

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

**APPLICATION OF NORTHERN
KENTUCKY WATER DISTRICT (A) FOR)
AN ADJUSTMENT OF RATES; (B) A)
CERTIFICATE OF CONVENIENCE AND) Case No. 2005-00148
NECESSITY FOR IMPROVEMENTS TO)
WATER FACILITIES IF NECESSARY)
AND (C) ISSUANCE OF BONDS)**

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PUBLIC SERVICE
COMMISSION

MOTION

Northern Kentucky Water District (NKWD), by counsel, requests an expedited review of and order approving the Grand Ave. main extension, which is the only project included in the pending rate case which requires a certificate of convenience and necessity. This project involves the replacement of old water mains in areas that have had a number of complaints about high incidences of poor flows, discolored water and deteriorating water quality. The replacement of existing 4", 6" and 8" unlined cast iron pipes will improve the overall water quality in the area.

The District originally bid this project on August 31, 2005, but the only bid received was considered inadequate. That bid was rejected by the Board on September 21, 2005. The project was re-bid on October 7, 2005. Five bids

were received. The Board accepted the engineer's recommendation to accept the low bid of \$971,222.00 at its meeting of October 27, 2005.

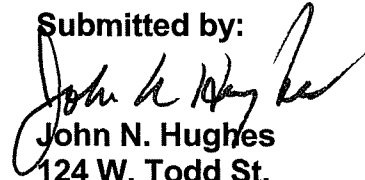
Attached are copies of the bid tabulations, engineer's recommendation and minutes accepting the low bid.

The bid is below that estimated by the District in the rate application of \$1,000,000. Because of the relatively small size of the project and the bid below \$1,000,000 it falls within the general guidelines of an ordinary extension. All of the other projects included in the rate application were below that threshold and were classified as ordinary extensions. In the alternative to issuance of a certificate of convenience and necessity, the District requests an order declaring the project to be in the ordinary course of business.

The bids expire January 5, 2006. The rate case is not expected to be completed by that date. To avoid the possibility of losing this bid and further delay in the start of the project, the District requests an expedited order approving the project. The contractor is ready to start construction as soon as approval is obtained and the project is expected to be completed within 180 days.

The District has provided all information related to this project and all permits have been obtained. For these reasons, the District requests an order approving this project as an ordinary extension or the issuance of a certificate of convenience and necessity no later than January 3, 2006.

Submitted by:



John N. Hughes
124 W. Todd St.
Frankfort, KY 40601

Attorney for Northern

Kentucky Water District

Certificate of Service:

I certify that a copy of this response was served on the Attorney General by first class mail the 3rd day of November, 2005.



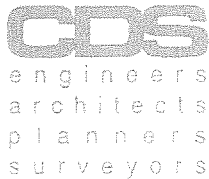
John N Hughes

BID TAB

**Northern Kentucky Water District
8" Water Main Replacement Project on Grand Ave., Kollman Ave.,
Cleveland Ave., Howard Ave., Bud's Way, and Parkview Dr.
Taylor Mill, KY**

October 7, 2005

<u>CONTRACTOR</u>	BID AMOUNT
RFH Construction	\$971,222.00
Lykins Contracting	\$997,125.20
Larry Smith Contractors	\$1,036,692.00
Fred A. Nemann Co.	\$1,042,826.00
Paul Rack Excavating	\$1,134,575.00



CDS Associates, Inc.

11120 Kenwood Road
Cincinnati, Ohio 45242-1818
513.791.1700
513.791.1936 FAX

October 7, 2005

Mr. Steve Broering
Engineering Technician
Northern Kentucky Water District
3049 Dixie Highway
P.O. Box 17010
Covington, Kentucky 41017

RE: 8" Water Main Replacement Project on Grand Avenue, Kollman Avenue, Cleveland Avenue, Howard Avenue, Buds Way and Parkview Place 2004828

Dear Mr. Broering:

On Friday, October 7, 2005 at 10:00 A.M., bids were opened for the above referenced project. We have evaluated the bids for the above referenced project and offer the following information for your consideration:

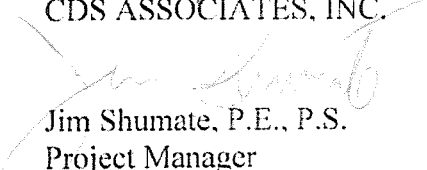
Contractor	Grand Avenue	Kollman Avenue	Cleveland Avenue	Howard Avenue	Bud's Way	Parkview Avenue
RFH Construction	\$489,640.00	\$106,240.00	\$166,863.00	\$31,919.00	\$46,062.00	\$130,498.00
Lykins Contracting	\$543,844.55	\$99,474.80	\$147,355.90	\$32,829.10	\$44,722.40	\$128,898.45
Larry Smith	\$520,910.00	\$116,010.00	\$178,141.00	\$35,818.00	\$50,014.00	\$135,799.00
Fred Nemann	\$545,930.00	\$113,540.00	\$166,345.00	\$35,947.00	\$50,084.00	\$130,980.00
Paul Rack	\$581,805.00	\$123,160.00	\$193,570.00	\$37,620.00	\$43,420.00	\$155,000.00

Based upon the outcome of the bid opening and our review of the bids received, it is our recommendation that the Contract be awarded to RFH Construction in the amount of \$971,222.00

If you have any questions concerning the above, please feel free to contact me at your convenience at 859.525.0544 or jshumate@cds-assoc.com.

Sincerely,

CDS ASSOCIATES, INC.


Jim Shumate, P.E., P.S.
Project Manager
Kentucky Office

**Northern Kentucky Water District
Board of Commissioners Meeting
October 27, 2005**

A regular meeting of the Board of Commissioners of the Northern Kentucky Water District was held on October 27, 2005 at the District's Aqua Drive office. Commissioners Wagner, Collins, Koester, Macke and Sommerkamp were present. Also present were Ron Lovan, Richard Harrison, Bari Joslyn, Mark Lofland, Ron Barrow, Jack Bragg, Don Gibson, Bob Buhrlage, Bill Wulfeck, Jim Dierig, Mary Carol Wagner, Brad Murphy, Joan Verax and Charles Pangburn.

Commissioner Wagner called the meeting to order.

Mr. Bragg of the District staff led those in attendance in the Pledge of Allegiance.

Mr. Murphy of the District staff delivered a presentation on the District's safety program.

Ms. Robinson of the District staff delivered a presentation on the District's customer service week.

Mr. Lovan informed the Board that the District was one of the recipients of the Association of Metropolitan Water Agencies 2005 Gold Award for Competitiveness Achievement.

Commissioner Jackson joined the meeting.

The Board reviewed articles published and correspondence received since the last regular Board meeting on September 21, 2005.

On motion of Commissioner Macke, seconded by Commissioner Koester, the Board unanimously approved the minutes for the regular Board meeting held on September 21, 2005.

On motion of Commissioner Jackson, seconded by Commissioner Collins, and after discussion, the Board unanimously approved the expenditures of the District for the month of September, 2005.

On motion of Commissioner Sommerkamp, seconded by Commissioner Koester, and after discussion, the Board unanimously agreed to authorize the execution of contract documents to award the Laboratory Information Management System project to Accelerated Technologies Laboratories Inc.

On motion of Commissioner Collins, seconded by Commissioner Macke, and after discussion, the Board unanimously agreed to authorize the execution of contract documents to award the Systematic Water Main Replacement Project on Grand Avenue to RFH Construction.

On motion of Commissioner Jackson, seconded by Commissioner Collins, and after discussion, the Board unanimously agreed to authorize the execution of contract documents to award the John Street Area Water Main Replacement project to Fred A. Nemann Company.

On motion of Commissioner Sommerkamp, seconded by Commissioner Koester, and after discussion, the Board unanimously agreed to authorize the execution of contract documents to award the Racetrack Road Water Main Replacement/Extension project to Lykins Contracting, Inc.

On motion of Commissioner Collins, seconded by Commissioner Sommerkamp, and after discussion, the Board unanimously approved a resolution authorizing the District staff to execute a CSX Pipeline Crossing Agreement for the vicinity of Glenn Avenue.

On motion of Commissioner Sommerkamp, seconded by Commissioner Koester, and after discussion, the Board unanimously agreed to authorize the execution of contract documents to award the contract for topsoil, seed and straw restoration to G. Dixon Associates, Inc.

Mr. Barrow and Mr. Bragg, both of the District staff, delivered a presentation on the District's finances and budget. On motion of Commissioner Sommerkamp, seconded by Commissioner Collins, and after discussion, the Board unanimously approved the 2006 Operating and Maintenance Budget, the 2006 Operating Capital Budget and the Five-year Capital Project Budget.

The Board reviewed the District's financial reports and department reports.

On motion of Commissioner Koester, seconded by Commissioner Collins, the Board unanimously agreed to go into executive session under the provisions of K.R.S. § 61.810(1)(c) to discuss litigation.

The Board returned to open session.

On motion of Commissioner Collins, seconded by Commissioner Jackson, and after discussion, the Board unanimously approved a resolution regarding the provision of healthcare coverage.

Other matters of a general nature were discussed.

There being no further business to come before the Board, the meeting was adjourned.

CHAIR

SECRETARY