

Jim Bruce

From: Jim Bruce
Sent: Tuesday, May 03, 2011 7:28 PM
To: 'Jim Smith'; 'David.Hackworth@CH2M.com'
Cc: Brett Pyles; Preston Pendley; Scott Schmuck
Subject: RE: Ft Knox Conference Call

Here are some of things I would like to discuss;

1. What do we need from them in order for us to tell them if we can do FPR in 21 days?
2. Can we ask them over phone for remaining items they need answers on?
3. Is start up of Oct 1 still a possibility? (for Govt)
4. Can CH possibly get FPR done in less than 21 days? (so we can still get started in 2011)
5. Does LWC / HCWD1 PWA have any impact to privatization?
6. How much has been done to update proposal so far?

Thanks

Jim

-----Original Appointment-----

From: Jim Smith
Sent: Tuesday, May 03, 2011 4:29 PM
To: Jim Smith; Jim Bruce; David Hackworth (David.hackworth@ch2m.com)
Subject: Ft Knox Conference Call
When: Wednesday, May 04, 2011 9:30 AM-10:00 AM (UTC-05:00) Eastern Time (US & Canada).
Where:

David H. will send out the conference call tonite or tomorrow morning.

Thanks,
Jim

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Wednesday, May 04, 2011 10:11 AM
To: JSmith@lwcky.com; Jim Bruce
Subject: FW: Ft. Knox Price Proposal Updated with New ISDC Costs
Attachments: Fort Knox ISDC summary 4-1-11.xlsx; Proposal--Base_4-1-11.xlsm

From: Gray, Dave/DSO
Sent: Friday, April 01, 2011 5:11 PM
To: Hackworth, David/LOU
Subject: Ft. Knox Price Proposal Updated with New ISDC Costs

Here is the Ft. Knox pricing file updated with the ISDC file that you sent to me earlier today. The ISDC file is also attached for easy reference.--D

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Wednesday, May 04, 2011 10:12 AM
To: Jim Bruce; JSmith@lwcky.com
Subject: FW: Emailing: Fort Knox_Volume I - Jan 2011.pdf
Attachments: Fort Knox_Volume I - Jan 2011.pdf

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

From: Lamont, Wendy/SCO
Sent: Tuesday, January 25, 2011 5:07 PM
To: Hackworth, David/LOU
Subject: Emailing: Fort Knox_Volume I - Jan 2011.pdf

Hi David, here is Volume I

Question about the pdfs with tracks - does it have to be the whole document, or just the pages that changed ? If it is the whole document, then does documents that did not have any changes need to be included? (ExSum, subfactor 5 ?)

The message is ready to be sent with the following file or link attachments:

Fort Knox_Volume I - Jan 2011.pdf

Note: To protect against computer viruses, e-mail programs may prevent sending or receiving certain types of file attachments. Check your e-mail security settings to determine how attachments are handled.

Jim Bruce

From: Jim Bruce
Sent: Wednesday, May 04, 2011 12:26 PM
To: 'David.Hackworth@CH2M.com'; 'Jim Smith'
Cc: Brett Pyles; Preston Pendley
Subject: DLA Conf call

Brian left me voice message. Said since we did not have technical questions, he could do a call today. I have meeting in Etown at 130, and not sure if I will be back this afternoon. He was working from home today and left me number and said we could call him there today to have call, if we want to, or wait until tomorrow. Let me know your schedule this afternoon and if I get back early, may go ahead and set up conf call from here

Thanks

Jim

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Wednesday, May 04, 2011 12:55 PM
To: Jim Bruce; JSmith@lwcky.com
Cc: Brett Pyles; Preston Pendley
Subject: RE: DLA Conf call

I could do a call at 4:30..... you can forward my conference number to him if he does not have one

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Wednesday, May 04, 2011 12:26 PM
To: Hackworth, David/LOU; Jim Smith
Cc: Brett Pyles; Preston Pendley
Subject: DLA Conf call

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Thanks

Jim

Jim Bruce

From: Jim Smith [JSmith@lwcky.com]
Sent: Wednesday, May 04, 2011 2:45 PM
To: Jim Bruce; David.Hackworth@CH2M.com
Cc: Brett Pyles; Preston Pendley
Subject: RE: DLA Conf call

Jim,

I have a meeting offsite today at 4:00 which I can not rescheduled, but will be available tomorrow anytime after 9:30.

Thanks,
Jim

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Wednesday, May 04, 2011 12:26 PM
To: David.Hackworth@CH2M.com; Jim Smith
Cc: Brett Pyles; Preston Pendley
Subject: DLA Conf call

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Thanks

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Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Wednesday, May 04, 2011 4:50 PM
To: Jim Bruce; JSmith@lwcky.com
Subject: FW: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Importance: High

I am concerned about "the theme will extend...", it seems like whatever we give is not enough.... They need to be more explicit in what they want...

Also, we will need to finalize the pricing by next Friday to meet the end of month schedule... please review all unit costs, assumptions in amended J1, and operation costs by next Friday..

From: Koessel, Brian DLA CIV ENERGY [mailto:Brian.Koessel@dla.mil]
Sent: Wednesday, May 04, 2011 3:48 PM
To: Jim Bruce; Rivera, Taina DLA CIV ENERGY
Cc: Preston Pendley; Brett Pyles; Hackworth, David/LOU; Jim Smith
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request
Importance: High

Mr. Bruce,

I have set up the call for tomorrow at 10:30. I hope this new time will work for your team. Additionally, I would like to attempt to answer many of your questions in writing before tomorrow. My plan is to provide HCWD1 with the final negotiation message, an amendment to the RFP (including Section J1), and a request for a FPR next week. I would then like to have a teleconference with the Government team and the HCWD1 team to clarify any portions of the negotiation message or amendment that are unclear. We will also discuss any questions or concerns that you may have. I plan to request that the FPR be submitted during the week of May 30.

The RFP Amendment includes updates to several FAR clauses to incorporate changes which have occurred since the last amendment was issued. It also provides an updated Wage Determination, Model Easement, and Subcontracting Plan which will need to be completed and submitted as part of the FPR. The amendment also provides a revised Section J1. The changes in J1 include: clarifying language regarding the treatment of the leased wells and 14-inch line; clarifying language regarding sludge disposal and sludge lagoon ownership; updated information for the 280kw generator at the Central WTP; reduced scope of work for Tank No. 7; and language pertaining to logos on elevated storage tanks.

The negotiation message will request additional detail for some ISDC projects and include a general theme that the scopes of work proposed be clearly articulated in the FPR. This theme will also extend to the calculation of costs and the description of assumptions as well. Meeting those objectives will help the Government make its fair and reasonable determination and reduce the amount and frequency of requests for clarification, especially at this stage of the procurement.

I hope this explanation is helpful, and I look forward to our discussion tomorrow.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
(703) 767-1595 (DSN 427)

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Tuesday, May 03, 2011 3:21 PM
To: Koessel, Brian DLA CIV ENERGY; Rivera, Taina DLA CIV ENERGY
Cc: Preston Pendley; Brett Pyles; David.Hackworth@CH2M.com; Jim Smith
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Mr Koessel;

A conference call Thursday at 11AM will work for us. Our questions are more of process and timing, and sequence of getting final questions from Govt before finalizing FPR or submitting FPR and then getting another round of questions / information requests. Also would help to know nature of final questions an information requests to know how much resources or time responding to those will take, before starting on FPR. Should take 30 minutes or less to go over our questions and get clarification.

Please send meeting invite information.

Thank You

Jim Bruce
General Manager
HCWD1

From: Koessel, Brian DLA CIV ENERGY [mailto:Brian.Koessel@dla.mil]
Sent: Monday, May 02, 2011 5:59 PM
To: Jim Bruce
Cc: Jim Smith; Brett Pyles; Preston Pendley; David.Hackworth@CH2M.com; Rivera, Taina DLA CIV ENERGY
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Mr. Bruce,

I apologize for the delay in my response. I have arranged a conference line on Thursday at 11ET for our discussion. If this time is convenient for you, please let me know and I will send out a meeting invite. The Government looks forward to discussing any questions that you and your team may have. To better prepare ourselves, are these questions that will require the participation of the technical and pricing folks or are the questions general in nature? Again, I apologize for not returning your inquiry sooner.

Regards,

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Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
(703) 767-1595 (DSN 427)

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Thursday, April 28, 2011 8:33 AM
To: Koessel, Brian DLA CIV ENERGY; Rivera, Taina DLA CIV ENERGY; Gray, Martha A DLA CIV ENERGY
Cc: Jim Smith; Brett Pyles; Preston Pendley; David.Hackworth@CH2M.com
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Mr. Koessel;

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We had not heard any response, possibly because your voice messaging was not working, or you had been traveling or working on other deadlines. We wanted to provide this email to request a conference call to hopefully answer our few questions, and provide a response on the FPR submittal timing.

We look forward to hearing back from you

Thank You

Jim Bruce
HCWD1

Mr Koessel;

Thank you for the update and request for response. Our team has a meeting scheduled this Friday and we will be able to respond to your question about timing on Friday. We look forward to further dialogue in the future.

Thank You

Jim Bruce
HCWD1
General Manager

From: Koessel, Brian DLA CIV ENERGY [mailto:Brian.Koessel@dla.mil]
Sent: Tuesday, March 29, 2011 11:56 AM
To: Jim Bruce; Brett Pyles; Preston Pendley; Jim Smith; David.Hackworth@CH2M.com
Cc: Rivera, Taina DLA CIV ENERGY
Subject: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Mr. Bruce,

DLA Energy is preparing its request for a Final Proposal Revision (FPR) from HCWD1. The request for a FPR will be accompanied by a negotiation message, identifying the remaining open issues. The remaining open issues are predominantly clarifications and requests for additional information pertaining to responses already provided by HCWD1. To assist in our planning, I would like to request an estimate of how much time HCWD1 will require to prepare and submit its FPR. The Government hopes that three weeks will be sufficient.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dla.mil

Jim Bruce

From: Greg Heitzman [gheizman@lwcky.com]
Sent: Wednesday, May 04, 2011 9:38 PM
To: Jim Bruce
Cc: Jim Smith
Subject: Re: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Jim, at your convenience, I would like to meet to discuss how we integrate the \$4.5 transmission grant from KY Economic Development into the privatization project, so we maximize the value of both. I'll ask Jim Smith to coordinate a time in next few weeks.

Hope we can bring this next round to closure. I think I recall back then you told me to expect a 3 year process, even though they said they wanted a contract by Dec 2008!

Hard to believe, but it has been 3 years since the first REI!

Thanks.

Greg Heitzman
President
Louisville Water Company
Celebrating 150 Years of Service

On May 4, 2011, at 10:49 AM, "Jim Smith" <JSmith@lwcky.com> wrote:

Fyi. Negotiations are underway again for Ft Knox.

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Tuesday, May 03, 2011 3:21 PM
To: Koessel, Brian DLA CIV ENERGY; Taina.Rivera@dla.mil
Cc: Preston Pendley; Brett Pyles; David.Hackworth@CH2M.com; Jim Smith
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

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Please send meeting invite information.

Thank You

Jim Bruce

General Manager

HCWD1

From: Koessel, Brian DLA CIV ENERGY [mailto:Brian.Koessel@dla.mil]

Sent: Monday, May 02, 2011 5:59 PM

To: Jim Bruce

Cc: Jim Smith; Brett Pyles; Preston Pendley; David.Hackworth@CH2M.com; Rivera, Taina DLA CIV ENERGY

Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

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Brian J. Koessel

Branch Chief/Contracting Officer

Energy Enterprise BU

DLA Energy-EFA

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

Sent: Thursday, April 28, 2011 8:33 AM

To: Koessel, Brian DLA CIV ENERGY; Rivera, Taina DLA CIV ENERGY; Gray, Martha A DLA CIV ENERGY

Cc: Jim Smith; Brett Pyles; Preston Pendley; David.Hackworth@CH2M.com

Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

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From: Koessel, Brian DLA CIV ENERGY [mailto:Brian.Koessel@dla.mil]
Sent: Tuesday, March 29, 2011 11:56 AM
To: Jim Bruce; Brett Pyles; Preston Pendley; Jim Smith; David.Hackworth@CH2M.com
Cc: Rivera, Taina DLA CIV ENERGY
Subject: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Mr. Bruce,

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Regards,

Brian J. Koessel

Branch Chief/Contracting Officer

Energy Enterprise BU

DLA Energy-EFA

Jim Bruce

From: Jim Bruce
Sent: Thursday, May 05, 2011 2:14 AM
To: Greg Heitzman
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Greg;

I would welcome chance to sit down with you and talk about that prospect. We will also bring up again with DLA on conference call today. As you may recall, the integration of LWC supply was basis for our alternate proposal in 2008, which Govt rejected. We again brought up during our face to face negotiations in December, and DLA said they are not authorized to include commodity contracts with privatization efforts, but that the commodity supply would be handled by local FK contracting office.

My goal and challenge presently is to convince my Board to execute the LWC purchased water agreement, so we can begin final design on the facility. Once that process begins, and final design parameters are being set, I thought that was best time to go to Govt contracting and let them know that if we need to upsize facilities for FK benefit, this is best time to do that. We could then see if they were ready and serious to secure the off post supply, or if they would wait until later to find funding to do that.

Jim and I talked about at the least sizing and bidding the facilities in two alternates, 1 for quantity just for HCWD1 needs, and the other for both HCWD1 and FK needs. Regardless of the constructed size, I think we need to make pump station scalable to add FK demand later. Last year, HDR, Jim and myself picked a site on Govt property which is near confluence of FK 24 inch and HCWD1 14 inch mains, which if placed there, gives max flexibility for routing LWC water to both systems.

I will be out for week in May, but can meet most anytime other than that week. Will let Jim know my schedule

Look forward to meeting with you

Jim Bruce

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

From: Greg Heitzman [mailto:gheitzman@lwcky.com]
Sent: Wed 5/4/2011 9:37 PM
To: Jim Bruce
Cc: Jim Smith
Subject: Re: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

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President
Louisville Water Company
Celebrating 150 Years of Service

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Sent: Tuesday, May 03, 2011 3:21 PM
To: Koessel, Brian DLA CIV ENERGY; <mailto:Taina.Rivera@dla.mil>
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From: Koessel, Brian DLA CIV ENERGY [mailto:Brian.Koessel@dla.mil]
Sent: Monday, May 02, 2011 5:59 PM
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David.Hackworth@CH2M.com<mailto:David.Hackworth@CH2M.com>; Rivera, Taina DLA CIV ENERGY
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Brian.Koessel@dla.mil<mailto:Brian.Koessel@dla.mil>

Jim Bruce

From: Jim Bruce
Sent: Thursday, May 05, 2011 8:42 AM
To: 'Jim Smith'
Subject: FW: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

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From: Jim Bruce
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To: Greg Heitzman
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Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
(703) 767-1595 (DSN 427)

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Thursday, April 28, 2011 8:33 AM
To: Koessel, Brian DLA CIV ENERGY; Rivera, Taina DLA CIV ENERGY; Gray, Martha A DLA CIV ENERGY
Cc: Jim Smith; Brett Pyles; Preston Pendley; <mailto:David.Hackworth@CH2M.com>
David.Hackworth@CH2M.com<mailto:David.Hackworth@CH2M.com>
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

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From: David.Hackworth@CH2M.com
Sent: Thursday, May 05, 2011 8:37 PM
To: Dave.Gray@CH2M.com; JSmith@lwcky.com; Jim Bruce; Preston Pendley; Brett Pyles
Subject: Proposal schedule

Team,

I have developed this tentative schedule to meet the DESC deadline of June 3

Milestone	Date
Receive Negotiation Message	May 13
Conf Call with DESC	May 16
Submit Initial Response	May 18
Affirmative Response and finalize all pricing	May 20
Vol IV Draft– Dave Gray in SEA	May 26
Vol 1 Draft – David Hackworth	May 26
HCWD/LWC Review	May 27
Memorial Day Weekend	May 28-May 30
Finalize Proposal	June 1
Production and Fed Ex	June 2
Arrive DESC	June 3

Any comments?

Thanks
David

David Hackworth, P.E.
Vice President and Area Manager
CH2M HILL
401 W. Main Street, Suite 500
Louisville, KY 40202
Direct - 502.584.6052
Fax - 502.587.9343
Mobile - 502.541.5385
www.ch2mhill.com

Jim Bruce

From: Jim Bruce
Sent: Friday, May 06, 2011 8:03 AM
To: 'Greg Heitzman'
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Sensitivity: Confidential

Greg;

That sounds good. Agree with all your points. If it were up to me only, I would also bid ASAP. However, my Board is having real hesitation about LWC / HCWD1 compatibility issue and what it will take to solve that. While they approved proceeding with finalizing the purchased water agreement with LWC, one or two of them actually question whether we should even buy LWC water. We really do not have a lot of other options, since Govt will no longer have water system, and no one else around us has excess capacity. At meeting when the last took vote (4/19) they seemed to indicate they would wait until compatibility study were complete and all those questions answered, before they proceeded with executing an agreement.

As you know, I cannot speak for the Board, just passing on what I heard and observed. You may want to get with Rengao and Jim and see where they see the study concluding and options we may have. Board asked when study would be done and conclusions available and Brett told them probably not till late summer or fall. David Wilson (our atty) understands the urgency and wants to bring back purchased water agreement in June if possible, which I have passed on to Jim and Barbara.

Look forward to getting together later this month

Thanks

Jim

From: Greg Heitzman [mailto:gheitzman@lwcky.com]
Sent: Thursday, May 05, 2011 5:54 PM
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Cc: Jim Smith; Jim Brammell; Jo Ann McGee
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Sent: Friday, May 06, 2011 8:50 AM
To: Jim Bruce
Subject: FW: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Mr. Bruce,

Are you available on Tuesday, May 31 at 11:30 a.m. – 12:30 p.m. to meet with Greg Heitzman, Jim Smith and Jim Brammell? If so, do you have a preferred location on Dixie for the lunch time meeting?

Thanks,

Jo Ann McGee

From: Greg Heitzman
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I apologize for the delay in my response. I have arranged a conference line on Thursday at 11ET for our discussion. If this time is convenient for you, please let me know and I will send out a meeting invite. The Government looks forward to discussing any questions that you and your team may have. To better prepare ourselves, are these questions that will require the participation of the technical and pricing folks or are the questions general in nature? Again, I apologize for not returning your inquiry sooner.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
(703) 767-1595 (DSN 427)

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Thursday, April 28, 2011 8:33 AM
To: Koessel, Brian DLA CIV ENERGY; Rivera, Taina DLA CIV ENERGY; Gray, Martha A DLA CIV ENERGY
Cc: Jim Smith; Brett Pyles; Preston Pendley; <<mailto:David.Hackworth@CH2M.com>>
David.Hackworth@CH2M.com<<mailto:David.Hackworth@CH2M.com>>
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Mr. Koessel;

Our team did discuss your request on a conference call referenced in our 30-March email below. We had left you a voice message on 1-April requesting a conference call with you as we had a few questions before we could provide a response to your 29-March request. A couple weeks later, I had left another voice message with you to see if we could schedule the conference call.

We had not heard any response, possibly because your voice messaging was not working, or you had been traveling or working on other deadlines. We wanted to provide this email to request a conference call to hopefully answer our few questions, and provide a response on the FPR submittal timing.

We look forward to hearing back from you

Thank You

Jim Bruce
HCWD1

Mr Koessel;

Thank you for the update and request for response. Our team has a meeting scheduled this Friday and we will be able to respond to your question about timing on Friday. We look forward to further dialogue in the future.

Thank You

Jim Bruce
HCWD1
General Manager

From: Koessel, Brian DLA CIV ENERGY [<mailto:Brian.Koessel@dla.mil>]
Sent: Tuesday, March 29, 2011 11:56 AM
To: Jim Bruce; Brett Pyles; Preston Pendley; Jim Smith; <<mailto:David.Hackworth@CH2M.com>>
David.Hackworth@CH2M.com<<mailto:David.Hackworth@CH2M.com>>
Cc: Rivera, Taina DLA CIV ENERGY
Subject: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Mr. Bruce,

DLA Energy is preparing its request for a Final Proposal Revision (FPR) from HCWD1. The request for a FPR will be accompanied by a negotiation message, identifying the remaining open issues. The remaining open issues are predominantly clarifications and requests for additional information pertaining to responses already provided by HCWD1. To assist in our planning, I would like to request an estimate of how much time HCWD1 will require to prepare and submit its FPR. The Government hopes that three weeks will be sufficient.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dla.mil<<mailto:Brian.Koessel@dla.mil>>

Jim Bruce

From: Jim Smith [JSmith@lwcky.com]
Sent: Friday, May 06, 2011 11:30 AM
To: David.Hackworth@CH2M.com; Dave.Gray@CH2M.com; Jim Bruce; Preston Pendley; Brett Pyles
Subject: RE: Proposal schedule

Looks good to me. I thought I heard Brian talk about an electronic submittal on June 3rd followed by paper copy submittal on June 6th. Irrespectively, I think we stick to this schedule.

Thanks,
Jim

From: David.Hackworth@CH2M.com [mailto:David.Hackworth@CH2M.com]
Sent: Thursday, May 05, 2011 8:37 PM
To: Dave.Gray@CH2M.com; Jim Smith; jbruce@hcwd.com; ppendley@HCWD.com; bpyles@hcwd.com
Subject: Proposal schedule

Team,

I have developed this tentative schedule to meet the DESC deadline of June 3

Milestone	Date
Receive Negotiation Message	May 13
Conf Call with DESC	May 16
Submit Initial Response	May 18
Affirmative Response and finalize all pricing	May 20
Vol IV Draft– Dave Gray in SEA	May 26
Vol 1 Draft – David Hackworth	May 26
HCWD/LWC Review	May 27
Memorial Day Weekend	May 28-May 30
Finalize Proposal	June 1
Production and Fed Ex	June 2
Arrive DESC	June 3

Any comments?

Thanks
David

David Hackworth, P.E.
Vice President and Area Manager
CH2M HILL
401 W. Main Street, Suite 500
Louisville, KY 40202
Direct - 502.584.6052
Fax - 502.587.9343
Mobile - 502.541.5385
www.ch2mhill.com

Jim Bruce

From: Jim Bruce
Sent: Tuesday, May 10, 2011 1:25 PM
To: 'Jo Ann McGee'
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Jo Ann;

Time and date works good. Did Greg want to meet on South Dixie to be able to look at possible connection and pump station site? If not, I do not mind coming up to your office. Also, did I need to bring our engineer or anyone besides just me?

Thanks

Jim Bruce

From: Jo Ann McGee [mailto:jmcgee@lwcky.com]
Sent: Friday, May 06, 2011 8:50 AM
To: Jim Bruce
Subject: FW: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Mr. Bruce,

Are you available on Tuesday, May 31 at 11:30 a.m. – 12:30 p.m. to meet with Greg Heitzman, Jim Smith and Jim Brammell? If so, do you have a preferred location on Dixie for the lunch time meeting?

Thanks,

Jo Ann McGee

From: Greg Heitzman
Sent: Thursday, May 05, 2011 5:54 PM
To: Jim Bruce
Cc: Jim Smith; Jim Brammell; Jo Ann McGee
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Jim: I will ask Jo Ann to get us a 1 hour mtg to meet in late May. Me, You, Jim Smith. Feel free to bring Bret. I also want to bring Jim Brammell, our Chief Engineer, into the loop on this project. We can meet out off Dixie for lunch, if that will help travel time for everyone.

My major concern is to move forward on the \$4.5M KY ED grant, in parallel with privatization, get base bid 16" or 20" transmission under design, with alternate bid scope scenario to upsize to 24". I agree we can design BPS to add pump capacity later. LWC can assist with financing if needed.

I think if we move on this approach, it will actually put some pressure on Ft Knox to push for a decision from DLA, knowing we are moving.

We need to get a bid on the street in next 3-5 months, as I expect inflation will be kicking in after July 2011, as Fed begins to lift QE2. We can ask for prices to be held 90 days, so we don't have to make final decision to build till as late as December, but can pull the trigger if needed. We are beginning to see some construction inflation, especially for

materials creep back into bid prices. Before long, we may find \$4.5M will not cover the costs of the transmission, storage and BPS.

Greg C. Heitzman
President & CEO
Louisville Water Company

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Thursday, May 05, 2011 2:14 AM
To: Greg Heitzman
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Greg;

I would welcome chance to sit down with you and talk about that prospect. We will also bring up again with DLA on conference call today. As you may recall, the integration of LWC supply was basis for our alternate proposal in 2008, which Govt rejected. We again brought up during our face to face negotiations in December, and DLA said they are not authorized to include commodity contracts with privatization efforts, but that the commodity supply would be handled by local FK contracting office.

My goal and challenge presently is to convince my Board to execute the LWC purchased water agreement, so we can begin final design on the facility. Once that process begins, and final design parameters are being set, I thought that was best time to go to Govt contracting and let them know that if we need to upsize facilities for FK benefit, this is best time to do that. We could then see if they were ready and serious to secure the off post supply, or if they would wait until later to find funding to do that.

Jim and I talked about at the least sizing and bidding the facilities in two alternates, 1 for quantity just for HCWD1 needs, and the other for both HCWD1 and FK needs. Regardless of the constructed size, I think we need to make pump station scalable to add FK demand later. Last year, HDR, Jim and myself picked a site on Govt property which is near confluence of FK 24 inch and HCWD1 14 inch mains, which if placed there, gives max flexibility for routing LWC water to both systems.

I will be out for week in May, but can meet most anytime other than that week. Will let Jim know my schedule

Look forward to meeting with you

Jim Bruce

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

From: Greg Heitzman [mailto:gheitzman@lwcky.com]
Sent: Wed 5/4/2011 9:37 PM
To: Jim Bruce
Cc: Jim Smith
Subject: Re: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Jim, at your convenience, I would like to meet at discuss how we integrate the \$4.5 transmission grant from KY Economic Development into the privatization project, so we maximize the value of both. I'll ask Jim Smith to coordinate a time in next few weeks.

Hope we can bring this next round to closure. I think I recall back then you told me to expect a 3 year process, even though they said they wanted a contract by Dec 2008!

Hard to believe, but it has been 3 years since the first REI!

Thanks.

Greg Heitzman
President
Louisville Water Company
Celebrating 150 Years of Service

On May 4, 2011, at 10:49 AM, "Jim Smith" <JSmith@lwcky.com<mailto:JSmith@lwcky.com>> wrote:

Fyi. Negotiations are underway again for Ft Knox.

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Tuesday, May 03, 2011 3:21 PM
To: Koessel, Brian DLA CIV ENERGY; <<mailto:Taina.Rivera@dla.mil>> Taina.Rivera@dla.mil<<mailto:Taina.Rivera@dla.mil>>
Cc: Preston Pendley; Brett Pyles; David.Hackworth@CH2M.com<<mailto:David.Hackworth@CH2M.com>>; Jim Smith
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Mr Koessel;

A conference call Thursday at 11AM will work for us. Our questions are more of process and timing, and sequence of getting final questions from Govt before finalizing FPR or submitting FPR and then getting another round of questions / information requests. Also would help to know nature of final questions an information requests to know how much resources or time responding to those will take, before starting on FPR. Should take 30 minutes or less to go over our questions and get clarification.

Please send meeting invite information.

Thank You

Jim Bruce
General Manager
HCWD1

From: Koessel, Brian DLA CIV ENERGY [<mailto:Brian.Koessel@dla.mil>]
Sent: Monday, May 02, 2011 5:59 PM
To: Jim Bruce
Cc: Jim Smith; Brett Pyles; Preston Pendley; David.Hackworth@CH2M.com<<mailto:David.Hackworth@CH2M.com>>; Rivera, Taina DLA CIV ENERGY
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Mr. Bruce,

I apologize for the delay in my response. I have arranged a conference line on Thursday at 11ET for our discussion. If this time is convenient for you, please let me know and I will send out a meeting invite. The Government looks forward to discussing any questions that you and your team may have. To better prepare ourselves, are these questions that will require the participation of the technical and pricing folks or are the questions general in nature? Again, I apologize for not returning your inquiry sooner.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
(703) 767-1595 (DSN 427)

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Thursday, April 28, 2011 8:33 AM
To: Koessel, Brian DLA CIV ENERGY; Rivera, Taina DLA CIV ENERGY; Gray, Martha A DLA CIV ENERGY
Cc: Jim Smith; Brett Pyles; Preston Pendley; <<mailto:David.Hackworth@CH2M.com>>
David.Hackworth@CH2M.com<<mailto:David.Hackworth@CH2M.com>>
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Mr. Koessel;

Our team did discuss your request on a conference call referenced in our 30-March email below. We had left you a voice message on 1-April requesting a conference call with you as we had a few questions before we could provide a response to your 29-March request. A couple weeks later, I had left another voice message with you to see if we could schedule the conference call.

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response on the FPR submittal timing.

We look forward to hearing back from you

Thank You

Jim Bruce
HCWD1

Mr Koessel;

Thank you for the update and request for response. Our team has a meeting scheduled this Friday and we will be able to respond to your question about timing on Friday. We look forward to further dialogue in the future.

Thank You

Jim Bruce
HCWD1
General Manager

From: Koessel, Brian DLA CIV ENERGY [<mailto:Brian.Koessel@dla.mil>]
Sent: Tuesday, March 29, 2011 11:56 AM
To: Jim Bruce; Brett Pyles; Preston Pendley; Jim Smith; <<mailto:David.Hackworth@CH2M.com>>
David.Hackworth@CH2M.com<<mailto:David.Hackworth@CH2M.com>>
Cc: Rivera, Taina DLA CIV ENERGY
Subject: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Mr. Bruce,

DLA Energy is preparing its request for a Final Proposal Revision (FPR) from HCWD1. The request for a FPR will be accompanied by a negotiation message, identifying the remaining open issues. The remaining open issues are predominantly clarifications and requests for additional information pertaining to responses already provided by HCWD1. To assist in our planning, I would like to request an estimate of how much time HCWD1 will require to prepare and submit its FPR. The Government hopes that three weeks will be sufficient.

Regards,

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Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dla.mil<<mailto:Brian.Koessel@dla.mil>>

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Friday, May 13, 2011 3:24 PM
To: Jim Bruce
Cc: JSmith@lwcky.com
Subject: Fort Knox

Jim,

Have you heard from DESC today? If not, I may cancel our call on Monday. I already ordered the covers for June 2011.

David Hackworth, P.E.
Vice President and Area Manager
CH2M HILL
401 W. Main Street, Suite 500
Louisville, KY 40202
Direct - 502.584.6052
Fax - 502.587.9343
Mobile - 502.541.5385
www.ch2mhill.com

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Monday, May 16, 2011 9:34 AM
To: Jim Bruce
Subject: cover letter

Jim,

Can you update your cover letter with a date of June 1, 2011? I can only find the pdf copy here of your most recent version. Otherwise, I can update the word file from the Aug submittal. Let me know if you have yours handy

Thanks

David

David Hackworth, P.E.
Vice President and Area Manager
CH2M HILL
401 W. Main Street, Suite 500
Louisville, KY 40202
Direct - 502.584.6052
Fax - 502.587.9343
Mobile - 502.541.5385
www.ch2mhill.com

Jim Bruce

From: Preston Pendley
Sent: Monday, May 16, 2011 12:14 PM
To: David.Hackworth@CH2M.com; Jim Smith; Jim Bruce (jbruce@hcwd.com); Brett Pyles; Scott Schmuck (sschmuck@HCWD.com)
Cc: Daniel Clifford (dclifford@HCWD.com)
Subject: FW: Ft Knox Water; New Issue 3 for ISDC#1
Attachments: HCWD_FtKnoxWater_SOW.pdf

Ft Knox Water; New Issue 3 for ISDC#1

We can make those statements affirmatively. In SDI's proposal, item 3d actually refers to use of SDSFIE. Current procedure is to share data with Government for sanitary sewers quarterly, and yes, we can provide at request. And yes, we will maintain FK water system separately from other utilities.

Preston S. Pendley, P.E.
Engineering Manager
Hardin County Water District No. 1
PPendley@hcwd.com

From: Daniel Clifford
Sent: Monday, May 16, 2011 12:11 PM
To: Preston Pendley
Subject: Ft Knox Water

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Monday, May 16, 2011 2:06 PM
To: Jim Bruce; JSmith@lwcky.com; Brett Pyles; Preston Pendley; Dave.Gray@CH2M.com
Subject: Fort Knox Assignments

Team,

Here is my first cut of assignments:

HCWD1

1. New Issue 3:

- a. ISDC7 – Revise Otter Creek PS quote to include lightning protection
- b. ISDC8 – Revise Muldraugh HLPS quote to include membrane roof paint
- c. ISDC9 – Revise Central WTP quote to include testing and removal of asbestos and lead based
- d. ISDC 14 – Revise SCADA quote to include ATS
- e. ISDC 27 – Revise well platform quote to list the 13 wells
- f. ISDC29 – tipping fee at landfill for hazardous materials

2. New Issue 4:

- a. Revise tank quotes to include cathodic protection and revised based on DESC response to New Issue 4 questions
- b. Revise quote for tank 7.

3. New Issue 11:

- a. Revise meter replacement proposal to address issues in Neg message 4.

LWC

1. New Issue 3:

- a. ISDC 5- Revise estimate to 20" valves

2. New Issue 6:

- a. Estimate number of valves in distribution system estimates
- b. Revise hydrant quote to include isolation valves

David Hackworth, P.E.

Vice President and Area Manager
CH2M HILL
401 W. Main Street, Suite 500
Louisville, KY 40202
Direct - 502.584.6052
Fax - 502.587.9343
Mobile - 502.541.5385
www.ch2mhill.com

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Monday, May 16, 2011 2:07 PM
To: Jim Bruce
Subject: Question for DLA

Do the responses to Negotiation Messages 1-3 also need to be included in Volume 3?

David Hackworth, P.E.
Vice President and Area Manager
CH2M HILL
401 W. Main Street, Suite 500
Louisville, KY 40202
Direct - 502.584.6052
Fax - 502.587.9343
Mobile - 502.541.5385
www.ch2mhill.com

Jim Bruce

From: Jim Bruce
Sent: Monday, May 16, 2011 2:10 PM
To: 'Jim Smith'; 'David.Hackworth@CH2M.com'
Cc: Brett Pyles; Preston Pendley; Scott Schmuck
Subject: DLA Questions

All;

Here are my items / Q I plan to send to Brian today or tomorrow;

The following questions have been presented to DLA / Ft. Knox. In order to revise and finalize our pricing to include in the FPR, we will need to have these answered;

1. In demolishing the Muldraugh WTP facility, would we be allowed to implode structures into basins or cavities on site, and cover with topsoil and seed, or, will we be required to haul all construction debris to an off site landfill or disposal facility?
2. Our pricing for painting the elevated tanks included surface prep and overcoat of existing lead based paint, or encapsulating the current coating (but grinding and repairing any bare or surface rust first). Will this be allowed or will EMD / Ft Knox require that a full bare metal sand or media blast completely remove all lead paint and haul dust and old paint to an off site landfill or facility?
3. Do the replacement of altitude valves apply to each rehabilitated elevated tank in the ISDC list, or just one of the tanks?
4. Please provide specific roof materials or type which will be mandated for roof replacement at the Central WTP

Question – (From DH on what needs to be included where in which volume)

Please let me know if these sound OK. Once I get responses and David's question, will finalize and send to Brian

Thanks

Jim B

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Monday, May 16, 2011 2:20 PM
To: Jim Bruce; JSmith@lwcky.com
Cc: Brett Pyles; Preston Pendley; Scott Schmuck
Subject: RE: DLA Questions

Jim,

I think you got all the questions.. our emails must have crossed paths, as you should have mine by now..

Regards
David

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Monday, May 16, 2011 2:10 PM
To: Jim Smith; Hackworth, David/LOU
Cc: Brett Pyles; Preston Pendley; Scott Schmuck
Subject: DLA Questions

All;

Here are my items / Q I plan to send to Brian today or tomorrow;

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Question – (From DH on what needs to be included where in which volume)

Please let me know if these sound OK. Once I get responses and David's question, will finalize and send to Brian

Thanks

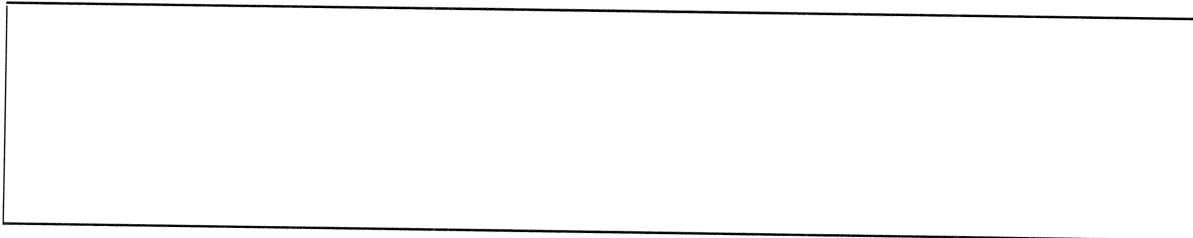
Jim B

Jim Bruce

From: Brett Pyles
Sent: Monday, May 16, 2011 2:24 PM
To: Jim Bruce
Subject: RE: DLA Questions

Suggestions in below.

BP



www.HCWD.com

From: Jim Bruce
Sent: Monday, May 16, 2011 2:10 PM
To: Jim Smith; David.Hackworth@CH2M.com
Cc: Brett Pyles; Preston Pendley; Scott Schmuck
Subject: DLA Questions

All;

Here are my items / Q I plan to send to Brian today or tomorrow;

The following questions have been presented to DLA / Ft. Knox. In order to revise and finalize our pricing to include in the FPR, we will need to have these answered;

1. In demolishing the Muldraugh WTP facility, would we be allowed to implode **[Brett]** might include "non-explosive demo" structures into basins or cavities on site, and cover with topsoil and seed, or, will we be required to haul all construction debris to an off site landfill or disposal facility?
2. Our pricing for painting the elevated tanks included surface prep and overcoat of existing lead based paint, or encapsulating the current coating (but grinding and repairing any bare or surface rust first). Will this be allowed or will EMD / Ft Knox require that a full bare metal sand or media blast completely remove all lead paint and haul dust and old paint to an off site landfill or facility?
3. Do **[Brett]** es the replacement of altitude valves apply to each rehabilitated elevated tank in the ISDC list, or just one of the tanks?
4. Please provide **[Brett]** the Ft. Knox specific **[Brett]** ation for roof materials or type which will be mandated for roof replacement at the Central WTP

Question – (From DH on what needs to be included where in which volume)

Please let me know if these sound OK. Once I get responses and David's question, will finalize and send to Brian

Thanks

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Monday, May 16, 2011 3:12 PM
To: Jim Bruce; JSmith@lwcky.com; Brett Pyles; Preston Pendley
Subject: ISDC 9

Team,

I just noticed that the quote for ISDC 9 also includes built up roof... even though it was not in Negotiation Message 4, we need to have Judy revise their quote to include membrane or other type of roof specified by Fort Knox..

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

Jim Bruce

From: Jim Smith [JSmith@lwcky.com]
Sent: Monday, May 16, 2011 3:23 PM
To: David.Hackworth@CH2M.com; Jim Bruce; Brett Pyles; Preston Pendley; Dave.Gray@CH2M.com
Subject: RE: Fort Knox Assignments
Attachments: Copy(2) of FH Cost Estimate-022811.xls

Please see attached estimate from one of my engineers, Andy Williams. Please note the estimate includes a 6-inch isolation, gate valve (highlighted in yellow). This is what I sent back in February. Please call if you have any questions.

Thanks,
Jim

From: David.Hackworth@CH2M.com [<mailto:David.Hackworth@CH2M.com>]
Sent: Monday, May 16, 2011 2:06 PM
To: jbruce@hcwd.com; Jim Smith; bpyles@hcwd.com; ppendley@HCWD.com; Dave.Gray@CH2M.com
Subject: Fort Knox Assignments

Team,

Here is my first cut of assignments:

HCWD1

1. New Issue 3:

- a. ISDC7 – Revise Otter Creek PS quote to include lightning protection
- b. ISDC8 – Revise Muldraugh HGPS quote to include membrane roof
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2. New Issue 6:

- a. Estimate number of valves in distribution system estimates
- b. Revise hydrant quote to include isolation valves

Jim Bruce

From: Jim Smith [JSmith@lwcky.com]
Sent: Monday, May 16, 2011 3:48 PM
To: David.Hackworth@CH2M.com; Jim Bruce; Brett Pyles; Preston Pendley; Dave.Gray@CH2M.com
Subject: RE: Fort Knox Assignments

What I thought we discussed with DLA and its contractors was an isolation valve, isolating the hydrant from the main via a tee and a valve. The special EZ valve, in lieu of the gate valve, would allow installation without shutting down the line.

From: David.Hackworth@CH2M.com [<mailto:David.Hackworth@CH2M.com>]
Sent: Monday, May 16, 2011 3:31 PM
To: Jim Smith; jbruce@hcwd.com; bpyles@hcwd.com; ppendley@HCWD.com; Dave.Gray@CH2M.com
Subject: RE: Fort Knox Assignments

This is the quote we have in the ISDC response.. however, I thought the valve in the footnote was a special valve that allowed us to install the hydrant without shutting down the main

From: Jim Smith [<mailto:JSmith@lwcky.com>]
Sent: Monday, May 16, 2011 3:23 PM
To: Hackworth, David/LOU; jbruce@hcwd.com; bpyles@hcwd.com; ppendley@HCWD.com; Gray, Dave/DSO
Subject: RE: Fort Knox Assignments

Please see attached estimate from one of my engineers, Andy Williams. Please note the estimate includes a 6-inch isolation, gate valve (highlighted in yellow). This is what I sent back in February. Please call if you have any questions.

Thanks,
Jim

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Sent: Monday, May 16, 2011 2:06 PM
To: jbruce@hcwd.com; Jim Smith; bpyles@hcwd.com; ppendley@HCWD.com; Dave.Gray@CH2M.com
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- c. ISDC9 – Revise Central WTP quote to include testing and removal of asbestos and lead based paint
- d. ISDC 14 – Revise SCADA quote to include ATS
- e. ISDC 27 – Revise well platform quote to list the 13 wells
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a. Revise meter replacement proposal to address issues in Neg message 4.

LWC

1. New Issue 3:

a. ISDC 5- Revise estimate to 20" valves

2. New Issue 6:

a. Estimate number of valves in distribution system estimates

b. Revise hydrant quote to include isolation valves

David Hackworth, P.E.

Vice President and Area Manager

CH2M HILL

401 W. Main Street, Suite 500

Louisville, KY 40202

Direct - 502.584.6052

Fax - 502.587.9343

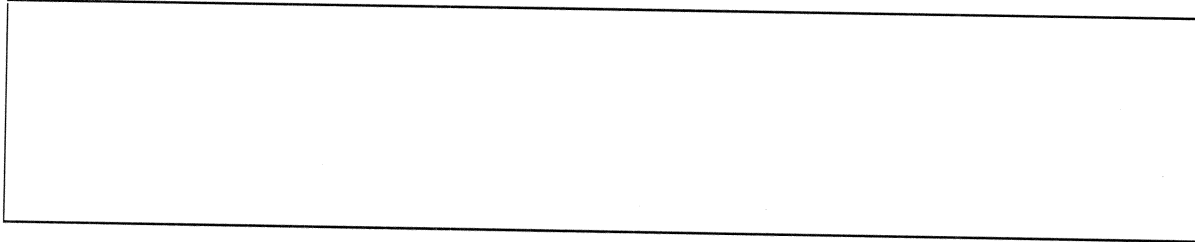
Mobile - 502.541.5385

www.ch2mhill.com

Jim Bruce

From: Brett Pyles
Sent: Monday, May 16, 2011 3:59 PM
To: David.Hackworth@CH2M.com; Jim Bruce; JSmith@lwcky.com; Preston Pendley
Subject: RE: ISDC 9

Am working on it.



www.HCWD.com

From: David.Hackworth@CH2M.com [<mailto:David.Hackworth@CH2M.com>]
Sent: Monday, May 16, 2011 3:12 PM
To: Jim Bruce; JSmith@lwcky.com; Brett Pyles; Preston Pendley
Subject: ISDC 9

Team,

I just noticed that the quote for ISDC 9 also includes built up roof... even though it was not in Negotiation Message 4, we need to have Judy revise their quote to include membrane or other type of roof specified by Fort Knox..

David Hackworth, P.E.
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www.ch2mhill.com

Jim Bruce

From: Bill Rissel [wjrisssel@fortknoxfcu.net]
Sent: Monday, May 16, 2011 4:33 PM
To: Jim Bruce
Subject: RE: FK Water Update
Attachments: image001.jpg

Sensitivity: Confidential

Good.

William J. Rissel

President & CEO

FORT KNOX FEDERAL
CREDIT UNION
People Helping People

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Monday, May 16, 2011 3:00 PM
To: Bill Rissel; David Wilson, SBW; gompa@comcast.net; brucehcwd@yahoo.com; Wwjtin@aol.com; hockman@bbtel.com; Steve Walton
Subject: FK Water Update
Sensitivity: Confidential

Board;

Last week we received latest Negotiation Message (#4) from Govt with 20 new issues or follow up questions. We had a conference call today with them (DLA) and their 2 consultants reviewing our proposal. They answered several questions we had, and we posed 5 new questions to them, which they will get back to us soon.

They have set date of 3-June to have our FPR (Final Proposal Revision) on CD's to them, with hard copy due on 7-June. In their latest NM, they stated "...the Govt does not plan on holding further discussions with any offeror as the process moves into final evaluation, Source Selection Authority [SSA] decision, Congressional notification, and final award phase. A notification of the SSA's decision will be provided in writing"

They also told us verbally that the final phase and review could take 2 months. They have told us their goal is to still sign contract in 2011, with probably operations take over date on or before Dec 31, 2011.

It sounds like this is the last phase and proposal revision to be submitted. The following are possibilities I see happening;

1. Our price proposal does not meet the Fed requirement of beating their estimate by at least 10% and the Govt chooses NOT to privatize the water system
2. They choose another offerors proposal (we still think we are only bidder)
3. They accept our FPR and contact us that we have been awarded the contract, and present us contract to execute, and start 4 month transition period

If #3 happens, we will have to immediately begin finalizing contract with CH2M Hill for all start up and engineering services for next 24 months, and also finalize an Operations Agreement / Contract with LWC to have them operate the WTP's on post and provide other services to HCWD1.

Let me know if you have any questions. We and CH2M have lots of work to do in next couple weeks to respond to their latest questions and also finalize our proposal to meet deadline

Thanks

Jim Bruce

Jim Bruce

From: Jim Bruce
Sent: Tuesday, May 17, 2011 8:16 AM
To: 'Jim Smith'; 'David.Hackworth@CH2M.com'
Cc: Preston Pendley; Brett Pyles; Richard Stranahan
Subject: RE: Fort Knox Assignments

I understood they want us to include just the isolation valve for each hydrant. The iso could be an insertable (for much more cost) but keep the main hot, where a standard valve would require shutting down main for each hydrant job. My recommendation would be we price the standard valve. What do you all think?

Jim

From: Jim Smith [<mailto:JSmith@lwcky.com>]
Sent: Monday, May 16, 2011 3:48 PM
To: David.Hackworth@CH2M.com; Jim Bruce; Brett Pyles; Preston Pendley; Dave.Gray@CH2M.com
Subject: RE: Fort Knox Assignments

What I thought we discussed with DLA and its contractors was an isolation valve, isolating the hydrant from the main via a tee and a valve. The special EZ valve, in lieu of the gate valve, would allow installation without shutting down the line.

From: David.Hackworth@CH2M.com [<mailto:David.Hackworth@CH2M.com>]
Sent: Monday, May 16, 2011 3:31 PM
To: Jim Smith; jbruce@hcwd.com; bpyles@hcwd.com; ppendley@HCWD.com; Dave.Gray@CH2M.com
Subject: RE: Fort Knox Assignments

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To: Hackworth, David/LOU; jbruce@hcwd.com; bpyles@hcwd.com; ppendley@HCWD.com; Gray, Dave/DSO
Subject: RE: Fort Knox Assignments

Please see attached estimate from one of my engineers, Andy Williams. Please note the estimate includes a 6-inch isolation, gate valve (highlighted in yellow). This is what I sent back in February. Please call if you have any questions.

Thanks,
Jim

From: David.Hackworth@CH2M.com [<mailto:David.Hackworth@CH2M.com>]
Sent: Monday, May 16, 2011 2:06 PM
To: jbruce@hcwd.com; Jim Smith; bpyles@hcwd.com; ppendley@HCWD.com; Dave.Gray@CH2M.com
Subject: Fort Knox Assignments

Team,

Here is my first cut of assignments:

HCWD1

1. New Issue 3:

- paint
- a. ISDC7 – Revise Otter Creek PS quote to include lightning protection
 - b. ISDC8 – Revise Muldraugh HLPS quote to include membrane roof
 - c. ISDC9 – Revise Central WTP quote to include testing and removal of asbestos and lead based
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 - e. ISDC 27 – Revise well platform quote to list the 13 wells
 - f. ISDC29 – tipping fee at landfill for hazardous materials

2. New Issue 4:

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- a. Revise tank quotes to include cathodic protection and revised based on DESC response to New
 - b. Revise quote for tank 7.

3. New Issue 11:

- a. Revise meter replacement proposal to address issues in Neg message 4.

LWC

1. New Issue 3:

- a. ISDC 5- Revise estimate to 20" valves

2. New Issue 6:

- a. Estimate number of valves in distribution system estimates
- b. Revise hydrant quote to include isolation valves

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Jim Bruce

From: Jim Bruce
Sent: Tuesday, May 17, 2011 8:59 AM
To: Brett Pyles; Amanda Spalding
Cc: 'Jim Smith'
Subject: DOW meeting set up

Brett;

Please have Mandy contact & coordinate a meeting in Frankfort with appropriate DOW person(s) about FK Water permit transfer. Want to discuss;

- What do they need from us to request permit transfer? (FK Water changing ownership)
- Will it be a co-permittee like FK sewer?, or just us as named owner
- Will there be any issues with LWC operating the WTP's and preparing monthly MOR's?
- How long would it take to approve transfer after they get request?
- Will there be any permit / parameter review or changes when it changes from FK to HCWD1 ownership?
- May want to ask about BWA's also and see if they will have any special variances or requirements (650 hydrant replacements, lots of BWA's ?)
- Any other questions you and Mandy can think of

We will ask LWC person(s) to attend meeting also. Not sure if just Jim Smith will go or others

Thanks

Jim

Jim Bruce

From: Jim Smith [JSmith@lwcky.com]
Sent: Tuesday, May 17, 2011 9:12 AM
To: Jim Bruce
Subject: RE: DOW meeting set up

Jim,

Let me know when this is set up and I will arrange my schedule to attend.

Thanks,
Jim

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Tuesday, May 17, 2011 8:59 AM
To: Brett Pyles; Amanda Spalding
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Thanks

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From: David.Hackworth@CH2M.com
Sent: Tuesday, May 17, 2011 9:18 AM
To: Jim Bruce; JSmith@lwcky.com
Cc: Preston Pendley; Brett Pyles; Richard Stranahan
Subject: RE: Fort Knox Assignments

I agree with Jim Bruce that we should quote the cost based on the standard valve. We can remove the note about shutting down the water main because it caused confusion with DESC. When we get to the implementation phase, we can deal with this issue. In our proposal, we said we would try to coordinate hydrant replacement with installation of new lines...

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Tuesday, May 17, 2011 8:16 AM
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I agree as well. David, you should have everything you need for the fire hydrant ISDC. Let me know if you need anything else on this.

Thanks,
Jim

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Vice President and Area Manager
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Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Tuesday, May 17, 2011 10:03 AM
To: Jim Bruce
Subject: do we want to add Preston to the start-up

LABOR						
Labor Category	Staff	# of Emps	U/M	Hourly Cost		
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Water Treatment Supervisor	Kent Horrel	1	Hr	\$ 80.48	54.0	\$ 4,34
Water Distribution Supervisor	Richard Stranahan	1	Hr	\$ 38.55	46.0	\$ 1,77
Maintenance Supervisor	John Azzura	1	Hr	\$ 68.25	110.0	\$ 7,50
HCWD Board		1	Hr	\$ 234.00	4.0	\$ 93
Legal		1	Hr	\$ 150.00	100.0	\$ 15,00
Accounting Specialist	TBD	1	Hr	\$ 25.36	108.0	\$ 2,73
Safety and Security	David Simmons	1	Hr	\$ 63.90	120.0	\$ 7,66
RAW LABOR		10			780	\$ 55,62
Fringe				Benefits Rate for 2008 *****		\$
TOTAL LABOR (Raw + Fringe)						\$ 55,62
EXPENSES			U/M	Unit Rate	QTY	\$
OPERATING EXPENSES						
Computers			Lot	\$ 31,400.00	1	\$ 31,40
Office Furnishings			Lot	\$ 15,300.00	1	\$ 15,30
Equipment			Lot	\$ 68,750.00	1	\$ 68,75
Vehicles			Lot	\$ 172,000.00	1	\$ 172,00
Backhoe			Each	\$ 70,000.00	1	\$ 70,00
Water Labs			Lot	\$ 54,000.00	1	\$ 54,00
Purchase/License CMMS			Lot	\$ 25,000.00	1	\$ 25,00
Other Equipment			Lot	\$ 20,000.00	1	\$ 20,00
Subtotal						456,45
OUTSIDE SERVICES / SUBCONTRACTS / PURCHASES						
Transition Support - CH2M HILL			Lot	\$ 35,000.00	1	\$ 35,00

Subtotal		\$	35,000.00
TOTAL EXPENSES		\$	<u>491,450.00</u>
TOTAL LABOR AND EXPENSES		\$	547,075.22
SUBTOTAL		\$	547,075.22
OVERHEAD AND SERVICE CENTER	4.4%	\$	<u>24,071.31</u>
GRAND TOTAL		\$	<u>571,146.53</u>

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Jim Bruce

From: Jim Bruce
Sent: Tuesday, May 17, 2011 10:00 AM
To: 'David.Hackworth@CH2M.com'
Cc: Scott Schmuck
Subject: RE: do we want to add Preston to the start-up

David;

I guess since we added his cost to other parts of pricing, would make sense to add to start-up transition as well. I think we will use 276 hours (4 months x 173 hours x 40%) for his time, and provide his hourly rate with benefits. Will send to you as soon as I get current rate

Thanks

Jim

From: David.Hackworth@CH2M.com [mailto:David.Hackworth@CH2M.com]
Sent: Tuesday, May 17, 2011 10:03 AM
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OPERATING EXPENSES						
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Office Furnishings			Lot	\$	1	\$

		15,300.00		15,30
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Subtotal				456,45
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GRAND TOTAL				\$ 571,146.53

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Jim Bruce

From: Jim Bruce
Sent: Tuesday, May 17, 2011 10:10 AM
To: 'David.Hackworth@CH2M.com'
Cc: Scott Schmuck
Subject: RE: do we want to add Preston to the start-up

David;

The current hourly rate with benefits is \$39.41. For 276 hours, this would add a total of \$10,877 to the transition / start-up cost and surcharge for 1 month. Preston's title here is Engineering Manager, but in proposal we called Project Manager. Not sure how to list him.

Thanks for thinking of this

Jim

David;

I guess since we added his cost to other parts of pricing, would make sense to add to start-up transition as well. I think we will use 276 hours (4 months x 173 hours x 40%) for his time, and provide his hourly rate with benefits. Will send to you as soon as I get current rate

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Computers		Lot	\$ 31,400.00	1	\$ 31,40
Office Furnishings		Lot	\$ 15,300.00	1	\$ 15,30
Equipment		Lot	\$ 68,750.00	1	\$ 68,75
Vehicles		Lot	\$ 172,000.00	1	\$ 172,00
Backhoe		Each	\$ 70,000.00	1	\$ 70,00
Water Labs		Lot	\$ 54,000.00	1	\$ 54,00
Purchase/License CMMS		Lot	\$ 25,000.00	1	\$ 25,00
Other Equipment		Lot	\$ 20,000.00	1	\$ 20,00
Subtotal					456,45
OUTSIDE SERVICES / SUBCONTRACTS / PURCHASES					
Transition Support - CH2M HILL		Lot	\$ 35,000.00	1	\$ 35,00
Subtotal					35,000.00
TOTAL EXPENSES					\$ 491,450.00
TOTAL LABOR AND EXPENSES					\$ 547,075.22
SUBTOTAL					\$ 547,075.22
OVERHEAD AND SERVICE CENTER			4.4%		\$ 24,071.31
GRAND TOTAL					\$ 571,146.53

David Hackworth, P.E.
Vice President and Area Manager
CH2M HILL
401 W. Main Street, Suite 500
Louisville, KY 40202
Direct - 502.584.6052
Fax - 502.587.9343
Mobile - 502.541.5385
www.ch2mhill.com

Jim Bruce

From: Jim Smith [JSmith@lwcky.com]
Sent: Tuesday, May 17, 2011 11:01 AM
To: David.Hackworth@CH2M.com
Cc: Jim Bruce; Brett Pyles; Preston Pendley
Subject: RE: Fort Knox Assignments
Attachments: ISDC 5 20-24 Valve Install Cost.xls

Attached is the estimate for the 20-inch gate valves for the 24-inch Raw Water main, ISDC #5. Please note the scope of work is based on replacing 3 in the dirt and 3 along US 31-W. The ones along US 31-W assume traffic control associated with closing down one lane of traffic. Please let me know if you have any questions.

Thanks,
Jim

From: David.Hackworth@CH2M.com [mailto:David.Hackworth@CH2M.com]
Sent: Tuesday, May 17, 2011 9:45 AM
To: Jim Smith
Subject: RE: Fort Knox Assignments

Jim,

I still need the cost estimate for the six 20 inch valves.. also, were you going to update the costs for the Central WTP operation?

Thanks
David

From: Jim Smith [mailto:JSmith@lwcky.com]
Sent: Tuesday, May 17, 2011 9:22 AM
To: Hackworth, David/LOU; jbruce@hcwd.com
Cc: ppendley@HCWD.com; bpyles@hcwd.com; rstranahan@hcwd.com
Subject: RE: Fort Knox Assignments

I agree as well. David, you should have everything you need for the fire hydrant ISDC. Let me know if you need anything else on this.

Thanks,
Jim

From: David.Hackworth@CH2M.com [mailto:David.Hackworth@CH2M.com]
Sent: Tuesday, May 17, 2011 9:18 AM
To: jbruce@hcwd.com; Jim Smith
Cc: ppendley@HCWD.com; bpyles@hcwd.com; rstranahan@hcwd.com
Subject: RE: Fort Knox Assignments

I agree with Jim Bruce that we should quote the cost based on the standard valve. We can remove the note about shutting down the water main because it caused confusion with DESC. When we get to the implementation phase, we can deal with this issue. In our proposal, we said we would try to coordinate hydrant replacement with installation of new lines...

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Tuesday, May 17, 2011 8:16 AM
To: Jim Smith; Hackworth, David/LOU
Cc: Preston Pendley; Brett Pyles; Richard Stranahan
Subject: RE: Fort Knox Assignments

I understood they want us to include just the isolation valve for each hydrant. The iso could be an insertable (for much more cost) but keep the main hot, where a standard valve would require shutting down main for each hydrant job. My recommendation would be we price the standard valve. What do you all think?

Jim

From: Jim Smith [mailto:JSmith@lwcky.com]
Sent: Monday, May 16, 2011 3:48 PM
To: David.Hackworth@CH2M.com; Jim Bruce; Brett Pyles; Preston Pendley; Dave.Gray@CH2M.com
Subject: RE: Fort Knox Assignments

What I thought we discussed with DLA and its contractors was an isolation valve, isolating the hydrant from the main via a tee and a valve. The special EZ valve, in lieu of the gate valve, would allow installation without shutting down the line.

From: David.Hackworth@CH2M.com [mailto:David.Hackworth@CH2M.com]
Sent: Monday, May 16, 2011 3:31 PM
To: Jim Smith; jbruce@hcwd.com; bpyles@hcwd.com; ppendley@HCWD.com; Dave.Gray@CH2M.com
Subject: RE: Fort Knox Assignments

This is the quote we have in the ISDC response.. however, I thought the valve in the footnote was a special valve that allowed us to install the hydrant without shutting down the main

From: Jim Smith [mailto:JSmith@lwcky.com]
Sent: Monday, May 16, 2011 3:23 PM
To: Hackworth, David/LOU; jbruce@hcwd.com; bpyles@hcwd.com; ppendley@HCWD.com; Gray, Dave/DSO
Subject: RE: Fort Knox Assignments

Please see attached estimate from one of my engineers, Andy Williams. Please note the estimate includes a 6-inch isolation, gate valve (highlighted in yellow). This is what I sent back in February. Please call if you have any questions.

Thanks,
Jim

From: David.Hackworth@CH2M.com [mailto:David.Hackworth@CH2M.com]
Sent: Monday, May 16, 2011 2:06 PM
To: jbruce@hcwd.com; Jim Smith; bpyles@hcwd.com; ppendley@HCWD.com; Dave.Gray@CH2M.com
Subject: Fort Knox Assignments

Team,

Here is my first cut of assignments:

HCWD1

1. New Issue 3:
 - a. ISDC7 – Revise Otter Creek PS quote to include lightning protection
 - b. ISDC8 – Revise Muldraugh HLPS quote to include membrane roof

- paint
- c. ISDC9 – Revise Central WTP quote to include testing and removal of asbestos and lead based
 - d. ISDC 14 – Revise SCADA quote to include ATS
 - e. ISDC 27 – Revise well platform quote to list the 13 wells
 - f. ISDC29 – tipping fee at landfill for hazardous materials

2. New Issue 4:

- Issue 4 questions
- a. Revise tank quotes to include cathodic protection and revised based on DESC response to New
 - b. Revise quote for tank 7.

3. New Issue 11:

- a. Revise meter replacement proposal to address issues in Neg message 4.

LWC

1. New Issue 3:

- a. ISDC 5- Revise estimate to 20" valves

2. New Issue 6:

- a. Estimate number of valves in distribution system estimates
- b. Revise hydrant quote to include isolation valves

David Hackworth, P.E.
Vice President and Area Manager
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Fax - 502.587.9343
Mobile - 502.541.5385
www.ch2mhill.com

Jim Bruce

From: Jim Bruce
Sent: Tuesday, May 17, 2011 12:29 PM
To: 'David.Hackworth@CH2M.com'; 'Jim Smith'
Cc: Brett Pyles; Preston Pendley; Scott Schmuck
Subject: NM4 Responses
Attachments: HCWD1 Negotiation Message #4 - Fort Knox - 051711 HCWD1 resp.docx.doc

Here is the Word file with my initial response answer to each new issue. Still need to change the TO and FROM at top (I think we did that last time) and dates, and modify any of the answers pending new information. Please review and change as needed (David)

Thanks

Jim

Jim Bruce

From: Jim Bruce
Sent: Tuesday, May 17, 2011 12:35 PM
To: Karen Morrison
Cc: 'David.Hackworth@CH2M.com'
Subject: FW: ORCA Updates

Karen – Please let me know if we have provided latest update on ORCA website. If you have already done, do not need to do again. We are getting ready to submit revised proposal on FK water and they want us to be current on the ORCA info

Thanks

Jim

From: Administrator@orca.bpn.gov [mailto:Administrator@orca.bpn.gov]
Sent: Wednesday, May 04, 2011 12:18 AM
To: Jim Bruce
Subject: ORCA Updates

Dear James Bruce,

On Tuesday, May 3, 2011 at approximately 11pm EDT, the Online Representations and Certifications Application (ORCA) was updated to reflect changes to Defense Federal Acquisition Regulation Supplement (DFARS) provision 252.225-7003. You can view the full text of provision using the link below::

<http://www.acq.osd.mil/dpap/dars/dfarspgi/current/index.html>

Your current ORCA record will remain active until you update/renew the record or until the record's expiration date. When you renew the ORCA record, the new ORCA record will reflect the changes mentioned above.

For additional assistance, you may also contact the ORCA Help Desk at <https://orca.bpn.gov/misc/feedback.aspx>.

ORCA Help Desk.

Jim Bruce

From: Jim Bruce
Sent: Tuesday, May 17, 2011 1:33 PM
To: 'David.Hackworth@CH2M.com'
Subject: Conf call

David;

Please set up another conf call Monday PM or Tuesday next week so our team can discuss progress and unfinished items.

Thanks

Jim

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Tuesday, May 17, 2011 2:32 PM
To: Jim Bruce
Subject: HCWD1 Negotiation Message #4 - Fort Knox - 051711 HCWD1 resp dh
Attachments: HCWD1 Negotiation Message #4 - Fort Knox - 051711 HCWD1 resp dh.docx

Jim,

I have attached my comments.. The only one that is not clear is the well platform.. In our price, we multiplied 14* unit cost.. therefore, our price should be reduced to 13*unit cost. Also, I am not sure if we need to do six or 13

Thanks

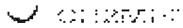
David

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Tuesday, May 17, 2011 5:13 PM
To: Jim Bruce
Subject: PM Tasks
Attachments: image001.png

Jim, in response to "New Issue:2, I wanted to update the list of responsibilities of the PM" Please let me know if you have any additions. It seems like the PM would prepare monthly reports and invoices – do you do that now on the sewer?

- Develop the Annual Plan and the Budget and Expenditure Report before submission to the Contracting Officer for approval.
- Oversee ISDC and CIP project design and construction activities.
- Make recommendations and review strategies for R&R.
- Identify new technologies and management initiatives.
- Conduct management and environmental compliance reviews based on performance metrics
- Review overall project performance and customer satisfaction
- Participate in regular meetings with Fort Knox leadership



Lee Blakeman

Engineering Co-op
Water Business Group
One Riverfront Plaza
401 W. Main St., Suite 500
Louisville, KY 40202
Phone: (502) 584-6052 ext. 213
Email: lee.blakeman@ch2m.com

Jim Bruce

From: Jim Bruce
Sent: Wednesday, May 18, 2011 8:54 AM
To: 'David.Hackworth@CH2M.com'
Cc: 'Jim Smith'; Preston Pendley
Subject: RE: PM Tasks
Attachments: image001.png

David;

Here is their concern from last December on not having enough oversight;

New Issue 2: The Government requests that HCWD1 demonstrate how it plans to provide dedicated manpower to ensure adequate project management and oversight of the ISDC projects during the first 5-years of privatization. The level of effort proposed for the General Manager and Operations Manager (0.25 FTEs each), does not appear to be enough to meet this requirement. HCWD1 does state that CH2M HILL will provide management of the capital improvement program, but what that means in terms of day-to-day support is unclear.

I think your list is good, but I did make some changes to focus more on their concerns. Will also have Preston review it to see if he has any suggestions

Thanks

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 - ~~Identify new technologies and management initiatives.~~
 - Conduct management and environmental compliance reviews based on performance metrics
 - Review overall project performance and customer satisfaction
 - Participate in regular meetings with Fort Knox Contracting Officer, COR and other affected directorates

Provide contract operations oversight for water treatment & supply

Oversee work and reports prepared by RPR and inspectors for construction projects

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Wednesday, May 18, 2011 9:32 AM
To: Jim Bruce
Cc: JSmith@lwcky.com; Preston Pendley
Subject: RE: PM Tasks
Attachments: image001.png

Thanks.... I will finalize once I get everyones comments

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Wednesday, May 18, 2011 8:54 AM
To: Hackworth, David/LOU
Cc: Jim Smith; Preston Pendley
Subject: RE: PM Tasks

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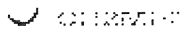
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Water Business Group
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Phone: (502) 584-6052 ext. 213
Email: lee.blakeman@ch2m.com

Jim Bruce

From: Administrator@orca.bpn.gov
Sent: Wednesday, May 18, 2011 10:57 AM
To: Jim Bruce
Subject: Online Representations and Certifications Application (ORCA)

Registration Notification to DUNS Number: 130402811

Congratulations on your successful ORCA registration!

Your registration will be active until 05/18/2012. As a reminder, the maintenance of your registration, including renewal, is your responsibility. It is imperative that you maintain a current record in ORCA, as contracts award decisions are based on current representations and certifications.

Regards,

ORCA Program Office

This email was sent by an automated administrator. Please do not reply to this message. If you have any questions, please visit our [Help Page](#).

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Wednesday, May 18, 2011 1:49 PM
To: Jim Bruce
Subject: Re: Online Representations and Certifications Application (ORCA)

Can you send the pdf? Thanks

Sent from my Verizon Wireless BlackBerry

From: Jim Bruce <jbruce@hcwd.com>
Date: Wed, 18 May 2011 11:09:48 -0600
To: Karen Morrison <kmorrison@HCWD.com>
Cc: Scott Schmuck <sschmuck@HCWD.com>; Hackworth, David/LOU <David.Hackworth@CH2M.com>
Subject: FW: Online Representations and Certifications Application (ORCA)

Karen – Thanks for taking care of this!

Jim

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Jim Bruce

From: Karen Morrison
Sent: Wednesday, May 18, 2011 1:44 PM
To: Jim Bruce
Subject: RE: Online Representations and Certifications Application (ORCA)
Attachments: MyFARDFARSORCARRecord 5.18.11.pdf

Here is the copy of the ORCA updated file.

Karen

From: Jim Bruce
Sent: Wednesday, May 18, 2011 1:40 PM
To: Karen Morrison; Scott Schmuck
Subject: FW: Online Representations and Certifications Application (ORCA)

Karen – Is there a PDF of something we can send David?

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Jim Bruce

From: Jim Bruce
Sent: Wednesday, May 18, 2011 2:03 PM
To: 'David.Hackworth@CH2M.com'; 'Jim Smith'
Cc: Brett Pyles; Preston Pendley; Scott Schmuck
Subject: RE: HCWD1 Negotiation Message #4 - Fort Knox - 051711 HCWD1 resp dh

In our list of recommended ISDC's, No. 27 just says we will rehab "each of the well platforms". Not sure who came up with pricing for that item. Clearly we should only charge them for the wells they own, especially since they have revised J1 to state the 3 HCWD1 wells will be given back to HCWD1. That would leave, I believe, only 12 wells that we would charge Govt to rehab. We need to look into RFP or their info and see correct # of wells we would be responsible for

Thanks

Jim

From: David.Hackworth@CH2M.com [mailto:David.Hackworth@CH2M.com]
Sent: Tuesday, May 17, 2011 2:32 PM
To: Jim Bruce
Subject: HCWD1 Negotiation Message #4 - Fort Knox - 051711 HCWD1 resp dh

Jim,

I have attached my comments.. The only one that is not clear is the well platform.. In our price, we multiplied 14* unit cost.. therefore, our price should be reduced to 13*unit cost. Also, I am not sure if we need to do six or 13

Thanks

David

Jim Bruce

From: Jim Bruce
Sent: Wednesday, May 18, 2011 2:26 PM
To: 'David.Hackworth@CH2M.com'; 'Jim Smith'
Cc: Brett Pyles; Scott Schmuck; Preston Pendley
Subject: Emailing: ISDC List updates May 2011 JSB.xlsx
Attachments: ISDC List updates May 2011 JSB.xlsx

I took the latest table and added notes to side of items I think we may revise, and who should be doing that. For discussion next week

Thanks

Jim

Jim Bruce

From: Jo Ann McGee [jmcgee@lwcky.com]
Sent: Wednesday, May 18, 2011 2:38 PM
To: Jim Bruce
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Mr. Bruce,

I will check with Greg and Jim Brammel and Jim Smith on meeting location. I believe south Dixie will work, but I will confirm as soon as I talk with Jim B and Jim S and Greg.

Thanks

Jo Ann

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Tuesday, May 10, 2011 1:25 PM
To: Jo Ann McGee
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Jo Ann;

Time and date works good. Did Greg want to meet on South Dixie to be able to look at possible connection and pump station site? If not, I do not mind coming up to your office. Also, did I need to bring our engineer or anyone besides just me?

Thanks

Jim Bruce

From: Jo Ann McGee [mailto:jmcgee@lwcky.com]
Sent: Friday, May 06, 2011 8:50 AM
To: Jim Bruce
Subject: FW: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Mr. Bruce,

Are you available on Tuesday, May 31 at 11:30 a.m. – 12:30 p.m. to meet with Greg Heitzman, Jim Smith and Jim Brammell? If so, do you have a preferred location on Dixie for the lunch time meeting?

Thanks,

Jo Ann McGee

From: Greg Heitzman
Sent: Thursday, May 05, 2011 5:54 PM
To: Jim Bruce
Cc: Jim Smith; Jim Brammell; Jo Ann McGee
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Jim: I will ask Jo Ann to get us a 1 hour mtg to meet in late May. Me, You, Jim Smith. Feel free to bring Bret. I also want to bring Jim Brammell, our Chief Engineer, into the loop on this project. We can meet out off Dixie for lunch, if that will help travel time for everyone.

My major concern is to move forward on the \$4.5M KY ED grant, in parallel with privatization, get base bid 16" or 20" transmission under design, with alternate bid scope scenario to upsize to 24". I agree we can design BPS to add pump capacity later. LWC can assist with financing if needed.

I think if we move on this approach, it will actually put some pressure on Ft Knox to push for a decision from DLA, knowing we are moving.

We need to get a bid on the street in next 3-5 months, as I expect inflation will be kicking in after July 2011, as Fed begins to lift QE2. We can ask for prices to be held 90 days, so we don't have to make final decision to build till as late as December, but can pull the trigger if needed. We are beginning to see some construction inflation, especially for materials creep back into bid prices. Before long, we may find \$4.5M will not cover the costs of the transmission, storage and BPS.

Greg C. Heitzman
President & CEO
Louisville Water Company

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Thursday, May 05, 2011 2:14 AM
To: Greg Heitzman
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Greg:

I would welcome chance to sit down with you and talk about that prospect. We will also bring up again with DLA on conference call today. As you may recall, the integration of LWC supply was basis for our alternate proposal in 2008, which Govt rejected. We again brought up during our face to face negotiations in December, and DLA said they are not authorized to include commodity contracts with privatization efforts, but that the commodity supply would be handled by local FK contracting office.

My goal and challenge presently is to convince my Board to execute the LWC purchased water agreement, so we can begin final design on the facility. Once that process begins, and final design parameters are being set, I thought that was best time to go to Govt contracting and let them know that if we need to upsize facilities for FK benefit, this is best time to do that. We could then see if they were ready and serious to secure the off post supply, or if they would wait until later to find funding to do that.

Jim and I talked about at the least sizing and bidding the facilities in two alternates, 1 for quantity just for HCWD1 needs, and the other for both HCWD1 and FK needs. Regardless of the constructed size, I think we need to make pump station scalable to add FK demand later. Last year, HDR, Jim and myself picked a site on Govt property which is near confluence of FK 24 inch and HCWD1 14 inch mains, which if placed there, gives max flexibility for routing LWC water to both systems.

I will be out for week in May, but can meet most anytime other than that week. Will let Jim know my schedule

Look forward to meeting with you

Jim Bruce

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

From: Greg Heitzman [mailto:gheitzman@lwcky.com]
Sent: Wed 5/4/2011 9:37 PM
To: Jim Bruce
Cc: Jim Smith
Subject: Re: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Jim, at your convenience, I would like to meet and discuss how we integrate the \$4.5 transmission grant from KY Economic Development into the privatization project, so we maximize the value of both. I'll ask Jim Smith to coordinate a time in next few weeks.

Hope we can bring this next round to closure. I think I recall back then you told me to expect a 3 year process, even though they said they wanted a contract by Dec 2008!

Hard to believe, but it has been 3 years since the first REI!

Thanks.

Greg Heitzman
President
Louisville Water Company
Celebrating 150 Years of Service

On May 4, 2011, at 10:49 AM, "Jim Smith" <JSmith@lwcky.com<<mailto:JSmith@lwcky.com>>> wrote:

Fyi. Negotiations are underway again for Ft Knox.

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Tuesday, May 03, 2011 3:21 PM
To: Koessel, Brian DLA CIV ENERGY; <<mailto:Taina.Rivera@dla.mil>> Taina.Rivera@dla.mil<<mailto:Taina.Rivera@dla.mil>>
Cc: Preston Pendley; Brett Pyles; David.Hackworth@CH2M.com<<mailto:David.Hackworth@CH2M.com>>; Jim Smith
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Mr Koessel;

A conference call Thursday at 11AM will work for us. Our questions are more of process and timing, and sequence of getting final questions from Govt before finalizing FPR or submitting FPR and then getting another round of questions / information requests. Also would help to know nature of final questions and information requests to know how much resources or time responding to those will take, before starting on FPR. Should take 30 minutes or less to go over our questions and get clarification.

Please send meeting invite information.

Thank You

Jim Bruce
General Manager
HCWD1

From: Koessel, Brian DLA CIV ENERGY [<mailto:Brian.Koessel@dla.mil>]
Sent: Monday, May 02, 2011 5:59 PM
To: Jim Bruce
Cc: Jim Smith; Brett Pyles; Preston Pendley; David.Hackworth@CH2M.com<<mailto:David.Hackworth@CH2M.com>>; Rivera, Taina DLA CIV ENERGY
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

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Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA

(703) 767-1595 (DSN 427)

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Thursday, April 28, 2011 8:33 AM
To: Koessel, Brian DLA CIV ENERGY; Rivera, Taina DLA CIV ENERGY; Gray, Martha A DLA CIV ENERGY
Cc: Jim Smith; Brett Pyles; Preston Pendley; <<mailto:David.Hackworth@CH2M.com>>
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Thank You

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From: Koessel, Brian DLA CIV ENERGY [<mailto:Brian.Koessel@dla.mil>]
Sent: Tuesday, March 29, 2011 11:56 AM
To: Jim Bruce; Brett Pyles; Preston Pendley; Jim Smith; <<mailto:David.Hackworth@CH2M.com>>
David.Hackworth@CH2M.com<<mailto:David.Hackworth@CH2M.com>>
Cc: Rivera, Taina DLA CIV ENERGY
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Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA

Jim Bruce

From: Jim Bruce
Sent: Wednesday, May 18, 2011 3:57 PM
To: 'Jo Ann McGee'
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

OK

Jim

From: Jo Ann McGee [mailto:jmcgee@lwcky.com]
Sent: Wednesday, May 18, 2011 2:38 PM
To: Jim Bruce
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Mr. Bruce,

I will check with Greg and Jim Brammel and Jim Smith on meeting location. I believe south Dixie will work, but I will confirm as soon as I talk with Jim B and Jim S and Greg.

Thanks

Jo Ann

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Tuesday, May 10, 2011 1:25 PM
To: Jo Ann McGee
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Jo Ann;

Time and date works good. Did Greg want to meet on South Dixie to be able to look at possible connection and pump station site? If not, I do not mind coming up to your office. Also, did I need to bring our engineer or anyone besides just me?

Thanks

Jim Bruce

From: Jo Ann McGee [mailto:jmcgee@lwcky.com]
Sent: Friday, May 06, 2011 8:50 AM
To: Jim Bruce
Subject: FW: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Mr. Bruce,

Are you available on Tuesday, May 31 at 11:30 a.m. – 12:30 p.m. to meet with Greg Heitzman, Jim Smith and Jim Brammell? If so, do you have a preferred location on Dixie for the lunch time meeting?

Thanks,

Jo Ann McGee

From: Greg Heitzman
Sent: Thursday, May 05, 2011 5:54 PM
To: Jim Bruce
Cc: Jim Smith; Jim Brammell; Jo Ann McGee
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Jim: I will ask Jo Ann to get us a 1 hour mtg to meet in late May. Me, You, Jim Smith. Feel free to bring Bret. I also want to bring Jim Brammell, our Chief Engineer, into the loop on this project. We can meet out off Dixie for lunch, if that will help travel time for everyone.

My major concern is to move forward on the \$4.5M KY ED grant, in parallel with privatization, get base bid 16" or 20" transmission under design, with alternate bid scope scenario to upsize to 24". I agree we can design BPS to add pump capacity later. LWC can assist with financing if needed.

I think if we move on this approach, it will actually put some pressure on Ft Knox to push for a decision from DLA, knowing we are moving.

We need to get a bid on the street in next 3-5 months, as I expect inflation will be kicking in after July 2011, as Fed begins to lift QE2. We can ask for prices to be held 90 days, so we don't have to make final decision to build till as late as December, but can pull the trigger if needed. We are beginning to see some construction inflation, especially for materials creep back into bid prices. Before long, we may find \$4.5M will not cover the costs of the transmission, storage and BPS.

Greg C. Heitzman
President & CEO
Louisville Water Company

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Thursday, May 05, 2011 2:14 AM
To: Greg Heitzman
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Greg:

I would welcome chance to sit down with you and talk about that prospect. We will also bring up again with DLA on conference call today. As you may recall, the integration of LWC supply was basis for our alternate proposal in 2008, which Govt rejected. We again brought up during our face to face negotiations in December, and DLA said they are not authorized to include commodity contracts with privatization efforts, but that the commodity supply would be handled by local FK contracting office.

My goal and challenge presently is to convince my Board to execute the LWC purchased water agreement, so we can begin final design on the facility. Once that process begins, and final design parameters are being set, I thought that was best time to go to Govt contracting and let them know that if we need to upsize facilities for FK benefit, this is best time to do that. We could then see if they were ready and serious to secure the off post supply, or if they would wait until later to find funding to do that.

Jim and I talked about at the least sizing and bidding the facilities in two alternates, 1 for quantity just for HCWD1 needs, and the other for both HCWD1 and FK needs. Regardless of the constructed size, I think we need to make pump station scalable to add FK demand later. Last year, HDR, Jim and myself picked a site on Govt property which is near confluence of FK 24 inch and HCWD1 14 inch mains, which if placed there, gives max flexibility for routing LWC water to both systems.

I will be out for week in May, but can meet most anytime other than that week. Will let Jim know my schedule

Look forward to meeting with you

Jim Bruce

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

From: Greg Heitzman [<mailto:gheitzman@lwcky.com>]
Sent: Wed 5/4/2011 9:37 PM
To: Jim Bruce
Cc: Jim Smith
Subject: Re: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Jim, at your convenience, I would like to meet to discuss how we integrate the \$4.5 transmission grant from KY Economic Development into the privatization project, so we maximize the value of both. I'll ask Jim Smith to coordinate a time in next few weeks.

Hope we can bring this next round to closure. I think I recall back then you told me to expect a 3 year process, even though they said they wanted a contract by Dec 2008!

Hard to believe, but it has been 3 years since the first REI!

Thanks.

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President
Louisville Water Company
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P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dla.mil<<mailto:Brian.Koessel@dla.mil>>

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Wednesday, May 18, 2011 6:18 PM
To: Jim Bruce
Subject: RE: Emailing: ISDC List updates May 2011 JSB.xlsx

Jim,

We can discuss tomorrow... however, we will need the cost by Friday, if possible... Monday at the latest..

We also need costs for altitude valves on the tanks

The guy from Red River was very helpful...he said that all demo jobs over the past 6 years has required all debris, including underground concrete, to be removed off site. I am working on updating the costs, but it will most likely double our cost...

Thanks
David

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

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Wednesday, May 18, 2011 2:26 PM
To: Hackworth, David/LOU; Jim Smith
Cc: Brett Pyles; Scott Schmuck; Preston Pendley
Subject: Emailing: ISDC List updates May 2011 JSB.xlsx

<<ISDC List updates May 2011 JSB.xlsx>> I took the latest table and added notes to side of items I think we may revise, and who should be doing that. For discussion next week

Thanks

Jim

Jim Bruce

From: Daniel Clifford
Sent: Thursday, May 19, 2011 10:05 AM
To: Jim Bruce
Cc: bpyles@hcwd.com
Subject: RE: DLA Questions

Jim,

\$12,809.04 ea. (includes labor, materials and equipment) assumes 12" Cla Valve

Total \$76,854.24

From: Jim Bruce
Sent: Thursday, May 19, 2011 7:43 AM
To: Daniel Clifford
Subject: FW: DLA Questions

From: Koessel, Brian DLA CIV ENERGY [<mailto:Brian.Koessel@dla.mil>]
Sent: Wednesday, May 18, 2011 7:02 PM
To: Jim Bruce
Cc: Brett Pyles; Preston Pendley; Scott Schmuck; Jim Smith; David.Hackworth@CH2M.com; Rivera, Taina DLA CIV ENERGY
Subject: RE: DLA Questions

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Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dla.mil

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Tuesday, May 17, 2011 1:46 PM
To: Koessel, Brian DLA CIV ENERGY; Rivera, Taina DLA CIV ENERGY
Cc: Brett Pyles; Preston Pendley; Scott Schmuck; Jim Smith; David.Hackworth@CH2M.com
Subject: DLA Questions

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Energy Enterprise BU
DLA Energy-EFA

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We appreciate your timely response so we may proceed with finalizing all submittals requested by the deadline provided.

Sincerely,

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General Manager
Hardin County Water District No. 1

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From: Daniel Clifford
Sent: Thursday, May 19, 2011 10:12 AM
To: Jim Bruce
Cc: Brett Pyles
Subject: RE: DLA Questions

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Equip \$289.44 (Utility Truck, Dump, Trailer, Backhoe 8 hr)
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I would say use that amount to add to each tank re-hab project.

As for the actual installation, we still believe these are not currently being used. When we go to replace, we would consider using electric actuated BF valve controlled by SCADA. We have not been installing mechanical altitude valves for years. As we told Govt, there is no reason, except for dedicated PZ, to have an alt valve open and close to multiple tanks, when they are all shared on same pressure zone with same overflow elevation. I doubt FK is currently using the existing valves in their daily operations.

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\$76,854.24 total

From: Jim Bruce
Sent: Thursday, May 19, 2011 10:05 AM
To: Daniel Clifford
Subject: RE: DLA Questions

Daniel;

Please breakdown by

Labor
Equip
Materials

Thanks

From: Daniel Clifford
Sent: Thursday, May 19, 2011 10:05 AM
To: Jim Bruce
Cc: bpyles@hcwd.com
Subject: RE: DLA Questions

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From: Jim Bruce
Sent: Thursday, May 19, 2011 7:43 AM
To: Daniel Clifford
Subject: FW: DLA Questions

From: Koessel, Brian DLA CIV ENERGY [<mailto:Brian.Koessel@dla.mil>]
Sent: Wednesday, May 18, 2011 7:02 PM
To: Jim Bruce
Cc: Brett Pyles; Preston Pendley; Scott Schmuck; Jim Smith; David.Hackworth@CH2M.com; Rivera, Taina DLA CIV ENERGY
Subject: RE: DLA Questions

Mr. Bruce,

Please see the attached responses to the questions submitted below. Please let me know if you have any additional questions.

Regards,

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Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dla.mil

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To: Koessel, Brian DLA CIV ENERGY; Rivera, Taina DLA CIV ENERGY
Cc: Brett Pyles; Preston Pendley; Scott Schmuck; Jim Smith; David.Hackworth@CH2M.com
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Jim Bruce
General Manager
Hardin County Water District No. 1

Jim Bruce

From: Jim Bruce
Sent: Thursday, May 19, 2011 10:42 AM
To: 'David.Hackworth@CH2M.com'
Cc: Brett Pyles
Subject: RE: DLA Questions

We will be going over those numbers, and all tank rehab costs, this afternoon with Mike Topp

Jim

From: David.Hackworth@CH2M.com [mailto:David.Hackworth@CH2M.com]
Sent: Thursday, May 19, 2011 10:48 AM
To: Jim Bruce
Subject: RE: DLA Questions

How about the cathodic protection

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Thursday, May 19, 2011 10:38 AM
To: Hackworth, David/LOU; Jim Smith; Gray, Dave/DSO
Cc: Brett Pyles; Preston Pendley; Daniel Clifford
Subject: FW: DLA Questions

David / Jim;

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

Sent: Tuesday, May 17, 2011 1:46 PM

To: Koessel, Brian DLA CIV ENERGY; Rivera, Taina DLA CIV ENERGY

Cc: Brett Pyles; Preston Pendley; Scott Schmuck; Jim Smith; David.Hackworth@CH2M.com

Subject: DLA Questions

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General Manager
Hardin County Water District No. 1

Jim Bruce

From: Jim Smith [JSmith@lwcky.com]
Sent: Thursday, May 19, 2011 11:01 AM
To: Jim Bruce; David.Hackworth@CH2M.com
Cc: Brett Pyles; Preston Pendley; Daniel Clifford; Dave.Gray@CH2M.com
Subject: RE: DLA Questions

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To: 'Jim Smith'; 'David.Hackworth@CH2M.com'
Cc: Daniel Clifford; Brett Pyles; Preston Pendley
Subject: RE: DLA Questions

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Sent: Thursday, May 19, 2011 11:08 AM
To: Jim Bruce; David.Hackworth@CH2M.com
Cc: Daniel Clifford; Brett Pyles; Preston Pendley
Subject: RE: DLA Questions

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Sent: Wednesday, May 18, 2011 7:02 PM

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General Manager
Hardin County Water District No. 1

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Thursday, May 19, 2011 11:24 AM
To: Brett Pyles
Cc: JSmith@lwcky.com; Jim Bruce; Preston Pendley
Subject: RE:
Attachments: image002.gif

Brett,

I have a couple questions..

- 1) I noticed the quote did not change when we reduced the number of wells from 14 to 13... even though it is not much in the scheme of things, I don't want them to ask any questions... is that ok?
- 2) Will the meter vaults increase our unit price for meter (currently at \$ 2,620)... If so, should we develop a blended unit cost with an assumption 80%(or some number) will be in vaults?

Thanks

David

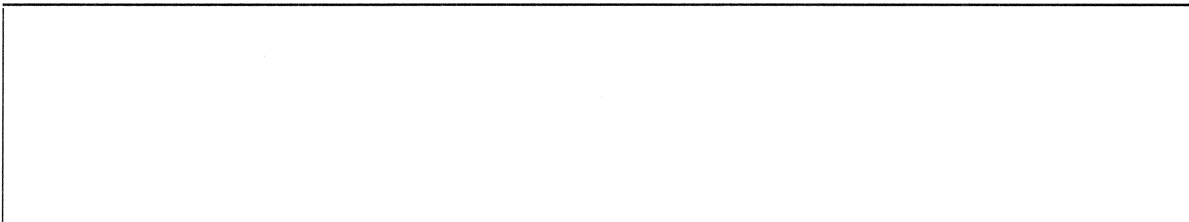
From: Brett Pyles [mailto:bpyles@hcwd.com]
Sent: Thursday, May 19, 2011 10:55 AM
To: Hackworth, David/LOU
Cc: JSmith@lwcky.com; Jim Bruce; Preston Pendley
Subject:

David,

Here are items 1a, 1e and 3 (from your list). Item 1d (SCADA), leave current pricing as is. I will forward the rest ASAP.

Thanks

Brett



Jim Bruce

From: Jim Smith [JSmith@lwcky.com]
Sent: Thursday, May 19, 2011 11:53 AM
To: David.Hackworth@CH2M.com; Jim Bruce
Cc: Preston Pendley; Brett Pyles
Subject: RE:
Attachments: Copy of Bid Price Tracking Spreadsheet-V3-Valves.xls; Copy of Fort Knox ISDC summary 5-19-11 dh.xlsx; image001.gif

David,

Attached is the revised spreadsheet for the ISDC #s 20-23. I have entered the number of valves for each ISDC #. Numbers were based on 1 valve per 251 ft of pipe. We arrived at this number by going back to all of the projects on our pipeline projects bid spreadsheet and counting the number of valves (see attached). Let me know if this will work.

Thanks,
Jim

From: David.Hackworth@CH2M.com [mailto:David.Hackworth@CH2M.com]
Sent: Thursday, May 19, 2011 11:24 AM
To: bpyles@hcwd.com
Cc: Jim Smith; jbruce@hcwd.com; ppendley@HCWD.com
Subject: RE:

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From: Jim Bruce
Sent: Thursday, May 19, 2011 12:45 PM
To: 'jstiles@curnealhigniteins.com'
Cc: Scott Schmuck; Brett Pyles
Subject: RE: Ft Knox



FK water system
desc.pdf

Jeff;

The annual payroll (salaries only, no benefits - we use 31% for benefit overhead) would be \$265,000/year. This is for 7 employees working full time at our FK water utility (if we are awarded the contract)

Vehicles would include;

F-750 Dump Truck	1
F-250 Utility Bed 4x4	3
F-250 4x4 Ext. Cab Reg Bed	1
580 4x4 Case Backhoe	1
Equipment trailer	1

The description of system assets Govt provided is attached

Louisville Water would operate the 2 Water Treatment Plants under contract to us. They would provide employees, vehicles and carry their own insurance. All fixed and system assets would be owned by us.

There are no loss runs as the system has always been owned and operated by US Govt. They will transfer ownership of assets to use through a type of Bill of Sale or easement document

We would consider this as 1 customer, even though all persons on post (military, commercial and housing) would be served water by us. Not sure what the current day time post population is, but probably over 30,000

We would also build an office / operations center there which would probably have 3 bays and an office area, 2 restrooms. Similar to what Nolin RECC operates out of on post. 1 of the 7 employees would be salaried supervisor, 2 others would primarily be office employees

When Bob Shipp / NHI estimated insurance cost for us in 2008, he told us to use \$50,000/year. I think that is too high. The following is text we included in 2008 proposal, as provided by NHI;

HCWD1 asked an independent insurance broker to study the RFP and applicable Federal Acquisition Regulations (FARs) and to provide an estimate of the cost of insurance required by the RFP. Insurance cost estimates were provided for the following types of coverage:

- Commercial/General Liability—\$1,000,000 per occurrence and \$2,000,000 aggregate for all premises and operations.
- Automobile Liability—\$1,000,000 combined single limit per occurrence. This includes owned and leased vehicles.
- Workers' Compensation and Employers' Liability—\$500,000
- Property--\$28,000,000
- Umbrella/Excess Liability Coverage—\$1,000,000 per occurrence and \$1,000,000 in aggregate. This is in excess of general, automobile, and employers' liability coverage types shown above.

The broker qualified the estimates provided, noting that more definition was needed about the exact property values of transferred assets before a binding price quote could be provided.

Our current water utility annual premium from you is about \$31,000. For our workers comp estimate, I planned to use \$900/employee/year or \$6,300

Let me know if you have more questions. Just need a rough number to plug into the estimate

Thanks

Jim Bruce

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

From: Jeff Stiles [<mailto:jstiles@curnealhigniteins.com>]
 Sent: Thursday, May 19, 2011 11:37 AM
 To: Jim Bruce
 Subject: Ft Knox

Jim,

Do you have any Loss Runs for the Fort Knox Facility?

Will you be running the facility or will you own the facility?

Will you need coverage for the Property/Inland Marine?

Jeff Stiles
jstiles@curnealhigniteins.com
 Curneal & Hignite Insurance, Inc
 2905 Ring Road
 P O Box 807
 Elizabethtown, KY 42702-0807
 Phone: (270) 737-2828 Ext 114
 Fax: (270) 737-4950

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that is confidential or legally protected. If you are not the intended recipient, you are hereby notified that any review, disclosure, copying, dissemination, distribution or use of this communication is STRICTLY PROHIBITED. If you have received this communication in error, please notify the sender immediately by return e-mail message and delete the original and all copies of the communication, along with any attachments and/or links, from your system.



FK water system
desc.pdf

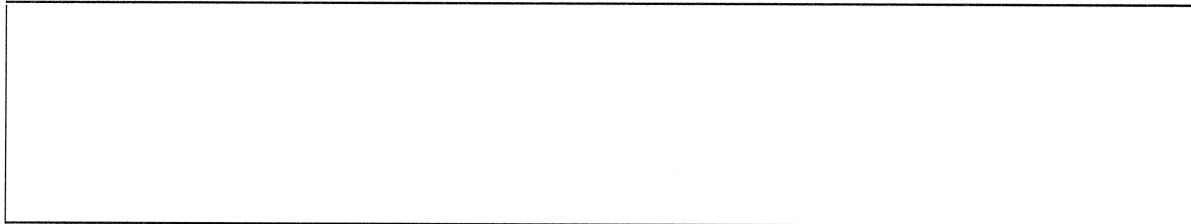
Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Thursday, May 19, 2011 3:31 PM
To: Jim Bruce
Attachments: Fort Knox_Treat and Dist_Year 1-5_Central Only5-17-11 js.xlsx

David Hackworth, P.E.
Vice President and Area Manager
CH2M HILL
401 W. Main Street, Suite 500
Louisville, KY 40202
Direct - 502.584.6052
Fax - 502.587.9343
Mobile - 502.541.5385
www.ch2mhill.com

Jim Bruce

From: Brett Pyles
Sent: Thursday, May 19, 2011 3:45 PM
To: Jim Bruce
Subject: RE: HCWD1 Tank Work summary 0511.xlsx
Attachments: HCWD1 Tank Work summary 0511.xlsx



www.HCWD.com

From: Jim Bruce
Sent: Thursday, May 19, 2011 2:57 PM
To: Brett Pyles
Cc: Jim Smith; David.Hackworth@CH2M.com; Preston Pendley
Subject: HCWD1 Tank Work summary 0511.xlsx

All;

Here is SS I have done for tanks. It appears after talking to Mike Topp, and reviewing Govt RFP, ISDC required work and our Aug 10 FPR and March revisions, we have been very inconsistent with our pricing and telling them what we planned to do for repair work. This SS has been updated to include ALL costs, current and make sure we have a record of what we have proposed to do to each tank and when.

CH2M should be able to use this to update the pricing for all the tank work.

Thanks

Jim

Jim Bruce

From: Jim Bruce
Sent: Thursday, May 19, 2011 3:55 PM
To: 'David.Hackworth@CH2M.com'; 'Jim Smith'; 'Dave.Gray@CH2M.com'
Cc: Brett Pyles; Preston Pendley; Scott Schmuck
Subject: HCWD1 Tank Work summary 0511.xlsx
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Here is revised tank estimates. This shows type of work, when and how much. We added TOTAL tank work for each project. May need to revise R&R costs for future painting, based on these latest amounts. Mike Topp and Brett went over each tank, looking at Mike's original notes, and updated costs to current, making sure we included cathodic protection and alt valves.

Let us know if you have any questions.

Thanks

Jim Bruce

Jim Bruce

From: Jim Smith [JSmith@lwcky.com]
Sent: Thursday, May 19, 2011 4:03 PM
To: David.Hackworth@CH2M.com
Cc: Jim Bruce; Brett Pyles; Preston Pendley
Subject: RE: Fort Knox Assignments
Attachments: Copy of Fort Knox_Start Up_5-19-11 (2).xlsx; Copy of Fort Knox_Treat and Dist_Year 6-50_5-18-11.xlsx; Copy of Fort Knox_Treat and Dist_Year 1-5_Muldraugh Only_5-18-11.xlsx

David,

Attached are my updates to the spreadsheets below. I updated the Central yrs 6-50 costs (see highlighted area), the transition labor costs spreadsheet and the Muldraugh yrs 1-5. Please let me know if you have any questions.

Thanks,
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Cc: ppendley@HCWD.com; bpyles@hcwd.com; rstranahan@hcwd.com
Subject: RE: Fort Knox Assignments

I agree as well. David, you should have everything you need for the fire hydrant ISDC. Let me know if you need anything else on this.

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Subject: RE: Fort Knox Assignments

Please see attached estimate from one of my engineers, Andy Williams. Please note the estimate includes a 6-inch isolation, gate valve (highlighted in yellow). This is what I sent back in February. Please call if you have any questions.

Thanks,
Jim

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To: jbruce@hcwd.com; Jim Smith; bpyles@hcwd.com; ppendley@HCWD.com; Dave.Gray@CH2M.com
Subject: Fort Knox Assignments

Team,

Here is my first cut of assignments:

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- a. ISDC7 – Revise Otter Creek PS quote to include lightning protection
- b. ISDC8 – Revise Muldraugh HLPS quote to include membrane roof
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LWC

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- a. Estimate number of valves in distribution system estimates
- b. Revise hydrant quote to include isolation valves

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Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Thursday, May 19, 2011 3:43 PM
To: Jim Bruce
Subject: RE: Amendment 0003 / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803 / HCWD1

Also, sign the last page of the subcontracting plan... I am wanting to use June 1, 2011 for all dates in the proposal

From: Hackworth, David/LOU
Sent: Thursday, May 19, 2011 3:41 PM
To: Jim Bruce
Subject: FW: Amendment 0003 / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803 / HCWD1
Importance: High

Jim,

Please send me a signed copy... I think color scan is fine...thanks David

From: Koessel, Brian DLA CIV ENERGY [<mailto:Brian.Koessel@dla.mil>]
Sent: Friday, May 13, 2011 7:30 PM
To: Jim Bruce
Cc: Brett Pyles; Preston Pendley; Scott Schmuck; Jim Smith; Hackworth, David/LOU; Rivera, Taina DLA CIV ENERGY
Subject: Amendment 0003 / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803 / HCWD1
Importance: High

Mr. Bruce,

The Defense Logistics Agency Energy hereby issues Amendment 0003 to Request for Proposal (RFP) SP0600-08-R-0803 for the privatization of the potable water utility system at Fort Knox, KY. Please note that amended Attachments J1, J41, J43, and J44 are provided in the attached amendment. As always, please let me know if you have any questions or require clarification for any of the changes included in this amendment.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dla.mil

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Attachments: Amendment 0003.pdf

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Brian.Koessel@dla.mil

Jim Bruce

From: Jim Bruce
Sent: Thursday, May 19, 2011 3:56 PM
To: 'David.Hackworth@CH2M.com'
Subject: RE: Amendment 0003 / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803 / HCWD1

OK

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Jim Bruce

From: Jim Bruce
Sent: Thursday, May 19, 2011 3:59 PM
To: 'Mike Topp (mike@horizonqc.com)'
Subject: FW: HCWD1 Tank Work summary 0511.xlsx
Attachments: HCWD1 Tank Work summary 0511.xlsx

From: Jim Bruce
Sent: Thursday, May 19, 2011 3:55 PM
To: 'David.Hackworth@CH2M.com'; 'Jim Smith'; 'Dave.Gray@CH2M.com'
Cc: Brett Pyles; Preston Pendley; Scott Schmuck
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Thanks

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David Hackworth, P.E.

Vice President and Area Manager

CH2M HILL

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Louisville, KY 40202

Direct - 502.584.6052

Fax - 502.587.9343

Mobile - 502.541.5385

www.ch2mhill.com

Jim Bruce

From: Jim Bruce
Sent: Thursday, May 19, 2011 4:02 PM
To: 'David.Hackworth@CH2M.com'
Subject: RE: Fort Knox Assignments

Yes, I will do that, it makes sense to add those to Jim's other changes

Jim

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Thanks,
Jim

From: David.Hackworth@CH2M.com [mailto:David.Hackworth@CH2M.com]
Sent: Tuesday, May 17, 2011 9:45 AM
To: Jim Smith
Subject: RE: Fort Knox Assignments

Jim,

I still need the cost estimate for the six 20 inch valves.. also, were you going to update the costs for the Central WTP operation?

Thanks
David

From: Jim Smith [mailto:JSmith@lwcky.com]
Sent: Tuesday, May 17, 2011 9:22 AM
To: Hackworth, David/LOU; jbruce@hcwd.com
Cc: ppendley@HCWD.com; bpyles@hcwd.com; rstranahan@hcwd.com
Subject: RE: Fort Knox Assignments

I agree as well. David, you should have everything you need for the fire hydrant ISDC. Let me know if you need anything else on this.

Thanks,
Jim

From: David.Hackworth@CH2M.com [mailto:David.Hackworth@CH2M.com]
Sent: Tuesday, May 17, 2011 9:18 AM
To: jbruce@hcwd.com; Jim Smith
Cc: ppendley@HCWD.com; bpyles@hcwd.com; rstranahan@hcwd.com
Subject: RE: Fort Knox Assignments

I agree with Jim Bruce that we should quote the cost based on the standard valve. We can remove the note about shutting down the water main because it caused confusion with DESC. When we get to the implementation phase, we

can deal with this issue. In our proposal, we said we would try to coordinate hydrant replacement with installation of new lines...

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Tuesday, May 17, 2011 8:16 AM
To: Jim Smith; Hackworth, David/LOU
Cc: Preston Pendley; Brett Pyles; Richard Stranahan
Subject: RE: Fort Knox Assignments

I understood they want us to include just the isolation valve for each hydrant. The iso could be an insertable (for much more cost) but keep the main hot, where a standard valve would require shutting down main for each hydrant job. My recommendation would be we price the standard valve. What do you all think?

Jim

From: Jim Smith [mailto:JSmith@lwcky.com]
Sent: Monday, May 16, 2011 3:48 PM
To: David.Hackworth@CH2M.com; Jim Bruce; Brett Pyles; Preston Pendley; Dave.Gray@CH2M.com
Subject: RE: Fort Knox Assignments

What I thought we discussed with DLA and its contractors was an isolation valve, isolating the hydrant from the main via a tee and a valve. The special EZ valve, in lieu of the gate valve, would allow installation without shutting down the line.

From: David.Hackworth@CH2M.com [mailto:David.Hackworth@CH2M.com]
Sent: Monday, May 16, 2011 3:31 PM
To: Jim Smith; jbruce@hcwd.com; bpyles@hcwd.com; ppendley@HCWD.com; Dave.Gray@CH2M.com
Subject: RE: Fort Knox Assignments

This is the quote we have in the ISDC response.. however, I thought the valve in the footnote was a special valve that allowed us to install the hydrant without shutting down the main

From: Jim Smith [mailto:JSmith@lwcky.com]
Sent: Monday, May 16, 2011 3:23 PM
To: Hackworth, David/LOU; jbruce@hcwd.com; bpyles@hcwd.com; ppendley@HCWD.com; Gray, Dave/DSO
Subject: RE: Fort Knox Assignments

Please see attached estimate from one of my engineers, Andy Williams. Please note the estimate includes a 6-inch isolation, gate valve (highlighted in yellow). This is what I sent back in February. Please call if you have any questions.

Thanks,
Jim

From: David.Hackworth@CH2M.com [mailto:David.Hackworth@CH2M.com]
Sent: Monday, May 16, 2011 2:06 PM
To: jbruce@hcwd.com; Jim Smith; bpyles@hcwd.com; ppendley@HCWD.com; Dave.Gray@CH2M.com
Subject: Fort Knox Assignments

Team,

Here is my first cut of assignments:

HCWD1

1. New Issue 3:

- paint
- a. ISDC7 – Revise Otter Creek PS quote to include lightning protection
 - b. ISDC8 – Revise Muldraugh HLPS quote to include membrane roof
 - c. ISDC9 – Revise Central WTP quote to include testing and removal of asbestos and lead based
 - d. ISDC 14 – Revise SCADA quote to include ATS
 - e. ISDC 27 – Revise well platform quote to list the 13 wells
 - f. ISDC29 – tipping fee at landfill for hazardous materials

2. New Issue 4:

- Issue 4 questions
- a. Revise tank quotes to include cathodic protection and revised based on DESC response to New
 - b. Revise quote for tank 7.

3. New Issue 11:

- a. Revise meter replacement proposal to address issues in Neg message 4.

LWC

1. New Issue 3:

- a. ISDC 5- Revise estimate to 20" valves

2. New Issue 6:

- a. Estimate number of valves in distribution system estimates
- b. Revise hydrant quote to include isolation valves

David Hackworth, P.E.
Vice President and Area Manager
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Louisville, KY 40202
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Fax - 502.587.9343
Mobile - 502.541.5385
www.ch2mhill.com

Jim Bruce

From: Jim Bruce
Sent: Thursday, May 19, 2011 4:05 PM
To: 'David.Hackworth@CH2M.com'
Subject: FW: PM Tasks
Attachments: image001.png

David – Here are Preston’s ideas on PM role and duties. Go ahead and add or change as you see fit.

Thanks

Jim

From: Preston Pendley
Sent: Wednesday, May 18, 2011 2:25 PM
To: Jim Bruce
Subject: RE: PM Tasks

Jim,
Sending this to you alone for initial review of my thoughts.

I tried to write explicitly more areas where the majority of the work will be provided by others, and PM role is more management, direction, oversight, coordinate.

What about anything specific to operations such as responding to main breaks, etc. The goal as I recall was for the PM to be single point of contact. Even if I am not the knowledgeable party, I believe that in terms of communicating with the government (not for the initial callout), that the PM would be the single point of contact.

Thanks, psp

Preston S. Pendley, P.E.
Engineering Manager
Hardin County Water District No. 1
PPendley@hcwd.com

From: David.Hackworth@CH2M.com [mailto:David.Hackworth@CH2M.com]
Sent: Wednesday, May 18, 2011 9:32 AM
To: Jim Bruce
Cc: JSmith@lwcky.com; Preston Pendley
Subject: RE: PM Tasks

Thanks.... I will finalize once I get everyones comments

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Wednesday, May 18, 2011 8:54 AM
To: Hackworth, David/LOU
Cc: Jim Smith; Preston Pendley
Subject: RE: PM Tasks

David;

Here is their concern from last December on not having enough oversight;

New Issue 2: The Government requests that HCWD1 demonstrate how it plans to provide dedicated manpower to ensure adequate project management and oversight of the ISDC projects during the first 5-years of privatization. The level of effort proposed for the General Manager and Operations Manager (0.25 FTEs each), does not appear to be enough to meet this requirement. HCWD1 does state that CH2M HILL will provide management of the capital improvement program, but what that means in terms of day-to-day support is unclear.

I think your list is good, but I did make some changes to focus more on their concerns. Will also have Preston review it to see if he has any suggestions

Thanks

Jim

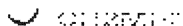
From: David.Hackworth@CH2M.com [mailto:David.Hackworth@CH2M.com]
Sent: Tuesday, May 17, 2011 5:13 PM
To: Jim Bruce
Subject: PM Tasks

Jim, in response to "New Issue:2, I wanted to update the list of responsibilities of the PM" Please let me know if you have any additions. It seems like the PM would prepare monthly reports and invoices – do you do that now on the sewer?

- Develop the Annual Plan and the Budget and Expenditure Report before submission to the Contracting Officer for approval.
- Develop monthly reporting requirements for water supply, treatment, storage, and distribution
- Manage, coordinate and direct engineering firms as subcontractors in design and construction of ISDC projects
- Manage, coordinate and direct engineering firms as subcontractors in design and construction of CIP projects
- Manage the development and maintenance of spatial data, with effort provided through subcontractors or in-house personnel
- Manage the annual maintenance programs such as flushing, inspection, certifications
- Manage regulatory programs with Division of Water, Public Service Commission, and Environmental Protection Agency
- Make recommendations and review strategies for R&R.
- ~~Identify new technologies and management initiatives.~~
- Conduct management and environmental compliance reviews based on performance metrics
- Review overall project performance and customer satisfaction
- Participate in regular meetings with Fort Knox Contracting Officer, COR and other affected directorates

Provide contract operations oversight for water treatment & supply

Oversee work and reports prepared by RPR and inspectors for construction projects



Lee Blakeman
Engineering Co-op
Water Business Group
One Riverfront Plaza

Jim Bruce

From: Jim Bruce
Sent: Friday, May 20, 2011 8:02 AM
To: 'David.Hackworth@CH2M.com'
Subject: Signed forms / Cover letter
Attachments: Form 30 amend signed 060111.pdf; 06012011 Cover letter JSB.pdf; SBSP Signed 010611.pdf

David;

Let me know if you are missing anything. Will be finalizing our pricing items and should have to you around noon today.

Thanks

Jim

Jim Bruce

From: Jim Bruce
Sent: Friday, May 20, 2011 8:18 AM
To: 'David.Hackworth@CH2M.com'; 'Jim Smith'; 'Dave.Gray@CH2M.com'
Subject: HCWD1 Tank Work summary 0511.xlsx
Attachments: HCWD1 Tank Work summary 0511.xlsx

David / Dave;

We added G&A to each tank project. However, I thought if it was added later on in another SS, we can take it off this SS so we do not count it twice

Thanks

Jim Bruce

Jim Bruce

From: Jim Bruce
Sent: Friday, May 20, 2011 9:26 AM
To: 'David.Hackworth@CH2M.com'
Subject: RE: Central costs

Were you going to send a more recent Start-Up / Transition as well, or should I use latest I have?

Jim

From: David.Hackworth@CH2M.com [mailto:David.Hackworth@CH2M.com]
Sent: Friday, May 20, 2011 9:33 AM
To: Jim Bruce
Subject: Central costs

Jim,

My coworker has a hot spot with his I-phone, so it looks like I have email access today....

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Vice President and Area Manager
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Fax - 502.587.9343
Mobile - 502.541.5385
www.ch2mhill.com

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Friday, May 20, 2011 9:33 AM
To: Jim Bruce
Subject: Central costs
Attachments: Fort Knox_Treat and Dist_Year 1-5_Central Only5-17-11 js.xlsx

Jim,

My coworker has a hot spot with his I-phone, so it looks like I have email access today....

David Hackworth, P.E.

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

Jim Bruce

From: Jim Bruce
Sent: Friday, May 20, 2011 9:36 AM
To: 'jstiles@curnealhigniteins.com'
Cc: Scott Schmuck; Brett Pyles
Subject: RE: Ft Knox

Jeff - Here is language out of Government's Request for Proposals which explains what kind of insurance bidders/offorors ("contractor") must provide and include in their bid;

H.2 Insurance Requirements

H.2.1 Insurance Certificate

Contractor shall deliver or cause to be delivered upon execution of this contract (and thereafter not less than thirty (30) days prior to the expiration date of each policy furnished pursuant to this contract) to the Government a certificate of insurance evidencing the insurance required by this contract.

H.2.2 Types of Insurance

During the entire period this contract shall be in effect, the Contractor and its subcontractors at any tier shall carry and maintain the following:

H.2.2.1 General Liability

Commercial general liability insurance with a minimum combined single limit of \$1,000,000 per occurrence and \$2,000,000 in the aggregate for all premises and operations, including products/completed operations. The policy shall include coverage for bodily injury, including death, and property damage arising out of the acts or omissions by or on behalf of the Contractor by any invitee or any other person or organization, or involving any owned, non-owned, or hired automotive equipment in connection with the Contractor's activities. The policy shall also include broad form property damage and shall cover independent contractors. The policy shall include coverage for hazards referred to as XCU (explosion, collapse, and underground).

H.2.2.2 Automobile Liability

Comprehensive automobile liability insurance with a combined single limit of \$1,000,000 per occurrence for bodily injury and property damage. Coverage is to include owned, hired, and non-owned vehicles.

H.2.2.3 Workers' Compensation and Employer's liability

If and to the extent required by law, workers' compensation and employer's liability insurance. Workers compensation coverage is to be provided in compliance with applicable laws and employers liability limits shall be at least \$500,000.

H.2.2.4 Umbrella/Excess Liability Coverage

Umbrella or Excess Liability coverage in an amount of \$1,000,000 per occurrence and \$1,000,000 in the aggregate. Coverage is to be in excess of commercial general liability, automobile liability, and employer liability.

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H.2.3 General

All policies of insurance which this contract requires the Contractor to carry and maintain or cause to be carried or maintained pursuant to this contract shall be with insurance companies who have an A- Best VIII or higher rating. All such policies of insurance shall list the government as additional insured, except for workers compensation. Each such policy shall provide that any losses shall be payable notwithstanding any act or failure to act or negligence of Contractor or Government or any other person; provide that no cancellation, reduction in amount, or material change in coverage thereof shall be effective until at least sixty (60) days after receipt by Government of written notice thereof; provide that the insurer shall have no right of subrogation against the Government; and be reasonably satisfactory to the Government in all other respects. In no circumstances will the Contractor be entitled to assign to any third party rights of action which the Contractor may have against the Government. The foregoing notwithstanding, any cancellation of insurance coverage based on nonpayment of the premium shall be effective upon ten (10) days' written notice to the Government. The Contractor understands and agrees that cancellation of any insurance coverage required to be carried and maintained by the Contractor under this contract will constitute a failure to comply with the terms of this

contract.

H.2.4 Self-insurance

The requirements to maintain insurance under Section H.2, *Insurance Requirements*, may be met by the use of self-insurance only under the following conditions and with the express prior written approval of the contracting officer:

H.2.4.1 Submittals

If the contractor desires to self-insure, the contractor shall submit to the contracting officer, in writing, a request to self-insure. The contractor shall, when submitting any documents under this provision, apprise the contracting officer of any such documents that constitute confidential or proprietary business records, and mark those records accordingly. To support the determination of the contracting officer regarding the request, said officer may request some or all of the following information, to the extent the contractor maintains such information, on the contractor's proposed self-insurance program—

- (1) A complete description of the program, including any resolution of the board of directors authorizing and adopting coverage, including types of risks, limits of coverage, assignments of safety and loss control, and legal service responsibilities;
- (2) If available, the corporate insurance manual;
- (3) The terms regarding insurance coverage for any Government property;
- (4) The contractor's latest financial statements;
- (5) Loss history and premiums history;
- (6) The means by which the self-insurance will be funded;
- (7) Claims administration policy, practices, and procedures;
- (8) The method of projecting losses; and
- (9) A disclosure of all captive insurance company and reinsurance agreements, including methods of computing cost.

H.2.4.2 Programs of Self Insurance

Programs of self-insurance covering contractor's insurable risks, including the deductible portion of purchased insurance, may be approved by the contracting officer when examination of a program indicates that its application is in the Government's interest; such determination is within the sole discretion of the Government. The Government will not approve a program of self-insurance for workers' compensation in a jurisdiction where workers' compensation does not completely cover the employer's liability to employees, unless the contractor—

- (1) Maintains an approved program of self-insurance for any employer's liability not so covered; or

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- (2) Shows that the combined cost to the Government of self-insurance for workers' compensation and commercial insurance for employer's liability will not exceed the cost of covering both kinds of risk by commercial insurance.

H.2.4.3 Approval

Once the contracting officer has approved a program, the contractor must submit to that official for approval any major proposed changes to the program. Any program approval may be withdrawn if the contracting officer finds that either—

- (1) Any part of a program does not comply with the requirements of this part and/or the criteria at FAR 31.205-19; or
- (2) Conditions or situations existing at the time of approval that were a basis for original approval of the program have changed to the extent that a program change is necessary.

H.2.4.4 Qualifications

To qualify for self-insurance, the contractor must demonstrate to the Government an ability to sustain the potential losses involved. In making the determination, the contracting officer shall consider the following factors:

- (1) The soundness of contractor's financial condition, including available lines of credit.
- (2) The geographic dispersion of assets, so that the potential of a single loss depleting all the assets is unlikely.
- (3) The history of previous losses, including frequency of occurrence and the financial impact of each loss.
- (4) The type and magnitude of risk, such as minor coverage for the deductible portion of purchased insurance or major coverage for hazardous risks.
- (5) The contractor's compliance with Federal and State laws and regulations.

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Friday, May 20, 2011 10:01 AM
To: Jim Bruce
Subject: Re: Central costs

You can use the latest

Sent from my Verizon Wireless BlackBerry

From: Jim Bruce <jbruce@hcwd.com>
Date: Fri, 20 May 2011 07:25:43 -0600
To: Hackworth, David/LOU<David.Hackworth@CH2M.com>
Subject: RE: Central costs

Were you going to send a more recent Start-Up / Transition as well, or should I use latest I have?

Jim

From: David.Hackworth@CH2M.com [mailto:David.Hackworth@CH2M.com]
Sent: Friday, May 20, 2011 9:33 AM
To: Jim Bruce
Subject: Central costs

Jim,

My coworker has a hot spot with his I-phone, so it looks like I have email access today....

David Hackworth, P.E.
Vice President and Area Manager
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Louisville, KY 40202
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www.ch2mhill.com

Jim Bruce

From: Jim Bruce
Sent: Friday, May 20, 2011 12:58 PM
To: 'David.Hackworth@CH2M.com'; 'Jim Smith'
Subject: Updated HCWD1 costs
Attachments: Fort Knox_Start Up_Rev 060111 JSB.xlsx; Treat and Dist_Year 1-5_Central Only 060111 JSB.xlsx

David / Jim;

Here are our changes to Start-Up / Transition and 1-5 Central Costs. Here is summary of changes;

Start-Up SS;

- Updated equipment and materials costs to current on Materials tab
- Did not change individual person or task hours on Labor tab
- Changed all wages to current and changed benefit OH to 31%
- Also updated hours estimated during transition to more realistic
- Added Preston to start up and transition costs

Central 1-5 SS;

- Revised all HCWD1 wages and benefits (same as transition SS)
- Revised PSC regulatory fees to estimated based on 2010 actual rate for our other water utility
- Revised insurance cost to new estimate. We changed broker and provider in Jan this year, their estimate is lower than previous

These are only 2 spreadsheets I changed. Anywhere else these numbers are used, CH2M will have to make sure those get updated.

We also are waiting on the roof replacement cost change from Judy Const. I think we have sent all other changes to ISDC projects that we were working on

One of main reasons we changed these costs is direction from my Board (VERY CLEAR) to make sure we are recovering our actual costs and labor on this effort. I think we had way too low hours involved from the future transition effort (I use the 4 month period between contract award and start up). This should help recover our cost also for proposal development. We can talk more about it Monday

Thanks

Jim Bruce

Jim Bruce

From: Jim Bruce
Sent: Friday, May 20, 2011 1:00 PM
To: 'David.Hackworth@CH2M.com'; 'Jim Smith'
Subject: Updated HCWD1 costs
Attachments: Treat and Dist_Year 1-5_Central Only 060111 JSB.xlsx

David / Jim;

Use this one. I found the PSC fee formula was not correct

Thanks

Jim Bruce

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Saturday, May 21, 2011 4:30 PM
To: Jim Bruce; JSmith@lwcky.com; Preston Pendley; Brett Pyles
Subject: Fort Knox_Start Up FINAL DRAFT.xlsx
Attachments: Fort Knox_Start Up FINAL DRAFT.xlsx

Team,

Please take one final look...

Jim Bruce, I used the same numbers that you had for hours, but went into the labor table to populate by task.. I had to move some hours around between tasks, but the totals add up to what you had..

Regards

David

David Hackworth, P.E.
Vice President and Area Manager
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www.ch2mhill.com

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Saturday, May 21, 2011 4:43 PM
To: Jim Bruce; JSmith@lwcky.com; Brett Pyles; Preston Pendley
Subject: Treat and Dist_Year 1-5_Central Only FINAL DRAFT.xlsx
Attachments: Treat and Dist_Year 1-5_Central Only FINAL DRAFT.xlsx

Team,

Please review final draft...

Thanks

David

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Vice President and Area Manager
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Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Saturday, May 21, 2011 5:41 PM
To: Jim Bruce; JSmith@lwcky.com; Dave.Gray@CH2M.com
Subject: RE: HCWD1 Tank Work summary 0511.xlsx

Tanks 1,2 and 4 were not requested by DESC in the RFP.. they were added by us... in this case, should we just do the coating and skip the cathodic protection and altitude valves...The Govt wont be expecting us to do that... in all their correspondence, they were concerned about Tanks 5,6,7,8

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Friday, May 20, 2011 8:18 AM
To: Hackworth, David/LOU; Jim Smith; Gray, Dave/DSO
Subject: HCWD1 Tank Work summary 0511.xlsx

David / Dave;

We added G&A to each tank project. However, I thought if it was added later on in another SS, we can take it off this SS so we do not count it twice

Thanks

Jim Bruce

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Sunday, May 22, 2011 3:13 PM
To: JSmith@lwcky.com; Jim Bruce; Brett Pyles; Preston Pendley
Subject: Remaining cost sheets
Attachments: Treat and Dist_Year 6-50_Central Only FINAL DRAFT.xlsx; Fort Knox ISDC summary FINAL DRAFT.xlsx; Fort Knox_Treat and Dist_Year 1-5_Muldraugh FINAL DRAFT.xlsx; Ft_Knox_RRModel_FINAL DRAFT.xlsx; Treat and Dist_Year 1-5_Central Only FINAL DRAFT.xlsx

Team,

This should be the rest of the files... By our call tomorrow, I would like to go final...

The only outstanding issue is the rehab for Tanks 1,2,4 – whether we should include cathodic protection and altitude valves since they were not govt identified deficiencies..

Regards

David

David Hackworth, P.E.

Vice President and Area Manager
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Louisville, KY 40202
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Fax - 502.587.9343
Mobile - 502.541.5385
www.ch2mhill.com

Jim Bruce

From: Jim Bruce
Sent: Monday, May 23, 2011 8:25 AM
To: 'David.Hackworth@CH2M.com'; 'Jim Smith'
Cc: Brett Pyles; Preston Pendley; Scott Schmuck
Subject: RE: Treat and Dist_Year 1-5_Central Only FINAL DRAFT.xlsx

David – Looks good to me

Jim

From: David.Hackworth@CH2M.com [<mailto:David.Hackworth@CH2M.com>]
Sent: Saturday, May 21, 2011 4:43 PM
To: Jim Bruce; JSmith@lwcky.com; Brett Pyles; Preston Pendley
Subject: Treat and Dist_Year 1-5_Central Only FINAL DRAFT.xlsx

Team,

Please review final draft...

Thanks

David

David Hackworth, P.E.
Vice President and Area Manager
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Louisville, KY 40202
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Fax - 502.587.9343
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www.ch2mhill.com

Jim Bruce

From: Jim Bruce
Sent: Monday, May 23, 2011 8:52 AM
To: 'David.Hackworth@CH2M.com'; 'Jim Smith'
Cc: Brett Pyles; Scott Schmuck; Preston Pendley
Subject: RE: Fort Knox_Start Up FINAL DRAFT.xlsx

David;

Looks pretty good. The hours allocation is OK. I am showing a circ error on cell G42, not sure if that is a problem or messing up totals. Row 42 appears to be hidden

Jim

From: David.Hackworth@CH2M.com [<mailto:David.Hackworth@CH2M.com>]
Sent: Saturday, May 21, 2011 4:30 PM
To: Jim Bruce; JSmith@lwcky.com; Preston Pendley; Brett Pyles
Subject: Fort Knox_Start Up FINAL DRAFT.xlsx

Team,

Please take one final look...

Jim Bruce, I used the same numbers that you had for hours, but went into the labor table to populate by task.. I had to move some hours around between tasks, but the totals add up to what you had..

Regards

David

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Fax - 502.587.9343
Mobile - 502.541.5385
www.ch2mhill.com

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Monday, May 23, 2011 9:25 AM
To: Jim Bruce
Subject: duties for project manager

Jim,

There are many references in Volume 1 to the operations manager – in terms of emergency response and communication. I think it would make more sense to the Govt if I changed it to the Project Manager.. Is that ok?

David Hackworth, P.E.
Vice President and Area Manager
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Mobile - 502.541.5385
www.ch2mhill.com

Jim Bruce

From: Jim Bruce
Sent: Monday, May 23, 2011 9:21 AM
To: 'David.Hackworth@CH2M.com'
Subject: RE: duties for project manager

AOK with me

Jim

From: David.Hackworth@CH2M.com [<mailto:David.Hackworth@CH2M.com>]
Sent: Monday, May 23, 2011 9:25 AM
To: Jim Bruce
Subject: duties for project manager

Jim,

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From: Jim Bruce
Sent: Monday, May 23, 2011 9:23 AM
To: 'David.Hackworth@CH2M.com'
Cc: 'Jim Smith'; Brett Pyles; Preston Pendley
Subject: RE: HCWD1 Tank Work summary 0511.xlsx

David – I agree with that. Also, on Aug 10 FPR, page I-63, we did not mention new CP or AV's for tanks, so I think it would be consistent to leave those out of pricing for tanks we proposed doing.

Good catch

Jim

From: David.Hackworth@CH2M.com [<mailto:David.Hackworth@CH2M.com>]
Sent: Saturday, May 21, 2011 5:41 PM
To: Jim Bruce; JSmith@lwcky.com; Dave.Gray@CH2M.com
Subject: RE: HCWD1 Tank Work summary 0511.xlsx

Tanks 1,2 and 4 were not requested by DESC in the RFP.. they were added by us... in this case, should we just do the coating and skip the cathodic protection and altitude valves...The Govt wont be expecting us to do that... in all their correspondence, they were concerned about Tanks 5,6,7,8

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Friday, May 20, 2011 8:18 AM
To: Hackworth, David/LOU; Jim Smith; Gray, Dave/DSO
Subject: HCWD1 Tank Work summary 0511.xlsx

David / Dave;

We added G&A to each tank project. However, I thought if it was added later on in another SS, we can take it off this SS so we do not count it twice

Thanks

Jim Bruce

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Monday, May 23, 2011 10:00 AM
To: Jim Bruce; JSmith@lwcky.com
Cc: Brett Pyles; Scott Schmuck; Preston Pendley
Subject: RE: Fort Knox_Start Up FINAL DRAFT.xlsx
Attachments: Fort Knox_Start Up FINAL DRAFT.xlsx

Here is updated file without circular reference... sorry about that

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Monday, May 23, 2011 8:52 AM
To: Hackworth, David/LOU; Jim Smith
Cc: Brett Pyles; Scott Schmuck; Preston Pendley
Subject: RE: Fort Knox_Start Up FINAL DRAFT.xlsx

David;

Looks pretty good. The hours allocation is OK. I am showing a circ error on cell G42, not sure if that is a problem or messing up totals. Row 42 appears to be hidden

Jim
H

From: David.Hackworth@CH2M.com [<mailto:David.Hackworth@CH2M.com>]
Sent: Saturday, May 21, 2011 4:30 PM
To: Jim Bruce; JSmith@lwcky.com; Preston Pendley; Brett Pyles
Subject: Fort Knox_Start Up FINAL DRAFT.xlsx

Team,

Please take one final look...

Jim Bruce, I used the same numbers that you had for hours, but went into the labor table to populate by task.. I had to move some hours around between tasks, but the totals add up to what you had..

Regards

David

David Hackworth, P.E.
Vice President and Area Manager
CH2M HILL
401 W. Main Street, Suite 500
Louisville, KY 40202
Direct - 502.584.6052
Fax - 502.587.9343
Mobile - 502.541.5385
www.ch2mhill.com

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Monday, May 23, 2011 11:18 AM
To: Jim Bruce
Subject: FW: R&R Schedule and Cash Flow
Attachments: Proposal--Base_5-20-11.xlsm

From: Gray, Dave/DSO
Sent: Friday, May 20, 2011 2:14 PM
To: Hackworth, David/LOU
Subject: R&R Schedule and Cash Flow

In previous versions of the R&R Cash Flow, we had about 10 years before the cash flow went negative and HCWD1 would need to borrow money for the R&R investments. Now there are only 2 years of positive cash flow. Please take a look at the 4. R&R Cash Flow tab in the attached. In the last submittal (July 2010), HCWD1 did not need to borrow money until the 9th year. This partially comes from moving the R&R investment schedule up 2 years. Lets discuss. We may want to figure a way to delay them a bit using the excuse that the initial focus needs to be on the ISDCs.

David Gray

CH2M HILL
1601 Fifth Avenue, Suite 1100
Seattle, WA 98101
E-mail: dgray@ch2m.com
Work: 206-682-0074 x22262
Direct: 206-470-2262
Cell: 425-301-4729
Fax: 206-682-0078

Jim Bruce

From: Jim Bruce
Sent: Monday, May 23, 2011 1:08 PM
To: 'David.Hackworth@CH2M.com'; 'Jim Smith'
Cc: Brett Pyles; Preston Pendley; Scott Schmuck
Subject: RE: contract dates - please confirm

Jim? You mean our requested dates, or DLA proposed dates? My understand from Brian is that operations start could be between Dec 1 and Dec 31, 2011 with contract award and NTP for transition happening Sept 1 to Sept 30. Our only set date in our proposal was we needed 4 months for transition. Last conf call we asked Brian if they needed shorter, and he said no that was adequate. He also said with June 7 FPR deadline, they might take up to 2 months for review and approval, which would put contract award sometime in August

That is my recollection

Jim

From: David.Hackworth@CH2M.com [<mailto:David.Hackworth@CH2M.com>]
Sent: Monday, May 23, 2011 1:14 PM
To: Jim Bruce
Subject: contract dates - please confirm

Contract award – July 1, 2011

NTP for transition – August 1, 2011

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Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Monday, May 23, 2011 2:46 PM
To: Jim Bruce
Subject: Negotiation Message 4

Jim,

Just checking to see if you finalized your response. Also, please send my final copy so I can incorporate into proposal

Thanks

David

David Hackworth, P.E.
Vice President and Area Manager
CH2M HILL
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Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Monday, May 23, 2011 4:18 PM
To: JSmith@lwcky.com; Jim Bruce; Preston Pendley; Brett Pyles; Dave.Gray@CH2M.com
Subject: Final costs Fort Knox
Attachments: Fort Knox ISDC summary FINAL.xlsx; Fort Knox_Treat and Dist_Year 1-5_Muldraugh FINAL.xlsx; Treat and Dist_Year 1-5_Central Only FINAL.xlsx; Treat and Dist_Year 6-50_Central Only FINAL.xlsx; Fort Knox_Start Up FINAL.xlsx; Ft_Knox_RRModel_FINAL.xlsx

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Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Monday, May 23, 2011 4:24 PM
To: JSmith@lwcky.com; Jim Bruce; Preston Pendley; Brett Pyles
Subject: FW: Fort Knox Vol I
Attachments: Fort Knox_Volume I - Jun 2011_DT.pdf

Team,

Please let me know if you have any comments

Thanks

David

David Hackworth, P.E.
Vice President and Area Manager
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Louisville, KY 40202
Direct - 502.584.6052
Fax - 502.587.9343
Mobile - 502.541.5385
www.ch2mhill.com

Jim Bruce

From: Jo Ann McGee [jmcgee@lwcky.com]
Sent: Tuesday, May 24, 2011 8:53 AM
To: Jim Bruce
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Mr. Bruce,

Greg has asked me to move this meeting out a few weeks (due to another pressing deadline we are working on), so, I'm now looking at Friday, June 17 at 11:30 for a lunch meeting. Jim Smith said he would touch base with you on this new date and time to make certain you are available and he will also discuss possible meeting location on Dixie with you.

Sorry for this delay.

Jo Ann

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Wednesday, May 18, 2011 3:57 PM
To: Jo Ann McGee
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

OK

Jim

From: Jo Ann McGee [mailto:jmcgee@lwcky.com]
Sent: Wednesday, May 18, 2011 2:38 PM
To: Jim Bruce
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Mr. Bruce,

I will check with Greg and Jim Brammel and Jim Smith on meeting location. I believe south Dixie will work, but I will confirm as soon as I talk with Jim B and Jim S and Greg.

Thanks

Jo Ann

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Tuesday, May 10, 2011 1:25 PM
To: Jo Ann McGee
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Jo Ann;

Time and date works good. Did Greg want to meet on South Dixie to be able to look at possible connection and pump station site? If not, I do not mind coming up to your office. Also, did I need to bring our engineer or anyone besides just me?

Thanks

Jim Bruce

From: Jo Ann McGee [mailto:jmcgee@lwcky.com]
Sent: Friday, May 06, 2011 8:50 AM
To: Jim Bruce
Subject: FW: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Mr. Bruce,

Are you available on Tuesday, May 31 at 11:30 a.m. – 12:30 p.m. to meet with Greg Heitzman, Jim Smith and Jim Brammell? If so, do you have a preferred location on Dixie for the lunch time meeting?

Thanks,

Jo Ann McGee

From: Greg Heitzman
Sent: Thursday, May 05, 2011 5:54 PM
To: Jim Bruce
Cc: Jim Smith; Jim Brammell; Jo Ann McGee
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Jim: I will ask Jo Ann to get us a 1 hour mtg to meet in late May. Me, You, Jim Smith. Feel free to bring Bret. I also want to bring Jim Brammell, our Chief Engineer, into the loop on this project. We can meet out off Dixie for lunch, if that will help travel time for everyone.

My major concern is to move forward on the \$4.5M KY ED grant, in parallel with privatization, get base bid 16" or 20" transmission under design, with alternate bid scope scenario to upsize to 24". I agree we can design BPS to add pump capacity later. LWC can assist with financing if needed.

I think if we move on this approach, it will actually put some pressure on Ft Knox to push for a decision from DLA, knowing we are moving.

We need to get a bid on the street in next 3-5 months, as I expect inflation will be kicking in after July 2011, as Fed begins to lift QE2. We can ask for prices to be held 90 days, so we don't have to make final decision to build till as late as December, but can pull the trigger if needed. We are beginning to see some construction inflation, especially for materials creep back into bid prices. Before long, we may find \$4.5M will not cover the costs of the transmission, storage and BPS.

Greg C. Heitzman
President & CEO
Louisville Water Company

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Thursday, May 05, 2011 2:14 AM
To: Greg Heitzman
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Greg;

I would welcome chance to sit down with you and talk about that prospect. We will also bring up again with DLA on conference call today. As you may recall, the integration of LWC supply was basis for our alternate proposal in 2008, which Govt rejected. We again brought up during our face to face negotiations in December, and DLA said they are not authorized to include commodity contracts with privatization efforts, but that the commodity supply would be handled by local FK contracting office.

My goal and challenge presently is to convince my Board to execute the LWC purchased water agreement, so we can begin final design on the facility. Once that process begins, and final design parameters are being set, I thought that was best time to go to Govt contracting and let them know that if we need to upsize facilities for FK benefit, this is best time to do that. We could then see if they were ready and serious to secure the off post supply, or if they would wait until later to find funding to do that.

Jim and I talked about at the least sizing and bidding the facilities in two alternates, 1 for quantity just for HCWD1 needs, and the other for both HCWD1 and FK needs. Regardless of the constructed size, I think we need to make pump station scalable to add FK demand later. Last year, HDR, Jim and myself picked a site on Govt property which is near confluence of FK 24 inch and HCWD1 14 inch mains, which if placed there, gives max flexibility for routing LWC water to both systems.

I will be out for week in May, but can meet most anytime other than that week. Will let Jim know my schedule

Look forward to meeting with you

Jim Bruce

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

From: Greg Heitzman [mailto:gheitzman@lwcky.com]
Sent: Wed 5/4/2011 9:37 PM
To: Jim Bruce
Cc: Jim Smith
Subject: Re: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Jim, at your convenience, I would like to meet at discuss how we integrate the \$4.5 transmission grant from KY Economic Development into the privatization project, so we maximize the value of both. I'll ask Jim Smith to coordinate a time in next few weeks.

Hope we can bring this next round to closure. I think I recall back then you told me to expect a 3 year process, even though they said they wanted a contract by Dec 2008!

Hard to believe, but it has been 3 years since the first REI!

Thanks.

Greg Heitzman
President
Louisville Water Company
Celebrating 150 Years of Service

On May 4, 2011, at 10:49 AM, "Jim Smith" <JSmith@lwcky.com<mailto:JSmith@lwcky.com>> wrote:

Fyi. Negotiations are underway again for Ft Knox.

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Tuesday, May 03, 2011 3:21 PM
To: Koessel, Brian DLA CIV ENERGY; <mailto:Taina.Rivera@dla.mil> Taina.Rivera@dla.mil<mailto:Taina.Rivera@dla.mil>
Cc: Preston Pendley; Brett Pyles; David.Hackworth@CH2M.com<mailto:David.Hackworth@CH2M.com>; Jim Smith
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Mr Koessel;

A conference call Thursday at 11AM will work for us. Our questions are more of process and timing, and sequence of getting final questions from Govt before finalizing FPR or submitting FPR and then getting another round of questions / information requests. Also would help to know nature of final questions an information requests to know how much resources or time responding to those will take, before starting on FPR. Should take 30 minutes or less to go over our questions and get clarification.

Please send meeting invite information.

Thank You

Jim Bruce
General Manager
HCWD1

From: Koessel, Brian DLA CIV ENERGY [<mailto:Brian.Koessel@dla.mil>]
Sent: Monday, May 02, 2011 5:59 PM
To: Jim Bruce
Cc: Jim Smith; Brett Pyles; Preston Pendley; David.Hackworth@CH2M.com<<mailto:David.Hackworth@CH2M.com>>; Rivera, Taina DLA CIV ENERGY
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Mr. Bruce,

I apologize for the delay in my response. I have arranged a conference line on Thursday at 11ET for our discussion. If this time is convenient for you, please let me know and I will send out a meeting invite. The Government looks forward to discussing any questions that you and your team may have. To better prepare ourselves, are these questions that will require the participation of the technical and pricing folks or are the questions general in nature? Again, I apologize for not returning your inquiry sooner.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
(703) 767-1595 (DSN 427)

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Thursday, April 28, 2011 8:33 AM
To: Koessel, Brian DLA CIV ENERGY; Rivera, Taina DLA CIV ENERGY; Gray, Martha A DLA CIV ENERGY
Cc: Jim Smith; Brett Pyles; Preston Pendley; <<mailto:David.Hackworth@CH2M.com>>
David.Hackworth@CH2M.com<<mailto:David.Hackworth@CH2M.com>>
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Mr. Koessel;

Our team did discuss your request on a conference call referenced in our 30-March email below. We had left you a voice message on 1-April requesting a conference call with you as we had a few questions before we could provide a response to your 29-March request. A couple weeks later, I had left another voice message with you to see if we could schedule the conference call.

We had not heard any response, possibly because your voice messaging was not working, or you had been traveling or working on other deadlines. We wanted to provide this email to request a conference call to hopefully answer our few questions, and provide a response on the FPR submittal timing.

We look forward to hearing back from you

Thank You

Jim Bruce
HCWD1

Mr Koessel;

Thank you for the update and request for response. Our team has a meeting scheduled this Friday and we will be able to respond to your question about timing on Friday. We look forward to further dialogue in the future.

Thank You

Jim Bruce
HCWD1
General Manager

From: Koessel, Brian DLA CIV ENERGY [<mailto:Brian.Koessel@dla.mil>]
Sent: Tuesday, March 29, 2011 11:56 AM
To: Jim Bruce; Brett Pyles; Preston Pendley; Jim Smith; <<mailto:David.Hackworth@CH2M.com>>
David.Hackworth@CH2M.com<<mailto:David.Hackworth@CH2M.com>>
Cc: Rivera, Taina DLA CIV ENERGY
Subject: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Mr. Bruce,

DLA Energy is preparing its request for a Final Proposal Revision (FPR) from HCWD1. The request for a FPR will be accompanied by a negotiation message, identifying the remaining open issues. The remaining open issues are predominantly clarifications and requests for additional information pertaining to responses already provided by HCWD1. To assist in our planning, I would like to request an estimate of how much time HCWD1 will require to prepare and submit its FPR. The Government hopes that three weeks will be sufficient.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dla.mil<<mailto:Brian.Koessel@dla.mil>>

Jim Bruce

From: Jim Bruce
Sent: Tuesday, May 24, 2011 8:46 AM
To: 'Jo Ann McGee'
Cc: Andrea Palmer
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Jo Ann;

That is fine with my schedule. Will get with Jim to confirm. As for location, I am not familiar with places on S. Dixie to meet or eat, so you will have to pick

Thanks,

Jim Bruce

From: Jo Ann McGee [mailto:jmcgee@lwcky.com]
Sent: Tuesday, May 24, 2011 8:53 AM
To: Jim Bruce
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Mr. Bruce,

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Jo Ann

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Sent: Wednesday, May 18, 2011 3:57 PM
To: Jo Ann McGee
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Look forward to meeting with you

Jim Bruce

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Greg Heitzman
President

Louisville Water Company
Celebrating 150 Years of Service

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Cc: Preston Pendley; Brett Pyles; David.Hackworth@CH2M.com<<mailto:David.Hackworth@CH2M.com>>; Jim Smith
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Thank You

Jim Bruce
General Manager
HCWD1

From: Koessel, Brian DLA CIV ENERGY [<mailto:Brian.Koessel@dla.mil>]
Sent: Monday, May 02, 2011 5:59 PM
To: Jim Bruce
Cc: Jim Smith; Brett Pyles; Preston Pendley; David.Hackworth@CH2M.com<<mailto:David.Hackworth@CH2M.com>>; Rivera, Taina DLA CIV ENERGY
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Mr. Bruce,

I apologize for the delay in my response. I have arranged a conference line on Thursday at 11ET for our discussion. If this time is convenient for you, please let me know and I will send out a meeting invite. The Government looks forward to discussing any questions that you and your team may have. To better prepare ourselves, are these questions that will require the participation of the technical and pricing folks or are the questions general in nature? Again, I apologize for not returning your inquiry sooner.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
(703) 767-1595 (DSN 427)

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Thursday, April 28, 2011 8:33 AM
To: Koessel, Brian DLA CIV ENERGY; Rivera, Taina DLA CIV ENERGY; Gray, Martha A DLA CIV ENERGY
Cc: Jim Smith; Brett Pyles; Preston Pendley; <<mailto:David.Hackworth@CH2M.com>>
David.Hackworth@CH2M.com<<mailto:David.Hackworth@CH2M.com>>
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Mr. Koessel;

Our team did discuss your request on a conference call referenced in our 30-March email below. We had left you a voice message on 1-April requesting a conference call with you as we had a few questions before we could provide a response to your 29-March

request. A couple weeks later, I had left another voice message with you to see if we could schedule the conference call.

We had not heard any response, possibly because your voice messaging was not working, or you had been traveling or working on other deadlines. We wanted to provide this email to request a conference call to hopefully answer our few questions, and provide a response on the FPR submittal timing.

We look forward to hearing back from you

Thank You

Jim Bruce
HCWD1

Mr Koessel;

Thank you for the update and request for response. Our team has a meeting scheduled this Friday and we will be able to respond to your question about timing on Friday. We look forward to further dialogue in the future.

Thank You

Jim Bruce
HCWD1
General Manager

From: Koessel, Brian DLA CIV ENERGY [<mailto:Brian.Koessel@dla.mil>]
Sent: Tuesday, March 29, 2011 11:56 AM
To: Jim Bruce; Brett Pyles; Preston Pendley; Jim Smith; <<mailto:David.Hackworth@CH2M.com>>
David.Hackworth@CH2M.com<<mailto:David.Hackworth@CH2M.com>>
Cc: Rivera, Taina DLA CIV ENERGY
Subject: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Mr. Bruce,

DLA Energy is preparing its request for a Final Proposal Revision (FPR) from HCWD1. The request for a FPR will be accompanied by a negotiation message, identifying the remaining open issues. The remaining open issues are predominantly clarifications and requests for additional information pertaining to responses already provided by HCWD1. To assist in our planning, I would like to request an estimate of how much time HCWD1 will require to prepare and submit its FPR. The Government hopes that three weeks will be sufficient.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dla.mil<<mailto:Brian.Koessel@dla.mil>>

Jim Bruce

From: Jo Ann McGee [jmcgee@lwcky.com]
Sent: Tuesday, May 24, 2011 10:26 AM
To: Jim Bruce
Cc: Jim Smith
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Thanks for your prompt reply. I will ask Jim Smith to identify lunch location for us.

Jo Ann

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Tuesday, May 24, 2011 8:46 AM
To: Jo Ann McGee
Cc: Andrea Palmer
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Jo Ann;

That is fine with my schedule. Will get with Jim to confirm. As for location, I am not familiar with places on S. Dixie to meet or eat, so you will have to pick

Thanks,

Jim Bruce

From: Jo Ann McGee [mailto:jmcgee@lwcky.com]
Sent: Tuesday, May 24, 2011 8:53 AM
To: Jim Bruce
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Mr. Bruce,

Greg has asked me to move this meeting out a few weeks (due to another pressing deadline we are working on), so, I'm now looking at Friday, June 17 at 11:30 for a lunch meeting. Jim Smith said he would touch base with you on this new date and time to make certain you are available and he will also discuss possible meeting location on Dixie with you.

Sorry for this delay.

Jo Ann

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Wednesday, May 18, 2011 3:57 PM
To: Jo Ann McGee
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

OK

Jim

From: Jo Ann McGee [mailto:jmcgee@lwcky.com]
Sent: Wednesday, May 18, 2011 2:38 PM
To: Jim Bruce
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Mr. Bruce,

I will check with Greg and Jim Brammell and Jim Smith on meeting location. I believe south Dixie will work, but I will confirm as soon as I talk with Jim B and Jim S and Greg.

Thanks

Jo Ann

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Tuesday, May 10, 2011 1:25 PM
To: Jo Ann McGee
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Jo Ann;

Time and date works good. Did Greg want to meet on South Dixie to be able to look at possible connection and pump station site? If not, I do not mind coming up to your office. Also, did I need to bring our engineer or anyone besides just me?

Thanks

Jim Bruce

From: Jo Ann McGee [mailto:jmcgee@lwcky.com]
Sent: Friday, May 06, 2011 8:50 AM
To: Jim Bruce
Subject: FW: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Mr. Bruce,

Are you available on Tuesday, May 31 at 11:30 a.m. – 12:30 p.m. to meet with Greg Heitzman, Jim Smith and Jim Brammell? If so, do you have a preferred location on Dixie for the lunch time meeting?

Thanks,

Jo Ann McGee

From: Greg Heitzman
Sent: Thursday, May 05, 2011 5:54 PM
To: Jim Bruce
Cc: Jim Smith; Jim Brammell; Jo Ann McGee
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Jim: I will ask Jo Ann to get us a 1 hour mtg to meet in late May. Me, You, Jim Smith. Feel free to bring Bret. I also want to bring Jim Brammell, our Chief Engineer, into the loop on this project. We can meet out off Dixie for lunch, if that will help travel time for everyone.

My major concern is to move forward on the \$4.5M KY ED grant, in parallel with privatization, get base bid 16" or 20" transmission under design, with alternate bid scope scenario to upsize to 24". I agree we can design BPS to add pump capacity later. LWC can assist with financing if needed.

I think if we move on this approach, it will actually put some pressure on Ft Knox to push for a decision from DLA, knowing we are moving.

We need to get a bid on the street in next 3-5 months, as I expect inflation will be kicking in after July 2011, as Fed begins to lift QE2. We can ask for prices to be held 90 days, so we don't have to make final decision to build till as late as December, but can pull the trigger if needed. We are beginning to see some construction inflation, especially for materials creep back into bid prices. Before long, we may find \$4.5M will not cover the costs of the transmission, storage and BPS.

Greg C. Heitzman
President & CEO
Louisville Water Company

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Thursday, May 05, 2011 2:14 AM
To: Greg Heitzman
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Greg;

I would welcome chance to sit down with you and talk about that prospect. We will also bring up again with DLA on conference call today. As you may recall, the integration of LWC supply was basis for our alternate proposal in 2008, which Govt rejected. We again brought up during our face to face negotiations in December, and DLA said they are not authorized to include commodity contracts with privatization efforts, but that the commodity supply would be handled by local FK contracting office.

My goal and challenge presently is to convince my Board to execute the LWC purchased water agreement, so we can begin final design on the facility. Once that process begins, and final design parameters are being set, I thought that was best time to go to Govt contracting and let them know that if we need to upsize facilities for FK benefit, this is best time to do that. We could then see if they were ready and serious to secure the off post supply, or if they would wait until later to find funding to do that.

Jim and I talked about at the least sizing and bidding the facilities in two alternates, 1 for quantity just for HCWD1 needs, and the other for both HCWD1 and FK needs. Regardless of the constructed size, I think we need to make pump station scalable to add FK demand later. Last year, HDR, Jim and myself picked a site on Govt property which is near confluence of FK 24 inch and HCWD1 14 inch mains, which if placed there, gives max flexibility for routing LWC water to both systems.

I will be out for week in May, but can meet most anytime other than that week. Will let Jim know my schedule

Look forward to meeting with you

Jim Bruce

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

From: Greg Heitzman [mailto:gheitzman@lwcky.com]
Sent: Wed 5/4/2011 9:37 PM
To: Jim Bruce
Cc: Jim Smith
Subject: Re: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Jim, at your convenience, I would like to meet to discuss how we integrate the \$4.5 transmission grant from KY Economic Development into the privatization project, so we maximize the value of both. I'll ask Jim Smith to coordinate a time in next few weeks.

Hope we can bring this next round to closure. I think I recall back then you told me to expect a 3 year process, even though they said they wanted a contract by Dec 2008!

Hard to believe, but it has been 3 years since the first REI!

Thanks.

Greg Heitzman
President
Louisville Water Company
Celebrating 150 Years of Service

On May 4, 2011, at 10:49 AM, "Jim Smith" <JSmith@lwcky.com<<mailto:JSmith@lwcky.com>>> wrote:

Fyi. Negotiations are underway again for Ft Knox.

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Tuesday, May 03, 2011 3:21 PM
To: Koessel, Brian DLA CIV ENERGY; <<mailto:Taina.Rivera@dla.mil>> Taina.Rivera@dla.mil<<mailto:Taina.Rivera@dla.mil>>
Cc: Preston Pendley; Brett Pyles; David.Hackworth@CH2M.com<<mailto:David.Hackworth@CH2M.com>>; Jim Smith
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Mr Koessel;

A conference call Thursday at 11AM will work for us. Our questions are more of process and timing, and sequence of getting final questions from Govt before finalizing FPR or submitting FPR and then getting another round of questions / information requests. Also would help to know nature of final questions and information requests to know how much resources or time responding to those will take, before starting on FPR. Should take 30 minutes or less to go over our questions and get clarification.

Please send meeting invite information.

Thank You

Jim Bruce
General Manager
HCWD1

From: Koessel, Brian DLA CIV ENERGY [<mailto:Brian.Koessel@dla.mil>]
Sent: Monday, May 02, 2011 5:59 PM
To: Jim Bruce
Cc: Jim Smith; Brett Pyles; Preston Pendley; David.Hackworth@CH2M.com<<mailto:David.Hackworth@CH2M.com>>; Rivera, Taina DLA CIV ENERGY
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Mr. Bruce,

I apologize for the delay in my response. I have arranged a conference line on Thursday at 11ET for our discussion. If this time is convenient for you, please let me know and I will send out a meeting invite. The Government looks forward to discussing any questions that you and your team may have. To better prepare ourselves, are these questions that will require the participation of the technical and pricing folks or are the questions general in nature? Again, I apologize for not returning your inquiry sooner.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA

(703) 767-1595 (DSN 427)

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Thursday, April 28, 2011 8:33 AM
To: Koessel, Brian DLA CIV ENERGY; Rivera, Taina DLA CIV ENERGY; Gray, Martha A DLA CIV ENERGY
Cc: Jim Smith; Brett Pyles; Preston Pendley; <<mailto:David.Hackworth@CH2M.com>>
David.Hackworth@CH2M.com<<mailto:David.Hackworth@CH2M.com>>
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Mr. Koessel;

Our team did discuss your request on a conference call referenced in our 30-March email below. We had left you a voice message on 1-April requesting a conference call with you as we had a few questions before we could provide a response to your 29-March request. A couple weeks later, I had left another voice message with you to see if we could schedule the conference call.

We had not heard any response, possibly because your voice messaging was not working, or you had been traveling or working on other deadlines. We wanted to provide this email to request a conference call to hopefully answer our few questions, and provide a response on the FPR submittal timing.

We look forward to hearing back from you

Thank You

Jim Bruce
HCWD1

Mr Koessel;

Thank you for the update and request for response. Our team has a meeting scheduled this Friday and we will be able to respond to your question about timing on Friday. We look forward to further dialogue in the future.

Thank You

Jim Bruce
HCWD1
General Manager

From: Koessel, Brian DLA CIV ENERGY [<mailto:Brian.Koessel@dla.mil>]
Sent: Tuesday, March 29, 2011 11:56 AM
To: Jim Bruce; Brett Pyles; Preston Pendley; Jim Smith; <<mailto:David.Hackworth@CH2M.com>>
David.Hackworth@CH2M.com<<mailto:David.Hackworth@CH2M.com>>
Cc: Rivera, Taina DLA CIV ENERGY
Subject: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Mr. Bruce,

DLA Energy is preparing its request for a Final Proposal Revision (FPR) from HCWD1. The request for a FPR will be accompanied by a negotiation message, identifying the remaining open issues. The remaining open issues are predominantly clarifications and requests for additional information pertaining to responses already provided by HCWD1. To assist in our planning, I would like to request an estimate of how much time HCWD1 will require to prepare and submit its FPR. The Government hopes that three weeks will be sufficient.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA

Jim Bruce

From: Andrea Palmer
Sent: Tuesday, May 24, 2011 1:37 PM
To: Jim Bruce
Subject: RE: HCWD1 Negotiation Message #4 - Fort Knox - 051711 HCWD1 resp.docx
Attachments: HCWD1 Negotiation Message #4 - Fort Knox - 051711 HCWD1 resp.docx

Edited as requested. Don't forget to add lightning protection to the first answer on page 5.

Andrea

From: Jim Bruce
Sent: Tuesday, May 24, 2011 12:32 PM
To: Andrea Palmer
Subject: HCWD1 Negotiation Message #4 - Fort Knox - 051711 HCWD1 resp.docx

Here is doc you can update and send back to me

Thanks, Jim

Jim Bruce

From: Dave.Gray@CH2M.com
Sent: Wednesday, May 25, 2011 12:31 AM
To: Jim Bruce; JSmith@lwcky.com; David.Hackworth@CH2M.com
Subject: Draft Price Proposal
Attachments: Proposal--Base_5-23-11.xlsm; FtKnox_Vol IV_Price Proposal_draft 5-24-11--Accepted Chngs.docx; Final costs Fort Knox

Attached is the draft Ft. Knox water utility privatization price proposal with changes made to date. Dave—They are based on the files that you sent to me in the attached e-mail. Please provide any comments you may have. We anticipate that there will still be some data changes that will result in changes for the final version.

Currently the rate proposal assumes no rate changes to any charges in the first 2 years. I would like to add that to the text as an explicit assumption. (There is no promise of no changes in the first 2 years actually happening it is just an assumption.)

Dave H.--Please check to be sure that the description of the cost estimating approach in Section 3 and Attachment IV-4 are still correct.

Thanks.--D

David Gray

CH2M HILL
1601 Fifth Avenue, Suite 1100
Seattle, WA 98101
E-mail: dgray@ch2m.com
Work: 206-682-0074 x22262
Direct: 206-470-2262
Cell: 425-301-4729
Fax: 206-682-0078

Jim Bruce

From: Dave.Gray@CH2M.com
Sent: Wednesday, May 25, 2011 12:51 PM
To: Jim Bruce; David.Hackworth@CH2M.com; JSmith@lwcky.com
Cc: Brett Pyles; Preston Pendley; Scott Schmuck
Subject: RE: Draft Price Proposal

I think that I created a bit of a "red herring". I understand and agree that we should not commit to any limitation to rate increases.

We set up our pricing to show the same nominal rates charged to the Government in years 1 and 2 to be as consistent with provisions specified for non-regulated price proposals. Those provisions called for no price changes for 2 years. But we have not committed to that. We are covered by the discussion on Page IV-1 of the draft proposal stating that prices can be changed at any time. It reads:

During the 50-year contract period, any of the charges can be changed at any time with approval from the PSC. It is anticipated that rate increases may occur every few years but not more often than once per year. HCWD1 will notify the Contracting Officer of anticipated rate adjustments (increases or decreases) in conjunction with submittal of the Annual System Deficiency Corrections/Upgrades and Renewals and Replacement Plan.

Let me know if you are comfortable with that.--D

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Wednesday, May 25, 2011 5:41 AM
To: Gray, Dave/DSO; Hackworth, David/LOU; Jim Smith
Cc: Brett Pyles; Preston Pendley; Scott Schmuck
Subject: RE: Draft Price Proposal
Importance: High

Dave;

I think DH has mentioned this before, that our proposal "promised" a 2 year fixed rate. However, I cannot find that in Aug 10 proposal, nor recall making that promise. We have several places in proposal where it talks about rate needing to change in future (see page IV-4). With our FK sewer tariff, it was clearly a set agreement and even said in the tariff the rate was good for 36 months. We also explained that we made a choice to match the "3 year fixed" a non-regulated bidder would have to do.

If we have not made this explicit promise, I DO NOT want to add that now. We really need flexibility to change rates as needed, as we have already told them. If you think we need to explain somewhere at bottom of spreadsheet that the assumptions (i.e. for cash flow) included not changing rate till 3 rd year, that is fine with me, but do not want to make firm promise or add to pricing proposal, as I do not think we have.

If I missed the place we made the 2 year promise, please let me know where it is. We may want to modify that as well

Let me know what you come up with

Thanks

Jim

From: Dave.Gray@CH2M.com [<mailto:Dave.Gray@CH2M.com>]
Sent: Wednesday, May 25, 2011 12:31 AM
To: Jim Bruce; JSmith@lwcky.com; David.Hackworth@CH2M.com
Subject: Draft Price Proposal

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Thanks.--D

David Gray
CH2M HILL
1601 Fifth Avenue, Suite 1100
Seattle, WA 98101
E-mail: dgray@ch2m.com
Work: 206-682-0074 x22262
Direct: 206-470-2262
Cell: 425-301-4729
Fax: 206-682-0078

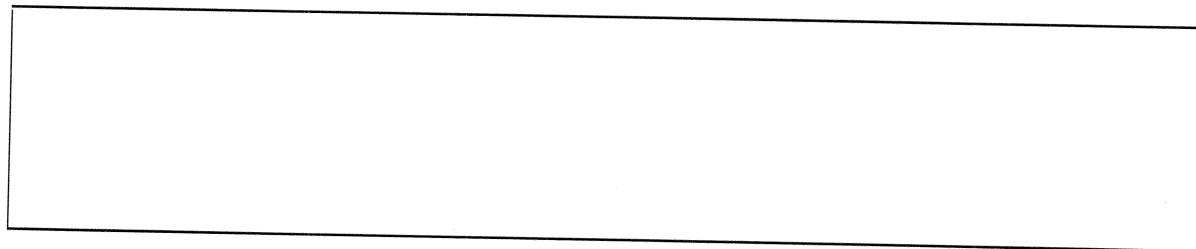
Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Thursday, May 26, 2011 2:39 PM
To: Brett Pyles; Jim Bruce
Subject: FW: Roof Estimate
Attachments: Fort Knox Roofing.pdf; Muldraugh Roofing.pdf; image002.gif

Brett/Jim,

I noticed that the estimates still say – no lead or asbestos disposal.... Should we have them revise their proposal or should we add a line item to their quote

From: Brett Pyles [mailto:bpyles@hcwd.com]
Sent: Friday, May 20, 2011 3:46 PM
To: Hackworth, David/LOU
Cc: Jim Bruce; JSmith@lwcky.com
Subject: FW: Roof Estimate



From: Kista Thomas [mailto:kthomas@judyconstructionco.com]
Sent: Friday, May 20, 2011 2:33 PM
To: Brett Pyles
Subject: RE: Roof Estimate

See attached letters. Dale suggested that if these projects are approved, then you can save Judy's coordination costs and mark-up by contracting Geoghegan Roofing directly. Let me know if you want their contact information. Thank you.

Kista Thomas,
Assistant Project Manager
Judy Construction Company
859-234-6900 Office
859-234-3480 Fax

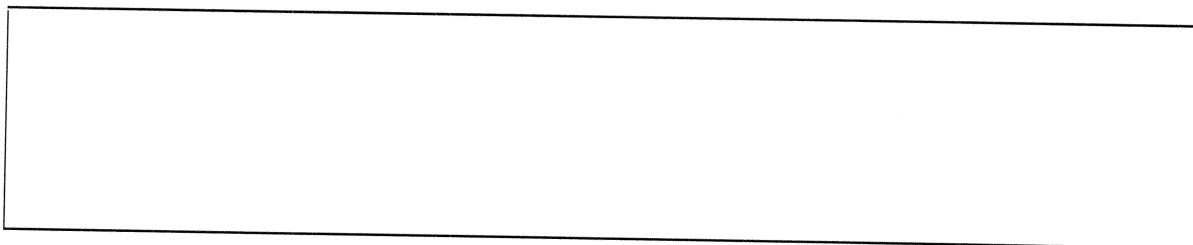
From: Brett Pyles [mailto:bpyles@hcwd.com]
Sent: Friday, May 20, 2011 1:42 PM
To: Kista Thomas
Subject: RE: Roof Estimate

Kista,

The sqft is 2,254 as shown on the attached PDF. Let me know if you need anything else.

Thanks

Brett



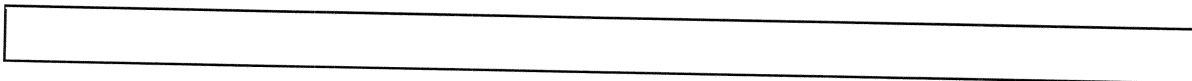
From: Kista Thomas [mailto:kthomas@judyconstructionco.com]
Sent: Friday, May 20, 2011 1:44 PM
To: Brett Pyles
Subject: RE: Roof Estimate

I will work up a very conservative quote, but like I said he won't give me a definite quote without the roof plan. I'll get this to you hopefully soon. Sorry but he came in late today and just started working on this again.

Kista Thomas,
Assistant Project Manager
Judy Construction Company
859-234-6900 Office
859-234-3480 Fax

From: Brett Pyles [mailto:bpyles@hcwd.com]
Sent: Friday, May 20, 2011 1:30 PM
To: Kista Thomas
Subject: RE: Roof Estimate

I will get you the sqft.



From: Kista Thomas [mailto:kthomas@judyconstructionco.com]
Sent: Friday, May 20, 2011 1:33 PM
To: Brett Pyles
Subject: RE: Roof Estimate

Brett,

We have a serious problem with the Muldraugh HLPS quote. I can't find a roof plan for this building and the roofer that priced it last time can't find it either. He has to have that roof plan in order to get the SF and the quantities on the sheet metal (coping, roof drains). I've asked for a unit price, but he says that it is impossible to do without the roof plan. He is currently working on the EPDM pricing for the Fort Knox Filtration Bldg, but we will not be able to submit pricing for the Muldraugh.

Kista Thomas,
Assistant Project Manager
Judy Construction Company
859-234-6900 Office
859-234-3480 Fax

From: Brett Pyles [mailto:bpyles@hcwd.com]
Sent: Thursday, May 19, 2011 10:45 AM
To: Kista Thomas
Subject: Roof Estimate

Kista,

Here is the Gov response on the roof. Please revised the letter to reflect this.

Thanks

Government Response (May 18, 2011): Fort Knox no longer allows built-up roofs (BURs). Its flat roofs are now EPDM. Therefore, a single ply EPDM roof is acceptable for roof replacement at the Central WTP and at the Muldraugh HLPS. Additionally, HCWD1 shall follow the Fort Knox Installation Design Guide (IDG) and the respective environmental guide specification for all work on Fort Knox (see J1.3.15).

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Friday, May 27, 2011 8:21 AM
To: Jim Bruce
Subject: RE: Negotiation Message #4 / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803 / HCWD1

I am feeling better about this round..

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Friday, May 27, 2011 8:06 AM
To: Scott Schmuck; Brett Pyles; Preston Pendley; Hackworth, David/LOU; Jim Smith
Subject: FW: Negotiation Message #4 / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803 / HCWD1

Guess he got it the second time I sent it. Jim
Says NOMO questions! YEA!

From: Koessel, Brian DLA CIV ENERGY [mailto:Brian.Koessel@dla.mil]
Sent: Thursday, May 26, 2011 5:37 PM
To: Jim Bruce
Cc: Brett Pyles; Preston Pendley; Scott Schmuck; Jim Smith; David.Hackworth@CH2M.com; Rivera, Taina DLA CIV ENERGY
Subject: RE: Negotiation Message #4 / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803 / HCWD1

Mr. Bruce,

The Government has received HCWD1's response. At this time, I do not anticipate requesting any additional information prior to receipt of HCWD1's FPR.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
(703) 767-1595 (DSN 427)

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Thursday, May 26, 2011 8:49 AM
To: Koessel, Brian DLA CIV ENERGY; Rivera, Taina DLA CIV ENERGY
Cc: Brett Pyles; Preston Pendley; Scott Schmuck; Jim Smith; David.Hackworth@CH2M.com
Subject: RE: Negotiation Message #4 / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803 / HCWD1

Mr Koessel;

Attached please find our responses incorporated into Negotiation Message #4. Please let me know if you need any additional information

Thank You

Jim Bruce

General Manager
Hardin County Water District No. 1

From: Koessel, Brian DLA CIV ENERGY [mailto:Brian.Koessel@dla.mil]
Sent: Friday, May 13, 2011 7:30 PM
To: Jim Bruce
Cc: Brett Pyles; Preston Pendley; Scott Schmuck; Jim Smith; David.Hackworth@CH2M.com; Rivera, Taina DLA CIV ENERGY
Subject: Negotiation Message #4 / Fort Knox, KY / Utility Privatization / SP0600-08-R-0803 / HCWD1
Importance: High

Mr. Bruce,

Attached please find Negotiation Message #4. If you have any questions regarding this message, or if anything contained therein requires clarification, please note it for our telephonic discussion on Monday, May 16, 2011 at 1:00 pm ET. A request for HCWD1 to submit its Final Proposal Revision will follow under separate cover.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dla.mil

Jim Bruce

From: Jim Bruce
Sent: Friday, May 27, 2011 10:50 AM
To: 'David.Hackworth@CH2M.com'; 'Dave.Gray@CH2M.com'
Cc: 'Jim Smith'; Scott Schmuck; Brett Pyles; Preston Pendley
Subject: RE: Final costs Fort Knox

David – I looked at all these spreadsheets you sent Wednesday and look good to me

On the final tariff pricing sheet, just want to confirm how I understand Brian wanted it changed at our Dec negotiation session;

CLIN 1 – Monthly Service Charge (recovers all R&R costs, O&M costs)
CLIN 2 – Monthly Purchase Credit (Same amount as purchase charge, lasts for 10 years)
CLIN 3 – Transition Surcharge (One month charge)
CLIN 4 - Monthly Purchase Charge (Same amount as purchase credit)
CLIN 5 – ISDC Surcharge (Recovers all ISDC charges, lasts for 60 months)

Let me know if that is your understanding

Thanks

Jim

From: David.Hackworth@CH2M.com [mailto:David.Hackworth@CH2M.com]
Sent: Monday, May 23, 2011 4:18 PM
To: JSmith@lwcky.com; Jim Bruce; Preston Pendley; Brett Pyles; Dave.Gray@CH2M.com
Subject: Final costs Fort Knox

David Hackworth, P.E.
Vice President and Area Manager
CH2M HILL
401 W. Main Street, Suite 500
Louisville, KY 40202
Direct - 502.584.6052
Fax - 502.587.9343
Mobile - 502.541.5385
www.ch2mhill.com

Jim Bruce

From: Jim Bruce
Sent: Friday, May 27, 2011 1:22 PM
To: 'David.Hackworth@CH2M.com'; 'Dave.Gray@CH2M.com'
Subject: Financial Strength ratios

Dave / David;

Do we need to update the ratios? I noticed the ones we provided are based on 2008. We have 2010 audit report which I can send if you think we need to update

Jim

Jim Bruce
General Manager
Hardin County Water District No. 1
C: 270-268-4069
W: 270-351-3222, ext 208

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Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Friday, May 27, 2011 1:35 PM
To: Jim Bruce; Dave.Gray@CH2M.com
Subject: RE: Financial Strength ratios

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

From: Jim Bruce
Sent: Friday, May 27, 2011 1:26 PM
To: 'David.Hackworth@CH2M.com'; 'Dave.Gray@CH2M.com'
Subject: RE: Financial Strength ratios

AOK – sounds good to me

From: David.Hackworth@CH2M.com [<mailto:David.Hackworth@CH2M.com>]
Sent: Friday, May 27, 2011 1:35 PM
To: Jim Bruce; Dave.Gray@CH2M.com
Subject: RE: Financial Strength ratios

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Jim Bruce

From: Dave.Gray@CH2M.com
Sent: Friday, May 27, 2011 1:40 PM
To: Jim Bruce; David.Hackworth@CH2M.com
Cc: JSmith@lwcky.com; Scott Schmuck; Brett Pyles; Preston Pendley
Subject: RE: Final costs Fort Knox

Hi Jim—I think that we are covered. The “tariff pricing sheet” (Rate Schedule FKW) has the following components:

Monthly Service Charge	\$245,841 per month
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They include all of the components you list below (albeit not in the same order).

These are all also shown in Schedule B-1 as specified by the Government. However the CLIN numbers in B-1 differ from the ones you show below. Specifically, Schedule B-1 has the following CLINS:

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CLIN 5– Monthly Purchase Credit (Same amount as purchase charge, lasts for 10 years)

Please let me know if that all works for you.--D

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Friday, May 27, 2011 7:50 AM
To: Hackworth, David/LOU; Gray, Dave/DSO
Cc: Jim Smith; Scott Schmuck; Brett Pyles; Preston Pendley
Subject: RE: Final costs Fort Knox

David – I looked at all these spreadsheets you sent Wednesday and look good to me

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www.ch2mhill.com

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Friday, May 27, 2011 2:13 PM
To: JSmith@lwcky.com; Jim Bruce; Brett Pyles
Subject: Ft. Knox ISDC Attachment IV-3
Attachments: Attachment IV-3_1.pdf

Here is the final attachment for the ISDC in volume IV.

Hope you have a good weekend

David Hackworth, P.E.
Vice President and Area Manager
CH2M HILL
401 W. Main Street, Suite 500
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Direct - 502.584.6052
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Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Friday, May 27, 2011 2:24 PM
To: Jim Bruce; Dave.Gray@CH2M.com; JSmith@lwcky.com; Preston Pendley
Subject: RE: Final costs Fort Knox

My understanding is the way Dave showed it on the CLIN.. should we send email o Brian?

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Friday, May 27, 2011 1:49 PM
To: Gray, Dave/DSO; Hackworth, David/LOU; Jim Smith; Preston Pendley
Subject: RE: Final costs Fort Knox

Dave;

My understanding was that the purchase credit would reduce the monthly service fee, but then we get it back with the purchase charge recovery. May need to have David and Jim see if they recall. I remember Brian saying the purchase credit needs to reduce their monthly payment (coming out of one budget "bucket") but then they get billed the purchase recovery charge and pay that from another bucket.

Jim / David – Let me and Dave know if you have any recollection or notes

Thanks

Jim

From: Dave.Gray@CH2M.com [<mailto:Dave.Gray@CH2M.com>]
Sent: Friday, May 27, 2011 1:40 PM
To: Jim Bruce; David.Hackworth@CH2M.com
Cc: JSmith@lwcky.com; Scott Schmuck; Brett Pyles; Preston Pendley
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Let me know if that is your understanding

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To: JSmith@lwcky.com; Jim Bruce; Preston Pendley; Brett Pyles; Dave.Gray@CH2M.com
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Jim Bruce

From: Dave.Gray@CH2M.com
Sent: Friday, May 27, 2011 2:45 PM
To: David.Hackworth@CH2M.com; Jim Bruce; JSmith@lwcky.com; Preston Pendley
Subject: RE: Final costs Fort Knox

I think we are OK. The tariff charges them for purchase price recovery through the Purchase Price Recovery Surcharge and then gives it back through the Credit as Payment of Purchase Price. Both are now in Rate Schedule FKW and shown in Schedule B-1 at CLIN 003 and CLIN 001 (second section of CLIN 001), respectively. If I recall correctly, we were asked to simply add the credit into Schedule FKW, which we have done. Please let me know if I am missing something and we need to talk.--D

From: Hackworth, David/LOU
Sent: Friday, May 27, 2011 11:24 AM
To: Jim Bruce; Gray, Dave/DSO; Jim Smith; Preston Pendley
Subject: RE: Final costs Fort Knox

My understanding is the way Dave showed it on the CLIN.. should we send email o Brian?

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
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Jim / David – Let me and Dave know if you have any recollection or notes

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Sent: Friday, May 27, 2011 1:40 PM
To: Jim Bruce; David.Hackworth@CH2M.com
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Jim Bruce

From: Jim Bruce
Sent: Friday, May 27, 2011 3:15 PM
To: 'David.Hackworth@CH2M.com'; 'Dave.Gray@CH2M.com'; 'Jim Smith'
Cc: Brett Pyles; Preston Pendley; Scott Schmuck
Subject: RE: Fort Knox Vol I
Attachments: EPSON SCAN022.pdf

David;

Here are my only edits

Jim

From: David.Hackworth@CH2M.com [<mailto:David.Hackworth@CH2M.com>]
Sent: Monday, May 23, 2011 4:24 PM
To: JSmith@lwcky.com; Jim Bruce; Preston Pendley; Brett Pyles
Subject: FW: Fort Knox Vol I

Team,

Please let me know if you have any comments

Thanks

David

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Jim Bruce

From: Scott Schmuck
Sent: Tuesday, May 31, 2011 11:24 AM
To: Jim Bruce
Subject: RE: Final costs Fort Knox

You betcha!!

From: Jim Bruce
Sent: Friday, May 27, 2011 2:00 PM
To: Scott Schmuck
Subject: FW: Final costs Fort Knox

Scott – Latest numbers

First year revenue = \$9,998,298 (\$439,925 G&A)
Next 4 years annual revenue / year = \$8,667,816 (\$381,384 G&A)
After 5 years annual revenue (most likely rates will have gone up) = \$2,950,092 (\$129,804 G&A)

Pretty interesting

Jim

(Ready for LOTS of capital project accounting?)

From: Dave.Gray@CH2M.com [<mailto:Dave.Gray@CH2M.com>]
Sent: Friday, May 27, 2011 1:40 PM
To: Jim Bruce; David.Hackworth@CH2M.com
Cc: JSmith@lwcky.com; Scott Schmuck; Brett Pyles; Preston Pendley
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Jim Bruce

From: Jim Smith [JSmith@lwcky.com]
Sent: Tuesday, May 31, 2011 4:59 PM
To: Brett Pyles
Cc: Jim Bruce
Subject: RE: Fort Knox and HCWD#1--Potential Meeting

Bret,

Date/time will work for me.

Thanks,
Jim

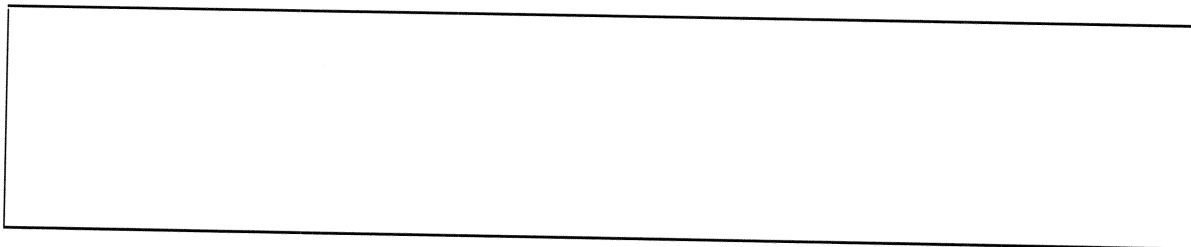
From: Brett Pyles [mailto:bpyles@hcwd.com]
Sent: Tuesday, May 31, 2011 2:25 PM
To: Jim Smith
Cc: Jim Bruce
Subject: FW: Fort Knox and HCWD#1--Potential Meeting

Jim,

Hope you had a nice Memorial Day weekend. As you can see below, we have scheduled a meeting with Julie Roney (DoW) concerning the FK water system potential transfer to the District. The date is June 29th, 1:00 pm in Frankfort. Please let me know ASAP if this date and time works for you.

Thanks

Brett



www.HCWD.com

From: Amanda Spalding
Sent: Tuesday, May 31, 2011 2:14 PM
To: Brett Pyles
Subject: FW: Fort Knox and HCWD#1--Potential Meeting

From: Roney, Julie (EEC) [mailto:Julie.Roney@ky.gov]
Sent: Tuesday, May 31, 2011 1:23 PM
To: Amanda Spalding
Subject: RE: Fort Knox and HCWD#1--Potential Meeting

I've got a conference room (204A—on the 4th floor of 200 Fair Oaks Lane) reserved for 1:00 on June 29. Let me know a few days in advance who will be attending on Hardin Co WD's behalf.

From: Amanda Spalding [mailto:aspalding@HCWD.com]
Sent: Tuesday, May 31, 2011 8:11 AM
To: Roney, Julie (EEC)
Subject: RE: Fort Knox and HCWD#1--Potential Meeting

Julie:

June 29th at 1:00 pm works really well for us. Please let me know if there is anything else that I need to do to make this meeting happen.

Thanks!

Mandy

From: Roney, Julie (EEC) [mailto:Julie.Roney@ky.gov]
Sent: Tuesday, May 24, 2011 4:01 PM
To: Amanda Spalding; Hall, Frank (EEC); Chitti, Brian (EEC)
Subject: RE: Fort Knox and HCWD#1--Potential Meeting

Mandy, June 29 (Wednesday) is open for those here in DOW that would need to attend. How does 1:00 pm EDT work?

From: Amanda Spalding [mailto:aspalding@HCWD.com]
Sent: Tuesday, May 24, 2011 1:34 PM
To: Roney, Julie (EEC)
Subject: RE: Fort Knox and HCWD#1

Julie:

We would like to go ahead and schedule a meeting for June 28th, 29th, or 30th. Please let me know what the schedule looks like for you guys.

Thanks for your assistance in this matter.

Mandy Spalding
Water Quality/Measurement Specialist
Hardin County Water District No. 1

From: Roney, Julie (EEC) [mailto:Julie.Roney@ky.gov]
Sent: Monday, May 23, 2011 7:23 AM
To: Amanda Spalding
Subject: FW: Fort Knox and HCWD#1

Mandy, Brian is out the week of May 23. Let me know if you have any other questions on this issue.

Julie W. Roney
Drinking Water Program Coordinator
Division of Water
502/564-3410

From: Roney, Julie (EEC)
Sent: Wednesday, May 18, 2011 11:32 AM
To: Chitti, Brian (EEC); Hall, Frank (EEC); Ritter, Todd (EEC); aspalding@HCWD.com
Subject: Fort Knox and HCWD#1

Mandy, Brian is correct in that for public water systems, there is no operational permit. Should HCWD#1 merge the 2 systems, then the Ft. Knox PWSID would be inactivated and HCWD would have Plants B and C. If the concept is to operate and not merge then the PWSID remains, and the name changes (such as HCWD#1/Fort Knox A).

Since the types of questions is growing, a meeting might be a good thing. If we have it here at DOW, I could pull in the water withdrawal and surface water permitting staff and so get most of the questions answered at one time.

From: Chitti, Brian (EEC)
Sent: Wed 5/18/2011 10:43 AM
To: Hall, Frank (EEC); Roney, Julie (EEC); Ritter, Todd (EEC)
Subject: FW:

Follow up to the last email, see below.

She also wants to know about any information on source water withdrawal permits as well as KPDES permits for backwash discharges

Brian M. Chitti
Division of Water
(502) 564-3410 ext. 4988
(502) 564-2741 (fax)

From: Amanda Spalding [mailto:aspalding@HCWD.com]
Sent: Wednesday, May 18, 2011 10:20 AM
To: Chitti, Brian (EEC)
Subject: RE:

Brian:

We are seeking ownership of the Fort Knox **Water** System. We do not plan on shutting the water treatment plant down. We plan on staffing the plant through Louisville Water Co.

We have purchased 2 wastewater plants in the past few years, so that is the angle of experience from where we are coming. I know that drinking water is entirely different. I do not even think that permits per say are involved. I guess I need to know what the particulars are in this process because once we attain ownership, there is a very short time frame that the federal government allows us to have things completed. We want to be proactive and have the process go smoothly.

So if you could, just let me know what the particulars are - maybe even send me a copy of the required forms so that we can begin collecting the information that we'll need. Also, is there any paperwork involved in allowing Louisville Water Company to run the plant and fill out MORs?

Thank you again for your assistance.

Mandy

From: Chitti, Brian (EEC) [mailto:Brian.Chitti@ky.gov]
Sent: Wednesday, May 18, 2011 9:50 AM

To: Amanda Spalding
Subject: RE:

Are you talking about seeking ownership of drinking water and waste water both?

For drinking water, I would think that the paperwork transfer process at DOW would be relatively easy if you are just going to transfer ownership. Change a few names here and there and you would be set. If you plan to shut the plants down at Ft Knox, making them part of the distribution system, it is a bit more complex but still not bad.

I know nothing about how waste water works other than it is good when it flows downhill and none of it smells of roses.

Depending on your plans, we may be able to just do this over the phone and via a mailed letter from the systems. If you request a meeting with DOW, I am sure we could reserve a conference room and set aside the time to meet and talk about your plans.

Brian M. Chitti
Division of Water
(502) 564-3410 ext. 4988
(502) 564-2741 (fax)

From: Amanda Spalding [mailto:aspalding@HCWD.com]
Sent: Wednesday, May 18, 2011 7:05 AM
To: Chitti, Brian (EEC)
Subject:

Brian:

Happy Wednesday!

Here is my odd scenario for the week: We (Hardin County Water District No. 1 - KY0470393) are currently in the process of seeking ownership of Fort Knox Water (KY0470990). I do not believe that this is a done-deal yet and it has been in the works for some time. I have been asked to set up a meeting in Frankfort to discuss the process of transferring Ft. Knox's permit to us - i.e. would we be named a co-permittee as with Fort Knox sewer or would we simply be named as owner? How long would the permit transfer process take? Would there be any other changes made to the permit at this time? Would there be any issues with Louisville Water Company running this facility and filling out MORs?

This is all new to me. So Brian, with whom do I need to speak?

I REALLY appreciate all your help with this and with everything else that I throw your way...

Mandy Spalding
Water Quality/Measurement Specialist
Hardin County Water District No. 1

Jim Bruce

From: Jim Smith [JSmith@lwcky.com]
Sent: Tuesday, May 31, 2011 5:44 PM
To: David.Hackworth@CH2M.com; Jim Bruce; Brett Pyles; Preston Pendley
Subject: RE: Final Comments

David,

I have reviewed the final revised proposal volumes I and IV and found everything in order. Based on Brian's response to Jim today, I assume the issue with the tariff sheet is resolved as well. Thanks for getting all this together.

Jim

From: David.Hackworth@CH2M.com [mailto:David.Hackworth@CH2M.com]
Sent: Tuesday, May 31, 2011 1:13 PM
To: Jim Smith; jbruce@hcwd.com; bpyles@hcwd.com; ppendley@HCWD.com
Subject: Final Comments

Team,

Just a reminder to get your final comments to be by today. I received Jim B.'s comments on Friday.

Regards
David

David Hackworth, P.E.
Vice President and Area Manager
CH2M HILL
401 W. Main Street, Suite 500
Louisville, KY 40202
Direct - 502.584.6052
Fax - 502.587.9343
Mobile - 502.541.5385
www.ch2mhill.com

Jim Bruce


From: David.Hackworth@CH2M.com
Sent: Wednesday, June 01, 2011 1:24 PM
To: Jim Bruce
Subject: FW: SF33
Attachments: SF 33[1]_1.pdf; image001.png

Please sign with blue ink on line 17 and scan and send back

thanks

From: Thewes, Daniel/LOU
Sent: Wednesday, June 01, 2011 1:22 PM
To: Hackworth, David/LOU
Subject: SF33

DANIEL THEWES
Water Business Group
One Riverfront Plaza
401 West Main Street, Suite 500
Louisville, KY 40202
Ph: (502) 584-6052 ext.217
Fax: (502) 587-9343
daniel.thewes@ch2m.com

 ☺

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Wednesday, June 01, 2011 5:47 PM
To: Jim Bruce; JSmith@lwcky.com; Brett Pyles; Preston Pendley
Subject: Proposal Submission

Team

Thanks for your help... The CDs are scheduled for morning delivery. Jim B, you may want to send Brian an email tomorrow to make sure he got them.

The file was too big to email so I am going to send you CDs tomorrow via regular mail unless you want them sooner

Regards

David

David Hackworth, P.E.
Vice President and Area Manager
CH2M HILL
401 W. Main Street, Suite 500
Louisville, KY 40202
Direct - 502.584.6052
Fax - 502.587.9343
Mobile - 502.541.5385
www.ch2mhill.com

Jim Bruce

From: Jim Bruce
Sent: Thursday, June 02, 2011 4:06 PM
To: 'David.Hackworth@CH2M.com'
Subject: Pricing comparison
Attachments: FPR compared JSB.xls

David;

Please see attached SS. I was going to show this to my Board so they can see differences between 3 proposals. The first one looks funny, because it is higher than 2 or 3. I figured it was because MWP WTP operations was included in monthly fee, for 50 years, when it needed to only be in first 5. I took out \$332,490 from years 6-50 to figure the 50 year total, but still looks funny. Please check and change if you can find the difference. Also, the 2011 amounts may not be the final, I will adjust when I get copy of final proposal, Vol I.

Thanks

Jim Bruce
General Manager
Hardin County Water District No. 1
C: 270-268-4069
W: 270-351-3222, ext 208

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Jim Bruce

From: Jim Bruce
Sent: Friday, June 03, 2011 9:47 AM
To: 'David.Hackworth@CH2M.com'
Subject: FW: Sources Sought Notice SP0600-11-R-0807 McConnell AFB, KS

David;

Maybe CH would be interested in going after this one?

From: Gutierrez, Stephen R DLA CIV ENERGY [<mailto:stephen.gutierrez@dla.mil>]
Sent: Friday, June 03, 2011 8:25 AM
Subject: Sources Sought Notice SP0600-11-R-0807 McConnell AFB, KS

A Sources Sought Notice to privatize the applicable electric, water, and wastewater utility systems at McConnell AFB, Kansas, was posted on June 2, 2011 to <http://www.fedbizopps.gov/>. If you have any questions, please feel free to contact Dale G. Stephens, Contract Specialist, Phone: 703.767.9370, dale.stephens@dla.mil or Jose Jimenez, Contracting Officer, Phone: 703.767.8456, jose.jimenez@dla.mil

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Friday, June 03, 2011 10:18 AM
To: Jim Bruce
Subject: RE: Pricing comparison

Jim,

You don't need to take out the \$332,490.... If you look at table IV-8, you will see that the R&R went down 50%.. this was the difference in using RS Means and current pricing for pipe... Let me know if I didn't answer your questions...

Regards

David

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Thursday, June 02, 2011 4:06 PM
To: Hackworth, David/LOU
Subject: Pricing comparison

David;

Please see attached SS. I was going to show this to my Board so they can see differences between 3 proposals. The first one looks funny, because it is higher than 2 or 3. I figured it was because MWP WTP operations was included in monthly fee, for 50 years, when it needed to only be in first 5. I took out \$332,490 from years 6-50 to figure the 50 year total, but still looks funny. Please check and change if you can find the difference. Also, the 2011 amounts may not be the final, I will adjust when I get copy of final proposal, Vol I.

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Jim Bruce

From: Jim Bruce
Sent: Friday, June 03, 2011 10:20 AM
To: 'David.Hackworth@CH2M.com'
Subject: FPR compared JSB.xls
Attachments: FPR compared JSB.xls

Does this look correct? Are the big drops all due to the pipe pricing changes? I figured the 2010 to 2011 would have increased more?

Jim

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Friday, June 03, 2011 10:45 AM
To: Jim Bruce
Subject: RE: FPR compared JSB.xls

I don't have the final numbers in front of me, but it looks correct..... I just mailed the hard copy to Brian for Monday delivery.. there was not much of a change in terms of overall pricing

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Friday, June 03, 2011 10:20 AM
To: Hackworth, David/LOU
Subject: FPR compared JSB.xls

Does this look correct? Are the big drops all due to the pipe pricing changes? I figured the 2010 to 2011 would have increased more?

Jim

Jim Bruce

From: Jim Bruce
Sent: Friday, June 03, 2011 11:00 AM
To: 'David.Hackworth@CH2M.com'
Subject: CD

David;

Got the CD today as "s b u mitted" by...

Thanks!

Jim Bruce
General Manager
Hardin County Water District No. 1
C: 270-268-4069
W: 270-351-3222, ext 208

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Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Friday, June 03, 2011 11:16 AM
To: Jim Bruce
Subject: RE: CD

was there a typo on the transmittal? I was away when it was mailed.. although I personally mailed the binders to Brian...

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Friday, June 03, 2011 11:00 AM
To: Hackworth, David/LOU
Subject: CD

David;

Got the CD today as "s b u mitted" by...

Thanks!

Jim Bruce
General Manager
Hardin County Water District No. 1
C: 270-268-4069
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Jim Bruce

From: Jim Bruce
Sent: Friday, June 03, 2011 11:50 AM
To: 'David.Hackworth@CH2M.com'
Subject: RE: CD

Just on the CD label

Jim

From: David.Hackworth@CH2M.com [<mailto:David.Hackworth@CH2M.com>]
Sent: Friday, June 03, 2011 11:16 AM
To: Jim Bruce
Subject: RE: CD

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From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Friday, June 03, 2011 11:00 AM
To: Hackworth, David/LOU
Subject: CD

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Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Friday, June 03, 2011 1:04 PM
To: Jim Bruce
Subject: RE: CD

Yikes...I missed that...

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Friday, June 03, 2011 11:50 AM
To: Hackworth, David/LOU
Subject: RE: CD

Just on the CD label

Jim

From: David.Hackworth@CH2M.com [<mailto:David.Hackworth@CH2M.com>]
Sent: Friday, June 03, 2011 11:16 AM
To: Jim Bruce
Subject: RE: CD

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Sent: Friday, June 03, 2011 11:00 AM
To: Hackworth, David/LOU
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Jim Bruce

From: Jim Bruce
Sent: Tuesday, June 07, 2011 8:23 AM
To: 'David.Hackworth@CH2M.com'; 'Dave.Gray@CH2M.com'
Subject: RE: FPR compared JSB.xls
Attachments: FPR compared JSB.xls

David;

I updated to show final 2011 pricing. Also took out 2008 deduct for Muldraugh. It still looks weird. Hate to keep bugging you, but really want to make sure this is right before I send to Board. Please review again and let me know if 2008 amounts look correct. As it is now, we dropped the overall pricing 45% from 2008 to 2010.

Thanks

Jim

From: David.Hackworth@CH2M.com [<mailto:David.Hackworth@CH2M.com>]
Sent: Friday, June 03, 2011 10:45 AM
To: Jim Bruce
Subject: RE: FPR compared JSB.xls

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From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Friday, June 03, 2011 10:20 AM
To: Hackworth, David/LOU
Subject: FPR compared JSB.xls

Does this look correct? Are the big drops all due to the pipe pricing changes? I figured the 2010 to 2011 would have increased more?

Jim

Jim Bruce

From: David.Hackworth@CH2M.com
Sent: Tuesday, June 07, 2011 8:52 AM
To: Jim Bruce
Subject: RE: FPR compared JSB.xls
Attachments: FPR compared JSB.xlsx

Jim,

You are not a bother at all... am on conference calls now, but am able to multi-task ☺... I can call later to discuss... however, I have reviewed your spreadsheet and made a slight correction.. The G&A was already included in the totals, so I modified your formula to not add more G&A to the total..

Your numbers in the spreadsheet are correct. The main reduction is related to the replacement cost of the water mains – going from our RS Means estimates to actual bid price. Plus, I think there was an error in our formula on the first submittal where we double counted the mark-up...

Also, the hard copies were delivered yesterday at 10:46 am... you may want to follow up with Brian

Regards

David

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Tuesday, June 07, 2011 8:23 AM
To: Hackworth, David/LOU; Gray, Dave/DSO
Subject: RE: FPR compared JSB.xls

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To: Jim Bruce
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To: Hackworth, David/LOU
Subject: FPR compared JSB.xls

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Jim

Jim Bruce

From: Jim Bruce
Sent: Tuesday, June 07, 2011 9:18 AM
To: 'David.Hackworth@CH2M.com'
Subject: RE: FPR compared JSB.xls

David – Thanks, still another question. Does that mean I cannot show any G&A at bottom?, or instead of an adder, use a different formula and extra the G&A percent from the amounts above?

Make sense?

Jim

From: David.Hackworth@CH2M.com [<mailto:David.Hackworth@CH2M.com>]
Sent: Tuesday, June 07, 2011 8:52 AM
To: Jim Bruce
Subject: RE: FPR compared JSB.xls

Jim,

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Sent: Tuesday, June 07, 2011 8:23 AM
To: Hackworth, David/LOU; Gray, Dave/DSO
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Sent: Friday, June 03, 2011 10:45 AM
To: Jim Bruce
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From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Friday, June 03, 2011 10:20 AM
To: Hackworth, David/LOU
Subject: FPR compared JSB.xls

Does this look correct? Are the big drops all due to the pipe pricing changes? I figured the 2010 to 2011 would have increased more?

Jim

Jim Bruce

From: Dave.Gray@CH2M.com
Sent: Tuesday, June 07, 2011 11:54 AM
To: Jim Bruce
Cc: David.Hackworth@CH2M.com
Subject: Difference between 2008 and 2011 in Ft. Knox Price Proposal

Hi Jim—I spoke briefly with Dave H this morning about the changes between 2008 and 2011. In addition to the bases that he discussed with you, I wanted to also observe that between 2008 and 2011, the R&R pricing changed from full recovery of R&R costs within the 50 year contract period to recovery of only the depreciation on the R&Rs during that period. Further, the depreciation was based on projected useful lives rather than more rapid accounting practices (e.g. pipe was set up for recovery over 75 years). That change accounted for a \$25 million undiscounted difference between the approach used in 2008 and that used in 2011. Thought that might add to your understanding of the reasons for the differential between 2008 and 2011. Please let me know if you need more information. Best regards.--D

David Gray
CH2M HILL
1601 Fifth Avenue, Suite 1100
Seattle, WA 98101
E-mail: dgray@ch2m.com
Work: 206-682-0074 x22262
Direct: 206-470-2262
Cell: 425-301-4729
Fax: 206-682-0078

Jim Bruce

From: Jim Bruce
Sent: Tuesday, June 07, 2011 12:34 PM
To: 'Dave.Gray@CH2M.com'; 'David.Hackworth@CH2M.com'
Subject: RE: Difference between 2008 and 2011 in Ft. Knox Price Proposal

Dave – Thanks for that additional explanation. I think that is very material to the change in pricing, which I can also pass on to my Board. Appreciate you taking time to look at it and respond

Jim

From: Dave.Gray@CH2M.com [<mailto:Dave.Gray@CH2M.com>]
Sent: Tuesday, June 07, 2011 11:54 AM
To: Jim Bruce
Cc: David.Hackworth@CH2M.com
Subject: Difference between 2008 and 2011 in Ft. Knox Price Proposal

Hi Jim—I spoke briefly with Dave H this morning about the changes between 2008 and 2011. In addition to the bases that he discussed with you, I wanted to also observe that between 2008 and 2011, the R&R pricing changed from full recovery of R&R costs within the 50 year contract period to recovery of only the depreciation on the R&Rs during that period. Further, the depreciation was based on projected useful lives rather than more rapid accounting practices (e.g. pipe was set up for recovery over 75 years). That change accounted for a \$25 million undiscounted difference between the approach used in 2008 and that used in 2011. Thought that might add to your understanding of the reasons for the differential between 2008 and 2011. Please let me know if you need more information. Best regards.--D

David Gray
CH2M HILL
1601 Fifth Avenue, Suite 1100
Seattle, WA 98101
E-mail: dgray@ch2m.com
Work: 206-682-0074 x22262
Direct: 206-470-2262
Cell: 425-301-4729
Fax: 206-682-0078

Jim Bruce

From: Jim Bruce
Sent: Tuesday, June 07, 2011 1:11 PM
To: Bill Rissel (wjrisse@fortknoxfcu.net); David Wilson, SBW; gompa@comcast.net; Jim Bruce (brucehcwd@yahoo.com); John Tindall (Wwjtin@aol.com); Ron Hockman (hockman@bbtel.com); 'Steve Walton'
Subject: Update on FK Water Proposal
Sensitivity: Confidential

CONFIDENTIAL

Board;

Our FPR (Final Proposal Revision) was turned in a day early before the 2 deadlines. The paper copy was due today, and the CD / electronic versions last week. Now we wait for the Govt to provide us final notice whether they accepted our FPR. They have told us this could take up to 60 days.

Below is a comparison of the 3 versions we provided since 2008. From 8/2010 to 6/2011, we increased our pricing. We raised the G&A (general & administrative fee) by about 16%. We also added more labor recovery in the 2011 version, and updated labor charges for HCWD1 to current rates. We also adjusted initial equipment purchases to current costs, which is required in the transition surcharge.

The big drop from 2008 to 2010 requires some explanation;

- When first negotiating with Govt, they pointed out that most of our pricing used for pipe replacement was very high and included a very high multipliers. We initially had CH2M do most of the price estimating for the 50 years, using their professional estimators and national construction estimating guidelines. When LWC and HCWD1 looked more closely at the pricing for pipe, we found much of it 3 to 4 times higher than our own experience and recent bid pricing. We made decision to replace all pipe pricing with local knowledge and market pricing (based on actual LWC and HCWD1 recent bids), but still added contingency factors. The largest portion of this whole proposal (priced over 50 years) is driven by costs to replace piping, both in first 5 years and then recurring throughout the 50 year period. Comparatively, labor and other direct cost recovery is a very small portion of the pricing, compared to piping projects
- CH2M had also made a decision to price so at end of 50 year contract period, we had recovered 100% of ALL capital investment. This meant that if we put new pipe in ground in year 48, we then charged Govt 100% of that recovery in the next 2 years, instead of over the life of the pipe, as depreciation expense normally would be calculated. The Govt consultants caught this and pointed out we could not do that with any other of our customers (in designing their rates), and did not think Govt should be charged using this "accelerated" method. As there were little risk the Govt would decide to take back the system after 50 years (and not sure any of us would really be too concerned then), we decided to agree with Govt and also make that adjustment. This change alone cut almost \$30M in pricing.

So, the pipe pricing and recovery formula made up most of the big drop from 2008 to 2010. I would almost say the 2008 proposal price was not realistic and probably would not have been accepted by Govt anyway.

The drop in the ISDC surcharge from 2010 to 2011 was mostly because the Govt took out some required projects. Other items they asked us to add in.

Let me know if you have any questions. Will let you know as soon as we hear from Govt

Jim

FK Water Proposal
Comparison

<u>Oct 08</u>	<u>Aug 10</u>	<u>Jun 11</u>	<u>% Chg</u> <u>10~11</u>	<u>Item</u>
\$ 534,757	\$ 542,170	\$ 592,518	9.3%	Transition Surcharge (paid in first month, single payment)
\$ 510,026	\$ 484,659	\$ 473,841	-2.2%	ISDC Monthly Surcharge (same amount for 60 months)
\$ 1	\$ 82,249	\$ 85,968		Monthly Purchase Payment / Credit (Net to zero)
\$ 459,216	\$ 230,440	\$ 246,142	6.8%	Monthly Service Charge (per month, will be adjusted as needed in future)
\$	\$			
306,665,917	167,885,710	\$ 176,708,178	5.3%	50 Year Total Contract (w/o future increases)
3.8%	3.8%	4.4%	15.8%	G&A Rate
\$ 11,210,479	\$ 6,137,230	\$ 7,433,053	21.1%	G&A - 50 Years
\$ 2,145,445	\$ 1,588,289	\$ 1,842,046	16.0%	G&A - First 5 Years
\$ 35,757	\$ 26,471	\$ 30,701	16.0%	G&A - Monthly avg, first 5 Years
N/A	-45.3%	5.3%		% Change from Prior proposal
		21.1%		% G&A Change From Aug 10

Jim Bruce
 General Manager
 Hardin County Water District No. 1
 C: 270-268-4069
 W: 270-351-3222, ext 208

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Jim Bruce

From: Jim Bruce
Sent: Tuesday, June 07, 2011 4:09 PM
To: 'Jim Smith'
Subject: RE: FPR Hard Copy Delivery Confirmation - Fort Knox, KY / Utility Privatization / SP0600-08-R-0803 / HCWD1

You bet!
Waiting now with crossed fingers, prayers and baited breath
Jim

From: Jim Smith [<mailto:JSmith@lwcky.com>]
Sent: Tuesday, June 07, 2011 4:17 PM
To: Jim Bruce
Cc: David.Hackworth@CH2M.com; Preston Pendley; Brett Pyles; Scott Schmuck
Subject: RE: FPR Hard Copy Delivery Confirmation - Fort Knox, KY / Utility Privatization / SP0600-08-R-0803 / HCWD1

Good news Jim. Hope this truly is the "Final" revised proposal.

Thanks,
Jim

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Tuesday, June 07, 2011 1:23 PM
To: Koessel, Brian DLA CIV ENERGY; Taina.Rivera@dla.mil
Cc: Jim Smith; David.Hackworth@CH2M.com; Preston Pendley; Brett Pyles; Scott Schmuck
Subject: RE: FPR Hard Copy Delivery Confirmation - Fort Knox, KY / Utility Privatization / SP0600-08-R-0803 / HCWD1

Mr Koessel;

Thank you for the confirmation

Jim Bruce
General Manager
HCWD1

From: Koessel, Brian DLA CIV ENERGY [<mailto:Brian.Koessel@dla.mil>]
Sent: Tuesday, June 07, 2011 1:29 PM
To: Jim Bruce
Cc: Brett Pyles; Preston Pendley; Scott Schmuck; Jim Smith; David.Hackworth@CH2M.com; Rivera, Taina DLA CIV ENERGY
Subject: RE: FPR Hard Copy Delivery Confirmation - Fort Knox, KY / Utility Privatization / SP0600-08-R-0803 / HCWD1

Mr. Bruce,

The hard copies were delivered to me yesterday.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU

DLA Energy-EFA
(703) 767-1595 (DSN 427)

From: Jim Bruce [<mailto:jbruce@hcwd.com>]
Sent: Tuesday, June 07, 2011 12:47 PM
To: Koessel, Brian DLA CIV ENERGY; Rivera, Taina DLA CIV ENERGY
Cc: Brett Pyles; Preston Pendley; Scott Schmuck; Jim Smith; David.Hackworth@CH2M.com
Subject: FPR Hard Copy Delivery Confirmation - Fort Knox, KY / Utility Privatization / SP0600-08-R-0803 / HCWD1

Mr Koessel;

We received confirmation that the hard copies were signed for yesterday. If you do not mind, we would appreciate it if you can notify us that they arrived today

Thank You

Jim Bruce
General Manager
Hardin County Water District No. 1

Jim Bruce

From: Jim Bruce
Sent: Wednesday, June 08, 2011 9:25 AM
To: 'Jim Smith'
Subject: FW: Update on FK Water Proposal

Sensitivity: Confidential

Jim – Here is some explanation info I sent to Board. Thought you might be able to use it
Jim

From: Jim Bruce
Sent: Wednesday, June 08, 2011 8:05 AM
To: Bill Rissel (wjrissel@fortknoxfcu.net); David Wilson, SBW; gompa@comcast.net; Jim Bruce (brucehwd@yahoo.com); John Tindall (Wwjtin@aol.com); Ron Hockman (hockman@bbtel.com); 'Steve Walton'
Subject: FW: Update on FK Water Proposal
Sensitivity: Confidential

Board – Had question from Board member on what each charge is for – here is more detailed explanation:

TS = Transition Surcharge, All costs to buy equipment needed (trucks, computer, office furniture, lab instruments, inventory) plus labor + benefits for transition period (4 months) that we spend on all transition activities, plus legal expense to file PSC application and some other minor stuff

Monthly purchase / credit = The Govt will no longer accept \$1 payment to “buy” their system. Instead, we come up with our own value. They expect us to pay them, but since they are only ones using and benefiting from system, they also expect us to recover that “payment” from a charge back to Govt. So, we take our proposed purchase cost over 10 years (\$10,316,160) and show both a charge to Govt, and a credit to Govt. This nets to zero and no cash exchanges hands. When we went to PSC and explained how our “purchase cost” would show up on tariff sheet, they were totally lost – except Jerry Weutcher who is also JAG attorney. He also knows how privatization statutes a and act has changed over the years. He said this was so Congress could say it was being paid FMV for utility assets, but on the accounting for it, they really get no \$ since no one would bid, or Govt would end up paying for their own system. Go figure?

ISDC = Initial System Deficiency Correction, the list of projects the Govt REQUIRES we fix or replace within a given schedule. We proposed they pay us over 5 years (max PSC will allow for special capital surcharge) a fixed amount per month. We also added a few ISDC recommended projects which they agreed to add

G&A = General & Admin overhead adder. Someone might say this is “profit”. After adding all direct costs, labor, benefits, engineering, construction and everything else we can calculate, then we add another 4.4% to everything. This goes to HCWD1 and we can use to offset other existing expenses. Is also added to any construction project, regardless of who engineers it and we pay to build it, we still add 4.4% on the top, or last

The 50 year period is needed so Govt can compare competing proposals on a fixed term. Includes converting to a NPV, after adding inflation in future. The 50 year “price” does not include any “rate increases”, again to compare apples to apples. Our proposal, however, is considered a “tariff, regulated rate” and we can and will change our rate as needed in future, in response to cost increases for O&M and capital. Govt understands that. Whether there is 1 bidder or 10, the best / lowest bidder must beat the “should cost” model by at least 10%, or Congress will not approve privatization for that utility. In our case, we believe our proposal was only one, so it was compared against the 50 year should cost model (what the Govt believes the whole thing over 50 years should cost).

Hope that helps – sorry for using the acronyms, it is the Govt!

Jim

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Tuesday, June 07, 2011 1:11 PM
To: Bill Rissel; David Wilson, SBW; gompa@comcast.net; brucehcwd@yahoo.com; Wwjtin@aol.com; hockman@bbtel.com; Steve Walton
Subject: Update on FK Water Proposal
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Board;

Our FPR (Final Proposal Revision) was turned in a day early before the 2 deadlines. The paper copy was due today, and the CD / electronic versions last week. Now we wait for the Govt to provide us final notice whether they accepted our FPR. They have told us this could take up to 60 days.

Below is a comparison of the 3 versions we provided since 2008. From 8/2010 to 6/2011, we increased our pricing. We raised the G&A (general & administrative fee) by about 16%. We also added more labor recovery in the 2011 version, and updated labor charges for HCWD1 to current rates. We also adjusted initial equipment purchases to current costs, which is required in the transition surcharge.

The big drop from 2008 to 2010 requires some explanation;

- When first negotiating with Govt, they pointed out that most of our pricing used for pipe replacement was very high and included a very high multipliers. We initially had CH2M do most of the price estimating for the 50 years, using their professional estimators and national construction estimating guidelines. When LWC and HCWD1 looked more closely at the pricing for pipe, we found much of it 3 to 4 times higher than our own experience and recent bid pricing. We made decision to replace all pipe pricing with local knowledge and market pricing (based on actual LWC and HCWD1 recent bids), but still added contingency factors. The largest portion of this whole proposal (priced over 50 years) is driven by costs to replace piping, both in first 5 years and then recurring throughout the 50 year period. Comparatively, labor and other direct cost recovery is a very small portion of the pricing, compared to piping projects
- CH2M had also made a decision to price so at end of 50 year contract period, we had recovered 100% of ALL capital investment. This meant that if we put new pipe in ground in year 48, we then charged Govt 100% of that recovery in the next 2 years, instead of over the life of the pipe, as depreciation expense normally would be calculated. The Govt consultants caught this and pointed out we could not do that with any other of our customers (in designing their rates), and did not think Govt should be charged using this "accelerated" method. As there were little risk the Govt would decide to take back the system after 50 years (and not sure any of us would really be too concerned then), we decided to agree with Govt and also make that adjustment. This change alone cut almost \$30M in pricing.

So, the pipe pricing and recovery formula made up most of the big drop from 2008 to 2010. I would almost say the 2008 proposal price was not realistic and probably would not have been accepted by Govt anyway.

The drop in the ISDC surcharge from 2010 to 2011 was mostly because the Govt took out some required projects. Other items they asked us to add in.

Let me know if you have any questions. Will let you know as soon as we hear from Govt

Jim

FK Water Proposal
Comparison

<u>Oct 08</u>	<u>Aug 10</u>	<u>Jun 11</u>	<u>% Chg</u> <u>10~11</u>	<u>Item</u>
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\$	\$			
306,665,917	167,885,710	\$ 176,708,178	5.3%	50 Year Total Contract (w/o future increases)
3.8%	3.8%	4.4%	15.8%	G&A Rate
\$ 11,210,479	\$ 6,137,230	\$ 7,433,053	21.1%	G&A - 50 Years
\$ 2,145,445	\$ 1,588,289	\$ 1,842,046	16.0%	G&A - First 5 Years
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N/A	-45.3%	5.3%		% Change from Prior proposal
		21.1%		% G&A Change From Aug 10

Jim Bruce
General Manager
Hardin County Water District No. 1
C: 270-268-4069
W: 270-351-3222, ext 208

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Jim Bruce

From: Jim Smith [JSmith@lwcky.com]
Sent: Wednesday, June 08, 2011 11:55 AM
To: Jim Bruce
Subject: RE: Update on FK Water Proposal

Sensitivity: Confidential

Jim,

This is great. Do you mind if I share this with our Board?

Thanks,
Jim

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Sent: Wednesday, June 08, 2011 9:25 AM
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Sent: Tuesday, June 07, 2011 1:11 PM

To: Bill Rissel; David Wilson, SBW; gompa@comcast.net; brucehcwd@yahoo.com; Wwjtin@aol.com; hockman@bbtel.com; Steve Walton

Subject: Update on FK Water Proposal

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David.Hackworth@CH2M.com<<mailto:David.Hackworth@CH2M.com>>
Cc: Rivera, Taina DLA CIV ENERGY
Subject: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Mr. Bruce,

DLA Energy is preparing its request for a Final Proposal Revision (FPR) from HCWD1. The request for a FPR will be accompanied by a negotiation message, identifying the remaining open issues. The remaining open issues are predominantly clarifications and requests for additional information pertaining to responses already provided by HCWD1. To assist in our planning, I would like to request an estimate of how much time HCWD1 will require to prepare and submit its FPR. The Government hopes that three weeks will be sufficient.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
P: (703) 767-1595 (DSN 427)
F: (703) 767-2382
Brian.Koessel@dla.mil<<mailto:Brian.Koessel@dla.mil>>

Jim Bruce

From: Jim Bruce
Sent: Thursday, June 16, 2011 9:29 AM
To: 'Jim Smith'
Subject: FW: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

From: Jim Bruce
Sent: Thursday, June 16, 2011 9:19 AM
To: 'Jo Ann McGee'
Cc: Andrea Palmer
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Jo Ann;

I will be out of office on vacation from 6/28 ~ 7/7. If you need to check my calendar, can call Andrea at our office or email her at;

Apalmer@hcwd.com

Thanks

Jim Bruce
HCWD1
(270-351-3222)

From: Jo Ann McGee [mailto:jmcgee@lwcky.com]
Sent: Tuesday, May 24, 2011 10:26 AM
To: Jim Bruce
Cc: Jim Smith
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Thanks for your prompt reply. I will ask Jim Smith to identify lunch location for us.

Jo Ann

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Tuesday, May 24, 2011 8:46 AM
To: Jo Ann McGee
Cc: Andrea Palmer
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Jo Ann;

That is fine with my schedule. Will get with Jim to confirm. As for location, I am not familiar with places on S. Dixie to meet or eat, so you will have to pick

Thanks,

Jim Bruce

From: Jo Ann McGee [mailto:jmcgee@lwcky.com]
Sent: Tuesday, May 24, 2011 8:53 AM
To: Jim Bruce
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Mr. Bruce,

Greg has asked me to move this meeting out a few weeks (due to another pressing deadline we are working on), so, I'm now looking at Friday, June 17 at 11:30 for a lunch meeting. Jim Smith said he would touch base with you on this new date and time to make certain you are available and he will also discuss possible meeting location on Dixie with you.

Sorry for this delay.

Jo Ann

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Wednesday, May 18, 2011 3:57 PM
To: Jo Ann McGee
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

OK

Jim

From: Jo Ann McGee [mailto:jmcgee@lwcky.com]
Sent: Wednesday, May 18, 2011 2:38 PM
To: Jim Bruce
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Mr. Bruce,

I will check with Greg and Jim Brammel and Jim Smith on meeting location. I believe south Dixie will work, but I will confirm as soon as I talk with Jim B and Jim S and Greg.

Thanks

Jo Ann

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Tuesday, May 10, 2011 1:25 PM
To: Jo Ann McGee
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Jo Ann;

Time and date works good. Did Greg want to meet on South Dixie to be able to look at possible connection and pump station site? If not, I do not mind coming up to your office. Also, did I need to bring our engineer or anyone besides just me?

Thanks

Jim Bruce

From: Jo Ann McGee [mailto:jmcgee@lwcky.com]
Sent: Friday, May 06, 2011 8:50 AM
To: Jim Bruce
Subject: FW: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Mr. Bruce,

Are you available on Tuesday, May 31 at 11:30 a.m. – 12:30 p.m. to meet with Greg Heitzman, Jim Smith and Jim Brammell? If so, do you have a preferred location on Dixie for the lunch time meeting?

Thanks,

Jo Ann McGee

From: Greg Heitzman
Sent: Thursday, May 05, 2011 5:54 PM
To: Jim Bruce
Cc: Jim Smith; Jim Brammell; Jo Ann McGee
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Jim: I will ask Jo Ann to get us a 1 hour mtg to meet in late May. Me, You, Jim Smith. Feel free to bring Bret. I also want to bring Jim Brammell, our Chief Engineer, into the loop on this project. We can meet out off Dixie for lunch, if that will help travel time for everyone.

My major concern is to move forward on the \$4.5M KY ED grant, in parallel with privatization, get base bid 16" or 20" transmission under design, with alternate bid scope scenario to upsize to 24". I agree we can design BPS to add pump capacity later. LWC can assist with financing if needed.

I think if we move on this approach, it will actually put some pressure on Ft Knox to push for a decision from DLA, knowing we are moving.

We need to get a bid on the street in next 3-5 months, as I expect inflation will be kicking in after July 2011, as Fed begins to lift QE2. We can ask for prices to be held 90 days, so we don't have to make final decision to build till as late as December, but can pull the trigger if needed. We are beginning to see some construction inflation, especially for materials creep back into bid prices. Before long, we may find \$4.5M will not cover the costs of the transmission, storage and BPS.

Greg C. Heitzman
President & CEO
Louisville Water Company

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Thursday, May 05, 2011 2:14 AM
To: Greg Heitzman
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Greg;

I would welcome chance to sit down with you and talk about that prospect. We will also bring up again with DLA on conference call today. As you may recall, the integration of LWC supply was basis for our alternate proposal in 2008, which Govt rejected. We again brought up during our face to face negotiations in December, and DLA said they are not authorized to include commodity contracts

with privatization efforts, but that the commodity supply would be handled by local FK contracting office.

My goal and challenge presently is to convince my Board to execute the LWC purchased water agreement, so we can begin final design on the facility. Once that process begins, and final design parameters are being set, I thought that was best time to go to Govt contracting and let them know that if we need to upsize facilities for FK benefit, this is best time to do that. We could then see if they were ready and serious to secure the off post supply, or if they would wait until later to find funding to do that.

Jim and I talked about at the least sizing and bidding the facilities in two alternates, 1 for quantity just for HCWD1 needs, and the other for both HCWD1 and FK needs. Regardless of the constructed size, I think we need to make pump station scalable to add FK demand later. Last year, HDR, Jim and myself picked a site on Govt property which is near confluence of FK 24 inch and HCWD1 14 inch mains, which if placed there, gives max flexibility for routing LWC water to both systems.

I will be out for week in May, but can meet most anytime other than that week. Will let Jim know my schedule

Look forward to meeting with you

Jim Bruce

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

From: Greg Heitzman [mailto:gheitzman@lwcky.com]

Sent: Wed 5/4/2011 9:37 PM

To: Jim Bruce

Cc: Jim Smith

Subject: Re: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Jim, at your convenience, I would like to meet at discuss how we integrate the \$4.5 transmission grant from KY Economic Development into the privatization project, so we maximize the value of both. I'll ask Jim Smith to coordinate a time in next few weeks.

Hope we can bring this next round to closure. I think I recall back then you told me to expect a 3 year process, even though they said they wanted a contract by Dec 2008!

Hard to believe, but it has been 3 years since the first REI!

Thanks.

Greg Heitzman
President
Louisville Water Company
Celebrating 150 Years of Service

On May 4, 2011, at 10:49 AM, "Jim Smith" <JSmith@lwcky.com<mailto:JSmith@lwcky.com>> wrote:

Fyi. Negotiations are underway again for Ft Knox.

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

Sent: Tuesday, May 03, 2011 3:21 PM

To: Koessel, Brian DLA CIV ENERGY; <mailto:Taina.Rivera@dla.mil> Taina.Rivera@dla.mil<mailto:Taina.Rivera@dla.mil>

Cc: Preston Pendley; Brett Pyles; David.Hackworth@CH2M.com<mailto:David.Hackworth@CH2M.com>; Jim Smith

Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Mr Koessel;

A conference call Thursday at 11AM will work for us. Our questions are more of process and timing, and sequence of getting final questions from Govt before finalizing FPR or submitting FPR and then getting another round of questions / information requests. Also would help to know nature of final questions an information requests to know how much resources or time responding to those will take, before starting on FPR. Should take 30 minutes or less to go over our questions and get clarification.

Please send meeting invite information.

Thank You

Jim Bruce
General Manager
HCWD1

From: Koessel, Brian DLA CIV ENERGY [mailto:Brian.Koessel@dla.mil]
Sent: Monday, May 02, 2011 5:59 PM
To: Jim Bruce
Cc: Jim Smith; Brett Pyles; Preston Pendley; David.Hackworth@CH2M.com<mailto:David.Hackworth@CH2M.com>; Rivera, Taina DLA CIV ENERGY
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Mr. Bruce,

I apologize for the delay in my response. I have arranged a conference line on Thursday at 11ET for our discussion. If this time is convenient for you, please let me know and I will send out a meeting invite. The Government looks forward to discussing any questions that you and your team may have. To better prepare ourselves, are these questions that will require the participation of the technical and pricing folks or are the questions general in nature? Again, I apologize for not returning your inquiry sooner.

Regards,

Brian J. Koessel
Branch Chief/Contracting Officer
Energy Enterprise BU
DLA Energy-EFA
(703) 767-1595 (DSN 427)

From: Jim Bruce [mailto:jbruce@hcwd.com]
Sent: Thursday, April 28, 2011 8:33 AM
To: Koessel, Brian DLA CIV ENERGY; Rivera, Taina DLA CIV ENERGY; Gray, Martha A DLA CIV ENERGY
Cc: Jim Smith; Brett Pyles; Preston Pendley; <mailto:David.Hackworth@CH2M.com>
David.Hackworth@CH2M.com<mailto:David.Hackworth@CH2M.com>
Subject: RE: Fort Knox, KY / SP0600-08-R-0803 / FPR Info Request

Mr. Koessel;

Our team did discuss your request on a conference call referenced in our 30-March email below. We had left you a voice message on 1-April requesting a conference call with you as we had a few questions before we could provide a response to your 29-March request. A couple weeks later, I had left another voice message with you to see if we could schedule the conference call.

We had not heard any response, possibly because your voice messaging was not working, or you had been traveling or working on other deadlines. We wanted to provide this email to request a conference call to hopefully answer our few questions, and provide a response on the FPR submittal timing.

We look forward to hearing back from you

Thank You

Jim Bruce
HCWD1

Mr Koessel;

Thank you for the update and request for response. Our team has a meeting scheduled this Friday and we will be able to respond to your question about timing on Friday. We look forward to further dialogue in the future.

Thank You