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AUG 03 2006

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

PUBLIC SERVICE
COMMISSION

DAMON R. TALLEY

ATTORNEY AT LAW

August 3, 2006

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

RE: Southeastern Water Association, Inc.

Dear Ms. O'Donnell:

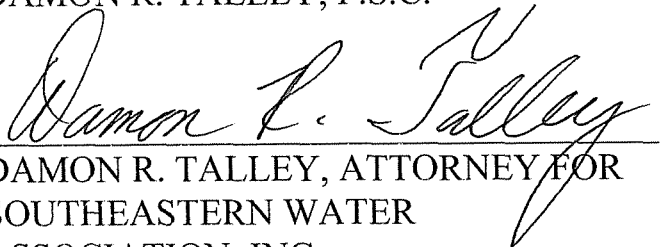
Case No. 2006-00371

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, ATTORNEY FOR
SOUTHEASTERN WATER
ASSOCIATION, INC.

DRT/ms

Enclosures

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

RECEIVED

AUG 03 2006

PUBLIC SERVICE COMMISSION

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.

2006-371

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

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 construction of a 100,000 gallon elevated water storage tank, the construction of two (2) new booster pump stations, and the installation of approximately 25 miles of 8 to 3 inch water distribution lines. The Project will provide new water service to approximately 151 additional customers.

5. The Project cost is \$3,947,000. 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 \$2,754,000. It will be for a 40 year period with an interest rate not to exceed 4.50%. The balance of the Project cost will be funded by grants totaling \$1,113,000 and connection fees totaling \$80,000. The financing sources are as follows:

RD Loan	\$2,754,000.
RD Grant	700,000.
Tobacco Development Fund Grant	413,000.
Connection Fees	<u>80,000.</u>
TOTAL:	\$ 3,947,000.

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. After the original Letter of Conditions was issued, the Association obtained a Tobacco Development Fund Grant in the amount of \$413,000. On June 15, 2006, the USDA-RD amended the original Letter of Conditions by revising paragraph 22 to enable the Association to utilize the proceeds from this Tobacco Development Fund Grant as part of the Project. The Amended Letter of Conditions is attached hereto and incorporated hereto by reference as part of **EXHIBIT 2**.

9. 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. Maps showing the location and routes of the various water lines included in the Project are attached as **EXHIBIT 10**.

10. 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.

11. 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**.

12. 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 July 25, 2006, which is attached hereto and incorporated herein by reference as **EXHIBIT 7**.

13. 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.

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

15. 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**.

16. 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.

17. 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.

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

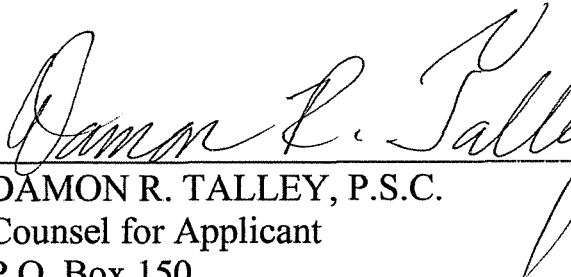
WHEREFORE, the Applicant, the Southeastern Water Association, Inc., respectfully requests the Commission to issue the following:

- 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 \$2,754,000, at a rate not to exceed 4.50%, 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 1st, 2006.

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 1st, 2006.

Amara C. Davis

NOTARY PUBLIC, STATE AT LARGE

MY COMMISSION EXPIRES: 10/27/09

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6	Engineer's Best Bid Recommendations
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8	Certified Statement of President
9	Notice of Adjustment of Water Rates
10	Maps

**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 1st day of Aug., 2006.

**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 1st day of Aug., 2006, by **ERNEST STOUT, JR.**, as Secretary of the **SOUTHEASTERN WATER ASSOCIATION, INC.**, a Kentucky Corporation, for and on behalf of the Corporation.

Jamara C. Davis
NOTARY PUBLIC, State at Large

MY COMMISSION EXPIRES: 10/27/09

041042

ARTICLES OF CONSOLIDATION

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

RECEIVED & FILED
\$8.00
DEC 17 2 07 PM '93
SHERIFF'S OFFICE
COMMONWEALTH OF KENTUCKY

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, 273.201 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 273.201 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 extent 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:

<u>NAME</u>	<u>ADDRESS</u>
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:

<u>NAME</u>	<u>ADDRESS</u>
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 DENSMORE 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.

Steve J. Deans

NOTARY PUBLIC

My commission expires: 4-13-96

IN WITNESS WHEREOF, we have hereunto subscribed our names this the

BOOK 0017 PAGE 615

9th day of December, 1993

Valando Taylor
VALANDO TAYLOR PRESIDENT

Joe Crawford
JOE CRAWFORD SECRETARY

STATE OF KENTUCKY
COUNTY OF Letcher

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.

Wanda J. Dantz
NOTARY PUBLIC

My Commission expires: 4-13-96

DEC 1993

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

Art B. Lane Book 17 Page 665
Attest: WILLARD HANSFORD, Clerk By Margaret Lane Hanson D.C.

076631

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

JOHN T. ...
SECRETARY
...
John T. ...

NOV 26 9 17 AM '96
Ch. J. ...

RECEIVED & FILED

** ** * * * * *

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
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 Donna W. H. H. H. D.C.



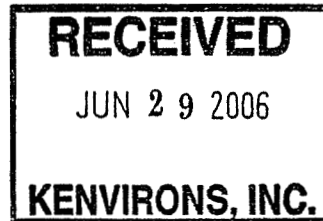
United States Department of Agriculture
Rural Development
Kentucky State Office

JUN 21 2006

EXHIBIT 2

June 15, 2006

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



Re: Letter of Conditions Dated February 3, 2005

Dear Mr. Richards:

This letter shall serve as Amendment No. 1 to the Letter of Conditions dated February 3, 2005. The purpose of this amendment is to revise the 1) total cost of the proposed project, 2) project funding, 3) Civil Rights and EEO statement, and make other editorial changes in accordance with current Rural Utilities Service (RUS) Instructions.

The Second Paragraph on Page 1 is revised to read as follows:

“ 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 \$2,754,000, a RUS grant not to exceed \$700,000, and a Tobacco Development Fund grant of \$413,000. ”

Paragraph numbered “13” is revised to read as follows:

“ 13. Civil Rights & Equal Opportunity:

You should be aware of and will be required to comply with other federal statute requirements including but not limited to:

A. Section 504 of the Rehabilitation Act of 1973:

Under Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), no handicapped individual in the United States shall, solely by reason of their handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Rural Development financial assistance.

771 Corporate Drive • Suite 200 • Lexington, KY 40503
Phone: (859) 224-7300 • Fax: (859) 224-7425 • TDD: (859) 224-7422 • Web: <http://www.rurdev.usda.gov/ky>

Committed to the future of rural communities.

USDA is an equal opportunity provider, employer and lender.
To file a complaint of discrimination write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice or TDD).

B. Civil Rights Act of 1964:

All borrowers are subject to, and facilities must be operated in accordance with, Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) and Subpart E of Part 1901 of this Title, particularly as it relates to conducting and reporting of compliance reviews. Instruments of conveyance for loans and/or grants subject to the Act must contain the covenant required by paragraph 1901.202(e) of this Title.

C. The Americans with Disabilities Act (ADA) of 1990:

This Act (42 U.S.C. 12101 et seq.) prohibits discrimination on the basis of disability in employment, state and local government services, public transportation, public accommodations, facilities, and telecommunications. Title II of the Act applies to facilities operated by state and local public entities that provide services, programs, and activities. Title III of the Act applies to facilities owned, leased, or operated by private entities that accommodate the public.

D. Age Discrimination Act of 1975:

This Act (42 U.S.C. 6101 et seq.) provides that no person in the United States shall, on the basis of age, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

Rural Development financial programs must be extended without regard to race, color, religion, sex, national origin, marital status, age, or physical or mental handicap. ”

Paragraph numbered "22" is revised to read as follows:

“ 22. Cost of Facility:

Breakdown of Costs:

Development	\$ 3,166,247
Land and Rights	10,000
Legal and Administrative	13,000
Engineering	322,932
Interest	100,000
Contingencies	<u>334,821</u>
TOTAL	\$ 3,947,000

Financing:

RUS Loan	\$ 2,754,000
RUS Grant	700,000
Tobacco Development Fund Grant	413,000
Applicant Connection Fees	<u>80,000</u>
TOTAL	\$ 3,947,000 ”

Paragraph numbered "24" is revised to read as follows:

" 24. Use of Remaining Project Funds:

The applicant connection fees shall be considered as the first funds expended. After providing for all authorized costs, any remaining project funds will be considered to be RUS/Tobacco Development Fund grant funds and refunded in proportion to participation in the project. If the amount of unused project funds exceeds the grants, that part would be RUS loan funds. "

Paragraph numbered "30" is added to read as follows:

" 30. Compliance with the Bioterrorism Act:

Prior to pre-closing the loan, the Association will provide a certification they have completed a Vulnerability Assessment (VA) and prepared an emergency response plan (ERP) as required by the Safe Drinking Water Act (SDWA). "

Paragraph numbered "31" is added to read as follows:

" 31. Commitment of Other Project Funds:

This Letter of Conditions is issued contingent upon a firm commitment being in effect prior to advertising for construction bids for the Tobacco Development fund grant in the amount of \$413,000. "

All other provisions of the referenced Letter of Conditions remain in full force and unchanged.

Sincerely,


KENNETH SLONE
State Director

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



United States Department of Agriculture
Rural Development
Kentucky State Office

EXHIBIT 2

February 3, 2005

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 \$2,754,000 and a RUS grant not to exceed \$700,000.

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:

771 Corporate Drive • Suite 200 • Lexington, KY 40503
Phone: (859) 224-7300 • Fax: (859) 224-7425 • TDD: (859) 224-7422 • Web: <http://www.rurdev.usda.gov/ky>

Committed to the future of rural communities.

"USDA is an equal opportunity provider, employer and lender."
To file a complaint of discrimination write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice or TDD).

1. Number of Users and Their Contribution:

There shall be 6,398 water users, of which 6,247 are existing users and 151 are new users contributing \$80,000 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 Area Director 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 Area Director will furnish the necessary forms and further guidance on the PAD procedure.

4. Funded Depreciation Reserve Account:

The Association will be required to deposit \$1,275 per month into a "Funded Depreciation Reserve Account" until the account reaches \$153,000. The deposits are to be resumed any time the account falls below the \$153,000.

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 \$553,000.
- 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 Area Director 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 RUS Bulletin 1780-28, "Loan Resolution Security Agreement."
- B. Form RD 400-1, "Equal Opportunity Agreement."
- C. Form RD 400-4, "Assurance Agreement."
- D. Form AD-1047, "Certification Regarding Debarment, Suspension, and Other Responsibility Matters - Primary Covered Transaction."
- E. Form RD 1910-11, "Applicant Certification Federal Collection Policies for Consumer or Commercial Debts."
- F. RD Instruction 1940-Q, Exhibit A-1, "Certification for Contracts, Grants and Loans."

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

18. Refinancing and Graduation Requirements:

The Association is reminded that if at any time it shall appear to the Government that the Association is able to refinance the amount of the RUS indebtedness then outstanding, in whole or in part, by obtaining a loan from commercial sources at reasonable rates and terms, upon the request of the Government, the Association will apply for and accept such loan in sufficient amount to repay the Government.

19. Commercial Interim Financing:

The Association will be required to use commercial interim financing for the project during construction for the RUS loan portion of the financing, if available at reasonable rates and terms.

Before the loan is closed, the Association will be required to provide Rural Development with statements from the contractor, engineer and attorneys that they have been paid to date in accordance with their contract or other agreements and, in the case of the contractor, that he has paid his suppliers and sub-contractors.

20. Disbursement of Project Funds:

A construction account for the purpose of disbursement of project funds (RUS) will be established by the Association prior to start of construction. The position of officials entrusted with the receipt and disbursement of RUS project funds will be covered by a "Fidelity Bond," with USDA Rural Development as Co-Obligee, in the amount of construction funds on hand at any one time during the construction phase.

During construction, the Association shall disburse project funds in a manner consistent with subsection 1780.76 (e) of RUS Instruction 1780. Form RD 1924-18, "Partial Payment Estimate," or similar form approved by Rural Development, shall be used for the purpose of documenting periodic construction estimates, and shall be submitted to Rural Development for review and acceptance. Prior to disbursement of funds by the Association, the Board of Directors shall review and approve each payment estimate. All bills and vouchers must be approved by Rural Development prior to payment by the Association.

Form RD 440-11, "Estimate of Funds Needed for 30-Day Period Commencing _____," will be prepared by the Association and submitted to Rural Development in order that a periodic advance of federal cash may be requested.

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

21. Disbursement of Grant Funds:

The RUS funds will be advanced as they are needed in the amount(s) necessary to cover the RUS proportionate share of obligations due and payable by the Association. Grant funds, upon receipt, must be deposited in an interest bearing account in accordance with 7 CFR part 3019 (as applicable). Interest earned on grant funds in excess of \$250 (as applicable) per year will be submitted to RUS at least quarterly.

22. Cost of Facility:

Breakdown of Costs:

Development	\$ 2,824,000
Land and Rights	10,000
Legal and Administrative	13,000
Engineering	307,000
Interest	100,000
Contingencies	<u>280,000</u>
TOTAL	\$ 3,534,000

Financing:

RUS Loan	\$ 2,754,000
RUS Grant	700,000
Applicant Contribution	<u>80,000</u>
TOTAL	\$ 3,534,000

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 @ \$	15.50 - Minimum Bill.
All Over	2,000 gallons @ \$	6.50 - per 1,000 gallons.

Wholesale water rate to the City of Burnside will be \$ 2.43 - 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 project shall be in compliance with all requirements noted in the Kentucky Department for Local Government letter dated March 13, 2003, from Mr. Ronald A. Cook, Manager.
- B. The design and construction shall be in compliance with the requirements of the U.S. Fish and Wildlife Service as requested by letter dated July 21, 2003, and signed by Virgil Lee Andrews, Jr., Field Supervisor.
- C. The line design and construction shall be accomplished in a way that will leave flood plains and farmland without affect after construction is complete. The Army Corps of Engineers Nationwide Permit No. 12 applies to all floodplain and wetland utility line construction.
- D. The design and construction shall be in compliance with all local, state and federal environmental statutes, regulations and executive orders applicable to the project.

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 Area Director will allot a reasonable portion of time to provide guidance in application processing.

Sincerely,


KENNETH SLONE
State Director

Enclosures

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

EXHIBIT 3

**PRELIMINARY
ENGINEERING
REPORT**

PRELIMINARY ENGINEERING REPORT

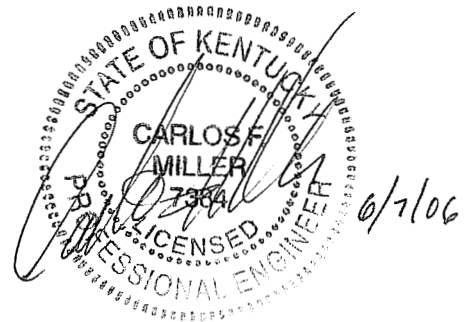
FOR

SOUTHEASTERN WATER ASSOCIATION

PHASE 3 SYSTEM REINFORCEMENTS AND EXTENSIONS

PROJECT No. 2002215

JANUARY, 2003



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 unserved 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 six 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. 500 miles of water lines in sizes 3-inch through 8-inch.
2. Storage Tanks

Elevated ⁽⁴⁾	300,000
Ground ⁽⁶⁾	800,000
Standpipe ⁽²⁾	<u>500,000</u>
Total Storage	1,600,000
3. Pump Stations
(1) 400 gpm; (3) 100 gpm; (2) 75 gpm; (1) 160 gpm; (2) 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 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.

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 unserved 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. 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.

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 is one tank and two pump stations in this project for which land will need to be acquired.

Water

SEWA purchases all of its water from Somerset at a rate of \$2.00 per thousand gallons. The estimated demand for the 216 potential customers located along the proposed extensions is 43,000 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.

A permit from the U.S. Forest Service will be required for pipeline construction through Forest Service land. The engineer will assist in the acquisition of this permit.

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-Hill 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	\$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	\$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	6,000	\$39,000.00	14,000	\$91,000.00	8,000	\$52,000.00	0	\$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	\$0.00
6 4-Inch PVC, DI	LF	12.00	0	\$0.00	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	30	\$13,500.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$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	\$0.00
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	12	\$4,800.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$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	\$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	\$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	\$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	\$0.00
16 Creek Crossing for 6"	LF	60.00	100	\$6,000.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$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	\$0.00
18 Creek Crossing Test Meter	EA	500.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00
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	200	\$26,000.00	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	0	\$0.00	0	\$0.00	50	\$5,500.00	0	\$0.00	0	\$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	\$0.00
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	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00
31 4" x 4" TS&V	EA	900.00	1	\$900.00	0	\$0.00	0	\$0.00	0	\$0.00	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	1	\$60,000.00	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	84,000	\$58,800.00	6,000	\$4,200.00	14,000	\$9,800.00	8,000	\$5,600.00	0	\$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 Cr. 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) Lillard 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) Gilder Anderson Road	(34) KY 192 Reinforcement	(35) Wesley Chapel Road
			Quantity	Quantity	Quantity	Quantity	Quantity
			Cost	Cost	Cost	Cost	Cost
1 1/2-Inch PVC, SDR 21	LF	7.50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2 1/2-Inch PVC, SDR 17	LF	8.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
3 1/2-Inch PVC, DI	LF	14.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
4 1/2-Inch PVC, SDR 21	LF	6.50	\$0.00	\$0.00	4,400	7,000	\$45,500.00
5 1/2-Inch PVC, SDR 17	LF	7.00	11,000	\$84,000.00	\$0.00	\$0.00	\$0.00
6 1/2-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	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	2	\$600.00	\$0.00
10 3-Inch Gate Valve	EA	250.00	\$0.00	\$0.00	\$0.00	\$0.00	\$900.00
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	2	\$1,000.00	1	\$400.00	\$0.00
13 Pavement Replacement	LF	8.00	1,000	\$8,000.00	1	\$500.00	\$400.00
14 5/8" x 3/4" Meter Installation	EA	350.00	3	\$1,050.00	400	\$3,200.00	\$500.00
15 3/4" Service Tubing	LF	5.75	180	\$1,035.00	5	\$1,725.00	\$5,600.00
16 Creek Crossing for 6"	LF	60.00	\$0.00	\$0.00	300	\$1,750.00	\$1,050.00
17 Creek Crossing for 4"	LF	50.00	100	\$5,000.00	600	\$36,000.00	\$1,035.00
18 Creek Crossing Test Meter	EA	500.00	\$0.00	\$7,500.00	50	\$2,500.00	\$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	\$30,000.00	\$0.00
21 Bore & Case for 6"	LF	130.00	\$0.00	\$0.00	300	\$15,000.00	\$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	40	\$4,400.00	\$4,400.00
24 Open Cut & Case for 4"	LF	35.00	40	\$1,400.00	40	\$1,400.00	\$1,400.00
25 8" PVC, SDR 21	LF	9.00	\$0.00	\$0.00	\$0.00	\$99,000.00	\$0.00
26 8" PVC, SDR 17	LF	10.00	\$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	\$3,000.00	\$0.00
30 6" x 4" TS&V	EA	1,000.00	\$0.00	\$0.00	2	\$2,000.00	\$0.00
31 4" x 4" TS&V	EA	900.00	1	\$900.00	\$0.00	\$0.00	\$900.00
32 3" x 3" TS&V	EA	800.00	\$0.00	\$0.00	1	\$800.00	\$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
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	4,400	\$3,080.00	\$20,300.00
				\$117,485.00		\$48,555.00	\$417,850.00
				\$115,490.00		\$46,585.00	\$4,900.00
							\$66,585.00

EXHIBIT 2

SUMMARY OF PROPOSED PHASE 3 EXTENSIONS

<u>MAP NO.</u>	<u>ROAD</u>	<u>LENGTH (MILES)</u>	<u>POTENTIAL CUSTOMERS</u>	<u>CONSTRUCTION COST</u>
3	Dry Branch	2.65	5	\$194,375
4	Happy Hollow	1.51	5	73,620
7	Dahl-Conrad	3.75	7	185,625
11	Blue John (Jasper Bend)	17.04	153	1,422,050
12	Liberty Church Spur	0.70	3	41,975
13	Bee Lick	0.95	8	58,560
16	Bill Todd	0.42	1	29,885
17	Texas School	1.25	8	90,195
21	Lower Line Creek	2.76	10	204,270
23	Whitson	0.57	3	61,185
24	Fire Tower	0.30	1	47,815
26	Lillard Phelps	0.98	2	83,180
30	Ransom Hollow	0.23	2	21,130
31	Pumpkin Hollow / Burdine	2.08	3	117,485
32	Strawberry / Phelps	2.27	2	115,490
35	Wesley Chapel	1.32	3	66,585
		<u>38.78</u>	<u>216</u>	<u>\$2,813,425</u>

EXHIBIT 3
SOUTHEASTERN WATER ASSOCIATION-PHASE 3 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	13	Bee Lick	8	0.9	58,560	7,320	1,121,110
2	11	Blue John	153	17	1,422,050	9,294	2,836,035
3	30	Ransom	2	0.2	21,130	10,565	2,905,720
4	17	Texas School	8	1.3	90,195	11,274	2,995,915
5	12	Liberty Church Spur	3	0.7	41,975	13,991	3,495,915
6	4	Happy Hollow	5	1.5	73,620	14,724	3,765,985
7	23	Whitson	3	0.6	61,185	20,395	3,827,170
8	21	Lower Line Creek	10	2.8	204,270	20,427	4,031,440
9	35	Wesley Chapel	3	1.3	66,585	22,195	4,098,025
10	7	Dahl-Conrad	7	3.8	185,625	26,518	4,283,650
11	16	Bill Todd	1	0.4	29,885	29,885	4,313,535
12	3	Dry Branch	5	2.7	194,375	38,075	4,507,910
13	31	Pumpkin Hollow	3	2.1	117,485	39,161	4,625,395
14	26	Lilliard Phelps	2	1	83,180	41,590	4,708,575
15	24	Fire Tower	1	0.3	47,815	47,815	4,756,390
16	32	Strawberry/Phelps	2	2.3	115,490	57,745	4,871,880

EXHIBIT 4

DETERMINATION OF MEDIAN HOUSEHOLD INCOME FOR PROJECT

<u>CENSUS DIVISION</u>	<u>EXTENSION</u>	<u>MAP NO.</u>	<u>CUSTOMERS</u>	<u>MEDIAN HOUSEHOLD INCOME</u>	<u>WEIGHTED INCOME</u>
Somerset	Dry Branch	(3)	5		
	Fire Tower	(24)	1		
	Pumpkin Hollow / Burdine	(31)	3		
	Strawberry / Phelps	(32)	2		
	Wesley Chapel	(35)	3		
			14	\$19,530	\$273,420
Burnside	Blue John (Jasper Bend)	(11)	153	\$14,287	\$2,185,911
Mt. Victory	Happy Hollow	(4)	5		
	Lillard Phelps	(26)	2		
	Ransom Hollow	(30)	2		
			9	\$16,218	\$145,962
Shopville	Dahl-Conrad	(7)	7		
	Lower Line Creek	(21)	10		
	Whitson	(23)	3		
			20	\$15,880	\$317,600
Eubank	Liberty Church Spur	(12)	3		
	Bee Lick	(13)	8		
	Bill Todd	(16)	1		
	Texas School	(17)	8		
			20	\$17,399	\$347,980
	TOTAL CUSTOMERS		216		\$3,270,873

$$\text{Project Average Median Household Income} = \frac{\$3,270,873}{216} = \mathbf{\$15,143}$$

APPENDIX 1

PROJECT MAPS

EXHIBIT 5

SOUTHEASTERN WATER ASSOCIATION OPINION OF PROBABLE PROJECT COST AND FUNDING

1. Construction Cost		\$2,814,000.00
2. Engineering		
2.1 Design	\$191,400.00	
2.2 Construction Observation	87,600.00	
2.3 Preliminary Engineering Report	8,000.00	
2.4 Surveying	3,000.00	
2.5 Environmental Evaluation	10,000.00	
2.6 Geotechnical	<u>7,000.00</u>	
		307,000.00
3. Legal		
Local Counsel		10,000.00
4. Capitalized Interest		100,000.00
5. Land and Rights		10,000.00
6. Administration		3,000.00
7. Forest Service Permit		10,000.00
8. Contingencies		<u>280,000.00</u>
TOTAL PROJECT COST		\$3,534,000.00

PROJECT FUNDING

RD Loan	\$2,554,000
RD Grant	900,000
Owner Contribution ⁽¹⁾	<u>80,000</u>
	\$3,534,000

⁽¹⁾ Tap fees = 151 cust. x \$525 = \$79,275

EXHIBIT 6

SOUTHEASTERN WATER ASSOCIATION EXISTING REVENUE REQUIREMENT (PSC REPORT, 2002)

1. OPERATING & MAINTENANCE

Water Supply (Purchased Water)	\$799,373
Power for Pumping	33,531
Water Treatment	5,100
Transmission & Distribution	121,021
Customer Accounts	127,939
Administration & General	249,688
Taxes	<u>25,189</u>
	\$1,361,841

2. DEBT SERVICE

2.1 GECC Notes	\$31,275	
2.2 RD Notes	<u>282,710</u>	
		\$313,985

3. CITIZENS BANK NOTE

\$900/month x 12 =	\$10,800
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4. DEBT SERVICE COVERAGE

\$299,439 X 0.10 =	\$29,944
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5. DEPRECIATION

\$338,959

TOTAL EXISTING REVENUE REQUIREMENT **\$2,055,529**

EXHIBIT 7

ADJUSTMENTS TO 2002 EXPENSES

I. COST FOR ADDED CUSTOMERS

1. ADDED CUSTOMERS

Customer Count at May, 2003	6,055
Avg. Customer Count during 2002	<u>5,783</u>
ADDITIONAL CUSTOMERS	272
A. Purchased Water:	
272 cust. x 4.0 gal/mo. x 12 ÷ 0.85 =	15,360 M Gals.
Cost: 15,360 x \$2.00 =	\$30,720
B. Pumping: 15,360 x \$0.10 =	1,536
C. Trans. & Dist.: 150 inch-miles x \$100.00 (Phase 1)	15,000
D. Customer Accounts: 272 cust. x \$50.00	13,600
E. Admin. & General: 272 x \$40.00	<u>10,880</u>
TOTAL EXPENSES FOR ADDED CUSTOMERS	\$71,736

II. EXISTING EXPENSES

1. HEALTH INSURANCE

2002: \$4,155 x 6 mo. + 5,088 x 6 mo. =	\$55,458
Annualized to 2006 =	<u>73,815</u>
	\$18,357

2. SALARY INCREASES

2002 to 2006 at 3% per year	
\$194,000 (2006) - \$172,371 (2002) =	\$21,629
FICA @ 7.65%	<u>1,655</u>
	\$23,284

3. TWO NEW EMPLOYEES

\$10.50/hr. + \$8.50/hr. = \$19.00 x 2,080 =	\$39,520
FICA @ 7.65%	<u>3,023</u>
	<u>\$42,543</u>

ADJUSTMENTS TO 2002 EXPENSES **\$84,184**

TOTAL ADJUSTMENTS **\$155,920**

EXHIBIT 8

**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 \$100/inch-mile x 201 inch-miles	20,100
1.4	Customer Accounts \$50/customer x 191	9,550
1.5	General & Administration \$40/customer x 191	7,640
1.6	Water Treatment	<u>400</u>
	TOTAL O & M EXPENSES	\$51,576

2. DEBT SERVICE

2.1	\$1,833,000 @ 4.5% for 38 yrs. \$1,833,000 x .05551	101,750
2.2	Coverage: \$101,750 x .10	<u>10,175</u>
	TOTAL REVENUE REQUIREMENT	\$163,501

EXHIBIT 9

**OPINION OF PROBABLE
ANNUAL REVENUE REQUIREMENT
FOR
2004 Phase 3 PROJECT**

1. O & M EXPENSES

1.1	Purchased Water 151 cust. x 2500 gal/mo x 12 ÷ 0.85 = 5,329 M Gals. Cost = 5,329 x \$2.00	\$10,658
1.2	Pumping: 5,329 x \$0.06	320
1.3	Transmission & Distribution \$100/inch-mile x 186 inch-miles	18,600
1.4	Customer Accounts \$50/customer x 151	7,550
1.5	General & Administration \$40/customer x 151	6,040
1.6	Water Treatment	<u>500</u>
	TOTAL O & M EXPENSES	\$43,668

2. DEBT SERVICE

2.1	\$2,554,000 @ 4.5% for 38 yrs. \$2,554,000 x .05551	141,772
2.2	Coverage: \$141,772 x .10	<u>14,177</u>
	TOTAL REVENUE REQUIREMENT	\$199,617

EXHIBIT 10

PRO FORMA REVENUE REQUIREMENT

	EXISTING	ADJUSTMENTS	PHASE 2	PHASE 3	2006
	<u>(Ex. 6)</u>	<u>TO 2002</u>	<u>EXTENSIONS</u>	<u>EXTENSIONS</u>	<u>PRO FORMA</u>
	(Ex. 6)	(Ex. 7)	(Ex. 8)	(Ex. 9)	REVENUE
					REQUIREMENT
1. OPERATING & MAINTENANCE					
Water Supply	\$799,373	\$30,720	\$13,482	\$10,658	\$854,233
Power for Pumping	33,531	1,536	404	320	35,791
Water Treatment	5,100	---	400	500	6,000
Trans. & Dist.	121,021	69,227	20,100	18,600	228,948
Customer Accounts	127,939	20,085	9,550	7,550	165,124
Admin. & General	249,688	34,352	7,640	6,040	297,720
Taxes	25,189	---	---	---	25,189
	<u>\$1,361,841</u>	<u>\$155,920</u>	<u>\$51,576</u>	<u>\$43,668</u>	<u>\$1,613,005</u>
2. DEBT SERVICE					
RD: Principal	\$50,430	\$15,552 ⁽¹⁾	\$19,265	\$26,842	\$112,089
Interest	232,280	---	82,485	114,930	429,695
GECC: Principal	11,119	---	---	---	13,170
Interest	20,156	---	---	---	18,105
	<u>\$313,985</u>	<u>\$15,552</u>	<u>\$101,750</u>	<u>\$141,772</u>	<u>\$573,059</u>
3. CITIZENS BANK NOTE	\$10,800	---	---		\$10,800
4. DEBT SERVICE COVERAGE	\$29,944	\$1,555 ⁽¹⁾	\$10,175	\$14,177	\$55,851
TOTALS	<u>\$1,716,570</u>	<u>\$173,027</u>	<u>\$163,501</u>	<u>\$199,617</u>	<u>\$2,252,715</u>
5. DEPRECIATION	<u>338,959</u>	---	50,000	56,000	444,959
TOTAL INCLUDING DEPRECIATION	<u>\$2,055,529</u>	<u>\$173,027</u>	<u>\$213,501</u>	<u>\$255,617</u>	<u>\$2,697,674</u>

⁽¹⁾ Phase 1 Extensions (Principal payment begins)

EXHIBIT 11

BILLING ANALYSIS

	<u>BILLS</u>	<u>GALLONS</u>	<u>FIRST 2000</u>	<u>OVER 2000</u>
First 2000 Gallons	25,538	20,426	20426	
Over 2000 Gallons	<u>43,858</u>	<u>244,972</u>	<u>87,716</u>	<u>157,256</u>
	69,396	265,398	108,142	157,256
 Burnside	 <u>12</u>	 <u>14,141</u>		
	69,408	279,539		

	<u>BILLS</u>	<u>GALLONS</u>	<u>EXIST. RATE</u>	<u>2002 GENERAL CUST. SALES</u>
First 2000	69,396	---	13.60	\$943,786
Over 2000		157,256 ⁽¹⁾	5.76	<u>905,795</u>
				\$1,849,581
Bernside		14,141	2.43	<u>34,362</u>
TOTAL SALES				\$1,883,943

CONFIRMATION OF BILLING ANALYSIS

2002 Annual Report: Water Sales to General Customers	\$1,849,579
Gallons Sold	295,696
Average Customer Count	5,783
Average Bills: 5,783 x 12	69,396

⁽¹⁾ Adjusted to yield Audit water sales.

EXHIBIT 12

RATE ADJUSTMENT AND PROJECTED WATER SALES REVENUES

	<u>PHASE 2 Proposed Rate</u>	<u>PHASE 3 Proposed Rate</u>	<u>Percent Increase</u>
First 2000 Gal.	\$ 14.70 (min.)	\$ 17.57 (min.)	19.52%
Over 2000 Gal.	6.25 per 1000 gals.	7.47 per 1000 gals.	19.52%
Avg. Bill of 4000 gal.	\$ 27.20	\$ 32.51	19.52%

PROJECTED REVENUES

1. Existing 2002 Customers

	<u>Bills</u>	<u>Gallons</u>	<u>Proposed Rate</u>	<u>Projected Water Sales</u>
First 2000 Gal.	69,396		17.57 (min.)	\$ 1,219,288
Over 2000 Gal.		157,256	7.47 per 1000 gals.	<u>1,174,702</u>
		TOTAL		\$ 2,393,990

1. Burnside

14,1414 x \$2.43 \$ 34,363

2. Added Customers to Existing System

272 cust. x \$32.51 x 12 \$ 106,112

3. Proposed Phase 2

System Extensions: 191 cust. x \$21.30 x 12 \$ 48,819

4. Proposed Phase 3

151 cust. x \$21.30 x 12 \$ 38,595

TOTAL PROJECTED WATER SALES REVENUES \$ 2,621,879

EXHIBIT 13

CASH FLOW SUMMARY

1. REVENUES

1.1 Water Sales (Exhibit 12)	\$2,587,516
Misc. Service Revenues	<u>109,763</u>
TOTAL REVENUES	\$2,697,279

2. O & M EXPENSES

2.1 2002	\$1,361,841	
2.2 Adjustments to 2002	155,920	
2.3 Proposed Phase 2	51,576	
2.4 Proposed Phase 3	<u>43,668</u>	
		\$1,613,005

3. DEBT SERVICE

3.1 Existing	\$329,537	
3.2 Phase 2	101,750	
3.3 Proposed Phase 3	<u>141,772</u>	
		\$573,059

4. CITIZENS BANK NOTE

Exhibit 6		\$10,800
-----------	--	-----------------

5. CAPITAL IMPROVEMENTS

\$444,564

AMOUNT LEFT FOR COVERAGE **\$55,851**

Total Projected Coverage (Exhibit 10) **\$55,851**

RURAL DEVELOPMENT

SUMMARY / ADDENDUM
TO
PRELIMINARY ENGINEERING REPORT

SUMMARY ADDENDUM
TO
PRELIMINARY ENGINEERING REPORT

DATED June, 2003

FOR

Southeastern Water Association
Phase 3 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 both be taken as security for the loan, all user information and characteristics of both utility systems will be needed even though the project will benefit only one utility.***

Feasibility reviews and grant determinations 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 39 miles of pipeline in sizes 3-inch through 8-inch serving 216 customers. There is one tank and pump station.

II. FACILITY CHARACTERISTICS OF EXISTING SEWER SYSTEM

A. *Sewage Treatment:*

1. *Type* _____
2. *Method of Sludge Disposal* _____
3. *Cost per 1,000 gallons is 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 Collection 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 – Excellent Quality and Quantity

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

New Raw water intake being constructed to capacity 10 MGD. 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: \$ 13,729,317

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 system will be needed. Three tanks and pump stations and reinforcements for major transmission arteries will be required.

E. Percentage of Water Loss Existing System 12

IV. EXISTING LONG-TERM INDEBTEDNESS

A. List of Bonds and Notes:

<u>Date of Issue</u>	<u>Bond/Note Holder</u>	<u>Principal Balance</u>	<u>Payment Date</u>	<u>Bond Type Water/Sewer*</u>		<u>Amount on Deposit in Reserve Account</u>
1991 Issue	RD	\$ 330,161	Feb. 12	%	%	
1995 Issue	RD	\$ 814,865	Sept. 4	%	%	
1997 Issue	RD	\$1,901,826	Oct. 17	%	%	
1992 Issue	GECC	\$ 42,167	June 1	%	%	
1996 Issue	GECC	\$ 296,592	June 1	%	%	
2002 Issue	RD	\$1,479,000	July 10	%	%	

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

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

<u>Date of Issue</u>	<u>Bond/Note Holder</u>	<u>Payment Year 2004</u>		<u>Payment Year 2005</u>		<u>Payment Year 2006</u>	
		<u>Principal Payment</u>	<u>Interest Payment</u>	<u>Principal Payment</u>	<u>Interest Payment</u>	<u>Principal Payment</u>	<u>Interest Payment</u>
1991 Issue	RD	5,897	16,397	6,075	16,219	6,379	15,915
1995 Issue	RD	15,853	39,242	17,155	38,352	17,979	37,529
1997 Issue	RD	38,955	94,265	41,448	91,279	43,521	89,246
1992 Issue	GECC	4,442	1,897	4,453	1,886	4,675	1,663
1996 Issue	GECC	7,996	16,940	8,024	16,912	7,954	16,442
2002 Issue	RD	14,140	72,101	14,829	71,412	15,552	70,869
TOTALS		87,283	240,842	91,984	236,060	96,060	231,664

V. EXISTING SHORT-TERM INDEBTEDNESS

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

<u>Lender or Lesser</u>	<u>Date of Issue (Month & Year)</u>	<u>Principal Balance</u>	<u>Purpose (Water and/ or Sewer)</u>	<u>Payment Date</u>	<u>Principal & Interest Payment (P&I)</u>	<u>Date to Be Paid In Full</u>
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____

VI. LAND AND RIGHTS - EXISTING SYSTEM(S)

Number of Treatment Plant Sites:	Water	1	<i>Sewer</i>	_____
Number of Storage Tank Sites:	Water	12	<i>Sewer</i>	_____
Number of Pump Stations:	Water	8	<i>Sewer</i>	_____
Total Acreage:	Water	12 Acres	<i>Sewer</i>	_____ Acres
Purchase Price:	Water	\$37,300	<i>Sewer</i>	_____ \$

VII. NUMBER OF EXISTING USERS

	Water	<i>Sewer</i>
Residential (In Town)*		
Residential (Out of Town)*	6,012	_____
Non-Residential (In Town)	_____	_____
Non-Residential (Out of Town)	43	_____
Total	6,055	_____
Number to Total Potential Users Living in the Service Area	7,500	_____

*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

<u>Meter Size</u>	<u>Water Connection Fee</u>	<u>Sewer Connection Fee</u>
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:		<u>Existing</u>	<u>Proposed for Phase 2</u>	
First	2000	Gallons @ \$13.60	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 @ \$ 5.76	6.25	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

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

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

For Period January 1 to December 31, 2002

All
Meter

<u>Meter Sizes</u>	<u>Monthly Sewer Usage</u>			<u>Average</u>	<u>Residential</u>		<u>Non-Residential</u>	
					No. of Users	Usage (1000)	No. of Users	Usage (1000)
0	-	2,000	Gal.	1,000	25,232	20,239	302	187
2,000	-	3,000	Gal.	2,500	11,126	27,599	23	62
3,000	-	4,000	Gal.	3,500	9,795	33,610	16	60
4,000	-	5,000	Gal.	4,500	7,383	32,500	11	53
5,000	-	6,000	Gal.	5,500	5,021	26,923	5	27
6,000	-	7,000	Gal.	6,500	3,251	20,556	9	65
7,000	-	8,000	Gal.	7,500	2,019	14,738	10	84
8,000	-	9,000	Gal.	8,500	1,387	11,471	5	42
9,000	-	10,000	Gal.	9,500	882	8,159	6	66
10,000	-	11,000	Gal.	10,500	569	5,812	3	32
11,000	-	12,000	Gal.	11,500	404	4,526	10	127
12,000	-	13,000	Gal.	12,500	271	3,297	4	51
13,000	-	14,000	Gal.	13,500	201	2,645	1	13
14,000	-	15,000	Gal.	14,500	149	2,097	2	28
15,000	-	16,000	Gal.	15,500	137	2,072	2	31
16,000	-	17,000	Gal.	16,500	83	1,330	-	-
17,000	-	18,000	Gal.	17,500	81	1,378	1	18
18,000	-	19,000	Gal.	18,500	62	1,124	1	19
19,000	-	20,000	Gal.	19,500	78	1,480	-	-
Over	-	20,000	Gal.	49,900	782	38,987	-	-
Over	-	20,000	Gal.	52,600			74	3,890
	-		Gal.					
				Total	(68,911)	(260,543)	(485)	(4,855)
				Average Usage		(3.8)		(10.1)
Burnside								14.141
Total Water Purchased and/or Produced					3,994,219			
Total Water Sold					295,656			

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:

Type: Ground Storage Tank	_____	Elevated Tank	125,000
Standpipe	_____	Other	_____
Number of Storage Structures	1		
Total Storage Volume Capacity	125,000		

C. Water Distribution System:

Pipe Material	PVC, DI		
Lineal Feet of Pipe:	3" Diameter	4"	170,000
	6" 36,000	8"	_____
	10"	12"	_____
Number and Capacity of Pump Station(s)	1 – 75 GPM		

XVI. LAND AND RIGHTS - PROPOSED WATER SYSTEM

Number of Treatment Plant Sites	_____
Number of Storage Tank Sites	1
Number of Pump Stations	1
Total Acreage	0.75 Acres
Purchase Price	\$10,000

XVII. NUMBER OF NEW SEWER USERS

<i>Residential (In Town)*</i>	_____
<i>Residential (Out of Town)*</i>	_____
<i>Non-Residential (In Town)</i>	_____
<i>Non-Residential (Out of Town)</i>	_____
<i>Total</i>	_____
<i>Number to Total Potential Users Living in the Service Area</i>	_____

***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

<u>Meter Size</u>	<u>Connection Fee</u>
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)*	151
Non-Residential (In Town)	
Non-Residential (Out of Town)	
Total	151
Number to Total Potential Users Living in the Service Area	216

*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

<u>Meter Size</u>	<u>Connection Fee</u>
5/8" x 3/4"	\$525
1-Inch	\$ at cost
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)

<i>First</i>	_____	<i>Gallons @</i>	<i>\$</i>	_____	<i>Minimum.</i>
<i>Next</i>	_____	<i>Gallons @</i>	<i>\$</i>	_____	<i>per 1,000 Gallons.</i>
<i>Next</i>	_____	<i>Gallons @</i>	<i>\$</i>	_____	<i>per 1,000 Gallons.</i>
<i>Next</i>	_____	<i>Gallons @</i>	<i>\$</i>	_____	<i>per 1,000 Gallons.</i>
<i>Next</i>	_____	<i>Gallons @</i>	<i>\$</i>	_____	<i>per 1,000 Gallons.</i>
<i>Next</i>	_____	<i>Gallons @</i>	<i>\$</i>	_____	<i>per 1,000 Gallons.</i>
<i>All Over</i>	_____	<i>Gallons @</i>	<i>\$</i>	_____	<i>per 1,000 Gallons.</i>

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) _____

Proposed Rate Schedule: (With RUS Grant)

<i>First</i>	_____	<i>Gallons @</i>	<i>\$</i>	_____	<i>Minimum.</i>
<i>Next</i>	_____	<i>Gallons @</i>	<i>\$</i>	_____	<i>per 1,000 Gallons.</i>
<i>Next</i>	_____	<i>Gallons @</i>	<i>\$</i>	_____	<i>per 1,000 Gallons.</i>
<i>Next</i>	_____	<i>Gallons @</i>	<i>\$</i>	_____	<i>per 1,000 Gallons.</i>
<i>Next</i>	_____	<i>Gallons @</i>	<i>\$</i>	_____	<i>per 1,000 Gallons.</i>
<i>Next</i>	_____	<i>Gallons @</i>	<i>\$</i>	_____	<i>per 1,000 Gallons.</i>
<i>All Over</i>	_____	<i>Gallons @</i>	<i>\$</i>	_____	<i>per 1,000 Gallons.</i>

If more than one rate, use additional sheets.

XXII. WATER RATES - PROPOSED

A. Proposed Rate Schedule Without RUS Grant:

First	<u>2000</u>	Gallons @	<u>\$17.93</u>	Minimum.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
All Over	<u>2000</u>	Gallons @	<u>\$ 7.62</u>	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	<u>2000</u>	Gallons @	<u>\$17.57</u>	Minimum.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
All Over	<u>2000</u>	Gallons @	<u>\$ 7.47</u>	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 Rate	Residential			Non-Residential		
					No. of Users**	Usage (1000)	Income	No. of Users	Usage (1000)	Income
	0	-	2,000 Gal.	1,000						
	2,000	-	3,000 Gal.	2,500						
	3,000	-	4,000 Gal.	3,500						
	4,000	-	5,000 Gal.	4,500						
	5,000	-	6,000 Gal.	5,500						
	6,000	-	7,000 Gal.	6,500						
5/8 x 3/4	7,000	-	8,000 Gal.	7,500						
Inch	8,000	-	9,000 Gal.	8,500						
	9,000	-	10,000 Gal.	9,500						
	10,000	-	11,000 Gal.	10,500						
	11,000	-	12,000 Gal.	11,500						
	12,000	-	13,000 Gal.	12,500						
	13,000	-	14,000 Gal.	13,500						
	14,000	-	15,000 Gal.	14,500						
	15,000	-	16,000 Gal.	15,500						
	16,000	-	17,000 Gal.	16,500						
	17,000	-	18,000 Gal.	17,500						
	18,000	-	19,000 Gal.	18,500						
	19,000	-	20,000 Gal.	19,500						
		-	Gal.							
		-	Gal.							
		-	Gal.							
			Subtotal		()	()	()	()	()	()
			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".

1-Inch	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
		<i>Subtotal</i>				()	()	()	()
1-1/2 Inch	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
		<i>Subtotal</i>				()	()	()	()
2-Inch	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
		<i>Subtotal</i>				()	()	()	()
3-Inch	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
		<i>Subtotal</i>				()	()	()	()
4-Inch	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
		<i>Subtotal</i>				()	()	()	()

* 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".

5- Inch	_____	_____	Gal.	_____	_____	_____	_____	_____	_____
	_____	_____	Gal.	_____	_____	_____	_____	_____	_____
	_____	_____	Gal.	_____	_____	_____	_____	_____	_____
	_____	_____	Gal.	_____	_____	_____	_____	_____	_____
	_____	_____	Gal.	_____	_____	_____	_____	_____	_____
			<i>Subtotal</i>		()	()	()	()	()
6- Inch	_____	_____	Gal.	_____	_____	_____	_____	_____	_____
	_____	_____	Gal.	_____	_____	_____	_____	_____	_____
	_____	_____	Gal.	_____	_____	_____	_____	_____	_____
	_____	_____	Gal.	_____	_____	_____	_____	_____	_____
	_____	_____	Gal.	_____	_____	_____	_____	_____	_____
			<i>Subtotal</i>		()	()	()	()	()
			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.

<i>Name of Unit</i>	<i>Number of Units</i>	<i>Number of Meters</i>	<i>Revenue Calculations</i>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

* 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".

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

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

1-Inch	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
		<i>Subtotal</i>			()	()	()	()	()
1-1/2 Inch	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
		<i>Subtotal</i>			()	()	()	()	()
2- Inch	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
		<i>Subtotal</i>			()	()	()	()	()
3- Inch	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
		<i>Subtotal</i>			()	()	()	()	()
4-Inch	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
		<i>Subtotal</i>			()	()	()	()	()

* 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".

5- Inch	_____	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
			<i>Subtotal</i>		()	()	()	()	()	()
6- Inch	_____	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
			<i>Subtotal</i>		()	()	()	()	()	()
			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.

<i>Name of Unit</i>	<i>Number of Units</i>	<i>Number of Meters</i>	<i>Revenue Calculations</i>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

* *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".*

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 Gal.	1,000	17.57	25,232	20,239	443,326	302		5,306
	2,000	-	3,000 Gal.	2,500	21.30	11,126	27,599	236,984	23		409
	3,000	-	4,000 Gal.	3,500	28.78	9,795	33,610	281,900	16		460
	4,000	-	5,000 Gal.	4,500	36.25	7,383	32,500	267,634	11		399
	5,000	-	6,000 Gal.	5,500	43.72	5,021	26,923	219,518	5		219
	6,000	-	7,000 Gal.	6,500	51.19	3,251	20,556	166,419	9		461
5/8 x 3/4	7,000	-	8,000 Gal.	7,500	58.66	2,019	14,738	118,435	10		587
Inch	8,000	-	9,000 Gal.	8,500	66.13	1,387	11,471	91,722	5		331
	9,000	-	10,000 Gal.	9,500	73.60	882	8,159	64,915	6		442
	10,000	-	11,000 Gal.	10,500	81.07	569	5,812	46,129	3		243
	11,000	-	12,000 Gal.	11,500	88.54	404	4,526	35,770	10		885
	12,000	-	13,000 Gal.	12,500	96.01	271	3,297	26,019	4		384
	13,000	-	14,000 Gal.	13,500	103.48	201	2,645	20,799	1		103
	14,000	-	15,000 Gal.	14,500	110.95	149	2,097	16,532	2		222
	15,000	-	16,000 Gal.	15,500	118.42	137	2,072	16,224	2		237
	16,000	-	17,000 Gal.	16,500	125.89	83	1,330	10,449	-		-
	17,000	-	18,000 Gal.	17,500	133.36	81	1,378	10,802	1		133
	18,000	-	19,000 Gal.	18,500	140.83	62	1,124	8,731	1		141
	19,000	-	20,000 Gal.	19,500	148.30	78	1,480	11,567	-	-	-
	Over	-	20,000 Gal.	49,900	375.38	782	38,987	293,547		-	
	Over	-	20,000 Gal.	52,600					74	3,890	378
		-	Gal.								
			Subtotal			(68,911)	(260,543)	(2,387,422)	(485)	(4,855)	(11,420)
			Average Monthly Rate		(31.02)						
			Average Monthly Usage				(3.8)			(10.1)	

Added Customers (Ex.12) 272 x \$32.51 x 12 106,112

Phase 2 (Ex.12) 191 x \$21.30 x 12 48,819

* 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".

City of Burnside

		Gal.								
			2.43					12	14,141	34,363
1-Inch		Gal.								
		Gal.								
		Gal.								
		Gal.								
		Gal.								
		Subtotal		()	()	()	(12)	(14,141)	(34,363)	
1-1/2 Inch		Gal.								
		Gal.								
		Gal.								
		Gal.								
		Gal.								
		Subtotal		()	()	()	()	()	()	()
2- Inch		Gal.								
		Gal.								
		Gal.								
		Gal.								
		Gal.								
		Subtotal		()	()	()	()	()	()	()
3- Inch		Gal.								
		Gal.								
		Gal.								
		Gal.								
		Gal.								
		Subtotal		()	()	()	()	()	()	()
4-Inch		Gal.								
		Gal.								
		Gal.								
		Gal.								
		Gal.								
		Subtotal		()	()	()	()	()	()	()

* 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".

5- Inch	_____	Gal.	_____	_____	_____	_____	_____	_____	_____	
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____	
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____	
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____	
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____	
		Subtotal			()	()	()	()	()	
6- Inch	_____	Gal.	_____	_____	_____	_____	_____	_____	_____	
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____	
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____	
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____	
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____	
		Subtotal			()	()	()	()	()	
		TOTALS			(68,911)	(260,543)	(2,387,422)	(497)	(18,996)	(45,783)

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			Non-Residential		
						No. of Users**	Usage (1000)	Income	No. of Users	Usage (1000)	Income
	0	-	2,000 Gal.	1,000	21.30						
	2,000	-	3,000 Gal.	2,500		1,812	4,530	38,595			
	3,000	-	4,000 Gal.	3,500							
	4,000	-	5,000 Gal.	4,500							
	5,000	-	6,000 Gal.	5,500							
	6,000	-	7,000 Gal.	6,500							
5/8 x 3/4	7,000	-	8,000 Gal.	7,500							
Inch	8,000	-	9,000 Gal.	8,500							
	9,000	-	10,000 Gal.	9,500							
	10,000	-	11,000 Gal.	10,500							
	11,000	-	12,000 Gal.	11,500							
	12,000	-	13,000 Gal.	12,500							
	13,000	-	14,000 Gal.	13,500							
	14,000	-	15,000 Gal.	14,500							
	15,000	-	16,000 Gal.	15,500							
	16,000	-	17,000 Gal.	16,500							
	17,000	-	18,000 Gal.	17,500							
	18,000	-	19,000 Gal.	18,500							
	19,000	-	20,000 Gal.	19,500							
		-	Gal.								
		-	Gal.								
		-	Gal.								
			Subtotal			(1,812)	(4,530)	(38,595)	()	()	()
			Average Monthly Rate		(21.30)						
			Average Monthly Usage			(2.5)			()		

* 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".

1-Inch	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
		Subtotal			()	()	()	()	()
1-1/2 Inch	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
		Subtotal			()	()	()	()	()
2- Inch	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
		Subtotal			()	()	()	()	()
3- Inch	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
		Subtotal			()	()	()	()	()
4-Inch	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
		Subtotal			()	()	()	()	()

* 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".

5- Inch	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
		Subtotal			()	()	()	()	()
6- Inch	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
	_____	Gal.	_____	_____	_____	_____	_____	_____	_____
		Subtotal			()	()	()	()	()
		TOTALS			(1,812)	(4,530)	(38,595)		

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:

<i>Sewer Revenue</i>	\$ _____
<i>Late Charge Fees</i>	_____
<i>Other (Describe)</i>	_____
<i>Less Allowances and Deductions</i>	(_____)
Total Operating Income	\$ _____

B. Operation and Maintenance Expenses:

(Based on Uniform System of Accounts prescribed by National Association of Regulatory Utility Commissioners)

<i>Operation Expense</i>	\$ _____
<i>Maintenance Expense</i>	_____
<i>Customer Accounts Expense</i>	_____
<i>Administrative and General Expense</i>	_____
Total Operating and Maintenance Expenses	\$ _____
Net Operating Income	\$ _____

C. Non-Operating Income:

<i>Interest on Deposits</i>	\$ _____
<i>Other (Identify)</i>	_____
Total Non-Operating Income	\$ _____

D. Net Income

\$ _____

E. Debt Repayment:

<i>RUS Interest</i>	\$ _____
<i>RUS Principal</i>	_____
<i>Non-RUS Interest</i>	_____
<i>Non-RUS Principal</i>	_____
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:

<i>Sewer Revenue</i>	\$ _____
<i>Late Charge Fees</i>	_____
<i>Other (Describe)</i>	_____
<i>Less Allowances and Deductions</i>	(_____)
Total Operating Income	\$ _____

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

<i>Operation Expense</i>	\$ _____
<i>Maintenance Expense</i>	_____
<i>Customer Accounts Expense</i>	_____
<i>Administrative and General Expense</i>	_____
Total Operating and Maintenance Expenses	\$ _____
Net Operating Income	\$ _____

C. Non-Operating Income:

<i>Interest on Deposits</i>	\$ _____
<i>Other (Identify)</i>	_____
Total Non-Operating Income	\$ _____

D. Net Income

\$ _____

E. Debt Repayment:

<i>RUS Interest</i>	\$ _____
<i>RUS Principal</i>	_____
<i>Non-RUS Interest</i>	_____
<i>Non-RUS Principal</i>	_____
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:

<i>Sewer Revenue</i>	\$ _____
<i>Late Charge Fees</i>	_____
<i>Other (Describe)</i>	_____
<i>Less Allowances and Deductions</i>	(_____)
<i>Total Operating Income</i>	\$ _____

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

<i>Operation Expense</i>	\$ _____
<i>Maintenance Expense</i>	_____
<i>Customer Accounts Expense</i>	_____
<i>Administrative and General Expense</i>	_____
<i>Total Operating and Maintenance Expenses</i>	\$ _____
<i>Net Operating Income</i>	\$ _____

C. Non-Operating Income:

<i>Interest on Deposits</i>	\$ _____
<i>Other (Identify)</i>	_____
<i>Total Non-Operating Income</i>	\$ _____

D. Net Income

\$ _____

E. Debt Repayment:

<i>RUS Interest</i>	\$ _____
<i>RUS Principal</i>	_____
<i>Non-RUS Interest</i>	_____
<i>Non-RUS Principal</i>	_____
<i>Total Debt Repayment</i>	\$ _____

F. Balance Available for Coverage

\$ _____

XXX. CURRENT OPERATING BUDGET (WATER SYSTEM)

(As of the last full operating year.)

A. Operating Income:

Water Sales	\$1,883,942
Disconnect/Reconnect/Late Charge Fees	75,401
Other (Describe)	
Less Allowances and Deductions	()
Total Operating Income	\$1,959,343

B. Operation and Maintenance Expenses:

(Based on Uniform System of Accounts prescribed by National Association of Regulatory Utility Commissioners)

Source of Supply Expense	\$ 799,373
Pumping Expense	33,531
Water Treatment Expense	5,100
Transmission and Distribution Expense	121,021
Customer Accounts Expense	127,939
Administrative and General Expense and Taxes	274,877
Capital Improvements	241,655
Total Operating Expenses	\$1,603,496
Net Operating Income	\$ 355,847

C. Non-Operating Income:

Interest on Deposits	\$ 5,068
Other (Identify) Loss on Property Sold	(4,130)
Total Non-Operating Income	\$ 938

D. Net Income

\$ 356,785

E. Debt Repayment:

Short term Note:	10,800
RUS Interest	\$ 232,280
RUS Principal	50,430
Non-RUS Interest	20,156
Non-RUS Principal	11,119
Total Debt Repayment	\$ 324,785

F. Balance Available for Coverage

\$ 32,000

XXXI. PROPOSED OPERATING BUDGET (WATER SYSTEM) EXISTING SYSTEM AND NEW USERS
 (1st Full Year of Operation) Year Ending 2006

A. Operating Income:

Water Sales	<u>\$2,626,731</u>
Disconnect/Reconnect/Late Charge Fees	<u>75,401</u>
Other (Describe)	<u> </u>
Less Allowances and Deductions	<u>()</u>
Total Operating Income	<u>\$2,702,132</u>

B. Operation and Maintenance Expenses:

(Based on Uniform System of Accounts prescribed by National Association of Regulatory Utility Commissioners)

Source of Supply Expense	<u>\$ 854,233</u>
Pumping Expense	<u>35,791</u>
Water Treatment Expense	<u>6,000</u>
Transmission and Distribution Expense	<u>228,948</u>
Customer Accounts Expense	<u>165,124</u>
Administrative and General Expense and Taxes	<u>322,909</u>
Capital Improvements	<u>444,959</u>
Total Operating Expenses	<u>\$2,057,964</u>
Net Operating Income	<u>\$ 644,168</u>

C. Non-Operating Income:

Interest on Deposits	<u>\$</u>
Other (Identify)	<u> </u>
Total Non-Operating Income	<u>\$</u>

D. Net Income

\$ 644,168

E. Debt Repayment:

Short Term Note:	10,800
RUS Interest	<u>\$ 429,695</u>
RUS Principal	<u>112,089</u>
Non-RUS Interest	<u>18,105</u>
Non-RUS Principal	<u>13,170</u>
Total Debt Repayment	<u>\$ 583,859</u>

F. Balance Available for Coverage

\$ 60,309

XXXII. PROPOSED OPERATING BUDGET (WATER SYSTEM) NEW USERS EXTENSION ONLY
 (1st Full Year of Operation) Year Ending 2006

A. Operating Income:

Water Sales	\$ 38,595
Disconnect/Reconnect/Late Charge Fees	_____
Other (Describe)	_____
Less Allowances and Deductions	(_____)
Total Operating Income	\$ 38,595

B. Operation and Maintenance Expenses:

(Based on Uniform System of Accounts prescribed by National Association of Regulatory Utility Commissioners)

Source of Supply Expense	\$ 10,658
Pumping Expense	320
Water Treatment Expense	500
Transmission and Distribution Expense	18,600
Customer Accounts Expense	7,550
Administrative and General Expense	6,040
Total Operating Expenses	\$ 43,668
Net Operating Income	\$ (5,073)

C. Non-Operating Income:

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

D. Net Income

\$ (5073)

E. Debt Repayment:

RUS Interest	\$ 114,930
RUS Principal	26,842
Non-RUS Interest	_____
Non-RUS Principal	_____
Total Debt Repayment	\$ 141,772

F. Balance Available for Coverage

\$ (146,845)

XXXIII. ESTIMATED PROJECT COST - SEWER
(Round to nearest \$100)

	<i>COLLECTION</i>	<i>TREATMENT</i>	<i>TOTAL</i>
<i>Development</i>	_____	_____	_____
<i>Land & Rights</i>	_____	_____	_____
<i>Legal</i>	_____	_____	_____
<i>Engineering</i>	_____	_____	_____
<i>Interest</i>	_____	_____	_____
<i>Contingencies</i>	_____	_____	_____
<i>Initial Operating and Maintenance</i>	_____	_____	_____
<i>Other</i>	_____	_____	_____
TOTAL	_____	_____	_____

XXXIV. ESTIMATED PROJECT FUNDING - SEWER

	<i>COLLECTION</i>	<i>TREATMENT</i>	<i>TOTAL</i>
<i>Applicant - User Contribution Fees</i>	_____	_____	_____
<i>Other - Applicant Contribution</i>	_____	_____	_____
<i>RUS Loan</i>	_____	_____	_____
<i>RUS Grant</i>	_____	_____	_____
<i>ARC Grant (If applicable)</i>	_____	_____	_____
<i>CDBG (If applicable)</i>	_____	_____	_____
<i>Other (Specify)</i>	_____	_____	_____
<i>Other (Specify)</i>	_____	_____	_____

XXXV. ESTIMATED PROJECT COST - WATER

Development	\$2,814,000
Land and Rights	10,000
Legal	13,000
Engineering	307,000
Interest	100,000
Contingencies	280,000
Initial Operating and Maintenance	
Other Forest Service Permit	10,000
TOTAL	\$3,534,000

XXXVI. PROPOSED PROJECT FUNDING

Applicant - User Connection Fees	\$ 80,000
Other Applicant Contribution	
RUS Financial Assistance	2,554,000
RUS Grant	900,000
ARC Grant (If applicable)	
CDBG Grant (If applicable)	
Other (Specify)	
Other (Specify)	
TOTAL	\$3,534,000

EXHIBIT 4

**FINAL
ENGINEERING
REPORT**



FINAL ENGINEERING REPORT

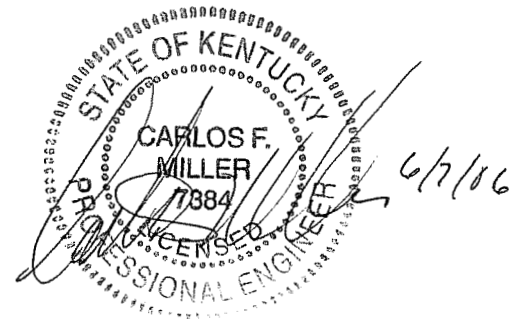
FOR

SOUTHEASTERN WATER ASSOCIATION

PHASE 3 SYSTEM REINFORCEMENTS AND EXTENSIONS

PROJECT NO. 2002215

JUNE, 2006



Kenvirons, Inc.

Civil & Environmental Engineering and Laboratory Services

A Preliminary Engineering Report dated January, 2003 describes, in detail, the scope and need for this project. The report is included herewith by reference.

Bids were received on June 6, 2006. Five (5) bids were received for Contract 5 – Water System Extensions and two (2) bids were received for Contract 6 – Blue John Storage Tank. The low bidder for Contract 5 was D.F. Bailey, Inc. Owingsville, Kentucky in the amount of \$1,722,589.28 for the base project and \$2,795,946.72 which included Additive Alternates 1-6. The low bidder for Contract 6 was Caldwell Tanks, Inc., Louisville, Kentucky in the amount of \$370,300. A copy of the certified bid tabulations is included in this report.

The project funding, per the Rural Development Letter of Conditions, is \$3,534,000. There is, however, a Tobacco Development Fund Grant, in the amount of \$413,000, that is allocated to be used for this project. The project funding is therefore revised to \$3,947,000. The funding sources available for this project are as follows:

Rural Development Loan	\$2,754,000
Rural Development Grant	700,000
Local Contribution	<u>80,000</u>
Total per RD Letter of Conditions	\$3,534,000
Tobacco Fund Grant	<u>413,000</u>
Total Funding Available	\$3,947,000

The construction bids for this project, including Additive Alternates 1-6 as contained in the Contract 5 bid, are within the project funding budget with the inclusion of the \$413,000 Tobacco Fund Grant. A revised project cost breakdown is as follows:

<u>BUDGET ITEM</u>	<u>R.D. LETTER OF CONDITIONS</u>	<u>REVISED</u>
Development	\$2,824,000	\$3,166,247
Land & Rights	10,000	10,000
Legal & Administrative	13,000	13,000
Engineering	307,000	322,932 ⁽¹⁾
Interest	100,000	100,000
Contingencies	<u>280,000</u>	<u>334,821</u>
	\$3,534,000	\$3,947,000 ⁽²⁾

(1) ENGINEERING

Design (6.67%)	\$207,853
Construction Observation (2.95%)	91,929
Preliminary Engineering Report	8,000
Surveying	3,000
Environmental	4,500
Archaeological	3,050
Geotechnical	<u>4,600</u>
	\$322,932

(2) Includes the Tobacco Fund Grant

RECOMMENDATIONS

1. The bid amounts for the project are in the acceptable range for the types of work involved. The contractors that submitted the low bids are experienced and acceptable.
2. It is recommended that Contract 5 – Water Line Extensions be awarded to D.F. Bailey, Inc., including Additive Alternates 1-6, in the amount of \$2,795,946.72.
3. It is recommended that Contract 6 – Blue John Storage Tank be awarded to Caldwell Tanks, Inc. in the amount of \$370,300.
4. Proceed with the application to the Public Service Commission for authority to construct the facilities and adjust the rates.
5. Remaining monies should be used to install additional lines and/or improvements and reinforcements in the system. When the initial project is substantially complete and the amount of remaining monies can be more precisely determined, a report relative to recommended facilities will be submitted.

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

PROJECT:
 LOCATION:
 BID DATE:

BID TABULATIONS
 Contract 5: Water System Extensions
 Southeastern Water Association
 June 6, 2006 - 11:00 a.m. (local time)

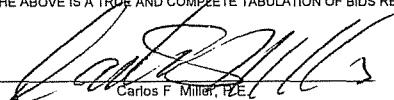
SHEET 1 OF 8

ITEM NO.	ITEM DESCRIPTION	UNIT	QUANTITY	D F Bailey, Inc P O Box 439 Owingsville, KY 40360		K Carrender Construction Co 200 Ringgold Road Somerset, KY 42503		Clay Pipeline, Inc 70 Fox Hollow Road Manchester, KY 40962	
				UNIT COST	COST	UNIT COST	COST	UNIT COST	COST
1	8-Inch PVC Pipe, SDR 21	LF	3,620	\$17.17	\$62,155.40	\$14.75	\$53,395.00	\$17.00	\$61,540.00
2	6-Inch PVC Pipe, SDR 21	LF	25,180	13.98	352,016.40	12.50	314,750.00	15.00	377,700.00
3	6-Inch PVC Pipe, SDR 17	LF	1,820	14.84	27,008.80	13.50	24,570.00	15.50	28,210.00
4	6-Inch DI Pipe, CL350, Push On Joint	LF	8,060	21.05	169,663.00	20.00	161,200.00	20.15	162,409.00
5	4-Inch PVC Pipe, SDR 21	LF	13,020	11.53	150,120.60	10.50	136,710.00	13.40	174,468.00
6	4-Inch PVC Pipe, SDR 17	LF	22,050	11.90	262,395.00	10.80	238,140.00	13.70	302,085.00
7	4-Inch DI Pipe, CL 350, Push On Joint	LF	8,410	20.85	173,666.50	19.50	163,995.00	21.00	176,610.00
8	3-Inch PVC Pipe, SDR 21	LF		0.00	0.00	0.00	0.00	0.00	0.00
9	3-Inch PVC Pipe, SDR 17	LF		0.00	0.00	0.00	0.00	0.00	0.00
10	3-Inch DI Pipe, Push On Joint	LF		0.00	0.00	0.00	0.00	0.00	0.00
11	Open Cut Encasement for 8-Inch Pipe	LF	20	64.08	1,281.60	60.00	1,200.00	81.00	1,620.00
11.A	Bored Encasement for 8-Inch Pipe	LF	40	116.36	4,655.20	120.00	4,800.00	105.00	4,200.00
12	Bored Encasement for 6-Inch Pipe	LF	280	92.78	25,978.40	110.00	30,800.00	95.00	26,600.00
13	Open Cut Encasement for 6-Inch Pipe	LF	60	58.53	3,511.80	55.00	3,300.00	70.00	4,200.00
14	Bored Encasement for 3 and 4-Inch Pipe	LF	180	85.95	15,471.00	100.00	18,000.00	88.00	15,840.00
15	Open Cut Encasement for 3 and 4-Inch Pipe	LF	280	45.74	12,807.20	50.00	14,000.00	63.00	17,640.00
16	8-Inch Gate Valve	EA	2	846.96	1,693.92	800.00	1,600.00	815.00	1,630.00
17	6-Inch Gate Valve	EA	14	572.86	8,020.04	525.00	7,350.00	610.00	8,540.00
18	4-Inch Gate Valve	EA	58	457.79	26,551.82	450.00	26,100.00	510.00	29,580.00
19	3-Inch Gate Valve	EA		412.88	0.00	0.00	0.00	0.00	0.00
20	4"x4" Tapping Sleeve & Valve	EA	1	1,878.95	1,878.95	1,350.00	1,350.00	1,100.00	1,100.00
21	4"x3" TS & V	EA	1	1,721.75	1,721.75	1,200.00	1,200.00	1,100.00	1,100.00
22	6"x4" Tapping Sleeve & Valve	EA		0.00	0.00	0.00	0.00	0.00	0.00
23	3-Inch Blow Off, Type 1	EA	4	1,412.00	5,648.00	1,100.00	4,400.00	1,075.00	4,300.00
24	3-Inch Blow Off, Type 2	EA		0.00	0.00	0.00	0.00	0.00	0.00
25	Air Release Valve	EA	4	427.68	1,710.72	600.00	2,400.00	615.00	2,460.00
26	4" Blow Off, Type 1	EA	2	1,483.50	2,967.00	1,200.00	2,400.00	1,200.00	2,400.00
27	4" Blow Off, Type 2	EA		0.00	0.00	0.00	0.00	0.00	0.00
28	6" Blow Off, Type 1	EA		0.00	0.00	0.00	0.00	0.00	0.00
29	3-Inch Pressure Reducing Station	EA	2	15,214.57	30,429.14	25,000.00	50,000.00	8,115.00	16,230.00
30	2-Inch Pressure Reducing Station	EA		0.00	0.00	0.00	0.00	0.00	0.00
31	Pavement Restoration			0.00	0.00	0.00	0.00	0.00	0.00
31.1	Crushed Stone	LF	6,000	8.34	50,040.00	15.00	90,000.00	10.25	61,500.00
31.2	Light Duty Bituminous	LF	300	37.56	11,268.00	50.00	15,000.00	26.00	7,800.00
31.3	Heavy Duty Bituminous	LF	300	65.77	19,731.00	50.00	15,000.00	30.00	9,000.00
31.4	Concrete	LF	200	66.95	13,390.00	80.00	16,000.00	51.00	10,200.00
32	5/8" x 3/4" Meter Box Installation	EA	9	518.74	4,668.66	550.00	4,950.00	465.00	4,185.00
33	5/8" x 3/4" Meter Box Installation with Individual PRV	EA	130	668.24	86,871.20	600.00	78,000.00	525.00	68,250.00
34	3/4" Service Tubing	LF	8,500	5.73	48,705.00	9.50	80,750.00	5.00	42,500.00
35	Free Bore for 3 through 8-Inch Pipe	LF	100	46.87	4,687.00	90.00	9,000.00	20.00	2,000.00
36	3" & 4" Creek Crossing, Type A	LF	10	71.11	711.10	180.00	1,800.00	40.00	400.00
37	3"x4" Creek Crossing, Type B	LF	10	100.85	1,008.50	150.00	1,500.00	50.00	500.00
38	3" & 4" Directional Bored, Blue Line Stream Crossings	LS	1	15,883.98	15,883.98	25,000.00	25,000.00	7,100.00	7,100.00
39	Blue John Booster Pump	LS	1	63,527.65	63,527.65	120,000.00	120,000.00	63,000.00	63,000.00
40	Dry Branch Road Hydro-Pneumatic Booster System	LS		0.00	0.00	0.00	0.00	0.00	0.00
41	Final Pipeline Cleanup	LF	82,160	0.70	57,512.00	0.70	57,512.00	0.70	57,512.00
42	4" Stub-out	EA	3	1,077.65	3,232.95	1,000.00	3,000.00	955.00	2,865.00
TOTAL BASE PROJECT BID					\$1,722,589.28		\$1,779,172.00	189568 *	\$1,757,274.00
(Not In This Contract) Additive Alternate No. 1					\$188,184.57		\$204,134.00		\$189,568.00
Additive Alternate No. 2					60,281.65		68,405.00		61,215.00
Additive Alternate No. 3					305,408.89		296,097.00		329,599.50
Additive Alternate No. 4					87,861.08		102,036.00		82,888.00
Additive Alternate No. 5					33,853.44		320,548.00		499,690.00
Additive Alternate No. 6					93,090.78		92,830.00		98,300.00
TOTAL OF ADDITIVE ALTERNATES NOS. 1-6					\$1,073,357.44		\$1,084,050.00		\$1,261,260.50
TOTAL BASE PROJECT BID PLUS ADDITIVE ALTERNATES 1-6					\$2,795,946.72		\$2,863,222.00	*	\$3,018,534.50

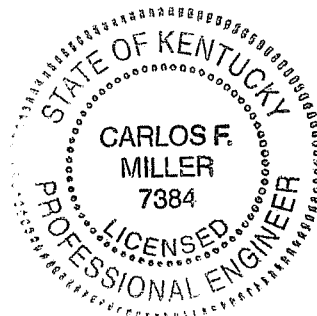
* DENOTES AN ARITHMETIC ERROR ON THE BID, AND THE AMOUNT HAS BEEN CORRECTED TO REFLECT UNIT PRICE ON BID

THE ABOVE IS A TRUE AND COMPLETE TABULATION OF BIDS RECEIVED AT 11:00 A.M. LOCAL TIME, TUESDAY, JUNE 6, 2006 AT THE SOUTHEASTERN WATER ASSOCIATION

BY:


 Carlos F. Miller, P.E.

6/7/06
 DATE



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

PROJECT: BID TABULATIONS
 LOCATION: Contract 5: Water System Extensions
 Southeastern Water Association
 BID DATE: June 6, 2006 - 11:00 a.m. (local time)

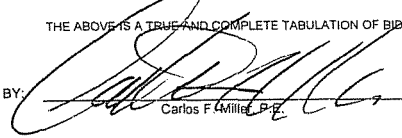
SHEET 2 OF 8

ITEM NO.	ITEM DESCRIPTION	UNIT	QUANTITY	Akins Excavating, Inc 182 Busy Lane Corbin, KY 40701		Weddle Enterprises 25 Shane's Lane Somerset, KY 42501	
				UNIT COST	COST	UNIT COST	COST
1	8-Inch PVC Pipe, SDR 21	LF	3,620	\$21.35	\$77,287.00	\$15.00	\$54,300.00
2	6-Inch PVC Pipe, SDR 21	LF	25,180	19.15	482,197.00	14.00	352,520.00
3	6-Inch PVC Pipe, SDR 17	LF	1,820	19.80	36,036.00	14.00	25,480.00
4	6-Inch DI Pipe, CL350, Push On Joint	LF	8,060	24.25	195,455.00	22.00	177,320.00
5	4-Inch PVC Pipe, SDR 21	LF	13,020	17.45	227,199.00	13.50	175,770.00
6	4-Inch PVC Pipe, SDR 17	LF	22,050	17.80	392,490.00	20.00	441,000.00
7	4-Inch DI Pipe, CL 350, Push On Joint	LF	8,410	21.65	182,076.50	30.00	252,300.00
8	3-Inch PVC Pipe, SDR 21	LF		0.00	0.00	0.00	0.00
9	3-Inch PVC Pipe, SDR 17	LF		0.00	0.00	0.00	0.00
10	3-Inch DI Pipe, Push On Joint	LF		0.00	0.00	0.00	0.00
11	Open Cut Encasement for 8-Inch Pipe	LF	20	46.00	920.00	50.00	1,000.00
11.A	Bored Encasement for 8-Inch Pipe	LF	40	140.00	5,600.00	160.00	6,400.00
12	Bored Encasement for 6-Inch Pipe	LF	280	120.00	33,600.00	160.00	44,800.00
13	Open Cut Encasement for 6-Inch Pipe	LF	60	65.00	3,900.00	50.00	3,000.00
14	Bored Encasement for 3 and 4-Inch Pipe	LF	180	60.00	10,800.00	160.00	28,800.00
15	Open Cut Encasement for 3 and 4-Inch Pipe	LF	280	55.00	15,400.00	35.00	9,800.00
16	8-Inch Gate Valve	EA	2	1,108.00	2,216.00	1,000.00	2,000.00
17	6-Inch Gate Valve	EA	14	750.00	10,500.00	650.00	9,100.00
18	4-Inch Gate Valve	EA	58	602.00	34,916.00	525.00	30,450.00
19	3-Inch Gate Valve	EA		540.00	0.00	0.00	0.00
20	4"x4" Tapping Sleeve & Valve	EA	1	1,554.00	1,554.00	1,500.00	1,500.00
21	4"x3" TS & V	EA	1	1,658.00	1,658.00	1,500.00	1,500.00
22	6"x4" Tapping Sleeve & Valve	EA		0.00	0.00	0.00	0.00
23	3-Inch Blow Off, Type 1	EA	4	440.00	1,760.00	1,150.00	4,600.00
24	3-Inch Blow Off, Type 2	EA		0.00	0.00	0.00	0.00
25	Air Release Valve	EA	4	352.00	1,408.00	500.00	2,000.00
26	4" Blow Off, Type 1	EA	2	394.00	788.00	1,150.00	2,300.00
27	4" Blow Off, Type 2	EA		0.00	0.00	0.00	0.00
28	6" Blow Off, Type 1	EA		0.00	0.00	0.00	0.00
29	3-Inch Pressure Reducing Station	EA	2	17,525.00	35,050.00	11,500.00	23,000.00
30	2-Inch Pressure Reducing Station	EA		0.00	0.00	0.00	0.00
31	Pavement Restoration			0.00	0.00	0.00	0.00
31.1	Crushed Stone	LF	6,000	4.00	24,000.00	15.00	90,000.00
31.2	Light Duty Bituminous	LF	300	6.00	1,800.00	20.00	6,000.00
31.3	Heavy Duty Bituminous	LF	300	10.00	3,000.00	25.00	7,500.00
31.4	Concrete	LF	200	12.00	2,400.00	50.00	10,000.00
32	5/8" x 3/4" Meter Box Installation	EA	9	400.00	3,600.00	500.00	4,500.00
33	5/8" x 3/4" Meter Box Installation with Individual PRV	EA	130	600.00	78,000.00	550.00	71,500.00
34	3/4" Service Tubing	LF	8,500	9.00	76,500.00	6.00	51,000.00
35	Free Bore for 3 through 8-Inch Pipe	LF	100	40.00	4,000.00	55.00	5,500.00
36	3" & 4" Creek Crossing, Type A	LF	10	60.00	600.00	160.00	1,600.00
37	3"x4" Creek Crossing, Type B	LF	10	75.00	750.00	30.00	300.00
38	3" & 4" Directional Bored, Blue Line Stream Crossings	LS	1	4,780.00	4,780.00	1,500.00	1,500.00
39	Blue John Booster Pump	LS	1	0.00	0.00	250,000.00	250,000.00
40	Dry Branch Road Hydro-Pneumatic Booster System	LS		0.00	0.00	0.00	0.00
41	Final Pipeline Cleanup	LF	82,160	0.70	57,512.00	0.70	57,512.00
42	4" Stub-out	EA	3	100.00	300.00	150.00	450.00
TOTAL BASE PROJECT BID					\$2,010,052.50		\$2,206,302.00
(Not In This Contract) Additive Alternate No. 1					\$212,604.00		\$232,756.00
Additive Alternate No. 2					75,677.00		73,745.00
Additive Alternate No. 3					387,106.00		376,573.00
Additive Alternate No. 4					107,189.00		88,026.00
Additive Alternate No. 5					415,021.50		491,863.00
Additive Alternate No. 6					108,491.00		139,990.00
TOTAL OF ADDITIVE ALTERNATES NOS. 1-6					\$1,316,088.00		\$1,400,955.00
TOTAL BASE PROJECT BID PLUS ADDITIVE ALTERNATES 1-6					\$3,326,140.50		\$3,607,257.00

* DENOTES AN ARITHMETIC ERROR ON THE BID, AND THE AMOUNT HAS BEEN CORRECTED TO REFLECT UNIT PRICE ON BID

THE ABOVE IS A TRUE AND COMPLETE TABULATION OF BIDS RECEIVED AT 11:00 A.M., LOCAL TIME, TUESDAY, JUNE 6, 2006 AT THE SOUTHEASTERN WATER ASSOCIATION

BY:


 Carlos F. Miller, P.E.

6/7/06
 DATE

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

ADD ALTERNATE NO. 1

SHEET 3 OF 8

HAMMONS CAMP ROAD

SHEETS: 13 & 21

ITEM NO.	ITEM DESCRIPTION	UNIT	QUANTITY	D F Bailey, Inc		K Carrender Constructoin Co		Clay Pipeline, Inc	
				UNIT COST	COST	UNIT COST	COST	UNIT COST	COST
5	4-Inch PVC Pipe, SDR 21	LF	2,900	11.53	\$33,437.00	10.50	\$30,450.00	13.40	\$38,860.00
6	4-Inch PVC Pipe, SDR 17	LF	1,400	11.90	16,660.00	10.80	15,120.00	13.70	19,180.00
7	4-Inch DI Pipe, CL350, Push On Joint	LF	3,340	20.65	68,971.00	19.50	65,130.00	21.00	70,140.00
9	3-Inch PVC Pipe, SDR 17	LF	320	11.04	3,532.80	9.80	3,136.00	13.00	4,160.00
15	Open Cut Encasement for 3 & 4 Inch Pipe	LF	100	45.74	4,574.00	50.00	5,000.00	63.00	6,300.00
18	4-Inch Gate Valve	EA	10	457.79	4,577.90	450.00	4,500.00	510.00	5,100.00
23	3-Inch Blow Off, Type 1	EA	1	1,412.00	1,412.00	1,100.00	1,100.00	1,075.00	1,075.00
24	3-Inch Blow Off, Type 2	EA	2	910.57	1,821.14	1,000.00	2,000.00	1,085.00	2,170.00
27	4" Blow Off, Type 2	EA	1	952.23	952.23	1,500.00	1,500.00	1,135.00	1,135.00
30	2-Inch Pressure Reducing Station	EA	2	14,098.31	28,196.62	22,500.00	45,000.00	9,050.00	18,100.00
31	Pavement Restoration								
	31.1 Crushed Stone	LF	800	8.34	6,672.00	15.00	12,000.00	10.25	8,200.00
33	5/8" x 3/4" Meter Box Installation w/ Individual PRV	EA	12	668.24	8,018.88	600.00	7,200.00	525.00	6,300.00
34	3/4" Service Tubing	LF	700	5.73	4,011.00	9.50	6,650.00	5.00	3,500.00
41	Final Pipeline Cleanup	LF	7,640	0.70	5,348.00	0.70	5,348.00	0.70	5,348.00
TOTAL ALTERNATE NO. 1 BID					\$188,184.57		\$204,134.00		\$189,568.00

ITEM NO.	ITEM DESCRIPTION	UNIT	QUANTITY	Akins Excavating, Inc		Weddle Enterprises, Inc	
				UNIT COST	COST	UNIT COST	COST
5	4-Inch PVC Pipe, SDR 21	LF	2,900	17.45	\$50,605.00	13.50	\$39,150.00
6	4-Inch PVC Pipe, SDR 17	LF	1,400	17.80	24,920.00	20.00	28,000.00
7	4-Inch DI Pipe, CL350, Push On Joint	LF	3,340	21.65	72,311.00	30.00	100,200.00
9	3-Inch PVC Pipe, SDR 17	LF	320	17.95	5,744.00	15.50	4,960.00
15	Open Cut Encasement for 3 & 4 Inch Pipe	LF	100	55.00	5,500.00	35.00	3,500.00
18	4-Inch Gate Valve	EA	10	602.00	6,020.00	525.00	5,250.00
23	3-Inch Blow Off, Type 1	EA	1	440.00	440.00	1,150.00	1,150.00
24	3-Inch Blow Off, Type 2	EA	2	202.00	404.00	800.00	1,600.00
27	4" Blow Off, Type 2	EA	1	232.00	232.00	800.00	800.00
30	2-Inch Pressure Reducing Station	EA	2	12,190.00	24,380.00	10,000.00	20,000.00
31	Pavement Restoration						
	31.1 Crushed Stone	LF	800	4.00	3,200.00	15.00	12,000.00
33	5/8" x 3/4" Meter Box Installation w/ Individual PRV	EA	12	600.00	7,200.00	550.00	6,600.00
34	3/4" Service Tubing	LF	700	9.00	6,300.00	6.00	4,200.00
41	Final Pipeline Cleanup	LF	7,640	0.70	5,348.00	0.70	5,348.00
TOTAL ALTERNATE NO. 1 BID					\$212,604.00		\$232,758.00

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

ADD ALTERNATE NO. 2

SHEET 4 OF 8

HUDSON ROAD

SHEETS: 7 & 17

ITEM NO.	ITEM DESCRIPTION	UNIT	QUANTITY	D F. Bailey, Inc P O Box 439 Owingsville, KY 40360		K. Carrender Constructoin Co 200 Ringgold Road Somerset, KY 42503		Clay Pipeline, Inc 70 Fox Hollow Road Manchester, KY 40962	
				UNIT COST	COST	UNIT COST	COST	UNIT COST	COST
9	3-Inch PVC Pipe, SDR 17	LF	2,900	\$11.04	\$32,016.00	\$9.80	\$28,420.00	\$13.00	\$37,700.00
14	Bored Encasement for 3 & 4-Inch Pipe	LF	40	85.95	3,438.00	100.00	4,000.00	88.00	3,520.00
19	3-Inch Gate Valve	EA	3	412.88	1,238.64	425.00	1,275.00	485.00	1,455.00
24	3-Inch Blow Off, Type 2	EA	1	910.57	910.57	1,000.00	1,000.00	1,085.00	1,085.00
30	2-Inch Pressure Reducing Station	EA	1	14,098.31	14,098.31	22,500.00	22,500.00	9,050.00	9,050.00
31	Pavement Restoration								
	31.1 Crushed Stone	LF	300	8.34	2,502.00	15.00	4,500.00	10.25	3,075.00
33	5/8" x 3/4" Meter Box Installation w/ Individual PRV	EA	4	668.24	2,672.96	600.00	2,400.00	525.00	2,100.00
34	3/4" Service Tubing	LF	240	5.73	1,375.20	9.50	2,280.00	5.00	1,200.00
41	Final Pipeline Cleanup	LF	2,900	0.70	2,030.00	0.70	2,030.00	0.70	2,030.00
TOTAL ALTERNATE NO. 2 BID					\$60,281.68		\$68,405.00		\$61,215.00

ITEM NO.	ITEM DESCRIPTION	UNIT	QUANTITY	Akins Excavating, Inc 182 Busy Lane Corbin, KY 40701		Weddle Enterprises, Inc 25 Shane's Lane Somerset, KY 42501	
				UNIT COST	COST	UNIT COST	COST
9	3-Inch PVC Pipe, SDR 17	LF	2,900	\$17.75	\$51,475.00	\$15.50	\$44,950.00
14	Bored Encasement for 3 & 4-Inch Pipe	LF	40	60.00	2,400.00	160.00	6,400.00
19	3-Inch Gate Valve	EA	3	540.00	1,620.00	475.00	1,425.00
24	3-Inch Blow Off, Type 2	EA	1	202.00	202.00	800.00	800.00
30	2-Inch Pressure Reducing Station	EA	1	12,190.00	12,190.00	10,000.00	10,000.00
31	Pavement Restoration						
	31.1 Crushed Stone	LF	300	4.00	1,200.00	15.00	4,500.00
33	5/8" x 3/4" Meter Box Installation w/ Individual PRV	EA	4	600.00	2,400.00	550.00	2,200.00
34	3/4" Service Tubing	LF	240	9.00	2,160.00	6.00	1,440.00
41	Final Pipeline Cleanup	LF	2,900	0.70	2,030.00	0.70	2,030.00
TOTAL ALTERNATE NO. 2 BID					\$75,677.00		\$73,745.00

* DENOTES AN ARITHMETIC ERROR ON THE BID, AND THE AMOUNT HAS BEEN CORRECTED TO REFLECT UNIT PRICE ON BID

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

ADD ALTERNATE NO. 3

SHEET 5 OF 8

HARGIS AREA

SHEETS: 8 & 18-19

				D F Bailey, Inc P O Box 439 Owingsville, KY 40360		K Carrender Constructoin Co 200 Ringgold Road Somerset, KY 42503		Clay Pipeline, Inc 70 Fox Hollow Road Manchester, KY 40962	
ITEM NO.	ITEM DESCRIPTION	UNIT	QUANTITY	UNIT COST	COST	UNIT COST	COST	UNIT COST	COST
5	4-Inch PVC Pipe, SDR 21	LF	4,860	\$11.53	\$56,035.80	\$10.50	\$51,030.00	\$13.40	\$65,124.00
7	4-Inch DI Pipe, CL350, Push On Joint	LF	1,920	20.65	39,648.00	19.50	37,440.00	21.00	40,320.00
9	3-Inch PVC Pipe, SDR 17	LF	7,530	11.04	83,131.20	9.80	73,794.00	13.00	97,890.00
10	3-Inch DI Pipe, Push On Joint	LF	1,530	23.74	36,322.20	19.00	29,070.00	23.25	35,572.50
14	Bored Encasement for 3 & 4-Inch Pipe	LF	80	85.95	6,876.00	100.00	8,000.00	88.00	7,040.00
15	Open Cut Encasement for 3 & 4-Inch Pipe	LF	360	45.74	16,466.40	50.00	18,000.00	63.00	22,680.00
18	4-Inch Gate Valve	EA	15	457.79	6,866.85	450.00	6,750.00	510.00	7,650.00
19	3-Inch Gate Valve	EA	21	412.88	8,670.48	425.00	8,925.00	485.00	10,185.00
23	3-Inch Blow Off, Type 1	EA	1	1,412.00	1,412.00	1,100.00	1,100.00	1,075.00	1,075.00
24	3-Inch Blow Off, Type 2	EA	5	910.57	4,552.85	1,000.00	5,000.00	1,085.00	5,425.00
30	2-Inch Pressure Reducing Station	EA	1	14,098.31	14,098.31	22,500.00	22,500.00	9,050.00	9,050.00
33	5/8" x 3/4" Meter Box Installation w/ Individual PRV	EA	20	668.24	13,364.80	600.00	12,000.00	535.00	10,700.00
34	3/4" Service Tubing	LF	1,200	5.73	6,876.00	9.50	11,400.00	5.00	6,000.00
41	Final Pipeline Cleanup	LF	15,840	0.70	11,088.00	0.70	11,088.00	0.70	11,088.00
TOTAL ALTERNATE NO. 3 BID					\$305,408.89		\$296,097.00	*	\$329,799.50

				Akins Excavating, Inc 182 Busy Lane Corbin, KY 40701		Weddle Enterprises, Inc 25 Shane's Lane Somerset, KY 42501	
ITEM NO.	ITEM DESCRIPTION	UNIT	QUANTITY	UNIT COST	COST	UNIT COST	COST
5	4-Inch PVC Pipe, SDR 21	LF	4,860	\$17.45	\$84,807.00	\$13.50	\$65,610.00
7	4-Inch DI Pipe, CL350, Push On Joint	LF	1,920	21.65	41,568.00	30.00	57,600.00
9	3-Inch PVC Pipe, SDR 17	LF	7,530	17.95	135,163.50	15.50	116,715.00
10	3-Inch DI Pipe, Push On Joint	LF	1,530	28.15	43,069.50	32.00	48,960.00
14	Bored Encasement for 3 & 4-Inch Pipe	LF	80	60.00	4,800.00	160.00	12,800.00
15	Open Cut Encasement for 3 & 4-Inch Pipe	LF	360	55.00	19,800.00	35.00	12,600.00
18	4-Inch Gate Valve	EA	15	602.00	9,030.00	525.00	7,875.00
19	3-Inch Gate Valve	EA	21	540.00	11,340.00	475.00	9,975.00
23	3-Inch Blow Off, Type 1	EA	1	440.00	440.00	1,150.00	1,150.00
24	3-Inch Blow Off, Type 2	EA	5	202.00	1,010.00	800.00	4,000.00
30	2-Inch Pressure Reducing Station	EA	1	12,190.00	12,190.00	10,000.00	10,000.00
33	5/8" x 3/4" Meter Box Installation w/ Individual PRV	EA	20	600.00	12,000.00	550.00	11,000.00
34	3/4" Service Tubing	LF	1,200	9.00	10,800.00	6.00	7,200.00
41	Final Pipeline Cleanup	LF	15,840	0.70	11,088.00	0.70	11,088.00
TOTAL ALTERNATE NO. 3 BID					\$397,106.00		\$376,573.00

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

ADD ALTERNATE NO. 4

SHEET 6 OF 8

WILDWOOD ROAD

SHEET: 20

				D F Bailey, Inc P O Box 439 Owingsville, KY 40360		K Carrender Constructoin Co 200 Ringgold Road Somerset, KY 42503		Clay Pipeline, Inc 70 Fox Hollow Road Manchester, KY 40962		
ITEM NO.	ITEM DESCRIPTION	UNIT	QUANTITY	UNIT COST	COST	UNIT COST	COST	UNIT COST	COST	
5	4-Inch PVC Pipe, SDR 21	LF	3,780	\$11.53	\$43,583.40	\$10.50	\$39,690.00	\$13.40	\$50,652.00	
18	4-Inch Gate Valve	EA	4	457.79	1,831.16	450.00	1,800.00	510.00	2,040.00	
26	4" Blow Off, Type 1	EA	1	1,483.50	1,483.50	1,200.00	1,200.00	1,200.00	1,200.00	
30	2-Inch Pressure Reducing Station	EA	2	14,098.31	28,196.62	22,500.00	45,000.00	9,050.00	18,100.00	
33	5/8" x 3/4" Meter Box Installation w/ Individual PRV	EA	10	668.24	6,682.40	600.00	6,000.00	525.00	5,250.00	
34	3/4" Service Tubing	LF	600	5.73	3,438.00	9.50	5,700.00	5.00	3,000.00	
41	Final Pipeline Cleanup	LF	3,780	0.70	2,646.00	0.70	2,646.00	0.70	2,646.00	
TOTAL ALTERNATE NO. 4 BID						\$87,861.08		\$102,036.00		\$82,888.00

				Akins Excavating, Inc 182 Busy Lane Corbin, KY 40701		Weddle Enterprises, Inc. 25 Shane's Lane Somerset, KY 42501		
ITEM NO.	ITEM DESCRIPTION	UNIT	QUANTITY	UNIT COST	COST	UNIT COST	COST	
5	4-Inch PVC Pipe, SDR 21	LF	3,780	17.45	\$65,961.00	13.50	\$51,030.00	
18	4-Inch Gate Valve	EA	4	602.00	2,408.00	525.00	2,100.00	
26	4" Blow Off, Type 1	EA	1	394.00	394.00	1,150.00	1,150.00	
30	2-Inch Pressure Reducing Station	EA	2	12,190.00	24,380.00	10,000.00	20,000.00	
33	5/8" x 3/4" Meter Box Installation w/ Individual PRV	EA	10	600.00	6,000.00	550.00	5,500.00	
34	3/4" Service Tubing	LF	600	9.00	5,400.00	6.00	3,600.00	
41	Final Pipeline Cleanup	LF	3,780	0.70	2,646.00	0.70	2,646.00	
TOTAL ALTERNATE NO. 4 BID						\$107,189.00		\$86,026.00

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

ADD ALTERNATE NO. 5

SHEET 7 OF 8

DRY BRANCH ROAD/OLD CABIN HOLLOW ROAD REINFORCEMENT

SHEETS: 23-26, 31,P1

ITEM NO.	ITEM DESCRIPTION	UNIT	QUANTITY	D F Bailey, Inc P O Box 439 Owingsville, KY 40360		K Carrender Constructoin Co 200 Ringgold Road Somerset, KY 42503		Clay Pipeline, Inc 70 Fox Hollow Road Manchester, KY 40962	
				UNIT COST	COST	UNIT COST	COST	UNIT COST	COST
3	6-Inch PVC Pipe, SDR 17	LF	5,240	\$14.84	\$77,761.60	\$13.50	\$70,740.00	\$15.50	\$81,220.00
4	6-Inch DI Pipe, CL350, Push On Joint	LF	900	21.05	18,945.00	20.00	18,000.00	20.15	18,135.00
5	4-Inch PVC Pipe, SDR 21	LF	9,350	11.53	107,805.50	10.50	98,175.00	13.40	125,290.00
8	3-Inch PVC Pipe, SDR 21	LF	3,120	10.84	33,820.80	9.50	29,640.00	12.85	40,092.00
15	Open Cut Encasement for 3 & 4-Inch Pipe	LF	40	45.74	1,829.60	50.00	2,000.00	63.00	2,520.00
17	6-Inch Gate Valve	EA	1	572.86	572.86	525.00	525.00	610.00	610.00
18	4-Inch Gate Valve	EA	4	457.79	1,831.16	450.00	1,800.00	510.00	2,040.00
19	3-Inch Gate Valve	EA	3	412.88	1,238.64	425.00	1,275.00	485.00	1,455.00
20	4"x4" Tapping Sleeve & Valve	EA	1	1,878.95	1,878.95	1,350.00	1,350.00	1,100.00	1,100.00
24	3-Inch Blow Off, Type 2	EA	1	910.57	910.57	1,000.00	1,000.00	1,085.00	1,085.00
31	Pavement Restoration								
	31.1 Crushed Stone	LF	1,800	8.34	15,012.00	15.00	27,000.00	10.25	18,450.00
	31.3 Heavy Duty Bituminous	LF	40	65.77	2,630.80	50.00	2,000.00	30.00	1,200.00
32	5/8" x 3/4" Meter Box Installation	EA	10	518.74	5,187.40	550.00	5,500.00	465.00	4,650.00
34	3/4" Service Tubing	LF	600	5.73	3,438.00	9.50	5,700.00	5.00	3,000.00
40	Dry Branch Road Hydro-Pneumatic Booster System	LS	1	54,824.56	54,824.56	45,000.00	45,000.00	188,000.00	188,000.00
41	Final Pipeline Cleanup	LF	15,490	0.70	10,843.00	0.70	10,843.00	0.70	10,843.00
TOTAL ALTERNATE NO. 5 BID					\$338,530.44		\$320,548.00		\$499,690.00

ITEM NO.	ITEM DESCRIPTION	UNIT	QUANTITY	Akins Excavating, Inc. 182 Busy Lane Corbin, KY 40701		Weddle Enterprises, Inc 25 Shane's Lane Somerset, KY 42501	
				UNIT COST	COST	UNIT COST	COST
3	6-Inch PVC Pipe, SDR 17	LF	5,240	\$19.80	\$103,752.00	\$14.00	\$73,360.00
4	6-Inch DI Pipe, CL350, Push On Joint	LF	900	24.25	21,825.00	22.00	19,800.00
5	4-Inch PVC Pipe, SDR 21	LF	9,350	17.45	163,157.50	13.50	126,225.00
8	3-Inch PVC Pipe, SDR 21	LF	3,120	17.75	55,380.00	5.50	17,160.00
15	Open Cut Encasement for 3 & 4-Inch Pipe	LF	40	55.00	2,200.00	35.00	1,400.00
17	6-Inch Gate Valve	EA	1	750.00	750.00	650.00	650.00
18	4-Inch Gate Valve	EA	4	602.00	2,408.00	525.00	2,100.00
19	3-Inch Gate Valve	EA	3	540.00	1,620.00	475.00	1,425.00
20	4"x4" Tapping Sleeve & Valve	EA	1	1,554.00	1,554.00	1,500.00	1,500.00
24	3-Inch Blow Off, Type 2	EA	1	202.00	202.00	800.00	800.00
31	Pavement Restoration						
	31.1 Crushed Stone	LF	1,800	4.00	7,200.00	15.00	27,000.00
	31.3 Heavy Duty Bituminous	LF	40	12.00	480.00	25.00	1,000.00
32	5/8" x 3/4" Meter Box Installation	EA	10	400.00	4,000.00	500.00	5,000.00
34	3/4" Service Tubing	LF	600	9.00	5,400.00	6.00	3,600.00
40	Dry Branch Road Hydro-Pneumatic Booster System	LS	1	34,250.00	34,250.00	200,000.00	200,000.00
41	Final Pipeline Cleanup	LF	15,490	0.70	10,843.00	0.70	10,843.00
TOTAL ALTERNATE NO. 5 BID					\$415,021.50		\$491,863.00

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

ADD ALTERNATE NO. 6

SHEET 8 OF 8

JOHN HYDEN ROAD

SHEET: 30

D F Bailey, Inc P O Box 439 Owingsville, KY 40360	K Carrender Constructoin Co 200 Ringgold Road Somerset, KY 42503	Clay Pipeline, Inc 70 Fox Hollow Road Manchester, KY 40962
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ITEM NO.	ITEM DESCRIPTION	UNIT	QUANTITY	UNIT COST	COST	UNIT COST	COST	UNIT COST	COST
6	4-Inch PVC Pipe, SDR 17	LF	2,400	\$11.90	\$28,560.00	\$10.80	\$25,920.00	\$13.70	\$32,880.00
7	4-Inch DI Pipe, CL350, Push On Joint	LF	2,300	20.65	47,495.00	19.50	44,850.00	21.00	48,300.00
12	Bored Encasement for 6-Inch Pipe	LF	40	92.78	3,711.20	110.00	4,400.00	95.00	3,800.00
18	4-Inch Gate Valve	EA	2	457.79	915.58	450.00	900.00	510.00	1,020.00
22	6"x4" Tapping Sleeve & Valve	EA	1	1,972.69	1,972.69	1,500.00	1,500.00	1,085.00	1,085.00
27	4" Blow Off, Type 2	EA	1	952.23	952.23	1,500.00	1,500.00	1,150.00	1,150.00
31	Pavement Restoration								
	31.1 Crushed Stone	LF	500	8.34	4,170.00	15.00	7,500.00	10.25	5,125.00
33	5/8" x 3/4" Meter Box Installation w/ Individual PRV	EA	2	668.24	1,336.48	600.00	1,200.00	525.00	1,050.00
34	3/4" Service Tubing	LF	120	5.73	687.60	9.50	1,140.00	5.00	600.00
41	Final Pipeline Cleanup	LF	4,700	0.70	3,290.00	0.70	3,290.00	0.70	3,290.00
TOTAL ALTERNATE NO. 6 BID					\$93,090.78	*	\$92,200.00		\$98,300.00

Akins Excavating, Inc 182 Busy Lane Corbin, KY 40701	Weddle Enterprises, Inc 25 Shane's Lane Somerset, KY 42501
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ITEM NO.	ITEM DESCRIPTION	UNIT	QUANTITY	UNIT COST	COST	UNIT COST	COST
6	4-Inch PVC Pipe, SDR 17	LF	2,400	\$17.80	\$42,720.00	\$20.00	\$48,000.00
7	4-Inch DI Pipe, CL350, Push On Joint	LF	2,300	21.65	49,795.00	30.00	69,000.00
12	Bored Encasement for 6-Inch Pipe	LF	40	120.00	4,800.00	160.00	6,400.00
18	4-Inch Gate Valve	EA	2	602.00	1,204.00	525.00	1,050.00
22	6"x4" Tapping Sleeve & Valve	EA	1	1,540.00	1,540.00	1,500.00	1,500.00
27	4" Blow Off, Type 2	EA	1	232.00	232.00	800.00	800.00
31	Pavement Restoration						
	31.1 Crushed Stone	LF	500	4.00	2,000.00	15.00	7,500.00
33	5/8" x 3/4" Meter Box Installation w/ Individual PRV	EA	2	600.00	1,200.00	550.00	1,100.00
34	3/4" Service Tubing	LF	120	9.00	1,080.00	6.00	720.00
41	Final Pipeline Cleanup	LF	4,700	0.70	3,290.00	0.70	3,290.00
TOTAL ALTERNATE NO. 6 BID					\$107,861.00	*	\$139,360.00

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

PROJECT:
 LOCATION:
 BID DATE:

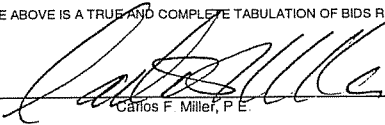
BID TABULATIONS
 Contract 6: Blue John Storage Tank
 Southeastern Water Association
 June 6, 2006 at 11:00 a.m. Local Time

SHEET 1 OF 1

ITEM NO.	ITEM DESCRIPTION	UNIT	QUANTITY	Caldwell Tanks, Inc P O Box 35770 Louisville, KY 40232		Phoenix Fabricators & Erectors, Inc 182 S County Rd. 900 East Avon, IN 46123	
				UNIT COST	COST	UNIT COST	COST
1	Column Supported Elevated Water Tank, 100,000 Gallons	LS			\$228,760.00		\$331,253.00
2	Earthwork	LS			3,000.00		6,500.00
3	Foundation	LS			50,000.00		31,400.00
4	Painting	LS			50,000.00		64,000.00
5	Yard Work including lined channels & site restoration	LS			5,000.00		4,700.00
6	Yard Piping	LS			5,000.00		5,300.00
7	Check Valve Station	LS			13,000.00		14,200.00
8	Fencing	LF	320	22.00	7,040.00	27.00	8,640.00
9	Access Road	LS			6,500.00		4,700.00
10	Duckbill Check Valve	EA	4	500.00	2,000.00	2,000.00	8,000.00
TOTAL PROJECT BID					\$370,300.00		\$478,693.00
*Deduct for shop prime in lieu of full field preparation and prime					\$5,000.00		\$19,000.00

THE ABOVE IS A TRUE AND COMPLETE TABULATION OF BIDS RECEIVED AT 11:00 A.M. LOCAL TIME, TUESDAY, JUNE 6, 2006 AT SOUTHEASTERN WATER ASSOCIATION.

BY:


 Carlos F. Miller, P.E.

06/07/06
 DATE

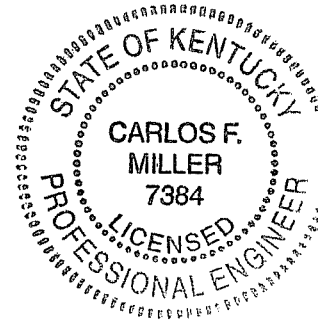


EXHIBIT 5

**CERTIFIED
BID
TABULATIONS**

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

PROJECT: Contract 5: Water System Extensions
 LOCATION: Southeastern Water Association
 BID DATE: June 6, 2006 - 11:00 a.m. (local time)

SHEET 1 OF 8

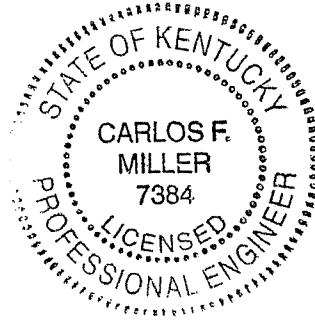
ITEM NO.	ITEM DESCRIPTION	UNIT	QUANTITY	D F Bailey, Inc P O Box 439 Owingsville, KY 40360		K Carrender Construction Co 200 Ringgold Road Somerset, KY 42503		Clay Pipeline, Inc 70 Fox Hollow Road Manchester, KY 40962	
				UNIT COST	COST	UNIT COST	COST	UNIT COST	COST
1	8-Inch PVC Pipe, SDR 21	LF	3,620	\$17.17	\$62,155.40	\$14.75	\$53,395.00	\$17.00	\$61,540.00
2	6-Inch PVC Pipe, SDR 21	LF	25,180	13.98	352,016.40	12.50	314,750.00	15.00	377,700.00
3	6-Inch PVC Pipe, SDR 17	LF	1,820	14.84	27,008.80	13.50	24,570.00	15.50	28,210.00
4	6-Inch DI Pipe, CL350, Push On Joint	LF	8,060	21.05	169,663.00	20.00	161,200.00	20.15	162,409.00
5	4-Inch PVC Pipe, SDR 21	LF	13,020	11.53	150,120.60	10.50	136,710.00	13.40	174,468.00
6	4-Inch PVC Pipe, SDR 17	LF	22,050	11.90	262,395.00	10.80	238,140.00	13.70	302,085.00
7	4-Inch DI Pipe, CL 350, Push On Joint	LF	6,410	20.65	173,666.50	19.50	163,995.00	21.00	176,610.00
8	3-Inch PVC Pipe, SDR 21	LF		0.00	0.00	0.00	0.00	0.00	0.00
9	3-Inch PVC Pipe, SDR 17	LF		0.00	0.00	0.00	0.00	0.00	0.00
10	3-Inch DI Pipe, Push On Joint	LF		0.00	0.00	0.00	0.00	0.00	0.00
11	Open Cut Encasement for 8-Inch Pipe	LF	20	64.08	1,281.60	60.00	1,200.00	81.00	1,620.00
11.A	Bored Encasement for 8-Inch Pipe	LF	40	116.38	4,655.20	120.00	4,800.00	105.00	4,200.00
12	Bored Encasement for 6-Inch Pipe	LF	280	92.78	25,978.40	110.00	30,800.00	95.00	26,600.00
13	Open Cut Encasement for 6-Inch Pipe	LF	60	58.53	3,511.80	55.00	3,300.00	70.00	4,200.00
14	Bored Encasement for 3 and 4-Inch Pipe	LF	180	85.95	15,471.00	100.00	18,000.00	88.00	15,840.00
15	Open Cut Encasement for 3 and 4-Inch Pipe	LF	280	45.74	12,807.20	50.00	14,000.00	63.00	17,640.00
16	8-Inch Gate Valve	EA	2	846.96	1,693.92	800.00	1,600.00	815.00	1,630.00
17	6-Inch Gate Valve	EA	14	572.86	8,020.04	525.00	7,350.00	610.00	8,540.00
18	4-Inch Gate Valve	EA	58	457.79	26,551.82	450.00	26,100.00	510.00	29,580.00
19	3-Inch Gate Valve	EA		412.88	0.00	0.00	0.00	0.00	0.00
20	4"x4" Tapping Sleeve & Valve	EA	1	1,878.95	1,878.95	1,350.00	1,350.00	1,100.00	1,100.00
21	4"x3" TS & V	EA	1	1,721.75	1,721.75	1,200.00	1,200.00	1,100.00	1,100.00
22	6"x4" Tapping Sleeve & Valve	EA		0.00	0.00	0.00	0.00	0.00	0.00
23	3-Inch Blow Off, Type 1	EA	4	1,412.00	5,648.00	1,100.00	4,400.00	1,075.00	4,300.00
24	3-Inch Blow Off, Type 2	EA		0.00	0.00	0.00	0.00	0.00	0.00
25	Air Release Valve	EA	4	427.68	1,710.72	600.00	2,400.00	615.00	2,460.00
26	4" Blow Off, Type 1	EA	2	1,483.50	2,967.00	1,200.00	2,400.00	1,200.00	2,400.00
27	4" Blow Off, Type 2	EA		0.00	0.00	0.00	0.00	0.00	0.00
28	6" Blow Off, Type 1	EA		0.00	0.00	0.00	0.00	0.00	0.00
29	3-Inch Pressure Reducing Station	EA	2	15,214.57	30,429.14	25,000.00	50,000.00	8,115.00	16,230.00
30	2-Inch Pressure Reducing Station	EA		0.00	0.00	0.00	0.00	0.00	0.00
31	Pavement Restoration			0.00	0.00	0.00	0.00	0.00	0.00
31.1	Crushed Stone	LF	6,000	8.34	50,040.00	15.00	90,000.00	10.25	61,500.00
31.2	Light Duty Bituminous	LF	300	37.56	11,268.00	50.00	15,000.00	26.00	7,800.00
31.3	Heavy Duty Bituminous	LF	300	65.77	19,731.00	50.00	15,000.00	30.00	9,000.00
31.4	Concrete	LF	200	66.95	13,390.00	80.00	16,000.00	51.00	10,200.00
32	5/8" x 3/4" Meter Box Installation	EA	9	518.74	4,668.66	550.00	4,950.00	465.00	4,185.00
33	5/8" x 3/4" Meter Box Installation with Individual PRV	EA	130	668.24	86,871.20	600.00	78,000.00	525.00	68,250.00
34	3/4" Service Tubing	LF	8,500	5.73	48,705.00	9.50	80,750.00	5.00	42,500.00
35	Free Bore for 3 through 8-Inch Pipe	LF	100	46.87	4,687.00	90.00	9,000.00	20.00	2,000.00
36	3" & 4" Creek Crossing, Type A	LF	10	71.11	711.10	180.00	1,800.00	40.00	400.00
37	3"x4" Creek Crossing, Type B	LF	10	100.85	1,008.50	150.00	1,500.00	50.00	500.00
38	3" & 4" Directional Bored, Blue Line Stream Crossings	LS	1	15,883.98	15,883.98	25,000.00	25,000.00	7,100.00	7,100.00
39	Blue John Booster Pump	LS	1	63,527.65	63,527.65	120,000.00	120,000.00	63,000.00	63,000.00
40	Dry Branch Road Hydro-Pneumatic Booster System	LS		0.00	0.00	0.00	0.00	0.00	0.00
41	Final Pipeline Cleanup	LF	82,160	0.70	57,512.00	0.70	57,512.00	0.70	57,512.00
42	4" Stub-out	EA	3	1,077.65	3,232.95	1,000.00	3,000.00	955.00	2,865.00
TOTAL BASE PROJECT BID					\$1,722,589.28		\$1,779,172.00	189568 *	\$1,757,274.00
(Not in This Contract) Additive Alternate No. 1					\$188,184.57		\$204,134.00		\$189,568.00
Additive Alternate No. 2					60,281.65		68,405.00		61,215.00
Additive Alternate No. 3					305,408.89		296,097.00		329,599.50
Additive Alternate No. 4					87,861.08		102,036.00		82,868.00
Additive Alternate No. 5					33,853.44		320,548.00		499,690.00
Additive Alternate No. 6					93,090.78		92,830.00		98,300.00
TOTAL OF ADDITIVE ALTERNATES NOS. 1-6					\$1,073,357.44		\$1,084,050.00		\$1,261,260.50
TOTAL BASE PROJECT BID PLUS ADDITIVE ALTERNATES 1-6					\$2,795,946.72		\$2,863,222.00	*	\$3,018,534.50

* DENOTES AN ARITHMETIC ERROR ON THE BID, AND THE AMOUNT HAS BEEN CORRECTED TO REFLECT UNIT PRICE ON BID

THE ABOVE IS A TRUE AND COMPLETE TABULATION OF BIDS RECEIVED AT 11:00 A.M., LOCAL TIME, TUESDAY, JUNE 6, 2006 AT THE SOUTHEASTERN WATER ASSOCIATION

BY:

Carlos F. Miller, P.E. 6/7/06
 Carlos F. Miller, P.E. DATE



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

PROJECT: BID TABULATIONS
 LOCATION: Contract 5: Water System Extensions
 Bid DATE: Southeastern Water Association
 June 6, 2006 - 11:00 a.m. (local time)

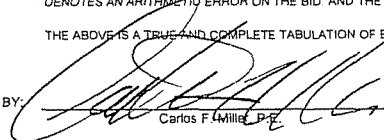
SHEET 2 OF 8

ITEM NO.	ITEM DESCRIPTION	UNIT	QUANTITY	Akins Excavating, Inc 182 Busy Lane Corbin, KY 40701		Weddle Enterprises 25 Shane's Lane Somerset, KY 42501	
				UNIT COST	COST	UNIT COST	COST
1	8-Inch PVC Pipe, SDR 21	LF	3,620	\$21.35	\$77,287.00	\$15.00	\$54,300.00
2	6-Inch PVC Pipe, SDR 21	LF	25,180	19.15	482,197.00	14.00	352,520.00
3	6-Inch PVC Pipe, SDR 17	LF	1,820	19.80	36,036.00	14.00	25,480.00
4	6-Inch DI Pipe, CL350, Push On Joint	LF	8,060	24.25	195,455.00	22.00	177,320.00
5	4-Inch PVC Pipe, SDR 21	LF	13,020	17.45	227,199.00	13.50	175,770.00
6	4-Inch PVC Pipe, SDR 17	LF	22,050	17.80	392,490.00	20.00	441,000.00
7	4-Inch DI Pipe, CL 350, Push On Joint	LF	8,410	21.65	182,076.50	30.00	252,300.00
8	3-Inch PVC Pipe, SDR 21	LF		0.00	0.00	0.00	0.00
9	3-Inch PVC Pipe, SDR 17	LF		0.00	0.00	0.00	0.00
10	3-Inch DI Pipe, Push On Joint	LF		0.00	0.00	0.00	0.00
11	Open Cut Encasement for 8-Inch Pipe	LF	20	46.00	920.00	50.00	1,000.00
11.A	Bored Encasement for 8-Inch Pipe	LF	40	140.00	5,600.00	160.00	6,400.00
12	Bored Encasement for 6-Inch Pipe	LF	280	120.00	33,600.00	160.00	44,800.00
13	Open Cut Encasement for 6-Inch Pipe	LF	60	65.00	3,900.00	50.00	3,000.00
14	Bored Encasement for 3 and 4-Inch Pipe	LF	180	60.00	10,800.00	160.00	28,800.00
15	Open Cut Encasement for 3 and 4-Inch Pipe	LF	280	55.00	15,400.00	35.00	9,800.00
16	8-Inch Gate Valve	EA	2	1,108.00	2,216.00	1,000.00	2,000.00
17	6-Inch Gate Valve	EA	14	750.00	10,500.00	650.00	9,100.00
16	4-Inch Gate Valve	EA	58	602.00	34,916.00	525.00	30,450.00
19	3-Inch Gate Valve	EA		540.00	0.00	0.00	0.00
20	4"x4" Tapping Sleeve & Valve	EA	1	1,554.00	1,554.00	1,500.00	1,500.00
21	4"x3" TS & V	EA	1	1,658.00	1,658.00	1,500.00	1,500.00
22	6"x4" Tapping Sleeve & Valve	EA		0.00	0.00	0.00	0.00
23	3-Inch Blow Off, Type 1	EA	4	440.00	1,760.00	1,150.00	4,600.00
24	3-Inch Blow Off, Type 2	EA		0.00	0.00	0.00	0.00
25	Air Release Valve	EA	4	352.00	1,408.00	500.00	2,000.00
26	4" Blow Off, Type 1	EA	2	394.00	788.00	1,150.00	2,300.00
27	4" Blow Off, Type 2	EA		0.00	0.00	0.00	0.00
28	6" Blow Off, Type 1	EA		0.00	0.00	0.00	0.00
29	3-Inch Pressure Reducing Station	EA	2	17,525.00	35,050.00	11,500.00	23,000.00
30	2-Inch Pressure Reducing Station	EA		0.00	0.00	0.00	0.00
31	Pavement Restoration			0.00	0.00	0.00	0.00
31.1	Crushed Stone	LF	6,000	4.00	24,000.00	15.00	90,000.00
31.2	Light Duty Bituminous	LF	300	6.00	1,800.00	20.00	6,000.00
31.3	Heavy Duty Bituminous	LF	300	10.00	3,000.00	25.00	7,500.00
31.4	Concrete	LF	200	12.00	2,400.00	50.00	10,000.00
32	5/8" x 3/4" Meter Box Installation	EA	9	400.00	3,600.00	500.00	4,500.00
33	5/8" x 3/4" Meter Box Installation with Individual PRV	EA	130	600.00	78,000.00	550.00	71,500.00
34	3/4" Service Tubing	LF	8,500	9.00	76,500.00	6.00	51,000.00
35	Free Bore for 3 through 8-Inch Pipe	LF	100	40.00	4,000.00	55.00	5,500.00
36	3" & 4" Creek Crossing, Type A	LF	10	60.00	600.00	160.00	1,600.00
37	3"x4" Creek Crossing, Type B	LF	10	75.00	750.00	30.00	300.00
38	3" & 4" Directional Bored, Blue Line Stream Crossings	LS	1	4,780.00	4,780.00	1,500.00	1,500.00
39	Blue John Booster Pump	LS	1	0.00	0.00	250,000.00	250,000.00
40	Dry Branch Road Hydro-Pneumatic Booster System	LS		0.00	0.00	0.00	0.00
41	Final Pipeline Cleanup	LF	82,160	0.70	57,512.00	0.70	57,512.00
42	4" Stub-out	EA	3	100.00	300.00	150.00	450.00
TOTAL BASE PROJECT BID					\$2,010,052.50		\$2,206,302.00
(Not In This Contract) Additive Alternate No. 1					\$212,604.00		\$232,758.00
Additive Alternate No. 2					75,677.00		73,745.00
Additive Alternate No. 3					397,106.00		376,573.00
Additive Alternate No. 4					107,189.00		86,026.00
Additive Alternate No. 5					415,021.50		491,863.00
Additive Alternate No. 6					108,491.00		139,990.00
TOTAL OF ADDITIVE ALTERNATES NOS. 1-6					\$1,316,088.00		\$1,400,955.00
TOTAL BASE PROJECT BID PLUS ADDITIVE ALTERNATES 1-6					\$3,326,140.50		\$3,607,257.00

* DENOTES AN ARITHMETIC ERROR ON THE BID AND THE AMOUNT HAS BEEN CORRECTED TO REFLECT UNIT PRICE ON BID

THE ABOVE IS A TRUE AND COMPLETE TABULATION OF BIDS RECEIVED AT 11:00 A.M. LOCAL TIME, TUESDAY, JUNE 6, 2006 AT THE SOUTHEASTERN WATER ASSOCIATION

BY:


 Carlos F. Miller, P.E.

6/7/06
 DATE

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

ADD ALTERNATE NO. 1

SHEET 3 OF 8

HAMMONS CAMP ROAD

SHEETS: 13 & 21

ITEM NO.	ITEM DESCRIPTION	UNIT	QUANTITY	D F Bailey, Inc P O Box 439 Owingsville, KY 40360		K Carrender Constructoin Co 200 Ringgold Road Somerset, KY 42503		Clay Pipeline, Inc 70 Fox Hollow Road Manchester, KY 40962	
				UNIT COST	COST	UNIT COST	COST	UNIT COST	COST
5	4-Inch PVC Pipe, SDR 21	LF	2,900	11.53	\$33,437.00	10.50	\$30,450.00	13.40	\$38,860.00
6	4-Inch PVC Pipe, SDR 17	LF	1,400	11.90	16,660.00	10.80	15,120.00	13.70	19,180.00
7	4-Inch DI Pipe, CL350, Push On Joint	LF	3,340	20.65	68,971.00	19.50	65,130.00	21.00	70,140.00
9	3-Inch PVC Pipe, SDR 17	LF	320	11.04	3,532.80	9.80	3,136.00	13.00	4,160.00
15	Open Cut Encasement for 3 & 4 Inch Pipe	LF	100	45.74	4,574.00	50.00	5,000.00	63.00	6,300.00
18	4-Inch Gate Valve	EA	10	457.79	4,577.90	450.00	4,500.00	510.00	5,100.00
23	3-Inch Blow Off, Type 1	EA	1	1,412.00	1,412.00	1,100.00	1,100.00	1,075.00	1,075.00
24	3-Inch Blow Off, Type 2	EA	2	910.57	1,821.14	1,000.00	2,000.00	1,085.00	2,170.00
27	4" Blow Off, Type 2	EA	1	952.23	952.23	1,500.00	1,500.00	1,135.00	1,135.00
30	2-Inch Pressure Reducing Station	EA	2	14,098.31	28,196.62	22,500.00	45,000.00	9,050.00	18,100.00
31	Pavement Restoration								
	31.1 Crushed Stone	LF	800	8.34	6,672.00	15.00	12,000.00	10.25	8,200.00
33	5/8" x 3/4" Meter Box Installation w/ Individual PRV	EA	12	668.24	8,018.88	600.00	7,200.00	525.00	6,300.00
34	3/4" Service Tubing	LF	700	5.73	4,011.00	9.50	6,650.00	5.00	3,500.00
41	Final Pipeline Cleanup	LF	7,640	0.70	5,348.00	0.70	5,348.00	0.70	5,348.00
TOTAL ALTERNATE NO. 1 BID					\$188,184.57		\$204,134.00		\$189,568.00

ITEM NO.	ITEM DESCRIPTION	UNIT	QUANTITY	Akins Excavating, Inc 182 Busy Lane Corbin, KY 40701		Weddle Enterprises, Inc 25 Shane's Lane Somerset, KY 42501	
				UNIT COST	COST	UNIT COST	COST
5	4-Inch PVC Pipe, SDR 21	LF	2,900	17.45	\$50,605.00	13.50	\$39,150.00
6	4-Inch PVC Pipe, SDR 17	LF	1,400	17.80	24,920.00	20.00	28,000.00
7	4-Inch DI Pipe, CL350, Push On Joint	LF	3,340	21.65	72,311.00	30.00	100,200.00
9	3-Inch PVC Pipe, SDR 17	LF	320	17.95	5,744.00	15.50	4,960.00
15	Open Cut Encasement for 3 & 4 Inch Pipe	LF	100	55.00	5,500.00	35.00	3,500.00
18	4-Inch Gate Valve	EA	10	602.00	6,020.00	525.00	5,250.00
23	3-Inch Blow Off, Type 1	EA	1	440.00	440.00	1,150.00	1,150.00
24	3-Inch Blow Off, Type 2	EA	2	202.00	404.00	800.00	1,600.00
27	4" Blow Off, Type 2	EA	1	232.00	232.00	800.00	800.00
30	2-Inch Pressure Reducing Station	EA	2	12,190.00	24,380.00	10,000.00	20,000.00
31	Pavement Restoration						
	31.1 Crushed Stone	LF	800	4.00	3,200.00	15.00	12,000.00
33	5/8" x 3/4" Meter Box Installation w/ Individual PRV	EA	12	600.00	7,200.00	550.00	6,600.00
34	3/4" Service Tubing	LF	700	9.00	6,300.00	6.00	4,200.00
41	Final Pipeline Cleanup	LF	7,640	0.70	5,348.00	0.70	5,348.00
TOTAL ALTERNATE NO. 1 BID					\$212,604.00		\$232,758.00

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

ADD ALTERNATE NO. 2

SHEET 4 OF 8

HUDSON ROAD

SHEETS: 7 & 17

D F Bailey, Inc P O Box 439 Owingsville, KY 40360	K Carrender Constructoin Co 200 Ringgold Road Somerset, KY 42503	Clay Pipeline, Inc 70 Fox Hollow Road Manchester, KY 40962
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ITEM NO.	ITEM DESCRIPTION	UNIT	QUANTITY	UNIT COST	COST	UNIT COST	COST	UNIT COST	COST
9	3-Inch PVC Pipe, SDR 17	LF	2,900	\$11.04	\$32,016.00	\$9.80	\$28,420.00	\$13.00	\$37,700.00
14	Bored Encasement for 3 & 4-Inch Pipe	LF	40	85.95	3,438.00	100.00	4,000.00	88.00	3,520.00
19	3-Inch Gate Valve	EA	3	412.88	1,238.64	425.00	1,275.00	485.00	1,455.00
24	3-Inch Blow Off, Type 2	EA	1	910.57	910.57	1,000.00	1,000.00	1,085.00	1,085.00
30	2-Inch Pressure Reducing Station	EA	1	14,098.31	14,098.31	22,500.00	22,500.00	9,050.00	9,050.00
31	Pavement Restoration								
	31.1 Crushed Stone	LF	300	8.34	2,502.00	15.00	4,500.00	10.25	3,075.00
33	5/8" x 3/4" Meter Box Installation w/ Individual PRV	EA	4	668.24	2,672.96	600.00	2,400.00	525.00	2,100.00
34	3/4" Service Tubing	LF	240	5.73	1,375.20	9.50	2,280.00	5.00	1,200.00
41	Final Pipeline Cleanup	LF	2,900	0.70	2,030.00	0.70	2,030.00	0.70	2,030.00
TOTAL ALTERNATE NO. 2 BID					\$60,281.68		\$68,405.00		\$61,215.00

Akins Excavating, Inc 182 Busy Lane Corbin, KY 40701	Weddie Enterprises, Inc 25 Shane's Lane Somerset, KY 42501
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ITEM NO.	ITEM DESCRIPTION	UNIT	QUANTITY	UNIT COST	COST	UNIT COST	COST
9	3-Inch PVC Pipe, SDR 17	LF	2,900	\$17.75	\$51,475.00	\$15.50	\$44,950.00
14	Bored Encasement for 3 & 4-Inch Pipe	LF	40	60.00	2,400.00	160.00	6,400.00
19	3-Inch Gate Valve	EA	3	540.00	1,620.00	475.00	1,425.00
24	3-Inch Blow Off, Type 2	EA	1	202.00	202.00	800.00	800.00
30	2-Inch Pressure Reducing Station	EA	1	12,190.00	12,190.00	10,000.00	10,000.00
31	Pavement Restoration						
	31.1 Crushed Stone	LF	300	4.00	1,200.00	15.00	4,500.00
33	5/8" x 3/4" Meter Box Installation w/ Individual PRV	EA	4	600.00	2,400.00	550.00	2,200.00
34	3/4" Service Tubing	LF	240	9.00	2,160.00	6.00	1,440.00
41	Final Pipeline Cleanup	LF	2,900	0.70	2,030.00	0.70	2,030.00
TOTAL ALTERNATE NO. 2 BID					\$75,677.00		\$73,745.00

* DENOTES AN ARITHMETIC ERROR ON THE BID. AND THE AMOUNT HAS BEEN CORRECTED TO REFLECT UNIT PRICE ON BID

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

ADD ALTERNATE NO. 3

SHEET 5 OF 8

HARGIS AREA

SHEETS: 8 & 18-19

ITEM NO.	ITEM DESCRIPTION	UNIT	QUANTITY	D F Bailey, Inc P O Box 439 Owingsville, KY 40360		K Carrender Constructoin Co 200 Ringgold Road Somerset, KY 42503		Clay Pipeline, Inc 70 Fox Hollow Road Manchester, KY 40962	
				UNIT COST	COST	UNIT COST	COST	UNIT COST	COST
5	4-Inch PVC Pipe, SDR 21	LF	4,860	\$11.53	\$56,035.80	\$10.50	\$51,030.00	\$13.40	\$65,124.00
7	4-Inch DI Pipe, CL350, Push On Joint	LF	1,920	20.65	39,648.00	19.50	37,440.00	21.00	40,320.00
9	3-Inch PVC Pipe, SDR 17	LF	7,530	11.04	83,131.20	9.80	73,794.00	13.00	97,890.00
10	3-Inch DI Pipe, Push On Joint	LF	1,530	23.74	36,322.20	19.00	29,070.00	23.25	35,572.50
14	Bored Encasement for 3 & 4-Inch Pipe	LF	80	85.95	6,876.00	100.00	8,000.00	88.00	7,040.00
15	Open Cut Encasement for 3 & 4-Inch Pipe	LF	360	45.74	16,466.40	50.00	18,000.00	63.00	22,680.00
18	4-Inch Gate Valve	EA	15	457.79	6,866.85	450.00	6,750.00	510.00	7,650.00
19	3-Inch Gate Valve	EA	21	412.88	8,670.48	425.00	8,925.00	485.00	10,185.00
23	3-Inch Blow Off, Type 1	EA	1	1,412.00	1,412.00	1,100.00	1,100.00	1,075.00	1,075.00
24	3-Inch Blow Off, Type 2	EA	5	910.57	4,552.85	1,000.00	5,000.00	1,085.00	5,425.00
30	2-Inch Pressure Reducing Station	EA	1	14,098.31	14,098.31	22,500.00	22,500.00	9,050.00	9,050.00
33	5/8" x 3/4" Meter Box Installation w/ Individual PRV	EA	20	668.24	13,364.80	600.00	12,000.00	535.00	10,700.00
34	3/4" Service Tubing	LF	1,200	5.73	6,876.00	9.50	11,400.00	5.00	6,000.00
41	Final Pipeline Cleanup	LF	15,840	0.70	11,088.00	0.70	11,088.00	0.70	11,088.00
TOTAL ALTERNATE NO. 3 BID					\$305,408.89		\$296,097.00		\$329,799.50

ITEM NO.	ITEM DESCRIPTION	UNIT	QUANTITY	Akins Excavating, Inc 182 Busy Lane Corbin, KY 40701		Weddle Enterprises, Inc 25 Shane's Lane Somerset, KY 42501	
				UNIT COST	COST	UNIT COST	COST
5	4-Inch PVC Pipe, SDR 21	LF	4,860	\$17.45	\$84,807.00	\$13.50	\$65,610.00
7	4-Inch DI Pipe, CL350, Push On Joint	LF	1,920	21.65	41,568.00	30.00	57,600.00
9	3-Inch PVC Pipe, SDR 17	LF	7,530	17.95	135,163.50	15.50	116,715.00
10	3-Inch DI Pipe, Push On Joint	LF	1,530	28.15	43,069.50	32.00	48,960.00
14	Bored Encasement for 3 & 4-Inch Pipe	LF	80	60.00	4,800.00	160.00	12,800.00
15	Open Cut Encasement for 3 & 4-Inch Pipe	LF	360	55.00	19,800.00	35.00	12,600.00
18	4-Inch Gate Valve	EA	15	602.00	9,030.00	525.00	7,875.00
19	3-Inch Gate Valve	EA	21	540.00	11,340.00	475.00	9,975.00
23	3-Inch Blow Off, Type 1	EA	1	440.00	440.00	1,150.00	1,150.00
24	3-Inch Blow Off, Type 2	EA	5	202.00	1,010.00	800.00	4,000.00
30	2-Inch Pressure Reducing Station	EA	1	12,190.00	12,190.00	10,000.00	10,000.00
33	5/8" x 3/4" Meter Box Installation w/ Individual PRV	EA	20	600.00	12,000.00	550.00	11,000.00
34	3/4" Service Tubing	LF	1,200	9.00	10,800.00	6.00	7,200.00
41	Final Pipeline Cleanup	LF	15,840	0.70	11,088.00	0.70	11,088.00
TOTAL ALTERNATE NO. 3 BID					\$397,106.00		\$376,573.00

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

ADD ALTERNATE NO. 4

SHEET 6 OF 8

WILDWOOD ROAD

SHEET: 20

ITEM NO.	ITEM DESCRIPTION	UNIT	QUANTITY	D F Bailey, Inc P O Box 439 Owingsville, KY 40360		K Carrender Constructoin Co 200 Ringgold Road Somerset, KY 42503		Clay Pipeline, Inc 70 Fox Hollow Road Manchester, KY 40962	
				UNIT COST	COST	UNIT COST	COST	UNIT COST	COST
5	4-Inch PVC Pipe, SDR 21	LF	3,780	\$11.53	\$43,583.40	\$10.50	\$39,690.00	\$13.40	\$50,652.00
18	4-Inch Gate Valve	EA	4	457.79	1,831.16	450.00	1,800.00	510.00	2,040.00
26	4" Blow Off, Type 1	EA	1	1,483.50	1,483.50	1,200.00	1,200.00	1,200.00	1,200.00
30	2-Inch Pressure Reducing Station	EA	2	14,098.31	28,196.62	22,500.00	45,000.00	9,050.00	18,100.00
33	5/8" x 3/4" Meter Box Installation w/ Individual PRV	EA	10	668.24	6,682.40	600.00	6,000.00	525.00	5,250.00
34	3/4" Service Tubing	LF	600	5.73	3,438.00	9.50	5,700.00	5.00	3,000.00
41	Final Pipeline Cleanup	LF	3,780	0.70	2,646.00	0.70	2,646.00	0.70	2,646.00
TOTAL ALTERNATE NO. 4 BID					\$87,861.08		\$102,036.00		\$82,888.00

ITEM NO.	ITEM DESCRIPTION	UNIT	QUANTITY	Akins Excavating, Inc. 182 Busy Lane Corbin, KY 40701		Weddle Enterprises, Inc. 25 Shane's Lane Somerset, KY 42501	
				UNIT COST	COST	UNIT COST	COST
5	4-Inch PVC Pipe, SDR 21	LF	3,780	17.45	\$65,961.00	13.50	\$51,030.00
18	4-Inch Gate Valve	EA	4	602.00	2,408.00	525.00	2,100.00
26	4" Blow Off, Type 1	EA	1	394.00	394.00	1,150.00	1,150.00
30	2-Inch Pressure Reducing Station	EA	2	12,190.00	24,380.00	10,000.00	20,000.00
33	5/8" x 3/4" Meter Box Installation w/ Individual PRV	EA	10	600.00	6,000.00	550.00	5,500.00
34	3/4" Service Tubing	LF	600	9.00	5,400.00	6.00	3,600.00
41	Final Pipeline Cleanup	LF	3,780	0.70	2,646.00	0.70	2,646.00
TOTAL ALTERNATE NO. 4 BID					\$107,189.00		\$86,026.00

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

ADD ALTERNATE NO. 5

SHEET 7 OF 8

DRY BRANCH ROAD/OLD CABIN HOLLOW ROAD REINFORCEMENT

SHEETS: 23-26, 31,P1

ITEM NO.	ITEM DESCRIPTION	UNIT	QUANTITY	D F Bailey, Inc P O Box 439 Owingsville, KY 40360		K Carrender Constructoin Co 200 Ringgold Road Somerset, KY 42503		Clay Pipeline, Inc 70 Fox Hollow Road Manchester, KY 40962	
				UNIT COST	COST	UNIT COST	COST	UNIT COST	COST
3	6-Inch PVC Pipe, SDR 17	LF	5,240	\$14.84	\$77,761.60	\$13.50	\$70,740.00	\$15.50	\$81,220.00
4	6-Inch DI Pipe, CL350, Push On Joint	LF	900	21.05	18,945.00	20.00	18,000.00	20.15	18,135.00
5	4-Inch PVC Pipe, SDR 21	LF	9,350	11.53	107,805.50	10.50	98,175.00	13.40	125,290.00
8	3-Inch PVC Pipe, SDR 21	LF	3,120	10.84	33,820.80	9.50	29,640.00	12.85	40,092.00
15	Open Cut Encasement for 3 & 4-Inch Pipe	LF	40	45.74	1,829.60	50.00	2,000.00	63.00	2,520.00
17	6-Inch Gate Valve	EA	1	572.86	572.86	525.00	525.00	610.00	610.00
18	4-Inch Gate Valve	EA	4	457.79	1,831.16	450.00	1,800.00	510.00	2,040.00
19	3-Inch Gate Valve	EA	3	412.88	1,238.64	425.00	1,275.00	485.00	1,455.00
20	4"x4" Tapping Sleeve & Valve	EA	1	1,878.95	1,878.95	1,350.00	1,350.00	1,100.00	1,100.00
24	3-Inch Blow Off, Type 2	EA	1	910.57	910.57	1,000.00	1,000.00	1,085.00	1,085.00
31	Pavement Restoration								
	31.1 Crushed Stone	LF	1,800	8.34	15,012.00	15.00	27,000.00	10.25	18,450.00
	31.3 Heavy Duty Bituminous	LF	40	65.77	2,630.80	50.00	2,000.00	30.00	1,200.00
32	5/8" x 3/4" Meter Box Installation	EA	10	518.74	5,187.40	550.00	5,500.00	465.00	4,650.00
34	3/4" Service Tubing	LF	600	5.73	3,438.00	9.50	5,700.00	5.00	3,000.00
40	Dry Branch Road Hydro-Pneumatic Booster System	LS	1	54,824.56	54,824.56	45,000.00	45,000.00	188,000.00	188,000.00
41	Final Pipeline Cleanup	LF	15,490	0.70	10,843.00	0.70	10,843.00	0.70	10,843.00
TOTAL ALTERNATE NO. 5 BID					\$338,530.44		\$320,548.00		\$499,690.00

ITEM NO.	ITEM DESCRIPTION	UNIT	QUANTITY	Akins Excavating, Inc 182 Busy Lane Corbin, KY 40701		Weddle Enterprises, Inc 25 Shane's Lane Somerset, KY 42501	
				UNIT COST	COST	UNIT COST	COST
3	6-Inch PVC Pipe, SDR 17	LF	5,240	\$19.80	\$103,752.00	\$14.00	\$73,360.00
4	6-Inch DI Pipe, CL350, Push On Joint	LF	900	24.25	21,825.00	22.00	19,800.00
5	4-Inch PVC Pipe, SDR 21	LF	9,350	17.45	163,157.50	13.50	126,225.00
8	3-Inch PVC Pipe, SDR 21	LF	3,120	17.75	55,380.00	5.50	17,160.00
15	Open Cut Encasement for 3 & 4-Inch Pipe	LF	40	55.00	2,200.00	35.00	1,400.00
17	6-Inch Gate Valve	EA	1	750.00	750.00	650.00	650.00
18	4-Inch Gate Valve	EA	4	602.00	2,408.00	525.00	2,100.00
19	3-Inch Gate Valve	EA	3	540.00	1,620.00	475.00	1,425.00
20	4"x4" Tapping Sleeve & Valve	EA	1	1,554.00	1,554.00	1,500.00	1,500.00
24	3-Inch Blow Off, Type 2	EA	1	202.00	202.00	800.00	800.00
31	Pavement Restoration						
	31.1 Crushed Stone	LF	1,800	4.00	7,200.00	15.00	27,000.00
	31.3 Heavy Duty Bituminous	LF	40	12.00	480.00	25.00	1,000.00
32	5/8" x 3/4" Meter Box Installation	EA	10	400.00	4,000.00	500.00	5,000.00
34	3/4" Service Tubing	LF	600	9.00	5,400.00	6.00	3,600.00
40	Dry Branch Road Hydro-Pneumatic Booster System	LS	1	34,250.00	34,250.00	200,000.00	200,000.00
41	Final Pipeline Cleanup	LF	15,490	0.70	10,843.00	0.70	10,843.00
TOTAL ALTERNATE NO. 5 BID					\$415,021.50		\$491,863.00

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

ADD ALTERNATE NO. 6

SHEET 8 OF 8

JOHN HYDEN ROAD

SHEET: 30

				D F Bailey, Inc P O Box 439 Owingsville, KY 40360		K Carrender Constructoin Co 200 Ringgold Road Somerset, KY 42503		Clay Pipeline, Inc 70 Fox Hollow Road Manchester, KY 40962	
ITEM NO.	ITEM DESCRIPTION	UNIT	QUANTITY	UNIT COST	COST	UNIT COST	COST	UNIT COST	COST
6	4-Inch PVC Pipe, SDR 17	LF	2,400	\$11.90	\$28,560.00	\$10.80	\$25,920.00	\$13.70	\$32,880.00
7	4-Inch DI Pipe, CL350, Push On Joint	LF	2,300	20.65	47,495.00	19.50	44,850.00	21.00	48,300.00
12	Bored Encasement for 6-Inch Pipe	LF	40	92.78	3,711.20	110.00	4,400.00	95.00	3,800.00
18	4-Inch Gate Valve	EA	2	457.79	915.58	450.00	900.00	510.00	1,020.00
22	6"x4" Tapping Sleeve & Valve	EA	1	1,972.69	1,972.69	1,500.00	1,500.00	1,085.00	1,085.00
27	4" Blow Off, Type 2	EA	1	952.23	952.23	1,500.00	1,500.00	1,150.00	1,150.00
31	Pavement Restoration								
	31.1 Crushed Stone	LF	500	8.34	4,170.00	15.00	7,500.00	10.25	5,125.00
33	5/8" x 3/4" Meter Box Installation w/ Individual PRV	EA	2	668.24	1,336.48	600.00	1,200.00	525.00	1,050.00
34	3/4" Service Tubing	LF	120	5.73	687.60	9.50	1,140.00	5.00	600.00
41	Final Pipeline Cleanup	LF	4,700	0.70	3,290.00	0.70	3,290.00	0.70	3,290.00
TOTAL ALTERNATE NO. 6 BID					\$93,090.78		\$92,200.00		\$98,300.00

				Akins Excavating, Inc 182 Busy Lane Corbin, KY 40701		Weddle Enterprises, Inc 25 Shane's Lane Somerset, KY 42501	
ITEM NO.	ITEM DESCRIPTION	UNIT	QUANTITY	UNIT COST	COST	UNIT COST	COST
6	4-Inch PVC Pipe, SDR 17	LF	2,400	\$17.80	\$42,720.00	\$20.00	\$48,000.00
7	4-Inch DI Pipe, CL350, Push On Joint	LF	2,300	21.65	49,795.00	30.00	69,000.00
12	Bored Encasement for 6-Inch Pipe	LF	40	120.00	4,800.00	160.00	6,400.00
18	4-Inch Gate Valve	EA	2	602.00	1,204.00	525.00	1,050.00
22	6"x4" Tapping Sleeve & Valve	EA	1	1,540.00	1,540.00	1,500.00	1,500.00
27	4" Blow Off, Type 2	EA	1	232.00	232.00	800.00	800.00
31	Pavement Restoration						
	31.1 Crushed Stone	LF	500	4.00	2,000.00	15.00	7,500.00
33	5/8" x 3/4" Meter Box Installation w/ Individual PRV	EA	2	600.00	1,200.00	550.00	1,100.00
34	3/4" Service Tubing	LF	120	9.00	1,080.00	6.00	720.00
41	Final Pipeline Cleanup	LF	4,700	0.70	3,290.00	0.70	3,290.00
TOTAL ALTERNATE NO. 6 BID					\$107,861.00		\$139,360.00

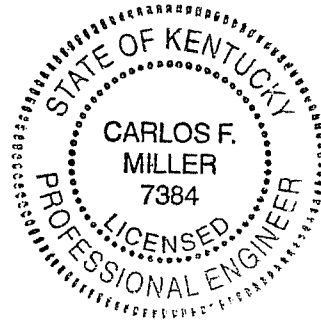
KENVIRONS, INC
 452 VERSAILLES ROAD
 FRANKFORT, KENTUCKY 40601
 TEL (502) 695-4357
 FAX (502) 695-4363

BID TABULATIONS
 PROJECT: Contract 6: Blue John Storage Tank
 LOCATION: Southeastern Water Association
 BID DATE: June 6, 2006 at 11:00 a.m. Local Time

ITEM NO.	ITEM DESCRIPTION	UNIT	QUANTITY	Caldwell Tanks, Inc P O Box 35770 Louisville, KY 40232		Phoenix Fabricators & Erectors, Inc 182 S County Rd. 900 East Avon, IN 46123		
				UNIT COST	COST	UNIT COST	COST	
1	Column Supported Elevated Water Tank, 100,000 Gallons	LS			\$228,760.00		\$331,253.00	
2	Earthwork	LS			3,000.00		6,500.00	
3	Foundation	LS			50,000.00		31,400.00	
4	Painting	LS			50,000.00		64,000.00	
5	Yard Work including lined channels & site restoration	LS			5,000.00		4,700.00	
6	Yard Piping	LS			5,000.00		5,300.00	
7	Check Valve Station	LS			13,000.00		14,200.00	
8	Fencing	LF	320	22.00	7,040.00	27.00	8,640.00	
9	Access Road	LS			6,500.00		4,700.00	
10	Duckbill Check Valve	EA	4	500.00	2,000.00	2,000.00	8,000.00	
TOTAL PROJECT BID						\$370,300.00		\$478,693.00
*Deduct for shop prime in lieu of full field preparation and prime						\$5,000.00		\$19,000.00

THE ABOVE IS A TRUE AND COMPLETE TABULATION OF BIDS RECEIVED AT 11:00 A.M. LOCAL TIME TUESDAY, JUNE 6, 2006 AT SOUTHEASTERN WATER ASSOCIATION

BY: *Carlos F. Miller* 6/7/06
 Carlos F. Miller, P.E. DATE





Kenvirons, Inc.

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

June 9, 2006

EXHIBIT 6

Mr. Joe Richards, I
Southeastern Water Association
147 East Somerset Church Road
Somerset, KY 42503

RE: Phase 3 Water System Extensions

Dear Mr. Richards:

Bids were received for the referenced project on June 6, 2006. D. & F. Bailey and Caldwell Tanks submitted the low bids for Contract 5: Water System Extensions and Contract 6: Blue John Storage Tank respectively. The Final Engineering Report dated June, 2006, included herewith by reference, describes in detail the results of the bids and contains the as-bid project budget.

Both contractors are experienced in the particular types of construction for which their bid was submitted. Both contractors have successfully completed past projects for Kenvirons and are recommended for the work.

Contract 5 included six (6) additive alternates. Utilizing the additional \$413,000 tobacco fund grant that is available for this project, there are adequate funds available for the Contract 5 base project and all six additive alternates and the tank contract.

It is hereby recommended to award Contract 5 to D. & F. Bailey, Inc. in the amount of \$2,795,946.72 and Contract 6 to Caldwell Tanks, Inc. in the amount of \$370,300.

Sincerely,

Carlos F. Miller, P.E.
Vice-President

CFM/pw



EXHIBIT 7

United States Department of Agriculture
Rural Development
Kentucky State Office

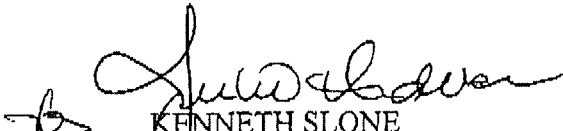
July 25, 2006

SUBJECT: Southeastern Water Association
Phase 3- System Reinforcements and Extensions
Contract Award Concurrence

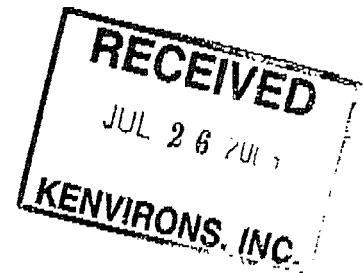
TO: Area Director
Morehead, Kentucky

Based on the bids received and the recommendation of the consulting engineer, Rural Development concurs in the award of subject contract to the low bidder on Contract 5, D.F. Bailey, in the amount of \$2,795,946.72, and the low bidder on Contract 6, Caldwell Tanks, Inc., in the amount of \$370,300.00.

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


KENNETH SLONE
State Director
Rural Development

cc: ~~Kenvirons, Inc.~~
Frankfort, Kentucky



771 Corporate Drive • Suite 200 • Lexington, KY 40503
Phone: (859) 224-7300 • Fax: (859) 224-7425 • TDD: (859) 224-7422 • Web: <http://www.rurdev.usda.gov/ky>

Committed to the future of rural communities.

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**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 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.
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 October 2, 2006, and will end on or about October 15, 2007.

IN TESTIMONY WHEREOF, witness my signature this Aug. 1, 2006.

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 Aug. 1, 2006.

Jamara C. Davis
NOTARY PUBLIC, STATE AT LARGE
MY COMMISSION EXPIRES: 10/27/09

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:

<u>Usage Block</u>	<u>Current Rates</u>	<u>Proposed Rates</u>
First 2,000 gallons	\$14.70 Minimum Bill	\$ 15.50 Minimum Bill
All over 2,000 gallons	6.25 per 1,000 gallons	6.50 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 \$2,754,000.

The RD loan proceeds will be used in conjunction with a RD Grant in the amount of \$700,000, a Tobacco Development Fund Grant in the amount of \$413,000, and connection fees in the amount of \$80,000 to finance a water system improvement project which consists of the construction of a 100,000 gallon water storage tank, the construction of two (2) new booster pump stations, and the installation of approximately 25 miles of 8" to 3" water distribution lines.

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

