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June 20, 2008

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

RECEIVED

JUN 23 2008

PUBLIC SERVICE
COMMISSION

Re: North Shelby Water Company
Louisville Transmission Line Project

2008-232

Dear Ms. O'Donnell:

Enclosed please find the original and ten (10) copies of the Application of North Shelby Water Company for a Certificate of Public Convenience and Necessity pursuant to KRS 278.020.

Also enclosed are eleven copies of the exhibits and three maps to suitable scale showing the route of the proposed extension, all as required by 807 KAR 5:001 § 9.

Yours Truly,

MATHIS, RIGGS & PRATHER, P.S.C.

By: 
Donald T. Prather

DTP/pm
Enclosure
Cc: Duncan LeCompte, President
Darrell Dees, Manager
Warner A. Broughman, III, Engineer

Dtp/wtr/ns/transmission/psc ltr2

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

JUN 23 2008

PUBLIC SERVICE
COMMISSION

In the Matter of:

THE APPLICATION OF NORTH SHELBY WATER)
COMPANY FOR A CERTIFICATE OF PUBLIC)
CONVENIENCE AND NECESSITY TO CONSTRUCT) NO. _____
PURSUANT TO THE PROVISIONS OF KRS 278.020)

A P P L I C A T I O N

This Application of the North Shelby Water Company (the "Applicant") respectfully shows:

1. That the Applicant is a non-profit corporation created and existing under and by virtue of KRS Chapter 273. A certified copy of the Applicant's original articles of incorporation were filed with the Commission in case number 5497, and a certified copy of the Applicant's articles of amendment was filed with the Commission in case number 8718.

2. That the post office address of the Applicant is:

North Shelby Water Company
 P.O. Box 97
 Bagdad, Kentucky 40003

3. That the Applicant, pursuant to KRS 278.020, seeks a Certificate of Public Convenience and Necessity, permitting the Applicant to construct a waterworks construction project, consisting of extensions, additions, and improvements (the "Project") to the existing waterworks system of the Applicant.

4. That the Project consists of the construction of approximately 50,136 linear feet of 12-inch ductile iron transmission main from the supplier {Louisville Water Company ("LWC")} at Long Run Road to the Company's central water storage tank in Shelbyville. In addition, the Applicant is extending approximately 960 linear feet of 6-inch PVC distribution pipe into an existing subdivision to provide fire protection for the existing homes. The primary purpose of this Project is to increase the supply of water in the area along the route of the Project to eliminate chronic water shortages. Additionally, the Applicant, in cooperation with LWC, is obtaining from the Commonwealth of Kentucky a donated overhead water storage tank site near the Shelby-Jefferson County boundary, on which LWC plans, at its expense, to erect an overhead water storage tank of at least one million gallons. In

consideration for leasing this site to LWC, LWC has agreed to dedicate, at no cost to Applicant's customers, one million gallons of overhead storage for the Applicant's use. The existence of a 12-inch transmission main from this new LWC water tank into the central part of the Applicant's system will also allow the Applicant to gravity flow much of its water supply to this area, thereby eliminating the cost of pumping that water, and will further allow the Applicant to provide superior fire protection service along the route of that 12-inch water main.

5. That the Applicant proposes to finance the construction of the Project through (a) a \$1,500,000.00 HB380 grant from the Kentucky Infrastructure Authority, (b) \$258,485.44 in line enlargement funds presently on deposit with the Applicant's bank, and (c) \$397,222.56 from its depreciation account and from excess funds in its debt service account.

6. There are no franchises or permits from any public authority for the proposed new construction or extension.

7. Attached hereto are three maps to suitable scale showing the location of the route of the proposed new construction or extension.

8. There are no like facilities owned by other utilities located anywhere within the map area.

9. Because the Applicant is not borrowing any money, there is no expected additional cost of operation after the proposed facilities are completed.

10. The Applicant files herewith the following exhibits in support of this application:

- a. Grant Assumption and Assignment Agreement between the City of Shelbyville, the Applicant and the Kentucky Infrastructure Authority transferring to Applicant the \$1,500,000.00 grant which was erroneously designated by the Kentucky legislature for the City of Shelbyville.
- b. Grant Assistance Agreement between Kentucky Infrastructure Authority and the City of Shelbyville regarding the aforementioned grant, including project profile and project budget, resolution of Assignee and Applicant Accepting Assignment of Grant from City of Shelbyville, Resolution of City Shelbyville accepting the grant from Kentucky Infrastructure Authority, schedule of current rates and charges of Applicant (no change from current rates), and authorization for electronic deposit.

- c. As bid project budget.
- d. Bid tabulation.
- e. Final engineering report.
- f. Ledger of Applicant's accounts confirming Applicant possesses the amounts listed in Paragraph 5 above.

11. That the foregoing constitutes the documents necessary to obtain the approval of the Public Service Commission in accordance with Section 278.020 of the Kentucky Revised Statutes and in accordance with the "Minimum Filing Requirements" specified in 807 KAR 5:001 § 8 and 9.

WHEREFORE, the Applicant, North Shelby Water Company, asks that the Public Service Commission of the Commonwealth of Kentucky grant to the Applicant the following:

A certificate of Public Convenience and Necessity permitting the Applicant to construct a waterworks Project consisting of extensions, additions, and improvements to the existing waterworks system of the Applicant.

NORTH SHELBY WATER COMPANY

BY: Duncan LeCompte
Duncan LeCompte, President

BY: Donald T. Prather
Donald T. Prather
Counsel for Applicant
500 Main Street, Suite 5
Shelbyville, Kentucky 40065
Telephone Number: (502) 633-5220

COMMONWEALTH OF KENTUCKY)
COUNTY OF SHELBY)

The undersigned, Duncan LeCompte, being duly sworn, deposes and states that he is President of North Shelby Water Company, Applicant in the above proceedings; that he has read the foregoing Application and has noted the contents thereof; that the same is true of his own knowledge, except as to matters which are therein stated on information or belief, and as to those matters, he believes same to be true.

IN TESTIMONY WHEREOF, witness the signature of the undersigned on this the 20~~th~~ day of June, 2008.

Duncan LeCompte
Duncan LeCompte, President

STATE OF KENTUCKY)
COUNTY OF SHELBY)

Subscribed and sworn to before me by Duncan LeCompte, President of North Shelby Water Company, on this the 20~~0~~ day of June, 2008.



Notary Public

My Commission Expires: 2/1/11

Dtp/wtr/nswc/transmission/application



KENTUCKY INFRASTRUCTURE AUTHORITY

Ernie Fletcher
Governor

1024 Capital Center Drive, Suite 340
Frankfort, Kentucky 40601
Phone (502) 573-0260
Fax (502) 573-0157
<http://kia.ky.gov>

Jody E. Hughes
Executive Director

June 21, 2007

Mr. Duncan LeCompte
North Shelby Water Company
P.O. Box 97
Bagdad, Kentucky 40003

RE: Infrastructure for Economic Development Fund for Non-coal Producing Counties
Grantee: City of Shelbyville
Assignee: North Shelby Water Company – WX21211043 - \$1,500,000 – HB380
Transmission Main to Louisville

Dear Mr. LeCompte:

Enclosed please find a copy of the fully executed Grant Assistance Agreement for the above referenced grant.

As indicated, the following items remain outstanding:

- As-bid Budget
- Clearinghouse Comments
- Other Funding Commitment

Also note, Step 3, Project Closeout items remain outstanding.

Thank you.

Sincerely,

A handwritten signature in cursive script, appearing to read "Debby".

Debby L. Milton
Financial Analyst

C: Walter Broughman (w/attachments)

Assignee	North Shelby Water Company
Grantee	City of Shelbyville
WRIS:	WX21211043
Project ID#:	485N-2007
Project Admin.	Warner Broughman
Email	wabiii@prodigy.net

Project Amount: \$1,500,000 of \$1,500,000

CHECKLIST

STEP 1, Before Project is Bid:

- 1 - Executed Grant Assistance Agreement 4/5/07
- 2 - Grantee Resolution 4/5/07
- 3 - Project Profile and Estimated Project Budget 4/5/07
- 4 - Schedule of Current (and proposed if applicable) Rates and Charges 4/5/07
- 5 - State Applicator Identifier # (SAI) assigned to project prior to Clearinghouse Endorsement _____
- 6 - Application for Electronic Transfer of Funds 4/5/07
- 7 - Capital Projects and Bond Oversight Committee Review 5/15/07

STEP 2, After Project is Bid:

- 1 - Revised Project Budget based on Project Bids _____
- 2 - Additional Covenants and Agreements (if applicable) _____
- 3 - Other Funding Commitment (if applicable) _____
- 4 - Documentation of Clearinghouse Endorsement and Comments _____

STEP 3, Project Closeout:

- 1 - Final Design Plans in an AutoCAD Drawing File Format (DWG), referenced to the appropriate (North or South) Kentucky State Plane Coordinate System (NAD83-Survey Feet) on a Compact Disc (CD) to be submitted within 3 months of initiation of construction _____
- 2 - If there is a significant deviation from the Final Design Plan during construction, As-built Plans shall also be provided to the Authority, within three months of construction completion _____
- 3 - Exhibit 5 - Fully executed Certificate of Completion _____

Note: Administrative Fee
 Per Section 7 of the Grant Agreement, the Grantee agrees to pay to the Authority an administrative fee equal to 1/2 of 1% of the principal amount of the Grant. The Administrative Fee shall be due and payable on the date the Grantee's initial Request for Payment and Project Status Report is submitted to the Authority

KENTUCKY INFRASTRUCTURE AUTHORITY
GRANT ASSUMPTION AND ASSIGNMENT AGREEMENT

HB #380

WX/SX NUMBER:	<u>WX21211043</u>
PROJECT ID #:	<u>485N-2007</u>
ORIGINAL GRANTEE:	<u>City of Shelbyville</u>
ASSIGNEE:	<u>North Shelby Water Company</u>
DATE OF GRANT AGREEMENT:	<u>3/1/07</u>
DATE OF ASSUMPTION AND ASSIGNMENT AGREEMENT:	<u>3/1/07</u>

GRANT ASSUMPTION AND ASSIGNMENT AGREEMENT

This Grant Assumption and Assignment Agreement made and entered into as of the date set forth on the cover page hereof (the "Assignment Agreement") by and between the City of Shelbyville, a political subdivision of the Commonwealth of Kentucky (the "Original Grantee"), the North Shelby Water Company, the governmental agency identified on the cover of this Assignment Agreement (the "Assignee"), and the Kentucky Infrastructure Authority ("the Authority"):

WITNESSETH:

WHEREAS, the General Assembly of the Commonwealth of Kentucky, at its 1988 Regular Session, amended Chapter 224A of the Kentucky Revised Statutes (the "Act"), creating the "Kentucky Infrastructure Authority" (the "Authority") to serve the public purposes identified in the Act; and

WHEREAS, the Authority, an agency of the Commonwealth attached to the Governor's Office, is charged pursuant to KRS 224A.300 with coordinating the implementation of infrastructure projects and to this end maintains within the Water Resource Information System, a comprehensive database of profiles of each community's water and wastewater projects; and

WHEREAS, the 2006 General Assembly included in the Commonwealth's 2006-2008 biennial Budget funding for the Grantee's infrastructure project (the "Project"), the subject of this Assignment Agreement; and

WHEREAS, the Grantee now seeks to implement the Project as identified in the 2006-2008 Budget of the Commonwealth and the Authority has determined that the Project is a Project within the meaning of the Act, and has been shown to be consistent with the Area Water Management Plan where applicable; and

WHEREAS, the Grantee and the Authority have on the date hereof entered into a grant assistance agreement (the "Grant Agreement") setting forth their respective duties, rights, covenants, and obligations with respect to the acquisition, construction and financing of the Project described in the Project Profile; and

WHEREAS, the Grantee desires to have the acquisition, construction and financing of the Project described in the Grantee's Project Profile undertaken by the Assignee; and

WHEREAS, to accomplish the foregoing, it is necessary for the Grantee and the Assignee to enter into this Assignment Agreement, with the consent of the Authority, whereby the Grantee assigns to Assignee all of its right, title and interest in the Grant Agreement, and the Assignee, in consideration of such assignment, assumes all duties and obligations of Grantee under the Grant Agreement.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS CONTAINED HEREIN AND IN THE ORIGINAL ASSISTANCE AGREEMENT, AND OTHER GOOD AND VALUABLE CONSIDERATION, THE PARTIES HERETO COVENANT, AGREE AND BIND THEMSELVES AS FOLLOWS:

1. **Use of Defined Terms.** Except as otherwise provided herein, any capitalized or defined terms used herein shall have the same meaning as set forth in the Grant Agreement.
2. **Assignment of Right, Title and Interest in Grant Agreement.** Grantee hereby unconditionally and irrevocably assigns to Assignee all of its right, title and interest in the Grant Agreement, effective as of the date first above written.
3. **Assumption of Duties and Obligations.** Assignee hereby assumes, effective as of the date first above written, all of the Grantee's duties and obligations under the Grant Agreement, including in particular, but without limitation, the obligations of Grantee set forth in Section 3 of the Grant Agreement. All references to "Grantee" in the Grant Agreement shall hereinafter be deemed to be references to the Assignee.
4. **Consent of Authority; Release.** Pursuant to the provisions of Section 8C of the Grant Agreement, the Authority hereby consents to the assignment of the Grantee's right, title and interest in the Grant Agreement and the assumption of the Grant Agreement by the Assignee, subject to the terms and conditions of this Agreement. Furthermore, the Authority, by execution of its consent hereto, hereby releases Grantee from all obligations of the Grantee under the Grant Agreement accruing on and after the date hereof.
5. **Covenants, Representations and Warranties.** Assignee hereby covenants, represents and warrants the following:
 - (a) Organization and Authority. The Assignee:
 - (i) is a non-profit corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Kentucky;
 - (ii) has all requisite power and authority and all necessary licenses and permits to own and operate its properties and to carry on its business as now conducted and as presently proposed to be conducted; and
 - (b) Assumption is Legal and Authorized.
 - (i) The Assignee has duly authorized the execution and delivery of this Assignment Agreement and of the other documents contemplated herein, and the documents executed in connection

with this Assignment Agreement will constitute valid and binding obligations of the Assignee enforceable in accordance with their terms.

- (ii) The execution of this Assignment Agreement and compliance by the Assignee with all the provisions of this Assignment Agreement are within the powers of the Assignee and are legal and will not conflict with, result in any breach in any of the provisions of, constitute a default under, or result in the creation of any lien or encumbrance upon any property of the Assignee under the provisions of, any agreement, or other instrument to which the Assignee is a party or by which it may be bound.

6. **Effect on Other Documents.** Except as expressly modified herein, all of the terms and conditions of the Grant Agreement shall remain in full force and effect and the parties hereto ratify and affirm those provisions as if fully rewritten herein. Pursuant to the terms hereof and such documents, the Assignee has fully assumed the obligations of Grantee under the Grant Agreement. Nothing herein is intended, nor shall it be construed, to in any way limit the Authority's rights under the Grant Agreement. Assignee agrees that the terms and conditions of this Assignment Agreement are intended to be an integral part of the Grant Agreement and that a default under the terms and conditions of this Assignment Agreement shall constitute a default under the Grant Agreement.

7. **Miscellaneous.**

- (a) Indemnification. To the extent permitted by law, the Assignee hereby indemnifies and holds each of the Authority and the Grantee harmless from any responsibility, cost and/or liability, including reasonable attorneys' fees incurred, in connection with any claim by any person in connection with the acquisition, construction, installation and equipping of the Project.
- (b) Binding Effect. This Assignment Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.
- (c) Execution in Counterparts. This Assignment Agreement and any related documents may be executed in any number of counterparts and any party hereto or thereto may execute any counterpart, each of which when executed and delivered will be deemed to be an original and all of which counterparts of this Assignment Agreement or any other related documents, as the case may be, taken together will be deemed to be but one and the same instrument. The execution of this Assignment Agreement or any other related document by any party hereto or thereto

will not become effective until counterparts hereof or thereof, as the case may be, have been executed by all the parties hereto or thereto.

- (d) Prior Agreements; Amendments; Consents. This Assignment Agreement contains the entire agreement of the parties hereto with respect to the subject matter hereof, and all prior negotiations, understandings and agreements with respect thereto are superseded by this Assignment Agreement. No amendment, modification, supplement, termination or waiver of any provision of this Assignment Agreement or any related documents, and no consent to any departure by the parties therefrom, may in any event be effective unless in writing signed by each other affected party and the Authority, and then only in the specific instance and for the specific purpose given.
- (e) Survival of Representations and Warranties. All representations and warranties of the Assignee contained herein are material and have been or will be relied upon by the Authority and the Grantee, notwithstanding any investigation made by the Authority or the Grantee. For the purpose of the foregoing, all statements contained in any certificate, agreement or other writing delivered by or on behalf of the Assignee pursuant hereto or pursuant to any related document or in connection with the transactions contemplated hereby or thereby shall be deemed to be covenants, representations and warranties of the Assignee contained herein or in the other related documents, as the case may be.
- (f) Further Assurances. The Assignee shall, at its expense and without expense to the Authority or the Grantee, do, execute and deliver such further acts and documents as the Authority from time to time reasonably requires for the purpose of assuring and confirming unto the Authority the rights hereby created or intended now or hereafter so to be, or for carrying out the intentions or facilitating the performance of the terms of this Assignment Agreement or the Grant Agreement.
- (g) Governing Law. The assignments and assumptions relating to the Grant Agreement which are provided for in this Assignment Agreement shall be governed by, and construed and enforced in accordance with, the laws of the Commonwealth of Kentucky in the same manner as provided in the Grant Agreement.
- (h) Severability of Provisions. Any provision in this Assignment Agreement that is held to be inoperative, unenforceable or invalid shall be inoperative, unenforceable or invalid without affecting the remaining provisions.
- (i) Headings. Section headings in this Assignment Agreement are included for convenience of reference only and are not part of this Assignment Agreement for any other purpose.

RECEIVED
KENTUCKY INFRASTRUCTURE AUTHORITY

2006 GENERAL ASSEMBLY 5 A 10: 03
HOUSE BILL 380

KENTUCKY INFRASTRUCTURE
GRANT ASSISTANCE AGREEMENT

WRIS NUMBER: WX21211043

GRANT ID #: 485N-2007

GRANT AMOUNT: \$1,500,000

GRANTEE: City of Shelbyville

DATE OF AGREEMENT: 3-1-07

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by their duly authorized representatives as of the date first above written.

City of Shelbyville, as Grantee
By: Thomas Hardesty
Thomas Hardesty
Title: Mayor

Attest:
Inez Harris
Inez Harris
Title: City Clerk

North Shelby Water Company as Assignee
By: Duane LeCompte
Title: President

Attest:
Jerry Ruble
Title: Treasurer

KENTUCKY INFRASTRUCTURE
AUTHORITY, as Grantor
By: [Signature]
Title: Executive Director

Attest:
[Signature]
Title: Secretary

EXAMINED: [Signature] 5/17/02
Legal Counsel to the
Kentucky Infrastructure Authority

GRANT ASSISTANCE AGREEMENT

This Grant Assistance Agreement ("Agreement") is made and entered into this date, March 1, 2007, by and between the KENTUCKY INFRASTRUCTURE AUTHORITY ("Authority"), a body corporate and politic, constituting a public corporation and governmental agency and instrumentality of the Commonwealth of Kentucky, and the City of Shelbyville ("Grantee").

WITNESS

WHEREAS, the General Assembly of the Commonwealth of Kentucky, at its 1988 Regular Session, amended Chapter 224A of the Kentucky Revised Statutes (the "Act"), creating the "Kentucky Infrastructure Authority" to serve the public purposes identified in the Act; and

WHEREAS, the Authority, an agency of the Commonwealth attached to the Governor's Office, is charged pursuant to KRS 224A.300 with coordinating the implementation of infrastructure projects and to this end maintains within the Water Resource Information System, a comprehensive database of profiles of each community's water and wastewater projects; and

WHEREAS, the 2006 General Assembly included in the Commonwealth's 2006-2008 biennial Budget funding for the Grantee's infrastructure project, the subject of this Agreement; and

WHEREAS, the Grantee now seeks to implement the Project as identified in the 2006-2008 Budget of the Commonwealth and the Authority has determined that the Project is a Project within the meaning of the Act, and has been shown to be consistent with the Area Water Management Plan where applicable; and

WHEREAS, the Grantee and the Authority desire to enter into this Agreement which sets forth their respective duties, rights, covenants, and obligations with respect to the acquisition, construction and financing of the Project described in the Grantee's Project Profile.

NOW THEREFORE, in consideration of the mutual covenants and conditions contained herein and for the other good and valuable consideration, the receipt, mutuality and sufficiency of all of which is hereby acknowledged by the parties hereto, the Authority and the Grantee each agree as follows:

SECTION 1 – DEFINITIONS

All terms utilized herein shall have the same definitions and meaning as ascribed to them in the Act, which are hereby incorporated in this Agreement by reference, the same as if set forth hereby verbatim; provided, however, that those definitions utilized in the Act having general application are hereby modified in certain instances to apply specifically to the Grantee and its Project.

Act shall mean Chapter 224A of the Kentucky Revised Statutes, as amended.

Agreement shall mean this Agreement made and entered into by and between the Grantee and the Authority, as authorized by the Act, providing for a Grant to the governmental agency, unit of government, or private, investor-owned water system by the Authority.

Area Water Management Council shall mean the council designated as the planning body for the area, which shall prepare the Area Water Management Plan and approve all Project Profiles for water and wastewater projects.

Area Water Management Plan shall mean the plan that identifies current and future water supply, drinking water, and wastewater service needs of the area.

Authority shall mean the Kentucky Infrastructure Authority created by the Act as amended, a body corporate and politic, constituting a public corporation and a governmental agency and instrumentality of the Commonwealth of Kentucky, or such other designation as may be effected by future amendments to the Act.

Engineer(s) shall mean the professional engineer or firm of professional engineers properly procured by the Grantee in connection with the Project identified in the Project Profile Database.

Grantee shall mean the City of Shelbyville or the City of Shelbyville's designee that is a governmental agency or unit of government or any private, investor owned utility within the Commonwealth eligible for funding under the Program in accordance with the Act, now having been or hereafter being granted the authority and power to finance, acquire, construct, or operate a Project, and for the purposes of this Agreement shall mean that City of Shelbyville identified in the Project Profile or the 2006 biennial Budget of the Commonwealth.

Grant shall mean the funds effected under this Agreement from the Authority to the Grantee in the principal amount set forth in the 2006-2008 Budget of the Commonwealth, for the purpose of defraying the costs incidental to the Project.

Kentucky Water Management Plan shall mean the guide and strategy that incorporates and analyzes each Area Water Management Plan and provides an assessment of future needs and allocation of funding for water and wastewater services throughout the Commonwealth.

Program shall mean the program authorized by KRS 224A.035 for the Authority to engage in a program of assistance to designated entities with respect to the construction and acquisition of water and wastewater infrastructure projects.

Project shall mean, when used generally, water, wastewater or other infrastructure project authorized pursuant to the Act, and when used in specific reference to the Grantee, the Project described in the Project Profile.

Project Administrator shall mean that individual designated in writing to the Authority by the Grantee, who has the responsibility of supervising the Project and coordinating the preparation of all documentation with respect to the Project.

Project Budget shall mean a list of Project expenses and funding sources, in the form set forth in Exhibit 1.

Project Profile shall mean those specific details of the Project, approved by the Area Water Management Council as being consistent with the Area Water Management Plan, as applicable.

Rates and Charges shall mean an approved schedule of charges, based on actual cost of service, to adequately provide for retirement of any related debt obligation and to provide for proper operation of the Project.

System shall mean the utility system owned and operated by the Grantee of which the Project shall become a part and from the earnings of which System shall be operated, maintained and insured.

SECTION 2 - OBLIGATIONS OF THE AUTHORITY

The Authority covenants and agrees, conditioned upon the timely performance by the other party of its respective obligations, to undertake the following obligations:

- A. The Authority shall pay to the Grantee an amount not to exceed \$1,500,000 subject to the availability of appropriate funding, to complete the Project in accordance with the Project Profile, attached hereto as Exhibit 1, which is hereby incorporated herein and made a part of this Agreement. No payments shall be made until after the Project has received Clearinghouse endorsement.
- B. The Authority may make periodic reviews of the Project progress and may make inspections of the Project and send inspection reports to the Grantee. Deficiencies identified in the inspection report shall be corrected by the Grantee and the correction reported in writing to the Authority within two weeks of receipt of the Authority's inspection report.
- C. The Authority shall cooperate with the Grantee in order to facilitate the obligations set out in this Agreement.

SECTION 3 - OBLIGATIONS OF THE GRANTEE

The Grantee covenants and agrees to undertake the following obligations:

- A. The Grantee shall, before any funds are released, sign and submit the Agreement, and complete and include the following Exhibits which are incorporated herein and made a part hereof:
1. **Before the Project is bid**, the Grantee shall complete and submit to the Authority the following:
 - a) Project profile and estimated project budget, as **Exhibit 1**, as an accurate description and cost estimate of the proposed project.
 - b) Original copy of the Grantee's resolution, as **Exhibit 2**, accepting the grant award, amending its budget to allow for receipt and expenditures of these funds, and authorizing a designated individual to execute the Agreement and all other documentation related to the Project.
 - c) A schedule of current rates and charges, as **Exhibit 3**. If there will be a change in the current rate structure as a result of this project, provide the proposed schedule of rates and charges.
 2. **After the Project is bid**, the Grantee shall complete and submit to the Authority a revised Project Profile and Project Budget based on Project bids, as **Exhibit 4**.

The Grantee may request Grant funds after completion of Exhibits 1-4 by executing a Request for Payment and Project Status Report, as provided by the Authority, and attaching appropriate documentation, including, but not limited to, invoices and receipts. The Authority may withhold release of funds until receipt of Administrative Fee pursuant to Section 7.

- B. The Grantee agrees to adopt and use the Kentucky Uniform System of Accounting and Cost-Based Rates (KUSoA) and assure that rates and charges for service are based upon the cost of providing such service, if applicable to the Project. These rates and charges shall be in place no later than within 12 months of the end of the Grantee's current fiscal year.
- C. The Grantee shall receive Project funds via Electronic Fund Transfer (EFT) with the EFT to be implemented by use of the form provided by the Authority.
- D. The Grantee shall perform and/or cause to be performed all necessary acts to plan, design and construct the Project including, but not limited to: the procurement of land, easements and rights of way; professional services; and equipment and/or materials.

- E. The Grantee shall obtain all necessary permits, licenses and approvals from the appropriate federal, state, and/or local governmental entities prior to construction of the Project. Further, the Grantee shall require all construction contractors to pay wages pursuant to applicable prevailing wage rates (federal or state) for all work relating to the subject Project.
- F. The Grantee shall utilize the 'Fees for Professional Engineering Services—Percentage of Construction Cost', in the engineer's contract for this project, as provided by the Authority.
- G. The Grantee shall comply with all applicable federal and state statutes, executive orders, regulatory requirements, and policies relating to the planning and construction of the Project.
- H. The Grantee shall provide to the Authority access to all records related to the Project for review in determining compliance with the Grant Agreement and all applicable laws and regulations. The Grantee shall retain all records, including all invoices, relating to the Project for three years after full execution of **Exhibit 5** - Certificate of Completion.
- I. The Grantee shall cooperate fully with the Authority and provide any documentation requested by the Authority in order to facilitate the obligations set out in this Agreement.
- J. Any unauthorized or improper expenditure of funds, or expenditure of funds other than in accordance with the terms of this Agreement, shall be deemed a default of this Agreement by the Grantee.
- K. The Grantee will proceed expeditiously with and complete the Project in accordance with the approved final design, plans and specifications or amendments thereto, prepared by the Project Engineer for the Grantee and as approved by the appropriate state and federal agencies.
- L. The Grantee agrees that throughout the reasonable life of the infrastructure facilities developed under this Project it will retain ownership of, operate, and maintain these facilities, and all appurtenances thereto, keeping them in good and sound repair and good operating condition at its own expense so that the completed Project will continue to provide the services for which it was designed. Change of ownership or disposal of the Project facilities may occur only with written approval of the Authority.
- M. The Grantee agrees that it will at all times impose, charge and collect sufficient customer Rates and Charges.
- N. The Grantee shall, within 3 months of initiation of construction of the Project, submit to the Authority, Final Design Plans in an AutoCAD Drawing File Format (DWG), referenced to the appropriate (North or South) Kentucky State Plane Coordinate System (NAD83-Survey Feet) on a Compact Disc (CD). If there is

a significant deviation from the Final Design Plan during construction, As-built plans shall also be provided to the Authority, within three months of construction completion, in the same format.

- O. No project shall be considered closed out until the Authority has received, and approved, the Grantee's Certificate of Completion, referenced above as Exhibit 5.

SECTION 4 - MUTUALITY OF OBLIGATIONS

- A. The parties agree that the funds granted by the Commonwealth to the Grantee are to be used solely for the purposes of implementing the Project. Further the parties agree that the obligations imposed upon them are for their respective benefit and the timely fulfillment of each and every obligation in accordance with this Agreement is necessary. The failure of either party to fulfill its obligations under this Agreement shall constitute a breach of same.
- B. In the event of default by the Grantee, including the failure to take actions directed herein and/or to comply with time deadlines set out in this Agreement, the Authority may declare this Agreement void from the beginning without further obligation to the Grantee and may commence appropriate legal action to enforce its rights under this Agreement including action for recovery of funds expended hereunder.
- C. Except as may otherwise be provided herein, the parties to this Agreement shall be solely responsible for any costs incurred in fulfilling their respective obligations under this Agreement and neither party shall have any claim against the other party for reimbursement of costs whether or not a party is in default.

SECTION 5 - TERMS OF AGREEMENT

- A. All funds made available under this Agreement are subject to reauthorization by subsequent General Assemblies of the Commonwealth of Kentucky. Should funding for the Project not be reauthorized, this agreement may be terminated.
- B. This Agreement may be terminated by either party at any time for cause and may be terminated by either party without cause upon 30 days written notice to the other party. Termination of this Agreement shall not diminish or in any other manner affect any other remedy that may be available to the parties for any breach of the Agreement that occurs prior to the termination.
- C. The Grantee acknowledges and understands that this Agreement is funded out of a tax exempt bond issuance. Pursuant to IRS Regulation, the Authority shall not reimburse the Recipient for any activity taken by the Recipient prior to May 18, 2006, with this date representing 60 days prior to the State Property and Buildings Commission enacting the required Reimbursement Resolution.

- D. Except for payments authorized through Section 6 of this Agreement, no payment shall be made under the terms of this Agreement until the Kentucky State Clearinghouse has issued Project Endorsement.
- E. If additional financial assistance for this project becomes available to the Grantee after execution of this agreement, the amount of the assistance from the Authority shall be recalculated with the inclusion of the additional assistance, and the Grantee shall pay to the Authority the amount, if any, by which the grant actually made, exceeds the grant as determined by the recalculation.

SECTION 6 - ADVANCE FUNDING FOR PROJECT PLANNING AND DESIGN

- A. The Grantee may request, in writing, that a portion of the grant funds be disbursed prior to Project bidding to pay a portion of the cost of Project planning and design directly related to submission of the Project plans and specifications for review by the Division of Water and the Public Service Commission, as may be required.
- B. It is specifically understood and agreed by the Grantee, in the event that the Project has not commenced construction by June 30, 2010, for whatever reason, all grant funds disbursed for Project planning and design are subject to full and immediate repayment to the Authority.
- C. Funds disbursed under this Section of the Agreement shall not exceed 50% of the Project planning and design amount.
- D. Funds received under provisions of this Section shall be used solely for planning and design costs of the Project.
- E. No funds shall be released under this Section until the requirements of Section 3. A. 1. of this Agreement have been met.

SECTION 7 - ADMINISTRATIVE FEE

Pursuant to 2006 General Assembly House Bill 380, Part 1 (Operating Budget), Section A (General Government), Budget Unit 7 (Kentucky Infrastructure Authority), Sub-Unit 3 (Administrative Fee on Infrastructure for Economic Development Fund Projects), the Grantee agrees to pay to the Authority an administrative fee equal to $\frac{1}{2}$ of 1% of the principal amount of the Grant. The administrative fee shall be due and payable on the date the Grantee's initial Request for Payment and Project Status Report is submitted to the Authority.

Section 7 shall only apply to those projects funded by the Infrastructure for Economic Development Fund.

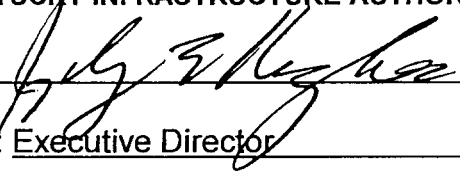
SECTION 8 - MISCELLANEOUS PROVISIONS

- A. This Agreement may be signed by each party on a separate copy, and in such case one counterpart of this Agreement shall consist of a sufficient number of such copies to reflect the signature of each party hereto. This Agreement may be executed in two or more counterparts each of that shall be deemed an original, and it shall not be necessary in making proof of this Agreement or the terms and conditions hereof to produce or account for more than one of such counterparts.
- B. The headings set forth in this Agreement are only for convenience or reference and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.
- C. The terms and conditions of this Agreement shall be binding upon and shall inure to the benefit of the successor and assigns, respectively, of the parties. This provision shall not be construed to permit an assignment by any party of any of its rights and duties under this Agreement which assignment shall be prohibited except with the prior written consent of the parties hereto.
- D. This Agreement sets forth the entire understanding of the parties with respect to the subject matter hereof, and may be modified only by a written instrument duly executed by each of the parties hereto.
- E. The parties agree that any suit, action or proceeding with respect to this Agreement may only be brought into or entered by, as the case may be, the courts of the Commonwealth of Kentucky situated in Frankfort, Franklin County, Kentucky or the United States District Court for the Eastern District of Kentucky, Frankfort Division.
- F. The Authority may audit or review all documentation and records of the Grantee relating to this Project pursuant to the provisions of KRS 45A.150.
- G. The Grantee agrees that the Authority, the Finance and Administration Cabinet, the Auditor of Public Accounts, and the Legislative Research Commission, or their duly authorized representatives, shall have access to any books, documents, papers, records, or other evidence, which are directly pertinent to this contract for the purpose of financial audit or program review. Furthermore, any books, documents, papers records, or other evidence provided to the Commonwealth, the Finance and Administration Cabinet, the Auditor of Public Accounts, or the Legislative Research Commission which are directly pertinent to the contract shall be subject to public disclosure regardless of the proprietary nature of the information, unless specific information is identified and exempted and agreed to by the Secretary of the Finance and Administration Cabinet as meeting the provisions of KRS 61.878(1)(c) prior to the execution of the contract. The Secretary of the Finance and Administration Cabinet shall not restrict the

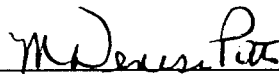
H. public release of any information which would otherwise be subject to public release if a state government agency was providing the services.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized officers as of the day and year above written.

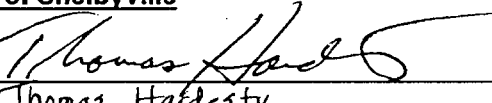
KENTUCKY INFRASTRUCTURE AUTHORITY

By: 
Title: Executive Director

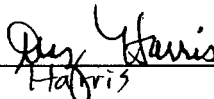
ATTEST

By: 
Title: Secretary

City of Shelbyville

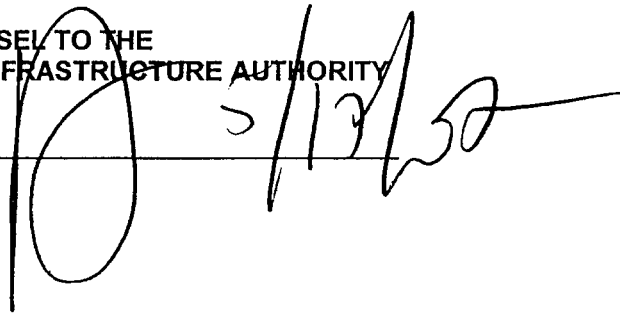
By: 
Thomas Hardesty
Title: Mayor

ATTEST

By: 
Inez Harris
Title: City Clerk

EXAMINED

LEGAL COUNSEL TO THE
KENTUCKY INFRASTRUCTURE AUTHORITY

By: 

REQUIRED EXHIBITS

- Exhibit 1 - Project Profile and Estimated Project Budget
- Exhibit 2 - Resolution/Certificate
- Exhibit 3 - Schedule of Current (and proposed if applicable) Rates & Charges
- Exhibit 4 - Revised Project Profile (if applicable) and As-bid Budget
- Exhibit 5 - Certificate of Completion

ATTACHMENTS

- Attachment A - Checklist
- Attachment B - Application for Electronic Transfer of Funds
- Attachment C - Fees for Professional Engineering Services
- Attachment D - Request for Payment Form and Project Status Report

EXHIBIT 1

PROJECT PROFILE & PROJECT BUDGET

Please attach the SX/WX Project Profile and Project Budget

WX21211043

GRANT ID # 485N-2007

City of Shelbyville

KENTUCKY WATER PROJECT PROFILE

Areas indicated with (*) are required fields.

1.* Project Title (use title which will be identifiable by local community):

North Shelby - Transmission Main to Louisville

2.* Project Description:

Provide a brief narrative denoting if project relates to source, distribution, treatment, storage

This Regional project will place a 12" Transmission Main to Louisville. The total extension is 68,640 LF. Total estimated project cost is \$2,391,000. This project will increase the flow of water from the supplier to the system while giving backup supplies to Shelbyville Water, West Shelby Water, and the US 60 Water District.

* Project Descriptor: waterline extension

* WRIS Project Number (PNUM): WX21211043

This number is assigned by an ADD through the respective Area Water Management Planning Council once the project profile is approved by the Council. This number ties each project to mapped/spatial information in the Water Resource Information System (WRIS). Profiles without this number AND the required corresponding mapped/spatial information will NOT be accepted.

* Project County: Shelby

* Is it a multi-county project: Yes No

* Project Submitted By: KIPDA

* Select the PWSID# from the list below:

Available:

- 0010082
- 0010702
- 0020386
- 0020956
- 0030007
- 0030239
- 0030660
- 0040015
- 0040020

Include >

< Remove

Selected:

None Selected..

3. Legal Applicant

* Legal Applicant: NORTH SHELBY WATER COMPANY

Water Utility which will own proposed improvements: _____
(if different from Legal Applicant)

* Organizational Structure: Private Not For Profit

Authorized Official Information

* First Name: DUNCAN * Last Name: LECOMPTE M.I.:
* Title: PRESIDENT
* Street Address Line 1: 5913 ELMBURG RD
Street Address Line 2:
* P.O. Box: 97
* City: BAGDAD * State: KY * Zip: 40003
* County: SHELBY
* Telephone: (502) 747-8942 Ext:
Fax: 502-747-5048
Email:

Contact Person Information

* First Name: DARRELL * Last Name: DEES M.I.:
* Title: SUPERINTENDENT
* Street Address Line 1: 5913 ELMBURG RD
Street Address Line 2:
* P.O. Box: 97
* City: BAGDAD * State: KY * Zip: 40003
* County: SHELBY
* Telephone: 502-747-8942 Ext:
Fax: 502-747-5048
Email:

Project Administrator Information

* First Name: * Last Name: M.I.:
Title:
Street Address Line 1:
Street Address Line 2:
P.O. Box:
City: State: Zip:

County: _____

* Telephone: _____ Ext: _____

Fax: _____

Email: _____

Consulting Engineer Information

* First Name: SANDY * Last Name: BROUGHMAN M.I.: _____

Firm: WARNER BROUGHMAN & ASSOC

Street Address Line 1: 3161 CLUSTER DR

Street Address Line 2: _____

P.O. Box: _____

City: LEXINGTON State: KY Zip: 402517

County: FAYETTE

* Telephone: 859-271-1778 Ext: _____

Fax: _____

Email: _____

4.* Project Type (atleast one required/check all that apply):

- Planning
- Design
- Construction
- Management

5. Project Alternatives: Please list a minimum of three:

- a.* Relinquish service area to another system.
- b.* Supply hauled water to service area.
- c.* Do not proceed with project.

6. Special Impact(s) of Proposed Water Project:

- a.* New service/improve service to unserved underserved household:
- b. Number of new jobs: Number of retained jobs:
- c. Other beneficial technical, managerial, fiscal impacts: (20 words or less)

This project will provide safe potable water to homes presently without water service.

d.* Does proposed activity relate to public health protection emergency: Yes No

e.* Does project involve regionalization: Yes No

f. Number of systems affected/involved:

7.* Median Household Income of Service Area:

\$

8.* Project Start Schedule:

Years 0-2 Years 3-10 Years 11-20

9. Estimated Funding Sources:

* Estimated Local Funding Amount \$

* Estimated Other Funding Amount (all sources) \$

Total Estimated Project Cost \$

10. Project Data - Water (complete all items which apply to your project)

a.* Is project related to source protection? Yes No

Drinking Water Facilities

b.* Is project related to source? Yes No

Number of new surface/spring sources Total MGD

Number of new wells Total MGD

Elimination of Public Water Systems through Mergers

Number of systems serving 500 or fewer population

Number of systems serving 501-3,000 population

Number of systems serving 3,001-10,000 population

Number of systems serving 10,001 or greater population

Interconnections

Number of water treatment plants eliminated

Number of supplemental potable water supply

Number of emergency backup potable water supply

Source Water Quantity and Quality

Number of existing raw water sources replaced

Number of existing raw water sources supplemented

Briefly describe why the above items apply to your project:

c.*

Is project related to water treatment? Yes No

d.* Is project related to distribution (Extension/Rehab)? Yes No

Check all that apply to your project

Extension Water Tank

Rehab/Improvement Pump Station

Proposed project involves construction of line

Total linear feet of new line

Line Size (in inches) 2 3 4 6 8 10 greater than 1

Material Ductile Iron PVC PE Other

Project activity improves pressure, as a result of

Replacement of total linear feet of inadequately sized lines

total gallons of increased storage due to additional demand

Leaks, Breaks, or restrictive flows due to age

Project activity improves water quality by providing:

Adequate turnover of water

Proper maintenance of disinfection residual

Replacement of total linear feet of lead, copper, asbestos-cement lines

Briefly describe why the above items apply to your project:

This project is the construction of a new water main extension to an unserved area that will serve Shelby homes. This project has been designated a High priority by the KIPDA Regional Water Management Council and the KIPDA Board of Directors.

e. Management (describe)

f. Other (describe)

g.* Date Project was approved by the Area Water Management Planning Council:

KENTUCKY INFRASTRUCTURE AUTHORITY

**Project Budget: HB 380
 WX21211043
 City of Shelbyville
 GRANT ID# 485N-2007**

Estimated

As Bid

Revised

Cost Classification		Amount
1	Administrative Expenses (1)	
2	Legal Expenses	
3	Land, Appraisals, Easements	
4	Relocation Expense & Payments	
5	Planning (2)	
6	Engineering Fees - Design	
7	Engineering Fees - Construction	
8	Engineering Fees - Inspection	
9	Construction	2,391,000.00
10	Equipment	
11	Contingency	
12	Other	
Total		2,391,000.00

Funding Sources		Amount	Date Committed
1	Kentucky Infrastructure Authority Grant	1,500,000.00	HB380, 2006 General Assembly
2	North Shelby Water Co - Line Enlargement Fund	400,000.00	In Bank
3	KIA or RD loan	491,000.00	
4			
5			
6			
Total		2,391,000.00	

(1) Include Interim Financing

(2) Include in this category, all negotiated fees not included in the RD fee scale calculation

D. Charles
 Signature

Attorney for North Shelby Water Company
 Title

3/29/07
 Date

RESOLUTION OF ASSIGNEE
WX/SX# WX21211043 PROJECT ID # 485N-2007

**RESOLUTION OF NORTH SHELBY WATER COMPANY (ASSIGNEE) ACCEPTING
ASSIGNMENT OF THE GRANT FROM GRANTEE CITY OF SHELBYVILLE, AUTHORIZING
AMENDMENT OF THE LOCAL BUDGET, AND AUTHORIZING A REPRESENTATIVE TO
SIGN ALL RELATED DOCUMENTS**

WHEREAS, the General Assembly has appropriated funds for infrastructure projects in the 2006-2008 Budget of the Commonwealth; and

WHEREAS, the Assignee has previously determined that it is in the public interest to acquire and construct certain facilities and improvements to the Assignee's utility system (the "Project"); and

WHEREAS, the Assignee desires to utilize funding from the Kentucky Infrastructure Authority (the "Authority"), originally designated for the City of Shelbyville (the "Grantee"), for the purpose of acquisition and construction of the Project.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of North Shelby Water Company (the "Assignee") as follows:

SECTION 1. That the Assignee hereby accepts assignment of the grant award and assumes responsibility for carrying out the terms of the Agreement between the Grantee and the Authority substantially in the form on file with the Grantee, in order to receive that portion of the necessary financing to the Assignee for the acquisition and construction of the Project.

SECTION 2. That DUNCAN LECOMPTE, PRESIDENT, is hereby authorized, directed and empowered by the Assignee to execute the Agreement and all other necessary documents or agreements, and to otherwise act on behalf of the Assignee to implement the Project.

SECTION 3. That the Assignee hereby includes in its annual budget the receipt and expenditures of funds subject to the Agreement with the Authority.

SECTION 4. This Agreement shall take effect immediately upon passage.

ADOPTED on January 22, 2007.

NORTH SHELBY WATER COMPANY, (Assignee)

Jerry Ruble, (Representative)
Jerry Ruble

Title Secretary

RECEIVED MAR 14 2007

**EXHIBIT 2
RESOLUTION**

WX/SX 21211043 PROJECT ID# 485N-2007

**RESOLUTION OF CITY OF SHELBYVILLE (GRANTEE) ACCEPTING
THE GRANT, APPROVING A GRANT AGREEMENT AND A GRANT
ASSIGNMENT AND ASSUMPTION AGREEMENT, AND AUTHORIZING
A REPRESENTATIVE TO SIGN ALL RELATED DOCUMENTS**

WHEREAS, the General Assembly has appropriated funds for infrastructure projects in the 2006-2008 Budget of the Commonwealth; and

WHEREAS, the City of Shelbyville (the "Grantee") has previously determined that it is in the public interest to acquire and construct certain facilities and improvements (the "Project"); and

WHEREAS, the Grantee has previously determined and does hereby confirm that it is in the public interest that the Project be acquired and constructed by City of Shelbyville (the "Assignee"); and

WHEREAS, the Grantee desires funding from the Kentucky Infrastructure Authority (the "Authority") for the purpose of acquisition and construction of the Project.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Shelbyville as follows:

SECTION 1. That the Grantee hereby accepts the grant award and approves the Grant Agreement between the Grantee and the Authority substantially in the form on file with the Grantee for the purpose of providing a portion of the necessary financing for the acquisition and construction of the Project.

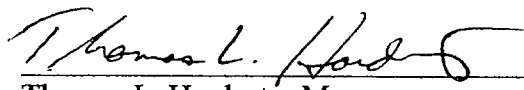
SECTION 2. That the Grantee hereby approves the Grant Assignment and Assumption Agreement between the Grantee and the Assignee substantially in the form on file with the Grantee for the purpose of providing for the acquisition and construction of the Project.

SECTION 3. That the Mayor of the City of Shelbyville is hereby authorized, directed and empowered by the Grantee to execute the Grant Agreement, the Grant Assignment and Assumption Agreement and all other necessary documents or agreements, and to otherwise act on behalf of the Grantee in implementing the Project.

SECTION 4. This Agreement shall take effect immediately upon passage.

Adopted on March 1, 2007.

CITY OF SHELBYVILLE (Grantee)



Thomas L. Hardesty, Mayor

CERTIFICATE

I, the undersigned, hereby certify that I am the duly qualified and acting Mayor of the City of Shelbyville; that the foregoing is a full, true and correct copy of a Resolution adopted by the governing authority of said Grantee at a meeting duly held on March 1, 2007; that said official action appears as a matter of public record in the official records or journal of the governing authority; that said meeting was held in accordance with all applicable requirements of Kentucky law, including KRS 61.810, 61.815, 61.820 and 61.825; that a quorum was present at said meeting; that said official action has not been modified, amended, revoked or repealed and is now in full force and effect.

By: 
Thomas L. Hardesty

Title: Mayor

EXHIBIT 3

SCHEDULE OF CURRENT RATES & CHARGES
(AND PROPOSED RATES & CHARGES IF APPLICABLE)

Please attach the Schedule(s) of Rates and Charges

WX21211043

GRANT ID # 485N-2007

City of Shelbyville

Milton, Debby (KIA)

From: PAM & SANDY BROUGHMAN [wabiii@prodigy.net]
Sent: Tuesday, April 17, 2007 5:30 PM
To: Milton, Debby (KIA)
Cc: Don Prather; Darrell Dees
Subject: [WW Spam: medium] Re: City of Shelbyville - North Shelby Water Company - WX21211043 - \$1,500,000

Debby:

SAI # assigned as Follows: KY200704160570. Comments to follow when received. Thanks.

Sandy B.

--- "Milton, Debby (KIA)" <Debby.Milton@ky.gov> wrote:

> 4/10/07
> Infrastructure for Economic Development Fund for
> Non-coal Producing Counties - HB380
> City of Shelbyville - North Shelby Water Company -
> WX21211043 - \$1,500,000 - Transmission Main to
> Louisville
>
>
> Sandy, Darrell:
> We have received the grant agreement for the above
> referenced grant. I have attached a checklist
> indicating the status of items submitted to date.
>
> Step 1, Before Project is Bid
> The following item remains outstanding:
> SAI# assigned by State Clearinghouse (please contact
> Lee Nalley at 502-573-2382 for Clearinghouse
> process)
>
> Step 2, After Project is Bid
> The following items remain outstanding:
> As-bid Budget
> Clearinghouse Comments
> Other Funding Commitment (loan)
>
> KIA will place this grant on the 5/15/07 agenda for
> review by Capital Projects and Bond Oversight
> Committee. Please provide the SAI# asap. Upon
> CPBOC review, KIA will complete the signature
> process, however, funds will not be released until
> we have the outstanding items for Step 2. All
> Request for Payment including supporting invoices
> will need to be submitted to KIA by the 10th of the
> month. Thank you.
>
>
>
<<Shelbyville-NorthShelbyWC-WX21211043-\$1,500,000.xls>>
>
>
> Debby Milton
> Kentucky Infrastructure Authority
> 1024 Capital Center Drive, Suite 340

FOR Bagdad, Shelby County, Kentucky
Community, Town or City

P.S.C. KY. NO. 2005-00146

SHEET NO. _____

North Shebly Water Company
(Name of Utility)

CANCELLING P.S.C. KY. NO. 2004-00169

SHEET NO. _____

RATES & CHARGES

MONTHLY RATES:

5/8 x 3/4 Inch Meter:

First 2,000 gallons	\$11.54 Minimum Bill
Next 3,000 gallons	4.65 per 1,000 gallons
Next 5,000 gallons	3.53 per 1,000 gallons
Next 40,000 gallons	2.97 per 1,000 gallons
Over 50,000 gallons	2.41 per 1,000 gallons

1 Inch Meter:

First 5,000 gallons	\$25.49 Minimum Bill
Next 5,000 gallons	3.53 per 1,000 gallons
Next 40,000 gallons	2.97 per 1,000 gallons
Over 50,000 gallons	2.41 per 1,000 gallons

1 1/2 Inch Meter:

First 10,000 gallons	\$43.14 Minimum Bill
Next 40,000 gallons	2.97 per 1,000 gallons
Over 50,000 gallons	2.41 per 1,000 gallons

2 Inch Meter:

First 15,000 gallons	\$57.99 Minimum Bill
Next 35,000 gallons	2.97 per 1,000 gallons
Over 50,000 gallons	2.41 per 1,000 gallons

3 Inch Meter:

First 35,000 gallons	\$117.39 Minimum Bill
Next 15,000 gallons	2.97 per 1,000 gallons
Over 50,000 gallons	2.41 per 1,000 gallons

DATE OF ISSUE August 9, 2005

Month / Date / Year

DATE EFFECTIVE May 1, 2005

Month / Date / Year

ISSUED BY *Duncan DeCompte*

(Signature of Officer)

TITLE *President*

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. (2005-00146) DATED April 22, 2005

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
5/1/2005
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By *[Signature]*
Executive Director

FOR ENTIRE SERVICE AREA
P.S.C. NO. 2000-046
Amended Sheet No.
CANCELLING P.S.C. KY NO.
Amended Sheet No.

North Shelby Water Company
Name of Issuing Corporation
P.O. Box 97
Bagdad, KY 40003

CLASSIFICATION OF SERVICE	RATE PER UNIT
<p>APPLICABLE: Entire Area Served AVAILABLE: To All Customers Served by the Company</p> <p>A fire protection tariff of \$0.0075 per square foot per month of sprinklered space shall be assessed the customer receiving benefits of this service. The tariff shall be billed monthly.</p>	<p>\$0.0075</p> <p>PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE FEB 23 2000 PURSUANT TO 807 KAR 5:011, SECTION 9(1) BY: <u>Stephen D. Bell</u> SECRETARY OF THE COMMISSION</p>

DATE OF ISSUE January 26, 2000

DATE EFFECTIVE February 23, 2000

ISSUED BY

Duncan R. Campbell
Name of Officer

TITLE President

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2000-046 dated February 23, 2000.

✓

ATTACHMENT B

**AUTHORIZATION FOR ELECTRONIC DEPOSIT
OF GRANTEE PAYMENT
KENTUCKY INFRASTRUCTURE AUTHORITY
HB 380**

WRIS #: WX21211043
GRANT ID#: 485N-2007
City of Shelbyville

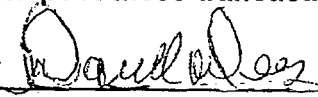
Grantee Information:

Water Utility: North Shelby Water Company
Address: P.O. Box 97
City: Bagdad State: KY Zip: 40003
Telephone: (502) 747-8942 Contact: Darrell Dees or Tara Peyton
E-mail address: nswus60@bellsouth.net
Federal I.D. #: 237115869

Financial Institution Information:

Bank Name: Citizens Union Bank
Branch: Bagdad Phone No: (502) 747-8957
City: Bagdad State: Ky Zip: 40003
Transit / ABA No.: 083901621
Account Name: Construction Extension Account
Account Number: 0083585

I, the undersigned, authorize payments directly to the account indicated above and to correct any errors which may occur from the transactions. I also authorize the Financial Institution to post these transactions to that account.

Signature:  Date: 0 April 3, 2007
Name Printed: DARRELL DEES Job Title: Mgr

Please return completed form to: Kentucky Infrastructure Authority
1024 Capital Center Drive, Suite 340
Frankfort, KY 40601
phone: 502-573-0260
fax: 502-573-0157

KENTUCKY INFRASTRUCTURE AUTHORITY

Project Budget: HB 380
 City of Shelbyville
 WX21211043
 GRANT ID# 485N-2007

Estimated

As Bid

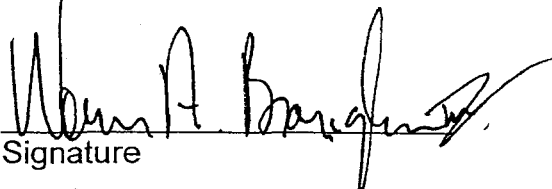
Revised

Cost Classification		Amount
1	Administrative Expenses (1)	25,000 ⁻
2	Legal Expenses	11,740 ⁻
3	Land, Appraisals, Easements	
4	Relocation Expense & Payments	
5	Planning (2)	
6	Engineering Fees - Design	120,534 ⁻
7	Engineering Fees - Construction	21,271 ⁻
8	Engineering Fees - Inspection	86,250 ⁻
9	Construction	1,195,000 ⁻
10	Equipment	
11	Contingency	95,153 ⁻
12	Other KIA FEE	7,500 ⁻
Total		2,155,708 ⁻

Funding Sources		Amount	Date Committed
1	KIA GRANT # 485N-2007	1,500,000 ⁻	
2	N. SHELBY WATER Company	634,838 ⁻	
3	FIRE HYDRANT CUSTOMERS	20,870 ⁻	
4			
5			
6			
Total		2,155,708	

(1) Include Interim Financing

(2) Include in this category, all negotiated fees not included in the RD fee scale calculation



Signature

Professional Engineer

Title

June 9, 2008

Date



**Warner A. Broughman III
and Associates**

3161 CUSTER DR., SUITE 6, LEXINGTON, KY 40517

859-271-1778

BID TABULATION

5/28/2008

North Shelby Water Company
Louisville Transmission Main

PROJECT NO. 07-06

Item No.	Description	Amount	Unit	Hubert Excavating		Garrison Construction		Stotts Construction		Cleary Construction		Southern Backhoe, Inc.		BP Pipeline	
				Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price
1	12-inch Ductile Iron Pipe, Complete in Place	50,136	L.F.	31.25	1566750.00	34.90	\$1,749,746.40	36.00	\$1,804,896.00	36.50	\$1,829,964.00	35.00	\$1,754,760.00	38.00	\$1,905,168.00
2	12-inch Gate Valve & Box, Complete in Place	17	EACH	1965.00	33405.00	2023.00	\$34,391.00	2000.00	\$34,000.00	1889.00	\$32,113.00	1711.78	\$29,100.26	1700.00	\$28,900.00
3	6-inch PVC Pipe, Complete in Place	960	L.F.	8.25	7920.00	7.85	\$7,536.00	13.00	\$12,480.00	8.00	\$7,680.00	12.00	\$11,520.00	9.00	\$8,640.00
4	6-inch Gate Valve & Box Complete in Place	1	EACH	800.00	800.00	740.00	\$740.00	750.00	\$750.00	722.00	\$722.00	675.00	\$675.00	600.00	\$600.00
5	Fire Hydrant & Valve, Complete in Place	10	EACH	4050.00	40500.00	3240.00	\$32,400.00	2500.00	\$25,000.00	2994.00	\$29,940.00	3000.00	\$30,000.00	3000.00	\$30,000.00
6	20-inch Steel Casing Pipe, Bored, CIP	360	LF	160.00	57600.00	190.00	\$68,400.00	178.00	\$64,080.00	176.00	\$63,360.00	180.00	\$64,800.00	230.00	\$82,800.00
7	20-inch Steel Casing Pipe, Open Cut, CIP	40	LF	105.00	4200.00	95.00	\$3,800.00	90.00	\$3,600.00	94.00	\$3,760.00	160.00	\$6,400.00	200.00	\$8,000.00
8	Stream Crossing, Complete in Place	460	LF	56.00	25760.00	93.00	\$42,780.00	125.00	\$57,500.00	104.00	\$47,840.00	250.00	\$115,000.00	140.00	\$64,400.00
9	12"x6" Tee w/6" Valve, Complete in Place	3	EACH	1500.00	4500.00	1275.00	\$3,825.00	1300.00	\$3,900.00	1305.00	\$3,915.00	1400.00	\$4,200.00	1500.00	\$4,500.00
10	12-inch Freebore, Complete in Place	200	LF	50.00	10000.00	45.00	\$9,000.00	30.00	\$6,000.00	50.00	\$10,000.00	60.00	\$12,000.00	50.00	\$10,000.00
11	Class C Concrete, Complete in Place	50	C.Y.	150.00	7500.00	135.00	\$6,750.00	100.00	\$5,000.00	125.00	\$6,250.00	100.00	\$5,000.00	90.00	\$4,500.00
12	Crushed Stone, Complete in Place	2000	TONS	15.75	31500.00	19.00	\$38,000.00	18.00	\$36,000.00	15.00	\$30,000.00	18.00	\$36,000.00	20.00	\$40,000.00
13	Site Video Recording, Delivered to Engineer Prior to Work	1	EACH	4565.00	4565.00	2000.00	\$2,000.00	500.00	\$500.00	5300.00	\$5,300.00	20000.00	\$20,000.00	1000.00	\$1,000.00
TOTAL				\$1,795,000.00		\$1,999,368.40		\$2,053,706.00		\$2,070,844.00		\$2,089,456.26		\$2,188,508.00	

I hereby certify this is a true and correct representation of the Bids as received.

BID TAB1

**NORTH SHELBY WATER COMPANY
LOUISVILLE TRANSMISSION MAIN
FINAL ENGINEERING REPORT**

June 4, 2008

The project encompassed by the North Shelby Water Company is the construction of approximately 50,136 linear feet of 12-inch ductile iron transmission main from the supplier (Louisville Water Company) at Long Run Road to the Company's central water storage tank at Shelbyville. In addition, the Company is extending approximately 960 linear feet of 6-inch PVC distribution pipe into an existing subdivision to provide fire protection for the existing homes.

The low bidding contractor for the project is Hubert Excavating, 2590 Bondville Road, Salvisa, Kentucky with a winning bid of \$1,795,000.00 for the 12-inch line. The method of financing the project is a combination of Kentucky Infrastructure Authority grant (KIA) and from Company funds. North Shelby Water Company is contributing \$634,838. The fire hydrant customers are contributing \$20,870. The final estimate for the project is as follows:

Contract #1, pipelines	\$1,795,000.00
Local Counsel	11,740.00
Engineering Design	141,805.00
Construction Inspection	86,250.00
Interim Financing	25,000.00
KIA Fee	7,500.00
Contingency (5%)	<u>89,750.00</u>
Total Project Cost	\$2,157,045.00

No rate increase is required for this project.

