

Law Office of  
**CAROLYN L. KENTON**

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Lexington, KY 40507

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FAX: (606) 255-1650  
Cell: (606) 321-7783

February 5, 2004

Kentucky Public Service Commission  
211 Sower Blvd, PO Box 615  
Frankfort, Kentucky 40602-0615

Case 2004-00039

RECEIVED

FEB 06 2004

COMMUNICATIONS SECTION

RE: Judy Water Association, Mt. Sterling, KY  
Water System Improvements for Bourbon, Clark and  
Montgomery Counties, Kentucky

Ladies and Gentlemen:

I, the undersigned, am an attorney at law duly admitted to the practice of law in the Commonwealth of Kentucky and am legal counsel to the Judy Water Association, hereinafter referred to as the "Water Utility".

I am by this letter transmitting the materials necessary to receive a Certificate of Public Convenience and Necessity – Federally Funded Construction Project.

1. Judy Water Association  
2010 Maysville Road, PO Box 781  
Mt. Sterling, KY 40353
2. Articles of Incorporation of Judy Water Association, Inc.
3. Letter of Understanding from the US Department of Agriculture, dated August 6, 2003.
4. Letters of concurrences in the bid award dated December 8, 2003
5. Letter of concurrence from US Department of Agriculture dated February 3, 2004.
6. Certified statement from Larry Lee, General Manager of Judy Water Association confirming the proposed plans and specifications for the project have been designed to meet the minimum construction and operating requirements; that all other state approvals or permits have already been obtained; and that any proposed rates shall produce the total revenue requirements set out in the engineering reports; and the dates upon which construction will begin and end.

7. Copies of notice to the customers published June 25, 2003, in the Lexington Herald Leader and the advertisement to bid published October 29, 2003.
8. Copies of the Preliminary Engineering Report and the Final Engineering Report prepared by Strand Associates, Inc. PEH.

Judy Water Association would appreciate a timely review of its application so this construction may go forward this spring.

Respectfully,



Carolyn L. Kenton

13-112

12-11-01

RECEIVED

**ARTICLES OF AMENDMENT TO  
ARTICLES OF INCORPORATION OF  
JUDY WATER ASSOCIATION, INC.  
A Non-Profit Corporation**

0026513.09

John R. Brown III  
Secretary of State  
Received and Filed  
2004/12/10 10:32 AM  
Fee Paid: \$8.00  
PO Box 112  
NACOA

Larry Arnett, President, and Larry Lee, Secretary-Treasurer, for Judy Water Association, Inc., a non-profit corporation, Mt. Sterling, Montgomery County, Kentucky 40353, do hereby certify that by a two-thirds affirmative vote of the members of the Judy water Association, Inc. present at the annual meeting of said corporation on November 12, 2001 did adopt the following resolution to amend the Articles of Incorporation of the Corporation to-wit:

**RESOLVED THAT** Article VI of the original Articles of Incorporation of Judy Water Association, Inc. be amended to read as follows:

**Article VI MEMBERSHIP:**

Persons may become members of the corporation as provided in the By-Laws; provided, however, that the members shall have no right to vote in the business or affairs of the corporation, and the directors shall have the sole voting power.

**AND BE IT FURTHER RESOLVED** that Article VIII, sections 1-5 of the original Articles of Incorporation of Judy Water Association, Inc. be amended to read as follows:

**Article VIII BOARD OF DIRECTORS:**

1. The affairs of the corporation shall be managed by a Board of five (5) directors to be elected according to the procedures outlined in the corporation's By-Laws, and said Directors shall serve for five (5) year terms. The size of the Board shall not be changed except by amendment to these Articles.
2. If the office of any director becomes vacant by reason of death, resignation, retirement, disqualification or otherwise, the majority of the remaining directors, though not less than a quorum, shall by a majority vote chose a successor to hold office until the next annual meeting at which time the Directors shall elect a director to fill 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. 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 elect from their own number a President, Vice-President, Secretary and Treasurer; however, the offices of Secretary and Treasurer may be combined into one office.
5. The Board of Directors shall have other meeting as provided by the By-Laws.

**AND BE IT FURTHER RESOLVED** that Article IX, section 1 of the original Articles of Incorporation of Judy Water Association, Inc. be amended to read as follows:

**Article IX MEETINGS:**

1. The annual meeting of the members of this corporation for the purpose of transacting such business as may properly come before it at such time, shall be held on the second Monday in November of each year at the time and place specified by the Board of Directors.

*621*  
*Articles of Incorporation*  
*for the*  
*Rules & Regulations*  
*(10)*

ARTICLES OF INCORPORATION OF JUDY WATER  
ASSOCIATION, INC., A NON-PROFIT CORPORATION

This corporation is organized as a non-profit non-stock corporation under the provisions of Chapter 273 of the Kentucky Revised Statutes.

ARTICLE I

NAME

The name of this corporation shall be Judy Water Association, Inc.

ARTICLE II

REGISTERED OFFICE AND AGENT

*now part sale*  
The registered office of the corporation shall be c/o Gary G. Jetton, R. R. 3, Mt. Sterling, County of Montgomery, State of Kentucky; the registered agent at such address is Gary G. Jetton.

ARTICLE III

PURPOSE

The purpose of the 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, and a complete sanitary and/or storm sewer collection system and treatment facilities by purchase, development, or otherwise to construct mains, submains, and laterals, treatment plant, lagoons, to furnish sewer service to members of the corporation, public bodies and local businesses, for sanitary and health protection and collect service payment for rental of same and doing all things necessary, convenient and incidental thereto.

(Page 2)

ARTICLE IV

SEAL

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

ARTICLE V

POWERS

This corporation shall have all powers provided by law.

ARTICLE VI

MEMBERSHIP

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

ARTICLE VII

DURATION

The corporation shall have perpetual duration.

ARTICLE VIII

BOARD OF DIRECTORS

1. The affairs of this corporation shall be managed by a Board of five (5) 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, one director shall be elected for a term of one year; two directors shall be elected for a term of two years; and two directors shall be elected for a term of three years. Thereafter directors shall be elected for terms of three years. Until the first annual election of directors of the corporation, the Board of Directors shall consist of three members.

2. The Board of Directors shall fill vacancies occurring in its own membership by appointment of qualified members to hold office

(Page 3)

until the next annual meeting of the membership at which meeting a member shall be elected to fill the unexpired term.

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, the following persons shall be directors:

<u>NAME</u>	<u>ADDRESS</u>
Gary G. Jetton,	R. R. 3, Mt. Sterling, Ky 40353
Archie Otis,	119 Harrison Ave., Mt. Sterling, Ky 40353
Allen Bailey,	R. R. 3, Mt. Sterling, Ky 40353

and the following persons shall be officers:

President	Gary G. Jetton,	R. R. 3, Mt. Sterling, Ky 40353
Vice President	Archie Otis,	119 Harrison Ave., Mt. Sterling, Ky 40353
Secretary	Allen Bailey,	R. R. 3, Mt. Sterling, Ky 40353
Treasurer	Gary G. Jetton,	R. R. 3, Mt. Sterling, Ky 40353

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 elect from their own number a President, Vice-President, Secretary and Treasurer. However, the offices of Secretary and Treasurer may be combined into one office.

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

#### ARTICLE IX

#### MEETINGS

1. The annual meeting of the members of this corporation for the purpose of electing directors and transacting such other business as

(Page 4)

may properly come before it at such time, shall be held on the second Monday in November of each year at the time and place specified by the Board of Directors.

*Amended*

2. Special meetings of the members of this corporation may be called by the President at any time or place within the county upon giving to each of the members a notice in writing mailed to his postal address as it appears in the corporation records at least ten (10) days prior to such meeting; and such meeting shall be called by him at any time upon written demand of the majority of the directors, or of any ten (10) members, and in case of his neglect or refusal to call such meetings, such directors or members shall unite in calling such meetings, 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 a meeting or voting by proxy.

ARTICLE X

INCORPORATORS

The names and addresses of the incorporators are:

<u>NAME</u>	<u>ADDRESS</u>
Gary G. Jetton,	R. R. 3, Mt. Sterling, Ky 40353
Archie Otis,	119 Harrison Ave., Mt. Sterling, Ky 40353
Allen Bailey,	R. R. 3, Mt. Sterling, Ky 40353

ARTICLE XI

BY-LAWS

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

(Page 5)

IN WITNESS WHEREOF, we have hereunto subscribed our names this 23 day of February, 1972.

Gary G. Jetton  
Archie Otis  
Allen Bailey

Prepared by:

John F. Permitt  
JOHN F. PERMITT,  
ATTORNEY AT LAW, BOX 285,  
MT. STERLING, KY 40353

STATE OF KENTUCKY  
SCT  
COUNTY OF MONTGOMERY

The foregoing instrument was acknowledged before me this 23 day of February, 1972, by Gary G. Jetton, Archie Otis, and Allen Bailey.

John Marshall Permitt  
JOHN MARSHALL PERMITT,  
NOTARY PUBLIC,  
KENTUCKY STATE-AT-LARGE

My Commission expires 10 August, 1975.

ORIGINAL COPY  
FILED AND RECORDED  
SECRETARY OF STATE OF KENTUCKY  
FRANKFORT, KENTUCKY

STATE OF KENTUCKY  
MAR 6 1972

MONTGOMERY COUNTY  
Richard L. Spill  
John L. Spill

Record for record in my office, whereupon the same will file and the foregoing certificate shall have been duly recorded.

John F. Permitt  
John F. Permitt



(1972)

IN WITNESS WHEREOF, we have hereunto subscribed our names this

21 day of Mar, 1972

*[Handwritten signatures]*

NOTARY PUBLIC  
MONTGOMERY COUNTY, KENTUCKY

NOTARY PUBLIC  
MONTGOMERY COUNTY, KENTUCKY

3/21/72  
Book 4  
Page 363

The foregoing instrument was acknowledged before me this 21 day of Mar, 1972, by Gerry J. Nelson, Archie Cole, and Allen Bailey.

KENTUCKY STATE - 17-1-1972  
NOTARY PUBLIC

ORIGINAL COPY  
FILED AND RECORDED  
SECRETARY OF STATE OF KENTUCKY

STATE OF KENTUCKY  
MAR 6 1972  
MONTGOMERY COUNTY

*[Signature]*  
I, Grace Patrick, clerk of Montgomery County Court aforesaid, do hereby certify that the foregoing article was on 21 day of Mar 1972 lodged for record in my office, whereupon the same with this and the foregoing certificate have been duly recorded.

Witness my hand this 21 day of Mar 1972  
Grace Patrick Clerk

DATE \_\_\_\_\_  
TIME 2:17 pm  
AMOUNT + 8<sup>00</sup>

BREMER EHRLER  
SECRETARY OF STATE  
COMMONWEALTH OF KENTUCKY

ARTICLES OF AMENDMENT TO  
ARTICLES OF INCORPORATION OF  
JUDY WATER ASSOCIATION, INC.

BY dep

5  
Larry Arnett, President and Charles P. Dale,  
Secretary-Treasurer, for Judy Water Association, Inc., a  
Kentucky corporation, Mt. Sterling, Montgomery County, Kentucky  
40353, do hereby certify that, by a two-thirds affirmative vote  
of the members of the Judy Water Association, Inc. present at  
the annual meeting of said corporation on November 14, 1988 did  
adopt the following resolution to amend the Articles of  
Incorporation of the corporation, to-wit:

"RESOLVED, THAT Article IX, Paragraph 2, of the  
original Articles of Incorporation of Judy Water  
Association, Inc. be amended to read as follows:

2. "Special meetings of the members of the  
corporation may be called by the President at  
any time or place within Montgomery County upon  
placing a notice in the Mt. Sterling Advocate,  
and The Montgomery Times, weekly newspapers (or  
the successor or successors to either of them or  
the survivor of them, if one ceases to exist),  
at least 7 days prior to such meeting; and such  
meeting shall be called by him at any time upon  
written demand of the majority of the Directors,  
or of any ten (10) members, and in case of his  
neglect or refusal to call such meetings, such  
Directors or members shall unite in calling such  
meetings, 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 two-thirds vote of  
the members present at such a meeting or voting  
by proxy prior to such meeting."

IN WITNESS WHEREOF, said Larry Arnett, President and Charles P. Dale, Secretary-Treasurer, acting on behalf of this corporation have hereunto subscribed their names this 574 day of November 1988.

Larry Arnett  
Larry Arnett-President

Charles P. Dale  
Charles P. Dale  
Secretary-Treasurer

STATE OF KENTUCKY )  
MONTGOMERY COUNTY ) : SCT.

I Alan B. Peck, a Notary Public, in and for the State and County aforesaid, do hereby certify that on this 574 day of November 1988, personally appeared before me Larry Arnett and Charles P. Dale, who, being by me first duly sworn, declared that they are the President and Secretary-Treasurer of Judy Water Association, Inc., and that they signed the foregoing documents for and on behalf of said corporation, and that the statements contained therein are true.

My Commission Expires:

9/14/90  
Alan B. Peck  
NOTARY PUBLIC, KY., STATE-AT-LARGE

Prepared by:

WHITE, PECK & CARRINGTON  
ATTORNEYS AT LAW  
26 BROADWAY  
MT. STERLING, KY 40353

BY: Alan B. Peck

STATE OF KENTUCKY  
SCT  
MONTGOMERY COUNTY  
I, Mrs. Judy Long Witt, clerk of Montgomery County Court aforesaid, do hereby certify that the foregoing articles was on 17 day of Jan 19 89 at 3:40 AM PM lodged for record in my office: whereupon the same with this and the foregoing certificate have been duly recorded.  
Witness my hand this 17 day of Jan 19 89  
Judy Long Witt Clerk

821  
Articles of Incorporation  
Bylaws  
Rules & Regulations  
811 (10)

ARTICLES OF INCORPORATION OF JUDY WATER ASSOCIATION, INC., A NON-PROFIT CORPORATION

SEP 10 2004

This corporation is organized as a non-profit non-stock corporation under the provisions of Chapter 273 of the Kentucky Revised Statutes.

ARTICLE I

NAME

The name of this corporation shall be Judy Water Association, Inc.

ARTICLE II

REGISTERED OFFICE AND AGENT

The registered office of the corporation shall be c/o Gary G. Jetton, R. R. 3, Mt. Sterling, County of Montgomery, State of Kentucky; the registered agent at such address is Gary G. Jetton.

ARTICLE III

PURPOSE

The purpose of the 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, and a complete sanitary and/or storm sewer collection system and treatment facilities by purchase, development, or otherwise to construct mains, submains, and laterals, treatment plant, lagoons, to furnish sewer service to members of the corporation, public bodies and local businesses, for sanitary and health protection and collect service payment for rental of same and doing all things necessary, convenient and incidental thereto.

now part of

ARTICLE IV

SEAL

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

ARTICLE V

POWERS

This corporation shall have all powers provided by law.

ARTICLE VI

MEMBERSHIP

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

ARTICLE VII

DURATION

The corporation shall have perpetual duration.

ARTICLE VIII

BOARD OF DIRECTORS

1. The affairs of this corporation shall be managed by a Board of five (5) 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, one director shall be elected for a term of one year; two directors shall be elected for a term of two years; and two directors shall be elected for a term of three years. Thereafter directors shall be elected for terms of three years. Until the first annual election of directors of the corporation, the Board of Directors shall consist of three members.

2. The Board of Directors shall fill vacancies occurring in its own membership by appointment of qualified members to hold office

(Page 3)

until the next annual meeting of the membership at which meeting a member shall be elected to fill the unexpired term.

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, the following persons shall be directors:

<u>NAME</u>	<u>ADDRESS</u>
Gary G. Jetton,	R. R. 3, Mt. Sterling, Ky 40353
Archie Otis,	119 Harrison Ave., Mt. Sterling, Ky 40353
Allen Bailey,	R. R. 3, Mt. Sterling, Ky 40353

and the following persons shall be officers:

President	Gary G. Jetton,	R. R. 3, Mt. Sterling, Ky 40353
Vice President	Archie Otis,	119 Harrison Ave., Mt. Sterling, Ky 40353
Secretary	Allen Bailey,	R. R. 3, Mt. Sterling, Ky 40353
Treasurer	Gary G. Jetton,	R. R. 3, Mt. Sterling, Ky 40353

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 elect from their own number a President, Vice-President, Secretary and Treasurer. However, the offices of Secretary and Treasurer may be combined into one office.

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

#### ARTICLE IX

#### MEETINGS

1. The annual meeting of the members of this corporation for the purpose of electing directors and transacting such other business as

(Page 4)

may properly come before it at such time, shall be held on the second Monday in November of each year at the time and place specified by the Board of Directors.

*Amended*

2. Special meetings of the members of this corporation may be called by the President at any time or place within the county upon giving to each of the members a notice in writing mailed to his postal address as it appears in the corporation records at least ten (10) days prior to such meeting; and such meeting shall be called by him at any time upon written demand of the majority of the directors, or of any ten (10) members, and in case of his neglect or refusal to call such meetings, such directors or members shall unite in calling such meetings, 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 a meeting or voting by proxy.

ARTICLE X

INCORPORATORS

The names and addresses of the incorporators are:

<u>NAME</u>	<u>ADDRESS</u>
Gary G. Jetton,	R. R. 3, Mt. Sterling, Ky 40353
Archie Otis,	119 Harrison Ave., Mt. Sterling, Ky 40353
Allen Bailey,	R. R. 3, Mt. Sterling, Ky 40353

ARTICLE XI

BY-LAWS

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

(Page 5)

IN WITNESS WHEREOF, we have hereunto subscribed our names this

23 day of February, 1972.

Mary G. Jetton  
Archie Otis  
Allen Bailey

Prepared by:

JOHN C. PERKINS,  
ATTORNEY AT LAW, BOX 385,  
MT. STERLING, KY 40353

STATE OF KENTUCKY  
SCT  
COUNTY OF MONTGOMERY

The foregoing instrument was acknowledged before me this 23  
day of February, 1972, by Gary G. Jetton, Archie Otis, and  
Allen Bailey.

JOHN MARSHALL PERKINS,  
NOTARY PUBLIC,  
KENTUCKY STATE-AT-LARGE

My Commission expires 10 August, 1975.

ORIGINAL COPY  
FILED AND RECORDED  
SECRETARY OF STATE OF KENTUCKY  
FRANKFORT, KENTUCKY

STATE OF KENTUCKY  
MAR 6 1972

MONTGOMERY COUNTY  
Richard D. Spall  
John R. Hoover  
NOTARY PUBLIC, STATE OF KENTUCKY

SEARCHED  
SERIALIZED  
INDEXED  
FILED  
MAR 10 1972  
FBI - MONTGOMERY COUNTY



Page 31

IN WITNESS WHEREOF, we have hereunto subscribed our names this

21 day of Mar, 1972

[Handwritten signatures]

RECORDED  
INDEXED  
MONTGOMERY COUNTY, KY  
MAR 21 1972

3/21/72  
Book 4  
Page 363

MONTGOMERY COUNTY  
KENTUCKY

The foregoing instrument was acknowledged before me this  
day of Mar, 1972, by Cery A. Nelson, Archie Cole, and  
[Name illegible]

MONTGOMERY COUNTY  
KENTUCKY  
[Handwritten signature]

ORIGINAL COPY  
FILED AND RECORDED  
SECRETARY OF STATE OF KENTUCKY  
FRANKFORT, KENTUCKY

STATE OF KENTUCKY  
MAR 6 1972  
MONTGOMERY COUNTY

[Handwritten signature], Bruce Patrick, clerk of Montgomery County Court aforesaid, do hereby  
certify that the foregoing article was on 21 day of Mar, 1972

lodged for record in my office, whereupon the same with this and the foregoing certifi-  
cate have been duly recorded.

Witness my hand this 21 day of Mar, 1972  
[Handwritten signature] Clerk





United States  
Department of  
Agriculture

Rural  
Development

771 Corporate Drive, Suite 200  
Lexington, KY 40503-5477  
(859) 224-7336 TTY(859) 224-7422

August 6, 2003

Mr. Larry Arnett, President  
Judy Water Association, Inc.  
5031 Maysville Road  
Mt. Sterling, Kentucky 40353

**COPY FOR YOUR  
INFORMATION**

AUG 6 2004

Dear Mr. Arnett:

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/or 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/or 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 \$695,300, a RUS grant not to exceed \$569,000, a Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) of \$573,000, a Kentucky Infrastructure Authority (KIA) 2020 Grant of \$315,400, and a cash contribution from the Bourbon County Fiscal Court in the amount of \$50,400.

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:

Judy Water Association, Inc.

Page 2

**COPY FOR YOUR  
INFORMATION**1. Number of Users and Their Contribution:

There shall be 1,641 water users, of which 1,484 are existing users and 157 are new users contributing \$18,900 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 Rural Development Manager will review and authenticate the number of users and amount of connection fees prior to advertising for construction bids.

1a. 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.

1b. Drug-Free Work Place:

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

2. 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 will 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.

3. Recommended Repayment Method:

Payments on this loan can 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 SF 5510, "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 Rural Development Manager will furnish the necessary forms and further guidance on the PAD procedure.

4. Funded Depreciation Reserve Account:

The Association will be required to deposit \$325.00 per month into a "Funded Depreciation Reserve Account" until the account reaches \$39,000. The deposits are to be resumed any time the account falls below the \$39,000.

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

Judy Water Association, Inc.

Page 3

**COPY FOR YOUR  
INFORMATION**5. Security Requirements:

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

6. 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.

7. Organization:

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

8. 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, bookkeeping, making and delivering required reports and audits.

9. Accounts, Records and Audits:

The Association will be required to maintain adequate records and accounts and submit statistical and financial reports in accordance with subsection 1780.47 of RUS Instruction 1780 and RUS Staff Instruction 1780-4, a copy of which is enclosed. Annual audits, budgets, and reports will be submitted to Rural Development showing separate accounts, if applicable.

10. 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.

11. 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 \$188,000.
  - 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.
12. 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 "22" 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 Rural Development Manager is prepared to furnish the necessary guide for him 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.

13. Compliance with Section 504 of the Rehabilitation Act of 1973:

The Association will be required to comply with Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), in order to make sure no handicapped individual, solely by reason of their handicap, is excluded from participation in the use of the water system, be denied the benefits of the water system, or be subjected to discrimination.

14. 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.

15. Compliance with Special Laws and Regulations:

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

16. System Operator:

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

17. 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."

The Association must offer the opportunity for all residents in the service area to become users of the facilities regardless of race, creed, color, religion, sex, national origin, marital status, physical or mental handicap or level of income.

Judy Water Association, Inc.

COPY FOR YOUR  
INFORMATION

Page 6

18. 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.

19. 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.

20. 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.

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.

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

21. 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.



Judy Water Association, LLC.

Page 7

COPY FOR YOUR  
INFORMATION22. Cost of Facility:

## Breakdown of Costs:

Development (CONSTRUCTION)	\$ 1,721,200
Land and Rights	15,000
Legal and Administrative	60,000
Engineering	216,100
Interest	15,000
Contingencies	<u>194,700</u>
TOTAL	\$ 2,222,000

## Financing:

RUS Loan	\$ 695,300
RUS Grant	569,000
HUD-CDBG	573,000
KIA 2020 Grant	315,400
Bourbon Co. Fiscal Court Contribution	50,400
Applicant Contribution	<u>18,900</u>
TOTAL	\$ 2,222,000

23. Debt Collection Improvement Act (DCIA) of 1996:

The Debt Collection Improvement Act (DCIA) of 1996 requires that all federal payments after January 1, 1999, must be made by Electronic Funds Transfer/Automated Clearinghouse (EFT/ACH). Borrowers receiving payments 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.

24. Use of Remaining Project Funds:

The applicant contribution and Bourbon County Fiscal Court contribution shall be considered as the first funds expended. After providing for all authorized costs, any remaining project funds will be considered to be RUS/CDBG/KIA 2020 grant funds and refunded in proportion to participation in the project. If the amount of unused grant funds exceeds the grants, that part would be RUS loan funds.

25. 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	1,000	gallons @ \$	12.00 - Minimum Bill.
Next	4,000	gallons @ \$	5.00 - per 1,000 gallons.
Next	5,000	gallons @ \$	4.50 - per 1,000 gallons.
All Over	10,000	gallons @ \$	4.00 - per 1,000 gallons.

**COPY FOR YOUR  
INFORMATION**

A surcharge of \$16.77 per month will be assessed to all new users served by the proposed Bourbon County Waterline Extension Project and the surcharge will remain on previous Bourbon County Water customers with the \$16.77 per month surcharge.

The above mentioned surcharge will be in effect for the period of the loans unless discontinued with the concurrence of RUS and the Public Service Commission.

Water Connection Fees - \$350.00.

26. Water Purchase Contract:

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

27. Commitment of HUD and KIA Grants and Bourbon County Fiscal Court Contribution:

This Letter of Conditions is issued contingent upon a firm commitment being in effect prior to advertising for construction bids for the HUD grant in the amount of \$573,000, for the KIA 2020 grant in the amount of \$315,400, and for the Bourbon County Fiscal Court cash contribution in the amount of \$50,400.

28. 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.

29. Mitigation Measures:

- A. The project shall be in compliance with all requirements noted in the Kentucky Department for Local Government letter dated June 20, 2002, from Mr. Ronald A. Cook, Manager.

Ind. Water Association

Page 3

- B. The design and construction shall be in compliance with the requirements of the U.S. Fish and Wildlife Service as requested by letter dated May 1, 2002, and signed by Virgil Lee Andrews, Jr., Field Supervisor.
- C. The line design and construction shall be accomplished in a way that will leave flood plains and farmland without affect after construction is complete. The Army Corps of Engineers Nationwide Permit No. 12 applies to all floodplain and wetland utility line construction.
- 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.

30. Final Approval Conditions:

Final approval of this loan 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 Rural Development Manager will allot a reasonable portion of time to provide guidance in application processing.

Sincerely,

*Kenneth Slone*  
 KENNETH SLONE  
 State Director

Enclosures

COPY FOR YOUR INFORMATION

- cc: Rural Development Manager - Shelbyville, Kentucky
- Community Development Manager - Winchester, Kentucky
- Gateway ADD - Owingsville, Kentucky
- Bluegrass ADD - Lexington, Kentucky
- Carolyn Kenton - Lexington, Kentucky
- PEH Engineers - Lexington, Kentucky

If you PSC APTN: Bob Adams - Frankfort, Kentucky Rural Development Ma



Client:	<i>Judy</i>
Project:	
Job No.	<i>2-647-002</i>
Initials:	

PEH DIVISION

1525 Bull Lea Road  
Suite 100  
Lexington, KY 40511  
Phone: 859-225-8500  
Fax: 859-225-8501

December 8, 2003

Strand Associates, Inc.  
Madison, WI  
Joliet, IL  
Louisville, KY

Larry Lee  
Judy Water Association  
2010 Maysville Road, P. O. Box 781  
Mt. Sterling, KY 40353

Division Offices  
PEH  
Lexington, KY

Re: Judy Water Association - Water Main Extensions - Contract 2-2002

SIECO  
Columbus, IN  
Lancaster, OH

Dear Larry,

TAI  
Mobile, AL

Bids for the above-referenced project were opened on November 20, 2003. Three bids were received and the low bid of \$1,032,836.55 was less than the Engineer's opinion of probable construction cost, and is within the available project funding.

www.strand.com

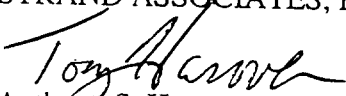
Frederick & May, Inc. of West Liberty, Kentucky was the apparent low bidder at \$1,032,836.55. The bid included a Bid Bond for 5 percent and the four Addendum's were acknowledged. Strand Associates, Inc. - PEH Division has worked with Frederick & May on projects in Bourbon County and Morgan County. We recommend award to Frederick & May.

We believe Frederick & May has technical experience and facilities to complete the project. We are unable to comment on their financial status. We suggest that you consider evaluating Frederick & May's financial status prior to award as required by Article 19.05.2 found in the Instructions to Bidders of the Contract Documents. No additional funding will be required to cover the total project cost utilizing Frederick & May's bid price for this project. The Notice of Award form will be forwarded to you for signature at a later date.

If you have any further questions, please do not hesitate to call.

Sincerely,

STRAND ASSOCIATES, INC.

  
Anthony S. Harover, P.E.

Cc: Judge Donnie Foley, Bourbon County  
Jayne Combs (BGADD)  
Jim Rupe, Frederick & May  
Don Sexton, Bill Pyle (Strand - PEH)



Client:	Judy
Project	
Job No.	2-647-008
Initials	

PEH DIVISION

1525 Bull Lea Road  
Suite 100  
Lexington, KY 40511  
Phone: 859-225-8500  
Fax: 859-225-8501

December 8, 2003

Strand Associates, Inc.  
Madison, WI  
Joliet, IL  
Louisville, KY

Division Offices  
PEH  
Lexington, KY

SIECO  
Columbus, IN  
Lancaster, OH

TAI  
Mobile, AL

[www.strand.com](http://www.strand.com)

Larry Arnett, President  
Judy Water Association  
2010 Maysville Road  
P.O. Box 781  
Mt. Sterling, KY 40353

Re: Water System Improvements  
Contract 4-2003  
Judy Water Association

Dear Mr. Arnett:

Bids for the above-referenced project were opened on November 20, 2003. Five bids were received with the resulting bid tabulation enclosed. The low bid of \$726,914 was over the ENGINEER's opinion of probable construction cost of \$670,000.

Fisher Tank Company of Cropwell, Alabama was the apparent low bidder. The bid included a bid bond for 5 percent and Addendum Nos. 1-4 were acknowledged.

Strand Associates, Inc.<sup>®</sup> has not had previous experience with Fisher Tank Company. Therefore, we are not able to comment in regard to their performance on other projects.

We have been copied on a letter dated November 26, 2003 from the apparent 2nd low bidder, Caldwell Tanks, claiming that the Fisher Tank Company bid is non-compliant with the project plans and specifications and should be set aside and the project awarded to the next lowest bidder.

It appears that none of the inconsistencies described in the November 26, 2003 letter from Caldwell affect the price of the bid. However, we feel that as a minimum, Fisher should submit all information required at bid time. We recommend that you consult with your attorney regarding these inconsistencies, and whether they should be waived.

Additionally, we suggest that you consider evaluating Fisher Tank Company's financial status prior to award and other information submitted to you as required by Article 19.05.2 found in the Instructions to Bidders of the Contract Documents.



Larry Arnett, President  
Judy Water Association  
Page 2  
December 4, 2003

Sincerely,

STRAND ASSOCIATES, INC.

A handwritten signature in black ink that reads 'Tom Harover'.

Anthony S. Harover, P.E.

cc: Judge Foley, Bourbon County  
E. Scruggs, RD - Shelbyville  
D. Sexton, Strand - PEH  
W. Pyle, Strand - PEH



United States  
Department of  
Agriculture

ASA 2/5/04

Rural  
Development

ECH 2/5/04

771 Corporate Drive, Suite 200  
Lexington, KY 40503-5477  
(606) 224-7336 TTY(606) 224-7422


February 3, 2004

SUBJECT: Judy Water Association  
Water System Improvements  
Contract Award Concurrence

TO: Rural Development Manager  
Shelbyville, Kentucky

Based on the bids received and the recommendation of the consulting engineer, Rural Development concurs in the award of subject contract 2 to the low bidder, Frederick and May, Inc., in the amount of \$1,032,836.55, and award on subject contract 4 to the lowest responsive bidder as selected by Judy Water Association, Caldwell Tanks, Inc., in the amount of 734,610.00.

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

  
KENNETH SLONE  
State Director  
Rural Development

cc:

PEH Engineers  
Lexington, Kentucky

## NOTICE

Judy Water Association has filed an application with the Public Service Commission to increase the rates of water service. The proposed effective date of the change is September 1, 2003.

### Monthly Rate:

Current	Proposed	Rate	Minimum Bill
1,000 Gallons	1,000	\$11.22	per 1,000 gallons
Next 4,000 Gallons	4,000	6.85	per 1,000 gallons
Next 5,000 Gallons	5,000	5.95	per 1,000 gallons
Over 10,000 Gallons	Over 10,000	5.05	per 1,000 gallons

### MONTHLY BILL AT CURRENTLY

USAGE	RATE
2,000	\$17.00
5,000	32.00
10,000	54.50
20,000	94.50
30,000	134.50
50,000	214.50
75,000	314.50
100,000	396.62
150,000	522.87
200,000	614.50
300,000	814.50
	1027.87
	1532.87

### MONTHLY BILL AT PROPOSED

RATE	PERCENT INCREASE OVER CURRENT
\$18.07	6.3%
38.62	20.7%
68.37	25.4%
118.87	25.8%
169.37	25.9%
270.37	26.0%
396.62	26.1%
522.87	26.1%
775.37	26.2%
1027.87	26.2%
1532.87	26.2%

The rates contained in this notice are the rates proposed by the Judy Water Association. However, the Public Service Commission may order rates to be charged that are higher or lower than the rates proposed in this notice.

Any corporation, association, body politic, or person may request leave to intervene by motion within thirty (30) days after notice of the proposed rate change is given. A motion to intervene shall be in writing, shall be submitted to the Executive Director, Public Service Commission, Post Office Box 615, Frankfort, KY 40602, and shall set forth the grounds for the motion, including the status and interest of the party movant. Copies of the application may be obtained at no charge from the Association office at 2010 Mayville Rd. in Mt. Sterling, KY 40353. Upon request from an intervenor, the Association shall furnish to the intervenor a copy of the application and supporting documents.

Judy Water Association.

### 40 OUT OF STATE RENTALS

FRITILE BEACH, SC  
1-800-331-7300  
Beachside Inn.  
Five-Night Family  
Special \$199  
(Sun.-Thurs.) 22  
yards to beach, 20  
villas. Two double  
beds. No adults,  
kids, children.  
www.beachsideinn.com  
455011

### 164 LOST & FOUND

LOST Center &  
Pakette's mfg. #278  
Gerette Ave. 2437194  
LOST name gold link  
bracelet. If found call  
272-4591. Reward  
\$1700

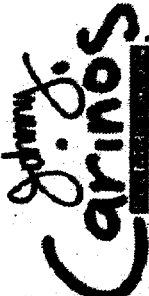
### LEGAL NOTICE

NOTICE is hereby given that the **REGULAR MEETING** of the Lexington-Fayette Urban County **ETHICS Commission** that was to be held on July 3, 2003 at 6:00 P.M. in the conference room of the Lexington Convention & Visitors Bureau, 301 E. Vine Street, Lexington, Kentucky has been **CANCELLED**.  
By order of the Ethics Commission.

Liz Damrell  
Council Clerk

### 166 PERSONALS

FREE BIBLE Course  
Home Study, Mail  
Louisburg NC 27545  
LOBBY LOCAL  
SCHOOL  
ADULTS ONLY. For  
info call 704-982-0800



## NOW HIRING COOKS, Table Tenders, and Host/Hostesses

**Great Benefits:**  
401(k) Plan, Flexible Hours & Scheduling, Paid Vacations, Meals Discounts, Top Pay, Kitchen/Trainer Bonuses, Career Advancement & FUN Environment!

Apply in Person from:  
2:00 PM. - 4:00 PM. Mon. - thurs.  
2333 Sir Barton Way, Lexington, KY  
(Hamburg Pavilion)

## KENTUCKY BAR ASSOCIATION

### Paralegal Position

The Kentucky Bar Association, an agency of the Supreme Court of Kentucky, is seeking a qualified paralegal to provide administrative staff support for the Attorney Advertising Commission. In addition, the position will provide backup support to the Disciplinary Clerk. Applicants should have a knowledge of the Rules of Professional Conduct and must develop a thorough working knowledge of Rule of Professional Conduct 7, which establishes the Attorney Advertising Commission and regulates advertising by Kentucky lawyers.

The position is assigned to the Kentucky Bar Association Office of Bar Counsel located at the Kentucky Bar Center in Frankfort. Benefits include single health care coverage, paid vacation and sick leave, and participation in the Kentucky Employees Retirement System (KERS). Applications in the form of a cover letter and resume must be received by the close of business on Monday, June 30, 2003. The cover letter should include salary history and salary requirements. Please fax or mail resume to:

Bruce K. Davis, Executive Director  
Kentucky Bar Association  
514 West Main Street  
Frankfort, KY 40601-1883  
FAX: (502) 864-3226

EQUAL OPPORTUNITY EMPLOYER



### Part-Time Work / Full-Time Benefits

UPS is now hiring part-time package handlers for its Lexington facility.

Requirements:  
1) Reliability  
2) Strong Work ethic  
3) The desire to work and excel in a fast-paced environment.

UPS currently is holding facility tours for its day(11a-4p), twilight(5p-10p) and night(11a-4p) shifts. UPS part-time employees enjoy benefits such as medical, vision and dental. In addition UPS offers paid holidays off, 401k plans, discount stock purchasing programs and no weekend work. If you are interested in working the night shift, UPS will pay its employees \$2000/year in tuition reimbursement. If you are ready for the perfect part-time job with full-time benefits call:  
1-888-WORK-UPS  
or apply online at [upsjobs.com](http://upsjobs.com)  
Don't wait apply today!

### 506 CONSTRUCTION

WORK in production wood shop; exp helpful; must have call 859-258-3770. Call 859-258-3770. #55244

Let Employers find you.  
Post your resume on [CareerBuilder.com](http://CareerBuilder.com)

### 509 CHILD CARE NEEDED

MANY to care for newborn baby. Some light housework & cooking. Live-in option on private horse farm in Fayette City, Ky. private BA, self-illite dish. No pets, dependents or smokers. Call for interview 859-421-4533

### 516 EDUCATION

ANTICIPATED PT Faculty positions Public Speaking, Natural & Applied Sciences, Psychology & Business. Masters Degree &

### 530 HELP WANTED

BANK RESPONSORS Needed Statewide Motivated Individuals Military Background a plus. \$50,000 + a year. No experience

## CERTIFIED MEDICAL CODER

Anatomic Pathology Practice is seeking a certified medical coder. Responsibilities include but are not limited to coding of inpatient and outpatient claims for professional and facility billing. The individual must understand disease process, anatomy, physiology and laboratory procedures/results. Must adhere to all compliance rules and regulations. CPC is required with 2-3 yrs experience. Able to abstract CPT-4 and ICD-9 codes from the medical record and other duties as assigned. Hours are Monday thru Friday, 9am-5:30pm. Salary commensurate with experience. Send resume to H-L Box BBM 6554976 100 Midland Ave., Lexington, KY 40508.

## Medical Records Coordinator

RHIA or RRA credentials with 2 years applicable experience in

558 INS  
BUSY Medical seeks PT emp resume: HL

CMR/ Fire, center, position, experie, caifon d, resume: 1

FT, Eve, other we, perline, pay base, without t, differnt, plngs. 314-0038 Sayre Carmelof

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DR TOBACCO  
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Apply to tax pi basing



F 4

Wednesday, October 29, 2003

**ADVERTISEMENT TO BID**

The Judy Water Association will receive sealed Bids for the two water system improvement projects described below until 10:00 A.M. local time, Thursday, November 13, 2003 at Judy Water Association, 2010 Maysville Road, Mt. Sterling, KY 40353, where Bids will be received and opened, at which time they will be publicly read aloud.

**Contract 2-2002: Water Main Extensions**

The work includes the construction of 12,300 linear feet of 3-inch water mains; 92,900 linear feet of 4-inch water mains; and 22,200 linear feet of 6" water mains. Bids are to be addressed to the Judy Water Association, 2010 Maysville Road, P. O. Box 781, Mount Sterling, Kentucky 40353, and shall be marked "Sealed Bid - Water System Improvements - Contract 2-2002 - Judy Water Association." Bids are also to include on the outside Bidder's name and address. Bidding Documents may be obtained from the Issuing Office, which is PEH Engineers, 1525 Bull Lea Road, Suite 100, Lexington, Kentucky 40511, upon receipt of a nonrefundable payment of \$285.00 for each Contract plus shipping per complete set of Bidding Documents.

**Contract 4-2003: Two 120,000 Gallon Elevated Storage Tanks and Water System Improvements**

The work includes the construction of two 120,000 gallon elevated storage tanks, one factory built underground booster pumping station and 8 and 6 inch water mains. Bids are to be addressed to the Judy Water Association, 2010 Maysville Road, P. O. Box 781, Mount Sterling, Kentucky 40353, and shall be marked "Sealed Bid - Two 120,000 Gallon Elevated Storage Tanks and Water System Improvements - Contract 4-2003 - Judy Water Association." Bids are also to include on the outside Bidder's name and address. Bidding Documents may be obtained from the Issuing Office, which is PEH Engineers, 1525 Bull Lea Road, Suite 100, Lexington, Kentucky 40511, upon receipt of a nonrefundable payment of \$165.00 for each Contract plus shipping per complete set of Bidding Documents.

Excerpts of drawings and/or pertinent specifications will not be furnished to interested parties, only complete sets. After award of a contract, the CONTRACTOR will be furnished, without charge, a reasonable number of plans and specifications needed to prosecute the work. Bidders who submit a Bid must be plan holders of record at the Issuing Office. Bids from Bidders who are not on the plan holders list will be returned as not being responsive.

Bidding Documents may be examined at the following offices:

PEH Engineers, 1525 Bull Lea Road, Suite 100, Lexington, KY 40511

Judy Water Association, 2010 Maysville Road, Mount Sterling, KY 40353

Builders Exchange of Louisville, Inc., 2300 Meadow Drive, Suite 100, Louisville, KY 40218

AGC/F.W. Dodge, 2321 Fortune Drive, Suite 112, Lexington, KY 40509

AGC/Dodge, 1717 Alliant Avenue, Suite 11, Louisville, KY 40299

F.W. Dodge, 655 Eden Park Drive, Suite 515, Cincinnati, OH 45202-6001

Reed Construction Data/ABC, 1300 New Circle Rd., Bldg. B., Suite 112, Lexington, KY 40505

Reed Construction Data/ABC, 1812 Taylor Avenue, Louisville, KY 40213

No Bid will be received unless accompanied by a cashier's, certified or bank check or a Bid Bond equal to at least five percent of the maximum Bid, payable to the OWNER as a guarantee that after a Bid is accepted, Bidder will execute and file the Agreement and 100% Performance and Payment Bonds within fifteen days after the Notice of Award.

Bidders shall comply with all provisions of KRS Chapter 337 with respect to labor wage rates. Not less than the prevailing hourly rate of wages shall be paid for work under the Contract. Bidders shall comply with all provisions of KRS Chapter 337 with respect to labor wage rates and with Federal Wage Rates. Not less than the higher prevailing hourly rate of wages shall be paid for work under the Contract. Bidder's attention is called to the fact that any Contract awarded under this Advertisement to Bid is expected to be funded in part by a loan from the Kentucky Infrastructure Authority (KIA) Federal Assisted Drinking Water Supply Revolving Fund (FADWSRF). Bidders shall comply with the President's Executive Order 11246 as amended, which prohibits discrimination in employment regarding race, creed, color, sex, or national origin. This includes providing a certification of prior work under Executive Order 11246. Bidders shall comply with Title VI of the Civil Rights Act of 1964, the Anti-Kickback Act, and the Contract Work Hours Act. Bidder shall make positive efforts to use small, minority, women-owned, and disadvantaged businesses. Bidder and its subcontractors shall comply with 41 CFR 60-4, in regard to affirmative action, to ensure equal opportunity to females and minorities and will apply the timetables and goals set forth in 41 CFR 60-4.

Contract award shall be made based on the lowest, responsive, responsible evaluated Bid. The Judy Water Association reserves the right to reject any or all Bids, to waive any technicality, and to accept any Bid which it deems advantageous. All Bids shall remain subject to acceptance for 60 days after the time set for opening Bids. All Bidders must comply with all federal, state and City Equal Employment Opportunity laws and regulations which prohibit discrimination in employment regarding race, creed, color, sex, or national origin. All taxes are the responsibility of the successful Bidder unless specifically exempted in the Bidding Documents.

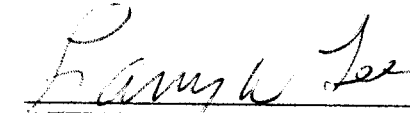
**AFFIDAVIT**

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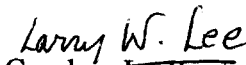
Comes the Affiant, Larry Lee, General Manager, Judy Water Association, after being first duly sworn and states as follows:

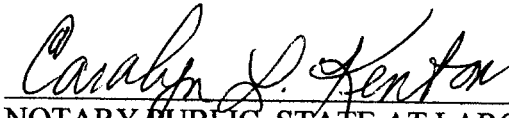
1. I confirm that the proposed plans and specifications for the project have been designed to meet minimum construction and operating requirements;
2. that all other state approvals or permits have already been obtained;
3. that any proposed rates shall produce the total revenue requirements set out in the engineering reports; and
4. that the dates upon which construction will begin and end are April 1 to September September 30, 2004 (Contract 2: Water Mains: 180 calendar days; Contract 4: Water tanks: 180 calendar days)

FURTHER AFFIANT SAYETH NAUGHT.

  
\_\_\_\_\_  
AFFIANT

STATE OF KENTUCKY  
COUNTY OF FAYETTE

Subscribed and sworn to before me by  ~~Carolyn L. Kenton~~ on this the 6<sup>th</sup> day of February, 2004.

  
\_\_\_\_\_  
NOTARY PUBLIC, STATE AT LARGE  
My Commission Expires: 8-9-2006

**Preliminary  
Engineering  
Report**

**Bourbon County  
Water System  
Improvements  
Contract 2**

**Judy Water  
Association**

(Revised July 2002)

# **Preliminary Engineering Report for Judy Water Association**

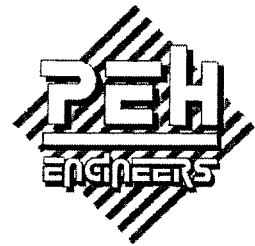
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## **Bourbon County Water System Improvements – Contract 2**

**Prepared by:**

**PEH ENGINEERS  
1525 Bull Lea Road, Suite 100  
Lexington, KY 40511  
peh.strand.com**

**February 2002  
(Revised July 2002)**



Subsidiary of  
Strand Associates, Inc.®

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SECTION 10 – PROPOSED PROJECT FUNDING

### ***APPENDICES***

APPENDIX A – SUMMARY/ADDENDUM TO PRELIMINARY ENGINEERING REPORT

**SECTION 1**  
**PURPOSE OF THE REPORT**

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During the past several years, the Bourbon County Fiscal Court and Judy Water Association have received numerous petitions and requests for potable water from persons living in various parts of Bourbon, Clark, and Montgomery Counties. The purpose of this report is to ascertain the economic and hydraulic feasibility of extending service into some of these areas.

**SECTION 2**  
**SCOPE OF THE REPORT**

---



The proposed project is to include water line extensions into the following areas:

Division J:	Escondida Road
Division K:	Highway 57
Division L:	Highway 1198
Division M:	Soper/Burriss Road
Division O:	Stringtown Road
Division P:	Steele Road
Division Q:	Gay Road
Division R:	Little Rock tank and pump station
Division CC:	Young's Mill Road
Division FF:	See Road
Division GG:	Wades Mill Road (Clark County)
Division HH:	Cecil Pike (Montgomery County)
Division JJ:	Tipton Road (Montgomery County)
Division II:	Blacks Cross Road

**SECTION 3**  
**DESCRIPTION OF PROPOSED PROJECT**

---

The description of the proposed project is as follows:

1. Division J: Escondida Road

The construction will consist of extending a 4" line from the intersection of KY 627 and Escondida Road approximately 4.0 miles along Escondida Road to serve 27 potential customers.

2. Division K: Highway 57

The construction will consist of extending a 4" line from the end of the existing line on KY 57 to the Bourbon/Nicholas County Line to serve 13 potential customers.

3. Division L: Highway 1198

The construction will consist of constructing a 4" line approximately 1.6 miles to serve 11 potential customers.

4. Division M: Soper/Burriss Road

Proposed construction will consist of 4" line and will begin at Highway 57 and extend approximately 2.6 miles along Soper/Burriss Road to serve 9 potential customers. The line will connect to the existing line on Jackstown Road and create a looped system.

5. Division O: Stringtown Road

Proposed construction will begin at Highway 537 and extend approximately 2.5 miles to Jackstown Road along Stringtown Road. Approximately 13,200 feet of 4-inch pipe will serve 12 potential customers and create a much needed system loop.

6. Division P: Steele Road

Proposed construction will begin at Highway 537 and extend approximately 2.3 miles along Steele Road. Approximately 12,144 feet of 4-inch pipe will serve 8 potential customers.

7. Division Q: Gay Road

Proposed construction will begin at the end of the existing line near the intersection of US 460 and Gay Road and extend approximately 1.7 miles along Gay Road. Approximately 8976 feet of 4-inch pipe will serve 9 potential customers.

8. Division R: Little Rock Tank and Pump Stations

The exact location of the proposed 100,000 gallon tank and pumping station will be determined in final design. The tank is proposed to be located on a high area near Little Rock to provide additional system storage.

9. Division CC: Young's Mill Road

Proposed construction will begin at Jackstown road and extend approximately 1.8 miles along Young's Mill Road. Approximately 9504 feet of 4-inch pipe will serve 5 potential customers.

10. Division FF: See Road

Proposed construction will begin at Highway 537 and extend approximately 0.5 miles along See Road to Highway 57. Approximately 2640 feet of 6-inch pipe will serve 6 potential customers.

11. Division GG: Wades Mill Road

The proposed project consists of extending a 4" waterline along Wades Mill Road a distance of approximately 3.3 miles to serve 11 potential customers.

12. Division HH: Cecil Pike

The proposed project consists of extending a 4" waterline along Cecil Pike a distance of approximately 2.8 miles to serve 10 potential customers.

13. Division JJ: Tipton Road

The proposed project consists of extending a 4" waterline along Tipton Road a distance of approximately 1.5 miles to serve 4 potential customers.

14. Division II: Blacks Cross Road

The proposed project consists of extending a 4" waterline along Blacks Cross Road a distance of approximately 3 miles to serve 17 potential customers.

**SECTION 4**  
**CUSTOMER SUBSCRIPTION CAMPAIGN**

---

There are no customer subscription campaigns currently underway. The Judy Water Association is awaiting the results of this feasibility report and securing funding before signing any customers.

Tap fees for the proposed project are currently estimated at (\$350) for a residential meter service.

Preliminary customer counts for the project indicate that there are 142 potential customers in the project area. With a total of 142 customers and an anticipated subscription rate of 70%, the aggregate total of deposits to the project would be \$ 35,000.

**SECTION 5**  
**WATER SUPPLY ALTERNATIVES**

---

Information provided by the Bluegrass and Gateway Area Development Districts as well as discussions with local residents, indicate that there is a decreasing quality and quantity of groundwater available in Bourbon, Clark, and Montgomery Counties which constitutes a serious problem to the health and general welfare of citizens not presently served by a potable water system. The high costs of drilling wells and installing individual treatment units for rural citizens are becoming increasingly prohibitive. A common problem for many individuals is sinking a large capital investment into a well treatment unit, only to have the groundwater source fail. For those who cannot afford a treatment unit, the risks are great.

The proposed Judy Water Association project should be a safe, reliable source of potable water for many citizens who are not presently served.



**SECTION 6**  
**ESTIMATED WATER USAGE**

---

As previously stated, there are one hundred and forty-two (142) potential residential customers in the proposed Judy Water Association Project. With an assumed 70% subscriber rate, approximately one hundred (100) new residential customers will be served. These new customers will be individually metered.

The estimated water use for the project is as follows:

Estimated Annual Water Usage

100 Residential x 4000 x 12 = 4,800,000 gallons

**SECTION 7**  
**DESIGN CRITERIA – HYDRAULIC CONSIDERATIONS**

---

Hydraulic calculations are based on the Hazen and Williams formula. The economy and performance of PVC pipe has caused it to be the predominant material for water district pipelines. The relatively high flow coefficient  $C = 140$  is a common value for PVC water systems and is therefore used in the design of this system.

Peak flows were used in determining line sizes. These values have proven to be slightly conservative in practice, but since their use leaves room for expansion, they are considered valid for design purposes. Additional future capacity is insured by designing in surplus of five gallons per minute into each dead end line.

In general, lines are sized to maintain a minimum of 30 psi at the service meter during peak flows. Individual pressure reducing valves will be furnished to customers in areas where main lined pressures exceed allowable pressure for individual services.

**SECTION 8**  
**CONSTRUCTION COST ESTIMATE**

---

The following is a detailed breakdown of the preliminary construction cost estimate:

1. Division J: Escondida Road

<u>Item No.</u>	<u>Item</u>	<u>Quantity</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Total</u>
1.	4" PVC pipe	21,900	LF	\$ 5	\$109,500
2.	4" Gate valves	7	EA	350	2,450
3.	Customer services	27	EA	450	12,150
4.	Tie into existing line	1	EA	1,000	1,000
5.	Bore and casing	50	LF	100	5,000
6.	Flush hydrants	3	EA	1,600	4,800
7.	Crushed stone	200	LF	15	3,000
8.	Creek crossing	120	LF	140	16,800
9.	Dry bores	130	LF	40	5,200
10.	Miscellaneous				<u>8,000</u>
TOTAL					\$167,900

2. Division K: Highway 57

<u>Item No.</u>	<u>Item</u>	<u>Quantity</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Total</u>
1.	4" PVC pipe	9,120	LF	\$ 5	\$ 45,600
2.	3" PVC pipe	3,460	LF	4	13,840
3.	4" Gate valves	3	EA	350	1,050
4.	3" Gate valves	1	EA	300	300
5.	Customer services	13	EA	450	5,850
6.	Creek crossings	55	LF	30	1,650
7.	Crushed stone	200	LF	15	3,000
8.	Dry bore	70	LF	40	2,800
9.	Tie into existing line	1	EA	1,000	1,000
10.	Flush hydrants	2	EA	1,600	3,200
11.	Miscellaneous				<u>5,000</u>
TOTAL					\$ 83,290

3. Division L: Highway 1198

<u>Item No.</u>	<u>Item</u>	<u>Quantity</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Total</u>
1.	3" PVC pipe	8,760	LF	\$ 4	\$ 35,040
2.	3" Gate valves	2	EA	300	600
3.	Customer services	11	EA	450	4,950
4.	Crushed stone	240	LF	15	3,600
5.	Blow-off assembly	1	EA	500	500
6.	Flush hydrants	2	EA	1,600	3,200
7.	Miscellaneous				<u>3,000</u>
TOTAL					\$ 50,890

4. Division M: Soper/Burris Road

<u>Item No.</u>	<u>Item</u>	<u>Quantity</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Total</u>
1.	4" PVC pipe	13,500	LF	\$ 5	\$ 67,500
2.	4" Gate valves	4	EA	300	1,200
3.	Creek crossing	50	LF	30	1,500
4.	Bore	95	LF	100	9,500
5.	Tie into existing line	1	EA	1,000	1,000
6.	Customer services	9	EA	450	4,050
7.	Crushed stone	120	LF	15	1,800
8.	Miscellaneous				<u>5,000</u>
TOTAL					\$ 91,550

5. Division O: Stringtown Road

<u>Item No.</u>	<u>Item</u>	<u>Quantity</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Total</u>
1.	4" PVC pipe	13,160	LF	\$ 5	\$ 65,800
2.	4" Gate valves	5	EA	300	1,500
3.	Tie into existing line	2	EA	1,000	2,000
4.	Master meter	1	EA	5,000	5,000
5.	Bore	80	LF	100	8,000
6.	Customer services	12	EA	450	5,400
7.	Crushed stone	180	LF	15	2,700
8.	Creek crossing	50	LF	30	1,500
9.	Dry bores	80	LF	40	3,200
10.	Miscellaneous				<u>3,000</u>
TOTAL					\$ 98,100

6. Division P: Steele Road

<u>Item No.</u>	<u>Item</u>	<u>Quantity</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Total</u>
1.	4" PVC pipe	10,530	LF	\$ 5	\$ 52,650
2.	4" Gate valves	4	EA	300	1,200
3.	Flush hydrants	2	EA	1,600	3,200
4.	Bore	80	LF	100	8,000
5.	Customer services	8	EA	450	3,600
6.	Crushed stone	150	LF	15	2,250
7.	Creek crossing	145	LF	30	4,350
8.	Miscellaneous				<u>4,000</u>
TOTAL					\$ 79,250

7. Division Q: Gay Road

<u>Item No.</u>	<u>Item</u>	<u>Quantity</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Total</u>
1.	4" PVC pipe	10,310	LF	\$ 5	\$ 51,550
2.	4" Gate valves	3	EA	300	900
3.	Flush hydrants	2	EA	1,600	3,200
4.	Master meter	1	EA	5,000	5,000
5.	Bore	65	LF	100	6,500
6.	Customer services	9	EA	450	4,050
7.	Crushed stone	150	LF	15	2,250
8.	Creek crossing	65	LF	30	1,950
9.	Miscellaneous				<u>4,000</u>
TOTAL					\$ 79,400

8. Division R: Little Rock Tank and Pump Station

<u>Item No.</u>	<u>Item</u>	<u>Quantity</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Total</u>
1.	Booster pumping station	1	EA	60,000	\$ 60,000
2.	100,000 gallon elevated tank	1	EA	210,000	210,000
3.	Telemetry controls	1	EA	25,000	25,000
4.	Miscellaneous				<u>14,470</u>
TOTAL					\$309,470



9. Division CC: Young's Mill

<u>Item No.</u>	<u>Item</u>	<u>Quantity</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Total</u>
1.	4" PVC pipe	5,800	LF	\$ 5	\$ 29,000
2.	4" Gate valves	2	EA	300	600
3.	Tie into existing line	1	EA	1000	1000
4.	Bore	90	LF	100	9,000
5.	Customer services	3	EA	450	1,350
6.	Crushed stone	100	F	15	1,500
7.	Miscellaneous				<u>3,000</u>
TOTAL					\$ 45,450

10. Division FF: See Road

<u>Item No.</u>	<u>Item</u>	<u>Quantity</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Total</u>
1.	4" PVC pipe	8,050	LF	\$ 5	\$ 40,250
2.	4" Gate valves	3	EA	300	900
3.	Tie into existing line	1	EA	1000	1000
4.	Bore	200	LF	100	20,000
5.	Customer services	7	EA	450	3,150
6.	Crushed stone	200	LF	15	3,000
7.	Creek crossing	100	LF	30	3,000
8.	Miscellaneous				<u>5,000</u>
TOTAL					\$76,300

11. Division GG: Wades Mill Road (Clark County)

<u>Item No.</u>	<u>Item</u>	<u>Quantity</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Total</u>
1.	4" PVC pipe	18,300	LF	\$ 5	\$ 91,500
2.	4" Valves	6	EA	300	1,800
3.	Wet tap	1	EA	1500	1,500
4.	Customer services	12	EA	450	5,450
5.	Bores	30	LF	100	3,000
6.	Crushed stone	300	LF	15	4,500
7.	Creek crossings	50	LF	30	1,500
8.	Flush hydrants	3	EA	1,600	4,800
9.	Miscellaneous				<u>6,000</u>
TOTAL					\$120,000

12. Division HH: Cecil Pike (Montgomery County)

<u>Item No.</u>	<u>Item</u>	<u>Quantity</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Total</u>
1.	4" PVC pipe	13,330	LF	\$ 5	\$ 66,650
2.	4" Valves	4	EA	300	1,200
3.	Wet tap	1	EA	1,500	1,500
4.	Customer services	11	EA	450	4,950
5.	Bores	20	LF	100	2,000
6.	Crushed stone	200	LF	15	3,000
7.	Creek crossing	90	LF	30	2,700
8.	Flush hydrants	2	EA	1,600	3,200
9.	Miscellaneous				<u>5,000</u>
TOTAL					\$ 90,200

13. Division JJ: Tipton Road (Montgomery County)

<u>Item No.</u>	<u>Item</u>	<u>Quantity</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Total</u>
1.	4" PVC pipe	3,680	LF	\$ 5	\$ 18,400
2.	4" Valves	1	EA	300	300
3.	Wet tap	1	EA	1,500	1,500
4.	Customer services	4	EA	450	1,800
5.	Crushed stone	300	LF	15	4,500
6.	Creek crossing	50	LF	30	1,500
7.	Flush hydrant	1	EA	1,600	1,600
8.	Miscellaneous				<u>3,000</u>
TOTAL					\$ 32,600

14. Division HH: Black's Crossroad (Bourbon County)

<u>Item No.</u>	<u>Item</u>	<u>Quantity</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Total</u>
1.	4" PVC pipe	15,620	LF	\$ 5	\$ 78,100
2.	4" Valves	3	EA	300	900
3.	Creek Crossing	70	LF	75	5,250
4.	Customer services	17	EA	450	7,650
5.	Flush Hydrant	1	EA	1,600	1,600
6.	Auto air release valve	1	EA	600	600
7.	Crushed stone	100	LF	15	1,500
8.	Wet Tap	1	EA	1,500	1,500
9.	Blowoff assembly	1	EA	1,000	1,000
10.	Dry Bore	127	LF	50	<u>6,350</u>
TOTAL					\$ 104,450

**TOTAL – OPINION OF CONSTRUCTION COSTS:**

Bourbon County Portion	\$1,183,900
Clark County Portion	120,000
Montgomery County Portion	<u>122,800</u>
TOTAL	\$1,426,150

**SECTION 9**  
**PROJECT COST ESTIMATE**

---

The following is a detailed breakdown of the project cost estimate:

<u>Item</u>	<u>Total</u>
Construction	\$ 1,426,150
Contingency	142,550
Basic Engineering (7.7 %)	109,800
Inspection (4.17 %)	59,500
Preliminary Engineering	17,000
Additional Engineering	35,000
Environmental Assessment	5,000
Geotechnical	3,000
Land Purchase and Easements	10,000
Legal & Administrative	60,000
Interest During Construction	<u>15,000</u>
TOTAL	\$ 1,883,000

**SECTION 10  
PROPOSED PROJECT FUNDING**

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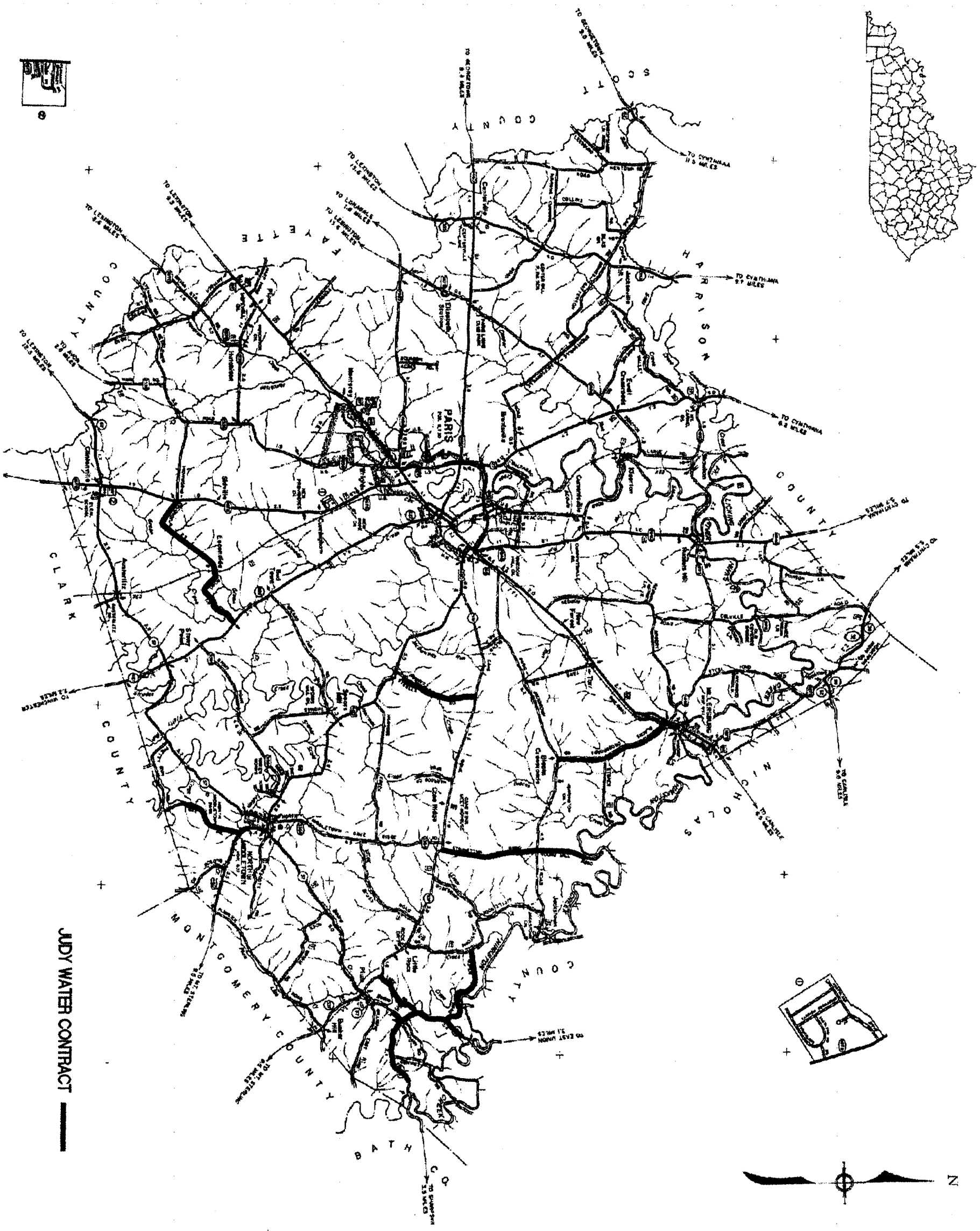
The proposed funding for the Judy Water Association – Bourbon County Water Main Extensions – Contract #2 will be as follows:

<b><u>Item</u></b>	<b><u>Total</u></b>
CDBG Grant	\$ 743,000
KIA 2020 Fund	315,400
Judy Water Association (taps)	7,000
Bourbon County Fiscal Court	36,500
Rural Development (Grant) 45%	351,495
Rural Development (Loan) 55%	<u>429,605</u>
<b>TOTAL</b>	<b>\$ 1,883,000</b>

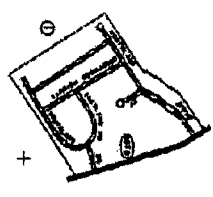
**APPENDIX A**  
**SUMMARY/ADDENDUM TO PRELIMINARY ENGINEERING REPORT**

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JUDY WATER CONTRACT ———



Final Engineering Report

**Water System  
Improvements for  
Bourbon, Clark  
and Montgomery  
Counties, Kentucky**

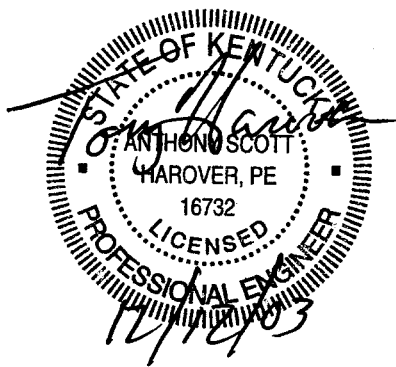
**Judy Water  
Association**

December 2003

# Final Engineering Report for Judy Water Association, Kentucky

---

Water System Improvements for Bourbon, Clark  
and Montgomery Counties, Kentucky



Prepared by:

STRAND ASSOCIATES, INC.®  
1525 Bull Lea Road, Suite 100  
Lexington, KY 40511  
strand.com

December 2003



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**SECTION 1  
PROJECT COSTS**

---

**Project Costs for Water System Improvements  
Contract 2-2002  
Contract 4-2003**

Breakdown of Costs:

Development (Contract 2-2002 and Contract 4-2003 as bid November 20, 2003)	\$	1,767,446.55
Legal and Administrative	\$	60,000.00
Land and Right-of-Way	\$	15,000.00
Engineering	\$	269,500.00
Interest	\$	15,000.00
Contingencies	\$	<u>95,053.45</u>
TOTAL	\$	2,222,000.00

Financing:

Rural Development Loan	\$	695,300.00
Rural Development Grant	\$	569,000.00
HUD – CDBG	\$	573,000.00
KIA 2020 Grant	\$	315,400.00
Bourbon County Fiscal Court Contribution	\$	50,400.00
Applicant Contribution	\$	<u>18,900.00</u>
TOTAL	\$	2,222,000.00

**SECTION 2**  
**OPERATION AND MAINTENANCE**

---

## 2.01 OPERATING INCOME WITH EXISTING RATES

Information obtained from the Judy Water Association.

Bourbon County Surcharge (\$16.77)	\$	27,771.00
Water Revenue	\$	<u>697,200.00</u>
TOTAL OPERATING INCOME	\$	724,971.00

## 2.02 PROJECTED OPERATING EXPENSES – WATER SYSTEM

The Judy Water Association purchases water from Mount Sterling Water System and North Middleton Water System.

Source of Supply Expense and Transmission and Distribution Expense	\$	226,341.00
Customer Accounts Expense	\$	94,451.00
Salaries (Per Audit)	\$	131,632.00
Other Operating Expenses (Per Audit)	\$	<u>103,490.00</u>
TOTAL OPERATING EXPENSES	\$	555,914.00

## 2.03 DEBT SERVICE AND OPERATING EXPENSE REQUIREMENTS

Annual revenue requirements are summarized as follows:

Debt Service:		
Average Principal and Interest (Old)	\$	125,294.50
Average Principal and Interest (New) (4.25%)	\$	37,205.50
Surplus (10%)	\$	16,250.00
Operation and Maintenance	\$	<u>555,914.00</u>
TOTAL ANNUAL AVERAGE REVENUE REQUIREMENT	\$	734,664.00

The 10% coverage of debt is a requirement of RUS, if a grant is included. The annual revenue requirement is greater than income generated from existing rates.

## 2.04 OPERATING INCOME WITH PROPOSED RATES

Projected annual revenue with increased rates is \$865,200.00. This results in a net operating income of \$130,536.00.



**SECTION 3  
PROPOSED WATER RATES**

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**3.01 RATES AND CHARGES**

New water rates will be at least:

5/8" x 3/4" Meter

First	1,000	gallons	@ \$	11.22	-	Minimum Bill
Next	4,000	gallons	@ \$	6.85	-	Per 1,000 gallons
Next	5,000	gallons	@ \$	5.95	-	Per 1,000 gallons
All Over	10,000	gallons	@ \$	5.05	-	Per 1,000 gallons

**SECTION 4**  
**FORECAST OF WATER USAGE**

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**4.01 WATER USAGE – INCOME – EXISTING SYSTEM – EXISTING USERS**

**Old Rates**

	Usage gals x 100		w/o tax		Monthly Income		Annual Income
149	5.0	\$	12.00	\$	1,800.00	\$	21,600.00
1,212	60.0	\$	36.50	\$	44,200.00	\$	530,400.00
56	210.0	\$	98.50	\$	5,500.00	\$	66,000.00
10	560.0	\$	238.50	\$	2,400.00	\$	28,800.00
4	1310.0	\$	538.50	\$	2,200.00	\$	26,400.00
1	4839.0	\$	1,950.10	\$	2,000.00	\$	24,000.00
<b>1,432</b>					<b>\$ 58,100.00</b>	<b>\$</b>	<b>697,200.00</b>

**4.02 WATER USAGE – INCOME – EXISTING SYSTEM – EXISTING USERS – NEW RATES**

**New Rates**

	Usage gals x 100		w/o tax		Monthly Income		Annual Income
149	5.0	\$	11.22	\$	1,700.00	\$	20,400.00
1,212	60.0	\$	44.57	\$	54,000.00	\$	648,000.00
56	210.0	\$	141.40	\$	7,900.00	\$	94,800.00
10	560.0	\$	318.15	\$	3,200.00	\$	38,400.00
4	1310.0	\$	696.90	\$	2,800.00	\$	33,600.00
1	4839.0	\$	2,479.05	\$	2,500.00	\$	30,000.00
<b>1,432</b>					<b>\$ 72,100.00</b>	<b>\$</b>	<b>865,200.00</b>