

CRAWFORD & BAXTER, P.S.C.

ATTORNEYS AT LAW

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April 2, 2015

Mr. Jeff Derouen, Executive Director
Public Service Commission of Kentucky
211 Sower Boulevard
Frankfort, Kentucky 40601

RECEIVED

APR 3 2015

PUBLIC SERVICE
COMMISSION

RE: Carroll County Water District No. 1
Public Service Commission, Case No. 2014-00174

Dear Mr. Derouen:

By Order entered on July 21, 2014, the Carroll County Water District No. 1 ("CCWD") was granted authority to enter into an Intergovernmental Agreement with the City of Carrollton ("City") through its municipal utility, Carrollton Utilities ("CU"), for a regional water improvement project to be funded by the Kentucky Infrastructure Authority ("KIA"), and to incur its proportionate share of construction costs, not to exceed \$224,685.00. We recently notified your staff that the project came in over bid, and that additional funds would be required for CCWD to participate in this project. We were told to write a letter seeking guidance as to how to proceed to obtain Commission approval for the increased indebtedness.

Specifically, the project approved by the Commission was advertised and placed for bid. The construction bids, however, exceeded the anticipated cost of the project. CU then turned to the KIA to seek additional funding for the project, which was granted. However, due to construction increases, the scope of the project was changed slightly with cost cutting moves, and additional funding was required from the CCWD. The net effect is that the CCWD's pro rata share of the project has increased from \$224,685.00 to \$362,251.35, including a cash contribution of \$50,000.00 from CCWD.

CCWD believes it is in the best interest of the District to continue with this project as it will benefit the customers of the District, and the region in general. In addition, the KIA financing contains a principal forgiveness of twenty five percent (25%) with an interest rate on the loan at 0.75% per annum, with a loan servicing fee of 0.25% of the annual outstanding loan balance payable to KIA as a part of each interest payment.

To further explain this development, we have enclosed the following documents for your consideration as Exhibits:

CRAWFORD & BAXTER, P.S.C.

Mr. Jeff Derouen, Executive Director
April 2, 2015
Page Two

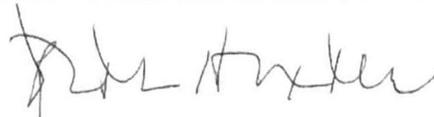
- Exhibit 1. Engineers' certification as to the bid tabulation;
- Exhibit 2. Change Order #1 detailing the project changes for cost-cutting moves;
- Exhibit 3. CU's request for additional funding for the project;
- Exhibit 4. KIA's approval of additional funding for this project;
- Exhibit 5. CCWD's agreement to approve the changes and accept the new debt service; and,
- Exhibit 6. Raisor, Zapp & Woods, P.S.C. , auditor for CCWD, letter stating that the District can meet the increased payment requirements for the debt associated with the project without any increase in rates to its customers.

We would appreciate your reviewing this matter and advising how we need to proceed to obtain an amended Order from the Commission approving these new terms to this intergovernmental project. We stand ready to answer any additional questions necessary to further explain the details of this required change.

Thank you for your consideration of this matter.

Sincerely,

CRAWFORD & BAXTER, P.S.C.



Ruth H. Baxter

RHB/rb/dmp

Enclosures

cc: Mr. Terry A. Roach, Carrollton Utilities
Mr. Obe D. Cox, CCWD General Manager

Carroll County Interconnect Project
Certified Bid Tabulation - Bid Date June 3, 2014 at 3:00 PM
Carrollton Utilities

Division "A"

No.	ITEM	UNIT	Layne Water Resources			C&H/M Excavating, Inc.			National Water Service		
			UNIT PRICE	QTY.	TOTAL PRICE	UNIT PRICE	QTY.	TOTAL PRICE	UNIT PRICE	QTY.	TOTAL PRICE
1	New Raw Water Well and Pumping Equipment Including Drilling, Developing, Testing, Casing, Screen, Bentonite Seal, Concrete Backfill, Etc. As shown on the Plans and as Specified.	LS	\$87,935.00	1	\$87,935.00	\$189,650.00	1	\$189,650.00	\$143,128.00	1	\$143,128.00
2	Discharge Valves and Piping to Interconnect Point with Division "B"	LS	\$34,000.00	1	\$34,000.00	\$9,500.00	1	\$9,500.00	\$10,016.00	1	\$10,016.00
3	Site work including: Clearing, Grading, Gravel Pavement, Final Cleanup, Seeding, Etc. as Shown on the Plans as Specified.	LS	\$5,700.00	1	\$5,700.00	\$6,550.00	1	\$6,550.00	\$2,006.00	1	\$2,006.00
4	Fencing including gates.	LS	\$10,250.00	1	\$10,250.00	\$7,500.00	1	\$7,500.00	\$22,389.00	1	\$22,389.00
5	Electrical Work including Disconnects, Meter Base, Pump Control Panel, Conduit Wire, Etc. as Shown on the Plans and as Specified.	LS	\$56,800.00	1	\$56,800.00	\$60,000.00	1	\$60,000.00	\$56,100.00	1	\$56,100.00
6	Mobilization/Demobilization	LS	\$11,400.00	1	\$11,400.00	\$7,500.00	1	\$7,500.00	\$11,211.00	1	\$11,211.00
7	Bonds and Insurance	LS	\$5,700.00	1	\$5,700.00	\$3,500.00	1	\$3,500.00	\$5,684.00	1	\$5,684.00
					\$211,785.00				\$284,200.00		

Blumberg No. 5208

EXHIBIT



D. R. Eberenz
 8/13/2014

Carroll County Interconnect Project
Certified Bid Tabulation - Bid Date June 3, 2014 at 3:00 PM
Carrollton Utilities
Division "B"

A. BUTLER TRANSMISSION LINE			C&H/M EXCAVATING		
No.	ITEM	UNIT	UNIT PRICE	QTY.	TOTAL PRICE
1	8" Tapping Sleeve and Valve at Schuerman Drive and KY 320.	LS	\$5,282.00	1	\$5,282.00
2	8"x10" MJ Reducer, 10" Tee, 10" Gate Valve and Box with MJ Plug.	LS	\$3,762.00	1	\$3,762.00
3	10" PVC SDR 21 Water Main - Non Paved Area.	LF	\$36.71	1655	\$60,755.05
4	10" Gate Valve and Box with MJ Plug	EA	\$2,808.00	1	\$2,808.00
5	10" Gate Valve and Box	EA	\$2,457.00	2	\$4,914.00
6	10" Bored Under Drainage Ditch	LF	\$98.00	30	\$2,940.00
7	Transition From 10" PVC SDR 21 to 12" PE DR 9 or 10" SDR 21 Fused PVC	EA	\$1,100.00	1	\$1,100.00
8	12" PE DR9 or 10" PVC SDR 21 Fused PVC Bored or Directional Drilled Under Gillock Avenue. Indicate material Bid PE PVC	LF	\$88.00	50	\$4,400.00
9	12" PE DR9 or 10" PVC SDR 21 Fused PVC Non-Paved Area. Indicate material Bid PE PVC	LF	\$48.60	580	\$28,188.00
10	Transition from 12" PE DR9 to 10" DI	EA	\$2,175.00	1	\$2,175.00
11	10" DI - Non Paved	LF	\$65.00	195	\$12,675.00
12	Gravel Pavement at Tank Site	TN	\$25.00	60	\$1,500.00
13	Remove and Reset Items	LS	\$3,500.00	1	\$3,500.00
14	Site Grading, Cleanup, Seeding	LS	\$4,000.00	1	\$4,000.00
15	Erosion Control	LS	\$1,500.00	1	\$1,500.00
16	Mobilization/Demobilization	LS	\$1,500.00	1	\$1,500.00
17	Bonds and Insurance	LS	\$1,725.00	1	\$1,725.00
					\$142,724.05



David R. Eberenz
 8/13/2014

Carroll County Interconnect Project
Certified Bid Tabulation - Bid Date June 3, 2014 at 3:00 PM
Carrollton Utilities
Division "B"

B. HIGHLAND AVE MAIN REPLACEMENT			C&H/M EXCAVATING		
NO.	ITEM	UNIT	UNIT PRICE	QTY.	TOTAL PRICE
1	6" Tapping Sleeve & Valve at 2nd Street & Highland Ave	LS	\$4,000.00	1	\$4,000.00
2	6" PVC SDR 21 PVC in Paved Area with Flowable Fill Backfill	LF	\$48.25	365	\$17,611.25
3	6" PVC SDR 21 PVC in Sidewalk or Paved Area with Granular Backfill	LF	\$33.40	2080	\$69,472.00
4	6" PVC SDR 21 PVC in Non-Paved area	LF	\$28.00	1620	\$45,360.00
5	6" PE, DR9, IPS or 6" SDR 21, Fused PVC Directional Drilled. Indicate Material Bid PE PVC	LF	\$52.00	670	\$34,840.00
6	6"x2" Tapping Sleeve & Valve	EA	\$2,560.00	1	\$2,560.00
7	2" PVC SDR 21 In Sidewalk or Paved Area with Granular Backfill	LF	\$30.50	80	\$2,440.00
8	3/4" Copper Water Service Line Bored or Directional Drilled	LF	\$20.25	1870	\$37,867.50
9	3/4" Copper Water Service Line Non-Paved	LF	\$20.00	30	\$600.00
10	3/4" Copper Water Service Line Paved Area with Granular Backfill	LF	\$21.00	215	\$4,515.00
11	New Water Service Complete Including Crock, Setter, Lid, Installing Owner Supplied Meter, Connections, Corp Stop and Main Tap	EA	\$1,026.00	87	\$89,262.00
12	Asphalt for Road Cuts, Alleys and Drive Repairs	TN	\$125.00	160	\$20,000.00
13	Gravel for Drive Repair	TN	\$25.00	30	\$750.00
14	6" Thick Sidewalk and Apron Replacement. Finish and Texture to Match Existing.	SY	\$90.00	520	\$46,800.00
15	4" Thick Sidewalk Replacement Finish and Texture to Match Existing.	SY	\$63.00	750	\$47,250.00
16	Handicap Ramps	EA	\$735.00	12	\$8,820.00
17	Inter Connection at 3rd Street and Highland Ave. Including Gate Valves, Boxes, Sleeves, and Fittings as Required to Make the Connection.	LS	\$8,265.00	1	\$8,265.00
18	4" Wide Crosswalk Striping	LF	\$2.00	500	\$1,000.00
19	Stop Bar Stripe	EA	\$1,000.00	9	\$9,000.00

Carroll County Interconnect Project
Certified Bid Tabulation - Bid Date June 3, 2014 at 3:00 PM
Carrollton Utilities
Division "B"

20	Relocate and Reconnect Existing Hydrant Including New Anchor Tee, Gate Valve and Box.	EA	\$2,595.00	5	\$12,975.00
21	Fire Hydrant Complete with Anchor Tee, Gate Valve and Box	EA	\$4,100.00	1	\$4,100.00
22	Cut and Plug Existing 3/4" Service Lines Inside Building	EA	\$425.00	4	\$1,700.00
23	Remove Existing Meter, Install Jumper and Extend Copper Service Line Through Building to New Water Meter Location.	EA	\$1,500.00	4	\$6,000.00
24	Interconnection at 6th Street and Highland Ave. Including Gate Valves, Boxes, Sleeves, and Fittings as Required to Make the Connection.	LS	\$8,776.00	1	\$8,776.00
25	Interconnection at 7th Street and Highland Ave. Including Gate Valves, Boxes, Sleeves, and Fittings as Required to Make the Connection.	LS	\$12,452.00	1	\$12,452.00
26	Interconnection at 9th Street and Highland Ave. Including Gate Valves, Boxes, Sleeves, and Fittings as Required to Make the Connection.	LS	\$8,878.00	1	\$8,878.00
27	Interconnection at 10th Street and Highland Ave. Including Gate Valves, Boxes, Sleeves, and Fittings as Required to Make the Connection.	LS	\$11,601.00	1	\$11,601.00
28	Interconnection at 11th Street and Highland Ave. Including Gate Valves, Boxes, Sleeves, and Fittings as Required to Make the Connection.	LS	\$9,012.00	1	\$9,012.00
29	Connect New 3/4" Copper Service Line to Existing 1" Galvanized Line.	LS	\$1,020.00	1	\$1,020.00
30	Remove and Reset Items	LS	\$1,780.00	1	\$1,780.00
31	Final Grading, Clean up, Seed and Straw	LS	\$10,000.00	1	\$10,000.00
32	Erosion Control	LS	\$1,500.00	1	\$1,500.00
33	Mobilization/Demobilization	LS	\$1,500.00	1	\$1,500.00
34	Bonds and Insurance	LS	\$3,500.00	1	\$3,500.00
					\$545,206.75

Carroll County Interconnect Project
Certified Bid Tabulation - Bid Date June 3, 2014 at 3:00 PM
Carrollton Utilities
Division "B"

C. MILTON INTERCONNECT			C&H/M EXCAVATING		
NO.	ITEM	UNIT	UNIT PRICE	QTY.	TOTAL PRICE
1	Connect to Ex. 4" Gate Valve at North End of Project	LS	\$1,725.00	1	\$1,725.00
2	4" DR 14, C900 Water Main Non-Paved Areas	LF	\$27.00	1654	\$44,658.00
3	4" Gate Valve & Box	EA	\$1,000.00	1	\$1,000.00
4	Connection at South End of Project (Including 4" Gate Valve and Box)	LS	\$3,500.00	1	\$3,500.00
5	Water Booster Pump Station Site Work Including Grading	LS	\$45,000.00	1	\$45,000.00
6	Water Booster Pump Station Concrete Foundations and Building Slab	LS	\$7,590.00	1	\$7,590.00
7	Water Booster Pump Station Pumps, Piping and Controls	LS	\$40,000.00	1	\$40,000.00
8	Water Booster Pump Building Mechanicals Including Exhaust Fan and Heater	LS	\$28,000.00	1	\$28,000.00
9	Water Booster Pump Station Building Including Block Walls, Roof, Doors, Soffit, Gutters, Etc.	LS	\$19,500.00	1	\$19,500.00
10	Electrical Work including Pumps, Heaters, Exhaust Fan, Service, Lighting, Receptacles, Etc.	LS	\$30,000.00	1	\$30,000.00
11	Final Grading, Cleanup, Seed and Straw	LS	\$2,500.00	1	\$2,500.00
12	Erosion Control Measures	LS	\$500.00	1	\$500.00
13	Mobilization/Demobilization	LS	\$1,500.00	1	\$1,500.00
14	Bonds and Insurance	LS	\$1,000.00	1	\$1,000.00
					\$226,473.00

Carroll County Interconnect Project
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Carrollton Utilities
Division "B"

D. RAW WATER TRANSMISSION LINE			C&H/M EXCAVATING		
NO.	ITEM	UNIT	UNIT PRICE	QTY.	TOTAL PRICE
1	Cut in 8" MJ Tee and Gate Valve in to Ex. 8" CI Raw Water Line	LS	\$3,500.00	1	\$3,500.00
2	8" PVC SDR 21 Raw Water Line in Gravel and Non-Paved areas.	LF	\$25.05	235	\$5,886.75
3	8" PVC SDR 21 Raw Water Line Asphalt Paved Area. Including Granular Backfill.	LF	\$65.00	370	\$24,050.00
4	Bore and Jack 16" Steel Casing Pipe Under Highland Ave Including 8" PVC SDR 21 Carrier Pipe. Including Excavation and Granular Backfill	LF	\$325.00	75	\$24,375.00
5	Gravel Replacement in North Alley Section	TN	\$35.00	115	\$4,025.00
6	Asphalt replacement in South Alley and Parking Area at Carrollton Utilities 4" Binder, 2" Surface.	TN	\$225.00	68	\$15,300.00
7	1.5" Asphalt overlay in South Alley Section.	TN	\$300.00	30	\$9,000.00
8	Site Grading, Cleanup and Seeding	LS	\$3,500.00	1	\$3,500.00
9	Erosion Control	LS	\$1,000.00	1	\$1,000.00
10	Mobilization/Demobilization	LS	\$1,500.00	1	\$1,500.00
11	Bonds and Insurance	LS	\$1,500.00	1	\$1,500.00
					\$93,636.75

Carroll County Interconnect Project
Certified Bid Tabulation - Bid Date June 3, 2014 at 3:00 PM
Carrollton Utilities
Division "B"

E. STAND BY POWER GENERATOR			C&H/M EXCAVATING		
NO.	ITEM	UNIT	UNIT PRICE	QTY.	TOTAL PRICE
1	Install 300 kW Natural Gas Powered Generator	LS	\$5,000.00	1	\$5,000.00
2	Concrete Slab for Generator	LS	\$3,500.00	1	\$3,500.00
3	Electric Conduits, Wire, Pull Boxes and Connectors Including Circuit to Load Center	LS	\$48,900.00	1	\$48,900.00
4	Install Automatic Transfer Switch	LS	\$1,500.00	1	\$1,500.00
5	Site work including Grading, Excavation, Backfill, Fencing, Gates, Seeding, Cleanup, Etc. as Detailed in the Contract Documents.	LS	\$26,000.00	1	\$26,000.00
6	Erosion Control Measures	LS	\$500.00	1	\$500.00
7	Mobilization/Demobilization	LS	\$500.00	1	\$500.00
8	Bonds and Insurance	LS	\$1,500.00	1	\$1,500.00
					\$87,400.00

Carroll County Interconnect Project
Certified Bid Tabulation - Bid Date June 3, 2014 at 3:00 PM
Carrollton Utilities
Division "B"

F. INTERCONNECT AT US 42 AND KY 2350			C&H/M EXCAVATING		
NO.	ITEM	UNIT	UNIT PRICE	QTY.	TOTAL PRICE
1	Precast Valve Vault including Excavation, Backfill, Hatches, Miscellaneous Metals, Etc. as Detailed in the Contract Documents.	LS	\$12,000.00	1	\$12,000.00
2	Vault Piping Including all Pipe, Fittings, Valves and Accessories.	LS	\$11,000.00	1	\$11,000.00
3	Connections to Existing Water Mains, Interconnecting Piping, Fittings and Removal/Abandonment of Existing Pipe and Valves.	LS	\$17,200.00	1	\$17,200.00
4	Site Grading, Cleanup and Seeding	LS	\$3,500.00	1	\$3,500.00
5	Erosion Control	LS	\$500.00	1	\$500.00
6	Mobilization/Demobilization	LS	\$1,500.00	1	\$1,500.00
7	Bonds and Insurance	LS	\$1,200.00	1	\$1,200.00
					\$46,900.00

G. INTERCONNECT AT LADDER LANE			C&H/M EXCAVATING		
NO.	ITEM	UNIT	UNIT PRICE	QTY.	TOTAL PRICE
1	Precast Valve Vault including Excavation, Backfill, Valves, Hatches, Miscellaneous Metals, Etc. as Detailed in the Contract Documents.	LS	\$12,500.00	1	\$12,500.00
2	Vault Piping Including all Pipe, Fittings, Valves and Accessories.	LS	\$15,575.00	1	\$15,575.00
3	Connections to Existing Water Mains, Interconnecting Piping and Fitters.	LS	\$7,500.00	1	\$7,500.00
4	Asphalt Replacement in Ladder Lane. 4" Binder and 2" Surface Including Flowable Fill Backfill.	LS	\$4,000.00	1	\$4,000.00
5	Furnish and Test 2" Turbine Water Meter with Strainer.	LS	\$5,200.00	1	\$5,200.00
6	Site Grading, Cleanup and Seeding	LS	\$2,000.00	1	\$2,000.00
7	Erosion Control	LS	\$500.00	1	\$500.00
8	Mobilization/Demobilization	LS	\$1,500.00	1	\$1,500.00
9	Bonds and Insurance	LS	\$1,200.00	1	\$1,200.00
					\$49,975.00

Carroll County Interconnect Project
Certified Bid Tabulation - Bid Date June 3, 2014 at 3:00 PM
Carrollton Utilities
Division "B"

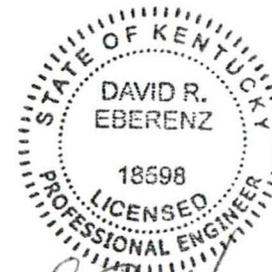
H. CCWD HIGHWAY 1039 IMPROVEMENTS			C&H/M EXCAVATING		
NO.	ITEM	UNIT	UNIT PRICE	QTY.	TOTAL PRICE
1	8" PVC Water Main, Class 200 SDR 21	LF	\$21.00	8280	\$173,880.00
2	8" HDPE Water Main, Class 200 DR9	LF	\$37.50	185	\$6,937.50
3	Connection to Existing Water Main (Dry Tap)	EA	\$2,841.00	1	\$2,841.00
4	Connection to Existing Water Main (Wet Tap and Valve)	EA	\$3,680.00	3	\$11,040.00
5	8" Gate Valve, Complete with Box and Cover	EA	\$1,750.00	7	\$12,250.00
6	4" Gate Valve, Complete with Box and Cover	EA	\$1,050.00	2	\$2,100.00
7	Air Release Valve	EA	\$1,449.00	1	\$1,449.00
8	Fire Hydrant Assembly, Complete with Gate Valve	EA	\$4,500.00	3	\$13,500.00
9	Jack and Bore with Steel Encasement Pipe	LF	\$250.00	150	\$37,500.00
10	Free Bore with PVC Encasement	LF	\$125.00	105	\$13,125.00
11	Open Cut with PVC Encasement Pipe	LF	\$55.00	30	\$1,650.00
12	Concrete Encasement	CY	\$150.00	8	\$1,200.00
13	Extra Crushed Stone Bedding.	TONS	\$25.00	20	\$500.00
					\$277,972.50

BID SUMMARY		C&H/M EXCAVATING
NO.	ITEM	TOTAL PRICE
A	Butler Transmission Line	\$142,724.05
B	Highland Ave Main Replacement	\$545,206.75
C	Milton Interconnect	\$226,473.00
D	Raw Water Transmission Line	\$93,636.75
E	Standby Power Generator	\$87,400.00
F	Interconnect at US 42 and KY 2350	\$46,900.00
G	Interconnect at Ladder Lane	\$49,975.00
H	CCWD Highway 1039 Improvements	\$277,972.50
		\$1,470,288.05

Carroll County Interconnect Project
Bid Tabulation - Bid Date June 3, 2014 at 3:00 PM
Carrollton Utilities
Division "C"

NO.	ITEM	UNIT	Evapar			Whayne Supply		
			UNIT PRICE	QTY.	TOTAL PRICE	UNIT PRICE	QTY.	TOTAL PRICE
1	Furnish and Deliver one (1) 300 KW Natural Gas Powered Generator Including Shop Drawings, Operation and Maintenance Manuals, Startup, Training, Shipment, Delivery, Etc in accordance with the Contract Documents.	LS	\$85,597.00	1	\$85,597.00	\$87,166.23	1	\$87,166.23
2	Furnish and Deliver one (1) Automatic Transfer Switch including Shop Drawings, Operation and Maintenance Manuals, Startup, Training, Shipment, Delivery, Etc. in accordance with the Contract Documents.	LS	\$5,443.00	1	\$5,443.00	\$5,590.93	1	\$5,590.93
					\$91,040.00			\$92,757.16

Note: Cummins Crosspoint, LLC also provided a Bid for this Project. Their Bid was not submitted on the Bid Form included in the Contract Documents. They did not breakout the cost of the Generator and Automatic Transfer Switch. Their Bid for the Generator and Automatic Transfer Switch was \$137,625.00



David R. Eberenz
8/13/2014

**CHANGE ORDER NUMBER 1
CARROLL COUNTY INTERCONNECT PROJECT
DIVISION B
FEBRUARY 27, 2015**

Order No. 1
Date: February 27, 2015
Agreement Date: September 19, 2014

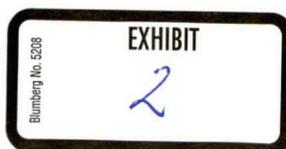
NAME OF PROJECT: Carroll County Interconnect Project – Division B

OWNER: City of Carrollton

CONTRACTOR: C and H/M Excavating, Inc.

The following changes are hereby made to the CONTRACT DOCUMENTS:

1. **DELETE** BID ITEM C. Milton Interconnect in its entirety – DEDUCT AMOUNT - \$226,473.00
2. **DELETE** BID ITEM NUMBER E. 3 “Electric Conduits, Wire Pull Boxes and Connections Including Circuit to Load Center” Under Item E – Standby Power Generator – DEDUCT AMOUNT - \$48,900.00
3. **ADD** BID ITEM E. 3A “Electric Conduits, Wire Pull Boxes and Connections” Under Item C – Standby Power Generator – ADD AMOUNT - \$29,119.00.
4. **DELETE** BID ITEM NUMBER E. 4 “Install Automatic Transfer Switch” Under Item E – Standby Power Generator – DEDUCT AMOUNT - \$1,500.00
5. **DELETE** BID ITEM NUMBER E. 5 “Site Work Including Grading, Excavation, Backfill, Fencing, Gates, Seeding, Cleanup, Etc. as Detailed in the Contract Documents” Under Item E – Standby Power Generator – DEDUCT AMOUNT - \$26,000.00
6. **ADD** BID ITEM E. 5A “Site Work Including Grading, Excavation, Backfill, Fencing, Gates, Seeding, Cleanup, Etc. as Detailed in the Contract Documents” for the reduced generator slab Under Item C – Standby Power Generator – ADD AMOUNT - \$22,016.00.
7. **DELETE** BID ITEM NUMBER F. 1 “Precast Valve Vault including Excavation, Backfill, Hatches, Miscellaneous Metals, Etc. as Detailed in the Contract Documents” Under Item F – Interconnect at US 42 and KY 2350 – DEDUCT AMOUNT - \$12,000.00
8. **ADD** BID ITEM NUMBER F. 1A. “Precast Valve Vault Including Excavation, Backfill, Hatches, Miscellaneous Metals, Etc. as Detailed in the Contract Documents” Based on Using a Precast Cistern for the Vault Under Item F – Interconnect at US 42 and KY 2350 – ADD AMOUNT - \$7,000.00



9. **DELETE** BID ITEM NUMBER G. 1 "Precast Valve Vault including Excavation, Backfill, Hatches, Miscellaneous Metals, Etc. as Detailed in the Contract Documents" Under Item G – Interconnect at Ladder Lane – DEDUCT AMOUNT - \$12,500.00
10. **ADD** BID ITEM NUMBER G. 1A "Precast Valve Vault Including Excavation, Backfill, Hatches, Miscellaneous Metals, Etc. as Detailed in the Contract Documents" Based on Using a Precast Cistern for the Vault Under Item G – Interconnect at Ladder Lane – ADD AMOUNT - \$7,500.00
11. **DELETE** BID ITEM NUMBER H. 1 "8" PVC Water Main, Class 200 SDR21" Under Item H – CCWD Highway 1039 Improvements – DEDUCT AMOUNT - \$173,880.00
12. **ADD** BID ITEM NUMBER H. 1A "8" PVC Water Main, Class 200 SDR21" Under Item H – CCWD Highway 1039 Improvements – ADD AMOUNT - \$165,600.00
13. **DELETE** BID ITEM NUMBER H. 9 "Jack and Bore with Steel Encasement Pipe" Under Item H – CCWD Highway 1039 Improvements – DEDUCT AMOUNT - \$37,500.00
14. **ADD** BID ITEM NUMBER H. 9A "Jack and Bore with Steel Encasement Pipe" Under Item H – CCWD Highway 1039 Improvements – ADD AMOUNT - \$30,000.00
15. **ADD** 45 Calendar Days to the Contract Construction period

Justification: (Attach details)

1. The Booster Pump Station and interconnection between West Carroll Water District and Milton on Hunter Heights Road is being eliminated from the Project
2. To reduce the cost of installing the power cables between the existing electrical service and generator the conduits will be routed above ground in lieu of being buried in the paved ally. This Bid Item included the cost of excavating and backfilling for the buried conduits.
3. This is the revised cost of installing the power cables between the existing electrical service and the Standby Power Generator. The conduits will be attached to the existing Water Treatment Plant Building in lieu of being buried.
4. The existing Manual Transfer Switch will be reused so this Bid Item is no longer required.
5. This Bid Item included the cost of restoring and paving the existing alley that would have been disturbed to install the power conduits between the existing electrical service and the Standby Power Generator.
6. This is the revised cost for the site work associated with the installation of the Standby Power Generator and excludes the alley restoration work.

7. The wall thickness of the precast vault was reduced based on the final location of the vault.
8. This is the revised price for this Bid Item using the reduced wall thickness vault.
9. The wall thickness of the precast vault was reduced based on the final location of the vault.
10. This is the revised price for this Bid Item using the reduced wall thickness vault.
12. After the Bids were received the Contractor excavated test pits along the proposed route of this line to determine the amount of rock excavation that would be required to install the proposed line. Based on these excavations the Contractor determined that less rock excavation would be required than originally estimated. Therefore, the Contractor was able to reduce the Unit Price for this Bid Item by \$1.00 per Lineal Foot.
13. This is the revised price for this Bid Item using the reduced Unit Price.
14. After the Bids were received the Contractor excavated test pits along the proposed route of this line to determine the amount of rock excavation that would be required to install the proposed line. Based on these excavations the Contractor determined that less rock excavation would be required than originally estimated. Therefore, the Contractor was able to reduce the Unit Price for this Bid Item by \$50.00 per Lineal Foot.
15. This is the revised price for this Bid Item using the reduced Unit Price.
16. The Construction period was extended due to unusually cold temperatures and significant snow/ice events which prevented the Contractor from working. The Contractor also encountered bed rock along the route of the Butler Tank Transmission Line that was not anticipated. This delayed their progress on this aspect of the Work.

Change to CONTRACT PRICE:

Original CONTRACT PRICE: \$ 1,470,288.05

Current CONTRACT PRICE adjusted by previous CHANGE ORDER \$ \$0.00

The CONTRACT PRICE due to this CHANGE ORDER will be decreased by: \$277,518.00

The new CONTRACT PRICE including this CHANGE ORDER will be \$1,192,770.05

Change to CONTRACT TIME:

The CONTRACT TIME will be increased by 45 calendar days.

The date for completion of all work will be August 14, 2015 (Date)

Approvals Required: To be effective this Order must be approved by the Federal agency if it changes the scope or objective of the PROJECT, or may otherwise be required by the SUPPLEMENTAL GENERAL CONDITIONS.

Requested By: Jeff Meinders 2-27-15
(Contractor's Signature) (Date)

Recommended By: David R. Eberly 2/27/15
(Engineer's Signature) (Date)

Accepted By: Paul Sloder 2-27-15
(Owner's Signature) (Date)

Agency Approval: _____ (if applicable) _____ (Date)



Carrollton Utilities
P.O. Box 269
CARROLLTON, KENTUCKY 41008
PHONE: 502-732-7055
FAX: 502-732-7058

August 4, 2014

Mr. Jeff Abshire
Kentucky Infrastructure Authority
1024 Capital Center Drive, Suite 340
Frankfort, KY 40601

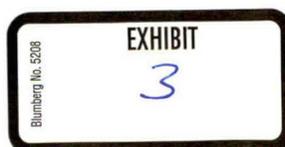
Subject: Carroll Co. Interconnect Project
WX#21041001

Dear Jeff:

Thank you for discussing the Carroll County Interconnect (Interconnect) Project with me last week. As we discussed and with this letter I'm formally requesting additional monies for the Interconnect project. First a little background on the project. The Interconnect project includes as the name implies establishes interconnects between Carrollton Utilities (CU) and the surrounding water districts including our project partners, West Carroll Water District (WCWD) and the Carroll Co. Water District (CCWD). Interconnections will be made between these parties as well as with the City of Milton and Gallatin Co. Water District. Additionally CU will replace a century old pipe, augment supply with a new well, and establish back-up power at the WTP and build Phase 1 of a transmission supply line to General Butler. This project impacts nearly every water customer in Carroll Co and others outside of our service area.

Planning & Design: Every effort was made during the planning and design phase to meet the objectives of the project while keeping it affordable for the customers. The 3 entities met several times with local officials including the County Judge(s) and Mayor to define the scope and discuss potential impacts of the project. Additionally the budget was established by using historical water construction projects and input from the engineer. What emerged was a project worthy of funding thru the Kentucky Infrastructure Authority utilizing SRF monies.

Bidding Process: CU advertised the project as required by KIA and by policies established by the Carrollton Utilities Commission (CUC). The main advertisement was placed in the paper with the greatest local distribution (News Democrat) as well as thru bidding sources such Allied Construction Industries and others. Additionally the engineer sent copies of the advertisement for bid to the many contractors that they work with on a regular basis. The advertisement was placed in the paper on May 7th with bids to open on May 28th in accordance with KIA requirements. There were some 10 planholders with 6



of them being GC candidates. As the bid date got closer we began to hear that many of the contractors were really busy at this time with many projects bidding or underway already. In order to facilitate our GC planholders, CU extended the bid date 6 calendar days after contacting KIA and DOW to be sure that there were no issues with the funding and approval agencies. However despite our efforts we had only one GC bid as well as 2 bids for the emergency generator and 3 for our new water supply well. CU and the engineer polled the other GC candidates for their reasons for not bidding. Reasons varied from being too busy and too much other work bidding, to the project had too many different specialties for them to compete.

Bid Review / Value Engineering: CU began reviewing the bid with our partners and the CUC. The bid was \$462,231 over the budget construction amount. CU worked with the engineer to do some value engineering of the entire project to identify cuts without losing the focus and intent of the project. The following cuts were identified:

- Change the WCWD and Milton interconnect to a one-way feed by removing the booster pump station. This cut over \$226,473 from the project.
- Utilize the existing moth-balled generator at CU's old WWTP instead of purchasing a new, natural gas fired generator. The contractor cut his installation and electric prices for a savings of \$111,040.
- Identified \$25,000 in cuts from the contractor by reconfiguring some piping and valves on the other interconnects.
- CCWD offered \$50,000 of local funds.
- CUC offered \$49,718 of local funds.

Additional Funding: With the cuts identified above, the project is back to a zero point however this also means that CU does not have any contingency funds to work with to cover any change orders during the construction phase. Therefore CU is requesting additional monies from KIA and SRF to re-establish the original budgeted contingency of \$119,171. This number is 10% of the original construction estimate but only 6.7% of the as-bid construction budget.

This project is an important part of the future for the three area water suppliers and distributors involved. Attached is a letter from the Carroll County Judge-Executive supporting the project and its importance to the county. We hope that the Kentucky Infrastructure Authority will look favorably on our request and look forward to hearing from you.

If you should have any questions or comments regarding the attached information please do not hesitate to call me at (502) 732-7055.

Sincerely,



Terry A. Roach, P.E.
Utility Engineer



KENTUCKY INFRASTRUCTURE AUTHORITY

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

Steven L. Beshear
Governor

John E. Covington III
Executive Director

November 18, 2014

RECEIVED
NOV 24 2014
CARROLLTON UTILITIES

The Honorable Gene McMurry, Mayor
City of Carrollton
P.O. Box 269
Carrollton, KY 41008

KENTUCKY INFRASTRUCTURE AUTHORITY
FEDERALLY ASSISTED DRINKING WATER REVOLVING LOAN FUND
CONDITIONAL COMMITMENT LETTER (F13-007 Increase)

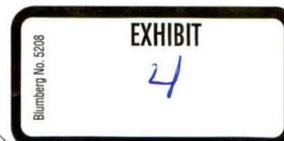
Dear Mayor McMurry:

The Kentucky Infrastructure Authority ("the Authority") commends your efforts to improve public service facilities in your community. On November 6, 2014, the Authority approved your loan for the Carroll County Interconnect Project subject to the conditions stated below. The total cost of the project shall not exceed \$1,757,706 of which the Authority loan shall provide \$1,657,988 of the funding. Other anticipated funding for the project is reflected in Attachment A. The final loan amount will be equal to the Authority's portion of estimated project cost applied to the actual project cost. Attachment A incorporated herein by reference fully describes the project.

An Assistance Agreement will be executed between the Authority and the City of Carrollton upon satisfactory performance of the conditions set forth in this letter. A period of six months from the date of this letter (May 18, 2015) will be allowed for you to meet the conditions set forth in this letter and enter into an Assistance Agreement. Funds will be available for disbursement only after execution of the Assistance Agreement.

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

1. The Authority project loan shall not exceed \$1,657,988.



2. The loan shall contain principal forgiveness in the amount of 25%. Actual amortized loan and forgiveness amounts will be based on actual project costs drawn from the Authority.
3. The loan shall bear interest at the rate of 0.75 percent per annum commencing with the first draw of funds.
4. The loan shall be repaid over a period not to exceed 30 years from the date the loan is closed.
5. Interest shall be payable on the unforgiven amount of actual funds received. The first payment shall be due on June 1 or December 1 immediately succeeding the date of the initial draw of funds, provided that if such June 1 or December 1 shall be less than three months since the date of the initial draw of funds, then the first interest payment date shall be the June 1 or December 1 which is at least six months from the date of the initial draw of funds. Interest payments will be due each six months thereafter until the loan is repaid.
6. Full principal payments will commence on the appropriate June 1 or December 1 within twelve months from initiation of operation. Full payments will be due each six months thereafter until the loan is repaid.
7. A loan servicing fee of 0.25% of the annual outstanding loan balance shall be payable to the Authority as a part of each interest payment.
8. Loan funds will be disbursed after execution of the Assistance Agreement as project costs are incurred.
9. The Authority loan funds must be expended within six months of the official date of initiation of operation.
10. Fund "F" loan funds may be considered to be federal funds. OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations, requires that all recipients and subrecipients **expending \$500,000 or more in a year in federal awards must have a single or program-specific audit conducted for that year** in accordance with the Circular. If the federal amount expended plus all other federal funds expended exceeds the threshold, you are required to arrange for an A-133 audit to be performed by an independent, licensed CPA, or in special cases, the Auditor of Public Accounts of the Commonwealth of Kentucky. Please note that the guidance for single audit requirements will change for calendar or fiscal years beginning after December 26, 2014. Please

consult with your independent auditor as soon as possible to understand how the changes will affect you.

11. The Authority requires an annual financial audit to be performed for the life of the loan.

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

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

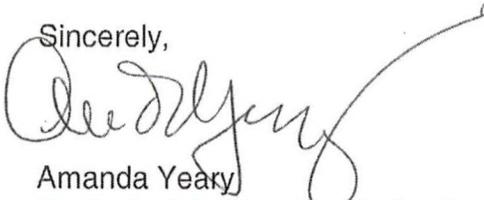
8. Technical plans and specifications and a complete DWSRF specifications checklist shall be approved by the Division of Water prior to project bid.
9. All easements or purchases of land shall be completed prior to commencement of construction. Clear Site Certification of all land or easement acquisitions shall be provided to the Division of Water. DOW representatives shall be notified for attendance of the pre-construction conference.
10. Project changes or additions shall require a complete environmental and change order review before they can be included in the DWSRF loan project.
11. Applicant must provide certification from their legal counsel stating that they have prepared construction specifications in accordance with all applicable state or federal wage rate laws, and that the procurement procedures, including those for construction, land, equipment and professional services that are a part of the project, are in compliance with applicable federal, state and local procurement laws.
12. The Borrower shall comply with all Davis Bacon related monitoring and reporting and require all contractors to pay wages pursuant to applicable prevailing wage rates (federal or state) for all work relating to the subject Project.
13. The project shall comply with the reporting requirements of the Transparency Act, and shall complete the attached Transparency Act Reporting Information Form and provide to the Authority no later than 30 days after the KIA Board approval date of your loan.
14. If the project has a "Green Reserve" component, the Borrower must submit a Business Case, if required.

Any special conditions stated in Attachment A must be resolved.

Mayor McMurry
November 18, 2014
Page 5

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

Sincerely,

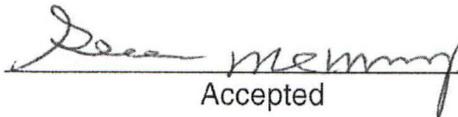


Amanda Yeary
Kentucky Infrastructure Authority

Attachments

- cc: Chas Robbins, Carrollton Utilities
- Dave Eberenz, Heritage Engineering
- Division of Water
- Dirk Bedarff, Peck, Shaffer & Williams LLP
- State Local Debt Office, DLG
- Borrower File - City of Carrollton - F13-007 Increase

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


Accepted

12/1/14
Date



Carroll County Water District
205 Main Cross Street Gkent, Kentucky 41045 Phone: 502-347-9500 Fax: 502-347-9333

March 9, 2015

Mr. Bill R. Osborne
General Manager
Carrollton Utilities
P.O. Box 269
Carrollton, Kentucky 41008

Subject: Interconnect Project Cost Allocation

Dear Bill:

Carroll County Water District entered into an Interlocal Agreement ("Agreement"), dated March 10, 2014, with the City of Carrollton. The Agreement stipulated a pro rata share for Carroll County Water District of \$224,685 with a total KIA loan for the entire project of \$1,538,817. Based on the awarded bid and associated contract for construction, the total KIA loan is increasing to \$1,657,988 and Carroll County Water District's pro rata share has increased to \$362,251.35 including a cash contribution of \$50,000.

Please allow this letter serve as written notification that Carroll County Water District has reviewed the pro rata share calculations and approves the changes listed herein.

Should you have any questions, please contact me at 502-347-9500.

Sincerely

A handwritten signature in blue ink, appearing to read 'Obe D. Cox', is written over a horizontal line.

Obe D. Cox
General Manager



Carroll County Interconnect Project
 WX #21041001 - Cost Summary Sheet

Construction only

	PSC USOA #	Length of Extension (if applicable)	Utility Responsible for cost		CU Portion	CCWD Portion	WCWD Portion	
Lines and Booster Stations								
Butler Transmission Line	256/257	2,235	CU	\$ 142,724.05	\$ 142,724.05			
Highland Ave. Main Replacement	256/257	4,735	CU	\$ 545,206.75	\$ 545,206.75			
Milton Interconnect Lines + Misc.	256/257	1,654	WCWD	\$ 56,383.00			\$ 56,383.00	
Milton Interconnect Booster Pump	256/257	N/A	WCWD	\$ -			\$ -	
Raw Water Transmission Line	256/257	605	CU	\$ 93,636.75	\$ 93,636.75			
New Well		N/A	CU	\$ 211,785.00	\$ 211,785.00			
Standby Power Generator&Installation	256/257	N/A	CU	\$ 63,635.00	\$ 63,635.00			
Interconnect at US 42 & KY 2350	256/257	N/A	CU / CCWD	\$ 41,900.00	\$ 20,950.00	\$ 20,950.00		
Interconnect at Ladder Lane	256	N/A	CU / CCWD	\$ 44,975.00	\$ 22,487.50	\$ 22,487.50		
CCWD HWY 1039 Interconnection	251/311	N/A	CCWD	\$ 262,192.50		\$ 262,192.50		
Construction Costs Totals				\$ 1,462,438.05	\$ 1,100,425.05	\$ 305,630.00	\$ 56,383.00	
Pro Rata Share					0.75246	0.20899	0.03855	1.00000

Prorated Costs

Engineering Planning			Per Contract	\$ 10,000.00	\$ 10,000.00			
Engineering Design			Per Contract	\$ 96,900.00	\$ 72,913.30	\$ 20,250.80	\$ 3,735.89	
Inspection			Per Contract	\$ 64,500.00	\$ 48,533.62	\$ 13,479.64	\$ 2,486.74	
Engineering Other			Budget	\$ 29,700.00	\$ 29,700.00			
Legal			Budget	\$ 2,500.00	\$ 1,881.15	\$ 522.47	\$ 96.39	
Administration			Budget	\$ 12,000.00	\$ 9,029.51	\$ 2,507.84	\$ 462.65	
Prorated Cost Totals				\$ 215,600.00	\$ 172,057.58	\$ 36,760.75	\$ 6,781.67	

Construction Plus Prorated Totals

				\$ 1,678,038.05	\$ 1,272,482.63	\$ 342,390.75	\$ 63,164.67	
Funds Available		DWSRF KIA Loan		\$ 1,538,817.00	\$ 1,157,897.10	\$ 321,592.18	\$ 59,327.72	
		DWSRF KIA Loan Additional		\$ 119,171.00	\$ 89,671.32	\$ 24,905.15	\$ 4,594.53	
		Carroll Co. Water District		\$ 50,000.00		\$ 50,000.00		
		Carrollton Utilities		\$ 49,718.00	\$ 49,718.00			
Funds Available Total				\$ 1,757,706.00	\$ 1,297,286.42	\$ 396,497.33	\$ 63,922.25	

RAISOR, ZAPP & WOODS, PSC

Certified Public Accountants

P.O. Box 354 • 513 Highland Ave • Carrollton, KY 41008
502-732-6655 • taxes@rzwcpas.com

Dennis S. Raisor, CPA
Jerilyn P. Zapp, CPA
Jeffery C. Woods, CPA
Susan A. Dukes, CPA

March 18, 2015
Hon. Ruth Baxter
Crawford & Baxter, PSC
P. O. Box 353
Carrollton, Kentucky 41008

RE: Carroll County Water District No. 1

Dear Ms. Baxter:

In response to your inquiry regarding the availability of funding at Carroll County Water District No. 1 to meet the increased payment requirements of the anticipated debt associated with the Interconnect Improvement Project please consider the following: Per your correspondence, the debt associated with Carroll County Water District No. 1's share of the project has increased from \$224,685.00 to \$362,251.35. This increase in debt should not pose a problem for the District. It should be able to service this debt without any increase in rates to its customers.

The District has just recently fully retired its 2005 C Series [February, 2015]. The District had been transferring approximately \$9,800 monthly to meet this obligation, so this flow of funds would now be available to meet this new debt.

Additionally, as reported in our audit of the financial statements for the year ended December 31, 2014, the District had cash balances in excess of \$2.5 million, of which approximately \$1,047,000 were held in restricted accounts [mainly depreciation and bond and interest].

The District's total current debt requirements are approximately \$470,000 per year. From the above analysis it is evident that the District could pay for the improvements without the 30 year financing, but it would be losing the 50% debt forgiveness [grant].

I hope this information is sufficient for your purposes. If not, or if this is not presented in an order sufficient for your needs, just call and I will be happy to assist you.

Sincerely,



Jerilyn Zapp
Certified Public Accountant

