



Engineers

Planners

Managers

May 20, 2008

RECEIVED

JUL 03 2008

PUBLIC SERVICE
COMMISSION

Ms. Cindy Montgomery, Manager
Morgan County Water District
408 Prestonsburg Street
West Liberty, KY 41472

Reference: Final Engineering Report
Phase 12 – Water Line Extension
Morgan County Water District

Case No: 2008-00242

Dear Ms. Montgomery:

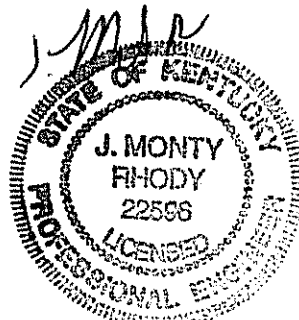
As you are aware, the above referenced project was bid May 6, 2008. The low bidder for Phase 12 was H2O Construction Co., Inc. from Pikeville, KY with a Total Base Bid of \$1,602,632.80

Attached please find a copy of the bid tabulation for the project. The following is a summary of the financing and budget for this project.

Project Budget	Letter of Conditions	Current (As Bid)
Development	\$2,140,000.00	\$1,602,632.80
Contingencies	\$214,000.00	\$809,941.51
Engineering	\$284,000.00	\$225,425.69
Legal and Administrative	\$32,000.00	\$32,000.00
Land and Rights	\$50,000.00	\$50,000.00
Interest	\$30,000.00	\$30,000.00
Total Project Cost	\$2,750,000.00	\$2,750,000.00

Project Financing	Letter of Conditions
RUS Loan	\$1,446,000.00
RUS Grant	\$754,000.00
ARC Grant	\$500,000.00
Connection Fees	\$50,000.00
Total Project Cost	\$2,750,000.00

1100 Glensboro Rd., Suite 9
Park View Center
Lawrenceburg, KY 40342
Phone: (502) 859-0907 • Fax: (502) 859-0668
Email: waterboy@kih.net



5-20-08

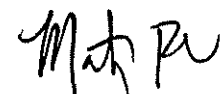
May 20, 2008
Page 2

The letter of conditions from Rural Development dated April 25, 2007 states that the Morgan County Water District shall have 193 new users signed for the Phase 12 Water Line Extension to be able to repay the loan. However, Morgan County Water District currently has 99 new customers signed up. Therefore the Water District has agreed to raise their water rates to make up for the shortage of new users. In addition to the shortage of signed customers, the City of West Liberty has increased their wholesale rate to Morgan County Water District from \$2.41 per 1000 gallons to \$2.55 per 1000 gallons. It appears that the Morgan County Water District will need to increase rates to generate approximately \$43,000 per year. Please find attached existing and proposed water rates that are estimated to generate the needed revenue.

All of H2O Construction Co., Inc. references which consisted of utility companies and engineering firms, indicate that they are capable of completing this project. Also, it appears the project can be completed with the available funding and with the rate increase. Therefore, we recommend this contract be approved and allowed to go forward.

If you have any questions or need anything, please contact me at our office.

Sincerely,
CANN-TECH, LLC



Monty Rhody, P.E.
Project Manager

Attachments

CC: Mr. Tim Conley, Morgan County Judge Executive
Ms. Pamela Farmer, Rural Development
Mr. Randy Jones, Rubin Hays
Mr. Steve O'Connor, Morgan County Attorney
All Bidding Contractors – Bid Tab Only

**EXISTING WATER RATES
MORGAN COUNTY WATER DISTRICT
MAY 2008**

5/8 and 3/4 Inch Meter

First	2,000 Gallons @	\$19.41 minimum
Next	3,000 Gallons @	\$7.03 per 1,000 Gallons
Next	5,000 Gallons @	\$6.43 per 1,000 Gallons
Next	5,000 Gallons @	\$5.83 per 1,000 Gallons
Next	Gallons @	\$ per 1,000 Gallons
Next	Gallons @	\$ per 1,000 Gallons
All Over	15,000 Gallons @	\$5.23 per 1,000 Gallons

1-Inch Meter

First	5,000 Gallons @	\$40.50 minimum
Next	5,000 Gallons @	\$6.43 per 1000 Gallons
Next	5,000 Gallons @	\$5.83 per 1000 Gallons
Over	15,000 Gallons @	\$5.23 per 1000 Gallons

2-Inch Meter

First	15,000 Gallons @	\$101.80 minimum
Over	15,000 Gallons @	\$5.23 per 1,000 Gallons

Wholesale Water Rate \$2.71 per 1000 Gallons

**PROPOSED WATER RATES
MORGAN COUNTY WATER DISTRICT
MAY 2008**

5/8 and 3/4 Inch Meter

First	2,000 Gallons @	\$20.41 minimum
Next	3,000 Gallons @	\$7.33 per 1,000 Gallons
Next	5,000 Gallons @	\$6.73 per 1,000 Gallons
Next	5,000 Gallons @	\$6.13 per 1,000 Gallons
Next	Gallons @	\$ per 1,000 Gallons
Next	Gallons @	\$ per 1,000 Gallons
All Over	15,000 Gallons @	\$5.53 per 1,000 Gallons

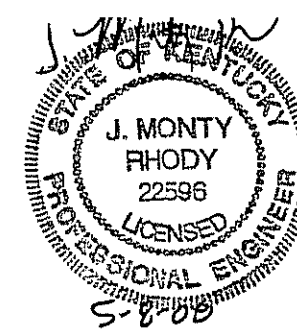
1-Inch Meter

First	5,000 Gallons @	\$42.50 minimum
Next	5,000 Gallons @	\$6.73 per 1000 Gallons
Next	5,000 Gallons @	\$6.13 per 1000 Gallons
Over	15,000 Gallons @	\$5.53 per 1000 Gallons

2-Inch Meter

First	15,000 Gallons @	\$105.80 minimum
Over	15,000 Gallons @	\$5.53 per 1,000 Gallons

Wholesale Water Rate \$2.85 per 1000 Gallons



NO.	ITEM	QUANT.	UNIT	H2O Construction Co Inc		R. Risner Construction Inc		Stotts Construction Co Inc		B.P Pipeline LLC		Southern Backhoe Inc		G and W Construction Co., Inc	
				UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL
1	6-in. PVC SDR 21 Class 200 p.s.i.	1,600	LF	\$6.59	\$10,544.00	\$6.84	\$10,944.00	\$7.85	\$12,560.00	\$9.35	\$14,960.00	\$9.01	\$14,416.00	\$7.16	\$11,456.00
2	6-in. PVC SDR 17 Class 250 p.s.i.	33,000	LF	7.58	\$250,140.00	7.25	\$239,250.00	8.60	\$283,800.00	10.35	\$341,550.00	9.82	\$324,060.00	7.82	\$258,060.00
3	6-in. PVC C-900 Class 200 p.s.i.	19,500	LF	8.64	\$168,480.00	8.47	\$165,165.00	9.55	\$186,225.00	11.35	\$221,325.00	11.00	\$214,500.00	8.93	\$174,135.00
4	4-in. PVC SDR 21 Class 200 p.s.i.	6,300	LF	4.83	\$30,429.00	4.89	\$30,807.00	6.35	\$40,005.00	6.15	\$38,745.00	5.00	\$31,500.00	5.00	\$31,500.00
5	4-in. PVC SDR 17 Class 250 p.s.i.	27,940	LF	5.12	\$143,052.80	4.94	\$138,023.60	6.65	\$185,801.00	6.65	\$185,801.00	4.83	\$134,950.20	5.30	\$148,082.00
6	4-in. PVC C-900 Class 200 p.s.i.	58,530	LF	5.90	\$345,327.00	5.70	\$333,621.00	7.30	\$427,269.00	7.20	\$421,416.00	5.30	\$310,209.00	6.05	\$354,106.50
7	3-in. PVC SDR 21 Class 200 p.s.i.	4,100	LF	4.35	\$17,835.00	4.25	\$17,425.00	5.85	\$23,985.00	4.85	\$19,885.00	4.00	\$16,400.00	4.46	\$18,286.00
8	3-in. PVC SDR 17 Class 250 p.s.i.	41,900	LF	4.52	\$189,388.00	4.35	\$182,265.00	6.05	\$253,495.00	5.15	\$215,785.00	4.51	\$188,969.00	4.64	\$194,416.00
9	2-in. PVC SDR 17 Class 250 p.s.i.	1,900	LF	4.28	\$8,132.00	4.11	\$7,809.00	4.55	\$8,645.00	5.35	\$10,165.00	3.50	\$6,650.00	4.12	\$7,828.00
10	12-in. Steel Casing Unclassified Bore & Jack	245	LF	100.00	\$24,500.00	89.00	\$21,805.00	65.00	\$15,925.00	80.00	\$19,600.00	90.00	\$22,050.00	93.02	\$22,789.90
11	10-in. Steel Casing Unclassified Bore & Jack	845	LF	100.00	\$84,500.00	87.00	\$73,515.00	60.00	\$50,700.00	80.00	\$67,600.00	75.00	\$63,375.00	91.07	\$76,954.15
12	8-in. Steel Casing Unclassified Bore & Jack	245	LF	100.00	\$24,500.00	85.00	\$20,825.00	55.00	\$13,475.00	75.00	\$18,375.00	75.00	\$18,375.00	88.16	\$21,599.20
13	8-in. Steel Casing Unclassified Open Cut	95	LF	45.00	\$4,275.00	45.00	\$4,275.00	30.00	\$2,850.00	40.00	\$3,800.00	45.00	\$4,275.00	62.98	\$5,983.10
14	Creek Crossing Type A	15	LF	20.00	\$300.00	42.00	\$630.00	30.00	\$450.00	20.00	\$300.00	40.00	\$600.00	57.48	\$862.20
15	Creek Crossing Type B	1,725	LF	25.00	\$43,125.00	45.00	\$77,625.00	40.00	\$69,000.00	30.00	\$51,750.00	90.00	\$155,250.00	67.48	\$116,403.00
16	6-in. Gate Valve & Box	26	EA	650.00	\$16,900.00	660.00	\$17,160.00	600.00	\$15,600.00	600.00	\$15,600.00	575.00	\$14,950.00	730.45	\$18,991.70
17	4-in. Gate Valve & Box	37	EA	550.00	\$20,350.00	560.00	\$20,720.00	525.00	\$19,425.00	580.00	\$21,460.00	485.00	\$17,945.00	614.44	\$22,734.28
18	3-in. Gate Valve & Box	15	EA	500.00	\$7,500.00	525.00	\$7,875.00	490.00	\$7,350.00	550.00	\$8,250.00	410.00	\$6,150.00	575.52	\$8,632.80
19	2-in. Gate Valve & Box	3	EA	375.00	\$1,125.00	482.00	\$1,446.00	500.00	\$1,500.00	500.00	\$1,500.00	370.00	\$1,110.00	\$26.80	\$1,580.40
20	Fire Hydrant, 3 Nozzle	6	EA	2,800.00	\$16,800.00	2,800.00	\$16,800.00	2,300.00	\$13,800.00	2,500.00	\$15,000.00	3,200.00	\$19,200.00	2,723.82	\$16,342.92
21	6-in. Blowoff Assembly	1	EA	1,300.00	\$1,300.00	1,000.00	\$1,000.00	660.00	\$660.00	1,000.00	\$1,000.00	1,100.00	\$1,100.00	849.66	\$849.66
22	4-in. Blowoff Assembly	22	EA	1,200.00	\$26,400.00	800.00	\$17,600.00	575.00	\$12,650.00	700.00	\$15,400.00	900.00	\$19,800.00	707.63	\$15,567.86
23	3-in. Blowoff Assembly	13	EA	1,100.00	\$14,300.00	750.00	\$9,750.00	550.00	\$7,150.00	680.00	\$8,840.00	890.00	\$11,570.00	659.71	\$8,576.23
24	2-in. Blowoff Assembly	4	EA	1,000.00	\$4,000.00	750.00	\$3,000.00	525.00	\$2,100.00	680.00	\$2,720.00	850.00	\$3,400.00	615.31	\$2,461.24
25	Meter Setting Same Side	50	EA	650.00	\$32,500.00	600.00	\$30,000.00	700.00	\$35,000.00	700.00	\$35,000.00	720.00	\$36,000.00	639.20	\$31,960.00
26	Meter Setting Opposite Side	50	EA	725.00	\$36,250.00	850.00	\$42,500.00	900.00	\$45,000.00	800.00	\$40,000.00	1,600.00	\$80,000.00	900.51	\$45,025.50
27	Creek Crossing Meter Setting	1	EA	800.00	\$800.00	1,000.00	\$1,000.00	900.00	\$900.00	900.00	\$900.00	750.00	\$750.00	992.87	\$992.87
28	Additional Service Tubing	2,000	LF	3.44	\$6,880.00	4.35	\$8,700.00	5.00	\$10,000.00	4.00	\$8,000.00	4.20	\$8,400.00	4.32	\$8,640.00
29	Connection To Existing Line	27	EA	1,200.00	\$32,400.00	1,825.00	\$49,275.00	1,200.00	\$32,400.00	1,000.00	\$27,000.00	1,850.00	\$49,950.00	2,168.85	\$58,558.95
30	Pressure Reducing Station	1	EA	17,000.00	\$17,000.00	16,500.00	\$16,500.00	14,000.00	\$14,000.00	15,000.00	\$15,000.00	16,000.00	\$16,000.00	17,698.69	\$17,698.69
31	Gravel Replacement	25,000	LF	0.45	\$11,250.00	3.50	\$87,500.00	2.00	\$50,000.00	1.00	\$25,000.00	3.00	\$75,000.00	8.00	\$200,000.00
32	Blacktop Replacement	200	LF	27.00	\$5,400.00	25.00	\$5,000.00	30.00	\$6,000.00	10.00	\$2,000.00	40.00	\$8,000.00	20.00	\$4,000.00
33	6-inch Joint Restraint	80	EA	40.00	\$3,200.00	60.00	\$4,800.00	80.00	\$6,400.00	30.00	\$2,400.00	65.00	\$5,200.00	59.36	\$4,748.80
34	4-inch and 3-inch Joint Restraint	150	EA	25.00	\$3,750.00	60.00	\$9,000.00	60.00	\$9,000.00	22.00	\$3,300.00	56.00	\$8,400.00	59.36	\$8,904.00
Total Construction Cost					\$1,602,632.80		\$1,673,610.60		\$1,863,120.00		\$1,879,427.00		\$1,888,504.20		\$1,918,726.95

BID TABULATION

Phase 12 Water Line Extension

Morgan County Water District

5/6/2008

NO.	ITEM	QUANT.	UNIT	D.F. Bailey Inc.		Clay Pipeline, Inc.		Tilton Excavating, LLC		Kenney Inc.		Kinder Construction Co. Inc.		Garrison Construction Company Inc.	
				UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL
1	6-in. PVC SDR 21 Class 200 p.s.i.	1,600	LF	\$8.18	\$13,088.00	\$9.25	\$14,800.00	\$9.85	\$15,760.00	\$9.20	\$14,720.00	\$8.94	\$14,304.00	\$9.88	\$15,808.00
2	6-in. PVC SDR 17 Class 250 p.s.i.	33,000	LF	9.05	\$298,650.00	9.60	\$316,800.00	10.68	\$352,440.00	10.31	\$340,230.00	9.96	\$328,680.00	9.94	\$328,020.00
3	6-in. PVC C-900 Class 200 p.s.i.	19,500	LF	10.23	\$199,485.00	9.75	\$190,125.00	11.91	\$232,245.00	11.09	\$216,255.00	11.48	\$223,860.00	11.33	\$220,935.00
4	4-in. PVC SDR 21 Class 200 p.s.i.	6,300	LF	5.24	\$33,012.00	6.50	\$40,950.00	5.54	\$34,902.00	6.99	\$44,037.00	6.67	\$42,021.00	7.22	\$45,486.00
5	4-in. PVC SDR 17 Class 250 p.s.i.	27,940	LF	5.59	\$156,184.60	6.70	\$187,198.00	5.78	\$161,493.20	7.36	\$205,638.40	6.97	\$194,741.80	7.28	\$203,403.20
6	4-in. PVC C-900 Class 200 p.s.i.	58,530	LF	6.33	\$370,494.90	7.50	\$438,975.00	6.65	\$389,224.50	8.12	\$475,263.60	8.36	\$489,310.80	8.27	\$484,043.10
7	3-in. PVC SDR 21 Class 200 p.s.i.	4,100	LF	4.30	\$17,630.00	6.85	\$28,085.00	4.90	\$20,090.00	6.15	\$25,215.00	6.03	\$24,723.00	5.80	\$23,780.00
8	3-in. PVC SDR 17 Class 250 p.s.i.	41,900	LF	4.52	\$189,388.00	6.00	\$251,400.00	5.14	\$215,366.00	6.45	\$270,255.00	6.79	\$284,501.00	6.04	\$253,076.00
9	2-in. PVC SDR 17 Class 250 p.s.i.	1,900	LF	3.55	\$6,745.00	6.00	\$11,400.00	4.49	\$8,531.00	5.85	\$11,115.00	5.64	\$10,716.00	4.86	\$9,234.00
10	12-in. Steel Casing Unclassified Bore & Jack	245	LF	107.35	\$26,300.75	88.00	\$21,560.00	80.00	\$19,600.00	110.00	\$26,950.00	115.39	\$28,270.55	211.93	\$51,922.85
11	10-in. Steel Casing Unclassified Bore & Jack	845	LF	90.70	\$76,641.50	85.00	\$71,825.00	80.00	\$67,600.00	110.00	\$92,950.00	113.19	\$95,645.55	182.60	\$154,297.00
12	8-in. Steel Casing Unclassified Bore & Jack	245	LF	85.24	\$20,883.80	85.00	\$20,825.00	75.00	\$18,375.00	99.00	\$24,255.00	109.91	\$26,927.95	151.68	\$37,161.60
13	8-in. Steel Casing Unclassified Open Cut	95	LF	45.71	\$4,342.45	45.00	\$4,275.00	35.00	\$3,325.00	44.00	\$4,180.00	93.11	\$8,845.45	85.01	\$8,075.95
14	Creek Crossing Type A	15	LF	19.30	\$289.50	50.00	\$750.00	50.00	\$750.00	44.00	\$660.00	125.21	\$1,878.15	59.29	\$889.35
15	Creek Crossing Type B	1,725	LF	45.34	\$78,211.50	50.00	\$86,250.00	80.00	\$138,000.00	44.00	\$75,900.00	53.84	\$92,874.00	77.00	\$132,825.00
16	6-in. Gate Valve & Box	26	EA	612.80	\$15,932.80	765.00	\$19,890.00	500.00	\$13,000.00	660.00	\$17,160.00	847.78	\$22,042.28	639.10	\$16,616.60
17	4-in. Gate Valve & Box	37	EA	493.67	\$18,265.79	670.00	\$24,790.00	450.00	\$16,650.00	578.00	\$21,386.00	661.84	\$24,488.08	499.90	\$18,496.30
18	3-in. Gate Valve & Box	15	EA	435.49	\$6,532.35	645.00	\$9,675.00	400.00	\$6,000.00	488.00	\$7,320.00	612.68	\$9,190.20	440.59	\$6,608.85
19	2-in. Gate Valve & Box	3	EA	351.93	\$1,055.79	570.00	\$1,710.00	350.00	\$1,050.00	440.00	\$1,320.00	507.92	\$1,523.76	381.48	\$1,144.44
20	Fire Hydrant, 3 Nozzle	6	EA	2,784.01	\$16,704.06	3,500.00	\$21,000.00	2,800.00	\$16,800.00	2,640.00	\$15,840.00	3,528.42	\$21,170.52	3,458.21	\$20,749.26
21	6-in. Blowoff Assembly	1	EA	1,081.83	\$1,081.83	1,120.00	\$1,120.00	1,000.00	\$1,000.00	1,100.00	\$1,100.00	981.29	\$981.29	1,320.00	\$1,320.00
22	4-in. Blowoff Assembly	22	EA	855.34	\$18,817.48	965.00	\$21,230.00	900.00	\$19,800.00	660.00	\$14,520.00	822.25	\$18,089.50	992.91	\$21,844.02
23	3-in. Blowoff Assembly	13	EA	783.20	\$10,181.60	925.00	\$12,025.00	850.00	\$11,050.00	660.00	\$8,580.00	712.58	\$9,263.54	885.20	\$11,507.60
24	2-in. Blowoff Assembly	4	EA	642.74	\$2,570.96	875.00	\$3,500.00	750.00	\$3,000.00	660.00	\$2,640.00	606.87	\$2,427.48	726.35	\$2,905.40
25	Meter Setting Same Side	50	EA	534.61	\$26,730.50	620.00	\$31,000.00	800.00	\$40,000.00	660.00	\$33,000.00	567.30	\$28,365.00	825.00	\$41,250.00
26	Meter Setting Opposite Side	50	EA	686.72	\$34,336.00	750.00	\$37,500.00	1,000.00	\$50,000.00	715.00	\$35,750.00	744.80	\$37,240.00	1,243.00	\$62,150.00
27	Creek Crossing Meter Setting	1	EA	615.08	\$615.08	820.00	\$820.00	1,000.00	\$1,000.00	770.00	\$770.00	874.93	\$874.93	1,540.00	\$1,540.00
28	Additional Service Tubing	2,000	LF	6.13	\$12,260.00	6.00	\$12,000.00	4.50	\$9,000.00	4.40	\$8,800.00	4.16	\$8,320.00	7.01	\$14,020.00
29	Connection To Existing Line	27	EA	1,699.66	\$45,890.82	1,800.00	\$48,600.00	2,000.00	\$54,000.00	1,320.00	\$35,640.00	1,403.12	\$37,884.24	1,859.00	\$50,193.00
30	Pressure Reducing Station	1	EA	16,832.21	\$16,832.21	17,000.00	\$17,000.00	20,000.00	\$20,000.00	16,500.00	\$16,500.00	16,704.12	\$16,704.12	17,270.00	\$17,270.00
31	Gravel Replacement	25,000	LF	8.67	\$216,750.00	3.00	\$75,000.00	5.00	\$125,000.00	4.40	\$110,000.00	5.36	\$134,000.00	2.75	\$68,750.00
32	Blacktop Replacement	200	LF	28.00	\$5,600.00	50.00	\$10,000.00	25.00	\$5,000.00	16.50	\$3,300.00	34.60	\$6,920.00	22.00	\$4,400.00
33	6-inch Joint Restraint	80	EA	39.83	\$3,186.40	100.00	\$8,000.00	100.00	\$8,000.00	33.00	\$2,640.00	52.75	\$4,220.00	40.26	\$3,220.80
34	4-inch and 3-inch Joint Restraint	150	EA	29.67	\$4,450.50	100.00	\$15,000.00	80.00	\$12,000.00	33.00	\$4,950.00	44.75	\$6,712.50	33.00	\$4,950.00
Total Construction Cost					\$1,949,141.17		\$2,055,078.00		\$2,090,051.70		\$2,168,840.00		\$2,257,716.69		\$2,337,893.32