

Rubin & Hays

ATTORNEYS AT LAW

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

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

January 22, 2007

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

RECEIVED

JAN 28 2007

PUBLIC SERVICE
COMMISSION

Re: South Woodford Water District - Kentucky Public Service Commission Application
for a CPCN for a Water System Improvements Project and approval of financing

Dear Ms. O'Donnell:

Case No. 7007-00033

Enclosed please find the original and ten (10) copies of the Application of the South Woodford Water District for a Certificate of Public Convenience and Necessity to construct and finance a water system improvements project pursuant to KRS Chapter 278.

Also enclosed are eleven (11) copies of the exhibits required, with the exception of the Plans and Specifications, prepared by HMB Professional Engineers, Inc., on the Project, two of which are being forwarded by said Engineers.

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

Sincerely,

Rubin & Hays

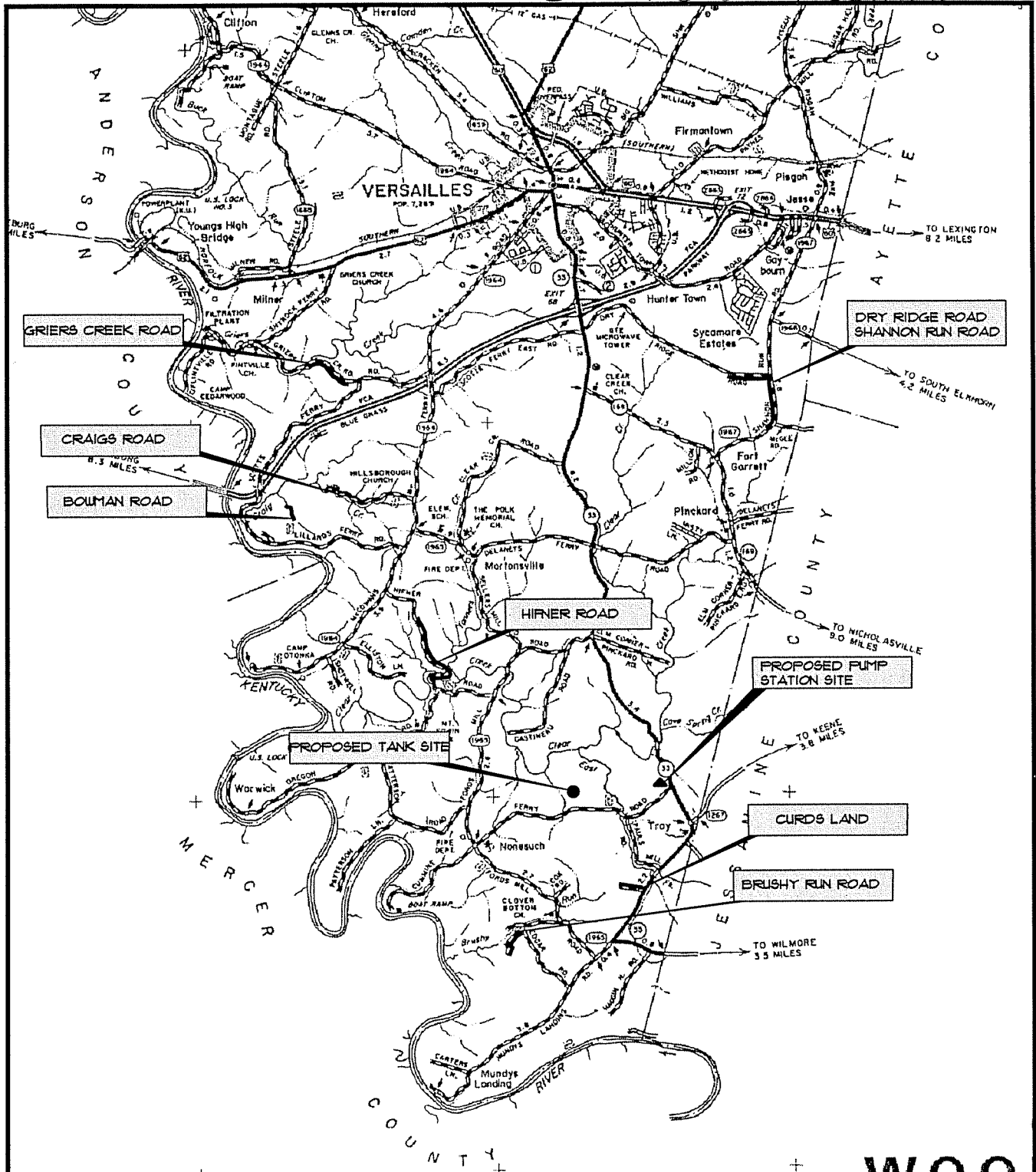
By

W. Randall Jones
W. Randall Jones


WRJ:jl
Enclosures

cc: Mr. George Withers, South Woodford Water District
Jeff Reynolds, P.E.

Case No. 2007-00033



WOO

PHASE IV WATER PROJECT SOUTH WOODFORD WATER DISTRICT	
 PROFESSIONAL ENGINEERS, INC.	SCALE: 1"=1 MILE
	DATE: JAN. 2007
	DRAWN BY: BCC
CHECKED BY: JDR	

P:\engr\env\OH\CC\South Woodford\SH1.dwg, 1/16/2007 3:04:37 PM, \\HMB\env_prt

SHAD OF STATE FOREST,
 OR RESERVATION
 BY STATE
 R. GITES AND TOWNS
 UNLIMITED FACILITIES
 THE AREA OF STAMP
 SHOWS PRIVATE LAND
 SYMBOL OF LOOKOUT TOWER
 CH OR OTHER RELIGIOUS BUILDING
 TEMP

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

JAN 23 2007

PUBLIC SERVICE
COMMISSION

In the matter of:

**APPLICATION OF THE SOUTH WOODFORD)
WATER DISTRICT FOR A CERTIFICATE OF)
PUBLIC CONVENIENCE AND NECESSITY)
TO CONSTRUCT AND FINANCE A WATER)
IMPROVEMENTS PROJECT PURSUANT TO)
KRS 278.020 AND 278.300)**

Case No. 2007-00033

APPLICATION

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

1. The District's office address is 467 D Wilson Avenue, Versailles, Kentucky 40383. Its principal officers are listed in its 2005 Annual Report, which is on file with the Commission;
2. The District is a non-profit water district organized under KRS Chapter 74 and has no separate articles of incorporation or by-laws;
3. A description of the District's water system and its property stated at original cost by accounts is contained in its 2005 Annual Report, which is incorporated by reference pursuant to 807 KAR 5:001 Section (5)(5). All required normal financial schedules and other data are in the Annual Report;
4. The Phase IV water improvements project (the "Project") consists of (i) the construction and installation of approximately 5.3 miles of water line; (ii) construction of a booster

pump station; (iii) construction of a 250,000 gallon elevated water storage tank; and (iv) installation of a SCADA system;

5. The Project is in the public interest and will improve the District's system and provide water to approximately 36 new users;

6. The total project cost is approximately \$1,500,000, as forth in the Final Project Budget attached hereto as **Exhibit "A"**;

7. The District has obtained most of the easements for the Project;

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

9. Based on these facts, the District believes that it is in the public interest that this certificate be granted and that the plan of financing be authorized;

10. Copies of the certified bid tabulations are attached hereto as **Exhibit "B"**;

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

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

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

a. Facts relied upon to show that the Project is in the public interest: The Phase IV water project will provide necessary upgrades to the District's system and also serve approximately 36 new users;

b. No new franchises are required. Copies of the permits are attached hereto as **Exhibit "C"**;

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

d. Three (3) maps of suitable scale showing location of the proposed facilities are attached hereto;

e. The construction costs will be funded from the proceeds of (i) a Tobacco Settlement Fund Grant in the amount of \$550,000; (ii) an Environmental Protection Agency grant in the amount of \$482,100; and (iii) a loan in the approximate amount of \$490,000 from the Kentucky Rural Water Finance Corporation through it's Flexible Term Program (see preliminary schedules of Morgan Keegan attached as **Exhibit "D"**); approximately \$467,100 of the loan proceeds will be used by the District to fund construction;

f. The estimated cost of operation of the system after Project completion is attached hereto as **Exhibit "E"**;

13. The following information is provided as required by 807 KAR 5:001 Section (11)(1);

a. A general description of the property is contained in the 2005 Annual Report;

b. Financial information relating to the KRWFC Loan is contained in the Schedules referred to in paragraph 12(e) above;

c. All funds are to be used in accordance with the Final Project Budget, see Exhibit "A";

d. Certain real property is being acquired in connection with this Project and copies of the options to purchase are attached hereto as **Exhibit "F"**;

e. No proceeds of the KRWFC Loan will be used to refund outstanding obligations.

- f. The KRWFC Loan will be secured by and paid out of the revenues of the District's system.

14. The following exhibits are provided pursuant to 807 KAR 5:001 section (11)(2);

- a. The District hereby requests and moves for a deviation, pursuant to 807 KAR 5:001, Section 14, from the requirements of 807 KAR 5:001, Section 6, which requires that the financial data filed with the Application be for a twelve (12) month period ending within ninety (90) days of the filing of the application. The District states that there has been no change that is material in nature in the financial condition or operation of the District since December 31, 2005. The financial data filed herewith as **Exhibit "G"** is for the twelve (12) month period ending December 31, 2005. This is the most recent published financial data available. Because the Project has been bid and the District is under a bid-hold period by the Contractors, the District cannot run the risk of delaying the commencement of the Project and losing the favorable bids while more current financial data is compiled;

- b. There are no trust deeds or mortgages applicable;

- c. Maps and detailed plans are on file with the Commission. Detailed estimate of property acquired by USOA number is (i) account #303 (land and land rights) - \$24,500; (ii) account #311 (pumping equipment) - \$82,848; (iii) account #330 (distribution reservoirs and standpipes) - \$658,425; (iv) account #331 (transmission and distribution mains) - \$384,622; and (v) account #346 (communication equipment) \$62,250.

15. District requests that it be granted a deviation under 807 KAR 5:001(14), if necessary to accommodate any situation where inflexible compliance with a regulation would be impracticable, onerous or which would hinder District's daily operations.

WHEREFORE, the Applicant, South Woodford Water District requests that the Public Service Commission of Kentucky grant to the Applicant the following:

- A. A certificate of public convenience and necessity permitting the Applicant to construct a water system improvement project;
- B. An order approving the financing arrangements, including the loan from the Kentucky Rural Water Finance Corporation in the approximate amount of \$490,000.
- C. Applicant's motion for a deviation from the 90 day requirement for financial information as required by 807 KAR 5:001 Section (11)(2)(a).

South Woodford Water District

By Bobby A. Watson
Chairman

Rubin & Hays

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

**As Bid – Budget Information
Project Cost Summary**

COST CLASSIFICATION	EPA Grant	KIA GRANT	KRWA LOAN	LOAN	FUND F DWSRF LOAN	TOTAL PROJECT COSTS
1. Administrative and Legal Expense	\$	\$ 26,000.00	\$	\$	\$	\$ 26,000.00
2. Land Acquisition		30,000.00				30,000.00
3. Relocation Expenses						
4. Engineering		120,700.00	84,300.00			205,000.00
5. Construction	482,100.00	373,300.00	332,745.29			1,188,145.29
6. Equipment						
7. Miscellaneous						
8. Contingencies			50,854.71			50,854.71
9. Total Project Costs Each Funding Source	\$482,100.00	\$550,000.00	\$467,900.00	\$	\$	\$1,500,000.00

For funding sources other than FUND A, please identify the grant/loan and indicate the award, or application date of such:

Identify Source of Local Funds:

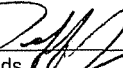
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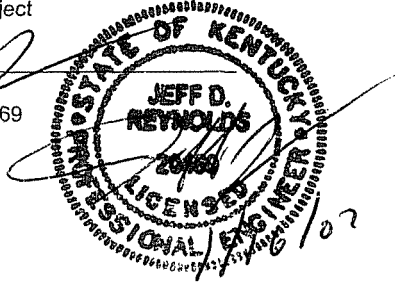
Bid Tabulation
Contract I
South Woodford Water District
Phase IV Water Project
Bid Date: December 12, 2006

	ITEM	QUANTITY	UNITS	G & W Construction		Garrison Construction		C & K Contracting LLC	
				UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL
1	6" D.I. Class 350 Pipe, Furnishing, Trenching, Laying and Backfilling (Unclassified Excavation)	1,200	L.F.	\$20.38	\$24,456.00	\$26.00	\$31,200.00	\$30.79	\$36,948.00
2	4" PVC, Class 200 Pipe, DR-14, AWWA C-900 Furnishing, Trenching, Laying, and Backfilling. (Unclassified Excavation)	9,200	L.F.	\$9.39	\$86,388.00	\$18.65	\$171,580.00	\$24.32	\$223,744.00
3	4" PVC, Class 200 Pipe, SDR-21 Furnishing, Trenching, Laying, and Backfilling. (Unclassified Excavation)	17,800	L.F.	\$8.37	\$148,986.00	\$17.50	\$311,500.00	\$23.38	\$416,164.00
4	8" Steel Cover Pipe, Furnishing and Installing Under State and County Maintained Roads, including Unclassified Boring and/or Jacking (Water Pipe Not Included)	100	L.F.	\$85.69	\$8,569.00	\$130.00	\$13,000.00	\$153.20	\$15,320.00
5	Open Cut Furnishing and Installing 8" Steel Casing Pipe (Water Pipe Not Included)	60	L.F.	\$55.94	\$3,356.40	\$55.00	\$3,300.00	\$76.80	\$4,608.00
6	Open Cut Furnishing and Installing 8" PVC Casing Pipe (Water Pipe Not Included)	20	L.F.	\$49.49	\$989.80	\$37.25	\$745.00	\$76.80	\$1,536.00
7	4" Unclassified Bore and/or Jack under improved surfaces, including driveways, no casing required (Water Pipe not Included)	100	L.F.	\$40.00	\$4,000.00	\$75.00	\$7,500.00	\$76.80	\$7,680.00
8	6" C.I. AWWA NRS Gate Valve and Box, Conc. Pad, Complete in Place	1	EA	\$661.57	\$661.57	\$710.00	\$710.00	\$500.00	\$500.00
9	4" C.I. AWWA NRS Gate Valve and Box, Conc. Pad, Complete in Place	12	EA	\$570.94	\$6,851.28	\$585.00	\$7,020.00	\$494.00	\$5,928.00
10	Customer Services with 5/8" Meter, Pressure Regulator, Tandem Copper Setter, Meter Box, Lid, PVC Casing, Opposite Side of Road as Main, 70 feet service tubing (maximum)	10	EA	\$1,017.33	\$10,173.30	\$1,070.00	\$10,700.00	\$1,330.00	\$13,300.00
11	Customer Services with 5/8" Meter, Pressure Regulator, Tandem Copper Setter, Meter Box, Lid Same Side of Road as Main, 10 feet service tubing (maximum)	10	EA	\$566.05	\$5,660.50	\$575.00	\$5,750.00	\$1,330.00	\$13,300.00
12	Customer Services with 5/8" Meter, Copper Setter, Meter Box, Lid, PVC Casing, Opposite Side of Road, 70 feet service tubing (maximum)	5	EA	\$942.74	\$4,713.70	\$960.00	\$4,800.00	\$1,253.00	\$6,265.00
13	Customer Services with 5/8" Meter, Copper Setter, Meter Box, Lid Same Side of Road, 10 feet service tubing (maximum)	5	EA	\$499.71	\$2,498.55	\$400.00	\$2,000.00	\$1,253.00	\$6,265.00
14	Additional 3/4" PE Service Tubing, Furnishing, Laying, Trenching and Backfilling where required in Addition to Maximum lengths included 10 through 13	250	L.F.	\$7.23	\$1,807.50	\$13.50	\$3,375.00	\$10.25	\$2,562.50
15	4" Type "B" Creek Crossing Including Fittings, Concrete Casing, Casing Pipe, Complete in Place as shown on the detail sheet	250	L.F.	\$74.47	\$18,617.50	\$75.00	\$18,750.00	\$95.00	\$23,750.00
16	Single Nozzle Blowoff Hydrant Assembly, Including Tee, Valve, Valve Box, Mechanical Joint Anchoring, Pipe and Fittings, Complete in place	3	EA	\$1,520.47	\$4,561.41	\$2,328.00	\$6,984.00	\$1,578.00	\$4,734.00

	ITEM	QUANTITY	UNITS	G & W Construction		Garrison Construction		C & K Contracting LLC	
				UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL
17	4" Blowoff Assembly Including valve, pipe and Fittings, complete in place	2	EA	\$737.12	\$1,474.24	\$928.00	\$1,856.00	\$875.00	\$1,750.00
18	Automatic Air Release Valve Assembly and Box, Complete in Place	5	EA	\$471.47	\$2,357.35	\$560.00	\$2,800.00	\$710.00	\$3,550.00
19	Crushed Stone on trench, full depth on driveways, roadway crossings and streets	1,000	L.F.	\$10.00	\$10,000.00	\$6.60	\$6,600.00	\$8.00	\$8,000.00
20	Bituminous Paving Replacement on State and County Maintained roads and Driveways including gravel backfill	300	L.F.	\$30.00	\$9,000.00	\$16.20	\$4,860.00	\$37.00	\$11,100.00
21	Concrete Paving Replacement, 6" Thick, including gravel backfill	300	L.F.	\$40.00	\$12,000.00	\$17.00	\$5,100.00	\$30.50	\$9,150.00
22	Flowable fill concrete, including sand and flowable backfill as shown on detail sheet and described in specs. (Bit. Replacement not included)	3,500	L.F.	\$5.00	\$17,500.00	\$20.15	\$70,525.00	\$45.00	\$157,500.00
23	Booster Pump Station Including but not limited to furnishing and installing 2-225 gpm pumps, all piping, valves, controls, concrete, site work, fence, access road, power pole, electric to site, etc. (Complete in Place)	1	LS	\$82,848.19	\$82,848.19	\$103,338.00	\$103,338.00	\$95,000.00	\$95,000.00
TOTAL BID PRICE					\$467,470.29		\$793,993.00		\$1,068,654.50

This is to state that the above is an accurate tabulation of bids received on December 12, 2006 by South Woodford Water District for the Phase IV Water Project

Signed: 
 Jeff Reynolds
 Kentucky PE No. 20469



Bid Tabulation

Contract II


South Woodford Water District

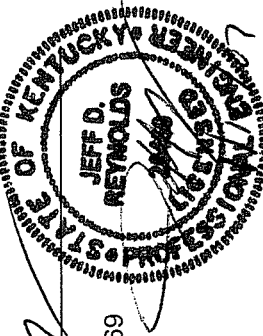
250,000 Gallon Elevated Tank

Bid Date: December 12, 2006

ITEM	QUANTITY	UNITS	Caldwell Tanks		Phoenix Fabricators and Erectors, Inc	
			UNIT PRICE	TOTAL	UNIT PRICE	TOTAL
250,000 Gallon Elevated Water storage Tank, including tank, tank foundation, valve vault, piping, site preparation, excavation, access road and all appurtenances, as shown on the Plans, and Specifications, complete in place.	1	LS	\$658,425.00	\$658,425.00	\$715,115.00	\$715,115.00
TOTAL BID PRICE				\$658,425.00		\$715,115.00

This is to state that the above is an accurate tabulation of bids received on December 12, 2006 by South Woodford Water District for the 250,000 Gallon Elevated Tank, Phase IV Water Project

Signed: 
 Jeff Reynolds
 Kentucky PE No. 20469

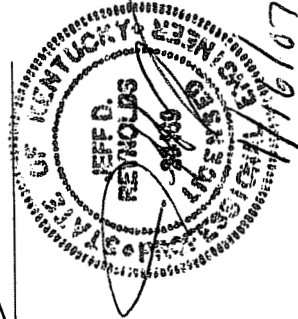


Bid Tabulation
 Contract III
 South Woodford Water District
 SCADA System, Phase IV Water Project
 Bid Date: December 12, 2006

ITEM	QUANTITY	UNITS	Central Kentucky Communications		Micro-Comm		EIC - Electronic Information & Communication Systems	
			UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL
Furnish, install and place into operation a completely integrated all solid-state radio telemetry base Supervisory Control and Data Acquisition (SCADA) System	1	LS	\$53,275.00	\$53,275.00	\$62,250.00	\$62,250.00	\$65,000.00	\$65,000.00
TOTAL BID PRICE				\$53,275.00		\$62,250.00		\$65,000.00

This is to state that the above is an accurate tabulation of bids received on December 12, 2006 by South Woodford Water District for the SCADA System, Phase IV Water Project

Signed: 
 Jeff Reynolds
 Kentucky PE No. 20469





ENVIRONMENTAL AND PUBLIC PROTECTION CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION

Ernie Fletcher
Governor

Frankfort Office Park
14 Reilly Road
Frankfort, Kentucky 40601
www.kentucky.gov

LaJuana S. Wilcher
Secretary

HMB Professional
Engineers, Inc

July 27, 2006

George Withers
South Woodford Water District
467-D Wilson Ave.
Versailles, KY 40383

AUG 02 2006
CAS
file
J. Ray

RE: Woodford County
AI #: 34144
DW # 1200411-06-001
Grant #: FFY2004 EPA SPAP
Phase IV Water Project, Contracts I, II, III.
Activity ID: APE 20060001

Dear Mr. Withers:

We have reviewed the plans and specifications for the above referenced project. The plans include the construction of approximately 1,200 feet of 6-inch DI, 36,200 feet of 4-inch PVC, 225 gpm/150 TDH/15 hp booster pump station and 250,000 gallon elevated water storage tank. This is to advise that plans and specifications for the above referenced project are APPROVED with respect to sanitary features of design, as of this date with the requirements contained in the attached construction permit with following stipulation:

This approval is for the technical aspects of this project only. Currently your application for the SPAP grant is under review by EPA. When it is approved, you will be notified in writing to advertise for bids for construction. Therefore, you are NOT authorized to advertise for bids at this time.

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

If you have any questions concerning this project, please contact Solitha W. Dharman, PE at 502/564-2225, extension 572.

Sincerely,
Joe M. Marlin
Donna S. Marlin, Manager
Drinking Water Branch
Division of Water

DSM: SWD
C: Jeff Reynolds, P.E., HMB Professional Engineers, Inc.
Woodford County Health Department
Public Service Commission
Bill Averell, Project Administration Section, RPPS Branch

Distribution-Major Construction
 South Woodford Co Water District
 Subject Item Inventory

Activity ID No.: APE20060001

Subject Item Inventory:

ID	Designation	Description
AIOO34144		
PORT5	Water Line Extension	1,200 feet of 6-inch DI, 36,200 feet of 4-inch PVC,
PORT7	Booster Pump Station	225 gpm /150 TDH / 15 hp
STOR1	Storage Tank	250,000 gallons elevated storage tank

Subject Item Groups:

ID	Description	Components
GACT5	37,400 feet of 4-inch and 6-inch water lines/225 gpm booster pump station and 250,000 gallon elevated water storage tank	PORT7 225 gpm /150 TDH / 15 hp STOR1 250,000 gallons elevated storage tank PORT5 1,200 feet of 6-inch DI, 36,200 feet of 4-inch PVC,

KEY

- | | |
|------------------|-------------------------|
| ACTV = Activity | AIOO = Agency Interest |
| AREA = Area | COMB = Combustion |
| EQPT = Equipment | MNPT = Monitoring Point |
| PERS = Personnel | PORT = Transport |
| STOR = Storage | STRC = Structure |

Distribution-Major Construction

South Woodford Co Water District

Subject Item Inventory

Activity ID No.: APE20060001

KEY

TRMT = Treatment

Distribution-Major Construction
South Woodford Co Water District
Facility Requirements

Activity ID No.: APE20060001

Page 1 of 21

GACT5 (Ph 4 Water Project) 37,400 feet of 4-inch and 6-inch water lines/225 gpm booster pump station and 250,000 gallon elevated water storage tank:
Monitoring Requirements:

Condition No.	Parameter	Condition
M-1	Coliform	The presence or absence of total Coliform monitored by sampling and analysis as needed shall be determined for the new or relocated water line(s). Take samples at connection points to existing lines, at 1 mile intervals, and at dead ends without omitting any branch of the new or relocated water line. Sample bottles shall be clearly identified as "special" construction tests. [401 KAR 8:100 Section 1(7); 401 KAR 8:150 Section 4, Recommended Standards for Water Works 8.5.6] This requirement is applicable during the following months: All Year. Statistical basis: Instantaneous determination.

Submittal/Action Requirements:

Coliform:

Condition No.	Condition
S-1	Coliform For new construction projects, the distribution system, using the most expedient method, shall submit Coliform test results to the Cabinet. Due immediately following disinfection and flushing. [401 KAR 8:150 Section 4(2)]

Condition No.	Condition
S-2	For proposed changes to the approved plan, submit information: Due prior to any modification to the Cabinet for approval. Changes to the approved plan shall not be implemented without the prior written approval of the Cabinet. [401 KAR 8:100 Section 1(8)]
S-3	The person who presented the plans shall submit the professional engineer's certification: Due when construction is complete to the Division of Water. The certification shall be signed by a registered professional engineer and state that the water project has been constructed and tested in accordance with the approved plans, specifications, and requirements. [401 KAR 8:100 Section 1(8)]

Distribution-Major Construction
South Woodford Co Water District
Facility Requirements

Activity ID No.: APE20060001

GACT5 (continued):

Narrative Requirements:

Additional Limitations:

Condition No.	Condition
T-1	<p>Additional Limitations: Chlorinated water resulting from disinfection of project components shall be disposed in a manner which will not violate 401 KAR 5:031. [401 KAR 8:020 Section 2(20)]</p>
Condition No.	Condition
T-2	<p>This project has been permitted under the provisions of KRS Chapter 224 and regulations promulgated pursuant thereto. Issuance of this permit does not relieve the applicant from the responsibility of obtaining any other approvals, permits or licenses required by this Cabinet and other state, federal and local agencies. Further, this permit does not address the authority of the permittee to provide service to the area to be served. [401 KAR 8:100 Section 1(7)]</p>
T-3	<p>Unless construction of this project is begun within 1 year from the issuance date of this permit, the permit shall expire. If requested prior to the permit expiration, an official extension from the Division of Water may be granted. If this permit expires, the original plans and specifications may be resubmitted for a new comprehensive review. If you have any questions concerning this project, please contact the Drinking Water Branch at 502/564-3410. [401 KAR 8:100 Section 1(9)]</p>
T-4	<p>During construction, a set of approved plans and specification shall be available at the job site at all times. All work shall be performed in accordance with the approved plans and specifications. [401 KAR 8:100 Section 1(7)(a)]</p>

Distribution-Major Construction
 South Woodford Co Water District
 Facility Requirements

Activity ID No.: APE20060001

PORTS (Water Line Extension) 1,200 feet of 6-inch DI, 36,200 feet of 4-inch PVC, :

Limitation Requirements:

Condition No.	Parameter	Condition
L-1	Depth	A continuous and uniform bedding shall be provided in the trench for all buried pipe. Backfill material shall be tamped in layers around the pipe and to a sufficient height above the pipe to adequately support and protect the pipe. Stones found in the trench shall be removed for a Depth ≥ 6 in below the bottom of the pipe. [Recommended Standards for Water Works 8.5.2] This requirement is applicable during the following months: All Year. Statistical basis: Not applicable.
L-2	Depth	All water lines shall be covered to a Depth ≥ 30 in to prevent freezing. [Recommended Standards for Water Works 8.5.3, 401 KAR 8:100 Section 1(7)] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.
L-3	Diameter	All water lines shall have Diameter ≥ 3 in. [Recommended Standards for Water Works 8.1.4] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.
L-4	Diameter	Water lines with Diameter < 6 in shall not have fire hydrants. [Recommended Standards for Water Works 8.1.5] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.
L-5	Diameter	All new and existing water lines serving fire hydrants or where fire protection is provided shall have Diameter ≥ 6 in. [Recommended Standards for Water Works 8.1.2] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.
L-6	Distance	Water lines shall have a sufficient quantity of valves so that inconvenience and sanitary hazards will be minimized during repairs. A valve spacing Distance ≤ 1.0 mi should be utilized. [Recommended Standards for Water Works 8.2] This requirement is applicable during the following months: All Year. Statistical basis: Not applicable.
L-7	Distance	Hydrant drains shall not be connected to sanitary sewers or storm drains and shall be located a Distance > 10 ft from sanitary sewers and storm drains. [Recommended Standards for Water Works 8.3.4] This requirement is applicable during the following months: All Year. Statistical basis: Not applicable.
L-8	Distance	Except when not practical, water lines shall be laid a horizontal Distance ≥ 10 ft from any existing or proposed sewer. The distance shall be measured edge to edge. In cases where it is not practical to maintain a 10 foot separation, water lines may be installed closer to a sewer provided that the water lines shall be laid in a separate trench or on an undisturbed shelf located on one side of the sewer at such an elevation that the bottom of the water line is at least 18 inches above the top of the sewer. [Recommended Standards for Water Works 8.6.2] This requirement is applicable during the following months: All Year. Statistical basis: Not applicable.

Distribution-Major Construction
South Woodford Co Water District
Facility Requirements

Activity ID No.: APE20060001

Page 4 of 21

PORT5 (continued):

Limitation Requirements:

Condition No.	Parameter	Condition
L-9	Distance	<p>When water lines and sewers cross,</p> <ol style="list-style-type: none">1) water lines shall be laid such that eithera) the top of the water line is a vertical Distance \geq 18 in below the bottom of the sewer line orb) the bottom of the water line is a vertical Distance \geq 18 in above the top of the sewer line,2) 1 full length of the water pipe shall be located so that both joints of the water pipe will be as far from the sewer as possible, and3) special structural support for the water and sewer pipes may be required. [Recommended Standards for Water Works 8.6.3] <p>This requirement is applicable during the following months: All Year. Statistical basis: Not applicable.</p>
L-10	Distance	<p>The open end of an air relief pipe from automatic valves shall be extended a Distance \geq 1.0 ft above grade and provided with a screened, downward-facing elbow. The pipe from a manually operated valve shall be extended to the top of the pit. Use of manual air relief valves is recommended wherever possible. [Recommended Standards for Water Works 8.4.2] This requirement is applicable during the following months: All Year. Statistical basis: Not applicable.</p>
L-11	Pressure	<p>Pipes shall not be installed unless all points of the distribution system remain designed for ground level Pressure \geq 20 psi under all conditions of flow. [Recommended Standards for Water Works 8.1.1] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.</p>
L-12	Pressure	<p>Pressure \geq 30 psi must be available on the discharge side of all meters. [401 KAR 8:100 Section 4(2)] This requirement is applicable during the following months: All Year. Statistical basis: Instantaneous determination.</p>
L-13	Residual Disinfection	<p>New or relocated water lines shall be thoroughly disinfected (in accordance with AWWA Standard C651) upon completion of construction and before being placed into service. To disinfect the new or relocated lines use chlorine or chlorine compounds in such amounts as to produce an initial disinfectant concentration of at least 50 ppm and a Residual Disinfection \geq 25 ppm at the end of 24 hours. Follow the line disinfection with thorough flushing and place the lines into service if, and only if, Coliform monitoring applicable to the line does not show the presence of Coliform.</p> <p>If Coliform is detected, repeat flushing of the line and Coliform monitoring. If Coliform is still detected, repeat disinfection and flushing as if the line has never been disinfected. Continue the described process until monitoring does not show the presence of Coliform. [401 KAR 8:150 Section 4(1), Recommended Standards for Water Works 8.5.6] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.</p>

Distribution-Major Construction
 South Woodford Co Water District
 Facility Requirements

Activity ID No.: APE20060001

PORTS (continued):

Limitation Requirements:

Condition No.	Parameter	Condition
L-14	Velocity	Each blow-off, fire hydrant, or flush hydrant shall be sized so that Velocity ≥ 2.5 ft/sec can be achieved in the water main served by the blow-off or hydrant during flushing. [Recommended Standards for Water Works 8.1.6.b, 401 KAR 8:100 Section 1(7)] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.

Monitoring Requirements:

Condition No.	Parameter	Condition
M-1	leaks	The presence or absence of leaks monitored by physical testing as needed shall be determined in all types of installed pipe. Pressure testing and leakage testing shall be in accordance with the latest edition of AWWA Standard C600. [Recommended Standards for Water Works 8.5.5] This requirement is applicable during the following months: All Year. Statistical basis: Instantaneous determination.

Narrative Requirements:

Asbestos (Friable):

Condition No.	Condition
T-1	Asbestos (Friable): If the existing water line to be tapped is asbestos concrete, then the contractor shall conform to OSHA regulations governing the handling of hazardous waste during the process of tapping the asbestos concrete line. Pieces of asbestos concrete resulting from the tap shall be double bagged, placed in a rigid container and disposed of in an approved landfill. [401 KAR 8:100 Section 1(7)]

Distribution-Major Construction
South Woodford Co Water District
Facility Requirements

Activity ID No.: APE20060001

PORT5 (continued):

Narrative Requirements:

Additional Limitations:

Condition No.	Condition
T-2	<p>Additional Limitations: Water line installation shall be in accordance with AWWA standards or manufacturer recommendations. [Recommended Standards for Water Works 8.5.1]</p>
T-3	<p>Additional Limitations: Pipes, fittings, valves and fire hydrants shall conform to the latest standards issued by the AWWA or NSF (if such standards exist). PVC and PE piping used must be certified to ANS/NSF Standard 61. [Recommended Standards for Water Works 8.0.1]</p>
T-4	<p>Additional Limitations: At high points in water lines, where air can accumulate, provisions shall be made to remove the air by means of hydrants or air relief valves. Automatic air relief valves shall not be used in situations where manhole or chamber flooding may occur. [Recommended Standards for Water Works 8.4.1]</p>
T-5	<p>Additional Limitations: All tees, bends, plugs and hydrants shall be provided with reaction blocking; tie rods or joints designed to prevent movement. [Recommended Standards for Water Works 8.5.4]</p>
T-6	<p>Additional Limitations: For lines that dead end, a fire hydrant or blow-off shall be required at the end of each 6 inch or larger diameter line and a flush hydrant or blow-off shall be required at the end of each line that is less than 6 inches in diameter. [Recommended Standards for Water Works 8.1.6]</p>
T-7	<p>Additional Limitations: For each fire or flush hydrant, auxiliary valves shall be installed in the hydrant lead pipe. [Recommended Standards for Water Works 8.3.3]</p>
T-8	<p>Additional Limitations: No flushing device, blow-off, or air relief valve shall be directly connected to any sewer. Chambers, pits or manholes containing valves, blow-offs, meters, or other such appurtenances shall not be directly connected to any storm drain or sanitary sewer. Such chambers, pits or manholes shall be drained to absorptions pits underground or to the surface of the ground where they are not subject to flooding by surface water. [Recommended Standards for Water Works 8.1.6, Recommended Standards for Water Works 8.4.3]</p>
T-9	<p>Additional Limitations: If water lines are installed or replaced in areas of organic contamination or in areas within 200 ft of underground or petroleum storage tanks, ductile iron or other nonpermeable materials shall be used in all portions of the water line installation or replacement. [401 KAR 8:100 Section 1(5)(d)6, Recommended Standards for Water Works 8.0.2]</p>

Distribution-Major Construction
 South Woodford Co Water District
 Facility Requirements

Activity ID No.: APE20060001

PORT5 (continued):

Narrative Requirements:

Additional Limitations:

Condition

No. Condition

T-10 Additional Limitations:
 No water pipe shall pass through or come in contact with any part of a sewer manhole. [Recommended Standards for Water Works 8.6.6]

T-11 Additional Limitations:
 If a fire sprinkler system is to be installed, a double check detector assembly approved for backflow prevention shall be utilized. The double check detector assembly of the system shall be accessible for testing. [401 KAR 8:100 Section 1(7)]

T-12 Additional Limitations:
 If water lines cross a stream or wetland, the provisions in the attached Water Quality Certification shall apply. If you have any questions please contact the Water Quality Certification Supervisor of the Water Quality Branch at (502) 564-2225. [401 KAR 8:100 Section 1(7)]

Subfluvial Pipe Crossings:

Condition

No. Condition

T-13 Subfluvial Pipe Crossings:
 For subfluvial pipe crossings, a floodplain construction permit will not be required pursuant to KRS 151.250 if the following requirements of 401 KAR 4:050 Section 2 are met.

- 1) No material may be placed in the stream or in the flood plain of the stream to form construction pads, coffer dams, access roads, etc. during construction of pipe crossings.
- 2) Crossing trenches shall be backfilled as closely as possible to the original contour.
- 3) All excess material resulting from construction displacement in a crossing trench shall be disposed of outside the flood plain.
- 4) For erodible channels, there shall be at least 30 inches of backfill on top of all pipe or conduit points in the crossing.
- 5) For nonerodible channels, pipes or conduits in the crossing shall be encased on all sides by at least 6 inches of concrete with all pipe or conduit points in the crossing at least 6 inches below the original contour of the channel. [401 KAR 8:100 Section 1(7)]

Distribution-Major Construction
South Woodford Co Water District
Facility Requirements

Activity ID No.: APE20060001

PORTS (continued):

Narrative Requirements:

Subfluvial Pipe Crossings:

Condition No.	Condition
T-14	<p data-bbox="1032 210 1065 525">Subfluvial Pipe Crossings:</p> <p data-bbox="999 210 1032 861">For subfluvial pipe crossings greater than 15 feet in width,</p> <ol style="list-style-type: none"><li data-bbox="966 210 999 1354">1) the pipe shall be of special construction, having flexible, restrained, or welded watertight joints, and<li data-bbox="933 210 966 1470">2) valves shall be provided at both ends of water crossings so that the section can be isolated for testing or repair. <p data-bbox="916 210 933 367">Valves shall</p> <ol style="list-style-type: none"><li data-bbox="883 210 916 504">a) be easily accessible,<li data-bbox="850 210 883 619">b) not be subject to flooding, and<li data-bbox="792 210 850 1995">c) if closest to the supply source, be in a manhole with permanent taps made on each side of the valve to allow insertion of a small meter to determine leakage and for sampling purposes. [Recommended Standards for Water Works 8.7.2]

Distribution-Major Construction
South Woodford Co Water District
Facility Requirements

Activity ID No.: APE20060001

PORT7 (Booster Pump Station) 225 gpm /150 TDH / 15 hp:

Limitation Requirements:

Condition No.	Parameter	Condition
L-1	Pressure	<p>Pump stations shall be located or controlled so that intake Pressure ≥ 20 psi is maintained during normal pump operation. [Recommended Standards for Water Works 6.4.b] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.</p>
L-2	Pressure	<p>Pump stations shall be located or controlled so that an automatic cutoff or a low pressure controller maintains a Pressure ≥ 10 psi in the suction line under all operating conditions. [Recommended Standards for Water Works 6.4.c] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.</p>
L-3	Residual Disinfection	<p>New pumps shall be thoroughly disinfected (in accordance with AWWA Standard C651) upon completion of construction and before being placed into service. To disinfect new pumps use chlorine or chlorine compounds in such amounts as to produce an initial disinfectant concentration of at least 50 ppm and a Residual Disinfection ≥ 25 ppm at the end of 24 hours. Follow the disinfection with thorough flushing and place each pump into service if, and only if, Coliform monitoring applicable to the pump does not show the presence of Coliform.</p> <p>If Coliform is detected, repeat flushing of the pump and Coliform monitoring. If Coliform is still detected, repeat disinfection and flushing as if the pump has never been disinfected. Continue the described process until monitoring does not show the presence of Coliform. [401 KAR 8:100 Section 1(7)] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.</p>
L-4	Slope	<p>Pumping facilities shall be located and designed to maintain the sanitary quality of pumped water. As part of this, all pump station floors shall have Slope ≥ 3 in per 10 ft to a suitable drain. [Recommended Standards for Water Works 6.2.e, Recommended Standards for Water Works 6.0, Recommended Standards for Water Works 6.1.] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.</p>
L-5	Air Change Rate	<p>Ventilation shall conform to existing local and/or state codes. At a minimum forced ventilation shall produce an Air Change Rate ≥ 6 air change(s)/hr. [401 KAR 8:100 Section 1(7), Recommended Standards for Water Works 6.2.5] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.</p>

Distribution-Major Construction
 South Woodford Co Water District
 Facility Requirements

Activity ID No.: APE20060001

PORT7 (continued):

Limitation Requirements:

Condition No.	Parameter	Condition
L-6	Height	<p>Pumping stations shall not be subject to flooding. To this end,</p> <ol style="list-style-type: none"> 1) grading around stations shall lead surface drainage away and 2) stations shall be elevated or protected to a Height \geq 3 ft above the highest of the following: <ol style="list-style-type: none"> a) the 100-year flood elevation, or b) the highest recorded flood elevation. [Recommended Standards for Water Works 6.1.1, Recommended Standards for Water Works 6.0] This requirement is applicable during the following months: All Year. Statistical basis: Minimum. <p>When a pump station has pits or compartments which must be entered, stairways or ladders shall be provided between all floors. Stairs shall have risers with a Height \leq 9 in, handrails on both sides, and treads with non-slip material wide enough for safety. [Recommended Standards for Water Works 6.2.3] This requirement is applicable during the following months: All Year. Statistical basis: Maximum.</p>

Narrative Requirements:

Additional Limitations:

Condition No.	Condition
T-1	<p>Additional Limitations: Pumping stations shall be so located that the proposed site will meet the requirements for hydraulics of the system. [Recommended Standards for Water Works 6.1]</p>
T-2	<p>Additional Limitations: Pumping stations shall be readily accessible at all times for servicing and repairs. [Recommended Standards for Water Works 6.1.1.b, Recommended Standards for Water Works 6.4.3]</p>
T-3	<p>Additional Limitations: Pumping stations shall be designed to prevent vandalism and protect against entrance of animals or unauthorized persons. [Recommended Standards for Water Works 6.1.1.d]</p>
T-4	<p>Additional Limitations: Pumping stations shall be of durable construction with outward-opening doors. [Recommended Standards for Water Works 6.2.b]</p>

Distribution-Major Construction
South Woodford Co Water District
Facility Requirements

Activity ID No.: APE20060001

PORT7 (continued):

Narrative Requirements:

Additional Limitations:

Condition No.	Condition
T-5	<p>Additional Limitations: Pumping stations shall be fire and weather resistant. [Recommended Standards for Water Works 6.2.b]</p>
T-6	<p>Additional Limitations: Pumping stations shall have suitable pump gland discharges so that drainage from the glands is not onto the floor. [Recommended Standards for Water Works 6.2.f]</p>
T-7	<p>Additional Limitations: If underground structures are present at pumping stations, they shall waterproofed. [Recommended Standards for Water Works 6.2.d]</p>
T-8	<p>Additional Limitations: Pumping stations shall have adequate space for the installation of additional pumps. [Recommended Standards for Water Works 6.2.a]</p>
T-9	<p>Additional Limitations: Pumping stations shall have adequate space for the safe servicing of all equipment. [Recommended Standards for Water Works 6.2.a]</p>
T-10	<p>Additional Limitations: Pump stations shall have crane-ways, hoist beams, eyebolts, or other adequate facilities for servicing or removal of pumps, motors or other heavy equipment. [Recommended Standards for Water Works 6.2.2.a]</p>
T-11	<p>Additional Limitations: Pump stations shall have openings as needed for removal of heavy or bulky equipment. [Recommended Standards for Water Works 6.2.2.b]</p>
T-12	<p>Additional Limitations: Pump stations shall have a convenient tool board, or other facilities as needed, for proper maintenance of equipment. [Recommended Standards for Water Works 6.2.2.c]</p>
T-13	<p>Additional Limitations: In areas where excess moisture could cause safety hazards or damage to equipment, dehumidification shall be provided. [401 KAR 8:100 Section 1(7), Recommended Standards for Water Works 6.2.6]</p>
T-14	<p>Additional Limitations: Electrical controls shall be located above grade. [Recommended Standards for Water Works 6.6.5]</p>

Distribution-Major Construction
South Woodford Co Water District
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PORT7 (continued):

Narrative Requirements:

Additional Limitations:

Condition No.	Condition
T-15	<p>Additional Limitations: All electrical equipment and work shall conform with the applicable state and local electrical codes and the National Electrical Code. [Recommended Standards for Water Works 6.5, Recommended Standards for Water Works 6.2.7]</p>
T-16	<p>Additional Limitations: Pump stations shall be adequately lighted throughout. [Recommended Standards for Water Works 6.2.7]</p>
T-17	<p>Additional Limitations: All automatic pump stations shall be provided with automatic signaling apparatus which will report when the station is out of service. All remote controlled stations shall be electrically operated and controlled and shall have signaling apparatus of proven performance. [Recommended Standards for Water Works 6.5]</p>
T-18	<p>Additional Limitations: Automatic or remote control pump stations shall be located or shall have control devices setup so that the range between start and cutoff pressure prevents excessive pump cycling. [Recommended Standards for Water Works 6.4.d]</p>
T-19	<p>Additional Limitations: Equipment shall be provided or other arrangements made to prevent surge pressures from activating controls which switch on pumps or activate other equipment outside the normal design cycle of operation. [Recommended Standards for Water Works 6.6.5]</p>
T-20	<p>Additional Limitations: Provisions shall be made to prevent energizing the motor in the event of a backspin cycle. [Recommended Standards for Water Works 6.6.5]</p>
T-21	<p>Additional Limitations: Pump stations shall be provided with enough heat to prevent freezing of equipment or treatment processes. [Recommended Standards for Water Works 6.2.4]</p>
T-22	<p>Additional Limitations: Pump stations shall have at least 2 pumps. Pumps shall be sized so that if any single pump is out service, the remaining pump or pumps shall be capable of providing the peak demand on the station. [Recommended Standards for Water Works 6.3, Recommended Standards for Water Works 6.4.1]</p>
T-23	<p>Additional Limitations: Provisions shall be made for pump alternation. [Recommended Standards for Water Works 6.6.5]</p>

Distribution-Major Construction
South Woodford Co Water District
Facility Requirements

Activity ID No.: APE20060001

PORT7 (continued):

Narrative Requirements:

Additional Limitations:

Condition No.	Condition
T-24	<p data-bbox="1030 212 1063 489">Additional Limitations:</p> <p data-bbox="997 212 1030 361">Pumps shall</p> <ul style="list-style-type: none"><li data-bbox="964 212 997 1681">a) have ample capacity to supply the peak demand against the required distribution system pressure without dangerous overloading,<li data-bbox="931 212 964 1255">b) be driven by prime movers able to meet the maximum horsepower condition of the pumps,<li data-bbox="898 212 931 872">c) be provided readily available spare parts and tools, and<li data-bbox="865 212 898 1872">d) be served by control equipment that is properly protected against temperatures to be encountered. [Recommended Standards for Water Works 6.3]
T-25	<p data-bbox="816 212 849 489">Additional Limitations:</p> <p data-bbox="766 212 816 2021">Pumps, their prime movers and accessories shall be controlled in such a manner that they will operate at rated capacity without dangerous overload. [Recommended Standards for Water Works 6.6.5]</p>
T-26	<p data-bbox="700 212 733 489">Additional Limitations:</p> <p data-bbox="683 212 700 1553">Pump stations shall be located or controlled so that a bypass is available. [Recommended Standards for Water Works 6.4.e]</p>
T-27	<p data-bbox="617 212 650 489">Additional Limitations:</p> <p data-bbox="584 212 617 1447">Pump stations shall contain indicating and totalizing metering of the total water pumped. Each pump shall have</p> <ul style="list-style-type: none"><li data-bbox="551 212 584 829">a) a standard pressure gauge on its discharge line and<li data-bbox="518 212 551 2021">b) a compound gauge on its suction line. <p data-bbox="485 212 518 2021">Each pump should have a means for measuring the instantaneous volume per time discharge. [401 KAR 8:100 Section 1(7), Recommended Standards for Water Works 6.4.2, Recommended Standards for Water Works 6.6.3]</p>
T-28	<p data-bbox="419 212 452 489">Additional Limitations:</p> <p data-bbox="366 212 419 2021">Pumps shall be adequately valved to permit satisfactory operation, maintenance and repair of the equipment. Each pump shall have a positive-acting check valve on the discharge side between the pump and the shut-off valve. [Recommended Standards for Water Works 6.6.1]</p>

Distribution-Major Construction
South Woodford Co Water District
Facility Requirements

Activity ID No.: APE20060001

PORT7 (continued):

Narrative Requirements:

Additional Limitations:

Condition No.	Condition
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T-29	<p>Additional Limitations: Piping for pumps shall, in general,</p> <ol style="list-style-type: none">1) be designed so that the friction losses will be minimized,2) not be subject to contamination,3) have watertight joints,4) be protected against surge or water hammer,5) be provided with restraints where necessary, and6) a) be such that each pump has an individual suction line or b) be manifolded such that the lines insure similar hydraulic and operating conditions. [Recommended Standards for Water Works 6.6.2]
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T-30	<p>Additional Limitations: To ensure continuous service when the primary power is interrupted, power supplied to pump stations shall be</p> <ol style="list-style-type: none">a) from at least 2 independent sources orb) from a primary source with a standby or auxiliary source provided. <p>If standby power is provided by onsite generators or engines, the fuel storage and fuel line must be designed to protect the water supply from contamination. [Recommended Standards for Water Works 6.6.6]</p>
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Distribution-Major Construction
South Woodford Co Water District
Facility Requirements

Activity ID No.: APE20060001

STORI (Storage Tank) 250,000 gallons elevated storage tank:

Limitation Requirements:

Condition No.	Parameter	Condition
L-1	Depth	High and low level Depth \geq 30 ft apart should not be allowed in storage structures providing pressure to a distribution system. [Recommended Standards for Water Works 7.3.2] This requirement is applicable during the following months: All Year. Statistical basis: Maximum.
L-2	Distance	To prevent excessive erosion of storage structure foundations, the overflow and main drain shall either a) discharge to concrete or other stable surfaces (splash pads) which extend a Distance \geq 10 ft away from the base of the storage structure or b) discharge directly into a crushed stone pit that is at least 2' x 2' x 2' which is a Distance \geq 10 ft away from the base of the storage structure. [401 KAR 8:100 Section 1(7)] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.
L-3	Height	Tanks shall have an overflow which is a) brought down to a Height \geq 12 and \leq 24 in above the ground surface, b) of sufficient diameter to permit waste of water in excess of the filling rate, c) open downward, d) screened with twenty-four mesh noncorrodible screen installed within the pipe at a location least susceptible to damage by vandalism, and e) when not internal, e) i) located on the outside of the tank so that any discharge is visible, when internal, e) ii) located in the access tube. [Recommended Standards for Water Works 7.0.7] This requirement is applicable during the following months: All Year. Statistical basis: Not applicable.
L-4	Height	Tanks shall have manholes that are a) framed a Height \geq 4 in above the surface of the roof at the opening and b) fitted with a solid watertight cover which overlaps the framed opening and extends down around the frame at least 2 inches. Manholes should be hinged at one side and shall have a locking device. [Recommended Standards for Water Works 7.0.8] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.

Distribution-Major Construction
South Woodford Co Water District
Facility Requirements

Activity ID No.: APE20060001

STORI (continued):

Narrative Requirements:

Additional Limitations:

Condition No.	Condition
T-1	<p>Additional Limitations: The materials and designs used for storage structures shall provide stability and durability as well as protection for the quality of the stored water. Steel structures shall follow the AWWA standards wherever they are applicable. Other materials of construction are acceptable when properly designed to meet the requirements in this permit. [Recommended Standards for Water Works 7.0]</p>
T-2	<p>Additional Limitations: The safety of employees must be considered in the design of any tank. The design of tanks shall</p> <ol style="list-style-type: none">a) meet or exceed the minimum requirements of pertinent safety laws and regulations in the areas where the tanks are constructed,b) include ladders, ladder guards and balcony railings (where applicable),c) locate entrance hatches in safe places,d) provide railings or handholds where persons must transfer from an access tube to the water compartment, ande) consider confined space entry requirements. <p>Additionally, if tanks have riser pipes over 8 inches in diameter, the tanks shall have protective bars over the riser openings inside of the tank. [Recommended Standards for Water Works 7.0.12]</p>
T-3	<p>Additional Limitations: Storage structures shall be designed with reasonably convenient access to the interior for cleaning and maintenance. Where space permits, at least 2 manholes shall be provided above the waterline at each water compartment. [Recommended Standards for Water Works 7.0.8]</p>
T-4	<p>Additional Limitations: Fencing, locks on access manholes, and other necessary precautions shall be provided to prevent trespassing, vandalism, and sabotage. [Recommended Standards for Water Works 7.0.4]</p>
T-5	<p>Additional Limitations: All storage structures and their appurtenances, especially the riser pipes, overflows, and vents, shall be designed to prevent freezing. [Recommended Standards for Water Works 7.0.13]</p>
T-6	<p>Additional Limitations: Tanks shall be constructed with no openings except properly constructed vents, manholes, overflows, risers, drains, control ports, and piping for inflow and outflow. Any pipes running through the roof or sidewall must be welded or properly gasketed. [Recommended Standards for Water Works 7.0.10]</p>

Distribution-Major Construction
South Woodford Co Water District
Facility Requirements

Activity ID No.: APE20060001

STORI (continued):

Narrative Requirements:

Additional Limitations:

Condition No.	Condition
T-7	<p>Additional Limitations: All finished water storage structures shall have suitable watertight roofs and sidewalls which exclude birds, animals, insects, and excessive dust. [Recommended Standards for Water Works 7.0.3, Recommended Standards for Water Works 7.0.10]</p>
T-8	<p>Additional Limitations: The roof of each storage structure shall be well drained. Downspout pipes shall not enter or pass through storage structures. Parapets or similar structures which would tend to hold water and snow on a storage structure roof shall not be approved unless adequate waterproofing and drainage are provided. [Recommended Standards for Water Works 7.0.11]</p>
T-9	<p>Additional Limitations: Storage structures shall be designed so they can be isolated from the distribution system and drained for cleaning or maintenance without necessitating loss of pressure in the distribution system. [Recommended Standards for Water Works 7.3.2, Recommended Standards for Water Works 7.0.5]</p>
T-10	<p>Additional Limitations: Storage structure drains shall discharge to the ground surface at a drainage structure inlet or splash plate. [Recommended Standards for Water Works 7.3.2, Recommended Standards for Water Works 7.0.7]</p>
T-11	<p>Additional Limitations: No drain on a storage structure may have a direct connection to a sewer or storm drain. [Recommended Standards for Water Works 7.0.5, Recommended Standards for Water Works 7.0.7, Recommended Standards for Water Works 7.3.2]</p>
T-12	<p>Additional Limitations: Main drains from storage structures shall have a twenty-four mesh noncorrodible screen installed within the drain pipe at a location least susceptible to damage by vandalism. [401 KAR 8:100 Section 1(7)]</p>
T-13	<p>Additional Limitations: Storage structures shall be designed to facilitate turn over of water. [401 KAR 8:100 Section 1(7), Recommended Standards for Water Works 7.0.6]</p>
T-14	<p>Additional Limitations: Storage structures shall have sufficient capacity, as determined from engineering studies, to meet domestic demands. Additionally, if fire protection is provided, capacity shall also be sufficient to meet fire flow demands. [401 KAR 8:100 Section 1(7), Recommended Standards for Water Works 7.0.1]</p>

Distribution-Major Construction
South Woodford Co Water District
Facility Requirements

Activity ID No.: APPE20060001

STORI (continued):

Narrative Requirements:

Additional Limitations:

Condition No.	Condition
T-15	<p>Additional Limitations: Storage structure discharge pipes shall be located in a manner that will prevent the flow of sediment into the distribution system. Additionally, removable silt stops should be provided. [Recommended Standards for Water Works 7.0.15]</p>
T-16	<p>Additional Limitations: Appropriate sampling tap(s) shall be provided to facilitate collection of water samples for both bacteriologic and chemical analyses. [Recommended Standards for Water Works 7.0.19]</p>
T-17	<p>Additional Limitations: Storage structures shall be vented. Overflows shall not be considered as vents. Open construction between the sidewall and roof is not permitted. Vents shall</p> <ol style="list-style-type: none">a) prevent the entrance of rainwater,b) exclude birds and animals, andc) exclude insects and dust (as much as compatible with effective venting). <p>Vents may use four-mesh noncorrodible screen. [Recommended Standards for Water Works 7.0.9]</p>
T-18	<p>Additional Limitations: Adequate controls shall be provided to maintain levels in storage structures. The level controls shall be acceptable to the Division of Water. Level indicating devices should be provided at a central location. Overflow and low-level warnings or alarms should be located at places in the community where they will be under responsible surveillance 24 hrs a day. [401 KAR 8:100 Section 1(7), Recommended Standards for Water Works 7.3.3]</p>
T-19	<p>Additional Limitations: If storage structures have a catwalk over the water, the catwalk floor shall be solid with raised edges so that shoe scrapings and dirt will not fall into the water. [Recommended Standards for Water Works 7.0.14]</p>
T-20	<p>Additional Limitations: Proper protection shall be given to metal surfaces by</p> <ol style="list-style-type: none">a) paints or other protective coatings and/orb) cathodic protective devices. [Recommended Standards for Water Works 7.0.17]

Distribution-Major Construction
South Woodford Co Water District
Facility Requirements

Activity ID No.: APE20060001

STORI (continued):

Narrative Requirements:

Additional Limitations:

Condition No.	Condition
T-21	<p>Additional Limitations: If cathodic protection is utilized, a) competent technical personnel should design and install the protection and b) a maintenance contract should be provided. [Recommended Standards for Water Works 7.0.17]</p>
T-22	<p>Additional Limitations: If the interior of the storage structure is coated or lined, the coating or lining shall be of a type approved by the Division of Water for use in contact with potable water. [401 KAR 8:020 Section 2(19)]</p>
T-23	<p>Additional Limitations: Paints and coatings a) shall meet NSF standard 61, b) shall be acceptable to the Division of Water, c) shall be properly applied and cured, and d) shall not transfer any substance to the water which will be toxic or cause tastes or odors (following curing). Wax coatings shall not be used in any storage structure and must be completely removed before using other paints or coatings in an existing storage structure. [401 KAR 8:100 Section 1(7), Recommended Standards for Water Works 7.0.17]</p>

Distribution-Major Construction
South Woodford Co Water District
Facility Requirements

Activity ID No.: APE20060001

STORI (continued):

Narrative Requirements:

Additional Limitations:

Condition No.	Condition
---------------	-----------

T-24

Additional Limitations:

New water storage structures shall be thoroughly disinfected (in accordance with AWWA Standard C652) upon completion of construction and before being placed into service. To disinfect new storage structures

- 1) remove all scaffolding, planks, tools, rags, and other items that are not part of the structural or operational facilities of the storage structure,
- 2) clean thoroughly by sweeping, scrubbing, using high-pressure water jets, or some equivalently effective means, and
- 3) use chlorine or chlorine compounds as subsequently described.

Finalize disinfection by

- a) chlorination method 1, described in detail at AWWA Standard C652 Section 4.3.1,
- b) chlorination method 2, described in detail at AWWA Standard C652 Section 4.3.2, or
- c) chlorination method 3, described in detail at AWWA Standard C652 Section 4.3.3.

See the following conditions for abbreviated descriptions of the methods.

Following the finalization of disinfection, place storage structures into service if, and only if, Coliform monitoring applicable to the storage structure does not show the presence of Coliform.

If Coliform is detected, flush the tank and repeat Coliform monitoring. If Coliform is still detected, repeat disinfection and flushing as if the tank has never been disinfected. Continue the described process until monitoring does not show the presence of Coliform. [Recommended Standards for Water Works 7.0.18]

Condition No.	Condition
---------------	-----------

T-25

If applicable, chlorination method 1 generally requires

- a) filling a storage structure to the overflow level with water providing a free chlorine Residual Disinfection \geq 10 ppm and
- b) i) completely draining the storage facility and refilling or
- ii) otherwise reducing (in accordance with method 1) the free chlorine residual to a level appropriate for distribution. [Recommended Standards for Water Works 7.0.18]

T-26

If applicable, chlorination method 2 generally requires

- a) scrubbing or spraying the water-contact surfaces of a storage structure with a water solution having an available chlorine concentration = 200 ppm and
- b) purging of the strong chlorine solution and filling to the overflow level. [Recommended Standards for Water Works 7.0.18]

Distribution-Major Construction
South Woodford Co Water District
Facility Requirements

Activity ID No.: APE20060001

STOR1 (continued):

Narrative Requirements:

Condition No.	Condition
T-27	<p>If applicable, chlorination method 3 generally requires</p> <ul style="list-style-type: none">a) Filling a storage structure to approximately 5% of the total storage volume with water having an available chlorine concentration of 50 ppm,b) continued filling of the storage structure to the overflow level with normal potable water, andc) purging the storage structure so that various disinfection by-products do not reach water consumers. [Recommended Standards for Water Works 7.0.18, 401 KAR 8:100 Section 1(7)]

\$490,000

*South Woodford Water District
Proposed Loan through the
Kentucky Rural Water Finance Corporation*

Sources & Uses

Dated 01/30/2007 | Delivered 01/30/2007

Sources Of Funds

Par Amount of Bonds.....	\$490,000.00
Total Sources.....	\$490,000.00

Uses Of Funds

Original Issue Discount (OID).....	1,002.00
Total Underwriter's Discount (1.296%).....	6,348.00
Costs of Issuance.....	12,300.00
Gross Bond Insurance Premium (30.2 bp).....	2,426.73
Deposit to Project Construction Fund.....	467,900.00
Rounding Amount.....	23.27
Total Uses.....	\$490,000.00

\$490,000

*South Woodford Water District
Proposed Loan through the
Kentucky Rural Water Finance Corporation*

Debt Service Schedule

Part 1 of 3

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
01/30/2007	-	-	-	-	-
07/01/2007	-	-	8,598.61	8,598.61	-
12/30/2007	-	-	-	-	8,598.61
01/01/2008	12,000.00	4.000%	10,250.00	22,250.00	-
07/01/2008	-	-	10,010.00	10,010.00	-
12/30/2008	-	-	-	-	32,260.00
01/01/2009	12,000.00	4.000%	10,010.00	22,010.00	-
07/01/2009	-	-	9,770.00	9,770.00	-
12/30/2009	-	-	-	-	31,780.00
01/01/2010	12,000.00	4.000%	9,770.00	21,770.00	-
07/01/2010	-	-	9,530.00	9,530.00	-
12/30/2010	-	-	-	-	31,300.00
01/01/2011	13,000.00	4.000%	9,530.00	22,530.00	-
07/01/2011	-	-	9,270.00	9,270.00	-
12/30/2011	-	-	-	-	31,800.00
01/01/2012	14,000.00	4.000%	9,270.00	23,270.00	-
07/01/2012	-	-	8,990.00	8,990.00	-
12/30/2012	-	-	-	-	32,260.00
01/01/2013	14,000.00	4.000%	8,990.00	22,990.00	-
07/01/2013	-	-	8,710.00	8,710.00	-
12/30/2013	-	-	-	-	31,700.00
01/01/2014	15,000.00	4.000%	8,710.00	23,710.00	-
07/01/2014	-	-	8,410.00	8,410.00	-
12/30/2014	-	-	-	-	32,120.00
01/01/2015	15,000.00	4.000%	8,410.00	23,410.00	-
07/01/2015	-	-	8,110.00	8,110.00	-
12/30/2015	-	-	-	-	31,520.00
01/01/2016	16,000.00	4.000%	8,110.00	24,110.00	-
07/01/2016	-	-	7,790.00	7,790.00	-
12/30/2016	-	-	-	-	31,900.00
01/01/2017	17,000.00	4.000%	7,790.00	24,790.00	-
07/01/2017	-	-	7,450.00	7,450.00	-
12/30/2017	-	-	-	-	32,240.00
01/01/2018	17,000.00	4.000%	7,450.00	24,450.00	-
07/01/2018	-	-	7,110.00	7,110.00	-
12/30/2018	-	-	-	-	31,560.00
01/01/2019	18,000.00	4.000%	7,110.00	25,110.00	-
07/01/2019	-	-	6,750.00	6,750.00	-
12/30/2019	-	-	-	-	31,860.00
01/01/2020	19,000.00	4.000%	6,750.00	25,750.00	-
07/01/2020	-	-	6,370.00	6,370.00	-
12/30/2020	-	-	-	-	32,120.00
01/01/2021	19,000.00	4.125%	6,370.00	25,370.00	-
07/01/2021	-	-	5,978.13	5,978.13	-

\$490,000

*South Woodford Water District
Proposed Loan through the
Kentucky Rural Water Finance Corporation*

Debt Service Schedule

Part 2 of 3

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
12/30/2021	-	-	-	-	31,348.13
01/01/2022	20,000.00	4.125%	5,978.13	25,978.13	-
07/01/2022	-	-	5,565.63	5,565.63	-
12/30/2022	-	-	-	-	31,543.76
01/01/2023	21,000.00	4.250%	5,565.63	26,565.63	-
07/01/2023	-	-	5,119.38	5,119.38	-
12/30/2023	-	-	-	-	31,685.01
01/01/2024	22,000.00	4.250%	5,119.38	27,119.38	-
07/01/2024	-	-	4,651.88	4,651.88	-
12/30/2024	-	-	-	-	31,771.26
01/01/2025	23,000.00	4.250%	4,651.88	27,651.88	-
07/01/2025	-	-	4,163.13	4,163.13	-
12/30/2025	-	-	-	-	31,815.01
01/01/2026	24,000.00	4.250%	4,163.13	28,163.13	-
07/01/2026	-	-	3,653.13	3,653.13	-
12/30/2026	-	-	-	-	31,816.26
01/01/2027	25,000.00	4.375%	3,653.13	28,653.13	-
07/01/2027	-	-	3,106.25	3,106.25	-
12/30/2027	-	-	-	-	31,759.38
01/01/2028	26,000.00	4.375%	3,106.25	29,106.25	-
07/01/2028	-	-	2,537.50	2,537.50	-
12/30/2028	-	-	-	-	31,643.75
01/01/2029	27,000.00	4.375%	2,537.50	29,537.50	-
07/01/2029	-	-	1,946.88	1,946.88	-
12/30/2029	-	-	-	-	31,484.38
01/01/2030	28,000.00	4.375%	1,946.88	29,946.88	-
07/01/2030	-	-	1,334.38	1,334.38	-
12/30/2030	-	-	-	-	31,281.26
01/01/2031	30,000.00	4.375%	1,334.38	31,334.38	-
07/01/2031	-	-	678.13	678.13	-
12/30/2031	-	-	-	-	32,012.51
01/01/2032	31,000.00	4.375%	678.13	31,678.13	-
12/30/2032	-	-	-	-	31,678.13
Total	\$490,000.00	-	\$312,857.45	\$802,857.45	-

\$490,000

*South Woodford Water District
Proposed Loan through the
Kentucky Rural Water Finance Corporation*

Debt Service Schedule

Part 3 of 3

Yield Statistics

Bond Year Dollars.....	\$7,352.53
Average Life.....	15.005 Years
Average Coupon.....	4.2551006%
Net Interest Cost (NIC).....	4.3550662%
True Interest Cost (TIC).....	4.3854708%
Bond Yield for Arbitrage Purposes.....	4.2698896%
All Inclusive Cost (AIC).....	4.8216848%
IRS Form 8038	
Net Interest Cost.....	4.2953200%
Weighted Average Maturity.....	14.943 Years

**ESTIMATED OPERATING EXPENSES
OF SYSTEM AFTER PROJECT
IS COMPLETED**

Water Purchase	\$228,000
Customer Billing/Bookkeeping	\$50,000
Meter Reading	\$33,500
Salaries	\$30,800
Rent	\$4,500
Utilities	\$16,000
Repairs	\$82,000
Commissioner's Fees	\$10,800
Payroll Taxes	\$3,200
Insurance and Bonds	\$11,000
Office Supplies	\$9,500
Professional Fees	\$8,000
Miscellaneous	\$18,000
Regulatory Commission Expenses	<u>\$1,100</u>
Total Operating Expense	\$506,400

OPTION AGREEMENT

This Option Agreement is made and entered into this the 6th day of February, 2006, between JAMES E. SUTHERLAND and GLADYS L. SUTHERLAND, husband and wife, and BILLY F. SUTHERLAND and NORMA J. SUTHERLAND, husband and wife, hereinafter called "Sutherland" and the SOUTH WOODFORD COUNTY WATER DISTRICT, hereinafter called "Water District".

For and in consideration of the sum of (ONE THOUSAND DOLLARS) \$1,000.00 (the "Option Fee") to be paid by the Water District to Sutherland on or after March 2, 2006, this Agreement is made and entered into as follows:

A. The property to which this Option applies is a .918 acre tract of land and a 50 foot wide by 662.75 foot long access and utility easement on Cummins Ferry Road, Woodford County, Kentucky, and is more particularly described in Exhibit "A" hereto attached.

B. Sutherland hereby grants to the Water District an Option for a period of one year beginning with and including the date of execution of this Agreement, and ending at 12:00 midnight at the end of one year thereafter.

C. The price at which the Water District is granted this Option to Purchase the subject property is \$20,000.00.

D. The Water District shall exercise this Option within the time limit imposed hereinabove of one year, by either of the following methods:

- (1) Mailing written notice of exercise of the Option to Sutherland at either of the following addresses: James E. Sutherland, 1808 Cummins Ferry Road, Versailles, Kentucky, 40383, or Billy F. Sutherland, 3161 Cummins Ferry Road, Versailles, Kentucky,

40383, by certified or registered U. S. Mail, postmarked prior to the expiration of the Option, and marked to the attention of James E. Sutherland or Billy F. Sutherland; or,

- (2) Hand delivery of written notice of exercise to James E. Sutherland or Billy F. Sutherland by delivery to either one prior to the expiration of the Option.

E. In the event the Water District fails to timely exercise this Option, time being of the essence, this Agreement shall be null, void, and of no further force or effect, the Option Fee (\$1,000.00) shall be retained by Sutherland, and Sutherland shall have no duty to convey the subject property to the Water District.

F. In the event this Option is timely exercised by the Water District, the following will be the terms of the conveyance of the subject real property:

- (1) The purchase price shall be \$20,000.00;
- (2) Closing of the transaction shall occur within 30 days of exercise of the Option at a specific time and place agreeable to the parties.
- (3) Sutherland shall deliver to the Water District a good, sufficient General Warranty Deed, conveying fee simple title insurable by an American Land Title Association insurance company regarding the .918 acre tract, excepting only for: ad valorem taxes for the year of transfer; easements of record, restrictive covenants of record, if any; regulations of the Versailles-Midway-Woodford County Planning and Zoning Commission and other relevant governmental agencies, and a good and sufficient Deed of Easement regarding the 50 foot wide by 662.75 foot long access and utility easement.

- (4) Sutherland will credit the amount of the Option Fee (\$1,000.00) against the purchase price.
- (5) Ad valorem taxes assessed for the year of sale, shall be prorated to date of closing.
- (6) Delivery of Deed and Deed of Easement and payment of the full consideration are both to occur at the closing.

G. The Parties agree that this Option constitutes the full and complete expression of the Option to Purchase, and that the same shall not be modified except by writing executed by the Parties hereto.

H. Parties Bound: The terms, conditions and provisions of this Option to Purchase shall inure to and be binding upon this the Parties and their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF, Sutherland and the Water District have executed this Option to Purchase the day and year first above written.



JAMES E. SUTHERLAND



GLADYS J. SUTHERLAND



BILLY F. SUTHERLAND



NORMA S. SUTHERLAND

SOUTH WOODFORD COUNTY WATER
DISTRICT

BY: Bobby D. Watson
BOBBY DOTSON

TITLE: CHAIRMAN

STATE OF KENTUCKY

COUNTY OF WOODFORD

Subscribed, sworn to, and acknowledged before me by JAMES E.
SUTHERLAND and GLADYS L. SUTHERLAND, husband and wife, this the 6th
day of Feb., 2006.

James. Toure
NOTARY PUBLIC, STATE AT LARGE, KY

MY COMMISSION EXPIRES: 10/6/06

STATE OF KENTUCKY

COUNTY OF WOODFORD

Subscribed, sworn to, and acknowledged before me by BILLY F.
SUTHERLAND and NORMA S. SUTHERLAND, husband and wife, this the 6th
day of Feb., 2006.

James. Toure
NOTARY PUBLIC, STATE AT LARGE, KY

MY COMMISSION EXPIRES: 10/6/06

STATE OF KENTUCKY

COUNTY OF WOODFORD

Subscribed, sworn to, and acknowledged before me by BOBBY DOTSON as Chairman of the SOUTH WOODFORD COUNTY WATER DISTRICT, this the 1st day of March, 2006.



NOTARY PUBLIC, STATE AT LARGE, KY

MY COMMISSION EXPIRES: 11/10/07

THIS INSTRUMENT PREPARED BY:



Joseph M. Hoffman
Combs & Hoffman
100 United Drive, Suite 5B
Versailles, Kentucky 40383
(859) 873-5427

**LEGAL DESCRIPTION OF A 0.918 ACRE TRACT OF LAND and
A 50 FOOT WIDE BY 662.75 FOOT LONG ACCESS AND UTILITY EASEMENT
JAMES E. SUTHERLAND AND BILLY F. SUTHERLAND PROPERTY
CUMMINS FERRY ROAD
VERSAILLES, WOODFORD COUNTY, KENTUCKY**

Those tracts of land lying south of Versailles in Woodford County, Kentucky approximately 1.2 miles northeast of Nonesuch and Ford's Mill Road and lying north of Cummins Ferry Road, said tracts being a portion of the James E. Sutherland and Billy F. Sutherland property described in Deed Book 133, Page 468, Tract I, and said tracts being more fully bounded and described as follows and as shown on the "Plat of Survey" attached hereto:

Access and Utility Easement Tract

"BEGINNING at a magnail set in the center of Cummins Ferry Road, said point being approximately 1.1 miles northeast of Nonesuch and Ford's Mill Road, said point being in the north line of George and Bonnie Reeves (DB 206, PG 699), said point being the southeast corner of Carl E. Jones (DB 88, PG 173) and said point being the southwest corner of James E. Sutherland and Billy F. Sutherland (DB 133, PG 468, Tract I), thence from said point of beginning and with the center of Cummins Ferry Road

S 75° 50' 08" E 25.24 feet to a point, said point being the centerline intersection of Cummins Ferry Road and the fifty foot wide access and utility easement, thence from said point and leaving Cummins Ferry Road and with a new line (said line being the centerline of a fifty foot wide access and utility easement) through the Sutherland's property for two calls;

- (1) N 22° 00' 19" E 59.66 feet to a point and
- (2) N 37° 53' 58" E 603.09 feet to the ending point of the access and utility easement, said easement being fifty foot wide and 662.75 feet long."

Tract 3

"BEGINNING at the ending point of the 50 foot wide access and utility easement as described above, thence

N 52° 06' 02" W 25.00 feet to a steel pin set in the southeast line of Carl E. Jones (DB 88, PG 173), thence with the line of Jones and continuing with the southeast line of James Timothy White (DB 126, PG 051)

N 37° 53' 58" E 200.00 feet to a steel pin set, thence leaving White and with a new line through Sutherland's for three calls;

- (1) S 52° 06' 02" E 200.00 feet to a steel pin set, thence
- (2) S 37° 53' 58" W 200.00 feet to a steel pin set and
- (3) N 52° 06' 02" W 175.00 feet to the point of beginning of Tract 3 and containing 0.918 acres more or less and subject to any and all legal easements or rights-of-way, public or private, whether of record or not."

Based on a random traverse Class "A" survey performed by Tim Thompson, LS 1304 in August 2005 with an unadjusted field closure of 1:201,829. The traverse was not closed or balanced. Bearings based on Grid North determined from ties to VMWCPC GPS monuments #142 and #142A. Steel pins set are 3/4 inch in diameter by eighteen inches long with ID cap "LS 1304". Magnails set are 1/4 inch in diameter by two inches long with ID washer "LS 1304".

SoWWD.doc

November 30, 2005



Tim Thompson, PE,LS
232 Henton Court
Versailles, KY 40383

**SOUTH WOODFORD COUNTY WATER DISTRICT
BALANCE SHEETS
December 31,**

ASSETS	2005	2004
Current Assets		
Cash	\$ 373,255	\$ 276,334
Accounts receivable		
Customers, net (Note 1)	57,856	54,018
Other	59	58
Grant receivable	-	16,231
Accrued interest receivable	<u>780</u>	<u>500</u>
	<u>431,950</u>	<u>347,141</u>
Restricted Assets		
Cash	<u>178,817</u>	<u>168,853</u>
	<u>178,817</u>	<u>168,853</u>
Fixed Assets		
Property, plant and equipment	3,648,698	3,587,507
Less accumulated depreciation	(1,619,122)	(1,491,393)
Construction in Progress	<u>61,913</u>	<u>-</u>
	<u>2,091,489</u>	<u>2,096,114</u>
Other Assets		
Bond closing costs	<u>14,353</u>	<u>15,302</u>
TOTAL ASSETS	<u>\$ 2,716,609</u>	<u>\$ 2,627,410</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 46,924	\$ 32,262
Construction payable	-	16,231
Accrued liabilities	4,423	4,291
Customer deposits	16,750	18,801
Current portion of bonds payable	<u>40,600</u>	<u>39,000</u>
	<u>108,697</u>	<u>110,585</u>
Long-term Debt		
Bonds payable, net	<u>1,029,467</u>	<u>1,070,067</u>
Net Assets		
Invested in capital assets	959,509	987,048
Restricted	62,917	63,758
Unrestricted	<u>556,019</u>	<u>395,952</u>
	<u>1,578,445</u>	<u>1,446,758</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,716,609</u>	<u>\$ 2,627,410</u>

The accompanying notes are an integral
part of the financial statements.

**SOUTH WOODFORD COUNTY WATER DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES
IN NET ASSETS
for the years ended December 31,**

	2005	2004
OPERATING INCOME		
Water sales	\$ 726,751	\$ 660,009
Other revenue	<u>482</u>	<u>-</u>
Total operating income	<u>727,233</u>	<u>660,009</u>
OPERATING EXPENSES		
Water purchase	224,502	254,515
Customer billing/ bookkeeping	48,000	47,400
Meter reading	32,560	31,560
Salaries	29,832	28,548
Rent	4,500	4,500
Utilities	13,183	11,547
Repairs	81,726	73,699
Commissioner's fees	10,800	10,800
Payroll taxes	3,108	3,010
Insurance and bonds	10,613	11,398
Office supplies	9,043	10,571
Professional Fees	7,558	5,521
Miscellaneous	17,826	13,990
Regulatory commission expenses	<u>1,102</u>	<u>1,083</u>
Total operating expense	<u>494,353</u>	<u>508,142</u>
Operating income before depreciation	232,880	151,867
Depreciation & amortization expense	<u>(128,677)</u>	<u>(122,476)</u>
OPERATING INCOME	104,203	29,391
Non-operating income (expenses)		
Interest income	3,375	2,408
Interest expense	<u>(56,034)</u>	<u>(57,521)</u>
INCOME BEFORE CAPITAL CONTRIBUTIONS	51,544	(25,722)
Capital Contributions		
Tap Fees	17,228	27,990
Grant Revenues	61,415	145,265
State Contribution	-	2,520
Customer Contribution	<u>1,500</u>	<u>3,033</u>
Change in net assets	131,687	153,086
Net assets, as restated, beginning of year	<u>1,446,758</u>	<u>1,293,672</u>
NET ASSETS END OF YEAR	<u>\$ 1,578,445</u>	<u>\$ 1,446,758</u>

The accompanying notes are an integral
part of the financial statements.

**SOUTH WOODFORD COUNTY WATER DISTRICT
STATEMENTS OF CASH FLOWS
for the years ended December 31,**

	2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 721,344	\$ 654,998
Payments to suppliers	(355,391)	(392,802)
Payments for employee services and benefits	<u>(124,168)</u>	<u>(121,344)</u>
Net cash provided by operating activities	<u>241,785</u>	<u>140,852</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital contributions	80,143	162,577
Purchases of capital assets	(61,191)	(177,941)
Purchases of construction in progress	(61,913)	-
Principal paid on capital debt	(39,000)	(36,300)
Interest paid on capital debt	<u>(56,034)</u>	<u>(57,521)</u>
Net cash (used) by capital and related financing activities	<u>(137,995)</u>	<u>(109,185)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Income	<u>3,095</u>	<u>2,271</u>
Net cash provided by investing activities	<u>3,095</u>	<u>2,271</u>
NET INCREASE (DECREASE) IN CASH	106,885	33,938
Cash at beginning of year	<u>445,187</u>	<u>411,249</u>
CASH AT END OF YEAR	<u><u>\$ 552,072</u></u>	<u><u>\$ 445,187</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 104,203	\$ 29,391
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense	128,677	122,476
Loss on disposition of assets		
Change in assets and liabilities:		
Receivables, net	(3,838)	(7,131)
Accounts and other payables	14,662	(5,978)
Accrued liabilities	132	(26)
Customer deposits	<u>(2,051)</u>	<u>2,120</u>
Net cash provided by operating activities	<u><u>\$ 241,785</u></u>	<u><u>\$ 140,852</u></u>

The accompanying notes are an integral
part of the financial statements