

Rubin & Hays

ATTORNEYS AT LAW

Kentucky Home Trust Building, 450 South Third Street, Louisville, Kentucky 40202-1410
Telephone (502) 569-7525 Telefax (502) 569-7555 Email: rh@rubinhays.com

CHARLES S. MUSSON
W. RANDALL JONES
CHRISTIAN L. JUCKETT

PARALEGAL
MARY M. EMBRY

July 5, 2005

RECEIVED
JUL - 6 2005
PUBLIC SERVICE
COMMISSION

Ms. Elizabeth O'Donnell
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, Kentucky 40602

Case No. 2005-00278

Re: Sandy Hook Water District - Public Service Commission Application for the Water System Improvements Project

Dear Ms. O'Donnell:


Enclosed please find the original and ten (10) copies of the Application of the Sandy Hook Water District for a Certificate of Public Convenience and Necessity to construct a waterworks improvement project.

Also enclosed are eleven (11) copies of the required exhibits and three (3) copies of the project maps. The Plans and Specifications, as prepared by Woolpert, Inc., are being forwarded by said Engineers.

If you need any additional information or documentation, please let us know.

Sincerely,

Rubin & Hays

By 
W. Randall Jones

WRJ:jl
Enclosures
cc: Distribution List

DISTRIBUTION LIST

Re: Sandy Hook Water District Public Service Commission Application - Certificate of Public Convenience and Necessity

Ms. Judy Stinson, Manager
Sandy Hook Water District
P.O. Box 726
Sandy Hook, Kentucky 41171

Telephone: (606) 738-6282

Mr. Steve Cole
Woolpert LLP
1200 Corporate Court
Ashland, Kentucky 41102-5336

Telephone: (606) 329-1948

W. Randall Jones, Esq.
Rubin & Hays
Kentucky Home Trust Building
450 South Third Street
Louisville, Kentucky 40202

Telephone: (502) 569-7525
Fax: (502) 569-7555

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

JUL - 6 2005

PUBLIC SERVICE
COMMISSION

In the matter of:

APPLICATION OF THE SANDY HOOK)
WATER DISTRICT FOR A CERTIFICATE)
OF PUBLIC CONVENIENCE AND NECESSITY)
TO CONSTRUCT AN IMPROVEMENTS PROJECT)
PURSUANT TO KRS 278.020)

Case No. 2005-00278

APPLICATION

The Sandy Hook Water District (the "District"), by counsel, pursuant to KRS 278.020, petitions the Commission for a certificate of public convenience and necessity to construct a waterworks improvement project. The following information is filed in accordance with the Commission's regulations:

1. The District's office address is P.O. Box 726, Sandy Hook, Kentucky 41171. Its principal officers are listed in its 2004 Annual Report, which is on file with the Commission;
2. The District is a non-profit water district organized under KRS Chapter 74 and has no separate articles of incorporation or by-laws;
3. A description of the District's water system and its property stated at original cost by accounts is contained in its Annual Report, which is incorporated by reference pursuant to 807 KAR 5:001 Section (5)(5). All required normal financial schedules and other data are in the Annual Report;
4. The Phase IV improvements project is described in detail in **Exhibit "A"** attached hereto;

5. The total project cost is approximately \$1,085,464, as set forth in the Final Project Budget attached hereto as **Exhibit "B"**;

6. The District has obtained all easements are required for the Project;

7. This service will not compete with any other utility in the area;

8. Based on these facts, the District believes that it is in the public interest that this certificate of public convenience and necessity be granted;

9. Copies of the certified bid tabulations are attached hereto as **Exhibit "C"**;

10. The following information is provided in response to 807 KAR 5:001 Section (8)(3);

a. Articles of Incorporation - None, District is a statutorily created water district under KRS Chapter 74;

11. The following information is supplied to 807 KAR 5:001 Section (9)(2);

a. Facts relied upon to show that the Project is in the public interest: The project will provide improvement in the quality and capacity of water production for the customers of the District;

b. No new franchises are required. No property is being acquired in connection with the project. Copies of the permits are attached hereto as **Exhibit "D"**;

c. Diagrams of the proposed construction and construction specifications are contained in the Plans and Specifications on file with the Commission;

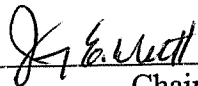
d. Three (3) maps of suitable scale showing location of the proposed facilities are filed with this Application;

e. The construction costs will be funded by (i) a 2003 Coal Development Fund grant in the amount of \$800,000; and (ii) a 2005 Coal Development fund grant in the amount of \$894,444 (copies of the grant letters are attached hereto as **Exhibit "E"**);

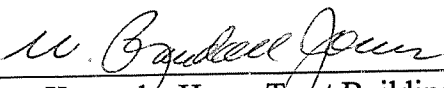
f. The estimated cost of operation of the system after construction is completed is attached hereto as **Exhibit "F"**;

WHEREFORE, the Applicant, Sandy Hook Water District requests that the Public Service Commission of Kentucky grant to the Applicant a Certificate of Public Convenience and Necessity permitting the Applicant to construct the Phase IV water improvement project.

Sandy Hook Water District

By 
Chairman

Rubin & Hays

By 
Kentucky Home Trust Building
450 South Third Street
Louisville, Kentucky 40202
(502) 569-7525

Sandy Hook Water District

Description of Phase IV Improvements

Water Treatment Plant Improvements

The water treatment plant received its last major upgrade in 1988. The treatment plant is currently in need of improvements to provide for continued service to the existing customers and to allow for future growth. The following discussion describes the water treatment system related improvements that are planned.

i) Raw Water Supply

The system currently requires that all of the existing wells be operated simultaneously to provide an adequate raw water supply to the treatment plant. This operational sequence places strain on the existing wells to produce at maximum capacity over long duration of time does not allow for adequate time between pumping for wells to completely recharge. To eliminate this situation it is planned to drill two additional wells within the area of the exiting well field. The addition of these wells will allow two wells to be at rest and recharging while the other wells are pumping and will allow for greater flexibility in well alternation and control.

Well field piping will also be upgraded as a part of the overall improvements to allow for increased hydraulic efficiency within the well field collection system.

ii) Filtration

Currently the water treatment plant is operating around 15 hours per day to provide average daily demands and operates up to 22 hours per day to provide the peak daily demands for the system. This extended operation places stress on the existing filter units, requiring extended filter runs between backwash cycles. The proposed project will add an additional pressure sand filter in parallel to the existing filter units to reduce the stress on the existing filter units and will increase filtering capacity to 345 gallons per minute or 496,800 gallons per day. This will reduce the required hours of operation of the treatment plant to around 9 hours per day to meet existing average daily demands and to around 13 hours per day to meet peak demands. The addition of a third filter unit will also provide for the ability to remove one filter from service for an extended period of time for repair and maintenance and will extend filter media life while also meeting water production demands.

iii) Clearwell Storage

The existing clearwell capacity will provide for adequate contact time for the upgraded treatment plant capacity to provide for a minimum thirty minute contact time following filtration. Hypalon baffles will be installed within the existing clearwell to improve mixing of chlorine during disinfection.

iv) Backwash Water Filter Beds

The existing backwash water filter beds installed in 1988 have become clogged with filtered backwash solids and are ineffective in properly filtering backwash water prior to discharge into

Howards Creek. The exiting filter media will be replaced and the underdrain piping will be cleaned and repaired.

v) Controls

New electrical controls for control of the additional filter and wells will be added to the treatment plant. Along with the new controls, the existing telemetry system will be upgraded to provide for more accurate monitoring of water system functions and greater control of the treatment plant.

vi) Treatment Plant Site Improvements

To provide for more efficient operations and the accommodation of other improvements, several miscellaneous improvements will be required to the site. These improvements will include:

- Expansion of the filter building to accommodate the new filter unit and controls.
- Installation of security fencing to control access of unauthorized personnel onto the site.
- Installation of a stream bank stabilization wall along Howards Creek to control erosion.
- Site grading to improve site conditions for access and improvements.

**SANDY HOOK WATER DISTRICT
PHASE IV WATER SYSTEM IMPROVEMENTS
PROJECT BUDGET**

FUNDING COMMITMENTS	
2003 COAL DEVELOPMENT FUNDS	\$800,000
2005 COAL DEVELOPMENT FUNDS	<u>\$894,444</u>
TOTAL FUNDS AVAILABLE	\$1,694,444
PROJECT COSTS	
CONSTRUCTION COSTS (ACTUAL BID)	\$836,560
ENGINEERING DESIGN & CONSTRUCTION	\$141,000
WELL REPAIRS REIMBURSEMENT (ACTUAL COSTS)	\$42,904
PROJECT ADMINISTRATOR	\$25,000
LEGAL FEES	\$10,000
WELL SITE ACQUISITION	\$5,000
ELECTRICAL POWER EXTENSIONS TO WELLS	<u>\$25,000</u>
TOTAL PROJECT COSTS	<u><u>\$1,085,464</u></u>
BALANCE AVAILABLE FOR CONTINGENCY & FUTURE PROJECTS	\$608,980

BID TABULATION
SANDY HOOK WATER DISTRICT
MAY 19, 2005 3:00 PM
CONTRACT I - WATER SUPPLY AND TREATMENT

BASE BID PROPOSAL SCHEDULE

Item	Description	Quantity	Units	Smith Contractors, Inc.		Herrick Company, Inc.	
				Unit Price	Amount	Unit Price	Amount
1	8" steel casing pipe for well #6	50	L.F.	\$ 50.00	\$ 2,500.00	\$ 37.44	\$ 1,872.00
2	8" drilled groundwater well #6	285	L.F.	\$ 58.00	\$ 16,530.00	\$ 43.13	\$ 12,292.05
3	Well #6 development	1	L.S.	\$ 5,000.00	\$ 5,000.00	\$ 4,162.00	\$ 4,162.00
4	Well #6 pumping test	1	L.S.	\$ 5,000.00	\$ 5,000.00	\$ 4,162.00	\$ 4,162.00
5	Well #6 permits, records, sampling and reporting	1	L.S.	\$ 500.00	\$ 500.00	\$ -	\$ -
6	Pitless adaptor unit for well #6	1	L.S.	\$ 2,000.00	\$ 2,000.00	\$ 1,373.00	\$ 1,373.00
7	Submersible well #6 pump, cables, strainer, etc.	1	L.S.	\$ 40,000.00	\$ 40,000.00	\$ 28,181.00	\$ 28,181.00
8	Mobilization/Demobilization for:	1	L.S.	\$ 10,000.00	\$ 10,000.00	\$ 20,000.00	\$ 20,000.00
9	Connect new 6" raw water line from well #6 to exist.	2	E.A.	\$ 2,500.00	\$ 5,000.00	\$ 2,415.00	\$ 4,830.00
10	6" CL 200 PVC well #6 raw water line,	2500	L.F.	\$ 30.00	\$ 75,000.00	\$ 14.37	\$ 35,925.00
11	6" stream crossing raw water line from well #6	30	L.F.	\$ 150.00	\$ 4,500.00	\$ 103.50	\$ 3,105.00
12	Concrete encasement, for well #6 raw water line	60	L.F.	\$ 40.00	\$ 2,400.00	\$ 28.75	\$ 1,725.00
13	Gravel Surface Replacement	750	L.F.	\$ 5.00	\$ 3,750.00	\$ 16.00	\$ 12,000.00
14	Concrete Surface Replacement	50	S.Y.	\$ 40.00	\$ 2,000.00	\$ 50.00	\$ 2,500.00
15	Asphalt Surface Replacement	550	S.Y.	\$ 25.00	\$ 13,750.00	\$ 35.00	\$ 19,250.00
16	Hypalon baffles installed in existing clearwell	1	L.S.	\$ 25,000.00	\$ 25,000.00	\$ 20,000.00	\$ 20,000.00
17	Temporary bypass of clearwell	1	L.S.	\$ 8,000.00	\$ 8,000.00	\$ 5,000.00	\$ 5,000.00
18	Eight-inch Gate Valve installed on existing eight-inch line	1	L.S.	\$ 1,800.00	\$ 1,800.00	\$ 1,400.00	\$ 1,400.00
19	New vertical pressure filter, piping and valves	1	L.S.	\$ 55,000.00	\$ 55,000.00	\$ 18,000.00	\$ 18,000.00
20	Chainlink Fence	450	L.F.	\$ 40.00	\$ 18,000.00	\$ 34.00	\$ 15,300.00
21	Metal Building addition	1	L.S.	\$ 45,000.00	\$ 45,000.00	\$ 42,000.00	\$ 42,000.00
22	Renovation of existing backwash sand filters	1	L.S.	\$ 40,000.00	\$ 40,000.00	\$ 17,000.00	\$ 17,000.00
23	Site work including retaining wall, piping valves and manho	1	L.S.	\$ 50,000.00	\$ 50,000.00	\$ 210,522.00	\$ 210,522.00
24	Telemetry System upgrade, including	1	L.S.	\$ 100,000.00	\$ 100,000.00	\$ 98,000.00	\$ 98,000.00
25	Electrical System installations	1	L.S.	\$ 96,000.00	\$ 96,000.00	\$ 72,000.00	\$ 72,000.00
TOTAL BASE BID					\$626,730.00		\$650,599.05

ADDITIVE ALTERNATE PROPOSAL SCHEDULE

Item	Description	Quantity	Units	Smith Contractors, Inc.		Herrick Company, Inc.	
				Unit Price	Amount	Unit Price	Amount
A-1	8" steel casing pipe at Well #7	50	L.F.	\$ 50.00	\$ 2,500.00	\$ 37.44	\$ 1,872.00
A-2	8" drilled groundwater well #7	285	L.F.	\$ 58.00	\$ 16,530.00	\$ 43.13	\$ 12,292.05
A-3	Well #7 development	1	L.S.	\$ 5,000.00	\$ 5,000.00	\$ 4,162.00	\$ 4,162.00
A-4	Well #7 pumping test	1	L.S.	\$ 5,000.00	\$ 5,000.00	\$ 4,162.00	\$ 4,162.00
A-5	Well #7 permits, records, sampling and reporting	1	L.S.	\$ 500.00	\$ 500.00	\$ -	\$ -
A-6	Pitless adaptor unit well #7	1	L.S.	\$ 2,000.00	\$ 2,000.00	\$ 1,373.00	\$ 1,373.00
A-7	Submersible well #7 pump, cables, strainer, etc.	1	L.S.	\$ 40,000.00	\$ 40,000.00	\$ 28,181.00	\$ 28,181.00
A-8	6" CL 200 PVC raw water line from well #7	2100	L.F.	\$ 30.00	\$ 63,000.00	\$ 13.50	\$ 28,350.00
A-9	6" stream crossing raw water line from well #7	30	L.F.	\$ 150.00	\$ 4,500.00	\$ 90.00	\$ 2,700.00
A-10	Concrete encasement, for well #7 raw water line	45	L.F.	\$ 40.00	\$ 1,800.00	\$ 28.00	\$ 1,260.00
A-11	Additional retaining wall extension	1	L.S.	\$ 33,000.00	\$ 33,000.00	\$ 115,532.00	\$ 115,532.00
A-12	Additional telemetry system unit for well #7	1	L.S.	\$ 14,000.00	\$ 14,000.00	\$ 15,000.00	\$ 15,000.00
A-13	Electrical system installation for well #7	1	L.S.	\$ 22,000.00	\$ 22,000.00	\$ 16,500.00	\$ 16,500.00
TOTAL ADDITIVE ALTERNATE BID					\$209,830.00		\$231,384.00
TOTAL BASE BID PLUS ADDITIVE ALTERNATES					\$836,560.00		\$881,983.10

ENGINEER'S CERTIFICATION

I hereby certify to the best of my knowledge and belief the above bids as received and opened at the date, time, & location indicated above are correct as shown



Steven D. Cole, PE

SHWD
PHASE IV
02



ERNIE FLETCHER
GOVERNOR

ENVIRONMENTAL AND PUBLIC PROTECTION CABINET

DEPARTMENT FOR ENVIRONMENTAL PROTECTION

DIVISION OF WATER

14 REILLY ROAD

FRANKFORT, KENTUCKY 40601-1190

www.kentucky.gov

December 17, 2004

LAJUANA S. WILCHER
SECRETARY

RECEIVED

DEC 21 2004

ASHLAND

Mr. Michael Crouch
Sandy Hook Water District
Main Street
Sandy Hook, Kentucky 41171-0726

RE: Sandy Hook Water District, PWS--996
DW #0320383-04-003
Water Supply and Treatment Improvements
Activity ID # APE20040004
Elliott County

Dear Mr. Crouch:

We have reviewed the plans and specifications for the above referenced project. The plans include 2 new wells, a new greensand treatment filter, clearwell baffling, and other treatment site improvements. This is to advise that, except for well #5, plans and specifications for the above referenced project are APPROVED with respect to sanitary features of design as of this date with stipulations. Approval of well #5 was previously granted by this office in a letter dated May 6, 2004 and therefore does not require additional approval.

Approval of well #6 is subject to the following stipulations:

- 1) The well must not be located within 50 feet of septic tanks, within 70 feet of drain fields, or near any other known source of contamination;
- 2) No sewer pipes are to be installed within 20 feet of the well;
- 3) The well must be constructed by a certified well driller as described in 401 KAR 6:310 Section 3(1);
- 4) Within 30 days of well construction, the driller shall submit a report of construction to the Cabinet on the form entitled Kentucky Water Well Record (DEP-4045);
- 5) Applicable new water source analytic test results for community public water systems must be provided to the Division of Water following drilling of the well;
- 6) Analytic test results for the proposed well must be approved by the Division of Water prior to treatment and distribution of water produced by the well; and



- 7) We normally recommend drilling of a test well prior to construction of a production well but, due to the proximity of existing wells to the proposed well, you may forgo a test well and build a production well if Sandy Hook Water District assumes all liability in the event analytical test results demonstrate that the proposed well requires more than the anticipated treatment or is not a suitable public water supply.

Approval of the new greensand treatment filter is subject to the following stipulations:

- 1) Upon completion of construction, the filter shall be disinfected in accordance with current AWWA procedures;
- 2) Following disinfection, the filter shall not be placed into service until a bacteriological sample taken from the base of the filter is examined and shown to be negative; and
- 3) The filtration rate shall not exceed 3.0 gallons per minute/ft² of filter area.

Approval of the clearwell baffling is subject to the following stipulations:

- 1) Upon completion of modifications, the clearwell shall be disinfected in accordance with current AWWA procedures; and
- 2) Following disinfection, the clearwell shall not be placed into service until a bacteriological sample taken from the outlet is examined and shown to be negative.

When this project is completed, the owner shall submit a written certification to the Division of Water that the above referenced water facilities have been constructed and tested in accordance with the approved plans. Such certification shall be signed by a licensed professional engineer.

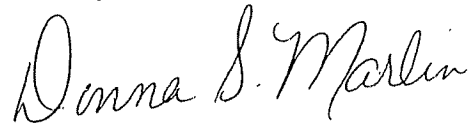
Following completion of the above referenced project, the treatment plant's rated capacity shall be 252,000 gallons per day (175 gallons per minute). This rating is due to a bottleneck at the high service pumps. Raw water pumps and filters may be operated above 175 gallons per minute for periods as long as each pump and filter is not operated above its maximum (115 gallons per minute for each filter). However, future water line extension approvals will be evaluated in light of the 252,000 gallons per day capacity.

This approval has been issued under the provisions of KRS Chapter 224 and regulations promulgated pursuant thereto. Issuance of this approval does not relieve the applicant from the responsibility of obtaining any other approvals, permits or licenses required by this Cabinet and other state, federal and local agencies.

Sandy Hook Water District
DW #0320383-04-003
December 16, 2004
Page 3

Unless construction of this project commences within one year from the date of this approval letter, the Sandy Hook Water District shall request an official extension from the Division of Water prior to the first anniversary of this approval letter, or resubmit the original plans and specifications for a new comprehensive review. If you have any questions concerning this project, please contact Keith Metzker at 502/564-2225, extension 557.

Sincerely,



Donna Marlin, Branch Manager
Drinking Water Branch
Division of Water

DM:MR:KM

C: Mr. Steven D. Cole, Woolpert, LLC
Elliott County H.D.
Morehead Regional Office
Ground Water
Drinking Water Files



Kentucky Infrastructure Authority
375 Versailles Road
Frankfort, Kentucky 40601-3646
Telephone (502) 573-0260 Telefax (502) 573-0157

RECEIVED

JUN 21 2003

ASHLAND

June 13, 2003

Mr. Dennis Elrod
Project Administrator for WX21063001
Atkins-Elrod & Associates
11 East 10th Street
Covington, Kentucky 41000

Re: Coal Development Fund (CDF) Grant Award
WX21063001, Elliott County, in the Amount of \$800,000.00
Sandy Hook Water District - Water System Improvements

Dear Mr. Elrod:

As the designated Project Administrator for your Project, you will be working closely with the Kentucky Infrastructure Authority (the Authority) to assure that all grant documentation is completed in a timely manner.

Attached is the Grant Assistance Agreement (the Agreement), which details all requirements for securing funds for the Project. Use the document in the format presented. In the Agreement, opportunity is afforded to secure up to 50% of planning and design fees prior to project bidding, if needed. As soon as the Agreement is fully executed and all requirements have been met, 85% of the grant will be advanced to the Grantee. The final 15% of funds will be released after the project has been completed and the Authority has **returned** a fully executed Certificate of Completion (Exhibit 9) to the Grantee.

We look forward to working with you in the coming months to provide for the timely implementation of your project. A short training session regarding the program will be scheduled in the near future.

Your contact with the Authority throughout this process will be Mr. John E. Covington, III. Please do not hesitate to contact Mr. Covington by phone at (502)573-0260 or email at John.Covington@mail.state.ky.us for any assistance.

Sincerely,

Roger Recktenwald -

Attachments

c: Judy Stinson, Sandy Hook Water District
Water Service Coordinator, Fivco ADD
Mr. John E. Covington, III, Kentucky Infrastructure Authority



An Equal Opportunity Employer M/F/D



KENTUCKY INFRASTRUCTURE AUTHORITY

Ernie Fletcher
Governor

Capital Center Complex
1024 Capital Center Drive, Suite 340
Frankfort, Kentucky 40601
(502) 573-0260
(502) 573-0157
kia.ky.gov

Jody E. Hughes
Executive Director

May 18, 2005

Ms. Judy Stinson, General Manager
Sandy Hook Water District
P.O. Box 726
Sandy Hook, KY 41171-0710

RECEIVED

JUN 2 2005

ASHLAND

RE: Sandy Hook Water District - Various Water Line Extensions, Water Plant Improvements, Wells Creek Pump Station, Scada System Upgrade and Rehabilitate Wells 1,2,3 and 4
Grant Award in the amount of \$894,444

Dear Ms. Stinson:

Congratulations on the grant you received from Governor Ernie Fletcher and the General Assembly of the Commonwealth of Kentucky awarded during the 2005 Legislative Session. You are strongly encouraged to view these funds as "seed" money and to match these dollars with other funding sources in order to realize the maximum benefit from your grant award. The Kentucky Infrastructure Authority (KIA) is pleased to have been designated as the agency for administration of these infrastructure project grants. In an effort to ensure that your community receives the level of support it deserves, language was included in the 2005 Budget of the Commonwealth to provide 0.5% of each grant as an administrative fee to KIA.

To make this a successful grant process, KIA wants to update you on some important timing issues with respect to funding and administration.

First, your grant funds will be available some time after August 1, 2005. We are working with the State Budget Director's Office to determine the precise date of availability. When the grant funds become available, you must have a fully executed grant assistance agreement and your project must meet all grant requirements and be reviewed by the Capital Projects and Bond Oversight Committee before funds can be released. Primary requirements are discussed in the next paragraph. Detailed requirements will be provided to your Project Administrator. Special consideration will be given to projects needing attention prior to August 1, 2005.

Second, if your project is ready to go, do not stop progress if you have interim funding available. Your grant funds will still be available even if you have started your project. However, the expenditure of all project funds must comply with appropriate procurement process and the project must conform to the budget and grant requirements, be approved by the Area Water Management Council and endorsed by the Kentucky e-Clearinghouse. We will work with your designated project administrator to make sure all conditions necessary for reimbursement are satisfied.

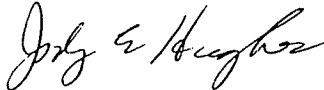
Third, we need your help. KIA needs to know:

- A. Your designee for Project Administrator to work with KIA and be responsible for completion of all of the grant documentation and requirements.** Your Project Administrator will be responsible for coordinating proper procurement of all necessary contracts and for completing all requirements of the grant. Please be assured that you will be copied on all essential correspondence and consulted on all decisions regarding your grant. **Exhibit 1.**
- B. Your project's WX or SX number.** Having this project identifying number will assure that you have coordinated with your Area Water Management Council and your project meets the budget requirements. If your grant award is not yet linked to a project profile with a WX or SX number, it is critical that you contact your Area Water Management Council very soon to get a project designated. If you plan on using your grant funds for more than one project, each project will need a WX or SX number. **Exhibit 2.**

Please fill out the attached Exhibits and return to KIA by Wednesday, June 1, 2005. As soon as we receive your designation for Project Administrator, we will be in direct contact with that person regarding the specific requirements and the steps involved in accessing your grant funds. There will a workshop held in the near future to discuss all required grant documentation, so it is important that we receive your response as soon as possible.

Again, we are pleased to be a part of this important effort to improve infrastructure for citizens throughout the Commonwealth. We pledge our full cooperation and look forward to working with you and your Project Administrator in the coming months.

Sincerely,



Jody E. Hughes
Executive Director

Enclosures

c: Robert Carpenter, Chair, Area Water Management Planning Council
Dan Cheek, Water Service Coordinator

Sandy Hook Water District

Sandy Hook Water District - Various Water Line Extensions, Water Plant Improvements, Wells Creek Pump Station, Scada System Upgrade and Rehabilitate Wells 1,2,3 and 4

EXHIBIT 1

Complete and mail or fax to:
Kentucky Infrastructure Authority
1024 Capital Center Drive, Suite 340
Frankfort, KY 40601
Fax : 502-573-0157
Phone: 502-573-0260

DESIGNATION OF PROJECT ADMINISTRATOR

(Please print or type)

Name: Dennis M. Elrod

Company or Organization: Atkins-Elrod & Associates

Address: 11 East 10th Street

P.O. Box: _____

City/State/Zip: Covington, KY 41011

Phone (include area code): 859-431-1604

Fax (include area code): 859-431-1703

E-mail (please print large): Dennismelrod@

WX/SX NUMBER: WX21063001

If you have more than one project designated to receive funds from this grant award, please copy this page and fill out one page for each project, even if the same person will be designated project administrator for each project.

Project Administrator

Project administration is an extremely important element of any successful infrastructure project. The Project Administrator will be responsible for assisting the Grantee with procurement of all necessary services and gathering, collating, and presenting all appropriate information necessary for complete project documentation. This individual will serve as the communications link between members of the Project Team and as the principal point of contact for state agencies. This individual will be responsible for keeping all members of the local Project Team on task, setting up and maintaining project files, securing additional resources, and for trouble-shooting whenever necessary. Other duties to be performed by the Project Administrator may include: documenting Project Team meetings; conducting and maintaining records of public meetings; preparing the Environmental Assessment; organizing the effort to secure easements and rights of way; and providing necessary clerical and support services as required.

The services performed by a Project Administrator are professional in nature and must be assigned by the Project Owner/Grantee to a qualified staff person with appropriate time to dedicate to the position or to an individual who specializes in this service. Most often these responsibilities are entrusted to a qualified individual secured either through the standard procurement process pursuant to KRS 45A or through an Area Development District.

Reference: *Procedures Manual for Funding Water/Wastewater Projects 2003*
(web address - kia.ky.gov)

Sandy Hook Water District

EXHIBIT 2

Complete and mail or fax to:
Kentucky Infrastructure Authority
1024 Capital Center Drive, Suite 340
Frankfort, KY 40601
Fax : 502-573-0157
Phone: 502-573-0260

DESIGNATION OF PROJECT NUMBER

\$894,444 - Sandy Hook Water District - Various Water Line Extensions, Water Plant Improvements, Wells Creek Pump Station, Scada System Upgrade and Rehabilitate Wells 1,2,3 and 4

(Please print or type)

Please check the correct box and fill in the appropriate information:

My grant award will be used for one project. The WX or SX number is listed below.

WX/SX NUMBER: WX21063001

My grant award will be used for one project. The WX or SX number has not yet been identified. The project administrator will be responsible for submitting this information to KIA after coordinating with the Area Water Management Council.

My grant award will be used for more than one project. The WX or SX numbers are listed below.

WX/SX NUMBER: _____ Grant \$ Allocated: _____

WX/SX NUMBER: _____ Grant \$ Allocated: _____

WX/SX NUMBER: _____ Grant \$ Allocated: _____

WX/SX NUMBER: _____ Grant \$ Allocated: _____

My grant award will be used for more than one project. If any WX or SX number(s) have been identified, they are listed below. The WX or SX number(s) that have not yet been identified will be provided to KIA by the project administrator after coordinating with the Area Water Management Council.

WX/SX NUMBER: _____ Grant \$ Allocated: _____

WX/SX NUMBER: _____ Grant \$ Allocated: _____

Remaining Grant Unallocated to Project(s): _____

Other: _____

SANDY HOOK WATER DISTRICT
 OPERATING EXPENSE STATEMENT
 PHASE IV WATER SYSTEM IMPROVEMENTS
 June 15, 2005

	Amounts
OPERATING REVENUES	
Water Sales	\$374,069
Sewer Collection Fees	\$6,000
Service Fees	\$7,060
Interest Income	\$576
Miscellaneous Income	\$4,253
TOTAL OPERATING REVENUES	\$391,958
OPERATING EXPENSES	
Wages	\$117,774
Water Analysis	\$1,903
Meters	\$3,889
Supplies	\$17,255
Repairs and Maintenance	\$18,594
Vehicle Expense	\$7,808
Telephone and Utilities	\$37,319
Postage and Freight	\$2,355
Payroll Taxes	\$9,509
Taxes and Licenses	\$12,955
Legal and Professional	\$6,366
Insurance	\$34,362
Travel Expenses	\$85
Dues and Subscriptions	\$401
Advertising	\$551
Miscellaneous Expense	\$153
Contract Labor	\$634
Bad Debts	\$1,345
TOTAL OPERATING EXPENSES	\$273,258
NET OPERATING INCOME (LOSS)	\$118,700
LONG TERM DEBT EXPENSES	
Interest Expense	\$63,086
Principal	\$25,600
TOTAL LONG TERM DEBT EXPENSES	\$88,686
NET TOTAL INCOME (LOSS)	\$30,014