DAMON R. TALLEY, P.S.C.

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

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

DAMON R. TALLEY

ATTORNEY AT LAW

RECEIVED

AUG 0 9 2004

PUBLIC SERVICE COMMISSION

August 9, 2004

Ms. Beth O'Donnell
Executive Director
Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40602

Case 2004-00312

RE: Southeastern Water Association, Inc.

Dear Ms. O'Donnell:

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

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

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

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

Damon R. Talley

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

DRT/ln

Enclosures

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

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF SOUTHEASTERN WATER ASSOCIATION, INC., PULASKI, COUNTY, KENTUCKY, (1) FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY AUTHORIZING CONSTRUCTION OF MAJOR ADDITIONS AND IMPROVEMENTS TO ITS WATER DISTRIBUTION SYSTEM; (2) SEEKING APPROVAL OF REVISED WATER SERVICE RATES AND CHARGES; AND (3) SEEKING APPROVAL OF THE PROPOSED PLAN OF FINANCING, PURSUANT TO THE PROVISIONS OF KRS 278.023 AND 807 KAR 5:069.	)	CASE NO. 2004-00312

** *** **** ******* **** *** **

The Applicant, **SOUTHEASTERN WATER ASSOCIATION, INC.**, (the "Association") situated in Pulaski County, Kentucky, acting by and through its Board of Directors, respectfully tenders this Application and requests that the Public Service Commission of Kentucky (the "Commission") enter its Order, pursuant to KRS 278.023 and 807 KAR 5:069, (1) issuing a Certificate of Public Convenience and Necessity authorizing the Association to construct major additions and improvements to its water system (the "Project") for the purpose of furnishing an adequate supply of pure and potable water for domestic, agricultural

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

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

2. The mailing address of the Association is:

Southeastern Water Association, Inc.
147 East Somerset Church Road
Somerset, Kentucky 42503

ATTENTION: Morris Vaughn, General Manager
TELEPHONE: (606) 678-5501

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

4. The Project consists of the installation of approximately 33 miles of 8 to 3 inch water distribution lines. The Project will provide new water service to approximately 191 additional customers.

5. The Project cost is $3,124,000. The Association proposes to finance the construction of the Project through a loan from the United States of America, acting by and through the U.S. Department of Agriculture, Rural Development (the "USDA-RD"). The loan is in the amount of $1,833,000. It will be for a 40 year period with an interest rate not to exceed 4.5%. The balance of the Project cost will be funded by a USDA-RD grant in the amount of $1,190,000 and connection fees totalling $101,000. The financing sources are as follows:

RD Loan	$1,833,000.
RD Grant	1,190,000.
Connection Fees	101,000.
TOTAL:	$ 3,124,000.

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

7. The schedule setting forth the water rates and charges required by the USDA-RD is contained in paragraph 25 of the Letter of Conditions.

8. The Association's consulting engineers, Kenvirons, Inc, Frankfort, Kentucky (the "Engineers"), have prepared a Preliminary Engineering Report and a Final Engineering Report, as well as detailed plans and specifications, for the construction and installation of the Project. The Preliminary Engineering Report and the Final Engineering Report are attached hereto and incorporated herein by reference as **EXHIBITS 3 and 4**. **EXHIBITS 3 and 4** contain, among other things, a description of the Project, cost figures and other pertinent financial data and projections, data justifying the proposed rate schedule, and proposed plans for the financing of the Project. A map showing the location and routes of the various water lines included in the Project is attached as **EXHIBIT 10** .

9. It is the opinion of the Board of Directors of the Association that the public health, safety and general welfare of the citizens and inhabitants of the area served by the Association will be promoted and served by the construction of the Project and the proposed method of financing the Project.

10. The Association has caused public advertising to be made according to law soliciting competitive bids for the construction and installation of the Project; has received, opened and considered the construction bids; and has received data prepared by the Engineers showing the bids received and the recommendation of the Engineers with respect thereto. The Engineers' bid tabulations and best bid recommendations are attached hereto and incorporated herein by reference as **EXHIBITS 5 and 6**.

11. The USDA-RD has approved the Association's proposed award of the best bids as evidenced by the Letter of Concurrence in Bid Award dated June 22, 2004, which is attached hereto and incorporated herein by reference as **EXHIBIT 7**.

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

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

B. All other state approvals or permits have already been obtained;

C. The proposed rates of the Association shall produce the total revenue requirements set out in the engineering reports; and

D. Setting out the dates when it is anticipated that construction will begin and end.

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

14. The proposed adjusted water rates and charges of the Association are set forth in paragraph 25 of the Letter of Conditions (**EXHIBIT 2**) and in the Notice of Adjustment of Water Rates which is attached hereto and incorporated herein by reference as **EXHIBIT 9**.

15. The Association has arranged for the publication, prior to or at the same time this Application is filed, of a Notice of Adjustment of Water Rates pursuant to Section 2 of 807 KAR 5:069 in The Commonwealth Journal, Somerset, Kentucky, which is the newspaper of general circulation in the Association's service area. This Notice sets out the current rates and the proposed

rates of the Association and a brief description of the Project. A copy of the newspaper clipping and an Affidavit of Publication evidencing publication in the newspaper will be submitted to the Commission promptly upon receipt thereof.

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

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

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

A. A Certificate of Public Convenience and Necessity authorizing the construction and installation of the Project;

B. An Order approving the proposed plan of financing which consists of a loan in the amount of $1,833,000, at a rate not to exceed 4.5%, which will be provided by the USDA-RD; and

C. An Order approving the proposed schedule of water service rates and charges as set forth in the Letter of Conditions filed herewith as **EXHIBIT 2.**

Respectfully submitted,

SOUTHEASTERN WATER
ASSOCIATION, INC.

BY: _____
JOE RICHARDS, I, PRESIDENT

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

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF PULASKI)

The undersigned, JOE RICHARDS, I, being first duly sworn, deposes and states that he is the President of the Board of Directors of the Southeastern Water Association, Inc. of Pulaski County Kentucky; that he has read the foregoing Application and has noted the contents thereof; and that the statements of fact set forth therein are true and correct.

IN TESTIMONY WHEREOF, witness the signature of the undersigned on this August 5, 2004.

SOUTHEASTERN WATER
ASSOCIATION, INC.

BY: Joe Richards, I
JOE RICHARDS, I PRESIDENT

Subscribed and sworn to before me by Joe Richards, I, in his capacity as President of the Board of Directors of the Southeastern Water Association, Inc., on this August 5, 2004.

Tamara C. Gregory Davis
NOTARY PUBLIC, STATE AT LARGE

MY COMMISSION EXPIRES: 10/27/05

Table of Contents

EXHIBIT 1

CERTIFICATION
AS TO
ARTICLES OF INCORPORATION

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

This 5th day of August, 2004.

SOUTHEASTERN WATER ASSOCIATION, INC.

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

STATE OF KENTUCKY

COUNTY OF PULASKI

The foregoing Certification was subscribed, sworn to, and acknowledged before me this 5th day of August, 2004, by **ERNEST STOUT, JR.**, as Secretary of the **SOUTHEASTERN WATER ASSOCIATION, INC.**, a Kentucky Corporation, for and on behalf of the Corporation.

Tamara C. Gregory Davis
NOTARY PUBLIC, State at Large

MY COMMISSION EXPIRES: 10/27/05

BOOK 0017 PAGE 665

ARTICLES OF CONSOLIDATION

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[illegible]

ELIHU TATEVILLE WATER ASSOCIATION P.O. BOX 722

NAME ADDRESS

SOMERSET, KENTUCKY 42502 .

CITY/STATE/ZIP

AND

NELSON VALLEY WATER ASSOCIATION P.O. BOX 910

NAME ADDRESS

SOMERSET, KENTUCKY 42502 .

CITY/STATE/ZIP

KNOWN ALL MEN BY THESE PRESENTS:

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

ARTICLE I

PLAN OF CONSOLIDATION

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

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

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

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

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

5. The existing board of directors of each consolidating

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

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

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

ARTICLE II

NAME

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

ARTICLE III

REGISTERED OFFICE AND AGENT

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

NAME TITLE

1851 West Hwy. 80 Somerset, Kentucky 42501.

ADDRESS CITY/STATE/ZIP

ARTICLE IV

PURPOSE

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

ARTICLE V

SEAL

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

ARTICLE VI

POWERS

The corporation shall have all powers provided by law.

ARTICLE VII

MEMBERSHIP

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

DURATION

The corporation shall be of perpetual duration.

ARTICLE IX

BOARD OF DIRECTORS

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

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

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

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

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

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

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

ARTICLES X

MEETINGS

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

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

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

ARTICLE XI

INCORPORATORS

The names and addresses of the incorporators are:

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

ARTICLES XII

BY-LAWS

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

IN WITNESS WHEREOF, we have hereto subscribed our names this the 9th day of December, 1993.

Keith Dinsmore

KEITH DINSMORE PRESIDENT

Joe Richards II

JOE RICHARDS II SECRETARY

STATE OF KENTUCKY

COUNTY OF Pulaski

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

Sheila J. Sears

NOTARY PUBLIC

My commission expires: 4-13-96

Book U017 PAGE 673

IN WITNESS WHEREOF, we have hereunto subscribed our names this the 9th day of December, 1993.

Valando Taylor Pres.

VALANDO TAYLOR PRESIDENT

Joe Crawford

JOE CRAWFORD SECRETARY

STATE OF KENTUCKY

COUNTY OF Pulaski

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

Linda G Dezarn

NOTARY PUBLIC

My Commission expires: 4-13-96

CCD

-9-

STATE OF KENTUCKY COUNTY OF PULASKI, SCT.

I, Willard Hansford, Clerk of the Pulaski County Court, certify that on the 27 day of Dec, 1993, the foregoing instrument was produced to me certified as above and filed for record. Whereupon I have recorded the same, together with this certificate, this 28 day of Dec, 1993, in Crt Rec. Book 17 Page 665

Attest: WILLARD HANSFORD, Clerk By Margaret Gore Graham D.C.

076691

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

** ** ** ** **

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

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

A. THE PLAN OF MERGER:

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

B. TERMS AND CONDITIONS:

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

1. The acquired corporation shall merge into the surviving corporation in a manner and with the effect provided by the statutes of Kentucky.

2. The merger shall be effective as of the date of filing of the Articles of Merger with the Kentucky Secretary of State.

3. On the effective date, the acquired corporation shall merge into the surviving corporation, the separate corporate existence of the acquired corporation shall cease, and South Eastern Water Association, Inc., shall continue as the surviving corporation. The address of the surviving corporation of the South Eastern Water Association, Inc., 147 East Somerset Church Road, Somerset, Kentucky 42503.

4. The surviving corporation shall assume all powers, rights, privileges and immunities granted or permitted by law, previously held and adopted by the acquired corporation and subject to the duties and liabilities of the corporation organized under the provisions of KRS Chapter 273.

5. The assets and liabilities of the acquired corporation shall be merge to the extent allowed by law, with the exception that outstanding obligations of the acquired corporation and the surviving corporation shall continue to be retired from such money and funds as shall be collected from the facilities operated by each such corporation in the original area served in accordance with the terms and provisions of KRS 74.361(5) as made applicable by KRS 74.361(9) and the authorizing resolution or indenture under which the outstanding obligations

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

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

C. BOARD OF DIRECTORS:

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

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

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

BARNESBURG WATER ASSOCIATION, INC.

BY: /Harvey Phelps/
Harvey Phelps, President

SOUTH EASTERN WATER ASSOCIATION, INC.

BY: /Joe Richards, Pres/
Joe Richards, President

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STATE OF KENTUCKY COUNTY OF PULASKI, SCT.
I, Willard Hansford , Clerk of the Pulaski County Court, certify that on the 27 day of Nov, 1996, the foregoing instrument was produced to me certified as above and filed for record. Whereupon I have recorded the same, together with this certificate, this 2 day of Dec, 1996, in Out of Inc. Book 20 Page 91
Attest: WILLARD HANSFORD, Clerk By Margaret McGahan D.C.

EXHIBIT 2

USDA United States Department of Agriculture

Rural Development

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

August 14, 2002

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

Dear Mr. Richards:

This letter establishes conditions which must be understood and agreed to by you before further consideration may be given to the application. The loan and/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 $1,833,000 and a RUS grant not to exceed $1,190,000.

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

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

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

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

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

1. Number of Users and Their Contribution:

There shall be 5,708 water users, of which 5,517 are existing users and 191 are new users contributing $101,000 in connection fees toward the cost of the project. The connection fees will be collected prior to advertising for construction bids and will be placed in the construction account at loan pre-closing, unless spent for authorized purposes prior to loan pre-closing. The 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 $850 per month into a "Funded Depreciation Reserve Account" until the account reaches $102,000. The deposits are to be resumed any time the account falls below the $102,000.

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.

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 annual budgets and year-end reports (annual audits) in accordance with 1780.47 of RUS Instruction 1780 and RUS Staff Instruction 1780-4, a copy of which is enclosed.

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 $399,000.

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. FmHA 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.

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. Interest earned on grant funds in excess of $250 (as applicable) per year will be submitted to RUS at least quarterly, as required in 7CFR part 3019 (as applicable).

22. Cost of Facility:

Breakdown of Costs:

Development		$ 2,500,000
Land and Rights		13,000
Legal and Administrative		10,000
Engineering		277,500
Interest		60,000
Contingencies		263,500
	TOTAL	$ 3,124,000

Financing:

RUS Loan		$ 1,833,000
RUS Grant		1,190,000
Applicant Contribution		101,000
	TOTAL	$ 3,124,000

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 shall be considered as the first funds expended. After providing for all authorized costs, any remaining project funds will be considered to be RUS grant funds and refunded to RUS. If the amount of unused grant funds exceeds the grant, 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	2,000	gallons @ $	14.70 - Minimum Bill.
All Over	2,000	gallons @ $	6.25 - per 1,000 gallons.

26. Water Purchase Contract:

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

27. 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.

28. Mitigation Measures:

A. The Association shall be required to comply with the requirements of the Kentucky State Clearinghouse as detailed by letter to Mr. Carlos F. Miller of Kenvirons, Inc., dated April 18, 2002 and signed by Mr. Ronald W. Cook.

B. The Association shall be required to comply with the requirements of the U.S. Fish and Wildlife Service as requested by letter dated March 13, 2002, and signed by Lee A. Barclay, Ph.D., Field Supervisor.

C. The Water District will comply with all applicable executive orders and regulations that are applicable to the preservation of prime farmlands, wetlands, floodplains, and cultural resources.

29. 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,

Vernon C Bruce

KENNETH SLONE
State Director
Rural Development

Enclosures

cc: Rural Development Manager - London, Kentucky
Community Development Manager - Somerset, Kentucky
Lake Cumberland ADD – Russell Springs, Kentucky
Bruce Orwin - Somerset, Kentucky
Kenvirons, Inc. - Frankfort, Kentucky
PSC - ATTN: Bob Amato - Frankfort, Kentucky

PRELIMINARY ENGINEERING REPORT

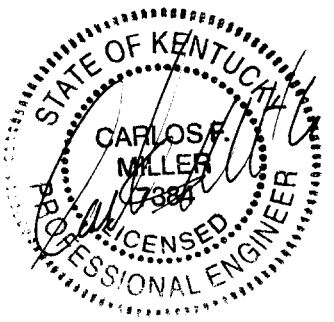
for

SOUTHEASTERN WATER ASSOCIATION

PHASE 2 SYSTEM REINFORCEMENTS AND EXTENSIONS

PROJECT NO. 2000170

JUNE, 2002



6/27/02

INTRODUCTION

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

GEOGRAPHIC LOCATION

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

PROJECT NEED

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

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

It has been five years since the four utilities have merged into the Southeastern Water Association. There has been a tremendous improvement in the operation, service and financial integrity of the merged utility relative to the previously separate utilities. SEWA is presently attempting to extend service into the unserved areas of Pulaski County and reinforce the weak points in the system. Federal loans and grants are desperately needed to accomplish this objective.

ALTERNATIVE SOURCES

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

EXISTING FACILITIES

The existing facilities consist of approximately:

1. 463 miles of water lines in sizes 3-inch through 8-inch.
2. Storage Tanks

Elevated [4]	300,000
Ground [6]	800,000
Standpipe[2]	350,000 (Bandy)
Total Storage	1,450,000

3. Pump Stations
   (1) 400 gpm; (3) 100 gpm; (2) 75 gpm; (1) 160 gpm; (1) 90 gpm

SEWA purchases all of its water from Somerset at a rate of $2.00 per thousand gallons. The SEWA is the merger result of four water utilities and under essentially new management. The system is widespread over a major part of one of the largest counties in the state. The condition of all aspects of the system is not fully known. The continued efforts of the management over the past five years have greatly enhanced the efficiency and reliability of this large system. Generally, the system appears to be in good physical condition. The system contains inordinately large quantities of 4-inch and 3-inch lines. Customer growth with the attendant increased demand is severely stressing the capacity of these small lines in some areas. System reinforcements are presently needed and will become increasingly necessary in the future.

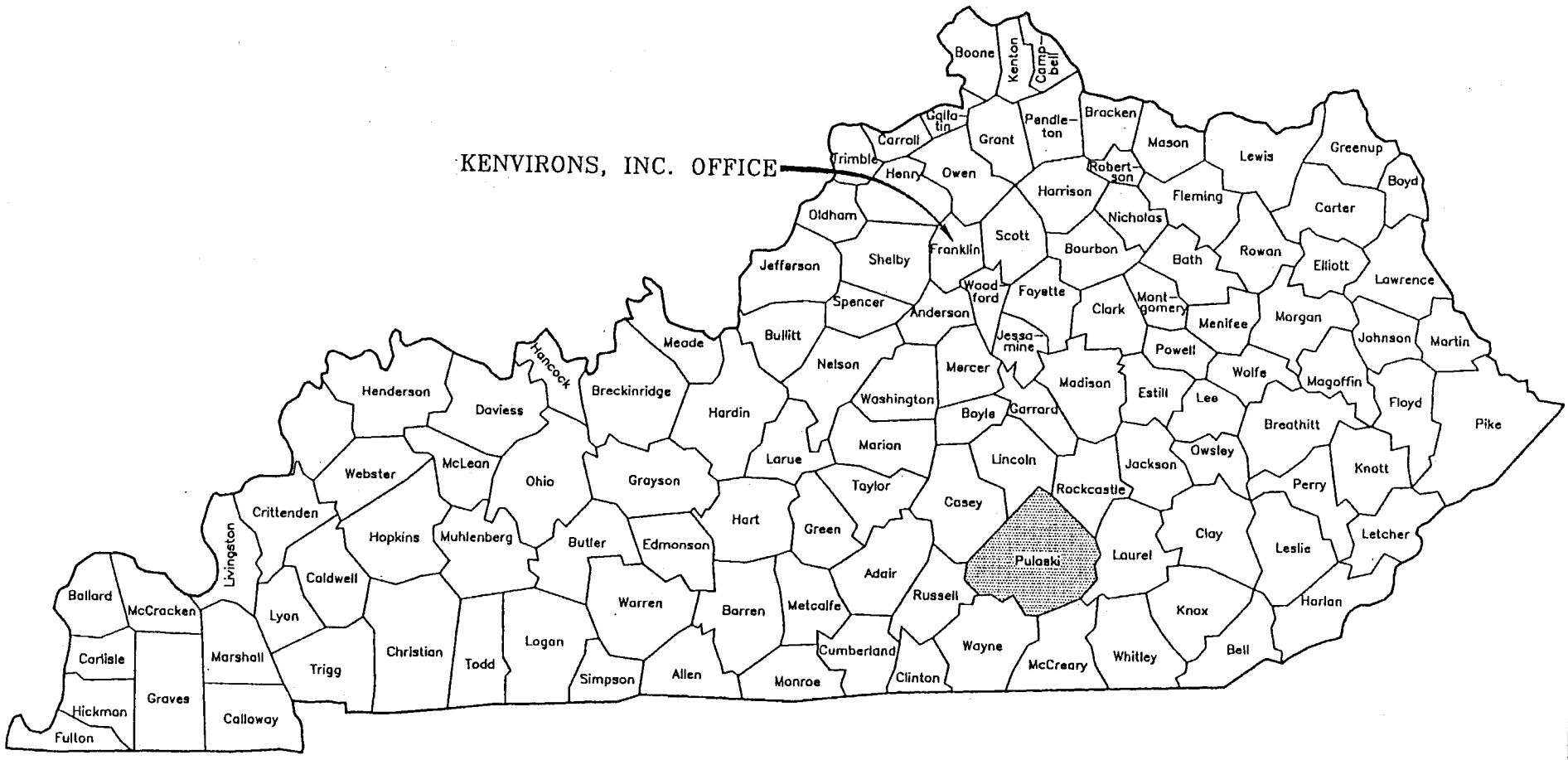


FIGURE 1

SOUTHEASTERN WATER ASSOCIATION
REINFORCEMENTS AND EXTENTIONS

KENVIRONS, INC.
462 VERSAILLES ROAD, FRANKFORT, KENTUCKY
(502) 695-4357

PROPOSED FACILITIES

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

The proposed facilities consist of the following:

1. The line extensions are shown in Exhibits 2 and 3. The prioritization was generally based on cost per customer and serving permanent residents. In some cases, the cost of a single extension required more monies than were available. It is the intent of the water association to continuously endeavor to seek funding and extend the system until all areas that desire water service are covered.

2. If monies are left after the improvements and extensions in the initially proposed project are completed, line extensions will be installed until the funds are fully utilized. The availability of funds will dictate whether these extensions, in part or entirety, can be done in this phase. Decisions will be made relative to line extensions when the amount of left over monies is specifically determined.

The maps bound in this report show the lines proposed in this project. Maps for the total plan are contained in Appendix 1.

WATER SYSTEM OPERATION

Preliminary hydraulic analysis utilizing computer modeling has been done to determine line sizes and need for other hydraulic elements. The system was designed and sized to meet the anticipated peak demand conditions and to allow for normal growth. The maps in the back of this report show all water lines recommended as a part of this construction project. The system has been designed so that water pressures at the meters of individual customers will not be less than 30 psi at peak flow conditions. Where static pressures exceed 100 psi, individual pressure regulators will be required to protect fixtures from high pressure.

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

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

Pumps are designed to maintain an operating level in the tanks about 10 to 12 feet lower than the overflow level of the tanks. This requires pumping to begin when the water level in the tanks drop to the operating level; pumping stops when the tanks are refilled to the overflow level. This procedure provides adequate pressure stabilization of the system. Some of the pumps are controlled by telemetering, some with pressure switches and some have virtually no control.

LAND, WATER AND OTHER RIGHTS AND PERMITS

Land

There are no tanks nor pump stations in this project therefore no land acquisition is required.

Water

SEWA purchases all of its water from Somerset at a rate of $2.00 per thousand gallons. The estimated demand for the 273 potential customers located along the proposed extensions is 55,000 GPD. The Somerset treatment capacity is adequate to provide the additional demand proposed in this project.

Other Rights and Permits

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

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

PROJECT FUNDING

The proposed funding for this project is a Rural Development loan and grant. Application has been submitted to the Appalachian Regional Commission for a grant from that agency if available.

EXHIBIT 1

SOUTHEASTERN WATER ASSOCIATION
OPINION OF PROBABLE CONSTRUCTION COST

	Item	Unit	Unit Cost	(1) Poplarville-Hail Haven Paradise Acres		(2) Colo-Grade Road		(3) Dry Branch Road		(4) Happy Hollow Road		(5) Sinking Valley Church Road	
				Quantity	Cost	Quantity	Cost	Quantity	Cost	Quantity	Cost	Quantity	Cost
1	6-Inch PVC, SDR 21	LF	7.50	0	$0.00	0	$0.00	0	$0.00	0	$0.00		$0.00
2	6-Inch PVC, SDR 17	LF	8.00	30,000	$240,000.00	0	$0.00	0	$0.00	0	$0.00		$0.00
3	6-Inch PVC, DI	LF	14.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00		$0.00
4	4-Inch PVC, SDR 21	LF	6.50	0	$0.00	6,000	$39,000.00	14,000	$91,000.00	8,000	$52,000.00		$0.00
5	4-Inch PVC, SDR17	LF	7.00	54,000	$378,000.00	0	$0.00	0	$0.00	0	$0.00		$0.00
6	4-Inch PVC, DI	LF	12.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00		$0.00
7	8-Inch Gate Valve	EA	550.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00		$0.00
8	6-Inch Gate Valve	EA	450.00	30	$13,500.00	0	$0.00	0	$0.00	0	$0.00		$0.00
9	4-Inch Gate Valve	EA	300.00	50	$15,000.00	7	$2,100.00	10	$3,000.00	3	$900.00		$0.00
10	3-Inch Gate Valve	EA	250.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00		$0.00
11	Air Release Valve	EA	400.00	12	$4,800.00	0	$0.00	0	$0.00	0	$0.00		$0.00
12	3-Inch Blow-Off	EA	500.00	10	$5,000.00	2	$1,000.00	10	$5,000.00	1	$500.00		$0.00
13	Pavement Replacement	LF	8.00	8,000	$64,000.00	1,000	$8,000.00	1,000	$8,000.00	300	$2,400.00		$0.00
14	5/8" x 3/4" Meter Installation	EA	350.00	158	$55,300.00	14	$4,900.00	5	$1,750.00	5	$1,750.00		$0.00
15	3/4" Service Tubing	LF	5.75	9,480	$54,510.00	840	$4,830.00	300	$1,725.00	360	$2,070.00		$0.00
16	Creek Crossing for 6"	LF	60.00	100	$6,000.00	0	$0.00	0	$0.00	0	$0.00		$0.00
17	Creek Crossing for 4"	LF	50.00	40	$2,000.00	0	$0.00	60	$3,000.00	0	$0.00		$0.00
18	Creek Crossing Test Meter	EA	500.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00		$0.00
19	Bore & Case for 8"	LF	150.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00		$0.00
20	Open Cut & Case for 8"	LF	50.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00		$0.00
21	Bore & Case for 6"	LF	130.00	200	$26,000.00	0	$0.00	0	$0.00	0	$0.00		$0.00
22	Open Cut & Case for 6"	LF	40.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00		$0.00
23	Bore & Case for 4"	LF	110.00	0	$0.00	0	$0.00	50	$5,500.00	0	$0.00		$0.00
24	Open Cut & Case for 4"	LF	35.00	500	$17,500.00	50	$1,750.00	160	$5,600.00	40	$1,400.00		$0.00
25	8" PVC, SDR 21	LF	9.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00		$0.00
26	8" PVC, SDR 17	LF	10.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00		$0.00
27	8" x 8" TS&V	EA	2,000.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00		$0.00
28	8" x 6" TS&V	EA	1,800.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00		$0.00
29	6" x 6" TS&V	EA	1,500.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00		$0.00
30	6" x 4" TS&V	EA	1,000.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00		$0.00
31	4" x 4" TS&V	EA	900.00	1	$900.00	0	$0.00	0	$0.00	0	$0.00		$0.00
32	3" x 3" TS&V	EA	800.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00		$0.00
33	Control Valve Station	EA	7,000.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00		$0.00
34	Pressure Reducing Station	EA	7,000.00	2	$14,000.00	0	$0.00	0	$0.00	1	$7,000.00		$0.00
35	Pump Station	EA	60,000.00	0	$0.00	0	$0.00	1	$60,000.00	0	$0.00		$0.00
36	125,000 Gal. Elev. Tank	EA	240,000.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00		$0.00
37	Telemetry	LF	30,000.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00		$0.00
38	Final Pipeline Cleanup	LF	0.70	84,000	$58,800.00	6,000	$4,200.00	14,000	$9,800.00	8,000	$5,600.00		$0.00
					$955,310.00		$65,780.00		$194,375.00		$73,620.00		$0.00

EXHIBIT 1

(CONTINUED)

SOUTHEASTERN WATER ASSOCIATION

OPINION OF PROBABLE CONSTRUCTION COST

	Item	Unit	Unit Cost	(6) HWY 192		(7) Dahl-Conrad Road		(8) Bradley Cem. Road		(9) Drum-Long Hollow Road		(10) Price Valley Road	
				Quantity	Cost	Quantity	Cost	Quantity	Cost	Quantity	Cost	Quantity	Cost
1	6-Inch PVC, SDR 21	LF	7.50	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00
2	6-Inch PVC, SDR 17	LF	8.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00
3	6-Inch PVC, DI	LF	14.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00
4	4-Inch PVC, SDR 21	LF	6.50	0	$0.00	12,000	$78,000.00	0	$0.00	0	$0.00	6,500	$42,250.00
5	4-Inch PVC, SDR 17	LF	7.00	28,000	$196,000.00	7,800	$54,600.00	12,000	$84,000.00	20,000	$140,000.00	23,500	$164,500.00
6	4-Inch PVC, DI	LF	12.00	6,000	$72,000.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00
7	8-Inch Gate Valve	EA	550.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00
8	6-Inch Gate Valve	EA	450.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00
9	4-Inch Gate Valve	EA	300.00	20	$6,000.00	15	$4,500.00	6	$1,800.00	10	$3,000.00	20	$6,000.00
10	3-Inch Gate Valve	EA	250.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00
11	Air Release Valve	EA	400.00	0	$0.00	2	$800.00	1	$400.00	1	$400.00	4	$1,600.00
12	3-Inch Blow-Off	EA	500.00	3	$1,500.00	2	$1,000.00	1	$500.00	2	$1,000.00	3	$1,500.00
13	Pavement Replacement	LF	8.00	1,000	$8,000.00	2,000	$16,000.00	300	$2,400.00	2,000	$16,000.00	800	$6,400.00
14	5/8" x 3/4" Meter Installation	EA	350.00	30	$10,500.00	7	$2,450.00	9	$3,150.00	14	$4,900.00	35	$12,250.00
15	3/4" Service Tubing	LF	5.75	1,800	$10,350.00	420	$2,415.00	500	$2,875.00	1,000	$5,750.00	2,100	$12,075.00
16	Creek Crossing for 6"	LF	60.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00
17	Creek Crossing for 4"	LF	50.00	0	$0.00	100	$5,000.00	0	$0.00	0	$0.00	200	$10,000.00
18	Creek Crossing Test Meter	EA	500.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00	2	$1,000.00
19	Bore & Case for 8"	LF	150.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00
20	Open Cut & Case for 8"	LF	50.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00
21	Bore & Case for 6"	LF	130.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00
22	Open Cut & Case for 6"	LF	40.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00
23	Bore & Case for 4"	LF	110.00	60	$6,600.00	0	$0.00	0	$0.00	0	$0.00	80	$8,800.00
24	Open Cut & Case for 4"	LF	35.00	60	$2,100.00	200	$7,000.00	50	$1,750.00	100	$3,500.00	100	$3,500.00
25	8" PVC, SDR 21	LF	9.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00
26	8" PVC, SDR 17	LF	10.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00
27	8" x 8" TS&V	EA	2,000.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00
28	8" x 6" TS&V	EA	1,800.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00
29	6" x 6" TS&V	EA	1,500.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00
30	6" x 4" TS&V	EA	1,000.00	1	$1,000.00	0	$0.00	0	$0.00	0	$0.00	2	$2,000.00
31	4" x 4" TS&V	EA	900.00	1	$900.00	0	$0.00	0	$0.00	1	$900.00	0	$0.00
32	3" x 3" TS&V	EA	800.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00
33	Control Valve Station	EA	7,000.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00
34	Pressure Reducing Station	EA	7,000.00	2	$14,000.00	0	$0.00	0	$0.00	1	$7,000.00	0	$0.00
35	Pump Station	EA	60,000.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00
36	125,000 Gal. Elev. Tank	EA	240,000.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00
37	Telemetry	LF	30,000.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00
38	Final Pipeline Cleanup	LF	0.70	34,000	23,800.00	19,800	13,860.00	12,000	8,400.00	20,000	14,000.00	30,000	21,000.00
					$352,750.00		$185,625.00		$105,275.00		$196,450.00		$292,875.00

EXHIBIT 1

(CONTINUED)

SOUTHEASTERN WATER ASSOCIATION

OPINION OF PROBABLE CONSTRUCTION COST

	Item	Unit	Unit Cost	(11) Blue John Road		(12) Liberty Ch. Spur		(13) Bee Lick Road		(14)		(15)	
				Quantity	Cost	Quantity	Cost	Quantity	Cost	Quantity	Cost	Quantity	Cost
1	6-Inch PVC, SDR 21	LF	7.50	25,000	$187,500.00		$0.00		$0.00		$0.00		$0.00
2	6-Inch PVC, SDR 17	LF	8.00	5,000	$40,000.00		$0.00		$0.00		$0.00		$0.00
3	6-Inch PVC, DI	LF	14.00	6,000	$84,000.00		$0.00		$0.00		$0.00		$0.00
4	4-Inch PVC, SDR 21	LF	6.50		$0.00		$0.00		$0.00		$0.00		$0.00
5	4-Inch PVC, SDR 17	LF	7.00	54,000	$378,000.00	3,700	$25,900.00	5,000	$35,000.00		$0.00		$0.00
6	4-Inch PVC, DI	LF	12.00		$0.00		$0.00		$0.00		$0.00		$0.00
7	8-Inch Gate Valve	EA	550.00		$0.00		$0.00		$0.00		$0.00		$0.00
8	6-Inch Gate Valve	EA	450.00	20	$9,000.00		$0.00		$0.00		$0.00		$0.00
9	4-Inch Gate Valve	EA	300.00	65	$19,500.00	1	$300.00	1	$300.00		$0.00		$0.00
10	3-Inch Gate Valve	EA	250.00		$0.00		$0.00		$0.00		$0.00		$0.00
11	Air Release Valve	EA	400.00	5	$2,000.00		$0.00		$0.00		$0.00		$0.00
12	3-Inch Blow-Off	EA	500.00	10	$5,000.00	1	$500.00	1	$500.00		$0.00		$0.00
13	Pavement Replacement	LF	8.00	10,000	$80,000.00	300	$2,400.00	500	$4,000.00		$0.00		$0.00
14	5/8" x 3/4" Meter Installation	EA	350.00	153	$53,550.00	3	$1,050.00	8	$2,800.00		$0.00		$0.00
15	3/4" Service Tubing	LF	5.75	10,000	$57,500.00	180	$1,035.00	480	$2,760.00		$0.00		$0.00
16	Creek Crossing for 6"	LF	60.00	100	$6,000.00		$0.00		$0.00		$0.00		$0.00
17	Creek Crossing for 4"	LF	50.00	100	$5,000.00	30	$1,500.00	60	$3,000.00		$0.00		$0.00
18	Creek Crossing Test Meter	EA	500.00		$0.00		$0.00		$0.00		$0.00		$0.00
19	Bore & Case for 8"	LF	150.00		$0.00		$0.00		$0.00		$0.00		$0.00
20	Open Cut & Case for 8"	LF	50.00		$0.00		$0.00		$0.00		$0.00		$0.00
21	Bore & Case for 6"	LF	130.00	200	$26,000.00		$0.00		$0.00		$0.00		$0.00
22	Open Cut & Case for 6"	LF	40.00		$0.00		$0.00		$0.00		$0.00		$0.00
23	Bore & Case for 4"	LF	110.00	500	$55,000.00	40	$4,400.00	40	$4,400.00		$0.00		$0.00
24	Open Cut & Case for 4"	LF	35.00		$0.00	40	$1,400.00	40	$1,400.00		$0.00		$0.00
25	8" PVC, SDR 21	LF	9.00		$0.00		$0.00		$0.00		$0.00		$0.00
26	8" PVC, SDR 17	LF	10.00		$0.00		$0.00		$0.00		$0.00		$0.00
27	8" x 8" TS&V	EA	2,000.00		$0.00		$0.00		$0.00		$0.00		$0.00
28	8" x 6" TS&V	EA	1,800.00		$0.00		$0.00		$0.00		$0.00		$0.00
29	6" x 6" TS&V	EA	1,500.00		$0.00		$0.00		$0.00		$0.00		$0.00
30	6" x 4" TS&V	EA	1,000.00		$0.00		$0.00		$0.00		$0.00		$0.00
31	4" x 4" TS&V	EA	900.00		$0.00	1	$900.00	1	$900.00		$0.00		$0.00
32	3" x 3" TS&V	EA	800.00		$0.00		$0.00		$0.00		$0.00		$0.00
33	Control Valve Station	EA	7,000.00		$0.00		$0.00		$0.00		$0.00		$0.00
34	Pressure Reducing Station	EA	7,000.00	3	$21,000.00		$0.00		$0.00		$0.00		$0.00
35	Pump Station	EA	60,000.00	1	$60,000.00		$0.00		$0.00		$0.00		$0.00
36	125,000 Gal. Elev. Tank	EA	240,000.00	1	$240,000.00		$0.00		$0.00		$0.00		$0.00
37	Telemetry	LF	30,000.00	1	$30,000.00		$0.00		$0.00		$0.00		$0.00
38	Final Pipeline Cleanup	LF	0.70	90,000	$63,000.00	$3,700.00	$2,590.00	$5,000.00	$3,500.00		$0.00		$0.00
					$1,422,050.00		$41,975.00		$58,560.00		$0.00		$0.00

EXHIBIT 1

(CONTINUED)

SOUTHEASTERN WATER ASSOCIATION

OPINION OF PROBABLE CONSTRUCTION COST

	Item	Unit	Unit Cost	(16) Bill Todd Road		(17) Texas School Road		(18)		(19)		(20)	
				Quantity	Cost	Quantity	Cost	Quantity	Cost	Quantity	Cost	Quantity	Cost
1	6-Inch PVC, SDR 21	LF	7.50		$0.00		$0.00		$0.00		$0.00		$0.00
2	6-Inch PVC, SDR 17	LF	8.00		$0.00		$0.00		$0.00		$0.00		$0.00
3	6-Inch PVC, DI	LF	14.00		$0.00		$0.00		$0.00		$0.00		$0.00
4	4-Inch PVC, SDR 21	LF	6.50	2,200	$14,300.00		$0.00		$0.00		$0.00		$0.00
5	4-Inch PVC, SDR 17	LF	7.00		$0.00	6,600	$46,200.00		$0.00		$0.00		$0.00
6	4-Inch PVC, DI	LF	12.00		$0.00		$0.00		$0.00		$0.00		$0.00
7	8-Inch Gate Valve	EA	550.00		$0.00		$0.00		$0.00		$0.00		$0.00
8	6-Inch Gate Valve	EA	450.00		$0.00		$0.00		$0.00		$0.00		$0.00
9	4-Inch Gate Valve	EA	300.00	2	$600.00	3	$900.00		$0.00		$0.00		$0.00
10	3-Inch Gate Valve	EA	250.00		$0.00		$0.00		$0.00		$0.00		$0.00
11	Air Release Valve	EA	400.00		$0.00		$0.00		$0.00		$0.00		$0.00
12	3-Inch Blow-Off	EA	500.00	1	$500.00	2	$1,000.00		$0.00		$0.00		$0.00
13	Pavement Replacement	LF	8.00	200	$1,600.00	600	$4,800.00		$0.00		$0.00		$0.00
14	5/8" x 3/4" Meter Installation	EA	350.00	1	$350.00	8	$2,800.00		$0.00		$0.00		$0.00
15	3/4" Service Tubing	LF	5.75	60	$345.00	500	$2,875.00		$0.00		$0.00		$0.00
16	Creek Crossing for 6"	LF	60.00		$0.00		$0.00		$0.00		$0.00		$0.00
17	Creek Crossing for 4"	LF	50.00	50	$2,500.00	100	$5,000.00		$0.00		$0.00		$0.00
18	Creek Crossing Test Meter	EA	500.00		$0.00		$0.00		$0.00		$0.00		$0.00
19	Bore & Case for 8"	LF	150.00		$0.00		$0.00		$0.00		$0.00		$0.00
20	Open Cut & Case for 8"	LF	50.00		$0.00		$0.00		$0.00		$0.00		$0.00
21	Bore & Case for 6"	LF	130.00		$0.00		$0.00		$0.00		$0.00		$0.00
22	Open Cut & Case for 6"	LF	40.00		$0.00		$0.00		$0.00		$0.00		$0.00
23	Bore & Case for 4"	LF	110.00	50	$5,500.00	200	$22,000.00		$0.00		$0.00		$0.00
24	Open Cut & Case for 4"	LF	35.00	50	$1,750.00		$0.00		$0.00		$0.00		$0.00
25	8" PVC, SDR 21	LF	9.00		$0.00		$0.00		$0.00		$0.00		$0.00
26	8" PVC, SDR 17	LF	10.00		$0.00		$0.00		$0.00		$0.00		$0.00
27	8" x 8" TS&V	EA	2,000.00		$0.00		$0.00		$0.00		$0.00		$0.00
28	8" x 6" TS&V	EA	1,800.00		$0.00		$0.00		$0.00		$0.00		$0.00
29	6" x 6" TS&V	EA	1,500.00		$0.00		$0.00		$0.00		$0.00		$0.00
30	6" x 4" TS&V	EA	1,000.00		$0.00		$0.00		$0.00		$0.00		$0.00
31	4" x 4" TS&V	EA	900.00	1	$900.00		$0.00		$0.00		$0.00		$0.00
32	3" x 3" TS&V	EA	800.00		$0.00		$0.00		$0.00		$0.00		$0.00
33	Control Valve Station	EA	7,000.00		$0.00		$0.00		$0.00		$0.00		$0.00
34	Pressure Reducing Station	EA	7,000.00		$0.00		$0.00		$0.00		$0.00		$0.00
35	Pump Station	EA	60,000.00		$0.00		$0.00		$0.00		$0.00		$0.00
36	125,000 Gal. Elev. Tank	EA	240,000.00		$0.00		$0.00		$0.00		$0.00		$0.00
37	Telemetry	LF	30,000.00		$0.00		$0.00		$0.00		$0.00		$0.00
38	Final Pipeline Cleanup	LF	0.70	2,200	$1,540.00	$6,600.00	$4,620.00		$0.00		$0.00		$0.00
					$29,885.00		$90,195.00		$0.00		$0.00		$0.00

EXHIBIT 1

(CONTINUED)

SOUTHEASTERN WATER ASSOCIATION

OPINION OF PROBABLE CONSTRUCTION COST

	Item	Unit	Unit Cost	(21) Lower Line Ck. Road		(22) Harper Road		(23) Whitson Road		(24) Fire Tower		(25)	
				Quantity	Cost	Quantity	Cost	Quantity	Cost	Quantity	Cost	Quantity	Cost
1	6-Inch PVC, SDR 21	LF	7.50		$0.00		$0.00		$0.00		$0.00		$0.00
2	6-Inch PVC, SDR 17	LF	8.00		$0.00		$0.00		$0.00		$0.00		$0.00
3	6-Inch PVC, DI	LF	14.00		$0.00		$0.00		$0.00		$0.00		$0.00
4	4-Inch PVC, SDR 21	LF	6.50	4,000	$26,000.00	1,000	$6,500.00	3,000	$19,500.00	1,600	$10,400.00		$0.00
5	4-Inch PVC, SDR 17	LF	7.00	1,600	$11,200.00		$0.00		$0.00		$0.00		$0.00
6	4-Inch PVC, DI	LF	12.00	9,000	$108,000.00		$0.00		$0.00		$0.00		$0.00
7	8-Inch Gate Valve	EA	550.00		$0.00		$0.00		$0.00		$0.00		$0.00
8	6-Inch Gate Valve	EA	450.00		$0.00		$0.00		$0.00		$0.00		$0.00
9	4-Inch Gate Valve	EA	300.00	7	$2,100.00	1	$300.00	2	$600.00	1	$300.00		$0.00
10	3-Inch Gate Valve	EA	250.00		$0.00		$0.00		$0.00		$0.00		$0.00
11	Air Release Valve	EA	400.00	2	$800.00		$0.00		$0.00		$0.00		$0.00
12	3-Inch Blow-Off	EA	500.00	3	$1,500.00	1	$500.00	1	$500.00	1	$500.00		$0.00
13	Pavement Replacement	LF	8.00	1,500	$12,000.00	100	$800.00	300	$2,400.00	100	$800.00		$0.00
14	5/8" x 3/4" Meter Installation	EA	350.00	10	$3,500.00	2	$700.00	3	$1,050.00	1	$350.00		$0.00
15	3/4" Service Tubing	LF	5.75	600	$3,450.00	120	$690.00	180	$1,035.00	60	$345.00		$0.00
16	Creek Crossing for 6"	LF	60.00		$0.00		$0.00		$0.00		$0.00		$0.00
17	Creek Crossing for 4"	LF	50.00	200	$10,000.00		$0.00		$0.00		$0.00		$0.00
18	Creek Crossing Test Meter	EA	500.00	2	$1,000.00		$0.00		$0.00		$0.00		$0.00
19	Bore & Case for 8"	LF	150.00		$0.00		$0.00		$0.00		$0.00		$0.00
20	Open Cut & Case for 8"	LF	50.00		$0.00		$0.00		$0.00		$0.00		$0.00
21	Bore & Case for 6"	LF	130.00		$0.00		$0.00		$0.00		$0.00		$0.00
22	Open Cut & Case for 6"	LF	40.00		$0.00		$0.00		$0.00		$0.00		$0.00
23	Bore & Case for 4"	LF	110.00	100	$11,000.00		$0.00	300	$33,000.00	300	$33,000.00		$0.00
24	Open Cut & Case for 4"	LF	35.00	100	$3,500.00	50	$1,750.00		$0.00		$0.00		$0.00
25	8" PVC, SDR 21	LF	9.00		$0.00		$0.00		$0.00		$0.00		$0.00
26	8" PVC, SDR 17	LF	10.00		$0.00		$0.00		$0.00		$0.00		$0.00
27	8" x 8" TS&V	EA	2,000.00		$0.00		$0.00		$0.00		$0.00		$0.00
28	8" x 6" TS&V	EA	1,800.00		$0.00		$0.00		$0.00		$0.00		$0.00
29	6" x 6" TS&V	EA	1,500.00		$0.00		$0.00		$0.00		$0.00		$0.00
30	6" x 4" TS&V	EA	1,000.00		$0.00		$0.00	1	$1,000.00	1	$1,000.00		$0.00
31	4" x 4" TS&V	EA	900.00		$0.00		$0.00		$0.00		$0.00		$0.00
32	3" x 3" TS&V	EA	800.00		$0.00		$0.00		$0.00		$0.00		$0.00
33	Control Valve Station	EA	7,000.00		$0.00		$0.00		$0.00		$0.00		$0.00
34	Pressure Reducing Station	EA	7,000.00		$0.00		$0.00		$0.00		$0.00		$0.00
35	Pump Station	EA	60,000.00		$0.00		$0.00		$0.00		$0.00		$0.00
36	125,000 Gal. Elev. Tank	EA	240,000.00		$0.00		$0.00		$0.00		$0.00		$0.00
37	Telemetry	LF	30,000.00		$0.00		$0.00		$0.00		$0.00		$0.00
38	Final Pipeline Cleanup	LF	0.70	14,600	$10,220.00	$1,000.00	$700.00	$3,000.00	$2,100.00	$1,600.00	$1,120.00		$0.00
					$204,270.00		$11,940.00		$61,185.00		$47,815.00		$0.00

EXHIBIT 1

(CONTINUED)

SOUTHEASTERN WATER ASSOCIATION

OPINION OF PROBABLE CONSTRUCTION COST

	Item	Unit	Unit Cost	(26) Lilliard Phelps Road		(27)		(28) Fox Hollow Road		(29)		(30) Ransom Road	
				Quantity	Cost	Quantity	Cost	Quantity	Cost	Quantity	Cost	Quantity	Cost
1	6-Inch PVC, SDR 21	LF	7.50		$0.00		$0.00		$0.00		$0.00		$0.00
2	6-Inch PVC, SDR 17	LF	8.00		$0.00		$0.00		$0.00		$0.00		$0.00
3	6-Inch PVC, DI	LF	14.00		$0.00		$0.00		$0.00		$0.00		$0.00
4	4-Inch PVC, SDR 21	LF	6.50		$0.00		$0.00		$0.00		$0.00		$0.00
5	4-Inch PVC, SDR 17	LF	7.00		$0.00		$0.00	2,000	$14,000.00		$0.00	1,200	$8,400.00
6	4-Inch PVC, DI	LF	12.00	5,200	$62,400.00		$0.00		$0.00		$0.00		$0.00
7	8-Inch Gate Valve	EA	550.00		$0.00		$0.00		$0.00		$0.00		$0.00
8	6-Inch Gate Valve	EA	450.00		$0.00		$0.00		$0.00		$0.00		$0.00
9	4-Inch Gate Valve	EA	300.00	2	$600.00		$0.00	2	$600.00		$0.00	1	$300.00
10	3-Inch Gate Valve	EA	250.00		$0.00		$0.00		$0.00		$0.00		$0.00
11	Air Release Valve	EA	400.00		$0.00		$0.00		$0.00		$0.00		$0.00
12	3-Inch Blow-Off	EA	500.00	1	$500.00		$0.00	1	$500.00		$0.00	1	$500.00
13	Pavement Replacement	LF	8.00	500	$4,000.00		$0.00	200	$1,600.00		$0.00	100	$800.00
14	5/8" x 3/4" Meter Installation	EA	350.00	2	$700.00		$0.00	6	$2,100.00		$0.00	2	$700.00
15	3/4" Service Tubing	LF	5.75	120	$690.00		$0.00	360	$2,070.00		$0.00	120	$690.00
16	Creek Crossing for 6"	LF	60.00		$0.00		$0.00		$0.00		$0.00		$0.00
17	Creek Crossing for 4"	LF	50.00	50	$2,500.00		$0.00		$0.00		$0.00	50	$2,500.00
18	Creek Crossing Test Meter	EA	500.00		$0.00		$0.00		$0.00		$0.00		$0.00
19	Bore & Case for 8"	LF	150.00		$0.00		$0.00		$0.00		$0.00		$0.00
20	Open Cut & Case for 8"	LF	50.00		$0.00		$0.00		$0.00		$0.00		$0.00
21	Bore & Case for 6"	LF	130.00		$0.00		$0.00		$0.00		$0.00		$0.00
22	Open Cut & Case for 6"	LF	40.00		$0.00		$0.00		$0.00		$0.00		$0.00
23	Bore & Case for 4"	LF	110.00	50	$5,500.00		$0.00	50	$5,500.00		$0.00	50	$5,500.00
24	Open Cut & Case for 4"	LF	35.00	50	$1,750.00		$0.00	50	$1,750.00		$0.00		$0.00
25	8" PVC, SDR 21	LF	9.00		$0.00		$0.00		$0.00		$0.00		$0.00
26	8" PVC, SDR 17	LF	10.00		$0.00		$0.00		$0.00		$0.00		$0.00
27	8" x 8" TS&V	EA	2,000.00		$0.00		$0.00		$0.00		$0.00		$0.00
28	8" x 6" TS&V	EA	1,800.00		$0.00		$0.00		$0.00		$0.00		$0.00
29	6" x 6" TS&V	EA	1,500.00		$0.00		$0.00		$0.00		$0.00		$0.00
30	6" x 4" TS&V	EA	1,000.00		$0.00		$0.00		$0.00		$0.00		$0.00
31	4" x 4" TS&V	EA	900.00	1	$900.00		$0.00		$0.00		$0.00	1	$900.00
32	3" x 3" TS&V	EA	800.00		$0.00		$0.00		$0.00		$0.00		$0.00
33	Control Valve Station	EA	7,000.00		$0.00		$0.00		$0.00		$0.00		$0.00
34	Pressure Reducing Station	EA	7,000.00		$0.00		$0.00		$0.00		$0.00		$0.00
35	Pump Station	EA	60,000.00		$0.00		$0.00		$0.00		$0.00		$0.00
36	125,000 Gal. Elev. Tank	EA	240,000.00		$0.00		$0.00		$0.00		$0.00		$0.00
37	Telemetry	LF	30,000.00		$0.00		$0.00		$0.00		$0.00		$0.00
38	Final Pipeline Cleanup	LF	0.70	5,200	$3,640.00		$0.00	$2,000.00	$1,400.00		$0.00	$1,200.00	$840.00
					$83,180.00		$0.00		$29,520.00		$0.00		$21,130.00

EXHIBIT 1

(CONTINUED)

SOUTHEASTERN WATER ASSOCIATION

OPINION OF PROBABLE CONSTRUCTION COST

	Item	Unit	Unit Cost	(31) Pumpkin Hollow Road		(32) Strawberry/Phelps Road		(33) Grider Anderson Road		(34) KY 192 Reinforcement		(35) Wesley Chapel Road	
				Quantity	Cost	Quantity	Cost	Quantity	Cost	Quantity	Cost	Quantity	Cost
1	6-Inch PVC, SDR 21	LF	7.50		$0.00		$0.00		$0.00		$0.00		$0.00
2	6-Inch PVC, SDR 17	LF	8.00		$0.00		$0.00		$0.00		$0.00		$0.00
3	6-Inch PVC, DI	LF	14.00		$0.00		$0.00		$0.00		$0.00		$0.00
4	4-Inch PVC, SDR 21	LF	6.50		$0.00		$0.00	4,400	$28,600.00		$0.00	7,000	$45,500.00
5	4-Inch PVC, SDR 17	LF	7.00	11,000	$77,000.00	12,000	$84,000.00		$0.00		$0.00		$0.00
6	4-Inch PVC, DI	LF	12.00		$0.00		$0.00		$0.00		$0.00		$0.00
7	8-Inch Gate Valve	EA	550.00		$0.00		$0.00		$0.00	15	$8,250.00		$0.00
8	6-Inch Gate Valve	EA	450.00		$0.00		$0.00		$0.00		$0.00		$0.00
9	4-Inch Gate Valve	EA	300.00	10	$3,000.00	6	$1,800.00	2	$600.00		$0.00	3	$900.00
10	3-Inch Gate Valve	EA	250.00		$0.00		$0.00		$0.00		$0.00		$0.00
11	Air Release Valve	EA	400.00		$0.00	1	$400.00		$0.00	2	$800.00	1	$400.00
12	3-Inch Blow-Off	EA	500.00	2	$1,000.00	1	$500.00	1	$500.00	3	$1,500.00	1	$500.00
13	Pavement Replacement	LF	8.00	1,000	$8,000.00	1,000	$8,000.00	400	$3,200.00	3,000	$24,000.00	700	$5,600.00
14	5/8" x 3/4" Meter Installation	EA	350.00	3	$1,050.00	2	$700.00	5	$1,750.00		$0.00	3	$1,050.00
15	3/4" Service Tubing	LF	5.75	180	$1,035.00	120	$690.00	300	$1,725.00		$0.00	180	$1,035.00
16	Creek Crossing for 6"	LF	60.00		$0.00		$0.00		$0.00	600	$36,000.00		$0.00
17	Creek Crossing for 4"	LF	50.00	100	$5,000.00	150	$7,500.00	50	$2,500.00		$0.00		$0.00
18	Creek Crossing Test Meter	EA	500.00		$0.00		$0.00		$0.00		$0.00		$0.00
19	Bore & Case for 8"	LF	150.00		$0.00		$0.00		$0.00	200	$30,000.00		$0.00
20	Open Cut & Case for 8"	LF	50.00		$0.00		$0.00		$0.00	300	$15,000.00		$0.00
21	Bore & Case for 6"	LF	130.00		$0.00		$0.00		$0.00		$0.00		$0.00
22	Open Cut & Case for 6"	LF	40.00		$0.00		$0.00		$0.00		$0.00		$0.00
23	Bore & Case for 4"	LF	110.00	40	$4,400.00		$0.00	40	$4,400.00		$0.00	40	$4,400.00
24	Open Cut & Case for 4"	LF	35.00	40	$1,400.00	100	$3,500.00	40	$1,400.00		$0.00	40	$1,400.00
25	8" PVC, SDR 21	LF	9.00		$0.00		$0.00		$0.00	11,000	$99,000.00		$0.00
26	8" PVC, SDR 17	LF	10.00		$0.00		$0.00		$0.00	18,000	$180,000.00		$0.00
27	8" x 8" TS&V	EA	2,000.00		$0.00		$0.00		$0.00		$0.00		$0.00
28	8" x 6" TS&V	EA	1,800.00		$0.00		$0.00		$0.00		$0.00		$0.00
29	6" x 6" TS&V	EA	1,500.00		$0.00		$0.00		$0.00	2	$3,000.00		$0.00
30	6" x 4" TS&V	EA	1,000.00		$0.00		$0.00		$0.00		$0.00		$0.00
31	4" x 4" TS&V	EA	900.00	1	$900.00		$0.00		$0.00		$0.00	1	$900.00
32	3" x 3" TS&V	EA	800.00		$0.00		$0.00	1	$800.00		$0.00		$0.00
33	Control Valve Station	EA	7,000.00		$0.00		$0.00		$0.00		$0.00		$0.00
34	Pressure Reducing Station	EA	7,000.00	1	$7,000.00		$0.00		$0.00		$0.00		$0.00
35	Pump Station	EA	60,000.00		$0.00		$0.00		$0.00		$0.00		$0.00
36	125,000 Gal. Elev. Tank	EA	240,000.00		$0.00		$0.00		$0.00		$0.00		$0.00
37	Telemetry	LF	30,000.00		$0.00		$0.00		$0.00		$0.00		$0.00
38	Final Pipeline Cleanup	LF	0.70	11,000	$7,700.00	12,000	$8,400.00	4,400	$3,080.00	29,000	$20,300.00	7,000	$4,900.00
					$117,485.00		$115,490.00		$48,555.00		$417,850.00		$66,585.00

EXHIBIT 2
SOUTHEASTERN WATER ASSOCIATION
PHASE 2, WATER SYSTEM EXTENSIONS
SUMMARY OF PROJECT DATA

MAP NO.	ROAD	POTENTIAL CUSTOMERS	LENGTH (MILES)	CONSTRUCTION COST	CONSTRUCTION COST PER CUSTOMER
1	Poplarville-Hail Haven Paradise Acres	158	15.9	$ 955,310.00	$ 6,046.00
2	Colo-Grade	14	1.1	65,780.00	4,698.00
3	Dry Branch	5	2.7	194,375.00	38,875.00
4	Happy Hollow	5	1.5	73,620.00	14,724.00
5					
6	Hwy 192	30	6.4	352,750.00	11,758.00
7	Dahl-Conrad	7	3.8	185,625.00	26,518.00
8	Bradley Cemetary	9	2.3	105,275.00	11,697.00
9	Drum-Long Hollow	14	3.8	196,450.00	14,032.00
10	Price Valley	35	5.7	292,875.00	8,368.00
11	Blue John	153	17.0	1,422,050.00	9,294.00
12	Liberty Church Spur	3	0.7	41,975.00	13,991.00
13	Bee Lick	8	0.9	58,560.00	7,320.00
14					
15					
16	Bill Todd	1	0.4	29,885.00	29,885.00
17	Texas School	8	1.3	90,195.00	11,274.00
18					
19					
20					
21	Lower Line Creek	10	2.8	204,270.00	20,427.00
22	Harper	2	0.2	11,940.00	5,970.00
23	Whitson	3	0.6	61,185.00	20,395.00
24	Fire Tower	1	0.3	47,815.00	47,815.00
25					
26	Lilliard Phelps	2	1.0	83,180.00	41,590.00
27					
28	Fox Hollow	6	0.4	29,520.00	4,920.00
29					
30	Ransom	2	0.2	21,130.00	10,565.00
31	Pumpkin Hollow	3	2.1	117,485.00	39,161.00
32	Strawberry / Phelps	2	2.3	115,490.00	57,745.00
33	Grider-Anderson	5	0.8	48,555.00	9,711.00
34	KY 192 Reinforcement		5.5	417,850.00	
35	Wesley Chapel	3	1.3	66,585.00	22,195.00
	Totals	**489**	**81**	**$5,289,730.00**	**$10,817.00** (1)

(1) Does not include Hwy 192 Reinforcement (34).

EXHIBIT 3
SOUTHEASTERN WATER ASSOCIATION-PHASE 2 WATER SYSTEM EXTENSIONS
RANKING BY CONSTRUCTION COST PER CUSTOMER

RANK	MAP NO.	ROAD	POTENTIAL CUSTOMERS	LENGTH (MILES)	CONSTRUCTION COST	COST PER CUSTOMER	CUMULATIVE COST
1	2	Colo-Grade	14	1.1	$65,780	$4,698	$65,780
2	28	Fox Hollow	6	0.4	29,520	4,920	95,300
3	22	Harper	2	0.2	11,940	5,970	107,240
4	1	Poplarville-Hail Haven	158	15.9	955,310	6,046	1,062,550
5	13	Bee Lick	8	0.9	58,560	7,320	1,121,110
6	10	Price Valley	35	5.7	292,875	8,368	1,413,985
7	11	Blue John	153	17	1,422,050	9,294	2,836,035
8	33	Grider-Anderson	5	0.8	48,555	9,711	2,884,590
9	30	Ransom	2	0.2	21,130	10,565	2,905,720
10	17	Texas School	8	1.3	90,195	11,274	2,995,915
11	8	Bradley Cemetery	9	2.3	105,275	11,697	3,101,190
12	6	HWY 192	30	6.4	352,750	11,758	3,453,940
13	12	Liberty Church Spur	3	0.7	41,975	13,991	3,495,915
14	9	Drum-Long Hollow	14	3.8	196,450	14,032	3,692,365
15	4	Happy Hollow	5	1.5	73,620	14,724	3,765,985
16	23	Whitson	3	0.6	61,185	20,395	3,827,170
17	21	Lower Line Creek	10	2.8	204,270	20,427	4,031,440
18	35	Wesley Chapel	3	1.3	66,585	22,195	4,098,025
19	7	Dahl-Conrad	7	3.8	185,625	26,518	4,283,650
20	16	Bill Todd	1	0.4	29,885	29,885	4,313,535
21	3	Dry Branch	5	2.7	194,375	38,075	4,507,910
22	31	Pumpkin Hollow	3	2.1	117,485	39,161	4,625,395
23	26	Lilliard Phelps	2	1	83,180	41,590	4,708,575
24	24	Fire Tower	1	0.3	47,815	47,815	4,756,390
25	32	Strawberry/Phelps	2	2.3	115,490	57,745	4,871,880
26	34	KY 192 Reinforcement	0	5.5	417,850	0	5,289,730

EXHIBIT 4

PROPOSED PHASE 2 EXTENSIONS

MAP NO.	ROAD	LENGTH (MILES)	POTENTIAL CUSTOMERS	CONSTRUCTION COST
2	Colo-Grade	1.1	14	$65,780
9	Drum-Long Hollow	3.8	14	196,450
28	Fox Hollow [1]	0.4	6	29,520
8	Bradley Cemetery [1]	2.3	9	105,275
22	Harper	0.2	2	11,940
1	Poplarville-Hail Haven [2]	15.9	158	955,310
6	Hwy 192	6.4	30	352,750
10	Price Valley	5.7	35	292,875
33	Grider-Anderson	0.8	5	48,555
		36.6	273	$2,058,455
34	KY 192 Reinforcement	5.5	-	417,850
		42.1		$2,476,305

[1] Extensions from Drum-Long Hollow Road.
[2] Poplarville-Hail Haven cannot be done without Hwy 192 extension.

EXHIBIT 5

SOUTHEASTERN WATER ASSOCIATION
OPINION OF PROBABLE PROJECT COST AND FUNDING

1.	Construction Cost		$2,500,000.00
2.	Engineering		
	2.1 Design	$175,000.00	
	2.2 Construction Observation	81,500.00	
	2.3 Preliminary Engineering Report	8,000.00	
	2.4 Surveying	3,000.00	
	2.5 Environmental Evaluation	10,000.00	
			277,500.00
3.	Legal		
	Local Counsel		10,000.00
4.	Capitalized Interest		60,000.00
5.	Land and Rights		10,000.00
6.	Administration		3,000.00
7.	Contingencies		263,500.00
	TOTAL PROJECT COST		**$3,124,000.00**

PROJECT FUNDING

RD Loan	$2,023,000
RD Grant	1,000,000
Owner Contribution [1]	101,000
	$3,124,000

[1] Tap fees = 191 cust. x $525 = $100,275

EXHIBIT 6

DETERMINATION OF MEDIAN HOUSEHOLD INCOME FOR PROJECT

CENSUS DIVISION	EXTENSION [1]	CUSTOMERS	MEDIAN HOUSEHOLD INCOME	WEIGHTED INCOME
Somerset	Harper Rd. (22)	2		
	Grider Anderson Rd. (33)	5		
		7	$19,530	$136,710
Shopville	Price Valley Rd. (10)	35	$15,880	$555,800
Mt. Victory	Poplarville-Hail Haven (1)	158		
	Colo-Grade Rd. (2)	14		
	Hwy 192 (6)	30		
	Bradley Cem. Rd. (8)	9		
	Drum-Long Hollow (9)	14		
	Fox Hollow (28)	6		
		231	$16,218	3,746,358
	TOTAL CUSTOMERS	**273**		**$4,438,868**

Project Average Median Household Income = $\frac{\$4,438,868}{273}$ = **$16,260**

[1] Number in parentheses is map designation.

EXHIBIT 7

SOUTHEASTERN WATER ASSOCIATION
EXISTING REVENUE REQUIREMENT
(PSC REPORT, 2001)

1.	**OPERATING & MAINTENANCE**		
	Water Supply (Purchased Water)		$769,519
	Power for Pumping		23,760
	Transmission & Distribution		105,815
	Customer Accounts		120,451
	Administration & General		259,661
			$1,279,206
2.	**DEBT SERVICE**		
	2.1 GECC Notes	$31,275	
	2.2 RD Notes	210,609	
			$241,884
3.	**CITIZENS BANK NOTE**		
	$900/month x 12 =		$10,800
4.	**DEBT SERVICE COVERAGE**		
	$241,884 X 0.10 =		$24,188
5.	**TAXES**		$21,907
	TOTAL EXISTING REVENUE REQUIREMENT		**$1,577,985**

EXHIBIT 8

COST FOR ADDED CUSTOMERS

1. ADDED CUSTOMERS

Customer Count at May, 2002	5,704
Avg. Customer Count during 2001	5,515
Additional Customers	189

EXPENSES

1.	Purchased Water: 189 cust. x 4.0 gal/mo. x 12 ÷ 0.85 =	10,673 M Gals.
	Cost: 10,673 x $2.00 =	$21,346
2.	Pumping: 10,673 x $0.10 =	1,067
3.	Trans. & Dist.: 150 inch-miles x $200.00	30,000
4.	Customer Accounts: 189 cust. x $50.00	9,450
5.	Admin. & General: 189 x $40.00	7,560
	TOTAL EXPENSES	**$69,423**

EXHIBIT 9

OPINION OF PROBABLE ANNUAL REVENUE REQUIREMENT FOR 2003 Phase 2 PROJECT

1. O & M EXPENSES		
1.1	Purchased Water 191 cust. x 2500 gal/mo x 12 ÷ 0.85 = 6,741,200 gals. Cost = 6,741.2 x $2.00	$13,482
1.2	Pumping: 6,741.2 x $0.06	404
1.3	Transmission & Distribution $200/inch-mile x 201 inch-miles	40,200
1.4	Customer Accounts $50/customer x 191	9,550
1.5	General & Administration $40/customer x 191	7,640
	TOTAL O & M EXPENSES	**$71,276**
2. DEBT SERVICE		
2.1	$2,023,000 @ 4.5% for 38 yrs. $2,023,000 x .05551	112,297
2.2	Coverage: $112,297 x .10	11,230
	TOTAL REVENUE REQUIREMENT	**$194,803**

EXHIBIT 10

PRO FORMA REVENUE REQUIREMENT

	EXISTING (EX. 7)	ADJUSTMENTS TO 2004 (EX.8)	PHASE 2 EXTENSIONS (EX. 9)	2004 PRO FORMA REVENUE REQUIREMENT
1. OPERATING & MAINTENANCE				
Water Supply	$769,519	$21,346	$13,482	$804,347
Power for Pumping	23,760	1,067	404	25,231
Trans. & Dist.	105,815	30,000	40,200	176,015
Customer Accounts	120,451	9,450	9,550	139,451
Admin. & General	259,661	7,560	7,640	274,861
	$1,279,206	$69,423	$71,276	$1,419,905
2. DEBT SERVICE				
RD: Principal	$48,073	$13,442 (1)	$21,262	$82,777
Interest	162,536	57,555 (1)	91,035	311,126
GECC: Principal	10,546	---	---	12,438
Interest	20,729	---	---	18,837
	$241,884	$70,997	$112,297	$425,178
3. CITIZENS BANK NOTE	$10,800	---	---	$10,800
4. DEBT SERVICE COVERAGE	$24,188	$7,100 (1)	$11,230	$42,518
5. TAXES	$21,907	---	---	$21,907
TOTALS	**$1,577,985**	**$147,520**	**$194,803**	**$1,920,308**

(1) Phase 1 Extensions

EXHIBIT 11

BILLING ANALYSIS

	BILLS	GALLONS	FIRST 2000	OVER 2000
First 2000 Gallons	25,731	29,652	29,652	
Over 2000 Gallons	40,449	246,903	80,898	166,005
	66,180	276,555	110,550	166,005
Burnside	12	12,322		
	66,192	288,877		

	BILLS	GALLONS	EXIST. RATE[1]	2001 GENERAL CUST. SALES
First 2000	66,180	---	12.30	$814,014
Over 2000		166,005	5.21	864,886
				$1,678,900

CONFIRMATION OF BILLING ANALYSIS

2001 Annual Report:	Water Sales to General Customers	$1,678,900
	Gallons Sold	276,555
	Average Customer Count	5,515
	Average Bills: 5,515 x 12	66,180

[1] Rate increase effective in June, 2001. Since each rate in effect for six months, average rate for the year as follows:

First. 2000 Gals. ($11.00 + $13.60) ÷ 2 = 12.30

Over 2000 Gals. ($4.66 + $5.76) ÷ 2 = $5.21

EXHIBIT 12

RATE ADJUSTMENT
AND
PROJECTED WATER SALES REVENUES

	Existing Rate	Proposed Rate	Percent Increase
First 2000 Gal.	$ 13.60 (min.)	$ 14.70 (min.)	8.1
Over 2000 Gal.	5.76 per 1000 gals.	6.25 per 1000 gals.	8.5
Avg. Bill of 4000 gal.	$ 25.12	$ 27.20	8.3

PROJECTED REVENUES

1. Existing 2001 Customers

	Bills	Gallons	Proposed Rate		Projected Water Sales
First 2000 Gal.	66,180		14.70 (min.)	$	972,846
Over 2000 Gal.		166,005	6.25 per 1000 gals.		1,037,531
		TOTAL		**$**	**2,010,377**

1. Added Customers to Existing System
189 cust. x $27.20 x 12 — $ 61,690

2. Proposed Project
System Extensions: 191 cust. x $17.82 x 12 — $ 40,843

TOTAL PROJECTED WATER SALES REVENUES — **$ 2,112,910**

EXHIBIT 13

CASH FLOW SUMMARY

1.	**REVENUES**		
	1.1 Water Sales (Exhibit 12)		**$2,112,910**
2.	**O & M EXPENSES**		
	2.1 2001 (Exhibit 7)	$1,279,206	
	2.2 Adjustments to 2001 (Ex. 8)	69,423	
	2.3 Proposed Project (Ex. 9)	71,276	
			$1,419,905
3.	**DEBT SERVICE**		
	3.1 Existing (Ex. 7)	$241,844	
	3.2 Phase I (Ex. 10)	70,997	
	3.3 Proposed Project (Ex. 9)	112,297	
			$425,178
4.	**CITIZENS BANK NOTE**		
	Exhibit 6		**$10,800**
5.	**TAXES**		**$21,907**
6.	**CAPITAL IMPROVEMENTS**		**$192,602**
	AMOUNT LEFT FOR COVERAGE		**$42,518**
	Total Projected Coverage (Exhibit 10)		$42,518

EXHIBIT 14

PROJECT MAPS

EXHIBIT 14

PROJECT MAPS

PHASE 2
SOUTHEASTERN WATER ASSOCIATION
WATER SYSTEM EXTENSIONS

28 Fox Hollow Road

9 Drum - Long Hollow Rd.

2 Colo - Grade Road

8 Bradley Cem. Rd.

6 KY. 192

27 (To Hwy. 1003)

MATCH SHEET M-2

Fox Hollow
Drum
Long Hollow
Rock Knob
Round Knob
Colo
Buck Creek
Ula
Cem
Piney Grove
Scaffold Lick
Whetstone
The Sinks
Bradley Cem
Creek
Branch
Baker
Hargis
PRV
Mines
Malvin Hill
Dykes
Water Lily
Ping
White Lily
Happy Hollow
Nancy Jane
Providence Ch
Friendship Ch
Ridge
Cane Hollow
Camp
Lick
Holler
Stone

DYKES, KY. QUAD.

DRAWN BY:	TS
CHECKED BY:	JKP
CHECKED BY:	CPM
DATE:	7-2001
SCALE:	1" = 2000'
REV:	

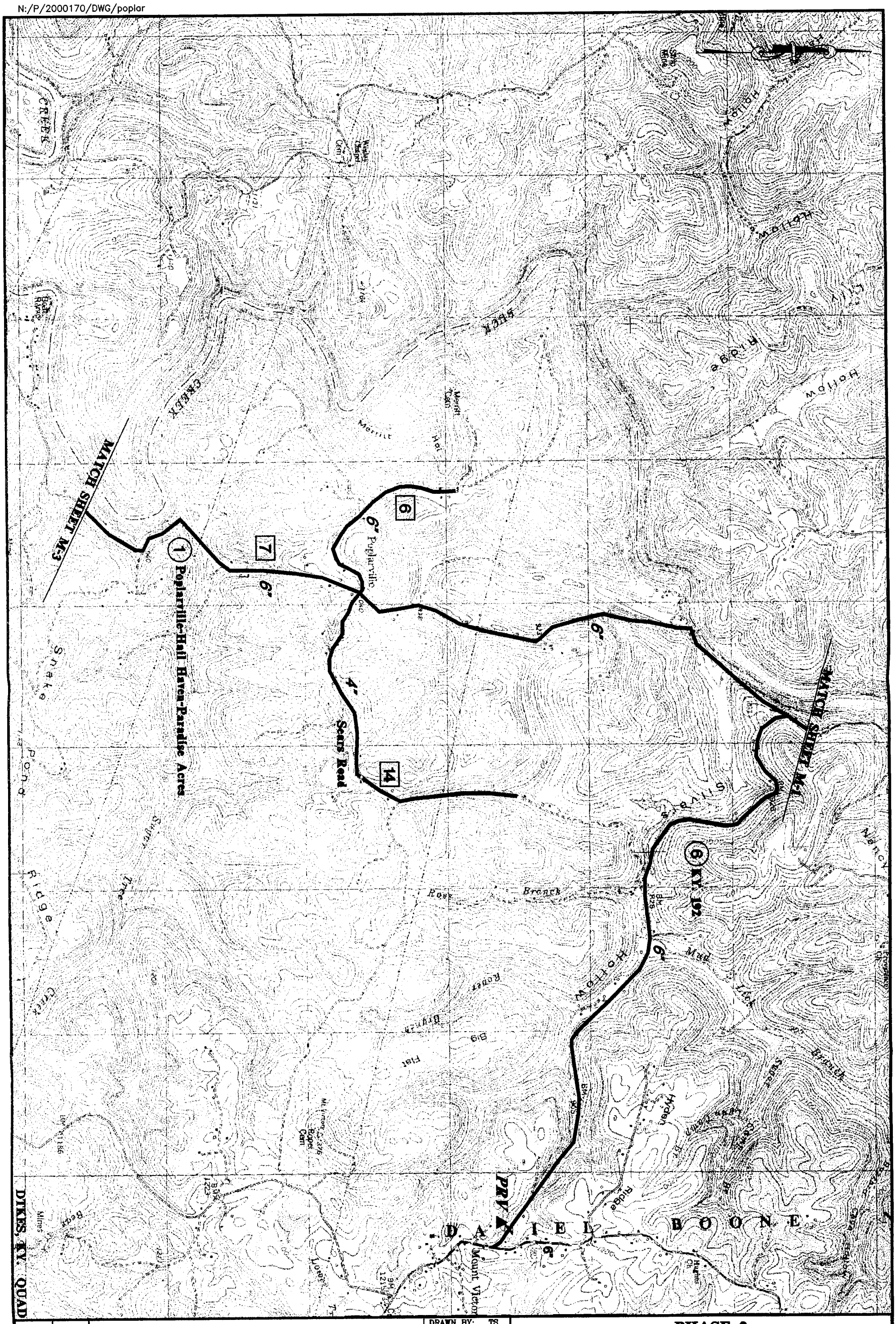
KENVIRONS, INC.
FRANKFORT - PIKEVILLE

PROJECT NO.
2000170

SHEET NO.
M-1

N:/P/2000170/DWG/LONGHOLL

N:/P/2000170/DWG/poplar

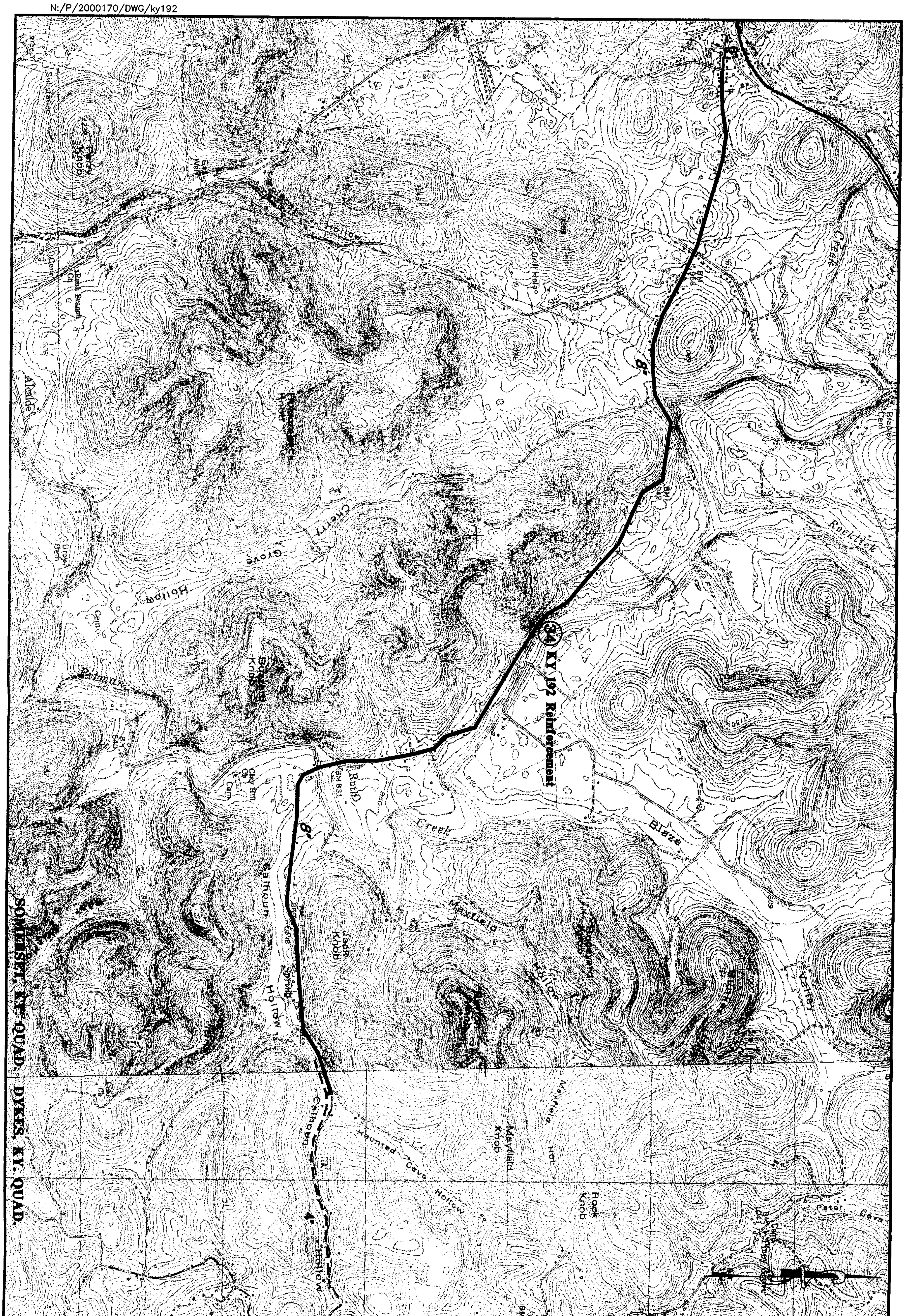


PROJECT NO. 2000170	**KENVIRONS, INC.** FRANKFORT - PIKEVILLE	DRAWN BY: TS CHECKED BY: JKP CHECKED BY: CFM DATE: 7-2001 SCALE: 1" = 2000' REV:	**PHASE 2** **SOUTHEASTERN WATER ASSOCIATION** **WATER SYSTEM EXTENSIONS**
SHEET NO. M-2			

N:/P/2000170/DWG/paradise

SHEET NO. M-3	PROJECT NO. 2000170	**KENVIRONS, INC.** **FRANKFORT - PIKEVILLE**	DRAWN BY: TS CHECKED BY: JKP CHECKED BY: CFM DATE: 7-2001 SCALE: 1" = 2000' REV:	**PHASE 2** **SOUTHEASTERN WATER ASSOCIATION** **WATER SYSTEM EXTENSIONS**

N:/P/2000170/DWG/ky192



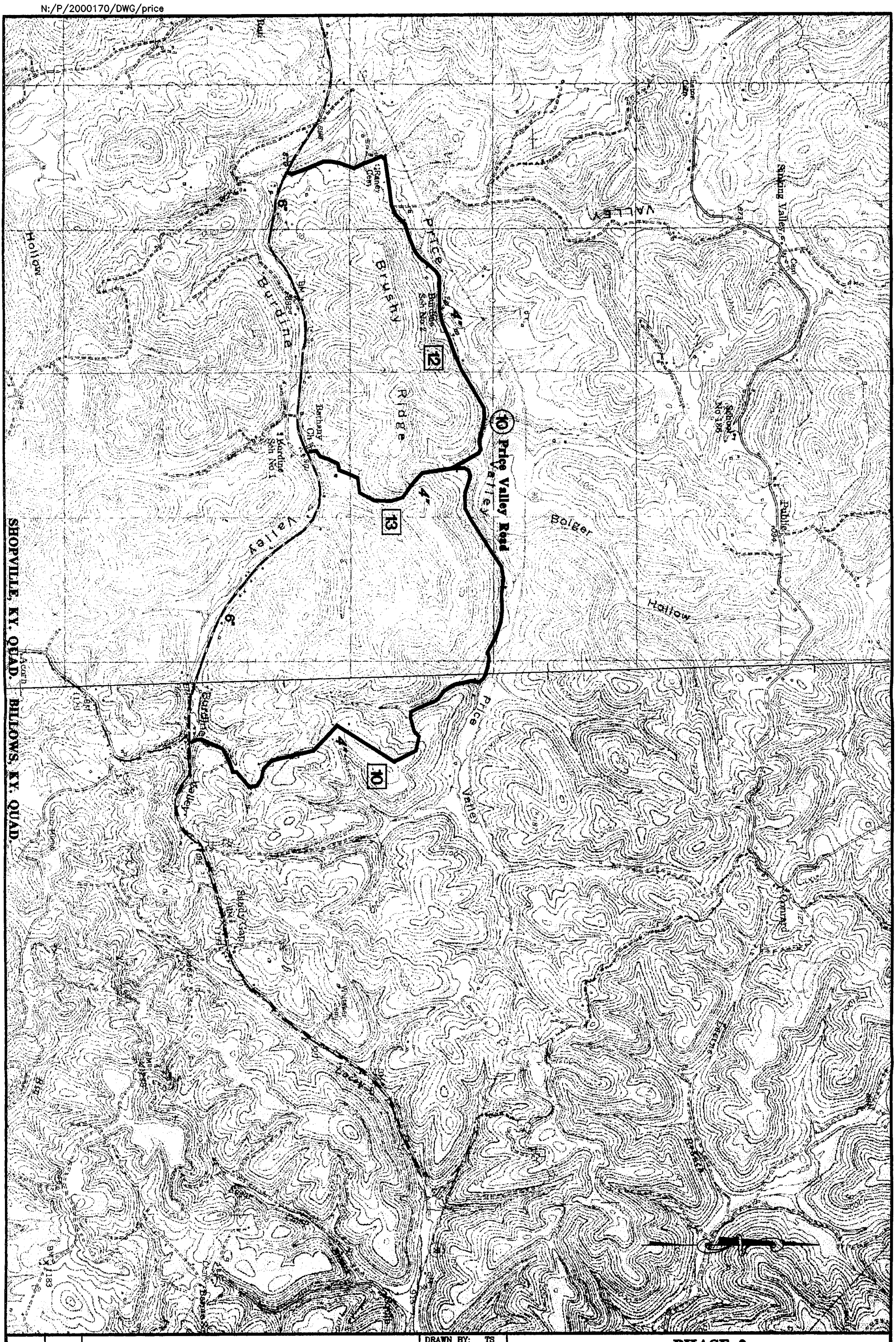
PROJECT NO.	SHEET NO.
2000170	M12

KENVIRONS, INC.
FRANKFORT - PIKEVILLE

DRAWN BY:	TS
CHECKED BY:	JKP
CHECKED BY:	CFM
DATE:	7-2001
SCALE:	1" = 2000'
REV:	

PHASE 2
SOUTHEASTERN WATER ASSOCIATION
WATER SYSTEM EXTENSIONS

N:/P/2000170/DWG/price



SHEET NO. M13	PROJECT NO. 2000170	**KENVIRONS, INC.** FRANKFORT - PIKEVILLE	DRAWN BY: TS CHECKED BY: JKP CHECKED BY: CFM DATE: 7-2001 SCALE: 1" = 2000' REV:	**PHASE 2** **SOUTHEASTERN WATER ASSOCIATION** **WATER SYSTEM EXTENSIONS**

APPENDIX 1

RURAL DEVELOPMENT
SUMMARY / ADDENDUM

KENTUCKY GUIDE 7
MAY 1998

SUMMARY ADDENDUM

TO

PRELIMINARY ENGINEERING REPORT

DATED June 21, 2002

FOR

SOUTHEASTERN WATER ASSOCIATION
PHASE 2 WATER SYSTEM EXTENSIONS
(Name of Project)

APPLICANT CONTACT PERSON Morris Vaughn

APPLICANT PHONE NUMBER (606) 678-5501

APPLICANT TAX IDENTIFICATION NUMBER (TIN) 61-1282354

ITEMS IN BOLD ITALIC PRINT ARE APPLICABLE TO SEWER SYSTEMS.

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

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

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

I. GENERAL

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

Water system extensions including 42 miles of pipelines in 4, 6, and 8-inch sizes. No tanks nor pumps stations are planned for this phase.

II. FACILITY CHARACTERISTICS OF EXISTING SEWER SYSTEM

A. Sewage Treatment:

1. Type _____

2. Method of Sludge Disposal _____

_____

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

$ _____

4. Date Constructed _____

B. Treatment Capacity of Sewage Treatment Plant _____

C. Type of Sewage Collector System (Describe) _____

_____

_____

D. Number and Capacity of Sewage Lift Stations _____

_____

E. Sewage Collection System:

Lineal Feet of Collector Lines, by size 6" _____ *8"* _____

10" _____ *12"* _____, *Larger* _____

Date(s) Constructed _____

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

_____

_____

_____

III. FACILITY CHARACTERISTICS OF EXISTING WATER SYSTEM

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

Raw water source: Lake Cumberland - Excellant Quality and Quantity

Somerset WTP: Capacity 10MGD AVG. Prod. 6MGD Peak Day 7.1MGD

Raw water intake structure in Lake Cumberland is currently being upgraded from 7.5 to 10MGD. Water purchase contract will be revised if required.

If the applicant purchases water:

Seller(s):

1. City of Somerset
2. _____
3. _____

Price/1,000 gallons:

1. $2.00
2. _____
3. _____

Present Estimated Market Value of Existing System: $ 1,373,000

B. Water Storage:

Type: Ground Storage Tank 6 Elevated Tank 4

Standpipe 2 Other _____

Number of Storage Structures 12

Total Storage Volume Capacity 1,450,000

Date Storage Tank(s) Constructed 1968-2001

C. Water Distribution System:

Pipe Material _____

Lineal Feet of Pipe: 3" Diameter 975,300 4" 736,900

6" 512,000 8" 46,300

10" _____ 12" _____

Date(s) Water Lines Constructed 1967-2002

Number and Capacity of Pump Station(s) 400 GPM (3); 100 GPM (2)

75 GPM (1); 160 GPM (1); 90 GPM (1)

D. Condition of Existing Water System:

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

Condition of system is good. Reinforcements for 3" and 4" pipelines in Nelson Valley area will be needed if present growth continues.

E. Percentage of Water Loss Existing System 15

IV. EXISTING LONG-TERM INDEBTEDNESS

A. List of Bonds and Notes:

Date of Issue	Bond/Note Holder	Principal Balance	Payment Date	Bond Type Water/Sewer*	Amount on Deposit in Reserve Account
19 91 Issue	RD	$ 338,840	Feb. 12	% %	
19 95 Issue	RD	$ 847,216	Sept. 4	% %	
19 97 Issue	RD	$ 1,991,512	Oct. 17	% %	
19 92 Issue	GECC	$ 46,196	June. 1	% %	
19 96 Issue	GECC	$ 303,730	June. 1	% %	
2002	RD	1,279,000			

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

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

Date of Issue	Bond/Note Holder	Payment Year 2002 Principal Payment	Payment Year 2002 Interest Payment	Payment Year 2003 Principal Payment	Payment Year 2003 Interest Payment	Payment Year 2004 Principal Payment	Payment Year 2004 Interest Payment
19 91 Issue	RD	5,278	17,016	5,616	16,678	5,897	16,397
19 95 Issue	RD	14,548	40,547	15,127	39,968	15,853	39,242
19 97 Issue	RD	30,604	102,616	37,136	96,085	38,955	94,265
19 92 Issue	GECC	4,021	2,318	4,230	2,109	4,442	1,897
19 96 Issue	GECC	7,098	17,838	7,553	17,383	7,996	16,940
20 02 Issue(1)	RD	-	57,555	-	57,555	13,442	57,555
TOTALS		61,549	237,890	69,662	229,778	86,585	226,296

(1) Current Phase 1 Extension project.

V. EXISTING SHORT-TERM INDEBTEDNESS

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

Lender or Lessor	Date of Issue (Month & Year)	Principal Balance	Purpose (Water and/ or Sewer)	Payment Date	Principal & Interest Payment (P&I)	Date to Be Paid In Full
Citizens Nat'l. Bank		37,358	Water		10,800	2006 (EST.)

VI. LAND AND RIGHTS - EXISTING SYSTEM(S)

Number of ~~Treatment Plant~~ Office Sites: Water 1 *Sewer* _____

Number of Storage Tank Sites Water 12 *Sewer* _____

Number of Pump Stations: Water 8 *Sewer* _____

Total Acreage: Water 12 Acres *Sewer* _____ *Acres*

Purchase Price: Water $ 37,300 *Sewer* $ _____

VII. NUMBER OF EXISTING USERS

	Water	*Sewer*
Residential (In Town) *		
Residential (Out of Town) *	5632	
Non-Residential (In Town)		
Non-Residential (Out of Town)	72	
Total	5704	
Number to Total Potential Users Living in the Service Area	6500	

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

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

Meter Size	Water Connection Fee	*Sewer Connection Fee*
5/8" x 3/4"	$ 525	$
1 - Inch	$ At Cost	$

IX. SEWER RATES - EXISTING SYSTEM

Percentage of Water Bill _____ ***%*** ***Minimum Charge $*** _____

Other: (If Charge Not Based on Water Bill) _____

_____

Date This Rate Went Into Effect _____

X. WATER RATES - EXISTING SYSTEM

Existing Rate Schedule:

First	2000	Gallons @ $	13.60	Minimum.
Next	_____	Gallons @ $	_____	per 1,000 Gallons.
Next	_____	Gallons @ $	_____	per 1,000 Gallons.
Next	_____	Gallons @ $	_____	per 1,000 Gallons.
Next	_____	Gallons @ $	_____	per 1,000 Gallons.
Next	_____	Gallons @ $	_____	per 1,000 Gallons.
All Over	2000	Gallons @ $	5.76	per 1,000 Gallons.

Date This Rate Went Into Effect June 2001

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

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

For Period _____ *to* _____.

All Meter Sizes	*Monthly Sewer Usage*	*Average*	*Residential*		*Non-Residential*	
			No. of Users	*Usage (1000)*	*No. of Users*	*Usage (1000)*
	0 - 2,000 Gallons	*1,000*				
	2,000 - 3,000 Gallons	*2,500*				
	3,000 - 4,000 Gallons	*3,500*				
	4,000 - 5,000 Gallons	*4,500*				
	5,000 - 6,000 Gallons	*5,500*				
	6,000 - 7,000 Gallons	*6,500*				
	7,000 - 8,000 Gallons	*7,500*				
	8,000 - 9,000 Gallons	*8,500*				
	9,000 - 10,000 Gallons	*9,500*				
	10,000 - 11,000 Gallons	*10,500*				
	11,000 - 12,000 Gallons	*11,500*				
	12,000 - 13,000 Gallons	*12,500*				
	13,000 - 14,000 Gallons	*13,500*				
	14,000 - 15,000 Gallons	*14,500*				
	15,000 - 16,000 Gallons	*15,500*				
	16,000 - 17,000 Gallons	*16,500*				
	17,000 - 18,000 Gallons	*17,500*				
	18,000 - 19,000 Gallons	*18,500*				
	19,000 - 20,000 Gallons	*19,500*				
	_____ - _____ Gallons	_____				
	_____ - _____ Gallons	_____				
	_____ - _____ Gallons	_____				
		Total	(_____)	(_____)	(_____)	(_____)
		Average Usage		(_____)		(_____)

XII. ANALYSIS OF ACTUAL WATER USAGE - EXISTING SYSTEM - 12 MONTH PERIOD

For Period January to December, 2001.

All Meter Sizes	Monthly Water Usage	Average	Residential No. of Users	Residential Usage (1000)	Non-Residential No. of Users	Non-Residential Usage (1000)
	0 - 2,000 Gallons	1,000	25,242	29,386.8	489	256.2
	2,000 - 3,000 Gallons	2,500	9,816	25,527.0	36	89.9
	3,000 - 4,000 Gallons	3,500	8,841	31,648.7	27	94.9
	4,000 - 5,000 Gallons	4,500	6,846	31,575.7	18	85.5
	5,000 - 6,000 Gallons	5,500	4,773	26,880.9	17	94.9
	6,000 - 7,000 Gallons	6,500	3,036	20,184.3	13	86.7
	7,000 - 8,000 Gallons	7,500	1,945	14,882.6	7	60.9
	8,000 - 9,000 Gallons	8,500	1,282	11,125.8	6	52.0
	9,000 - 10,000 Gallons	9,500	854	8,812.7	18	163.4
	10,000 - 11,000 Gallons	10,500	596	6,802.0	11	117.3
	11,000 - 12,000 Gallons	11,500	378	4,726.5	5	58.0
	12,000 - 13,000 Gallons	12,500	262	3,557.4	6	89.8
	13,000 - 14,000 Gallons	13,500	177	2,643.8	10	95.2
	14,000 - 15,000 Gallons	14,500	145	2,194.5	10	145.5
	15,000 - 16,000 Gallons	15,500	154	2,605.6	6	93.7
	16,000 - 17,000 Gallons	16,500	103	1,871.8	7	115.4
	17,000 - 18,000 Gallons	17,500	100	1,896.4	5	87.7
	18,000 - 19,000 Gallons	18,500	82	1,650.5	2	37.3
	19,000 - 20,000 Gallons	19,500	60	1,211.3	3	58.6
	OVER - 20,000 Gallons		750	42,874.7	42	2,604.2
	- Gallons					
	- Gallons					
		Total	(65,442)	(272,059)	(738)	(4,496.1)
		Average Usage		(4.22)		(6.09)
	Burnside Water Works				12	12,322

Total Water Purchased and/or Produced 383,191,700

Total Water Sold 288,876,997

XIII. FACILITY CHARACTERISTICS OF PROPOSED SEWER SYSTEM

A. *Sewage Treatment:*

1. *Type* _____

2. *Method of Sludge Disposal* _____

_____

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

$ _____

B. *Treatment Capacity of Sewage Treatment Plant* _____

C. *Type of Sewage Collector System (Describe)* _____

_____

_____

D. *Number and Capacity of Sewage Lift Stations* _____

_____

E. *Sewage Collection System:*

Lineal Feet of Collector Lines, by size 6" _____ *8"* _____

10" _____ *12"* _____*, Larger* _____

XIV. LAND AND RIGHTS - PROPOSED SEWER SYSTEM

Number of Treatment Plant Sites _____

Number of Pump Sites _____

Number of Other Sites _____

Total Acreage _____ *Acres*

Purchase Price *$* _____

XV. FACILITY CHARACTERISTICS OF PROPOSED WATER SYSTEM

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

See III-A

B. Water Storage: N/A

Type: Ground Storage Tank _____ Elevated Tank _____

Standpipe _____ Other _____

Number of Storage Structures _____

Total Storage Volume Capacity _____

C. Water Distribution System:

Pipe Material PVC

Lineal Feet of Pipe: 3" Diameter _____ 4" 163,400

6" 30,000 8" 29000

10" _____ 12" _____

Number and Capacity of Pump Station(s) N/A

XVI. LAND AND RIGHTS - PROPOSED WATER SYSTEM N/A

Number of Treatment Plant Sites _____

Number of Pump Sites _____

Number of Other Sites _____

Total Acreage _____ Acres

Purchase Price $ _____

XVII. NUMBER OF NEW SEWER USERS

*Residential (In Town) * _____*

*Residential (Out of Town) * _____*

Non-Residential (In Town) _____

Non-Residential (Out of Town) _____

Total _____

Number to Total Potential Users Living in the Service Area _____

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

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

Meter Size	Connection Fee
5/8" x 3/4"	$ _____
1 - Inch	$ _____
1-1/2 Inch	$ _____
2 - Inch	$ _____
3 - Inch	$ _____
4 - Inch	$ _____
5 - Inch	$ _____
6 - Inch	$ _____

XIX. NUMBER OF NEW WATER USERS

Residential (In Town) *	
Residential (Out of Town) *	191
Non-Residential (In Town)	
Non-Residential (Out of Town)	
Total	
Number to Total Potential Users Living in the Service Area	273

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

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

Meter Size	Connection Fee
5/8" x 3/4"	$ 525
1 - Inch	$
1-1/2 Inch	$
2 - Inch	$
3 - Inch	$
4 - Inch	$
5 - Inch	$
6 - Inch	$

XXI. SEWER RATES - PROPOSED

A. Proposed Rate Schedule without RUS Grant:

Percentage of Water Bill _____ *% Minimum Charge $* _____

Other: (If Charge Not Based on Water Bill) _____

_____

Proposed Rate Schedule: (Without RUS Grant)

First _____ *Gallons @ $* _____ *Minimum.*

Next _____ *Gallons @ $* _____ *per 1,000 Gallons.*

Next _____ *Gallons @ $* _____ *per 1,000 Gallons.*

Next _____ *Gallons @ $* _____ *per 1,000 Gallons.*

Next _____ *Gallons @ $* _____ *per 1,000 Gallons.*

Next _____ *Gallons @ $* _____ *per 1,000 Gallons.*

All Over _____ *Gallons @ $* _____ *per 1,000 Gallons.*

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

B. Recommended Rate Schedule with RUS Grant:

Percentage of Water Bill _____ *% Minimum Charge $* _____

Other: (If Charge Not Based on Water Bill) _____

_____

Recommended Rate Schedule: (With RUS Grant)

First _____ *Gallons @ $* _____ *Minimum.*

Next _____ *Gallons @ $* _____ *per 1,000 Gallons.*

Next _____ *Gallons @ $* _____ *per 1,000 Gallons.*

Next _____ *Gallons @ $* _____ *per 1,000 Gallons.*

Next _____ *Gallons @ $* _____ *per 1,000 Gallons.*

Next _____ *Gallons @ $* _____ *per 1,000 Gallons.*

All Over _____ *Gallons @ $* _____ *per 1,000 Gallons.*

If more than one rate, use additional sheets.

XXII. WATER RATES - PROPOSED

A. Proposed Rate Schedule without RUS Grant:

First	2000	Gallons @ $	15.08	Minimum.
Next		Gallons @ $		per 1,000 Gallons.
Next		Gallons @ $		per 1,000 Gallons.
Next		Gallons @ $		per 1,000 Gallons.
Next		Gallons @ $		per 1,000 Gallons.
Next		Gallons @ $		per 1,000 Gallons.
All Over	2000	Gallons @ $	6.41	per 1,000 Gallons.

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

B. Recommended Rate Schedule with RUS Grant:

First	2000	Gallons @ $	14.70	Minimum.
Next		Gallons @ $		per 1,000 Gallons.
Next		Gallons @ $		per 1,000 Gallons.
Next		Gallons @ $		per 1,000 Gallons.
Next		Gallons @ $		per 1,000 Gallons.
Next		Gallons @ $		per 1,000 Gallons.
All Over	2000	Gallons @ $	6.25	per 1,000 Gallons.

If more than one rate, use additional sheets.

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

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

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

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

	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
1-	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Inch	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	Sub-Total			( )	( )	( )	( )	( )	( )		
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
1-1/2	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Inch	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	Sub-Total			( )	( )	( )	( )	( )	( )		
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
2-	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Inch	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	Sub-Total			( )	( )	( )	( )	( )	( )		
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
3-	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Inch	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	Sub-Total			( )	( )	( )	( )	( )	( )		
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
4-	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Inch	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	Sub-Total			( )	( )	( )	( )	( )	( )		

* *Breakdown of meter size usage is <u>not</u> required unless different sewer rates are charged based on size of water meter.*

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

	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
5-	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Inch	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	Sub-Total			( )	( )	( )	( )	( )	( )		
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
6-	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Inch	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	Sub-Total			( )	( )	( )	( )	( )	( )		
	TOTALS			( )	( )	( )	( )	( )	( )		

MULTI-FAMILY AND APARTMENT USER ANALYSIS

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

Name of Unit	*Number of Units*	*Number of Meters*	*Revenue Calculations*
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

* ***Breakdown of meter size usage is <u>not</u> required unless different sewer rates are charged based on size of water meter.***

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

XXIV. FORECAST OF SEWER USAGE - INCOME - NEW USERS - EXTENSION ONLY

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

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

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

	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
1-	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Inch	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	Sub-Total			( )	( )	( )	( )	( )	( )		
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
1-1/2	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Inch	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	Sub-Total			( )	( )	( )	( )	( )	( )		
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
2-	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Inch	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	Sub-Total			( )	( )	( )	( )	( )	( )		
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
3-	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Inch	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	Sub-Total			( )	( )	( )	( )	( )	( )		
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
4-	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Inch	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	Sub-Total			( )	( )	( )	( )	( )	( )		

* *Breakdown of meter size usage is <u>not</u> required unless different sewer rates are charged based on size of water meter.*

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

	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
5-	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Inch	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	Sub-Total			(____)	(____)	(____)	(____)	(____)	(____)		
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
6-	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Inch	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	Sub-Total			(____)	(____)	(____)	(____)	(____)	(____)		
	TOTALS			(____)	(____)	(____)	(____)	(____)	(____)		

MULTI-FAMILY AND APARTMENT USER ANALYSIS

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

Name of Unit	*Number of Units*	*Number of Meters*	*Revenue Calculations*
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

* ***Breakdown of meter size usage is <u>not</u> required unless different sewer rates are charged based on size of water meter.***

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

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

Meter Size*	Monthly Sewer Usage	Average	Average Rate	Residential			Non-Residential		
				No. of Users**	Usage (1000)	Income	No. of Users	Usage (1000)	Income
	0 - 2,000 Gallons	1,000	14.70	25,242	29,386.8	371,057	489	265.2	7,188
	2,000 - 3,000 Gallons	2,500	17.82	9,816	25,527.0	174,921	36	89.9	641
	3,000 - 4,000 Gallons	3,500	24.07	8,841	31,648.7	212,803	27	94.9	650
	4,000 - 5,000 Gallons	4,500	30.32	6,846	31,575.7	207,571	18	85.5	546
	5,000 - 6,000 Gallons	5,500	36.57	4,773	26,880.9	174,548	17	94.9	621
	6,000 - 7,000 Gallons	6,500	42.82	3,036	20,184.3	130,001	13	86.7	557
	7,000 - 8,000 Gallons	7,500	49.07	1,945	14,882.6	95,441	7	60.9	343
	8,000 - 9,000 Gallons	8,500	55.32	1,282	11,125.8	70,920	6	52.0	332
	9,000 - 10,000 Gallons	9,500	61.57	854	8,812.7	52,580	18	163.4	1,108
5/8	10,000 - 11,000 Gallons	10,500	67.82	596	6,802.0	40,421	11	117.3	746
x	11,000 - 12,000 Gallons	11,500	74.07	378	4,726.5	27,998	5	58.0	370
3/4	12,000 - 13,000 Gallons	12,500	80.32	262	3,557.4	21,044	6	89.8	482
Inch	13,000 - 14,000 Gallons	13,500	86.57	177	2,643.8	15,323	10	95.2	866
	14,000 - 15,000 Gallons	14,500	92.82	145	2,194.5	13,459	10	145.5	928
	15,000 - 16,000 Gallons	15,500	99.07	154	2,605.6	15,257	6	93.7	594
	16,000 - 17,000 Gallons	16,500	105.32	103	1,871.8	10,848	7	115.4	737
	17,000 - 18,000 Gallons	17,500	111.57	100	1,896.4	11,157	5	87.7	558
	18,000 - 19,000 Gallons	18,500	117.82	82	1,650.5	9,661	2	37.3	236
	19,000 - 20,000 Gallons	19,500	124.07	60	1,211.3	7,444	3	58.6	372
Over	- 20,000 Gallons	57,200	359.7	750	42,874.7	269,775			
Over	- 20,000 Gallons	62,000	389.70				42	2,604.2	16,367
	- Gallons								
	Sub-Total			(65,442)	(272,059)	(1,932,229)	(738)	(4,496.1)	(34,242)
	Average Monthly Rate		( )						
	Average Monthly Usage				(4.22)			(6.09)	
	Added Customers		27.20	2,268	9,072	61,690			

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

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

	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
1-	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Inch	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	Sub-Total	(____)	(____)	(____)	(____)	(____)	(____)				
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
1-1/2	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Inch	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	Sub-Total	(____)	(____)	(____)	(____)	(____)	(____)				
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
2-	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Inch	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	Sub-Total	(____)	(____)	(____)	(____)	(____)	(____)				
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
3-	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Inch	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	Sub-Total	(____)	(____)	(____)	(____)	(____)	(____)				
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
4-	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Inch	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	Sub-Total	(____)	(____)	(____)	(____)	(____)	(____)				

* Breakdown of meter size usage is <u>not</u> required unless different water rates are charged based on size of water meter.

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

	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
5-	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Inch	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	Sub-Total			( )	( )	( )	( )	( )	( )		
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
6-	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Inch	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	Sub-Total			( )	( )	( )	( )	( )	( )		
	TOTALS			(67,710)	(281,131)	(1,993,919)	(750)	(16,818)	(33,388)		

MULTI-FAMILY AND APARTMENT USER ANALYSIS

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

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

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

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

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

Meter Size*	Monthly Sewer Usage	Average Average Rate	Residential No. of Users**	Residential Usage (1000)	Residential Income	Non-Residential No. of Users	Non-Residential Usage (1000)	Non-Residential Income
	0 - 2,000 Gallons	1,000						
	2,000 - 3,000 Gallons	2,500	17.82	2292	477.5	40843		
	3,000 - 4,000 Gallons	3,500						
	4,000 - 5,000 Gallons	4,500						
	5,000 - 6,000 Gallons	5,500						
	6,000 - 7,000 Gallons	6,500						
	7,000 - 8,000 Gallons	7,500						
	8,000 - 9,000 Gallons	8,500						
	9,000 - 10,000 Gallons	9,500						
5/8	10,000 - 11,000 Gallons	10,500						
x	11,000 - 12,000 Gallons	11,500						
3/4	12,000 - 13,000 Gallons	12,500						
Inch	13,000 - 14,000 Gallons	13,500						
	14,000 - 15,000 Gallons	14,500						
	15,000 - 16,000 Gallons	15,500						
	16,000 - 17,000 Gallons	16,500						
	17,000 - 18,000 Gallons	17,500						
	18,000 - 19,000 Gallons	18,500						
	19,000 - 20,000 Gallons	19,500						
	- Gallons							
	- Gallons							
	- Gallons							
	Sub-Total		( )	( )	( )	( )	( )	( )
	Average Monthly Rate	( )						
	Average Monthly Usage			( )			( )	

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

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

_______ -_______ Gallons_______ _______ _______ _______ _______ _______ _______ _______
_______ -_______ Gallons_______ _______ _______ _______ _______ _______ _______ _______
1- _______ -_______ Gallons_______ _______ _______ _______ _______ _______ _______ _______
Inch _______ -_______ Gallons_______ _______ _______ _______ _______ _______ _______ _______
_______ -_______ Gallons_______ _______ _______ _______ _______ _______ _______ _______
_______ -_______ Gallons_______ _______ _______ _______ _______ _______ _______ _______
Sub-Total (_____) (_____) (_____) (_____)(_____) (_____)

_______ -_______ Gallons_______ _______ _______ _______ _______ _______ _______ _______
_______ -_______ Gallons_______ _______ _______ _______ _______ _______ _______ _______
1-1/2_______ -_______ Gallons_______ _______ _______ _______ _______ _______ _______ _______
Inch _______ -_______ Gallons_______ _______ _______ _______ _______ _______ _______ _______
_______ -_______ Gallons_______ _______ _______ _______ _______ _______ _______ _______
_______ -_______ Gallons_______ _______ _______ _______ _______ _______ _______ _______
Sub-Total (_____) (_____) (_____) (_____)(_____) (_____)

_______ -_______ Gallons_______ _______ _______ _______ _______ _______ _______ _______
_______ -_______ Gallons_______ _______ _______ _______ _______ _______ _______ _______
2- _______ -_______ Gallons_______ _______ _______ _______ _______ _______ _______ _______
Inch _______ -_______ Gallons_______ _______ _______ _______ _______ _______ _______ _______
_______ -_______ Gallons_______ _______ _______ _______ _______ _______ _______ _______
_______ -_______ Gallons_______ _______ _______ _______ _______ _______ _______ _______
Sub-Total (_____) (_____) (_____) (_____)(_____) (_____)

_______ -_______ Gallons_______ _______ _______ _______ _______ _______ _______ _______
_______ -_______ Gallons_______ _______ _______ _______ _______ _______ _______ _______
3- _______ -_______ Gallons_______ _______ _______ _______ _______ _______ _______ _______
Inch _______ -_______ Gallons_______ _______ _______ _______ _______ _______ _______ _______
_______ -_______ Gallons_______ _______ _______ _______ _______ _______ _______ _______
_______ -_______ Gallons_______ _______ _______ _______ _______ _______ _______ _______
Sub-Total (_____) (_____) (_____) (_____)(_____) (_____)

_______ -_______ Gallons_______ _______ _______ _______ _______ _______ _______ _______
_______ -_______ Gallons_______ _______ _______ _______ _______ _______ _______ _______
4- _______ -_______ Gallons_______ _______ _______ _______ _______ _______ _______ _______
Inch _______ -_______ Gallons_______ _______ _______ _______ _______ _______ _______ _______
_______ -_______ Gallons_______ _______ _______ _______ _______ _______ _______ _______
_______ -_______ Gallons_______ _______ _______ _______ _______ _______ _______ _______
Sub-Total (_____) (_____) (_____) (_____)(_____) (_____)

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

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

	_____ - _____	Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____	Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
5-	_____ - _____	Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Inch	_____ - _____	Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____	Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____	Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
		Sub-Total			(____)	(____)	(____)	(____)	(____)	(____)		
	_____ - _____	Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____	Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
6-	_____ - _____	Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Inch	_____ - _____	Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____	Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____	Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
		Sub-Total			(____)	(____)	(____)	(____)	(____)	(____)		
		TOTALS			(2292)	(477.5)	(40843)	(____)	(____)	(____)		

MULTI-FAMILY AND APARTMENT USER ANALYSIS

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

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

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

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

XXVII. CURRENT OPERATING BUDGET - (SEWER SYSTEM)

(As of the last full operating year.)

A. Operating Income:

Sewer Revenue	$ _____
Late Charge Fees	_____
Other (Describe)	_____
Less Allowances and Deductions	(_____)
Total Operating Income	$ _____

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

Operation Expense	$ _____
Maintenance Expense	_____
Customer Accounts Expense	_____
Administrative and General Expense	_____
Total Operating and Maintenance Expenses	$ _____
Net Operating Income	$ _____

C. Non-Operating Income:

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

D. Net Income $ _____

E. Debt Repayment:

RUS Interest	$ _____
RUS Principal	_____
Non-RUS Interest	_____
Non-RUS Principal	_____
Total Debt Repayment	$ _____

F. Balance Available for Coverage $ _____

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

A. Operating Income:

Sewer Revenue	$ _____
Late Charge Fees	_____
Other (Describe)	_____
Less Allowances and Deductions	(_____)
Total Operating Income	$ _____

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

Operation Expense	$ _____
Maintenance Expense	_____
Customer Accounts Expense	_____
Administrative and General Expense	_____
Total Operating and Maintenance Expenses	$ _____
Net Operating Income	$ _____

C. Non-Operating Income:

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

D. Net Income $ _____

E. Debt Repayment:

RUS Interest	$ _____
RUS Principal	_____
Non-RUS Interest	_____
Non-RUS Principal	_____
Total Debt Repayment	$ _____

F. Balance Available for Coverage $ _____

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

A. *Operating Income:*

Sewer Revenue	$ _____
Late Charge Fees	_____
Other (Describe)	_____
Less Allowances and Deductions	(_____)
Total Operating Income	$ _____

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

Operation Expense	$ _____
Maintenance Expense	_____
Customer Accounts Expense	_____
Administrative and General Expense	_____
Total Operating and Maintenance Expenses	$ _____
Net Operating Income	$ _____

C. *Non-Operating Income:*

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

D. *Net Income* $ _____

E. *Debt Repayment:*

RUS Interest	$ _____
RUS Principal	_____
Non-RUS Interest	_____
Non-RUS Principal	_____
Total Debt Repayment	$ _____

F. *Balance Available for Coverage* $ _____

XXX. CURRENT OPERATING BUDGET - (WATER SYSTEM)
(As of the last full operating year.)

A. Operating Income:	
Water Sales	$ 1,744,282
Disconnect/Reconnect/Late Charge Fees	79,920
Other (Describe)	
Less Allowances and Deductions	( )
Total Operating Income	$ 1,824,202
B. Operation and Maintenance Expenses: (Based on Uniform System of Accounts prescribed by National Association of Regulatory Utility Commissioners)	
Source of Supply Expense	$ 769,519
Pumping Expense	23,760
Water Treatment Expense	
Transmission and Distribution Expense	105,815
Customer Accounts Expense	120,451
Administrative and General Expense	259,661
Total Operating Expenses	$ 1,279,206
Taxes	21,907
Capital Improvements	261,000
Net Operating Income	$ 262,089
C. Non-Operating Income:	
Interest on Deposits	$ 4,772
Other (Identify)	
Total Non-Operating Income	$ 4,772
D. Net Income	$ 266,861
E. Debt Repayment:	
RUS Interest	$ 162,535
RUS Principal	48,073
Non-RUS Interest	20,729
Non-RUS Principal	10,546
Total Debt Repayment	$ 241,883
F. Balance Available for Coverage	$ 24,978

XXXI. PROPOSED OPERATING BUDGET - (WATER SYSTEM) - EXISTING SYSTEM AND NEW USERS (1st Full Year of Operation) Year Ending 2004

A. Operating Income:

Water Sales	$ 2,068,150
Disconnect/Reconnect/Late Charge Fees	
Other (Describe)	
Less Allowances and Deductions	( )
Total Operating Income	$ 2,068,150

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

Source of Supply Expense	$ 804,347
Pumping Expense	25,231
Water Treatment Expense	-
Transmission and Distribution Expense	176,015
Customer Accounts Expense	139,451
Administrative and General Expense	274,861
Total Operating Expenses	$ 1,419,905
Taxes	21,907
Capital Improvements	147,844
Net Operating Income	$ 478,494

C. Non-Operating Income:

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

D. Net Income $ 478,494

E. Debt Repayment:

CITIZENS BANK NOTE	10,800
RUS Interest	$ 311,125
RUS Principal	82,777
Non-RUS Interest	18,837
Non-RUS Principal	12,438
Total Debt Repayment	$ 435,977

F. Balance Available for Coverage $ 42,517

XXXII. PROPOSED OPERATING BUDGET - (WATER SYSTEM) - NEW USERS - EXTENSION ONLY (1st Full Year of Operation) Year Ending 2004

A. Operating Income:	
Water Sales	$ 40,843
Disconnect/Reconnect/Late Charge Fees	
Other (Describe)	
Less Allowances and Deductions	( )
Total Operating Income	$ 40,843
B. Operation and Maintenance Expenses: (Based on Uniform System of Accounts prescribed by National Association of Regulatory Utility Commissioners)	
Source of Supply Expense	$ 13,482
Pumping Expense	404
Water Treatment Expense	-
Transmission and Distribution Expense	40,200
Customer Accounts Expense	9,550
Administrative and General Expense	7,640
Total Operating Expenses	$ 71,276
Net Operating Income	$ (30,433)
C. Non-Operating Income:	
Interest on Deposits	$
Other (Identify)	
Total Non-Operating Income	$
D. Net Income	$ (30,433)
E. Debt Repayment:	
RUS Interest	$ 91,035
RUS Principal	21,262
Non-RUS Interest	
Non-RUS Principal	
Total Debt Repayment	$ 112,297
F. Balance Available for Coverage	$ (142,730)

XXXIII. ESTIMATED PROJECT COST - SEWER

(Round to nearest $100)

	Collection	*Treatment*	*Total*
Development			
Land and Rights			
Legal			
Engineering			
Interest			
Contingencies			
Initial Operating and Maintenance			
Other			
TOTAL			

XXXIV. PROPOSED PROJECT FUNDING - SEWER

	Collection	*Treatment*	*Total*
Applicant - User Contribution Fees			
Other - Applicant Contribution			
RUS Loan			
RUS Grant			
ARC Grant (If applicable)			
CDBG (If applicable)			
Other (Specify)			
Other (Specify)			

XXXV. ESTIMATED PROJECT COST - WATER

Development	$ 2,500,000
Land and Rights	10,000
Legal	10,000
Engineering	277,500
Interest	60,000
Contingencies	263,500
Initial Operating and Maintenance	
Other Administration	3,000
TOTAL	$ 3,124,000

XXXVI. PROPOSED PROJECT FUNDING

Applicant - User Connection Fees	$ 101,000
Other Applicant Contribution	
RUS Loan	2,023,000
RUS Grant	1,000,000
ARC Grant (If applicable)	
CDBG (If applicable)	
Other (Specify)	
Other (Specify)	
TOTAL	$ 3,124,000

KENVIRONS

FINAL ENGINEERING REPORT

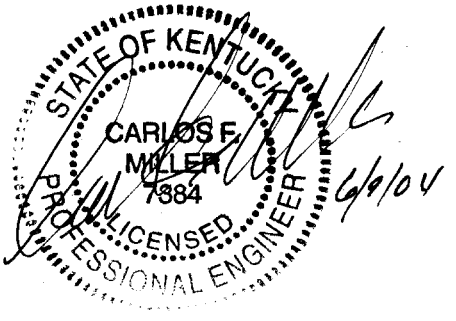
for

SOUTHEASTERN WATER ASSOCIATION

PHASE 2 SYSTEM REINFORCEMENTS AND EXTENSIONS

PROJECT NO. 2000170

JUNE, 2004



Kenvirons, Inc.

Civil & Environmental Engineering and Laboratory Services

A Preliminary Engineering Report dated June, 2002 describes, in detail, the scope and need for this project.

Bids were received on June 8, 2004 with three (3) bidders responding. The low bid was submitted by K. Carrender Construction Co., Somerset, Kentucky, in the amount of $2,564,351.50 for the base project and $3,760,314.50, which included Additive Alternates 1-6. A copy of the certified bid tabulation is included in this report.

The construction bid for the base project was within the project budget. A revised project cost breakdown is as follows:

BUDGET ITEM	R.D. LETTER OF CONDITIONS	REVISED
Development	$2,500,000	$2,564,351
Land & Rights	13,000	13,000
Legal & Administrative	10,000	10,000
Engineering	277,500	281,800
Interest	60,000	60,000
Contingencies	263,500	194,849
	$3,124,000	$3,124,000

RECOMMENDATIONS

1. The bid amounts for this project are in the acceptable range for the types of work involved. The contractor that submitted the low bid is experienced and acceptable. It is recommended that the contract be awarded to the low bidder named herein in the amount of the base project bid of $2,564,351.50.

2. Proceed with the application to the Public Service Commission for authority to construct the facilities.

3. Additive alternates may be considered at approximately 80% completion.

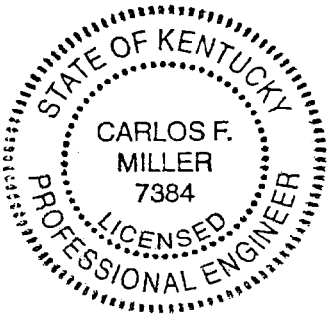
KENVIRONS, INC.
452 VERSAILLES ROAD
FRANKFORT, KENTUCKY 40601
TEL (502) 695-4357
FAX (502) 695-4363

BID TABULATIONS
PROJECT: Contract 4 - Phase 2 Water Systems Extensions
LOCATION: Southeastern Water Association
BID DATE: June 8, 2004 until 11:00 a.m. (local time)

ITEM NO.	ITEM DESCRIPTION	UNIT	QUANTITY	K. Carrender Construction Co. 200 Ringgold Road Somerset, KY 42503		Cleary Construction, Inc. 1860 Edmonton Road Tompkinsville, KY 42167		Laurel Construction Co., Inc. 5209 Somerset Road London, KY 40741	
				UNIT COST	COST	UNIT COST	COST	UNIT COST	COST
1	8-Inch PVC Pipe, SDR 21	LF		$15.20	$0.00	$0.00	$0.00	$0.00	$0.00
2	8-Inch PVC Pipe, SDR 17	LF		16.40	$0.00	0.00	$0.00	0.00	$0.00
3	8-Inch DI Pipe, CL 350, Push On Joint	LF		25.15	$0.00	0.00	$0.00	0.00	$0.00
4	6-Inch PVC Pipe, SDR 17	LF	18,510	11.25	$208,237.50	11.60	$214,716.00	13.00	$240,630.00
5	6-Inch DI Pipe, CL 350, Push On Joint	LF	23,030	15.15	$348,904.50	18.50	$426,055.00	18.00	$414,540.00
6	4-Inch PVC Pipe, SDR 21	LF	1,180	6.45	$7,611.00	9.20	$10,856.00	11.50	$13,570.00
7	4-Inch PVC Pipe, SDR 17	LF	70,310	6.80	$478,108.00	9.30	$653,883.00	12.00	$843,720.00
8	4-Inch DI Pipe, CL 350, Push On Joint	LF	32,610	17.75	$578,827.50	17.50	$570,675.00	17.00	$554,370.00
9	3-Inch PVC Pipe, SDR 21	LF	14,350	5.10	$73,185.00	8.40	$120,540.00	10.00	$143,500.00
10	3-Inch PVC Pipe, SDR 17	LF	16,350	5.90	$96,465.00	8.60	$140,610.00	10.50	$171,675.00
11	Bored Encasement for 8-Inch Pipe	LF		150.00	$0.00		$0.00		$0.00
12	Open Cut Encasement for 8-Inch Pipe	LF		60.00	$0.00		$0.00		$0.00
13	Bored Encasement for 6-Inch Pipe	LF	330	145.00	$47,850.00	105.00	$34,650.00	120.00	$39,600.00
14	Open Cut Encasement for 6-Inch Pipe	LF	240	55.00	$13,200.00	50.00	$12,000.00	40.00	$9,600.00
15	Bored Encasement for 3 and 4-Inch Pipe	LF	630	140.00	$88,200.00	80.00	$50,400.00	90.00	$56,700.00
16	Open Cut Encasement for 3 and 4-Inch Pipe	LF	560	50.00	$28,000.00	40.00	$22,400.00	30.00	$16,800.00
17	8-Inch Gate Valve	EA		650.00	$0.00		$0.00		$0.00
18	6-Inch Gate Valve	EA	27	500.00	$13,500.00	435.00	$11,745.00	380.00	$10,260.00
19	4-Inch Gate Valve	EA	74	425.00	$31,450.00	340.00	$25,160.00	360.00	$26,640.00
20	3-Inch Gate Valve	EA	23	400.00	$9,200.00	315.00	$7,245.00	340.00	$7,820.00
21	6" x 6" Tapping Sleeve & Valve	EA		1,500.00	$0.00		$0.00		$0.00
22	4" x 4" Tapping Sleeve & Valve	EA	3	1,200.00	$3,600.00	1,020.00	$3,060.00	1,500.00	$4,500.00
23	3" x 3" Tapping Sleeve & Valve	EA	1	1,100.00	$1,100.00	1,000.00	$1,000.00	1,500.00	$1,500.00
24	6" x 4" Tapping Sleeve & Vavle	EA	1	1,250.00	$1,250.00	1,125.00	$1,125.00	1,500.00	$1,500.00
25	3-Inch Blow Off, Type 1	EA	2	1,000.00	$2,000.00	660.00	$1,320.00	600.00	$1,200.00
26	3-Inch Blow Off, Type 2	EA	11	900.00	$9,900.00	550.00	$6,050.00	900.00	$9,900.00
27	Air Release Valve	EA	5	500.00	$2,500.00	310.00	$1,550.00	250.00	$1,250.00
28	4" Blow Off, Type 1	EA	1	1,500.00	$1,500.00	735.00	$735.00	700.00	$700.00
29	4" Blow Off, Type 2	EA	10	1,000.00	$10,000.00	600.00	$6,000.00	1,000.00	$10,000.00
30	6" Blow Off, Type 1	EA		2,000.00	$0.00		$0.00		$0.00
31	Creek Crossing Test Meter	EA		800.00	$0.00		$0.00		$0.00
32	Pressure Reducing Station	EA	2	15,000.00	$30,000.00	6,000.00	$12,000.00	10,000.00	$20,000.00
33	Pavement Restoration				$0.00		$0.00		$0.00
	33.1. Crushed Stone	LF	12,000	12.00	$144,000.00	3.00	$36,000.00	4.00	$48,000.00
	33.2. Light Duty Bituminous	LF	380	25.00	$9,500.00	22.00	$8,360.00	15.00	$5,700.00
	33.3. Heavy Duty Bituminous	LF	600	40.00	$24,000.00	25.00	$15,000.00	18.00	$10,800.00
	33.4. Concrete	LF	200	60.00	$12,000.00	30.00	$6,000.00	20.00	$4,000.00
34	5/8" x 3/4" Meter Box Installation	EA	30	350.00	$10,500.00	420.00	$12,600.00	450.00	$13,500.00
35	5/8" x 3/4" Meter Box Installation with Individual PRV	EA	161	500.00	$80,500.00	500.00	$80,500.00	480.00	$77,280.00
36	3/4" Service Tubing	LF	11,000	5.00	$55,000.00	3.00	$33,000.00	6.50	$71,500.00
37	Free Bore for 3 through 8-Inch Pipe	LF	350	35.00	$12,250.00	40.00	$14,000.00	50.00	$17,500.00
38	4" Creek Crossing, Type B	LF	56	50.00	$2,800.00	50.00	$2,800.00	100.00	$5,600.00
39	6" Creek Crossing, Type B	LF	35	55.00	$1,925.00	60.00	$2,100.00	160.00	$5,600.00
40	4" Creek Crossing, Type A	LF	30	75.00	$2,250.00	45.00	$1,350.00	160.00	$4,800.00
41	6" Creek Crossing, Type A	LF	20	80.00	$1,600.00	55.00	$1,100.00	180.00	$3,600.00
42	8" Creek Crossing, Type B	LF		60.00	$0.00		$0.00		$0.00
43	Pitman Creek Directional Bore	LS		200,000.00	$0.00		$0.00		$0.00
44	Final Pipeline Cleanup	LF	176,340	0.70	$123,438.00	0.70	$123,438.00	0.70	$123,438.00
	TOTAL BASE PROJECT BID				$2,564,351.50		$2,670,023.00		$2,991,293.00
	Additive Alternate No. 1				$62,025.00		$70,800.00		$88,030.00
	Additive Alternate No. 2				$36,830.00		$42,050.00		$50,070.00
	Additive Alternate No. 3				$158,625.00		$172,990.00		$217,790.00
	Additive Alternate No. 4				$289,293.00		$362,136.00		* $253,851.00
	Additive Alternate No. 5				* $578,895.00		$495,805.00		$323,000.00
	Additive Alternate No. 6				$70,295.00		$78,520.00		$97,471.00
	TOTAL BASE PROJECT BID PLUS ADDITIVE ALTERNATES 1-6				* $3,760,314.50		$3,892,324.00		* $4,021,505.00

*: DENOTES AN ARITHMETIC ERROR WAS MADE, AMOUNT HAS BEEN CORRECTED TO REFLECT UNIT PRICE SUBMITTED ON BASE BID.
THE ABOVE IS A TRUE AND COMPLETE TABULATION OF BIDS RECEIVED AT 11:00 A.M., LOCAL TIME, TUESDAY, JUNE 8, 2004 AT THE SOUTHEASTERN WATER ASSOCIATION.

BY: Carlos F. Miller, PE 6/9/04
DATE



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

ADD ALTERNATE NO. 1

MERRIT CEMETERY ROAD

ITEM NO.	ITEM DESCRIPTION	UNIT	QUANTITY	K. Carrender Construction Co. 200 Ringgold Road Somerset, KY 42503		Cleary Construction, Inc. 1860 Edmonton Road Tompkinsville, KY 42167		Laurel Construction Co., Inc. 5209 Somerset Road London, KY 40741	
				UNIT COST	COST	UNIT COST	COST	UNIT COST	COST
7	4-Inch PVC Pipe, SDR 17	LF	6,000	6.80	$40,800.00	9.30	$55,800.00	12.00	$72,000.00
16	Open Cut Encasement for 3 and 4-Inch Pipe	LF	50	50.00	$2,500.00	40.00	$2,000.00	30.00	$1,500.00
19	4-Inch Gate Valve	EA	3	425.00	$1,275.00	340.00	$1,020.00	360.00	$1,080.00
27	Air Release Valve	EA	1	500.00	$500.00	310.00	$310.00	250.00	$250.00
29	4" Blow Off, Type 2	EA	1	1,000.00	$1,000.00	600.00	$600.00	1,000.00	$1,000.00
33	Pavement Restoration				$0.00		$0.00		$0.00
	33.1. Crushed Stone	LF	400	12.00	$4,800.00	3.00	$1,200.00	4.00	$1,600.00
	33.2. Light Duty Bituminous	LF	10	25.00	$250.00	22.00	$220.00	15.00	$150.00
	33.3. Heavy Duty Bituminous	LF	50	40.00	$2,000.00	25.00	$1,250.00	18.00	$900.00
	33.4. Concrete	LF		60.00	$0.00	30.00	$0.00	20.00	$0.00
35	5/8" x 3/4" Meter Box Installation with Individual PRV	EA	5	500.00	$2,500.00	500.00	$2,500.00	480.00	$2,400.00
36	3/4" Service Tubing	LF	300	5.00	$1,500.00	3.00	$900.00	6.50	$1,950.00
37	Free Bore for 3 through 8-inch Pipe	LF	20	35.00	$700.00	40.00	$800.00	50.00	$1,000.00
44	Final Pipeline Cleanup	LF	6,000	0.70	$4,200.00	0.70	$4,200.00	0.70	$4,200.00
TOTAL ALTERNATE NO. 1 BID					$62,025.00		$70,800.00		$88,030.00

KENVIRONS, INC.
452 VERSAILLES ROAD
FRANKFORT, KENTUCKY 40601
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ADD ALTERNATE NO. 2

BEN BAKER ROAD

ITEM NO.	ITEM DESCRIPTION	UNIT	QUANTITY	K. Carrender Construction Co. 200 Ringgold Road Somerset, KY 42503		Cleary Construction, Inc. 1860 Edmonton Road Tompkinsville, KY 42167		Laurel Construction Co., Inc. 5209 Somerset Road London, KY 40741	
				UNIT COST	COST	UNIT COST	COST	UNIT COST	COST
10	3-Inch PVC Pipe, SDR 17	LF	3,800	5.90	$22,420.00	8.60	$32,680.00	10.50	$39,900.00
16	Open Cut Encasement for 3 and 4-Inch Pipe	LF	30	50.00	$1,500.00	40.00	$1,200.00	30.00	$900.00
20	3-Inch Gate Valve	EA	2	400.00	$800.00	315.00	$630.00	340.00	$680.00
26	3-Inch Blow Off, Type 2	EA	1	900.00	$900.00	550.00	$550.00	900.00	$900.00
33	Pavement Restoration				$0.00		$0.00		$0.00
	33.1. Crushed Stone	LF	400	12.00	$4,800.00	3.00	$1,200.00	4.00	$1,600.00
	33.2. Light Duty Bituminous	LF	10	25.00	$250.00	22.00	$220.00	15.00	$150.00
	33.3. Heavy Duty Bituminous	LF	30	40.00	$1,200.00	25.00	$750.00	18.00	$540.00
	33.4. Concrete	LF		60.00	$0.00	30.00	$0.00	20.00	$0.00
35	5/8" x 3/4" Meter Box Installation with Individual PRV	EA	2	500.00	$1,000.00	500.00	$1,000.00	480.00	$960.00
36	3/4" Service Tubing	LF	120	5.00	$600.00	3.00	$360.00	6.50	$780.00
37	Free Bore for 3 through 8-Inch Pipe	LF	20	35.00	$700.00	40.00	$800.00	50.00	$1,000.00
44	Final Pipeline Cleanup	LF	3,800	0.70	$2,660.00	0.70	$2,660.00	0.70	$2,660.00
TOTAL ALTERNATE NO. 2 BID					**$36,830.00**		**$42,050.00**		**$50,070.00**

KENVIRONS, INC.
452 VERSAILLES ROAD
FRANKFORT, KENTUCKY 40601
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LONG HOLLOW ROAD, DRUM ROAD (EAST) & DRUM ROAD (WEST)

ITEM NO.	ITEM DESCRIPTION	UNIT	QUANTITY	K. Carrender Construction Co. 200 Ringgold Road Somerset, KY 42503		Cleary Construction, Inc. 1860 Edmonton Road Tompkinsville, KY 42167		Laurel Construction Co., Inc. 5209 Somerset Road London, KY 40741	
				UNIT COST	COST	UNIT COST	COST	UNIT COST	COST
7	4-Inch PVC Pipe, SDR 17	LF	15,000	6.80	$102,000.00	9.30	$139,500.00	12.00	$180,000.00
15	Bored Encasement for 3 and 4-Inch Pipe	LF	130	140.00	$18,200.00	80.00	$10,400.00	90.00	$11,700.00
16	Open Cut Encasement for 3 and 4-Inch Pipe	LF	20	50.00	$1,000.00	40.00	$800.00	30.00	$600.00
19	4-Inch Gate Valve	EA	9	425.00	$3,825.00	340.00	$3,060.00	360.00	$3,240.00
29	4" Blow Off, Type 2	EA	1	1,000.00	$1,000.00	600.00	$600.00	1,000.00	$1,000.00
33	Pavement Restoration				$0.00		$0.00		$0.00
	33.1. Crushed Stone	LF	1,500	12.00	$18,000.00	3.00	$4,500.00	4.00	$6,000.00
	33.2. Light Duty Bituminous	LF	10	25.00	$250.00	22.00	$220.00	15.00	$150.00
	33.3. Heavy Duty Bituminous	LF	20	40.00	$800.00	25.00	$500.00	18.00	$360.00
	33.4. Concrete	LF		60.00	$0.00	30.00	$0.00		$0.00
35	5/8" x 3/4" Meter Box Installation with Individual PRV	EA	2	500.00	$1,000.00	500.00	$1,000.00	480.00	$960.00
36	3/4" Service Tubing	LF	120	5.00	$600.00	3.00	$360.00	6.50	$780.00
37	Free Bore for 3 through 8-Inch Pipe	LF	20	35.00	$700.00	40.00	$800.00	50.00	$1,000.00
38	4" Creek Crossing, Type B	LF	15	50.00	$750.00	50.00	$750.00	100.00	$1,500.00
44	Final Pipeline Cleanup	LF	15,000	0.70	$10,500.00	0.70	$10,500.00	0.70	$10,500.00
TOTAL ALTERNATE NO. 3 BID					$158,825.00		$172,990.00		$217,790.00

KENVIRONS, INC.
452 VERSAILLES ROAD
FRANKFORT, KENTUCKY 40601
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ITEM NO.	ITEM DESCRIPTION	UNIT	QUANTITY	K. Carrender Construction Co. 200 Ringgold Road Somerset, KY 42503		Cleary Construction, Inc. 1860 Edmonton Road Tompkinsville, KY 42167		Laurel Construction Co., Inc. 5209 Somerset Road London, KY 40741	
				UNIT COST	COST	UNIT COST	COST	UNIT COST	COST
1	8-Inch PVC Pipe, SDR 21	LF	9,300	$15.20	$141,360.00	$22.00	$204,600.00	$14.00	$130,200.00
2	8-Inch PVC Pipe, SDR 17	LF	4,630	16.40	$75,932.00	23.00	$106,490.00	15.00	$69,450.00
11	Bored Encasement for 8-Inch Pipe	LF	190	150.00	$28,500.00	135.00	$25,650.00	140.00	$26,600.00
17	8-Inch Gate Valve	EA	5	650.00	$3,250.00	635.00	$3,175.00	500.00	$2,500.00
21	6" x 6" Tapping Sleeve & Valve	EA	1	1,500.00	$1,500.00	1,280.00	$1,280.00	1,500.00	$1,500.00
27	Air Release Valve	EA	1	500.00	$500.00	310.00	$310.00	250.00	$250.00
33	Pavement Restoration				$0.00		$0.00		$0.00
	33.1. Crushed Stone	LF	2,000	12.00	$24,000.00	3.00	$6,000.00	4.00	$8,000.00
	33.2. Light Duty Bituminous	LF	40	25.00	$1,000.00	22.00	$880.00	15.00	$600.00
	33.3. Heavy Duty Bituminous	LF		40.00	$0.00	25.00	$0.00	18.00	* $0.00
	33.4. Concrete	LF		60.00	$0.00	30.00	$0.00	20.00	* $0.00
37	Free Bore for 3 through 8-Inch Pipe	LF	100	35.00	$3,500.00	40.00	$4,000.00	50.00	$5,000.00
44	Final Pipeline Cleanup	LF	13,930	0.70	$9,751.00	0.70	$9,751.00	0.70	$9,751.00
TOTAL ALTERNATE NO. 4 BID					$289,293.00		$362,136.00		* $253,851.00

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

ADD ALTERNATE NO. 5

KY 192 REINFORCEMENT, EAST

ITEM NO.	ITEM DESCRIPTION	UNIT	QUANTITY	K. Carrender Construction Co. 200 Ringgold Road Somerset, KY 42503		Cleary Construction, Inc. 1860 Edmonton Road Tompkinsville, KY 42167		Laurel Construction Co., Inc. 5209 Somerset Road London, KY 40741	
				UNIT COST	COST	UNIT COST	COST	UNIT COST	COST
2	8-Inch PVC Pipe, SDR 17	LF	5,600	16.40	$91,840.00	23.00	$128,800.00	15.00	$84,000.00
3	8-Inch DI Pipe, CL 350, Push On Joint	LF	9,100	25.15	$228,865.00	28.00	$254,800.00	22.00	$200,200.00
11	Bored Encasement for 8-Inch Pipe	LF	70	150.00	$10,500.00	135.00	$9,450.00	140.00	$9,800.00
17	8-Inch Gate Valve	EA	7	650.00	$4,550.00	635.00	$4,445.00	500.00	$3,500.00
22	4" x 4" Tapping Sleeve & Valve	EA	1	1,200.00	$1,200.00	1,020.00	$1,020.00	1,500.00	$1,500.00
30	6" Blow Off, Type 1	EA	1	2,000.00	$2,000.00	920.00	$920.00	1,000.00	$1,000.00
31	Creek Crossing Test Meter	EA	1	800.00	$800.00	920.00	$920.00	500.00	$500.00
33	Pavement Restoration				$0.00		$0.00		$0.00
	33.1. Crushed Stone	LF	2,000	12.00	$24,000.00	3.00	$6,000.00	4.00	$8,000.00
	33.2. Light Duty Bituminous	LF	30	25.00	$750.00	22.00	$660.00	15.00	$450.00
	33.3. Heavy Duty Bituminous	LF	20	40.00	$800.00	25.00	$500.00	18.00	$360.00
	33.4. Concrete	LF	20	60.00	$1,200.00	30.00	$600.00	20.00	$400.00
37	Free Bore for 3 through 8-Inch Pipe	LF	60	35.00	$2,100.00	40.00	$2,400.00	50.00	$3,000.00
43	Pitman Creek Directional Bore	LS	1	200,000.00	$200,000.00	75,000.00	$75,000.00	**	
44	Final Pipeline Cleanup	LF	14,700	0.70	$10,290.00	0.70	$10,290.00	0.70	$10,290.00
TOTAL ALTERNATE NO. 5 BID					$578,895.00		$495,805.00		$323,000.00

** No unit price

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

ADD ALTERNATE NO. 6

PRICE VALLEY ROAD

ITEM NO.	ITEM DESCRIPTION	UNIT	QUANTITY	K. Carrender Construction Co. 200 Ringgold Road Somerset, KY 42503		Cleary Construction, Inc. 1860 Edmonton Road Tompkinsville, KY 42167		Laurel Construction Co., Inc. 5209 Somerset Road London, KY 40741	
				UNIT COST	COST	UNIT COST	COST	UNIT COST	COST
7	4-Inch PVC Pipe, SDR 17	LF	6,730	6.80	$45,764.00	9.30	62,589.00	$12.00	$80,760.00
16	Open Cut Encasement for 3 and 4-Inch Pipe	LF	60	50.00	$3,000.00	40.00	2,400.00	$30.00	$1,800.00
19	4-Inch Gate Valve	EA	4	425.00	$1,700.00	340.00	1,360.00	$360.00	$1,440.00
29	4" Blow Off, Type 2	EA	1	1,000.00	$1,000.00	600.00	600.00	$1,000.00	$1,000.00
33	Pavement Restoration				$0.00		0.00		$0.00
	33.1. Crushed Stone	LF	660	12.00	$7,920.00	3.00	1,980.00	4.00	$2,640.00
	33.2. Light Duty Bituminous	LF	60	25.00	$1,500.00	22.00	1,320.00	15.00	$900.00
	33.3. Heavy Duty Bituminous	LF	60	40.00	$2,400.00	25.00	1,500.00	18.00	$1,080.00
	33.4. Concrete	LF		60.00	$0.00	30.00	0.00		$0.00
35	5/8" x 3/4" Meter Box Installation with Individual PRV	EA	2	500.00	$1,000.00	500.00	1,000.00	$480.00	$960.00
36	3/4" Service Tubing	LF	120	5.00	$600.00	3.00	360.00	$6.50	$780.00
38	4" Creek Crossing, Type B	LF	14	50.00	$700.00	50.00	700.00	$100.00	$1,400.00
44	Final Pipeline Cleanup	LF	6,730	0.70	$4,711.00	0.70	4,711.00	0.70	$4,711.00
TOTAL ALTERNATE NO. 6 BID					$70,295.00		$78,520.00		$97,471.00

EXHIBIT 5

CERTIFIED BID TABULATIONS

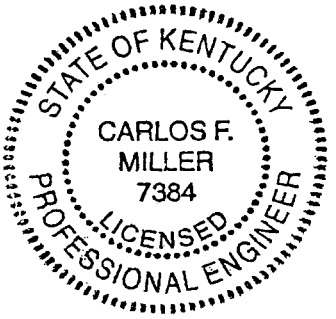
KENVIRONS, INC.
452 VERSAILLES ROAD
FRANKFORT, KENTUCKY 40601
TEL (502) 695-4357
FAX (502) 695-4363

BID TABULATIONS
PROJECT: Contract 4 - Phase 2 Water Systems Extensions
LOCATION: Southeastern Water Association
BID DATE: June 8, 2004 until 11:00 a.m. (local time)

ITEM NO.	ITEM DESCRIPTION	UNIT	QUANTITY	K. Carrender Construction Co. 200 Ringgold Road Somerset, KY 42503		Cleary Construction, Inc. 1860 Edmonton Road Tompkinsville, KY 42167		Laurel Construction Co., Inc. 5209 Somerset Road London, KY 40741	
				UNIT COST	COST	UNIT COST	COST	UNIT COST	COST
1	8-Inch PVC Pipe, SDR 21	LF		$15.20	$0.00	$0.00	$0.00	$0.00	$0.00
2	8-Inch PVC Pipe, SDR 17	LF		16.40	$0.00	0.00	$0.00	0.00	$0.00
3	8-Inch DI Pipe, CL 350, Push On Joint	LF		25.15	$0.00	0.00	$0.00	0.00	$0.00
4	6-Inch PVC Pipe, SDR 17	LF	18,510	11.25	$208,237.50	11.60	$214,716.00	13.00	$240,630.00
5	6-Inch DI Pipe, CL 350, Push On Joint	LF	23,030	15.15	$348,904.50	18.50	$426,055.00	18.00	$414,540.00
6	4-Inch PVC Pipe, SDR 21	LF	1,180	6.45	$7,611.00	9.20	$10,856.00	11.50	$13,570.00
7	4-Inch PVC Pipe, SDR 17	LF	70,310	6.80	$478,108.00	9.30	$653,883.00	12.00	$843,720.00
8	4-Inch DI Pipe, CL 350, Push On Joint	LF	32,610	17.75	$578,827.50	17.50	$570,675.00	17.00	$554,370.00
9	3-Inch PVC Pipe, SDR 21	LF	14,350	5.10	$73,185.00	8.40	$120,540.00	10.00	$143,500.00
10	3-Inch PVC Pipe, SDR 17	LF	16,350	5.90	$96,465.00	8.60	$140,610.00	10.50	$171,675.00
11	Bored Encasement for 8-Inch Pipe	LF		150.00	$0.00		$0.00		$0.00
12	Open Cut Encasement for 8-Inch Pipe	LF		60.00	$0.00		$0.00		$0.00
13	Bored Encasement for 6-Inch Pipe	LF	330	145.00	$47,850.00	105.00	$34,650.00	120.00	$39,600.00
14	Open Cut Encasement for 6-Inch Pipe	LF	240	55.00	$13,200.00	50.00	$12,000.00	40.00	$9,600.00
15	Bored Encasement for 3 and 4-Inch Pipe	LF	630	140.00	$88,200.00	80.00	$50,400.00	90.00	$56,700.00
16	Open Cut Encasement for 3 and 4-Inch Pipe	LF	560	50.00	$28,000.00	40.00	$22,400.00	30.00	$16,800.00
17	8-Inch Gate Valve	EA		650.00	$0.00		$0.00		$0.00
18	6-Inch Gate Valve	EA	27	500.00	$13,500.00	435.00	$11,745.00	380.00	$10,260.00
19	4-Inch Gate Valve	EA	74	425.00	$31,450.00	340.00	$25,160.00	380.00	$28,640.00
20	3-Inch Gate Valve	EA	23	400.00	$9,200.00	315.00	$7,245.00	340.00	$7,820.00
21	6" x 6" Tapping Sleeve & Valve	EA		1,500.00	$0.00		$0.00		$0.00
22	4" x 4" Tapping Sleeve & Valve	EA	3	1,200.00	$3,600.00	1,020.00	$3,060.00	1,500.00	$4,500.00
23	3" x 3" Tapping Sleeve & Valve	EA	1	1,100.00	$1,100.00	1,000.00	$1,000.00	1,500.00	$1,500.00
24	6" x 4" Tapping Sleeve & Vavle	EA	1	1,250.00	$1,250.00	1,125.00	$1,125.00	1,500.00	$1,500.00
25	3-Inch Blow Off, Type 1	EA	2	1,000.00	$2,000.00	660.00	$1,320.00	600.00	$1,200.00
26	3-Inch Blow Off, Type 2	EA	11	900.00	$9,900.00	550.00	$6,050.00	900.00	$9,900.00
27	Air Release Valve	EA	5	500.00	$2,500.00	310.00	$1,550.00	250.00	$1,250.00
28	4" Blow Off, Type 1	EA	1	1,500.00	$1,500.00	735.00	$735.00	700.00	$700.00
29	4" Blow Off, Type 2	EA	10	1,000.00	$10,000.00	600.00	$6,000.00	1,000.00	$10,000.00
30	6" Blow Off, Type 1	EA		2,000.00	$0.00		$0.00		$0.00
31	Creek Crossing Test Meter	EA		800.00	$0.00		$0.00		$0.00
32	Pressure Reducing Station	EA	2	15,000.00	$30,000.00	6,000.00	$12,000.00	10,000.00	$20,000.00
33	Pavement Restoration				$0.00		$0.00		$0.00
	33.1. Crushed Stone	LF	12,000	12.00	$144,000.00	3.00	$36,000.00	4.00	$48,000.00
	33.2. Light Duty Bituminous	LF	380	25.00	$9,500.00	22.00	$8,360.00	15.00	$5,700.00
	33.3. Heavy Duty Bituminous	LF	600	40.00	$24,000.00	25.00	$15,000.00	18.00	$10,800.00
	33.4. Concrete	LF	200	60.00	$12,000.00	30.00	$6,000.00	20.00	$4,000.00
34	5/8" x 3/4" Meter Box Installation	EA	30	350.00	$10,500.00	420.00	$12,600.00	450.00	$13,500.00
35	5/8" x 3/4" Meter Box Installation with Individual PRV	EA	161	500.00	$80,500.00	500.00	$80,500.00	480.00	$77,280.00
36	3/4" Service Tubing	LF	11,000	5.00	$55,000.00	3.00	$33,000.00	6.50	$71,500.00
37	Free Bore for 3 through 8-Inch Pipe	LF	350	35.00	$12,250.00	40.00	$14,000.00	50.00	$17,500.00
38	4" Creek Crossing, Type B	LF	56	50.00	$2,800.00	50.00	$2,800.00	100.00	$5,600.00
39	6" Creek Crossing, Type B	LF	35	55.00	$1,925.00	60.00	$2,100.00	160.00	$5,600.00
40	4" Creek Crossing, Type A	LF	30	75.00	$2,250.00	45.00	$1,350.00	160.00	$4,800.00
41	6" Creek Crossing, Type A	LF	20	80.00	$1,600.00	55.00	$1,100.00	180.00	$3,600.00
42	8" Creek Crossing, Type B	LF		60.00	$0.00		$0.00		$0.00
43	Pitman Creek Directional Bore	LS		200,000.00	$0.00		$0.00		$0.00
44	Final Pipeline Cleanup	LF	178,340	0.70	$123,438.00	0.70	$123,438.00	0.70	$123,438.00
	TOTAL BASE PROJECT BID				$2,564,351.50		$2,670,023.00		$2,991,293.00
	Additive Alternate No. 1				$62,025.00		$70,800.00		$68,030.00
	Additive Alternate No. 2				$36,830.00		$42,050.00		$50,070.00
	Additive Alternate No. 3				$158,625.00		$172,990.00		$217,790.00
	Additive Alternate No. 4				$289,293.00		$362,136.00	*	$253,851.00
	Additive Alternate No. 5			*	$578,895.00		$495,805.00		$323,000.00
	Additive Alternate No. 6				$70,295.00		$78,520.00		$97,471.00
	TOTAL BASE PROJECT BID PLUS ADDITIVE ALTERNATES 1-6			*	$3,760,314.50		$3,892,324.00	*	$4,021,505.00

*- DENOTES AN ARITHMETIC ERROR WAS MADE, AMOUNT HAS BEEN CORRECTED TO REFLECT UNIT PRICE SUBMITTED ON BASE BID.
THE ABOVE IS A TRUE AND COMPLETE TABULATION OF BIDS RECEIVED AT 11:00 A.M., LOCAL TIME, TUESDAY, JUNE 8, 2004 AT THE SOUTHEASTERN WATER ASSOCIATION.

BY: _____ 6/9/04
Carlos F. Miller, P.E. DATE



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

ITEM NO.	ITEM DESCRIPTION	UNIT	QUANTITY	K. Carrender Construction Co. 200 Ringgold Road Somerset, KY 42503		Cleary Construction, Inc. 1860 Edmonton Road Tompkinsville, KY 42187		Laurel Construction Co., Inc. 5209 Somerset Road London, KY 40741	
				UNIT COST	COST	UNIT COST	COST	UNIT COST	COST
7	4-Inch PVC Pipe, SDR 17	LF	6,000	6.80	$40,800.00	9.30	$55,800.00	12.00	$72,000.00
18	Open Cut Encasement for 3 and 4-Inch Pipe	LF	50	50.00	$2,500.00	40.00	$2,000.00	30.00	$1,500.00
19	4-Inch Gate Valve	EA	3	425.00	$1,275.00	340.00	$1,020.00	360.00	$1,080.00
27	Air Release Valve	EA	1	500.00	$500.00	310.00	$310.00	250.00	$250.00
29	4" Blow Off, Type 2	EA	1	1,000.00	$1,000.00	600.00	$600.00	1,000.00	$1,000.00
33	Pavement Restoration				$0.00		$0.00		$0.00
	33.1. Crushed Stone	LF	400	12.00	$4,800.00	3.00	$1,200.00	4.00	$1,600.00
	33.2. Light Duty Bituminous	LF	10	25.00	$250.00	22.00	$220.00	15.00	$150.00
	33.3. Heavy Duty Bituminous	LF	50	40.00	$2,000.00	25.00	$1,250.00	18.00	$900.00
	33.4. Concrete	LF		80.00	$0.00	30.00	$0.00	20.00	$0.00
35	5/8" x 3/4" Meter Box Installation with Individual PRV	EA	5	500.00	$2,500.00	500.00	$2,500.00	480.00	$2,400.00
36	3/4" Service Tubing	LF	300	5.00	$1,500.00	3.00	$900.00	6.50	$1,950.00
37	Free Bore for 3 through 8-Inch Pipe	LF	20	35.00	$700.00	40.00	$800.00	50.00	$1,000.00
44	Final Pipeline Cleanup	LF	6,000	0.70	$4,200.00	0.70	$4,200.00	0.70	$4,200.00
	TOTAL ALTERNATE NO. 1 BID				$62,025.00		$70,800.00		$88,030.00

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

ADD ALTERNATE NO. 2

BEN BAKER ROAD

ITEM NO.	ITEM DESCRIPTION	UNIT	QUANTITY	K. Carrender Construction Co. 200 Ringgold Road Somerset, KY 42503		Cleary Construction, Inc. 1860 Edmonton Road Tompkinsville, KY 42167		Laurel Construction Co., Inc. 5209 Somerset Road London, KY 40741	
				UNIT COST	COST	UNIT COST	COST	UNIT COST	COST
10	3-Inch PVC Pipe, SDR 17	LF	3,800	5.90	$22,420.00	8.60	$32,680.00	10.50	$39,900.00
16	Open Cut Encasement for 3 and 4-Inch Pipe	LF	30	50.00	$1,500.00	40.00	$1,200.00	30.00	$900.00
20	3-Inch Gate Valve	EA	2	400.00	$800.00	315.00	$630.00	340.00	$680.00
26	3-Inch Blow Off, Type 2	EA	1	900.00	$900.00	550.00	$550.00	900.00	$900.00
33	Pavement Restoration				$0.00		$0.00		$0.00
	33.1. Crushed Stone	LF	400	12.00	$4,800.00	3.00	$1,200.00	4.00	$1,600.00
	33.2. Light Duty Bituminous	LF	10	25.00	$250.00	22.00	$220.00	15.00	$150.00
	33.3. Heavy Duty Bituminous	LF	30	40.00	$1,200.00	25.00	$750.00	18.00	$540.00
	33.4. Concrete	LF		60.00	$0.00	30.00	$0.00	20.00	$0.00
35	5/8" x 3/4" Meter Box Installation with Individual PRV	EA	2	500.00	$1,000.00	500.00	$1,000.00	480.00	$960.00
36	3/4" Service Tubing	LF	120	5.00	$600.00	3.00	$360.00	6.50	$780.00
37	Free Bore for 3 through 8-Inch Pipe	LF	20	35.00	$700.00	40.00	$800.00	50.00	$1,000.00
44	Final Pipeline Cleanup	LF	3,900	0.70	$2,660.00	0.70	$2,660.00	0.70	$2,660.00
TOTAL ALTERNATE NO. 2 BID					$36,830.00		$42,050.00		$50,070.00

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

LONG HOLLOW ROAD, DRUM ROAD (EAST) & DRUM ROAD (WEST)

				K. Carrender Construction Co. 200 Ringgold Road Somerset, KY 42503		Cleary Construction, Inc. 1860 Edmonton Road Tompkinsville, KY 42167		Laurel Construction Co., Inc. 5209 Somerset Road London, KY 40741	
ITEM NO.	ITEM DESCRIPTION	UNIT	QUANTITY	UNIT COST	COST	UNIT COST	COST	UNIT COST	COST
7	4-Inch PVC Pipe, SDR 17	LF	15,000	6.80	$102,000.00	9.30	$139,500.00	12.00	$180,000.00
15	Bored Encasement for 3 and 4-Inch Pipe	LF	130	140.00	$18,200.00	80.00	$10,400.00	90.00	$11,700.00
16	Open Cut Encasement for 3 and 4-Inch Pipe	LF	20	50.00	$1,000.00	40.00	$800.00	30.00	$600.00
19	4-Inch Gate Valve	EA	9	425.00	$3,825.00	340.00	$3,060.00	360.00	$3,240.00
29	4" Blow Off, Type 2	EA	1	1,000.00	$1,000.00	800.00	$800.00	1,000.00	$1,000.00
33	Pavement Restoration				$0.00		$0.00		$0.00
	33.1. Crushed Stone	LF	1,500	12.00	$18,000.00	3.00	$4,500.00	4.00	$6,000.00
	33.2. Light Duty Bituminous	LF	10	25.00	$250.00	22.00	$220.00	15.00	$150.00
	33.3. Heavy Duty Bituminous	LF	20	40.00	$800.00	25.00	$500.00	18.00	$360.00
	33.4. Concrete	LF		60.00	$0.00	30.00	$0.00		$0.00
35	5/8" x 3/4" Meter Box Installation with Individual PRV	EA	2	500.00	$1,000.00	500.00	$1,000.00	480.00	$960.00
36	3/4" Service Tubing	LF	120	5.00	$600.00	3.00	$360.00	6.50	$780.00
37	Free Bore for 3 through 8-Inch Pipe	LF	20	35.00	$700.00	40.00	$800.00	50.00	$1,000.00
38	4" Creek Crossing, Type B	LF	15	50.00	$750.00	50.00	$750.00	100.00	$1,500.00
44	Final Pipeline Cleanup	LF	15,000	0.70	$10,500.00	0.70	$10,500.00	0.70	$10,500.00
TOTAL ALTERNATE NO. 3 BID					$158,825.00		$172,990.00		$217,790.00

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

ADD ALTERNATE NO. 4

KY 192 REINFORCEMENT, WEST

ITEM NO.	ITEM DESCRIPTION	UNIT	QUANTITY	K. Carrender Construction Co. 200 Ringgold Road Somerset, KY 42503		Cleary Construction, Inc. 1860 Edmonton Road Tompkinsville, KY 42167		Laurel Construction Co., Inc. 5209 Somerset Road London, KY 40741	
				UNIT COST	COST	UNIT COST	COST	UNIT COST	COST
1	8-Inch PVC Pipe, SDR 21	LF	9,300	$15.20	$141,360.00	$22.00	$204,600.00	$14.00	$130,200.00
2	8-Inch PVC Pipe, SDR 17	LF	4,630	16.40	$75,932.00	23.00	$106,490.00	15.00	$69,450.00
11	Bored Encasement for 8-Inch Pipe	LF	190	150.00	$28,500.00	135.00	$25,650.00	140.00	$26,600.00
17	8-Inch Gate Valve	EA	5	650.00	$3,250.00	635.00	$3,175.00	500.00	$2,500.00
21	6" x 6" Tapping Sleeve & Valve	EA	1	1,500.00	$1,500.00	1,280.00	$1,280.00	1,500.00	$1,500.00
27	Air Release Valve	EA	1	500.00	$500.00	310.00	$310.00	250.00	$250.00
33	Pavement Restoration				$0.00		$0.00		$0.00
	33.1. Crushed Stone	LF	2,000	12.00	$24,000.00	3.00	$6,000.00	4.00	$8,000.00
	33.2. Light Duty Bituminous	LF	40	25.00	$1,000.00	22.00	$880.00	15.00	$600.00
	33.3. Heavy Duty Bituminous	LF		40.00	$0.00	25.00	$0.00	18.00	$0.00
	33.4. Concrete	LF		60.00	$0.00	30.00	$0.00	20.00	$0.00
37	Free Bore for 3 through 8-Inch Pipe	LF	100	35.00	$3,500.00	40.00	$4,000.00	50.00	$5,000.00
44	Final Pipeline Cleanup	LF	13,930	0.70	$9,751.00	0.70	$9,751.00	0.70	$9,751.00
TOTAL ALTERNATE NO. 4 BID					$289,293.00		$362,136.00		$253,851.00

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

ADD ALTERNATE NO. 5

KY 192 REINFORCEMENT, EAST

ITEM NO.	ITEM DESCRIPTION	UNIT	QUANTITY	K. Carrender Construction Co. 200 Ringgold Road Somerset, KY 42503		Cleary Construction, Inc. 1880 Edmonton Road Tompkinsville, KY 42167		Laurel Construction Co., Inc. 5209 Somerset Road London, KY 40741	
				UNIT COST	COST	UNIT COST	COST	UNIT COST	COST
2	8-Inch PVC Pipe, SDR 17	LF	5,600	16.40	$91,840.00	23.00	$128,800.00	15.00	$84,000.00
3	8-Inch Dl Pipe, CL 350, Push On Joint	LF	9,100	25.15	$228,865.00	28.00	$254,800.00	22.00	$200,200.00
11	Bored Encasement for 8-Inch Pipe	LF	70	150.00	$10,500.00	135.00	$9,450.00	140.00	$9,800.00
17	8-Inch Gate Valve	EA	7	650.00	$4,550.00	635.00	$4,445.00	500.00	$3,500.00
22	4" x 4" Tapping Sleeve & Valve	EA	1	1,200.00	$1,200.00	1,020.00	$1,020.00	1,500.00	$1,500.00
30	6" Blow Off, Type 1	EA	1	2,000.00	$2,000.00	920.00	$920.00	1,000.00	$1,000.00
31	Creek Crossing Test Meter	EA	1	800.00	$800.00	920.00	$920.00	500.00	$500.00
33	Pavement Restoration				$0.00		$0.00		$0.00
	33.1. Crushed Stone	LF	2,000	12.00	$24,000.00	3.00	$6,000.00	4.00	$8,000.00
	33.2. Light Duty Bituminous	LF	30	25.00	$750.00	22.00	$660.00	15.00	$450.00
	33.3. Heavy Duty Bituminous	LF	20	40.00	$800.00	25.00	$500.00	18.00	$360.00
	33.4. Concrete	LF	20	60.00	$1,200.00	30.00	$600.00	20.00	$400.00
37	Free Bore for 3 through 8-Inch Pipe	LF	60	35.00	$2,100.00	40.00	$2,400.00	50.00	$3,000.00
43	Pitman Creek Directional Bore	LS	1	200,000.00	* $200,000.00	75,000.00	$75,000.00	**	
44	Final Pipeline Cleanup	LF	14,700	0.70	$10,290.00	0.70	$10,290.00	0.70	$10,290.00
TOTAL ALTERNATE NO. 5 BID					* $578,895.00		$495,805.00		$323,000.00

** No unit price

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

ADD ALTERNATE NO. 6

PRICE VALLEY ROAD

ITEM NO.	ITEM DESCRIPTION	UNIT	QUANTITY	K. Carrender Construction Co. 200 Ringgold Road Somerset, KY 42503		Cleary Construction, Inc. 1860 Edmonton Road Tompkinsville, KY 42167		Laurel Construction Co., Inc. 5209 Somerset Road London, KY 40741	
				UNIT COST	COST	UNIT COST	COST	UNIT COST	COST
7	4-Inch PVC Pipe, SDR 17	LF	8,730	6.80	$45,764.00	9.30	82,589.00	$12.00	$80,760.00
16	Open Cut Encasement for 3 and 4-Inch Pipe	LF	60	50.00	$3,000.00	40.00	2,400.00	$30.00	$1,800.00
19	4-Inch Gate Valve	EA	4	425.00	$1,700.00	340.00	1,360.00	$360.00	$1,440.00
29	4" Blow Off, Type 2	EA	1	1,000.00	$1,000.00	600.00	600.00	$1,000.00	$1,000.00
33	Pavement Restoration				$0.00		0.00		$0.00
	33.1. Crushed Stone	LF	660	12.00	$7,920.00	3.00	1,980.00	4.00	$2,640.00
	33.2. Light Duty Bituminous	LF	60	25.00	$1,500.00	22.00	1,320.00	15.00	$900.00
	33.3. Heavy Duty Bituminous	LF	60	40.00	$2,400.00	25.00	1,500.00	18.00	$1,080.00
	33.4. Concrete	LF		80.00	$0.00	30.00	0.00		$0.00
35	5/8" x 3/4" Meter Box Installation with Individual PRV	EA	2	500.00	$1,000.00	500.00	1,000.00	$480.00	$960.00
36	3/4" Service Tubing	LF	120	5.00	$600.00	3.00	360.00	$6.50	$780.00
38	4" Creek Crossing, Type B	LF	14	50.00	$700.00	50.00	700.00	$100.00	$1,400.00
44	Final Pipeline Cleanup	LF	8,730	0.70	$4,711.00	0.70	4,711.00	0.70	$4,711.00
TOTAL ALTERNATE NO. 6 BID					$70,295.00		$78,520.00		$97,471.00

EXHIBIT 6

KENVIRONS

Kenvirons, Inc. 452 Versailles Road • Frankfort, KY 40601 • Phone: (502) 695-4357 • Fax: (502) 695-4363
Civil & Environmental Engineering and Laboratory Services

June 9, 2004

Mr. Joe Richards, I
Southeastern Water Association
P.O. 78
Somerset, Kentucky 42502

RE: Phase 2 Water System Extensions

Dear Mr. Richards:

Bids were received for the referenced project on June 8. Three (3) bids were submitted.

The low bidder was K. Carrender Construction Co. located in Somerset. The bid amount for the base project is within the project funds. The Additive Alternates will be added as funds allow when the base project is approximately 80% complete.

K. Carrender Construction Co. has previously done several water system projects for Kenvirons, Inc. It is hereby recommended to award the contract to K. Carrender Construction Co. in the amount of the Base Project Bid of $2,564,351.50.

A Final Engineering Report is submitted herewith.

Sincerely,

Carlos F. Miller, P.E.
Vice President

CFM/pw

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EXHIBIT 7

USDA Rural Development

Committed to the future of rural communities.

771 Corporate Drive, Suite 200, Lexington, KY 40503-5477
Telephone 859/224-7300; Fax 859/224-7340; TTY 859/224-7422

June 22, 2004

RECEIVED

JUN 2 4 2004

KENVIRONS, INC

SUBJECT: SouthEastern Water Association
Phase 2 Water System Extensions
Contract Award Concurrence

TO: Rural Development Manager
London, Kentucky

Based on the bids received and the recommendation of the consulting engineer, Rural Development concurs in the award of the subject contract to the low bidder K Carrender Construction Company, Inc., in the amount of $2,564,351.50.

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

Julie Anderson

for KENNETH SLONE
State Director
Rural Development

cc: Kenvirons, Inc.
Frankfort, Kentucky

EXHIBIT 8

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

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

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

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

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

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

4. That it is now contemplated that construction of the Project will begin on or about September 15, 2004, and will end on or about July 15, 2005.

IN TESTIMONY WHEREOF, witness my signature this August 5th, 2004.

SOUTHEASTERN WATER ASSOCIATION, INC.

BY: Joe Richards, I

JOE RICHARDS, I, PRESIDENT

STATE OF KENTUCKY)
) SS:
COUNTY OF PULASKI)

Subscribed and sworn to before me by JOE RICHARDS, I, President of the Board of Directors of the SOUTHEASTERN WATER ASSOCIATION, INC., on this August 5th, 2004.

Tamara C. Gregory Davis
NOTARY PUBLIC, STATE AT LARGE

MY COMMISSION EXPIRES: 10/27/05

EXHIBIT 9

NOTICE OF ADJUSTMENT OF WATER RATES

SOUTHEASTERN WATER ASSOCIATION, INC.

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

Usage Block	Current Rates	Proposed Rates
First 2,000 gallons	$13.60 Minimum Bill	$ 14.70 Minimum Bill
All over 2,000 gallons	5.76 per 1,000 gallons	6.25 per 1,000 gallons

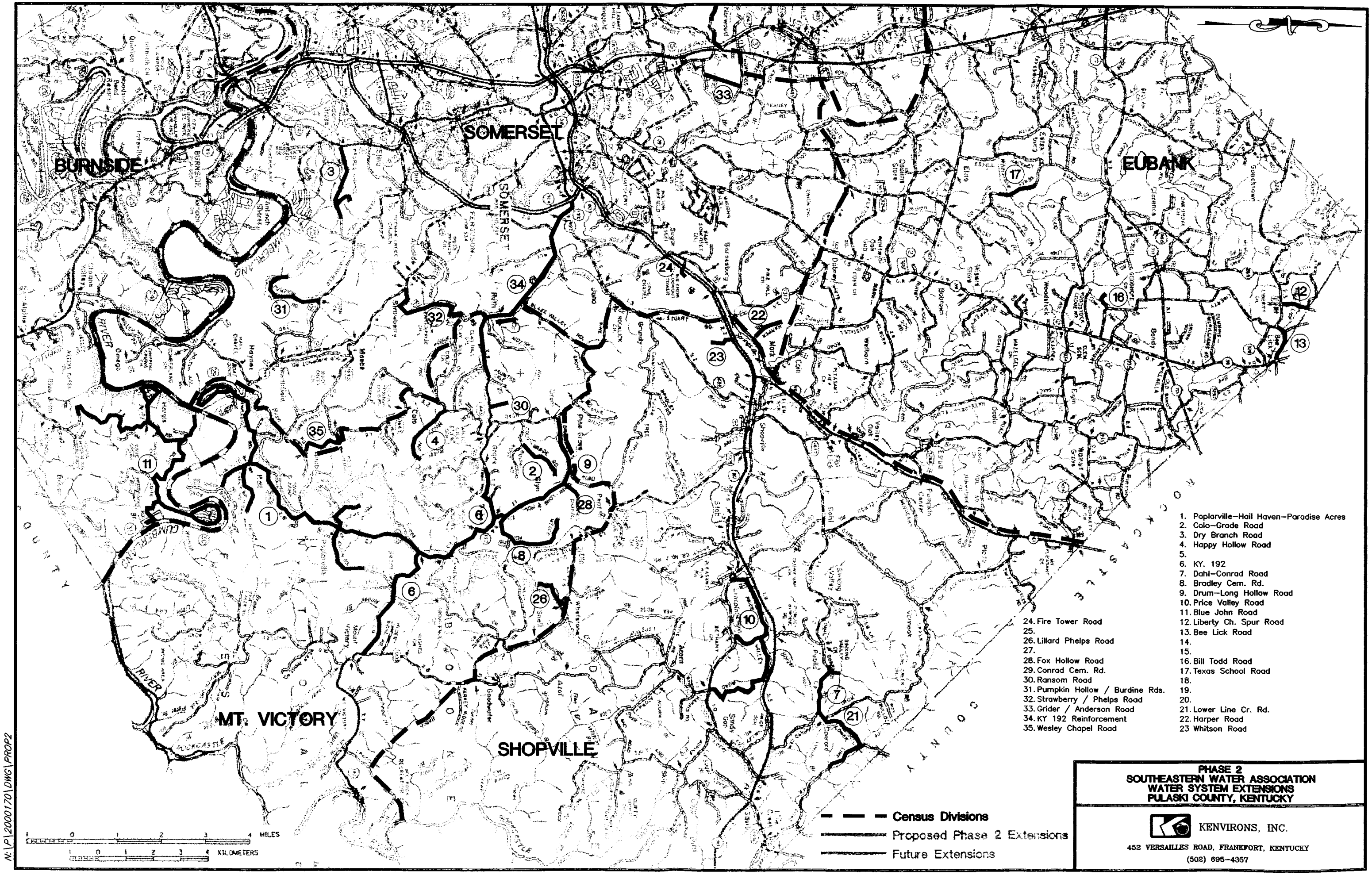
The proposed rate adjustment is required by the U. S. Department of Agriculture, Rural Development ("RD") in connection with a loan by RD to the Association in the amount of $1,833,000.

The RD loan proceeds will be used in conjunction with a RD Grant in the amount of $1,190,000 and connection fees in the amount of $101,000 to finance a water system improvement project which consists of the installation of approximately 33 miles of 8" to 3" water distribution lines.

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

EXHIBIT 10

MAP



PHASE 2
SOUTHEASTERN WATER ASSOCIATION
WATER SYSTEM EXTENSIONS
PULASKI COUNTY, KENTUCKY

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

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