

Meter No.	Tenant Organization	Group No.	Building Served / Description
1000257	Navy Seals Special Boat GP	1196	Hudson Street Trailer #1
1000258	Navy Seals Special Boat GP	1196	Hudson Street Trailer #2
1080180	Nolin RECC	1732	Building No. 614 - Nolin Recreation
872139	Sewer Plant	1623	Building No. 7207 - Sewer Plant
9918264	SO Contracting	4260	Queen Street Lot 101
1000000	US Army Reserves	1520	Building No. 2327 - US Army Reserve
5471368	Youth Challenge	695	Building No. 2377 - A Enlisted Barracks - 35,760 SF

J1.6 Monthly Submittals

The Contractor shall provide the Government monthly submittals for the following:

1. **Invoice** (IAW Paragraph G.2, *Submission and Payment of Invoices*). The Contractor's monthly invoice shall be presented in a format proposed by the Contractor and accepted by the Contracting Officer (Form DD250). The Contractor's monthly invoice shall include segregated costs IAW with each CLIN. The Contractor shall provide sufficient supporting documentation with each monthly invoice to substantiate all costs included in the invoice for each CLIN as approved by the Contracting officer. The proposed system of accounts shall be made available in electronic format as directed by the Contracting Officer. Invoices shall be submitted by the 20th of each month for the previous month. Invoices shall be submitted to:

Name: TBD

Address: Directorate of Public Works
Fort Knox, KY _____

Phone number: 502-____-____

E-mail: _____

2. **Outage Report.** The Contractor's monthly outage report will be prepared in the format proposed by the Contractor and accepted by the Contracting Officer. Outage reports shall be submitted by the 25th of each month for the previous month. Outage reports shall be submitted to:

Name: TBD

Address: Directorate of Public Works
Fort Knox, KY _____

Phone number: 502-____-____

E-mail: _____

3. **Meter Reading Report.** The monthly meter reading report shall show the current and previous month's readings for all secondary meters. The Contractor's monthly meter reading report will be prepared in the format proposed by the Contractor and accepted by the Contracting Officer. Meter reading reports shall be submitted by the 10th of each month for the previous month. Meter reading reports shall be submitted to:

Name: TBD
Address: _____
Directorate of Public Works
Fort Knox, KY _____
Phone number: 502-____-_____
E-mail: _____

4. **Monthly Operating Report.** Copies of the monthly operating reports, the bacteriological analysis reports and the water main reports submitted to the State of Kentucky shall be submitted to:

Name: TBD
Address: _____
Directorate of Public Works
Fort Knox, KY _____
Phone number: 502-____-_____
E-mail: _____

5. **Monthly Water Withdrawal Permit Report.** Copies of the monthly water withdrawal permit reports submitted to the State of Kentucky shall be submitted to:

Name: TBD
Address: _____
Directorate of Public Works
Fort Knox, KY _____
Phone number: 502-____-_____
E-mail: _____

6. **Monthly Discharge Monitoring Reports.** Copies of the monthly discharge monitoring reports submitted to the State of Kentucky shall be submitted to:

Name: TBD
Address: _____
Directorate of Public Works
Fort Knox, KY _____
Phone number: 502-____-_____
E-mail: _____

J1.7 Energy Saving Projects

In keeping with Paragraph C.3.4, *Energy and Water Efficiency and Conservation*, any projects that should be implemented or continued would be listed here.

- Although there are no projects identified at this time, any future pump motor replacements shall be in compliance with Army Energy conservation policy.

J1.8 Service Area

IAW Clause C.4, *Service Area*, the service area is defined as all areas within the Fort Knox boundaries.

J1.9 Off-Installation Sites

Fort Knox provides water services to the following off-Installation sites:

- 1) City of Muldraugh
- 2) Hardin County Water District No. 1

J1.10 Turning Utility Services On and Off

The Contractor will turn on and turn off water services as requested by the Government at no additional cost. Requests of this type are routine calls that include, but are not limited to, allowing maintenance on equipment beyond the point of demarcation, new or upgrading a service, and demolition of an existing service. There will be a substantial number of this type of request for turn on / turn offs over the next several years associated with intense new construction activity.

J1.11 Special Transition Requirements

IAW Paragraph C.13, *Transition Plan*, there are no known required specific transition requirements at this time.

J1.12 Government Recognized System Deficiencies

Table 12 provides a list of Government recognized deficiencies, the Government's approach to remedy the deficiency, and the time frame in which the deficiency should be remedied. The deficiencies listed may be physical deficiencies, functional deficiencies, or operational in nature. If the utility system is sold, the Government will not accomplish a remedy for the recognized deficiencies listed. In some cases, these requirements have not been quantified, nor are there project numbers assigned. They are provided to generally acquaint the Contractor with system needs, from the Government's perspective, that should be addressed over the next few years. The Contractor should propose his approach (which must be IAW industry standards) to correct the recognized deficiencies, which may or may not be similar to the Government's approach.


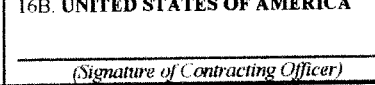
TABLE 12
 Government Recognized System Deficiencies
Potable Water Utility System, Fort Knox, Kentucky

System Component	Recognized Deficiencies and the Government's Approach to Remedy	Year to be Completed
System Survey / Assessment and Re-Map the Utility Systems	Conduct a system survey / assessment and re-map the potable water distribution system with GIS coordinates. This project also includes the development of an accurate computerized model of the system.	Within 1 st year of the contract start date
Leak Detection Survey	Conduct a leak detection survey of the entire potable water system lines including the raw water lines and the potable water distribution lines within the main cantonment area and the range areas.	Within 1 st year of the contract start date

System Component	Recognized Deficiencies and the Government's Approach to Remedy	Year to be Completed
Hydraulic Model	Develop a hydraulic model of the entire potable water utility system. This model will be invaluable during the design and replacement of the existing potable water distribution system.	Within 1 st year of the contract start date
Master Flow Meters at the WTPs	The finished water master meter at the Muldraugh WTP pump house needs to be replaced, The meter is well beyond its design life. The finished master water meters at the Muldraugh and Central WTPs need to be calibrated.	Within 1 st year of the contract start date
20-inch Valves	Replace the 20-inch valves on 24-inch CI Line from the West Point well fields to the Muldraugh WTP. The valves are the original valves and are not operable.	Within 1 st year of the contract start date
New Raw Water from the Muldraugh WTP to 16-inch Raw Water Line Between Otter Creek PS & Central WTP	Install a new 16-inch raw water line (roughly 15,840 LF) from the Muldraugh WTP to the raw line connecting the Otter Creek PS to the Central WTP. This line is critical since the raw water from the West Point well field is utilized when the raw water from McCracken Spring and Otter Creek is not suitable to treat at the Central WTP. Fort Knox has indicated that its lease of the three wells and the 14-inch line from HCWD No. 1 will terminate once Fort Knox's potable water utility system is privatized.	Within 1 st year of the contract start date
Otter Creek PS	Repair the creek side of the Otter Creek PS where the bank of the creek has be severely eroded. Install new windows and doors and replace the roof.	Within 1 st year of the contract start date
Muldraugh HLPS	Install new windows and doors, paint the exterior face of the concrete block facade and replace the roof.	Within 1 st year of the contract start date
Central WTP	Replace the roof of the Central WTP.	Within 1 st year of the contract start date
Central WTP Clear Well	Replace the roof and coat the interior of the 2.0 MG clear well located at the Central WTP. The size of the clear well may be reduced to accommodate the lowering the roof below grade to protect the concrete surfaces.	Within 1 st year of the contract start date
Muldraugh WTP	This ISDC project cost estimates should include all costs, by year for Years 1-5 that the Offeror would incur to own, operate and maintain the Muldraugh WTP until an alternate potable water source is obtained. It is possible that the potable water purchase contract could be executed at any time during the initial 5 years of the contract. In this event, the Offeror's cost estimate would be pro-rated over the actual months of operation prior to the execution of the purchase water contract. The subsequent ISDC projects associated with the operation and maintenance of the Muldraugh Plant (if any remained) would be cancelled.	Years 1-5 from contract start date

System Component	Recognized Deficiencies and the Government's Approach to Remedy	Year to be Completed
Fire Hydrants	Replace roughly 600 fire hydrants identified by the Fort Knox Fire Department.	Within 4 th years of the contract start date
Water Storage Tank No. 5	Tank No. 5 requires complete renovation to include the coating of the interior of the tank, the painting of the exterior of the tank and legs, and the installation of new sacrificial anodes in the tanks, a new rectifier on the outside of the tanks and a new altitude valve.	Within 1 st year of the contract start date
Automatic Transfer Switches	Install automatic transfer switches at the Otter Creek PS, the Central WTP facility and the Muldraugh HLPS. Tie the switches into the new SCADA system.	Within 2 nd year of the contract start date
Line Between Otter Creek PS & Central WTP	Replace roughly 14,437 LF of 16-inch cast iron raw water line between the Otter Creek WTP and the Central WTP facility,	Within 2 nd year of the contract start date
Water Storage Tank No. 6	Tank No. 6 requires complete renovation to include the coating of the interior of the tank, the painting of the exterior of the tank and legs, and the installation of new sacrificial anodes in the tanks, a new rectifier on the outside of the tanks and a new altitude valve.	Within 2 nd year of the contract start date
Water Storage Tank No. 8	Tank No. 8 requires complete renovation to include the coating of the interior of the tank, the painting of the exterior of the tank and legs, and the installation of new sacrificial anodes in the tanks, a new rectifier on the outside of the tanks and a new altitude valve.	Within 2 nd year of the contract start date
Water Storage Tank No. 7	Tank No. 7 requires extensive complete renovation to include the coating of the interior of the tank, the painting of the exterior of the tank and legs, and the installation of new sacrificial anodes in the tanks, a new rectifier on the outside of the tanks and a new altitude valve.	Within 3 rd year of the contract start date
SCADA System	Install a comprehensive SCADA system to assist the UP Contractor in monitoring and controlling the utility water system components, i.e. raw water wells, pumps, etc. The UP Contractor should coordinate the design and installation of the SCADA system with the Government to ensure that the new meters can also be integrated to the extent possible with the SCADA system.	Within 3 rd year of the contract start date

System Component	Recognized Deficiencies and the Government's Approach to Remedy	Year to be Completed
Distribution Pipe & Valves	Replace transite pipe in the North Dietz Housing area of the following approximate amounts: <ul style="list-style-type: none"> • 834 LF of 1-inch • 1,988 LF of 1.5-inch • 3,726 of 2-inch • 284 LF of 3-inch • 4,231 LF of 6-inch • 6,472 LF of 8-inch • 5,927 LF of 10-inch 	Within 3 rd year of the contract start date
Distribution Pipe & Valves	Replace ductile iron pipe in the Van Voorhis Housing area of the following approximate amounts: <ul style="list-style-type: none"> • 180 LF of 1-inch • 7,076 LF of 1.25-inch • 4,293 LF of 1.5-inch • 11,436 LF of 2-inch • 1,115 LF of 3-inch • 25,835 LF of 6-inch • 18,034 LF of 8-inch • 4,677 LF of 10-inch • 897 LF of 12-inch • 192 LF of 14-inch 	Within 3 rd year of the contract start date
Distribution Pipe & Valves	Replace roughly 4,237 LF of 8-inch pipe which surrounds the site of the new Human Resource Center	Within 3 rd year of the contract start date
Distribution Pipe & Valves	Replace the following approximate amounts of pipe under Phase I of the distribution pipe replacement program: <ul style="list-style-type: none"> • 994 LF of 1-inch • 29 LF of 1.25-inch • 759 LF of 1.5-inch • 3,720 LF of 2-inch • 483 LF of 2.5-inch • 4,280 LF of 3-inch • 3,754 LF of 4-inch • 61,582 LF of 6-inch • 38,255 LF of 8-inch • 17,066 LF of 10-inch • 4,153 LF of 12-inch • 1,665 LF of 14-inch 	Within 4 th year of the contract start date

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT			1. CONTRACT ID CODE	PAGE 1 OF 11
2. AMENDMENT/MODIFICATION NO. 0003	3. EFFECTIVE DATE 13 May 2011	4. REQUISITION/PURCHASE REQ. NO. SP0600-08-1258	5. PROJECT NO. (If applicable)	
6. ISSUED BY DEFENSE LOGISTICS AGENCY ENERGY 8725 JOHN J. KINGMAN ROAD, SUITE 3830 FT. BELVOIR, VA 22060-6222 BUYER/SYMBOL: Taina M. Rivera/DLA Energy-EF PHONE: (703) 767-8130 E-MAIL: Taina.Rivera@dla.mil		CODE SP0600	7. ADMINISTERED BY CODE (If other than Item 6)	
8. NAME AND ADDRESS OF CONTRACTOR (NO., street, city, county, State, and ZIP Code) HARDIN COUNTY WATER DISTRICT NO. 1 1400 ROGERSVILLE ROAD RAOCLIFF KY 40160		X	9a. AMENDMENT OF SOLICITATION NO. SP0600-08-R-0803	
			9b. DATED (SEE ITEM 11) 1 July 2008	
			10a. MODIFICATION OF CONTRACT/ORDER NO.	
			10b. DATED (SEE ITEM 13)	
11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS				
<p>[X] The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers [] is extended, [X] is not extended. Offerors must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing Items 8 and 15, and returning <u>1</u> copy of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.</p>				
12. ACCOUNTING AND APPROPRIATION DATA (If required) Not Applicable.				
13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.				
A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.				
B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b)				
C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: FAR 43.01				
OTHER (Specify type of modification and authority)				
E. IMPORTANT: Contractor [] is not, [X] is required to sign this document and return <u>1</u> copies to the issuing office.				
14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)				
<p>Utility Privatization of the Potable Water Utility System Infrastructure at Fort Knox, KY</p> <p>See Additional Pages for Further Details.</p>				
15A. NAME AND TITLE OF SIGNER (Type or print) JAMES BRUCE, GENERAL MANAGER		16A. NAME OF CONTRACTING OFFICER (Type or print) BRIAN J. KOESSEL		
15B. NAME OF CONTRACTOR/OFFEROR  (Signature of person authorized to sign)	15C. DATE SIGNED 6-1-11	16B. UNITED STATES OF AMERICA  (Signature of Contracting Officer)	16C. DATE SIGNED	

(v) Records of internal guidance and encouragement provided to buyers through --

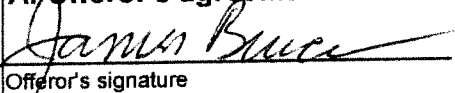
(A) Workshops, seminars, training, etc., and

(B) Monitoring performance to evaluate compliance with the program's requirements.

(vi) On a contract-by-contract basis, records to support award data submitted by the offeror to the Government, including the name, address, and business size of each subcontractor. Contractors having commercial plans need not comply with this requirement.

PART 4 – AGREEMENT AND APPROVAL SIGNATURES

A. Offeror's agreement


Offeror's signature

James Bruce, General Manager, HCWD1
Typed name and title

01-JUN-2011
Date

B. Reviewed By:

Contract Specialist's signature

Typed name and title

Date

C. Contracting Officer's determination of acceptance

Contracting Officer's signature

Typed name and title

Date

D. Division Chief's approval

Is SDB goal less than 5%? Yes No

If yes, a Division Chief's signature, one level above Contracting Officer is required:

Deputy's/Director's signature

Typed name and title

Date

E. Small Business Office Concur Non-concur

Small Business Specialist's signature

Typed name and title

Date

Small Business Special's Rationale:

F. Contracting Officer's approval

Contracting Officer's signature

Typed name and title

Date

Hardin County Water District No. 1

Serving Radcliff and Hardin County for Over 50 Years

1400 Rogersville Road
Radcliff, KY. 40160

September 29, 2011

Defense Logistics Agency Energy
Mr. Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
8725 John J. Kingman Road, Suite 3937
Fort Belvoir, Virginia 22060-6222

**SUBJECT: Signed SF26 Originals
Contract No. - SP0600-11-C-8271**

Dear Mr. Koessel;

Enclosed please find the two original signature SF-26 forms as you have instructed. We understand you will be sending a complete, final contract document shortly, after you execute the contract.

As soon as possible, it would be helpful to know who the KO and COR will be for this project, once the transition period begins. We may need to have frequent meetings, or conference calls, as we start up our transition tasks and effort.

Again, we are very grateful and appreciative of your confidence in us, and we plan to provide high value and excellent potable water service to those at Fort Knox, and the Government as well.

Please let your team know we have really enjoyed working on this proposal and effort and look forward to a continued positive relationship.

Sincerely,



Jim Bruce, General Manager
Hardin County Water District No. 1

Encl: SF-26 Form - 2 Originals

AWARD/CONTRACT	1. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 350)	RATING	PAGE OF PAGES 1 47

2. CONTRACT NO (Proc. Inst. Ident.) NO SP0600-11-C-8271	3. EFFECTIVE DATE SEE BLOCK 20C	4. REQUISITION/PURCHASE REQUEST/PROJECT NO.
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5. ISSUED BY Defense Logistics Agency Energy 8725 John J. Kingman Road, Suite 3937 Fort Belvoir, VA 22060-6222 POC: BRIAN J. KOESSEL/DLA Energy - EF Phone: (703) 767-1595 E-mail: brian.koessel@dia.mil	CODE SP0600	6. ADMINISTERED BY (If other than item 5)	CODE
--	----------------	---	------

7. NAME AND ADDRESS OF CONTRACTOR (No., street, city, county, State and ZIP code) Hardin County Water District No. 1 1400 Rogersville Road Radcliff, KY 40160-9343 Phone: (270) 351-3222 ext. 208 POC: Jim Bruce, General Manager	Fax: (270) 352-3055 DUNS: 130402811	8. DELIVERY 9. DISCOUNT FOR PROMPT PAYMENT	10. SUBMIT INVOICES (4 copies unless otherwise specified) TO THE ITEM G.2
---	--	---	---

CODE 316V9	FACILITY CODE	12. PAYMENT WILL BE MADE BY: CODE HQ0105
------------	---------------	--

11. SHIP TO/MARK FOR CODE	Defense Finance and Accounting Services DFAS Indianapolis Center 8899 E. 56th Street Indianapolis, IN 46249
---------------------------	---

13. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION <input type="checkbox"/> 10 U.S.C. 2304(c) (2) <input type="checkbox"/> 41 U.S.C. 253(c) ()	14. ACCOUNTING AND APPROPRIATION DATA See Section G
--	---

15A. ITEM NO	15B. SUPPLIES/SERVICES	15C. QUANTITY	15D. UNIT	15E. UNIT PRICE	15F. AMOUNT
	See Section B				
15G. TOTAL AMOUNT OF CONTRACT					\$253,843,146.00 EST


16. TABLE OF CONTENTS

N	SEC	DESCRIPTION	PAGE(S)	(N)	SEC	DESCRIPTION	PAGE(S)
		PART I - THE SCHEDULE				PART II - CONTRACT CLAUSES	
X	A	SOLICITATION/CONTRACT FORM	1	X	I	CONTRACT CLAUSES	39
X	B	SUPPLIES OR SERVICES AND PRICES/COSTS	6			PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACH.	
X	C	DESCRIPTIONS/SPECS./WORK STATEMENTS	11	X	J	LIST OF ATTACHMENTS	47
X	D	PACKAGING AND MARKING	27			PART IV - REPRESENTATIONS AND INSTRUCTIONS	
X	E	INSPECTION AND ACCEPTANCE	28		K	REPRESENTATIONS, CERTIFICATIONS AND OTHER STATEMENTS OF OFFERORS	
X	F	DELIVERIES OR PERFORMANCE	29		L	INSTRS, CONDS, AND NOTICES TO OFFERORS	
X	G	CONTRACT ADMINISTRATION DATA	30		M	EVALUATION FACTORS FOR AWARD	
X	H	SPECIAL CONTRACT REQUIREMENTS	33				

CONTRACTING OFFICER WILL COMPLETE ITEM 17 OR 18 AS APPLICABLE

17. <input checked="" type="checkbox"/> CONTRACTOR'S NEGOTIATED AGREEMENT (Contractor is required to sign this document and return 1 copies to issuing office.) Contractor agrees to furnish and deliver all items or perform all the services set forth or otherwise identified above and on any continuation sheets for the consideration stated herein. The rights and obligations of the parties to this contract shall be subject to and governed by the following documents: (a) this award/contract, (b) the solicitation, if any, and (c) such provisions, representations, certifications, and specifications, as are attached or incorporated by reference herein. (Attachments are listed herein.)	18. <input type="checkbox"/> AWARD (Contractor is not required to sign this document.) Your offer on Solicitation Number SP0600-08-R-0803, including the additions or changes made by you which additions or changes are set forth in full above, is hereby accepted as to the items listed above and on any continuation sheets. This award consummates the contract which consists of the following documents: (a) the Government's solicitation and your offer, and (b) this award/contract. No further contractual document is necessary.
---	---

19A. NAME AND TITLE OF SIGNER (Type or print) James Bruce, General Manager	20A. NAME OF CONTRACTING OFFICER BRIAN J. KOESSEL
--	---

19B. NAME OF CONTRACTOR By  (Signature of person authorized to sign)	19C. DATE SIGNED 29-SEP-2011	20B. UNITED STATES OF AMERICA By _____ (Signature of Contracting Officer)	20C. DATE SIGNED
---	--	---	------------------

Fort Knox Water System
Weekly Coordination Meeting #2
October 19, 2011 (0900-1100)

Attendees:

HCWD1 Office

Jim Bruce, HCWD1
Preston Pendley, HCWD1
Brett Pyles, HCWD1
Richard Stranahan, HCWD1
David Hackworth, CH2M HILL
Jim Smith, LWC

Conference Call

Brian Koessel, DLA Energy
Kenneth Richardson, DLA Energy
Jay Johnson, DLA Energy
Bob Ender, Fort Knox Utilities
Kenny Muse, Fort Knox DPW

Handouts (attachments to minutes):

Agenda
Exhibit JE-5
List of Vendors (provided after the meeting)
List of Capital Projects in Construction (provided after the meeting)

Discussion:

Bob Ender reviewed the action items he completed since the previous meeting:

- 1) Bob Ender developed a list of employees interested in speaking with HCWD1/LWC and their contact information (this list is not attached for confidentiality purposes)
- 2) He discussed the concept of working side by side during the transition period with the union representative. The union representative did not want LWC or HCWD1 to talk with the employees during the transition period. The tours will need to be guided by Bob Ender.
- 3) All site visits will need to be coordinated with Bob Ender. Ken Richardson should be copied on all correspondence
- 4) Bob Ender developed a list of all capital improvement projects that are underway
- 5) Bob Ender developed a list of all current vendors

Jim Bruce mentioned that the insurance underwriters would like to tour the facilities. This activity should be coordinated with Bob Ender.

Comment [JS1]: Someone, I think Ken, mentioned we need to forward any agenda items we want to discuss in future, weekly coordination meetings to him by Mon afternoon.

Comment [JB2]: I think we need to carefully ask if this list is the "adversely affected" employees we promised to offer positions to, or, if some of these employees just want to be offered a job, but can stay employed with Govt or retire

Comment [JB3]: Not sure Govt can deny this, but also do not think we really need it

Comment [JB4]: We committed to Brian at PAOC to revise our ISDC surcharge, and O&M fee if necessary, in response to finding out some of the ISDC's are not needed now

Comment [JB5]: Ins needs to coordinate through Preston, who will request through KO

Weekly Coordination Meeting #2

LWC staff will need to get security badges for their staff. Kenny Muse will prepare delegation letter to initiate this process.

Three of the Capital Improvement Projects will extend past the February 1 contract start date: Rehab for water tanks, construction of two new clearwells at the Central WTP, and replacement of the filter media at Muldraugh.

Bob Ender mentioned that the linen drawings are in poor condition and are not reproducible. He will provide a copy of the CAD drawings, which are not as accurate, and allow HCWD1 to review the linen drawings to make edits to the CAD drawings. Brett suggested that HCWD1 photograph the linen drawings with a high resolution camera.

Bob Ender is currently developing a list of equipment they want to keep and equipment that they will turn over to HCWD1. He will also develop a spare parts list. At this time, he will give the list without quantities because he will use some of the spare parts between now and the contract start date.

Brian Koessel requested a copy of the existing purchase water agreement between HCWD1 and Fort Knox from Kenny Muse and Bob Ender.

Jim Bruce mentioned that the current Fort Knox Water System Agreement does not address the water supply from Fort Knox to the City of Muldraugh. HCWD1 is willing to continue this service, but will need an official modification to HCWD1 Agreement. Jim Bruce will send a copy of the text that addressed this issue Wastewater System Agreement (section J32.4) as an example.

HCWD1 is familiar and comfortable with the digging procedures at Fort Knox.

Fort Knox staff wants to meet internally to discuss environmental permits prior to meeting with HCWD1 and LWC. Preston Pendley Jim Smith will send a list of items permits and related information they would like to see.

DLA will send HCWD1 the language for the Right of Access.

In the future, Ken Richardson will send out agenda on Tuesday and allow HCWD1 to provide comments.

Brian Koessel will send the attachments to the Agreement.

Comment [JB6]: Jim S said he does not think this will cause any operational problems, or that Govt will assist us with any contractor issues

Comment [JS7]: We need to develop communication/coordination protocols with contractor and Govt to ensure operations are not adversely impacted during construction.

Comment [JB8]: Ken R has since said that Govt atty needs a copy of the agreement so they can review it

Comment [JB9]: Sent. Kenny M wrote back and said he thinks the Govt needs to retain them as a customer because Govt still owns commodity. I do not think issue makes us billing Town not doable, but we really do not care

Comment [JB10]: DW for HCWD1 has sent Govt proposed change to the draft language Ken R sent. Will wait and see what Govt response is

Comment [JB11]: When we get this, I need to file with PSC and also can send team members their own complete copy of the Contract with attachments

Skeeters, Bennett, Wilson & Pike
Attorneys at Law

Donald E. Skeeters
R. Terry Bennett
David T. Wilson II
Michael A. Pike
Dustin C. Humphrey

550 W. Lincoln Trail Blvd.
Radcliff, Kentucky 40160
www.sbw-law.com

Tel: (270) 351-4404
Fax: (270) 352-4626

Real Estate Dept:
Tel: (270) 352-4406
Fax: (270) 352-4421

October 11, 2011

Mr. Brent Kirtley
Kentucky Public Service Commission
Tariff Branch Manager
Frankfort, Kentucky 40601

VIA FAX: 502-564-3460

Re: Hardin County Water District/Fort Knox Water Utilities

Dear Mr. Kirtley:

The undersigned and this office represent the Hardin County Water District No. 1. As you may recall, a few months ago we met with Commission staff regarding the pending acquisition by Hardin County Water District No. 1 of the Fort Knox Water Utility System.

This transaction has been pending since the Summer of 2008 when the Department of Defense first solicited requests for proposals.

On September 30, 2011, Hardin County Water District No. 1 and the Department of Defense entered into an agreement to transfer ownership and operational responsibilities of the water utility from Fort Knox to Hardin County Water District No. 1. The agreement is contingent upon Public Service Commission approval. The Water District envisions this transaction to be similar to the agreement to own and operate the Fort Knox Waste Water System which was approved by the Public Service Commission in Case No. 2004-00422.

The contract with the Department of Defense provides for a February 1, 2012 deadline. On that date, the District will be required to take ownership of the utility assets and commence operation. The contract, as mentioned above, is contingent upon Public Service Commission approval.

Accordingly, in light of the deadlines imposed by the agreement, it is hereby respectfully requested that the Commission approve the acquisition as well as the attached tariff not later than **January 15, 2012**. The District is also requesting a deviation from the requirements of 807 KR 5:066 pertaining to metered water.

Mr. Brent Kirtley
October 11, 2011
Page 2

As always, the assistance of the Public Service Commission in these matters is greatly appreciated.

Sincerely,

SKEETERS, BENNETT, WILSON & PIKE

David T. Wilson, II

DTW:mle

cc: Mr. Jim Bruce

Jim Bruce

From: Jim Bruce
Sent: Saturday, June 21, 2008 9:41 AM
To: Jim Bruce
Subject: LWC Contact

From: KYBRUCE [<mailto:kybruce@bbtel.com>]
Sent: Wednesday, June 18, 2008 10:47 PM
To: Jim Bruce
Subject:

Rob;

The week of April 28, I was contacted by Greg Heitzman, LWC president, about possibility of partnering to submit bid on FK water, and we met that week for lunch. On May 21st, Bill Rissel and I met with Greg and other LWC VP's. We proceeded to develop a partnership agreement.

We both believe that FK is most interested in a replacement supply of water from LWC, and the District being a regulated utility, would make this partnership very formidable in a competition. LWC will also consider financing a short interconnect main, from the new main planned to the FK Muldraugh WTP, over to our existing 14 inch water main in Muldraugh. This would provide an almost unlimited supply, of reasonably priced wholesale water, to our District which would be invaluable to us and our customers.

LWC also is willing to operate the FK WTP's as long as needed, until the new main is constructed and the Muldraugh WTP and well field can be abandoned.

Both Board's have now signed and executed the partnership agreement, to exclusively work toward winning the bid for the FK water system. The agreement does envision that the District would own the systems, and operate the distribution system, while LWC operates the water plants and source. We also envision creating an independent business entity whereby we can share resources, and our District can lease or utilize LWC purchasing power and employees for the District's benefit and own water system management. It may be possible, that at some time in the future, we may consider asking Veolia for a proposal to operate the distribution system, FK water plant, or both.

The water supply, for FK and the District, was by far the primary reason for our Board selecting this approach and option. However, at the time LWC contacted me, I was having increasing difficulty communicating with Veolia's Area Manager, who had been assigned to oversee our projects and provide pricing updates, and advised our Chairman that this had decreased my confidence in Veolia, and increased uncertainty about their ability to provide competitive and reasonably priced services.

We hope this decision will not affect your ability and willingness to operate our current systems. Since June 10th, Veolia has made important and real changes to address those problems, and we have hope that things will continue to improve. While we cannot stop Veolia from bidding also on the FK water system, we would hope that you would not, and consider your current partnership with the District on the sewer systems.

We look forward to continuing to work with you in the future.

Sincerely,

Jim Bruce

Jim Bruce

From: Stephanie Brown
Sent: Monday, July 14, 2008 3:19 PM
To: Jim Bruce
Subject: RE: Ft. Knox Water

OK, I will I guess get that number from Karen then.

From: Jim Bruce
Sent: Monday, July 14, 2008 3:12 PM
To: Stephanie Brown
Cc: Karen Brown; Brett Pyles
Subject: RE: Ft. Knox Water

Yes, we should go ahead and set one up. Can be called "FK Water Privatization". For the next couple years, will mostly be incidental costs. Eventually, DTW may charge us some legal work costs related to this. It will be confusing to keep this separate from FK Sewer, but it is a separate project.

Thanks

Jim

From: Stephanie Brown
Sent: Monday, July 14, 2008 3:06 PM
To: Jim Bruce
Subject: RE: Ft. Knox Water

Ok, I asked Karen and she said that there was not a CIP set up for the Ft. Knox Water and to ask if we needed to set one up.

From: Jim Bruce
Sent: Monday, July 14, 2008 3:04 PM
To: Stephanie Brown
Cc: Karen Brown; Jenny Huff
Subject: RE: Ft. Knox Water

Stephanie;

I think we have a FK Water CIP set up. If not, we will get one set up, and all expenses related to that (Water, NOT sewer) will get charged to that

Thanks

Jim

From: Stephanie Brown
Sent: Monday, July 14, 2008 8:59 AM
To: Jim Bruce
Subject: Ft. Knox Water

Jim,

What account would you like me to expense the binders that I purchased for the Ft. Knox Water System RFP? I wasn't sure if there was going to be a CIP set up for this project or where to expense these materials.

Stephanie Brown

Administrative Assistant

1400 Rogersville Road

Radcliff, KY 40160

270-351-3222 ext. 201

Jim Bruce

From: Jim Bruce
Sent: Monday, July 21, 2008 11:07 AM
To: David.Hackworth@CH2M.com; jsmith@lwcky.com
Cc: Brett Pyles; Daniel Clifford; Richard Stranahan
Subject: RE: FK Water GIS

All;

Here are some things we have thought of as far as things would be helpful to know or find out;

1. Do they have a list of inoperable fire hydrants?
2. Do they have any written inspection reports of tank coatings/conditions?
3. List of recent painting projects completed at WTP's
4. How accurate is their GIS maps of water system?
5. Of projects / timing listed as deficiencies, are they expecting bidders to include those projects in base bid? Or how much flexibility would they expect bidders to use in which projects are completed and by which year?
6. On leak survey / installation of meters, is this required by DoD or is this an optional project?
7. They have used 5% leak rate system wide - is that a calculated, mass balance number, or an estimate?
8. Are they open to reducing amount of storage and using KY-Dow Requirement of avg day demand stored?
9. Do they still need the "mobilization demand" of 10.5 mg/d, or can that be reduced?
10. Do they have a minimum langlier number or hardness number that has to be maintained?

I am sure there are many others. Anyone have any suggestions for how we present these questions? In writing after meetings (to DESC) or during open Q&A period? I think all questions have to be sent up to DESC, and they end up sending answers to everyone.

Thanks

Jim Bruce

(See you tomorrow)

Jim Bruce

From: Jim Bruce
Sent: Sunday, July 13, 2008 10:05 PM
To: Greg Heitzman
Subject: RE: Draft Press Release and Rollout Plan
Attachments: DRAFT Hardin County Press Release JB.doc

Greg;

Here is revised version. Made a few changes. Will get a quote from Bill on Monday

Thanks

Jim Bruce

From: Greg Heitzman [<mailto:gheitzman@lwcky.com>]
Sent: Friday, July 11, 2008 6:22 PM
To: Jim Bruce
Cc: Barbara Crow; Vince Guenther; Jim Smith
Subject: Draft Press Release and Rollout Plan

Pls review these drafts. See you Monday at 9:00 am. We can finalize then.

Barbara Dickens, made a few changes to clarify that HCWD#1 will pay your costs (internal and legal), and LWC will pay our internal and the consulting, legal contracts that we have; in the event we are unsuccessful with the RFP.

Greg C. Heitzman, P.E.
President & CEO
Louisville Water Company
550 S Third Street
Louisville, KY 40202
502-569-3681
e-mail: gheitzman@lwcky.com

Jim Bruce

From: Jim Bruce
Sent: Monday, July 14, 2008 3:28 PM
To: Bill Rissel (wjrisel@fortknoxfcu.net); David Wilson, SBW; gompa@comcast.net; Jim Bruce (kybruce@bbtel.com); John Tindall (Wwjtin@aol.com); Les (Leslie) Powers SGM Retired (lsgmprs@aol.com); Ron Hockman (hockman@bbtel.com)
Cc: Brett Pyles; Charlene Easter; Jenny Huff; Karen Brown; Stephanie Brown
Subject: LWC Agreement
Attachments: LWC partnership signed.pdf

All;

Here is copy for your files of partnership agreement with LWC. We had our kick-off meeting today and it went very well. First of many meetings I am sure. Greg will be finishing a press release, which they will be sending to local media. There was one final change, adding more detail on who pays costs if we are not successful (II.B.).

Call if you have any questions

Thanks

Jim Bruce

Jim Bruce

From: Jim Bruce
Sent: Tuesday, July 15, 2008 9:08 AM
To: Greg Heitzman; Barbara Dickens
Subject: Signed PDF
Attachments: LWC part agt signed.pdf

Greg / Barbara;

Here is copy of the signed agreement at PDF doc for your files.

Jim Bruce

Jim Bruce

From: Barbara Crow [bcrow@lwcky.com]
Sent: Tuesday, July 15, 2008 3:34 PM
To: Greg Heitzman; Vince Guenthner; Jim Smith; Jim Bruce; Brett Pyles
Subject: HCWD/LWC Press Release
Attachments: HCWD Final Press Release.doc; image001.jpg

Gentlemen,

I'll send this out tomorrow early afternoon once I know our roll-out group has been contacted. I will also follow-up with phone calls to make sure it was received.

Barbara C.

Barbara Crow
Louisville Water Company
Public Information
502.569-3695



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Jim Bruce

From: Jim Bruce
Sent: Tuesday, July 15, 2008 3:46 PM
To: david.hackworth@ch2m.com; jsmith@lwcky.com
Cc: Brett Pyles
Subject: FK Water GIS

All;

We do have a disk showing FK GIS water system and aerial images. We got this from HDR/Quest from their regional study. It may be quite dated, but could be helpful. We have been looking at it, seems to have lots of errors. We recently tapped a main near WWTP that was cast, but map shows it as PVC.

Let us know if you want us to burn a copy and bring to next meeting, or mail to anyone.

Thanks

Jim Bruce

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Tuesday, July 15, 2008 3:48 PM
To: Jim Bruce
Subject: RE: FK Water GIS

sounds great...please bring to site visit next week

-----Original Message-----

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Tuesday, July 15, 2008 3:46 PM
To: Hackworth, David/LOU; jsmith@lwcky.com
Cc: Brett Pyles
Subject: FK Water GIS

All;

We do have a disk showing FK GIS water system and aerial images. We got this from HDR/Quest from their regional study. It may be quite dated, but could be helpful. We have been looking at it, seems to have lots of errors. We recently tapped a main near WWTP that was cast, but map shows it as PVC.

Let us know if you want us to burn a copy and bring to next meeting, or mail to anyone.

Thanks

Jim Bruce

Jim Bruce

From: Jim Bruce
Sent: Tuesday, July 15, 2008 4:30 PM
To: brad
Subject: FW: LWC Agreement
Attachments: LWC partnership signed.pdf; HCWD Final Press Release.pdf

Sensitivity: Confidential

Brad - FYI, Jim Bruce

-----Original Message-----

From: Jim Bruce
Sent: Tuesday, July 15, 2008 4:25 PM
To: 'Barbara Wilkins'
Subject: FW: LWC Agreement
Sensitivity: Confidential

Mayor Enyart;

I thought you should know this, as a press release will be coming out. Feel free to call if you have any questions. We will be preparing a bid to Govt to assume ownership of FK Water system, which RFP is now out. We are teaming with LWC on this. We anticipate that LWC will be able to build a new line to FK, to provide part or all of their water in future. That same line can then connect to HCWD1 lines in area, and we also could buy water from them as well. Will keep you posted on progress in the future.

Thanks

Jim Bruce

-----Original Message-----

From: Jim Bruce
Sent: Monday, July 14, 2008 3:41 PM
To: 'hberry.hcgo@hcky.org'
Subject: FW: LWC Agreement

Judge Berry;

Here is agreement we recently signed with Louisville Water Company. As you know, the DoA/FK have decided to solicit bids to privatize their water system. LWC contacted me in April about possibly forming a partnership to jointly submit a bid to Govt. Bill Rissel and I met several times with Greg Heitzman about details of this agreement. Our Board approved it at a special meeting last week.

FK is also asking LWC for a separate proposal to provide LWC connection up to their Muldraugh WTP. As we now have this partnership, LWC plans to tell FK that they will need to work with us as a team (LWC/HCWD1). This same pipeline will allow us to connect a line from the LWC new main, to our existing 14 inch main in Muldraugh. This will allow HCWD1 to then buy LWC before it is delivered to FK. The LWC wholesale price is currently 24% less than what we are paying DoA for water (and price should be much more stable than the annual 10% increases we have seen from FK over last 11 years).

If we are successful winning bid, HCWD1 would own water system, and LWC would operate WTP's and source and we would buy water from LWC, and re-sell (as regulated rate) to FK. We

believe our partnership will provide formidable competition for anyone else to beat. The agreement also envisions another future partnership or business entity being formed. This would allow us to purchase under LWC purchase contracts, and even "lease" their employees for special projects as we need. They have about 450 employees.

The Army plans to require first submittal Oct 7, and then bidders must hold price for 300 days.

We will keep you posted on progress in the future. Feel free to call me or Mr. Rissel if you have any questions.

Thanks

Jim Bruce

Jim Bruce

From: Jim Bruce
Sent: Tuesday, July 15, 2008 4:58 PM
To: thesentinelrad@bbtel.com
Subject: Press Release
Attachments: HCWD Final Press Release.pdf

Marlene;

Here is a press release you may be getting from Louisville Water Company. Please feel free to call me if you want some more background info.

Thanks again for your coverage and good writing. Call if you have any questions.

Jim Bruce

Jim Bruce

From: Jim Bruce
Sent: Wednesday, July 16, 2008 8:37 AM
To: David.Hackworth@CH2M.com; jsmith@lwcky.com
Subject: RE: FK Water GIS

David;

We suggest we meet at our office about 8AM. You can take I-65 south to exit 102, then west about 12 miles to second stop light which is at 313 and 1500. Big green roof building on left. We can go over together or follow us. You will need photo ID, and in case they choose you for search, will need registration and proof of ins for your vehicle.

Thanks

Jim Bruce

-----Original Message-----

From: David.Hackworth@CH2M.com [<mailto:David.Hackworth@CH2M.com>]
Sent: Wednesday, July 16, 2008 8:25 AM
To: Jim Bruce
Subject: RE: FK Water GIS

Jim,

Do you have a map to get to the site visit meeting location? I do not want to get lost on base.

Thanks

David

-----Original Message-----

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Tuesday, July 15, 2008 3:46 PM
To: Hackworth, David/LOU; jsmith@lwcky.com
Cc: Brett Pyles
Subject: FK Water GIS

All;

We do have a disk showing FK GIS water system and aerial images. We got this from HDR/Quest from their regional study. It may be quite dated, but could be helpful. We have been looking at it, seems to have lots of errors. We recently tapped a main near WWTP that was cast, but map shows it as PVC.

Let us know if you want us to burn a copy and bring to next meeting, or mail to anyone.

Thanks

Jim Bruce

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Wednesday, July 16, 2008 8:41 AM
To: Jim Bruce
Subject: RE: FK Water GIS

will do..thanks

-----Original Message-----

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Wednesday, July 16, 2008 8:37 AM
To: Hackworth, David/LOU; jsmith@lwcky.com
Subject: RE: FK Water GIS

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To: Hackworth, David/LOU; jsmith@lwcky.com
Cc: Brett Pyles
Subject: FK Water GIS

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Let us know if you want us to burn a copy and bring to next meeting, or mail to anyone.

Jim Bruce

From: Barbara Crow [bcrow@lwcky.com]
Sent: Wednesday, July 16, 2008 8:44 AM
To: Greg Heitzman; Jim Bruce; Vince Guentner; Jim Smith; Brett Pyles
Subject: Press Release
Attachments: image001.jpg

FYI

Game plan is still to send out the release out early this afternoon. Does this give everyone enough time to contact the folks on the roll-out communication?

Barbara C.

Barbara Crow
Louisville Water Company
Public Information
502.569-3695



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Jim Bruce

From: Jim Bruce
Sent: Wednesday, July 16, 2008 9:06 AM
To: Barbara Crow
Subject: RE: Press Release
Attachments: image001.jpg

Barbara;

We have already sent to a few key persons, so is OK with us to send it out anytime.

Thanks

Jim

From: Barbara Crow [<mailto:bcrow@lwcky.com>]
Sent: Wednesday, July 16, 2008 8:44 AM
To: Greg Heitzman; Jim Bruce; Vince Guenthner; Jim Smith; Brett Pyles
Subject: Press Release

FYI

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Barbara C.

Barbara Crow
Louisville Water Company
Public Information
502.569-3695



Voted Best Tap Water in America 2008

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Wednesday, July 16, 2008 11:33 AM
To: Jim Bruce; jsmith@lwcky.com
Cc: Brett Pyles
Subject: RE: HCWD1 FK Pump Station

I am available

-----Original Message-----

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Wednesday, July 16, 2008 10:59 AM
To: Hackworth, David/LOU; jsmith@lwcky.com
Cc: Brett Pyles
Subject: HCWD1 FK Pump Station

All;

If we have time on 23rd, after walk through, we would like to show team our Prichard Pump Station on post. This will help all understand our lines on post, and how we could get LWC water into our system, or off post water from south on to post. Will see how schedule goes. It is located next to Prichard housing area and would only take a few minutes to drive to.

Thanks

Jim Bruce

Jim Bruce

From: Jim Bruce
Sent: Wednesday, July 16, 2008 12:05 PM
To: Greg Heitzman
Subject: Board Meeting

Greg;

Sorry Bill nor I could attend your Board meeting. Bill had a 3PM meeting, and I still had things to do to prepare for our Board meeting at 5:30PM. Bill said maybe we could attend a future meeting, to meet your Board. Let me know future dates that might work.

Thanks

Jim Bruce

Jim Bruce

From: Jim Bruce
Sent: Thursday, July 17, 2008 10:37 AM
To: Barbara Crow
Subject: RE: Two Items
Attachments: image001.jpg

Barbara;

No problem at all with the link. Marty just called me from News Enterprise (769-1200) for some more background info. He is new and did not know anything about our sewer bid in past, regional water planning, or us taking over Radcliff sewer. I suggested he also call JJ at HCWD2 to get more info on their partnership with LWC.

Marlene from Sentinel sent me email and said she was putting in today's issue, and did not change anything in PR but used it as a story as written. Have not heard from Turret, but we do not talk to them often. Ft. Knox has public affairs office, and I think they do all writing and editing from that office.

Thanks

Jim Bruce

From: Barbara Crow [<mailto:bcrow@lwcky.com>]
Sent: Thursday, July 17, 2008 10:34 AM
To: Jim Bruce
Subject: Two Items

Jim,

We're getting ready to put out the first edition of an electronic newsletter. The audience is mostly commercial and industrial (current and potential) customers. The HCWD No. 1 press release will be part of the publication. Do you mind if we include a link to your website?

2nd item...I didn't see anything in the on-line version of the News Enterprise...any media from your end?

Barbara C.

Barbara Crow
Louisville Water Company
Public Information
502.569-3695



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Jim Bruce

From: Jim Bruce
Sent: Thursday, July 17, 2008 4:08 PM
To: bcrow@lwcky.com
Cc: Bill Rissel (wjrisel@fortknoxfcu.net); David Wilson, SBW; gomp@comcast.net; Jim Bruce (kybruce@bbtel.com); John Tindall (Wwjtin@aol.com); Les (Leslie) Powers SGM Retired (lsgmprs@aol.com); Ron Hockman (hockman@bbtel.com)
Subject: News art
Attachments: Sentinel article.pdf

Barbara;

Here is copy of article in weekly local paper the Sentinel for your files.

Thanks

Jim

Jim Bruce

From: Jim Bruce
Sent: Friday, July 18, 2008 8:54 AM
To: Barbara Crow
Cc: Bill Rissel (wjrisse@fortknoxfcu.net); David Wilson, SBW; gompa@comcast.net; Jim Bruce (kybruce@bbtel.com); John Tindall (Vwjtin@aol.com); Les (Leslie) Powers SGM Retired (lsgmprs@aol.com); Ron Hockman (hockman@bbtel.com)
Subject: RE: Press Release
Attachments: NE article 07-18-2008.pdf

Barbara;

Here is News Enterprise article on front page today. He did not use much of your PR, but did a good job covering key points still.

FYI

Jim Bruce

Jim Bruce

From: Barbara Crow [bcrow@lwcky.com]
Sent: Friday, July 18, 2008 9:11 AM
To: Jim Bruce
Subject: RE: Press Release
Attachments: image001.jpg

Jim,

Thought this was a great article...very positive for both utilities! Did you tell me that Marty was fairly new with the paper...or has been around for awhile?

Barbara C.

Barbara Crow
Louisville Water Company
Public Information
502.569-3695



Voted Best Tap Water in America 2008

-----Original Message-----

From: Jim Bruce [<mailto:jbruce@hcwd.com>]

Sent: Friday, July 18, 2008 8:54 AM

To: Barbara Crow

Cc: wjrissel@fortknoxfcu.net; David Wilson, SBW; gompa@comcast.net; kybruce@bbtel.com; Wwjtin@aol.com; lsgmprs@aol.com; hockman@bbtel.com

Subject: RE: Press Release

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FYI

Jim Bruce

Jim Bruce

From: Jim Bruce
Sent: Friday, July 18, 2008 9:30 AM
To: Barbara Crow
Subject: RE: Press Release
Attachments: image001.jpg

Barbara – I think he told me he has only been there a few months

Jim

From: Barbara Crow [<mailto:bcrow@lwcky.com>]
Sent: Friday, July 18, 2008 9:11 AM
To: Jim Bruce
Subject: RE: Press Release

Jim,

Thought this was a great article...very positive for both utilities! Did you tell me that Marty was fairly new with the paper...or has been around for awhile?

Barbara C.

Barbara Crow
Louisville Water Company
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502.569-3695



Voted Best Tap Water in America 2008

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From: Jim Bruce [<mailto:jbruce@hcwd.com>]

Sent: Friday, July 18, 2008 8:54 AM

To: Barbara Crow

Cc: wjrisssel@fortknoxfcu.net; David Wilson, SBW; gompa@comcast.net; kybruce@bbtel.com; Wwjtin@aol.com; lsgmprs@aol.com; hockman@bbtel.com

Subject: RE: Press Release

Barbara;

Here is News Enterprise article on front page today. He did not use much of your PR, but did a good job covering key points still.

FYI

Jim Bruce

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Monday, July 21, 2008 5:46 PM
To: Jim Bruce
Cc: jsmith@lwcky.com
Subject: FW: FK Water GIS

fyi

-----Original Message-----

From: Green, Jon/ABQ
Sent: Monday, July 21, 2008 4:16 PM
To: Hackworth, David/LOU; Woodhouse, Bob/SFO; Neath, Robert/STL
Subject: RE: FK Water GIS

David,

My thoughts are generally as follows:

1. They should have
2. If experience is any indication, they don't (but a good question for the Army)
3. Good question for the Army
4. Again, experience would suggest no, but good question for the Army. In addition, we should ask what layers are available, what file format (ARC GIS), whether they are Federal Geospatial Data Committee compliant and what scale the aerial photos are.
5. Prioritization of CIP projects would be helpful to include in our plan.
6. Meter installation is part of a Presidential Order regarding energy efficiency, as far as leak detection I would assume it is mandatory and best management approach.
7. Good question for the Army (especially since they likely don't have many water meters)
8. Storage requirements are not only driven by population, but fire flow and availability of emergency power at treatment plants. This (fire flows) is driven by the Authority Having Jurisdiction (generally the fire department), and would likely take some work to have modified. I would request a fire flow map from the Army. I would also humbly question the benefit of reducing storage, unless there is an expressed need (by the Army), for additional storage.
9. My guess is yes, but good question for the Army.
10. My guess is they desire "stable" water to protect water using equipment.

jon

Jonathan M. Green
Senior Operations Specialist
CH2M HILL
4041 Jefferson Plaza NE, Suite 200
Albuquerque, NM 87109
Office - 505.884.5600 X35759
Direct - 505.855.5259
Cell - 505.414.9641
Fax - 505.816.0589
E-mail - jon.green@ch2m.com
P Please consider the environment before printing this email

-----Original Message-----

From: Hackworth, David/LOU
Sent: Monday, July 21, 2008 1:46 PM
To: Woodhouse, Bob/SFO; Green, Jon/ABQ; Neath, Robert/STL
Subject: FW: FK Water GIS

your thoughts regarding these questions?

-----Original Message-----

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Monday, July 21, 2008 11:07 AM
To: Hackworth, David/LOU; jsmith@lwcky.com
Cc: Brett Pyles; Daniel Clifford; Richard Stranahan
Subject: RE: FK Water GIS

All;

Here are some things we have thought of as far as things would be helpful to know or find out;

1. Do they have a list of inoperable fire hydrants?
2. Do they have any written inspection reports of tank coatings/conditions?
3. List of recent painting projects completed at WTP's
4. How accurate is their GIS maps of water system?
5. Of projects / timing listed as deficiencies, are they expecting bidders to include those projects in base bid? Or how much flexibility would they expect bidders to use in which projects are completed and by which year?
6. On leak survey / installation of meters, is this required by DoD or is this an optional project?
7. They have used 5% leak rate system wide - is that a calculated, mass balance number, or an estimate?
8. Are they open to reducing amount of storage and using KY-Dow Requirement of avg day demand stored?
9. Do they still need the "mobilization demand" of 10.5 mg/d, or can that be reduced?
10. Do they have a minimum langlier number or hardness number that has to be maintained?

I am sure there are many others. Anyone have any suggestions for how we present these questions? In writing after meetings (to DESC) or during open Q&A period? I think all questions have to be sent up to DESC, and they end up sending answers to everyone.

Thanks

Jim Bruce

(See you tomorrow)

Jim Bruce

From: Jim Bruce
Sent: Tuesday, July 22, 2008 8:37 AM
To: jsmith@lwcky.com
Subject: DESC Access Info?

Jim;

We have not heard back from DESC on info to access base and where to go for pre-prop meeting. I did get back a read receipt from Lottie before the deadline date, and have left her a voice message. Have you heard back or received the info?

Thanks

Jim Bruce

Jim Bruce

From: Jim Bruce
Sent: Tuesday, July 22, 2008 9:21 AM
To: bcrow@lwcky.com
Subject: NE Article
Attachments: LWC HC2 article NE.pdf

Barbara;

Here is article on front page of NE today. Good coverage for LWC!

Jim Bruce

Jim Bruce

From: Barbara Crow [bcrow@lwcky.com]
Sent: Tuesday, July 22, 2008 9:35 AM
To: Jim Bruce
Subject: RE: NE Article

Thanks Jim...I signed up for The News Enterprise online service so hopefully I can pull the information now...if it's not a lot of trouble I still like to have the back-up!

Barbara C.

Barbara Crow
Louisville Water Company
Public Information
502.569-3695

-----Original Message-----

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Tuesday, July 22, 2008 9:21 AM
To: Barbara Crow
Subject: NE Article

Barbara;

Here is article on front page of NE today. Good coverage for LWC!

Jim Bruce

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Thursday, July 24, 2008 8:36 AM
To: jsmith@lwcky.com; Jim Bruce; Brett Pyles
Subject: Compliance Matrix and Schedule
Attachments: Fort Knox COMPLIANCE MATRIX-2008.doc; Ft Knox Proposal Schedule.pdf

Team,

Please review in advance of our meeting on Friday. Right now, I have only assigned CH2M Hill resources, but we will need to populate with LWC/HCWD No. 1 /Horizon/etc..

Thanks

David

Jim Bruce

From: Jim Bruce
Sent: Thursday, July 24, 2008 12:55 PM
To: David.Hackworth@CH2M.com; jsmith@lwcky.com
Subject: District Labor Costs

David;

On pricing our labor for Distribution staff, you need to know that our overhead for benefits adds 41% to the base salary (includes all health, insurance, pension etc). Also, our annual wage increase over last 5 years has been 3.5% per year, so we would be adjusting current wages up by at least that for pricing that needs to be good for 300 days.

Also, if we do include a District PM, we would most likely use our pay grade S1, which the mid-point is currently \$55,532/year. Depending on how our final costs look, we might consider splitting that position between FK sewer and water, but for now, lets show it as 100% to FK water project.

Let me know if you have any questions

Thanks

Jim Bruce

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Thursday, July 24, 2008 1:33 PM
To: Jim Bruce
Cc: Dave.Gray@CH2M.com; Jon.Green@ch2m.com; Robert.Neath@CH2M.com
Subject: RE: District Labor Costs
Attachments: Fort Gordon Org Chart.pdf; Fort Gordon PM resume.pdf

Jim,

Thanks for this information. It is very useful. I have copied some of our team members that are working on this and they may call you directly as they need info.

Also, I have attached the org chart for Fort Gordon, along with the PM. It is interesting that they proposed the GM of the Utility District as PM, since your experience at Fort Knox is that they want a dedicated PM.

Jon/Robert, do you have any comments about proposing someone who is not full time at Fort Knox?

Thanks

David

-----Original Message-----

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Thursday, July 24, 2008 12:55 PM
To: Hackworth, David/LOU; jsmith@lwcky.com
Subject: District Labor Costs

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Let me know if you have any questions

Thanks

Jim Bruce

Jim Bruce

From: Jim Bruce
Sent: Thursday, July 24, 2008 2:30 PM
To: David.Hackworth@CH2M.com
Cc: jsmith@lwcky.com; Brett Pyles
Subject: RE: District Labor Costs

David / Jim;

Interesting. At FK, we use the Veolia PM in that role (PM). However, Brett is owner rep and oversees Veolia and attends lots of BRAC related meetings, as well as interface to our CO/CORR, since the District is the "contractor". In our re-pricing negotiations, Bob Ender questioned why Brett has to be so involved. He thought the Veolia PM (who has office at WWTP), should be main person interacting with FK personnel and other contractors. We could still list Brett, or me, but in reality, neither of us have the time to take on actual PM role for FK water. We (the District) will have to decide if we staff a full time PM as part of District staff on this pricing.

Thanks for the info, it is interesting. It is also interested to see at Ft Gordon how much they are subcontracting of operations tasks.

Jim Bruce

-----Original Message-----

From: David.Hackworth@CH2M.com [<mailto:David.Hackworth@CH2M.com>]
Sent: Thursday, July 24, 2008 1:33 PM
To: Jim Bruce
Cc: Dave.Gray@CH2M.com; Jon.Green@ch2m.com; Robert.Neath@CH2M.com
Subject: RE: District Labor Costs

Jim,

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To: Hackworth, David/LOU; jsmith@lwcky.com
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Let me know if you have any questions

Thanks

Jim Bruce

Jim Bruce

From: Jim Bruce
Sent: Thursday, July 24, 2008 2:34 PM
To: David.Hackworth@CH2M.com
Cc: jsmith@lwcky.com; Brett Pyles
Subject: RE: Compliance Matrix and Schedule

David;

Horizon will only be providing pricing estimates/recommendations for all painting projects, but once that is received, they will not have any further role.

Jim

From: David.Hackworth@CH2M.com [<mailto:David.Hackworth@CH2M.com>]
Sent: Thursday, July 24, 2008 8:36 AM
To: jsmith@lwcky.com; Jim Bruce; Brett Pyles
Subject: Compliance Matrix and Schedule

Team,

Please review in advance of our meeting on Friday. Right now, I have only assigned CH2M Hill resources, but we will need to populate with LWC/HCWD No. 1 /Horizon/etc..

Thanks

David

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Thursday, July 24, 2008 2:44 PM
To: Brett Pyles
Cc: jsmith@lwcky.com; Robert.Neath@CH2M.com; Dave.Gray@CH2M.com; Jon.Green@ch2m.com; Jim Bruce
Subject: List of Question

Brett,

I have a few questions to be included with your list:

- 1) Lease agreement with CO2 vendor
- 2) Maintenance agreements that would be transferred to new operator (I realize that some maintenance agreements he uses are for the whole base - which would not apply)
- 3) Hauling agreement for sludge

On a separate note, I took a quick look at the MORs.... their post pH adjustment chemical dose is odd...it shows they do not use CO2 every day and the dose is all over the place...it seems that they take a reading every few days and record that as their dose for the day...also, their FW hardness (Nov 07) ranges from 142 to 177 - so much for the performance spec...

Thanks

David

Jim Bruce

From: Jim Smith [JSmith@lwcky.com]
Sent: Friday, July 25, 2008 9:42 AM
To: Jim Bruce; David.hackworth@ch2m.com; Brett Pyles
Cc: Patti Kaelin
Subject: FT Knox Questions/Data Requests

Here are my initial questions and data requests:

1. Chemical supply contracts
2. Contract laboratory contract commitments
3. Finished water hardness and chlorine residual requirements vs actual and best practice – how firm are the requirements
4. Cell tower leases
5. Maintenance contracts for water system only
6. Do they have any projections on future demand increases anticipated with the BRAC
7. What were the selection criteria for the main replacements specified.
8. What were the results of their IDSE sampling?
9. Have they had any KYDOW violations in the last five years. If so, what specifically were the violations?

No virus found in this incoming message.

Checked by AVG - www.avg.com

Version: 8.5.325 / Virus Database: 270.12.17/2095 - Release Date: 05/04/09 06:00:00

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Friday, July 25, 2008 2:04 PM
To: jsmith@lwcky.com; Jim Bruce; Brett Pyles
Subject: FW: Pentagon
Attachments: image001.jpg

I was hoping to make the point that if the Pentagon is fine drinking PWS, then Ft Knox should be... however, good to know that Ft. Belvoir is on Public supply.

From: Hogge, Allen/LOU
Sent: Friday, July 25, 2008 1:02 PM
To: Hackworth, David/LOU
Subject: RE: Pentagon

The Pentagon is served by the Washington Aqueduct run by the Corps of Engineers. Ft. Belvoir is served by the Fairfax Water, Virginia's largest water utility comparable to LWC.

Warm Regards, Allen



*Allen H. Hogge
3844 Col. Vanderhorst Circle
Mt. Pleasant, SC 29466
Direct - 843-388-8686
Fax - 773-693-4877
Mobile - 843-368-7431*

From: Hackworth, David/LOU
Sent: Thursday, July 24, 2008 3:01 PM
To: Hogge, Allen/LOU
Subject: Pentagon

Allen,

I want to make the point in our Ft Knox proposal that many bases use City water. Do you know who supplies water to the pentagon or other military bases in that area?

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Friday, July 25, 2008 2:37 PM
To: Jim Bruce; Brett Pyles
Subject: HCWD No. 1 Contract with Ft Knox

Jim,

I recall you mentioned that your contract is up for renewal.... What will happens the pump station and tank if you do not renew your contract? Can you keep those facilities in the absence of any contract?

thanks

David

Jim Bruce

From: Jim Bruce
Sent: Friday, July 25, 2008 4:36 PM
To: David.Hackworth@CH2M.com
Cc: Brett Pyles; jsmith@lwcky.com
Subject: RE: Pentagon
Attachments: image001.jpg

David;

Rob N. says Camp Lejune (SP?) Marine base is public water, and he thinks most of Norfolk Naval base is also off post water. But may want to confirm those also

Jim

From: David.Hackworth@CH2M.com [<mailto:David.Hackworth@CH2M.com>]
Sent: Friday, July 25, 2008 2:04 PM
To: jsmith@lwcky.com; Jim Bruce; Brett Pyles
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Warm Regards, Allen



*Allen H. Hogge
3844 Col. Vanderhorst Circle
Mt. Pleasant, SC 29466
Direct - 843-388-8686
Fax - 773-693-4877
Mobile - 843-368-7431*

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To: Hogge, Allen/LOU
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Allen,

I want to make the point in our Ft Knox proposal that many bases use City water. Do you know who supplies water to the pentagon or other military bases in that area?

Jim Bruce

From: Jim Bruce
Sent: Friday, July 25, 2008 4:48 PM
To: David.Hackworth@CH2M.com
Cc: jsmith@lwcky.com; Brett Pyles
Subject: RE: HCWD No. 1 Contract with Ft Knox

David;

We own the facilities and fence. I think the land (0.60 acre) is on a 50 or 100 year lease. The 3 wells are still ours and the 14 inch main all the way into Radcliff is ours. We also had drilled a 4th well on Mr Gene Smith's property, which was further west, and inland from Ohio River, which was I believe a 12 inch casing and had excellent flow and water quality, but we never finished constructing that well. I believe it would still be available, but do not know if chlorides would move toward that well if we ever started using it. It would be the furthest west well.

Jim Bruce

From: David.Hackworth@CH2M.com [<mailto:David.Hackworth@CH2M.com>]
Sent: Friday, July 25, 2008 2:37 PM
To: Jim Bruce; Brett Pyles
Subject: HCWD No. 1 Contract with Ft Knox

Jim,

I recall you mentioned that your contract is up for renewal.... What will happens the pump station and tank if you do not renew your contract? Can you keep those facilities in the absence of any contract?

thanks

David

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Tuesday, July 29, 2008 5:28 PM
To: jsmith@lwcky.com; Brett Pyles; Jim Bruce
Cc: Robert.Neath@CH2M.com; Lisa.Bailey@CH2M.com; Sally.PEEK@CH2M.com; Bob.Woodhouse@CH2M.com; Dave.Gray@CH2M.com; Jon.Green@ch2m.com
Subject: FW: External Site Request

Team,

We have created a ftp site to share files with LWC and HCWD. I would prefer that our CH2M Hill staff also copy files to the internal server on eurydice.

thanks

David

SITE ACCESS INFORMATION

INTERNAL SITE EDITORS	<u>Internal FtKnox access</u>
WEB BROWSERS External	<u>External FtKnox access</u>
COR SITE REQUESTS	<u>External Site Manager</u>

SITE SETUP PARAMETERS

DIRECTORY(NAME)	FtKnox
Type of Site	FTP Site
SERVER	maryjane
CLIENT(NAME)	LWC HCWD1
PROJECT NUMBER	378509
DATABASE(NAME)	None
EXT USER NAME	LWC
EXT USER PASSWORD	HCWD

Jim Bruce

From: Jim Bruce
Sent: Tuesday, July 29, 2008 10:18 PM
To: David.Hackworth@CH2M.com; jsmith@lwcky.com; Brett Pyles; Jon.Green@ch2m.com; Robert.Neath@CH2M.com; Mike Topp
Subject: Initial Question List
Attachments: FK water questions 1.pdf

All;

Please forward to others on the team. Let me know by question #;

Any questions you do not think we should include

Any questions you think have been answered or provided in RFP

Once I hear back, I can finalize the list and send on to DESC

Thanks

Jim Bruce

(Cell; 270-268-4069, if you need clarification)

(Also, we may be requesting another site visit on Aug 11 or 15th. Let me know if anyone else wants to attend)

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Wednesday, July 30, 2008 8:58 AM
To: Jim Bruce; jsmith@lwcky.com; Brett Pyles; Jon.Green@ch2m.com; Robert.Neath@CH2M.com; mike@horizonqc.com
Subject: RE: Initial Question List

The list is well articulated. It seems that some questions are more relevant to project delivery verses pricing (such as State Plane Coordinates)... However, I see no harm in asking the question except for making work for the Army (Bob).

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Tuesday, July 29, 2008 10:18 PM
To: Hackworth, David/LOU; jsmith@lwcky.com; Brett Pyles; Green, Jon/ABQ; Neath, Robert/STL; Mike Topp
Subject: Initial Question List

All;

Please forward to others on the team. Let me know by question #;

Any questions you do not think we should include
Any questions you think have been answered or provided in RFP

Once I hear back, I can finalize the list and send on to DESC

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(Cell; 270-268-4069, if you need clarification)

(Also, we may be requesting another site visit on Aug 11 or 15th. Let me know if anyone else wants to attend)

Jim Bruce

From: Robert.Neath@CH2M.com
Sent: Wednesday, July 30, 2008 10:26 AM
To: David.Hackworth@CH2M.com; Jim Bruce; jsmith@lwcky.com; Brett Pyles; Jon.Green@ch2m.com; mike@horizonqc.com
Subject: RE: Initial Question List

My only comments would be to also ask for confirmation of sizes for meters, BFP, PRV and confirm pipe type to be replaced in Govt Identified Deficiencies in 3rd & 4th years.

From: Hackworth, David/LOU
Sent: Wednesday, July 30, 2008 7:58 AM
To: Jim Bruce; jsmith@lwcky.com; Brett Pyles; Green, Jon/ABQ; Neath, Robert/STL; Mike Topp
Subject: RE: Initial Question List

The list is well articulated. It seems that some questions are more relevant to project delivery verses pricing (such as State Plane Coordinates)... However, I see no harm in asking the question except for making work for the Army (Bob).

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
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All;

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Any questions you do not think we should include
Any questions you think have been answered or provided in RFP

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Thanks

Jim Bruce

(Cell; 270-268-4069, if you need clarification)

(Also, we may be requesting another site visit on Aug 11 or 15th. Let me know if anyone else wants to attend)

Checked by AVG - www.avg.com
Version: 8.5.375 / Virus Database: 270.12.94/2208 - Release Date: 06/30/09 06:10:00

Jim Bruce

From: Jim Bruce
Sent: Thursday, July 31, 2008 7:55 AM
To: jsmith@lwcky.com
Subject: Question list

Jim;

Have you had a chance to look at list of questions? Had not heard back from LWC yet. Would like to send off to DESC this week, if you have time to review them.

Thanks!

Jim Bruce

Jim Bruce

From: Jim Bruce
Sent: Thursday, July 31, 2008 8:03 AM
To: jsmith@lwcky.com; David.Hackworth@CH2M.com
Cc: Brett Pyles
Subject: Emg Response Plan

David / Jim;

Regarding our Emerg Response Plan that we need to submit, this info may be useful. I talked to Veolia about using their employees on post and in Radcliff to back us up in a water emergency. They are fine with us having a mutual aid agreement, whereby we could reimburse them for labor and costs to assist us in a water emergency. This would include their equipment also. Here is a summary I think we could list for additional support in an emergency (in addition to ours and LWC staff already on post);

(Who, where, how soon?)

HCWD1 Distribution staff - 10 employees, Radcliff - 3 miles, 15 min (with backhoe, dump truck, vac truck, and electrician / controls spec) Veolia Radcliff Sewer - 6 employees, Radcliff - 3 miles, 15 min (with backhoe, dump truck, vac truck, large pumps) Veolia Ft. Knox Sewer - 10 employees, on post - 15 min (with backhoe, dump truck, vac truck, and electrician / controls spec) LWC WTP Support (? Number of available IV-A WTP Operators, if any available, ? minutes away) LWC Dist Support (? Number of available IV-A WTP Operators, if any available, ? minutes away)

Let us know if you need more clarification when writing this section.

Thanks

Jim Bruce

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Thursday, July 31, 2008 8:34 AM
To: Jim Bruce; jsmith@lwcky.com
Cc: Brett Pyles
Subject: RE: Emg Response Plan

Thanks Jim, we will include in proposal....

Jim Smith - do you have a similar identification of resources?

-----Original Message-----

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Thursday, July 31, 2008 8:03 AM
To: jsmith@lwcky.com; Hackworth, David/LOU
Cc: Brett Pyles
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Let us know if you need more clarification when writing this section.

Thanks

Jim Bruce

Jim Bruce

From: Jim Smith [JSmith@lwcky.com]
Sent: Thursday, July 31, 2008 9:10 AM
To: Jim Bruce
Subject: RE: Question list

Jim,

We are still reviewing, but should be done by the end of today. They look great so far. Only thing we might want to add is a question on amount of sludge production. Also, we haven't found any plant drawings in the technical library. Of particular interest would be any power distribution drawings, one-line diagrams, coordination studies or short circuit studies.

Thanks,
Jim

-----Original Message-----

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Thursday, July 31, 2008 7:55 AM
To: Jim Smith
Subject: Question list

Jim;

Have you had a chance to look at list of questions? Had not heard back from LWC yet. Would like to send off to DESC this week, if you have time to review them.

Thanks!

Jim Bruce

No virus found in this incoming message.

Checked by AVG - www.avg.com

Version: 8.5.325 / Virus Database: 270.12.17/2095 - Release Date: 05/04/09 06:00:00

Jim Bruce

From: Patti Kaelin [pkaelin@lwcky.com]
Sent: Thursday, July 31, 2008 9:26 AM
To: david.hackworth@ch2m.com; Jim Bruce; Brett Pyles
Cc: Jim Smith
Subject: MOR data
Attachments: FtKnoxMOR-CentralMuldraugh.xls

Attached is monthly operating report data for (sheet 1) Central Water Plant, and (sheet 2) Muldraugh Water Plant, for your use and review.

Let me know if you need anything else.

Thanks – Patti

No virus found in this incoming message.

Checked by AVG - www.avg.com

Version: 8.5.432 / Virus Database: 270.14.149/2631 - Release Date: 01/19/10 07:34:00

Jim Bruce

From: Jim Bruce
Sent: Thursday, July 31, 2008 4:54 PM
To: Dave.Gray@CH2M.com
Subject: Phone call

David;

I left my cell phone at home today. Please call our office, and enter my extension (208) 270-351-3222

Thanks

Jim Bruce

Jim Bruce

From: Dave.Gray@CH2M.com
Sent: Thursday, July 31, 2008 5:06 PM
To: Jim Bruce
Cc: David.Hackworth@CH2M.com
Subject: RE: HCWD Financial Info
Attachments: Initial Questions.doc

From: Hackworth, David/LOU
Sent: Thursday, July 31, 2008 12:41 PM
To: Gray, Dave/SEA
Cc: Jim Bruce
Subject: HCWD Financial Info

Dave,

Jim Bruce, General Manager HCWD No.1, is expecting your call. (270-268-4069)

Thanks

David

Jim Bruce

From: Jim Bruce
Sent: Thursday, July 31, 2008 6:10 PM
To: Brian, Kevin
Cc: Brett Pyles; David.Hackworth@CH2M.com; jsmith@lwcky.com
Subject: Moving 5 mg/d

Kevin;

3 years ago you had done some study for the LTRWC of how to move larger amounts of water north and south between HCWD2 and FK. Do you still have those scenarios to use with our model? If so, how much effort would it take to see if 6 mg/d could pass from HCWD2 24 inch main (assuming it were available in their system), north through Radcliff, and to our Prichard 1.25 MG tank?

We would also need list of bottlenecks that would need to be fixed, length and diameter of pipes. If we knew those corrections/projects, we could price and estimate them.

We need this for pricing our FK Water proposal. Let me know what you think. Feel free to talk to David Hackworth in your office about this as well.

Thanks

Jim Bruce

Jim Bruce

From: Jim Bruce
Sent: Thursday, July 31, 2008 6:17 PM
To: Dave.Gray@CH2M.com
Cc: David.Hackworth@CH2M.com; jsmith@lwcky.com; Brett Pyles
Subject: Contact info

Dave;

It was good to talk to you. Sounds like you have lots of experience dealing with Govt and privatization bids. The KY PSC is a strange animal. When I took this job (14 years ago), I was warned by previous GM, a former AWC person, that KY PSC hates innovation, and works to keep utility rates low at the expense of a well funded, and managed utility. I think I would have to agree. The Atty General intervenes on EVERY rate case in KY, and the PSC regulates 800 utilities, so the AG office stays busy.

Here are some persons that assist us with technical bond, and financing issues that you may want to call;

Mike Herrington, (bond counsel)
Stites & Harbison
(502) 681-0494

Bob Cramer, (our financial analyst / bond consultant – really sharp)
(Self employed)
(317) 496-3004
(765) 855-3964

Ken Martin, (attorney in DC, former contracting officer, assisted us with FK Sewer bid, recent re-pricing issues)
(703) 918-0350
202-489-4330
(he is fairly expensive, but knowledgeable about FAR's)

Jerry Weutcher, (PSC senior attorney, also Col. In USAR, wrote our PSC order to take over FK sewer)
If you are not talking to him about a filed case, he will provide his opinion about rate making in KY
(502) 564-3940 ext 259

Will get back to you on my comments to your other questions.

Thanks

Jim Bruce

Jim Bruce

From: Jim Bruce
Sent: Friday, August 01, 2008 8:35 AM
To: David.Hackworth@CH2M.com; jsmith@lwcky.com
Cc: Brett Pyles; Brian, Kevin
Subject: FW: Moving 5 mg/d

David / Jim;

I talked to Kevin, and this should cost less than \$2,000. He said they will be doing a W/O with CH for additional work on the FK Water privatization, to support CH/LWC. If you are OK paying this, and think it would be helpful in analyzing various options, please let me or Kevin know ASAP so we can give him notice to proceed. (Another small analysis we may need to do is the flow we could pump, from our Prichard PS pumps, back into post, into their 12 inch main at their Prichard 500 kgal tank).

Thanks

Jim Bruce

-----Original Message-----

From: Brian, Kevin [<mailto:Kevin.Brian@hdrinc.com>]
Sent: Friday, August 01, 2008 6:09 AM
To: Jim Bruce
Cc: Brett Pyles; David.Hackworth@CH2M.com; jsmith@lwcky.com
Subject: RE: Moving 5 mg/d

Jim,

I estimate this to take about 8 to 12 hours to run the scenarios (avg, max day, etc.), identify bottlenecks, rerun with the improvements and summarize in short technical memorandum. I am assuming you want to stay on the same HGL as your LT tank and not isolate the "transmission" main through Radcliff.

I can schedule for late next week. Is this okay?

Kevin J. Brian, PE
Project Manager
HDR/Quest ONE COMPANY | Many Solutions
401 West Main Street, Suite 500
Louisville, KY 40202
Office: 502.584.4118
Fax: 502.589.3009
Email: kevin.brian@hdrinc.com

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3 years ago you had done some study for the LTRWC of how to move larger amounts of water north and south between HCWD2 and FK. Do you still have those scenarios to use with our model? If so, how much effort would it take to see if 6 mg/d could pass from HCWD2 24 inch main (assuming it were available in their system), north through Radcliff, and to our Prichard 1.25 MG tank?

We would also need list of bottlenecks that would need to be fixed, length and diameter of pipes. If we knew those corrections/projects, we could price and estimate them.

We need this for pricing our FK Water proposal. Let me know what you think. Feel free to talk to David Hackworth in your office about this as well.

Thanks

Jim Bruce

Jim Bruce

From: Jim Bruce
Sent: Friday, August 01, 2008 10:06 AM
To: David.Hackworth@CH2M.com; jsmith@lwcky.com
Cc: Brett Pyles
Subject: DESC Question Follow Up

All;

Brian with DESC just called. He did receive our questions. Angela's email on their website is incorrect, it should not have her middle initial.

He asked about where we needed to go on requested site tour. It is for Mike Topp, to get more info on clearwell roof at CWP, and roof at Otter Creek PS. Told him those were only 2 sites we needed to see. He said they will get back to us on date and time, and would be reviewing our questions right away as well.

FYI

Jim Bruce

Jim Bruce

From: Jim Bruce
Sent: Friday, August 01, 2008 11:41 AM
To: Brett Pyles
Subject: Resume / Bio
Attachments: JSB resume6.doc; JSB BIO.doc

Brett;

Here are mine which you can send with other docs when they are ready. We should send as many in Word format, as CH may need to change format or edit to match all others.

Jim

Jim Bruce

From: Jim Bruce
Sent: Monday, August 04, 2008 10:41 AM
To: jsmith@lwcky.com; David.Hackworth@CH2M.com
Cc: Brett Pyles
Subject: LWC Water to HCWD1
Attachments: FK Wat Purchase.xls; fk purchased.JPG

Jim;

Here is spreadsheet with all our FK purchased water from 1998 to 6/30/08. The attached chart also shows the avg and max day for the period. As for purchased water in future, here are some things to be aware of;

- 1) Our current contract with FK allows us to purchase 2.7 mg/d. We would at least need the hydraulic capacity to purchase that from LWC, but this could be supplemented by stored water in our Prichard tank to meet a max day demand of 2.7. If it were possible, we would like that to be 3.5 mg/d peak day
- 2) There are times when our Pirtle Spring plant is down, and we need to purchase 100% of our water from FK. For example, next year when we re-build the plant, we plan to by 50% of all our water for 6 months (or less)
- 3) Future increases to our wholesale sales would increase the current amount. This could include to MCWD, Brandenburg or other subsequent systems. Our daily demand already includes selling 35% of all our water to wholesale customers. We have more county expansion projects planned, which would add mains in SW corner of Hardin County, some in Breckinridge County and SW Meade could. These are all low density projects, less than 10 homes per mile
- 4) There are times we back up or provide emergency source to HCWD2, who may be providing flow to Etown also. Once they have their interconnect with LWC, this would be rare. We also provide back-up source to City of Hardinsburg.
- 5) Depending on how many new BRAC related jobs move into our service area, this could increase our demands permanently. I think the latest number I saw was about 6,500 new jobs related to BRAC jobs for the area. It is unknown how many of these might live in our service area, or in Vine Grove. Our service area is 120 square miles in NW Hardin County

Hope that gives you an idea of our needs from LWC in the future. Again, our PWP plant cannot meet our annual max day demand. Our current price from FK has been going up, so we have found ways to minimize FK purchases (i.e. our "flow back" piping in Prichard PS which allows us to put PWP treated water in that tank, and pump our own water back at hi demand times). Here is current FK price;

Water = \$1.485 / kgal

Electric = \$0.07050 / kgal (sold / kw, but this amount is adjusted to kgal) TOTAL cost of FK

Water = \$1.555

Lately, they have been raising price each year by 10%, so by end of next year, might be \$1.71/kgal. Our purchased water contract expires Sept 08, but we have asked them to extend to 09, which they said they are working on.

Thanks

Jim Bruce

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Monday, August 04, 2008 2:08 PM
To: jsmith@lwcky.com; Jim Bruce; Brett Pyles
Subject: FW: Volume 2 Exp
Attachments: HCWD_org.ppt; HCWD_org2.ppt

FYI...

Please let me know if you have any comments

From: Peek, Sally/ATL
Sent: Monday, August 04, 2008 11:10 AM
To: Hackworth, David/LOU; Bailey, Lisa/ATL
Subject: RE: Volume 2 Exp

Here are two cuts at an org chart for the client to look at. The first one is based heavily on their other submittal to Ft. Knox, and the second has elements from our Ft. Gordon proposal in there.

From: Hackworth, David/LOU
Sent: Friday, August 01, 2008 5:01 PM
To: Peek, Sally/ATL; Bailey, Lisa/ATL
Cc: Woodhouse, Bob/SFO
Subject: Volume 2 Exp

Lisa/Sally,

Please add CH2M Hill to the experience section. Limit our role to CIP Program Manager, like Ft Gordon proposal. We will not do the OMI stuff.

Thanks

David

Jim Bruce

From: Jim Bruce
Sent: Monday, August 04, 2008 4:22 PM
To: David.Hackworth@CH2M.com; jsmith@lwcky.com
Subject: FW: Emg Response Plan

-----Original Message-----

From: Jim Bruce
Sent: Thursday, July 31, 2008 8:03 AM
To: 'jsmith@lwcky.com'; 'David.Hackworth@CH2M.com'
Cc: Brett Pyles
Subject: Emg Response Plan

David / Jim;

Regarding our Emerg Response Plan that we need to submit, this info may be useful. I talked to Veolia about using their employees on post and in Radcliff to back us up in a water emergency. They are fine with us having a mutual aid agreement, whereby we could reimburse them for labor and costs to assist us in a water emergency. This would include their equipment also. Here is a summary I think we could list for additional support in an emergency (in addition to ours and LWC staff already on post);

(Who, where, how soon?)

HCWD1 Distribution staff - 10 employees, Radcliff - 3 miles, 15 min (with backhoe, dump truck, vac truck, and electrician / controls spec) Veolia Radcliff Sewer - 6 employees, Radcliff - 3 miles, 15 min (with backhoe, dump truck, vac truck, large pumps) Veolia Ft. Knox Sewer - 10 employees, on post - 15 min (with backhoe, dump truck, vac truck, and electrician / controls spec) LWC WTP Support (? Number of available IV-A WTP Operators, if any available, ? minutes away) LWC Dist Support (? Number of available IV-A WTP Operators, if any available, ? minutes away)

Let us know if you need more clarification when writing this section.

Thanks

Jim Bruce

Jim Bruce

From: Jim Smith [JSmith@lwcky.com]
Sent: Monday, August 04, 2008 5:26 PM
To: David.Hackworth@CH2M.com
Cc: Jim Bruce; Brett Pyles
Subject: Patti Kaelin - Contact Info

David,

Here is the contact info for Patti Kaelin

Patti Kaelin
Project Manager
Louisville Water Company
pkaelin@lwcky.com
(O) 502-569-0843
(C) 502-753-9017

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Version: 8.5.325 / Virus Database: 270.12.17/2095 - Release Date: 05/04/09 06:00:00

Jim Bruce

From: Jim Bruce
Sent: Tuesday, August 05, 2008 8:50 AM
To: jsmith@lwcky.com; David.Hackworth@CH2M.com
Cc: Brett Pyles
Subject: LWC Water to HCWD1
Attachments: FK Wat Purchase.xls; fk purchased.JPG

Jim;

One more clarification on our FK purchases. We buy water from them at 3 locations. Main = Prichard PS with 3 large pumps and 1.25MG ground tank, Carpenter Test = a 4 inch main and meter in Muldraugh, connected to a main direct from their Muldraugh WTP. This provides water directly to LG&E gas pressurization station along Highway 1638, which is our customer. Wilson = A small PS on Wilson Road in Radcliff with 1 pump, was built after 1988 drought, and is connected to 10 inch main on post. They have us use this when they do not want us taking water from Prichard. It can deliver about 0.7 mg/d and is much more energy efficient for us, since we benefit from the head of their elevated tank (near high school)

My table of daily purchases includes the amounts from all 3 site, but by far the majority is pumped from Prichard.

FYI

Jim Bruce

Jim Bruce

From: Jim Smith [JSmith@lwcky.com]
Sent: Tuesday, August 05, 2008 8:59 AM
To: Jim Bruce
Subject: RE: LWC Water to HCWD1

Thanks Jim

-----Original Message-----

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Tuesday, August 05, 2008 8:50 AM
To: Jim Smith; David.Hackworth@CH2M.com
Cc: Brett Pyles
Subject: LWC Water to HCWD1

Jim;

One more clarification on our FK purchases. We buy water from them at 3 locations. Main = Prichard PS with 3 large pumps and 1.25MG ground tank, Carpenter Test = a 4 inch main and meter in Muldraugh, connected to a main direct from their Muldraugh WTP. This provides water directly to LG&E gas pressurization station along Highway 1638, which is our customer. Wilson = A small PS on Wilson Road in Radcliff with 1 pump, was built after 1988 drought, and is connected to 10 inch main on post. They have us use this when they do not want us taking water from Prichard. It can deliver about 0.7 mg/d and is much more energy efficient for us, since we benefit from the head of their elevated tank (near high school)

My table of daily purchases includes the amounts from all 3 site, but by far the majority is pumped from Prichard.

FYI

Jim Bruce

Jim Bruce

From: Jim Bruce
Sent: Tuesday, August 05, 2008 9:45 AM
To: steviewalton@steviewalton.net; Bill Rissel (wjrisssel@fortknoxfcu.net); David Wilson, SBW; gompa@comcast.net; Jim Bruce (kybruce@bbtel.com); John Tindall (Wwjtin@aol.com); Les (Leslie) Powers SGM Retired (lsgmprs@aol.com); Ron Hockman (hockman@bbtel.com)
Subject: FK Water - Update
Attachments: FK water questions 1.pdf; Fort Knox COMPLIANCE MATRIX-2008 _2_.pdf; Ft Knox Proposal Schedule.pdf
Sensitivity: Confidential

Board

FYI, here is list our team has submitted to DESC after our initial pre-proposal meeting, and site visit. The questions came from about 10 different people on our team. DESC will distribute to different FK and Army people, and then respond. Any registered bidder or interested party will get an addendum with answers, and we will get Q&A from other bidders.

We are having weekly meetings and conference calls now working on proposal. Also attached "compliance matrix" which Ch2M Hill prepared to make sure our documents meet all requirements of RFP. In late August, we will have a 3 day workshop, where team members all get together and look over final pricing and documents, before they begin final production. Will be showing to Board shortly after that, or at least by mid September. We are working on preparing docs and exhibits daily now, and CH is doing excellent job being the coordinator.

Thought you might be interested in this

Jim Bruce

-----Original Message-----

From: Jim Bruce
Sent: Thursday, July 31, 2008 6:31 PM
To: 'angela.mattox@dla.mil'
Subject: Initial Questions / Data Request - SP0600-08-R-0803 / Site Visit Request

Ms. Mattox or Mr. Koessel;

Attached please find our initial questions and data request. We hope this format is suitable. If not, please let me know and we can put into a different format. I have attached both a PDF file and a Word file.

We assume these will be answered in a future Amendment issued to all interested parties.

Also, we would like to arrange one more site visit at Ft. Knox. The dates we are interested in are August 11 or 15. Do not anticipate will take more than an hour.

Please let me know if you need more information or clarification.

Sincerely,

Mr Jim Bruce
General Manager
Hardin County Water District No. 1

Jim Bruce

From: Jim Bruce
Sent: Wednesday, August 06, 2008 1:45 PM
To: Greg Heitzman; Barbara Dickens (bdickens@lwcky.com)
Cc: Brett Pyles
Subject: FW: HCWD - EMC - Fort Knox - Conference Call

Greg / Barbara;

Here is email from EMC. Will await your response and suggestions before we respond.

Thanks

Jim Bruce

-----Original Message-----

From: Brett Pyles
Sent: Wednesday, August 06, 2008 11:05 AM
To: Jim Bruce
Subject: FW: HCWD - EMC - Fort Knox - Conference Call

Brett Pyles
Operations Manager
bpyles@hcwd.com
1400 Rogersville Road
Radcliff, KY 40160
tel: 270.351.3222
fax: 270.352.3055
mobile: 270.766.9477
www.HCWD.com

-----Original Message-----

From: Rausch, Christopher [<mailto:Christopher.Rausch@emcstl.com>]
Sent: Wednesday, August 06, 2008 10:18 AM
To: Brett Pyles
Cc: Rausch, Christopher
Subject: HCWD - EMC - Fort Knox - Conference Call

Brett:

I enjoyed our telephone call this morning.

Let me know what your calendar looks like next week and we can set a time to have a Conference Telephone Call.

I very firmly believe that there are a lot of advantages that EMC can bring to the table on behalf of HCWD with regard to the Fort Knox Project.

With Very Best Regards,

Jim Bruce

From: Jim Bruce
Sent: Wednesday, August 06, 2008 3:58 PM
To: jsmith@lwcky.com; David.Hackworth@CH2M.com
Cc: Brett Pyles
Subject: Org Chart?
Attachments: Org Chart - DOA submit JB.pdf

Jim / David;

Here is my shot at the org chart. I tried to show LWC as PW source, and over source/treatment. We are still working on Dist crew org, but want input from LWC and CH. This may have too many boxes on it. Feel free to let me know your comments or we can discuss at next meeting.

Thanks

Jim Bruce

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Thursday, August 07, 2008 2:17 PM
To: Jim Bruce; jsmith@lwcky.com; Brett Pyles
Subject: Conf Call
Attachments: HCWD_org dh.ppt

Jim,

I made some slight changes to your org chart... we can discuss on our call.. Also, I invited Kevin Brian on the call

Thanks

David

Jim Bruce

From: Jim Bruce
Sent: Thursday, August 07, 2008 2:22 PM
To: David.Hackworth@CH2M.com; jsmith@lwcky.com
Subject: RE: Conf Call

David;

Changes look fine to me!

Jim Bruce

From: David.Hackworth@CH2M.com [<mailto:David.Hackworth@CH2M.com>]
Sent: Thursday, August 07, 2008 2:17 PM
To: Jim Bruce; jsmith@lwcky.com; Brett Pyles
Subject: Conf Call

Jim,

I made some slight changes to your org chart... we can discuss on our call.. Also, I invited Kevin Brian on the call

Thanks

David

Jim Bruce

From: Jim Smith [JSmith@lwcky.com]
Sent: Thursday, August 07, 2008 2:47 PM
To: Jim Bruce; David.Hackworth@CH2M.com
Subject: LWC FLOW CHART
Attachments: ftknoxorg.pdf

Jim, David and Bret,

Attached is a draft flow chart for our portion of the staffing. Hopefully this can fold into the one Jim created. Feel free to comment and revise.

Thanks,
Jim

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Jim Bruce

From: Jim Smith [JSmith@lwcky.com]
Sent: Thursday, August 07, 2008 2:53 PM
To: David.Hackworth@CH2M.com; Jim Bruce; Brett Pyles
Cc: Patti Kaelin
Subject: FW: Staffing for Ft. Knox
Attachments: FtKxStaffing Information Request_Fort Knox_28 July 2008_JMG (4).doc; Lynn Humphrey job desc..doc; Lynn Humphrey - BioRevised.doc; Dave Simmons job desc..doc; Dave Simmons - bioRevised.doc; Carl Fautz job desc..doc; Carl Fautz - bioRevised.doc; Kent Horrell job desc.doc; John Azzara - bioRevised.doc; Rengao Song -bioRevised.doc; Mechanic (Plant) (2).doc; Lead Operator A-D (2).doc

David, Jim & Bret

Attached is our staff info per CH2M Hill information request. We still need to round up several bios which we will forward when completed.

Thanks,
Jim

-----Original Message-----

From: Patti Kaelin
Sent: Thursday, August 07, 2008 2:18 PM
To: Jim Smith
Subject: Staffing for Ft. Knox

Jim – attachments in order

- overall summary
- Lynn Humphrey job description and bio
- Dave Simmons job description and bio
- Carl Fautz job description and bio
- Kent Horrell job description
- John Azzara bio
- Rengao bio
- Plant maint mechanic job description
- Lead operator

Attachments we still need

- Jim Smith job desc and bio (I emailed Kathy for desc)
- Amber Halloran job desc and bio (you talked with her)
- Kathy Schroeder job desc and bio (I emailed Kathy)
- Kent bio (I emailed kathy)
- John Azzara job desc (I emailed Kathy)
- Rengao job desc (I emailed Kathy)

Let me know if you need anything else.

Patti

No virus found in this incoming message.

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Version: 8.5.325 / Virus Database: 270.12.17/2095 - Release Date: 05/04/09 06:00:00

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Thursday, August 07, 2008 3:14 PM
To: Lisa.Bailey@CH2M.com; Sally.PEEK@CH2M.com; Jon.Green@ch2m.com
Cc: jsmith@lwcky.com; Jim Bruce; Brett Pyles
Subject: FW: Conf Call

I just received feedback from Woodhouse regarding Org Chart...

"No need to populate below supervisor level. Need to add some army terminology for COTR (contract officer's technical representative) as one of the people we will report to. Please review the FTG proposal carefully and see how we presented the org chart and the gov representatives"

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Friday, August 08, 2008 10:13 AM
To: Jim Bruce; jsmith@lwcky.com
Cc: Brett Pyles
Subject: RE: Initial Questions / Data Request - SP0600-08-R-0803 / Site Visit Request

I do not see a need for me to attend, but I would like to know the outcome

thanks

David

-----Original Message-----

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Friday, August 08, 2008 9:14 AM
To: jsmith@lwcky.com; Hackworth, David/LOU
Cc: Brett Pyles
Subject: FW: Initial Questions / Data Request - SP0600-08-R-0803 / Site Visit Request

We will pass this on to Mike Topp as well. If you want to attend, please note time and date visit will begin.

Thanks

Jim Bruce

-----Original Message-----

From: Koessel, Brian (DESC) [<mailto:Brian.Koessel@dla.mil>]
Sent: Friday, August 08, 2008 8:46 AM
To: Jim Bruce
Cc: Mattox, Angela E. (DESC)
Subject: RE: Initial Questions / Data Request - SP0600-08-R-0803 / Site Visit Request

Jim,

Fort Knox has agreed to your request for a site visit on August 15th. Bob Ender (502.624.5252) will be your POC. He would like to begin at 0800 at Building 1205. They are also working hard to track down answers to the questions you submitted, and hope to provide a response sometime next week.

Regards,

Brian J. Koessel
Contract Specialist
Defense Energy Support Center
Energy Enterprise CBU (DESC-EA)
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dla.mil

-----Original Message-----

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Thursday, July 31, 2008 6:29 PM

Jim Bruce

From: Jim Bruce
Sent: Friday, August 08, 2008 10:33 AM
To: jsmith@lwcky.com; David.Hackworth@CH2M.com
Cc: Daniel Clifford; Brett Pyles
Subject: FK Bldgs

Jim;

We are sending James a shape file with layers of FK building numbers, and road outlines. Let us know if you need more info.

Thanks

Jim Bruce

Jim Bruce

From: Dave.Gray@CH2M.com
Sent: Friday, August 08, 2008 2:14 PM
To: Jim Bruce
Subject: Fair Market Value

Hi Jim--I have been off on another project but am now back. Thanks for providing the contact info.

One thing that I found since our conversation was that Congress changed the enabling legislation for utilities privatization in 2006. Part of the change was in the "consideration" section. Section 2688 (c)(1) was changed from "The Secretary concerned shall require . . . fair market value" to "may require . . . fair market value". The RFPs I have worked on in the last couple of years, were originally issued prior to 2006 and did not change the fair market value consideration requirement. So, I missed the change. Sorry for the misinformation when we talked a week or so ago.

The sale of the Ft. Knox wastewater system must have been one of the first to not be based on fair market value consideration. Was that finished in 2006? Fortunately since HCWD does not pay Federal Income Tax, this is all rather moot and fortunately simplifying. Prior to 2006, you would have had to pay fair market value and then turn around and charge the Army for what you paid for. Terribly circular and clumsy. Paying \$1 is much better!

The Ft. Knox water RFP does not require payment of fair market value. So, unless some other reason to make such a payment becomes evident, I will proceed with a proposed purchase price of \$1 for the draft proposal. Please let me know if that works for you.--Dave

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Thursday, July 31, 2008 3:17 PM
To: Gray, Dave/SEA
Cc: Hackworth, David/LOU; jsmith@lwcky.com; Brett Pyles
Subject: Contact info

Dave;

It was good to talk to you. Sounds like you have lots of experience dealing with Govt and privatization bids. The KY PSC is a strange animal. When I took this job (14 years ago), I was warned by previous GM, a former AWC person, that KY PSC hates innovation, and works to keep utility rates low at the expense of a well funded, and managed utility. I think I would have to agree. The Atty General intervenes on EVERY rate case in KY, and the PSC regulates 800 utilities, so the AG office stays busy.

Here are some persons that assist us with technical bond, and financing issues that you may want to call;

Mike Herrington, (bond counsel)
Stites & Harbison
(502) 681-0494

Bob Cramer, (our financial analyst / bond consultant – really sharp)
(Self employed)
(317) 496-3004
(765) 855-3964

Ken Martin, (attorney in DC, former contracting officer, assisted us with FK Sewer bid, recent re-pricing issues)
(703) 918-0350
202-489-4330
(he is fairly expensive, but knowledgeable about FAR's)

Jerry Weutcher, (PSC senior attorney, also Col. In USAR, wrote our PSC order to take over FK sewer)
If you are not talking to him about a filed case, he will provide his opinion about rate making in KY
(502) 564-3940 ext 259

Will get back to you on my comments to your other questions.

Thanks

Jim Bruce

Jim Bruce

From: Jim Bruce
Sent: Friday, August 08, 2008 4:38 PM
To: Dave.Gray@CH2M.com
Cc: David.Hackworth@CH2M.com; jsmith@lwcky.com; Brett Pyles; David Wilson, SBW&P
Subject: RE: Fair Market Value
Attachments: Alt util pricing rules.pdf; FAR 52_247_7 reg utility.pdf; GAO response AWC protest.pdf

Dave;

Thanks for info. We were notified we were selected in Aug, 2004. I signed the contract the next month. AWC filed their protest (later than deadline I might add), so GAO then investigated the award. I think they took about 3 months to rule. Then, we were into 2005, so FK told us they preferred we waited until mid year to take over. We took over operations on July 1, 2005.

I have asked our local bond atty and our financial advisor (who has put together many public financing deals) about their thoughts on us doing a bond issue to finance initial capital upgrades. Specifically, if we could do a tax-exempt issue, and if the "buy-back" provision would hurt us selling an issue. Will let you know what they come back with.

I also have attached the response from GAO on the AWC protest. It gives some insight into why Govt chose our bid over AWC and MSD.

Will talk to you next week

Thanks

Jim Bruce

From: Dave.Gray@CH2M.com [<mailto:Dave.Gray@CH2M.com>]
Sent: Friday, August 08, 2008 2:14 PM
To: Jim Bruce
Subject: Fair Market Value

Hi Jim--I have been off on another project but am now back. Thanks for providing the contact info.

One thing that I found since our conversation was that Congress changed the enabling legislation for utilities privatization in 2006. Part of the change was in the "consideration" section. Section 2688 (c)(1) was changed from "The Secretary concerned shall require . . . fair market value" to "may require . . . fair market value". The RFPs I have worked on in the last couple of years, were originally issued prior to 2006 and did not change the fair market value consideration requirement. So, I missed the change. Sorry for the misinformation when we talked a week or so ago.

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From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Thursday, July 31, 2008 3:17 PM

To: Gray, Dave/SEA
Cc: Hackworth, David/LOU; jsmith@lwcky.com; Brett Pyles
Subject: Contact info

Dave;

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202-489-4330
(he is fairly expensive, but knowledgeable about FAR's)

Jerry Weutcher, (PSC senior attorney, also Col. In USAR, wrote our PSC order to take over FK sewer)
If you are not talking to him about a filed case, he will provide his opinion about rate making in KY
(502) 564-3940 ext 259

Will get back to you on my comments to your other questions.

Thanks

Jim Bruce

Jim Bruce


From: Jon.Green@ch2m.com
Sent: Monday, August 11, 2008 2:20 PM
To: Jim Bruce; jsmith@lwcky.com
Cc: David.Hackworth@CH2M.com; Sally.PEEK@CH2M.com; Lisa.Bailey@CH2M.com; Brett Pyles
Subject: Draft Org Chart
Attachments: Draft Ft Knox_Staffing Org Chart_11 August 2008_JMG.pdf

Sirs,

Thank you both for sending your thoughts on the project organization, this helped tremendously. I have taken the two charts and essentially merged them. Please review and provide your comments, and call or write if you have any questions.

Thank you in advance,

Jonathan M. Green
Senior Operations Specialist
CH2M HILL
4041 Jefferson Plaza NE, Suite 200
Albuquerque, NM 87109
Office - 505.884.5600 X35759
Direct - 505.855.5259
Cell - 505.414.9641
Fax - 505.816.0589
E-mail - jon.green@ch2m.com

 Please consider the environment before printing this email

Jim Bruce

From: Jim Bruce
Sent: Monday, August 11, 2008 2:37 PM
To: Jon.Green@ch2m.com
Cc: David.Hackworth@CH2M.com; jsmith@lwcky.com
Subject: RE: Draft Org Chart

Jon;

Only change we request is to change Brett Pyles title to Operations Manager – we currently do not have Asst Mgr title.

Looks great

Jim Bruce


From: Jon.Green@ch2m.com [<mailto:Jon.Green@ch2m.com>]
Sent: Monday, August 11, 2008 2:20 PM
To: Jim Bruce; jsmith@lwcky.com
Cc: David.Hackworth@CH2M.com; Sally.Peek@CH2M.com; Lisa.Bailey@CH2M.com; Brett Pyles
Subject: Draft Org Chart

Sirs,

Thank you both for sending your thoughts on the project organization, this helped tremendously. I have taken the two charts and essentially merged them. Please review and provide your comments, and call or write if you have any questions.

Thank you in advance,

Jonathan M. Green
Senior Operations Specialist
CH2M HILL
4041 Jefferson Plaza NE, Suite 200
Albuquerque, NM 87109
Office - 505.884.5600 X35759
Direct - 505.855.5259
Cell - 505.414.9641
Fax - 505.816.0589
E-mail - jon.green@ch2m.com

 Please consider the environment before printing this email

Jim Bruce


From: Jon.Green@ch2m.com
Sent: Monday, August 11, 2008 2:44 PM
To: Jim Bruce
Cc: David.Hackworth@CH2M.com; jsmith@lwcky.com
Subject: RE: Draft Org Chart

Jim,

Will do, and thanks for the quick response.

Jon

Jonathan M. Green
Senior Operations Specialist
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4041 Jefferson Plaza NE, Suite 200
Albuquerque, NM 87109
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Direct - 505.855.5259
Cell - 505.414.9641
Fax - 505.816.0589
E-mail - jon.green@ch2m.com

 Please consider the environment before printing this email

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Monday, August 11, 2008 12:37 PM
To: Green, Jon/ABQ
Cc: Hackworth, David/LOU; jsmith@lwcky.com
Subject: RE: Draft Org Chart

Jon;

Only change we request is to change Brett Pyles title to Operations Manager – we currently to not have Asst Mgr title.

Looks great

Jim Bruce

From: Jon.Green@ch2m.com [<mailto:Jon.Green@ch2m.com>]
Sent: Monday, August 11, 2008 2:20 PM
To: Jim Bruce; jsmith@lwcky.com
Cc: David.Hackworth@CH2M.com; Sally.PEEK@CH2M.com; Lisa.Bailey@CH2M.com; Brett Pyles
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Fax - 505.816.0589
E-mail - jon.green@ch2m.com



Please consider the environment before printing this email

Jim Bruce

From: Brett Pyles [bpyles215@gmail.com]
Sent: Tuesday, August 12, 2008 12:27 AM
To: Jim Bruce; Brett Pyles
Subject: Ft. Knox Water - Org Chart
Attachments: Org_Chart_BP.pdf; Org_Chart_BP.pptx

Jim,

Here are my suggested changes to the org chart. Please let me know if you would like me to make changes or feel free to change as you see fit.

Thanks

Brett

Jim Bruce

From: Jim Bruce
Sent: Tuesday, August 12, 2008 3:21 PM
To: Robert.Neath@CH2M.com
Subject: FW: Initial Questions / Data Request - SP0600-08-R-0803 / Site Visit Request
Attachments: FK water questions 1.pdf; FK water questions 1.doc

-----Original Message-----

From: Jim Bruce
Sent: Thursday, July 31, 2008 6:31 PM
To: 'angela.mattox@dla.mil'
Subject: Initial Questions / Data Request - SP0600-08-R-0803 / Site Visit Request

Ms. Mattox or Mr. Koessel;

Attached please find our initial questions and data request. We hope this format is suitable. If not, please let me know and we can put into a different format. I have attached both a PDF file and a Word file.

We assume these will be answered in a future Amendment issued to all interested parties.

Also, we would like to arrange one more site visit at Ft. Knox. The dates we are interested in are August 11 or 15. Do not anticipate will take more than an hour.

Please let me know if you need more information or clarification.

Sincerely,

Mr Jim Bruce
General Manager
Hardin County Water District No. 1
Phone: 270-351-3222, ext 208

Jim Bruce

From: Brett Pyles
Sent: Tuesday, August 12, 2008 5:09 PM
To: Curt Pickerell
Cc: Daniel Clifford; Richard Stranahan; Jim Bruce
Subject: Ft. Knox Water System

Curt,

Here is a list of locations for the SCADA. We are NOT including the WTP's or the well fields;

1. 8 elevated water tanks
2. 2 pump stations
 - a. Van Vooris
 - i. Potable water side
 - ii. Fire protection side
 - b. Otter Creek

Go ahead and include IO's for the generators at both PS's and other needed equipment. Please include everything you can think of. Send to me when finished.

Jim/Richard/Daniel – To the best of your knowledge, have I included everything?

Thanks

Brett

Hardin County Water District No.1		"Serving Hardin County for over 50 years"
Brett Pyles <i>Operations Manager</i>		1400 Rogersville Road Radcliff, KY 40160
bpyles@hcwd.com www.HCWD.com		tel: 270.351.3222 fax: 270.352.3055 mobile: 270.766.9477
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Jim Bruce

From: Curt Pickerell
Sent: Wednesday, August 13, 2008 11:40 AM
To: Brett Pyles
Cc: Daniel Clifford; Richard Stranahan; Jim Bruce
Subject: RE: Ft. Knox Water System
Attachments: SCADA FK Sewell est3997.pdf; Muldraugh meter - Quote 1109; SCADA FK_Water tank radiol_Estimate.xls

J& K communication sent me an estimate for telemetry equipment for the tanks.

The Muldraugh quote represents the telemetry cost for the pump stations and water plant plus 1,400 dollars for the poles.

The price quote does not include a radio path study. We can do our own study but may not need to if there is clear line of site between the tanks.

Thanks

Curt Pickerell

Hardin County Water District No 1

1400 Rogersville Rd

Radcliff, Ky 40160

ph 270-352-4280 ext 214

fax 270-352-3055

From: Brett Pyles
Sent: Tuesday, August 12, 2008 5:09 PM
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Cc: Daniel Clifford; Richard Stranahan; Jim Bruce
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Jim/Richard/Daniel – To the best of your knowledge, have I included everything?

Thanks

Brett

Jim Bruce

From: Jim Bruce
Sent: Wednesday, August 13, 2008 1:00 PM
To: Dave.Gray@CH2M.com
Cc: David.Hackworth@CH2M.com; jsmith@lwcky.com; Brett Pyles
Subject: Ft Meade Q&A
Attachments: SP0600-08-R-0805 QA-1.pdf

Dave;

Here is Q&A for Ft. Meade. Might provide some insight into some of the questions you had. Not sure who was asking the questions, so they may not have the same options we would.

FYI

Jim Bruce

Jim Bruce

From: Jim Bruce
Sent: Wednesday, August 13, 2008 4:03 PM
To: Dave.Gray@CH2M.com; Nicholas, Robert
Cc: David.Hackworth@CH2M.com
Subject: DESC Evaluation of Sewer Bids
Attachments: Doc041108.pdf

Dave;

Here is another DESC evaluation of all bids received for FK sewer system. This may also be helpful in understanding their selection of District over other bidders.

FYI

Jim Bruce

Jim Bruce

From: Brett Pyles
Sent: Thursday, August 14, 2008 9:10 AM
To: 'David.Hackworth@CH2M.com'
Cc: Jim Bruce; jsmith@lwcky.com
Subject: FTKNX_estimate_hydrant.xlsx
Attachments: FTKNX_estimate_hydrant.xlsx

David,

Please find attached the estimated cost for replacing 625 hydrants in the Ft. Knox water system. Please let me know if you have any questions.

Thanks

Brett

Hardin County Water District No. 1		"Serving Hardin County for over 50 years"
Brett Pyles <i>Operations Manager</i>		1400 Rogersville Road Radcliff, KY 40160
bpyles@hcwd.com www.HCWD.com		tel: 270.351.3222 fax: 270.352.3055 mobile: 270.766.9477
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Jim Bruce

From: Jim Bruce
Sent: Thursday, August 14, 2008 12:35 PM
To: Dale Wilson
Cc: Brett Pyles; Tippey, Brent
Subject: \$ / Foot ?

Dale;

Their credit of \$14,771 for 50 feet would be \$295/foot, which includes all materials and installation. The price for the route to their proposed location (SW corner of clarifier) would be \$85,882 for 250 feet or \$344/foot. So the cost per foot for the longer route is \$344/foot or 17% more per foot. Is that correct or am I doing this wrong?

We have talked to Nolin and they said they can purchase secondary wire and pull through our installed conduit, for a fee. Once we know the number and size of conductor wire needed, they will get us a price. They would not have to pay scale wages, and they may be able to buy wire for less.

Jim

From: Dale Wilson [<mailto:dwilson@judyconstructionco.com>]
Sent: Thursday, August 14, 2008 9:51 AM
To: Jim Bruce; Brett Pyles
Subject: FW: WTP Expansion Project - revised

For your information; we can discuss the differences in our conference call
Dale

From: David Fischer [<mailto:DFischer@hallky.com>]
Sent: Thursday, August 14, 2008 9:46 AM
To: Dale Wilson; Anderson, Larry; 'Tippey, Brent'
Subject: FW: WTP Expansion Project - revised

From: Ellen Paul
Sent: Thursday, August 14, 2008 9:46 AM
To: David Fischer
Subject: WTP Expansion Project - revised

Ellen Paul
Hall Contracting of Kentucky, Inc.
PO Box 37270
Louisville KY 40233-7270
502.992.3733 Fax 502.361.5771
epaul@hallky.com

Jim Bruce

From: Jim Bruce
Sent: Thursday, August 14, 2008 12:51 PM
To: Dale Wilson; Tippey, Brent
Cc: Brett Pyles
Subject: RE: \$ / Foot ?

Dale;

We will get price from Nolin, add our cost for conduit and our labor/equipment cost, and then compare it to the \$14,771 credit offered, or his T&M cost. I suspect our cost will still be less.

Jim

From: Dale Wilson [<mailto:dwilson@judyconstructionco.com>]
Sent: Thursday, August 14, 2008 12:46 PM
To: Jim Bruce
Cc: Brett Pyles; 'Tippey, Brent'
Subject: RE: \$ / Foot ?

Jim,

We will find out.

In talking to David Fischer at Power-Tel, he said they would be willing to do this secondary line work on a Time & Material basis to keep the pricing at a minimal, and the material, copper wire, may be less expensive than what he is quoting. The copper wire market is so volatile these days, they don't know the cost of the wire until they can purchase it. He specifically said, his price for the wire, \$7.40/lb today, may be lower or higher next week. This is another option.

Dale

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Thursday, August 14, 2008 12:35 PM
To: Dale Wilson
Cc: Brett Pyles; Tippey, Brent
Subject: \$ / Foot ?

Dale;

Their credit of \$14,771 for 50 feet would be \$295/foot, which includes all materials and installation. The price for the route to their proposed location (SW corner of clarifier) would be \$85,882 for 250 feet or \$344/foot. So the cost per foot for the longer route is \$344/foot or 17% more per foot. Is that correct or am I doing this wrong?

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Jim

From: Dale Wilson [<mailto:dwilson@judyconstructionco.com>]
Sent: Thursday, August 14, 2008 9:51 AM
To: Jim Bruce; Brett Pyles
Subject: FW: WTP Expansion Project - revised

Jim Bruce

From: Jim Bruce
Sent: Thursday, August 14, 2008 3:32 PM
To: Jon.Green@ch2m.com; David.Hackworth@CH2M.com
Cc: Tippey, Brent; Brett Pyles
Subject: FW: Brent Tippey
Attachments: Brent Tippey

Jon;

Here is Brent's contact info.

Brent; Jon with Ch2M may be calling you about process info on FK water treatment plants. I told him you are pretty familiar with them, and maybe could provide some insight or info.

Thanks

Jim Bruce

Jim Bruce

From: Jon.Green@ch2m.com
Sent: Thursday, August 14, 2008 3:34 PM
To: Jim Bruce; David.Hackworth@CH2M.com
Cc: Brent.Tippey@hdrinc.com; Brett Pyles
Subject: RE: Brent Tippey

Mr. Bruce,

Thank you kindly, I will call Mr. Tippey. Have a great day and again thank you for your assistance.

Respectfully,

Jon Green

Jonathan M. Green
Senior Operations Specialist
CH2M HILL
4041 Jefferson Plaza NE, Suite 200
Albuquerque, NM 87109
Office - 505.884.5600 X35759
Direct - 505.855.5259
Cell - 505.414.9641
Fax - 505.816.0589
E-mail - Jon.Green@ch2m.com

P Please consider the environment before printing this email

-----Original Message-----

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Thursday, August 14, 2008 1:32 PM
To: Green, Jon/ABQ; Hackworth, David/LOU
Cc: Tippey, Brent; Brett Pyles
Subject: FW: Brent Tippey

Jon;

Here is Brent's contact info.

Brent; Jon with Ch2M may be calling you about process info on FK water treatment plants. I told him you are pretty familiar with them, and maybe could provide some insight or info.

Thanks

Jim Bruce

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Friday, August 15, 2008 2:48 PM
To: Jim Bruce; jsmith@lwcky.com; Brett Pyles
Subject: Aug 25 - 28 Proposal Development Sessions
Attachments: FTK Proposal Work Session No 1.xls

I wanted to give you a chance to review the draft agenda for the workshop that will be held the last week of Aug. We can discuss at 3:30 if you like.

Jim Bruce

From: Jim Bruce
Sent: Friday, August 15, 2008 3:17 PM
To: David.Hackworth@CH2M.com; jsmith@lwcky.com
Subject: FW: Out of Office - Vacation

-----Original Message-----

From: Jim Bruce
Sent: Friday, August 15, 2008 3:13 PM
To: Brett Pyles; Charlene Easter; Jenny Huff; Charlie Miller; Karen Brown; Christie Campbell; Richard Stranahan; Phil Clark (Philwclark@windstream.net); Stephanie Brown
Cc: 'steve@stevewalton.com'; 'Nicholas, Robert'; 'Walker, James'; 'Greer, Jeffery'; Bill Rissel (wjrissel@fortknnoxfcu.net); David Wilson, SBW; gompa@comcast.net; Jim Bruce (kybruce@bbtel.com); John Tindall (Wwjtin@aol.com); Les (Leslie) Powers SGM Retired (lsgmprs@aol.com); Ron Hockman (hockman@bbtel.com)
Subject: Out of Office - Vacation

I will be out of office next Monday and Tuesday. Will be going to OK to relocate my son there. Will have cell phone with me if you need to reach me in an emergency. Brett will be in charge during my absence.

Thanks

Jim Bruce

Jim Bruce

From: Jim Bruce
Sent: Wednesday, August 20, 2008 8:47 AM
To: David.Hackworth@CH2M.com
Cc: Brett Pyles
Subject: RE: Thurs Conf call

David;

I have a 1:30PM so I cannot attend. I will check with Brett to see if he can

Thanks

Jim Bruce

From: David.Hackworth@CH2M.com [mailto:David.Hackworth@CH2M.com]
Sent: Wednesday, August 20, 2008 7:57 AM
To: jsmith@lwcky.com; Jim Bruce; Brett Pyles
Subject: Thurs Conf call

I was wondering if we could move the conf call to 2 pm on Thurs. Are you all avail at that time? I have to leave at 3:00 for a doctors appointment.

thanks

David

Jim Bruce

From: Jim Bruce
Sent: Wednesday, August 20, 2008 8:51 AM
To: David.Hackworth@CH2M.com
Cc: Brett Pyles
Subject: RE: Thurs Conf call

David; Friday is no good – have 3 meetings that day

Jim

From: David.Hackworth@CH2M.com [mailto:David.Hackworth@CH2M.com]
Sent: Wednesday, August 20, 2008 8:48 AM
To: Jim Bruce
Subject: RE: Thurs Conf call

Is Fri morning good - 8 or 9am?

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Wednesday, August 20, 2008 8:47 AM
To: Hackworth, David/LOU
Cc: Brett Pyles
Subject: RE: Thurs Conf call

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I have a 1:30PM so I cannot attend. I will check with Brett to see if he can

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thanks

David

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Wednesday, August 20, 2008 8:58 AM
To: Brett Pyles; Jim Bruce
Subject: RE: Thurs Conf call

Please pencil in 2pm...Let me check with Jim Smith to confirm....
thanks

From: Brett Pyles [mailto:bpyles@hcwd.com]
Sent: Wednesday, August 20, 2008 8:54 AM
To: Jim Bruce; Hackworth, David/LOU
Subject: RE: Thurs Conf call

I good for 2 pm

Hardin County Water District No.1		"Serving Hardin County for over 50 years"
Brett Pyles Operations Manager		1400 Rogersville Road Radcliff, KY 40160
bpyles@hcwd.com www.HCWD.com		tel: 270.351.3222 fax: 270.352.3055 mobile: 270.766.9477
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Cc: Brett Pyles
Subject: RE: Thurs Conf call

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thanks

David

Jim Bruce

From: Jim Bruce
Sent: Wednesday, August 20, 2008 9:44 AM
To: Jon.Green@ch2m.com; Brett Pyles; David.Hackworth@CH2M.com; jsmith@lwcky.com; Brett Pyles
Subject: FW: Staffing Plan Budget Questions
Attachments: image001.png; Dist_Cost_SS.xls; bene_package.pdf; HCWD1 Pay Plan.pdf

Brett / Jon;

I changed benefit load to 41%. I attached a copy of list of all our benefits that are included in this adder. Salaries are correct.

Also, Jon, we are currently adding 3% to our FK Sewer for additional Admin allocated salaries. Which I suspect will do for FK Water as well. This includes time spent by 9 different Admin employees, plus our Board time. I can send you more detail on that as well. In addition to direct salary costs, and admin allocated, we also will charge direct known costs for Legal, Accounting and Insurance, plus the PSC will charge us a Regulatory Fee annually. Will need to keep a spot for those as well.

Finally, we also allocate 0.8% for a list of fixed and utility costs related to our Service Center / HQ for time spent on FK Sewer. Again, assume we will do same for FK Water, so I would add about 1% for those allocated costs. Those include deprec on Serv Center, utilities, Fuel/Maint, phone, IT expense, education/travel and allocated debt service for our HQ facility.

Let me know if you have other questions,

Thanks

Jim Bruce

From: Brett Pyles
Sent: Tuesday, August 19, 2008 11:29 AM
To: Jim Bruce
Subject: FW: Staffing Plan Budget Questions

Jim,

If this looks ok to you, I will send to Jon.

Thanks

Brett

Jon,

Here is the info you requested.

1. We are anticipating 5 District employees that will have uniforms provided. The following is a cost breakdown.
 - a. One time Setup fee –\$160 per employee
 - b. Recurring monthly cost for 5 employees – \$160
2. We anticipate 2 field employees plus the supervisor will have a cell phone. The average monthly bill is \$50+-, per cell phone, so the monthly bill for all employees would be \$150.
3. We are anticipating purchasing the following vehicles/equipment (the District usually purchases its vehicles and pays the entire amount at the time of purchase):
 - a. 1 – Dump truck \$47,000
 - b. 3 – Utility bed trucks \$27,000 each
 - c. 1 – Supervisor truck \$22,000
 - d. 1 – Backhoe \$65,000
 - e. 1 – Trailer \$10,000
 - f. TOTAL \$225,000
4. As for the fuel, the District or Veolia does not have bulk fuel tanks. This may be an area to capitalize on the synergy of the three entities (HCWD1, LWC, VWNA). Veolia currently purchases their fuel on base for the contractor vehicles that operate and are used for the Government's benefit. The District purchases all of its fuel off base.

These costs are based on today's dollars. The vehicles do have some padding and are based on Kentucky State Bid prices. I have also attached a SS that we are using internally to account for cost the District will incur for the "start-up" of the distribution system, to include a building. Hope this helps.

Thanks

Brett

Hardin County Water District No.1		"Serving Hardin County for over 50 years"
Brett Pyles Operations Manager		1400 Rogersville Road Radcliff, KY 40160
bpyles@hcwd.com www.HCWD.com		tel: 270.351.3222 fax: 270.352.3055 mobile: 270.766.9477
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From: Jim Bruce
Sent: Tuesday, August 19, 2008 9:23 AM
To: brucehcwd@yahoo.com; Brett Pyles
Subject: FW: Staffing Plan Budget Questions

From: Jon.Green@ch2m.com[SMTP:JON.GREEN@CH2M.COM]
Sent: Tuesday, August 19, 2008 9:22:07 AM
To: Jim Bruce
Subject: Staffing Plan Budget Questions
Auto forwarded by a Rule

Jim,

Good morning. Do you happen to know what HCWD #1 pays for uniforms? Also, will mechanics and or operators have cell phones (if so do you know what the average monthly cost is per phone)? Lastly, will you purchase/lease vehicles for the operators and or mechanics (estimated monthly cost for lease/payments)? Does HCWD #1 have bulk fuel facilities, and will FT Knox team associates gas at LWC facilities, or on post?

Thanks in advance,

Jon Green

Jonathan M. Green
Senior Operations Specialist
CH2M HILL
4041 Jefferson Plaza NE, Suite 200
Albuquerque, NM 87109
Office - 505.884.5600 X35759
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Fax - 505.816.0589
E-mail - Jon.Green@ch2m.com



Please consider the environment before printing this email

Jim Bruce

From: Jon.Green@ch2m.com
Sent: Wednesday, August 20, 2008 10:28 AM
To: Jim Bruce
Cc: Brett Pyles; David.Hackworth@CH2M.com; jsmith@lwcky.com; Brett Pyles
Subject: RE: Staffing Plan Budget Questions
Attachments: image001.png


Mr. Bruce,

Thank you, are HCWD non-exempt employee's represented by a union?

Thanks in advance,

Jon Green

Jonathan M. Green
Senior Operations Specialist
CH2M HILL
4041 Jefferson Plaza NE, Suite 200
Albuquerque, NM 87109
Office - 505.884.5600 X35759
Direct - 505.855.5259
Cell - 505.414.9641
Fax - 505.816.0589
E-mail - Jon.Green@ch2m.com

<><  Please consider the environment before printing this email

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Wednesday, August 20, 2008 7:44 AM
To: Green, Jon/ABQ; Brett Pyles; Hackworth, David/LOU; jsmith@lwcky.com; Brett Pyles
Subject: FW: Staffing Plan Budget Questions

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Thanks

Brett

Hardin County Water District No.1

"Serving Hardin County for over 50 years"

Brett Pyles
Operations Manager

bpyles@hcwd.com
www.HCWD.com

1400 Rogersville Road
Radcliff, KY 40160
tel: 270.351.3222
fax: 270.352.3055
mobile: 270.766.9477

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Want a signature like this?

From: Jim Bruce
Sent: Tuesday, August 19, 2008 9:23 AM
To: brucehcwd@yahoo.com; Brett Pyles
Subject: FW: Staffing Plan Budget Questions

From: Jon.Green@ch2m.com[SMTP:JON.GREEN@CH2M.COM]
Sent: Tuesday, August 19, 2008 9:22:07 AM
To: Jim Bruce
Subject: Staffing Plan Budget Questions
Auto forwarded by a Rule


Jim,

Good morning. Do you happen to know what HCWD #1 pays for uniforms? Also, will mechanics and or operators have cell phones (if so do you know what the average monthly cost is per phone)? Lastly, will you purchase/lease vehicles for the operators and or mechanics (estimated monthly cost for lease/payments)? Does HCWD #1 have bulk fuel facilities, and will FT Knox team associates gas at LWC facilities, or on post?

Thanks in advance,

Jon Green

Jonathan M. Green
Senior Operations Specialist
CH2M HILL
4041 Jefferson Plaza NE, Suite 200
Albuquerque, NM 87109
Office - 505.884.5600 X35759
Direct - 505.855.5259
Cell - 505.414.9641
Fax - 505.816.0589
E-mail - Jon.Green@ch2m.com


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Jim Bruce

From: Jon.Green@ch2m.com
Sent: Wednesday, August 20, 2008 10:30 AM
To: Jim Bruce
Cc: Brett Pyles; jsmith@lwcky.com; David.Hackworth@CH2M.com
Subject: RE: Staffing Plan Budget Questions
Attachments: image001.png

10-4, thanks

Jonathan M. Green
Senior Operations Specialist
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Albuquerque, NM 87109
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E-mail - Jon.Green@ch2m.com

<<<  Please consider the environment before printing this email

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Wednesday, August 20, 2008 8:29 AM
To: Green, Jon/ABQ
Cc: Brett Pyles; jsmith@lwcky.com; Hackworth, David/LOU
Subject: RE: Staffing Plan Budget Questions

Jon;

No, we have no union representation.

Jim

From: Jon.Green@ch2m.com [mailto:Jon.Green@ch2m.com]
Sent: Wednesday, August 20, 2008 10:28 AM
To: Jim Bruce
Cc: Brett Pyles; David.Hackworth@CH2M.com; jsmith@lwcky.com; Brett Pyles
Subject: RE: Staffing Plan Budget Questions

Mr. Bruce,

Thank you, are HCWD non-exempt employee's represented by a union?

Thanks in advance,

Jon Green

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Senior Operations Specialist

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From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Wednesday, August 20, 2008 7:44 AM
To: Green, Jon/ABQ; Brett Pyles; Hackworth, David/LOU; jsmith@lwcky.com; Brett Pyles
Subject: FW: Staffing Plan Budget Questions

Brett / Jon;

I changed benefit load to 41%. I attached a copy of list of all our benefits that are included in this adder. Salaries are correct.

Also, Jon, we are currently adding 3% to our FK Sewer for additional Admin allocated salaries. Which I suspect will do for FK Water as well. This includes time spent by 9 different Admin employees, plus our Board time. I can send you more detail on that as well. In addition to direct salary costs, and admin allocated, we also will charge direct known costs for Legal, Accounting and Insurance, plus the PSC will charge us a Regulatory Fee annually. Will need to keep a spot for those as well.

Finally, we also allocate 0.8% for a list of fixed and utility costs related to our Service Center / HQ for time spent on FK Sewer. Again, assume we will do same for FK Water, so I would add about 1% for those allocated costs. Those include deprec on Serv Center, utilities, Fuel/Maint, phone, IT expense, education/travel and allocated debt service for our HQ facility.

Let me know if you have other questions,

Thanks

Jim Bruce

From: Brett Pyles
Sent: Tuesday, August 19, 2008 11:29 AM
To: Jim Bruce
Subject: FW: Staffing Plan Budget Questions

Jim,

If this looks ok to you, I will send to Jon.

Thanks

Brett

Jon,

Here is the info you requested.

1. We are anticipating 5 District employees that will have uniforms provided. The following is a cost breakdown.
 - a. One time Setup fee –\$160 per employee
 - b. Recurring monthly cost for 5 employees – \$160
2. We anticipate 2 field employees plus the supervisor will have a cell phone. The average monthly bill is \$50+-, per cell phone, so the monthly bill for all employees would be \$150.
3. We are anticipating purchasing the following vehicles/equipment (the District usually purchases its vehicles and pays the entire amount at the time of purchase):
 - a. 1 – Dump truck \$47,000
 - b. 3 – Utility bed trucks \$27,000 each
 - c. 1 – Supervisor truck \$22,000
 - d. 1 – Backhoe \$65,000
 - e. 1 – Trailer \$10,000
 - f. TOTAL \$225,000
4. As for the fuel, the District or Veolia does not have bulk fuel tanks. This may be an area to capitalize on the synergy of the three entities (HCWD1, LWC, VWNA). Veolia currently purchases their fuel on base for the contractor vehicles that operate and are used for the Government's benefit. The District purchases all of its fuel off base.

These costs are based on today's dollars. The vehicles do have some padding and are based on Kentucky State Bid prices. I have also attached a SS that we are using internally to account for cost the District will incur for the "start-up" of the distribution system, to include a building. Hope this helps.

Thanks

Brett

Hardin County Water District No.1

"Serving Hardin County for over 50 years"

Brett Pyles

Operations Manager

bpyles@hcwd.com
www.HCWD.com

1400 Rogersville Road
Radcliff, KY 40160

tel: 270.351.3222
fax: 270.352.3055
mobile: 270.766.9477

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Subject: FW: Staffing Plan Budget Questions

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Direct - 505.855.5259
Cell - 505.414.9641
Fax - 505.816.0589
E-mail - Jon.Green@ch2m.com

 Please consider the environment before printing this email

Jim Bruce

From: Jim Bruce
Sent: Wednesday, August 20, 2008 1:14 PM
To: Brett Pyles; David.Hackworth@CH2M.com; jsmith@lwcky.com
Cc: Jon.Green@ch2m.com
Subject: PSC Regulatory Fee ?

Karen;

Can you send Jon (Ch2M Hill) an estimate that PSC might charge us for FK Water. I think they base it on \$ / revenue amount. If you can convert it to \$ per million of revenue, or \$ per thousand, that would be good. We need to know to price our FK Water bid. Might help if you can tell him latest we paid for FK Sewer, for 1 year, and the total revenues for that utility.

Thanks

Jim

Jim Bruce

From: Jim Bruce
Sent: Wednesday, August 20, 2008 3:03 PM
To: irslc@win.net; David.Hackworth@CH2M.com; jsmith@lwcky.com; Brett Pyles
Subject: 14 inch main
Attachments: HCWD1 14 inch line route.pdf

Tim;

Here is rough sketch of our 14 in main. As you can see, it is now in 3 sections. The north end allows them to put any well water up hill, which intersects their 16 Otter Creek raw main, and send to Central WTP. Before they did this, they could not supply ground water to the Central WTP.

The next section to south is dead. A gap was added south of their intersect, and north of where we connected our Prichard 16 inch (FK water) discharge main. The furthest south section is now the discharge main to our Prichard PS line. We plan to run LWC water through that main, but only from near the FK Muldraugh WTP, to our Prichard tank, so the north section to the well field could still be used for other purposes, or for LWC. It was installed in 1968 and has been almost problem free for us during this 40 years.

Hope this helps

Jim Bruce

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Wednesday, August 20, 2008 3:10 PM
To: Jim Bruce; JSmith@lwcky.com
Subject: RE: 14 inch main

Jim,

this is a great figure...

what is the size of the largest FW main that connects the Muldraugh WTP with the Central Plant...

Jim Smith, can this info be incorporated into the GIS drawing your staff is preparing...

thanks

David

-----Original Message-----

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Wednesday, August 20, 2008 3:03 PM
To: irsllc@win.net; Hackworth, David/LOU; jsmith@lwcky.com; Brett Pyles
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Jim Bruce

Jim Bruce

From: Jim Bruce
Sent: Wednesday, August 20, 2008 3:14 PM
To: David.Hackworth@CH2M.com
Cc: Brett Pyles; Daniel Clifford; jsmith@lwcky.com
Subject: RE: 14 inch main

David;

I am not sure what size that would be

Jim

-----Original Message-----

From: David.Hackworth@CH2M.com [<mailto:David.Hackworth@CH2M.com>]
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From: Jon.Green@ch2m.com
Sent: Wednesday, August 20, 2008 5:06 PM
To: Jim Bruce
Cc: Brett Pyles; David.Hackworth@CH2M.com; jsmith@lwcky.com
Subject: RE: Staffing Plan Budget Questions
Attachments: image001.png


Jim,

Thank you, this is really helpful. Regarding the 3%, does this include the GM, OM or the Distribution Supervisor? I am trying to verify where full time salaries will start for the distribution side of the equation.

Best Regards,

Jon

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Jim Bruce

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Attachments: image001.png

Yes sir, crystal clear. thanks you. Jon

Jonathan M. Green
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E-mail - Jon.Green@ch2m.com

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Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Thursday, August 21, 2008 2:00 PM
To: Jim Bruce; jsmith@lwcky.com; Brett Pyles
Subject: Workshop agenda
Attachments: FTK Proposal Work Session No 1.xls

I think I may have sent this already... but in case I haven't... this is still draft, so if you want to make changes, please let me know

thanks

David

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Friday, August 22, 2008 2:06 PM
To: Jim Bruce; jsmith@lwcky.com
Cc: Brett Pyles
Subject: FW: Questions and Proposed Approach to Ft. Knox Price Proposal
Attachments: Issues for Discussion at Louisville Meeting.doc

Jim & Jim,

Please review these discussions prior to the workshop..

Jim B, will you be the "financial" person for HCWDJim S., will you have someone available for Tues?

Thanks

David

From: Gray, Dave/SEA
Sent: Friday, August 22, 2008 1:40 PM
To: Hackworth, David/LOU
Cc: Woodhouse, Bob/SFO
Subject: Questions and Proposed Approach to Ft. Knox Price Proposal

Hi Dave--Attached is a list of tactical and technical questions as well as a proposed strategic approach to the Ft. Knox price proposal. Would you please share the strategic approach and the appropriate questions to Jim Bruce and others who are charting the strategic direction. See you next week.--Dave

David Gray
CH2M HILL
dgray@ch2m.com
(425) 453-5000 (w)
(425) 301-4729 (c)

Jim Bruce

From: Jim Bruce
Sent: Friday, August 22, 2008 3:18 PM
To: David.Hackworth@CH2M.com
Subject: RE: Questions and Proposed Approach to Ft. Knox Price Proposal

David;

Yes, I will be doing that for HCWD1. We do not currently have a CFO position, but may have by year end.

Thanks

Jim

From: David.Hackworth@CH2M.com [mailto:David.Hackworth@CH2M.com]
Sent: Friday, August 22, 2008 2:06 PM
To: Jim Bruce; jsmith@lwcky.com
Cc: Brett Pyles
Subject: FW: Questions and Proposed Approach to Ft. Knox Price Proposal

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dgray@ch2m.com
(425) 453-5000 (w)
(425) 301-4729 (c)

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Friday, August 22, 2008 4:42 PM
To: jsmith@lwcky.com; Jim Bruce
Subject: FW: outline of Vol. II plus information needs sheet to give to clients
Attachments: Volume II_information_needs.doc

Here is a list of some info we will need for the Volume II proposal

Jim Bruce

From: Sally.PEEK@CH2M.com
Sent: Tuesday, August 26, 2008 3:41 PM
To: pkaelin@lwcky.com; Jim Bruce; Brett Pyles; jsmith@lwcky.com
Subject: information needed for the Past Performance section
Attachments: Volume II_information_Attachment_J39.doc

Attached is a Word file outlining the information I need for the projects selected for each team partner. It also outlines other information requested by the RFP.

Projects:
Ft. Knox WW Privatization (HCWD)
Radcliff (HCWD)
Kentucky Turnpike (LWC)
Goshen (LWC)
Ft. Campbell (CH)
Ft. Gordon (CH)

Sally Peek, Sales Process Manager (Teleworker)
Cell - 404.368.3251
Civil Infrastructure BDS
CH2M HILL
Atlanta
Fax - 770.604.9183
www.ch2m.com

Jim Bruce

From: Jim Bruce
Sent: Wednesday, August 27, 2008 7:33 AM
To: Dave.Gray@CH2M.com
Cc: jsmith@lwcky.com; Brett Pyles; David.Hackworth@CH2M.com
Subject: Requested financial info
Attachments: 2007 Audit report.pdf; 07 Wat rate case order.pdf

Dave;

Here is our 07 audit report and our most recent general rate case order (water). Let me know if you need more info our have other questions. This is just for our water utility, not for FK sewer or Radcliff sewer.

Thanks

Jim Bruce

Jim Bruce

From: Jim Bruce
Sent: Wednesday, August 27, 2008 7:39 AM
To: Dave.Gray@CH2M.com
Cc: Brett Pyles; David.Hackworth@CH2M.com; jsmith@lwcky.com
Subject: FK tariff rate change
Attachments: FK rate tariff filing.pdf

Dave;

Here is our filing we are now making to change tariff for FK sewer. The PSC attorney advised us not to file as general rate case, but as a tariff change, with some back up information (he suggested what to send). The PSC regs provide a different process for special contract rates. Did not send you exb 2, this is our contract with USG and is about 70 pages long.

Thanks

Jim Bruce

Jim Bruce

From: Dave.Gray@CH2M.com
Sent: Wednesday, August 27, 2008 10:11 AM
To: Jim Bruce
Cc: David.Hackworth@CH2M.com; Bob.Woodhouse@CH2M.com
Subject: Question re off base commodity supply

The RFP indicates that starting in Year 6, the Government will provide water commodity to replace water currently provided by the Muldraugh plant.

- Will that be provided to the water utility owner/operator at no charge?
- How much water commodity will be provided per year and what will be the capacity of this supply source?
- How much average daily demand will be required from the Central plant in addition to the commodity separately being provided by the Army?

David Gray
CH2M HILL
dgray@ch2m.com
(425) 453-5000 (w)
(425) 301-4729 (c)

Jim Bruce

From: Jim Bruce
Sent: Thursday, August 28, 2008 7:34 AM
To: David.Hackworth@CH2M.com; Lisa.Bailey@CH2M.com
Cc: jsmith@lwcky.com; Brett Pyles
Subject: SOI
Attachments: SOI_Response_HCWD1.pdf

David / Lisa;

Here is our SOI sent to DESC.

Thanks

Jim

Jim Bruce

From: Bob.Woodhouse@CH2M.com
Sent: Thursday, August 28, 2008 9:53 AM
To: Jon.Green@ch2m.com; Jim Bruce; Brett Pyles
Cc: David.Hackworth@CH2M.com
Subject: Transition Costs.xls
Attachments: Transition Costs.xls

Jim and Brett,

Here is an excel file with the tasks that will be completed during transition. Please add hours and rates to estimate the transition costs.

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Thursday, August 28, 2008 2:02 PM
To: Jon.Green@ch2m.com
Cc: jsmith@lwcky.com; Brett Pyles; Jim Bruce
Subject: sludge costs

Jon,

please contact Jim to discuss residual disposal costs. Also, please update that previous table I sent you to include a line for sludge disposal, which will go away with the Alt proposal,

David

Jim Bruce

From: Brett Pyles
Sent: Thursday, August 28, 2008 4:15 PM
To: 'David.Hackworth@CH2M.com'; 'Jon.Green@ch2m.com'
Cc: Dave.Gray@CH2M.com; 'Robert.Neath@CH2M.com'; Jim Bruce; jsmith@lwcky.com
Subject: Estimated Cost

All,

Here are the estimates for the replacement of the roofs at the Otter Creek PS, \$22,933 and the Central WTP \$47,499.

Thanks

Brett

Hardin County Water District No.1

"Serving Hardin County for over 50 years"

Brett Pyles
Operations Manager

bpyles@hcwd.com
www.HCWD.com

1400 Rogersville Road
Radcliff, KY 40160

tel: 270.351.3222
fax: 270.352.3055
mobile: 270.766.9477

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Sent: Thursday, August 28, 2008 4:33 PM
To: Dave.Gray@CH2M.com
Cc: Brett Pyles; David.Hackworth@CH2M.com; jsmith@lwcky.com
Subject: Ins Quote
Attachments: Ins quote.pdf

Dave;

Here is our quote for annual insurance. This would cover all liability, vehicle, property, etc. We gave them list of our planned vehicles and equipment, as well as new building. They also insure our FK sewer system, water system and Radcliff sewer system, so they are pretty familiar with our risk and ensuring public entities. I think this is as of today, so may want to adjust for 2010 takeover. When they estimated our FK sewer, they were a few thousand high, compared to actual after they got our actual statement of values.

This would cover WTP buildings as well. We told LWC they would have to provide us proof of ins for their vehicles used on post, and any other insurance they provide for activities on post.

Thanks

Jim Bruce

Jim Bruce

From: Jim Bruce
Sent: Thursday, August 28, 2008 4:38 PM
To: Dave.Gray@CH2M.com
Cc: David.Hackworth@CH2M.com; Brett Pyles; jsmith@lwcky.com
Subject: RE: Question re off base commodity supply

Dave;

See answers below;

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Cc: David.Hackworth@CH2M.com; Bob.Woodhouse@CH2M.com
Subject: Question re off base commodity supply

The RFP indicates that starting in Year 6, the Government will provide water commodity to replace water currently provided by the Muldraugh plant.

- Will that be provided to the water utility owner/operator at no charge? - This is strange since we actually may be the ones providing the commodity. You may not have caught it, but our partnership with LWC INCLUDES any deal the Govt does with LWC to supply water outside of privatization. If we did a side deal, most likely it would be between LWC and HCWD1, with HCWD1 selling to Govt, so Govt gets a regulated rate. LWC has told Govt they since they have signed partnership agt with HCWD1, that any future negotiations for purchased water will include HCWD1 (in other words, the Govt cannot do a deal now just between them and HCWD1)
- How much water commodity will be provided per year and what will be the capacity of this supply source? - I think David H. now has that amount nailed down, at least for initial period, and then what would be needed in future to get 10.5 mg/d onto post
- How much average daily demand will be required from the Central plant in addition to the commodity separately being provided by the Army? - David H. knows that answer

Thanks

David Gray
CH2M HILL
dgray@ch2m.com
(425) 453-5000 (w)
(425) 301-4729 (c)

Jim Bruce

From: Dave.Gray@CH2M.com
Sent: Thursday, August 28, 2008 4:53 PM
To: Jim Bruce
Subject: RE: Question re off base commodity supply

Thanks. I am assuming your last word in response to the first bulleted question should be LWC rather than HCWD1. Is that correct?

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Thursday, August 28, 2008 1:38 PM
To: Gray, Dave/SEA
Cc: Hackworth, David/LOU; Brett Pyles; jsmith@lwcky.com
Subject: RE: Question re off base commodity supply

Dave;

See answers below;

From: Dave.Gray@CH2M.com [mailto:Dave.Gray@CH2M.com]
Sent: Wednesday, August 27, 2008 10:11 AM
To: Jim Bruce
Cc: David.Hackworth@CH2M.com; Bob.Woodhouse@CH2M.com
Subject: Question re off base commodity supply

The RFP indicates that starting in Year 6, the Government will provide water commodity to replace water currently provided by the Muldraugh plant.

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David Gray
CH2M HILL
dgray@ch2m.com

Jim Bruce

From: Jim Bruce
Sent: Thursday, August 28, 2008 4:54 PM
To: Dave.Gray@CH2M.com
Subject: RE: Question re off base commodity supply

Dave;

Yes, you are correct.

Jim

From: Dave.Gray@CH2M.com [<mailto:Dave.Gray@CH2M.com>]
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David Gray
CH2M HILL
dgray@ch2m.com
(425) 453-5000 (w)
(425) 301-4729 (c)

Jim Bruce

From: Jim Bruce
Sent: Friday, August 29, 2008 11:39 AM
To: David.Hackworth@CH2M.com
Cc: Brett Pyles; jsmith@lwcky.com
Subject: Financial exb for Board
Attachments: Inc stmt cash flow.xls

David;

Here is what we used to show our Board the financial impact of taking over Radcliff sewer. Many of the rows will not apply, or names will change, for FK water. We could not fill this in until pricing is all done.

I think we just show year 1, and year 6. This would show change from cost of LWC O&M cost for WTP's, to purchased water cost from LWC. We would have revenues from Govt for total fee (R&R regular and O&M), and one time transition costs, and ISDC surcharge for first 5 years. After we get cash flow, I can also estimate interest income. Under capital, we can just show a row for total R&R projects, and then one for ISDC projects.

I can revise, or you can start to if you want.

Thanks

Jim Bruce

(You did a great job organizing the workshop!)

Jim Bruce

From: Jim Bruce
Sent: Friday, August 29, 2008 11:49 AM
To: Dave.Gray@CH2M.com
Cc: David.Hackworth@CH2M.com; Brett Pyles; jsmith@lwcky.com; Lisa.Bailey@CH2M.com
Subject: Annual audit reports
Attachments: 05 Annual Audit.pdf; 03 Audit report.pdf

Dave;

Here are other annual audit reports you requested

Jim Bruce

Jim Bruce

From: Jim Bruce
Sent: Friday, August 29, 2008 11:54 AM
To: Bill Rissel
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / Water System Privatization / Question and Answer Set #1

Agree!

Ch2M Hill says we can include all our "transition costs" as initial one time charge to Govt. This means we can quantify lots of our time for meetings, PSC application work and filing, and lots of other things. This will provide credit to other utilities, or extra revenue we can keep in FK water utility, but is not something we anticipated. We are working on those amounts as well to include in our bid.

Jim

-----Original Message-----

From: Bill Rissel [<mailto:wjrissel@fortknoxfcu.net>]
Sent: Friday, August 29, 2008 11:51 AM
To: Jim Bruce
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / Water System Privatization / Question and Answer Set #1

No need. Operations are your job.

Interesting to know we are probably the only bidder. We need to not cut ourselves short.

Bill Rissel,
President/CEO
Fort Knox Federal Credit Union
270-219-7328

CONFIDENTIALITY NOTICE: This e-mail transmission and/or the attachments accompanying it may contain confidential and/or privileged information belonging to the sender/FKFCU. The information is intended only for the use of the intended recipient. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution, or the taking of any action in reliance on the contents of this information is strictly prohibited. Any unauthorized interception of this transmission is illegal under the law. If you have received this transmission in error, please promptly notify the sender by reply e-mail and then destroy all copies of the transmission.

-----Original Message-----

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Friday, August 29, 2008 10:49 AM
To: Bill Rissel; David Wilson, SBW; gompa@comcast.net; kybruce@bbtel.com; Wwjtin@aol.com; lsgmprs@aol.com; hockman@bbtel.com
Cc: Brett Pyles
Subject: FW: Fort Knox, KY / SP0600-08-R-0803 / Water System Privatization / Question and Answer Set #1

Board;

If you are interested, here are answers to questions we sent to DESC on FK Water privatization. So far, we are only ones to ask any questions.

On some of the other privatization efforts, there have been up to 10 rounds of Q&A because they are getting questions from multiple companies. After our workshop, we did not have any new questions, but we can still ask more if we need to.

FYI

Jim

-----Original Message-----

From: Pearson, Randy (Contractor) (DESC) [<mailto:randy.pearson.ctr@dla.mil>]

Sent: Friday, August 29, 2008 10:40 AM

Subject: Fort Knox, KY / SP0600-08-R-0803 / Water System Privatization / Question and Answer Set #1

SUBJECT: Fort Knox, KY / SP0600-08-R-0803 / Water System Privatization / Question and Answer Set #1

The Defense Energy Support Center (DESC) has issued Question and Answer Set #1 to Request for Proposal (RFP) SP0600-08-R-0803 for the privatization of the water utility system infrastructure at Fort Knox, KY.

A copy of Q&A Set #1 is available on the DESC website at:

<https://www.desc.dla.mil/DCM/DCMSolic.asp?SolicID=1414>. Please note that the document posted contains attachments.

Please address any questions concerning Q&A Set #1 to the following contracting team:

Brian Koessel, Contract Specialist: (703) 767-1595, brian.koessel@dla.mil Angela Mattox, Contracting Officer: (703) 767-1348, angela.mattox@dla.mil

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Friday, August 29, 2008 1:13 PM
To: Jim Bruce
Subject: RE: Financial exb for Board

thanks Jim....

I will call you next week to discuss this...

-----Original Message-----

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Friday, August 29, 2008 11:39 AM
To: Hackworth, David/LOU
Cc: Brett Pyles; jsmith@lwcky.com
Subject: Financial exb for Board

David;

Here is what we used to show our Board the financial impact of taking over Radcliff sewer. Many of the rows will not apply, or names will change, for FK water. We could not fill this in until pricing is all done.

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Thanks

Jim Bruce

(You did a great job organizing the workshop!)

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Friday, August 29, 2008 3:20 PM
To: Bob.Woodhouse@CH2M.com; Lisa.Bailey@CH2M.com; Sally.PEEK@CH2M.com;
Robert.Neath@CH2M.com; Jay.Bilmon@CH2M.com; Jon.Green@ch2m.com
Cc: jsmith@lwcky.com; Jim Bruce; Brett Pyles
Subject: Description of base and alternative proposal
Attachments: Proposal Descirptions.doc

Team,

Please review and let me know your comments... Send your comments to me directly, and I will send out the mass update.

The purpose of this document is as follows:

- 1) Capture the concepts that the price estimators are working on.... hopefully, this will be no change to what they are costing since we have only a few days left
- 2) Text for Lisa and Sally to develop into the proposal.. We need to jazz up with supporting facts, charts, etc...

Let me know if I missed anything or state something incorrectly

Thanks again for all you taking the time to come here during the workshop - I think we charted the path forward...

David

Jim Bruce

From: Jim Bruce
Sent: Friday, August 29, 2008 3:53 PM
To: David.Hackworth@CH2M.com
Cc: Brett Pyles; jsmith@lwcky.com
Subject: FW: SDI PRESS RESLEASE: SDI and MapSync Announce Strategic Partnership

David;

Not sure if any of this info would be useful in Tech Desc section, under our proposed GIS Mapping system. These two companies were competitors, but now have formed some type of partnership.

FYI

Jim Bruce

From: Daniel Clifford
Sent: Friday, August 29, 2008 3:52 PM
To: Jim Bruce
Subject: FW: SDI PRESS RESLEASE: SDI and MapSync Announce Strategic Partnership

From: Trey Lyon [<mailto:tlyon@sdimaps.com>]
Sent: Thursday, August 28, 2008 5:39 PM
To: Daniel Clifford
Subject: SDI PRESS RESLEASE: SDI and MapSync Announce Strategic Partnership

Press Release

www.SDImaps.com / www.MapSync.com

Spatial Data Integrations, Inc. (SDI) and MapSync, Co. Announce Strategic Partnership.

LOUISVILLE, KY., August 26, 2008 – Spatial Data Integrations, Inc. (SDI) and MapSync, Co., specialists in the development and implementation of Geographic Information Systems (GIS) and Global Positioning Systems (GPS) solutions, today announced a strategic partnership coupled with a bi-directional VAR agreement to complement and thereby enhance the current GIS/GPS solutions and enable the extension of the GIS/GPS functionality to a wider market for both companies.

Under this partnership agreement, SDI and MapSync will not only have the ability to resell each party's products and services they will also work together to enhance existing and develop new geospatial tools that are user friendly, efficient and cost effective. As a result, users will have the ability to perform detailed analysis using geospatial data no matter their skill level. This partnership will benefit both client bases by bringing an expanded expertise of over 28 years combined corporate experience in GIS/GPS solutions for Federal, State and Local Government and Utilities.

In addition to a complete line of geospatial services and products, we can also supply our clients with ESRI software/training, Trimble Navigation GPS equipment/training and Dell equipment in addition to engineering services through MapSync's parent company CDP Engineers. SDI and MapSync are authorized business partners of ESRI.

####

SDI, founded in 1994, is a full service ISO 9001:2000 compliant GIS firm that provides a wide variety of geospatial services including database design and maintenance, systems and data integration, military intelligence and homeland security, emergency management and response and application development to government, utilities, and the private sector. SDI is headquartered in Louisville, KY., and has satellite offices in Bowling Green, KY and Greenwood, IN. On the Web: www.SDImaps.com.

MapSync, founded in 1994, provides integrated mapping and information solutions with GIS/GPS equipment, custom software, services, and training for State and Local Government, Municipal and Rural Utilities and Emergency Service Providers. MapSync is headquartered in Lexington, KY, and has satellite offices in Louisville, KY, Pikeville, KY, Westerville, OH, Indianapolis, IN., and Knoxville and Kingsport, TN. On the Web: www.MapSync.com

####

Contact: J. Gary Reed, COO, Tel: (502) 568-2591 or email: garyreed@SDImaps.com

Contact: Ron Householder, Vice President, Tel: (859) 278-6277 or email: rhouseholder@mapsync.com

Jim Bruce

From: Jim Bruce
Sent: Friday, August 29, 2008 4:06 PM
To: David.Hackworth@CH2M.com
Cc: Bob.Woodhouse@CH2M.com; Lisa.Bailey@CH2M.com; Sally.PEEK@CH2M.com; Robert.Neath@CH2M.com; Jay.Bilmon@CH2M.com; Jon.Green@ch2m.com
Subject: RE: Description of base and alternative proposal
Attachments: Proposal Descriptions JB1.doc

David;

Please see my mark-ups and comment

Thanks

Jim Bruce

From: David.Hackworth@CH2M.com [<mailto:David.Hackworth@CH2M.com>]
Sent: Friday, August 29, 2008 3:20 PM
To: Bob.Woodhouse@CH2M.com; Lisa.Bailey@CH2M.com; Sally.PEEK@CH2M.com; Robert.Neath@CH2M.com; Jay.Bilmon@CH2M.com; Jon.Green@ch2m.com
Cc: jsmith@lwcky.com; Jim Bruce; Brett Pyles
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To: David.Hackworth@CH2M.com
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David

Jim Bruce

From: Jim Bruce
Sent: Friday, August 29, 2008 4:50 PM
To: Dave.Gray@CH2M.com
Cc: Bob.Woodhouse@CH2M.com; Lisa.Bailey@CH2M.com; David.Hackworth@CH2M.com; jsmith@lwcky.com; Brett Pyles
Subject: Financial / Accounting Info

Dave;



FK swr preaward
financ survey....

Here is pre-award financial info report that we had to do for DCMDE on our FK sewer bid. Not sure if this is useful on our accounting system description. Of course, all the #'s in this report have changed, or we can get latest amounts. Our line of credit from local bank is now \$2.5M and is accessible at any time by the General Manager, with prior approval of the Board of Commissioners.

As for accounting system description, here is my shot at this;

"The Hardin County Water District No. 1 uses various accounting software programs. The main modules are provided by Harris, InHance Utility Solutions (Ottawa, Ontario, Canada). Harris specializes in municipal and utility software systems and has a client base of 5,000. The District also uses Peachtree Complete Accounting 2008, (Build 15.0.00.1690, Sage Systems), for preparing monthly and annual accounting period statements and reports for its Board and auditors. This program allows more flexible and varied accounting statements. All fixed asset records and depreciation calculations are maintained on the Sage Fixed Asset Accounting program.

The accounting system maintains three separate funds; Water, Radcliff Sewer and Ft. Knox Sewer. A total of 11 separate cost centers or departments also separate expenses by functional or required cost centers for rate making purposes. This separation of funds, expenses and revenues, is required so different rate designs can be separated between different customer classes, and there is no subsidization between classes. All expenses and revenues are traced in separate accounts on separate general ledgers. After all transactions are entered in the inHance system, for any given month, adjusting entries are made to complete accrual based accounting, revenue, expenses, both realized and unrealized. Any gains or losses are recognized in the appropriate period.

Schedules are maintained for all cash and investment accounts which are reconciled to bank statements. Any construction assets, put in service for the current month, are added to the FAS 100 system, as well as any assets sold, or no longer in use, are disposed. After reconciling the balances in the FAS 100 system to the inHance system, monthly depreciation expense is calculated with any gains or losses from dispositions adjusting entries made to the inHance general ledgers.

All programs operate in a Windows, SQL server environment. All data is backed up remotely by an outside IT support consultant, LexNet (Lexington, Kentucky), using Vault-IT. Data backups are automatically made hourly, with data files placed on servers concurrently in Phoenix, AZ and Baltimore, MD. At the end of the day a complete backup of all data and critical files is then backed up

to the same server locations. All servers are also continuously monitored by LexNet, using their Manage-IT systems. LexNet can also access and control all District servers remotely to provide service, changes, upgrades, diagnostics and trouble-shooting.

As a regulated utility, under the Kentucky Public Service Commission, (PSC) account numbers and chart of accounts must comply with a Uniform System of Accounts, as prescribed by NARUC (National Association of Regulatory Utility Commissions). An annual audit by a Certified Public Accountant is also completed, with results presented to the District's Board of Commissioners, and the PSC. All year end account balances must be classified and reported to the PSC in prescribed account numbers, using the PSC annual financial report templates. Record retention must also comply with NARUC record retention schedules".

Let me know if this is what you were looking for. We were inspected and interviewed by DCAA or DCM employees before our sewer award, and told them we could not (and were exempt) from CASS reporting and chart of accounts. Veolia also was required to submit info, but their systems can be modified for CASS reporting, if needed.

Thanks

Jim Bruce



FK swr preaward
financ survey....

Jim Bruce

From: Jim Bruce
Sent: Friday, August 29, 2008 5:06 PM
To: Gary Larimore (g.larimore@krwa.org)
Cc: Brett Pyles
Subject: Quote ?

Gary;

As Brett called you about, we were hoping to attribute a quote to you. This is for our upcoming bid to US Govt. on taking over FK Water system. Please let me know if we can attribute this to you, or you can write your own or modify;

"The Hardin County Water District No. 1 is one of the leading water utilities in the state. The District is a leader in using best management practices, technology and quality customer service methods. Our association depends on District employees to assist with training, and presenting at our training conferences. Several District employees have also graduated from the Utility Management Institute, which is provided by Western Kentucky University and KRWA. The District is poised and able to provide excellent utility services to other surrounding systems in or near its area".

Thanks!

Jim Bruce

(You can just send email your revision or approval)

Jim Bruce

From: g.larimore@krwa.org
Sent: Friday, August 29, 2008 5:38 PM
To: Jim Bruce
Subject: Re: Quote ?

Perfect. I could not have said it better myself. Oh I did say it! Is this reply sufficient or do you wish me to send in a separate email?

-----Original Message-----

From: Jim Bruce
To: Gary Larimore
Cc: Brett Pyles
Sent: Aug 29, 2008 4:05 PM
Subject: Quote ?

Gary;

As Brett called you about, we were hoping to attribute a quote to you. This is for our upcoming bid to US Govt. on taking over FK Water system. Please let me know if we can attribute this to you, or you can write your own or modify;

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Our association depends on District employees to assist with training, and presenting at our training conferences. Several District employees have also graduated from the Utility Management Institute, which is provided by Western Kentucky University and KRWA. The District is poised and able to provide excellent utility services to other surrounding systems in or near its area".

Thanks!

Jim Bruce

(You can just send email your revision or approval)

Sent from my BlackBerry® wireless device provided by Bluegrass Cellular

Jim Bruce

From: Dave.Gray@CH2M.com
Sent: Monday, September 01, 2008 11:14 PM
To: Jim Bruce; David.Hackworth@CH2M.com; Bob.Woodhouse@CH2M.com
Subject: Incorporating R&R Costs into HCWD1's Proposed Price for Water Service to HCWD1

This e-mail reviews our discussions last week regarding pricing options and adopted approaches for the R&R component of HCWD's proposed FK water utility rate. Please review the planned approach provided below and provide any comments you may have

We discussed the following optional approaches:

1. Traditional rate base approach. This is the so-called "utility basis" for ratemaking. This would require that we calculate rate base and set up revenue requirements that include return to rate base and depreciation expense. I understand from Jim Bruce that he would like to stay away from such an approach. Among reasons for doing so is that the PSC does not like to grant a public agency any "return" or profit.
2. Cash basis based on actual cash requirements. This would be "lumpy" in that revenue requirements would change from year to year as actual cash requirements for R&R change.
3. "Levelized" costs. This is a method that spreads the R&R costs into an annual payment that has the same present value as the R&R schedule. The Army and DESC like this one because it provides stable charges.

We agreed on the third approach. It has the advantage of being an attractive format to the government and avoids the need to keep going to the PSC for detailed rate analysis each time new investment is made in the system. We also discussed the option to start the R&R charge in Year 6 rather than in Year 1 since R&R expenditures are not expected to start until Year 6. However, we decided to start in Year 1 to build up reserves for R&Rs, reduce risk, and delay the need for future rate increases. I will proceed with this approach unless instructed to take an alternate path.

In preparing to do so, it would be useful to have the following information:

- Interest rate at which HCWD1 can invest funds (I will call Bob Cramer on this point)
- Confirmation that HCWD1 can borrow funds for 4.5 percent (I will call Bob Cramer on this point). We decided that in cases where HCWD may be deficit in funds for FK R&Rs, it would use internally generated funds so that it would not need to incur taxable debt.
- Assessment as to whether we could assume that HCWD1 can borrow funds for this project from the state revolving fund (It may be best if HCWD1 inquires on this front)
 - If so, whether we would want to propose the interest rate on such funds for R&R projects
 - Whether we would want to propose the same treatment of initial system deficiency corrections

In Louisville last week, we discussed the fact that it would be preferable to collect all R&R costs in the 50-year contract period. If we proceeded in that way, I would make the point that the undepreciated, residual value at the end of the 50 years should be used to reduce the HCWD1 proposed costs because the Army would have the right to reacquire the system at the unamortized amount on the system. Since that would be \$0, they would get it for free. Calculation of the residual value should be straight forward. If the Army buys the argument and includes the credit in year 50, HCWD1 should look pretty good. However, if they do not accept it (some of the DESC analysts just don't get it), HCWD's relative cost would have significant weight to overcome (since the Government does credit its "should costs" with the residual system value. I intent to calculate the difference and will provide that information so that we can jointly make a strategic decision on how exactly to proceed.

In reviewing HCWD1's application to increase the sewer rates at FK, it seems that has success in setting rates based on R&R cash requirements and then simply comparing the amount needed to the depreciation expense with no other connection to depreciation. This really is a good way to go in that it reduces the detail that needs to be negotiated with the Army and the PSC. If we are successful in starting the R&R charge in Year 1 (as HCWD1 did with the sewer rates), HCWD1 will be able to build up a significant R&R fund before it starts investing in R&Rs in Year 6. That implies that HCWD1 will not need a rate increase, at least for R&Rs, for many years into the future. A detail that could be addressed later (after contract award) will be whether the reserve could also be used for O&M when inflation begins to create a deficit between O&M costs and O&M-based revenues generated by the rate. I am assuming that HCWD1 would indeed

be able to apply revenues generated from the combined O&M and R&R charge to O&M costs. In that case, HCWD will need to keep track of how the funds are expended and how the reserve is initially built and then drawn down. This will allow HCWD1 to be better positioned to address possible Army concerns once it becomes necessary to increase the tariff.

Consistent with RFP requirements, I intend to provide all costs for the 50-year contract in Schedule 5 in terms of 2009 dollars. However, in schedule B-1, I intend to inflate the prices by about 3 percent per year to 2011 price levels to reflect the average cost for the period 2010 through 2012. We would then guarantee no price increases for the first 3 years. Let me know if you would like to reduce the guarantee to 2 years. In doing this, I intend to use "real" rather than "nominal" interest rates. As such, the rate used to discount and then amortize R&R costs will probably be 2.8 percent. This is the "real" rate that the Government will use in its UPEAST comparison of HCWD1 costs to its own "should costs".

Please let me know if you have any comments or would like me to take a different approach on any of this. Finally, and unfortunately, my father-in-law died on Saturday. So, on Wednesday, I will return to Kentucky to be with the family for services on Thursday and Friday. So, I will generally be out of pocket. If we need to talk, please call me on Tuesday if possible. Otherwise, you can try my cell phone on Wednesday, Thursday, or Friday. If I do not answer, leave a message and I will return your call. --Dave

David Gray

CH2M HILL

dgray@ch2m.com

(425) 453-5000 (w)

(425) 301-4729 (c)

Jim Bruce

From: Jim Bruce
Sent: Tuesday, September 02, 2008 8:02 AM
To: Lisa.Bailey@CH2M.com; David.Hackworth@CH2M.com; jsmith@lwcky.com; Brett Pyles; Sally.Peek@CH2M.com
Subject: Quote #1

Sally / Lisa;

Here is a quote you can use, if you have a place for it. Feel free to shorten or edit some words. We did get approval from Gary Larimore, Executive Director, Kentucky Rural Water Association, to attribute this quote to him;

"The Hardin County Water District No. 1 is one of the leading water utilities in the state. The District uses best management practices, technology and quality customer service methods, in all areas of operations. Our association depends on District employees to assist with training, and presenting at our training conferences. Several District employees have also graduated from the Utility Management Institute, which is provided by Western Kentucky University and KRWA. The District is poised and able to provide excellent utility services to other surrounding systems in or near its area".

I will get one more from a City Council member, for Radcliff, who recently turned their sewer utility over to us.

Thanks

Jim Bruce

Jim Bruce

From: Sally.PEEK@CH2M.com
Sent: Tuesday, September 02, 2008 8:25 AM
To: Jim Bruce; Lisa.Bailey@CH2M.com; David.Hackworth@CH2M.com; jsmith@lwcky.com; Brett Pyles
Subject: RE: Quote #1

Great. Thanks.

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Tuesday, September 02, 2008 8:02 AM
To: Bailey, Lisa/ATL; Hackworth, David/LOU; jsmith@lwcky.com; Brett Pyles; Peek, Sally/ATL
Subject: Quote #1

Sally / Lisa;

Here is a quote you can use, if you have a place for it. Feel free to shorten or edit some words. We did get approval from Gary Larimore, Executive Director, Kentucky Rural Water Association, to attribute this quote to him;

"The Hardin County Water District No. 1 is one of the leading water utilities in the state. The District uses best management practices, technology and quality customer service methods, in all areas of operations. Our association depends on District employees to assist with training, and presenting at our training conferences. Several District employees have also graduated from the Utility Management Institute, which is provided by Western Kentucky University and KRWA. The District is poised and able to provide excellent utility services to other surrounding systems in or near its area".

I will get one more from a City Council member, for Radcliff, who recently turned their sewer utility over to us.

Thanks

Jim Bruce

Jim Bruce

From: Lisa.Bailey@CH2M.com
Sent: Tuesday, September 02, 2008 9:37 AM
To: Jim Bruce; David.Hackworth@CH2M.com; jsmith@lwcky.com; Brett Pyles; Sally.PEEK@CH2M.com
Subject: RE: Quote #1

Thanks! This is perfect!

LB

Lisa Bailey
Global Water Business Group
Cell. 770.329.0282
Fax. 770.604.9183
Email. lisa.bailey@ch2m.com

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Tuesday, September 02, 2008 8:02 AM
To: Bailey, Lisa/ATL; Hackworth, David/LOU; jsmith@lwcky.com; Brett Pyles; Peek, Sally/ATL
Subject: Quote #1

Sally / Lisa;

Here is a quote you can use, if you have a place for it. Feel free to shorten or edit some words. We did get approval from Gary Larimore, Executive Director, Kentucky Rural Water Association, to attribute this quote to him;

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I will get one more from a City Council member, for Radcliff, who recently turned their sewer utility over to us.

Thanks

Jim Bruce

Jim Bruce

From: Jim Bruce
Sent: Tuesday, September 02, 2008 10:07 AM
To: Lisa.Bailey@CH2M.com; David.Hackworth@CH2M.com; jsmith@lwcky.com; Brett Pyles; Sally.Peek@CH2M.com
Subject: Rate History

Lisa;

Here is history of our water rate increases. Column L shows actual typical water bill. You can use these numbers for whatever exhibit you are creating, or calculate % increase over period of years, or compare to CPI. CPI numbers are in column to right.

Let me know if you need anything else on this.

Thanks



Rad rates hist 3.xls

Jim Bruce

Jim Bruce

From: Patti Kaelin [pkaelin@lwcky.com]
Sent: Tuesday, September 02, 2008 12:34 PM
To: jon.green@ch2m.com
Cc: david.hachworth@ch2m.com; Jim Bruce; Brett Pyles; Jim Smith
Subject: LRO

Jon -

LRO at 60% includes -
-employer payroll taxes
-CERS
-Insurance - health, life, dental, STD, LTD
-Base credits
-Deferred comp match.

If you include vacation, sick and holiday then the LRO bumps to 68%.

LRO for overtime is 17%, and only includes taxes and CERS.

Let me know if you need anything else.

Thanks - Patti

No virus found in this incoming message.

Checked by AVG - www.avg.com

Version: 8.5.432 / Virus Database: 270.14.149/2631 - Release Date: 01/19/10 07:34:00

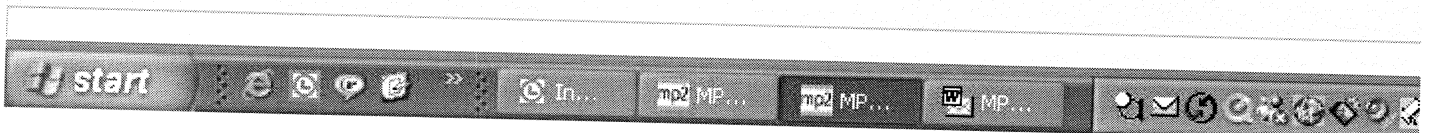
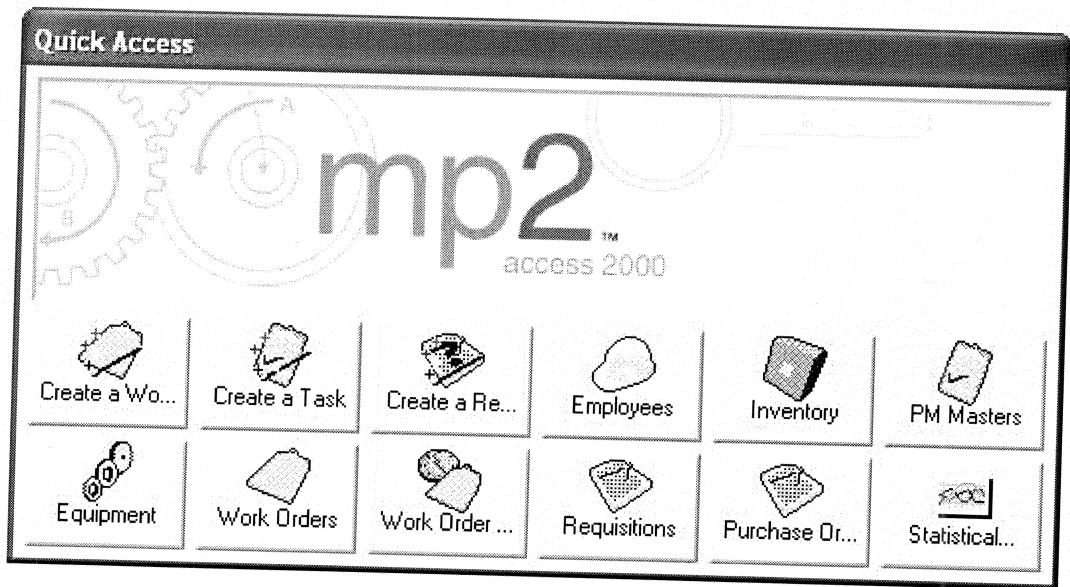
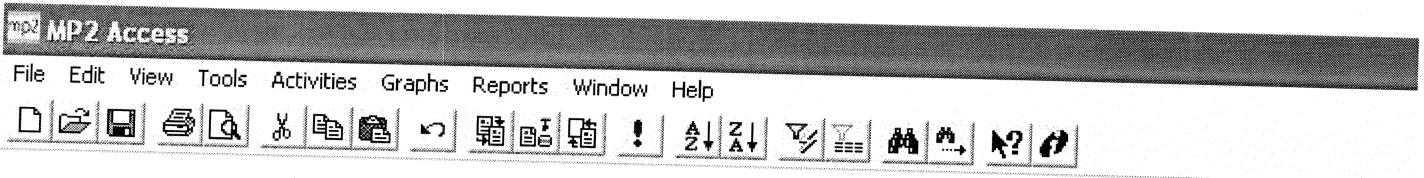
Jim Bruce

From: Patti Kaelin [pkaelin@lwcky.com]
Sent: Tuesday, September 02, 2008 12:39 PM
To: jon.green@ch2m.com
Cc: Jim Bruce; Jim Smith; Brett Pyles; david.hachworth@ch2m.com
Subject: MP-2 Screen Shot -1
Attachments: image001.jpg; image002.jpg

Sensitivity: Private

Jon – I am going to send you 4 screen shots of our maintenance program. The first shot below is just sort of the cover page of the program. The next 3 I'm sending are various examples. You can tell what they are by the tabs at the top of the screen. Let me know if you need anything else.

Thanks - Patti



Jim Bruce

From: Patti Kaelin [pkaelin@lwcky.com]
Sent: Tuesday, September 02, 2008 12:40 PM
To: jon.green@ch2m.com
Cc: Jim Bruce; Jim Smith; Brett Pyles; david.hachworth@ch2m.com
Subject: MP-2 Screen Shot-2
Attachments: image001.jpg; image002.jpg

Sensitivity: Private

mp2 MP2 Access - [Work Order History]

mp2 File Edit View Tools Activities Graphs Reports Window Help

Sort By **Close Date** Filter **(None)**

List View Record View **Equipment and Details** Schedule Attachments

WO No. **26777** Task No. **20115** Close Date **5/**

Description **Plant Lightning PM**

WO Type **PM2** Response Time (Days)

Priority **3.00** Response Time (Hours)

Originator Response Time (Minutes)

Last Name First Name Workgroup

Telephone No. Extension

Fax No.

Origination Date **5/28/2008**

Origination Time **8:03:40 AM**

Perform by Warranty

Billable

Work Order History Record 25543 of 26733

start In... mp2 MP... mp2 MP... Un...

Jim Bruce

From: Patti Kaelin [pkaelin@lwcky.com]
Sent: Tuesday, September 02, 2008 12:41 PM
To: jon.green@ch2m.com
Cc: Jim Bruce; Jim Smith; Brett Pyles; david.hachworth@ch2m.com
Subject: FW: MP-2 Screen Shot-3
Attachments: image001.jpg; image002.jpg

Sensitivity: Private

mp2 MP2 Access - [Work Order History]

mp2 File Edit View Tools Activities Graphs Reports Window Help

Sort By Filter

WD No. Close Date

Description

Equipment No.	Location	Sub-location 1	Sub-location 2
-	... BEP	-	-

Details of the selected equipment/location Copy comments to other equipment

Replaced lights (bulbs) throughout the plants

Work Order History Record 25543 of 26733.

start In... mp2 MP... mp2 MP... mp2 MP...

Jim Bruce

From: Patti Kaelin [pkaelin@lwcky.com]
Sent: Tuesday, September 02, 2008 12:57 PM
To: speak@ch2m.com
Cc: Jim Smith; Jim Bruce; Brett Pyles; david.hachworth@ch2m.com
Subject: Goals
Attachments: MBE and WBE Program Requirements PLANT 24 hour (REV 5 2008).doc

Sally – I think you are the person I was supposed to send this to. Attached is our "Good Faith Effort" program that assures M & WBE firms are included in our purchasing processes. GFE is our purchasing plan that includes socioeconomic and supplier diversity plans. Let me know if you need anything else.

Thanks - Patti

No virus found in this incoming message.

Checked by AVG - www.avg.com

Version: 8.5.432 / Virus Database: 270.14.149/2631 - Release Date: 01/19/10 07:34:00

Jim Bruce

From: Jon.Green@ch2m.com
Sent: Tuesday, September 02, 2008 12:57 PM
To: pkaelin@lwcky.com
Cc: Jim Bruce; JSmith@lwcky.com; Brett Pyles; david.hachworth@ch2m.com
Subject: Re: MP-2 Screen Shot -1
Attachments: image001.jpg; image002.jpg

Sensitivity: Private

Ma'am,

Received all, thank you.

Jon Green

From: Patti Kaelin
To: Green, Jon/ABQ
Cc: jbruce@hcwd.com ; Jim Smith ; bpyles@hcwd.com ; david.hachworth@ch2m.com
Sent: Tue Sep 02 10:39:15 2008
Subject: MP-2 Screen Shot -1

Jon – I am going to send you 4 screen shots of our maintenance program. The first shot below is just sort of the cover page of the program. The next 3 I'm sending are various examples. You can tell what they are by the tabs at the top of the screen. Let me know if you need anything else.

Thanks - Patti

Jim Bruce

From: Sally.Peek@CH2M.com
Sent: Tuesday, September 02, 2008 1:00 PM
To: pkaelin@lwcky.com
Cc: JSmith@lwcky.com; Jim Bruce; Brett Pyles; david.hachworth@ch2m.com
Subject: RE: Goals

Yes, this is for me. Thank you.

From: Patti Kaelin [<mailto:pkaelin@lwcky.com>]
Sent: Tuesday, September 02, 2008 12:57 PM
To: Peek, Sally/ATL
Cc: Jim Smith; jbruce@hcwd.com; bpyles@hcwd.com; david.hachworth@ch2m.com
Subject: Goals

Sally – I think you are the person I was supposed to send this to. Attached is our "Good Faith Effort" program that assures M & WBE firms are included in our purchasing processes. GFE is our purchasing plan that includes socioeconomic and supplier diversity plans. Let me know if you need anything else.

Thanks - Patti

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Tuesday, September 02, 2008 2:45 PM
To: Jim Bruce
Cc: Lisa.Bailey@CH2M.com
Subject: Rate History
Attachments: Rate History.xls

Jim,

I put your data into a similar format as LWC...

Please review.. I have a couple of questions:

- 1) Was there a rate increase from 89-90? I am assuming your rate was constant for that period
- 2) Is the rate shown a monthly rate? Is it based on a average household consumption

thanks

David

No virus found in this incoming message.

Checked by AVG - www.avg.com

Version: 8.5.425 / Virus Database: 270.14.56/2491 - Release Date: 11/16/09 07:43:00

Jim Bruce

From: Jim Bruce
Sent: Tuesday, September 02, 2008 2:47 PM
To: David.Hackworth@CH2M.com
Subject: RE: Rate History

David;

There was no increase from 89-90. Our rates are monthly, based on monthly meter readings.

Hope that helps

Jim

From: David.Hackworth@CH2M.com [<mailto:David.Hackworth@CH2M.com>]
Sent: Tuesday, September 02, 2008 2:45 PM
To: Jim Bruce
Cc: Lisa.Bailey@CH2M.com
Subject: Rate History

Jim,

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thanks

David

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Tuesday, September 02, 2008 2:50 PM
To: Jim Bruce
Subject: RE: Rate History

thanks...what is the basis for the \$14.80 to 24.91?

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Tuesday, September 02, 2008 2:47 PM
To: Hackworth, David/LOU
Subject: RE: Rate History

David;

There was no increase from 89-90. Our rates are monthly, based on monthly meter readings.

Hope that helps

Jim

From: David.Hackworth@CH2M.com [<mailto:David.Hackworth@CH2M.com>]
Sent: Tuesday, September 02, 2008 2:45 PM
To: Jim Bruce
Cc: Lisa.Bailey@CH2M.com
Subject: Rate History

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thanks

David

Jim Bruce

From: Jim Bruce
Sent: Tuesday, September 02, 2008 2:51 PM
To: David.Hackworth@CH2M.com
Subject: RE: Rate History

David; Not sure what you mean?

From: David.Hackworth@CH2M.com [<mailto:David.Hackworth@CH2M.com>]
Sent: Tuesday, September 02, 2008 2:50 PM
To: Jim Bruce
Subject: RE: Rate History

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From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Tuesday, September 02, 2008 2:47 PM
To: Hackworth, David/LOU
Subject: RE: Rate History

David;

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Jim

From: David.Hackworth@CH2M.com [<mailto:David.Hackworth@CH2M.com>]
Sent: Tuesday, September 02, 2008 2:45 PM
To: Jim Bruce
Cc: Lisa.Bailey@CH2M.com
Subject: Rate History

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thanks

David

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Tuesday, September 02, 2008 2:51 PM
To: Jim Bruce
Cc: Dave.Gray@CH2M.com
Subject: FW: Disaster Recovery Cash Requirement

Here is another question we need to submit to the Army:

Section L.4.5 of the RFP requires that the Disaster Recovery Cash Requirement (DRCR) be calculated as the numerator for the Disaster Recovery Ratio. For the DRCR calculation, Replacement Cost New value of "Utility Plant" is required. Is that referring to the utility plant at Fort Knox or is it referring to the utility plant currently owned by the prospective purchaser?

We are working on the other data required for the Financial Strength section. We will be able to complete that section when we get the question answered. Thanks.

David Hackworth
Vice President and Area Manager
Water Business Group
401 W. Main Street, Suite 500
Louisville, KY 40202
Direct - 502.584.6052
Fax - 502.587.9343
Mobile - 502.541.5385
www.ch2mhill.com

Solutions Without Boundaries

Jim Bruce

From: Jim Bruce
Sent: Tuesday, September 02, 2008 2:54 PM
To: David.Hackworth@CH2M.com
Subject: RE: Disaster Recovery Cash Requirement

David;

Is Dave doing the financial strength ratios, or do I need to do those?

I will get this question submitted today.

Thanks

Jim Bruce

From: David.Hackworth@CH2M.com [mailto:David.Hackworth@CH2M.com]
Sent: Tuesday, September 02, 2008 2:51 PM
To: Jim Bruce
Cc: Dave.Gray@CH2M.com
Subject: FW: Disaster Recovery Cash Requirement

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Louisville, KY 40202
Direct - 502.584.6052
Fax - 502.587.9343
Mobile - 502.541.5385
www.ch2mhill.com

Solutions Without Boundaries

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Tuesday, September 02, 2008 2:52 PM
To: Jim Bruce
Subject: RE: Rate History

on the data table, the rate changes from 14.8 to 24.91... If this is the average monthly customer rate, how many gallons is it based on?

thanks
David

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Tuesday, September 02, 2008 2:51 PM
To: Hackworth, David/LOU
Subject: RE: Rate History

David; Not sure what you mean?

From: David.Hackworth@CH2M.com [<mailto:David.Hackworth@CH2M.com>]
Sent: Tuesday, September 02, 2008 2:50 PM
To: Jim Bruce
Subject: RE: Rate History

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From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Tuesday, September 02, 2008 2:47 PM
To: Hackworth, David/LOU
Subject: RE: Rate History

David;

There was no increase from 89-90. Our rates are monthly, based on monthly meter readings.

Hope that helps

Jim

From: David.Hackworth@CH2M.com [<mailto:David.Hackworth@CH2M.com>]
Sent: Tuesday, September 02, 2008 2:45 PM
To: Jim Bruce
Cc: Lisa.Bailey@CH2M.com
Subject: Rate History

Jim,

I put your data into a similar format as LWC...

Please review.. I have a couple of questions:

- 1) Was there a rate increase from 89-90? I am assuming your rate was constant for that period
- 2) Is the rate shown a monthly rate? Is it based on an average household consumption

thanks

David

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Tuesday, September 02, 2008 2:55 PM
To: Dave.Gray@CH2M.com
Cc: Jim Bruce
Subject: RE: Disaster Recovery Cash Requirement

Dave,

can you answer Jim's question?

thanks

David

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Tuesday, September 02, 2008 2:54 PM
To: Hackworth, David/LOU
Subject: RE: Disaster Recovery Cash Requirement

David;

Is Dave doing the financial strength ratios, or do I need to do those?

I will get this question submitted today.

Thanks

Jim Bruce

From: David.Hackworth@CH2M.com [<mailto:David.Hackworth@CH2M.com>]
Sent: Tuesday, September 02, 2008 2:51 PM
To: Jim Bruce
Cc: Dave.Gray@CH2M.com
Subject: FW: Disaster Recovery Cash Requirement

Here is another question we need to submit to the Army:

Section L.4.5 of the RFP requires that the Disaster Recovery Cash Requirement (DRCR) be calculated as the numerator for the Disaster Recovery Ratio. For the DRCR calculation, Replacement Cost New value of "Utility Plant" is required. Is that referring to the utility plant at Fort Knox or is it referring to the utility plant currently owned by the prospective purchaser?

We are working on the other data required for the Financial Strength section. We will be able to complete that section when we get the question answered. Thanks.

David Hackworth
Vice President and Area Manager
Water Business Group
401 W. Main Street, Suite 500
Louisville, KY 40202
Direct - 502.584.6052
Fax - 502.587.9343

Jim Bruce

From: Jim Bruce
Sent: Tuesday, September 02, 2008 2:58 PM
To: David.Hackworth@CH2M.com
Subject: RE: Rate History

David;

Look at the amounts in each cell, the formula for the rate calculation is shown. When we changed our rates in 2001, we stopped including any gallons in the minimum (i.e. minimum bill) and went to a Customer Meter Charge + volume charge. All water used is now billed. Different meter sizes have larger meter charges, but most of our customers have the smallest size meter. The current now for 5/8x3/4 inch meter is \$5.02 for meter charge (per month, regardless of water used) plus \$4.42/kgal for up to 15 kgal, then the rate drops to \$3.16/kgal.

Our sewer rates are different. We just adopted the City of Radcliff rates in April when we took over, but we have not had any control over sewer rates. Before 1 year is up, we agreed to do a cost of service analysis for the sewer rates and submit to PSC. We anticipated that we will be lowering sewer rates.

FYI

Jim

From: David.Hackworth@CH2M.com [<mailto:David.Hackworth@CH2M.com>]
Sent: Tuesday, September 02, 2008 2:52 PM
To: Jim Bruce
Subject: RE: Rate History

on the data table, the rate changes from 14.8 to 24.91... If this is the average monthly customer rate, how many gallons is it based on?

thanks
David

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Tuesday, September 02, 2008 2:51 PM
To: Hackworth, David/LOU
Subject: RE: Rate History

David; Not sure what you mean?

From: David.Hackworth@CH2M.com [<mailto:David.Hackworth@CH2M.com>]
Sent: Tuesday, September 02, 2008 2:50 PM
To: Jim Bruce
Subject: RE: Rate History

thanks...what is the basis for the \$14.80 to 24.91?

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Tuesday, September 02, 2008 2:47 PM

To: Hackworth, David/LOU
Subject: RE: Rate History

David;

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Hope that helps

Jim

From: David.Hackworth@CH2M.com [mailto:David.Hackworth@CH2M.com]
Sent: Tuesday, September 02, 2008 2:45 PM
To: Jim Bruce
Cc: Lisa.Bailey@CH2M.com
Subject: Rate History

Jim,

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Please review.. I have a couple of questions:

- 1) Was there a rate increase from 89-90? I am assuming your rate was constant for that period
- 2) Is the rate shown a monthly rate? Is it based on a average household consumption

thanks

David

Jim Bruce

From: Dave.Gray@CH2M.com
Sent: Tuesday, September 02, 2008 3:04 PM
To: David.Hackworth@CH2M.com; Jim Bruce
Subject: RE: Disaster Recovery Cash Requirement

I am calculating the financial strength ratios based on the information Jim sent to me last week. So, I think we will be covered there once we get the definition of "utility plant" specified for the disaster recovery ratio.--Dave

From: Hackworth, David/LOU
Sent: Tuesday, September 02, 2008 11:55 AM
To: Gray, Dave/SEA
Cc: Jim Bruce
Subject: RE: Disaster Recovery Cash Requirement

Dave,

can you answer Jim's question?

thanks

David

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Tuesday, September 02, 2008 2:54 PM
To: Hackworth, David/LOU
Subject: RE: Disaster Recovery Cash Requirement

David;

Is Dave doing the financial strength ratios, or do I need to do those?

I will get this question submitted today.

Thanks

Jim Bruce

From: David.Hackworth@CH2M.com [<mailto:David.Hackworth@CH2M.com>]
Sent: Tuesday, September 02, 2008 2:51 PM
To: Jim Bruce
Cc: Dave.Gray@CH2M.com
Subject: FW: Disaster Recovery Cash Requirement

Here is another question we need to submit to the Army:

Section L.4.5 of the RFP requires that the Disaster Recovery Cash Requirement (DRCR) be calculated as the numerator for the Disaster Recovery Ratio. For the DRCR calculation, Replacement Cost New value of "Utility Plant" is required. Is that referring to the utility plant at Fort Knox or is it referring to the utility plant currently owned by the prospective purchaser?

We are working on the other data required for the Financial Strength section. We will be able to complete that section when we get the question answered. Thanks.

David Hackworth
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Mobile - 502.541.5385
www.ch2mhill.com

Solutions Without Boundaries

Jim Bruce

From: Jim Bruce
Sent: Tuesday, September 02, 2008 3:08 PM
To: Dave.Gray@CH2M.com
Cc: David.Hackworth@CH2M.com; Brett Pyles
Subject: RE: Disaster Recovery Cash Requirement
Attachments: First year sewer estimates.xls

Thanks Dave – glad you are doing them!

We took over the Radcliff sewer utility in April. That system added about \$3.5M/year in revenues, and we also received about \$3 million in cash and some debt. Let me know if you need to add the impact of that acquisition. I can send you most recent month financial statements for that utility (unaudited) if you need that info. Or, you can see attached estimates of first year cash flow from that utility.

Thanks

Jim Bruce

From: Dave.Gray@CH2M.com [<mailto:Dave.Gray@CH2M.com>]
Sent: Tuesday, September 02, 2008 3:04 PM
To: David.Hackworth@CH2M.com; Jim Bruce
Subject: RE: Disaster Recovery Cash Requirement

I am calculating the financial strength ratios based on the information Jim sent to me last week. So, I think we will be covered there once we get the definition of "utility plant" specified for the disaster recovery ratio.--Dave

From: Hackworth, David/LOU
Sent: Tuesday, September 02, 2008 11:55 AM
To: Gray, Dave/SEA
Cc: Jim Bruce
Subject: RE: Disaster Recovery Cash Requirement

Dave,

can you answer Jim's question?

thanks

David

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Tuesday, September 02, 2008 2:54 PM
To: Hackworth, David/LOU
Subject: RE: Disaster Recovery Cash Requirement

David;

Is Dave doing the financial strength ratios, or do I need to do those?

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Thanks

Jim Bruce

From: David.Hackworth@CH2M.com [<mailto:David.Hackworth@CH2M.com>]
Sent: Tuesday, September 02, 2008 2:51 PM
To: Jim Bruce
Cc: Dave.Gray@CH2M.com
Subject: FW: Disaster Recovery Cash Requirement

Here is another question we need to submit to the Army:

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We are working on the other data required for the Financial Strength section. We will be able to complete that section when we get the question answered. Thanks.

David Hackworth
Vice President and Area Manager
Water Business Group
401 W. Main Street, Suite 500
Louisville, KY 40202
Direct - 502.584.6052
Fax - 502.587.9343
Mobile - 502.541.5385
www.ch2mhill.com

Solutions Without Boundaries

Jim Bruce

From: Jim Bruce
Sent: Tuesday, September 02, 2008 3:41 PM
To: David.Hackworth@CH2M.com
Subject: RE: Here are the Figures to use for Vol 1

Looks good – I think

Jim

From: David.Hackworth@CH2M.com [<mailto:David.Hackworth@CH2M.com>]
Sent: Tuesday, September 02, 2008 3:36 PM
To: Lisa.Bailey@CH2M.com; Sally.Peek@CH2M.com; Jim Bruce; jsmith@lwcky.com; Bob.Woodhouse@CH2M.com
Subject: Here are the Figures to use for Vol 1

Vol 1 base proposal - Use HCWD chart
Vol 1 Alt Proposal - use both charts

Jim Bruce

From: Dave.Gray@CH2M.com
Sent: Tuesday, September 02, 2008 3:44 PM
To: Jim Bruce
Cc: David.Hackworth@CH2M.com; Brett Pyles
Subject: RE: Disaster Recovery Cash Requirement

It might be a good idea to prepare a proforma projection of the ratios for 2008 based on year to date performance by HCWD1 and the addition of the Radcliff sewer utility and your judgment as to how the rest of the year will look. Frankly, I would not suggest spending alot of time with it; just make judgments as to what you would expect the various numbers to be at the end of the year. I think it would be most time efficient if I sent you the worksheet we are preparing for 2003-2007 and then just let you fill in the 2008 estimates. The worksheet will then calculate the ratios and input them to the required ratio report specified in the RFP. I set up the spreadsheet and am having the numbers input with a hold on the Disaster Recovery Ratio until we get the definition straight. On the other hand, we could also make the estimates if you would prefer. It is just that they will not be as insightful as yours. Let me know what you think.--Dave

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Tuesday, September 02, 2008 12:08 PM
To: Gray, Dave/SEA
Cc: Hackworth, David/LOU; Brett Pyles
Subject: RE: Disaster Recovery Cash Requirement

Thanks Dave – glad you are doing them!

We took over the Radcliff sewer utility in April. That system added about \$3.5M/year in revenues, and we also received about \$3 million in cash and some debt. Let me know if you need to add the impact of that acquisition. I can send you most recent month financial statements for that utility (unaudited) if you need that info. Or, you can see attached estimates of first year cash flow from that utility.

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David Hackworth
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Louisville, KY 40202
Direct - 502.584.6052
Fax - 502.587.9343
Mobile - 502.541.5385
www.ch2mhill.com

Solutions Without Boundaries

Jim Bruce

From: Jim Bruce
Sent: Tuesday, September 02, 2008 3:54 PM
To: Paul Hicks
Cc: Brett Pyles
Subject: RE: Fort Knox Water Distribution Utility Privatization

Mr Hicks;

At this time, we are not interested in committing to any vendor or service provider for tank service. We are including our best estimates, using a professional NACE estimator, for painting and repairs. If we are successful in getting the award, we would like to talk to you then about different options. For the last several years, our water district develops its own specifications for painting, with assistance of professional inspector, and then if the painting is over \$20,000, we are required to solicit competitive bids.

We appreciate your interest in our business, and please keep in touch in the future to see how our proposal was received.

Thank You

Jim Bruce
General Manager
HCWD1

-----Original Message-----

From: Paul Hicks [<mailto:phicks@utilityservice.com>]
Sent: Tuesday, September 02, 2008 3:44 PM
To: bpyles@hcwd.com; Jim Bruce
Subject: Fort Knox Water Distribution Utility Privatization

Jim and Brett:

I met you at the pre-proposal conference for Water Distribution Utility Privatization for Fort Knox, Ky. We would like to work with you on your proposal for the repair and maintenance of the water tanks on Fort Knox. We have been working on Utility Privatization at all the military bases. We have contracts for doing work at 8 military installations which have been privatized.

I have put together a program for Fort Knox for either upfront repair or putting these tanks under our Full Service Maintenance Program like the 5,000 tanks we currently have under our program. Please contact me at the numbers below. Also please visit our web site at www.utilityservice.com.

Paul J. Hicks
Government Business Manager/GSA Contract Administrator Utility Service Co., Inc
535 Courtney Hodges Blvd
P.O. Box 1350
Perry, GA 31069-1350
Office: 800-223-3695, 478-987-0303 Ext 5264, or
478-988-5264
Mobile: 478-397-3463
Fax: 478-987-2991
phicks@utilityservice.com

Jim Bruce

From: Jim Bruce
Sent: Tuesday, September 02, 2008 3:56 PM
To: Dave.Gray@CH2M.com
Subject: RE: Disaster Recovery Cash Requirement

Dave;

If you can send me the SS, I will take a shot at estimating the 08 amounts. I assume from your response that you are OK with including Radcliff sewer impact?

Thanks

Jim

From: Dave.Gray@CH2M.com [<mailto:Dave.Gray@CH2M.com>]
Sent: Tuesday, September 02, 2008 3:44 PM
To: Jim Bruce
Cc: David.Hackworth@CH2M.com; Brett Pyles
Subject: RE: Disaster Recovery Cash Requirement

It might be a good idea to prepare a proforma projection of the ratios for 2008 based on year to date performance by HCWD1 and the addition of the Radcliff sewer utility and your judgment as to how the rest of the year will look. Frankly, I would not suggest spending alot of time with it; just make judgments as to what you would expect the various numbers to be at the end of the year. I think it would be most time efficient if I sent you the worksheet we are preparing for 2003-2007 and then just let you fill in the 2008 estimates. The worksheet will then calculate the ratios and input them to the required ratio report specified in the RFP. I set up the spreadsheet and am having the numbers input with a hold on the Disaster Recovery Ratio until we get the definition straight. On the other hand, we could also make the estimates if you would prefer. It is just that they will not be as insightful as yours. Let me know what you think.--Dave

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Vice President and Area Manager
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401 W. Main Street, Suite 500
Louisville, KY 40202
Direct - 502.584.6052

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Wednesday, September 03, 2008 8:23 AM
To: Dave.Gray@CH2M.com; Jim Bruce; Bob.Woodhouse@CH2M.com
Subject: RE: Incorporating R&R Costs into HCWD1's Proposed Price for Water Service to HCWD1

My vote would be for two years, but I leave that decision to the Jims

From: Gray, Dave/SEA
Sent: Tuesday, September 02, 2008 7:53 PM
To: 'Jim Bruce'; Hackworth, David/LOU; Woodhouse, Bob/SFO
Subject: RE: Incorporating R&R Costs into HCWD1's Proposed Price for Water Service to HCWD1

In the second to last paragraph in the e-mail below, I suggested that we may want to provide prices with a guarantee of no change for the first 3 years. I just noticed that the RFP for non-regulated rates asks for prices guaranteed for 2 years. Please let me know if you have a preference. Also, we have started some of the analysis to support the approach outlined below. Please let me know if you have any comments or redirection. Thanks.--Dave

From: Gray, Dave/SEA
Sent: Monday, September 01, 2008 8:14 PM
To: Jim Bruce; Hackworth, David/LOU; Woodhouse, Bob/SFO
Subject: Incorporating R&R Costs into HCWD1's Proposed Price for Water Service to HCWD1

This e-mail reviews our discussions last week regarding pricing options and adopted approaches for the R&R component of HCWD's proposed FK water utility rate. Please review the planned approach provided below and provide any comments you may have

We discussed the following optional approaches:

1. Traditional rate base approach. This is the so-called "utility basis" for ratemaking. This would require that we calculate rate base and set up revenue requirements that include return to rate base and depreciation expense. I understand from Jim Bruce that he would like to stay away from such an approach. Among reasons for doing so is that the PSC does not like to grant a public agency any "return" or profit.
2. Cash basis based on actual cash requirements. This would be "lumpy" in that revenue requirements would change from year to year as actual cash requirements for R&R change.
3. "Levelized" costs. This is a method that spreads the R&R costs into an annual payment that has the same present value as the R&R schedule. The Army and DESC like this one because it provides stable charges.

We agreed on the third approach. It has the advantage of being an attractive format to the government and avoids the need to keep going to the PSC for detailed rate analysis each time new investment is made in the system. We also discussed the option to start the R&R charge in Year 6 rather than in Year 1 since R&R expenditures are not expected to start until Year 6. However, we decided to start in Year 1 to build up reserves for R&Rs, reduce risk, and delay the need for future rate increases. I will proceed with this approach unless instructed to take an alternate path.

In preparing to do so, it would be useful to have the following information:

- Interest rate at which HCWD1 can invest funds (I will call Bob Cramer on this point)
- Confirmation that HCWD1 can borrow funds for 4.5 percent (I will call Bob Cramer on this point). We decided that in cases where HCWD may be deficit in funds for FK R&Rs, it would use internally generated funds so that it would not need to incur taxable debt.
- Assessment as to whether we could assume that HCWD1 can borrow funds for this project from the state revolving fund (It may be best if HCWD1 inquires on this front)
 - If so, whether we would want to propose the interest rate on such funds for R&R projects

- Whether we would want to propose the same treatment of initial system deficiency corrections

In Louisville last week, we discussed the fact that it would be preferable to collect all R&R costs in the 50-year contract period. If we proceeded in that way, I would make the point that the undepreciated, residual value at the end of the 50 years should be used to reduce the HCWD1 proposed costs because the Army would have the right to reacquire the system at the unamortized amount on the system. Since that would be \$0, they would get it for free. Calculation of the residual value should be straight forward. If the Army buys the argument and includes the credit in year 50, HCWD1 should look pretty good. However, if they do not accept it (some of the DESC analysts just don't get it), HCWD's relative cost would have significant weight to overcome (since the Government does credit its "should costs" with the residual system value. I intent to calculate the difference and will provide that information so that we can jointly make a strategic decision on how exactly to proceed.

In reviewing HCWD1's application to increase the sewer rates at FK, it seems that has success in setting rates based on R&R cash requirements and then simply comparing the amount needed to the depreciation expense with no other connection to depreciation. This really is a good way to go in that it reduces the detail that needs to be negotiated with the Army and the PSC. If we are successful in starting the R&R charge in Year 1 (as HCWD1 did with the sewer rates), HCWD1 will be able to build up a significant R&R fund before it starts investing in R&Rs in Year 6. That implies that HCWD1 will not need a rate increase, at least for R&Rs, for many years into the future. A detail that could be addressed later (after contract award) will be whether the reserve could also be used for O&M when inflation begins to create a deficit between O&M costs and O&M-based revenues generated by the rate. I am assuming that HCWD1 would indeed be able to apply revenues generated from the combined O&M and R&R charge to O&M costs. In that case, HCWD will need to keep track of how the funds are expended and how the reserve is initially built and then drawn down. This will allow HCWD1 to be better positioned to address possible Army concerns once it becomes necessary to increase the tariff.

Consistent with RFP requirements, I intend to provide all costs for the 50-year contract in Schedule 5 in terms of 2009 dollars. However, in schedule B-1, I intend to inflate the prices by about 3 percent per year to 2011 price levels to reflect the average cost for the period 2010 through 2012. We would then guarantee no price increases for the first 3 years. Let me know if you would like to reduce the guarantee to 2 years. In doing this, I intend to use "real" rather than "nominal" interest rates. As such, the rate used to discount and then amortize R&R costs will probably be 2.8 percent. This is the "real" rate that the Government will use in its UPEAST comparison of HCWD1 costs to its own "should costs".

Please let me know if you have any comments or would like me to take a different approach on any of this. Finally, and unfortunately, my father-in-law died on Saturday. So, on Wednesday, I will return to Kentucky to be with the family for services on Thursday and Friday. So, I will generally be out of pocket. If we need to talk, please call me on Tuesday if possible. Otherwise, you can try my cell phone on Wednesday, Thursday, or Friday. If I do not answer, leave a message and I will return your call. --Dave

David Gray

CH2M HILL

dgray@ch2m.com

(425) 453-5000 (w)

(425) 301-4729 (c)

Jim Bruce

From: Jim Bruce
Sent: Wednesday, September 03, 2008 8:24 AM
To: Dave.Gray@CH2M.com; David.Hackworth@CH2M.com; jsmith@lwcky.com; Bob.Woodhouse@CH2M.com
Cc: Brett Pyles
Subject: RE: Incorporating R&R Costs into HCWD1's Proposed Price for Water Service to HCWD1

All;

My thought is to only lock for 2 years, as this is what non-regulated would have to do. I am not sure advantage of doing 3 year lock like we did on sewer. A 2 year means we only have to compensate or adjust for 2 years of forward looking inflation adjustments.

Jim Bruce

From: Dave.Gray@CH2M.com [mailto:Dave.Gray@CH2M.com]
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dgray@ch2m.com
 (425) 453-5000 (w)
 (425) 301-4729 (c)

Jim Bruce

From: Jim Bruce
Sent: Wednesday, September 03, 2008 9:04 AM
To: Jon.Green@ch2m.com; David.Hackworth@CH2M.com
Subject: GM / OM hourly rates
Attachments: HCWD1 Pay Plan.pdf

Jon;

The hourly rate for myself would be \$45.67 and for Brett (O&M Manager) is \$28.34.

All other rates for other Dist employees were provided by Brett earlier. If you need to price any of our other employees, I would use the mid-point of our pay plan, for that particular job title. These above would be before adding overhead.

Thanks

Jim Bruce

Jim Bruce

From: Jim Bruce
Sent: Wednesday, September 03, 2008 9:05 AM
To: Jon.Green@ch2m.com; David.Hackworth@CH2M.com
Subject: GM / OM hourly rates
Attachments: HCWD1 Pay Plan.pdf

Jon;

Clarification – My title is General Manager, Brett's is Operations Manager

Thanks

Jim Bruce

No virus found in this incoming message.

Checked by AVG - www.avg.com

Version: 8.5.425 / Virus Database: 270.14.56/2491 - Release Date: 11/16/09 07:43:00

Jim Bruce

From: Jon.Green@ch2m.com
Sent: Wednesday, September 03, 2008 9:10 AM
To: Jim Bruce
Cc: David.Hackworth@CH2M.com
Subject: RE: GM / OM hourly rates

Mr.. Bruce,

Thank you, would you have a few minutes this morning to discuss the water treatment plant residuals, and our approach?

Thank you in advance,

Jon

Jonathan M. Green
Senior Operations Specialist
CH2M HILL
4041 Jefferson Plaza NE, Suite 200
Albuquerque, NM 87109
Office - 505.884.5600 X35759
Direct - 505.855.5259
Cell - 505.414.9641
Fax - 505.816.0589
E-mail - Jon.Green@ch2m.com

<><  Please consider the environment before printing this email

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Wednesday, September 03, 2008 7:05 AM
To: Green, Jon/ABQ; Hackworth, David/LOU
Subject: GM / OM hourly rates

Jon;

Clarification – My title is General Manager, Brett’s is Operations Manager

Thanks

Jim Bruce

Jim Bruce

From: Jim Bruce
Sent: Wednesday, September 03, 2008 9:12 AM
To: Jon.Green@ch2m.com
Cc: David.Hackworth@CH2M.com; jsmith@lwcky.com
Subject: RE: GM / OM hourly rates

Jon;

I have meeting at Rad swr this morning. May last till noon. You may want to talk to Jim Smith about this question as they will be operating WTP's, and may have better insight. I trust Jim for whatever he thinks on this topic.

Feel free to call me cell though if you have other questions (270-268-4069)

Jim Bruce

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Fax - 505.816.0589
E-mail - Jon.Green@ch2m.com

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To: Green, Jon/ABQ; Hackworth, David/LOU
Subject: GM / OM hourly rates

Jon;

Jim Bruce

From: Jon.Green@ch2m.com
Sent: Wednesday, September 03, 2008 9:23 AM
To: jsmith@lwcky.com
Cc: Jim Bruce; David.Hackworth@CH2M.com
Subject: Water Treatment Residuals - Fort Knox, KY


Mr.. Smith,

Good morning sir, would you, would you have a few minutes this morning to discuss the water treatment plant residuals, and our approach?

Thank you in advance,

Jon

Jonathan M. Green
Senior Operations Specialist
CH2M HILL
4041 Jefferson Plaza NE, Suite 200
Albuquerque, NM 87109
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Direct - 505.855.5259
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Fax - 505.816.0589
E-mail - Jon.Green@ch2m.com

<><  Please consider the environment before printing this email

Jim Bruce

From: Jim Bruce
Sent: Wednesday, September 03, 2008 9:38 AM
To: Dave.Gray@CH2M.com; David.Hackworth@CH2M.com
Subject: RE: Financial Ratios

Dave;

Our accountant is working on this. Should have it to you tomorrow, or sooner if she gets done today.

Thanks

Jim Bruce

From: Dave.Gray@CH2M.com [<mailto:Dave.Gray@CH2M.com>]
Sent: Tuesday, September 02, 2008 7:39 PM
To: Jim Bruce
Cc: David.Hackworth@CH2M.com; Bob.Woodhouse@CH2M.com
Subject: Financial Ratios

Hi Jim--The attached file includes a worksheet that is used to create the Financial Ratios table required by the RFP. It is complete except for the Utility Plant value needed for the Disaster Recovery Ratio calculation and the projected 2008 ratios. The table of results, required by the RFP, is shown at the bottom of the page.

If you can complete the projected 2008 data for the cells where data for other years are shown in blue, the worksheet will populate the rest of the fields needed for the report. We will then be in pretty good shape. We will complete the Disaster Recovery Ratio when we get clarity on the Utility Plant definition for that calculation. Please return the sheet to me and I will draft the financial strength text to go with it.--Dave

David Gray
CH2M HILL
dgray@ch2m.com
(425) 453-5000 (w)
(425) 301-4729 (c)

Jim Bruce

From: Dave.Gray@CH2M.com
Sent: Wednesday, September 03, 2008 10:44 AM
To: Jim Bruce; David.Hackworth@CH2M.com; jsmith@lwcky.com; Bob.Woodhouse@CH2M.com
Cc: Brett Pyles
Subject: Re: Incorporating R&R Costs into HCWD1's Proposed Price for Water Service to HCWD1

Ok. Good thoughts. Will do 2 years.

From: Jim Bruce
To: Gray, Dave/SEA; Hackworth, David/LOU; jsmith@lwcky.com ; Woodhouse, Bob/SFO
Cc: Brett Pyles
Sent: Wed Sep 03 06:24:26 2008
Subject: RE: Incorporating R&R Costs into HCWD1's Proposed Price for Water Service to HCWD1
All;

My thought is to only lock for 2 years, as this is what non-regulated would have to do. I am not sure advantage of doing 3 year lock like we did on sewer. A 2 year means we only have to compensate or adjust for 2 years of forward looking inflation adjustments.

Jim Bruce

From: Dave.Gray@CH2M.com [mailto:Dave.Gray@CH2M.com]
Sent: Tuesday, September 02, 2008 7:53 PM
To: Jim Bruce; David.Hackworth@CH2M.com; Bob.Woodhouse@CH2M.com
Subject: RE: Incorporating R&R Costs into HCWD1's Proposed Price for Water Service to HCWD1

In the second to last paragraph in the e-mail below, I suggested that we may want to provide prices with a guarantee of no change for the first 3 years. I just noticed that the RFP for non-regulated rates asks for prices guaranteed for 2 years. Please let me know if you have a preference. Also, we have started some of the analysis to support the approach outlined below. Please let me know if you have any comments or redirection. Thanks.--Dave

From: Gray, Dave/SEA
Sent: Monday, September 01, 2008 8:14 PM
To: Jim Bruce; Hackworth, David/LOU; Woodhouse, Bob/SFO
Subject: Incorporating R&R Costs into HCWD1's Proposed Price for Water Service to HCWD1

This e-mail reviews our discussions last week regarding pricing options and adopted approaches for the R&R component of HCWD's proposed FK water utility rate. Please review the planned approach provided below and provide any comments you may have

We discussed the following optional approaches:

1. Traditional rate base approach. This is the so-called "utility basis" for ratemaking. This would require that we calculate rate base and set up revenue requirements that include return to rate base and depreciation expense. I understand from Jim Bruce that he would like to stay away from such an approach. Among reasons for doing so is that the PSC does not like to grant a public agency any "return" or profit.
2. Cash basis based on actual cash requirements. This would be "lumpy" in that revenue requirements would change from year to year as actual cash requirements for R&R change.
3. "Levelized" costs. This is a method that spreads the R&R costs into an annual payment that has the same present value as the R&R schedule. The Army and DESC like this one because it provides stable charges.

We agreed on the third approach. It has the advantage of being an attractive format to the government and avoids the need to keep going to the PSC for detailed rate analysis each time new investment is made in the system. We also discussed the option to start the R&R charge in Year 6 rather than in Year 1 since R&R expenditures are not expected to start until Year 6. However, we decided to start in Year 1 to build up reserves for R&Rs, reduce risk, and delay the need for future rate increases. I will proceed with this approach unless instructed to take an alternate path.

In preparing to do so, it would be useful to have the following information:

- Interest rate at which HCWD1 can invest funds (I will call Bob Cramer on this point)
- Confirmation that HCWD1 can borrow funds for 4.5 percent (I will call Bob Cramer on this point). We decided that in cases where HCWD may be deficit in funds for FK R&Rs, it would use internally generated funds so that it would not need to incur taxable debt.
- Assessment as to whether we could assume that HCWD1 can borrow funds for this project from the state revolving fund (It may be best if HCWD1 inquires on this front)
 - If so, whether we would want to propose the interest rate on such funds for R&R projects
 - Whether we would want to propose the same treatment of initial system deficiency corrections

In Louisville last week, we discussed the fact that it would be preferable to collect all R&R costs in the 50-year contract period. If we proceeded in that way, I would make the point that the undepreciated, residual value at the end of the 50 years should be used to reduce the HCWD1 proposed costs because the Army would have the right to reacquire the system at the unamortized amount on the system. Since that would be \$0, they would get it for free. Calculation of the residual value should be straight forward. If the Army buys the argument and includes the credit in year 50, HCWD1 should look pretty good. However, if they do not accept it (some of the DESC analysts just don't get it), HCWD's relative cost would have significant weight to overcome (since the Government does credit its "should costs" with the residual system value. I intent to calculate the difference and will provide that information so that we can jointly make a strategic decision on how exactly to proceed.

In reviewing HCWD1's application to increase the sewer rates at FK, it seems that has success in setting rates based on R&R cash requirements and then simply comparing the amount needed to the depreciation expense with no other connection to depreciation. This really is a good way to go in that it reduces the detail that needs to be negotiated with the Army and the PSC. If we are successful in starting the R&R charge in Year 1 (as HCWD1 did with the sewer rates), HCWD1 will be able to build up a significant R&R fund before it starts investing in R&Rs in Year 6. That implies that HCWD1 will not need a rate increase, at least for R&Rs, for many years into the future. A detail that could be addressed later (after contract award) will be whether the reserve could also be used for O&M when inflation begins to create a deficit between O&M costs and O&M-based revenues generated by the rate. I am assuming that HCWD1 would indeed be able to apply revenues generated from the combined O&M and R&R charge to O&M costs. In that case, HCWD will need to keep track of how the funds are expended and how the reserve is initially built and then drawn down. This will allow HCWD1 to be better positioned to address possible Army concerns once it becomes necessary to increase the tariff.

Consistent with RFP requirements, I intend to provide all costs for the 50-year contract in Schedule 5 in terms of 2009 dollars. However, in schedule B-1, I intend to inflate the prices by about 3 percent per year to 2011 price levels to reflect the average cost for the period 2010 through 2012. We would then guarantee no price increases for the first 3 years. Let me know if you would like to reduce the guarantee to 2 years. In doing this, I intend to use "real" rather than "nominal" interest rates. As such, the rate used to discount and then amortize R&R costs will probably be 2.8 percent. This is the "real" rate that the Government will use in its UPEAST comparison of HCWD1 costs to its own "should costs".

Please let me know if you have any comments or would like me to take a different approach on any of this. Finally, and unfortunately, my father-in-law died on Saturday. So, on Wednesday, I will return to Kentucky to be with the family for services on Thursday and Friday. So, I will generally be out of pocket. If we need to talk, please call me on Tuesday if possible. Otherwise, you can try my cell phone on Wednesday, Thursday, or Friday. If I do not answer, leave a message and I will return your call. --Dave

David Gray
CH2M HILL
dgray@ch2m.com
(425) 453-5000 (w)
(425) 301-4729 (c)

Jim Bruce

From: Patti Kaelin [pkaelin@lwcky.com]
Sent: Wednesday, September 03, 2008 11:29 AM
To: jon.green@ch2m.com
Cc: Jim Bruce; Brett Pyles; Jim Smith
Subject: Costs

Jon –

Estimate for tool needs and costs –

Hand tools - \$4,000

Large shop tools (drill press, pedestal grinders, band saws) - \$8,000

Storage/racks etc - \$4,000

Total \$16,000

Let me know if you need anything else.

Thanks - Patti

No virus found in this incoming message.

Checked by AVG - www.avg.com

Version: 8.5.432 / Virus Database: 270.14.149/2631 - Release Date: 01/19/10 07:34:00

Jim Bruce


From: Jon.Green@ch2m.com
Sent: Wednesday, September 03, 2008 11:30 AM
To: pkaelin@lwcky.com
Cc: Jim Bruce; Brett Pyles; JSmith@lwcky.com
Subject: RE: Costs

Patti,

thank you.

Jon Green

Jonathan M. Green
Senior Operations Specialist
CH2M HILL
4041 Jefferson Plaza NE, Suite 200
Albuquerque, NM 87109
Office - 505.884.5600 X35759
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From: Patti Kaelin [mailto:pkaelin@lwcky.com]
Sent: Wednesday, September 03, 2008 9:29 AM
To: Green, Jon/ABQ
Cc: jbruce@hcwd.com; bpyles@hcwd.com; Jim Smith
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Sent: Wednesday, September 03, 2008 11:33 AM
To: jon.green@ch2m.com
Cc: Jim Bruce; Brett Pyles; Jim Smith
Subject: Lab costs

Jon –

Below is an estimate for lab costs. We will continue to work on refining these costs, but wanted to send you what we have. Can you please compare these against the numbers you already have?

Let me know if you need anything else.

Thanks – Patti

Wet Chemistry Lab - Startup

Instruments	\$26,000
Lab-ware/Glass-ware	\$12,000
Safety Supplies/Hardware	\$8,000
Work Station (PC, desk, etc)	\$4,000
Chemicals	\$8,000
Sub total	\$58,000

Wet Chemistry Lab – Labor (One analyst)

Monthly cost	\$5,750
Sub total	\$5,750

Wet Chemistry Lab – Monthly supplies

Monthly replenish	\$4,500
Sub total	\$4,500

Total - \$68,250

No virus found in this incoming message.

Checked by AVG - www.avg.com

Version: 8.5.325 / Virus Database: 270.12.17/2095 - Release Date: 05/04/09 06:00:00

Jim Bruce

From: Jon.Green@ch2m.com
Sent: Wednesday, September 03, 2008 11:41 AM
To: pkaelin@lwcky.com
Cc: Jim Bruce; Brett Pyles; JSmith@lwcky.com
Subject: RE: Lab costs
Attachments: FortKnox_Compliance_Costs.xls


Patti,

The startup cost are slightly higher than my cost, but look very close. We don't currently have a lab analyst in the staffing plan (**Wet Chemistry Lab – Labor (One analyst)**). I may have incorrectly assumed the operators would perform "process control" analysis. The balance of the analytical expense is in the cost model by Mr.. Song (attached). It would be very helpful if you could help to confirm.

Thanks in advance,

Jon Green

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Sent: Wednesday, September 03, 2008 11:56 AM
To: jon.green@ch2m.com
Cc: Jim Bruce; Brett Pyles; Jim Smith
Subject: FW: Lab costs
Attachments: FortKnox_Compliance_Costs.xls

Jon – since the two costs are close, pls go ahead and use yours. Regarding the analyst your assumption is correct, we are not planning an analyst.

Thanks - Patti

From: Jon.Green@ch2m.com [mailto:Jon.Green@ch2m.com]
Sent: Wednesday, September 03, 2008 11:41 AM
To: Patti Kaelin
Cc: jbruce@hcwd.com; bpyles@hcwd.com; Jim Smith
Subject: RE: Lab costs


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No virus found in this incoming message.

Checked by AVG - www.avg.com

Version: 8.5.325 / Virus Database: 270.12.17/2095 - Release Date: 05/04/09 06:00:00

Jim Bruce

From: Patti Kaelin [pkaelin@lwcky.com]
Sent: Wednesday, September 03, 2008 1:13 PM
To: jon.green@ch2m.com
Cc: Jim Bruce; Brett Pyles; Jim Smith
Subject: FW: Approx Distances

Jon – roadway distance from the lagoons near the Muldraugh Plant to Outer Loop landfill is about 26.3 miles

Thanks - Patti

From: Joseph McGarry
Sent: Wednesday, September 03, 2008 11:47 AM
To: 'Patti Kaelin'
Subject: Approx Distances

Hi Patti,

Please keep in mind that the figures are approximate distances. 26.3 Miles

Jefferson County
Landfill -> Outer Loop -> I-65 -> Gene Snyder West -> Dixie Hwy to County line: 19.8 miles
Hardin\Meade County
County Line -> Dixie Hwy -> KY1683 -> Carpenter Test Rd: 6.5 miles

Joseph A. McGarry
GIS Analyst

Louisville Water Company
550 South Third Street
Louisville, Kentucky 40202
PH 502-569-3600 ext.2398
FAX 502-569-3691

No virus found in this incoming message.
Checked by AVG - www.avg.com
Version: 8.5.325 / Virus Database: 270.12.17/2095 - Release Date: 05/04/09 06:00:00

Jim Bruce

From: Jim Bruce
Sent: Wednesday, September 03, 2008 3:59 PM
To: Dave.Gray@CH2M.com
Subject: RE: Disaster Recovery Cash Requirement
Attachments: Financial Ratios JH.xls

Dave;

See attached SS filled in by Jenny. I glanced at numbers, and they look good to me. Of course, these are estimates for 2008. Jenny made a sheet for each utility.

Let us know if you need anything else.

Jim Bruce

From: Dave.Gray@CH2M.com [<mailto:Dave.Gray@CH2M.com>]
Sent: Tuesday, September 02, 2008 3:44 PM
To: Jim Bruce
Cc: David.Hackworth@CH2M.com; Brett Pyles
Subject: RE: Disaster Recovery Cash Requirement

It might be a good idea to prepare a proforma projection of the ratios for 2008 based on year to date performance by HCWD1 and the addition of the Radcliff sewer utility and your judgment as to how the rest of the year will look. Frankly, I would not suggest spending alot of time with it; just make judgments as to what you would expect the various numbers to be at the end of the year. I think it would be most time efficient if I sent you the worksheet we are preparing for 2003-2007 and then just let you fill in the 2008 estimates. The worksheet will then calculate the ratios and input them to the required ratio report specified in the RFP. I set up the spreadsheet and am having the numbers input with a hold on the Disaster Recovery Ratio until we get the definition straight. On the other hand, we could also make the estimates if you would prefer. It is just that they will not be as insightful as yours. Let me know what you think.--Dave

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Tuesday, September 02, 2008 12:08 PM
To: Gray, Dave/SEA
Cc: Hackworth, David/LOU; Brett Pyles
Subject: RE: Disaster Recovery Cash Requirement

Thanks Dave – glad you are doing them!

We took over the Radcliff sewer utility in April. That system added about \$3.5M/year in revenues, and we also received about \$3 million in cash and some debt. Let me know if you need to add the impact of that acquisition. I can send you most recent month financial statements for that utility (unaudited) if you need that info. Or, you can see attached estimates of first year cash flow from that utility.

Thanks

Jim Bruce

From: Dave.Gray@CH2M.com [<mailto:Dave.Gray@CH2M.com>]
Sent: Tuesday, September 02, 2008 3:04 PM
To: David.Hackworth@CH2M.com; Jim Bruce
Subject: RE: Disaster Recovery Cash Requirement

I am calculating the financial strength ratios based on the information Jim sent to me last week. So, I think we will be covered there once we get the definition of "utility plant" specified for the disaster recovery ratio.--Dave

From: Hackworth, David/LOU
Sent: Tuesday, September 02, 2008 11:55 AM
To: Gray, Dave/SEA
Cc: Jim Bruce
Subject: RE: Disaster Recovery Cash Requirement

Dave,

can you answer Jim's question?

thanks

David

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Tuesday, September 02, 2008 2:54 PM
To: Hackworth, David/LOU
Subject: RE: Disaster Recovery Cash Requirement

David;

Is Dave doing the financial strength ratios, or do I need to do those?

I will get this question submitted today.

Thanks

Jim Bruce

From: David.Hackworth@CH2M.com [<mailto:David.Hackworth@CH2M.com>]
Sent: Tuesday, September 02, 2008 2:51 PM
To: Jim Bruce
Cc: Dave.Gray@CH2M.com
Subject: FW: Disaster Recovery Cash Requirement

Here is another question we need to submit to the Army:

Section L.4.5 of the RFP requires that the Disaster Recovery Cash Requirement (DRCR) be calculated as the numerator for the Disaster Recovery Ratio. For the DRCR calculation, Replacement Cost New value of "Utility Plant" is required. Is that referring to the utility plant at Fort Knox or is it referring to the utility plant currently owned by the prospective purchaser?

We are working on the other data required for the Financial Strength section. We will be able to complete that section when we get the question answered. Thanks.

David Hackworth
Vice President and Area Manager
Water Business Group
401 W. Main Street, Suite 500
Louisville, KY 40202
Direct - 502.584.6052

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From: Jim Bruce
Sent: Wednesday, September 03, 2008 4:12 PM
To: David.Hackworth@CH2M.com; Brett Pyles
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David Hackworth
Vice President and Area Manager
Water Business Group
401 W. Main Street, Suite 500
Louisville, KY 40202
Direct - 502.584.6052
Fax - 502.587.9343
Mobile - 502.541.5385
www.ch2mhill.com

Solutions Without Boundaries

Jim Bruce

From: Jim Bruce
Sent: Wednesday, September 03, 2008 4:42 PM
To: Jon.Green@ch2m.com
Cc: David.Hackworth@CH2M.com; jsmith@lwcky.com; Brett Pyles
Subject: Wages Overhead + Paid Leave

Jon;

I calculated our annual paid leave expense for all employees. This includes vacation and sick leave. It equates to an additional 3.4% adder to wages. I think we gave you 41% before, so adding paid leave makes total 44.4%. That sounds good to me.

Thanks

Jim Bruce

Jim Bruce


From: Jon.Green@ch2m.com
Sent: Wednesday, September 03, 2008 4:53 PM
To: Jim Bruce
Cc: David.Hackworth@CH2M.com; jsmith@lwcky.com; Brett Pyles
Subject: RE: Wages Overhead + Paid Leave

Mr. Bruce,

I will update the cost models.

Jon

Jonathan M. Green
Senior Operations Specialist
CH2M HILL
4041 Jefferson Plaza NE, Suite 200
Albuquerque, NM 87109
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Direct - 505.855.5259
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Fax - 505.816.0589
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To: Green, Jon/ABQ
Cc: Hackworth, David/LOU; jsmith@lwcky.com; Brett Pyles
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Cc: David.Hackworth@CH2M.com; jsmith@lwcky.com; Brett Pyles
Subject: RE: Incorporating R&R Costs into HCWD1's Proposed Price for Water Service to HCWD1
Attachments: ROI table.pdf

Dave;

Attached is a recent summary of our interest earned for our investment portfolio. From this you should be able to figure an average interest rate for our invested funds. Hope that helps.

Jim Bruce

From: Dave.Gray@CH2M.com [mailto:Dave.Gray@CH2M.com]
Sent: Tuesday, September 02, 2008 7:53 PM
To: Jim Bruce; David.Hackworth@CH2M.com; Bob.Woodhouse@CH2M.com
Subject: RE: Incorporating R&R Costs into HCWD1's Proposed Price for Water Service to HCWD1

In the second to last paragraph in the e-mail below, I suggested that we may want to provide prices with a guarantee of no change for the first 3 years. I just noticed that the RFP for non-regulated rates asks for prices guaranteed for 2 years. Please let me know if you have a preference. Also, we have started some of the analysis to support the approach outlined below. Please let me know if you have any comments or redirection. Thanks.--Dave

From: Gray, Dave/SEA
Sent: Monday, September 01, 2008 8:14 PM
To: Jim Bruce; Hackworth, David/LOU; Woodhouse, Bob/SFO
Subject: Incorporating R&R Costs into HCWD1's Proposed Price for Water Service to HCWD1

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In preparing to do so, it would be useful to have the following information:

- Interest rate at which HCWD1 can invest funds (I will call Bob Cramer on this point)
- Confirmation that HCWD1 can borrow funds for 4.5 percent (I will call Bob Cramer on this point). We decided that in cases where HCWD may be deficit in funds for FK R&Rs, it would use internally generated funds so that it would not need to incur taxable debt.
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 - Whether we would want to propose the same treatment of initial system deficiency corrections

In Louisville last week, we discussed the fact that it would be preferable to collect all R&R costs in the 50-year contract period. If we proceeded in that way, I would make the point that the undepreciated, residual value at the end of the 50 years should be used to reduce the HCWD1 proposed costs because the Army would have the right to reacquire the system at the unamortized amount on the system. Since that would be \$0, they would get it for free. Calculation of the residual value should be straight forward. If the Army buys the argument and includes the credit in year 50, HCWD1 should look pretty good. However, if they do not accept it (some of the DESC analysts just don't get it), HCWD's relative cost would have significant weight to overcome (since the Government does credit its "should costs" with the residual system value. I intent to calculate the difference and will provide that information so that we can jointly make a strategic decision on how exactly to proceed.

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Consistent with RFP requirements, I intend to provide all costs for the 50-year contract in Schedule 5 in terms of 2009 dollars. However, in schedule B-1, I intend to inflate the prices by about 3 percent per year to 2011 price levels to reflect the average cost for the period 2010 through 2012. We would then guarantee no price increases for the first 3 years. Let me know if you would like to reduce the guarantee to 2 years. In doing this, I intend to use "real" rather than "nominal" interest rates. As such, the rate used to discount and then amortize R&R costs will probably be 2.8 percent. This is the "real" rate that the Government will use in its UPEAST comparison of HCWD1 costs to its own "should costs".

Please let me know if you have any comments or would like me to take a different approach on any of this. Finally, and unfortunately, my father-in-law died on Saturday. So, on Wednesday, I will return to Kentucky to be with the family for services on Thursday and Friday. So, I will generally be out of pocket. If we need to talk, please call me on Tuesday if possible. Otherwise, you can try my cell phone on Wednesday, Thursday, or Friday. If I do not answer, leave a message and I will return your call. --Dave

David Gray
 CH2M HILL
dgray@ch2m.com
 (425) 453-5000 (w)
 (425) 301-4729 (c)

Jim Bruce

From: Jim Bruce
Sent: Wednesday, September 03, 2008 4:58 PM
To: Dave.Gray@CH2M.com
Cc: jsmith@lwcky.com; David.Hackworth@CH2M.com; Brett Pyles
Subject: RE: Incorporating R&R Costs into HCWD1's Proposed Price for Water Service to HCWD1

Dave;

I think LWC (Greg Heitzman) may be able to comment best on if we could use state grant/loan funds to fund projects for FK water. Greg is on KIA Board, and is familiar with other EPA revolving fund programs. You might ask Jim Smith if he can get with Greg and get an answer on this. The HCWD1 is not opposed at all to filing for a grant/loan, but not sure if that would qualify.

Thanks

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Sent: Tuesday, September 02, 2008 7:53 PM
To: Jim Bruce; David.Hackworth@CH2M.com; Bob.Woodhouse@CH2M.com
Subject: RE: Incorporating R&R Costs into HCWD1's Proposed Price for Water Service to HCWD1

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To: Jim Bruce; Hackworth, David/LOU; Woodhouse, Bob/SFO
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David Gray

CH2M HILL

dgray@ch2m.com

(425) 453-5000 (w)

(425) 301-4729 (c)

Jim Bruce

From: Jim Bruce
Sent: Wednesday, September 03, 2008 5:11 PM
To: Jon.Green@ch2m.com; Dave.Gray@CH2M.com; David.Hackworth@CH2M.com;
jsmith@lwcky.com; Brett Pyles
Subject: HCWD1 Annual O&M Inflation

Dave / Jon;

I checked our annual O&M expense increase for period from 1997 to 2006. It calculated to 4.3% / year. That excludes depreciation expenses and DS interest, and debt and other amortized costs. That is over a period when we added several new employee positions. It seemed a little high, but this is what actual experience had been. Feel free to recommend another amount, or just use this amount.

Thanks

Jim Bruce

Jim Bruce

From: Jim Smith [JSmith@lwcky.com]
Sent: Wednesday, September 03, 2008 5:20 PM
To: Jim Bruce; Dave.Gray@CH2M.com
Cc: David.Hackworth@CH2M.com; Brett Pyles
Subject: Re: Incorporating R&R Costs into HCWD1's Proposed Price for Water Service to HCWD1

I will follow up with Greg on this

----- Original Message -----

From: Jim Bruce <jbruce@hcwd.com>
To: Dave.Gray@CH2M.com <Dave.Gray@CH2M.com>
Cc: Jim Smith; David.Hackworth@CH2M.com <David.Hackworth@CH2M.com>; Brett Pyles <bpyles@HCWD.com>
Sent: Wed Sep 03 16:58:28 2008
Subject: RE: Incorporating R&R Costs into HCWD1's Proposed Price for Water Service to HCWD1

Dave;

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Sent: Tuesday, September 02, 2008 7:53 PM
To: Jim Bruce; David.Hackworth@CH2M.com; Bob.Woodhouse@CH2M.com
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David Gray
CH2M HILL
dgray@ch2m.com <<mailto:dgray@ch2m.com>>
(425) 453-5000 (w)
(425) 301-4729 (c)

Jim Bruce


From: Jon.Green@ch2m.com
Sent: Wednesday, September 03, 2008 5:24 PM
To: Jim Bruce
Cc: Dave.Gray@CH2M.com; David.Hackworth@CH2M.com; jsmith@lwcky.com; Brett Pyles
Subject: RE: HCWD1 Annual O&M Inflation

Mr.. Bruce,

Thank you, this will help tremendously.

Jon Green

Jonathan M. Green
Senior Operations Specialist
CH2M HILL
4041 Jefferson Plaza NE, Suite 200
Albuquerque, NM 87109
Office - 505.884.5600 X35759
Direct - 505.855.5259
Cell - 505.414.9641
Fax - 505.816.0589
E-mail - Jon.Green@ch2m.com

<><  Please consider the environment before printing this email

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Wednesday, September 03, 2008 3:11 PM
To: Green, Jon/ABQ; Gray, Dave/SEA; Hackworth, David/LOU; jsmith@lwcky.com; Brett Pyles
Subject: HCWD1 Annual O&M Inflation

Dave / Jon;

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Thanks

Jim Bruce

Jim Bruce

From: Sally.PEEK@CH2M.com
Sent: Wednesday, September 03, 2008 8:28 PM
To: Brett Pyles
Cc: Jim Bruce; David.Hackworth@CH2M.com; jsmith@lwcky.com
Subject: RE: information needed for the Past Performance section

Thanks. I will let you know tomorrow (Th.).

From: Brett Pyles [mailto:bpyles@hcwd.com]
Sent: Wednesday, September 03, 2008 5:08 PM
To: Peek, Sally/ATL
Cc: Jim Bruce; Hackworth, David/LOU; Gray, Dave/SEA; jsmith@lwcky.com
Subject: RE: information needed for the Past Performance section

Sally,

Here is the J39 attachment. Wasn't sure about some sections. Please let me know if there is anything else I/we need to do.

Thanks

Brett

Hardin County Water District No.1

"Serving Hardin County for over 50 years"

Brett Pyles
Operations Manager

bpyles@hcwd.com
www.HCWD.com

1400 Rogersville Road
Radcliff, KY 40160

tel: 270.351.3222
fax: 270.352.3055
mobile: 270.766.9477

[Want to always have my latest info?](#)

[Want a signature like this?](#)

From: Sally.PEEK@CH2M.com [mailto:Sally.PEEK@CH2M.com]
Sent: Tuesday, August 26, 2008 3:41 PM
To: pkaelin@lwcky.com; Jim Bruce; Brett Pyles; jsmith@lwcky.com
Subject: information needed for the Past Performance section

Attached is a Word file outlining the information I need for the projects selected for each team partner. It also outlines other information requested by the RFP.

Projects:
Ft. Knox WW Privatization (HCWD)
Radcliff (HCWD)
Kentucky Turnpike (LWC)
Goshen (LWC)
Ft. Campbell (CH)
Ft. Gordon (CH)

Sally Peek, Sales Process Manager (Teleworker)
Cell - 404.368.3251

Jim Bruce

From: Brett Pyles
Sent: Thursday, September 04, 2008 8:39 AM
To: 'Sally.PEEK@CH2M.com'; 'David.Hackworth@CH2M.com'
Cc: Jim Bruce; jsmith@lwcky.com
Subject: Emailing: Job_Plus_Screenshot.pdf
Attachments: Job_Plus_Screenshot.pdf

Sally/David,

Here is a screenshot from our Jobs Plus maintenance program at Ft. Knox.

Thanks

Brett

Brett Pyles
Operations Manager
bpyles@hcwd.com
1400 Rogersville Road
Radcliff, KY 40160
tel: 270.351.3222
fax: 270.352.3055
mobile: 270.766.9477
www.HCWD.com

Jim Bruce

From: Sally.PEEK@CH2M.com
Sent: Thursday, September 04, 2008 9:32 AM
To: Brett Pyles; David.Hackworth@CH2M.com
Cc: Jim Bruce; jsmith@lwcky.com
Subject: RE: Fort Knox WW 2005 - 2008.doc

Excellent. Thank you.

From: Brett Pyles [mailto:bpyles@hcwd.com]
Sent: Thursday, September 04, 2008 7:49 AM
To: Peek, Sally/ATL; Hackworth, David/LOU
Cc: Jim Bruce; jsmith@lwcky.com
Subject: Fort Knox WW 2005 - 2008.doc

Sally/David,

Not sure who needs this but here is a list of accomplishments for the wastewater at Ft. Knox since takeover in 2005. I realized it is a bit long, so please feel free to condense.

Thanks

Brett

Hardin County Water District No.1		"Serving Hardin County for over 50 years"
Brett Pyles <i>Operations Manager</i>	1400 Rogersville Road Radcliff, KY 40160	
bpyles@hcwd.com www.HCWD.com	tel: 270.351.3222 fax: 270.352.3055 mobile: 270.766.9477	
Want to always have my latest info?	Want a signature like this?	

Jim Bruce

From: Jim Bruce
Sent: Thursday, September 04, 2008 9:51 AM
To: Dave.Gray@CH2M.com
Subject: Personal Note

Dave;

Sorry to hear about passing of your father in law. Hope that you have a good visit with your in-laws and all goes well. I have known my father-in-law for 37 years, longer than my own father was around before he died when I was 28, so I know it will be difficult when my father-in-law passes on.

Jim Bruce

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Thursday, September 04, 2008 9:53 AM
To: Jim Bruce; jsmith@lwcky.com; Brett Pyles
Subject: LWC Fort Knox R&R Costs
Attachments: Blank Bkgrd.gif; LWC_Ft Knox_RRModel_9-3-08.xls

In the interest of time, I want to do a concurrent review.... I usually do not give clients materials to review before I have reviewed myself, but since time is critical, I welcome your concurrent review.

thanks

David

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Thursday, September 04, 2008 9:55 AM
To: Jim Bruce; jsmith@lwcky.com; Brett Pyles
Subject: FW: O & M Cost Models - Final Drafts
Attachments: Base Cost Fort Knox_Year 1 through 5.zip; Fort Knox Base Year 6-50.zip; ALT_Fort Knox_Year 1 - 50.zip

similarly, I have not reviewed these and will do so today..

From: Green, Jon/ABQ
Sent: Wednesday, September 03, 2008 9:17 PM
To: Hackworth, David/LOU
Cc: Gray, Dave/SEA
Subject: O & M Cost Models - Final Drafts


David,

Here are the final drafts. Definitely need a once over as discussed previously. Will complete transition tomorrow sometime. Please call or write if you have any questions.

Best Regards,

Jon

Jonathan M. Green
Senior Operations Specialist
CH2M HILL
4041 Jefferson Plaza NE, Suite 200
Albuquerque, NM 87109
Office - 505.884.5600 X35759
Direct - 505.855.5259
Cell - 505.414.9641
Fax - 505.816.0589
E-mail - Jon.Green@ch2m.com

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Jim Bruce

From: Jon.Green@ch2m.com
Sent: Thursday, September 04, 2008 1:15 PM
To: Jim Bruce
Cc: David.Hackworth@CH2M.com; Brett Pyles
Subject: RE: GM / OM hourly rates

Mr.. Bruce,


I am certain I have overlooked, but I can't seem to find salary data for the Human Resource for the transition. I believe that is the only gap I have to fill from HCWD No. 1.

I would also like to say how much you and the HCWD team have made my job easier, the professionalism and promptness is a blessing.

Thanks in advance,

Jon Green

Jonathan M. Green
Senior Operations Specialist
CH2M HILL
4041 Jefferson Plaza NE, Suite 200
Albuquerque, NM 87109
Office - 505.884.5600 X35759
Direct - 505.855.5259
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E-mail - Jon.Green@ch2m.com

<<<  Please consider the environment before printing this email

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Wednesday, September 03, 2008 7:05 AM
To: Green, Jon/ABQ; Hackworth, David/LOU
Subject: GM / OM hourly rates

Jon;

Clarification – My title is General Manager, Brett's is Operations Manager

Thanks

Jim Bruce

Jim Bruce

From: Jon.Green@ch2m.com
Sent: Thursday, September 04, 2008 3:01 PM
To: jsmith@lwcky.com; Jim Bruce; Brett Pyles
Cc: Bob.Woodhouse@CH2M.com; David.Hackworth@CH2M.com
Subject: Need Your Help
Attachments: Fort Knox_Transition Staffing Plan_4 Sept 2008_JMG.xls

Importance: High

Gentlemen,

I need your assistance in completing the transition plan budget, specifically in the area of staffing. I have taken the plan provided by Bob and Brett (thank you both) and filled in team members who would either lead or support. I have also added a few hours in some tasks based on experience. I need information for the following:

Procurement
Human Resources
Safety and Security
Accounting


For each of these a name, hourly rate and entity (HCWD/LWC), would help tremendously (see attached).

I appreciate I have been a pain, but we are nearing the end of this segment.

Thanks in advance,

Jon Green

Jonathan M. Green
Senior Operations Specialist
CH2M HILL
4041 Jefferson Plaza NE, Suite 200
Albuquerque, NM 87109
Office - 505.884.5600 X35759
Direct - 505.855.5259
Cell - 505.414.9641
Fax - 505.816.0589
E-mail - Jon.Green@ch2m.com

<><  Please consider the environment before printing this email

Jim Bruce

From: Jim Bruce
Sent: Thursday, September 04, 2008 3:43 PM
To: Jon.Green@ch2m.com; Dave.Gray@CH2M.com; David.Hackworth@CH2M.com;
jsmith@lwcky.com; Brett Pyles; Lisa.bailey@ch2m.com
Subject: WTP Costs
Attachments: project cost comparison.xls

Here is our comparison of several WTP project costs in KY.

Thanks

Jim Bruce

Jim Bruce

From: Jim Bruce
Sent: Thursday, September 04, 2008 3:54 PM
To: Lisa.bailey@ch2m.com
Subject: FW: Financial / Accounting Info

From: Jim Bruce
Sent: Friday, August 29, 2008 4:50 PM
To: 'Dave.Gray@CH2M.com'
Cc: Bob.Woodhouse@CH2M.com; Lisa.Bailey@CH2M.com; 'David.Hackworth@CH2M.com'; jsmith@lwcky.com; Brett Pyles
Subject: Financial / Accounting Info

Dave;



FK swr preaward
financ survey....

Here is pre-award financial info report that we had to do for DCMDE on our FK sewer bid. Not sure if this is useful on our accounting system description. Of course, all the #'s in this report have changed, or we can get latest amounts. Our line of credit from local bank is now \$2.5M and is accessible at any time by the General Manager, with prior approval of the Board of Commissioners.

As for accounting system description, here is my shot at this;

"The Hardin County Water District No. 1 uses various accounting software programs. The main modules are provided by Harris, InHance Utility Solutions (Ottawa, Ontario, Canada). Harris specializes in municipal and utility software systems and has a client base of 5,000. The District also uses Peachtree Complete Accounting 2008, (Build 15.0.00.1690, Sage Systems), for preparing monthly and annual accounting period statements and reports for its Board and auditors. This program allows more flexible and varied accounting statements. All fixed asset records and depreciation calculations are maintained on the Sage Fixed Asset Accounting program.

The accounting system maintains three separate funds; Water, Radcliff Sewer and Ft. Knox Sewer. A total of 11 separate cost centers or departments also separate expenses by functional or required cost centers for rate making purposes. This separation of funds, expenses and revenues, is required so different rate designs can be separated between different customer classes, and there is no subsidization between classes. All expenses and revenues are traced in separate accounts on separate general ledgers. After all transactions are entered in the inHance system, for any given month, adjusting entries are made to complete accrual based accounting, revenue, expenses, both realized and unrealized. Any gains or losses are recognized in the appropriate period.

Schedules are maintained for all cash and investment accounts which are reconciled to bank statements. Any construction assets, put in service for the current month, are added to the FAS 100

system, as well as any assets sold, or no longer in use, are disposed. After reconciling the balances in the FAS 100 system to the inHance system, monthly depreciation expense is calculated with any gains or losses from dispositions adjusting entries made to the inHance general ledgers.

All programs operate in a Windows, SQL server environment. All data is backed up remotely by an outside IT support consultant, LexNet (Lexington, Kentucky), using Vault-IT. Data backups are automatically made hourly, with data files placed on servers concurrently in Phoenix, AZ and Baltimore, MD. At the end of the day a complete backup of all data and critical files is then backed up to the same server locations. All servers are also continuously monitored by LexNet, using their Manage-IT systems. LexNet can also access and control all District servers remotely to provide service, changes, upgrades, diagnostics and trouble-shooting.

As a regulated utility, under the Kentucky Public Service Commission, (PSC) account numbers and chart of accounts must comply with a Uniform System of Accounts, as prescribed by NARUC (National Association of Regulatory Utility Commissions). An annual audit by a Certified Public Accountant is also completed, with results presented to the District's Board of Commissioners, and the PSC. All year end account balances must be classified and reported to the PSC in prescribed account numbers, using the PSC annual financial report templates. Record retention must also comply with NARUC record retention schedules”.

Let me know if this is what you were looking for. We were inspected and interviewed by DCAA or DCM employees before our sewer award, and told them we could not (and were exempt) from CASS reporting and chart of accounts. Veolia also was required to submit info, but their systems can be modified for CASS reporting, if needed.

Thanks

Jim Bruce



FK swr preaward
financ survey...

Jim Bruce

From: Jim Bruce
Sent: Thursday, September 04, 2008 4:09 PM
To: 'David.Hackworth@CH2M.com'
Cc: 'Bob.Woodhouse@CH2M.com'; 'Lisa.Bailey@CH2M.com'; 'Sally.Peek@CH2M.com'; 'Robert.Neath@CH2M.com'; 'Jay.Bilmon@CH2M.com'; 'Jon.Green@ch2m.com'
Subject: RE: Description of base and alternative proposal
Attachments: Proposal Descriptions JB1.doc

David;

Please see my mark-ups and comment

Thanks

Jim Bruce

From: David.Hackworth@CH2M.com [<mailto:David.Hackworth@CH2M.com>]
Sent: Friday, August 29, 2008 3:20 PM
To: Bob.Woodhouse@CH2M.com; Lisa.Bailey@CH2M.com; Sally.Peek@CH2M.com; Robert.Neath@CH2M.com; Jay.Bilmon@CH2M.com; Jon.Green@ch2m.com
Cc: jsmith@lwcky.com; Jim Bruce; Brett Pyles
Subject: Description of base and alternative proposal

Team,

Please review and let me know your comments... Send your comments to me directly, and I will send out the mass update.

The purpose of this document is as follows:

- 1) Capture the concepts that the price estimators are working on.... hopefully, this will be no change to what they are costing since we have only a few days left
- 2) Text for Lisa and Sally to develop into the proposal.. We need to jazz up with supporting facts, charts, etc...

Let me know if I missed anything or state something incorrectly

Thanks again for all you taking the time to come here during the workshop - I think we charted the path forward...

David

Jim Bruce

From: Jim Bruce
Sent: Thursday, September 04, 2008 4:31 PM
To: Jon.Green@ch2m.com
Subject: RE: GM / OM hourly rates

Jon;

Thanks for compliment. You and your company have been great to work with also.

We do not have an HR position. Myself and our Acctng Specialist mostly do all HR projects. I also use the HR manager of our Chairman's credit union (he is CEO) for assistance or advice as needed, for no cost. I am converting transition cost hours to our total cost, based on rates, and will get it back to you tomorrow.

Jim Bruce

From: Jon.Green@ch2m.com [<mailto:Jon.Green@ch2m.com>]
Sent: Thursday, September 04, 2008 1:15 PM
To: Jim Bruce
Cc: David.Hackworth@CH2M.com; Brett Pyles
Subject: RE: GM / OM hourly rates

Mr.. Bruce,


I am certain I have overlooked, but I can't seem to find salary data for the Human Resource for the transition. I believe that is the only gap I have to fill from HCWD No. 1.

I would also like to say how much you and the HCWD team have made my job easier, the professionalism and promptness is a blessing.

Thanks in advance,

Jon Green

Jonathan M. Green
Senior Operations Specialist
CH2M HILL
4041 Jefferson Plaza NE, Suite 200
Albuquerque, NM 87109
Office - 505.884.5600 X35759
Direct - 505.855.5259
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E-mail - Jon.Green@ch2m.com

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Sent: Wednesday, September 03, 2008 7:05 AM
To: Green, Jon/ABQ; Hackworth, David/LOU
Subject: GM / OM hourly rates

Jon;

Clarification – My title is General Manager, Brett's is Operations Manager

Thanks

Jim Bruce

Jim Bruce

From: Jon.Green@ch2m.com
Sent: Thursday, September 04, 2008 4:34 PM
To: Jim Bruce
Subject: Re: GM / OM hourly rates

Thank you sir, look forward to information tomorrow.

Best regards,

Jon Green

From: Jim Bruce
To: Green, Jon/ABQ
Sent: Thu Sep 04 14:30:40 2008
Subject: RE: GM / OM hourly rates
Jon;

Thanks for compliment. You and your company have been great to work with also.

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Jim Bruce

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From: Jim Bruce
Sent: Thursday, September 04, 2008 4:50 PM
To: Jon.Green@ch2m.com; bwoodhouse@ch2m.com
Cc: jsmith@lwcky.com; Brett Pyles; 'David.Hackworth@CH2M.com'
Subject: RE: Need Your Help
Attachments: Fort Knox_Transition Staffing Plan_HCWD1.xls

Jon;

Here is our transition cost SS. I am only showing HCWD1 costs. The cells with \$0 mean we did not attribute a cost for that item.

You will have to get LWC costs, and then add together to show Govt total initial transition costs. I think we discussed also adding all our vehicle, equipment and tools to this amount also. Brett sent those earlier. LWC will also have some WTP equip costs for start up, in addition to their labor. Once all this is added together, will show as lump sum to request for transition costs, and then HCWD1 would give LWC their portion as a payment to LWC with first months O&M services payment. The new Distribution equip building we were going to show as year 1 R&R project.

Hope this provides the required information.

Thanks

Jim Bruce

From: Jon.Green@ch2m.com [<mailto:Jon.Green@ch2m.com>]
Sent: Thursday, September 04, 2008 3:01 PM
To: jsmith@lwcky.com; Jim Bruce; Brett Pyles
Cc: Bob.Woodhouse@CH2M.com; David.Hackworth@CH2M.com
Subject: Need Your Help
Importance: High

Gentlemen,

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Accounting

For each of these a name, hourly rate and entity (HCWD/LWC), would help tremendously (see attached).

I appreciate I have been a pain, but we are nearing the end of this segment.

Thanks in advance,

Jon Green

Jim Bruce

From: Jon.Green@ch2m.com
Sent: Friday, September 05, 2008 7:46 AM
To: Jim Bruce; bwoodhouse@ch2m.com
Cc: jsmith@lwcky.com; Brett Pyles; David.Hackworth@CH2M.com
Subject: RE: Need Your Help


Mr.. Bruce,

Yes sir, this will get us very close. I have the equipment list from Brett, and the initial lab listing from LWC.

Thanks again,

Jon Green

Jonathan M. Green
Senior Operations Specialist
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4041 Jefferson Plaza NE, Suite 200
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Direct - 505.855.5259
Cell - 505.414.9641
Fax - 505.816.0589
E-mail - Jon.Green@ch2m.com

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From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Thursday, September 04, 2008 2:50 PM
To: Green, Jon/ABQ; bwoodhouse@ch2m.com
Cc: jsmith@lwcky.com; Brett Pyles; Hackworth, David/LOU
Subject: RE: Need Your Help

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Cell - 505.414.9641
Fax - 505.816.0589
E-mail - Jon.Green@ch2m.com

<<<  Please consider the environment before printing this email

Jim Bruce

From: Patti Kaelin [pkaelin@lwcky.com]
Sent: Friday, September 05, 2008 1:34 PM
To: david.hachworth@ch2m.com; jon.green@ch2m.com; Jim Bruce; Brett Pyles
Cc: Jim Smith; James Bates
Subject: Asbestos Pipe

All – pls forward if I missed someone that needs this info. We are in the process of putting our research on asbestos pipe on a site that you can access and take a look at. The files are too large to email. James Bates with LWC will email you today a user name and password that will allow you to access this site.

It is our understanding that in Ky, asbestos pipe can be abandoned in place.

Thanks - Patti

No virus found in this incoming message.

Checked by AVG - www.avg.com

Version: 8.5.432 / Virus Database: 270.14.149/2631 - Release Date: 01/19/10 07:34:00

Jim Bruce

From: Jon.Green@ch2m.com
Sent: Friday, September 05, 2008 7:16 PM
To: Jim Bruce
Subject: Army CIP Forms

Mr. Bruce,

I know you said you were ok without, but just in case I wrote my former COTR. The answer is as follows:

DA Form 4283. If it is a very large project over 1.5M, then it is a DA Form 1391. (DA LEVEL APPROVAL)

Best regards,

Jon Green

Jim Bruce

From: Jim Bruce
Sent: Monday, September 08, 2008 9:09 AM
To: Jon.Green@ch2m.com
Subject: RE: Army CIP Forms

Thanks Jon. We were doing some lobbying with local officials to get funding for FK sewer projects. We knew FK had filed some request forms earlier, but forgot the form #. Will let you know if we are successful. A ret. General is meeting today with Garrison Cmdr. To see why funding has not been secured for needed sewer projects, that should be interesting.

Jim

-----Original Message-----

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Best regards,

Jon Green

Jim Bruce

From: Jon.Green@ch2m.com
Sent: Monday, September 08, 2008 9:43 AM
To: Jim Bruce
Subject: RE: Army CIP Forms

Mr. Bruce,

That's always an interesting question. It should be time for end of the Federal year spending, so maybe you will get your funding now.

Best regards,

Jon Green

Jonathan M. Green
Senior Operations Specialist
CH2M HILL
4041 Jefferson Plaza NE, Suite 200
Albuquerque, NM 87109
Office - 505.884.5600 X35759
Direct - 505.855.5259
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Sent: Monday, September 08, 2008 7:09 AM
To: Green, Jon/ABQ
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Best regards,

Jon Green

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Monday, September 08, 2008 11:00 AM
To: Jim Bruce; jsmith@lwcky.com
Subject: Board Presentations
Attachments: FTK_template.ppt

In anticipation of the board meetings next week, I had our graphic artist prepare the following template for presentation - using the same theme as the proposal.

I have prepared a draft agenda - Jim Bruce had asked me to present at his board during the workshop. Jim Smith, I am not sure if you wanted me to assist you with your board presentation in anyway.

Please review and we can discuss in our conf call today at 3 pm.

I can prepare slides for all the topics - however, I may need some help from Jim Bruce to convert our financial schedules for the proposal to the format used by HCWD No. 1.

Let me know if you have any comments or questions

Thanks

David

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Monday, September 08, 2008 11:23 AM
To: Jim Bruce; Brett Pyles; jsmith@lwcky.com
Subject: Transition Cost Model
Attachments: Fort Knox_Start Up_Rev 02_6 Sept 2008_JMG.xls

Please review and we will discuss at 3pm

thanks

David

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Monday, September 08, 2008 11:26 AM
To: Jim Bruce; jsmith@lwcky.com; Brett Pyles
Subject: FW: Please use this version
Attachments: Blank Bkgrd.gif; LWC_Ft Knox_RRModel_9-6-08.xls

Importance: High

This includes Roberts review comments

From: Neath, Robert/STL
Sent: Sunday, September 07, 2008 7:12 PM
To: Gray, Dave/SEA
Cc: Woodhouse, Bob/SFO; Hackworth, David/LOU
Subject: FW: Please use this version
Importance: High

Dave,
Here is the latest version and my latest set of comments.
We'll talk again tomorrow.
Regards,
Robert

From: Neath, Robert/STL
Sent: Sunday, September 07, 2008 6:10 PM
To: Bilmon, Jay/WPB
Subject: RE: Please use this version
Importance: High

Jay,
Here are my comments that I need addressed and the base case spreadsheet revised NLT Monday a.m.

Raw Water Sources Tab

- McCracken Spring Intake - Change Year Installed to 1937 and Comments to Upgraded in 1980 so Historical Inflation Index calculates correctly
- Otter Creek PS Structure - same general comment as McCracken above. Also, change Replacement Year to 2011 to match Comment
- Intake/Mechanical Screen - same general comment as McCracken above.
- Pump Controls and Telemetry - this is a Govt Identified Deficiency to be corrected within three years. Change Replacement Year to 2012 and Replace Again Years accordingly
- Clarifier 3.5 MG - same general comment as McCracken above
- Pump No. 1 & Controls - Replacement Year is past due, so would be programmed for ICU. Therefore, Replace Again year is 2010 + 30 = 2040 (not 2033)

Muldraugh

- Muldraugh WTP - Add Comment that cost is based on \$3.5/gallon (economies of scale versus 3.5 MGD facility).
- Delete Chemical Fee System Unit Cost = \$150,000. Add Comment that cost included in Muldraugh WTP cost above.
- Summation from RCN does not include the entire range. Range should be G8..G23

Valves

- 1.5" Valves (2005) - Comment should read Replace again 2085 (beyond contract period)

Meters

- Pressure Reducing Station - still need to add a Unit Cost
- SCADA and Well Control System - add Comment referring back to \$192k in Raw Water Sources tab as location that carries cost
- Automatic Transfer Switch - add Comment referring back to R&R tab that carries cost for initial condition upgrade
- Well Control System - add Comment referring back to Raw Water Sources tab as location that carries cost

Van Voorhis PS - no comments

Elevated Storage Tanks - no comments

Water Distribution Pipe

- Typical - You made substantial changes to the Unit Cost rate for pipe 0.75" to 3". What is the basis for that?
- Typical - Please add Comment when Unit Cost value has been Interpolated between two other Unit Cost values
- 16" Cast Iron - you use a value that is not consistent with values provided by Tim Ball...justify why?
- You have added subtotals to allow you to spread out pipe replacement costs over the years in the R&R (agreed, as discussed). However, you need to subtract those values (cells) from the RCN summary calculation because you are adding all the values and the subtotals, which makes the RCN 2x actual. Delete Cast Iron, Transite and Ductile Iron subtotals from the RCN total calculation.
- Typical - Other Notes - add material type for all line items.

Fire Hydrants

- You have not copied all the hydrants into your template. Please also add 1) Basham's Corner Fire Hydrants; 2) Yano Rage Flushing Hydrant and 3) Basham's Corner Flushing Hydrants

R&R

- You have stretched out the Water Distribution System pipe as discussed. However, you have one extra 5% calculation in Year 2029. Delete so that $(6\%*5 + 5\%*15=100)$
- For Initial Capital Upgrades you are carrying costs for Pumps A,B,C which I do not think will be completed due to Muldraugh being decommissioned.
- Install Comprehensive SCADA - you are carrying the cost here and in the Raw Water Sources tab
- Surveying and modeling and leak detection costs should be = $(\$108,650 + \$19,700 + \$50,000) * 10\%$ escalation = \$196,185

Call me tonight or first thing tomorrow morning with any questions.

Regards,
Robert

From: Bilmon, Jay/WPB
Sent: Saturday, September 06, 2008 4:01 PM
To: Neath, Robert/STL
Subject: Please use this version

Jay Bilmon

CH2M HILL, Inc.
3001 PGA Blvd., Suite 300
Palm Beach Gardens, Florida 33410-2896
Ph: 561-904-7400
Fax: 561-904-7401
jay.bilmon@ch2m.com

Jim Bruce

From: Jim Bruce
Sent: Monday, September 08, 2008 12:33 PM
To: David.Hackworth@CH2M.com
Cc: jsmith@lwcky.com; Brett Pyles
Subject: RE: Board Presentations

David;

These look great! May need to shorten the agenda of items. Our Chairman likes to keep presentations to 20 min to ½ hour, and leave time for Board to discuss. At last meeting, they said they would not know whether or not the pricing was adequate, but were going to have to trust Ch2M Hill. They wanted to make sure District was recovering ALL its costs, and wherever possible, was allocating existing costs to FK Water, from our other utilities. The financial exhibit will be of interest to 1 or 2 Board members, but I think will go pretty quick. I think the main question you need to be prepared for is; Does this price include all District costs / and, are we going to “make money” (as opposed to losing money, or costing our other customers).

Will talk more on conf call.

Jim Bruce

From: David.Hackworth@CH2M.com [<mailto:David.Hackworth@CH2M.com>]
Sent: Monday, September 08, 2008 11:00 AM
To: Jim Bruce; jsmith@lwcky.com
Subject: Board Presentations

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Sent: Monday, September 08, 2008 1:30 PM
To: speek@ch2m.com
Cc: Patti Kaelin; david.hackworth@ch2m.com; Jim Bruce; Brett Pyles
Subject: J-39 Forms
Attachments: GoshenprofileRevised1.doc; KTprofileRevised1.doc

Please see attached J-39 forms for our acquisition of Goshen Utilities and our merger of the Kentucky Turnpike Water Districts
Please let me know if you have any questions.

Thanks,
Jim

No virus found in this incoming message.
Checked by AVG - www.avg.com
Version: 8.5.325 / Virus Database: 270.12.17/2095 - Release Date: 05/04/09 06:00:00

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Monday, September 08, 2008 2:29 PM
To: Brett Pyles; jsmith@lwcky.com; Jim Bruce
Subject: Conf Call Today
Attachments: Price Proposal--Base 9-6-08.xls; Fort Knox_Start Up_Rev 02_6 Sept 2008_JMG.xls; Fort Knox_Combined_3 Sept 2008_JMG.xls; Fort Knox_Combined_Yr 6-50_3 Sept 2008_Rev 02_JMG.xls; LWC_Ft Knox_RRModel_9-6-08.xls

Here is the proposed agenda then:

1. Review Price Proposal format
 - O&M costs taken from Green files (small issue, detailed O&M nos from water supply file and distribution file do not add exactly to nos shown in combined files).
 - Wholesale water costs
 - ICUs--where are these data in file?
 - R&Rs--how calculated in file?
 - Capital cost add ons?
2. Writing assignments
3. Disaster Recovery Ratio definition
4. Schedule

Jim Bruce

From: Dave.Gray@CH2M.com
Sent: Monday, September 08, 2008 2:43 PM
To: Jim Bruce
Subject: RE: Incorporating R&R Costs into HCWD1's Proposed Price for Water Service to HCWD1
Attachments: FW: Army Water Bond Issue

I am not sure that fully understand the chart. Looks like it may be a monthly report for July. It shows earnings of \$17,985 against value of \$8.2 million. That is 0.22%. If that is monthly, then the annual return is about 2.6%. It is an average. It looks like the range is 0% to 5.2%. You mentioned in the attached e-mail that you were able to earn an amount equal to interest expense on previous bond reserve funds plus a little arbitrage. If we assume that the utility would invest its own equity in the Army system and just borrow more for the native loads, one could argue that the District's cost of capital for the Army project was about the same as for the rest of the business. I understand that to be 4.5 percent. I guess the question then becomes whether the District could earn 4.5% on reserves when the District is surplus on accrued R&R revenues vs accrued R&R costs. Who would be in best position to answer those questions? Bob Cramer?

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Wednesday, September 03, 2008 1:55 PM
To: Gray, Dave/SEA
Cc: Hackworth, David/LOU; jsmith@lwcky.com; Brett Pyles
Subject: RE: Incorporating R&R Costs into HCWD1's Proposed Price for Water Service to HCWD1

Dave;

Attached is a recent summary of our interest earned for our investment portfolio. From this you should be able to figure an average interest rate for our invested funds. Hope that helps.

Jim Bruce

From: Dave.Gray@CH2M.com [mailto:Dave.Gray@CH2M.com]
Sent: Tuesday, September 02, 2008 7:53 PM
To: Jim Bruce; David.Hackworth@CH2M.com; Bob.Woodhouse@CH2M.com
Subject: RE: Incorporating R&R Costs into HCWD1's Proposed Price for Water Service to HCWD1

In the second to last paragraph in the e-mail below, I suggested that we may want to provide prices with a guarantee of no change for the first 3 years. I just noticed that the RFP for non-regulated rates asks for prices guaranteed for 2 years. Please let me know if you have a preference. Also, we have started some of the analysis to support the approach outlined below. Please let me know if you have any comments or redirection. Thanks.--Dave

From: Gray, Dave/SEA
Sent: Monday, September 01, 2008 8:14 PM
To: Jim Bruce; Hackworth, David/LOU; Woodhouse, Bob/SFO
Subject: Incorporating R&R Costs into HCWD1's Proposed Price for Water Service to HCWD1

This e-mail reviews our discussions last week regarding pricing options and adopted approaches for the R&R component of HCWD's proposed FK water utility rate. Please review the planned approach provided below and provide any comments you may have

We discussed the following optional approaches:

1. Traditional rate base approach. This is the so-called "utility basis" for ratemaking. This would require that we calculate rate base and set up revenue requirements that include return to rate base and depreciation expense. I understand from Jim Bruce that he would like to stay away from such an approach. Among reasons for doing so is that the PSC does not like to grant a public agency any "return" or profit.

2. Cash basis based on actual cash requirements. This would be "lumpy" in that revenue requirements would change from year to year as actual cash requirements for R&R change.

3. "Levelized" costs. This is a method that spreads the R&R costs into an annual payment that has the same present value as the R&R schedule. The Army and DESC like this one because it provides stable charges.

We agreed on the third approach. It has the advantage of being an attractive format to the government and avoids the need to keep going to the PSC for detailed rate analysis each time new investment is made in the system. We also discussed the option to start the R&R charge in Year 6 rather than in Year 1 since R&R expenditures are not expected to start until Year 6. However, we decided to start in Year 1 to build up reserves for R&Rs, reduce risk, and delay the need for future rate increases. I will proceed with this approach unless instructed to take an alternate path.

In preparing to do so, it would be useful to have the following information:

- Interest rate at which HCWD1 can invest funds (I will call Bob Cramer on this point)
- Confirmation that HCWD1 can borrow funds for 4.5 percent (I will call Bob Cramer on this point). We decided that in cases where HCWD may be deficit in funds for FK R&Rs, it would use internally generated funds so that it would not need to incur taxable debt.
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 - If so, whether we would want to propose the interest rate on such funds for R&R projects
 - Whether we would want to propose the same treatment of initial system deficiency corrections

In Louisville last week, we discussed the fact that it would be preferable to collect all R&R costs in the 50-year contract period. If we proceeded in that way, I would make the point that the undepreciated, residual value at the end of the 50 years should be used to reduce the HCWD1 proposed costs because the Army would have the right to reacquire the system at the unamortized amount on the system. Since that would be \$0, they would get it for free. Calculation of the residual value should be straight forward. If the Army buys the argument and includes the credit in year 50, HCWD1 should look pretty good. However, if they do not accept it (some of the DESC analysts just don't get it), HCWD's relative cost would have significant weight to overcome (since the Government does credit its "should costs" with the residual system value. I intent to calculate the difference and will provide that information so that we can jointly make a strategic decision on how exactly to proceed.

In reviewing HCWD1's application to increase the sewer rates at FK, it seems that has success in setting rates based on R&R cash requirements and then simply comparing the amount needed to the depreciation expense with no other connection to depreciation. This really is a good way to go in that it reduces the detail that needs to be negotiated with the Army and the PSC. If we are successful in starting the R&R charge in Year 1 (as HCWD1 did with the sewer rates), HCWD1 will be able to build up a significant R&R fund before it starts investing in R&Rs in Year 6. That implies that HCWD1 will not need a rate increase, at least for R&Rs, for many years into the future. A detail that could be addressed later (after contract award) will be whether the reserve could also be used for O&M when inflation begins to create a deficit between O&M costs and O&M-based revenues generated by the rate. I am assuming that HCWD1 would indeed be able to apply revenues generated from the combined O&M and R&R charge to O&M costs. In that case, HCWD will need to keep track of how the funds are expended and how the reserve is initially built and then drawn down. This will allow HCWD1 to be better positioned to address possible Army concerns once it becomes necessary to increase the tariff.

Consistent with RFP requirements, I intend to provide all costs for the 50-year contract in Schedule 5 in terms of 2009 dollars. However, in schedule B-1, I intend to inflate the prices by about 3 percent per year to 2011 price levels to reflect the average cost for the period 2010 through 2012. We would then guarantee no price increases for the first 3 years. Let me know if you would like to reduce the guarantee to 2 years. In doing this, I intend to use "real" rather than "nominal" interest rates. As such, the rate used to discount and then amortize R&R costs will probably be 2.8 percent. This is the "real" rate that the Government will use in its UPEAST comparison of HCWD1 costs to its own "should costs".

Please let me know if you have any comments or would like me to take a different approach on any of this. Finally, and unfortunately, my father-in-law died on Saturday. So, on Wednesday, I will return to Kentucky to be with the family for services on Thursday and Friday. So, I will generally be out of pocket. If we need to talk, please call me on Tuesday if possible. Otherwise, you can try my cell phone on Wednesday, Thursday, or Friday. If I do not answer, leave a message and I will return your call. --Dave

David Gray
CH2M HILL
dgray@ch2m.com
(425) 453-5000 (w)
(425) 301-4729 (c)

Jim Bruce

From: Dave.Gray@CH2M.com
Sent: Monday, September 08, 2008 2:44 PM
To: Jim Bruce
Subject: RE: Incorporating R&R Costs into HCWD1's Proposed Price for Water Service to HCWD1

PS Also, for the purposes of the financial strength section, it would be good to have a copy of your most recent bond statement. Could you please send me a copy of it and/or any other document that addresses HCWD1's financial strength? Thanks.--Dave

From: Gray, Dave/SEA
Sent: Monday, September 08, 2008 11:43 AM
To: 'Jim Bruce'
Subject: RE: Incorporating R&R Costs into HCWD1's Proposed Price for Water Service to HCWD1

I am not sure that fully understand the chart. Looks like it may be a monthly report for July. It shows earnings of \$17,985 against value of \$8.2 million. That is 0.22%. If that is monthly, then the annual return is about 2.6%. It is an average. It looks like the range is 0% to 5.2%. You mentioned in the attached e-mail that you were able to earn an amount equal to interest expense on previous bond reserve funds plus a little arbitrage. If we assume that the utility would invest its own equity in the Army system and just borrow more for the native loads, one could argue that the District's cost of capital for the Army project was about the same as for the rest of the business. I understand that to be 4.5 percent. I guess the question then becomes whether the District could earn 4.5% on reserves when the District is surplus on accrued R&R revenues vs accrued R&R costs. Who would be in best position to answer those questions? Bob Cramer?

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Cc: Hackworth, David/LOU; jsmith@lwcky.com; Brett Pyles
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To: Jim Bruce; David.Hackworth@CH2M.com; Bob.Woodhouse@CH2M.com
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interest rates. As such, the rate used to discount and then amortize R&R costs will probably be 2.8 percent. This is the "real" rate that the Government will use in its UPEAST comparison of HCWD1 costs to its own "should costs".

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David Gray

CH2M HILL

dgray@ch2m.com

(425) 453-5000 (w)

(425) 301-4729 (c)

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Monday, September 08, 2008 2:51 PM
To: jsmith@lwcky.com; Jim Bruce; Brett Pyles
Subject: FW: Conf Call Today
Attachments: LWC_Ft Knox_RRModel_9-8-08_RJN.xls

From: Neath, Robert/STL
Sent: Monday, September 08, 2008 2:50 PM
To: Gray, Dave/SEA; Hackworth, David/LOU; Woodhouse, Bob/SFO; Green, Jon/ABQ; Bailey, Lisa/ATL
Subject: RE: Conf Call Today

Here is the latest version of the R&R template for the call this afternoon.

Jim Bruce

From: Sally.PEEK@CH2M.com
Sent: Monday, September 08, 2008 3:32 PM
To: Jim Bruce
Subject: authorized personnel for Volume III

Hi Jim,

Can you give me names of two people with Hardin County Water District No. 1 who can obligate company Resources and/or negotiate and authorize contracts?

Name:
Title:
Authority to:
Telephone:

Thanks,
Sally

Jim Bruce

From: Jim Bruce
Sent: Monday, September 08, 2008 3:35 PM
To: Sally.Peek@CH2M.com; David.Hackworth@CH2M.com
Cc: Brett Pyles; jsmith@lwcky.com
Subject: RE: authorized personnel for Volume III

Sally;

Normally it is General Manager, or myself, but at approval and direction of the Board. Sometimes, the Board motion authorizes the Chairman to execute agreements or contracts. I think on our sewer bid we put both GM and Chair, but I would prefer GM, as this streamlines the process and does not require a separate Board action for each contract or agreement.

Jim Bruce

From: Sally.Peek@CH2M.com [<mailto:Sally.Peek@CH2M.com>]
Sent: Monday, September 08, 2008 3:32 PM
To: Jim Bruce
Subject: authorized personnel for Volume III

Hi Jim,
Can you give me names of two people with Hardin County Water District No. 1 who can obligate company Resources and/or negotiate and authorize contracts?

Name:
Title:
Authority to:
Telephone:

Thanks,
Sally

Jim Bruce

From: Jim Bruce
Sent: Tuesday, September 09, 2008 8:26 AM
To: Jon.Green@ch2m.com; David.Hackworth@CH2M.com
Cc: Brett Pyles; jsmith@lwcky.com; Richard Stranahan
Subject: Revised Distribution O&M Costs
Attachments: Fort Knox_Dist_3 Sept 2008_HCWD1.xls

Jon / David;

We have reviewed these costs and made some changes. Please see yellow highlighted cells, and notes. We compared to some of our current Dist cost center, and some of the current costs for FK sewer (Veolia). We suggest you use these amounts. The total Dist O&M budget (excl labor and fixed costs) is about 37% less than our current Dist budget.

Thanks

Jim Bruce

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Tuesday, September 09, 2008 9:15 AM
To: Jim Bruce; Jon.Green@ch2m.com
Cc: Brett Pyles; jsmith@lwcky.com; Richard Stranahan
Subject: Re: Revised Distribution O&M Costs

Thanks for the quick turnaround. We will incorporate and call you if we have any questions

----- Original Message -----

From: Jim Bruce <jbruce@hcwd.com>
To: Green, Jon/ABQ; Hackworth, David/LOU
Cc: Brett Pyles <bpyles@HCWD.com>; jsmith@lwcky.com <jsmith@lwcky.com>; Richard Stranahan <rstranahan@HCWD.com>
Sent: Tue Sep 09 06:25:58 2008
Subject: Revised Distribution O&M Costs

Jon / David;

We have reviewed these costs and made some changes. Please see yellow highlighted cells, and notes. We compared to some of our current Dist cost center, and some of the current costs for FK sewer (Veolia). We suggest you use these amounts. The total Dist O&M budget (excl labor and fixed costs) is about 37% less than our current Dist budget.

Thanks

Jim Bruce

Jim Bruce

From: Jim Bruce
Sent: Tuesday, September 09, 2008 10:18 AM
To: jsmith@lwcky.com; Brett Pyles; Richard Stranahan
Subject: Revised costs / timing
Attachments: Ft Knox_RRModel_HCWD1 9-9-08 (3).xls

Jim;

Please look at my comments and changes. Most changed cells I made yellow. Some questions are included in our comments. Feel free to change or add your own comments, and then you can forward to David when you are done. We did not get real sophisticated on spreading out annual Dist pipe replacement, other than changed the amount replaced in the first 3 years. The ICU list does not seem to be complete.

Also, have you heard any more from Bob E. about the well field wholesale main? Did you say that Bob had contacted you recently about this, or is he waiting on us to get back to him?

Let me know if you have any comments.

Thanks

Jim Bruce

Jim Bruce

From: Jim Bruce
Sent: Tuesday, September 09, 2008 1:26 PM
To: David.Hackworth@CH2M.com; jsmith@lwcky.com; Dave.Gray@CH2M.com
Cc: Brett Pyles
Subject: RE: Board Presentations
Attachments: FTK_template JB.pptx

David / Jim;

I filled in more of slide presentation. See blanks for amounts. If those are available before next Tuesday, you can fill them in. If not, we should have as handout during meeting. Feel free to modify or change as you think should be. I broke into a slide for each item on agenda. I was thinking David can cover presentation, with Jim and Jim filling in as needed.

Thanks

Jim Bruce

From: David.Hackworth@CH2M.com [<mailto:David.Hackworth@CH2M.com>]
Sent: Monday, September 08, 2008 11:00 AM
To: Jim Bruce; jsmith@lwcky.com
Subject: Board Presentations

In anticipation of the board meetings next week, I had our graphic artist prepare the following template for presentation - using the same theme as the proposal.

I have prepared a draft agenda - Jim Bruce had asked me to present at his board during the workshop. Jim Smith, I am not sure if you wanted me to assist you with your board presentation in anyway.

Please review and we can discuss in our conf call today at 3 pm.

I can prepare slides for all the topics - however, I may need some help from Jim Bruce to convert our financial schedules for the proposal to the format used by HCWD No. 1.

Let me know if you have any comments or questions

Thanks

David

Jim Bruce

From: Jim Bruce
Sent: Tuesday, September 09, 2008 3:50 PM
To: David.Hackworth@CH2M.com; Dave.Gray@CH2M.com; 'Lisa.Bailey@CH2M.com';
jsmith@lwcky.com
Cc: Brett Pyles
Subject: Bond Info
Attachments: 05 HCWD1 Bond Issue OS.pdf

All;

Here is excerpts from our latest bond issue OS. I think Dave G. wanted some info from it. On App. C, it lists some of our awards. Here are some more since this issue was done;

Feb 2004 - Nominee for EPA Region 4, Public Water System Excellence Award

Feb 2005 - Kentucky Rural Water Association, selected as Top 3 "Best Tasting Water" in Kentucky

2007 - KY Division of Water - Area Wide Goals met for water treatment, and recognized as a "Totally Optimized Water Plant"

July 2007 - AWWA, KY/TN Section, Award of Excellence for Division B - Medium Sized Utilities

August 2007 - Finalist for Wooden Bucket Award, U.S. Department of Agriculture

Hope this is helpful.

Thanks

Jim Bruce

Jim Bruce

From: Jim Bruce
Sent: Tuesday, September 09, 2008 3:56 PM
To: David.Hackworth@CH2M.com; Dave.Gray@CH2M.com; 'Lisa.Bailey@CH2M.com';
jsmith@lwcky.com
Cc: Brett Pyles
Subject: Bond Info

All;

CORRECTION

July 2008 - AWWA, KY/TN Section, Award of Excellence for Division B - Medium Sized Utilities

Thanks

Jim Bruce

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Tuesday, September 09, 2008 5:04 PM
To: Jim Bruce
Subject: RE: Board Presentations

Thanks Jim...We should have the blanks filled in by next Tues...

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Tuesday, September 09, 2008 1:26 PM
To: Hackworth, David/LOU; jsmith@lwcky.com; Gray, Dave/SEA
Cc: Brett Pyles
Subject: RE: Board Presentations

David / Jim;

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David

Jim Bruce

From: Dave.Gray@CH2M.com
Sent: Wednesday, September 10, 2008 12:01 AM
To: Jim Bruce; David.Hackworth@CH2M.com
Cc: Bob.Woodhouse@CH2M.com
Subject: Financial Strength Draft
Attachments: Financial Strength.doc; Financial Ratios 9-9-08.xls

Please review the attached word file containing the financial strength draft and let me know if you have comments. The table in the first tab of the attached excel file is required by the RFP and is referred to in the text.

David Gray
CH2M HILL
dgray@ch2m.com
(425) 453-5000 (w)
(425) 301-4729 (c)

Jim Bruce

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To: Dave.Gray@CH2M.com
Cc: David.Hackworth@CH2M.com; jsmith@lwcky.com; Brett Pyles; 'Lisa.Bailey@CH2M.com'
Subject: RE: Financial Strength Draft
Attachments: Financial Strength JSB.doc

Dave;

I made some changes to the text, and added a paragraph. Please read it and see if it adds to the intent.

The numbers look great! I did realize things would look that strong, by adding all utilities together. We tend to get programmed to keep all utilities segregated, since the PSC is so anal about not subsidization between utilities or customer classes. But, our Board likes to look at the consolidated, "whole business" picture, and I think they would be impressed to see your strength numbers and ratios.

Thanks for all your efforts on this section

Jim Bruce

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Sent: Wednesday, September 10, 2008 8:51 AM
To: David.Hackworth@CH2M.com; jsmith@lwcky.com; Dave.Gray@CH2M.com
Cc: Brett Pyles
Subject: RE: Board Presentations - #2
Attachments: FTK_template JB.pptx

David / Jim;

I added one more slide on process used. Does not require amounts, but think it would be good to cover in presentation. Feel free to modify the process steps or content

Thanks

Jim Bruce

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Thanks

David

Jim Bruce

From: Jim Bruce
Sent: Wednesday, September 10, 2008 9:28 AM
To: Dave.Gray@CH2M.com
Subject: PFD - Moody's Definitions of Bond Ratings

<http://www.treasurer.ca.gov/ratings/moodys.asp>

Dave;

Found this interesting. Shows meaning of different bond ratings.

Jim Bruce

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Wednesday, September 10, 2008 10:29 AM
To: Jim Bruce; jsmith@lwcky.com; Dave.Gray@CH2M.com
Cc: Brett Pyles
Subject: RE: Board Presentations - #2

Jim,

when I put together the outline, I originally envisioned a simplified org chart showing the relationship between HCWD and the other team members. Would you like to include that...

Also, would you like a graphs that plots HCWD capitalization and other financial data over time (data points taken from Dave Gray's financial strength memo).

Thanks

David

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Wednesday, September 10, 2008 8:51 AM
To: Hackworth, David/LOU; jsmith@lwcky.com; Gray, Dave/SEA
Cc: Brett Pyles
Subject: RE: Board Presentations - #2

David / Jim;

I added one more slide on process used. Does not require amounts, but think it would be good to cover in presentation. Feel free to modify the process steps or content

Thanks

Jim Bruce

From: David.Hackworth@CH2M.com [<mailto:David.Hackworth@CH2M.com>]
Sent: Monday, September 08, 2008 11:00 AM
To: Jim Bruce; jsmith@lwcky.com
Subject: Board Presentations

In anticipation of the board meetings next week, I had our graphic artist prepare the following template for presentation - using the same theme as the proposal.

I have prepared a draft agenda - Jim Bruce had asked me to present at his board during the workshop. Jim Smith, I am not sure if you wanted me to assist you with your board presentation in anyway.

Please review and we can discuss in our conf call today at 3 pm.

I can prepare slides for all the topics - however, I may need some help from Jim Bruce to convert our financial schedules for the proposal to the format used by HCWD No. 1.

Let me know if you have any comments or questions

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Wednesday, September 10, 2008 10:50 AM
To: Jim Bruce; jsmith@lwcky.com; Brett Pyles
Subject: Conf call and costs

Team,

Just want to remind you to have your comments on the cost spreadsheet today...

Also, I was thinking about canceling the conf call tomorrow - unless you want to keep it on.. please let me know

Thanks

David

Jim Bruce

From: Jim Bruce
Sent: Wednesday, September 10, 2008 10:56 AM
To: David.Hackworth@CH2M.com
Subject: RE: Board Presentations - #2

David;

If you have time to add both items, that would be great. If not, is OK also.

Jim

From: David.Hackworth@CH2M.com [<mailto:David.Hackworth@CH2M.com>]
Sent: Wednesday, September 10, 2008 10:29 AM
To: Jim Bruce; jsmith@lwcky.com; Dave.Gray@CH2M.com
Cc: Brett Pyles
Subject: RE: Board Presentations - #2

Jim,

when I put together the outline, I originally envisioned a simplified org chart showing the relationship between HCWD and the other team members. Would you like to include that...

Also, would you like a graphs that plots HCWD capitalization and other financial data over time (data points taken from Dave Gray's financial strength memo).

Thanks

David

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Wednesday, September 10, 2008 8:51 AM
To: Hackworth, David/LOU; jsmith@lwcky.com; Gray, Dave/SEA
Cc: Brett Pyles
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Thanks

David

Jim Bruce

From: Jim Bruce
Sent: Wednesday, September 10, 2008 10:57 AM
To: David.Hackworth@CH2M.com
Subject: RE: Conf call and costs

David;

We sent our changes and comments to Jim Smith yesterday (on ICU and R&R). Asked him to review, and make any more changes or comments, and then forward to you.

Thanks

Jim B.

From: David.Hackworth@CH2M.com [<mailto:David.Hackworth@CH2M.com>]
Sent: Wednesday, September 10, 2008 10:50 AM
To: Jim Bruce; jsmith@lwcky.com; Brett Pyles
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David

Jim Bruce

From: Dave.Gray@CH2M.com
Sent: Wednesday, September 10, 2008 12:53 PM
To: Jim Bruce
Subject: RE: PFD - Moody's Definitions of Bond Ratings

Hi Jim--Thanks for the edits. The section looks pretty good. Can you send me something that describes a VMIG-1 rating. I will edit it into the text if appropriate. I think that your mention of the Aaa rating for your recent bonds is fine. However, all insured bonds receive a Aaa rating because the security is so enhanced by the insurance. So, mentioning it but not booming the drum around it is fine in my opinion.--D

-----Original Message-----

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Wednesday, September 10, 2008 6:28 AM
To: Gray, Dave/SEA
Subject: PFD - Moody's Definitions of Bond Ratings

<http://www.treasurer.ca.gov/ratings/moodys.asp>

Dave;

Found this interesting. Shows meaning of different bond ratings.

Jim Bruce

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"MIG 1/VMIG 1 This designation denotes best quality. There is present strong protection by established cash flows, superior liquidity support or demonstrated broad-based access to the market for refinancing."

Hope that answers your question.

Jim

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From: Dave.Gray@CH2M.com [<mailto:Dave.Gray@CH2M.com>]
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Subject: RE: PFD - Moody's Definitions of Bond Ratings

Thanks. This is great stuff. I plan to include it in the text.--D

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Jim Bruce

From: Jim Bruce
Sent: Wednesday, September 10, 2008 1:31 PM
To: Dave.Gray@CH2M.com; David.Hackworth@CH2M.com
Subject: RE: PFD - Moody's Definitions of Bond Ratings

Dave;

Something interesting about our VR debt. Both issues were backed not by insurance, but by a Letter of Credit from a bank. The collateral or security for the debt is not even our revenue stream, but by the LOC issuing bank. When you read the OS for those issues, it barely mentions the District, but mostly talks about the strength, rating and capitalization of the LOC bank. The actual debt is remarketed weekly, so the bond holders could actually change that often. We pay a remarketing fee also. The District can also convert the index "mode" to 7 other modes - like from weekly to monthly, to semi monthly, to semi annual, to fixed.

When we did our first one in 1998, we actually saw weekly rates often less than 1%. They had remained very low until 2005, when our Board decided they had too much VR debt, and anticipated rates would be climbing, so they risked paying off one of our VR issues with FR debt. But, since then, the economy has tanked and VR rates have remained lower than our FR debt.

I had never seen these, but it was one of several ideas Bob Cramer had brought to our attention, and they have all worked out great! Bob was regional manager for Banc One Capital - Public Finance, in Indy, before Banc One got out of that business, and closed that office. Bob then went out on his own.

FYI

Jim Bruce

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Jim Bruce

Jim Bruce

From: Dave.Gray@CH2M.com
Sent: Wednesday, September 10, 2008 1:34 PM
To: Lisa.Bailey@CH2M.com
Cc: David.Hackworth@CH2M.com; Jim Bruce; Bob.Woodhouse@CH2M.com
Subject: Financial Strength
Attachments: Financial Ratios 9-9-08.xls; Financial Strength 9-10-08.doc

Hi Lisa--Here is the financial strength section for the HCWD1 proposal (Vol1). I have reviewed it with Jim Bruce so it is ready to go.--D

David Gray
CH2M HILL
dgray@ch2m.com
(425) 453-5000 (w)
(425) 301-4729 (c)

Jim Bruce

From: Jim Bruce
Sent: Wednesday, September 10, 2008 1:40 PM
To: David.Hackworth@CH2M.com; Dave.Gray@CH2M.com
Subject: LWC partnership signed.pdf
Attachments: LWC partnership signed.pdf

Here is our agreement

Jim Bruce

From: Dave.Gray@CH2M.com
Sent: Wednesday, September 10, 2008 1:39 PM
To: Jim Bruce
Subject: RE: PFD - Moody's Definitions of Bond Ratings

Thanks. I learn something new every day. I spoke with Bob yesterday about rates you would have to pay for taxable bonds and rates you might be able to make on reserves. Interesting stuff. We will need to talk more when the price model comes out (hopefully today). --D

-----Original Message-----

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Wednesday, September 10, 2008 10:31 AM
To: Gray, Dave/SEA; Hackworth, David/LOU
Subject: RE: PFD - Moody's Definitions of Bond Ratings

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Dave;

Found this interesting. Shows meaning of different bond ratings.

Jim Bruce

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Wednesday, September 10, 2008 2:02 PM
To: Dave.Gray@CH2M.com; Jon.Green@ch2m.com; jsmith@lwcky.com; Jim Bruce
Cc: Bob.Woodhouse@CH2M.com
Subject: Proposal Cost

Team,

After speaking with all of you, I believe we developed concurrence on the methodology to recover the proposal costs....

First, I assume a total cost of \$350,000 for five years at 5%...which amounts to \$80,841..... This amount will be carried in the LWC O&M charge for the treatment plants for five years - The budget was \$1.2 million per year, so this represents an overhead of 6.7%, which is reasonable in our industry,

Please let me know if anyone has concerns/objections

Thanks

David

Jim Bruce

From: Jim Bruce
Sent: Wednesday, September 10, 2008 2:13 PM
To: Greg Heitzman
Subject: FW: Proposal Cost

Greg;

I recall when we met at your office last to talk about CH role as team member, and in future, you had said that LWC agreed to pay them \$50,000, which was lower than their original proposal. I may have misunderstood, but I saw this email and it did not match my recollection.

The amount is not a problem to me, as our partnership agreement did not specify any amount, and we understood whatever the amount, we would be reimbursing LWC over 60 months. Still, I thought you should be aware of the amount that is being used, in case it was not the amount you were planning on.

All is going well, and CH is doing a great job. We are looking forward to presenting to our Board next week. I have not heard back from Bill Rissel yet, whether he can attend your Board meeting earlier that day. Bill has been out of state much, and is out several days this week.

Thanks

Jim Bruce

From: David.Hackworth@CH2M.com [<mailto:David.Hackworth@CH2M.com>]
Sent: Wednesday, September 10, 2008 2:02 PM
To: Dave.Gray@CH2M.com; Jon.Green@ch2m.com; jsmith@lwcky.com; Jim Bruce
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Thanks

David

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Wednesday, September 10, 2008 2:30 PM
To: Jim Bruce
Subject: RE: Second Data Request - SP0600-08-R-0803

Jim,

can you send us the attachment... the DESC website is still not working to download the response

thanks

David

-----Original Message-----

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Wednesday, September 10, 2008 1:53 PM
To: Hackworth, David/LOU; jsmith@lwcky.com; Gray, Dave/SEA
Subject: FW: Second Data Request - SP0600-08-R-0803

-----Original Message-----

From: Koessel, Brian (DESC) [<mailto:Brian.Koessel@dla.mil>]
Sent: Wednesday, September 10, 2008 1:50 PM
To: Jim Bruce
Subject: RE: Second Data Request - SP0600-08-R-0803

Jim,

The response to your question is listed at #24 in Q&A Set #2. Those responses will be posted to the DESC webpage today.

Regards,

Brian J. Koessel
Contract Specialist
Defense Energy Support Center
Energy Enterprise CBU (DESC-EA)
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dla.mil

-----Original Message-----

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Tuesday, September 02, 2008 3:14 PM
To: Mattox, Angela E. (DESC); Koessel, Brian (DESC)
Subject: Second Data Request - SP0600-08-R-0803

Ms. Mattox or Mr. Koessel;

Attached please find our second data request. This is only 1 question, and I think I have numbered consecutive to the last question number you answered.

We assume these will be answered in a future Amendment issued to all interested parties.

Please let me know if you need more information or clarification.

Sincerely,

Mr Jim Bruce
General Manager
Hardin County Water District No. 1
Phone: 270-351-3222, ext 208

Jim Bruce

From: Jim Bruce
Sent: Wednesday, September 10, 2008 2:32 PM
To: David.Hackworth@CH2M.com
Subject: RE: Second Data Request - SP0600-08-R-0803

David; He did not send an attachment, just said it was on website. You may have to call him like last time and have him email it to you.

Jim

-----Original Message-----

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Sent: Wednesday, September 10, 2008 2:30 PM
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David

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To: Dave.Gray@CH2M.com; Robert.Neath@CH2M.com; Jon.Green@ch2m.com; Bob.Woodhouse@CH2M.com; Lisa.Bailey@CH2M.com; Sally.PEEK@CH2M.com; Jim Bruce; jsmith@lwcky.com; Brett Pyles
Subject: FW: Questions #2 Response
Attachments: Fort Knox Q&A Set #2 - 09-10-08.pdf

FYI

-----Original Message-----

From: Koessel, Brian (DESC) [<mailto:Brian.Koessel@dla.mil>]
Sent: Wednesday, September 10, 2008 4:51 PM
To: Hackworth, David/LOU
Subject: RE: Questions #2 Response

David,

I apologize for the inconvenience. I have no idea how long it will take our webmaster to remedy the problem. I have attached the Q&A for your reference.

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Defense Energy Support Center
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-----Original Message-----

From: David.Hackworth@CH2M.com [<mailto:David.Hackworth@CH2M.com>]
Sent: Wednesday, September 10, 2008 2:35 PM
To: Koessel, Brian (DESC)
Subject: Questions #2 Response

Brian,

We cannot access the response to question No.2. Can you send a pdf?

thanks

David

David Hackworth
Vice President and Area Manager
Water Business Group
401 W. Main Street, Suite 500
Louisville, KY 40202
Direct - 502.584.6052
Fax - 502.587.9343
Mobile - 502.541.5385
<<http://www.ch2mhill.com/>> www.ch2mhill.com <<http://www.ch2mhill.com/>>

Solutions Without Boundaries

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Wednesday, September 10, 2008 5:39 PM
To: JSmith@lwcky.com; Jim Bruce; Brett Pyles
Cc: Dave.Gray@CH2M.com; Robert.Neath@CH2M.com; Bob.Woodhouse@CH2M.com;
Jon.Green@ch2m.com; Lisa.Bailey@CH2M.com
Subject: RE: Questions #2 Response

I agree with Jim Smith's observation that someone else is interested.... However, I still find it hard to believe that anyone would spend the effort putting together a proposal - however, I would not be surprised if they contest the award..

With that said, our pricing has been bottom up, with no margins nor much contingency...it will be the true cost to operate the system. The overheads applied by HCWD and LWC are very minimal...If someone comes in lower, they will be buying the job - which is rare in today's market.

All we can do now is put together a great proposal that demonstrates other benefits to the Army in addition to price.

Also, from my perspective, I do not think that the other proposer will be pleased with the Army's responses to their questions.

Also, it looks like we need to get that 16-inch water line to Hardin County by Sept 29, 2010.

-----Original Message-----

From: Jim Smith [<mailto:JSmith@lwcky.com>]
Sent: Wednesday, September 10, 2008 4:58 PM
To: Hackworth, David/LOU
Subject: RE: Questions #2 Response

Looks like we may have competition

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From: David.Hackworth@CH2M.com [<mailto:David.Hackworth@CH2M.com>]
Sent: Wednesday, September 10, 2008 4:53 PM
To: Dave.Gray@CH2M.com; Robert.Neath@CH2M.com; Jon.Green@ch2m.com; Bob.Woodhouse@CH2M.com;
Lisa.Bailey@CH2M.com; Sally.Peek@CH2M.com; jbruce@hcwd.com; Jim Smith; bpyles@HCWD.com
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Mobile - 502.541.5385
<<http://www.ch2mhill.com/>> www.ch2mhill.com <<http://www.ch2mhill.com/>>

Solutions Without Boundaries

Jim Bruce

From: Greg Heitzman [gheitzman@lwcky.com]
Sent: Wednesday, September 10, 2008 8:31 PM
To: Jim Bruce
Subject: RE: Proposal Cost

Jim, you are correct, I should have called you. We have gone thru the \$50K, and asked CH2 for a phase II estimate to finish out the proposal. LWC will absorb this additional cost if we do not get the project. I am presenting this for approval of my Board next week. If we win the project we'll recover through the monthly contract over a 5 year period.

Give me a call Thursday if we need to discuss further. 502-533-5073

Greg

-----Original Message-----

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Wed 9/10/2008 2:13 PM
To: Greg Heitzman
Subject: FW: Proposal Cost

Greg;

I recall when we met at your office last to talk about CH role as team member, and in future, you had said that LWC agreed to pay them \$50,000, which was lower than their original proposal. I may have misunderstood, but I saw this email and it did not match my recollection.

The amount is not a problem to me, as our partnership agreement did not specify any amount, and we understood whatever the amount, we would be reimbursing LWC over 60 months. Still, I thought you should be aware of the amount that is being used, in case it was not the amount you were planning on.

All is going well, and CH is doing a great job. We are looking forward to presenting to our Board next week. I have not heard back from Bill Rissel yet, whether he can attend your Board meeting earlier that day. Bill has been out of state much, and is out several days this week.

Thanks

Jim Bruce

From: David.Hackworth@CH2M.com [mailto:David.Hackworth@CH2M.com]
Sent: Wednesday, September 10, 2008 2:02 PM
To: Dave.Gray@CH2M.com; Jon.Green@ch2m.com; jsmith@lwcky.com; Jim Bruce
Cc: Bob.Woodhouse@CH2M.com
Subject: Proposal Cost

Team,

After speaking with all of you, I believe we developed concurrence on the methodology to recover the proposal costs....

First, I assume a total cost of \$350,000 for five years at 5%...which amounts to \$80,841..... This amount will be carried in the LWC O&M charge for the treatment plants for five years - The budget was \$1.2 million per year, so this represents an overhead of 6.7%, which is reasonable in our industry,

Please let me know if anyone has concerns/objections

Thanks

David

Jim Bruce

From: Lisa.Bailey@CH2M.com
Sent: Thursday, September 11, 2008 1:12 AM
To: Jim Bruce
Cc: Sally.PEEK@CH2M.com
Subject: HCDW1 Letterhead

Jim-

I'd like to have the cover letter done on your HCWD1 letterhead. I think I can recreate it if you can have someone send me a color scanned copy of your letterhead. If someone can get that scanned copy to us, we will get that done.

Take care-
LB

Lisa Bailey
cell.770.329.0282
email. lisa.bailey@ch2m.com

Jim Bruce

From: Jim Bruce
Sent: Thursday, September 11, 2008 8:17 AM
To: Greg Heitzman
Subject: RE: Proposal Cost

Greg;

That sounds fine. Just wanted to run it by you. No problem at all with us.

Thanks

Jim Bruce

From: Greg Heitzman [<mailto:gheitzman@lwcky.com>]
Sent: Wednesday, September 10, 2008 8:31 PM
To: Jim Bruce
Subject: RE: Proposal Cost

Jim, you are correct, I should have called you. We have gone thru the \$50K, and asked CH2 for a phase II estimate to finish out the proposal. LWC will absorb this additional cost if we do not get the project. I am presenting this for approval of my Board next week. If we win the project we'll recover through the monthly contract over a 5 year period.

Give me a call Thursday if we need to discuss further. 502-533-5073

Greg

-----Original Message-----

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Wed 9/10/2008 2:13 PM
To: Greg Heitzman
Subject: FW: Proposal Cost

Greg;

I recall when we met at your office last to talk about CH role as team member, and in future, you had said that LWC agreed to pay them \$50,000, which was lower than their original proposal. I may have misunderstood, but I saw this email and it did not match my recollection.

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All is going well, and CH is doing a great job. We are looking forward to presenting to our Board next week. I have not heard back from Bill Rissel yet, whether he can attend your Board meeting earlier that day. Bill has been out of state much, and is out several days this week.

Jim Bruce

From: Jim Bruce
Sent: Thursday, September 11, 2008 8:19 AM
To: Lisa.Bailey@CH2M.com
Subject: RE: HCDW1 Letterhead
Attachments: PSC rate adjust questions.pdf

Lisa;

It is pretty basic. Attached is a sample. We actually do not have stationary, just put this same header/footer on every letter sent out from our office.

Thanks

Jim Bruce

-----Original Message-----

From: Lisa.Bailey@CH2M.com [<mailto:Lisa.Bailey@CH2M.com>]
Sent: Thursday, September 11, 2008 1:12 AM
To: Jim Bruce
Cc: Sally.PEEK@CH2M.com
Subject: HCDW1 Letterhead

Jim-

I'd like to have the cover letter done on your HCWD1 letterhead. I think I can recreate it if you can have someone send me a color scanned copy of your letterhead. If someone can get that scanned copy to us, we will get that done.

Take care-
LB

Lisa Bailey
cell.770.329.0282
email. lisa.bailey@ch2m.com

Jim Bruce

From: Lisa.Bailey@CH2M.com
Sent: Thursday, September 11, 2008 8:23 AM
To: Jim Bruce
Subject: RE: HCDW1 Letterhead

Thanks.

LB

Lisa Bailey
Global Water Business Group
Cell. 770.329.0282
Fax. 770.604.9183
Email. lisa.bailey@ch2m.com

-----Original Message-----

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Thursday, September 11, 2008 8:19 AM
To: Bailey, Lisa/ATL
Subject: RE: HCDW1 Letterhead

Lisa;

It is pretty basic. Attached is a sample. We actually do not have stationary, just put this same header/footer on every letter sent out from our office.

Thanks

Jim Bruce

-----Original Message-----

From: Lisa.Bailey@CH2M.com [<mailto:Lisa.Bailey@CH2M.com>]
Sent: Thursday, September 11, 2008 1:12 AM
To: Jim Bruce
Cc: Sally.Peek@CH2M.com
Subject: HCDW1 Letterhead

Jim-

I'd like to have the cover letter done on your HCWD1 letterhead. I think I can recreate it if you can have someone send me a color scanned copy of your letterhead. If someone can get that scanned copy to us, we will get that done.

Take care-

LB

Lisa Bailey
cell.770.329.0282
email. lisa.bailey@ch2m.com

Jim Bruce

From: Jim Bruce
Sent: Thursday, September 11, 2008 2:35 PM
To: Charlie Miller
Subject: FW: Reps and Certs for Volume III

Charlie;

Please fill this out for our FK Water submittal. When complete, you can let Sally know with CH2M Hill.

Need by COB today.

Thanks

Jim

From: Brett Pyles
Sent: Wednesday, September 10, 2008 6:01 PM
To: Jim Bruce
Subject: FW: Reps and Certs for Volume III

Jim,

Do you want me to do this?

Thanks

Brett

From: Sally.PEEK@CH2M.com [<mailto:Sally.PEEK@CH2M.com>]
Sent: Wednesday, September 10, 2008 10:06 AM
To: Brett Pyles
Subject: Reps and Certs for Volume III

Brett,

I need you or Jim to complete this questionnaire for Volume III. It is an online form, but also needs to be printed so that we can include a hard copy. The form is found here:

<https://orca.bpn.gov/>

To access the website, you need to be registered in the Central Contractor Registration (CCR) database. I assume you are registered since you have a federal contract. Are you familiar with that? If not, let me know and I'll help you with that. You probably did all of this for the Sewer Contract with Fort Knox, but I can't find a file for the Reps and Certs.

Take a look at the above link and see if it makes sense. If not, let me know.

Thanks,
Sally

Sally Peek, Sales Process Manager (Teleworker)
Cell - 404.368.3251

www.ch2m.com

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Friday, September 12, 2008 8:45 AM
To: Jim Bruce; Brett Pyles; JSmith@lwcky.com
Subject: FW: Revised Base Cost Models Years 1 through 5
Attachments: Revised_Fort Knox_Base Cost_Years 1-5_11 Sept 2008_Rev 05_JMG.zip

Please review... we put the proposal reimbursement cost into the LWC overhead

thanks

David

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Friday, September 12, 2008 8:49 AM
To: JSmith@lwcky.com; Jim Bruce; Brett Pyles
Subject: FW: Revised Alternate Cost Models Year One Through Fifty
Attachments: ALT_Fort Knox_Year 1 - 50_10 Sept 2008_Rev 01_JMG.zip

please review


From: Green, Jon/ABQ
Sent: Thursday, September 11, 2008 11:29 AM
To: Hackworth, David/LOU
Cc: Gray, Dave/SEA
Subject: Revised Alternate Cost Models Year One Through Fifty

Dave,

Here is the revised cost models for the Alternate Proposal. Please call or write if you have any questions.

Jon

Jonathan M. Green
Senior Operations Specialist
CH2M HILL
4041 Jefferson Plaza NE, Suite 200
Albuquerque, NM 87109
Office - 505.884.5600 X35759
Direct - 505.855.5259
Cell - 505.414.9641
Fax - 505.816.0589
E-mail - Jon.Green@ch2m.com

<><  Please consider the environment before printing this email

Jim Bruce

From: Jim Bruce
Sent: Friday, September 12, 2008 8:53 AM
To: David.Hackworth@CH2M.com
Cc: Brett Pyles
Subject: RE: Revised Alternate Cost Models Year One Through Fifty

David;

We have staff meeting this AM. Will try and cut short and get our comments back to you before noon.

Jim Bruce

From: David.Hackworth@CH2M.com [<mailto:David.Hackworth@CH2M.com>]
Sent: Friday, September 12, 2008 8:49 AM
To: JSmith@lwcky.com; Jim Bruce; Brett Pyles
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please review


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E-mail - Jon.Green@ch2m.com

<><  Please consider the environment before printing this email

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Friday, September 12, 2008 10:14 AM
To: JSmith@lwcky.com; Brett Pyles; Jim Bruce
Cc: Robert.Neath@CH2M.com; Dave.Gray@CH2M.com
Subject: fate of wells

I just want to confirm the fate of the wells with the Alt proposal.

Are we going to get rid of all the wells for the Alt proposal?

If so, do you want us to delete the well and WTP related projects (ie. platforms, central plant repairs) from the Initial Deficiency List?

Sedimentation Basin - Rehab	3,000
Lime Tank - Rehab	9,500
Sludge Tank - Rehab	20,500
Backwash Tank - Rehab	7,500
Misc. Site Repairs	5,000
Well Platforms - Rehab (6)	56,000

thanks

David

Jim Bruce

From: Jim Bruce
Sent: Friday, September 12, 2008 10:42 AM
To: David.Hackworth@CH2M.com
Cc: Brett Pyles; jsmith@lwcky.com
Subject: RE: fate of wells

David;

I would defer to LWC. It was my understanding that if we could replace WTP's with purchased water source, there would be no need to maintain and run wells. The 3 HCWD wells might come in handy someday, to someone, but they are expensive to maintain. The electric costs alone are a bunch, to lift some 300 feet of head. When we were operating them, a redevelopment was needed about every 3-5 years and was about \$20,000 for each well. I am sure that is much more now since Reynolds and Layne have gone in together.

That's my thoughts.

Jim Bruce

From: David.Hackworth@CH2M.com [<mailto:David.Hackworth@CH2M.com>]
Sent: Friday, September 12, 2008 10:14 AM
To: JSmith@lwcky.com; Brett Pyles; Jim Bruce
Cc: Robert.Neath@CH2M.com; Dave.Gray@CH2M.com
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Lime Tank - Rehab	9,500
Sludge Tank - Rehab	20,500
Backwash Tank - Rehab	7,500
Misc. Site Repairs	5,000
Well Platforms - Rehab (6)	56,000

thanks

David

Jim Bruce

From: Jim Bruce
Sent: Friday, September 12, 2008 10:44 AM
To: David.Hackworth@CH2M.com
Cc: Brett Pyles; jsmith@lwcky.com
Subject: RE: Revised Alternate Cost Models Year One Through Fifty

David;

We have review O&M costs. They look good. Here are our questions or observations;

The alt WTP proposal looks same as base – is this correct?

The 6-50 year labor costs are same as years 1-5, is this correct?

The purchased water costs are shown both under Distribution and WTP, for years 2-5, is that being double counted?

Thanks our only questions. Again, they amounts look good to us. Great work!

Jim Bruce

From: David.Hackworth@CH2M.com [<mailto:David.Hackworth@CH2M.com>]
Sent: Friday, September 12, 2008 8:49 AM
To: JSmith@lwcky.com; Jim Bruce; Brett Pyles
Subject: FW: Revised Alternate Cost Models Year One Through Fifty

please review

From: Green, Jon/ABQ
Sent: Thursday, September 11, 2008 11:29 AM
To: Hackworth, David/LOU
Cc: Gray, Dave/SEA
Subject: Revised Alternate Cost Models Year One Through Fifty

Dave,

Here is the revised cost models for the Alternate Proposal. Please call or write if you have any questions.

Jon

Jonathan M. Green
Senior Operations Specialist
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4041 Jefferson Plaza NE, Suite 200
Albuquerque, NM 87109
Office - 505.884.5600 X35759
Direct - 505.855.5259
Cell - 505.414.9641
Fax - 505.816.0589
E-mail - Jon.Green@ch2m.com

Jim Bruce

From: Bob.Woodhouse@CH2M.com
Sent: Friday, September 12, 2008 12:55 PM
To: Jim Bruce; Dave.Gray@CH2M.com; David.Hackworth@CH2M.com; jsmith@lwcky.com; Robert.Neath@CH2M.com
Cc: Brett Pyles
Subject: RE: Incorporating R&R Costs into HCWD1's Proposed Price for Water Service to HCWD1

David,

Please set-up a conference call for some time after 2 PM Eastern (11 AM Pacific) so we can review the assumptions for the cost model with the Client.

Dave Gray will send out the most current version of the cost model prior to the call.

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Wednesday, September 03, 2008 5:24 AM
To: Gray, Dave/SEA; Hackworth, David/LOU; jsmith@lwcky.com; Woodhouse, Bob/SFO
Cc: Brett Pyles
Subject: RE: Incorporating R&R Costs into HCWD1's Proposed Price for Water Service to HCWD1

All;

My thought is to only lock for 2 years, as this is what non-regulated would have to do. I am not sure advantage of doing 3 year lock like we did on sewer. A 2 year means we only have to compensate or adjust for 2 years of forward looking inflation adjustments.

Jim Bruce

From: Dave.Gray@CH2M.com [mailto:Dave.Gray@CH2M.com]
Sent: Tuesday, September 02, 2008 7:53 PM
To: Jim Bruce; David.Hackworth@CH2M.com; Bob.Woodhouse@CH2M.com
Subject: RE: Incorporating R&R Costs into HCWD1's Proposed Price for Water Service to HCWD1

In the second to last paragraph in the e-mail below, I suggested that we may want to provide prices with a guarantee of no change for the first 3 years. I just noticed that the RFP for non-regulated rates asks for prices guaranteed for 2 years. Please let me know if you have a preference. Also, we have started some of the analysis to support the approach outlined below. Please let me know if you have any comments or redirection. Thanks.--Dave

From: Gray, Dave/SEA
Sent: Monday, September 01, 2008 8:14 PM
To: Jim Bruce; Hackworth, David/LOU; Woodhouse, Bob/SFO
Subject: Incorporating R&R Costs into HCWD1's Proposed Price for Water Service to HCWD1

This e-mail reviews our discussions last week regarding pricing options and adopted approaches for the R&R component of HCWD's proposed FK water utility rate. Please review the planned approach provided below and provide any comments you may have

We discussed the following optional approaches:

1. Traditional rate base approach. This is the so-called "utility basis" for ratemaking. This would require that we calculate rate base and set up revenue requirements that include return to rate base and depreciation expense. I

understand from Jim Bruce that he would like to stay away from such an approach. Among reasons for doing so is that the PSC does not like to grant a public agency any "return" or profit.

2. Cash basis based on actual cash requirements. This would be "lumpy" in that revenue requirements would change from year to year as actual cash requirements for R&R change.

3. "Levelized" costs. This is a method that spreads the R&R costs into an annual payment that has the same present value as the R&R schedule. The Army and DESC like this one because it provides stable charges.

We agreed on the third approach. It has the advantage of being an attractive format to the government and avoids the need to keep going to the PSC for detailed rate analysis each time new investment is made in the system. We also discussed the option to start the R&R charge in Year 6 rather than in Year 1 since R&R expenditures are not expected to start until Year 6. However, we decided to start in Year 1 to build up reserves for R&Rs, reduce risk, and delay the need for future rate increases. I will proceed with this approach unless instructed to take an alternate path.

In preparing to do so, it would be useful to have the following information:

- Interest rate at which HCWD1 can invest funds (I will call Bob Cramer on this point)
- Confirmation that HCWD1 can borrow funds for 4.5 percent (I will call Bob Cramer on this point). We decided that in cases where HCWD may be deficit in funds for FK R&Rs, it would use internally generated funds so that it would not need to incur taxable debt.
- Assessment as to whether we could assume that HCWD1 can borrow funds for this project from the state revolving fund (It may be best if HCWD1 inquires on this front)
 - If so, whether we would want to propose the interest rate on such funds for R&R projects
 - Whether we would want to propose the same treatment of initial system deficiency corrections

In Louisville last week, we discussed the fact that it would be preferable to collect all R&R costs in the 50-year contract period. If we proceeded in that way, I would make the point that the undepreciated, residual value at the end of the 50 years should be used to reduce the HCWD1 proposed costs because the Army would have the right to reacquire the system at the unamortized amount on the system. Since that would be \$0, they would get it for free. Calculation of the residual value should be straight forward. If the Army buys the argument and includes the credit in year 50, HCWD1 should look pretty good. However, if they do not accept it (some of the DESC analysts just don't get it), HCWD's relative cost would have significant weight to overcome (since the Government does credit its "should costs" with the residual system value. I intend to calculate the difference and will provide that information so that we can jointly make a strategic decision on how exactly to proceed.

In reviewing HCWD1's application to increase the sewer rates at FK, it seems that has success in setting rates based on R&R cash requirements and then simply comparing the amount needed to the depreciation expense with no other connection to depreciation. This really is a good way to go in that it reduces the detail that needs to be negotiated with the Army and the PSC. If we are successful in starting the R&R charge in Year 1 (as HCWD1 did with the sewer rates), HCWD1 will be able to build up a significant R&R fund before it starts investing in R&Rs in Year 6. That implies that HCWD1 will not need a rate increase, at least for R&Rs, for many years into the future. A detail that could be addressed later (after contract award) will be whether the reserve could also be used for O&M when inflation begins to create a deficit between O&M costs and O&M-based revenues generated by the rate. I am assuming that HCWD1 would indeed be able to apply revenues generated from the combined O&M and R&R charge to O&M costs. In that case, HCWD will need to keep track of how the funds are expended and how the reserve is initially built and then drawn down. This will allow HCWD1 to be better positioned to address possible Army concerns once it becomes necessary to increase the tariff.

Consistent with RFP requirements, I intend to provide all costs for the 50-year contract in Schedule 5 in terms of 2009 dollars. However, in schedule B-1, I intend to inflate the prices by about 3 percent per year to 2011 price levels to reflect the average cost for the period 2010 through 2012. We would then guarantee no price increases for the first 3 years. Let me know if you would like to reduce the guarantee to 2 years. In doing this, I intend to use "real" rather than "nominal" interest rates. As such, the rate used to discount and then amortize R&R costs will probably be 2.8 percent. This is the "real" rate that the Government will use in its UPEAST comparison of HCWD1 costs to its own "should costs".

Please let me know if you have any comments or would like me to take a different approach on any of this. Finally, and unfortunately, my father-in-law died on Saturday. So, on Wednesday, I will return to Kentucky to be with the family for services on Thursday and Friday. So, I will generally be out of pocket. If we need to talk, please call me on Tuesday if possible. Otherwise, you can try my cell phone on Wednesday, Thursday, or Friday. If I do not answer, leave a message and I will return your call. --Dave

Jim Bruce

From: Dave.Gray@CH2M.com
Sent: Friday, September 12, 2008 3:25 PM
To: Jim Bruce
Subject: For Phone Call at 3:30 EDT
Attachments: Price Proposal--Base 9-12-08 pm.xls

Hi Jim--Here is the pricing model as it looked last night. We are reprogramming to account for some of the R&R spreading you folks discussed with Robert Neath. While we reviewed the overall concept of the pricing approach at the meetings in Louisville, I wanted to review the actual mechanics with you to be sure it aligns with your thoughts. Please call me at 425 301-4729. Thanks.--Dave

From: Hackworth, David/LOU
Sent: Friday, September 12, 2008 12:16 PM
To: Gray, Dave/SEA
Subject: Jim B will call you at 3:30

Jim Bruce

From: Dave.Gray@CH2M.com
Sent: Sunday, September 14, 2008 11:45 PM
To: Jim Bruce; David.Hackworth@CH2M.com; Lisa.Bailey@CH2M.com;
Bob.Woodhouse@CH2M.com
Cc: Jon.Green@ch2m.com; Robert.Neath@CH2M.com; Kurt.Playstead@CH2M.com
Subject: Draft Price Proposal
Attachments: Price_Proposal--Base_9-14-08_DAG.xls; Draft Text 9-14-08.doc; Revised_Ft Knox_Base
Cost and Transition_12 Sept 2008_JMG.zippy

Attached is the Draft Price Proposal (Base) for HCWD1's bid to privatize the water system at Ft. Knox. The text is in the Word file; tables referred to in the text are in the Excel file, and Appendix IV-1 is in the zip file named "zippy". A few notes:

- The text includes draft portions for the key sections. 2 or 3 sections of secondary importance still need to be added.
- The Excel file has the table numbers listed in the tabs for easy reference.
- The zip file was named zippy in order to get past fire walls. You will need to rename it with a zip extension in order to open it.

I should have the Alt proposal completed tomorrow.--D

David Gray
CH2M HILL
dgray@ch2m.com
(425) 453-5000 (w)
(425) 301-4729 (c)

Jim Bruce

From: Jim Bruce
Sent: Monday, September 15, 2008 8:43 AM
To: Dave.Gray@CH2M.com
Cc: David.Hackworth@CH2M.com; Lisa.Bailey@CH2M.com; Brett Pyles; jsmith@lwcky.com
Subject: RE: Draft Price Proposal
Attachments: Draft Text 9-14-08 JB.doc

All;

Here is text doc with my few changes. Added a few comments and mark ups. Looks pretty good to me. Seems to expose more of our methodology than I might include, but if Dave thinks this is needed or of value, OK with me to keep in.

Thanks

Jim Bruce

(Will be reviewing xls files today also)

From: Dave.Gray@CH2M.com [<mailto:Dave.Gray@CH2M.com>]
Sent: Sunday, September 14, 2008 11:45 PM
To: Jim Bruce; David.Hackworth@CH2M.com; Lisa.Bailey@CH2M.com; Bob.Woodhouse@CH2M.com
Cc: Jon.Green@ch2m.com; Robert.Neath@CH2M.com; Kurt.Playstead@CH2M.com
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David Gray
CH2M HILL
dgray@ch2m.com
(425) 453-5000 (w)
(425) 301-4729 (c)

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Monday, September 15, 2008 9:52 AM
To: Jim Bruce; Dave.Gray@CH2M.com
Cc: JSmith@lwcky.com
Subject: Financial Strength
Attachments: HCWD Financial Strenth.xls

Please review and let me know if you want me to include in the HCWD slides for tomorrow...

I merely added the RCLD (\$40 mil) for Fort Knox to the 2008 numbers, with no extra debt to show the new D/Cap ratio. Also, I show with and without Ft Knox.. Please note that I added a couple million for the without case to make the smoothed curve look right

thanks

David

Jim Bruce

From: Jim Bruce
Sent: Monday, September 15, 2008 9:56 AM
To: David.Hackworth@CH2M.com
Cc: Dave.Gray@CH2M.com; Brett Pyles; jsmith@lwcky.com
Subject: RE: Financial Strength

David;

Looks good, but District is still spelled wrong. If you can send me corrected, I can insert in slide presentation. Also, please send me slide presentation with all your changes, as I would like to check over one more time. We will have projector / overhead set up with computer, so you do not have to bring one. Will also have a LED pointer and slide changer to assist during your presentation.

Thanks

Jim Bruce

From: David.Hackworth@CH2M.com [<mailto:David.Hackworth@CH2M.com>]
Sent: Monday, September 15, 2008 9:52 AM
To: Jim Bruce; Dave.Gray@CH2M.com
Cc: JSmith@lwcky.com
Subject: Financial Strength

Please review and let me know if you want me to include in the HCWD slides for tomorrow...

I merely added the RCLD (\$40 mil) for Fort Knox to the 2008 numbers, with no extra debt to show the new D/Cap ratio. Also, I show with and without Ft Knox.. Please note that I added a couple million for the without case to make the smoothed curve look right

thanks

David

Jim Bruce

From: Jim Bruce
Sent: Monday, September 15, 2008 10:37 AM
To: Bill Rissel
Subject: FW: LWC Board meeting?

Bill;

You may not have seen this email. It is late notice, but I did want to let LWC know if we would be at their Board meeting tomorrow. Please let me know.

Thanks

Jim

-----Original Message-----

From: Jim Bruce
Sent: Monday, September 08, 2008 4:55 PM
To: 'Bill Rissel'
Subject: LWC Board meeting?

Bill;

Could you attend the LWC Board meeting at 12:30PM? They would like to meet us, and this would be same day our Board meets to review FK water proposal bid. We would need to get back by 3 or so, to get ready for HCWD1 Board meeting.

Thanks

Jim

Jim Bruce

From: Jim Bruce
Sent: Monday, September 15, 2008 12:39 PM
To: Bill Rissel
Subject: RE: LWC Board meeting?

Bill;

They have a packed agenda, with several closed session items. Greg thought instead we could come at noon, and have lunch with their Board to meet them informally and see if they have any questions for us. If we wanted to stay until the closed session, we could do that as well, but would be later in meeting. I told him we both had to get back.

Jim Smith is going to confirm time we would need to be there, and I will let you know ASAP. If we have to be there at noon, I suppose we would leave here about 11AM?

Thanks

Jim

-----Original Message-----

From: Bill Rissel [<mailto:wjrissel@fortknoxfcu.net>]
Sent: Monday, September 15, 2008 11:04 AM
To: Jim Bruce
Subject: RE: LWC Board meeting?

I have a meeting here at 3 also. I suppose we would just be there for the one item?

Bill Rissel,
President/CEO
Fort Knox Federal Credit Union
270-219-7328

CONFIDENTIALITY NOTICE: This e-mail transmission and/or the attachments accompanying it may contain confidential and/or privileged information belonging to the sender/FKFCU. The information is intended only for the use of the intended recipient. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution, or the taking of any action in reliance on the contents of this information is strictly prohibited. Any unauthorized interception of this transmission is illegal under the law. If you have received this transmission in error, please promptly notify the sender by reply e-mail and then destroy all copies of the transmission.

-----Original Message-----

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Monday, September 15, 2008 10:37 AM
To: Bill Rissel
Subject: FW: LWC Board meeting?

Bill;

You may not have seen this email. It is late notice, but I did want to let LWC know if we would be at their Board meeting tomorrow. Please let me know.

Thanks

Jim

-----Original Message-----

From: Jim Bruce

Sent: Monday, September 08, 2008 4:55 PM

To: 'Bill Rissel'

Subject: LWC Board meeting?

Bill;

Could you attend the LWC Board meeting at 12:30PM? They would like to meet us, and this would be same day our Board meets to review FK water proposal bid. We would need to get back by 3 or so, to get ready for HCWD1 Board meeting.

Thanks

Jim

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Monday, September 15, 2008 1:11 PM
To: Jim Bruce
Attachments: HCWD Financial Strenth.xls; FTK_present 9-15.pptx

Jim,

I added a couple of slides.. I will call you to discuss

thanks

David

Jim Bruce

From: Jim Bruce
Sent: Monday, September 15, 2008 1:49 PM
To: David.Hackworth@CH2M.com
Cc: Brett Pyles; jsmith@lwcky.com
Subject: RE:
Attachments: FTK_present 9-15 (2).pptx

David;

I moved some things around and made a few minor changes. On team relationships, I drew line from LWC to CH. HCWD1 currently does not have a contractual relationship with CH, so wanted to show that as things are currently. Not saying we may not in future, but did not want our Board to see it as contract between HCWD1 and CH if there is not one currently.

Still some \$ blanks that you can fill in. I and Bill R will be at LWC Board lunch in AM, so may not be back to office until 2 or so. If you can send final PPT to Brett, he can load on our laptop and set up projector. Also added some animation to paragraphs. Like the added slide on CH successes. Looks good!

Thanks

Jim

From: David.Hackworth@CH2M.com [mailto:David.Hackworth@CH2M.com]
Sent: Monday, September 15, 2008 1:11 PM
To: Jim Bruce
Subject:

Jim,

I added a couple of slides.. I will call you to discuss

thanks

David

Jim Bruce

From: Jim Bruce
Sent: Monday, September 15, 2008 1:53 PM
To: David.Hackworth@CH2M.com; Dave.Gray@CH2M.com
Cc: Brett Pyles; jsmith@lwcky.com
Subject: HCWD1 Overhead

All;

I think I found a biggee. When we gave the 3.8% overhead number, that was what the percent of all HCWD1 recovered and direct costs are of the TOTAL amount the Govt pays us for sewer. This is calculated after all O&M, capital and Veolia fees. On this SS, it looks like the 3.8% is only being added to a small portion of the Govt fee. Please confirm what exactly the 3.8% is being added to. We may need to add it on total bid amount which will come up with a \$ (say \$200,000/year), and then figure that \$ amount on whatever you were adding OH to, to back into the % given.

Let me know if that makes sense

Thanks

Jim Bruce

Jim Bruce

From: Jim Bruce
Sent: Monday, September 15, 2008 1:55 PM
To: Jon.Green@ch2m.com
Subject: FW: HCWD1 Overhead

-----Original Message-----

From: Jim Bruce
Sent: Monday, September 15, 2008 1:53 PM
To: 'David.Hackworth@CH2M.com'; 'Dave.Gray@CH2M.com'
Cc: Brett Pyles; 'jsmith@lwcky.com'
Subject: HCWD1 Overhead

All;

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Let me know if that makes sense

Thanks

Jim Bruce

Jim Bruce

From: Dave.Gray@CH2M.com
Sent: Monday, September 15, 2008 1:58 PM
To: Jim Bruce
Subject: RE: HCWD1 Overhead

That is big. Typically the Government likes to look at the G&A as a % of expenses. So we can do 1 of 2 things. 1.) We could have you change the G&A % to be a portion of expenses. Or 2.) we can change the model to include G&A on all costs. We can do either. Let me know your preference.--D

-----Original Message-----

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Monday, September 15, 2008 10:53 AM
To: Hackworth, David/LOU; Gray, Dave/SEA
Cc: Brett Pyles; jsmith@lwcky.com
Subject: HCWD1 Overhead

All;

I think I found a biggie. When we gave the 3.8% overhead number, that was what the percent of all HCWD1 recovered and direct costs are of the TOTAL amount the Govt pays us for sewer. This is calculated after all O&M, capital and Veolia fees. On this SS, it looks like the 3.8% is only being added to a small portion of the Govt fee. Please confirm what exactly the 3.8% is being added to. We may need to add it on total bid amount which will come up with a \$ (say \$200,000/year), and then figure that \$ amount on whatever you were adding OH to, to back into the % given.

Let me know if that makes sense

Thanks

Jim Bruce

Jim Bruce

From: Jim Bruce
Sent: Monday, September 15, 2008 2:12 PM
To: Dave.Gray@CH2M.com
Cc: David.Hackworth@CH2M.com; Brett Pyles; jsmith@lwcky.com
Subject: RE: HCWD1 Overhead
Attachments: FK Rate Update 0702 JB.pdf

Dave;

Our expectation was to match the same "coverage" or return HCWD1 was receiving to cover all its direct costs and amortized (shared) expenses. I have attached summary for our latest fee change on sewer. The total District costs (which you do not see \$70,000 which is capitalized labor, which we included in R&R section) are \$251,956, which over the total annual charge to Govt (\$3,174,031) is 7.9%. I think I got to the 3.8% by ONLY including allocated or shared existing costs, and by excluding direct costs which are insurance, legal, accounting and capitalized salaries.

May be more confusing, but it does show the magnitude of what we are charging Govt for HCWD1 costs. They initially said we could not deviate from what we charged with initial fee in 2005, but then our KO checked and found allocated costs are not subject to limits or "re-determination" and their only recourse would have been to file complaint with PSC. I think they realized our G&A or allocated costs are low anyway, and did not want to risk PSC telling us they were TOO low. This PSC hinted in our latest water rate case that we needed to make sure we were allocating costs to FK sewer, for services and benefit they were receiving.

Hope that helps.

Jim

-----Original Message-----

From: Dave.Gray@CH2M.com [<mailto:Dave.Gray@CH2M.com>]
Sent: Monday, September 15, 2008 1:58 PM
To: Jim Bruce
Subject: RE: HCWD1 Overhead

That is big. Typically the Government likes to look at the G&A as a % of expenses. So we can do 1 of 2 things. 1.) We could have you change the G&A % to be a portion of expenses. Or 2.) we can change the model to include G&A on all costs. We can do either. Let me know your preference.--D

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Sent: Monday, September 15, 2008 10:53 AM
To: Hackworth, David/LOU; Gray, Dave/SEA
Cc: Brett Pyles; jsmith@lwcky.com
Subject: HCWD1 Overhead

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Let me know if that makes sense

Thanks

Jim Bruce

Jim Bruce

From: Jim Bruce
Sent: Monday, September 15, 2008 2:54 PM
To: Dave.Gray@CH2M.com
Subject: RE: Take a Look at Revised Schedule 5

Dave – Looks good to me. It says at bottom that excludes G&A – Is that correct?

Thanks

Jim

From: Dave.Gray@CH2M.com [<mailto:Dave.Gray@CH2M.com>]
Sent: Monday, September 15, 2008 2:48 PM
To: Jim Bruce
Subject: Take a Look at Revised Schedule 5

David Gray
CH2M HILL
dgray@ch2m.com
(425) 453-5000 (w)
(425) 301-4729 (c)

Jim Bruce

From: Dave.Gray@CH2M.com
Sent: Monday, September 15, 2008 3:02 PM
To: Jim Bruce
Subject: RE: Take a Look at Revised Schedule 5
Attachments: Price_Proposal--Base_9-15-08 B.xls

I changed the approach. Take a look at the attached. I will call you to explain.

I also clarified the footnote you questioned.--D

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Monday, September 15, 2008 11:54 AM
To: Gray, Dave/SEA
Subject: RE: Take a Look at Revised Schedule 5

Dave – Looks good to me. It says at bottom that excludes G&A – Is that correct?

Thanks

Jim

From: Dave.Gray@CH2M.com [<mailto:Dave.Gray@CH2M.com>]
Sent: Monday, September 15, 2008 2:48 PM
To: Jim Bruce
Subject: Take a Look at Revised Schedule 5

David Gray
CH2M HILL
dgray@ch2m.com
(425) 453-5000 (w)
(425) 301-4729 (c)

Jim Bruce

From: Jim Bruce
Sent: Monday, September 15, 2008 3:21 PM
To: Dave.Gray@CH2M.com
Cc: David.Hackworth@CH2M.com
Subject: Chart question

Dave;

On the chart showing capitalization, and debt ratio - what is included in capitalization? Is it gross plant assets, total assets, net assets, less depreciation? Just want to know for Board presentation

Thanks

Jim Bruce

Jim Bruce

From: Dave.Gray@CH2M.com
Sent: Monday, September 15, 2008 4:02 PM
To: Jim Bruce
Subject: RE: Chart question
Attachments: Financial Ratios 9-9-08.xls

In the attached, capitalization is shown in Row 34. It is the sum of total debt (long and short) plus equity. I assumed that equity was represented by "Total Net Assets" on your balance sheet.--D

-----Original Message-----

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Monday, September 15, 2008 12:21 PM
To: Gray, Dave/SEA
Cc: Hackworth, David/LOU
Subject: Chart question

Dave;

On the chart showing capitalization, and debt ratio - what is included in capitalization? Is it gross plant assets, total assets, net assets, less depreciation? Just want to know for Board presentation

Thanks

Jim Bruce

Jim Bruce

From: Jim Bruce
Sent: Monday, September 15, 2008 4:09 PM
To: Dave.Gray@CH2M.com
Subject: RE: Chart question

Thanks Dave, that answers my question

Jim

-----Original Message-----

From: Dave.Gray@CH2M.com [<mailto:Dave.Gray@CH2M.com>]
Sent: Monday, September 15, 2008 4:02 PM
To: Jim Bruce
Subject: RE: Chart question

In the attached, capitalization is shown in Row 34. It is the sum of total debt (long and short) plus equity. I assumed that equity was represented by "Total Net Assets" on your balance sheet.--D

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Thanks

Jim Bruce

Jim Bruce

From: Jim Bruce
Sent: Monday, September 15, 2008 4:19 PM
To: David.Hackworth@CH2M.com
Subject: Cap Plan
Attachments: 3-year capital plan KB.xls

David;

We did not do an 08 Cap plan for FK Sewer. They told us the due date was changed to July 1, which made our next plan due by 7/1/09. We are keeping a master list updated for Govt at monthly status meeting, but have not actually updated the Cap Plan report since the 07 one.

Brett and I believe that the District needs to be developing a comprehensive Cap Plan for water, Rad sewer, FK storm, FK sanitary, and FK water if we win. This could be a consolidated "report" with different tabs for each utility. Our Board likes seeing this for FK sewer, and has asked if we can do one for other utilities as well. We do not have enough personnel to do this presently. We have plans to add CFO and Engineering Manager, to assist doing this. Still, we may also need an engineering firm to help us develop this plan annually.

In Colorado, I was used to each utility have a Master Plan, which drove what size lines went where, and when. Developers then HAD to install according to Master Plan. KY is not nearly as sophisticated, and most cities would not dream of telling a developer where and what size lines they had to install, to meet some master plan. My last major project in Loveland was writing RFP and reviewing proposals for our W&S Master Plan update. CH2M Hill was successful in getting that project.

FYI

Jim Bruce

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Monday, September 15, 2008 4:27 PM
To: Jim Bruce
Subject: RE: Cap Plan

Thanks Jim,

I would love the opportunity to submit a proposal for that when the time comes...

-----Original Message-----

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Monday, September 15, 2008 4:19 PM
To: Hackworth, David/LOU
Subject: Cap Plan

David;

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FYI

Jim Bruce

Jim Bruce

From: Jim Bruce
Sent: Monday, September 15, 2008 4:36 PM
To: David.Hackworth@CH2M.com
Subject: RE: Cap Plan
Attachments: Engineering Tasks 0807.pdf

David - Not to keep inundating you with info, but I wanted to send another exhibit. After we got FK sewer, we began getting contacted by many engineering firms wanting to submit proposals. Most thought that HDR was our only engineer. I did this exhibit then to show how many different firms we had used, since I came here.

We had started working on a "master engineering" RFP to allow all firms to submit proposals. We have done a draft, but have not had time to show it to Board. It would allow a single master engineering firm to do major projects, and then coordinate smaller projects through smaller, set aside firms. This would help up meet set asides for small businesses for work for FK, but also keep a large firm working on other projects.

For FK water, if we are successful, I think we would be interested in an initial short term contract, with CH2M, if they fees were competitive. Another problem with Weston and Metroplex is that they were used to using their large market-large city fees in KY. We have a long term, very competitive fee arrangement with HDR, which often is lower than smaller local firms.

Anyway, we certainly are interested in working with CH2M in future, but any decision would need to be based on response to scope and RFP, with a known fee schedule. Feel free to share this info with others within your company as well.

Thanks

Jim Bruce

-----Original Message-----

From: David.Hackworth@CH2M.com [<mailto:David.Hackworth@CH2M.com>]
Sent: Monday, September 15, 2008 4:27 PM
To: Jim Bruce
Subject: RE: Cap Plan

Thanks Jim,

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To: Hackworth, David/LOU
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FYI

Jim Bruce

Jim Bruce

From: Jim Bruce
Sent: Monday, September 15, 2008 7:48 PM
To: Jon.Green@ch2m.com; Jon.Green@ch2m.com
Subject: RE: Awards and Recognition

Jon;

Check with Dave Gray. He has the latest updated list.

thanks

Jim Bruce

-----Original Message-----

From: Jon.Green@ch2m.com [<mailto:Jon.Green@ch2m.com>]
Sent: Mon 9/15/2008 5:57 PM
To: Jim Bruce; JSmith@lwcky.com
Cc: Brett Pyles; David.Hackworth@CH2M.com
Subject: Awards and Recognition

Gentlemen,

Good afternoon, there is a section in the O&M plan where we can (and should) highlight awards that your organizations have won. Particularly awards from AWWA, the Kentucky/Tennessee sections of AWWA, Health and Safety, Rural Water Association, Water environment Association, anything that highlights that our team is recognized as the best in the industry. So, please send short description on any past awards.

Thanks in advance,

Jon Green

Jonathan M. Green
Senior Operations Specialist
CH2M HILL
4041 Jefferson Plaza NE, Suite 200
Albuquerque, NM 87109
Office - 505.884.5600 X35759
Direct - 505.855.5259
Cell - 505.414.9641
Fax - 505.816.0589
E-mail - Jon.Green@ch2m.com

<>< P Please consider the environment before printing this email

Jim Bruce


From: Jon.Green@ch2m.com
Sent: Tuesday, September 16, 2008 8:53 AM
To: Dave.Gray@CH2M.com; Jim Bruce
Subject: RE: Cost Comparison: Base vs Alt Proposal

Dave,

I have reviewed, seems the numbers are slightly higher than mine (except labor). I assume this to be sharpening of fees for money and or how G&A is applied. If this is in-correct please let me know, otherwise, I am good with both.

Jon

Jonathan M. Green
Senior Operations Specialist
CH2M HILL
4041 Jefferson Plaza NE, Suite 200
Albuquerque, NM 87109
Office - 505.884.5600 X35759
Direct - 505.855.5259
Cell - 505.414.9641
Fax - 505.816.0589
E-mail - Jon.Green@ch2m.com

<><  Please consider the environment before printing this email

From: Gray, Dave/SEA
Sent: Monday, September 15, 2008 6:10 PM
To: Jim Bruce; Hackworth, David/LOU; Woodhouse, Bob/SFO; Neath, Robert/STL; Green, Jon/ABQ; Playstead, Kurt/SEA; Bailey, Lisa/ATL; Peek, Sally/ATL
Subject: Cost Comparison: Base vs Alt Proposal

Attached are advance copies of the base and alt price proposals. The base proposal has revisions from decisions made today; the alt proposal is new. I would like to have Jon Green check Tab 1. O&M in each file and Robert Neath check Tab 2. Inv & R&Rs and Tab 5. ISCDs in each file to be sure that the input data are consistent with their latest analyses. Please let me know if all is OK or if some changes are needed.

Pending those checks, here are preliminary results. The cost of the Alt Proposal is less than that of the Base Proposal by **26 percent**, regardless of whether residual value is included as a credit or not. More importantly, as shown in the tab called "RV and Strategy Panel" in the Alt Proposal file, attached, the Alt Proposal cost excluding credit for residual value is **16.6%** less than the Base Proposal cost including the credit. Therefore, assuming that the Government estimate would be about the same as the Base Proposal and the Government gives itself the residual value credit, the HCWD1 price is still **16.6%** cheaper than the Government alt, even if no residual value credit is given to HCWD1. That is pretty good news assuming that our cost inputs pass the review being requested of Mr. Green and Mr. Neath and an independent programming review due mid week.--D

David Gray
CH2M HILL
dgray@ch2m.com
(425) 453-5000 (w)
(425) 301-4729 (c)

Jim Bruce

From: Jim Bruce
Sent: Tuesday, September 16, 2008 9:16 AM
To: Dave.Gray@CH2M.com; David.Hackworth@CH2M.com; jsmith@lwcky.com; Brett Pyles; Jon.Green@ch2m.com; Robert.Neath@CH2M.com; Bob.Woodhouse@CH2M.com
Subject: RE: Cost Comparison: Base vs Alt Proposal
Attachments: Price_Proposal--ALT SCENARIO_9-16-08 C JB.xls

All;

See our comments on alt proposal. I put some on tab 5 and 7. I think we have talked several times about changing timing, schedule and amount of ISDC projects, from what Govt came up with. Most of my comments relate to changing these to how we would approach these projects, using BMP and experience. These would lower cost of some of these projects, and how soon they are done.

Everything else on the model looks good to us. Let me know if we need conf call to discuss in more detail the ISDC list.

Thanks

Jim Bruce

From: Dave.Gray@CH2M.com [<mailto:Dave.Gray@CH2M.com>]
Sent: Monday, September 15, 2008 8:10 PM
To: Jim Bruce; David.Hackworth@CH2M.com; Bob.Woodhouse@CH2M.com; Robert.Neath@CH2M.com; Jon.Green@ch2m.com; Kurt.Playstead@CH2M.com; Lisa.Bailey@CH2M.com; Sally.Peek@CH2M.com
Subject: Cost Comparison: Base vs Alt Proposal

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dgray@ch2m.com
(425) 453-5000 (w)
(425) 301-4729 (c)

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Tuesday, September 16, 2008 10:02 AM
To: Jim Bruce; Dave.Gray@CH2M.com; jsmith@lwcky.com; Brett Pyles; Jon.Green@ch2m.com; Robert.Neath@CH2M.com; Bob.Woodhouse@CH2M.com
Subject: RE: Cost Comparison: Base vs Alt Proposal

Is everyone available tomorrow for a meeting afternoon at 1pm to discuss..

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Tuesday, September 16, 2008 9:16 AM
To: Gray, Dave/SEA; Hackworth, David/LOU; jsmith@lwcky.com; Brett Pyles; Green, Jon/ABQ; Neath, Robert/STL; Woodhouse, Bob/SFO
Subject: RE: Cost Comparison: Base vs Alt Proposal

All;

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Subject: RE: Cost Comparison: Base vs Alt Proposal

David,

At this point I am available.

Jon

Jonathan M. Green
Senior Operations Specialist
CH2M HILL
4041 Jefferson Plaza NE, Suite 200
Albuquerque, NM 87109
Office - 505.884.5600 X35759
Direct - 505.855.5259
Cell - 505.414.9641
Fax - 505.816.0589
E-mail - Jon.Green@ch2m.com

<><  Please consider the environment before printing this email

From: Hackworth, David/LOU
Sent: Tuesday, September 16, 2008 8:02 AM
To: Jim Bruce; Gray, Dave/SEA; jsmith@lwcky.com; Brett Pyles; Green, Jon/ABQ; Neath, Robert/STL; Woodhouse, Bob/SFO
Subject: RE: Cost Comparison: Base vs Alt Proposal

Is everyone available tomorrow for a meeting afternoon at 1pm to discuss..

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Tuesday, September 16, 2008 9:16 AM
To: Gray, Dave/SEA; Hackworth, David/LOU; jsmith@lwcky.com; Brett Pyles; Green, Jon/ABQ; Neath, Robert/STL; Woodhouse, Bob/SFO
Subject: RE: Cost Comparison: Base vs Alt Proposal

All;

See our comments on alt proposal. I put some on tab 5 and 7. I think we have talked several times about changing timing, schedule and amount of ISDC projects, from what Govt came up with. Most of my comments relate to changing these to how we would approach these projects, using BMP and experience. These would lower cost of some of these projects, and how soon they are done.

Everything else on the model looks good to us. Let me know if we need conf call to discuss in more detail the ISDC list.

Thanks

Jim Bruce

From: Dave.Gray@CH2M.com [<mailto:Dave.Gray@CH2M.com>]

Sent: Monday, September 15, 2008 8:10 PM

To: Jim Bruce; David.Hackworth@CH2M.com; Bob.Woodhouse@CH2M.com; Robert.Neath@CH2M.com; Jon.Green@ch2m.com; Kurt.Playstead@CH2M.com; Lisa.Bailey@CH2M.com; Sally.Peek@CH2M.com

Subject: Cost Comparison: Base vs Alt Proposal

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David Gray

CH2M HILL

dgray@ch2m.com

(425) 453-5000 (w)

(425) 301-4729 (c)

Jim Bruce

From: Robert.Neath@CH2M.com
Sent: Tuesday, September 16, 2008 10:13 AM
To: David.Hackworth@CH2M.com; Jim Bruce; Dave.Gray@CH2M.com; jsmith@lwcky.com; Brett Pyles; Jon.Green@ch2m.com; Bob.Woodhouse@CH2M.com
Subject: RE: Cost Comparison: Base vs Alt Proposal

I am at Fort Campbell Wed - Thurs this week but believe I can be available tomorrow at 1 pm (EST)

From: Hackworth, David/LOU
Sent: Tuesday, September 16, 2008 9:02 AM
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dgray@ch2m.com

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Jim Bruce

From: Jim Bruce
Sent: Tuesday, September 16, 2008 10:54 AM
To: David.Hackworth@CH2M.com
Cc: jsmith@lwcky.com; Brett Pyles
Subject: RE: Cost Comparison: Base vs Alt Proposal

David;

We may not be back until 2PM this afternoon. Will be at LWC Board meeting at noon.

Jim Bruce

From: David.Hackworth@CH2M.com [<mailto:David.Hackworth@CH2M.com>]
Sent: Tuesday, September 16, 2008 10:02 AM
To: Jim Bruce; Dave.Gray@CH2M.com; jsmith@lwcky.com; Brett Pyles; Jon.Green@ch2m.com; Robert.Neath@CH2M.com; Bob.Woodhouse@CH2M.com
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Jim Bruce

From: Jim Bruce
Sent: Tuesday, September 16, 2008 10:55 AM
To: David.Hackworth@CH2M.com
Cc: Brett Pyles; Daniel Clifford; jsmith@lwcky.com; Charlie Miller
Subject: RE: presentation update... I will call you
Attachments: FTK_present 9-16 JSB.ppt

David;

Moved a few slides around, and changed a word on last slide. Will have set up to go over when you get here at 4:30PM.

Thanks

Jim Bruce

From: David.Hackworth@CH2M.com [mailto:David.Hackworth@CH2M.com]
Sent: Tuesday, September 16, 2008 9:21 AM
To: Jim Bruce
Subject: presentation update... I will call you

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Tuesday, September 16, 2008 12:50 PM
To: jsmith@lwcky.com
Cc: Jim Bruce; Brett Pyles; pkaelin@lwcky.com
Subject: LWC operators

Jim,

I want to confirm that LWC can send its union operators and maintenance technicians to do work on the base on an as needed bases. I would like to state that by having this resource, we can provide adequate staffing without having additional people. For example, instead of having extra Fort Knox operators to cover sick and vacation, we can draw from LWC.

Thanks

David

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However, we should state in the proposal that there is an opportunity to save additional money by reducing the line replacement, fire hydrant replacement and valve replacement during the first few years... We can then talk about asset management and coordination of work to save money,, etc,,,

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Any thoughts??

Thanks

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Jim Bruce

From: Jim Smith [JSmith@lwcky.com]
Sent: Tuesday, September 16, 2008 1:37 PM
To: David.Hackworth@CH2M.com; Jim Bruce; Dave.Gray@CH2M.com; Brett Pyles; Jon.Green@ch2m.com; Robert.Neath@CH2M.com; Bob.Woodhouse@CH2M.com
Subject: RE: Cost Comparison: Base vs Alt Proposal

David,

I am available after 1:30 PM

Thanks,
Jim

From: David.Hackworth@CH2M.com [mailto:David.Hackworth@CH2M.com]
Sent: Tuesday, September 16, 2008 10:02 AM
To: jbruce@hcwd.com; Dave.Gray@CH2M.com; Jim Smith; bpyles@HCWD.com; Jon.Green@ch2m.com; Robert.Neath@CH2M.com; Bob.Woodhouse@CH2M.com
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(425) 301-4729 (c)

Jim Bruce

From: Sally.PEEK@CH2M.com
Sent: Tuesday, September 16, 2008 1:44 PM
To: Jim Bruce; jsmith@lwcky.com
Subject: Regulatory language - need quick review

Jim and Jim,
Could you review the paragraphs below and let me know if they are accurate? This is for Volume II.

Thanks,
Sally

II.4 Status With Independent Federal, State, or Local Regulatory Authority

HCWD1 team members are in good standing with Federal, State, and local authorities over all utility services included in this proposal. Any violations, penalties, or other enforcement actions taken against HCWD1 within the last five years are discussed below by team member. [HAVE THERE BEEN ANY ACTIONS?]

The Kentucky Public Service Commission is the state regulatory agency with jurisdiction over Hardin County Water District No. 1 and Louisville Water Company. The address is 211 Sower Boulevard, Frankfort, Kentucky 40601. The point of contact within the Authority for verification is Gerald Wuetcher, 502-564-3940, extension 259.

Sally Peek, Sales Process Manager (Teleworker)
Cell - 404.368.3251

www.ch2m.com

Jim Bruce

From: Jim Smith [JSmith@lwcky.com]
Sent: Tuesday, September 16, 2008 2:04 PM
To: David.Hackworth@CH2M.com
Cc: Jim Bruce; Brett Pyles; Patti Kaelin
Subject: RE: LWC operators

Yes, it was our understanding that our LWC forces would supplement those coming over from Ft Knox and any employees we needed to deploy as part of the "routine staff".

Thanks,
Jim

From: David.Hackworth@CH2M.com [mailto:David.Hackworth@CH2M.com]
Sent: Tuesday, September 16, 2008 12:50 PM
To: Jim Smith
Cc: jbruce@hcwd.com; bpyles@HCWD.com; Patti Kaelin
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David

No virus found in this incoming message.
Checked by AVG - www.avg.com
Version: 8.5.325 / Virus Database: 270.12.17/2095 - Release Date: 05/04/09 06:00:00

Jim Bruce

From: Jim Bruce
Sent: Tuesday, September 16, 2008 2:29 PM
To: David.Hackworth@CH2M.com
Cc: Dave.Gray@CH2M.com; jsmith@lwcky.com; Brett Pyles; Jon.Green@ch2m.com; Robert.Neath@CH2M.com; Bob.Woodhouse@CH2M.com; Daniel Clifford
Subject: RE: Cost Comparison: Base vs Alt Proposal

David;

We will look at our survey / GIS fee. However, we plan to obtain a copy of their paper system map, as starting point. We also had hoped to retain one of their retiring distribution system operators for a "brain drain", but that may not be possible. We have talked about method to identify approximate location of existing mains, using hydrant location and some valves. They are correct, as a last resort, it may require some digging to find mains, and populate condition and material. We will let you know if we need to up that estimate, or what we included for field work or field surveying as a method to capture the existing system into GIS.

I am OK with stating that we believe there are "significant other cost savings" through value engineering, asset management or BMP's. However, if we knew there was other bidders, I would hope that by us not showing immediate cost savings, and another bidder including theirs in alternate, it may knock us out of negotiations.

We had talked numerous times about modifying their schedules and listed improvements, using our "real world" experience. I am not sure what we still could not do that in alternate, even though the wholesale source is going to lower proposal from base, additional cost savings would only enhance the alternate proposal.

That is my thoughts anyway.

Thanks

Jim

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To: Jim Bruce; Dave.Gray@CH2M.com; jsmith@lwcky.com; Brett Pyles; Jon.Green@ch2m.com; Robert.Neath@CH2M.com; Bob.Woodhouse@CH2M.com
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(425) 301-4729 (c)

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Sent: Tuesday, September 16, 2008 2:41 PM
To: Sally.Peek@CH2M.com
Cc: jsmith@lwcky.com; Brett Pyles; David.Hackworth@CH2M.com; Greer, Jeffery
Subject: RE: Regulatory language - need quick review

Sally;

We have no pending agreed orders, NOV's or fines or levies against HCWD1. The PSC did recently complete an "accounting inspection" which they first ordered in 2002, but never carried out, until after our most recent rate case in 2007. Our Board is still reviewing the recommendations in their report, as well as our CPA, but I would not consider those violations, penalties or enforcement action, but a list of recommendations.

As for last 5 year NOV's, we can provide a link to KDOW website, and you can take info off that. Most of our water NOV's have been reporting related. Some of our sewer were bio-monitoring related. Will get you those links ASAP

Thanks

Jim Bruce

http://dep.gateway.ky.gov/DWW/JSP/Violations.jsp?tinwsys_is_number=719&tinwsys_st_code=KY

(Jeff – Can you provide a link to all NOVs for FK sewer system in last 5 years?, or provide a list since we took over in July 05?)

From: Sally.Peek@CH2M.com [<mailto:Sally.Peek@CH2M.com>]
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Jim Bruce

From: Brett Pyles
Sent: Tuesday, September 16, 2008 4:05 PM
To: Jim Bruce
Subject: HCWD_FTK_olume II_information_Attachment_J39.doc
Attachments: HCWD_FTK_olume II_information_Attachment_J39.doc

Jim,

See how this sounds.

Thanks

Brett

Jim Bruce

From: Jim Bruce
Sent: Wednesday, September 17, 2008 8:32 AM
To: jsmith@lwcky.com; Greg Heitzman
Cc: David Wilson
Subject: New PW agreement
Attachments: FK HCWD1 water sales agt.pdf; HCWD1 MCWD wholesale agt.pdf

Jim;

Thanks for coming to meeting last evening. Our Board seems positive on the prospects, and asked lots of good questions. They are also very impressed with LWC commitment and efforts put into our partnership.

Please let me know if we need to be doing anything on purchased water agreement. If you have a format or sample one, I can have David W start looking at it, and get comments to you. We could just have key variables as fill in the blank ones at later date. If possible, I would like to have before our Board at their 10/15/08 meeting.

I have attached a copy of our FK, agreement, as well as our current agreement we use with our 4 wholesale customers. I am sure you already have one that you use also.

Thanks

Jim Bruce

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Subject: RE: Cost Comparison: Base vs Alt Proposal

David;

We have discussed Bob's concern about GIS and field verification. We asked question #45 about existing water GIS. They said system was 80% mapped, and is available to winning contractor. They also answered on Q#39 that paper maps and records are available to copy. We know they have a legacy paper map that their crews use and depend on, which we would also transfer into GIS (but source attribute would be noted that it was not field verified).

In our price, we included GPS equipment, that our field locator would use the GPS so that everytime they did a magnetic field locate, they would also add those located line to GPS/GIS system. Our Distribution equipment / plan also includes a valve exerciser. During first few months, we would be exercising all valves, which also would be GPS'd and added to system. Our fee for survey included a third party GIS contractor who would be field locating all visible field features, and add all attributes known of the system. Their contract would also heads up digitize all paper map features into GIS, after start up.

This would be our 5th GIS system developed, so we are pretty comfortable that our fee / plan will meet all requirements of RFP, and we will be able to generate a complete water GIS system for the Government. We do not see any need to up our estimated cost for this item.

FYI

Jim Bruce

From: David.Hackworth@CH2M.com [mailto:David.Hackworth@CH2M.com]
Sent: Tuesday, September 16, 2008 1:19 PM
To: Jim Bruce; Dave.Gray@CH2M.com; jsmith@lwcky.com; Brett Pyles; Jon.Green@ch2m.com; Robert.Neath@CH2M.com; Bob.Woodhouse@CH2M.com
Subject: RE: Cost Comparison: Base vs Alt Proposal

I spoke to Bob Woodhouse about this subject...

Based on his experience with DESC, he suggested that the Alternative Proposal include only those features that are unique to the concept of Alternative Proposal. If we do other things, such as changing the pipe and hydrant schedules, then the savings of the wholesale water concept will be obscured...

However, we should state in the proposal that there is an opportunity to save additional money by reducing the line replacement, fire hydrant replacement and valve replacement during the first few years... We can then talk about asset management and coordination of work to save money,, etc,,,

He was also concerned about the fee for the System Survey... On page J1-25, there is a sentence that states "Effort will include comprehensive record search, will require physical survey work, and may include some excavation to ascertain line location, type and condition"...

Any thoughts??

Thanks

David

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Tuesday, September 16, 2008 9:16 AM
To: Gray, Dave/SEA; Hackworth, David/LOU; jsmith@lwcky.com; Brett Pyles; Green, Jon/ABQ; Neath, Robert/STL; Woodhouse, Bob/SFO
Subject: RE: Cost Comparison: Base vs Alt Proposal

All;

See our comments on alt proposal. I put some on tab 5 and 7. I think we have talked several times about changing timing, schedule and amount of ISDC projects, from what Govt came up with. Most of my comments relate to changing these to how we would approach these projects, using BMP and experience. These would lower cost of some of these projects, and how soon they are done.

Everything else on the model looks good to us. Let me know if we need conf call to discuss in more detail the ISDC list.

Thanks

Jim Bruce

From: Dave.Gray@CH2M.com [mailto:Dave.Gray@CH2M.com]
Sent: Monday, September 15, 2008 8:10 PM
To: Jim Bruce; David.Hackworth@CH2M.com; Bob.Woodhouse@CH2M.com; Robert.Neath@CH2M.com; Jon.Green@ch2m.com; Kurt.Playstead@CH2M.com; Lisa.Bailey@CH2M.com; Sally.Peek@CH2M.com
Subject: Cost Comparison: Base vs Alt Proposal

Attached are advance copies of the base and alt price proposals. The base proposal has revisions from decisions made today; the alt proposal is new. I would like to have Jon Green check Tab 1. O&M in each file and Robert Neath check Tab 2. Inv & R&Rs and Tab 5. ISDCs in each file to be sure that the input data are consistent with their latest analyses. Please let me know if all is OK or if some changes are needed.

Pending those checks, here are preliminary results. The cost of the Alt Proposal is less than that of the Base Proposal by **26 percent**, regardless of whether residual value is included as a credit or not. More importantly, as shown in the tab called "RV and Strategy Panel" in the Alt Proposal file, attached, the Alt Proposal cost excluding credit for residual value is **16.6%** less than the Base Proposal cost including the credit. Therefore, assuming that the Government estimate would be about the same as the Base Proposal and the Government gives itself the residual value credit, the HCWD1 price is still **16.6%** cheaper than the Government alt, even if no residual value credit is given to HCWD1. That is pretty good news assuming that our cost inputs pass the review being requested of Mr. Green and Mr. Neath and an independent programming review due mid week.--D

David Gray
CH2M HILL
dgray@ch2m.com
(425) 453-5000 (w)
(425) 301-4729 (c)

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Wednesday, September 17, 2008 10:02 AM
To: Jim Bruce; jsmith@lwcky.com; Dave.Gray@CH2M.com; Robert.Neath@CH2M.com; Bob.Woodhouse@CH2M.com
Subject: Today's call

I do not think we need a conf call today... I think we got all the clarifications we needed....please call me if you need any info or have any questions...

thanks

David

Jim Bruce

From: Greg Heitzman [gheitzman@lwcky.com]
Sent: Wednesday, September 17, 2008 12:34 PM
To: Jim Bruce
Cc: Jim Smith
Subject: RE: New PW agreement

Great news, and I agree. Our Board also received this very well.

Let's work to build the 24"/30" main in US 31W to interest the Ft Knox and HCWD supply lines, and position us for supply to Ft Knox, regardless of what the Army does with privatization.

Greg C. Heitzman, P.E.
President & CEO
Louisville Water Company
550 S Third Street
Louisville, KY 40202
502-569-3681
e-mail: gheitzman@lwcky.com

-----Original Message-----

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Wednesday, September 17, 2008 8:32 AM
To: Jim Smith; Greg Heitzman
Cc: David Wilson
Subject: New PW agreement

Jim;

Thanks for coming to meeting last evening. Our Board seems positive on the prospects, and asked lots of good questions. They are also very impressed with LWC commitment and efforts put into our partnership.

Please let me know if we need to be doing anything on purchased water agreement. If you have a format or sample one, I can have David W start looking at it, and get comments to you. We could just have key variables as fill in the blank ones at later date. If possible, I would like to have before our Board at their 10/15/08 meeting.

I have attached a copy of our FK, agreement, as well as our current agreement we use with our 4 wholesale customers. I am sure you already have one that you use also.

Thanks

Jim Bruce

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Wednesday, September 17, 2008 12:57 PM
To: Brett Pyles; Jim Bruce; Jon.Green@ch2m.com
Cc: jsmith@lwcky.com
Subject: New radio meters

In reviewing the draft Operations Transition Plan, there is a reference to 50 new radio meters... I just want confirm whether this is accurate...

thanks

David

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Wednesday, September 17, 2008 1:30 PM
To: jsmith@lwcky.com
Cc: Jim Bruce; Brett Pyles; Robert.Neath@CH2M.com; Dave.Gray@CH2M.com
Subject: Booster Pump Station

Jim S.,

I noticed that our ISDC for the Alt proposal does not include the booster pump station (3.5 mgd) that would lift the water to the Fort. Did you want us to include that so the Army can pay for it, or was that going to be included in your take or pay agreement?

thanks

David

Jim Bruce


From: Jon.Green@ch2m.com
Sent: Wednesday, September 17, 2008 1:35 PM
To: David.Hackworth@CH2M.com
Cc: jsmith@lwcky.com; Brett Pyles; Jim Bruce
Subject: RE: New radio meters

David,

I have gone through the RFP and the J1 attachment, and best I can figure is that I thought all existing secondary meters (there are 50), needed replacement. This should probably be deleted and depending on the thoughts of the team be added to the ISDC or the R&R plan. I would add that I strongly disagree with the Army's suggestion of 25-years as useful life of a meter. They suggest 1998 as the install date for existing meters, and in my mind the ones in place are ready to be tested and or replaced. Thoughts anyone?

Jon

Jonathan M. Green
Senior Operations Specialist
CH2M HILL
4041 Jefferson Plaza NE, Suite 200
Albuquerque, NM 87109
Office - 505.884.5600 X35759
Direct - 505.855.5259
Cell - 505.414.9641
Fax - 505.816.0589
E-mail - Jon.Green@ch2m.com

<><  Please consider the environment before printing this email

From: Hackworth, David/LOU
Sent: Wednesday, September 17, 2008 10:57 AM
To: Brett Pyles; Jim Bruce; Green, Jon/ABQ
Cc: jsmith@lwcky.com
Subject: New radio meters

In reviewing the draft Operations Transition Plan, there is a reference to 50 new radio meters... I just want confirm whether this is accurate...

thanks

David

Jim Bruce

From: Jim Bruce
Sent: Wednesday, September 17, 2008 1:51 PM
To: Jon.Green@ch2m.com
Cc: David.Hackworth@CH2M.com; jsmith@lwcky.com; Brett Pyles; Daniel Clifford
Subject: RE: New radio meters

David;

On our fixed asset / depreciation schedule, we amortize all meters over 30 years. This is prescribed by PSC and NARUC. That does not mean we would not leave one in longer, but we could not use a shorter life to calculate depreciation. Being regulated, we also have to test small meters once every 10 years. They must test to AWWA standards. If they do not, we normally would re-build larger meters, but small ones we would just replace. Our small meters now have 15 year warranty, so we would at least leave in service for 15 year.

I would be curious to hear what LWC does for meter life. For larger, higher flow meters, we have been installing EFM mag meters, which should have a much longer service life (no moving parts).

That's my thoughts

Jim Bruce


From: Jon.Green@ch2m.com [<mailto:Jon.Green@ch2m.com>]
Sent: Wednesday, September 17, 2008 1:35 PM
To: David.Hackworth@CH2M.com
Cc: jsmith@lwcky.com; Brett Pyles; Jim Bruce
Subject: RE: New radio meters

David,

I have gone through the RFP and the J1 attachment, and best I can figure is that I thought all existing secondary meters (there are 50), needed replacement. This should probably be deleted and depending on the thoughts of the team be added to the ISDC or the R&R plan. I would add that I strongly disagree with the Army's suggestion of 25-years as useful life of a meter. They suggest 1998 as the install date for existing meters, and in my mind the ones in place are ready to be tested and or replaced. Thoughts anyone?

Jon

Jonathan M. Green
Senior Operations Specialist
CH2M HILL
4041 Jefferson Plaza NE, Suite 200
Albuquerque, NM 87109
Office - 505.884.5600 X35759
Direct - 505.855.5259
Cell - 505.414.9641
Fax - 505.816.0589
E-mail - Jon.Green@ch2m.com

<><  Please consider the environment before printing this email

From: Hackworth, David/LOU
Sent: Wednesday, September 17, 2008 10:57 AM
To: Brett Pyles; Jim Bruce; Green, Jon/ABQ
Cc: jsmith@lwcky.com
Subject: New radio meters

In reviewing the draft Operations Transition Plan, there is a reference to 50 new radio meters... I just want confirm whether this is accurate...

thanks

David

Jim Bruce

From: Jim Smith [JSmith@lwcky.com]
Sent: Wednesday, September 17, 2008 4:42 PM
To: Jim Bruce; David.hackworth@ch2m.com; Brett Pyles
Subject: FW: Amendment 0001 Issued for Utility Privatization of the Potable Water Utility System Infrastructure at Fort Knox, KY

FYI

-----Original Message-----

From: Pearson, Randy (Contractor) (DESC) [<mailto:randy.pearson.ctr@dla.mil>]
Sent: Wednesday, September 17, 2008 4:10 PM
Subject: Amendment 0001 Issued for Utility Privatization of the Potable Water Utility System Infrastructure at Fort Knox, KY

Subject: Amendment 0001 Issued for Utility Privatization of the Potable Water Utility System Infrastructure at Fort Knox, KY

The Defense Energy Support Center (DESC) has issued Amendment 0001 to Request for Proposal (RFP) SP0600-08-R-0803 for the privatization of the potable water utility system infrastructure at Fort Knox, KY.

A copy of the amendment is available on the DESC website at:
<https://www.desc.dla.mil/DCM/DCMSolic.asp?SolicID=1414>

Please address any questions concerning this Amendment to the following contracting team:

Brian Koessel, Contract Specialist: (703) 767-1595, brian.koessel@dla.mil Angela Mattox, Contracting Officer: (703) 767-1348, angela.mattox@dla.mil

No virus found in this incoming message.

Checked by AVG - www.avg.com

Version: 8.5.325 / Virus Database: 270.12.17/2095 - Release Date: 05/04/09 06:00:00

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Wednesday, September 17, 2008 5:06 PM
To: JSmith@lwcky.com
Cc: Jim Bruce
Subject: RE: Amendment 0001 Issued for Utility Privatization of the Potable Water Utility System Infrastructure at Fort Knox, KY

thanks.

It does not appear to me that this will affect our proposal, but I am asking our team their opinion..

Your thoughts?

David

-----Original Message-----

From: Jim Smith [mailto:JSmith@lwcky.com]
Sent: Wednesday, September 17, 2008 4:42 PM
To: jbruce@hcwd.com; Hackworth, David/LOU; bpyles@hcwd.com
Subject: FW: Amendment 0001 Issued for Utility Privatization of the Potable Water Utility System Infrastructure at Fort Knox, KY

FYI

-----Original Message-----

From: Pearson, Randy (Contractor) (DESC) [mailto:randy.pearson.ctr@dla.mil]
Sent: Wednesday, September 17, 2008 4:10 PM
Subject: Amendment 0001 Issued for Utility Privatization of the Potable Water Utility System Infrastructure at Fort Knox, KY

Subject: Amendment 0001 Issued for Utility Privatization of the Potable Water Utility System Infrastructure at Fort Knox, KY

The Defense Energy Support Center (DESC) has issued Amendment 0001 to Request for Proposal (RFP) SP0600-08-R-0803 for the privatization of the potable water utility system infrastructure at Fort Knox, KY.

A copy of the amendment is available on the DESC website at:
<https://www.desc.dla.mil/DCM/DCMSolic.asp?SolicID=1414>

Please address any questions concerning this Amendment to the following contracting team:

Brian Koessel, Contract Specialist: (703) 767-1595, brian.koessel@dla.mil Angela Mattox, Contracting Officer: (703) 767-1348, angela.mattox@dla.mil

Jim Bruce

From: Jim Bruce
Sent: Thursday, September 18, 2008 8:30 AM
To: David.Hackworth@CH2M.com; jsmith@lwcky.com; Lisa.Bailey@CH2M.com
Subject: Slide Presentation
Attachments: FTK_present 9-16 JSB.ppt

David;

Here is revised, final version we used at the meeting for your files.

Thanks again – Great Job

Jim Bruce

Jim Bruce

From: Jim Bruce
Sent: Thursday, September 18, 2008 10:40 AM
To: David.Hackworth@CH2M.com; jsmith@lwcky.com; Brett Pyles
Subject: RE: Conf Call

AOK with me to have a short call.

Jim

From: David.Hackworth@CH2M.com [<mailto:David.Hackworth@CH2M.com>]
Sent: Thursday, September 18, 2008 10:39 AM
To: Jim Bruce; JSmith@lwcky.com; Brett Pyles
Subject: Conf Call

Did you want to have standing 3:30 call today?.. I really do not have an agenda, but would be able to give you a status update during the call.

Jim Bruce

From: Jim Smith [JSmith@lwcky.com]
Sent: Thursday, September 18, 2008 10:44 AM
To: Jim Bruce; David.Hackworth@CH2M.com; Brett Pyles
Subject: RE: Conf Call

I may be out of the office and unable to call in, but please go ahead without me.

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Thursday, September 18, 2008 10:40 AM
To: David.Hackworth@CH2M.com; Jim Smith; Brett Pyles
Subject: RE: Conf Call

AOK with me to have a short call.

Jim

From: David.Hackworth@CH2M.com [mailto:David.Hackworth@CH2M.com]
Sent: Thursday, September 18, 2008 10:39 AM
To: Jim Bruce; JSmith@lwcky.com; Brett Pyles
Subject: Conf Call

Did you want to have standing 3:30 call today?.. I really do not have an agenda, but would be able to give you a status update during the call.

No virus found in this incoming message.
Checked by AVG - www.avg.com
Version: 8.5.325 / Virus Database: 270.12.17/2095 - Release Date: 05/04/09 06:00:00

Jim Bruce

From: Jim Bruce
Sent: Friday, September 19, 2008 9:59 AM
To: David.Hackworth@CH2M.com; jsmith@lwcky.com; Brett Pyles;
Bob.Woodhouse@CH2M.com; Sally.PEEK@CH2M.com
Subject: SCA info

All;

At the workshop, someone asked about us complying with the Service Contract Act. While filling out the required ORCA info (to be ORCA registered), we came across a certification to comply with the SCA, which includes meeting minimum federal wages. Section 22.1003-3 of the act, includes statutory exemptions from compliance. 22.1003-3, (e) includes an exemption for "any contract for public utility services"

When we took over sewer system, we also had to have our atty investigate our need to comply with Davis-Bacon or other federal wage guidelines. His opinion was that our status continues to be a county / state agency of KY, and we own the system at FK, and therefore do not have to comply with many FAR's or other reg's that regular private contractors would, working for federal government.

Thought I would pass this info on.

Thanks

Jim Bruce

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Monday, September 22, 2008 10:02 AM
To: Jim Bruce
Subject: Sales tax

are you exempt from Sales tax on Fort Knox material purchases?

Jim Bruce

From: Jim Bruce
Sent: Monday, September 22, 2008 10:45 AM
To: David.Hackworth@CH2M.com
Cc: Brett Pyles; jsmith@lwcky.com
Subject: RE: Sales tax

David;

If we are purchasing, or if contractor is purchasing for District project, but only for certain type of "water treatment & environmental" facilities, they can also be exempt. But, anything we buy direct is tax exempt.

Jim

From: David.Hackworth@CH2M.com [mailto:David.Hackworth@CH2M.com]
Sent: Monday, September 22, 2008 10:02 AM
To: Jim Bruce
Subject: Sales tax

are you exempt from Sales tax on Fort Knox material purchases?

Jim Bruce

From: Jim Bruce
Sent: Thursday, September 25, 2008 9:13 AM
To: Sally.Peek@CH2M.com; Lisa.Bailey@CH2M.com; David.Hackworth@CH2M.com
Cc: Brett Pyles
Subject: HCWD1 Cover letter
Attachments: HCWD1 letterhead.pdf

Lisa / Sally;

Please use this as template for all cover letters in place of letterhead currently used. Second page can just be plain, but we like having a header on second pages.

Thanks

Jim Bruce

Jim Bruce

From: Jim Bruce
Sent: Thursday, September 25, 2008 10:33 AM
To: Lisa.Bailey@CH2M.com
Subject: RE: HCWD1 Cover letter

AOK, Will do

Jim

-----Original Message-----

From: Lisa.Bailey@CH2M.com [<mailto:Lisa.Bailey@CH2M.com>]
Sent: Thursday, September 25, 2008 10:20 AM
To: Jim Bruce
Cc: Brett Pyles
Subject: Re: HCWD1 Cover letter

Please send markups to me at:

Lisa Bailey
1026 St Charles Ave #15
Atlanta, GA 30306
770.329.0282

Please request that they leave w/o signature. Its a secured gate area that is covered so they will be safe if I'm not there.

LB

Lisa Bailey
cell.770.329.0282
email. lisa.bailey@ch2m.com

----- Original Message -----

From: Jim Bruce <jbruce@hcwd.com>
To: Peek, Sally/ATL; Bailey, Lisa/ATL; Hackworth, David/LOU
Cc: Brett Pyles <bpyles@HCWD.com>
Sent: Thu Sep 25 07:12:48 2008
Subject: HCWD1 Cover letter

Lisa / Sally;

Please use this as template for all cover letters in place of letterhead currently used. Second page can just be plain, but we like having a header on second pages.

Thanks

Jim Bruce

Jim Bruce

From: Jim Bruce
Sent: Thursday, September 25, 2008 10:45 AM
To: Dave.Gray@CH2M.com; David.Hackworth@CH2M.com; Bob.Woodhouse@CH2M.com; jsmith@lwcky.com
Subject: KY Sales Tax Exemption
Attachments: 51A149.pdf

Here is form we have used when a contractor is buying equipment for one of our projects. Not sure how closely these are looked at to see if the equipment meets the intent. Any materials the District buys direct are also sales tax exempt, due to nature of our entity.

FYI

Jim Bruce

Jim Bruce

From: Jim Bruce
Sent: Thursday, September 25, 2008 11:27 AM
To: Robert.Neath@CH2M.com; David.Hackworth@CH2M.com; jsmith@lwcky.com;
Jon.Green@ch2m.com; Brett Pyles
Subject: KY Cross Connect
Attachments: 401 KAR 8020_ Public and semipublic water supplies - general____.pdf

All;

See Section 2 (2) on requirement for water systems regarding x-conn. Just says we will eliminate any known. KY is lacking any requirements for what a program is, or what exactly must be done by water purveyor. They do require all plumbing codes related to design and inclusion of devices, but do not state that systems do annual inspections, as far as I know.

FYI

Jim Bruce

Jim Bruce

From: Jim Bruce
Sent: Thursday, September 25, 2008 4:22 PM
To: David.Hackworth@CH2M.com
Cc: Brett Pyles
Subject: RE: Subfactor 1 and 2

David;

May be tomorrow AM. Brett is still reading that section and has some changes.

Jim

From: David.Hackworth@CH2M.com [<mailto:David.Hackworth@CH2M.com>]
Sent: Thursday, September 25, 2008 3:09 PM
To: Jim Bruce; Brett Pyles
Cc: Jon.Green@ch2m.com
Subject: Subfactor 1 and 2

Would it be possible to scan your comments to Jon Green... He is working on that section today.

thanks

David

Jim Bruce

From: Jim Bruce
Sent: Friday, September 26, 2008 9:39 AM
To: David.Hackworth@CH2M.com; Lisa.Bailey@CH2M.com; Sally.Peek@CH2M.com; jsmith@lwcky.com; Jon.Green@ch2m.com
Cc: Brett Pyles
Subject: RE: Quality Management Plan
Attachments: L 4 2 QMP_26 September 2008 JSB.doc

See my comments and marked up changes

Jim Bruce

From: David.Hackworth@CH2M.com [<mailto:David.Hackworth@CH2M.com>]
Sent: Friday, September 26, 2008 8:03 AM
To: Brett Pyles; Jim Bruce
Cc: Lisa.Bailey@CH2M.com; Sally.Peek@CH2M.com; Jim Bruce; jsmith@lwcky.com
Subject: Quality Management Plan

Brett and Jim,

We needed to reorganize the QMP section to follow the RFP more closely.. We added a few things as well.. We would like you to review for concurrence, since you will be operating the system. I apologize that it is late in the game..

Thanks

David

Jim Bruce

From: Jim Bruce
Sent: Friday, September 26, 2008 9:51 AM
To: David.Hackworth@CH2M.com; Lisa.Bailey@CH2M.com; Sally.PEEK@CH2M.com;
jsmith@lwcky.com; Jon.Green@ch2m.com
Cc: Brett Pyles
Subject: HCWD1 CCR
Attachments: 2007qualityreport.pdf

Here is HCWD1 CCR. We could replace source water from FK to LWC water, and then still mail to all our customers, and send 1 to FK. What do you think?

Jim Bruce

Jim Bruce

From: Jim Bruce
Sent: Friday, September 26, 2008 10:06 AM
To: David.Hackworth@CH2M.com; Lisa.Bailey@CH2M.com; Sally.PEEK@CH2M.com;
jsmith@lwcky.com; Jon.Green@ch2m.com
Cc: Brett Pyles
Subject: PSC WQ regs
Attachments: 807 KAR 5066_ Water_.pdf

See PSC WQ regs

Jim Bruce

Jim Bruce

From: Jim Bruce
Sent: Friday, September 26, 2008 10:16 AM
To: David.Hackworth@CH2M.com; Lisa.Bailey@CH2M.com; Sally.Peek@CH2M.com; jsmith@lwcky.com; Jon.Green@ch2m.com
Cc: Brett Pyles
Subject: FK NOV's for FK sewer - past performance
Attachments: NOV September 8, 2006.pdf; NOV April 28, 2006.pdf; NOV December 4, 2007.pdf; NOV January 17, 2007.pdf; NOV June 4, 2007.pdf

Sally;

See attached recent NOV's for FK sewer. Not sure where this info is inserted for past performance. I think questionnaire requires in past 5 years, but we have only operated FK sewer plants since July 2005.

Jim Bruce

From: Greer, Jeffery [<mailto:jeffery.greer@veoliawaterna.com>]
Sent: Friday, September 26, 2008 10:11 AM
To: Jim Bruce
Subject: RE: Regulatory language - need quick review

Jim,

I have attached all NOV's pertaining to the Fort Knox WWTP. One of the NOV letter is rescinding part of another NOV.

Jeffery T. Greer
Project Manager
Veolia Water North America
Building 7207, South Carolina Street
Fort Knox, KY 40121
502/942-6020 Ext.12 Office
502/942-6022 Fax
270/268-5173 Mobile
jeffery.greer@veoliawaterna.com

Confidentiality Note: This e-mail message and any attachments to it are intended only for the named recipients and may contain legally privileged and/or confidential information. If you are not one of the intended recipients, please do not duplicate or forward this e-mail message and immediately delete it from your computer.

-----Original Message-----

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Tuesday, September 16, 2008 2:41 PM
To: Sally.Peek@CH2M.com
Cc: jsmith@lwcky.com; Brett Pyles; David.Hackworth@CH2M.com; Greer, Jeffery
Subject: RE: Regulatory language - need quick review

Sally;

We have no pending agreed orders, NOV's or fines or levies against HCWD1. The PSC did recently complete an "accounting inspection" which they first ordered in 2002, but never carried out, until after our most recent rate case in 2007. Our Board is still reviewing the recommendations in their report, as well as our CPA, but I would not consider those violations, penalties or enforcement action, but a list of recommendations.

As for last 5 year NOV's, we can provide a link to KDOW website, and you can take info off that. Most of our water NOV's have been reporting related. Some of our sewer were bio-monitoring related. Will get you those links ASAP

Thanks

Jim Bruce

http://dep.gateway.ky.gov/DWW/JSP/Violations.jsp?tinwsys_is_number=719&tinwsys_st_code=KY

(Jeff – Can you provide a link to all NOV's for FK sewer system in last 5 years?, or provide a list since we took over in July 05?)

From: Sally.PEEK@CH2M.com [<mailto:Sally.PEEK@CH2M.com>]

Sent: Tuesday, September 16, 2008 1:44 PM

To: Jim Bruce; jsmith@lwcky.com

Subject: Regulatory language - need quick review

Jim and Jim,

Could you review the paragraphs below and let me know if they are accurate? This is for Volume II.

Thanks,
Sally

II.4 Status With Independent Federal, State, or Local Regulatory Authority

HCWD1 team members are in good standing with Federal, State, and local authorities over all utility services included in this proposal. Any violations, penalties, or other enforcement actions taken against HCWD1 within the last five years are discussed below by team member. [HAVE THERE BEEN ANY ACTIONS?]

The Kentucky Public Service Commission is the stat regulatory agency with jurisdiction over Hardin County Water District No. 1 and Louisville Water Company. The address is 211 Sower Boulevard, Frankfort, Kentucky 40601. The point of contact within the Authority for verification is Gerald Wuetcher, 502-564-3940, extension. 259.

Sally Peek, Sales Process Manager (Teleworker)
Cell - 404.368.3251

www.ch2m.com

Jim Bruce

From: Jim Bruce
Sent: Friday, September 26, 2008 10:29 AM
To: Greer, Jeffery
Subject: Jobs Plus

Jeff;

Can you send the following info on licensing cost, and any links to web site for program features to following persons?

David.Hackworth@CH2M.com

Sally.Peek@CH2M.com

jsmith@lwcky.com

Jon.Green@ch2m.com

Need ASAP if you can get it.

Thanks

Jim Bruce

Jim Bruce

From: Sally.Peek@CH2M.com
Sent: Friday, September 26, 2008 10:28 AM
To: Jim Bruce
Subject: RE: FK NOV's for FK sewer - past performance

Thanks. This goes at the end of past performance. I'll update the section and send back to you.

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Friday, September 26, 2008 10:16 AM
To: Hackworth, David/LOU; Bailey, Lisa/ATL; Peek, Sally/ATL; jsmith@lwcky.com; Green, Jon/ABQ
Cc: Brett Pyles
Subject: FK NOV's for FK sewer - past performance

Sally;

See attached recent NOV's for FK sewer. Not sure where this info is inserted for past performance. I think questionnaire requires in past 5 years, but we have only operated FK sewer plants since July 2005.

Jim Bruce

From: Greer, Jeffery [<mailto:jeffery.greer@veoliawaterna.com>]
Sent: Friday, September 26, 2008 10:11 AM
To: Jim Bruce
Subject: RE: Regulatory language - need quick review

Jim,

I have attached all NOV's pertaining to the Fort Knox WWTP. One of the NOV letter is rescinding part of another NOV.

Jeffery T. Greer
Project Manager
Veolia Water North America
Building 7207, South Carolina Street
Fort Knox, KY 40121
502/942-6020 Ext.12 Office
502/942-6022 Fax
270/268-5173 Mobile
jeffery.greer@veoliawaterna.com

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-----Original Message-----

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Tuesday, September 16, 2008 2:41 PM
To: Sally.Peek@CH2M.com
Cc: jsmith@lwcky.com; Brett Pyles; David.Hackworth@CH2M.com; Greer, Jeffery
Subject: RE: Regulatory language - need quick review

Sally;

We have no pending agreed orders, NOV's or fines or levies against HCWD1. The PSC did recently complete an "accounting inspection" which they first ordered in 2002, but never carried out, until after our most recent rate case in 2007. Our Board is still reviewing the recommendations in their report, as well as our CPA, but I would not consider those violations, penalties or enforcement action, but a list of recommendations.

As for last 5 year NOV's, we can provide a link to KDOW website, and you can take info off that. Most of our water NOV's have been reporting related. Some of our sewer were bio-monitoring related. Will get you those links ASAP

Thanks

Jim Bruce

http://dep.gateway.ky.gov/DWW/JSP/Violations.jsp?tinwsys_is_number=719&tinwsys_st_code=KY

(Jeff – Can you provide a link to all NOV's for FK sewer system in last 5 years?, or provide a list since we took over in July 05?)

From: Sally.Peek@CH2M.com [<mailto:Sally.Peek@CH2M.com>]
Sent: Tuesday, September 16, 2008 1:44 PM
To: Jim Bruce; jsmith@lwcky.com
Subject: Regulatory language - need quick review

Jim and Jim,
Could you review the paragraphs below and let me know if they are accurate? This is for Volume II.

Thanks,
Sally

II.4 Status With Independent Federal, State, or Local Regulatory Authority

HCWD1 team members are in good standing with Federal, State, and local authorities over all utility services included in this proposal. Any violations, penalties, or other enforcement actions taken against HCWD1 within the last five years are discussed below by team member. [HAVE THERE BEEN ANY ACTIONS?]

The Kentucky Public Service Commission is the stat regulatory agency with jurisdiction over Hardin County Water District No. 1 and Louisville Water Company. The address is 211 Sower Boulevard, Frankfort, Kentucky 40601. The point of contact within the Authority for verification is Gerald Wuetcher, 502-564-3940, extension. 259.

Sally Peek, Sales Process Manager (Teleworker)
Cell - 404.368.3251

www.ch2m.com

Jim Bruce

From: Jim Bruce
Sent: Friday, September 26, 2008 10:34 AM
To: Greer, Jeffery
Subject: Amy - Adm Asst Job Duties

Jeff;

Also, do you have a job description or job duties for Amy to the following?

David.Hackworth@CH2M.com

Sally.Peek@CH2M.com

jsmith@lwcky.com

Jon.Green@ch2m.com

Can be a paragraph or 2, does not need to be real long. We want to mirror that job for our FK Water proposal for our new Adm Asst that would work at our new Water Ops building on post

Thanks

Jim Bruce

Jim Bruce

From: Greer, Jeffery [jeffery.greer@veoliawaterna.com]
Sent: Friday, September 26, 2008 11:05 AM
To: Jim Bruce; david.hackworth@CH2M.com; sally.peek@CH2M.com; jsmith@lwcky.com; jon.green@ch2m.com
Subject: RE: Jobs Plus

The cost for Job Plus currently is \$2500 for single user license with each additional license costing \$600. The website for Job Plus is www.opssys.com and the contact person for OpsSys would be John Dorner or Melanie Hazlett. OpsSys also provides the Operating software that we use which is OPS32. If you have any questions concerning the software you can call John or Melanie at OpsSys.

Jeffery T. Greer
Project Manager
Veolia Water North America
Building 7207, South Carolina Street
Fort Knox, KY 40121
502/942-6020 Ext.12 Office
502/942-6022 Fax
270/268-5173 Mobile
jeffery.greer@veoliawaterna.com

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-----Original Message-----

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Friday, September 26, 2008 10:29 AM
To: Greer, Jeffery
Subject: Jobs Plus

Jeff;

Can you send the following info on licensing cost, and any links to web site for program features to following persons?

David.Hackworth@CH2M.com
Sally.PEEK@CH2M.com
jsmith@lwcky.com
Jon.Green@ch2m.com

Need ASAP if you can get it.

Thanks

Jim Bruce

Jim Bruce

From: Jim Bruce
Sent: Friday, September 26, 2008 11:09 AM
To: Greer, Jeffery
Subject: RE: Jobs Plus

Thanks again Jeff!

Jim

-----Original Message-----

From: Greer, Jeffery [<mailto:jeffery.greer@veoliawaterna.com>]
Sent: Friday, September 26, 2008 11:05 AM
To: Jim Bruce; david.hackworth@CH2M.com; sally.peek@CH2M.com; jsmith@lwcky.com; jon.green@ch2m.com
Subject: RE: Jobs Plus

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Jeffery T. Greer
Project Manager
Veolia Water North America
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To: Greer, Jeffery
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David.Hackworth@CH2M.com
Sally.Peek@CH2M.com
jsmith@lwcky.com
Jon.Green@ch2m.com

Jim Bruce

From: Jon.Green@ch2m.com
Sent: Friday, September 26, 2008 11:15 AM
To: David.Hackworth@CH2M.com
Cc: Jim Bruce; Sally.PEEK@CH2M.com; jsmith@lwcky.com
Subject: RE: Jobs Plus

David,

Probably better add 6K for this. the 2500 and 600 for additional seat is when networked. Unless LWC and HCWD are going to share computer resources (network) they would need standalone licenses. It's so little money, I say put 6K in transition for licensing. Thoughts?

Jon

Jonathan M. Green
Senior Operations Specialist
CH2M HILL
4041 Jefferson Plaza NE, Suite 200
Albuquerque, NM 87109
Office - 505.884.5600 X35759
Direct - 505.855.5259
Cell - 505.414.9641
Fax - 505.816.0589
E-mail - Jon.Green@ch2m.com

<>< P Please consider the environment before printing this email

-----Original Message-----

From: Greer, Jeffery [<mailto:jeffery.greer@veoliawaterna.com>]
Sent: Friday, September 26, 2008 9:05 AM
To: Jim Bruce; Hackworth, David/LOU; Peek, Sally/ATL; jsmith@lwcky.com; Green, Jon/ABQ
Subject: RE: Jobs Plus

The cost for Job Plus currently is \$2500 for single user license with each additional license costing \$600. The website for Job Plus is www.opssys.com and the contact person for OpsSys would be John Dorner or Melanie Hazlett. OpsSys also provides the Operating software that we use which is OPS32. If you have any questions concerning the software you can call John or Melanie at OpsSys.

Jeffery T. Greer
Project Manager
Veolia Water North America
Building 7207, South Carolina Street
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Jim Bruce

From: Patti Kaelin [pkaelin@lwcky.com]
Sent: Monday, September 29, 2008 11:24 AM
To: Jim Bruce; Brett Pyles; david.hackworth@ch2m.com
Cc: Jim Smith; Sally.Peek@CH2M.com
Subject: FW: LWC and Hardin County 1 Retail Service Area Maps -- revised
Attachments: LWC_HARDIN_1_CURRENT_RETAIL_HCWData2.pdf

What do you think of this version? It's no trouble to make changes, so if you see something you'd like changed just let me know.

Thanks - Patti

From: Eric Pruitt
Sent: Monday, September 29, 2008 11:18 AM
To: Patti Kaelin
Cc: Jim Smith
Subject: RE: LWC and Hardin County 1 Retail Service Area Maps

Is this any better?

Eric R. Pruitt
Engineering Planner
Capital Planning & Hydraulics
Louisville Water Company
550 South Third Street
Louisville, KY 40202
epruitt@lwcky.com
502.569.3600 ext 2269
FAX 502.569.3691

From: Patti Kaelin
Sent: Monday, September 29, 2008 10:59 AM
To: Eric Pruitt
Cc: Jim Smith
Subject: FW: LWC and Hardin County 1 Retail Service Area Maps

Eric – can you make some changes on the hardin county map? Bolder colors, outlines labels etc?

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Monday, September 29, 2008 10:32 AM
To: Patti Kaelin; Jim Smith
Subject: RE: LWC and Hardin County 1 Retail Service Area Maps

Patty – Looks fine. Not sure if detail will get lost in small graphic. May need to make more bold colors, bold outlines and called out labels?

Jim Bruce

From: Patti Kaelin [<mailto:pkaelin@lwcky.com>]
Sent: Monday, September 29, 2008 9:39 AM
To: Sally.Peek@CH2M.com; Jim Bruce; Brett Pyles
Cc: david.hackworth@ch2m.com; Jim Smith
Subject: LWC and Hardin County 1 Retail Service Area Maps

Sally – there was discussion of replacing the graphic in the lower right hand corner of ES-1 with something like what I have attached.

Jim and Bret – does this look ok to you, would you like any changes on the map?

Thanks to all.

Patti

No virus found in this incoming message.

Checked by AVG - www.avg.com

Version: 8.5.432 / Virus Database: 270.14.149/2631 - Release Date: 01/19/10 07:34:00

Jim Bruce

From: Jim Bruce
Sent: Monday, September 29, 2008 12:26 PM
To: Patti Kaelin
Subject: RE: LWC and Hardin County 1 Retail Service Area Maps -- revised

Looks good.

Jim

From: Patti Kaelin [<mailto:pkaelin@lwcky.com>]
Sent: Monday, September 29, 2008 11:24 AM
To: Jim Bruce; Brett Pyles; david.hackworth@ch2m.com
Cc: Jim Smith; Sally.Peek@CH2M.com
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Cc: Jim Smith
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Is this any better?

Eric R. Pruitt
Engineering Planner
Capital Planning & Hydraulics
Louisville Water Company
550 South Third Street
Louisville, KY 40202
ep Pruitt@lwcky.com
502.569.3600 ext 2269
FAX 502.569.3691

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Sent: Monday, September 29, 2008 9:39 AM
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Jim and Bret – does this look ok to you, would you like any changes on the map?

Thanks to all.

Patti

Jim Bruce

From: Jim Bruce
Sent: Monday, September 29, 2008 12:27 PM
To: Charlie Miller
Subject: RE: Disaster Recovery

Charlie;

I believe that will do.
Thanks!

Jim

-----Original Message-----

From: Charlie Miller
Sent: Monday, September 29, 2008 10:58 AM
To: Jim Bruce
Subject: RE: Disaster Recovery

Jim,

Please see attached PDF. Is this what you need?

Charlie

-----Original Message-----

From: Jim Bruce
Sent: Friday, September 26, 2008 12:09 PM
To: Dave.Gray@CH2M.com
Cc: Charlie Miller
Subject: RE: Disaster Recovery

I will have to look at our policy and get back to you.

Charlie M> Please look at our policy binder for FK sewer, or Bob Shipp's proposed FK water coverage, and send me policy limits for those coverages (i.e. limits per event, maximum in 1 year - anything with a dollar limit attached to it. Thanks)

Jim Bruce

-----Original Message-----

From: Dave.Gray@CH2M.com [<mailto:Dave.Gray@CH2M.com>]
Sent: Friday, September 26, 2008 12:05 PM
To: Jim Bruce; David.Hackworth@CH2M.com; Lisa.Bailey@CH2M.com; Sally.Peek@CH2M.com; jsmith@lwcky.com; Jon.Green@ch2m.com
Cc: Brett Pyles
Subject: RE: Disaster Recovery

This is good. What can we say about property insurance on the system?

-----Original Message-----

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Friday, September 26, 2008 9:03 AM

To: Hackworth, David/LOU; Bailey, Lisa/ATL; Peek, Sally/ATL; jsmith@lwcky.com; Green, Jon/ABQ; Gray, Dave/SEA
Cc: Brett Pyles
Subject: Disaster Recovery

Dave;

Here is what I think we could add about this;

"As a government sub-district, in the event of a natural disaster, the District is eligible for emergency funding both from its local county government, the state government, and the federal government through FEMA funding. The District will also carry full liability insurance, which will include coverage for environmental and natural disasters. With past local, natural disasters, the District has been able to access both FEMA and state funding for its expenses related to storms and damages, or clean-up costs"

If you need more details on our insurance policy, we can dig into those.

Jim Bruce

Jim Bruce

From: Jim Bruce
Sent: Monday, September 29, 2008 12:27 PM
To: Dave.Gray@CH2M.com; David.Hackworth@CH2M.com
Subject: FW: Disaster Recovery
Attachments: FKWWTP_Ins_Limits.pdf

Dave;

Will this help?

Jim Bruce

-----Original Message-----

From: Charlie Miller
Sent: Monday, September 29, 2008 10:58 AM
To: Jim Bruce
Subject: RE: Disaster Recovery

Jim,

Please see attached PDF. Is this what you need?

Charlie

-----Original Message-----

From: Jim Bruce
Sent: Friday, September 26, 2008 12:09 PM
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Jim Bruce

-----Original Message-----

From: Dave.Gray@CH2M.com [<mailto:Dave.Gray@CH2M.com>]
Sent: Friday, September 26, 2008 12:05 PM
To: Jim Bruce; David.Hackworth@CH2M.com; Lisa.Bailey@CH2M.com; Sally.PEEK@CH2M.com; jsmith@lwcky.com; Jon.Green@ch2m.com
Cc: Brett Pyles
Subject: RE: Disaster Recovery

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Sent: Friday, September 26, 2008 9:03 AM

To: Hackworth, David/LOU; Bailey, Lisa/ATL; Peek, Sally/ATL; jsmith@lwcky.com; Green, Jon/ABQ; Gray, Dave/SEA

Cc: Brett Pyles

Subject: Disaster Recovery

Dave;

Here is what I think we could add about this;

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Jim Bruce

Jim Bruce

From: Dave.Gray@CH2M.com
Sent: Monday, September 29, 2008 1:18 PM
To: Jim Bruce; David.Hackworth@CH2M.com
Subject: RE: Disaster Recovery

Yes. This is helpful. Follow on question. The tabulation shows \$28 million in property insurance. Is that related to certain property? For example, does it cover storage tanks but not pipes in the ground? This info will be helpful in talking through the disaster recovery ratio.

-----Original Message-----

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Monday, September 29, 2008 9:27 AM
To: Gray, Dave/SEA; Hackworth, David/LOU
Subject: FW: Disaster Recovery

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Jim Bruce

-----Original Message-----

From: Charlie Miller
Sent: Monday, September 29, 2008 10:58 AM
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Subject: RE: Disaster Recovery

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Charlie

-----Original Message-----

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Sent: Friday, September 26, 2008 12:09 PM
To: Dave.Gray@CH2M.com
Cc: Charlie Miller
Subject: RE: Disaster Recovery

I will have to look at our policy and get back to you.

Charlie M> Please look at our policy binder for FK sewer, or Bob Shipp's proposed FK water coverage, and send me policy limits for those coverages (i.e. limits per event, maximum in 1 year - anything with a dollar limit attached to it. Thanks)

Jim Bruce

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From: Dave.Gray@CH2M.com [<mailto:Dave.Gray@CH2M.com>]
Sent: Friday, September 26, 2008 12:05 PM

To: Jim Bruce; David.Hackworth@CH2M.com; Lisa.Bailey@CH2M.com; Sally.PEEK@CH2M.com; jsmith@lwcky.com; Jon.Green@ch2m.com
Cc: Brett Pyles
Subject: RE: Disaster Recovery

This is good. What can we say about property insurance on the system?

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From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Friday, September 26, 2008 9:03 AM
To: Hackworth, David/LOU; Bailey, Lisa/ATL; Peek, Sally/ATL; jsmith@lwcky.com; Green, Jon/ABQ; Gray, Dave/SEA
Cc: Brett Pyles
Subject: Disaster Recovery

Dave;

Here is what I think we could add about this;

"As a government sub-district, in the event of a natural disaster, the District is eligible for emergency funding both from its local county government, the state government, and the federal government through FEMA funding. The District will also carry full liability insurance, which will include coverage for environmental and natural disasters. With past local, natural disasters, the District has been able to access both FEMA and state funding for its expenses related to storms and damages, or clean-up costs"

If you need more details on our insurance policy, we can dig into those.

Jim Bruce

No virus found in this incoming message.

Checked by AVG - www.avg.com

Version: 8.5.441 / Virus Database: 271.1.1/2989 - Release Date: 07/11/10 18:36:00

Jim Bruce

From: Sally.PEEK@CH2M.com
Sent: Monday, September 29, 2008 2:52 PM
To: Brett Pyles; Jim Bruce
Subject: volume III question

Jim and Brett

In Volume III, under the heading of the name and title of the individual principally responsible for ensuring small/minority/etc. business support (the person who administers your program), you have different answers. Jim says HDR/Quest, and Brett says that an RFP would be advertised and the most qualified firm selected. Which one is it and if HDR/Quest, is there one person I can give, with title and phone number?

Sally Peek, Sales Process Manager (Teleworker)
Cell - 404.368.3251

www.ch2m.com

Jim Bruce

From: Jim Smith [JSmith@lwcky.com]
Sent: Monday, September 29, 2008 3:01 PM
To: Sally.Peek@CH2M.com
Cc: David.Hackworth@CH2M.com; Patti Kaelin; Jim Bruce; Brett Pyles
Subject: Executive Summary
Attachments: LWCupdate-JimSmith2008 (2).doc

Sally,

Attached is an info sheet on LWC with general info that may be useful in enhancing the Exec Summary section containing the description of LWC (page ES-2).

Please feel free to use as you feel appropriate. The info does provide a decent idea of the size of our utility.

Thanks,
Jim

No virus found in this incoming message.

Checked by AVG - www.avg.com

Version: 8.5.325 / Virus Database: 270.12.17/2095 - Release Date: 05/04/09 06:00:00

Jim Bruce

From: Jim Bruce
Sent: Monday, September 29, 2008 3:12 PM
To: Sally.Peek@CH2M.com
Cc: Brett Pyles
Subject: RE: volume III question

Sally;

Should be HDR, Patty Vanvooren. They were selected to provide these services. If it has to be a District employee, I would put Brett Pyles.

Thanks

Jim

From: Sally.Peek@CH2M.com [<mailto:Sally.Peek@CH2M.com>]
Sent: Monday, September 29, 2008 2:52 PM
To: Brett Pyles; Jim Bruce
Subject: volume III question

Jim and Brett

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Sally Peek, Sales Process Manager (Teleworker)
Cell - 404.368.3251

www.ch2m.com

Jim Bruce

From: Sally.PEEK@CH2M.com
Sent: Monday, September 29, 2008 5:04 PM
To: Jim Bruce
Cc: Brett Pyles
Subject: RE: volume III question

What was your project with North Carolina A&T State University?

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Monday, September 29, 2008 3:12 PM
To: Peek, Sally/ATL
Cc: Brett Pyles
Subject: RE: volume III question

Sally;

Should be HDR, Patty Vanvooren. They were selected to provide these services. If it has to be a District employee, I would put Brett Pyles.

Thanks

Jim

From: Sally.PEEK@CH2M.com [<mailto:Sally.PEEK@CH2M.com>]
Sent: Monday, September 29, 2008 2:52 PM
To: Brett Pyles; Jim Bruce
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Sally Peek, Sales Process Manager (Teleworker)
Cell - 404.368.3251

www.ch2m.com

Jim Bruce

From: Dave.Gray@CH2M.com
Sent: Tuesday, September 30, 2008 2:53 AM
To: Jim Bruce
Subject: RE: Disaster Recovery

OK, thanks. In case you are not aware of it, the Replacement Cost New(RCN) estimate for the Ft Knox water system is about \$175 million. Taking out Muldraugh reduces it to \$130 million; taking out Central WTP in addition reduces the RCN value to \$86 million. On the other hand the Replacement Cost New less Depreciation (RCNLD) value is only \$38 million. Excluding Muldraugh it is worth \$22 million and also excluding Central, the RCNLD value is \$19 million.

I edited the financial strength section to read as follows:

"In the event of a natural disaster, HCWD1 has the resources and capability to immediately begin restoration and sustain the restoration for timely completion and resumption of normal operations. HCWD1 has included provision for \$28 million in property insurance for assets at Fort Knox beyond the insurance HCWD1 has on its existing water system. In addition to HCWD1 financial resources and insurance, as a government sub-district, the District is eligible for emergency funding from the county government, the state government, and the federal government through FEMA funding. The District has experience accessing funds from these sources to cover costs related to storms and damages including clean-up costs."

-----Original Message-----

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Monday, September 29, 2008 12:03 PM
To: Gray, Dave/SEA
Subject: RE: Disaster Recovery

Dave;

It is an estimate of all FK water property. They would not be able to break down until we provided a complete inventory of all system assets, by type. It covers both pipes underground, and assets above ground.

Jim

-----Original Message-----

From: Dave.Gray@CH2M.com [<mailto:Dave.Gray@CH2M.com>]
Sent: Monday, September 29, 2008 1:18 PM
To: Jim Bruce; David.Hackworth@CH2M.com
Subject: RE: Disaster Recovery

Yes. This is helpful. Follow on question. The tabulation shows \$28 million in property insurance. Is that related to certain property?
For example, does it cover storage tanks but not pipes in the ground?
This info will be helpful in talking through the disaster recovery ratio.

-----Original Message-----

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Sent: Monday, September 29, 2008 9:27 AM
To: Gray, Dave/SEA; Hackworth, David/LOU
Subject: FW: Disaster Recovery

Dave;

Will this help?

Jim Bruce

-----Original Message-----

From: Charlie Miller
Sent: Monday, September 29, 2008 10:58 AM
To: Jim Bruce
Subject: RE: Disaster Recovery

Jim,

Please see attached PDF. Is this what you need?

Charlie

-----Original Message-----

From: Jim Bruce
Sent: Friday, September 26, 2008 12:09 PM
To: Dave.Gray@CH2M.com
Cc: Charlie Miller
Subject: RE: Disaster Recovery

I will have to look at our policy and get back to you.

Charlie M> Please look at our policy binder for FK sewer, or Bob Shipp's proposed FK water coverage, and send me policy limits for those coverages (i.e. limits per event, maximum in 1 year - anything with a dollar limit attached to it. Thanks)

Jim Bruce

-----Original Message-----

From: Dave.Gray@CH2M.com [<mailto:Dave.Gray@CH2M.com>]
Sent: Friday, September 26, 2008 12:05 PM
To: Jim Bruce; David.Hackworth@CH2M.com; Lisa.Bailey@CH2M.com; Sally.Peek@CH2M.com; jsmith@lwcky.com; Jon.Green@ch2m.com
Cc: Brett Pyles
Subject: RE: Disaster Recovery

This is good. What can we say about property insurance on the system?

-----Original Message-----

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Friday, September 26, 2008 9:03 AM
To: Hackworth, David/LOU; Bailey, Lisa/ATL; Peek, Sally/ATL; jsmith@lwcky.com; Green, Jon/ABQ; Gray, Dave/SEA
Cc: Brett Pyles
Subject: Disaster Recovery

Dave;

Here is what I think we could add about this;

"As a government sub-district, in the event of a natural disaster, the District is eligible for emergency funding both from its local county government, the state government, and the federal government through FEMA funding. The District will also carry full liability insurance, which will include coverage for environmental and natural disasters. With past local, natural disasters, the District has been able to access both FEMA and state funding for its expenses related to storms and damages, or clean-up costs"

If you need more details on our insurance policy, we can dig into those.

Jim Bruce

No virus found in this incoming message.

Checked by AVG - www.avg.com

Version: 8.5.441 / Virus Database: 271.1.1/2989 - Release Date: 07/11/10 18:36:00

Jim Bruce

From: Jim Bruce
Sent: Tuesday, September 30, 2008 8:02 AM
To: Dave.Gray@CH2M.com
Cc: jsmith@lwcky.com; Brett Pyles; David.Hackworth@CH2M.com
Subject: RE: Disaster Recovery

Dave;

This sounds very good!

Thanks

Jim Bruce

-----Original Message-----

From: Dave.Gray@CH2M.com [<mailto:Dave.Gray@CH2M.com>]
Sent: Tuesday, September 30, 2008 2:53 AM
To: Jim Bruce
Subject: RE: Disaster Recovery

OK, thanks. In case you are not aware of it, the Replacement Cost New(RCN) estimate for the Ft Knox water system is about \$175 million. Taking out Muldraugh reduces it to \$130 million; taking out Central WTP in addition reduces the RCN value to \$86 million. On the other hand the Replacement Cost New less Depreciation (RCNLD) value is only \$38 million. Excluding Muldraugh it is worth \$22 million and also excluding Central, the RCNLD value is \$19 million.

I edited the financial strength section to read as follows:

"In the event of a natural disaster, HCWD1 has the resources and capability to immediately begin restoration and sustain the restoration for timely completion and resumption of normal operations. HCWD1 has included provision for \$28 million in property insurance for assets at Fort Knox beyond the insurance HCWD1 has on its existing water system. In addition to HCWD1 financial resources and insurance, as a government sub-district, the District is eligible for emergency funding from the county government, the state government, and the federal government through FEMA funding. The District has experience accessing funds from these sources to cover costs related to storms and damages including clean-up costs."

-----Original Message-----

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Monday, September 29, 2008 12:03 PM
To: Gray, Dave/SEA
Subject: RE: Disaster Recovery

Dave;

It is an estimate of all FK water property. They would not be able to break down until we provided a complete inventory of all system assets, by type. It covers both pipes underground, and assets above ground.

Jim

-----Original Message-----

From: Dave.Gray@CH2M.com [<mailto:Dave.Gray@CH2M.com>]
Sent: Monday, September 29, 2008 1:18 PM

To: Jim Bruce; David.Hackworth@CH2M.com
Subject: RE: Disaster Recovery

Yes. This is helpful. Follow on question. The tabulation shows \$28 million in property insurance. Is that related to certain property?
For example, does it cover storage tanks but not pipes in the ground?
This info will be helpful in talking through the disaster recovery ratio.

-----Original Message-----

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Monday, September 29, 2008 9:27 AM
To: Gray, Dave/SEA; Hackworth, David/LOU
Subject: FW: Disaster Recovery

Dave;

Will this help?

Jim Bruce

-----Original Message-----

From: Charlie Miller
Sent: Monday, September 29, 2008 10:58 AM
To: Jim Bruce
Subject: RE: Disaster Recovery

Jim,

Please see attached PDF. Is this what you need?

Charlie

-----Original Message-----

From: Jim Bruce
Sent: Friday, September 26, 2008 12:09 PM
To: Dave.Gray@CH2M.com
Cc: Charlie Miller
Subject: RE: Disaster Recovery

I will have to look at our policy and get back to you.

Charlie M> Please look at our policy binder for FK sewer, or Bob Shipp's proposed FK water coverage, and send me policy limits for those coverages (i.e. limits per event, maximum in 1 year - anything with a dollar limit attached to it. Thanks)

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If you need more details on our insurance policy, we can dig into those.

Jim Bruce

Jim Bruce

From: Brett Pyles
Sent: Tuesday, September 30, 2008 8:03 AM
To: 'Sally.PEEK@CH2M.com'; Jim Bruce
Cc: David.Hackworth@CH2M.com; Jim Bruce; jsmith@lwcky.com
Subject: RE: volume III question
Attachments: Grease educ press.doc

Sally,

It was a grease reduction public education project. I have attached a press release that gives a brief description of the project.

Thanks

Brett

From: Sally.PEEK@CH2M.com [<mailto:Sally.PEEK@CH2M.com>]
Sent: Monday, September 29, 2008 5:04 PM
To: Jim Bruce
Cc: Brett Pyles
Subject: RE: volume III question

What was your project with North Carolina A&T State University?

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Monday, September 29, 2008 3:12 PM
To: Peek, Sally/ATL
Cc: Brett Pyles
Subject: RE: volume III question

Sally;

Should be HDR, Patty Vanvooren. They were selected to provide these services. If it has to be a District employee, I would put Brett Pyles.

Thanks

Jim

From: Sally.Peek@CH2M.com [<mailto:Sally.Peek@CH2M.com>]
Sent: Monday, September 29, 2008 2:52 PM
To: Brett Pyles; Jim Bruce
Subject: volume III question

Jim and Brett

In Volume III, under the heading of the name and title of the individual principally responsible for ensuring small/minority/etc. business support (the person who administers your program), you have different answers. Jim says HDR/Quest, and Brett says that an RFP would be advertised and the most qualified firm selected. Which one is it and if HDR/Quest, is there one person I can give, with title and phone number?

Sally Peek, Sales Process Manager (Teleworker)
Cell - 404.368.3251

www.ch2m.com

Jim Bruce

From: Sally.PEEK@CH2M.com
Sent: Tuesday, September 30, 2008 10:51 AM
To: Brett Pyles; Jim Bruce
Subject: volume II question

Brett and Jim,
I have a few questions about the two projects you gave us for Volume II.

On Ft. Knox WW/SW:

- is the contract type a regulated tariff?
- for the estimated date of completion, would it be 50 years from start date, or 2055?
- for the reasons for contract modifications, can we add to your answer with something like - "Changes requested by Fort Knox include x, x, and x" rather than just putting "Various?" Intent is to show that you have not caused major change orders.
- for the section about unique technical or other areas of the program, could we pick some things from the long list you provided of the tasks completed at Ft. Knox?
- for the section about any problems you've addressed, could we again pick some things from your list?

For City of Radcliff:

We need a client (or City of Radcliff) contact or two. Is there someone you worked with for that acquisition who works for the City?

We need to provide an answer for problems encountered and your solutions/

We need to provide an explanation under using small businesses other than NA.

How many miles of sewage lines are maintained?

I think that's it for projects.

Thanks

From: Brett Pyles [<mailto:bpyles@hcwd.com>]
Sent: Tuesday, September 30, 2008 8:03 AM
To: Peek, Sally/ATL; Jim Bruce
Cc: Hackworth, David/LOU; Jim Bruce; jsmith@lwcky.com
Subject: RE: volume III question

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Thanks

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Jim Bruce

From: Brett Pyles
Sent: Tuesday, September 30, 2008 2:33 PM
To: 'Sally.PEEK@CH2M.com'; Jim Bruce
Cc: Jim Bruce
Subject: RE: volume II question

See answers below.

From: Sally.PEEK@CH2M.com [mailto:Sally.PEEK@CH2M.com]
Sent: Tuesday, September 30, 2008 10:51 AM
To: Brett Pyles; Jim Bruce
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- is the contract type a regulated tariff?**[Brett Pyles]** yes
- for the estimated date of completion, would it be 50 years from start date, or 2055?**[Brett Pyles]** yes
- for the reasons for contract modifications, can we add to your answer with something like - "Changes requested by Fort Knox include x, x, and x" rather than just putting "Various?" Intent is to show that you have not caused major change orders.**[Brett Pyles]** We have had 20 contract modifications. All MODS were requested by Ft. Knox, most had to with changing account numbers, allocating funds, etc.
- for the section about unique technical or other areas of the program, could we pick some things from the long list you provided of the tasks completed at Ft. Knox?**[Brett Pyles]** yes
- for the section about any problems you've addressed, could we again pick some things from your list?**[Brett Pyles]** yes

For City of Radcliff:

We need a client (or City of Radcliff) contact or two. Is there someone you worked with for that acquisition who works for the City?**[Brett Pyles]** Kathy Weisner was our POC from the city, but she is retired now. I suppose the only other person would be Mayor Sheila Enyart.

We need to provide an answer for problems encountered and your solutions/**[Brett Pyles]** We took over in April 2008. We have identified several problems and are working on solutions. Here are a couple: 1. Lincoln Trail Odor Control Project – We are currently gathering information. Some of the activities include; a) Measuring the H2S levels to determine the source of the problem b) Customer Observation Survey – we passed out forms to businesses in the area to record and track the time of day and to what degree was the odor observed. 2. Significant inflow and infiltration (I&I) problem in sections of the collection system – contracted with HDR to flow monitor and study to formulate a detailed solution. 3. The SCADA was not operating properly- all systems are functioning properly

We need to provide an explanation under using small businesses other than NA.**[Brett Pyles]** As this is not a Government contract, the FARS do not apply, so a "small business" program is not required.

How many miles of sewage lines are maintained?**[Brett Pyles]** 143 miles of sewer line and 2,861 manholes

I think that's it for projects.
Thanks

From: Brett Pyles [mailto:bpyles@hcwd.com]
Sent: Tuesday, September 30, 2008 8:03 AM
To: Peek, Sally/ATL; Jim Bruce
Cc: Hackworth, David/LOU; Jim Bruce; jsmith@lwcky.com
Subject: RE: volume III question

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Cell - 404.368.3251

www.ch2m.com

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Tuesday, September 30, 2008 4:09 PM
To: Jim Bruce

Jim,

When you won Ft Knox sewer, did you go to DC for negotiations, or did they come here?

thanks

David

Jim Bruce

From: Jim Bruce
Sent: Tuesday, September 30, 2008 4:23 PM
To: David.Hackworth@CH2M.com; jsmith@lwcky.com; Brett Pyles
Subject: RE:

David;

They came here. I think we had about 3 or 4 sessions. Gary Cox was lead negotiator. He also came here for this one, and was at the pre-proposal meeting and site tour. He was working for consultant on sewer, but now is on his own, but still working for DESC. Veolia had about 4 people attend, and myself. FK had about 3, including attorney. Bob Ender was not on negotiating team, but was on technical review committee for DESC.

Jim

From: David.Hackworth@CH2M.com [mailto:David.Hackworth@CH2M.com]
Sent: Tuesday, September 30, 2008 4:09 PM
To: Jim Bruce
Subject:

Jim,

When you won Ft Knox sewer, did you go to DC for negotiations, or did they come here?

thanks

David

Jim Bruce

From: Jim Bruce
Sent: Wednesday, October 01, 2008 8:50 AM
To: David.Hackworth@CH2M.com; jsmith@lwcky.com; Brett Pyles
Subject: RE:
Attachments: Reopening negot letter Hardin Co.pdf

David;

I looked back through my old emails, and came up with this rough timeline;

1. Their RFP was issued 9/11/01 (ironically)
2. Filed our price in May 02
3. Nov 03, they asked us to respond to lots of questions, and revise tables, explanations, etc
4. Nov 19, we and other bidders were asked to come for another "site visit" at FK
5. Dec 03, they started what they called negotiation questions, which we believe they were doing with others
6. Jan 21, 04 – first face to face meeting at FK
7. March 04, they asked us to submit new technical and price proposals, based on all our answers to their numerous questions
8. Aug 04, they "reopened" negotiations with us (see attached)
9. Aug 24, they told us our latest price was too high (by 12%)
10. We submitted our final, revised price Aug 30
11. Sept 30, they notified us that they had accepted our proposal and had to send letter agreeing and accepting their offer
12. In December, AWS filed protest
13. Through March, GAO, DESC and our attorney exchanged information. We went ahead and filed case with PSC to proceed with accepting system, and become a sewer utility
14. Around March or April, AWS protest was dismissed
15. We began Transition meetings with FK officials and had to register on lots of Govt websites
16. During transition meetings, FK told us they wanted to extend takeover date to July 1, 2005

From the day they issued RFP, to July 1 05, was 1,389 days or 3.8 years! I do think the FK Water will go much faster, but who knows.

Let me know if you need more info.

Jim Bruce

From: David.Hackworth@CH2M.com [mailto:David.Hackworth@CH2M.com]
Sent: Tuesday, September 30, 2008 4:42 PM
To: Jim Bruce; jsmith@lwcky.com; Brett Pyles
Subject: RE:

thanks...couple more questions.. Jim S and I are preparing presentation for Greg H...

1) how long of a period did the 3 or 4 sessions span

2) what are the potential water sales to LWC if the infrastructure is in place... this is not a commitment, but an identification of market potential..such as Meade County, HCWD1, HCWD2, any others?

Thanks

David

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Tuesday, September 30, 2008 4:23 PM
To: Hackworth, David/LOU; jsmith@lwcky.com; Brett Pyles
Subject: RE:

David;

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Sent: Tuesday, September 30, 2008 4:09 PM
To: Jim Bruce
Subject:

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thanks

David

Jim Bruce

From: Jim Bruce
Sent: Wednesday, October 01, 2008 9:30 AM
To: David.Hackworth@CH2M.com
Subject: FW: LWC Water to HCWD1
Attachments: FK Wat Purchase.xls; fk purchased.JPG

-----Original Message-----

From: Jim Bruce
Sent: Tuesday, August 05, 2008 8:50 AM
To: 'jsmith@lwcky.com'; 'David.Hackworth@CH2M.com'
Cc: Brett Pyles
Subject: LWC Water to HCWD1

Jim;

One more clarification on our FK purchases. We buy water from them at 3 locations. Main = Prichard PS with 3 large pumps and 1.25MG ground tank, Carpenter Test = a 4 inch main and meter in Muldraugh, connected to a main direct from their Muldraugh WTP. This provides water directly to LG&E gas pressurization station along Highway 1638, which is our customer. Wilson = A small PS on Wilson Road in Radcliff with 1 pump, was built after 1988 drought, and is connected to 10 inch main on post. They have us use this when they do not want us taking water from Prichard. It can deliver about 0.7 mg/d and is much more energy efficient for us, since we benefit from the head of their elevated tank (near high school)

My table of daily purchases includes the amounts from all 3 site, but by far the majority is pumped from Prichard.

FYI

Jim Bruce

Jim Bruce

From: Sally.PEEK@CH2M.com
Sent: Wednesday, October 01, 2008 11:36 AM
To: Jim Bruce

Jim,
What is your preferred phone no.: 270-351-3222, or 270-351-4476?

Sally Peek, Sales Process Manager (Teleworker)
Cell - 404.368.3251

www.ch2m.com

Jim Bruce

From: Sally.PEEK@CH2M.com
Sent: Wednesday, October 01, 2008 12:03 PM
To: Jim Bruce
Cc: David.Hackworth@CH2M.com
Subject: signatures

Hi Jim,

We need to coordinate my getting your signatures. I need them on the title pages of all volumes, the cover letters, the SF 33, and amendment pages. I can have David print these in LOU for you to sign, or I can FedEx hard copies. Either way, you would need to FedEx hard copies back to me. I will include a filled in FedEx label in the package for you to use.

What's your preference for getting this part done?

Sally Peek, Sales Process Manager (Teleworker)
Cell - 404.368.3251

www.ch2m.com

Jim Bruce

From: Jim Bruce
Sent: Wednesday, October 01, 2008 2:00 PM
To: Sally.PEEK@CH2M.com
Subject: RE:

Sally;

Please use 3222 number

Jim

From: Sally.PEEK@CH2M.com [<mailto:Sally.PEEK@CH2M.com>]
Sent: Wednesday, October 01, 2008 11:36 AM
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Jim Bruce

From: Jim Bruce
Sent: Wednesday, October 01, 2008 2:02 PM
To: Sally.PEEK@CH2M.com
Cc: David.Hackworth@CH2M.com
Subject: RE: signatures

Sally;

Can you send PDF files direct to me, or do they need to go to David? If I can print out here, I can sign and then FedEx back to you. If David has them, I can drive up there to sign, or he can bring down here. We are about 45 minutes from his office.

Jim

From: Sally.PEEK@CH2M.com [<mailto:Sally.PEEK@CH2M.com>]
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Subject: RE: signatures

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From: Jim Bruce [<mailto:jbruce@hcwd.com>]
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Jim

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Jim Bruce

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AOK. Will do

Jim Bruce

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Sally Peek, Sales Process Manager (Teleworker)
Cell - 404.368.3251

Jim Bruce

From: Jim Bruce
Sent: Wednesday, October 01, 2008 3:06 PM
To: Brett Pyles
Subject: FW: signatures

Brett – Can you give her name and number?

Thanks

From: Sally.PEEK@CH2M.com [<mailto:Sally.PEEK@CH2M.com>]
Sent: Wednesday, October 01, 2008 3:04 PM
To: Jim Bruce
Subject: RE: signatures

one more question: is there a contact at the Kentucky Division of Water that you can provide to me (name and phone)?

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Wednesday, October 01, 2008 2:09 PM
To: Peek, Sally/ATL
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From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Wednesday, October 01, 2008 2:02 PM
To: Peek, Sally/ATL
Cc: Hackworth, David/LOU
Subject: RE: signatures

Sally;

Can you send PDF files direct to me, or do they need to go to David? If I can print out here, I can sign and then FedEx back to you. If David has them, I can drive up there to sign, or he can bring down here. We are about 45 minutes from his office.

Jim

From: Sally.Peek@CH2M.com [mailto:Sally.Peek@CH2M.com]
Sent: Wednesday, October 01, 2008 12:03 PM
To: Jim Bruce
Cc: David.Hackworth@CH2M.com
Subject: signatures

Hi Jim,

We need to coordinate my getting your signatures. I need them on the title pages of all volumes, the cover letters, the SF 33, and amendment pages. I can have David print these in LOU for you to sign, or I can FedEx hard copies. Either way, you would need to FedEx hard copies back to me. I will include a filled in FedEx label in the package for you to use.

What's your preference for getting this part done?

Sally Peek, Sales Process Manager (Teleworker)
Cell - 404.368.3251

www.ch2m.com

Jim Bruce

From: Sally.PEEK@CH2M.com
Sent: Wednesday, October 01, 2008 3:04 PM
To: Jim Bruce
Subject: RE: signatures

one more question: is there a contact at the Kentucky Division of Water that you can provide to me (name and phone)?

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Wednesday, October 01, 2008 2:09 PM
To: Peek, Sally/ATL
Cc: Hackworth, David/LOU
Subject: RE: signatures

AOK. Will do

Jim Bruce

From: Sally.PEEK@CH2M.com [<mailto:Sally.PEEK@CH2M.com>]
Sent: Wednesday, October 01, 2008 2:04 PM
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What's your preference for getting this part done?

Sally Peek, Sales Process Manager (Teleworker)
Cell - 404.368.3251

www.ch2m.com

Jim Bruce

From: Brett Pyles
Sent: Wednesday, October 01, 2008 3:57 PM
To: 'Sally.PEEK@CH2M.com'
Cc: Jim Bruce
Subject: RE: signatures
Attachments: DOWOrgNewChart4.pdf

Sally,

I have attached an org chart. As you will see it depends on what you are addressing as to who you talk to. Also, our local KDOW rep is Cindy Smith (502-425-4671) and her office is in Louisville at 9116 Leesgate Road, Louisville, KY 40222. The state KDOW address is:

DEP Division of Water

14 Reilly Road
Frankfort, KY 40601
Phone: 502-564-3410
Fax: 502-564-0111
E-mail: water@ky.gov

Please let me know if this answers your question.

Thanks

Brett

From: Sally.PEEK@CH2M.com [mailto:Sally.PEEK@CH2M.com]
Sent: Wednesday, October 01, 2008 3:46 PM
To: Brett Pyles
Subject: RE: signatures

I am on a conf call that will last for awhile. This request is for Volume II - the RFP asks for the status of the Offeror with regulatory agencies and the name of the agency, address, telephone, and name.

From: Brett Pyles [mailto:bpyles@hcwd.com]
Sent: Wednesday, October 01, 2008 3:21 PM
To: Peek, Sally/ATL
Subject: FW: signatures

Sally,

The phone number for the KDOW is 502-564-3410. As for a contact name, please give me a call to discuss.

Thanks

Brett

From: Jim Bruce
Sent: Wednesday, October 01, 2008 3:06 PM
To: Brett Pyles
Subject: FW: signatures

Brett – Can you give her name and number?

Thanks

From: Sally.PEEK@CH2M.com [mailto:Sally.PEEK@CH2M.com]
Sent: Wednesday, October 01, 2008 3:04 PM
To: Jim Bruce
Subject: RE: signatures

one more question: is there a contact at the Kentucky Division of Water that you can provide to me (name and phone)?

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Cell - 404.368.3251

www.ch2m.com

Jim Bruce

From: Sally.PEEK@CH2M.com
Sent: Wednesday, October 01, 2008 6:21 PM
To: Jim Bruce; pkaelin@lwcky.com; jsmith@lwcky.com
Subject: "Gold" Team review of Ft. Knox proposal

Jim, Jim, and Patti:

I will be sending you PDF files of Volumes I, II, and III Thursday a.m. for final review. Please mark-up the hard copies and scan and email back to me (or fax).

Volume IV will follow as soon as possible.

Thanks,
Sally
speek@ch2m.com
fax - 770-604-9183

Sally Peek, Sales Process Manager (Teleworker)
Cell - 404.368.3251

www.ch2m.com

Jim Bruce

From: Sally.PEEK@CH2M.com
Sent: Thursday, October 02, 2008 10:28 AM
To: Jim Bruce; pkaelin@lwcky.com; jsmith@lwcky.com; David.Hackworth@CH2M.com; Bob.Woodhouse@CH2M.com
Cc: Lisa.Bailey@CH2M.com; Jon.Green@ch2m.com; Robert.Neath@CH2M.com
Subject: RE: "Gold" Team review of Ft. Knox proposal
Attachments: Fort Knox_Volume I Factor 1 Service_Interruption_BASE_v16.pdf

This is the start of the Gold Team files, to be sent in several emails. This is Volume I, Subfactor 1. Subfactor 2 will be following shortly.

Please return comments to me as soon as possible - by 2:00 this afternoon, if possible - for Subfactors 1 and 2. You can scan and email to me, or fax (770-604-9182).

Thanks,
Sally

From: Peek, Sally/ATL
Sent: Wednesday, October 01, 2008 6:21 PM
To: 'Jim Bruce'; 'Patti Kaelin'; 'jsmith@lwcky.com'
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Sally
speek@ch2m.com
fax - 770-604-9183

Sally Peek, Sales Process Manager (Teleworker)
Cell - 404.368.3251

www.ch2m.com

Jim Bruce

From: Bob.Woodhouse@CH2M.com
Sent: Thursday, October 02, 2008 10:55 AM
To: Sally.Peek@CH2M.com; Jim Bruce; pkaelin@lwcky.com; jsmith@lwcky.com; David.Hackworth@CH2M.com
Cc: Lisa.Bailey@CH2M.com; Jon.Green@ch2m.com; Robert.Neath@CH2M.com
Subject: RE: "Gold" Team review of Ft. Knox proposal

Sally,

Please send me a word file for my review and comment.

From: Peek, Sally/ATL
Sent: Thursday, October 02, 2008 7:28 AM
To: Jim Bruce; Patti Kaelin; jsmith@lwcky.com; Hackworth, David/LOU; Woodhouse, Bob/SFO
Cc: Bailey, Lisa/ATL; Green, Jon/ABQ; Neath, Robert/STL
Subject: RE: "Gold" Team review of Ft. Knox proposal

This is the start of the Gold Team files, to be sent in several emails. This is Volume I, Subfactor 1. Subfactor 2 will be following shortly.

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speek@ch2m.com
fax - 770-604-9183

Sally Peek, Sales Process Manager (Teleworker)
Cell - 404.368.3251

www.ch2m.com

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Thursday, October 02, 2008 11:17 AM
To: Jim Bruce; jsmith@lwcky.com; pkaelin@lwcky.com; Brett Pyles
Subject: FW: Price Proposal 2 of 2
Attachments: ALT_Fort Knox_Year 1 - 50_29 Sept 2008_Rev 02_JMG.zip; Price_Proposal--ALTERNATE_10-1-08.xls; FtKnox_Vol IV ALT_Price Proposal 10-1-08.doc; Fort Knox_Start Up_Rev 03_26 Sept 2008_JMG.xls

From: Gray, Dave/SEA
Sent: Thursday, October 02, 2008 4:45 AM
To: Bailey, Lisa/ATL; Peek, Sally/ATL
Cc: Hackworth, David/LOU; Woodhouse, Bob/SFO; Neath, Robert/STL; Green, Jon/ABQ; Playstead, Kurt/SEA
Subject: Price Proposal 2 of 2

Here are the files for the Alternate Proposal. Note: for Appendix IV-1, the start up file sent with the Base Proposal also pertains to the Alt proposal (same costs). I am reattaching it here for your convenience.

David Gray
CH2M HILL
dgray@ch2m.com
(425) 453-5000 (w)
(425) 301-4729 (c)

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Thursday, October 02, 2008 11:18 AM
To: Jim Bruce; Brett Pyles; jsmith@lwcky.com; pkaelin@lwcky.com
Subject: FW: Price Proposals 1 of 2
Attachments: Proposal--Base_10-1-08.xls; FtKnox_Vol IV_Price Proposal_10-1-08.doc; Fort Knox_Base Proposal Years 1-50_25 Sept 2008_JMG.zip; Fort Knox_Start Up_Rev 03_26 Sept 2008_JMG.xls

Jim, you may want to give this to Amber

From: Gray, Dave/SEA
Sent: Thursday, October 02, 2008 4:41 AM
To: Bailey, Lisa/ATL; Peek, Sally/ATL
Cc: Hackworth, David/LOU; Woodhouse, Bob/SFO; Neath, Robert/STL; Green, Jon/ABQ; Playstead, Kurt/SEA
Subject: Price Proposals 1 of 2

The Price Proposals are done and ready for Gold production. In order to keep the Base Proposal straight from the Alt Proposal, I am sending them in separate e-mails. This e-mail contains the Base Proposal.

I would like to be a Gold team reviewer of the price proposals since it is pretty complicated.

The following are comments for production. They relate to both the base and the alternate proposal.

- The pages in the attached Word file are set up so that there are no pages that have text end in the middle because page breaks for inserted dummy pages for tables. The exception is for Section breaks. Each of the 4 sections starts on a new page.
- For the excel files:
 - The Proposal--Base 10-1-08 and Price Proposal--Alternate_10-1-08 files contain tables for insertion to the price proposal. They are numbered at the tabs and at the top of each table. Each file also has one appendix table for its respective proposal (Appendix IV-2).
 - The Start up page is the first page in Appendix IV-1
 - The zip file contains the remainder of the pages for Appendix IV-
- Please do not reformat any of the following tables. They are in the format requested in the RFP or as provided by the KPSC. Frankly, I would like to keep all tables formatted as they are.
 - Schedule B-1
 - Rate Schedule FKW
 - Table IV-2
 - Table IV-5
 - Table IV-8
- There are still some comments in the text that originated from people other than me. They seem editorial (e.g. font questions). OK with me if you delete them.
- Footnote to Table IV-9 needs to be incorporated into the table.
- I have set up all tables in the Proposal--Base 10-1-08 and Price Proposal--Alternate_10-1-08 file so that they print logically and maintain the 10 pitch font size required by the rfp
 - Various of the tables need will need to be printed on 11 by 17 inch paper.
 - Various of the tables will require more than one page.
- I have not attempted to do print set ups for the zipped files.
- Appendix IV-1 should have tables presented in the following order:
 - Start-up (transition)
 - Combined Years 1-5
 - Combined Years 6-50
 - For the Base Proposal Only
 - Treat Years 1-5
 - Treat Years 6-50

- Distribution Years 1-5
- Distribution Years 6-50

PLEASE call me when you have questions.

David Gray
CH2M HILL
dgray@ch2m.com
(425) 453-5000 (w)
(425) 301-4729 (c)

Jim Bruce

From: Sally.PEEK@CH2M.com
Sent: Thursday, October 02, 2008 11:28 AM
To: Sally.PEEK@CH2M.com; Jim Bruce; pkaelin@lwcky.com; jsmith@lwcky.com; David.Hackworth@CH2M.com; Bob.Woodhouse@CH2M.com
Cc: Lisa.Bailey@CH2M.com; Jon.Green@ch2m.com; Robert.Neath@CH2M.com
Subject: RE: "Gold" Team review of Ft. Knox proposal
Attachments: FtKnox_Sub2_OM_QMP_rev16.pdf; FtKnox_Sub3_InitialSystemDeficiency_v10.pdf

SFs 2 and 3

From: Peek, Sally/ATL
Sent: Thursday, October 02, 2008 10:28 AM
To: 'Jim Bruce'; 'Patti Kaelin'; 'jsmith@lwcky.com'; Hackworth, David/LOU; Woodhouse, Bob/SFO
Cc: Bailey, Lisa/ATL; Green, Jon/ABQ; Neath, Robert/STL
Subject: RE: "Gold" Team review of Ft. Knox proposal

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Thanks,
Sally

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Sent: Wednesday, October 01, 2008 6:21 PM
To: 'Jim Bruce'; 'Patti Kaelin'; 'jsmith@lwcky.com'
Subject: "Gold" Team review of Ft. Knox proposal

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speek@ch2m.com
fax - 770-604-9183

Sally Peek, Sales Process Manager (Teleworker)
Cell - 404.368.3251

www.ch2m.com

Jim Bruce

From: Sally.PEEK@CH2M.com
Sent: Thursday, October 02, 2008 12:20 PM
To: Jim Bruce; pkaelin@lwcky.com; jsmith@lwcky.com; David.Hackworth@CH2M.com; Bob.Woodhouse@CH2M.com
Cc: Lisa.Bailey@CH2M.com; Jon.Green@ch2m.com; Robert.Neath@CH2M.com
Subject: RE: "Gold" Team review of Ft. Knox proposal
Attachments: FtKnox_Sub5_FinancialStrength_v12.pdf; FtKnox_Sub4_Operational Transition_Plan_v11.pdf

SFs 4 and 5

From: Peek, Sally/ATL
Sent: Thursday, October 02, 2008 11:28 AM
To: Peek, Sally/ATL; 'Jim Bruce'; 'Patti Kaelin'; 'jsmith@lwcky.com'; Hackworth, David/LOU; Woodhouse, Bob/SFO
Cc: Bailey, Lisa/ATL; Green, Jon/ABQ; Neath, Robert/STL
Subject: RE: "Gold" Team review of Ft. Knox proposal

SFs 2 and 3

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Sent: Thursday, October 02, 2008 10:28 AM
To: 'Jim Bruce'; 'Patti Kaelin'; 'jsmith@lwcky.com'; Hackworth, David/LOU; Woodhouse, Bob/SFO
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To: 'Jim Bruce'; 'Patti Kaelin'; 'jsmith@lwcky.com'
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Jim Bruce

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To: Jim Bruce; pkaelin@lwcky.com; jsmith@lwcky.com; David.Hackworth@CH2M.com; Bob.Woodhouse@CH2M.com
Cc: Lisa.Bailey@CH2M.com; Jon.Green@ch2m.com; Robert.Neath@CH2M.com
Subject: RE: "Gold" Team review of Ft. Knox proposal
Attachments: Attachment 1_Technical Assumptions_Final_v4.doc; Fort Knox Vol 1 Att 2 _ Base.pdf

Here are attachments to Volume I (I am not including Attachment 3, MOU).

From: Peek, Sally/ATL
Sent: Thursday, October 02, 2008 11:28 AM
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Cc: Bailey, Lisa/ATL; Green, Jon/ABQ; Neath, Robert/STL
Subject: RE: "Gold" Team review of Ft. Knox proposal

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Cell - 404.368.3251

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Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Thursday, October 02, 2008 1:03 PM
To: Brett Pyles; Jim Bruce
Subject: Sub contracting plan

I realize these are rough estimates, but wanted to see what you think

\$ 240,032,639	50 year fee	
120,032,639	HCWD	
120,000,000	total	
100,000,000	LWC	
20,000,000	other LB	
27,600,000	SB	23.0%
6,000,000	WOSB	5.0%
3,600,000	HubZone	3.0%
8,400,000	VOSB	7.0%
6,000,000	SDB	5.0%
3,600,000	SD-VOSB	3.0%

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Thursday, October 02, 2008 1:39 PM
To: gheitzman@lwcky.com
Cc: jsmith@lwcky.com; pkaelin@lwcky.com; Jim Bruce
Subject: Fort Knox pricing issues

Greg,

I spoke to both HCWD1 and CH2M Hill regarding how profit is assigned to capital improvement projects.

HCWD1 -

For R&R projects, HCWD1 tracks all direct costs spent (engineer, contractor, etc) and applies a 3.8% G&A as part of the reconciliation.

For special requested projects, HCWD1 prepares an estimate that includes the 3.8%. The estimate is usually conservative, but they are at risk if it is too low. They are paid the amount based on the estimate.

CH2M Hill

We submit all direct costs and add 12.7% G&A (which is in our contract) and 7.5% profit (which is in our contract).

I believe that our estimates in the R&R schedule could absorb 10% for G&A and profit -

Please let me know if you have any other questions

Thanks

David

www.ch2mhill.com

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Thursday, October 02, 2008 1:48 PM
To: Brett Pyles; Jim Bruce
Subject: RE: Sub contracting plan

are you two available at 2:30 to discuss?

From: Brett Pyles [<mailto:bpyles@hcwd.com>]
Sent: Thursday, October 02, 2008 1:29 PM
To: Hackworth, David/LOU; Jim Bruce
Subject: RE: Sub contracting plan

David,

I don't see anything in there for Historically Black College and University (HBCU). It should be 1% or less. I would assume you got these from our current WW SB plan. We are going to change those in the near future. I have attached our most recent reporting forms. Please look on the 294 form for our current WW SB goals. Please pay attention to the "Actual Cumulative" amounts as this shows the percentages we are actually spending.

Thanks

Brett

From: David.Hackworth@CH2M.com [<mailto:David.Hackworth@CH2M.com>]
Sent: Thursday, October 02, 2008 1:03 PM
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Subject: Sub contracting plan

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100,000,000	LWC
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27,600,000	SB	23.0%
6,000,000	WOSB	5.0%
3,600,000	HubZone	3.0%
8,400,000	VOSB	7.0%
6,000,000	SDB	5.0%
3,600,000	SD-VOSB	3.0%

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Thursday, October 02, 2008 1:51 PM
To: Brett Pyles; Jim Bruce
Subject: RE: Sub contracting plan

perfect... thanks

From: Brett Pyles [<mailto:bpyles@hcwd.com>]
Sent: Thursday, October 02, 2008 1:50 PM
To: Hackworth, David/LOU; Jim Bruce
Subject: RE: Sub contracting plan

We have a meeting at 2 pm. We can give you a call when we get back to office. Should be back between 3 and 3:30 pm.

Brett

From: David.Hackworth@CH2M.com [<mailto:David.Hackworth@CH2M.com>]
Sent: Thursday, October 02, 2008 1:48 PM
To: Brett Pyles; Jim Bruce
Subject: RE: Sub contracting plan

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Subject: Sub contracting plan

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20,000,000	other LB	
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To: Jim Bruce; pkaelin@lwcky.com; jsmith@lwcky.com; David.Hackworth@CH2M.com; Bob.Woodhouse@CH2M.com
Cc: Lisa.Bailey@CH2M.com; Jon.Green@ch2m.com; Robert.Neath@CH2M.com
Subject: RE: "Gold" Team review of Ft. Knox proposal
Attachments: FT_Knox_Volume II_rev11.pdf

Volume II with projects.

Jim Bruce,
Please review the last section carefully. I tried to summarize the NOV's you sent, but not sure I am accurate.

From: Peek, Sally/ATL
Sent: Thursday, October 02, 2008 12:23 PM
To: 'Jim Bruce'; 'Patti Kaelin'; 'jsmith@lwcky.com'; Hackworth, David/LOU; Woodhouse, Bob/SFO
Cc: Bailey, Lisa/ATL; Green, Jon/ABQ; Neath, Robert/STL
Subject: RE: "Gold" Team review of Ft. Knox proposal

Here are attachments to Volume I (I am not including Attachment 3, MOU).

From: Peek, Sally/ATL
Sent: Thursday, October 02, 2008 11:28 AM
To: Peek, Sally/ATL; 'Jim Bruce'; 'Patti Kaelin'; 'jsmith@lwcky.com'; Hackworth, David/LOU; Woodhouse, Bob/SFO
Cc: Bailey, Lisa/ATL; Green, Jon/ABQ; Neath, Robert/STL
Subject: RE: "Gold" Team review of Ft. Knox proposal

SFs 2 and 3

From: Peek, Sally/ATL
Sent: Thursday, October 02, 2008 10:28 AM
To: 'Jim Bruce'; 'Patti Kaelin'; 'jsmith@lwcky.com'; Hackworth, David/LOU; Woodhouse, Bob/SFO
Cc: Bailey, Lisa/ATL; Green, Jon/ABQ; Neath, Robert/STL
Subject: RE: "Gold" Team review of Ft. Knox proposal

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Please return comments to me as soon as possible - by 2:00 this afternoon, if possible - for Subfactors 1 and 2. You can scan and email to me, or fax (770-604-9182).

Thanks,
Sally

From: Peek, Sally/ATL
Sent: Wednesday, October 01, 2008 6:21 PM
To: 'Jim Bruce'; 'Patti Kaelin'; 'jsmith@lwcky.com'
Subject: "Gold" Team review of Ft. Knox proposal

Jim, Jim, and Patti:

I will be sending you PDF files of Volumes I, II, and III Thursday a.m. for final review. Please mark-up the hard copies and scan and email back to me (or fax).

Volume IV will follow as soon as possible.

Thanks,
Sally
speek@ch2m.com
fax - 770-604-9183

Sally Peek, Sales Process Manager (Teleworker)
Cell - 404.368.3251

www.ch2m.com

Jim Bruce

From: Sally.PEEK@CH2M.com
Sent: Thursday, October 02, 2008 3:42 PM
To: Jim Bruce; pkaelin@lwcky.com; jsmith@lwcky.com; David.Hackworth@CH2M.com; Bob.Woodhouse@CH2M.com
Cc: Lisa.Bailey@CH2M.com; Jon.Green@ch2m.com; Robert.Neath@CH2M.com
Subject: RE: "Gold" Team review of Ft. Knox proposal
Attachments: Projects.pdf

Forgot to attach projects to Volume II file.

From: Peek, Sally/ATL
Sent: Thursday, October 02, 2008 2:46 PM
To: 'Jim Bruce'; 'Patti Kaelin'; 'jsmith@lwcky.com'; Hackworth, David/LOU; Woodhouse, Bob/SFO
Cc: Bailey, Lisa/ATL; Green, Jon/ABQ; Neath, Robert/STL
Subject: RE: "Gold" Team review of Ft. Knox proposal

Volume II with projects.

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Cc: Bailey, Lisa/ATL; Green, Jon/ABQ; Neath, Robert/STL
Subject: RE: "Gold" Team review of Ft. Knox proposal

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Subject: RE: "Gold" Team review of Ft. Knox proposal

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Volume IV will follow as soon as possible.

Thanks,
Sally
speek@ch2m.com
fax - 770-604-9183

Sally Peek, Sales Process Manager (Teleworker)
Cell - 404.368.3251

www.ch2m.com

Jim Bruce

From: Sally.PEEK@CH2M.com
Sent: Thursday, October 02, 2008 3:43 PM
To: Jim Bruce; pkaelin@lwcky.com; jsmith@lwcky.com; David.Hackworth@CH2M.com; Bob.Woodhouse@CH2M.com
Cc: Lisa.Bailey@CH2M.com; Jon.Green@ch2m.com; Robert.Neath@CH2M.com
Subject: RE: "Gold" Team review of Ft. Knox proposal
Attachments: FtKnox_Volume III_rev12.pdf

Volume III.

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From: Peek, Sally/ATL
Sent: Thursday, October 02, 2008 3:42 PM
To: 'Jim Bruce'; 'Patti Kaelin'; 'jsmith@lwcky.com'; Hackworth, David/LOU; Woodhouse, Bob/SFO
Cc: Bailey, Lisa/ATL; Green, Jon/ABQ; Neath, Robert/STL
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Sally
speek@ch2m.com
fax - 770-604-9183

Sally Peek, Sales Process Manager (Teleworker)
Cell - 404.368.3251

www.ch2m.com

Jim Bruce

From: Sally.PEEK@CH2M.com
Sent: Thursday, October 02, 2008 3:49 PM
To: Jim Bruce; pkaelin@lwcky.com; jsmith@lwcky.com; David.Hackworth@CH2M.com; Bob.Woodhouse@CH2M.com
Cc: Lisa.Bailey@CH2M.com; Jon.Green@ch2m.com; Robert.Neath@CH2M.com
Subject: RE: "Gold" Team review of Ft. Knox proposal
Attachments: FtKnox_Sub3_InitialSystemDeficiency_ALT_rev2.pdf; Exhibit I-3-3-ALTERNATE.pdf

Volume I Alternate:

This is the only subfactor in Volume I - ALTERNATE that is different from the Base proposal.

From: Peek, Sally/ATL
Sent: Thursday, October 02, 2008 3:43 PM
To: 'Jim Bruce'; 'Patti Kaelin'; 'jsmith@lwcky.com'; Hackworth, David/LOU; Woodhouse, Bob/SFO
Cc: Bailey, Lisa/ATL; Green, Jon/ABQ; Neath, Robert/STL
Subject: RE: "Gold" Team review of Ft. Knox proposal

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Sent: Thursday, October 02, 2008 3:42 PM
To: 'Jim Bruce'; 'Patti Kaelin'; 'jsmith@lwcky.com'; Hackworth, David/LOU; Woodhouse, Bob/SFO
Cc: Bailey, Lisa/ATL; Green, Jon/ABQ; Neath, Robert/STL
Subject: RE: "Gold" Team review of Ft. Knox proposal

Forgot to attach projects to Volume II file.

From: Peek, Sally/ATL
Sent: Thursday, October 02, 2008 2:46 PM
To: 'Jim Bruce'; 'Patti Kaelin'; 'jsmith@lwcky.com'; Hackworth, David/LOU; Woodhouse, Bob/SFO
Cc: Bailey, Lisa/ATL; Green, Jon/ABQ; Neath, Robert/STL
Subject: RE: "Gold" Team review of Ft. Knox proposal

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Sent: Thursday, October 02, 2008 12:23 PM
To: 'Jim Bruce'; 'Patti Kaelin'; 'jsmith@lwcky.com'; Hackworth, David/LOU; Woodhouse, Bob/SFO
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Sent: Thursday, October 02, 2008 11:28 AM
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Cc: Bailey, Lisa/ATL; Green, Jon/ABQ; Neath, Robert/STL
Subject: RE: "Gold" Team review of Ft. Knox proposal

SFs 2 and 3

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Sent: Thursday, October 02, 2008 10:28 AM
To: 'Jim Bruce'; 'Patti Kaelin'; 'jsmith@lwcky.com'; Hackworth, David/LOU; Woodhouse, Bob/SFO
Cc: Bailey, Lisa/ATL; Green, Jon/ABQ; Neath, Robert/STL
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speek@ch2m.com
fax - 770-604-9183

Sally Peek, Sales Process Manager (Teleworker)
Cell - 404.368.3251

www.ch2m.com

Jim Bruce

From: Sally.PEEK@CH2M.com
Sent: Thursday, October 02, 2008 4:02 PM
To: Jim Bruce; pkaelin@lwcky.com; jsmith@lwcky.com; David.Hackworth@CH2M.com; Bob.Woodhouse@CH2M.com
Cc: Lisa.Bailey@CH2M.com; Jon.Green@ch2m.com; Robert.Neath@CH2M.com
Subject: RE: "Gold" Team review of Ft. Knox proposal
Attachments: FtKnox_Vol IV_Price Proposal_10-1-08.pdf; FtKnox_Vol IV ALT_Price Proposal 10-1-08.pdf

Volume IV Base and Alternate proposals.

(note: this one still needs the formatting change we applied to the other volumes. We will get that done when we address Gold Team comments.)

From: Peek, Sally/ATL
Sent: Thursday, October 02, 2008 3:49 PM
To: 'Jim Bruce'; 'Patti Kaelin'; 'jsmith@lwcky.com'; Hackworth, David/LOU; Woodhouse, Bob/SFO
Cc: Bailey, Lisa/ATL; Green, Jon/ABQ; Neath, Robert/STL
Subject: RE: "Gold" Team review of Ft. Knox proposal

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Subject: RE: "Gold" Team review of Ft. Knox proposal

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To: 'Jim Bruce'; 'Patti Kaelin'; 'jsmith@lwcky.com'; Hackworth, David/LOU; Woodhouse, Bob/SFO
Cc: Bailey, Lisa/ATL; Green, Jon/ABQ; Neath, Robert/STL
Subject: RE: "Gold" Team review of Ft. Knox proposal

Forgot to attach projects to Volume II file.

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Sent: Thursday, October 02, 2008 2:46 PM
To: 'Jim Bruce'; 'Patti Kaelin'; 'jsmith@lwcky.com'; Hackworth, David/LOU; Woodhouse, Bob/SFO
Cc: Bailey, Lisa/ATL; Green, Jon/ABQ; Neath, Robert/STL
Subject: RE: "Gold" Team review of Ft. Knox proposal

Volume II with projects.

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From: Peek, Sally/ATL
Sent: Thursday, October 02, 2008 12:23 PM
To: 'Jim Bruce'; 'Patti Kaelin'; 'jsmith@lwcky.com'; Hackworth, David/LOU; Woodhouse, Bob/SFO
Cc: Bailey, Lisa/ATL; Green, Jon/ABQ; Neath, Robert/STL
Subject: RE: "Gold" Team review of Ft. Knox proposal

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Sent: Thursday, October 02, 2008 11:28 AM
To: Peek, Sally/ATL; 'Jim Bruce'; 'Patti Kaelin'; 'jsmith@lwcky.com'; Hackworth, David/LOU; Woodhouse, Bob/SFO
Cc: Bailey, Lisa/ATL; Green, Jon/ABQ; Neath, Robert/STL
Subject: RE: "Gold" Team review of Ft. Knox proposal

SFs 2 and 3

From: Peek, Sally/ATL
Sent: Thursday, October 02, 2008 10:28 AM
To: 'Jim Bruce'; 'Patti Kaelin'; 'jsmith@lwcky.com'; Hackworth, David/LOU; Woodhouse, Bob/SFO
Cc: Bailey, Lisa/ATL; Green, Jon/ABQ; Neath, Robert/STL
Subject: RE: "Gold" Team review of Ft. Knox proposal

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Thanks,
Sally

From: Peek, Sally/ATL
Sent: Wednesday, October 01, 2008 6:21 PM
To: 'Jim Bruce'; 'Patti Kaelin'; 'jsmith@lwcky.com'
Subject: "Gold" Team review of Ft. Knox proposal

Jim, Jim, and Patti:

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Thanks,
Sally
speek@ch2m.com
fax - 770-604-9183

Sally Peek, Sales Process Manager (Teleworker)
Cell - 404.368.3251

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Thursday, October 02, 2008 4:35 PM
To: Sally.PEEK@CH2M.com
Cc: jsmith@lwcky.com; Jim Bruce; Brett Pyles; pkaelin@lwcky.com
Subject: Vol 3 - Small Business Plan

Total Dollars to Subcontract	\$	120,000,000	
LB	\$	92,400,000	77%
SB	\$	27,600,000	23%
VOSB	\$	8,400,000	7%
SD-VOSB	\$	3,600,000	3%
Hubzone	\$	3,600,000	3%
SDB	\$	6,000,000	5%
WOSB	\$	6,000,000	5%

PS... not for proposal... Most of LB is LWC, with some to CH2M Hill and others.

Jim Bruce

From: Sally.PEEK@CH2M.com
Sent: Thursday, October 02, 2008 4:54 PM
To: Jim Bruce
Cc: David.Hackworth@CH2M.com
Subject: SB Subcontracting plan for your signature
Attachments: Subcontracting_Plan_FtKnoxWater.pdf

Jim,
If this meets your approval, please sign page 4 and Fed Ex two copies to me for Monday delivery.

Sally Peek
CH2M HILL
Northpark 400 Building
1000 Abernathy Road, Suite 1600
Atlanta, GA 30328
770-530-4269

Sally Peek, Sales Process Manager (Teleworker)
Cell - 404.368.3251

www.ch2m.com

Jim Bruce

From: Sally.PEEK@CH2M.com
Sent: Thursday, October 02, 2008 5:03 PM
To: Jim Bruce
Cc: David.Hackworth@CH2M.com
Subject: cover letters for your signature
Attachments: all_letters.pdf

Please include in Fed Ex package.

Sally Peek, Sales Process Manager (Teleworker)
Cell - 404.368.3251

www.ch2m.com

Jim Bruce

From: Sally.PEEK@CH2M.com
Sent: Thursday, October 02, 2008 5:40 PM
To: Jim Bruce
Cc: David.Hackworth@CH2M.com
Subject: SF33 and Amendment page for signature
Attachments: Amendment%200001_9[1].pdf; SF33.pdf

please print these in black and white and sign. please include in Fed Ex package. Thanks.

Sally Peek, Sales Process Manager (Teleworker)
Cell - 404.368.3251

www.ch2m.com

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Friday, October 03, 2008 10:02 AM
To: jsmith@lwcky.com; Brett Pyles; Jim Bruce; pkaelin@lwcky.com
Subject: FW: Digital send from GreenRiver MFP
Attachments: [Untitled].pdf

Please review the changes to the staffing plan to let me know if you agree.

Since we did not budget for full time LWC managers, I did not want to show 1 FTE for them.

Jim Bruce

From: Jim Bruce
Sent: Friday, October 03, 2008 10:40 AM
To: David.Hackworth@CH2M.com
Subject: RE: Digital send from GreenRiver MFP

David;

Looks fine to me

Jim

-----Original Message-----

From: David.Hackworth@CH2M.com [<mailto:David.Hackworth@CH2M.com>]
Sent: Friday, October 03, 2008 10:02 AM
To: jsmith@lwcky.com; Brett Pyles; Jim Bruce; pkaelin@lwcky.com
Subject: FW: Digital send from GreenRiver MFP

Please review the changes to the staffing plan to let me know if you agree.

Since we did not budget for full time LWC managers, I did not want to show 1 FTE for them.

Jim Bruce

From: Jim Smith [JSmith@lwcky.com]
Sent: Friday, October 03, 2008 11:00 AM
To: David.Hackworth@CH2M.com; Jim Bruce; Brett Pyles
Cc: Patti Kaelin
Subject: Volume I, SubFActor #, Initial System Deficiency Correctios and Initial R & R

Please note pg I-79, ISDC#29 – Decommission Muldraugh WTP. We probably discussed this before, but I wonder whether we should assume the Army will perform this as part of providing the commodity supply?

No virus found in this incoming message.

Checked by AVG - www.avg.com

Version: 8.5.325 / Virus Database: 270.12.17/2095 - Release Date: 05/04/09 06:00:00

Jim Bruce

From: Lisa.Bailey@CH2M.com
Sent: Friday, October 03, 2008 7:28 PM
To: Sally.PEEK@CH2M.com; Jim Bruce; pkaelin@lwcky.com; jsmith@lwcky.com; David.Hackworth@CH2M.com; Bob.Woodhouse@CH2M.com; Robert.Neath@CH2M.com; Jon.Green@ch2m.com
Subject: RE: "Gold" Team review of Ft. Knox proposal
Attachments: FTK_ExecutiveSummary_v5_GoldTeam.pdf
Importance: High

Attached is the current draft of the Executive Summary for review/comment. I understand that we will have one executive summary that is in both the base and alternate Volume I proposals - that is how this version has been crafted.

Please note that there are highlighted items that need to be addressed (either removed for actual #s provided). Also, there were a few conflicting comments/revisions received for this section per the red team draft -please advise how we should proceed.

As with the other volumes and sections, please mark-up hard copies and fax or scan/email them to me as soon as possible on Monday. We are beginning to print on Monday and must have the entire submittal printed/shipped by COB on Tuesday.

Thanks for everyone's efforts!

Take care-
LB

Lisa Bailey
Global Water Business Group
Cell. 770.329.0282
Fax. 770.604.9183
Email. lisa.bailey@ch2m.com

From: Peek, Sally/ATL
Sent: Thursday, October 02, 2008 10:28 AM
To: Jim Bruce; Patti Kaelin; jsmith@lwcky.com; Hackworth, David/LOU; Woodhouse, Bob/SFO
Cc: Bailey, Lisa/ATL; Green, Jon/ABQ; Neath, Robert/STL
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Sally

speek@ch2m.com

fax - 770-604-9183

Sally Peek, Sales Process Manager (Teleworker)

Cell - 404.368.3251

www.ch2m.com

Jim Bruce

From: Jon.Green@ch2m.com
Sent: Monday, October 06, 2008 10:08 AM
To: Lisa.Bailey@CH2M.com
Cc: Sally.Peek@CH2M.com; Jim Bruce; pkaelin@lwcky.com; jsmith@lwcky.com; David.Hackworth@CH2M.com; Bob.Woodhouse@CH2M.com; Robert.Neath@CH2M.com
Subject: RE: "Gold" Team review of Ft. Knox proposal
Attachments: FTK_ExecutiveSummary_v5_GoldTeam_6 Oct 2008_JMG.pdf


Lisa,

Attached, are my thoughts. Please call or write if you have any questions.

Have a great day,

Jon

Jonathan M. Green
Senior Operations Specialist
CH2M HILL
4041 Jefferson Plaza NE, Suite 200
Albuquerque, NM 87109
Office - 505.884.5600 X35759
Direct - 505.855.5259
Cell - 505.414.9641
Fax - 505.816.0589
E-mail - Jon.Green@ch2m.com

<><  Please consider the environment before printing this email

From: Bailey, Lisa/ATL
Sent: Friday, October 03, 2008 5:28 PM
To: Peek, Sally/ATL; Jim Bruce; Patti Kaelin; jsmith@lwcky.com; Hackworth, David/LOU; Woodhouse, Bob/SFO; Neath, Robert/STL; Green, Jon/ABQ
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Importance: High

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LB

Lisa Bailey
Global Water Business Group
Cell. 770.329.0282
Fax. 770.604.9183
Email. lisa.bailey@ch2m.com

From: Peek, Sally/ATL
Sent: Thursday, October 02, 2008 10:28 AM
To: Jim Bruce; Patti Kaelin; jsmith@lwcky.com; Hackworth, David/LOU; Woodhouse, Bob/SFO
Cc: Bailey, Lisa/ATL; Green, Jon/ABQ; Neath, Robert/STL
Subject: RE: "Gold" Team review of Ft. Knox proposal

This is the start of the Gold Team files, to be sent in several emails. This is Volume I, Subfactor 1. Subfactor 2 will be following shortly.

Please return comments to me as soon as possible - by 2:00 this afternoon, if possible - for Subfactors 1 and 2. You can scan and email to me, or fax (770-604-9182).

Thanks,
Sally

From: Peek, Sally/ATL
Sent: Wednesday, October 01, 2008 6:21 PM
To: 'Jim Bruce'; 'Patti Kaelin'; jsmith@lwcky.com
Subject: "Gold" Team review of Ft. Knox proposal

Jim, Jim, and Patti:

I will be sending you PDF files of Volumes I, II, and III Thursday a.m. for final review. Please mark-up the hard copies and scan and email back to me (or fax).

Volume IV will follow as soon as possible.

Thanks,
Sally
speek@ch2m.com
fax - 770-604-9183

Sally Peek, Sales Process Manager (Teleworker)
Cell - 404.368.3251

www.ch2m.com

Jim Bruce

From: Lisa.Bailey@CH2M.com
Sent: Monday, October 06, 2008 10:13 AM
To: Jon.Green@ch2m.com
Cc: Sally.Peek@CH2M.com; Jim Bruce; pkaelin@lwcky.com; jsmith@lwcky.com; David.Hackworth@CH2M.com; Bob.Woodhouse@CH2M.com; Robert.Neath@CH2M.com
Subject: RE: "Gold" Team review of Ft. Knox proposal

Thanks Jon. David provided revisions that addressed the comment you had regarding the alternate proposal. I will incorporate the text you provided for the table on page ES-11.

Appreciate it!
LB

Lisa Bailey
Global Water Business Group
Cell. 770.329.0282
Fax. 770.604.9183
Email. lisa.bailey@ch2m.com

From: Green, Jon/ABQ
Sent: Monday, October 06, 2008 10:08 AM
To: Bailey, Lisa/ATL
Cc: Peek, Sally/ATL; Jim Bruce; Patti Kaelin; jsmith@lwcky.com; Hackworth, David/LOU; Woodhouse, Bob/SFO; Neath, Robert/STL
Subject: RE: "Gold" Team review of Ft. Knox proposal

Lisa,

Attached, are my thoughts. Please call or write if you have any questions.

Have a great day,

Jon

Jonathan M. Green
Senior Operations Specialist
CH2M HILL
4041 Jefferson Plaza NE, Suite 200
Albuquerque, NM 87109
Office - 505.884.5600 X35759
Direct - 505.855.5259
Cell - 505.414.9641
Fax - 505.816.0589
E-mail - Jon.Green@ch2m.com

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From: Bailey, Lisa/ATL
Sent: Friday, October 03, 2008 5:28 PM

To: Peek, Sally/ATL; Jim Bruce; Patti Kaelin; jsmith@lwcky.com; Hackworth, David/LOU; Woodhouse, Bob/SFO; Neath, Robert/STL; Green, Jon/ABQ

Subject: RE: "Gold" Team review of Ft. Knox proposal

Importance: High

Attached is the current draft of the Executive Summary for review/comment. I understand that we will have one executive summary that is in both the base and alternate Volume I proposals - that is how this version has been crafted.

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As with the other volumes and sections, please mark-up hard copies and fax or scan/email them to me as soon as possible on Monday. We are beginning to print on Monday and must have the entire submittal printed/shipped by COB on Tuesday.

Thanks for everyone's efforts!

Take care-
LB

Lisa Bailey
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Cell. 770.329.0282
Fax. 770.604.9183
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Sally

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fax - 770-604-9183

Sally Peek, Sales Process Manager (Teleworker)
Cell - 404.368.3251

www.ch2m.com

Jim Bruce

From: Sally.PEEK@CH2M.com
Sent: Monday, October 06, 2008 10:33 AM
To: Jim Bruce; Brett Pyles
Subject: Reps and Certs

Importance: High

Brett,

I need the hard copy of your ORCA submittal ASAP. Can you either provide link for me to print or can you scan your hard copy and send to me?

Sally Peek, Sales Process Manager (Teleworker)
Cell - 404.368.3251

www.ch2m.com

Jim Bruce

From: Sally.PEEK@CH2M.com
Sent: Monday, October 06, 2008 10:46 AM
To: Brett Pyles; Jim Bruce
Cc: Robert.Neath@CH2M.com; Jon.Green@ch2m.com

I received your comments on Volume I. In Subfactor 1, Brett has a comment about this paragraph that for the Ft. Knox WW/SW projects, the process described below is NOT used. Please provide me with text about the process that IS used.

Engineering and planning for projects that have been funded, such as Military Construction Army (MCA), will process through the DPW or USACE design and engineering section before being released for bid. During this process, it is imperative that coordination between the utility operator and the engineering section be accomplished. Through periodic meetings coordination can be accomplished to ensure the water service is ready when the project requires them

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Cell - 404.368.3251

www.ch2m.com

Jim Bruce

From: Jim Bruce
Sent: Monday, October 06, 2008 10:53 AM
To: Sally.PEEK@CH2M.com
Cc: David.Hackworth@CH2M.com; Robert.Neath@CH2M.com; Jon.Green@ch2m.com; Brett Pyles
Subject: RE:

Sally;

After reading this, I am not sure if these are projects initiated and funded by DoA, or are projects we are carrying out. Maybe you can check with Robert or Jon. IF, these are projects we are initiating and carrying out, the changed paragraph would be;

“Projects that are included in the annual Capital Program will be designed and funded by HCWD1 as the project is scheduled. DPW and the CO/CORR will have the opportunity to review the design before the project is bid. Once contract award is made, HCWD1 will oversee the project construction and inspection. Updates of each project progress will be made at the monthly status meeting with the CO/CORR. Some projects will also need to be scheduled in accordance with other Ft. Knox master planning efforts and construction, which will be made known to HCWD1 during the monthly meetings.”

Thanks

Jim Bruce

(Brett is off today)

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Sent: Monday, October 06, 2008 10:46 AM
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Cell - 404.368.3251

Jim Bruce

From: Sally.PEEK@CH2M.com
Sent: Monday, October 06, 2008 10:51 AM
To: Brett Pyles; Jim Bruce
Cc: Robert.Neath@CH2M.com; Jon.Green@ch2m.com
Subject: another Volume I comment question

Brett,

You put a question mark on the table for Potential Service Interruptions. I don't know the answer. Robert or Jon? Or Brett - what should it say?

Employee Strikes

- Operators fail to report for work based upon a bargaining agreement dispute
 - Intentional sabotage of key utility components by striking employees
- ✓ During transition, additional security and supervision will ensure that no processes or equipment can be sabotaged or tampered with.
 - ✓ Project Manager will notify COTR and immediately call internal labor relations representative to begin discussions.
 - ✓ Support personnel from nearby HCWD1-affiliated companies will bring in key positions to sustain service to Fort Knox.
 - ✓ Proceed with discussions to resolve issues.

From: Peek, Sally/ATL
Sent: Monday, October 06, 2008 10:46 AM
To: 'bpyles@hcwd.com'; 'jbruce@hcwd.com'
Cc: Neath, Robert/STL; Green, Jon/ABQ
Subject:

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Jim Bruce

From: Jim Bruce
Sent: Monday, October 06, 2008 10:57 AM
To: Jon.Green@ch2m.com
Cc: Sally.Peek@CH2M.com; pkaelin@lwcky.com; jsmith@lwcky.com; David.Hackworth@CH2M.com; Bob.Woodhouse@CH2M.com; Robert.Neath@CH2M.com; Lisa.Bailey@CH2M.com; Brett Pyles
Subject: RE: "Gold" Team review of Ft. Knox proposal

Jon;

Your suggestions sound good to me.

Jim Bruce

From: Jon.Green@ch2m.com [mailto:Jon.Green@ch2m.com]
Sent: Monday, October 06, 2008 10:08 AM
To: Lisa.Bailey@CH2M.com
Cc: Sally.Peek@CH2M.com; Jim Bruce; pkaelin@lwcky.com; jsmith@lwcky.com; David.Hackworth@CH2M.com; Bob.Woodhouse@CH2M.com; Robert.Neath@CH2M.com
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Sent: Monday, October 06, 2008 11:00 AM
To: Jim Bruce
Cc: David.Hackworth@CH2M.com; Robert.Neath@CH2M.com; Brett Pyles; Sally.PEEK@CH2M.com
Subject: RE:

Jim,

I believe the intent is to ensure the water provider is part of the planning process for MCA or other Government projects. This precludes the Government deciding to construct a facility where service doesn't exist or is inadequate to meet facility demands such as fire flows. While I can attest to the poor communications between entities on post, I think it behooves the utility to begin making the case of an integral role from the beginning. I believe this was the intent. Thoughts?

Jon

Jonathan M. Green
Senior Operations Specialist
CH2M HILL
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Albuquerque, NM 87109
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Direct - 505.855.5259
Cell - 505.414.9641
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E-mail - Jon.Green@ch2m.com

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To: David.Hackworth@CH2M.com; Lisa.Bailey@CH2M.com; Jim Bruce;
Robert.Neath@CH2M.com; Jon.Green@ch2m.com; Dave.Gray@CH2M.com
Subject: I left my cellphone at home...

if you need to call, please use 678-530-4269. You can also leave voice mails at that number.

Sally Peek, Sales Process Manager (Teleworker)
Cell - 404.368.3251

www.ch2m.com