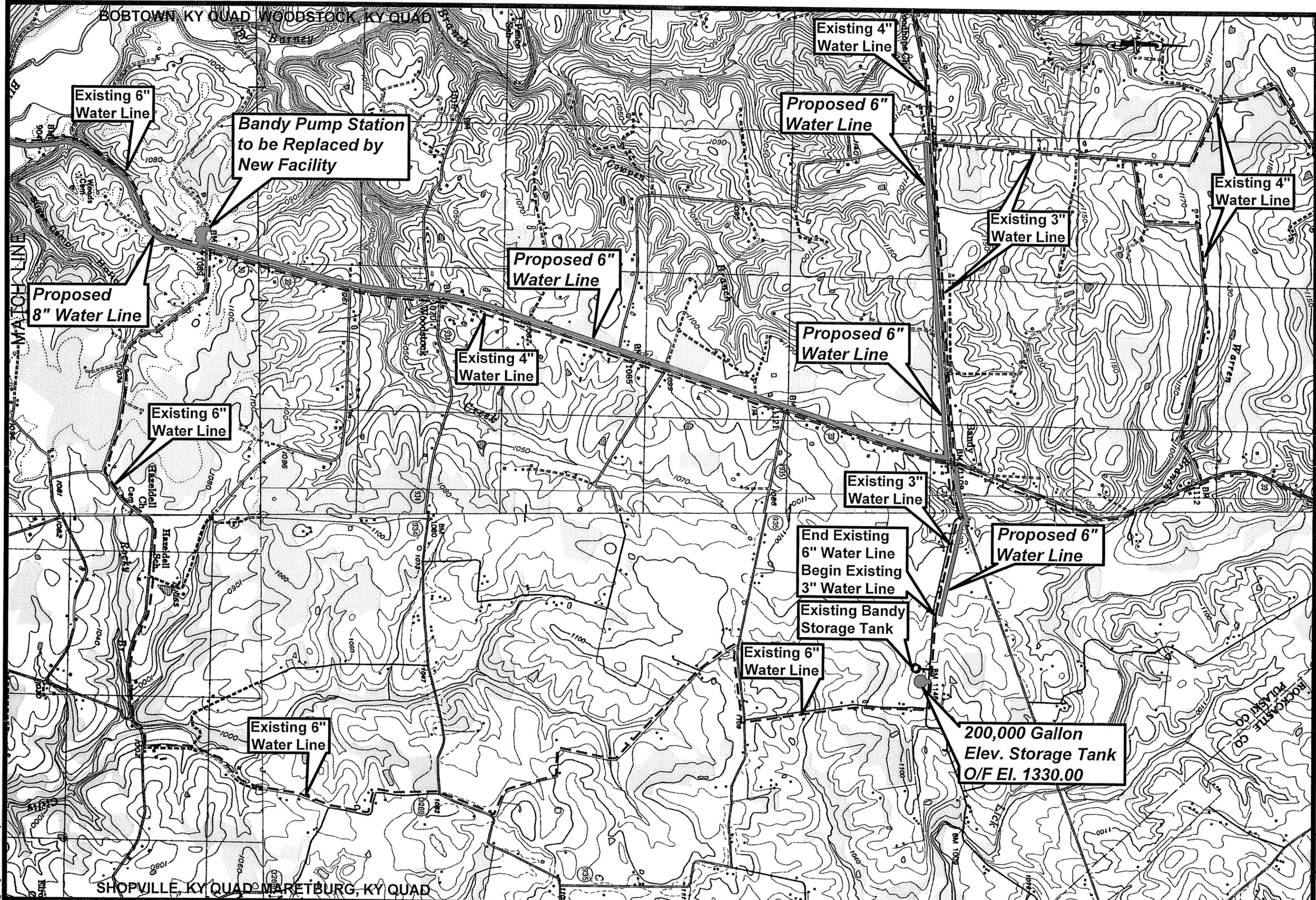
**KENVIRONS, INC.**  
FRANKFORT, KENTUCKY



PROJECT NO.  
2007270  
SHEET NO.  
1 of 2

N:\P\2007270\dwg\REPORT TOPO.dwg, 11/11/2008 3:21:36 PM, pth, SAVIN C3030 PCL 6 COLOR (temporary).pc3

project name/location



SOUTHEASTERN WATER ASSOCIATION  
 BANDY TANK & REINFORCEMENT PROJECT  
 PULASKI COUNTY, KENTUCKY

DRAWN BY: PTH  
 CHECKED BY: CFM  
 CHECKED BY: CFM  
 DATE: OCT. 2008  
 SCALE: 1"=2000'  
 REV:

**KENVIRONS, INC.**  
 FRANKFORT, KENTUCKY



PROJECT NO.  
 2007270  
 SHEET NO.  
 2 of 2