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Commonwealth of Kentucky
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David L. Armstrong
Chairman

James W. Gardner
Vice Chairman

Linda Breathitt
Commissioner

February 19, 2014

PARTIES OF RECORD

Re: Case No. 2014-00020

Attached is a copy of a memorandum which is being filed in the record of the above-referenced case. If you have any comments you would like to make regarding the contents of the memorandum concerning the February 14, 2014 Informal Conference, please do so within five days of receipt of this letter. If you have any questions, please contact Jonathan Beyers or Ann Ramser, Staff Attorneys, at 502/564-3940.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Derouen".

Jeff Derouen
Executive Director

Attachment

INTRA-AGENCY MEMORANDUM
KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File – Case No. 2014-00020

FROM: Jonathan Beyer, Staff Attorney

DATE: February 19, 2014

RE: Informal Conference of February 14, 2014

Pursuant to a February 14, 2014 Commission Staff Notice, a Telephonic Informal Conference was held in this matter at the Commission's office in Frankfort, Kentucky on February 14, 2014. A list of attendees is attached to this memorandum.

Beginning the conference, Mr. David Bowles with Monarch Engineering, Inc. confirmed that Adair County Water District ("Adair District") plans to first award the Base Bid, which encompasses the downtown area and upon its completion to award Alternate No. 1 Bid, which includes the Longhunters subdivision area. He indicated that the contractor for the latter project has agreed to hold his bid until completion of the Base Bid. Mr. Bowles stated that the bids were separated into individual projects to ensure timely completion of the discrete projects and to hedge against eventualities such as a contractor bankruptcy.

In response to Staff questioning, Mr. Bowles asserted that any discrepancies between the pipe lengths in preliminary documentation as compared to the final bids is not uncommon. Mr. Randall Jones, counsel for Adair District, also confirmed that the application should in fact request approval and financing for both the Base and Alternate No. 1 Bids. He agreed to submit a revision to the application, to more accurately reflect Adair District's requested action.

Staff next questioned Mr. Bowles as to whether the Kentucky Infrastructure Authority ("KIA") Assistance Agreement had yet been executed. Mr. Bowles, stated that the district received a six month extension of time to execute the agreement, which has since been executed. He also indicated that the loan term is in fact for a thirty year period. Mr. Jones agreed to provide documentation regarding the extension and execution of the Assistance Agreement to the Commission. Mr. Jones further asserted that at this time Adair District is only requesting approval of the financing for the Base and Alternative No. 1 Bids and will seek approval in approximately six months for authorization and use of the remaining funds allocated by KIA.

Finally, Mr. Bowles stated that the Base Bid contractor would likely agree to an extension of time to the March 4, 2014 bid deadline if necessary. Finding that no party had any further questions, the conference was adjourned.

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF THE ADAIR COUNTY WATER)
DISTRICT FOR A CERTIFICATE OF PUBLIC) CASE NO.
CONVENIENCE AND NECESSITY TO) 2014-00020
CONSTRUCT A WATER IMPROVEMENTS)
PROJECT AND TO ISSUE SECURITIES IN THE)
APPROXIMATE AMOUNT OF \$1,085,000 TO)
FINANCE SAID PROJECT PURSUANT TO KRS)
278.020 AND 278.300)

February 14, 2014

Please sign in:

NAME	REPRESENTING
<u>Jonathan Bayle</u>	<u>PSC</u>
<u>GEORGE W. WAKIM</u>	<u>PSC</u>
<u>Ann Ramser</u>	<u>PSC</u>
<u>Sam Reid</u>	<u>PSS-FA</u>
<u>Arrel Turnbull</u>	<u>PSC-FA</u>
<u>David Bowles</u>	<u>Monarch Engineering For Adair District -</u>
<u>Randall Jones</u>	<u>Counsel For Adair County - via ^{via} telephone</u>