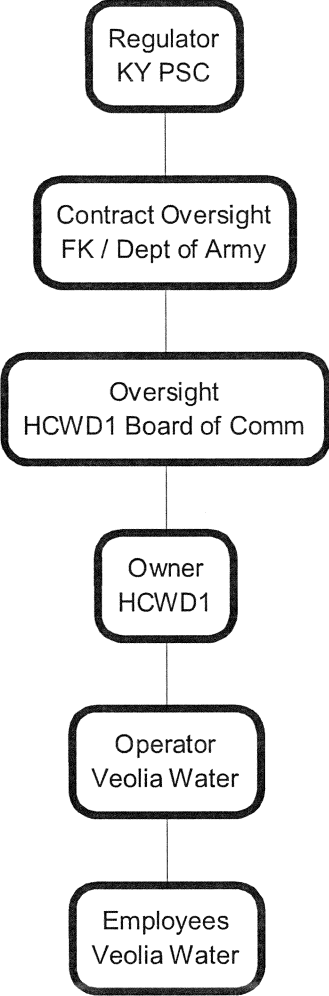


FACTOR / ITEM	HCWD1 Alone		HCWD1 with Veolia		HCWD1 with LWC	
	PRO	CON	PRO	CON	PRO	CON
Experience operating water systems for others	NA	NA	One of largest contract op's companies in world - extensive experience			Are not aware they have ever operated another clients system as an "operator" Always takes over and absorbs other systems into LWC operations
Regulated ownership for bid to Govt as "tariff rate"	Yes		Yes, District would be owner of record		Yes, District would be owner of record	No, if LWC was owner of record
How Govt would view size and safety of organization bidding		Afraid if only HCWD1, Govt would discount our bid compared to much larger organizations bidding (turned us down in past wanted Reg Water solution)	Did award to HCWD1 / Veolia in past for sewer		FK is already working with LWC for back-up supply of water - has always been interested in LWC supplying water to FK	
Absorbing existing Civil Service / FK employees into organization		HCWD1 would have to deal with high wages, same jobs, and long term union mentality absorbing GS employees	Veolia has done this hundreds of times in past. Has a process in place		LWC can transfer employees to other sites - Their current pay is comparable already to GS scale	

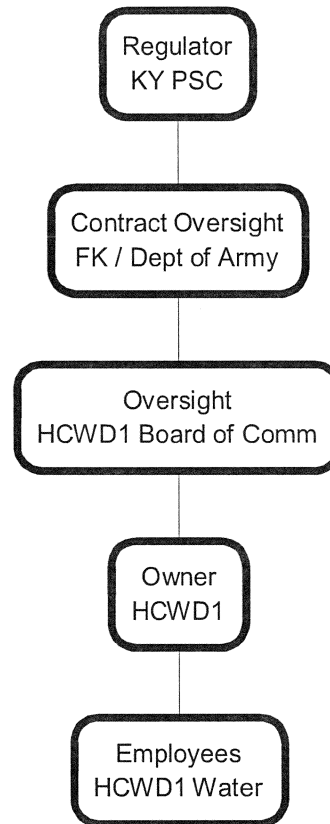
FACTOR / ITEM	HCWD1 Alone		HCWD1 with Veolia		HCWD1 with LWC	
	PRO	CON	PRO	CON	PRO	CON
Source of grants / capital for future const projects		HCWD1 has not been that successful getting grants		HCWD1 has not been that successful getting grants	LWC has direct connections to KIA (CEO is on Board) and has political contacts throughout state getting grants	
Financing capital for future projects, initial improvements for FK  <i>(Govt will most likely require bidders to come up with mechanism to finance capital for immediate projects needed for FK water system)</i>		All we can do is propose a surcharge, or use debt to fund projects		All we can do is propose a surcharge, or use debt to fund projects	LWC has extensive reserves on hand and can dedicate to financing projects immediately	
Experience with PSC	HCWD1 does have some experience, but requires extensive staff time			None - depends on HCWD1 to do this	LWC has extensive experience with PSC filings, and legal staff (internal and external) to assist with PSC filings	
Ability to enhance ROI or offset water / other expenses with new revenues from FK water	HCWD1 would maximize this, as would not have to pay large share to other partner or operator			Would be limited as large part of revenues would go to operator / partner		Would be limited as large part of revenues would go to operator / partner

FACTOR / ITEM	HCWD1 Alone		HCWD1 with Veolia		HCWD1 with LWC	
	PRO	CON	PRO	CON	PRO	CON
Chances of winning Govt bid / selection		I think we alone would be hard for them to select us, over larger organizations, or teamed with larger	Were successful winning sewer bid in 2004	FK / Govt may be opposed to HCWD1 / Veolia team because "putting too many eggs in 1 basket"	FK has very favorable view of LWC and think this would be very attractive to them  LWC is non-profit, govt entity and pricing of bid may be lower that for profit corporations	

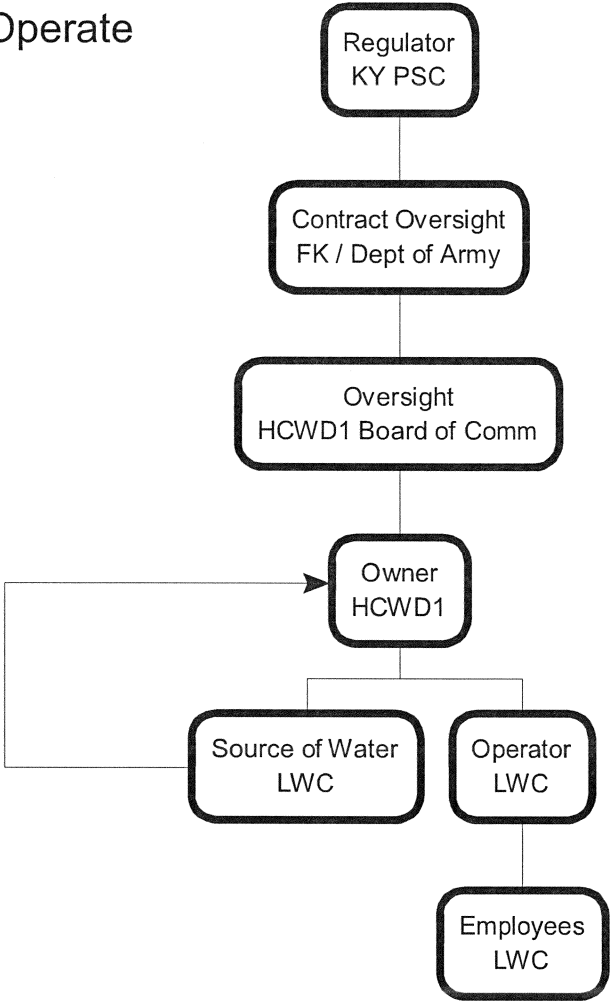
FK Water - Bid Structure - 1  
HCWD1 Own - Veolia Operate



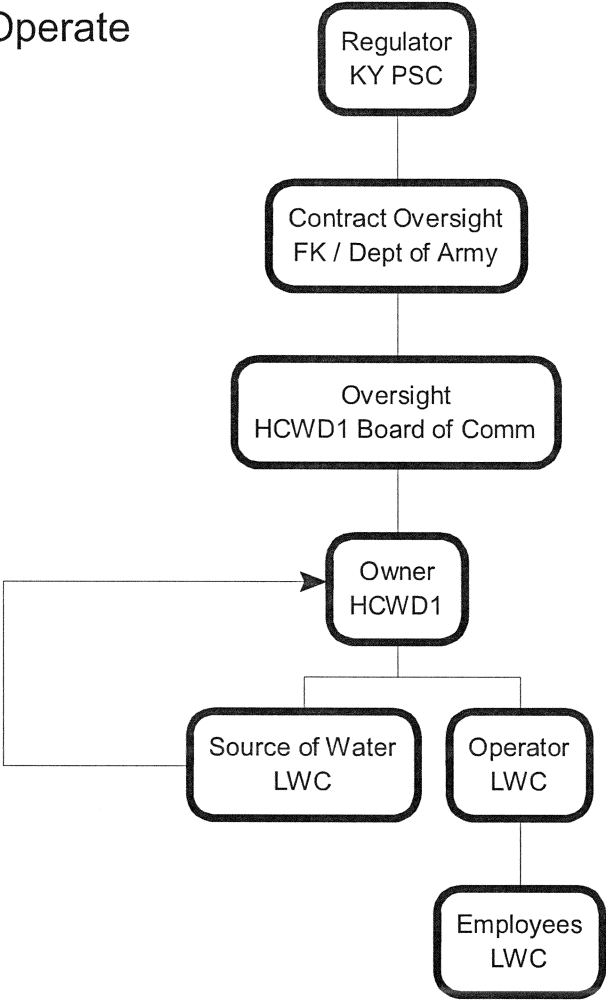
FK Water - Bid Structure - 2  
HCWD1 Own / Operate



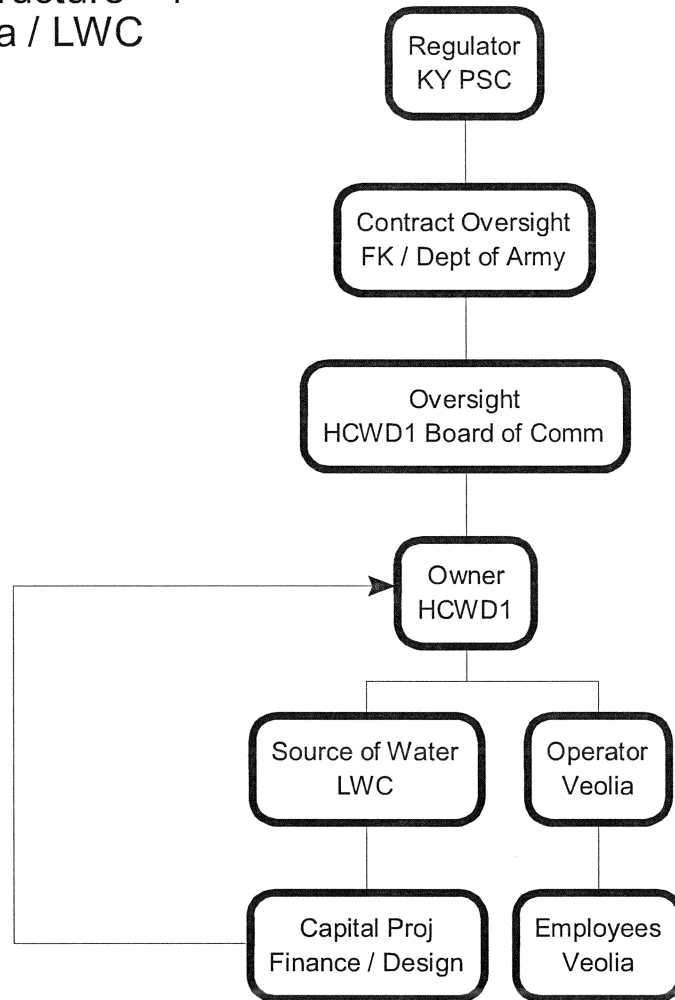
FK Water - Bid Structure - 3  
HCWD1 Own - LWC Operate



FK Water - Bid Structure - 3  
HCWD1 Own - LWC Operate



FK Water - Bid Structure - 4  
HCWD1 / Veolia / LWC





**DRAFT 7-15-08**

**CONTACTS:**

Jim Bruce, HCWD No. 1, 270-351-3222  
Barbara Crow, Louisville Water Company  
Work: 569-3695, Cell: 533-5006



## **Water Providers in Hardin County and Louisville Forge Partnership to Help Meet Ft. Knox and Regional Water Needs**

Hardin County Water District No. 1 and Louisville Water Company have entered into a partnership agreement to expand water service to Hardin County and Ft Knox. The District and Louisville Water will jointly pursue operation of the Ft. Knox water system under the US Army's plan to privatize water operations at the military base. A request for proposals for water operations has been advertised and proposals are due October 7<sup>th</sup>.

In addition, officials with Hardin County Water District No.1 and Louisville Water Company will work together to expand the water supply to Hardin and surrounding counties as well as pursue opportunities for shared operations.

In May Louisville Water also entered into an agreement with Hardin County Water District No. 2 to expand wholesale water service south along Interstate 65 from Bullitt County to Elizabethtown.

According to Hardin County General Manager Jim Bruce: "Hardin County is growing and regional partnerships like the one with Louisville Water are critical to successfully managing that growth and making sure that our community continues to thrive."

LWC President Greg Heitzman says, "Partnering with HCWD No. 1 provides a great opportunity to improve both the water quality and service to the Fort Knox military base. Working together we can help provide regional water solutions with local water expertise."

In 2005 the Defense Department's Base Closure and Realignment Commission (BRAC) shutdown many U.S. military installations but decided that Fort Knox would remain open. The Armor Center and School are being relocated to Ft Benning, Georgia in 2010, while a new Human Resource support center is being developed at Ft Knox, beginning in 2009. Hardin County is expected to grow substantially with the addition of the Human Resource Center. The Louisville and Hardin County partnership will provide an abundant water supply and reliable water infrastructure in anticipation of the growth for the region.

District Chairman, Bill Rissel added, "We believe that this partnership will be in the best interest of our community and other utility customers, as well as Ft. Knox, and we look forward to working together with Louisville Water Company in the future".

HCWD No. 1 serves approximately 10,000 customers in the City of Radcliff and northwest Hardin County, and provides wholesale water to the City of Vine Grove and Meade County Water District. The District currently operates the Fort Knox sanitary and storm sewer systems through a contract partnership with Veolia Water, North America. In 2004 the District was awarded ownership of those systems after a lengthy competitive bid process. In April of this year, the City of Radcliff also decided to turn over its sanitary sewer system, with 8,800 customers, to the District. The City felt with the District and Veolia's close by sewer expertise at Ft. Knox, that District ownership could help hold down future sewer rate increases to its residents.

LWC currently serves 850,000 people in Metro Louisville and portions of Oldham, Shelby, Spencer, Bullitt and Nelson counties. On average the company pumps 130 million gallons of water per day (MGD) and has a 240 MGD capacity, with a virtually unlimited water supply in the Ohio River. In June, the utility was recognized as having the Best Tasting Water in America by the American Water Works Association.

**PARTNERSHIP AGREEMENT**  
**(JSB DRAFT VERSION - 6/4/08)**

This Agreement, made this \_\_\_\_\_ day of \_\_\_\_\_, 2008, by and between the Louisville Water Company (hereinafter "LWC") and the HARDIN COUNTY WATER DISTRICT No. 1 (hereinafter "District HCWD#1"), shall confirm the intent of the parties to coordinate and exclusively partner in the management and operation of the Fort Knox Water Treatment and Distribution System ("System").

WHEREAS, the United States Government, Department of Defense ("Government") operates a military base near in Radcliff, Kentucky known as Fort Knox (hereinafter "Fort Knox") which has its own independent public water supply system; and

WHEREAS, the Defense Energy Support Center (DESC) has provided public notice it will seek a Request for Proposals (RFP) for the private operation and maintenance of the Fort Knox Public Water Treatment and Distribution System (Solicitation No. SP0600-08-R-0803); and

WHEREAS, LWC is a municipally-owned water company operating pursuant to KRS Chapter 96 and owns and operates the public water supply system throughout Jefferson County and in parts of Oldham and Bullitt Counties; and,

WHEREAS, HCWD#1 District is a water district operating pursuant to KRS Chapter 74 and owns and operates the public water supply system for a portion of Hardin County, including the City of Radcliff, including wholesale customers the City of Vine Grove and Meade County Water District and owns and operates the sanitary sewer systems of Radcliff and Fort Knox \_\_\_\_\_;  
and,

WHEREAS, both parties have the technical, managerial and financial capacity to provide services necessary to the management and operation of the Fort Knox water system; and,

WHEREAS, the cooperation and collaboration of the parties on a joint response to the RFP ("the project") will likely provide the most viable option for selection by the DESC;

NOW THEREFORE, in consideration of the terms and conditions set forth below, the parties agree to the following terms and agreements which will govern their relationship during the period leading up to the executing of documents which would effectuate the project as follows:

1. LWC and HCWD#1 District agree to exclusively, collaboratively and jointly pursue an operations contract for the Fort Knox Water System, upon issuance of the privatization RFP.
2. Both parties agree that this Agreement sets forth broad parameters of the partnership. The actual scope of work may be refined over the course of the project and subsequent negotiations with the Government. The relationship currently expects the District to assume ownership of the system, in order to provide the Government with a regulated, tariff based proposal, with LWC providing operations of a portion of the system, and providing a treated water source to the Government and to the District, and the District providing operations of other aspects of the system.
3. All other aspects of work or tasks required by the Government and set forth in the RFP will be provided and divided between the parties at a future date, based on factors which will provide the parties with the best competitive advantage to be selected by the Government.
4. LWC will finance the costs of developing the RFP, selecting and hiring any additional parties it deems necessary, and in the event the LWC-HCWD#1 District proposal is accepted, the full cost to develop

the proposal will be recovered over 5 years through the monthly management fee charged to Fort Knox.—(DO WE WANT THEM TO PAY ANY DISTRICT COSTS AS VEOLIA DID UP TO \$100,000 ?)

5. The LWC will be the lead partner in preparing all documents for submission in response to the RFP. The District agrees to assist with providing any information requested, data and information needed, and any other pertinent information that is acquires or holds to assist in the preparation of the proposal documents, and to assist with authoring sections of the proposal documents as requested by LWC.
6. ~~HCWD#1~~District will provide operation and maintenance services for the Fort Knox water distribution system. District will provide, through its own forces or future sub-contractors selected by the District, all GIS mapping requirements in the RFP to facilitate the mapping of the system, in a manner consistent and compatible with the existing sanitary and storm sewer GIS systems of Fort Knox, which the District has also developed.

~~LWC will provide operation and maintenance services of the production facilities (well field, water treatment plants, pumping stations, and storage tanks) for a period of 5 years. It is anticipated the Muldraugh Water Treatment Pant and Ohio River Well Field will be replaced within 3 to 5 years with a new 5 MGD transmission supply from LWC along Dixie Highway (Hwy 31W) at Westpoint, Kentucky. The Fort Knox Central Water Treatment Plant will remain in operation until such time the plant is upgraded, expanded, or replaced with a new regional water supply source. LWC and HCWD#1 District will jointly collaborate on developing the new regional water supply source.~~

7. LWC and District agree to jointly develop a capital improvement plan as required to fulfill the Fort Knox Privatization RFP.
8. LWC is willing to pursue a partnership with District to form a business entity, at a later date, to facilitate various benefits to both LWC, the District and the Government. It is envisioned that this entity will provide the following benefits or services between the parties;
  - a. Joint fuel or other purchasing agreements, operations and maintenance of main breaks, main replacements or other utility operations. The parties will agree to collaborate on purchasing initiatives for the purposes of incurring lower costs for the provision of operation and maintenance services to the Fort Knox service territory.
  - b. The District would be able to enter into a wholesale water supply contract with LWC for the same term of the operations contract with Fort Knox to obtain from LWC a reliable, abundant and redundant source of supply from the same pipeline and facilities LWC will deliver water to Fort Knox
  - c. LWC will provide a permanent water supply to the Fort Knox service territory to supplement and eventually replace the treated water sources currently used by Fort Knox.
  - d. LWC will provide operation and maintenance services of the production facilities (well field, water treatment plants, pumping stations, and storage tanks) for a period of 5 years. It is anticipated the Muldraugh Water Treatment Pant and Ohio River Well Field will be replaced within 3 to 5 years with a new 5 MGD transmission supply from LWC along Dixie Highway (Hwy 31W) at Westpoint, Kentucky. The Fort Knox Central Water Treatment Plant will remain in operation until such time the plant is upgraded, expanded, or replaced with a new regional water supply source. LWC and District will jointly collaborate on developing the new regional water supply source.

- e. The LWC will provide additional engineering, technical, capital program management and other support services to the District for an agreed cost of service, and based on LWC resource availability, for projects related to the Fort Knox system, or the District's other utility systems.

~~LWC and HCWD#1 District agree to jointly develop a capital improvement plan as required to fulfill the Fort Knox Privatization RFP.~~

~~HCWD#1 District will enter into a wholesale water supply contract with LWC for the same term of the operations contract with Fort Knox to obtain from LWC a reliable, abundant and redundant source of supply and provide that water supply to the Fort Knox service territory.~~

~~The parties agree to collaborate on purchasing initiatives for the purposes of incurring lower costs for the provision of operation and maintenance services to the Fort Knox service territory.~~

~~LWC is willing to pursue a partnership with HCWD#1 District to form a business entity to facilitate the above RFP process and to pursue joint utility operation partnerships such as joint fuel or other purchasing agreements, operations and maintenance of main breaks, main replacements or other utility operations.~~

9. Term:— The term of this agreement shall be from the effective date of the agreement, until the earliest period of 1) A period sixty (60) days after the system has been awarded to either the partnership, or another successful bidder, including any periods required for appeal to the Government's selection, or 2) Termination of this Agreement as provided in the following section. The parties may extend the term of this Agreement by mutual agreement.
10. This Agreement contains the entire agreement between the parties with regard to the intent to form a partnership between the parties for the Fort Knox privatization RFP.

~~This Agreement contains the entire agreement between the parties with regard to the intent to form a partnership for the Fort Knox privatization RFP.~~

WITNESSETH:

LOUISVILLE WATER COMPANY

HARDIN COUNTY WATER DISTRICT #1

BY: \_\_\_\_\_  
\_\_\_\_\_

BY: \_\_\_\_\_

Gregory C. Heitzman, President  
\_\_\_\_\_

Name/Title: \_\_\_\_\_

Approved as to Legality and Form:  
\_\_\_\_\_

Approved as to Legality and Form:  
\_\_\_\_\_

Barbara K. Dickens, Vice President, General Counsel

(OTHER SECTIONS NOT INCLUDED;

- NON COMPETE FOR EMPLOYEES
- MORE SPECIFIC TASK DESCRIPTIONS
- TERMINATION CLAUSE
- CONFIDENTIALITY OF INFO
- PUBLIC ANNOUNCEMENTS
- LIABILITY WAIVERS
- ARBITRATION
- APPLICABLE LAW(S)
- ASSIGNMENT / SUCCESSION

List of Proposed Changes to LWC Partnership Agreement (by JSB)  
For 6/23/08 Meeting with LWC legal counsel)

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(Numbers correspond to circled numbers on JSB version)

1. Minor word additions, changes and clarifications
2. Are they OK with adding that both parties will work exclusively with each other?
3. MAJOR - We believe if the Govt allows and wants a REGULATED utility to be bidder and owner, that HCWD1 needs to be the assumed owner of system. This can change, depending on what RFP says and what both parties decide is best competitive structure. On FK sewer, it worked and Govt clearly preferred a regulated over non regulated. We propose to clarify in agreement that HCWD1 would assume ownership of the system, if the winning bidders
4. Just adds that LWC will be lead partner in preparing bid documents and HCWD1 will provide support and data as requested by LWC
5. Clarifies our intent to form a “business entity” and what that will do and functions performed;
6. MAJOR - Would they be agreeable that they will provide operating services for WTP’s and source (well field) for 5 years, but then after, HCWD1 may decide to take over, or contract out those same operations? - We would be willing to put in phase out clause like for 12 months after we give LWC, they still operate, so they can phase out employees, or relocate to other facilities, if needed.
7. BR wants to add that LWC will finance (and recover in their rate to HCWD1), the short pipeline to get LWC water into our 14 inch main in Muldraugh, and see us water directly from the FK pipeline at top of Muldraugh hill, before it is metered and sold to FK
8. Are they OK with adding that HCWD1 can “lease” or “rent” LWC staff and expertise, if LWC has capacity and available personnel, for a known amount? (For example, a construction inspector on a larger HCWD1 project, engineering for plans and specifications, public relations for documents and publications, financial / rate design support for rate studies...)
9. Should we have a termination clause in this agreement?

**PARTNERSHIP AGREEMENT**

([SB DRAFT VERSION - 6/4/08])

This Agreement, made this \_\_\_\_\_ day of \_\_\_\_\_, 2008, by and between the Louisville Water Company (hereinafter "LWC") and the HARDIN COUNTY WATER DISTRICT No. 1 (hereinafter "District HCWD#1"), shall confirm the intent of the parties to coordinate and exclusively partner in the management and operation of the Fort Knox Water Treatment and Distribution System ("System").

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WHEREAS, LWC is a municipally-owned water company operating pursuant to KRS Chapter 96 and owns and operates the public water supply system throughout Jefferson County and in parts of Oldham and Bullitt Counties; and,

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WHEREAS, both parties have the technical, managerial and financial capacity to provide services necessary to the management and operation of the Fort Knox water system; and,

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the proposal will be recovered over 5 years through the monthly management fee charged to Fort Knox. — (DO WE WANT THEM TO PAY ANY DISTRICT COSTS AS VEOLIA DID UP TO \$100,000?) — NO

4

5. The LWC will be the lead partner in preparing all documents for submission in response to the RFP. The District agrees to assist with providing any information requested, data and information needed, and any other pertinent information that is acquires or holds to assist in the preparation of the proposal documents, and to assist with authoring sections of the proposal documents as requested by LWC.
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a

Term— The term of this agreement shall be from the effective date of the agreement, until the earliest period of 1) A period sixty (60) days after the system has been awarded to either the partnership, or another successful bidder, including any periods required for appeal to the Government's selection, or 2) Termination of this Agreement as provided in the following section. The parties may extend the term of this Agreement by mutual agreement.

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WITNESSETH:

LOUISVILLE WATER COMPANY

HARDIN COUNTY WATER DISTRICT #1

BY: \_\_\_\_\_  
\_\_\_\_\_

BY: \_\_\_\_\_

Gregory C. Heitzman, President  
\_\_\_\_\_

Name/Title: \_\_\_\_\_

Approved as to Legality and Form:  
  
\_\_\_\_\_

Approved as to Legality and Form:  
  
\_\_\_\_\_

Barbara K. Dickens, Vice President, General Counsel

(OTHER SECTIONS NOT INCLUDED;

- NON COMPETE FOR EMPLOYEES
- MORE SPECIFIC TASK DESCRIPTIONS
- TERMINATION CLAUSE
- CONFIDENTIALITY OF INFO
- PUBLIC ANNOUNCEMENTS
- LIABILITY WAIVERS
- ARBITRATION
- APPLICABLE LAW(S)
- ASSIGNMENT / SUCCESSION

**DRAFT 7-11-08**

**CONTACTS:**

Jim Bruce, HCWDNo. 1, 270-351-3222  
Barbara Crow, Louisville Water Company  
Work: 569-3695, Cell: 533-5006

**HCWDNo. 1 Logo**



## **Water providers in Hardin County and Louisville forge partnership to help meet regional water needs**

Hardin County Water District No. 1 and Louisville Water Company have entered into a partnership agreement to expand water service to Hardin County and Ft Knox. Hardin County Water District and Louisville Water will jointly pursue operation of the Ft. Knox water system under the US Army's plan to privatize water operations at the military base. A request for proposals for water operations has been advertised and proposals are due October 7<sup>th</sup>.

In addition, officials with Hardin County Water District No. 1 and Louisville Water Company will work together to expand the water supply to Hardin and surrounding counties as well as pursue opportunities for shared operations.

*In May Louisville Water entered into an agreement with Hardin County Water District No. 2 to expand wholesale water service south along Interstate 65 from Bullitt County to Elizabethtown.*

*Suggested Quote: HCWDNo. 1*

*According to Hardin County General Manager Jim Bruce: "Hardin County and Ft. Knox are growing and regional partnerships like ours with Louisville Water, are critical to successfully managing that growth and making sure that our community continues to thrive."*

LWC President Greg Heitzman says, "Partnering with HCWD1 provides a great opportunity to improve both the water quality and service to the Fort Knox military base. Working together we can help provide regional water solutions with local water expertise."

In 2005 the Defense Department's Base Closure and Realignment Commission (BRAC) shutdown many U.S. military installations but decided that Fort Knox would remain open. The Armor Center and School are being relocated to Ft Benning, Georgia in 2010, while the new Human Resource Command Center of Excellence is being developed at Ft Knox, beginning in 2009 and is expected to be operational by 2011. Hardin County is expected to grow substantially with the addition of the Human Resource Center. The Louisville and Hardin County partnership will provide an abundant water supply and reliable water infrastructure in anticipation of the growth for the region.

QUOTE: HCWDNo. 1 Board of Commissioners Chair Bill Rissel  
Maybe something about the importance of Fort Knox to the region?

HDWD1 serves approximately 10,000 customers in the City of Radcliff, and provides wholesale supply to Vine Grove and portions of Hardin County and Meade County. The District owns and operates the Fort Knox sanitary and storm sewer systems through a public/private partnership with Veolia Water, North America. The District won a competitive process to take over the Ft. Knox sewer systems in 2004, and began operations in 2005. After two years of study, the District also took over ownership and operations of the Radcliff Sanitary Sewer system this April, after the City Council considered the benefits of rate stabilization, and the success of the partnership with its neighbor, Ft. Knox.

LWC currently serves 850,000 people in Metro Louisville and portions of Oldham, Shelby, Spencer, Bullitt and Nelson counties. On average the company pumps 130 million gallons of water per day (MGD) and has a 240 MGD capacity, with a virtually unlimited water supply in the Ohio River. In June, the utility was recognized as having the Best Tasting Water in America by the American Water Works Association.

## PARTNERSHIP AGREEMENT

This Agreement, made this 15<sup>th</sup> day of July, 2008 (hereinafter the "Effective Date") by and between the Louisville Water Company (hereinafter "LWC") and the HARDIN COUNTY WATER DISTRICT No. 1 (hereinafter "DISTRICT"), shall confirm the intent of the parties to coordinate and partner in the management and operation of the Fort Knox Public Water Treatment and Distribution System (hereinafter "System") and jointly pursue a wholesale water supply for the District and Ft Knox.

WHEREAS, the United States Government Department of Defense ("Government") operates a military base near Radcliff, Kentucky known as Fort Knox (hereinafter "Ft. Knox") which has its own independent public water supply system; and

WHEREAS, the Defense Energy Support Center (DESC) has issued a Request for Proposals (RFP) on July 1, 2008 for the private operation and maintenance of the System; and

WHEREAS, LWC is a municipally-owned water company operating pursuant to KRS Chapter 96 and owns and operates the public water supply system throughout Jefferson County and in parts of Oldham and Bullitt Counties; and,

WHEREAS, District is a water district operating pursuant to KRS Chapter 74 and owns and operates the public water supply system for a portion of Hardin County, including the City of Radcliff on a retail basis and the City of Vine Grove and Meade County Water District on a wholesale basis, and owns and operates the sanitary sewer systems of Radcliff and Ft. Knox; and

WHEREAS, both parties have the technical, managerial and financial capacity to provide services necessary to the management and operation of the System; and

WHEREAS, the cooperation and collaboration of the parties on a joint response to the RFP (the "Project") will likely provide the most viable option for selection by the DESC;

NOW THEREFORE, in consideration of the terms and conditions set forth below, the parties agree to the following terms and conditions which will govern their relationship during the period leading up to the executing of documents which would effectuate the Project:

- I. Both parties agree that this Agreement sets forth broad parameters of the partnership. The actual scope of work may be refined over the course of the Project and subsequent negotiations with the Government. The relationship currently expects the District to assume ownership of the System, in order to provide the Government with a regulated, tariff-based proposal, with LWC providing operations of a portion of the System, and LWC providing a treated water source to the Government and to the District, and the District providing operations of other aspects of the System.
- II. LWC and District agree to exclusively, collaboratively and jointly pursue an operations contract for the System, upon issuance of the privatization RFP.
  - A. LWC will finance the costs of developing the RFP, including selecting and hiring any additional entities it deems necessary. In the event the District-LWC proposal is

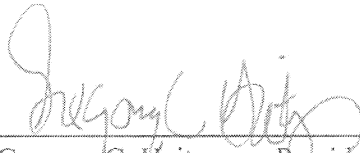
accepted, the full cost to develop the proposal will be recovered over 5 years through the monthly management fee charged to the Government. If unsuccessful, each party will pay its own external costs (i.e. its own contractual costs for engineering, construction, legal or financial analyses) associated with the project as well as their own internal labor and non-labor costs.

- B. LWC will be the lead partner in preparing all documents for submission in response to the RFP. The District will assist with providing any information requested, data and information needed, and any other pertinent information that is required or would be beneficial in the preparation of the proposal documents, and to assist with authoring sections of the proposal documents as requested by LWC. The final submittal and pricing will require the mutual agreement of both parties.
- III. District plans to provide operation and maintenance services for the distribution facilities (distribution pipes, hydrants, valves, and service lines). District will provide, through its own forces or future subcontractors selected by District, all GIS mapping requirements in the RFP to facilitate the mapping of the system, in a manner consistent and compatible with the existing sanitary storm sewer GIS systems of Ft. Knox, which the District has also developed. LWC will provide GIS resources where needed.
- IV. LWC will provide operation and maintenance services of the production facilities (well field, water treatment plants, pumping stations, and storage tanks) for a period of at least 5 years. It is anticipated the Muldraugh Water Treatment Plant will be replaced within 3 years with a new transmission supply from LWC along Dixie Highway (Hwy 31W) at Westpoint, Kentucky. The Ft. Knox Central Water Treatment Plant will remain in operation for the foreseeable future. However, the parties may agree to expand or replace the Ft. Knox Central Water Treatment Plant in the future by mutual agreement.
- V. LWC and District agree to jointly develop a capital improvement plan as required to fulfill the Ft Knox Privatization RFP.
- VI. LWC and District agree to collaborate to design, construct and install a transmission main to District and the System in connection with or independent of the Ft. Knox Privatization RFP. In furtherance of this objective, LWC and District agree to enter into a wholesale water supply contract to obtain from LWC a reliable, abundant and redundant source of supply from the same pipeline and facilities that LWC will deliver water to System and/or the District. The term of the wholesale supply contract will be either a standard wholesale term of 40 years or for the same time period of the Government's privatization of the System.
- VII. LWC is willing to pursue a partnership with District at a later date to facilitate various benefits to LWC, the District and the Government. It is envisioned that this partnership will provide the following benefits or services among LWC, the District and the Government.
  - A. The parties agree to collaborate on purchasing initiatives for the purposes of incurring lower costs for the provision of operation and maintenance services to the District and/or include but not limited to, joint fuel purchases, operations and maintenance of main breaks, main replacements or other utility operations.

- B. LWC will provide additional engineering, technical, capital program management and other support services to the District for an agreed cost of service and based on LWC resource availability, for projects related to the System, or to the District's other utility systems.
- VIII. All other aspects of work or tasks required by the Government and set forth in the RFP will be provided and divided between the parties at a future date, based on factors which will provide the parties with the best competitive advantage to be selected by the Government.
- IX. The Term of this Agreement shall be from the Effective Date and shall expire (1) upon the successful award of the Privatization RFP to District in collaboration with LWC or upon the District not being determined as the successful respondent to the RFP; or (2) upon this Agreement being superseded by written agreements that specifically cover the activities governed herein; or (3) upon ninety (90) days' advanced written notice by either party to the other party.
- X. This Agreement contains the entire agreement between the parties with regard to the intent to form a partnership for the Ft. Knox privatization RFP.

LOUISVILLE WATER COMPANY

HARDIN COUNTY WATER DISTRICT No. 1

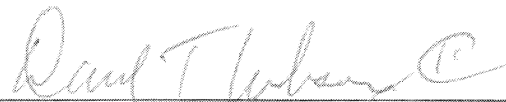
BY:   
 Mr. Gregory C. Heitzman, President

BY:   
 Mr. William J. Rissel, Chairman

Approved as to Legality and Form:

Approved as to Legality and Form:

  
 Barbara K. Dickens  
 Vice President, General Counsel  
 Louisville Water Company

  
 Mr. David T. Wilson, III  
 Legal Counsel  
 Hardin County Water District No. 1  
 (BY JFB PER DTW)



**DRAFT 7-15-08**

**CONTACTS:**

Jim Bruce, HCWD No. 1, 270-351-3222  
Barbara Crow, Louisville Water Company  
Work: 569-3695, Cell: 533-5006



## **Water Providers in Hardin County and Louisville Forge Partnership to Help Meet Ft. Knox and Regional Water Needs**

Hardin County Water District No. 1 and Louisville Water Company have entered into a partnership agreement to expand water service to Hardin County and Ft Knox. The District and Louisville Water will jointly pursue operation of the Ft. Knox water system under the US Army's plan to privatize water operations at the military base. A request for proposals for water operations has been advertised and proposals are due October 7<sup>th</sup>.

In addition, officials with Hardin County Water District No.1 and Louisville Water Company will work together to expand the water supply to Hardin and surrounding counties as well as pursue opportunities for shared operations.

In May Louisville Water also entered into an agreement with Hardin County Water District No. 2 to expand wholesale water service south along Interstate 65 from Bullitt County to Elizabethtown.

According to Hardin County General Manager Jim Bruce: "Hardin County is growing and regional partnerships like the one with Louisville Water are critical to successfully managing that growth and making sure that our community continues to thrive."

LWC President Greg Heitzman says, "Partnering with HCWD No. 1 provides a great opportunity to improve both the water quality and service to the Fort Knox military base. Working together we can help provide regional water solutions with local water expertise."

In 2005 the Defense Department's Base Closure and Realignment Commission (BRAC) shutdown many U.S. military installations but decided that Fort Knox would remain open. The Armor Center and School are being relocated to Ft Benning, Georgia in 2010, while a new Human Resource support center is being developed at Ft Knox, beginning in 2009. Hardin County is expected to grow substantially with the addition of the Human Resource Center. The Louisville and Hardin County partnership will provide an abundant water supply and reliable water infrastructure in anticipation of the growth for the region.

District Chairman, Bill Rissel added, "We believe that this partnership will be in the best interest of our community and other utility customers, as well as Ft. Knox, and we look forward to working together with Louisville Water Company in the future".

HCWD No. 1 serves approximately 10,000 customers in the City of Radcliff and northwest Hardin County, and provides wholesale water to the City of Vine Grove and Meade County Water District. The District currently operates the Fort Knox sanitary and storm sewer systems through a contract partnership with Veolia Water, North America. In 2004 the District was awarded ownership of those systems after a lengthy competitive bid process. In April of this year, the City of Radcliff also decided to turn over its sanitary sewer system, with 8,800 customers, to the District. The City felt with the District and Veolia's close by sewer expertise at Ft. Knox, that District ownership could help hold down future sewer rate increases to its residents.

LWC currently serves 850,000 people in Metro Louisville and portions of Oldham, Shelby, Spencer, Bullitt and Nelson counties. On average the company pumps 130 million gallons of water per day (MGD) and has a 240 MGD capacity, with a virtually unlimited water supply in the Ohio River. In June, the utility was recognized as having the Best Tasting Water in America by the American Water Works Association.

# HCWD1 Forges Partnership With Louisville Water Co.

Hardin County Water District No. 1 (HCWD1) and Louisville Water Company (LWC) have entered into a partnership agreement to expand water service to Hardin County and Fort Knox.

HCWD1 and LWC will jointly pursue operation of the Fort Knox water system under the U.S. Army's plan to privatize water operations at the military base. A request for proposals for water operations has been advertised and proposals are due October 9.

In addition, officials with HCWD1 and LWC will work together to expand the water supply to Hardin and surrounding counties, as well as pursue opportunities for shared

operations.

HCWD1 General Manager Jim Bruce said the partnership utilizes the strengths of both utilities. "Hardin County is growing and regional partnerships like the one with Louisville Water are critical to successfully managing that growth and making sure that our community continues to thrive," Bruce said.

The partnership complements a recently signed agreement with Hardin County Water District No. 2 (HCWD2) to extend a wholesale water supply along I-65 to Lebanon Junction into Hardin County. HCWD2 needs an additional water supply for Elizabethtown and Glendale.

LWC President Greg Heitzman says the Louisville/Hardin County partnership will create regional water solutions using local expertise.

"LWC has an abundant water supply in the Ohio River and plenty of excess capacity. Partnership with HCWD1 provides a great opportunity to improve both the water quality and service to the Fort Knox military base and to the region," Heitzman said.

The transformation of the Fort Knox military base from an armored training facility to the national Human Resource command for the US Army is expected to spur rapid growth in the area. In 2005 the Defense Department's Base Realignment and Closure (BRAC) Commission shutdown

many U.S. military installations, but decided that Fort Knox would remain open.

District Chairman Bill Rissel noted, "We believe that this partnership will be in the best interest of our community and other utility customers, as well as Fort Knox and we are looking forward to working with Louisville Water Company."

HCWD1 serves approximately 10,000 customers in the city of Radcliff and northwest Hardin County; and provides wholesale water to the City of Vine Grove and the Meade County Water District. HCWD1 currently owns and operates the Fort Knox sanitary and storm water systems through a contract partnership with Veolia Water, North America.

In April 2008, the City of Radcliff also turned over its 8,800 customer sanitary sewer system to the district. Rate stabilization and a successful partnership with Fort Knox paved the way for another successful partnership.

LWC currently serves 850,000 people in Metro Louisville and portions of Oldham, Shelby, Spencer, Bullitt and Nelson counties. On average the company pumps 130 million gallons of water per day (MGD) and has a 240 MGD capacity, with a virtually unlimited water supply in the Ohio River. In June, the utility was recognized as having the Best Tasting Water in America by the American Water Works Association.



The SENTINEL

## WATER: Louisville has excess supply from river source

Continued from A1

signed an agreement and are crafting the bid, due Oct. 9.

Bruce said the federal government has told bidders to hold bids for 300 days, which would put the decision off until late 2009 at the earliest.

The district is used to waiting, though. In 2002, operation of Fort Knox's sewer system was let for bids and the district partnered with Veolia Water, North America, a Houston company, to pursue the bid. The joint bid was chosen in 2004.

"It could be years or it could be one year," Bruce said, referring to the timetable for the announcement of the winning bid.

Greg Heitzman, president of Louisville Water Co., said

he contacted Bruce because he thought the two companies could complement one another on the project.

"We have some strengths and they have some strengths," Heitzman said.

LWC - which serves 850,000 people in metro Louisville and parts of Oldham, Shelby, Bullitt, Spencer and Nelson counties - has excess water capacity with an abundant supply from the Ohio River.

However, the experience that Hardin No. 1 has locally and with Fort Knox gives the district advantages and knowledge LWC does not have, Heitzman said.

LWC is reallocating water resources now that industry is not consuming as much water in Jefferson County.

"We're seeing how water use in Jefferson County is changing," he said.

To reallocate those resources, the company is acquiring regional partnerships

in adjacent counties to provide water supplements for the region.

If the companies win the bid, the pipeline at Fort Knox also could provide assistance to the district's service area if a drought strikes or if something happens to the district's water treatment plants, Bruce said. The Fort Knox pipeline would run

parallel to a current line and be accessible to the district.

Bruce said Fort Knox and Louisville Water have been in negotiations to install a pipeline that could be constructed separate from the privatization, but would be in conjunction with the partnership.

The local bidders expect some heavy competition.

"We anticipate that some large companies would want to bid," Bruce said.

The government will scrutinize the lowest bid carefully, he said. If the government decides Fort Knox can provide water cheaper and is comfortable with continuing as is, the bid process would end.

Bruce said he believes the

bid with LWC will offer a less expensive alternative with stabilized prices and free up resources that the government can use for military-related functions.

"It's taken a long time, but they're (the military) slowly privatizing different functions," he said.

Marty Finley can be reached at (270) 505-3762.

# Serving Fort Knox

## Hardin County utility joins Louisville effort to supply post's water

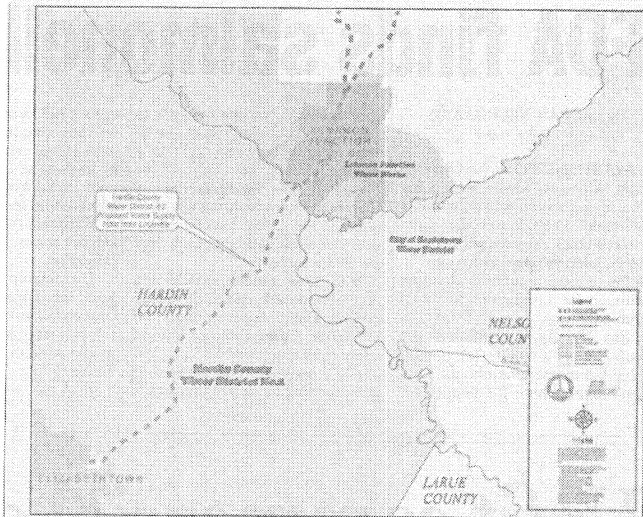
By MARTY FINLEY  
mfinley@theenterprise.com

**HARDIN COUNTY** - Earlier this year, the Army requested a proposal to privatize water operations at Fort Knox in accordance with a directive issued years ago by the Pentagon to phase out nonmilitary functions on its installations around the country.

To answer, Hardin County Water District No. 1 - which serves 10,000 people in Radcliff and northwest Hardin County and provides wholesale water to Vine Grove and the Meade County Water District - formed a regional partnership with Louisville Water Co. to pursue the bid.

Louisville Water officials approached Jim Bruce, general manager of the Hardin County utility, about a joint bid. After a series of negotiations, the two companies

Turn to WATER, A9



A new water supply line would run from Lebanon Junction to the Tunnel Hill area in Elizabethtown.

SOURCE: Louisville Water Co.

## WATER: White Mills plant near capacity

Continued from A1

laid from the pump station to the Tunnel Hill Road area in Elizabethtown, where there is an existing pipeline.

LWC's pipeline already runs through Bullitt County, but the company needs to make upgrades to increase its capacity. LWC hopes to complete the work by 2011, said Barbara Crow, public information officer for LWC.

The project was spurred by the growth of Hardin County and the customer growth rate of HCWD No. 2, which averages about 5 percent growth per year.

The district estimates it will need an additional water source now that the water treatment plant in White Mills is nearing its capacity. That plant has a capacity of 8.1 million gallons of water per day, said James Jeffries, general manager of HCWD No. 2.

"It's a recognition of a potential water shortage on our part," Jeffries said.

Jeffries said LWC was the most practical source after studies ruled out oth-

er possible outlets.

"It was a little bit of a process of elimination," Jeffries said.

The district first considered expanding the White Mills plant, but the Division of Water would not permit more than 8.1 million gallons per day to be taken out of the Nolm River, Jeffries said.

The district then looked at Round Stone Creek downstream from the Nolm River in Hart County, but said the project was not cost effective because it only would have added about 2 to 3 million additional gallons per day.

The district also partnered with the cities of Elizabethtown and Radcliff, HCWD No. 1 and Fort Knox to form the Lincoln Trail Regional Water Commission, which was in negotiations to take over the water system at Fort Knox.

Jeffries said Fort Knox has excess capacity through its access to the Ohio River and could have provided an additional source to the entire region. But when the Army decided to privatize the water system and bid the project out, that option was taken off the table.

LWC has a near unlimited supply of water

from the Ohio River and is reallocating resources that once were used by industry in Louisville, LWC President Greg Heitzmar said. He said, adding that LWC wanted to use its resources to provide water supplements to Hardin and other adjacent counties.

HCWD No. 2 sent out a request for statements of qualifications to attract engineering firms, which were due earlier this month. Jeffries said they are now in the review process and the water commission has chosen three engineering firms to interview.

The district also is lobbying the General Assembly for money to pay for the project, he added. The project's estimated cost is \$5 to \$8 million.

HCWD No. 2 has received a \$500,000 grant, which it is using to start the project.

# Water District 2 looks to tap into L'ville

N/E  
7/22/08

By MARTY FINLEY  
mfinley@thejournalcourier.com

**HARDIN COUNTY** — Louisville Water Co. is staying busy.

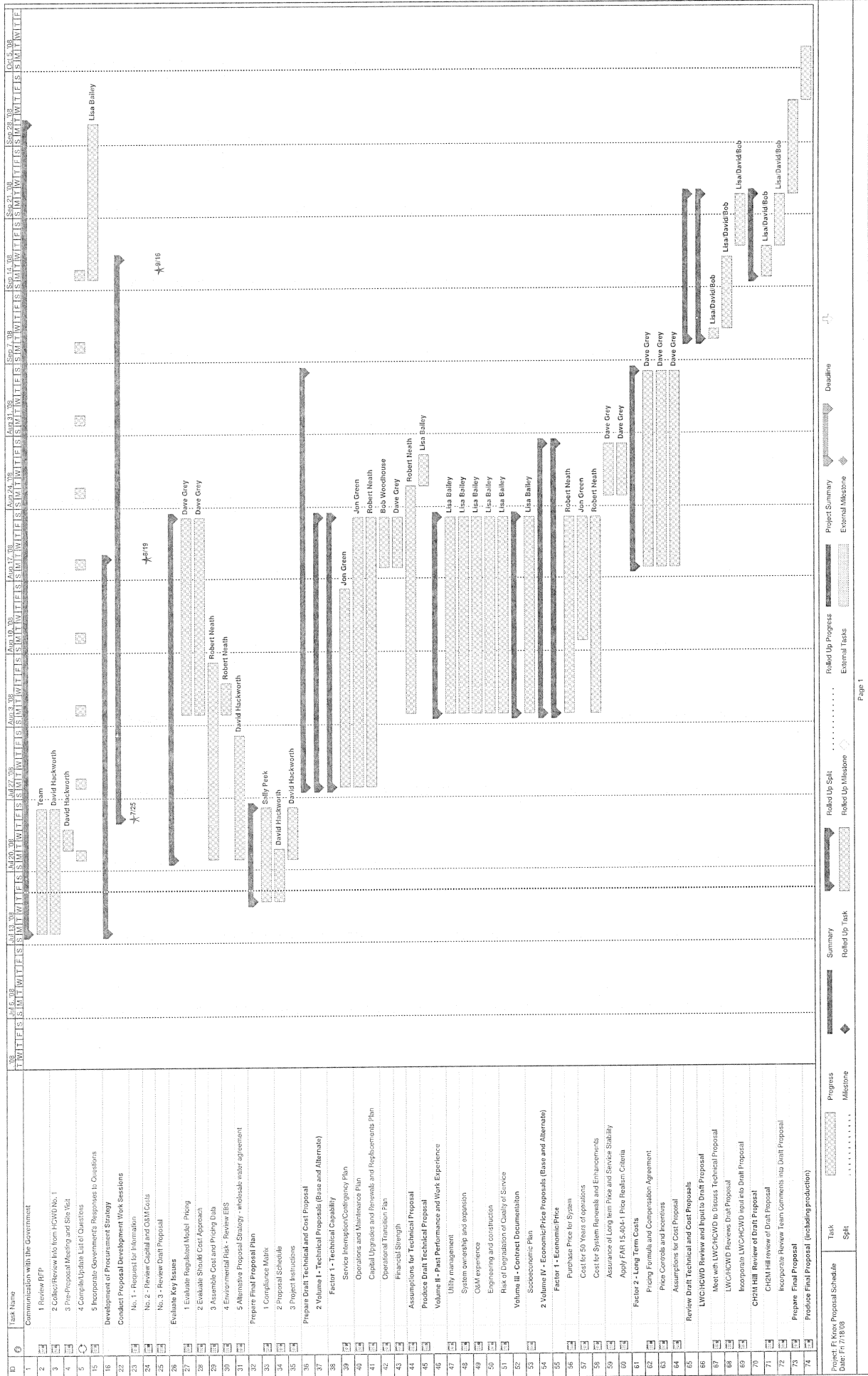
Last week, the company announced a regional partnership with Hardin County Water District No. 1 to pursue the bid for the operation of Fort Knox's water system.

But it's not the first project LWC — which serves metro Louisville and portions of Oldham, Shelby, Spencer, Bullitt and Nelson counties — has considered in Hardin County.

The company signed a letter of intent in April to pursue a wholesale water purchase agreement with Hardin County District No. 2 — which serves Hardin, LaRue and Hart counties. If an agreement is struck, HCWD No. 2 would construct a pipeline from Elizabethtown to tie in with LWC's pipeline near the Hardin County line at Lebanon Junction in Bullitt County.

For HCWD No. 2, a pump station would need to be constructed and about nine miles of 24- to 30-inch iron pipeline

Turn to WATER, A6



## Information Request for Fort Knox Proposal - Staffing Plan

PREPARED FOR: Brett Pyles, Hardin County Water District  
Jim Smith, Louisville Water Company

PREPARED BY: Jonatham M. Green

COPIES: David Hackworth/LOU

DATE: July 29, 2008

Please provide information for the positions listed below:

- Project Manager - Jim Bruce, bio and resume
  
- Assistant Project Manager - Name, bio and resume
  
- Contract Management - Name
  
- Procurement - Name
  
- Health and Safety - Name, bio and resume
  
- Accounting - Name
  
- Human Resources - Name
  
- Engineering -Name and job description
  
- Administrative Assistant - Name and job description
  
- Water treatment lead operator - Name, and job description

- Water distribution lead – Name, bio and job description
- Maintenance lead – Name, bio and job description
- Water Operators – Job description
- Water distribution – Job description
- Maintenance or distribution helpers or laborers – Job description
- Equipment operator – Job description



## PROPOSAL COMPLIANCE MATRIX

Section L, M RFP	Proposal Section	RFP Instruction, Requirement, Evaluation Criteria	SOW	Resource Lead
<b>GENERAL SUBMITTAL INFORMATION</b>				
L.2	Point of Contact Angela Mattox 8725 John J. Kingman Road, Suite 3830 ATTN: DESC-EA Fort Belvoir, VA 22060-6222 Fax: 703-767-2382 e-mail: Angela.Mattox@dla.mil	Due Date: OCT 9, 2008, 3:00 pm		
L.3.1	<b>PROPOSAL PAGE LIMITATIONS</b>			
A. Offerors shall prepare the proposal as set forth in the table below. The titles, contents, and page limits of each volume shall be as defined in the table below.				
	<u>Proposal Section</u>	<u>Page Limit</u>		
	Volume I - Technical Proposal (Written)	200		
	Volume II - Past Performance	50 (Total)		
	Volume III - Contract Documentation	None		
	Volume IV - Price Proposal	None		
L.3.2	<b>PROPOSAL FORMAT</b>			
The proposal shall be clear and concise, and shall include sufficient detail for effective evaluation and for substantiating the validity of stated claims. The proposal shall not simply restate or rephrase the Government's requirements, but rather provide a convincing rationale explaining how the Offeror intends to meet these requirements. Offers shall assume that the Government has no prior knowledge of their facilities and experience, and will base its evaluation on the information presented in the Offerors proposal.				
Each Volume shall be written on stand-alone basis so that its contents may be evaluated without cross-referencing.				
Elaborate graphics, multimedia functions (video clips, sound bites), or other embellishments are not desired.				
L.3.3	<b>DISTRIBUTION</b>			
Offeror shall submit one original hard copy in a 3-ring binder and 4 CD copies.				
L.3.4	<b>ELECTRONIC MEDIA</b>			
Offeror shall submit their electronic proposals on CD ROM disks. All volumes shall be submitted on 1 CD. With the exception of the Price Proposal, Offeror shall submit proposal files in the Windows 98 or newer version format with a table of contents (road map) of the proposal structure. The minimum requirement for hypertext link is a table of contents linked to each file provided in the proposal. Additional hyperlinks within the proposal are at the Offeror's discretion.				
The Price volume shall be submitted in application-specific files developed and saved using the following versions on Microsoft software: Windows 98 or newer. Electronic proposal files should be no more than 4MB in size. Offeror's are encouraged to refrain from incorporating detailed graphic items (other than any plans or drawings) as they are not required or desired. Any scanned documents incorporated into an offeror's proposal shall be split into multiple files so that each individual file is no greater than 4MB. If multiple files are required for a given volume, offeror's shall organize their electronic submission so that each volume is contained in a separate directory. Each CD shall contain an electronic label, which is to be established on a CD when the CD is formatted. No password-protected, zipped, or self-extracting files shall be used.				
Each Offeror shall provide virus free CDs and shall certify that they are virus free. Offerors are reminded that if the hard copy version contains restrictive legends, the CD shall contain the same markings.				
L.3.5	<b>PAGES AND TYPING</b>			
Page sizes shall be 8-1/2 by 11 inches (Windows 98 or newer version portrait format) or 11 by 8-1/2 inches (Windows 98 or newer landscape format). Landscape pages may be used only for large tables, charts, graphs, and diagrams, not for pages of text. Page size 11 x 17 may only be used for tables, figures/diagrams, illustration/drawings, and maps. Pages sized 11 x 17 will be counted as 2 pages.				
Text shall be single-spaced, in 11-point font. Font size 10 point may be used for tables, captions, matrices, maps, and header footer information. For charts, graphs, and figures/diagrams, the font shall be no smaller than 5 point. Use at least 1-inch margins on the top and bottom and 1-inch side margins. Pages will be numbered by section within each volume. These page format restrictions shall also apply to responses to any correspondence provided during the negotiation process.				
Page limitations shall be treated as maximums. If exceeded, excess pages will not be read or considered in the evaluation of the proposal.				
Each page shall be counted except for the following: cover pages, table of contents, cross-reference matrix, tabs, glossaries, and attachments (tariffs, statutes, operating manuals, performance specs, etc.)				
L.3.6	<b>COST OR PRICING INFORMATION</b>			
All cost or pricing information, except that described below, shall only be addressed in the price proposal. Cost trade-off information, work-hour estimates, and material kinds and quantities may be used in other volumes as appropriate to support design and trade-off decisions.				
L.3.7	<b>PROPOSAL STRUCTURE</b>			
Each section or part of the Offeror's proposal shall clearly identify the specific solicitation requirements it addresses.				
L.3.8	<b>CROSS-REFERENCE MATRIX</b>			
The Offeror shall provide a cross-reference matrix. The purpose of this matrix is to aid the Government's evaluation of the proposals, thereby ensuring no requirements have been overlooked. Offerors shall cross reference the offer and Section C, <i>Description/Specifications/Work Statement</i> , to where each is addressed.				

Section L, M RFP	Proposal Section	RFP Instruction, Requirement, Evaluation Criteria	SOW	Resource Lead
<p><b>L.3.9 GLOSSARY OF ABBREVIATIONS AND ACRONYMS</b> The Government recommends that each volume contain a glossary of abbreviations and acronyms. Glossaries will not count against the page limitations for their respective volumes.</p>				
<p><b>L.3.10 DOCUMENTS INCORPORATED BY REFERENCE</b> Offerors may incorporate by reference documents such as statutes, tariffs, operating manuals, performance specifications, etc. within the proposal volumes. However, the full text documents shall be provided as attachments to the appropriate volume.</p>				
<p><b>L.3.11 PROPOSAL REVISIONS</b> When submitting revised proposals offerors shall submit changes in accordance with the following.</p> <ol style="list-style-type: none"> <li>1) Proposal revisions shall be submitted with one original hard copy as well as 1 extra hard copy and 4 electronic copies submitted on CD ROM disks, 2 with changes showing and 2 without changes showing.</li> <li>2) In the upper right corner of each revised page, include the Offeror name, exact location (volume, section, page number, etc.) within the original proposal, and date of transmittal.</li> <li>3) Changes shall be marked by a change bar in the margin to indicate the changed part of each page.</li> <li>4) If the revisions exceed one page, each page shall be marked with the page number it is replacing and a numerical or alphabetical extension (i.e., 93-a, 93-b,...).</li> <li>5) For each deleted page, a blank page shall be submitted denoted with "page intentionally left blank" and the original page number.</li> </ol>				
<p><i>In accordance with 10 U.S.C. § 2688, authority to privatize a utility system is subject to the action being in the long term economic interests of the United States Government. That is, the long-term economic benefits must outweigh the long-term economic costs for conveyance to occur (Section M.3, Comparison of Offered Prices with the Government Should-Cost Estimate). Before a best-value decision can be made, Offerors must comply with the basic economic test of 10 U.S.C. § 2688. Based on this result, the following factors and sub-factors will then be evaluated. Technical Capability, Past Performance, and Risk are of approximately equal importance. Socioeconomic Plan is somewhat less important than Technical Capability, Past Performance and Risk. When combined, Technical Capability, Past Performance, Risk, and Socioeconomic Plan are significantly more important than Price. Technical Capability and Risk will be evaluated at the Sub-factor level. Under Technical Capability, Sub-factors 1, 2, 3, 4, and 5 are of approximately equal importance. Under Risk, Sub-factors 1, 2, 3, and 4 are of approximately equal importance.</i></p>				
	Cover Letter			
<p><b>Volume 1 – Technical Proposal – 200 pages</b></p>				
<p><b>SUBMITTAL REQUIREMENTS FOR Volume 1</b></p>				
<p><b>L.4 PROPOSAL PREPARATION INSTRUCTIONS – VOLUME 1: TECHNICAL PROPOSAL</b> The Technical Proposal Volume should be specific and complete. A separate Volume I must be submitted for each type of utility system included in the proposal. For proposals that include the same type of utility system on more than one installation a single volume may be submitted. However, Offerors shall specifically address Installation- and Government-specific requirements and system deficiencies as part of the volume.</p> <p>The technical proposal shall describe the Offeror's capability to provide the level of utility service required by this contract. It should be specific and complete in every detail. Proposals that merely offer to provide services in accordance with (IAW) Section C, Description/Specifications/Work Statement will be considered technically unacceptable and will not be considered further.</p> <p>The technical proposal shall specifically address each of the Technical Capability subfactors:</p> <ol style="list-style-type: none"> <li>1. Service Interruption/Contingency Plan and Catastrophic Loss Plan</li> <li>2. O&amp;M Plan/Quality Management Plan</li> <li>3. Initial System Deficiency Corrections and Initial Renewals and Replacement Plan</li> <li>4. Operational Transition Plan</li> <li>5. Financial Strength</li> </ol>				
<p><b>Factor 1 – Technical Capability</b></p>				
<p><i>M.2 Sub-factor 1: Service Interruption/Contingency and Catastrophic Loss Plan; Will be evaluated for the degree to which it ensures an appropriate, efficient and effective response to service interruptions and contingencies and catastrophic system losses.</i></p>				
L.4.1	Subfactor 1: Service Interruption/Contingency and Catastrophic	Offeror shall submit a Service Interruption/Contingency and Catastrophic Loss Plan in accordance with the applicable requirements of Section C, Description/Specifications/Work Statement, Section C.7, Response to Service Interruptions/Contingencies and Catastrophes and Section C.8, Repair Response	Section C.7, Response to Service Interruptions/Contingencies and Catastrophes	

Section L, M RFP	Proposal Section	RFP Instruction, Requirement, Evaluation Criteria	SOW	Resource Lead
	Loss Plan	<p><i>Notification Procedures.</i> The Service Interruption/Contingency and Catastrophic Loss Plan will be incorporated into the contract at time of award.</p> <p>The Service Interruption/Contingency and Catastrophic Loss Plan shall, at a minimum, address the following:</p> <ol style="list-style-type: none"> <li>1. Defined procedures and provisions for reacting to all service interruptions.</li> <li>2. Resources to be utilized in the implementation of the procedures described in the Plan including a description of the staffing and management personnel that will be available to insure prompt response to emergency situations.</li> <li>3. Detailed contingency plan of action (including Government notifications).</li> <li>4. Estimated response times for each type of service call (e.g. emergency, urgent, and routine).</li> <li>5. Describe the procedure for handling each type of service call (e.g. emergency, urgent, routine) from notification to completion (use diagrams, Gantt Charts, flow chart, etc. if necessary).</li> <li>6. Estimated time for reestablishment of temporary service.</li> <li>7. Estimated time for reestablishment of permanent service.</li> <li>8. Emergency Restoration Plan in the event of widespread utility outage.</li> <li>9. Installation specific requirements.</li> <li>10. Address possible causes for service interruptions and show how each would be handled both internally and externally by the offeror including, but not necessarily limited to, acts of God, natural disasters, human error, equipment failure, and employee strikes.</li> <li>11. Catastrophic Loss Plan as required by Section H.5, <i>Catastrophic Loss</i>.</li> </ol>	<p>Section C.8, Repair Response Procedures</p> <p>Subsection C.9.2, Routine, Urgent, and Emergency Service Requests</p>	
<p>M.2 Sub-factor 2. <i>Operations and Maintenance Plan/Quality Management Plan: Will be evaluated for the degree to which it ensures appropriate, efficient and effective operation and maintenance of the utility system(s) and a superior level of quality.</i></p>				
L.4.2	Subfactor 2: Operations and Maintenance/Quality Management Plan	<p>Offeror shall submit an Operations and Maintenance/Quality Management Plan (Plan) in accordance with the requirements of Section C.12, <i>Operations and Maintenance/Quality Management</i>, of this solicitation. Regulated utilities who have submitted documents similar to the requested Plan to their State Utility Regulatory Commission may submit that documentation in lieu of the specifically requested information in this section. The Plan will be incorporated into the contract at time of award. The Plan shall describe the Offeror's operations and maintenance and quality management policies and procedures. The Plan shall propose performance standards and/or specifications for the provision of utility service.</p> <p>When developing the Plan, the elements listed in Table L-1 should be considered if applicable.</p> <p>TABLE L-1 Service Standards Criteria Water System Quality Service Connection Standards and Specifications Reliability Exterior Backflow Prevention Recurring and Preventative Maintenance Water and Sewer Line Separation Sampling/ Analysis New Construction Standards Maintaining System Pressure Commissioning Standards Demand and Distribution Capacity Color Identification and Markings Water Storage Requirements System Inspections Fire Flow Capacity/ Duration Meter and Equipment Calibration Corrosion Control (To Include Cathodic Protection) Service Interruption Frequency Minimization of Leaks and Losses Operating Permits Minimization of Water Use Employee Certifications Safety of Government Personnel and Property Disaster Recovery</p> <p>The utility system(s) shall be operated and maintained in accordance with all applicable federal, state, and local laws/regulations and the most current</p>	Paragraph C.12, Operations and Maintenance/Quality Management Plan	

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		<p>version of any specific requirements defined in the utility-specific attachment (Section J1). At a minimum, performance standards and/or specifications shall follow best engineering and management practices consistent with the following:</p> <ol style="list-style-type: none"> <li>1. Electric distribution system(s): National Electric Safety Code (American National Standards Institute (ANSI)-C2), National Electrical Manufacturers Association (NEMA), National Electric Code (NFPA-70), and current reference materials published by the Institute of Electrical and Electronic Engineers (IEEE), the Illuminating Engineering Society (IES), and the Insulated Cable Engineers Association (ICEA).</li> <li>2. Water distribution and wastewater collection system(s): The most recent edition of reference materials published by the American Water Works Association (AWWA), Water Environment Federation (WEF), American Society of Civil Engineers (ASCE), National Fire Protection Association (NFPA), and Factory Mutual Global.</li> <li>3. Natural gas distribution system(s): Code of Federal Regulations (CFR), Title 49 Parts 190, 191, 192 and 199 and the <i>DOT Guidance Manual for Operators of Small Natural Gas Systems</i>.</li> <li>4. Additional standards for operations and maintenance of the utility system the Offeror proposes.</li> </ol> <p>Additionally, the Quality Management section of the Plan shall include, but is not limited to, the following:</p> <ol style="list-style-type: none"> <li>1. A comprehensive narrative description of how the Offeror plans to operate and maintain the utility system(s) in a manner that will satisfy, at a minimum, the requirements in this solicitation.</li> <li>2. Processes for obtaining customer feedback and translating feedback into appropriate process improvements.</li> <li>3. A comprehensive narrative description of how the Offeror plans to implement a proven system of inspections or other quality assessment procedures and techniques.</li> <li>4. Record keeping processes.</li> <li>5. For wastewater treatment systems, an Environmental Compliance Plan from waste generation through waste discharge or disposal. This plan shall clearly define all interface points and responsibilities for transferring materials from the wastewater system between the Government, Contractor, disposal facilities, and any regulatory bodies.</li> <li>6. For each of the proposed performance standards and/or specifications, if applicable, listed in Table L-1, a description of how the performance standard and/or specification will be met.</li> <li>7. Standards and specifications not established anywhere else in the solicitation.</li> <li>8. Definition of the process by which Government requested facility expansions would be implemented by the Offeror.</li> <li>9. Description of how the proposal satisfies the requirements related to compliance with applicable environmental, safety and OSHA laws and regulations.</li> <li>10. A listing and description of opportunities for efficiencies in utility operations. Opportunities for efficiencies will consist of market based solutions to improve system utilization as well as technological enhancements. The Offeror will also identify cost savings associated with the opportunities for efficiencies included within its proposal.</li> <li>11. Description of how technical information shall be managed and the means by</li> </ol>		

Section L, M RFP	Proposal Section	RFP Instruction, Requirement, <i>Evaluation Criteria</i>	SOW	Resource Lead
		<p>which access will be provided to the Government and other Government Contractors.</p> <p>12. Specialty skills training (if required)</p> <p>13. Offeror may describe any quality awards or certifications that indicate the Offeror possesses a high-quality process for providing required services. Such awards or certifications include, for example, the Malcolm Baldrige Quality Award, other government quality awards, and private sector awards or certifications.</p> <p>If relevant, regulated utilities may cite current operating standards and procedures required by the state utility regulatory commission in satisfaction of the above requirements.</p>		
<p><i>M.2 Sub-factor 3: Initial System Deficiency Corrections and Initial Renewals and Replacements Plan: Will be evaluated for the degree to which it supports the long-term ability of the utility system(s) to provide utility service(s).</i></p>				
L.4.3	<p><b>Subfactor 3: Initial System Deficiency Corrections and Initial Renewals and Replacements Plan</b></p>	<p>Offeror shall submit an Initial System Deficiency Corrections and Initial Renewals and Replacements Plan in accordance with applicable requirements of Section C, <i>Description/Specifications/Work Statement</i>. An Initial System Deficiency Corrections and Initial Renewals and Replacements Plan will be incorporated into the contract at time of award.</p> <p>The Initial System Deficiency Corrections and Initial Renewals and Replacements Plan shall describe in detail the purpose, scope and cost of the Initial System Deficiency Corrections and provide a detailed description of the Offeror's procedures for identifying, financing and scheduling long-term capital renewals and SDC/Upgrades. The plan shall include, at a minimum, the following:</p> <ol style="list-style-type: none"> <li>1. Detailed description of how the Offeror will correct all Government recognized system deficiencies of the utility system, as outlined in Section J1, together with a detailed initial Renewals and Replacement Plan. In addition, the Offeror shall provide a detailed Initial System Deficiency Correction/Connection Charges/Transition Period Schedule (B.7.4 Schedule 3) to be included with the technical proposal (without costs).</li> <li>2. Identification, justification, and detailed description of any Offeror-recommended additional SDC/Upgrades and/or improvements to increase the efficiency of system operations</li> <li>3. As applicable, conceptual plans for, including methods for monitoring the effectiveness of, energy efficiencies and conservation projects for purposes as defined in paragraph C.3.4, Energy and Water Efficiency and Conservation.</li> <li>4. Conceptual methodology that will be used for scheduling renewals and replacements for the duration of the contract to ensure a long-term efficient level of service. In addition to the conceptual methodology, the Offeror shall provide a detailed 50-year renewal and replacement schedule (B.7.3 Schedule 2) should be included with the technical proposal (without costs).</li> <li>5. Describe in detail the Offeror's procedures for identifying, financing and scheduling long-term capital renewals and ISDC/Upgrades.</li> <li>6. Description of proposed process for satisfactorily responding to requests made by the Government for system enhancements, including financing and Installation arrangements.</li> </ol>	<p><b>Section C.3, SDCs/Upgrades/Connections and Renewals and Replacements</b></p>	
<p><i>M.2 Sub-factor 4: Operational Transition Plan: Will be evaluated for the degree to which it will ensure an effective and efficient transition.</i></p>				

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L.4.4	<b>Subfactor 4: Operational Transition Plan</b>	The Offeror shall submit an Operational Transition Plan in accordance with Section C.13, <i>Transition Plan</i> . The transition plan shall propose an adequate schedule for turnover of the facilities, equipment, permits, operation and maintenance, and other responsibilities to include any new construction, installation of meters required for utility billing, turnover of meter readings and billing responsibilities, and the process for evaluating existing employees for employment. The Operational Transition Plan should discuss any system condition that might require the Offeror to accomplish work in advance of title transfer. An appropriate remedy for the condition should be proposed as part of the Offeror's SDC/Upgrades plan. The Operational Transition Plan shall clearly define all Offeror personnel holding authority to sign for transfer of operations and property. This shall include the name, title, and clear definition of authority or limitations in authority for each person who will sign for acceptance of final transition. The paragraphs below constitute the minimum requirements for the Operational Transition Plan. Installation and utility-specific transition items are listed in the utility-specific attachment (Section J1). In no case shall the Government sign off any transition element until the Contractor demonstrates full capability or the element is otherwise completed.	Section C.13, Operational Transition Plan	
L.4.4.1	<b>Contract Start Date</b>	The Offeror shall propose a date on which the Offeror will assume full responsibility for the utility system(s) and for providing utility service(s) (Section F.2, <i>Commencement of Service</i> ). The Offeror will also outline its plans for onsite familiarization and the transition of system operations including procedures for operation and maintenance during the transition.		
L.4.4.2	<b>Connection Requirements</b>	The Operational Transition Plan shall include a plan and schedule for the construction of new connections, if identified in the utility-specific attachment (Section J1), or any new connections as proposed by the Offeror. The Operational Transition Plan shall include procedures for notification of any related outages.	Sub-subsection, C.11.2.8 and Subsection C.11.3	
L.4.4.3	<b>New Meter Requirements</b>	The Operational Transition Plan shall include a plan and schedule for installing new meters, if identified in the utility specific attachment (Section J1) or, any new meters as may be proposed by the Offeror. All new meters required by this contract shall be installed within 30 days of the start of the performance period.		
L.4.4.4	<b>Permits and Procedures</b>	The Government will make initial notification to state agencies regarding the termination or transfer of environmental permits and/or other items, if needed. The Operational Transition Plan shall include a plan and schedule for the transfer or acquisition of permits as required. It is essential that advanced planning occurs and the Contractor initiates the acquisition of permits within 1 week after contract award.	Subsection C.10.1	
L.4.4.5	<b>Inventory and Transfer Requirements</b>	Contractor developed checklists will be the basis for the transfer of operations to the Contractor.	Section C.5	
L.4.4.5.1	<b>Inventory and Transfer of Facilities and Fixed Equipment</b>	The Operational Transition Plan shall include a detailed plan, schedule, and checklist for the joint inventory of all facilities and fixed equipment, to include building structures and installed equipment.		
L.4.4.5.2	<b>Inventory and Transfer of Non-fixed Equipment, Spare Parts, and Personal Property</b>	The Operational Transition Plan shall include a detailed plan, schedule, and checklist for the joint inventory of personal property transferring from the Government to the Contractor.		
L.4.4.5.3	<b>Transfer of Manuals and Records</b>	The Operational Transition Plan shall include a detailed plan, schedule, and checklist for the joint inventory of all operating manuals, record drawings, plans and specifications, maintenance records, and other such information available for		

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L.4.4.5.4	Joint Inventory	each utility. The joint inventory will be completed prior to the start of the performance period. The final Easement and Bill of Sale will be amended to reflect the results of the joint inventory.		
L.4.4.6	Initial Meter Readings	The Operational Transition Plan shall include a description and schedule for joint meter readings for secondary meters in place prior to transition.	Subsection C.3.3	
L.4.4.7	Authorized Personnel and Points of Contact	The Operational Transition Plan shall clearly define all Offeror personnel holding authority to sign for transfer of operations and property. The Operational Transition Plan shall also provide Offeror points of contact (names and phone numbers) for work to be performed under the contract.		
M.2 Sub-factor 5: Financial Strength Will be evaluated for stability and adequacy to satisfy the long-term capital requirements for owning, operating, and maintaining the utility system(s). This is to be reflected in documented evidence that the Offeror is in sound financial condition and has the ability to secure the necessary financing now and in the future.				
L.4.5	Subfactor 5: Financial Strength	<p>Offeror(s) shall submit documentation of financial capabilities in accordance with Section M.2, <i>Evaluation Factors and Subfactors</i>. Financial capability shall demonstrate that the Offeror is in sound financial condition and has the ability to secure the necessary financing to meet the financial and capital requirements of the utility system at present and in the future. Offerors shall describe in detail their capability to finance the utility system purchase price, CIAC tax payment and capitalization principal, renewals and replacements, and SDC/Upgrades. Additionally, Offerors may describe how they will utilize other financial instruments (e.g., performance bonds, additional insurance coverage, etc.) to mitigate operational risks to the Government over the term of the contract.</p> <p>At a minimum, the Offeror shall submit the following criteria for the past five years; Interest Coverage, Funds from Operation (FFO) to Interest Ratio, FFO to Total Debt Percentage, Total Debt to Total Capital Ratio (Debt Ratio), and Disaster Recovery Ratio (DRR), in order to accurately characterize the Offeror's financial condition. Offerors should also submit current bond ratings (e.g. from Moodys, Standard and Poors, or any other investment publication).</p> <p>See page 65 of RFP for table and definitions.</p>		

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<b>Volume II – Past Performance – 50 pages</b>				
<p>M2. Will be evaluated based on the degree to which current and previous (within the past 5 years) contract efforts indicate the probability of the Offeror successfully accomplishing contract requirements throughout the performance period. The currency and relevancy of the information, source of the information, context of the data, and general trends in Offeror's performance will be considered. In the case of an Offeror without a record of relevant past performance or for whom information on past performance is not available, the Offeror will not be evaluated favorably or unfavorably on past performance. However, a higher rating may be achieved if the Offeror proposes management personnel who have a successful record of performance on relevant and recent contracts, or if a proposed subcontractor (who will be performing a significant portion of the work) has a "very good" or better performance history on relevant and recent contracts. Offerors are advised that the Government may use information gained from any source known to the Government to evaluate past performance, provided such information is recent (within the past 5 years). However, the Government reserves the right to only consider the Contractor's performance under Government or DESC contracts. If any past performance information provided by the Contractor is utilized in evaluating the Offeror's proposal, a past performance questionnaire will be utilized to contact references and rate proposals.</p>				
<b>L.5 Past Performance</b>				
<p>The Offeror shall submit to the Contracting Officer its past performance information (contact references per Section J39, <i>Past Performance Questionnaire</i>) with its proposal. An original hard copy of the Offeror's past performance information shall be submitted within a three-ring binder. Offerors shall provide information for up to 6 of its largest customers about their past performance on projects of similar complexity and type as that required in the RFP for each system upon which the offeror intends to submit proposal. Offerors shall present the information requested in Attachment 1 below as part of their proposal for both the Offeror and major (over \$500,000) proposed subcontractors. Past performance references and contracts submitted may include those with Federal, state, or local governments, and those with commercial or private customers of similar scope, size and complexity for efforts similar to the Government requirement. Projects cited and references should be recent (within the last 5 years of the date of the proposal). Reference information should include the name and address of the customer, primary point of contact and telephone number, and a brief description of the services and facilities provided. If the Offeror fails to provide valid client contacts or references fail to respond, past performance references may not be considered. The Government may contact the Offeror's references to determine customer satisfaction with the Offeror's performance.</p>				
<p>Offerors shall provide a list of all system acquisitions in the last 5 years or all contracts and subcontracts currently in progress, which are of similar scope, magnitude, and complexity. Contracts listed may include those entered into by the Federal Government, agencies of state and local governments and commercial customers. The list must include, as a minimum, the following:</p>				
<ol style="list-style-type: none"> <li>1. Name of acquisition or project.</li> <li>2. Brief description of contract or subcontract.</li> <li>3. Total contract value.</li> <li>4. Period of performance.</li> <li>5. Principal parties involved and telephone numbers.</li> </ol>				
<p>The Offeror shall provide references for any proposed subcontractors that will be performing a significant portion of the work, and for each firm participating in a joint venture or teaming arrangement. A Standard Form 294 is a suitable alternative.</p>				
<p>The Offeror shall provide a written statement concerning its status with any independent Federal, state, or local regulatory authority with jurisdiction over each utility service on which the Offeror is proposing. The statement should include discussion on any violations, penalties, or other enforcement actions taken against the Offeror within the last five (5) years. The Offeror should not include information on any current investigations if releasing such information would be deemed a violation of law. The statement should include the following:</p>				
<ol style="list-style-type: none"> <li>1. Name of regulatory authority.</li> <li>2. Address and telephone number of authority.</li> <li>3. Point of contact within the authority for verification.</li> </ol>				



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<b>Volume III – Contract Documentation</b>				
L.6.1	SF 33 & Representations and Certifications	<p>Volume III shall include the following:</p> <ol style="list-style-type: none"> <li>1. A completed, signed and dated SF 33. The original document should be clearly marked under separate cover and should be provided without any punched holes.</li> <li>2. Completed electronic annual representations and certifications at <a href="http://orca.bpn.gov">http://orca.bpn.gov</a> in conjunction with required registration in the Central Contractor Registration (CCR) database. Offerors are requested to include a hard copy of their ORCA submission in Volume III.</li> </ol>		
L.6.2	Alternate Proposals and Exceptions to Terms and Conditions	<p>The Government encourages the submission of alternate proposals, which add value when compared with the requirements in the RFP. If submitting an alternate proposal, provide a rationale explaining the advantages of the alternate proposal to the Government. In addition, exceptions may be taken to individual terms and conditions of the RFP. Exceptions taken to individual terms and conditions of the RFP shall be clearly identified. Each exception shall be specifically related to each paragraph and/or specific part of the RFP to which the exception is taken. Provide a rationale in support of the exception, explaining its effect in comparison with the original requirements of the RFP. This information shall be provided in the format and content of the table below. Unless included in this volume, no exceptions to terms and conditions will be assumed and any resultant contract will incorporate the terms and conditions of the RFP.</p> <p>See table on page 67 of RFP</p>		
L.6.2.1	Waiver of Applicability of Cost Accounting Standards and Deviations from Specific Parts of Federal Acquisition Regulation (FAR) Part 31	<p>Offerors subject to Cost Accounting Standards (See FAR Part 30 and FAR 52.230-1 Cost Accounting Standards Notice and Certification included in this Request for Proposal), who seek a waiver of CAS requirements as allowed by the Cost Accounting Standards Board (<a href="http://www.acq.osd.mil/ie/irm/utilities/utilitiesLawsPolicyReferenceDocuments.shtml">http://www.acq.osd.mil/ie/irm/utilities/utilitiesLawsPolicyReferenceDocuments.shtml</a>) must submit the following information in writing as part of their offer:</p> <ol style="list-style-type: none"> <li>1. Certification that the business segment offering will not, at the time of award, be performing on any other contract that is subject to Cost Accounting Standards;</li> <li>2. Disclosure of the offeror's established accounting practices for allocating costs to contracts for which CAS has been waived;</li> <li>3. Certification that offer will consistently use the disclosed practices to prepare current and future pricing</li> </ol>		
L.6.2.1.1.	CAS Waiver			

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L.6.2.1.2.	FAR Part 31 Deviation	<p>Additionally, all the following provisions must be met for a CAS Waiver to be pursued:</p> <ol style="list-style-type: none"> <li>1. The contract type must be Firm Fixed Price (FFP), Fixed Price with Economic Price Adjustment (FPEPA), or Fixed Price with Prospective Price Redetermination (FPPPR).</li> <li>2. Cost or Pricing Data as defined in the FAR was not obtained during the award process.</li> <li>3. Accounting practices used must be disclosed and comply with those laid out in Clause G.4.2.</li> <li>4. Contractor agrees that adjustments to contract pricing can be made by the Government if accounting practices disclosed are not used (See Clause G.4.1).</li> <li>5. Any resulting contract includes FAR Clause 52.215-2.</li> <li>6. For FPPPR contracts, statutorily unallowable costs and costs typically not allowed by cognizant State regulatory bodies (as applicable) are not used for price redetermination (See Clause H.3).</li> </ol> <p>Offerors seeking a waiver from any otherwise applicable FAR Part 31 provisions, as permitted by the Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics (OUSD-AT&amp;L) deviation dated August 13, 2007 (<a href="http://www.acq.osd.mil/ie/irm/utilities/utilitiesLawsPolicyReferenceDocuments.shtml">http://www.acq.osd.mil/ie/irm/utilities/utilitiesLawsPolicyReferenceDocuments.shtml</a>), must provide the following information and the following criteria must be met:</p> <ol style="list-style-type: none"> <li>1. FAR 31.205-20 Interest and Other Financial Costs <ol style="list-style-type: none"> <li>a. A description as to why allowing costs otherwise disallowed by the cost principle will significantly reduce the costs to the Government under any resulting contract or price adjustment</li> <li>b. Interest costs must be directly related financial costs incurred to obtain loans or borrow capital from third-party financial institutions and are reasonable</li> </ol> </li> <li>2. FAR 31.205-41 Taxes <ol style="list-style-type: none"> <li>a. For Federal Income Tax directly related to a Contribution in Aid of Construction (CIAC) Tax, an offer should be constructed in a manner to ensure no such tax liability is incurred. However, if, prior to award, a CIAC liability is identified, the offer shall notify the Contracting Officer and provide a written description as to why the liability exists, the amount of the liability, and why an offer cannot be structured to eliminate the tax.</li> <li>b. The allowable portion of any CIAC obligation would be limited to the portion of the actual CIAC tax attributable to the difference between: <ol style="list-style-type: none"> <li>i. The fair market value determinations of the Government using a generally accepted valuation methodology, and</li> <li>ii. The fair market value determination of the Internal Revenue Service in assessing the tax.</li> </ol> </li> <li>c. Please refer to Section H for CIAC obligations arising after contract award.</li> </ol> </li> <li>3. General Deviation from FAR Part 31 <ol style="list-style-type: none"> <li>a. The following criteria must be met in order for a waiver to be granted: <ol style="list-style-type: none"> <li>i. Offeror must request a waiver from FAR Part 31, or a specific part of FAR Part 31, and provide a rationale as to why it is in the best interest of the Government to do so.</li> <li>ii. The contract contemplated must be FPPPR and include FAR Clause 52-215-2.</li> <li>iii. The offer must be either exempt from CAS or have CAS requirements waived for the contract.</li> <li>iv. The business segment performing the contract may not be, at the time of contract award, currently performing on any other contract that is subject to the provisions of FAR Part 31.</li> <li>v. The initial fixed price and/or price redeterminations must: <ol style="list-style-type: none"> <li>1. Meet the limitations for any deviation granted from FAR 31.205-30, Interest and other financial costs.</li> </ol> </li> </ol> </li> </ol> </li> </ol>		

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		2. Meet the limitations specified for any deviation granted from FAR 31.205-41 Taxes. 3. Exclude costs listed in 10 U.S.C. 2324 (e). 4. If a regulated entity, exclude costs typically consider to be unallowable by the cognizant State regulatory body.		
<b>L.6.3 Other Required Information</b>				
L.6.3.1	<b>Authorized Personnel</b>	The Offeror shall provide the name, title, address, e-mail, fax, and telephone number of the company representative(s) who can obligate the Offeror contractually. Also, identify those individuals authorized to negotiate with the Government providing the same information requested above.		
L.6.3.2	<b>Subcontracting Plan</b>	<p>Each large business Offeror shall submit a Subcontracting Plan as part of its proposal submission (see J-41). The plan shall be prepared in accordance with FAR 52.219-9, <i>Small Business Subcontracting Plan</i> and will also be reviewed against the statutory goal applicable to all federal agencies of 23 percent commitment of total subcontracting dollars to small businesses. Of the 23 percent, 5 percent shall be committed to Small Disadvantaged Businesses, 5 percent to Women-Owned Small Businesses, 3 percent to HUBZone Businesses, and 3 percent to Service-Disable Veteran-Owned Small Businesses. If the Offeror cannot meet any or all of the goals specified, complete rationale/justification shall be provided.</p> <p>Regulated public entities with a Subcontracting Plan that has been filed with the General Services Administration (GSA) pursuant to a GSA Area -Wide contract may comply with this proposal instruction requirement by incorporating such Subcontracting Plan by reference and including it in their initial offer.</p>		
<i>M.2 Will be evaluated based on the degree to which an Offeror's proposal demonstrates the commitment to use, in performance of the offered requirements, Small Businesses (which include Small Businesses, Small Disadvantaged Businesses, HUBZone Small Businesses, Women-Owned Small Businesses, Veteran-Owned Small Businesses, and Service-Disabled Veteran-Owned Small Businesses) and/or Historically Black Colleges/Universities or Minority Institutions (HBCUs/MIs). NOTE: The Offeror's proposal for socioeconomic support will be made a part of any resulting contract for use in determining how well the Contractor has adhered to its socioeconomic plan.</i>				
L.6.3.3	<b>Socioeconomic Plan</b>	<p>Offerors shall submit a plan that demonstrates their commitment to providing subcontracting opportunities to small businesses (which include small businesses, small disadvantaged businesses, HUBZone small businesses, women owned small businesses, veteran-owned small businesses, and service-disabled veteran-owned small businesses) and historically black colleges or universities and minority institutions. All Offerors regardless of business size are required to provide socioeconomic commitment. Small businesses will be credited for the dollar value/percentage of the work they perform as if the work were subcontracted to a small business concern. Work performed by a small business in-house shall be identified in the socioeconomic plan.</p> <p><b>SOCIOECONOMIC PLAN:</b> In addition to any subcontracting plan required by FAR Clause 52.219-9, describe the extent of participation of small businesses (which include small businesses, small disadvantaged businesses, HUBZone small businesses, women-owned small businesses, veteran-owned small businesses, and service-disabled veteran owned small businesses) and historically black colleges or universities and minority institutions in performance of the contract whether as a joint venture, teaming arrangement, or subcontractor. As part of this description the Offeror shall include:</p> <p>1. A description of the efforts the Offeror will make to assure that small businesses and/or Historically Black Colleges/Universities or Minority Institutions (HBCUs/MIs) will have equal opportunity to compete for subcontracts under any</p>		

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		<p>resulting contract.</p> <p>2. A description of the Offeror's current and planned proposed range for services, supplies, and any other support that will be provided by small businesses and/or Historically Black Colleges/Universities or Minority Institutions (HBCUs/MIs).</p> <p>3. The specific names of subcontractors to the extent they are known.</p> <p>4. A description of any future plans the Offeror has for developing additional subcontracting opportunities for small businesses and/or Historically Black Colleges/Universities or Minority Institutions (HBCUs/MIs) during the contract period.</p> <p>5. Identification of the portion of the Offeror's proposal, as a percentage of dollars, that will be subcontracted to small businesses and/or Historically Black Colleges/Universities or Minority Institutions (HBCUs/MIs).</p> <p>6. The type of performance data the Offeror would accumulate and provide to the Contracting officer regarding its support of small businesses and/or Historically Black Colleges/Universities or Minority Institutions (HBCUs/MIs) during the period of contract performance.</p> <p>7. The name and title of the individual principally responsible for ensuring company support to such firms.</p>		

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<b>Volume IV – Price Proposal</b>				
<b>L.7.1 Submission of Certified Cost or Pricing Data</b>				
If adequate price competition does not exist, as determined by the Contracting Officer, cost or pricing data (see FAR 15.406-2, <i>Certificate of Current Cost or Pricing Data</i> ) may be required. In the event that cost or pricing data is required, the Offeror shall provide cost or pricing data within 30 calendar days after receipt of the Contracting Officer's request.				
<b>L.7.2 General</b>				
The Offeror shall submit a separate schedule B (B-1, B-2, B-3 or B-4) for each utility system at each Installation included in the proposal. Refer to Section B for instructions.				
<b>L.7.3 Accounting Systems</b>				
The Offeror shall describe the accounting system proposed for this contract (see Section G).				
<b>L.7.4 Organization</b>				
Volume IV shall consist of the following sections:				
Table of Contents				
Section 1: Schedule B-1, B-2, B-3, or B-4 and Price Schedule Data Sheet(s) 1, 2, 3, 4, and 5 (see Section B)				
Section 2: Cost Proposal, Introduction, and Pricing Assumptions				
Section 3: General Estimating Methodology				
Section 4: Cost Risk Assessment				
Table of Contents				
The Table of Contents shall specify, by page number, the location of information requested in these instructions.				
<i>M.2 The total evaluated price will be a consideration in the final source-selection decision.</i>				
<i>For Price Schedule B-1, the total evaluated price (Price Schedule and Price Schedule Data Sheets, as applicable) will be the net present value of the stream of monthly payments the Government is expected to make to the Contractor over the 50-year contract period. Each monthly payment will be calculated by crediting the total monthly payment (the Applicable Tariffs including ISDCs/connection charge(s) and initial renewals and replacements and the recoverable portion of the purchase price expressed in the price proposal) by the purchase price CLIN 0001. Present values will be calculated using the discount rate specified in Appendix C of OMB Circular A-94 (current issue at the time proposals are due).</i>				
<i>For Price Schedules B-2, B-3, and B-4, the total evaluated price (Price Schedules and Price Schedule Data Sheets, as applicable) will be the net present value of the stream of monthly payments the Government is expected to make to the Contractor over the 50-year contract period. Each monthly payment will be calculated by crediting the total monthly payment (the Utility Service Charge including applicable ISDCs and initial renewals and replacements and the recoverable portion of the purchase price) by the purchase price CLIN 0001. Present values will be calculated using the discount rate specified in Appendix C of OMB Circular A-94 (current issue at the time proposals are due).</i>				
L.7.5		<p><b>Section 1 – Price Schedule B-1, B-2, B-3, or B-4</b></p> <ul style="list-style-type: none"> <li>• Include a completed copy of the Price Schedule B-1, B-2, B-3 or B-4 as appropriate and in accordance with Section B.</li> <li>• Include completed copies of Price Schedule Data Sheets (1, 2, 3, 4, 5) as appropriate and in accordance with Section B. <ul style="list-style-type: none"> <li>Schedule 5</li> <li>Provide a 50-year statement of proposed billings to the government in constant (real) dollars. At a minimum, Schedule 5 should include the following cost items on an annual basis for each of the 50 years. If a shorter contract period is proposed, the schedule need only address the number of years proposed for the contract.</li> </ul> </li> </ul> <p>System Purchase Price Credit  System Purchase Price Recovery  Operations and Maintenance Expense – Schedule 1  General and Administrative Expense – Schedule 1  Renewals and Replacement Expense – Schedule 1  Initial System Deficiency Correction Costs – Schedule 3</p>		

Section L, M RFP	Proposal Section	RFP Instruction, Requirement, Evaluation Criteria	SOW	Resource Lead
		<p>Transition Period Costs - Schedule 3            Other costs and/or credits proposed by Offeror - from applicable Schedule            Non-Federal Taxes and Fees - Schedule 1            Federal Income Tax - Schedule 1            Total Annual Payment by the Government</p> <p>All values shown on Schedule 5 should be documented in the Offeror's Proposal and the derivation of same should be provided in the Offeror's Pricing Proposal and supporting documentation. It is preferred that documentation for Schedule 5 be provided in Microsoft Excel format with internal workbook logic intact. Such documentation should not require links to documents not provided as part of the Offeror's Proposal.</p> <p><b>Section 2 – Price Proposal, Introduction, and Pricing Assumptions</b>            Offerors shall discuss and quantify to the extent practicable other possible long-term costs and benefits to the United States, if the conveyance affects separate contract relationships, particularly for commodities. To the extent long-term costs and benefits require the cooperation of a third party (e.g., an upstream utility that owns the exclusive physical means to deliver electrical energy, natural gas or water supplies to an installation), the Offeror shall discuss their proposed methodology for cooperation.</p> <p><b>Section 3 – Standard Estimating Methodology</b>            Summarize Offeror's standard estimating system as it pertains to this acquisition. For Offerors proposing Cost Accounting Standards (CAS) compliant accounting systems as a Uniform System of Accounts (USOA); state whether or not your Disclosure Statement has been determined adequate by the cognizant Government ACO. If determined adequate, provide date of approval. Identify any outstanding CAS violations; provide status/action being taken. If exempted from submitting a CAS Disclosure Statement so state, and identify the reason for the exemption.</p> <p><b>Section 4 – Price Risk Assessment</b>            Submit a risk analysis that identifies price risk areas and the recommended management approach to mitigate/control the impact of those price risks on the overall success of the program. Use the sample format in the RFP on page 71.</p>		
<p>M.2 Will be evaluated using the following Sub-factors, which are approximately equal in importance to each other.</p> <p><i>Sub-factor 1: Performance: Proposals will be evaluated on the degree to which award of a contract would present a risk of degradation of the quality of utility service(s).</i></p> <p><i>Sub-factor 2: Assurance of Long-term Price and Service Stability: Proposals will be evaluated on the degree to which long-term price and service stability are enhanced as a result of regulation by an independent federal, state or local regulatory authority with jurisdiction over the applicable utility service.</i></p> <p><i>Sub-factor 3: Cost Realism: A cost realism analysis will be performed in accordance with FAR 15.404-1(d)(3). Realism will be based on an evaluation of the information provided in support of the offered price to determine if the prices reflect a clear understanding of the requirements; are consistent with the various elements of the offer's technical proposal; are not unbalanced; and are neither excessive nor insufficient for the effort to be accomplished. Reasonableness will be determined based on prices submitted by the competition, current market conditions, and comparison to the Government estimate, as appropriate.</i></p> <p><i>Sub-factor 4: Other possible long-term costs and benefits to the United States may be considered, especially if the conveyance affects separate contract relationships, particularly for commodities.</i></p>				

## Information Request for Fort Knox Proposal - Staffing Plan

PREPARED FOR: Brett Pyles, Hardin County Water District  
Jim Smith, Louisville Water Company

PREPARED BY: Jonatham M. Green

COPIES: David Hackworth/LOU

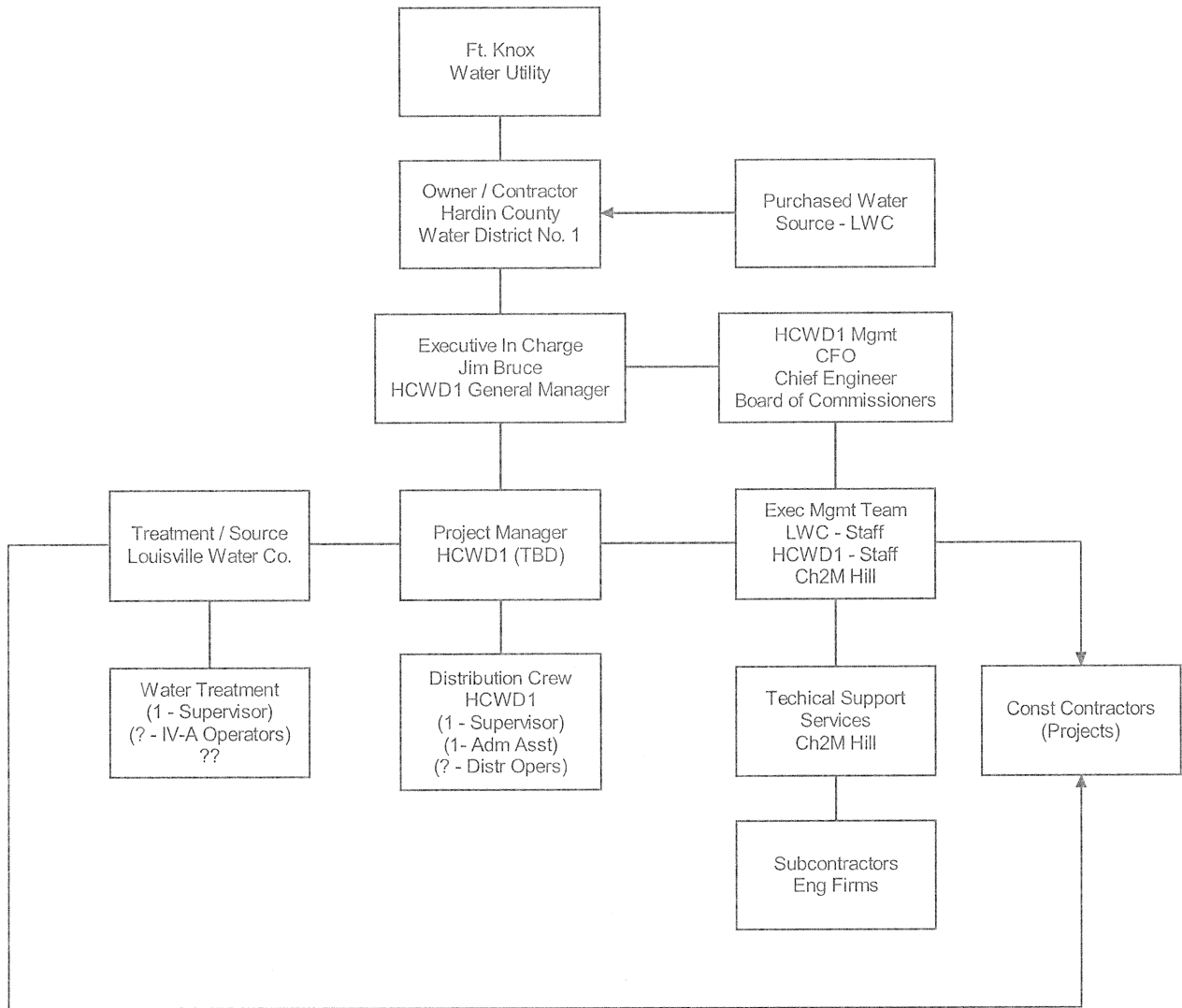
DATE: July 29, 2008

Please provide information for the positions listed below:

- Project Manager – Jim Bruce, bio and resume HCWD#1
- Assistant Project Manager – LWC - Jim Smith, Business System Owner of Infrastructure Planning. Job description and bio is attached.
- Contract Management – Name HCWD#1
- Procurement – Lynn Humphrey, Process Owner of Procurement Services. Job description and bio is attached.
- Health and Safety – David Simmons, Process Owner of Safety and Health. Job description and bio is attached.
- Finance – Amber Halloran, Vice President .....Job Description and bio is attached.
- Human Resources – Kathy Schroeder, Business System Owner of Supplying Human Resources. Job description and bio is attached.
- Engineering –Carl Fautz, Process Owner of Production Process and Transmission Engineering. Job description and bio is attached.

- Administrative Assistant – Name and job description HCWD#1
  
- Water treatment lead operator – Kent Horrell, Process Owner Managing Water Treatment and Pumping. Job description and bio is attached.
  
- Water distribution lead – Name, bio and job description HCWD#1
  
- Plant Maintenance lead – John Azzara, Process Owner of ..... Job description and bio is attached.
  
- Water Plant and Maintenance Mechanics – Job description is attached.
  
- Water distribution – Job description HCWD#1
  
- Maintenance or distribution helpers or laborers –HCWD#1
  
- Equipment operator – HCWD#1.
  
- Water Quality – Dr. Rengao Song, Process Owner of Water Quality Monitoring and Quality Assurance. Job description and bio is attached.





**LOUISVILLE WATER COMPANY  
UNION JOB POSTING**

JOB POSTING: **10259-1**  
TO: ALL UNION EMPLOYEES  
FROM: HR DEPARTMENT  
POSITION OF: **LEAD OPERATOR A-D**  
WORK AREA: 4

TYPE OF POSTING: GENERAL  
DATE POSTED: **01/30/07**  
DATE REMOVED: **02/05/07**  
EEO CATEGORY: Skilled Craft  
BASIC WORKWEEK: 36/48 Hrs.

(Check One): Non-shift \_\_\_\_\_ **Fixed Shift**   X   Flex Shift \_\_\_\_\_

Remarks: **36-48 hour week; (receives 4% premium).**

QUALIFICATIONS:

1. Must comply with all Louisville Water Company's medical requirements, pass SCBA respirator exam and capable of wearing a Level A Suit.
2. Must have the ability to read.
3. Must have the ability to write legibly.
4. Must have a high school education or G.E.D.
5. Must have proven driving experience and a valid Kentucky drivers license.
6. Attendance and safety record must be very good as this job requires an individual who is capable of accepting responsibility.
7. Must have a thorough knowledge of plant operations, equipment, rules and regulations.
8. Must pass necessary departmental test for this position.
9. Must meet all Kentucky Division of Water requirements for Operators Certification. Must possess a Class IVA Water Treatment Plant Operator's License from the State of Kentucky.
10. Duties: Plant Operator will be responsible for the operation of the plant. His/her duties will include, but are not limited to, being responsible for water, directing and handling operations, in case of an emergency responding and notifying supervision, making rounds, flushing sludge lines, taking readings, when necessary, changes in chemical dosages, keeping a daily log of incoming and outgoing chemical shipments, and changing chlorine tank cars or ton cylinders.
11. All other duties as required.

**UNION POSTING JOB LINE X3679  
AN EQUAL OPPORTUNITY EMPLOYER**

**LOUISVILLE WATER COMPANY  
UNION JOB POSTING - DESCRIPTION**

JOB POSTING #:	10348-68	TYPE OF POSTING:	GENERAL
TO:	ALL UNION EMPLOYEES	DATE POSTED:	<b>08/22/07</b>
FROM:	HUMAN RESOURCES DEPT.	DATE REMOVED:	<b>08/26/07</b>
POSITION OF:	<b>MAINTENANCE MECHANIC (Plant)</b>	EEO CATEGORY:	SKILLED CRAFT
WORK AREA:	4	BASIC WORKWEEK:	40 HR.

(Check One):    **Non-shift**                       **Fixed Shift**                       **Flex Shift**

**Special Remarks:** **NOTE:** Posting is subject to Maintenance Mechanic Program requirements (See Appendix H of Current Contract). Written and Hands-On Testing will be required except as noted in Letter of Understanding between LWC and Local 1683.

**ESSENTIAL JOB FUNCTIONS:**

1. Install, repair, maintain, and trouble shoot electrical, hydraulic, mechanical, and plumbing equipment used in the operation of a water production and treatment facilities.
2. Maintain chlorine and ammonia systems.
3. Maintain secondary systems, hydro pneumatic tanks, exhaust fans and heaters.
4. Assist in training Mechanic Helper by providing on-the-job skills training through observation and hands-on work.
5. Complete all required paperwork including work orders and lock-out tag-out.
6. Assist in maintaining appropriate levels of inventory by notifying the appropriate Maintenance Coordinator as to parts used and parts and equipment needed to complete required work.
7. Coordinate/communicate with appropriate LWC personnel to keep them apprised of status of work completed, needed repairs or equipment/parts, any other pertinent business related information.
7. Obtain and maintain required safety training and certification.
8. Assist in updating and developing SOPs.
9. Keep apprised of new technology and practices related to maintaining, repairing and installing equipment.
10. Other job duties as assigned.

**KNOWLEDGE/SKILLS/ABILITIES**

1. Ability to troubleshoot mechanical, electrical, plumbing, and hydraulic problems using appropriate measurement/evaluation tools.
2. Working knowledge of breakers, electrical wiring, motors, multiple volt systems; AC/DC; VFD (variable frequency drive); transformers; and high voltage switch gear.
3. Working knowledge of solenoids, limit switches, and other electrical components.
4. Understand electrical motor control.
5. Working knowledge of hydraulic controls, pumps, valves, mechanical drive systems, equipment alignments, hydraulic cylinders, and chemical feed pumps

6. Working knowledge of pipe systems, general plumbing (drains, gaskets, facets), various valves (gate, rising stem, check etc), plumbing codes and material compatibility.
7. Ability to solder, thread pipe, glue PVC, braise pipe, fit pipes and valves, weld and bolt flanges.
8. Working Knowledge of speed control valves, transmitters, tanks, pressure regulators, filter tables and sequences, PRV valves, modulator valves, pneumatic systems and hydraulic control systems
9. Working knowledge of welding, millwright, rigging, and hydraulic lifts
10. Ability to read and interpret electrical schematics and mechanical drawings
11. Ability to understand and follow written and oral instructions and manuals in English.
12. Ability to communicate with co-workers and customers in face-to-face settings to explain repairs made or to discuss repair strategies.
13. Aware of job related OSHA and LWC safety rules (e.g., lock-out tag-out, confined spaces) Ability to understand and follow written and oral instructions and manuals in English
14. Ability to walk on rough uneven surfaces
15. Ability to wear Hazmat suit and mask for level A contamination
16. Ability to work in cramped /confined work areas
17. Ability to walk on rough uneven surfaces
18. Ability to climb ladders and steps
19. Ability to carry up to 40 pounds
20. Ability to move/lift up to 80 pounds on a frequent basis
21. Ability to make precise arm-hand positioning movements and maintain arm-hand positioning to operate electric hand drill or pneumatic tool.
22. Ability to make skillful controlled manipulations of small objects (attaches nut to bolt)

### **MINIMUM REQUIREMENTS**

1. Must comply with all Louisville Water Company's medical requirements including respiratory requirements.
2. Must have a high school education or G.E.D. (Two year technical school certification with electrical license or HVAC certification preferred.)
3. Must have a valid Kentucky driver's license.
4. Must successfully pass the Maintenance Mechanic written test.
5. Must successfully pass the Maintenance Mechanic evaluation "hands-on" test.
6. Must have a record of very good attendance and safety.

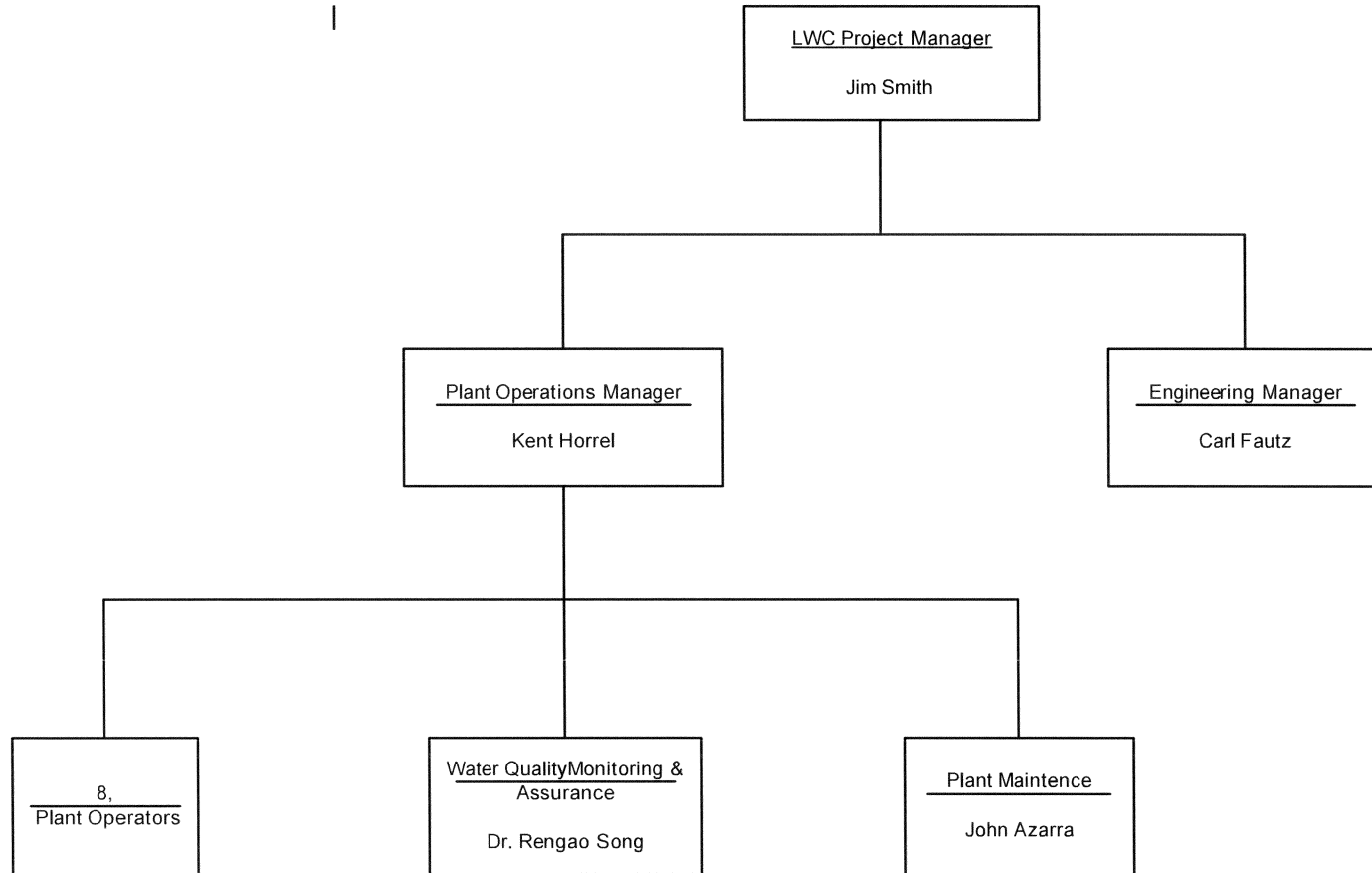
### **WORK ENVIRONMENT**

1. Works in a variety of weather conditions with exposure to outdoor elements
2. Works near high voltage machinery/ equipment
3. Works around moving parts/equipment
4. Works near hazardous chemicals

**UNION POSTING JOB LINE x3679**

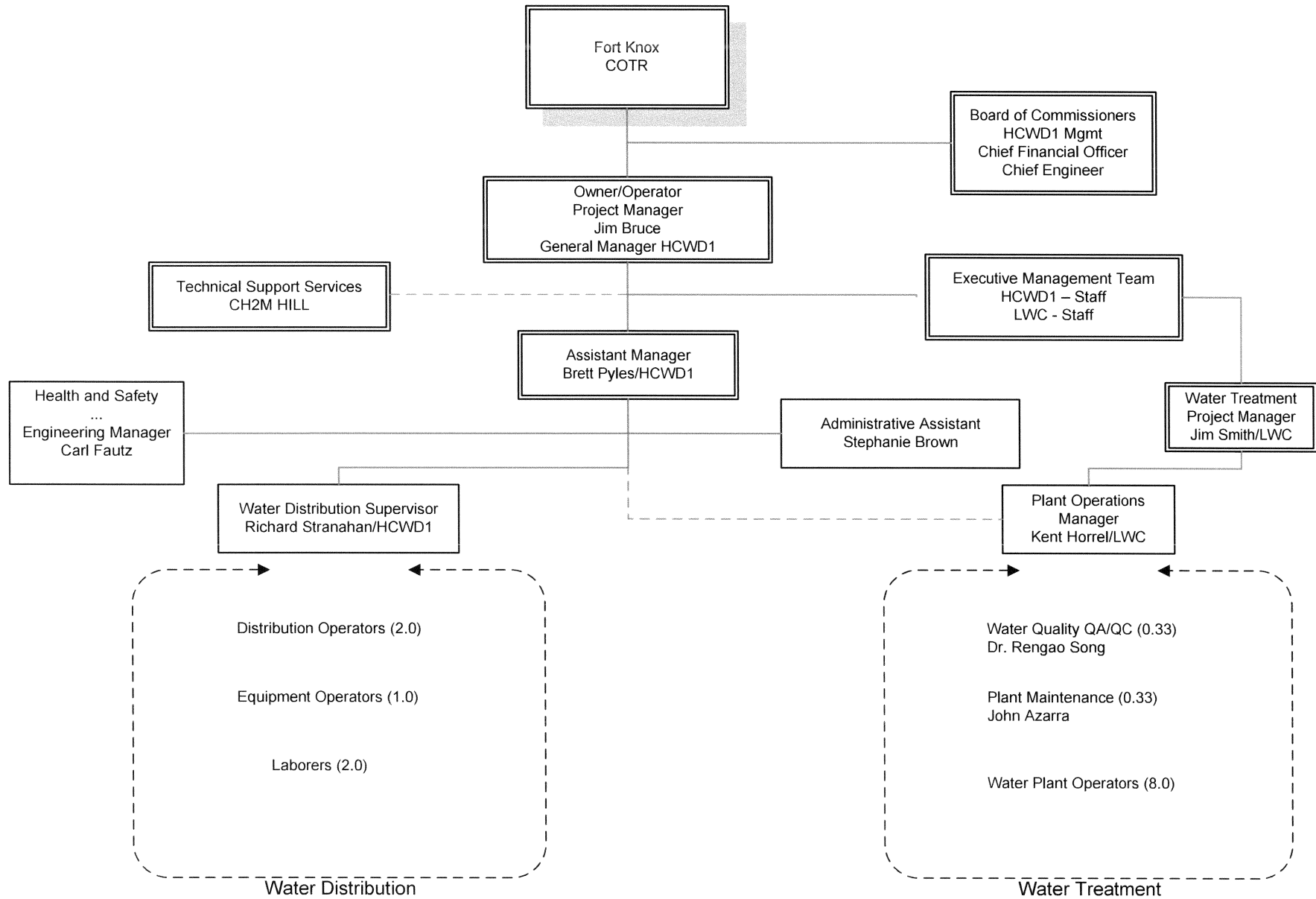
# LWC

## Ft Knox Organization Chart



# Fort Knox, Kentucky

## Water Utilities



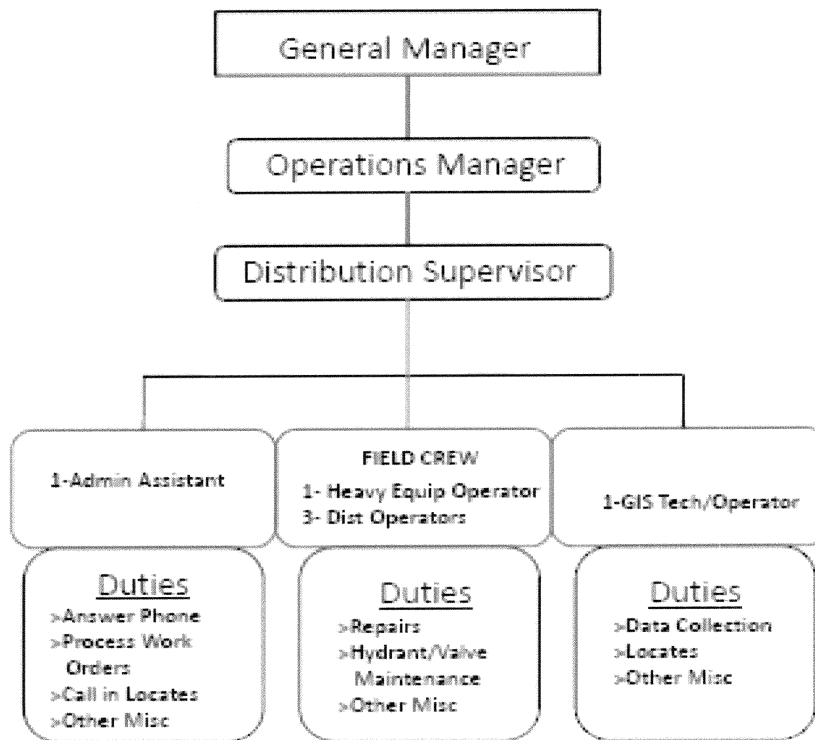
District Staffing - DISTRIBUTION

	Quantity	Grade	Sal*	Benefits	Total
Distribution Supervisor	1	S1	\$55,532	41%	\$78,300
Admin Assistant	1	2	\$31,782	41%	\$44,813
Heavy Equipment Oper	1	4	\$41,995	41%	\$59,213
Dist Operator IV	1	3	\$36,525	41%	\$51,500
Dist Operator I	2	1	\$55,244	41%	\$77,894
GIS tech/Dist Op IV	1	4	\$36,525	41%	\$51,500
<b>TOTALS</b>	<b>7</b>				<b>\$363,220</b>

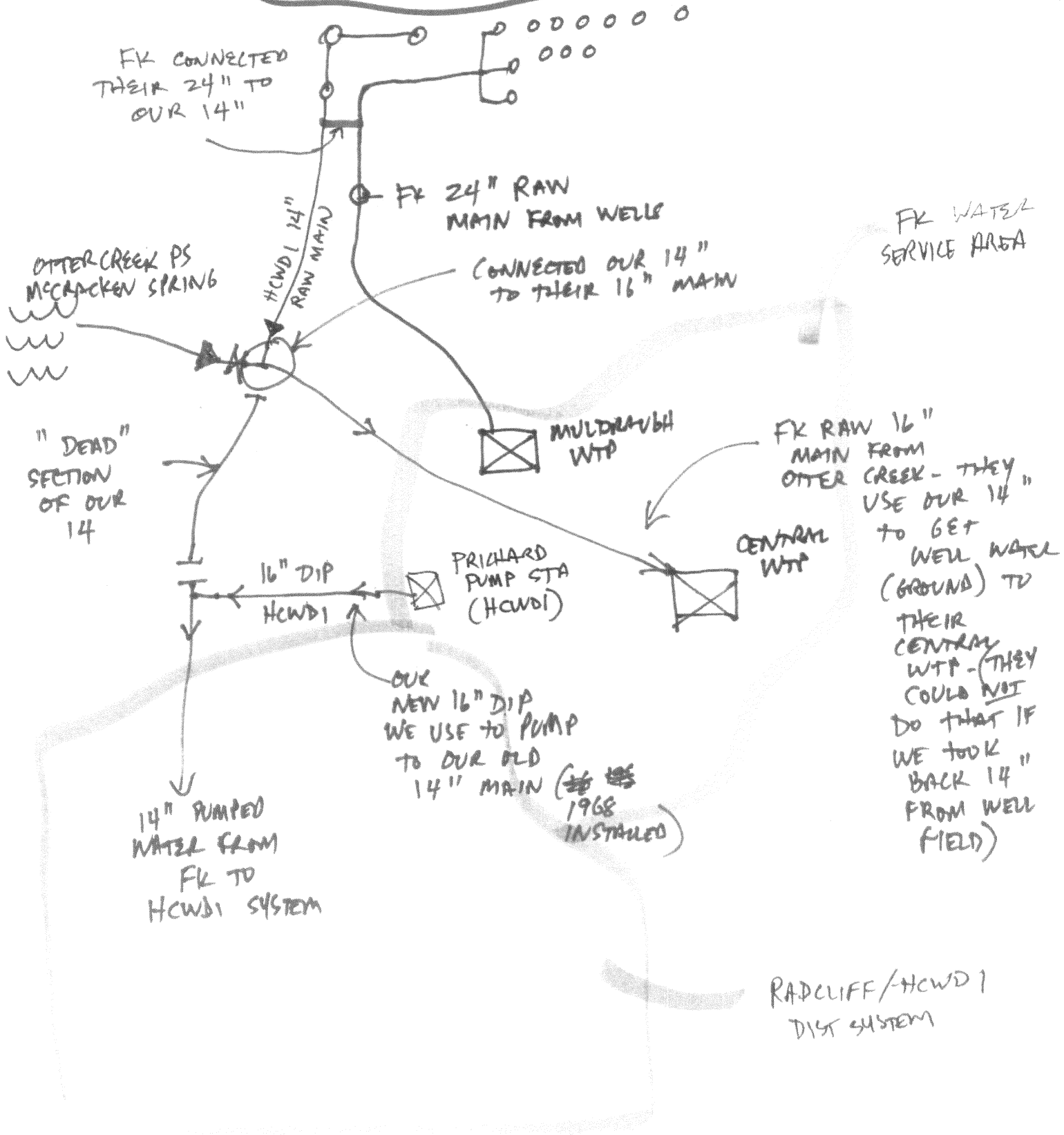
**NOTES:**

\*Salary's assume "Middle Market" on the District Pay Scale

## Ft. Knox Water Organization Chart -Distribution



# OHIO RIVER



FK CONNECTED THEIR 24" TO OUR 14"

OTTER CREEK PS  
MCCABCKEN SPRING

HCWD 14" RAW MAIN

FK 24" RAW MAIN FROM WELLS

CONNECTED OUR 14" TO THEIR 16" MAIN

FK WATER SERVICE AREA

"DEAD" SECTION OF OUR 14"

MULDRAVBI WTP

FK RAW 16" MAIN FROM OTTER CREEK - THEY USE OUR 14" TO GET WELL WATER (GROUND) TO THEIR CENTRAL WTP - (THEY COULD NOT DO THAT IF WE TOOK BACK 14" FROM WELL FIELD)

16" DIP HCWD1

PRICHARD PUMP STA (HCWD1)

CENTRAL WTP

OUR NEW 16" DIP WE USE TO PUMP TO OUR OLD 14" MAIN (~~IS~~ 1968 INSTALLED)

14" PUMPED WATER FROM FK TO HCWD1 SYSTEM

RADCLIFF/HCWD1 DIST SYSTEM



Date	Time	CH2M HILL Participants	Activity	LWC and HCWD Participants
Sunday, Aug 24	Evening	Bob Woodhouse--- Arrival		
		Jon Green --- Arrival		
Monday August 25	Morning 8:30 AM	Bob Woodhouse	Facilitator	
		Jon Green		
		David Hackworth	Present Operations and Maintenance Plan	
	9:30 AM	Robert Neath --- Arrival	Present Capital Upgrades and RR Plan	
	12:00 to 1:00		Lunch	
	Afternoon 1:00 PM	Lisa Bailey -- Arrival	Present Winning Attributes, Org Chart, and Past Performance Section	
		Jon Green	Plan for Tuesday Meeting	
		Bob Woodhouse	Plan for Tuesday Meeting	
		David Hackworth	Plan for Tuesday Meeting	
Tuesday Aug 26	Morning 8:30 AM	Bob Woodhouse	Facilitator	Jim Smith
		Jon Green	Present Operations and Maintenance Plan and Section	???
		David Hackworth	Present Capital Upgrades and RR Plan	???
	12:00 to 1:00		Lunch	
	Afternoon 1:00	Bob Woodhouse	Facilitator	
	5:00 PM Depart	Jon Green	Collect Comments on O and M Plan and Section	
		Lisa Bailey	Present Proposal Winning Attributes	
		David Hackworth	Present Alternative Proposal	
		Dave Gray	Present Cost Model Approach	Financial Guys
Wednesday Aug 27	Morning 8:30 AM	Bob Woodhouse	Facilitator	Jim Smith

		David Hackworth	Collect Comments on Alternative Proposal	???
		David Hackworth	Review Capital Upgrades and RR Section	???
		Dave Gray	Review LWC and HCWD Responses to Cost Questions	Financial Guys
		Lisa Bailey	Present Organization Chart	
	12:00 to 1:00		Lunch	
	Afternoon 1:00 PM	Bob Woodhouse	Facilitator	
		Lisa Bailey	Present Past Performance Section	
		David Hackworth	Collect Comments on Capital Upgrades and RR Plan and Section	
	5:00 PM Depart	Dave Gray	Discuss Gaps needed to complete cost modeling	Financial Guys
Thursday Aug 28	Morning 8:30 AM	Bob Woodhouse	Facilitator	Jim Smith
		David Hackworth	Review/Revise Alternative Proposal	???
		Lisa Bailey	Review Draft Sections with team	
	8:30 AM Arrive	Robert Neath	Review Capital Upgrades and RR Plan	
	Lunch 12:00 to 1:00		Lunch	
	Afternoon	David Hackworth	Develop Action Items	
	5:00 PM Depart	Lisa Bailey	Review/Revise Draft Sections with Team	
	3:00 PM Depart	Bob Woodhouse	Facilitator	
	5:00 PM Depart	Robert Neath	Review/Revise Capital Upgrades and RR Plan	

## *North Hardin Agency*

353 Lincoln Trail Blvd.  
Radcliff, Kentucky 40160

Phone (270) 351-4431  
(270) 877-6818  
1-800-874-9368  
FAX (270) 351-4493  
NHIA1959@aol.com

P.O. Box 790  
Radcliff, Kentucky 40159-0790

AUGUST 27, 2008

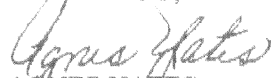
HARDIN COUNTY WATER DISTRICT #1  
1400 ROGERSVILLE RD  
RADCLIFF KY 40160

RE: QUOTE FOR INSURANCE COVERAGE  
FORT KNOX POTABLE WATER UTILITY SYSTEM

BASED ON DESCRIPTIONS OF THE FORT KNOX POTABLE WATER UTILITY SYSTEMS AND WITHOUT KNOWING PROPERTY VALUES, WE WILL HAVE TO GIVE AN APPROX INSURANCE ESTIMATE OF \$50,000. WE ARE BASING THIS ESTIMATE ON THE SIMILAR OPERATION OF THE FT KNOX SEWER. THIS IS A GENERAL ESTIMATE WHICH WOULD SUBJECT TO CHANGE OF CURRENT INSURANCE RATES, LIMITS OF COVERAGES, VEHICLES, EQUIPMENT, BUDGET AND PAYROLLS.

WE WILL BE HAPPY TO WORK WITH THE DISTRICT AT ANY TIME TO OBTAIN A FIRM QUOTE ONCE WE HAVE MORE INFORMATION.

THANK YOU,

  
AGNES YATES

INSURANCE

**August/September 2008**

<b>SUNDAY</b>	<b>MONDAY</b>	<b>TUESDAY</b>	<b>WEDNESDAY</b>	<b>THURSDAY</b>	<b>FRIDAY</b>	<b>SATURDAY</b>
24	25	26 Team Meeting in LOU	27 Team Meeting in LOU	28 Team Meeting in LOU	29	30
31	Sept 1 <b>Labor Day</b>	2	3 <b>ALL R&amp;R schedules completed and sent to Dave Gray</b>	4	5	6
7	8	9	10	11	12 <b>Final Drafts Due to LB/SP – all writing assignments due</b>	13
14	15 Finalize draft	16 Finalize draft <b>HCWD1 &amp; LWC Board Meetings [present vol. IV – cost &amp; highlights]</b>	17 Finalize draft	18 Finalize draft	19 Finalize draft	20

21	22 Red Team Draft distributed at COB [fedex hard copies to David, Jim B, Jim S]	23	24	25 Review Team Conference Call for Comments in AM Bob in ATL	26 Red Team Recovery Bob in ATL	27
28	29 Red Team Recovery	30 Red Team Recovery	October 1 Red Team Recovery	2 Red Team Recovery	3 Production in ATL SP on PTO	4
5	6 Production in ATL	7 Production in ATL Ship final proposals to WDC	8 Proposals Arrive at WDC	9 Proposals Due by 3pm (hand delivered by WDC)	10	11



<b>MEETING SIGN-IN SHEET</b>	
<b>Project:</b> Fort Knox Water Utilities	<b>Meeting Date:</b> 26 August 2008
<b>Facilitator:</b> David Hackworth	<b>Place/Room:</b> CH LOU office

<b>Name</b>	<b>Title</b>	<b>Company</b>	<b>Phone</b>	<b>Fax</b>	<b>E-Mail</b>
Kent Horrell	Operations	LWC	569-3621	569-0813	Khorrell@lwcky.com
John Azzara	Maintenance	LWC	569-3699	569-0813	Jazzara@lwcky.com
Jim Smith	Manager of Business Development and Planning	LWC	569-3687	569-3691	Jsmith@LWCky.com
David Hackworth	Project Manager	CH2M HILL	584-6052		<a href="mailto:David.hackworth@ch2m.com">David.hackworth@ch2m.com</a>
Patti Kaelin	Manager of Business Development	LWC	569-0843	569-3691	<a href="mailto:pkaelin@lwcky.com">pkaelin@lwcky.com</a>
Sally Peek	Sales Process Mgr.	CH2M HILL	404-368-3251	770-604-9183	<a href="mailto:speek@ch2m.com">speek@ch2m.com</a>
Jon Green	Sr. Operations Specialist	CH2M HILL	505-414-9641		<a href="mailto:Jon.green@ch2m.com">Jon.green@ch2m.com</a>
Lisa Bailey	Sales Manager	CH2M HILL	770-329-0282		Lisa.bailey@ch2m.com
Bob Woodhouse	Principal Technologist	CH2M HILL	530-604-4912		<a href="mailto:bwoodhouse@ch2m.com">bwoodhouse@ch2m.com</a>
Jim Bruce	General Mgr.	HCWD	270-351-3222	270-352-3055	<a href="mailto:JBruce@hcwd.com">JBruce@hcwd.com</a>
Brett Pyles	Operations Mgr.	HCWD	270-351-3222	270-352-3055	bpyles@hcwd.com
Dave Gray	Economist	CH2M HILL	425-301-4729	425-468-3100	Dave.gray@ch2m.com

## Fort Knox Privatization Action Items

Volume	Section	Action Item	Lead	Deadline
I	<b>Technical Proposal</b>	<b>Base + Alternate (Max. 200 pages; Goal ~ 100 pages)</b>	<b>Lisa Bailey</b>	<b>09.12.08</b>
I	Cover Letter	Draft letter (Jim Bruce to sign) – include same letter in both Vol I	Lisa Bailey	09.12.08
I	Executive Summary	Project Understanding, Intro Firms and Team Organization, Benefits of Team, Proposal Organization, Evaluation Criteria Met...include same in base + alt?	Lisa Bailey	09.12.08
I	Table of Contents	Include in Base + Alt	Sally	09.12.08
I	Glossary of Acronyms	Include in Base + Alt	Sally	09.12.08
I	Cross Reference Matrix	? is this still needed with eval criteria checklist in executive summary	Lisa	09.12.08
I		Identify editor for Vol I (base + alt)	Sally	08.29.08
		Electronic signature for CEO of LWC for team charter graphic to Lisa Bailey	Jim Smith	09.05.08
I		Send to Lisa: electronic version of LWC's rate increases for City Services over last 17 years (for exec summary? "price stability" graphic) to Lisa – in base, only HCWD1; in alt, both HCWD1 and LWC	Jim Smith	09.05.08
I		Send to Lisa: electronic version of HCWD1's rate increases for City Services over last 17 years to Lisa	Jim Bruce	09.05.08
I		Send to Lisa: Achievements/Improvements to Fort Knox Sewer since HCWD1 took over (can be bullet format)	Jim Bruce	09.12.08
I		Develop team charter graphic and have team sign it (LB has signatures from team)	L Bailey	09.12.08
???		Insert MOU b/tw LWC and HCWD1 (LB has scanned hard copy)...where will we insert this?	L Bailey	Done
I		Overall team organization diagram with firms and roles/responsibilities (graphic)	L Bailey	09.12.08
		Write-up/ diagram of overall system (hand sketch) for base + alternate plan and show options/alternatives of how we could operate it	D. Hackworth	
		History of HCWD1 rate increases (excel spreadsheet)	Jim B to LB	
I	<b>Subfactor 1 (Base)</b>	<b>Service Interruption/Contingency and Catastrophic Loss Plan (~ 15 pages)</b>	<b>Jon Green</b>	<b>09.12.08</b>
I		Understanding		
		Org chart – revise the org chart; see notes from meeting (LB sent revisions to Monica on 08.25.08)	L Bailey	09.05.08
I		Send draft of Staffing Plan to HCWD1 and LWC for review/comment	Jon Green	09.05.08
I		Tool needs and cost for LWC employee's to Jon Green	Jim Smith	09.03.08
		Verify if we have to pay the minimum federal hourly rates – they are a state agency (?) and may not have to meet federal requirements [get rates they are paid their employees from ...LWC is already paying higher + HCWD1 doesn't have to pay fed rates	Jon Green	DONE

Volume	Section	Action Item	Lead	Deadline
I	<b>Subfactor 1 (Alternate)</b>	<b>Service Interruption/Contingency and Catastrophic Loss Plan (~ 15 pages)</b>	<b>Jon Green</b>	<b>09.12.08</b>
I		Understanding		
		Alt Org chart – revise the org chart; see notes from meeting (show operators from LWC will be there in the interim (same as base with footnote that they will be transferred to other LWC facilities when the WTP is decommissioned)	L Bailey	09.05.08
I	<b>Subfactor 2</b>	<b>O&amp;M Plan/Quality Management Plan (~35 pages)</b>	<b>Jon Green</b>	<b>09.12.08</b>
I		Verify 68 or 60% with LWC to Jon Green	Amber	
I		Provide to Jon Green “additional benefit cost build up”: HCWD1 41% + paid leave = X	Jim Bruce	09.02.08
I		Provide to Jon Green HCWD1’s hourly rates	Jim Bruce	09.02.08
I		- verify OT in assumptions; - will we want to include the depreciation of vehicles/equipment schedule?	Jon Green	09.03.08
		BRAC – will growth likely occur consistent with information on Fort Knox website? Could see as much as 29% growth? Do we need to plan to account for that growth? Per Bob, don’t plan to account for growth just state that we can adjust/support expanding system to accommodate growth  <a href="http://www.oneknox.com/brac_update.php">http://www.oneknox.com/brac_update.php</a>	Jon Green (see website link below)	
		CMMS – HCWD1 and LWC use Jobs Plus...get screen shot for proposal	Jon Green – get CMMS screen capture from Brett	09.05.08
		Residuals – decide how we will deal with these; distribution chlorine levels; one of our questions is regarding the lagoons and if we can continue to use landfill; they did talk to Veolia about using belt press at sewer plant but there are concerns ...see answers to questions J.1.8 and J.1.9	Jon Green	Done
		Cross connections – need to make sure we are clear on what we’re responsible for? Submitted a question already. Need clarification....see answers provided	Jon Green	Done
I	<b>Subfactor 3</b>	<b>Initial System Deficiency Corrections and Initial Renewals and Replacement Plan</b>	<b>Robert Neath</b>	<b>09.12.08</b>
		None at this time		
I	<b>Subfactor 4</b>	<b>Operational Transition Plan (~9 pages)</b>	<b>Bob Woodhouse/ Jon Green</b>	<b>09.12.08</b>
		Transition plan (90 days) – develop actual schedule	Bob	09.12.08



Volume	Section	Action Item	Lead	Deadline
		showing activities to be done in this timeframe Bob Woodhouse sent files to Jim Bruce to get hours, rates, etc.	Woodhouse	
	Transition plan budget or capital plan project? Per Bob, Add O&M building as line item in the capital plan	Interim work center location – wastewater; transitioning of team – administration building is an additional capital cost; can we use either WTP as our base of operation? There's no room for additional staff at the wwtp...include cost to provide facilities at the wwtp.	Jon and Brett; Bob to provide engineers cost estimate from Fort Gordon	
		Provide Jon Green all of your calculated transition hours	Jim B/Brett	09.02.08
<b>I</b>	<b>Subfactor 5</b>	<b>Financial Strength (~5 page)</b>	<b>David Gray</b>	<b>09.05.08</b>
		HCWD1's Financial strength ratios to Dave Gray	Jim B	09.02.08
<b>I</b>	<b>Attachment 1</b>	<b>Technical Assumptions</b>	<b>???</b>	<b>09.12.08</b>
		None at this time		
<b>I</b>	<b>Attachment 2</b>	<b>Current Projected R&amp;R Schedule and Capital Improvement Plan</b>	<b>Robert Neath</b>	<b>09.12.08</b>
		None at this time		
<b>II</b>		<b>Past Performance</b>	<b>Sally Peek</b>	<b>09.12.08</b>
II	Statement of Interest	Get electronic copy for HCWD1 (to Sally)	Jim	Done
II	Statement of Interest	Get electronic copy for LWC (to Sally)	Patti	08.28.08
II	Project Descriptions	Attachment J39 form complete for: - Fort Knox (HCWD1) - Radcliff	Brett	08.28.08
II	Project Descriptions	Attachment J39 form complete for: - KT - Goshen	Patti	08.28.08
II	Project Descriptions	J39 form complete for: - Fort Gordon (CH) - Fort Campbell	Sally	08.28.08
II	System Acquisitions (w/l last 5 years)	Sally to pull from J39 forms: - name - description - contract value - dates - principal parties + phone	Sally (Brett and Patti)	08.29.08
<b>III</b>		<b>Contract Documentation</b>	<b>Sally Peek</b>	<b>09.12.08</b>
III	Form 33	HCWD1	Sally/Jim B to sign and	

Volume	Section	Action Item	Lead	Deadline
			fedex to Sally	
III	Signed Amendments	HCWD1	Sally/Jim B to sign and fedex to Sally	08.29.08
III	Reps & Certs	HCWD1	Sally/Jim B to sign and fedex to Sally	08.29.08
III	Alt Proposals	Paragraph describing/justifying alternate (refer them to Alt. Vol I and IV	David Hackworth	09.12.08
III	Exceptions to terms & conditions	Discuss any exceptions the team has	David Hackworth	09.12.08
III	Other Reg Info	Authorized personnel, name, title, phone, address, email	Jim B. [Sally to email to JB]	09.12.08
III	Subcontracting Plan	HCWD1 (SP has draft but we need the final plan) – Kevin w/ HDR is doing this for HCWD1 <i>Goals, general categories of services, names of potential small businesses, etc.</i>	Brett (Kevin and Patty)	09.02.08
III	Subcontracting Plan (Socioeconomic Plan)	LWC <i>Goals, general categories of services, names of potential small businesses, etc.</i>	Patti	09.02.08
III	Subcontracting Plan	CH <i>Goals, general categories of services, names of potential small businesses, etc.</i>	Sally	09.02.08
III	CAS Waiver	AK Proposal	Sally	Done
<b>IV</b>		<b>Price</b>	<b>David Gray</b>	<b>09.12.08</b>
IV	Cost	Send spreadsheet of HCWD1 history of cost for water treatment (HCWD1 to send SS to Robert)	Brett sending to Robert and Robert to Jay	
IV		Uniform cost from LWC = \$400/year per person	Jon Green	Done
		3 years of audit reports to Dave Gray	Jim Bruce	
IV		Cement asbestos pipe assumptions – need to confirm requirements	Jim Bruce	09.02.08
IV		Develop figure of an hourly rate of construction inspections to give Brett/HCWD1	Jim Smith	09.05.08
		Description of HCWD1's accounting system – did this for the sewer submittal to Dave Gray	Jim B	09.12.08
IV	Cost	Do fixed pricing for first few years – HCWD1 is ok with this approach	David Gray	DONE
IV		SRF funding – look into this in Kentucky	David Gray will contact their bonding company	
IV		Provide David Gray with LWC rates (not subject to inflation, such that we can project 50 years into the future; then deflat to present) – part is subject to inflation and part is not...per David it looks like all of it	Jim Smith/ Amber	09.03.08

Volume	Section	Action Item	Lead	Deadline
		will be subject to inflation Phase 1 would be in LWC's \$1.44; then phase 2 will require some capital recovery which is what David wants		
		Price residual disposal with Jon	Jim Smith/ Jon Gray	
		Size the lagoons via GIS system to Jim Smith	Brett	
		Estimate of HCWD1's operating cost inflation; send to David Gray and Jon Green	Jim Bruce	09.03.08
		Provide David Gray the hourly rate for construction inspection	Jim Smith	09.03.08
<b>General</b>				
	ALL	Identify editor for Vol I (base + alt)	Sally	08.29.08
Cover		Photos of Fort Knox to Lisa	Jim B/Brett	09.05.08
		Quotes from HCWD1 clients to Lisa	Jim B	09.05.08
		ID person in WDC office to receive/hand deliver proposals	Sally	09.05.08

# Response to Sources Sought Notice

## Regarding the Privatization of the Water Distribution System at Fort Knox, KY.



Submitted By  
Louisville Water Company

Louisville, Kentucky

February 29, 2008

## **Statement of Interest**

By providing this response to the Sources Sought Notice issued from the Defense Energy Support Center (DESC) dated February 11, 2008, Louisville Water Company (LWC) hereby expresses interest in the privatization of the water system at Fort Knox, Kentucky.

## **Louisville Water Company (LWC) Background**

LWC was chartered by a special act of the Kentucky Legislature in 1854, and has been providing water service to the Louisville community continuously since 1860. Although originally formed as a private company, LWC has been solely owned by Louisville Metro since 1906. LWC is a nationally-recognized utility with demonstrated competence in all areas of water utility operations and management. The Company is an industry leader in customer satisfaction, water quality and treatment research, drinking water regulatory compliance, infrastructure renewal and geographic information systems. Currently, LWC water quality exceeds all regulatory standards for drinking water.

LWC provides retail service in Jefferson County and parts of Oldham and Bullitt Counties. In addition to selling water to retail customers, LWC sells water to seven wholesale water utility customers, resulting in service to about 850,000 people. Annual water sales exceeded 40 billion gallons in 2007 with annual operating revenue of \$132 million. LWC water rates are one of the lowest in the region, with a typical residential customer monthly bill of \$19.78 for 6,000 gallons.

LWC owns, operates and maintains two water treatment plants that draw water from the Ohio River, a virtually unlimited source. Finished treated water from these facilities meets all current and anticipated regulations established by USEPA and administered by the Kentucky Division of Water (KYDOW). The production facilities have a firm capacity of 240 million gallons per day (MGD), with an average daily production of 134 MGD and a historic maximum production day of 205 MGD. In addition to the treatment facilities, LWC operates and maintains over 3,900 miles of water main, 22,440 fire hydrants, 35 booster pumping facilities and 36 storage tanks to supply drinking water to 283,608 service connections.

As a neighbor utility, LWC maintains excellent working relationships with Hardin County water providers, including Ft Knox, Hardin County Water District #1 and Hardin County Water District #2. We are familiar with water supply issues in the region and the challenges the Ft Knox base realignment will pose to water supplies and water service providers. In the past, LWC has participated in county-wide water resource planning performed by the Lincoln Trail Water Supply Commission, and conducted several discussions with Ft Knox personnel on opportunities for LWC to supply wholesale water and contract operation services. Currently, LWC provides wholesale water supplies to the Ft Knox Urban Warfare Training Center and Wilcox Digitized Training Center. Recently, LWC has entered into discussions with Hardin County Water District #2 to supply wholesale water through transmission connections along Interstate 65.

## **Capability and Experience in Owning and Operating a Water Utility System**

As noted previously, LWC has over 150 years of experience serving the water needs of customers in the Louisville, Kentucky region. Our commitment to excellence in customer service, water quality and value has been an enduring asset in improving the quality of life in the communities we serve. In addition to serving Metro Louisville, LWC has a proven track record in acquiring, owning and operating water systems in other communities. The most recent water utility mergers and acquisitions by LWC include the following:

- City of Shepherdsville Water – 2002
- Goshen Utilities – 2002
- Kentucky Turnpike Water District #1 – 2000
- Kentucky Turnpike Water District #2 – 2000
- Oldham County Water District #1 – 1995
- West Oldham Utilities – 1995
- Jeffersontown Water – 1990

LWC's success in past acquisitions has been the result of our investment in system infrastructure improvements, our retention of system employees, and building effective relationships with the community. The investment in system infrastructure has consistently resulted in improved service reliability, water quality, and fire flows while reducing customer outages and maintenance costs.

In acquisitions, LWC offers employment opportunities to the employees of the acquired system. We recognize the value these employees bring by their knowledge of the newly acquired system and their relationships with their customers. LWC maintains competitive wages and benefits, places an emphasis on safety, diversity and embraces a total quality work environment. We are pleased to report that on nearly every occasion all of the employees of the utilities we have acquired have joined LWC workforce.

Building strong relationships with the community has been key element of success in past acquisitions. LWC partners with local agencies and elected officials to support community strategies for public health protection, growth and development, and quality of life.

LWC commands extensive financial, managerial and technical resources readily capable of meeting the requirements for ownership of the Fort Knox water system. LWC has the demonstrated experience and commitment to provide outstanding water quality and customer service at a low cost to ensure Fort Knox is capable of meeting current and future missions.

## **Financial Capacity**

LWC possesses extensive financial resources to own and operate the Ft Knox water system. Table 1 presents LWC's financial performance indicators from the past 5 years.

LWC has low debt levels and has the capacity to quickly and efficiently raise additional funds when necessary. LWC maintains favorable debt service coverage of more than 2.0 times maximum annual debt service. The bond ratings for LWC long-term debt are among the very highest in the industry: AA+ for Standard and Poor's Corporation and Aa1 for Moody's Investors Service. In addition, as a municipally owned utility, LWC is eligible for publicly funded grants and low interest loans.

LWC has relatively low water rates as a result of efficient operations. LWC continues to focus on optimizing the value of water service to its customers. LWC's average Operation and Maintenance cost per customer of \$170 is one of the lowest in the water industry and our rates are one of the lowest in the region

LWC has maintained its infrastructure to meet long-term requirements. LWC uses a five-year Capital Improvement Program (CIP) that is updated annually. The Current CIP emphasis is on renewal of buried infrastructure, renovation of water treatment plant facilities, improvements to storage and boosted pressure systems, and investments in information technology architectures. Capital program plans also include significant investment in advanced treatment technology to improve water quality and ensure future regulatory compliance.

**Table 1.**

**Louisville Water Company  
Financial Performance Indicators**

	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>
Operating Revenues	\$132.1 million	\$114.1 million	\$115.2 million	\$103.5 million	\$97.7 million
Revenues in Excess of Expenses	\$40.6 million	\$30.7 million	\$34.7 million	\$28.6 million	\$24.6 million
Gallons Sold	41.1 billion	37.0 billion	40.0 billion	38.2 billion	38.0 billion
Capital Improvements in System	\$62.3 million	\$61.7 million	\$61.7 million	\$52.4 million	\$60.4 million
Total Assets	\$907.1 million	\$870.3 million	\$751.3 million	\$723.1 million	\$694.7 million
Long Term Debt as a Percentage of Total Assets	19.8%	21.6%	14.8%	16.3%	17.8%
Debt Service Coverage Times	3.02	2.74	3.48	3.03	2.79

## **Managerial Capacity**

LWC is a municipally owned water utility, owned solely by Louisville Metro and governed by a Board of Water Works. LWC's primary focus is to provide high quality drinking water, high levels of customer satisfaction and outstanding value in our services. LWC maintains a full service professional management, business, human resources and legal staff. LWC staff operates continuously at central control locations, linked by dedicated phone lines to all our operating facilities. LWC operates a 24-hour, 7 days a week emergency dispatch center and maintains work crew availability, 24 hours a day for emergency response. LWC staff is also on call to ensure continuous operation of water service to our 810,000 customers.

LWC employs 450 full-time and 31 part time employees. 211 of these employees are members of the American Federation of State and County Municipal Employees (AFSCME) Local 1683. AFSCME Local 1683 employees work under a partnership agreement with the Company to improve quality and service to its customers as part of the LWC's quality program. This labor management partnership has received considerable national attention for its success and twice has won the prestigious University of Louisville Labor Management award for the state of Kentucky. The remaining 239 employees provide leadership, management, professional, technical, and clerical services and support to business operations. The members of the management team are actively involved in leadership positions throughout the American Water Works Association.

LWC is committed to having our total purchasing dollars reflect the demographics of our customer base. Our "Good Faith Effort Program" is designed to incorporate ethnic minorities and women-owned businesses into our Purchasing Process. LWC's MBE/WBE Sub-Contractor Participation goal is 15% for Minority owned firms and 5% for Women owned firms. Only those businesses that are certified by an official certifying agency are eligible as MBEs or WBEs.

## **Technical Capacity**

LWC is an industry leader in drinking water regulatory issues, water treatment research, infrastructure renewal and customer satisfaction. Our superior water quality exceeds USEPA and KYDOW standards for water quality. The quality of our water and treatment operations also meets the high standards of the Partnership for Safe Drinking Water, which LWC was a founding member. Our industry leadership in drinking water research ensures our water quality will continue to improve and meet future regulatory requirements. Additionally, LWC operates a full-service drinking water laboratory, certified by the Kentucky Division of Water under USEPA standards, to rigorously monitor water quality and treatment operations. Our laboratory annually conducts more than 120,000 water quality tests and provides technical support to other water utilities in our region.

LWC maintains a full staff of Class IV, certified operators to operate our treatment plant facilities and water distribution system. We also employ a full time staff of



professional engineers engaged in the design and construction of LWC facilities and a staff of information technology professionals to operate and maintain our state of the art information and geographic information systems.

### **Summary**

LWC welcomes the opportunity to provide any additional information that might be needed. LWC firmly believes we have the financial, managerial and technical capacity and expertise to own and operate the Ft Knox water system while provide outstanding customer service, water quality and value to Fort Knox customers. Our commitment to the communities we serve will ensure Fort Knox water supplies will be capable of meeting all current and future missions.

### **Contact Information**

For further information, please contact the following LWC representatives:

**James C. Smith**  
**Manager of Infrastructure Planning**  
**Louisville Water Company**  
**550 South Third Street**  
**Louisville, Kentucky 40202**  
**502-569-3687**  
[jsmith@lwcky.com](mailto:jsmith@lwcky.com)

**Gregory C. Heitzman, P.E.**  
**President & CEO**  
**Louisville Water Company**  
**550 South Third Street**  
**Louisville, Kentucky 40202**  
**502-569-3681**  
[gheitzman@lwcky.com](mailto:gheitzman@lwcky.com)

## Financial Strength

HCWD1 is a well run utility system with a strong balance sheet and operating margins that allow it to maintain long-term financial integrity. The success of the District has been recognized by others in the industry and community through a number of awards it has won since 2000. These include the following:

- 2000 First Place Award for Marketing and Customer Relations, American Water Works Association Kentucky/Tennessee Chapter
- 2000 Design Honor Award for Ft. Knox Interconnect Pump Station, American Council of Engineering Companies/Kentucky Council of Engineering Companies
- 2001 Recognition for Excellent Customer Service by the Kentucky Senate
- 2001 Second Place Award for Marketing and Customer Relations, American Water Works Association Kentucky/Tennessee Chapter
- 2002 First Place Award for Internal Relations by American Water Works Association Kentucky/Tennessee Chapter
- 2003 Award of Excellence for Safety by the American Water Works Association Kentucky/Tennessee Chapter
- 2004 Nominee for Public Water System Excellence Award by EPA Region 4
- 2005 Selection as one of the Top 3 "Best Tasting Water" in Kentucky by the Kentucky Rural Water Association,
- 2007 Recognized as having a "Totally Optimized Water Plant" by KY Division of Water
- 2007 Finalist for Wooden Bucket Award, U.S. Department of Agriculture
- 2008 Award of Excellence by American Water Works Association Kentucky/Tennessee Chapter

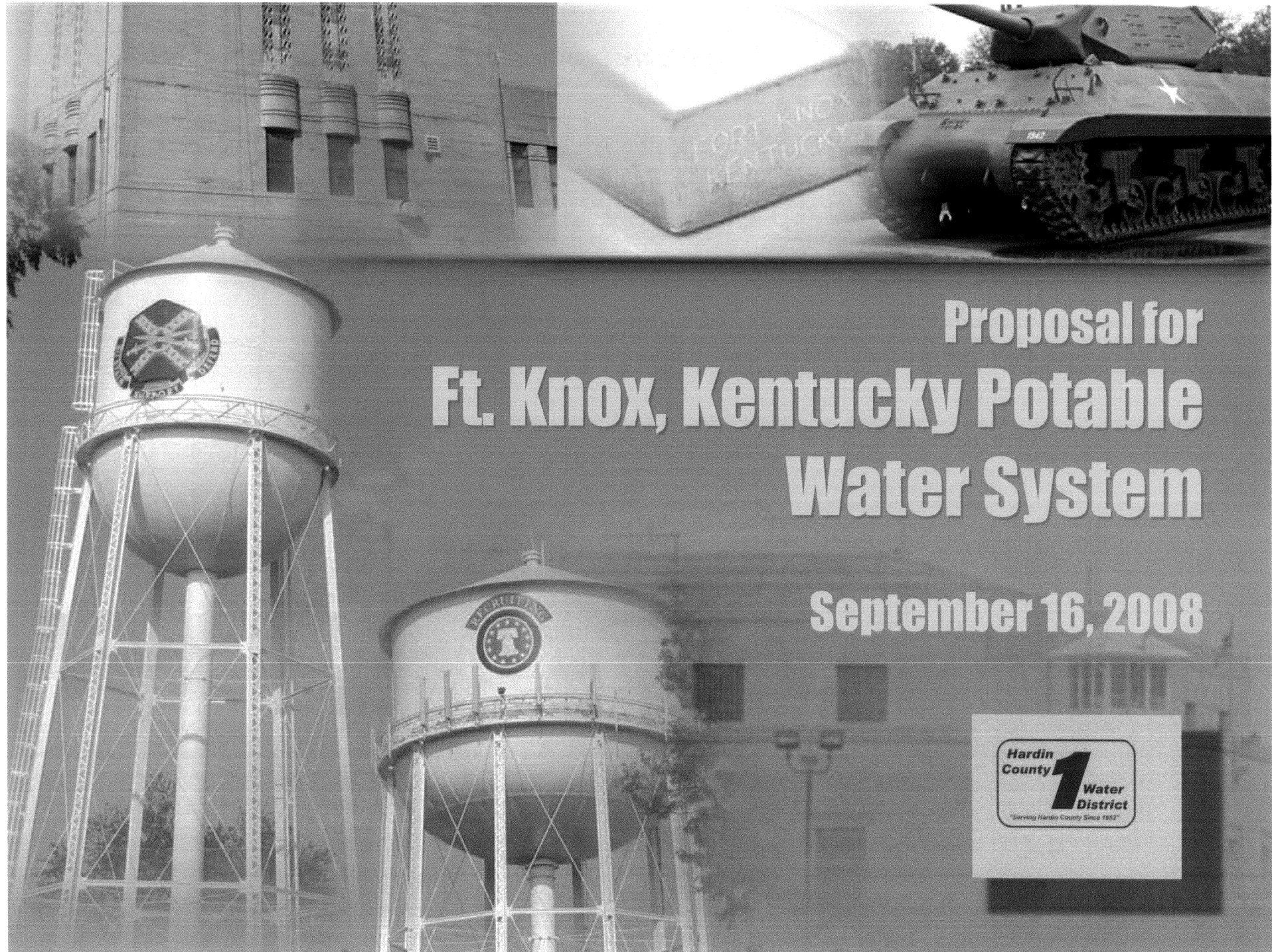
Established in 1952 with 125 water accounts, HCWD1 has a 56 year history of growth, financial stability and quality customer service. Its stability is enhanced by the regulation of the Kentucky Public Service Commission which has the responsibility to review the HCWD1's operations to be sure service meets quality standards and costs are prudently incurred. It also has the responsibility to approve HCWD rates that cover prudently incurred costs thereby providing a basis for the District's strong financial integrity.

Since 2003, HCWD1 has more than tripled its capitalization, growing from \$20 million in 2003 to \$41 million in 2007 and a projected \$65 million in 2008. This has been accomplished through growth in native customers as well as through acquisitions. In 2004, the District privatized the wastewater system at Ft. Knox. The significant increase in 2008 reflects the District's acquisition of the City of Radcliff sanitary sewer system earlier in the year. At the same time that its capitalization was significantly increasing, the District was able to reduce dramatically its debt to capital ratio. That ratio decreased from 56 percent in 2003 to 31 percent in 2007. The ratio is projected to further decrease to only 24 percent in 2008. These changing ratios and other financial ratios requested in the Government's RFP are provided in Table \_\_\_\_.

The relative reduction in debt and build up in system equity reflected in the reduced debt to capital ratio resulted in part from operating margins. As shown in Table \_\_\_\_, interest coverage and the ratio of funds from operation (FFO) to interest have both been high over

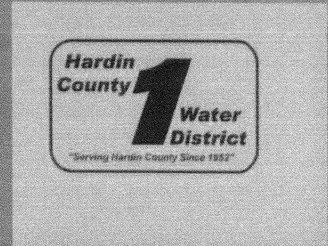
the past 5 years and are projected to continue at high levels in 2008. The particularly high FFO to interest ratio of 7.3 projected for 2008 reflects the fact that the District was granted a water rate increase at the end of 2007 and a sewer rate increase in mid 2008.

The District can access capital through tax-exempt revenue bonds. Its latest issue (Series 2005, \$6.860 million) was rated "Aaa" by Moody's. It was also the first water districts in Kentucky to use variable rate, weekly indexed, tax exempt bonds. The District has used this funding instrument twice, with both issues rated "VMIG-1". A local bank also provides a pre-approved, line of credit, for \$2.5 million, which the District can access for any reason at any time. Finally, as a special sub-district of the Commonwealth of Kentucky, the District is also able to receive local, state or federal grants for construction projects, from a variety of agencies and programs. Currently, the District has approved and is using \$5 million of grants for current water construction projects.



# Proposal for Ft. Knox, Kentucky Potable Water System

September 16, 2008



# Agenda

- Proposal Team – Who has developed this?
- Process Used
- Proposal Alternatives – What are we proposing?
- Financial Model – How much is our bid, and what does HCWD1 get?
- Questions and Answers

# Team

- **Hardin County Water District No. 1**

(Jim, Brett, Richard, Daniel, others...)

- **Louisville Water Company**

(Jim Smith, Patti Kaelin, several others)

- **Ch2M Hill**

(David Hackworth, Project Manager, Louisville office)

## Supporting Cast...

- Greg Heitzman, Bill Rissel
- Numerous other employees from each team member
- Tim Ball, Mike Topp, HDR/Quest

# Team

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(David Hackworth, Project Manager, Louisville office)

## Supporting Cast...

- Greg Heitzman, Bill Rissel
- Numerous other employees from each team member
- Tim Ball, Mike Topp, HDR/Quest

# **Process Used**

- 1. Create Compliance Matrix – Ch2M**
- 2. Create Blank Spreadsheets – Ch2M**
- 3. Collect estimates, prices, costs – All Team members**
- 4. Develop Proposal Strategy – All Team members**
- 5. Complete all pricing and summarize bid amounts – All Team members**
- 6. Check and Re-check (QA/QC) – Ch2M**
- 7. Produce Documents for Submittal – Ch2M**
- 8. Submit bid documents, wait....**



# Base & Alternate Proposal



- Base – What does this include?

How much is paid by Government in total 50 year period? (\$\_\_\_\_\_)

- Alternate – What changes from base?

How much is paid by Government in total 50 year period? (\$\_\_\_\_\_)

# Financial Impact to HCWD1

- 100% of District added costs are paid (for running Distribution system)
- All costs for LWC to provide wholesale water, build capital assets, run facilities and reimburse costs are paid
- We add overhead to total annual charges = \$\_\_\_\_\_ per year
- We require Govt. to reimburse us for all our transition costs = \$\_\_\_\_\_
- Government pays for all new equipment, vehicles, new building HCWD1 needs = \$\_\_\_\_\_
- Part of existing HCWD1 costs are also allocated to FK Water = \$\_\_\_\_\_

# Questions & Answers

- As part of due diligence, Board should ask staff, LWC, Ch2M Hill, any questions at this time to be satisfied with process and proposed bid to Government.....



## **If Approved, Suggested Motion....**

***“Motion to authorize staff, and legal counsel, and Chairman, to execute and sign any and all documents in order for the District to submit both a base and alternate proposal to the United States Government to own and operate their water utility at Ft. Knox, Kentucky, as anticipated in its partnership agreement with the Louisville Water Company”***

Invested Funds Inventory  
 HCWD1  
 July 31, 2008

<u>Name of Account</u>	<u>Rate</u>	<u>Cost</u>	<u>Mkt Val</u>	<u>Accr'd Inc</u>	<u>Earnings</u>	<u>Fees</u>	<u>R = Restrict</u>	<u>Current Investment</u>	<u>Invested By</u>	<u>Maturity</u>
Water Revenue/O&M	0.900%	701,528.84	701,528.84		257.26		U = Unrest	Chase Bank	Chase Bank	
High Yield Savings-Water Fund	0.800%	135,959.32	135,959.32		92.27		U = Unrest	Chase Bank	Chase Bank	
Ft. Knox Sewer Revenue/O&M	0.800%	566,190.90	566,190.90		369.63		U = Unrest	Chase Bank	Chase Bank	
High Yield Savings-Ft. Knox Sewer Fund	0.800%	551,043.24	551,043.24		374.01		U = Unrest	Chase Bank	Chase Bank	
Radcliff Sewer Revenue/O&M		11,134.74	11,134.74				U = Unrest	Chase Bank	Chase Bank	
High Yield Savings-Radcliff Sewer	1.760%	1,406,437.54	1,406,437.54		2,309.65		U = Unrest	Chase Bank	Chase Bank	
HCWD1 Savings-Water Fund	0.750%	1,000.68	1,000.68	0.62			U = Unrest	Ft. Knox Federal Credit Union	FKFCU	
HCWD1 Savings-Ft. Knox Sewer Fund	0.750%	1,000.32	1,000.32	0.62			U = Unrest	Ft. Knox Federal Credit Union	FKFCU	
HCWD1 Savings-Radcliff Sewer Fund	0.750%	1,000.32	1,000.32	0.62			U = Unrest	Ft. Knox Federal Credit Union	FKFCU	
Depreciation Fund	4.500%	95,198.20	101,843.75	1,687.50	375.00		U = Unrest	Fed Home Loan Bk Bonds	BoNY	09/16/13
Depreciation Fund	5.250%	99,801.20	104,687.50	189.58	437.50		U = Unrest	Fed Home Loan Bk Bonds	BoNY	07/18/11
Depreciation Fund	5.125%	99,045.30	104,531.25	227.78	427.09		U = Unrest	Fed Home Loan Bk Bonds	BoNY	07/15/12
Depreciation Fund	4.375%	94,563.60	101,625.00	1,652.78	364.59		U = Unrest	Fed Home Loan Bk Bonds	BoNY	03/15/13
Depreciation Fund	4.125%	95,915.60	101,750.00	870.83	343.75		U = Unrest	Fed Home Loan Bk Bonds	BoNY	05/15/10
Depreciation Fund	1.690%	190,217.32	190,217.32	0.00	295.54	205.29	U = Unrest	Fifth Third US Treasury PFD	BoNY	
HCWD1 CD-Water Fund	4.910%	200,000.00	200,000.00	8,246.90	845.21		U = Unrest	Cecilian Bank	Cecilian Bank	09/27/12
HCWD1 CD-Water Fund	4.910%	100,000.00	100,000.00	4,123.46	422.60		U = Unrest	Cecilian Bank	Cecilian Bank	09/27/11
HCWD1 CD-Water Fund	4.910%	100,000.00	100,000.00	4,486.60	422.60		U = Unrest	Cecilian Bank	Cecilian Bank	09/27/10
HCWD1 CD-Water Fund	4.910%	100,000.00	100,000.00	4,123.46	422.60		U = Unrest	Cecilian Bank	Cecilian Bank	03/27/10
HCWD1 CD-Radcliff Sewer	3.000%	500,000.00	500,000.00	3,241.58	1,251.85		U = Unrest	Cecilian Bank	Cecilian Bank	05/14/10
HCWD1 CD-Water Fund	5.200%	100,000.00	100,000.00	4,368.78	448.41		U = Unrest	Lincoln National Bank	Lincoln National Bank	09/27/12
HCWD1 CD-Water Fund	5.200%	100,000.00	100,000.00	4,368.78	448.41		U = Unrest	Lincoln National Bank	Lincoln National Bank	09/27/12
HCWD1 CD-Water Fund	5.200%	100,000.00	100,000.00	4,368.78	448.41		U = Unrest	Lincoln National Bank	Lincoln National Bank	09/27/12
HCWD1 CD-Water Fund	4.880%	100,000.00	100,000.00	4,083.23	419.88		U = Unrest	Chase	Chase	09/27/08
HCWD1 CD-Radcliff Sewer	3.050%	500,000.00	500,000.00	2,660.21	1,272.74		U = Unrest	Chase	Chase	05/14/10
HCWD1 CD-Water Fund	5.230%	100,000.00	100,000.00	4,391.48	451.07		U = Unrest	Ft. Knox Bank	Ft. Knox Bank	07/28/08
HCWD1 CD-Water Fund	3.840%	100,000.00	100,000.00	1,627.68	323.13		U = Unrest	Ft. Knox Federal Credit Union	FKFCU	01/28/09
HCWD1 CD-FK Sewer	3.250%	100,000.00	100,000.00	677.09	270.83		U = Unrest	Ft. Knox Federal Credit Union	FKFCU	05/14/10
HCWD1 CD-Radcliff Sewer	3.250%	100,000.00	100,000.00	677.09	270.83		U = Unrest	Ft. Knox Federal Credit Union	FKFCU	05/14/10
Radcliff Sewer KIA Maint & Repair Fund	3.550%	300,000.00	300,000.00	2,329.39	887.50		<u>R = Restrict</u>	First Citizens Bank	First Citizens Bank	05/13/11
Radcliff Sewer KLC Debt Serv Res Fund	3.550%	350,000.00	350,000.00	2,717.62	1,035.42		<u>R = Restrict</u>	First Citizens Bank	First Citizens Bank	05/13/11
1998 Bond Fund	1.630%	406,632.81	406,632.81		587.59	222.90	<u>R = Restrict</u>	Fifth Third US Treasury PFD	BoNY	
1998 Debt Serv Res	1.630%	73,068.98	73,068.98		114.43	72.51	<u>R = Restrict</u>	Fifth Third US Treasury PFD	BoNY	
1998 Debt Serv Res	4.500%	66,665.20	71,290.63	1,181.25	262.50		<u>R = Restrict</u>	Fed Home Loan Bk Bonds	BoNY	09/16/13
1998 Debt Serv Res	5.000%	99,414.80	101,781.25	694.44	416.66		<u>R = Restrict</u>	Fed Home Loan Mtg Corp NTS	BoNY	06/11/09
1998 Debt Serv Res	5.125%	69,344.59	73,171.88	159.44	298.95		<u>R = Restrict</u>	Fed Home Loan Mtg NTS	BoNY	07/15/12
1998 Debt Serv Res	4.375%	94,563.60	101,625.00	1,652.78	364.59		<u>R = Restrict</u>	Federal Natl Mtg Assn Bds	BoNY	03/15/13
1998 Debt Serv Res	5.125%	69,507.06	72,953.13	1,056.32	298.96		<u>R = Restrict</u>	Federal Natl Mtg Assn Notes	BoNY	04/15/11
2005 Debt Serv Res	1.840%	107,412.89	107,412.89		164.19		<u>R = Restrict</u>	First American Govt Oblig Fd	U S Bank	
2005 Sinking Fund	1.840%	211,312.85	211,312.85		190.20		<u>R = Restrict</u>	First American Govt Oblig Fd	U S Bank	
		8,197,959.90	8,249,200.14	65,866.70	17,985.86	500.70				

Task	Hours	Staff	HCWD Rate	Total w/ HCWD Adder
<b>On-Site Familiarization</b>				
Meetings with Army	12	GM/OM	\$74.01	\$1,282
Legal Due Diligence	34	Legal		\$5,000
Legal Due Diligence - Admin	4	GM/OM	\$74.01	\$427
Contact Regulatory Agencies	1	OM/WPM	\$28.34	\$41
Joint Inventory of facilities & fixed equipment	8	OM	\$28.34	\$327
Joint Inventory of non-fixed	4	OM	\$28.34	\$164
Verify System Inventory Maps	2	OM/DS	\$55.04	\$159
Inventory of manuals and records	2	WTS/WPM/MS		\$0
Initial joint meter reading	8	WTS		\$0
Develop Purchase Order for Replacement Meters	2	Proc		\$0
<b>HR Transition</b>				
Clearances, special access, badges	16	DS	\$26.70	\$617
Develop Policy Procedures Manual	2	HR	\$0.00	\$0
Employee Handbook	2	HR	\$0.00	\$0
Evaluate Existing Employees for Employment	8	GM/OM/DS	\$100.71	\$1,163
Initial meetings with all interested employees	4	GM/OM/DS	\$100.71	\$582
Interviews	32	GM/OM/DS	\$100.71	\$4,654
Conduct New Employee Training & Orientation	8	Acct Spc/Adm Asst	\$34.60	\$400
Employee Start Date	0			\$0
<b>Administrative Transition</b>				
Install and startup accounting/financial system	24	Acct	\$23.22	\$805
Set up monthly billing	2	Acct Spc	\$19.32	\$56
Set up monthly reporting (Service interruptions, meter reading, etc.)	4	GM/OM/WPM		
Board Time to Review Final Costs	4		\$234.00	\$1,352
Board Time to Review Final Costs - Admin	4	GM/OM		\$0
<b>Purchasing</b>				
Establish Procedure	1	Proc		\$0
Compile List of Vendors	1	Proc		\$0
Compile List of Subcontractors	1	Proc		\$0
Open Vendor Accounts & Establish Credit	1	Proc		\$0
Purchase Required Equipment and Material	24	Proc		\$0
<b>Safety and Security</b>				
Update Emergency Response Plan	4	SS		\$0

Task	Hours	Staff	HCWD Rate	Total w/ HCWD Adder
Update Safety and Health Plan	4	SS		\$0
Prepare Right-to-Know and HAZMAT	2	SS		\$0
Safety Procedures and Briefing with Employees	8	SS		\$0
<b>Transition of System Operations</b>				
Review MSDSs	2	SS		\$0
Review Existing O&M Manuals, Plans, Specifications	2	OM/DS	\$55.04	\$159
Develop/Implement Process Control Strategies	2	OM/DS/WPM/WTS		\$0
Review/Develop QA/QC Procedures	2	WPM		\$0
Revise/Create SOPs	40	OM/DS	\$55.04	\$3,179
Arrange for Transfer of All Files, Logs, Records	2	OM		\$0
Final Joint Meter reading	4	OM		\$0
Assume Operational Responsibility	0			\$0
<b>Transition of System Maintenance</b>				
Implement Maintenance Management System	80	MS	\$22.21	\$2,566
Develop Preventive Maintenance Tasks and Activities	16	MS	\$22.21	\$513
Identify Equipment Repair and Replacement Requirements	8	OM/MS	\$50.55	\$584
Establish Inventory Control System	4	MS		\$0
Assume Maintenance Responsibility	0			
<b>Transfer Ownership</b>				
Water	0			
				\$24,029

<u>Key</u>	
GM - General Manager	
OM - Operations Manager	
WPM - Water Treatment Project Manager	
MS - Maintenance Supervisor	
DS - Distribution Supervisor	
SS - Safety and Security	
Proc - Procurement	
HR - Human Resources	
WTS - Water Treatment Supervisor	
<b><u>Notes</u></b>	
Tasks with zero hours (0) will be included in associated tasks	

<b>Notes</b>
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<b>Need name</b>
<b>Need name</b>
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Joint Inventory of facilities & fixed equipment	8	OM	\$28.34	\$327
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Inventory of manuals and records	2	WTS/WPM/MS		\$0
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<b>HR Transition</b>				
Clearances, special access, badges	16	DS	\$26.70	\$617
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Employee Start Date	0			\$0
<b>Administrative Transition</b>				
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Board Time to Review Final Costs - Admin	4	GM/OM		\$0
<b>Purchasing</b>				
Establish Procedure	1	Proc		\$0
Compile List of Vendors	1	Proc		\$0
Compile List of Subcontractors	1	Proc		\$0
Open Vendor Accounts & Establish Credit	1	Proc		\$0
Purchase Required Equipment and Material	24	Proc		\$0
<b>Safety and Security</b>				
Update Emergency Response Plan	4	SS		\$0

Task	Hours	Staff	HCWD Rate	Total w/ HCWD Adder
Update Safety and Health Plan	4	SS		\$0
Prepare Right-to-Know and HAZMAT	2	SS		\$0
Safety Procedures and Briefing with Employees	8	SS		\$0
<b>Transition of System Operations</b>				
Review MSDSs	2	SS		\$0
Review Existing O&M Manuals, Plans, Specifications	2	OM/DS	\$55.04	\$159
Develop/Implement Process Control Strategies	2	OM/DS/WPM/WTS		\$0
Review/Develop QA/QC Procedures	2	WPM		\$0
Revise/Create SOPs	40	OM/DS	\$55.04	\$3,179
Arrange for Transfer of All Files, Logs, Records	2	OM		\$0
Final Joint Meter reading	4	OM		\$0
Assume Operational Responsibility	0			\$0
<b>Transition of System Maintenance</b>				
Implement Maintenance Management System	80	MS	\$22.21	\$2,566
Develop Preventive Maintenance Tasks and Activities	16	MS	\$22.21	\$513
Identify Equipment Repair and Replacement Requirements	8	OM/MS	\$50.55	\$584
Establish Inventory Control System	4	MS		\$0
Assume Maintenance Responsibility	0			
<b>Transfer Ownership</b>				
Water	0			

\$24,029

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Update Emergency Response Plan	4	SS		\$0

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Establish Inventory Control System	4	MS		\$0
Assume Maintenance Responsibility	0			
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Water	0			

\$24,029

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HCWD1 Board costs
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**Notes**

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David Simmons? confirm and hourly rate

Fort Knox Water System - SCADA

**ESTIMATED COST**

Item#		Ea	Unit	Cost
1	Material	12	\$2,500	\$30,000
2	Fab	12	\$850	\$10,200
3	ControlView32-5000 tag, Dev., Linx, 1-R.T.	1	\$7,820	\$7,820
4	ControlView32-5000 tag, Linx, 1-R.T.	1	\$4,715	\$4,715
5	RLogix-500	1	\$1,200	\$1,200
6	Computers / Monitors	1	\$5,000	\$5,000
7	Tank telemetry equipment	8	\$8,415	\$67,320
8	Pump station telemetry equipment	3	\$6,060	\$18,180
9	Antenna Poles (Mat & Installtion)	2	\$1,500	\$3,000
10	Engineering	1	\$35,820	\$35,820
11	Contingency 5%	1	\$9,088	\$9,088

**TOTAL: \$192,343**

NOTE: Estimate based costs dated August 2008

# Past Performance Attachment J39

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Provide the information requested below for EACH project.

**A. Offeror Name (Company/Division) and Location (City/State):**

Hardin County Water District No. 1, Radcliff, Kentucky

**B. Program Title:**

Ft. Knox Wastewater and Stormwater Systems Privatization

**C. Contract Specifics:**

1. Contract Number W9124D-05-C-0017
2. Contract Type \_\_\_\_\_
3. Period of Performance July 1, 2005 to August 31, 2055
4. Original Contract \$ Value \$73,746,920
5. Current Contract \$ Value same

If Amounts for 4 and 5 above are different, provide a brief description of the reasons for the difference.

**D. Brief Description of Effort As  Prime Or  Subcontractor.**

Owner and operator of the Wastewater and Storm Water system at Fort Knox, Kentucky

**E. Completion Date:**

1. Original Contractual Date: 30 September, 2004
2. Current Schedule: 50 years
3. Estimated Date of Completion: 31 August, 2055
4. How Many Times Changed: 19 Contract Modifications
5. Primary Causes of Change: Various

**F. Primary Government or Equivalent Points Of Contact:**

(Please provide current information on all individuals)

**1. Program Manager:**

Name: Kenny Muse  
Office Directorate of Public Works  
Address Bldg. 1110B RM 310, 125 6th Ave. Ste 320, Fort Knox, Ky. 40121  
Telephone (502) 624-5830  
E-mail Kenny.Muse@knox.army.mil  
Fax (502)624-3679

**2. PCO:**

Name: Benita C. Jackson  
Office Defense Energy Support Center  
Address 8725 John J. Kingman Road, Suite 3830, Ft. Belvoir, VA 22060  
Telephone (703) 767-9407  
E-mail Benita.Jackson@dla.mil

Fax (502) 624-7165

**3. ACO:**

Name: Stephanie Bowman  
Office Directorate of Contracting, MICC Center - Knox  
Address Bldg 1109B Ste 250, 199 6<sup>th</sup> Ave. Fort Knox, Kentucky 40121  
Telephone (502)624-4947  
E-mail stephanie.bowman@us.army.mil  
Fax (502) 624-7165

**4. COR:**

Name: Robert Ender  
(Contracting Officer Rep) Office Directorate of Public Works  
Address ATZK-OSO Bldg. 1205 Water Street Fort Knox, Kentucky 40121  
Telephone (502)624-5252  
E-mail robert.ender@knox.army.mil  
Fax (502) 624-5251

**G. Address Any Technical (Or Other) Area About This Program Considered Unique.**

**H. Specify By Name Any Key Individual(s) Who Participated In This Program And Is/Are Proposed To Support The Instant Acquisition. Also, Indicate Their Contractual Roles For Both Acquisitions.**

**Contractual Personnel:**

Jim Bruce, General Manager – Provides overall guidance, financial planning, long-range planning, policy implementation, contract administration, primary POC for the US Government.

William J. Rissel, Chairman of the Board – Presides over all meetings of the Commission and exercises general supervision and control over the business of the commission, subject to the direction of the Board.

**Operational Personnel:**

Brett Pyles, Operations Manager – Oversees the day-to-day operations, capital planning & implementation, liaison to contract operator and US Government, assists with budgetary functions, assists with financial planning, contract administration.

Daniel Clifford, GIS & Planning Specialist – Oversees development of GIS mapping program, provides QA/QC for GIS.

**I. Address Problems Encountered On This Contract And Your Solutions To Those Problems.**

There are monthly meetings with the Contracting Officer and Contracting Officer Representatives and all problems are addressed at these meetings.

**J. Identify If A Small Business Or Disadvantaged Business Plan Or Goal Was Required. If So, Identify In Terms Of A Percentage Of The Planned Versus Achieved Goal During The Contract. If Goals Were Not Met, Please Explain.**

**(Sally, you have this info.)**

**K. Describe/Discuss The Relevancy Of The Services You Provided On Your Referenced Contract To These Questions As They May Pertain To The Specific Utility.**

District staff has extensive knowledge of the Fort Knox post, personnel and operations and has been involved in many construction projects, both during the planning and implementation phases. District staff has a very good relationship with both civilian and military personnel.

**General**

1. Indicate (yes or no) if you owned, operated, maintained the system for the referenced customer. Indicate if the systems were located on the customer’s site.

	<b>OWN</b>	<b>OPERATE</b>	<b>MAINTAIN</b>	<b>ONSITE</b>
Sewer Lines	X	X	X	X
Pump Stations	X	X	X	X
WWTP	X	X	X	X
Industrial WWTP				
Water Lines				
Water Storage Tanks				
Water Treatment Plants				
Above Ground Electrical Distribution System				
Below Ground Electrical Distribution System				
Power Generation Facility				
Substations				
Gas Distribution System				

**Provide the information requested below for each type of utility operated as part of this project:**

**Water System**

1. What is the average daily flow (gallons per day) for the referenced customer?
2. What type of treatment occurs at the Water Treatment Plant?
3. What type of storage tanks are operated/maintained (ground/elevated, capacity)?
4. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered?

Time \_\_\_\_\_(yrs) \$ \_\_\_\_\_

**Wastewater System**

1. What is the average daily flow (gallons per day) for the referenced system? 2,100,000
2. What is the capacity of the WWTP? 6MGD
3. What is the capacity of the Industrial WWTP? NA
4. How many pump stations are operated/maintained? 28
5. How many linear feet of sewage lines are maintained? 504,733 feet
6. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered?

Time 3 (yrs) \$4,046,705

7. Have capital improvements been completed that directly or indirectly reduced the amount of

Inflow/Infiltration for the system serving the referenced customer?

Capital Improvements \$3,000,000 Inflow/Infiltration Reduction 19.7 (%)

**Electrical System**

1. What is the voltage of the system you operate/maintain?
2. How many facilities are served by the system you operate/maintain?
3. What is the length (linear feet) of the overhead distribution system you operate/maintain?
4. What is the length (linear feet) of the underground distribution system you operate/maintain?
5. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered?

Time \_\_\_\_\_ (yrs) \$ \_\_\_\_\_

**Natural Gas System**

1. What is the length (linear feet) of the distribution system you own/operate?
2. How many meters are on the system you own/operate?
3. What is the dollar value of the capital improvements you made to the system during the total period of time service has been rendered?

Time \_\_\_\_\_ (yrs) \$ \_\_\_\_\_

The information below is not part of Attachment J39, but I will need it for the rest of Past Performance section

## System Acquisitions

Provide a list of all system acquisitions in last 5 years. Provide the following information:

- 1) Name of acquisition - City of Radcliff Wastewater System
- 2) Brief description of services and facilities - Wastewater collection system and wastewater treatment plant.
- 3) Total contract value - NA (could you explain?)
- 4) Period of performance - NA (could you provide start date?)
- 5) Principal parties involved and telephone no. - Jim Bruce, Hardin County Water District No.1, (270)351-3222. Mayor Shelia Enyart, City of Radcliff, (270)351-4144.

- 1) Name of acquisition - Fort Knox Wastewater & Storm Water Sytem
- 2) Brief description of services and facilities - Wastewater collection system, wastewater treatment plant and storm water system.
- 3) Total contract value - \$73,746,920
- 4) Period of performance - 50 years
- 5) Principal parties involved and telephone no. - Jim Bruce, Hardin County Water District No.1, (270)351-3222. Benita Jackson, Defense Energy Support Center, (703) 767-9407 .

## Regulatory Statement

The Offeror shall provide a written statement concerning its status with any independent Federal, state, or local regulatory authority with jurisdiction over each utility service on which the Offeror is proposing. The statement should include discussion on any violations, penalties, or other enforcement actions taken against the Offeror within the last five (5) years. The Offeror should not include information on any current investigations if releasing such information would be deemed a violation of law. The statement should include the following:

1. Name of regulatory authority. Kentucky Public Service Commission
2. Address and telephone number of authority. 211 Sower Blvd., Frankfort, KY 40601
3. Point of contact within the authority for verification. Gerald Wuetcher, (502)564-3940 Ext. 259



## 2.2 Quality Management Plan

~~HCWD~~~~HCWD~~~~HCWD~~ has developed this Quality Management Plan in accordance with Section L.4.2 and paragraph C.12 of the RFP. This Quality Management Plan includes the following sections:

- 2.2.1 Operating and Maintaining the Utility Systems That will Satisfy Requirements
- 2.2.2 Obtaining Customer Feedback and Process Improvements
- 2.2.3 System Inspections and Quality Assessment Procedures and Techniques
- 2.2.4 Recordkeeping Processes
- 2.2.5 Environmental Compliance Plan (~~Water~~ ~~Wastewater~~ Treatment System)
- 2.2.6 How Performance Standards and/or Specifications Will be Met
- 2.2.7 Other Standards and Specifications
- 2.2.8 Process for Implementation of Government Requested Facility Expansions
- 2.2.9 Compliance with Applicable Environmental, Safety, and OSHA Laws and Regulations
- 2.2.10 Opportunities for Efficiencies in Utility Operations
- 2.2.11 Managing and Accessing Technical Information
- 2.2.12 Specialty Skills Training
- 2.2.13 Quality Awards and Certifications and Current Operating Standards and Procedures Required by the Kentucky Public Service Commission and the Kentucky Division of Water State Utility Regulatory Commission

The quality management system proposed is composed of programs and processes that together ensure the elements that are central to customer satisfaction. These include:

- Management Responsibility
- Resource Management
- Product and Service Controls
- Measurement, Analysis, and Improvement

The components of each of these elements are described below.

### Management Responsibility

- ***Establishing vision, mission and organization.*** Management that demonstrates its commitment to the development and improvement of the quality system.
- ***Conducting reviews of the system's performance and providing direction for improvement.*** Management reviews the quality management system, at planned intervals, to ensure its continuing suitability, adequacy and effectiveness.
- ***Quality Planning.*** Ensuring that change is conducted in a controlled manner and that the integrity of the quality management system is maintained during change.
- ***Document Control.*** Ensuring that the correct versions of reviewed and approved procedures are available for use by project staff, including SOPs for repetitive activities.
- ***Control of Records.*** Ensure that records required for the quality management system are controlled and are maintained to provide evidence of conformance to requirements and of effective operation of the system.

### Resource Management

- ***Assignment of resources necessary for project accomplishment.*** Needed to implement and improve the processes of the quality management system and to address customer satisfaction.

- **Establish training.** Identify competency needs for personnel performing activities affecting quality and provide training to satisfy these needs.
- **Providing facilities and an adequate work environment.** Identify, provide and maintain or manage the facilities and the human or physical factors of the work environment needed to achieve conformity of the product.

#### **Product and Service Controls**

- **Planning to Ensure the Completion of the Project.** Identifying and performing the sequence of processes and sub-processes required to achieve the product.
- **Identifying Customer Requirements.** Determine product requirements specified by the customer, those not specified but necessary for the intended or specified use and obligations related to product, including regulatory and legal requirements.
- **Control of Engineering Designs.** Includes determining responsibilities and authorities for design and/or development activities and the review, verification and validation activities appropriate to each design and/or development stage.
- **Purchasing.** Control of purchasing processes to ensure purchased product conforms to requirements. Evaluate and select suppliers based on their ability to supply products in accordance with our requirements. Ensure supply economy by monitoring purchases and prevention of unnecessary transactions.
- **Operations Control.** Control of production and service operations through the availability of information that specifies the characteristics of the product, where needed the availability of work instructions, use and maintenance of suitable equipment, monitoring activities and the implementation of defined processes for release, delivery and applicable Post delivery activities.
- **Laboratory Certification and Quality Audits.** Identifying, where appropriate, the product by suitable means throughout production and service operations.

#### **Measurement, Analysis, and Improvement**

- **Internal Audits.** Audits are performed to determine if the quality management system is implemented and effective. Audits are planned and scheduled based on importance and risk of processes. Auditors are trained and audits are conducted and reported.
- **Inspection Program.** Inspection of product and services will be conducted in accordance with written procedures. Contract requirements will be used as the basis for establishing inspection criteria. Non-conformances will be documented and defect percentages determined. Corrective action will be taken and effectiveness evaluated.

#### **2.2.1 Operating and Maintaining the Utility Systems That Will Satisfy Requirements**

In Section 2.1 *O&M Plan*, we described in detail the procedures that ~~HCWD~~HCWD1 proposes to implement in the O&M of the utility systems in accordance with all applicable federal, state, and local laws/regulations and the most current version of any specific requirements defined in the utility-specific RFP attachments (Section J).. The following provides a narrative description of how ~~HCWD~~HCWD1 plans to operate and maintain the utility systems in a manner that will satisfy the RFP requirements.

All activities of the Fort Knox water utility will be governed by the professional standards of performance listed in the M series references of the AWWA. These references are available at ~~Deyon Utilities~~HCWD1 offices and are used routinely by the operations and engineering staff. Water quality standards will be maintained in accordance with EPA and ~~ADEC-KDOW~~ established standards for drinking water. Testing

of the treated water will be performed by the on-site utility operator and ~~periodic~~<sup>required</sup> ~~verification~~ ~~compliance~~ testing will be performed by a KDOW certified testing lab. Particular attention will be given to testing for total coliform, bacterial contamination, and chlorine residuals. Other tests will be performed at varied times as required by the KDOW schedule. Results of the testing will be ~~available~~ ~~maintained~~ ~~by~~ ~~HCWD~~~~HCWDI~~~~HCWDI~~ at the project office. Testing results will be reported to the KDOW. Water quality testing and reporting will be added as a separate component to the existing programs.

Water treatment at Fort Knox will be governed by the professional standards imposed by the AWWA and the EPA as well as the requirements of the KDOW. Treatment plant operators will be ~~certificated~~ ~~certified~~ by the State of Kentucky for their particular duties. Operators will be required to monitor operations of all aspects of the water treatment and distribution system.

It is our intention that water service will not be interrupted except when necessary maintenance is required or new services are added to the utility. In those instances where an emergency situation arises that disrupts water operations, the on-site utility operator will identify the problem and restore water service as early as practical.

### 2.2.2 Obtaining Customer Feedback and Process Improvements

An overview of ~~HCWD~~~~HCWDI~~~~HCWDI~~ customer feedback and process improvement is presented in ~~Exhibit 2-7~~. We intend to survey our customers, ~~on a semi-annual basis~~. Any customer who has submitted a Work Request or was impacted by ongoing construction or maintenance or had any customer service contact with ~~HCWD~~~~HCWDI~~~~HCWDI~~ will be asked to complete a survey. The surveys will be submitted to the program management staff responsible for Quality Control. These surveys will be used to determine response times, coordination efforts and customer satisfaction. Customer surveys will serve as written feedback on the quality of service provided. It will allow the customer to identify problems regarding: response time, notification, cleanliness of job site, satisfactory/or not satisfactory repair and/or restoration. The metrics on the customer service survey will allow each work order to be rated on a satisfaction scale for each item on the survey. These surveys are a tool used to continuously upgrade and improve the level of service. Monitoring of the required standards and documentation of these checks will also provide guidance to continue to improve performance.

Any customer who has submitted a Work Request or was impacted by ongoing construction or maintenance or had any customer service contact with ~~Doyon Utilities~~~~HCWD~~~~HCWDI~~ will be asked to complete a survey. The surveys will be submitted to the program management staff responsible for Quality Control.

These surveys, although not required, will be available for RCA review. Standard compliance will be measured by inspection and periodic testing of the distribution system, review of outage and other maintenance records as well as a customer survey that will be conducted annually.

Annually, EPA requires the preparation and mailing of a Consumer Confidence Report (CCR) to all customers of a public water system. ~~HCWD~~~~HCWDI~~~~HCWDI~~ has prepared the CCR each year since the requirement was established ~~for their current customers~~. This single report provides a snapshot of the previous year regarding water quality, results of testing during the year and any other items of interest to the customers. The CCR has also been used as a method to communicate with our customers about important upcoming events that will affect their utility. Included in the CCR are not only results of water quality tests, but, a section regarding information on the parameters used in the testing, a section informing customers who to call in the event of a problem and water conservation tips. ~~The reports have been well received by customers as well as the regulatory agencies that have received copies. The CCR has been an effective method of getting information to every consumer of our water service and based upon feedback from our customers they like what they have received and greatly appreciate the communication.~~

**Comment [jb1]:** Water quality records and test results will most likely be kept at WTP plants by LWC, while plants are still in operation. LWC will be doing all required sampling and testing of WQ

**Comment [jb2]:** We do not do any of this at FK and really do not want to operate differently than we do for sewer. We have monthly Status Meeting with our KO, COR and COR/QA/QC persons. All 3 of them bring issues, concerns and quality concerns up at these meetings, which we address, answer or set up subsequent meetings to resolve issues. I think this is redundant to our process at FK which is working well, and serves the customer well.

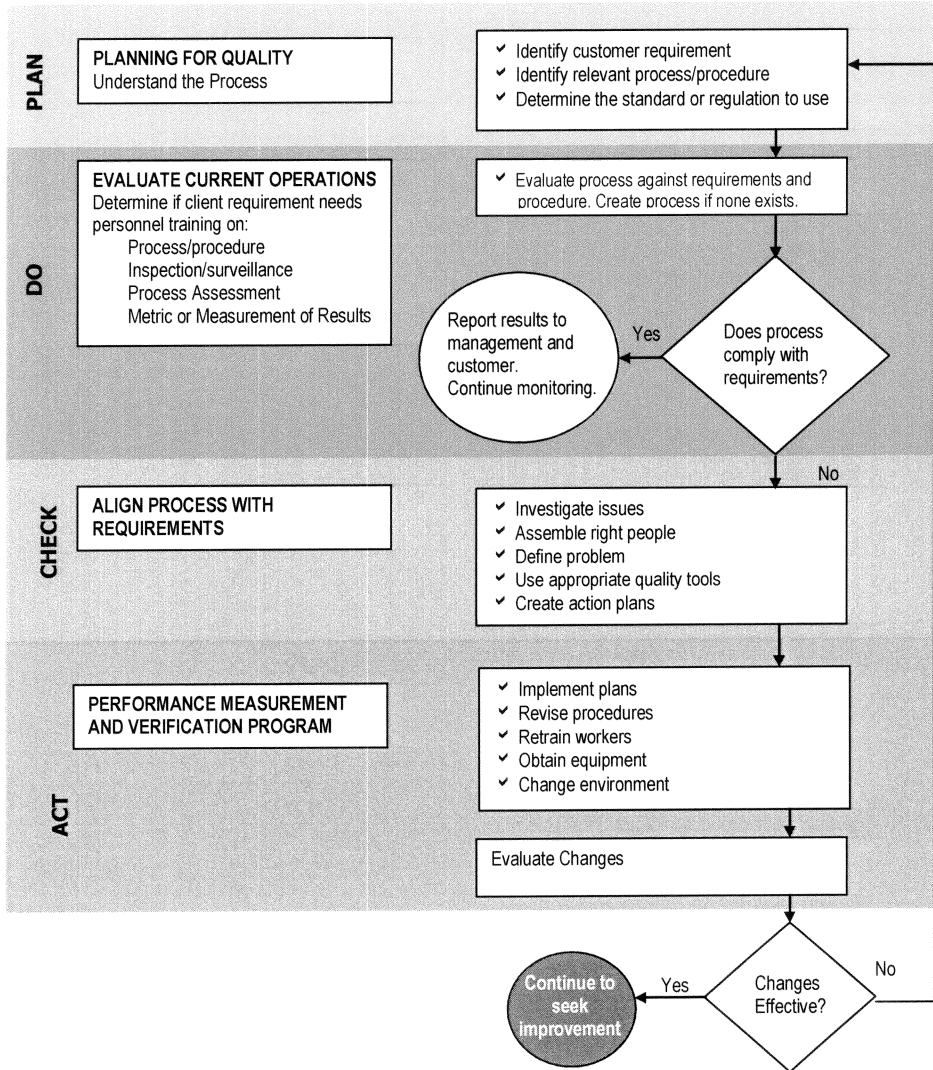
**Comment [JMG3]:** I'm not sure this is practical. At Fort Campbell they hand a survey to customers after completing service. At Fort Irwin, the Army and lead post agencies complete (MWR, AAFES, Environmental, RCI, School District). Suggest using the Fort Campbell model. I can get a copy of the survey as an exhibit if helpful.

**Comment [jb4]:** I think EPA/DOW will require a separate CCR for this system, and FK as a single customer. We do this in-house, using an outsourced software and printer/vendor. We may pay LWC for service to do this one as well. May need to talk to Jim Smith about this more

**Comment [jb5]:** From what I have read from EPA surveys, only 2% of water customers actually read their CCR. I would not put this section in.

**Exhibit 2-2**

Customer Feedback and Process Improvement is Built Into Our Quality Assurance Process



### 2.2.3 System Inspections and Quality Assessment Procedures and Techniques

Inspection schedules and surveillance checklists will be developed for each utility system maintenance and operations element described in the O&M Plan and for each major capital improvement project. An appropriate level of surveillance will be set for the performance requirements based on the number of items to inspect, how critical the Statement of Work is (based on an assessment of the risk associated with failure), and the characteristics of the item to be inspected.

Inspection schedules and checklist criteria will be reviewed and approved by the ProjectGeneral Manager prior to implementation. The completion of scheduled inspections will be conducted by an assigned inspector and tracked by the responsible supervisor. Inspections not completed within the timeframe indicated will be reassigned and the reason for not being completed researched and resolved.

Inspectors will be trained and qualified to perform the inspections they are assigned. Qualifications include having the knowledge and experience regarding the equipment or operation they are inspecting, being familiar with the inspection procedure, and having the maturity to perform their tasks in a professional manner. They will review inspection and surveillance schedules and perform assigned inspections accordingly, reporting any discrepancies or nonconformance to the responsible supervisor who will review findings and initiate corrective action as required. O&M inspectors have the authority to stop activities if they feel they violate the health, safety of plant personnel or the efficiency of operations.

Periodic audits and assessments of the utility operations and administrative functions to evaluate the level of effectiveness and implementation of procedures and processes will be established to satisfy requirements. This includes project procedures and plans developed and approved in accordance with contract requirements. Inspectors that serve as auditors will be trained in the audit process and reports of their activities and findings will be provided to the ProjectGeneral Manager. Corrective action will be taken on any findings of nonconformance. Inspectors also have the authority to stop any activity that they feel may threaten the health and safety of plant personnel or the efficiency of operations.

Major capital improvement projects inspection plans will be reviewed and approved by the ProjectGeneral Manager with input from the COTR as to the surveillance level and inspection criteria sought prior to being implemented.

For each definable feature of work established by the ProjectGeneral Manager, the following events could be included in the inspection/quality assessment:

1. Confirmation that the appropriate technical specifications are incorporated into the project delivery plan and review said specifications with the working foreman.
2. Confirmation that the appropriate contract drawings are incorporated into the project plan and review said drawings with the working foreman.
3. Verify with the working foreman that all shop drawings and submittals have been approved by the proper approving authority (including factory test results, when required).
4. Confirm with the working foreman that the testing plan coincides with the delivery plan and that adequate testing is called for to assure quality delivery.
5. Confirm definition of preliminary work required at the work site and examine the work area with the working foreman to confirm required preliminary work has been properly completed.
6. Confirm availability of required materials and equipment. Examine same with the working foreman to confirm compliance with approved submittals. Examine mock-ups and any sample work product to confirm compliance with approved submittals.

7. Review the site safety plan and activity hazard analysis with the working foreman to ensure that safety concerns are adequately addressed and applicable safety requirements have been incorporated into the plan. Confirm that the appropriate MSDSs have been identified and properly submitted.
8. Discuss with the working foreman construction methods to be employed during the remedial action. Identify checkpoints and areas of evaluation that will allow determination that the appropriate quality of construction is being achieved.

The ~~Project~~General Manager will monitor performance of all utility systems under his purview through a review of reports, operating parameters of equipment, work order status and accomplishment of Repair and Replacement projects.

#### 2.2.4 Recordkeeping Processes

~~HCWDHCWDL+HCWDL~~, Fort Knox, regulators, and other parties need timely access to specific utility information. We will implement effective tools and processes to manage information in a variety of formats and media to ensure that accurate, complete and accessible records are maintained. ~~Exhibit 2-?~~ shows the types and formats of information retained. The types of information will evolve and grow from contract award as capital improvement and renewal and replacement projects are designed, constructed, and operated.

##### ~~Exhibit 2-?~~

Types and Formats of Information

Type Information	Typical Format of Information
Utility system maps	Electronic
GIS Data	Electronic
Construction drawings	Electronic,
As-built drawings	Hardcopy
Construction specifications	Electronic
Shop drawings	Hardcopy
Maintenance schedule	Electronic
Utility system reports and studies	Electronic
Hydraulic and flow models	Electronic
Cost records and reports	Electronic
Invoices	Electronic, Hardcopy
Purchase orders	Electronic, Hardcopy
Correspondence with regulators	Hardcopy
Monthly Operations Reports	Electronic
Customer Surveys and Feedback	Electronic,
Contract Documents, Modifications	Electronic, Hardcopy
Correspondence	Electronic, Hardcopy
Inspection/Assessment Reports	Electronic, Hardcopy

As a general rule, data will be archived electronically and kept indefinitely. We will maintain backup tapes, compact disks, DVDs or other similar media at a secure offsite location. Records will be kept in accordance with State and Federal requirements, and a minimum of 2 years on-site, and then archived at an offsite storage area. As system upgrades and expansion activities take place, the system inventory and asset valuation will be updated and kept current with renewal or depreciation of the assets.

~~HCWDHCWDL+HCWDL~~ maintain this database electronically so that the asset value can be tracked on an annual basis, or more often if required.

It is anticipated that our continued maintenance and service of the utility systems will provide additional information on the location of utilities. This information will be input to the GIS and the resultant maps will be updated periodically so our maintenance crews will have up-to-date information in the field and ensure that the documented system configuration is as accurate as possible. ~~HCWD~~~~HCWD~~+1 will also provide information to allow for updates to the Installation GIS on an annual basis.

As indicated in RFP, Section C.5.1.5, ~~HCWD~~~~HCWD~~+1 will maintain record drawings for all existing and new facilities installed by ~~HCWD~~~~HCWD~~+1 within the service area. Upon reasonable request and with reasonable notice, the Government will be allowed to use and copy such drawings. ~~HCWD~~~~HCWD~~+1 will provide available drawings to the Government in the form of CAD-CAM disks using the latest release software compatible with Government systems. We will provide all updates and changes to utility system maps in both hard copy (full size) and electronic media formats to insure delineation of all contractor facilities within one year of contract award and annually thereafter as necessary.

**Comment [jb6]:** They have been asking for updates more frequently, not sure what RFP requires, but I think our sewer said every 6 months

### **2.2.5 Environmental Compliance Plan**

According to the Request for Proposal, an Environmental Compliance Plan is required for wastewater treatment systems. The transfer of assets for this proposal does not include a wastewater treatment system.

### **2.2.6 How Performance Standards and/or Specifications Will be Met**

It is our standard procedure to implement verifiable performance measures in providing utility services to our customers. Performance standards and/or specifications for the provision of the proposed utility service are highlighted in **Exhibit 2-3** and include our proposed performance standards based upon the RFP Table L-1. Upon award, ~~HCWD~~~~HCWD~~+1~~HCWD~~1 will develop benchmark standards for those metrics and submit them to the CO/COTR for review and discussion.

**Exhibit 2-?**

Proposed Performance Standards for Water System

<b>Water System</b>		
<b>MEASURE</b>	<b>PERFORMANCE INDICATOR</b>	<b>PROPOSED STANDARD</b>
<b>Quality</b>	System will remain in compliance with the State of Kentucky permit requirements.	In compliance 100% of the time.
<b>Reliability</b>	Provide water distribution services to all customers 24/7.	Restore temporary water service within 4 hours.
<b>Recurring and Preventative Maintenance</b>	Percentage of preventive maintenance work orders completed versus scheduled.	Spend more time on PM work to decrease CM work. >90% completed as scheduled.
<b>Sampling/ Analysis</b>	QA/QC compliance; Performance evaluation testing utilizing blind samples.	100% pass rate with all sample results within the specified recovery percentile.
<b>Maintaining System Pressure</b>	Deliver water at the systems normal operating pressure and according to AWWA standards.	Within proposed AWWA standards.
<b>Demand and Distribution Capacity</b>	Water hydrant flushing, establish annual valve exercise program, establish PM program for pumps.	Hydrants and valves will be tested at least once annually. Annually perform vibration testing, performance analysis, and lubricate within manufacturer's recommended standards.
<b>Water Storage Requirements</b>	Storage tank water elevation report.	Storage tank water elevation consistently maintained above fire storage level.
<b>Fire Flow Capacity/ Duration</b>	Provide at the system's normal operating pressure and AWWA standards.	Consistent water pressure to meet fire demands.
<b>Corrosion Control (To Include Cathodic Protection)</b>	Corrosion control system kept in working order (if applicable) Metal loss on coupons placed at strategic locations in system.	Check anode test stations annually (if applicable).
<b>Minimization of Leaks and Losses</b>	Leak and/or burst length of line; number per 10 miles.	10% unaccounted for water with annual reductions as pipe is replaced.
<b>Minimization of Water Use</b>	Accuracy of meter readings.	<5 % rereads per month.
<b>Safety of Government Personnel and Property</b>	Training, Accident Incident Rate.	Training in accident reduction techniques. Establish safety program. Goal of Zero OSHA recordable incidents.
<b>Service Connection Standards and Specifications</b>	Service connections installed in accordance with standards.	Compliance with Army, Fort Knox, AWWA, WEF, State of Kentucky standards.
<b>Exterior Backflow Prevention</b>	Backflow Prevention System kept in working order. Compliance with state regulations	State of <del>Alaska</del> Kentucky and Federal accepted Cross Connection Control Program.
<b>Water and Sewer Line Separation</b>	Water and Sewer line separation in accordance with State of Kentucky (KDOW) requirements.	Compliance with State of Kentucky requirements 100% of the time.
<b>New Construction Standards</b>	Standards drafted and adopted.	Compliance with Army, Fort Knox, AWWA, WEF, State of <del>Alaska</del> Kentucky standards.
<b>Commissioning Standards</b>	Not applicable	Not applicable
<b>Color Identification and Markings</b>	Color coding <u>or marking</u> of plant piping according to Industry standards.	Meet industry standards 100% of time.
<b>System Inspections</b>	Standards drafted and adopted.	System inspected annually.



**Exhibit 2-3**

## Proposed Performance Standards for Water System

<b>Water System</b>		
<b>MEASURE</b>	<b>PERFORMANCE INDICATOR</b>	<b>PROPOSED STANDARD</b>
<b>Meter and Equipment Calibration</b>	Meters and equipment operational within manufactures specs.	Calibration of major meters and equipment within manufacturer's specification. Require annual service and calibration performed by certified technician.
<b>Service Interruption Frequency</b>	Provide water distribution services to all customers 24/7. Maximum of 8 hours of system-wide outage per year.	Provide water distribution services to all customers 24/7. Maximum of 4 hours of system outage per year.
<b>Operating Permits</b>	Operated under appropriate permits.	Operated under appropriate permits. Zero violations
<b>Employee Certifications</b>	Training and certifications.	Meet Qualifications and Certifications required by the State of <del>Alaska</del> <u>Kentucky</u> 100% of the time.

### 2.2.7 Other Standards and Specifications

The following standards and specifications (not established in the RFP) are applicable to the utility services that ~~HCWD~~~~HCWD~~~~HCWD~~ will apply in providing utility services to Fort Knox.

- Kentucky State Plumbing law, Regulations & Code
- Kentucky Building Code
- ~~Uniform Plumbing Code~~National Electric Code 2005 Edition

### 2.2.8 Process for Implementation of Government Requested Facility Expansions

~~HCWD~~~~HCWD~~~~HCWD~~ will provide water service to any facility as requested by the Army at Fort Knox. The process flow chart that describes how ~~HCWD~~~~HCWD~~~~HCWD~~ will implement expansions to the utility systems is show in Exhibit 2-?

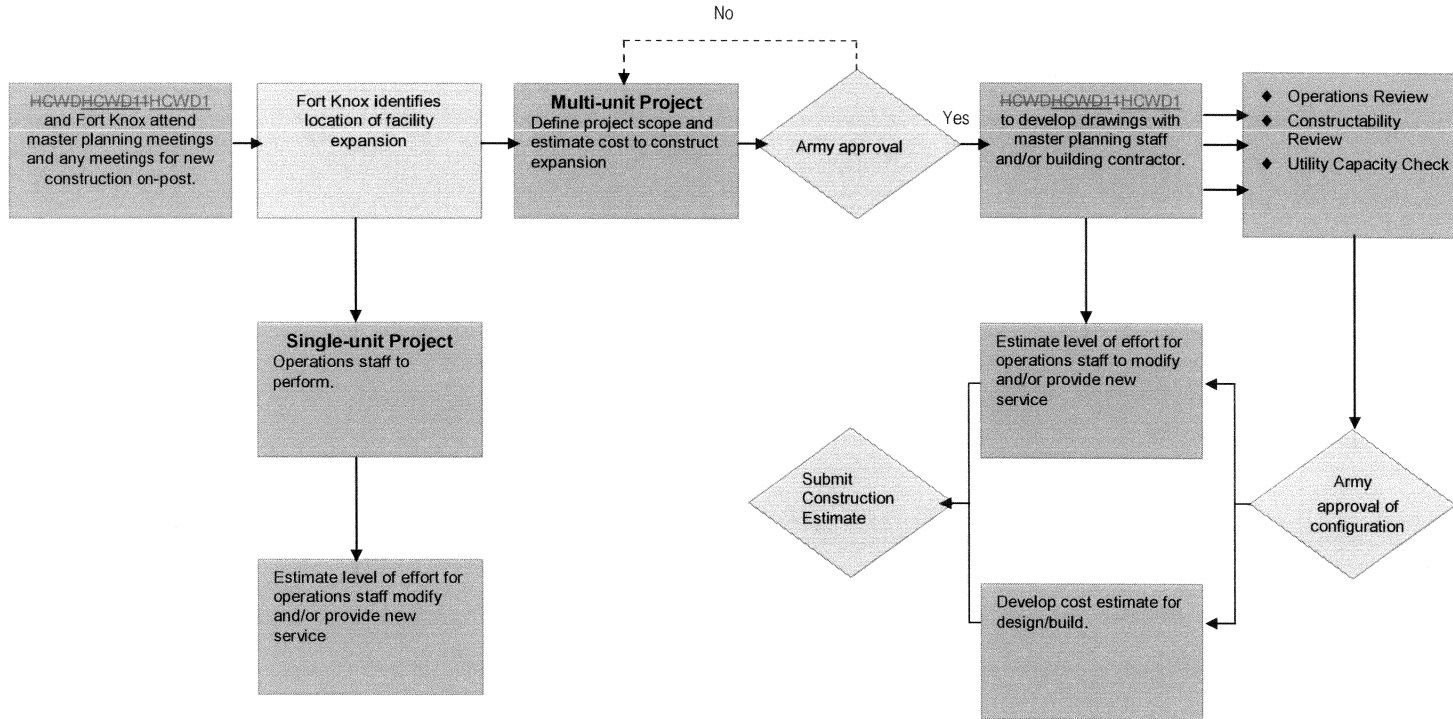
The primary drivers for facility expansion are upgrades to the system to serve new Army-requested facilities. ~~HCWD~~~~HCWD~~~~HCWD~~ staff will meet regularly with Fort Knox planning and engineering staff to coordinate and account for new facilities that are planned for construction and any new service connections or disconnections required. When Fort Knox adds a new project to the 5-year Master Plan for the Post, ~~HCWD~~~~HCWD~~~~HCWD~~ will categorize each project to determine whether it can be managed by the on-site operations staff or whether the size of the project warrants initiating a full-scale capital upgrade project team. The two size categories include the following:

**1. Single Unit Project**—Requests for new connections will be handled by our engineering and operations staff. ~~HCWD~~~~HCWD~~~~HCWD~~ staff will review each application and provide approval once a checklist is completed that provides information on where the new service will attach to; and when construction will take place so a ~~HCWD~~~~HCWD~~~~HCWD~~ inspector can be on-site to inspect the work by the contractor; and what are the proposed materials of construction, backfill, and restoration plans for existing sidewalks, curb and gutters, and paving sections. The operations staff will be responsible for interacting with the contractor and making the service connection to the existing system. Depending upon if the tenant is Fort Knox or a private contractor, time spent by operations staff on new connections projects will be tracked for compensation.

**2. Multi-unit or “Development” Project**—When Fort Knox undertakes a major development, such as a new barracks complex or a set of office buildings; ~~HCWD~~~~HCWD~~~~HCWD~~ will engage a capital upgrade project team to facilitate expansion of the utility systems. New construction projects will be accounted for by periodic reviews of the Fort Knox Master Plan for both short- and long-term planning horizons. ~~HCWD~~~~HCWD~~~~HCWD~~ staff will meet regularly with Army planning and engineering staff at the base to receive the latest information on the construction schedules for new facilities. ~~HCWD~~~~HCWD~~~~HCWD~~ will design the new utility facilities and manage the construction with an on-site supervisor. ~~HCWD~~~~HCWD~~~~HCWD~~ will coordinate with the Master Planning department and the general contractor for the multi-unit project to obtain drawings, develop cost estimates, and share information. The process flowchart in Exhibit 2-? shows the three phases of project development, including defining scope, design, and finalizing cost.

Exhibit 2-?

New Connection Process Flowchart



We understand that the Government will provide us with an annual update to the 5-year Master Plan for the Post. Such improvements will require a separate a contract modification. Changes in the use of facilities or new facilities at Fort Knox will drive the need for expanded utility system capacity. In addition to design and construction of new utility facilities, HCWDHCWD+HCWDI will estimate water demands to size any new service infrastructure based on projected construction data provided by Fort Knox. The plan then will include these projects to accommodate the future uses due to the expansion, alteration, and upgrade of the facilities at Fort Knox. New demands and new sources will be added to the water hydraulic models respectively to determine the effect of multi-unit projects.

HCWDHCWD+HCWDI will make the provision of utility service to Fort Knox as *invisible* as possible. We understand that Fort Knox will periodically identify a new requirement such as a service connection that we have not priced into our proposal. In these cases, we will use our partnering relationship with Fort Knox to continue meeting its mission requirements—working to define requirements, designing, financing, and constructing such connections through our annual planning process. HCWDHCWD+HCWDI will seek cost-effective ways to provide system enhancements, while ensuring the availability and reliability of high-quality services.

New service connections and special requirements will be provided and directly billed to the Army or the new user as requested. New connection charges will include actual costs for the installation of any service.

### 2.2.9 Compliance with Applicable Environmental, Safety, and OSHA Laws and Regulations

HCWDHCWD+HCWDI will oversee the environmental and safety component with qualified and trained personnel to ensure compliant day-to-day operations. The key objectives of our environmental and safety program include compliance, environmental stewardship, and sustainability. HCWDHCWD+HCWDI will provide policies and procedures to support these environmental objectives.

Upon award of the contract, we will develop a comprehensive regulatory strategy plan that will identify all state and local regulatory and policy issues that may impact the utility privatization, along with the specific approaches to effectively address and manage these issues. Exhibit 2-17 summarizes the environmental regulatory programs that apply to Fort ~~Greely~~Knox, including program applicability and regulating agency.

The operator certification for both the water treatment and water distribution systems will be in accordance with the KDOW operator certification program for the state of ~~Kennucky~~Kentucky. The system rating will determine the level of certification the operators must possess. It is our policy that all operators working on the water treatment or distribution system will attain and maintain their required certifications as a condition of employment. Periodic continuing education credits are required and those training sessions are reported and approved by the KDOW.

Drinking water standards will be maintained in accordance with the EPA and KDOW guidance on drinking water. Routine testing of water quality will be performed by the assigned treatment plant operators as well as testing by a state accredited lab. Water quality will be monitored by HCWDHCWD+HCWDI and that information will be provided to the Government representatives at Fort Knox. An annual water quality report (CCR) will be prepared and distributed to all water consumers at Fort Knox as required by the EPA.

**Asbestos Containing Materials and Lead-Based Paints.** Any ACM or LBP contained in the buildings, structures, equipment and appurtenances designated for transfer under this contract will be addressed in accordance with personnel Safety and Health requirements. The ACM and LBP abatement activities and the management of wastes generated during the abatement activities will be conducted in accordance with the applicable regulations.

**Spills and Releases.** We will take precautions to prevent oil and hazardous material spills or releases due to our activities associated with the operation and maintenance of the utilities. We will also conduct any response action and reporting in accordance with the Post SPCC Plan, and applicable regulations. We will

Comment [jb7]: Should this say LWC?

Comment [jb8]: I do not think we will be doing this monitoring inside buildings? Should this say only painted water structures or treatment buildings?

Use of this sheet is subject to the regulations on the title page of this proposal.

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comply with all Emergency Planning and Community Right-to-Know Act (EPCRA) and will submit all requested information to Fort Knox's compliance office.

### 2.2.9.2 Safety and OSHA Compliance

~~HCWD~~~~HCWD1~~~~HCWD1~~ brings a strong commitment to safety. The physical and procedural safety standards and systems currently employed at Fort Knox were not seen during our site visit. During transition, we will conduct a review of current procedures. At this time, we are recommending to adopt Fort Knox's safety systems. Our safety procedures comply with the most stringent regulations.

The safety strategy recommended in this section consists of several distinct activities:

- Implement a comprehensive Safety Management program
- Develop a site-specific Safety and Health Plan, with safety procedures and systems to support ~~HCWD~~~~HCWD1~~'s safety program
- Train employees at all levels in regards to OSHA requirements (requirements (29 CFR 1910 General Industry and 29 CFR 1926 Construction)
- Promote individual responsibility for Safety and Health standards in every task

#### 2.2.9.2.1 Safety Management

~~HCWD~~~~HCWD1~~~~HCWD1~~ is committed to sound safety management principles that promote a zero accident philosophy inherent in all phases of work. The objective of safety management is to integrate safety, health, and environmental protection into all work practices at all levels of the job task. The approach to a sound safety management program must include integrating safety into all aspects of the work.

~~HCWD~~~~HCWD1~~~~HCWD1~~ will accomplish this objective by:

- (1) Ensuring that employees take complete ownership of the Safety and Health Program; and
- (2) Involving employees in the work planning process, development of the Safety and Health Program, and development and updating of procedures.

The Safety and Health Program will be tailored to site-specific activities and is essential to the success of this project. The program is used as a resource to help us accomplish our mission while integrating it into all levels of management and work practices to ensure the protection of workers, the public, and the environment.

Safety leadership starts with the total commitment to safety. With this commitment, ~~HCWD~~~~HCWD1~~~~HCWD1~~ will achieve excellence in all safety and health areas. It is imperative that employees take ownership of the Safety and Health program in order to obtain zero accidents and zero environmental incidents. Our ~~Project General Manager~~ ~~team~~ is accountable for protecting the environment and the safety and health of every worker at the site. The safety and health of workers and the public are protected by identifying, analyzing, and mitigating hazards and implementing effective work practices. We will not compromise safety for the sake of any other objective.

~~HCWD~~~~HCWD1~~~~HCWD1~~ has the following responsibilities to its employees:

- (1) The first responsibility is to involve all employees in the task or job, including planning, hazard identification, pre-job hazard briefing, and all aspects of the task or job performance.
- (2) The responsibility of management is to ensure that all employees (labor, planners, supervisors, QA, and Safety and Health) are involved in all aspects of the job or task at hand. Management ensures that all work is performed within the controls that have been identified and continually reviews the job for any new hazards. Management will assign only qualified and appropriately trained personnel to perform the job or task.

**Comment [jb9]:** To direct to say GM is accountable, would prefer to say the team, as individual employees and supervisors will be accountable for day to day and task specific standards?

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(3) The responsibilities of Safety and Health personnel are to review implementation of the safety program, to provide guidance on the selection and use of safe work practices, and to help identify, analyze, and mitigate hazards. Safety and Health personnel will be vigilant in providing oversight of work activities and will provide technical support and professional knowledge to the personnel performing the job.

There are several avenues that ~~HCWD~~~~HCWDI~~~~HCWDI~~ will use in order to accomplish improvements in our safety program:

- Initial walk down of work site to understand what issues are present.
- The generation of a site specific Safety and Health Plan that is tailored to the needs of the Fort Knox work site and the implementation of revisions to the Safety and Health Plan that may be needed to address new or unrecognized work activities.
- The training of employees on the requirements and information included in the Safety and Health Plan as well as other mandated training.
- Regularly scheduled site/work area inspections that can lead to quick hazard identification and therefore control of these hazards.
- The hazard abatement Job Hazard Analysis/Pre-Job Hazard Briefing (JHA/PJHB) process which will need the input of all persons involved in the work being planned.
- Gathering and utilizing employee feedback to continually improve our processes.
- Employee empowerment-employees have stop work authority if safety or gross violations of work requirements occur.

By using the above mentioned procedures, ~~HCWD~~~~HCWDI~~~~HCWDI~~ strives to continuously improve working conditions for employees, lower operating costs for employers, and maintain a workplace that is socially responsible.

#### **2.2.9.2.2 Safety and Health Plan**

We will develop a complete site-specific Safety and Health Plan during transition, before transfer of full O&M responsibility from the Government. The Safety and Health Plan will establish the work practices necessary to ensure the safety of all personnel throughout the contract, and will include provisions for accident prevention strategies consistent with Army (applicable sections of USACE Safety and Health Requirements Manual No. 385-1-1), OSHA and ~~State Department of Labor requirements~~ Kentucky OSHA Program. Risk issues will be identified and included in our preliminary safety action plan and will be further developed during operations. This safety action plan will identify deficiencies, assign responsibilities, and mandate timelines for completion. We will maintain our Safety and Health Plan current throughout the contract and submit updates annually as they occur to the CO.

All project operations will be performed in accordance with applicable sections of OSHA Standards, 29 Code of Federal Regulations (CFR) 1910 and 29 CFR 1926, United States Department of Defense, United States Army Regulations, and all other applicable policies and procedures incorporated into the contract for this work activity. All personnel, subcontractors, and visitors will be required to comply with the requirements of the Safety and Health Plan.

At a minimum, the Safety and Health Plan will include a discussion of:

- Safety Requirements and Systems
- Hazard Assessment and Control
- Personal Protective Equipment
- Personnel Medical Surveillance
- Project Appearance and Housekeeping

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### ***Safety Requirements and Systems***

The ~~Project~~General Manager will select a Project Safety Team Lead from the onsite staff. This individual will have sufficient experience and desire to train and enforce ~~HCWDHCWD+HCWDI~~ safety program. This position will be a part-time responsibility encompassing approximately 10 to 20 percent of one position. Typically, a senior O&M person on staff will fill the Project Safety Team Lead role. Duties of the Project Safety Team Lead include leading a safety team composed of representatives from the O&M staff, preparing safety tailgate briefings, conducting monthly safety audits of the water facilities, assisting with job hazard analyses, following up on any unsafe conditions cited, investigating safety-related incidents, and coordinating with the Health and Safety Manager for project oversight and accountability of the project safety program. The Project Safety Team Lead is required to stop any activity conducted by the ~~HCWDHCWD+HCWDI~~ staff that does not conform to our safety standards. Additionally, the Project Safety Team Lead has the authority to recommend disciplinary actions to the ~~Project~~General Manager for staff who do not comply with our safety standards.

The project safety team will consist of the Project Safety Team Lead and at least two or three volunteer members that represent a cross-section of the project team. They will determine trends, review and investigate incidents/accidents, schedule training, review unsafe acts and conditions, and conduct monthly project walk-through inspections.

The Fort Knox utility systems will be required to comply with all regulatory health and safety laws and any other local administration agency rules. We will develop specific safety requirements in each of the following areas, at a minimum:

- Confined space procedures and training
- Asbestos training
- Machine guarding
- Hazard Communications
- Inspections of safety and emergency equipment
- Personal protective equipment
- Walking and Working Surfaces
- Electrical Safety
- Security monitoring at booster and lift stations
- Housekeeping
- Bloodborne Pathogens
- Control of Hazardous Energy
- Excavation Safety
- Welding, Burning, and Hotwork
- Hazardous Material Safety
- Fall Protection
- Fire Protection
- Material Handling and Storage
- Hand and Powered Portable Tools
- Compressed Gases

Prior to start of work, the supervisor will complete a pre-job hazard briefing with all employees who are involved in the work activities. This briefing will be used to discuss the work to be performed, to identify the hazards, and to discuss the controls (e.g., procedures, permits, PPE) involved with the safe performance of work. This briefing will also serve as a forum for which employees can provide additional input on safe work performance by discussing lessons learned from prior experiences.

Because hazards contribute to accidents, injuries, and occupational illnesses, it is important to identify all hazards. Examples of hazards commonly associated with jobs are the following:

- 
- The worker can be struck by, or strike against, or otherwise make harmful contact with an object.
  - The worker can be caught in, by, or between objects.
  - The worker can slip or fall.
  - The worker can strain a muscle or joint by pushing, pulling, lifting, bending, or twisting.
  - The worker is exposed to toxic gases, vapors, fumes, or particulates.

It is the responsibility of every ~~HCWD~~~~HCWD1~~~~HCWD1~~ employee to identify and aid in the correction of all work area physical and behavioral hazards. Because each employee brings a unique set of skills and experiences to the work area, various employees can identify different potential hazards. Only through working together and combining all areas of expertise can we truly eliminate hazardous environments and behaviors. It is beneficial to look beyond the obvious hazards—at the entire environment—to discover every conceivable hazard that might exist. Note the importance of examining health hazards as well, even though the harmful effects may not be immediate (e.g., the harmful effect of inhaling a solvent or chemical dust over a long period of time).

#### ***Personal Protective Equipment***

During new employee orientation, our employees will be provided initial PPE along with introductory training on the required PPE and how to use and maintain it in a sanitary and reliable condition. The ~~Project~~General Manager and Project Safety Team Lead will ensure that each individual has the proper PPE and is trained in its use. ~~HCWD~~~~HCWD1~~~~HCWD1~~ requires that annual refresher training be conducted on the proper wear and care of the PPE. In accordance with OSHA's published proposed rule (64 FR 15402), we provide all required PPE, including footwear.

Typical PPE used by our staff for utility operations includes the following: hard hats, eye protection, face protection, steel-toed shoes and rubber boots, level 'B' chlorine protective suits, ear protection, uniforms (long sleeve), rain suits, rubber gloves, electrical gloves, and rubber aprons.

We assume that no safety-related equipment will be provided by the Government. Therefore, we intend to purchase the following equipment, as a minimum, for the Fort ~~Greely~~~~Knox~~ facility:

- ~~Portable gas monitors for confined space work~~Excavation/Trench Safety,
- PPE as mentioned above,
- ~~Confined space equipment~~Fall Protection,
- Traffic control equipment (cones, barricades),
- Site-specific training tools (videos, training courses), and

#### ***Project Appearance and Housekeeping***

One of the key issues in ensuring a safe and orderly work place is to maintain the facilities in a manner that always promotes safety. A work place that lacks proper housekeeping invites accidents and poor performance to standards. In ~~HCWD~~~~HCWD1~~~~HCWD1~~, proper housekeeping is required so that facilities are free of debris and equipment is properly maintained to minimize the potential for on-site accidents. Because even office environments are the sites of frequent safety incidents, our program emphasizes proper housekeeping there, as well.

#### ***2.2.9.2.3 Health and Safety Training***



Prior to commencement of site activities, the Health and Safety Manager will ensure that all new employees are informed of the nature and degree of exposure to hazards that are likely to result from performance of work activities. HCWDHCWD1+HCWD1 will accomplish this by ensuring that prior to performing any work activities all personnel entering the site have received the applicable OSHA and project-specific training required<sup>1</sup>.

As an integral part of the overall training program for the utility systems, general and site-specific safety training courses will be introduced. Specialized courses such as CPR/first aid, hazardous materials handling, confined space entry, and others will be held to ensure that a safe, accident-free work environment exists. The emphasis will be on results, not training for training's sake. At least quarterly, drills will be held regarding the use of self-contained breathing apparatus, and gas detection equipment. "Mock disasters" will be held periodically to test each employee's role in responding to specific types of emergencies such as floods, earthquakes, fires, explosions, or chemical leaks.

Because safety must be a continuous part of every employee's daily activities, it is integrated into every part of the training program. In addition to the specialized courses and drills already described, safety tips, warnings, and recommendations will be common elements of our SOPs. Special maintenance training will be held as assurance that proper tools and techniques are used at all times to avoid accident and injury.

#### **2.2.9.2.4 Responsibility for Safety and Health**

Each employee is directly responsible for ensuring their own safety as well as the safety of other team members. Employees will be dedicated to establishing a safe environment in which work is performed without injury or illness to employees, visitors, or the public by complying with all Army, federal, state, and local safety requirements, legislation, and regulations. However, the formal Health and Safety team begins with the Project Safety Team Lead who provides input into implementing HCWDHCWD1's safety program including procedures, policies, QA/QC, and planning and measurement systems.

A key aspect of our safety program is the oversight of the project by our Health and Safety Manager. The Health and Safety Manager is responsible for periodic safety assessments of the facility and follow-up reviews to ensure that all issues have been identified and addressed. He has the authority to enforce safety requirements for the HCWDHCWD1+HCWD1 staff and facilities. During the transition to privatization, a detailed safety review will be conducted, and the necessary safety equipment and facility improvements will be identified and acquired. The Health and Safety Manager will be directly involved in the start-up of the project, development of the Safety and Health Plan, and training of the employees.

As part of our standard practice, we will conduct annual safety reviews of the facility. This review will cover training records, site-specific safety plans, work environment, and work practices. A corrective action plan matrix will be finalized for a systematic approach to mitigate safety concerns in order to meet all Army, OSHA, state, and local requirements for the project.

**At a minimum HCWDHCWD1+ will implement the following training programs at Fort Knox:**

- **Confined space training**
- **Machine guarding**
- **Hazard Communications**
- **Inspections of safety and emergency equipment**
- **Personal protective equipment**
- **Walking and Working Surfaces**
- **Electrical Safety**
- **Housekeeping**
- **Bloodborne Pathogens**
- **Control of Hazardous Energy**
- **Excavation Safety**
- **Hazardous Material Safety**
- **Fall Protection**
- **Fire Protection**
- **Material Handling and Storage**
- **Hand and Powered Portable Tools**
- **Compressed Gases**
- **Safety and Health Plan.**
- **First aid/CPR training.**

**Comment [jb10]:** And will be coordinated and assisted by the Post emergency response personnel and Fire Department.

<sup>1</sup> For purposes of start-up at Fort Knox, we will initially assume that incumbent personnel have received this training until we discover otherwise.

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### 2.2.10 Opportunities for Efficiencies in Utility Operations

To ensure efficient operation of the utility systems and compliance with regulatory requirements, ~~HCWD~~~~HCWD~~~~HCWD~~ will establish process optimization goals for Fort Knox's utility systems. During preparation of this proposal, ~~HCWD~~~~HCWD~~~~HCWD~~ identified a substantial cost savings associated with replacing the capacity of the Central WTP with a commodity water supply from LWC.

#### 2.2.11 Managing and Accessing Technical Information

Technical information management will be critical in providing timely access to specific utility information. Proper record-keeping and reporting are vital to enable all parties to make knowledgeable decisions regarding capital replacement or other matters that could impact rates. Our MIS is designed to keep current and past records secure yet accessible. The types of information stored in the MIS will evolve and grow from contract award as capital improvement and renewal and replacement projects are designed, constructed, and operated.

During the transition period, we will review our approach to managing technical information with the Post to ensure it supports the mission and the Post's technical requirements. ~~HCWD~~~~HCWD~~~~HCWD~~ has established proven record and data management systems that we will provide for Fort Knox.

~~HCWD~~~~HCWD~~~~HCWD~~ will minimize hardcopy information that must be maintained on-site. Existing information that we receive from Fort Knox will be scanned and stored electronically to the maximum extent possible. As a general rule, data will be archived electronically and kept indefinitely. Hardcopy records will be kept in accordance with State and Federal requirements, and at a minimum of 5 years on-site, and then archived at an offsite storage area for at least the remainder of the contract period. Record drawings will be maintained for all existing and new facilities. As system upgrades and expansion activities take place, the system inventory and asset valuation will be updated and kept current with renewal or depreciation of the assets. ~~HCWD~~~~HCWD~~~~HCWD~~ will maintain this database electronically so that the asset value can be tracked on an annual basis, or more often if required.

Comment [JMG11]: Is this 2 or 5, in section 2.2.4 says 2 years

It is anticipated that our continued work on the utility systems will provide additional information on the location of utilities. This additional information will be input to the GIS and the resultant maps will be updated periodically so our maintenance crews will have up-to-date information in the field. Maps will be maintained and provided to the Post.

#### 2.2.12 Specialty Skills Training

As part of our quality management approach, all employees are expected to attain the highest level of certification possible on the system they operate and maintain that level of certification through continuing educational credits. Periodic training for all operators will be scheduled. In addition to seasonal construction topics, classes in such matters as confined space training, competent man training, first aid/ CPR, personal protective equipment, hazardous communication training will be offered to Fort Knox operators.

In general, the Fort Knox Utilities employees will be ~~certificated~~ certified and/or qualified operators and/or craftsmen under the KDOW operator certification. The operators will be required to not only maintain their certifications and/or qualifications as a condition of employment; they will also be required to attain the periodic continuing education credits necessary to retain their certificates or qualifications. The cost of training will be greatly reduced due to the larger pool of operators that may take advantage of the classes.

Because of the types of duties the utility workers perform, they will each be required to obtain and maintain First Aid and CPR certificates. The training will be provided by the Red Cross or other certified agency and retraining will be scheduled to prevent certificates from lapsing.

~~HCWD~~~~HCWD~~~~HCWD~~ selects and assigns personnel to work who are competent based on applicable education, training, skills, and experience. The following are the ~~Project~~ General Manager's responsibilities to ensure that personnel remain current in their training and certifications:

- Determine the necessary competence for personnel performing activities affecting quality.
- Provide training or take other actions to satisfy these needs.
- Evaluate the effectiveness of the actions taken.

- 
- Ensure that employees are aware of the relevance and importance of their activities and how they contribute to the achievement of the quality objectives.
  - Maintain appropriate records of education, training, skills, and experience.

HCWDHCWD1HCWD1 will ensure that training and certification are part of the employee's job description, annual performance review, and personal development goals.

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LWC will have full responsibility to operate the Fort Knox water treatment system. All water treatment operators will be licensed through certification by the KDOW. LWC also has a well trained resource of highly experienced employees that will serve as mentors and technical resources for LWC personnel working at Fort Knox. The availability of a large pool of highly skilled operators provides a synergistic impact to the skills of the on-site operators at Fort Knox.

### **2.2.13 Quality Awards and Certifications and Current Operating Standards and Procedure Required by the State Utility Regulatory Commission**

Industry leadership is evidenced by an organization who achieves results. Results are best verified and validated best by a group of peers. HCWDHCWD1 has been recognized as an industry leader by several state and national peer organizations. The following is a brief summary of these recognitions:

- 2008 Award of Excellence by American Water Works Association Kentucky/Tennessee Chapter
- 2007 Finalist for Wooden Bucket Award, U.S. Department of Agriculture
- 2007 Recognized as having a "Totally Optimized Water Plant" by KY Division of Water
- 2005 Selection as one of the Top 3 "Best Tasting Water" in Kentucky by the Kentucky Rural Water Association,
- 2004 Nominee for Public Water System Excellence Award by EPA Region 4
- 2003 Award of Excellence for Safety by the American Water Works Association Kentucky/Tennessee Chapter
- 2002 First Place Award for Internal Relations by American Water Works Association Kentucky/Tennessee Chapter
- 2001 Second Place Award for Marketing and Customer Relations, American Water Works Association Kentucky/Tennessee Chapter
- 2001 Recognition for Excellent Customer Service by the Kentucky Senate
- 2000 First Place Award for Marketing and Customer Relations, American Water Works Association Kentucky/Tennessee Chapter
- 2000 Design Honor Award for Fort Knox Interconnect Pump Station, American Council of Engineering Companies/Kentucky Council of Engineering Companies

This is Exhibit I.3-3, 6 pages

Table IV-2  
**Renewal and Replacement Schedule**  
 (2008\$)

This table generally follows the format included in RFP Schedule 2--Renewals and Replacements--50 YEAR SCHEDULE  
 Notes: For each inventory component/item listed in the applicable J-section inventory, clearly show the \$value of the planned R&R (if any) for each year 1-50

Item and Size	Quant	Unit	Approx Year Installed	Existing Item Service Life	First Expected Replacement Date	New Item	New Item Service Life	Rehab Year	Expected Subsequent Replacement Dates (if Any)			
									Second R&R	Third R&R	Fourth R&R	
<b>Raw Water Sources</b>												
McCracken Spring Intake	1	Each	1937	0	Decommission	Decommission						
CI Line to Otter Creek PS - 16"	2,500	LF	1937	0	Decommission	Decommission						
Otter Creek PS (Facility No. 9213) - Structure	1,701	SF	1936	0	Decommission	Decommission						
Intake /Mechanical Screen	1	Each	1953	0	Decommission	Decommission						
Pump Controls and Telemetry	1	Each	1995	0	Decommission	Decommission						
Pump No. 4 - 1,200 gpm, 150 HP	1	Each	1983	0	Decommission	Decommission						
Pump No. 9 - 2,100 gpm, 230 HP	1	Each	1983	0	Decommission	Decommission						
Pump No. 10 - 2,100 gpm, 250 HP	1	Each	2008	0	Decommission	Decommission						
Emergency Generator - 350 KW	1	Each	1981	0	Decommission	Decommission						
CI Line to Central WTP - 16-inch	11,963	LF	1937	80	2017	Ductile Iron Pipe	75					
Central WTP (Facility No 1205) - 3.5 MGD	1	Each	1937	0	Decommission	Decommission						
Central WTP (Facility No. 1205) - Structure	6,799	SF	1937	75	2012	Same as existing	75	2012				
Chemical Feed Systems (value included in Central WTP cost)				0		Decommission						
Clarifier - 3.5 MG	1	Each	1937	0	Decommission	Decommission						
Multi-Media Filters - 1 MG	3	Each	1937	0	Decommission	Decommission						
Filter Back Wash Tank - 150,000 gallons	1	Each	1978	0	Decommission	Decommission						
Clear Well No. 1 - 0.5 MG	1	Each	1937	84	2021	Same as existing	75					
Clear Well No. 2 - 2 MG - 1945	1	Each	1945	90	2035	Same as existing	75					
<b>Central WTP High Lift</b>												
Pump No. 1 & Controls - 4,850 gpm, 250 HP	1	Each	1970	44	2014	Same as existing	30				2044	
Pump No. 2 & Controls - 1,000 gpm, 70 HP	1	Each	1984	30	2014	Same as existing	30				2044	
Pump No. 3 & Controls - 1,400 gpm, 60 HP	1	Each	1984	30	2014	Same as existing	30				2044	
Filter Back Wash Pump & Controls - 5,400 gpm	1	Each	1994	0	Decommission	Decommission						
Emergency Generator - 750 KW	1	Each	1988	35	2023	Same as existing	35				2058	
<b>West Point Well Field</b>												
Well No. 1. Pump/Controls - 750 gpm, 125 HP	1	Each	1998	0	Decommission	Decommission						
Well No. 2. Pump/Controls - 750 gpm, 125 HP	1	Each	2004	0	Decommission	Decommission						
Well No. 3. Pump/Controls - 750 gpm, 125 HP	1	Each	2004	0	Decommission	Decommission						
Well No. 5. Pump/Controls - 750 gpm, 125 HP	1	Each	2002	0	Decommission	Decommission						
Well No. 6. Pump/Controls - 500 gpm, 75 HP	1	Each	2000	0	Decommission	Decommission						
Well No. 7. Pump/Controls - 750 gpm, 125 HP	1	Each	1985	0	Decommission	Decommission						
Well No. 8. Pump/Controls - 750 gpm, 125 HP	1	Each	1998	0	Decommission	Decommission						
Well No. 9. Pump/Controls - 750 gpm, 125 HP	1	Each	1998	0	Decommission	Decommission						
Well No. 10. Pump/Controls - 750 gpm, 125 HP	1	Each	1999	0	Decommission	Decommission						
Well No. 11. Pump/Controls - 750 gpm, 125 HP	1	Each	2000	0	Decommission	Decommission						
Well No. 12A. Pump/Controls - 750 gpm, 125 HP	1	Each	1985	0	Decommission	Decommission						
Well No. 12B. Pump/Controls - 750 gpm, 125 HP	1	Each	2003	0	Decommission	Decommission						
Well No. 13. Pump/Controls - 750 gpm, 125 HP	1	Each	1992	0	Decommission	Decommission						
Well Field Header - 16-inch	3,960	LF	1937	78	2015	Ductile Iron Pipe	75					
CI Line to Muldraugh WTP - 24 inch	15,840	LF	1937	82	2019	Ductile Iron Pipe	75					

Table IV-2

**Renewal and Replacement Schedule**  
(2008\$)

This table generally follows the format included in RFP Schedule 2--Renewals and Replacements--50 YEAR SCHEDULE

Notes: For each inventory component/item listed in the applicable J-section inventory, clearly show the \$value of the planned R&R (if any) for each year 1-50

Item and Size	Quant	Unit	Approx Year Installed	Existing Item Service Life	First Expected Replacement Date	New Item	New Item Service Life	Rehab Year	Expected Subsequent Replacement Dates (if Any)		
									Second R&R	Third R&R	Fourth R&R
Muldrough WTP (Facility No. 3009) - 7.0 MGD	1	Each	1941	0	Decommission	Decommission					
Muldrough WTP (Facility No. 3009) - Structure	14,860	SF	1941	0	Decommission	Decommission					
Chemical Feed Systems (value included in WTP cost)				0	Decommission	Decommission					
Clarifier No. 1 - 5.0 MG	1	Each	1998	0	Decommission	Decommission					
Clarifier No. 2 - 2.0 MG	1	Each	1998	0	Decommission	Decommission					
Multi-Media Filters - 1 MGD	7	Each	1997	75	Decommission	Decommission					
Filter Back Wash Tank - 150,000 gallons	1	Each	1978	0	Decommission	Decommission					
Clear Well - 1.0 MG	1	Each	1989	75	2064	Same as existing	75				
Sludge Lagoons	4	Each	1978	0	Decommission	Decommission					
Muldrough High Lift (Facility No. 3008) - Structure	1,840	SF	1977	75	2052	Same as existing	75				
Pump A & Controls - 3,500 gpm, 250 HP	1	Each	1984	30	2014	Same as existing	30		2044		
Pump B & Controls - 4,850 gpm, 350 HP	1	Each	1970	44	2014	Same as existing	30		2044		
Pump C & Controls - 2,200 gpm, 150 HP	1	Each	1984	30	2014	Same as existing	30		2044		
Filter Backwash Pump & Controls - 5,400 gpm	1	Each	2008	0	Decommission	Decommission					
Emergency Generator - 600 KW	1	Each	1990	35	2025	Same as existing	35				
CI Line to Cantonment Area - 24 inch	10,449	LF	1941	75	2016	Ductile Iron Pipe	75				
<b>Valves</b>											
0.75"	3	Each	1935			Included with pipe					
1"	28	Each	1935			Included with pipe					
1.25"	13	Each	1935			Included with pipe					
1.25"	3	Each	1958			Included with pipe					
1.5"	51	Each	1935			Included with pipe					
1.5"	65	Each	2005			Included with pipe					
2"	137	Each	1935			Included with pipe					
2"	33	Each	1958			Included with pipe					
2"	1	Each	2007			Included with pipe					
2"	13	Each	2008			Included with pipe					
2.5"	15	Each	1935			Included with pipe					
3"	81	Each	1935			Included with pipe					
3"	2	Each	2007			Included with pipe					
4"	76	Each	1935			Included with pipe					
4"	2	Each	1994			Included with pipe					
4"	2	Each	2007			Included with pipe					
4"	15	Each	2008			Included with pipe					
5"	2	Each	1935			Included with pipe					
6"	592	Each	1935			Included with pipe					
6"	63	Each	1958			Included with pipe					
6"	5	Each	2003			Included with pipe					
6"	3	Each	2007			Included with pipe					
6"	13	Each	2008			Included with pipe					
8"	381	Each	1935			Included with pipe					

Valves: Note--Replacement of valves will occur with pipe replacement; the cost of valves is included in pipe "New Item RCN"

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 (2008\$)

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Notes: For each inventory component/item listed in the applicable J-section inventory, clearly show the \$value of the planned R&amp;R (if any) for each year 1-50

Item and Size	Quant	Unit	Approx Year Installed	Existing Item Service Life	First Expected Replacement Date	New Item	New Item Service Life	Rehab Year	Expected Subsequent Replacement Dates (if Any)		
									Second R&R	Third R&R	Fourth R&R
8"	39	Each	1958			Included with pipe					
8"	4	Each	1994			Included with pipe					
8"	32	Each	1997			Included with pipe					
8"	9	Each	2008			Included with pipe					
10"	108	Each	1935			Included with pipe					
10"	10	Each	1958			Included with pipe					
10"	1	Each	2007			Included with pipe					
12"	52	Each	1935			Included with pipe					
12"	5	Each	1958			Included with pipe					
12"	2	Each	1994			Included with pipe					
14"	21	Each	1935			Included with pipe					
16"	15	Each	1935			Included with pipe					
20"	6	Each	1998			Included with pipe					
24"	1	Each	1935			Included with pipe					
<b>Zussman Range (Mt.Eden) - Valves</b>											
1"	4	Each	1997			Included with pipe					
1"	2	Each	2002			Included with pipe					
1.5"	1	Each	2002			Included with pipe					
4"	2	Each	1997			Included with pipe					
4"	13	Each	2002			Included with pipe					
<b>Yano Range - Valves</b>											
2"	2	Each	1990			Included with pipe					
Pressure Reducing Valves	2	Each	1990			Included with pipe					
<b>Basham's Corner - Valves</b>											
1.25"	3	Each	2004			Included with pipe					
6"	2	Each	2004			Included with pipe					
<b>Meters</b>											
Meters	50	ea	1998	35	2033	Same as existing	35				
<b>Basham's Corner - Meters</b>											
Meters	2	ea	2004	35	2039	Same as existing	35				
<b>Basham's Corner - Back Flow Preventers</b>											
Basham's Corner - Back Flow Preventers	2	ea	2004	50	2054	Same as existing	50				
<b>Pressure Reducing Station</b>											
Pressure Reducing Station	1	ea	2003	50	2053	Same as existing	50				
<b>SCADA</b>											
SCADA	2	ea	1995	20	2015	Same as existing	20				
Install New SCADA System	1	ea	2012	20	2032	Same as existing	20		2052		
<b>Automatic Transfer Switches</b>											
Install switches at Otter creek PS, Central WTP and Muldraugh HLPS	1		2011	35	2046	Same as existing	35				
<b>Well Control System</b>											
Well Control System	1	ea	1995	0	Decommission	Decommission					

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 (2008\$)

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Item and Size	Quant	Unit	Approx Year Installed	Existing Item Service Life	First Expected Replacement Date	New Item	New Item Service Life	Rehab Year	Expected Subsequent Replacement Dates (if Any)			
									Second R&R	Third R&R	Fourth R&R	
<b>Van Voorhis BPS (Facility No. 5898)</b>												
Van Voorhis BPS - Structure	1,500	SF	1995	75	2070	Same as existing	75					
Pump No. 1 & Pressure Tank - 175 gpm, 10 HP	1	ea	1995	30	2025	Same as existing	30			2055		
Pump No. 2 & Pressure Tank - 175 gpm, 10 HP	1	ea	1995	30	2025	Same as existing	30			2055		
Pump No. 3 & Pressure Tank - 175 gpm, 10 HP	1	ea	1995	30	2025	Same as existing	30			2055		
Fire Protection (Diesel Fueled) - 2,000 gpm, 125 HP	1	ea	1995	30	2025	Same as existing	30			2055		
<b>Elevated Storage Tanks (Steel)</b>												
Tank No. 1 & cathodic protection - 250,000 gallons	1	Each	1935	94	2029	Same as existing	75	2054				
Tank No. 2 & cathodic protection - 500,000 gallons												
- 1937 Tank No. 3 & cathodic protection - 500,000 gallons	1	Each	1937	92	2029	Same as existing	75	2054				
-1941 Tank No. 4 & cathodic protection - 500,000 gallons	1	Each	1941	94	2035	Same as existing	75					
- 1941 Tank No. 5 & cathodic protection - 300,000 gallons	1	Each	1941	86	2027	Same as existing	75	2052				
- 1958 Tank No. 6 & cathodic protection - 500,000 gallons	1	Each	1958	77	2035	Same as existing	75					
Tank No. 7 & cathodic protection - 500,000 gallons	1	Each	1995	75	2070	Same as existing	75	2036				
Tank No. 8 & cathodic protection - 500,000 gallons	1	Each	1997	75	2072	Same as existing	75	2037				
Tank No. 8 & cathodic protection - 500,000 gallons	1	Each	1997	75	2072	Same as existing	75	2036				
<b>DISTRIBUTION PIPE - CAST IRON</b>												
Unknown Diameter (assume 6")	1,420	LF	1935	79	2014	PVC	75					
0.75"	1,155	LF	1935	79	2014	PVC	75					
1 "	4,463	LF	1935	79	2014	PVC	75					
1.25"	4,207	LF	1935	79	2014	PVC	75					
1.5"	12,470	LF	1935	79	2014	PVC	75					
2"	28,836	LF	1935	79	2014	PVC	75					
2.5"	4,785	LF	1935	79	2014	PVC	75					
3"	9,504	LF	1935	79	2014	PVC	75					
4"	13,331	LF	1935	79	2014	PVC	75					
5"	410	LF	1935	79	2014	PVC	75					
6"	216,645	LF	1935	79	2014	PVC	75					
8"	158,064	LF	1935	79	2014	PVC	75					
8" - HR Center	4,237	LF	1935	78	2013	PVC	75					
10"	46,690	LF	1935	79	2014	PVC	75					
12"	30,122	LF	1935	79	2014	Ductile Iron	75					
14"	16,393	LF	1935	79	2014	Ductile Iron	75					
16"	3,920	LF	1935	79	2014	Ductile Iron	75					
24"	10,560	LF	1935	79	2014	Ductile Iron	75					
<b>DISTRIBUTION PIPE - DUCTILE IRON</b>												
1"	180	LF	1958	55	2013	PVC	75					
1.25"	7,076	LF	1958	55	2013	PVC	75					
1.5"	4,293	LF	1958	55	2013	PVC	75					



Table IV-2

**Renewal and Replacement Schedule**  
 (2008\$)

This table generally follows the format included in RFP Schedule 2--Renewals and Replacements--50 YEAR SCHEDULE

Notes: For each inventory component/item listed in the applicable J-section inventory, clearly show the \$value of the planned R&amp;R (if any) for each year 1-50

Item and Size	Quant	Unit	Approx Year Installed	Existing Item Service Life	First Expected Replacement Date	New Item	New Item Service Life	Rehab Year	Expected Subsequent Replacement Dates (if Any)		
									Second R&R	Third R&R	Fourth R&R
2"	11,436	LF	1958	55	2013	PVC	75				
3"	1,115	LF	1958	55	2013	PVC	75				
6"	25,835	LF	1958	55	2013	PVC	75				
8"	18,035	LF	1958	55	2013	PVC	75				
8"	4,118	LF	2007	75	2082	PVC	75				
10"	4,677	LF	1958	55	2013	PVC	75				
12"	897	LF	1958	55	2013	Ductile Iron	75				
12"	9,183	LF	1994	75	2069	Ductile Iron	75				
14"	192	LF	1958	55	2013	Ductile Iron	75				
DISTRIBUTION PIPE - TRANSITE											
1"	834	LF	1935	78	2013	PVC	75				
1.5"	1,988	LF	1935	78	2013	PVC	75				
2"	3,727	LF	1935	78	2013	PVC	75				
3"	284	LF	1935	78	2013	PVC	75				
6"	4,231	LF	1935	78	2013	PVC	75				
8"	6,472	LF	1935	78	2013	PVC	75				
10"	5,927	LF	1935	78	2013	PVC	75				
DISTRIBUTION PIPE - PVC											
1.5"	16,608	LF	2005	75	2080	PVC	75				
2"	10,698	LF	2008	75	2083	PVC	75				
3"	473	LF	2007	75	2082	PVC	75				
3"	603	LF	2008	75	2083	PVC	75				
4"	24	LF	1997	75	2072	PVC	75				
4"	334	LF	2005	75	2080	PVC	75				
4"	443	LF	2007	75	2082	PVC	75				
4"	6,368	LF	2008	75	2083	PVC	75				
6"	9,224	LF	1994	75	2069	PVC	75				
6"	7,640	LF	2003	75	2078	PVC	75				
6"	2,912	LF	2005	75	2080	PVC	75				
6"	6,372	LF	2007	75	2082	PVC	75				
6"	5,033	LF	2008	75	2083	PVC	75				
8"	10,211	LF	1994	75	2069	PVC	75				
8"	14,522	LF	1997	75	2072	PVC	75				
8"	18,915	LF	2005	75	2080	PVC	75				
8"	2,223	LF	2007	75	2082	PVC	75				
8"	4,644	LF	2008	75	2083	PVC	75				
10"	1,555	LF	1994	75	2069	PVC	75				
10"	106	LF	2005	75	2080	PVC	75				
12"	1,996	LF	1994	75	2069	Ductile Iron	75				
Zussman Range (Mt.Eden) - Pipe Material - PVC											
1"	110	LF	1997	75	2072	PVC	75				

Table IV-2

**Renewal and Replacement Schedule**  
 (2008\$)

This table generally follows the format included in RFP Schedule 2--Renewals and Replacements--50 YEAR SCHEDULE

Notes: For each inventory component/item listed in the applicable J-section inventory, clearly show the \$value of the planned R&amp;R (if any) for each year 1-50

Item and Size	Quant	Unit	Approx Year Installed	Existing Item Service Life	First Expected Replacement Date	New Item	New Item Service Life	Rehab Year	Expected Subsequent Replacement Dates (if Any)		
									Second R&R	Third R&R	Fourth R&R
1"	383	LF	2002	75	2077	PVC	75				
1.5"	60	LF	2002	75	2077	PVC	75				
4"	30,177	LF	1997	75	2072	PVC	75				
Zussman Range (Mt.Eden) - Pipe Material - PE											
1"	1,111	LF	2002	75	2077	PVC	75				
4"	13,668	LF	2002	75	2077	PVC	75				
Yano Range - Pipe Material - PVC											
2"	2,500	LF	1990	75	2065	PVC	75				
Basham's Corner - Pipe Material - PVC											
1.25"	72	LF	2004	75	2079	PVC	75				
2"	60	LF	2004	75	2079	PVC	75				
6"	256	LF	2004	75	2079	PVC	75				
<b>FIRE HYDRANTS</b>											
Fire Hydrants	600	Each	1935	40	2010	Same as existing	40			2050	
Fire Hydrants	122	Each	1935	40	2014	Same as existing	40			2054	
Fire Hydrants	83	Each	1958	40	2014	Same as existing	40			2054	
Fire Hydrants	14	Each	1997	40	2037	Same as existing	40				
Fire Hydrants	1	Each	1990	40	2030	Same as existing	40				
Fire Hydrants	2	Each	2004	40	2044	Same as existing	40				
Fire Hydrants	54	Each	2005	40	2045	Same as existing	40				
Operation & Maintenance Building	1	Each	0	75	2010	Same as existing	75				
Booster Pump Station	3.5	mgd	0	30	2011	Same as existing	30			2041	
Hypochlorite System	3.5	mgd	0	25	2011	Same as existing	25			2036	

1. Includes contractor overhead and profit, permitting, G&amp;A, and contingency.

## Fort Know Water Privatization - Meet and Greet call with Contracting Office

ATTENDEES: Jim Bruce/HCWD  
Jim Smith/LWC  
Jon Green/CH2M HILL

FROM: Jonathan M. Green

DATE: October 21, 2009

### Call Notes

21 October 2009 - 3:34 PM (Central)

**RE:** Notes from Jim ~~Bruce's~~ ~~Smith's~~ call today

- Angela Maddox Contracting Officer
- Tina Rivera
- Brian Koessel (not on call)

### Disclosure; most won't be in contract

- Any Transition or quality Control plans will be inserted in contract as opposed to included by reference
- If we have any questions during negotiations, must be submitted in writing. She said contacts have been OK to date since they have focused on schedule and not the procurement

### Other Items

- We can re-visit our proposal up to 2-weeks before final. They encouraged us to update any items needed, as it has been so long since we submitted
- Small Business certification form was not signed? Jim thought it had been. We She sent the form had information, but no signature. Process to re-submit will be included with DESC minutes to this meeting

FAR changes will have to sign acknowledgment 52.219-9 (subsections?, CH2M will do research)

- Negotiation document will be opened to track communications, and will become part of contract
- They will maintain a running Table of Contents to assist communications. This appears to consolidate our proposal.
- They will likely ask for revisions of the proposal. They will ask for final version before award
- She had questions about LWC and CH2M HILL regards to their role in the proposal. Jim explained LWC was key for the effort, and CH2M HILL would likely serve as Capital Improvement Projects construction manager for at least initial few years of contract
- She said that they need a current listing of any NOVs for all systems since proposal was tendered (since OCT 08). Jim said he thought HCWD1 had received 1 since for Radcliff WWTP operations
- If we want another site visit, we can exercise until 2-weeks before final negotiations. Must request site visit in writing to DESC
- Next step at least one, maybe two teleconferences. She asked if HCWD would have others on these calls, Jim said yes. She asked if their attorney would be on the call, Jim said no, this was not expected. She said if their attorney was on the call she would have the Government's attorney on as well.
- Depending how soon the teleconferences are complete, they would likely have a meeting at Fort Knox (tentatively week of 16 Nov 2009). This will involve technical folks from the Post.
- Jim asked about the alternate proposal, she said they are viewed as two different proposals, but she understood common aspects. She said they are very interested in the alternate proposal.
- Regarding BRAC changes (housing), one of the water tanks slated for renovation/replacement water tank has been replaced. This will require a change in the proposal as we had this replacement in CIP projects. New housing going in. Some discussion with Actus has suggested the Fort may ask HCWD to install the new sewer collection system as opposed to Actus – see about water

- Jim asked about the new legislation, Angela outlined that all questions regarding this legislation must be directed to the legal department. She explained this was not specific to Fort Knox, but routine approach to fielding this type of question.
- They indicated they want to have it (not sure what it encompasses) completed by the end of the year.

DRAFT  
Request for Proposal  
Ft. Knox Water Utility - HCWD1 Engineering Services

1. Purpose: To provide HCWD1 with a variety of engineering services in order for it to;
  - a. Comply with all start up and transition documents and requirements of Government (“USG”)
  - b. To provide on-going services (for first three years) which shall have fixed monthly fee, and provide recurring services and deliverables
  - c. To provide cost / benefit analyses of some capital projects, to determine feasibility, need, option comparisons and life cycle costs of various options, before a project is committed to or funded
  - d. To provide capital project design, bidding, oversight, construction coordination and close out services for numerous utility projects, for first three years
  - e. To provide oversight of other contracts, engineer, contractors as needed
  
2. Proposal Format: Provide three (3) copies which shall include;
  - a. Brief history of firm, experience and staffing available for all services
  - b. Section on approach to provide services - Who will do what, how work will be organized, process to ensure client satisfaction, special knowledge regarding this specific work
  - c. Other sub-contractors, firms or partners plan to engage to provide services and work
  - d. Completed form(s) providing fees, range of fees or estimates as requested
  
3. Detailed Requested Services: Following table provides more descriptive list of all services requesting a proposal for;

Item Number	Phase	Task	Deliverable(s)	Fee Format	Start / End Time	Comment
1	Transition	Create all required documents for submittal to USG as required in RFP	<p>1. Draft of each document (___#) for review by HCWD1 and LWC</p> <p>2. After comments incorporated, produce each document for filing with USG</p> <p>3. Provide as many copies as USG requires, plus 2 copies each for HCWD1 and LWC</p>	Lump sum, fixed fee for all ___ documents	Contract award date + 120 Days total	Need to review RFP and proposal documents to make list of all submittals and documents required
2	Transition	Create schedule and CPM chart of all tasks required to start up, who is doing what, when needed and other key data	<p>1. Provide an initial CPM chart showing all critical tasks. Also create spreadsheet showing resources needed, who will be responsible, other related or dependent tasks, budgeted amounts and start and end dates</p> <p>2. Update documents at least monthly until start up occurs</p>	Lump sum, fixed fee	Contract award date - 30 days until + 120 Days total	Provide draft of format before finalizing. Should include all tasks for HCWD1, LWC, CH2M and other key contractors
3	Transition	Attend bi-monthly coordination meetings	<p>Each 2 weeks during transition, attend a meeting either in Louisville or HCWD1 offices to review progress on transition and start up tasks</p> <p>Take and public minutes of each meeting</p>	Lump sum, fixed fee	Contract award date - 30 days until + 120 Days total	CH2M would set agenda, coordinate time and location of meetings, provide minutes and facilitate discussion
4	Start-up	Attend weekly coordination meetings (post start up)	<p>During first 8 weeks after start-up, attend a weekly meet on post to review problems, task progress, assignments and review additional needed tasks</p> <p>Take and public minutes of each meeting</p>	Lump sum, fixed fee	Eight meetings total	Does not include bi-monthly meetings, although one of those meetings could also serve as this meeting, if possible

Item Number	Phase	Task	Deliverable(s)	Fee Format	Start / End Time	Comment
5	On-going  (Through initial Contract term)	CIP Program Management	<p>1. Prepare quarterly updates or scorecard of progress of all capital projects, stage of each, actual to budget and overall fund cash flow</p> <p>2. Update annual CIP report for submittal to USG as required</p> <p>3. Hold monthly Capital Meetings to review progress, projects and collect data for cash flow</p> <p>4. Provide Financial Planning / CIP report and update bi-annually for report to HCWD1 Board</p>	Monthly, fixed fee	At start-up for next 36 months	Will need to collect payables info from HCWD1 staff monthly to update reports.
6	On-going  (Through initial Contract term)	Project Needs/Cost Benefit Evaluations	<p>1. For each project, evaluate cost / benefit analyses projects, to determine feasibility, need, option comparisons and life cycle costs of various options, before a project is committed to or funded. Provide Technical Memo for each report/project</p> <p>2. Some projects may require value engineering to determine least cost (life cycle costs) options for design, construction and operations.</p>	Hourly rate for these analyses. Each project would require separate task order, with an estimate of NTE fee for each project	As needed	Unable to predict how many projects this would actually be used for
7	On-going  (Through initial Contract term)	Individual Project Preliminary & Final Design	1. For each project, provide all design services to create design, construction plans & specifications, bid documents and certify final construction.	Propose % of Rural Development published fee curve	As needed	Unable to predict how many projects this would actually be used for
8	On-going  (Through initial Contract term)	Individual Project Construction Administration / Resident Representative	1. For each project, provide all bidding assistance, contract award, site inspection, document review, correspondence, resident inspection and other construction related services	Propose % of Rural Development published fee curve	As needed	Unable to predict how many projects this would actually be used for



Item Number	Phase	Task	Deliverable(s)	Fee Format	Start / End Time	Comment
9	On-going  (Through initial Contract term)	Miscellaneous engineering / management services	Could be almost anything not listed above.	Provide list of available disciplines, professionals and individuals who might be assigned to a project and their hourly rates.  Also provide travel costs in per trip (to FK water / HCWD1 office) or per mile rate	As needed	Unable to predict how many projects this would actually be used for
10	Mark-up to external subcontractors or sub-consultants	Could be other services provided by other consultants or subcontractors to CH2M, who would be hired by CH and billed to HCWD1	Could be almost anything not listed above.	Provide mark up / overhead % that would be added to actual cost billed to CH	As needed	Unable to predict how many projects this would actually be used for

4. Other Proposal Information:

- a. Agreement would be similar to Metroplex Core (attached). Would be used as beginning template
- b. Would allow for annual adjustment to fees
- c. Would be severable agreement
- d. Would need to limit to maximum monthly billing fee (due to limited USG government payment to HCWD1)
- e. See Metroplex agreement for other terms and conditions that would most likely be required in the agreement

Task	Description	Page
1) Standard Operating Procedures	"Standard Operating Procedures (SOPs) will be tailored to Fort Knox and address all aspects of service interruption..... SOPs developed for facility will also incorporate emergency operating conditions"	I-1/I-29
2) Computerized Maintenance Management System (CMMS)	"All preventive maintenance (PM) activities will be tracked through HCWD1's CMMS, as described in Subfactor 2."	I-2/I-26
3) Coordination of Activities	"After contract award, HCWD1 will review existing plans at Fort Knox and develop final operating procedures for water service coordination at the Post. For example, routine meetings with the master planners and engineers will ensure timely provision of water service to new facilities."	I-6
4) Emergency Response Plan	"During the first 120 days of the contract, HCWD1 will identify the critical systems required to operate through emergencies"	I-12
5) Vulnerability/Threat Assessment	"Since an effective Catastrophic Loss Plan must be site specific, HCWD1 will complete this site-specific assessment during the first 120 days of the contract"	I-19/I-28
6) Annual flushing program	"An annual fire hydrant flushing and testing program will be initiated to ensure the highest level water quality is delivered to our Fort Knox customers."	I-21
7) Operational Water Strategies	"PM scheduling, predictive maintenance, inventory management, water tank maintenance, water distribution system"	I-22
8) Preventive Maintenance	"Upon award, HCWD1 will start by creating a Master Equipment List."..... HCWD1 will establish a "baseline" condition for each critical piece of equipment identified....	I-24
9) Service Quality Benchmarks	"For this contract, HCWD1 will draft an initial set of benchmarks"	I-27/I-45
10) Cellular Telephones/Auto Dialers	"HCWD1 will equip each work crew in the field, supervisors, and other key personnel with cellular telephones.... Auto dialers will be deployed as a key part of the communication plan."	I-28
11) Engineering and Renewal and Replacement Program	"Our approach will provide a Project Engineering Manager..."	I-28
12) O&M Manuals	"Our O&M Manuals will be developed by the operations staff"...	I-29
13) Customer Feedback	"Monthly meetings with the CO/COTR and other identified stakeholders will be held to review customer satisfaction and metric performance."	I-41
14) System Inspections and Quality Assessment	"Inspection schedules and surveillance checklists will be developed for each utility system maintenance and operations element described in the O&M Plan and for each major CIP."	I-42
15) Record Keeping/MIS	"We will implement effective tools and processes to manage information in a variety of formats and media..."	I-44/I-54
16) Environmental Compliance	"Upon award of the contract, we will develop a comprehensive regulatory strategy plan that will identify all state and local regulatory and policy issues"	I-47
17) Safety Program	"Implement a comprehensive safety management program and site-specific Health and Safety Plan. Also, Project Safety Team"	I-49
18) Annual Capital Improvement Plan	"Each year, an Annual Plan will be developed. The first Annual Plan will rely upon information developed as part of the system characterization studies."	I-65/I-74
19) Periodic Studies	"HCWD1 will conduct periodic system studies..."	I-73
20) Transition Plan Activities	See schedule following I-76	I-76

## Fort Knox Program Management Price by Element (TCI)

Chargeable Tasks, All Budgets, without Budget Subtotals, without Period Subtotals, without Estimating Frequency S

Task	Hours	Labor	Labor Subtotal	Expense	Subs	Travel	G&A	Subtotal	User Defined 1 D
<b>Top Task T1 - Transition</b>									
T1.01 - Transition Document Prep	307.00	50,500.00	50,500.00	3,000.00	0.00	4.00	0.00	53,504.00	0.00
T1.02 - Schedule and CPM	95.00	16,760.00	16,760.00	400.00	0.00	0.00	0.00	17,160.00	0.00
T1.03 - Bi-monthly Coord Mtgs	89.00	15,690.00	15,690.00	500.00	0.00	0.00	0.00	16,190.00	0.00
T1.04 - Weekly Coord Mtgs	67.00	11,700.00	11,700.00	500.00	0.00	0.00	0.00	12,200.00	0.00
<b>Subtotal for T1</b>	<b>558.00</b>	<b>94,650.00</b>	<b>94,650.00</b>	<b>4,400.00</b>	<b>0.00</b>	<b>4.00</b>	<b>0.00</b>	<b>99,054.00</b>	<b>0.00</b>
<b>Top Task T2 - CIP Program Management</b>									
T2.05.01 - Quarterly Updates	168.00	23,100.00	23,100.00	500.00	0.00	0.00	0.00	23,600.00	0.00
T2.05.02 - Annual CIP report	246.00	39,990.00	39,990.00	500.00	0.00	0.00	0.00	40,490.00	0.00
T2.05.03 - Monthly Capital Meetings	612.00	108,840.00	108,840.00	1,830.00	0.00	0.00	0.00	110,670.00	0.00
T2.05.04 - Financial Planning/CIP report and update biannual report to HCWD1 Board	264.00	46,140.00	46,140.00	500.00	0.00	0.00	0.00	46,640.00	0.00
<b>Subtotal for T2</b>	<b>1,290.00</b>	<b>218,070.00</b>	<b>218,070.00</b>	<b>3,330.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>221,400.00</b>	<b>0.00</b>
<b>Grand Total</b>	<b>1,848.00</b>	<b>312,720.00</b>	<b>312,720.00</b>	<b>7,730.00</b>	<b>0.00</b>	<b>4.00</b>	<b>0.00</b>	<b>320,454.00</b>	<b>0.00</b>

# **Hardin County Water District 1**

## **Technical and Engineering Support for Fort Knox Water System Privatization**

### **Purpose**

The purpose of this proposal is to provide Hardin County Water District 1 (HCWD1) with a variety of engineering services in order to comply with the requirements of the United States Government (USG) for the start-up and transition of the Fort Knox Water System.

### **Project Approach**

CH2M HILL has organized the project approach into three major phases, as follows:

- Transition Support
- Capital Improvement Plan Program Management
- On-Call Technical Assistance

#### **PHASE 1 - TRANSITION SUPPORT**

##### **Task 1 -Submittals**

CH2M HILL will prepare the following submittals in accordance with HCWD1's proposal to the USG:

- **Standard Operating Procedures (SOPs).** Standard Operating Procedures (SOPs) include instructive guidelines for startup, shutdown, and emergency operations. Each SOP includes safety notes, warnings, and cautions. For clarity and to facilitate comprehension, the SOPs will also include tables, diagrams, and drawings as appropriate. The SOPs will be tailored to Fort Knox and address different aspects of service interruption. These SOPs outline specific procedures for each type of interruption, as well as contingency plans for restoration of services. SOPs developed for the facility will also incorporate emergency operating considerations
- **Emergency Response Plan.** During the first 120 days of the contract, HCWD1 will identify the critical systems required to operate through emergencies. A plan will be developed to address essential water functions through emergency power supply and redundant systems. Based on state and national standards, HCWD1 will refine our ERP annex in preparing for and responding to a wide range of possible experiences, such as: accidents and personnel emergencies; raw water quality contamination; chemical spills and leaks; equipment and process failure; power failure; fires; flooding, hurricanes, and severe weather; tornadoes ; earthquakes; strikes; terrorist threats and civil unrest.

- **Service Quality Benchmarks.** CH2M HILL will draft an initial set of benchmarks developed specifically for this project in the form of performance metrics and will establish goals for continuous improvement of the systems. The goal of this process will be to measure HCWD1's success at delivering continuous service to Fort Knox in an efficient manner and with a high degree of customer satisfaction.
- **Engineering and Renewal and Replacement Program.** CH2M HILL will update the Engineering and Renewal and Replacement Program originally prepared in HCWD1's proposal for the Fort Knox Water System.
- **Operation and Maintenance (O&M) Manuals.** The purpose of the O&M Manual is to consolidate data on the background, principles, and purpose for equipment in the system. The Manual will provide the staff with a clear understanding of the system goals and objectives, and will serve as a single reference source for locating the information and approaches necessary to successfully operate the system. The O&M Manual will be a valuable resource for the staff, especially when faced with operating processes that are not frequently employed, or to refresh their understanding of system operating limitations.
- **Environmental Compliance.** CH2M HILL will develop a regulatory strategy plan that identifies state and local regulatory and policy issues that may impact the utility privatization, along with the specific approaches to effectively address and manage these issues.
- **Annual Capital Improvement Plan.** CH2M HILL will update the Initial System Deficiency List based on the results on the initial system studies and recommendations from HCWD1 and LWC.

CH2M HILL's level of effort assumes that Louisville Water Company will prepare the Standard Operating Procedures (SOPs) and Operation and Maintenance (O&M) Manuals for the Water Treatment Facilities. CH2M HILL will review the documents prepared by LWC and assemble them with the SOPs and O&M Manuals developed by CH2M HILL for the distribution and storage systems.

### **Task 2 - Create Schedule and CPM Chart**

CH2M HILL will create a schedule in MS Project. The schedule will include a Critical Path Method Gantt chart showing all critical tasks, resources, responsible charge for each task, related and dependant tasks, budgeted amounts and start and end dates.

The schedule will be prepared prior to HCWD1's acquisition date and will be updated monthly for four months. CH2M HILL will provide a draft of the schedule for HCWD1 review prior to final adoption.

### **Task 3 - Attend Semi-monthly Coordination Meetings with HCWD1 and LWC**

CH2M HILL will send one representative to attend semi-monthly meetings every two weeks for five months, which includes one month prior to contract award and four months post contract award. The purpose of this meeting is to review progress on transition and

start-up tasks. CH2M HILL will set agenda, coordinate time and location of meetings, facilitate discussions and prepare minutes. The meeting location will rotate between Louisville and Radcliff. This budget assumes attendance at 10 meetings.

#### **Task 4 - Attend Weekly Coordination Meetings with Fort Knox**

During the first eight weeks after start-up, CH2M HILL will send one representative to attend weekly meetings at Fort Knox. The purpose of the meetings will be to review problems, track progress, and determine if additional assignments or tasks are needed. This budget assumes attendance at 8 meetings.

CH2M HILL will prepare meeting minutes.

### **PHASE 2 - CAPITAL IMPROVEMENT PLAN PROGRAM MANAGER**

#### **Task 5 - CIP Program Management**

CH2M HILL will prepare the Capital Improvement Plan (CIP) for the Fort Knox water system for 36 months. CH2M HILL will prepare quarterly updates, or scorecard, of progress of all capital projects, showing the stage of each project, comparison of actual to budgeted cost, and overall fund cash flow.

CH2M HILL will prepare the annual CIP report for submittal to the USG as required. CH2M HILL will hold monthly meetings to review progress, projects and collect data for cash flow reports.

CH2M HILL will provide a financial planning report and update semi-annually for report to HCWD1 Board. The financial planning report will be in a spreadsheet format similar to the report used for the Fort Knox wastewater system.

### **PHASE 3 - ON-CALL TECHNICAL ASSISTANCE**

#### **Task 6 - Project Needs/Cost Benefit Evaluation**

CH2M HILL will prepare cost/benefit analyses for individual projects as requested by HCWD1. The analysis will evaluate the project feasibility, need, option comparisons and life cycle cost analysis. The task can also include a value engineering task to determine the least cost (life cycle) option for the project. The analysis will be summarized in a technical memorandum.

This work will be performed on an hourly rate basis with a "not-to-exceed" fee established by HCWD1 prior to commencement. CH2M HILL will notify HCWD1 when the budgeted fee is 90 percent spent.

### **Task 7 - Preliminary and Final Design**

CH2M HILL will provide preliminary and final design services for individual projects. This task includes preparation of constructions plans and specifications, bid documents, and certification of final completion.

This task will be authorized on an individual project basis once joint agreement by HCWD1 and CH2M HILL has been reached defining the project scope and fee. For those projects that CH2M HILL performs, the fee will be less than the published percentages shown in Rural Development Fee Curve. The fee will be based on the estimated construction cost at the beginning of the preliminary design phase. The fee will be developed based on the complexity of the project and required level of coordination with Fort Knox.

### **Task 8 - Construction Administration/Resident Representation**

CH2M HILL will provide construction administration/resident representation for individual projects. This task includes bidding assistance, contract award, site inspection, document review, correspondence, resident inspection and other construction related services.

This task will be authorized on an individual basis once joint agreement by HCWD1 and CH2M HILL has been reached defining the project scope and fee. For those projects that CH2M HILL performs, the fee will be less than the published percentages shown in Rural Development Fee Curve. The fee will be originally set based on the awarded bid price and will be adjusted based on the actual construction cost at the completion of the project. The fee will be developed based on the complexity of the project and required level of coordination with Fort Knox.

### **Task 9 - Miscellaneous engineering/management services**

With over 25,000 employees, CH2M HILL has a vast cadre of professionals that can provide a full range of services, including planning, design, construction and operation of water systems. The hourly rates developed for this proposal include several job classifications that will comprise the majority of the anticipated work for Hardin County Water District. If other services are needed, hourly rates will be submitted on an individual project basis to HCWD1 for approval.

Travel expenses will be billed at cost with no mark-up. CH2M HILL uses the standard mileage rate established by the Internal Revenue Service.

### **Task 10 - Mark-up to external subcontractors or sub-consultants**

CH2M HILL will apply a 10 percent mark-up for services contracted through sub-consultant and/or subcontract agreements.

## **Project Staff**

CH2M HILL has extensive experience in the privatization of water utilities at government facilities. CH2M HILL is the owner and operator of the water systems as Fort Campbell and



Fort Irwin and has assisted several municipal utilities in their acquisition of similar facilities on US Army bases. In order to provide the best service to HCWD1, we plan to use a combination of local staff from our Louisville office in conjunction with our staff that has direct experience working with the USG on similar projects. For the purpose of this proposal, we have identified the following key team members and their roles:

**David Hackworth, Principal-In-Charge.** David Hackworth is located in the Louisville Office and is a Vice-President with CH2M HILL. He led CH2M HILL's team in the development of Hardin County Water District 1's proposal to the USG for the Fort Knox water system. He will ensure that CH2M HILL provides the necessary resources to provide excellent service to HCWD1.

**Jerry Anderson, Senior Technical Consultant.** Jerry Anderson is also located in the Louisville Office and is a senior technologist in the water business group and serves as Chair of the AWWA Distribution and Plant Operation's Division. Jerry will be the senior project manager and technical resource for this project. He will develop and oversee the capital improvement plans.

**Jon Green, Senior Operations Specialist.** Jon Green is a Privatization and O&M specialist and was the Senior Project Manager for the Fort Irwin Water and wastewater Systems. This included managing all aspects of the startup at Fort Irwin. Mr. Green also was the Project Manager, and led the start-up for the operations at the Department of Energy Oak Ridge Tennessee site. Jon was an integral team member in the development of HCWD1's proposal to acquire the Fort Knox Water System. Jon Green will assist in preparing the submittals identified in Task 1.

**Robert Neath, Senior Technical Consultant,** is currently the Program Manager for the Fort Campbell and Fort Irwin water and sewer utilities. He was formerly the engineering manager for the Fort Campbell project and was also an integral team member in the preparation of the proposal for HCWD1. Robert will provide technical assistance to Jerry Anderson during the transition period.

**Rich Tomko, Project Manager** is located in our Louisville office and is a project manager for water and wastewater design projects. Although Jerry Anderson will serve as the primary contact for the program, Rich provides additional support for project design management.

## **Cost of Services**

Tasks 1 - 4 will be paid as lump sum amounts and will be billed monthly on a percentage completion basis. Task 5 will be billed monthly and adjusted in January 2011 and each year thereafter based on the Private Industry Compensation Cost Index published by the Bureau of Labor Statistics. The fee for Tasks 6 -9 will be determined on an individual project basis based on the guidelines discussed above.

<b>Task</b>	<b>Fee</b>
Task 1 -Submittals	\$53,504 Lump Sum
Task 2 - Create Schedule and CPM Chart	\$17,160 Lump Sum
Task 3 - Attend Bi-monthly Coordination Meetings	\$16,190 Lump Sum
Task 4 - Attend Weekly Coordination Meetings	\$12,200 Lump Sum
Task 5 - CIP Program Management	\$ 6,150 monthly fee with annual escalation
<b>Total</b>	<b>\$ 320,454 (2010 dollars)</b>

## Hourly Rate Schedules

The hourly rates for 2010 are shown below for several job classifications that will comprise the majority of the anticipated work for Hardin County Water District No. 1. If other services are needed, hourly rates will be submitted to HCWD1 for approval. The hourly rates will be adjusted in January 2011 and each year thereafter based on Private Industry Compensation Cost Index published by the Bureau of Labor Statistics.

<b>Classification</b>	<b>Hourly Rate</b>
Principal In Charge	\$185
Senior Technical Consultant	\$180
Senior Project Manager	\$180
Operation and Maintenance Specialist	\$170
Project Manager	\$150
Project Engineer	\$120
Staff Engineer	\$ 95
Administrative Assistant	\$ 60
Co-op	\$ 50

## Fort Knox Program Management Level of Effort



Chargeable Tasks, All Budgets, without Budget Subtotals, without Period Subtotals,  
without Estimating Frequency Subtotals

Name	Functional Category	Hours	Rate	Amount	Notes
<b>Top Task T1</b>					
<b>Task T1.01 - Transition Document Prep</b>					
Cheval, Jennifer	Admin	24.0	60.00	1,440.00	
Kolodzinski, Sonda R.	Admin	3.0	60.00	180.00	
Green, Jonathan Mitchell	O&M Specialist	160.0	170.00	27,200.00	
Hackworth, David	Principal	16.0	185.00	2,960.00	
Neath, Robert J	Senior Project Manager	24.0	180.00	4,320.00	
Anderson, Jerry L	Senior Technologist	80.0	180.00	14,400.00	
<b>Subtotal for T1.01 - Transition Document Prep</b>		<b>307.0</b>		<b>50,500.00</b>	
<b>Task T1.02 - Schedule and CPM</b>					
Kolodzinski, Sonda R.	Admin	3.0	60.00	180.00	
Hackworth, David	Principal	4.0	185.00	740.00	
Neath, Robert J	Senior Project Manager	8.0	180.00	1,440.00	
Anderson, Jerry L	Senior Technologist	80.0	180.00	14,400.00	
<b>Subtotal for T1.02 - Schedule and CPM</b>		<b>95.0</b>		<b>16,760.00</b>	
<b>Task T1.03 - Bi-monthly Coord Mtgs</b>					
Kolodzinski, Sonda R.	Admin	3.0	60.00	180.00	
Hackworth, David	Principal	6.0	185.00	1,110.00	
Anderson, Jerry L	Senior Technologist	80.0	180.00	14,400.00	
<b>Subtotal for T1.03 - Bi-monthly Coord Mtgs</b>		<b>89.0</b>		<b>15,690.00</b>	
<b>Task T1.04 - Weekly Coord Mtgs</b>					
Kolodzinski, Sonda R.	Admin	3.0	60.00	180.00	
Anderson, Jerry L	Senior Technologist	64.0	180.00	11,520.00	
<b>Subtotal for T1.04 - Weekly Coord Mtgs</b>		<b>67.0</b>		<b>11,700.00</b>	
<b>Subtotal for T1</b>		<b>558.0</b>		<b>94,650.00</b>	
<b>Top Task T2</b>					
<b>Task T2.05.01 - Quarterly Updates</b>					
Cheval, Jennifer	Admin	48.0	60.00	2,880.00	
Kolodzinski, Sonda R.	Admin	12.0	60.00	720.00	
Hackworth, David	Principal	12.0	185.00	2,220.00	
Anderson, Jerry L	Senior Technologist	96.0	180.00	17,280.00	
<b>Subtotal for T2.05.01 - Quarterly Updates</b>		<b>168.0</b>		<b>23,100.00</b>	
<b>Task T2.05.02 - Annual CIP report</b>					
Cheval, Jennifer	Admin	24.0	60.00	1,440.00	
Kolodzinski, Sonda R.	Admin	12.0	60.00	720.00	
Hackworth, David	Principal	6.0	185.00	1,110.00	
Neath, Robert J	Senior Project Manager	24.0	180.00	4,320.00	
Anderson, Jerry L	Senior Technologist	180.0	180.00	32,400.00	
<b>Subtotal for T2.05.02 - Annual CIP report</b>		<b>246.0</b>		<b>39,990.00</b>	
<b>Task T2.05.03 - Monthly Capital Meetings</b>					
Kolodzinski, Sonda R.	Admin	12.0	60.00	720.00	
Hackworth, David	Principal	24.0	185.00	4,440.00	
Anderson, Jerry L	Senior Technologist	576.0	180.00	103,680.00	
<b>Subtotal for T2.05.03 - Monthly Capital Meetings</b>		<b>612.0</b>		<b>108,840.00</b>	
<b>Task T2.05.04 - Financial Planning/CIP report and update biannual report to HCWD1 Board</b>					
Kolodzinski, Sonda R.	Admin	12.0	60.00	720.00	
Hackworth, David	Principal	12.0	185.00	2,220.00	

## Fort Knox Program Management Level of Effort



Chargeable Tasks, All Budgets, without Budget Subtotals, without Period Subtotals,  
without Estimating Frequency Subtotals

Name	Functional Category	Hours	Rate	Amount	Notes
Anderson, Jerry L	Senior Technologist	240.0	180.00	43,200.00	
<b>Subtotal for T2.05.04 - Financial Planning/CIP report and update biannual report to HCWD1 Board</b>		<b>264.0</b>		<b>46,140.00</b>	
<b>Subtotal for T2</b>		<b>1,290.0</b>		<b>218,070.00</b>	
<b>Grand Total</b>		<b>1,848.0</b>		<b>312,720.00</b>	

## Fort Knox Program Management Level of Effort



Chargeable Tasks, All Budgets, without Budget Subtotals, without Period Subtotals,  
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Hackworth, David	Principal	16.0	185.00	2,960.00	
Neath, Robert J	Senior Project Manager	24.0	180.00	4,320.00	
Anderson, Jerry L	Senior Technologist	80.0	180.00	14,400.00	
<b>Subtotal for T1.01 - Transition Document Prep</b>		<b>307.0</b>		<b>50,500.00</b>	
<b>Task T1.02 - Schedule and CPM</b>					
Kolodzinski, Sonda R.	Admin	3.0	60.00	180.00	
Hackworth, David	Principal	4.0	185.00	740.00	
Neath, Robert J	Senior Project Manager	8.0	180.00	1,440.00	
Anderson, Jerry L	Senior Technologist	80.0	180.00	14,400.00	
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<b>Task T2.05.03 - Monthly Capital Meetings</b>					
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Hackworth, David	Principal	24.0	185.00	4,440.00	
Anderson, Jerry L	Senior Technologist	576.0	180.00	103,680.00	
<b>Subtotal for T2.05.03 - Monthly Capital Meetings</b>		<b>612.0</b>		<b>108,840.00</b>	
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Kolodzinski, Sonda R.	Admin	12.0	60.00	720.00	
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## Fort Knox Program Management Level of Effort



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	<b>Subtotal for T2</b>	<b>1,290.0</b>		<b>218,070.00</b>	
	<b>Grand Total</b>	<b>1,848.0</b>		<b>312,720.00</b>	

# Additional ISDC Pricing / Estimating Summary

## February, 2011

SDC Description	Ref No.	Latest Estimate / Date Rev.	Type of Estimate	Multiplier / Adder to Add to Estimate	Source	Scope Desc Provided ?	Copy of Detailed Pricing Provided ?
System Survey/Assessment and Re-Map the Utility Systems	1	\$119,515	Direct contact with vendor, staff  (Not firm or based on final design / bids)	None  (Included in estimate)	HCWD1 (Internal staff, SDI Louisville)		
Leak Detection Survey	2	\$40,706	Direct contact with vendor  (Not firm or based on final design / bids)	None  (Included in estimate)	LWC (Staff contact)	Yes	No
Hydraulic Model	3	\$21,670 (Oct 2010)	Written, Calculated  (Not firm or based on final design / bids)	None  (Included in estimate)	HCWD1 (HDR Engineers)	Yes	
Master Flow Meters at the WTPs	4	\$24,480	Staff calculated estimate from recent installations	None  (Included in estimate)	HCWD1 (Internal staff)	Yes	
20-inch Valves	5	\$9,512					
New Raw Water from the Muldraugh WTP to 16-inch Raw Water Line Between Otter Creek PS & Central WTP	6	\$1,912,680					
Otter Creek PS	7	\$102,500					
Muldraugh HLPS	8	\$88,000					
Central WTP	9	\$58,500					
Central WTP Clearwell	10	\$1,370,000	Site visit, consultant generated	None  (Included in estimate)	HCWD1 (Horizon QA/QC)	Yes	No (Not available)
Fire Hydrants	11	\$1,800,000					
Water Storage No. 5	13	\$316,250	Site visit, consultant generated	None  (Included in estimate)	HCWD1 (Horizon QA/QC)	Yes	
Automatic Transfer Switches	14	\$22,500	Recent bid prices		HCWD1 (Bids from DATE)	No (Same as RFP Described)	Yes (HCWD1 Bid Tabulation)
Line Between Otter Creek PS & Central WTP	15	\$1,743,268					

SDC Description	Ref No.	Latest Estimate / Date Rev.	Type of Estimate	Multiplier / Adder to Add to Estimate	Source	Scope Desc Provided ?	Copy of Detailed Pricing Provided ?
Water Storage Tank No. 6	16	\$155,250	Site visit, consultant generated	None (Included in estimate)	HCWD1 (Horizon QA/QC)	Yes	
Water Storage Tank No. 8	17	\$166,750	Site visit, consultant generated	None (Included in estimate)	HCWD1 (Horizon QA/QC)	Yes	
Water Storage Tank No. 7	18	\$166,750	Site visit, consultant generated	None (Included in estimate)	HCWD1 (Horizon QA/QC)	Yes	
SCADA System	19	\$220,000 (Jan, 2011)	Staff calculated estimate from recent installations		HCWD1 (Staff, Sewell Ind Electronics)	Yes	
Distribution Pipe & Valves - Transite	20	\$951,463					
Distribution Pipe & Valves - DIP	21	\$3,710,836					
Distribution Pipe & Valves - CIP HR Center	22	\$279,642					
Distribution Pipe & Valves - CIP	23	\$8,323,380					
Tank No. WT001	24	\$17,250					
Tank No. WT002	25	\$17,250					
Tank No. WT004	26	\$34,500					
Well Platforms - Rehab (6)	27	\$56,000					
Pump House - Rehab	28	\$7,500					
Decommission Muldraugh WTP	29	\$340,000					
Muldraugh operation--Year 1	30	\$1,088,998					
Muldraugh operation--Year 2	31	\$1,071,614					
Muldraugh operation--Year 3	32	\$1,071,614					
Muldraugh operation--Year 4	33	\$1,071,614					
Muldraugh operation--Year 5	34	\$1,071,614					



**AGREEMENT**

**BY AND BETWEEN**

**HARDIN COUNTY WATER DISTRICT No. 1**

**AND**

**CH2M HILL**

**TO PROVIDE**

**SOURCE WATER AND WATER TREATMENT CONSTRUCTION  
MANAGEMENT, TECHNICAL AND ENGINEERING SUPPORT  
SERVICES**

**AT  
FORT KNOX, KY**

**ORIGINAL**

## AGREEMENT

THIS AGREEMENT, made and entered into and effective this \_\_\_\_\_ day of \_\_\_\_\_, 2011, by and between the HARDIN COUNTY WATER DISTRICT No. 1 hereinafter referred to as the "District", and CH2M HILL, a \_\_\_\_\_ Corporation, herein after referred to as "CH2M", which terms shall include the respective officers, agents, directors, appointed officials and employees.

WITNESSETH:

WHEREAS, the District plans to undertake a project entitled "Fort Knox Water Utility Systems Construction Management, Technical and Engineering Support Services" ("the Project"), and

WHEREAS, the District desires to retain the services of CH2M to assist it in providing services relative thereto and the designing thereof as set forth in this agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

1. **GENERAL PROVISIONS:**

- a. Entire Agreement: This Agreement, together with any Task Order, or other incorporated document by reference, constitutes the entire understanding and Agreement between the parties relating to the Services provided by CH2M to the District and supersedes any and all prior Agreements whether written or oral, which may exist between the parties regarding the Services. This Agreement may be amended only by a written instrument signed by each party.
- b. Precedence: This Agreement shall take precedence over any inconsistent or contradictory provisions contained in any District issued Task Order, requisition, or notice to proceed.
- c. Governing Law: This Agreement shall be governed by, construed and interpreted in accordance with the laws of the Commonwealth of Kentucky. More particularly, any action pertaining to this Agreement taken in a court of law shall, unless otherwise prevented by law, shall be subject to venue and jurisdiction in Hardin County, Kentucky, exclusive of any and all other venues and jurisdictions.
- d. Severability: If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the provisions shall remain in full force and effect, and shall in no way be affected, impaired or invalidated and such provision will be deemed amended to conform to applicable laws so as to be valid and enforceable, or if it cannot be so amended without materially altering the intention of the parties, it will be stricken. The validity, legality and enforceability of any such provision will not in any way be affected or impaired and the remainder of this Agreement will remain in full force and effect.
- e. Dispute Resolution: In the event of dispute between the District and CH2M, said parties shall immediately enter into discussions to arrive at a mutually satisfactory

solution to said dispute. If a mutually satisfactory solution cannot be reached between CH2M and District, then all parties to this Agreement hereby knowingly, voluntarily and irrevocably agree that any disputes or conflicts in any way arising out of or relating to this Agreement shall first be mediated, by a professional mediator, based in Kentucky and mutually agreed to by both parties.

f. Appointment of Representative: Prior to the commencement of work under this Agreement, each party shall designate in writing an employee or other representative of the designating party who shall have full authority to approve changes in the Scope of Work and compensation therefore, execute written Change or Task Orders reflecting such changes, render decisions promptly, and furnish information expeditiously to the other party when necessary

g. Notices: All notices, communication and delivery under this Agreement shall be: (a) be made in writing and signed by the party giving it; (b) unless delivered in person, shall be given at the address specified below, with copies as specified below; (c) shall specify the section of this Agreement pursuant to which given; (d) shall be deemed to be given 1) if delivered in person, on the date delivered, 2) if sent by telecopier, on the date of telephonic confirmation of receipt, or 3) if mailed first class, by registered or certified mail, return receipt requested (with postage and other fees prepaid), on the date mailed; and (e) shall be deemed received 1) if delivered in person, on the date of personal delivery, 2) if telecopied, on the first (1st) business day after transmitted (if the party giving the notice, or its employee or agent, has no reason to believe that the transmission was not made or received), or 3) if so mailed, on the third business day after mailing. The addresses are as follows:

If to Hardin County, to:

Hardin County Water District No.1  
Mr. Jim Bruce, General Manager  
1400 Rogersville Road  
Radcliff, KY 40160  
Telecopier No: (270) 352-3055

With Copy To:

Skeeters, Bennett and Wilson, PLC  
Mr. David Wilson  
550 West Lincoln Trail Blvd.  
Radcliff, KY 40160  
Telecopier No: (270) 352-4626

If to CH2M, to:

CH2M Industries, Inc.  
????????????????????

With Copy To:

????????????????????

2. **MISCELLANEOUS:**

- a. Third-party Beneficiary: Nothing in this Agreement shall be construed to create in any third party or in favor of any third party any right(s), license(s), power(s) or privilege(s).
- b. Successors and Assigns: This agreement shall be binding upon, and to the benefit of the parties hereto, their successors and assigns.

3. **BASIS OF AGREEMENT:**

- a. General Project Requirements. The services and work to be performed by CH2M on behalf of the District shall generally be those required or related to technical support to the District, including performance of project design and engineering, and the monitoring and oversight of District's other contractors in support of the privatization of Water Utility Systems at Fort Knox Army Installation, Kentucky.
- b. It is understood and agreed the District's contract with the United States Government, dated \_\_\_\_\_, 20\_\_, (the "Contract") which includes all amendments, addendums, and changes to same) are referenced herein as if fully set forth in this Agreement and is attached as "ATTACHMENT A" and CH2M acknowledges and agrees that they have reviewed and have a complete understanding of this Contract and its requirements.
- c. Contract Passthrough Provisions: CH2M agrees to comply with those Federal Acquisition Regulations ("FAR's") applicable to small, minority, and disadvantaged contractors, to those applicable regulations providing for certain minimum set-aside contracts and to those provisions of the Contract mandated to be passed through to the District to CH2M to the maximum possible extent as related to CH2M's Services as defined herein.
- d. Federal Acquisition Regulation Clauses: This Agreement incorporates one or more clauses by reference which are listed in Sections "H" and "I" of the Contract and to those provisions of the Contract mandated to be passed through to the District to CH2M to the maximum possible extent as related to CH2M's Services.

**Comment [d1]:** They to delete: do we want to leave in to capture subcontractors CH2M might use? Just delete up to "and to those"?

4. **RELATIONSHIP OF PARTIES:**

- a. The parties agree that CH2M shall be an independent contractor and CH2M and their employees, subcontractors and agents shall not be an employee of the District.
- b. Subcontractors: CH2M shall not employ any Subcontractor, Supplier, or other individual or entity against whom District may have reasonable objection. District must notify CH2M of any objection to a CH2M Subcontractor, Supplier or other individual in writing with the reasons stated therein prior to any work being performed or supplies being received.
  - i. Any work performed by a CH2M Subcontractor, Supplier or other individual prior to the written notice being received by CH2M shall be paid consistent

with any work order, purchase order or other commitment without set off, reduction or recoupment for any reason whatsoever.

- ii. In addition thereto any actual increased construction or CH2M Subcontractor costs or expenses resulting from District's instructions or rejection of a CH2M subcontractor or supplier shall be shall be reimbursed to CH2M. CH2M shall not be required to employ any subcontractor, supplier or other individual or entity to furnish or perform any of the Services against whom CH2M has reasonable objection based on documented or actual prior experience with CH2M.

- c. Coordination of Subcontractors and Suppliers: CH2M shall be solely responsible for scheduling and coordinating its subcontractors, suppliers and other individuals and entities performing or furnishing any of the Services under a direct or indirect contract with CH2M.

- i. All work performed for CH2M by a CH2M subcontractor or supplier will be pursuant to an appropriate Design Sub-agreement or Construction Sub-agreement between CH2M and the subcontractor or supplier which specifically binds the subcontractor or supplier to the applicable terms and conditions of the Contract for the benefit of District.

- ii. Weston Solutions: CH2M agrees to diligently attempt to retain the services of Weston Solutions as a subcontractor for certain tasks or aspects of the work. Payment to Weston shall be included in the agreed fees paid to CH2M, and CH2M shall negotiate and enter into its own subcontractor agreement with Weston Solutions.

**Comment [d2]:** Keep Weston?

- iii. Security Clearances: All employees, subcontractors, suppliers and representatives of CH2M, performing work on this Project, in Fort Knox, Kentucky, shall provide proof of required United States Government security clearance.

**Comment [d3]:** Need to clarify exactly what we want.

- 5. **DESCRIPTIONS OF SERVICES:** CH2M is tasked to provide the District certain technical support services requested by the District to assist the District in meeting its obligations and achieving the objectives of the Contract related to the Source Water and Water Treatment Utilities serving the Ft. Knox Army Installation, Ft. Knox, Kentucky. The specific services to be performed by CH2M shall be identified and set forth in writing (the "Task Orders") mutually agreed to by the parties, which Task Orders, when issued as set forth herein shall be appended hereto and made a part of this Agreement. The services in support of such projects to be performed by CH2M, and anticipated to be commenced during the first two years of this Agreement, include the following categories:

**Comment [d4]:** HCWD will need to assist in delineating services.

- a. Construction Cost Estimates / Probable Construction Costs: Construction costs associated with the Initial Capital Upgrade plan ("Plan") are to be made on the basis of CH2M's experience and qualifications and represent CH2M's best judgment as an experienced and qualified Professional Engineer generally familiar with the construction industry. However, since CH2M has no control over the cost of construction labor, materials, equipment or services furnished by others, or over competitive bidding or market conditions, CH2M cannot and does not guarantee that

proposals, bids or actual construction costs will not vary from opinions of probable construction costs prepared by CH2M and District shall not reduce or setoff any increase from CH2M's fees as set forth herein.

b. As requested by the District for certain projects or task orders, to provide Project Design, Management, geotechnical activities, planning and environmental services and the development of the Plan for both source water and water treatment systems.

c. Performance of a Sanitary Sewer Evaluation Survey as identified in the District's Contract. This survey shall be completed within twelve (12) months of the execution of this contract.

Comment [d5]: Delete?

d. Preparation and development of a 201 Wastewater Facilities plan for the boundaries as set forth in the District's Contract, if so required by the Kentucky Division of Water, and said plan would meet or exceed the requirements of the Kentucky Division of Water.

Comment [d6]: Delete?

e. Other services in support of routine repair and replacement projects as may be requested by the District from time-to-time, including establishment of preventative maintenance programs, scheduling and prioritizing projects, procurement assistance, bid evaluations and quality control services.

f. Design of improvements and inspection related to repair and replacement activities for the source water and water treatment systems as approved by the District, including inspection, management, geotechnical, planning and environmental services.

g. Construction Management, Technical and Engineering Support Services for Routine Repair and Replacement: The support services to be performed by CH2M in support of the routine repair and replacement activities required during the term of this Agreement include:

i. Infiltration and inflow analysis using studies and other data or investigations provided by the District and or its subcontractors or engineer.

Comment [d7]: Delete?

ii. The preparation and development of design specifications and standard details for the construction and repair of the source water collection and water treatment systems.

iii. Construction management services for routine repair and replacement projects.

h. Set-Aside Contract Administration / Management: The District is required to maintain a Subcontracting Plan establishing recruiting, retaining, certification, work oversight and all reporting requirements in compliance with the subcontracting requirements set forth in Section L.6.3 of the Contract. CH2M's services include the monitoring and oversight of the District's compliance with requirements under the Contract to achieve the subcontractor set aside requirements. CH2M will also provide an updated periodic Subcontracting Plan as required by the Government from the District. Compensation for these services is set forth in Section 15(c).

Comment [d8]: They say delete, our position?

6. **AUTHORIZATION OF WORK - USE OF TASK ORDERS:** It is agreed that other than services provided for in the preceding section, all other work shall be proposed, priced, scheduled and agreed to through the use of Task Orders. The specific use and development of Task Orders shall comply with the following;
  - a. Each draft Task Order will contain a description of services to be performed, the schedule, if applicable, and the basis of compensation if compensation varies from the time and material terms and rates set forth in Section 15.
  - b. All Task Orders shall reference this Agreement and shall be subject to the terms of this Agreement except as otherwise modified in writing by mutual consent of the parties in any such Task Order.
  - c. Each approved Task Order shall be numbered consecutively, shall constitute a separate and individual undertaking, and shall define an individual set of tasks to be accomplished, which tasks define CH2M's work referred to herein as the "Scope of Services" or "Services".
7. **ADDITIONAL WORK:** Individual and additional projects outside of the scope of services above, such as maintenance of record drawings, disposition of surplus equipment, materials or facilities, and environmental impact assessments, will be approved on a task-by-task basis and shall comply with the following process;
  - a. Services for any additional services shall not begin nor shall fees accrue until a written Notice to Proceed has been given by the District to CH2M and a mutually agreed Task Order has been signed by the parties. A Notice to Proceed and Task Order shall be required for each project.
  - b. Each Task Order approving additional work shall be in writing, and shall include applicable project milestones, work schedules, complete cost estimates, estimated hours and sub-contractor costs, and the basis of compensation of CH2M. Project cost estimates may be requested by the District as either a Not to Exceed amount, a time and materials estimate, or an hourly cost estimate with or without a Not to Exceed amount.
8. **DELETION / CANCELLATION OF WORK:** The District reserves the right to omit any of the tasks identified in the Scope of Services, at any time, upon written notice to CH2M.
9. **ALLOCATION OF SERVICES & FUNDS:** The parties understand that District will be required to manage funds, which are paid to it by the Government for services provided for through the Contract, to be available for all phases, approved tasks and services, and projects. CH2M will use diligent efforts through each Contract Year to balance its Task Orders to allow sufficient funds to remain available for application to Task Orders in support of the ongoing repair and replacement of the existing systems. It is agreed that conditions that would suspend or interrupt payments to the District by the Government may require and necessitate deletion of tasks, suspension of tasks or cancellation of services provided for by CH2M.
10. **MONITORING AND EVALUATION OF SERVICES:** The District reserves the right to monitor and evaluate the progress and performance of CH2M to assure that the terms of this agreement are being satisfactorily met in accordance with the District's standards and other

applicable monitoring and evaluating criteria and standards. CH2M shall cooperate with the District relating to such monitoring and evaluation.

11. **WORK DELIVERABLES:** All documentation pertaining to any and all services and work performed, pertaining to this contract, including but not limited to: photos, videos, compact discs, studies, data, computations, reports, etc., shall be provided to the District upon request or completion of a specific Task Order. Moreover, CH2M hereby agrees that all photos, videos, studies and related data, reports and any other data completed on behalf of or pertaining to this agreement is the sole property of the District.
12. **STANDARD OF SERVICES:**
  - a. Standard of Services: CH2M agrees to perform its services in accordance with generally accepted civil engineering practices, in effect and utilized by similar firms in the United States at the time the Services are rendered, and applying methods that are generally accepted by Kentucky state and federal utility regulatory agencies and commissions such as the Kentucky Public Service Commission, Kentucky Department of Natural Resources and the federal Environmental Protection Agency.
  - b. The Services may involve the use of tests, calculations, analysis and procedures that are in a constant state of change and refinement. District recognizes that projects involving subsurface conditions, pipelines, and underground utilities may not perform as anticipated even though the Services are performed in accordance with the required level of care.
  - c. Given the difficulty in predicting the condition of a site based upon limited sampling and investigative activity, District recognizes that any statements, opinions and conclusions contained in reports or used for the purposes of parameters or guidelines for the performance by CH2M of the Services, are only meant to give approximations of the condition of the Site limited to the particular purposes for which the Site is intended, including geophysical stability, contaminant(s) and/or environmental compliance issues.
13. **WARRANTY OF SERVICES:** CH2M warrants that, if any of its completed services fail to conform to the above standard of services, as set forth in Section 12, CH2M will, provided CH2M is notified of such defective services within three years of the completion of the services, either perform corrective services of the type originally performed as may be required to correct such defective services on the same basis of compensation as which the original Service was performed or refund to District the amount paid for the defective services. Said warranty shall not preclude the District from filing a claim under the provisions of CH2M's Professional Liability Insurance, or shorten the protection offered to the District under any statute of limitations for errors and omissions for professional services within the Commonwealth of Kentucky.
14. **TERM OF AGREEMENT:** The District hereby retains CH2M to perform the services on the terms and conditions set forth herein for a term of two (2) years commencing with the effective date of this Agreement. CH2M may submit a proposal for additional three (2) years, or the number of years as requested by the District, provided that such proposal shall be submitted at least three calendar months preceding the expiration of this Agreement or any renewal thereof. The method by which a future agreement extension is proposed, and the substance of the proposal shall be determined by mutual agreement of both parties and said



methods shall be determined timely in order that CH2M shall be enabled to timely submit its proposal.

- a. Contract Year: The parties acknowledge that the scheduling of the services to be performed by CH2M is to be coordinated with the requirements of the Plan and the budgeting and funding process adopted by the District. Contract Year, for the purposes of this Agreement shall mean an increment of twelve calendar months commencing with the effective date of this Agreement, or, with the mutual agreement of the parties, an increment of twelve calendar months commencing with the Performance Start Date as defined in the Contract or such other date to which the parties may agree.

- 15. **COMPENSATION AND PAYMENTS:** The budget for all the initial agreed work shall be provided in a detailed spreadsheet and table listing all work proposed during the first two (2) years of this Agreement which will be developed in coordination with the District. The table shall separate by major tasks, projects and repairs. Each item shall include costs for design, permitting, sub-contractor costs, on-site representatives of the Consultant, materials and total and also shall include project time (length) and proposed beginning and end dates. The task orders as defined in Section 5 shall specify the basis of compensation for CH2M. Upon the District's execution of their Contract with the Government, and the development of the detailed spreadsheet and table, the District will provide CH2M a Notice to Proceed for various and numerous task orders, upon which time the work on those approved task orders may commence.

**Comment [d9]:** They said they need to "blend rates" and have "escalation clause." Our position?

- a. CH2M shall invoice for its services on the basis of its time and material for engineering study and evaluation projects at the rates set forth in Attachment B-1 to this agreement, or on a percent of construction cost basis for construction related projects at the rates set forth in Attachment B-2 to this agreement. The mutually agreed task order will identify the basis for payment to CH2M.
- b. The parties acknowledge that CH2M may adjust its rates upon thirty (30) days prior written notice to District, provided however, there shall be only one rate adjustment each Contract Year. CH2M understands and agrees that fees and rates received by the District from the Government are set for several years at a time, and any annual increase in fees by CH2M to the District may result in a corresponding decrease in amount of services or Task Orders authorized in order for the District to manage its revenues from the Government pertaining to the Contract.
- c. Regardless of the value of the services provided above and actual amount of services or tasks completed and invoiced, CH2M shall be paid a fixed amount of \$16,000 annually for services related to Set-Aside Contract Administration / Management for the first three (3) years, after which time the amount for future years will be renegotiated. This amount may be billed monthly, or once annually in advance. First payment shall be subject to initial Government payment to District for services as specified herein.

**Comment [d10]:** She says delete; our position?

- 16. **BILLING SUMMARIES AND INVOICES:** The District agrees to pay CH2M for services rendered pursuant to this agreement the sums set forth and in the manner set forth in this agreement. CH2M agrees that each payment request will include only those services completed and delivered. Each request for payment shall include a detailed breakdown of services provided to include unit prices for each unit of work delivered, task description and

the individual project name. CH2M shall provide a request for payment on or before the thirtieth (30) day of each month and no more than once for each thirty-day period.

- a. CH2M agrees to invoice the District in accordance with this agreement, but for the initial term of this agreement shall also agree to not bill the District an amount more than ~~\$75,000~~ monthly, regardless of amount of work completed. This will require CH2M to show on their invoice additional work completed, prior work completed and invoiced (but not paid) and total amount of outstanding balance of unpaid work. CH2M may then increase future invoices by an amount required to be paid for previous completed work unpaid, but more than the current month's completed work.
- b. Initial Government Payment Delay: Due to potential delays in the Government paying the District once the Contract start date is executed, CH2M agrees to not suspend work for at least ninety (90) days after the completion of the first month services are provided to the Government, and the first month that the District bills the Government. After this period has expired, CH2M shall be able to invoice the District for all services provided during this period, plus any accrued interest as provided for herein.
- c. Interest on Unpaid Amounts: The District shall pay interest at an annual rate equal to the prime rate as published in the Wall Street Journal, said rate of interest not to exceed any limitation provided by law, on payments for services billed, received and agreed to by the District, but payment not having been made for forty-five (45) calendar days of the due date, such interest being calculated from the due date of the payment. In the event the charges hereunder might exceed any limitation provided by law, such charges shall be reduced to the highest rate or amount within such limitation.
- d. Suspension of Services: If District fails to make payment for work completed within sixty (60) days after a proper monthly invoice has been received and accepted by the District, for approved work under this Agreement, CH2M may, upon fifteen (15) days written notice to District, suspend performance for only those services previously provided, billed and not paid. In the event of suspension of services, CH2M shall have no liability to District for delay or damage incurred by District because of such suspension of services.

**Comment [d11]:** They want limit changed based on "detail and scope of the potential project."

**17. INSURANCE REQUIREMENTS:**

- a. Policies described in this section shall be for the mutual and joint benefit and protection of CH2M and the District provided such policy is commercially and reasonably available in the State of Kentucky. Such policies shall contain a provision that the District shall also be entitled to recover under said policies for any loss occasioned to it, its servants, agents, citizens, and employees by reason of negligence of CH2M or its representatives or CH2M's sub-contractors. All required policies shall be primary policies not contributing to, or in excess of, policies which the District may already carry.
- b. Insurance required shall be with companies qualified to do business in the State of Kentucky with a general policyholder's financial rating of not less than "A" as set forth in the most current edition of "A.M. Best" insurance reports. Deductible

amounts as CH2M may deem to be reasonable for the project, but in no event greater than \$500,000.

**Comment [d12]:** Comfortable with this amount?

- c. No such policies shall be cancelable or subject to reduction in coverage limits or other modification except after thirty (30) days prior written notice to the District. CH2M shall not do, nor permit to be done, anything which shall invalidate the insurance policies referred to in this section. If any insurance policies referred to in this Agreement are cancelled or terminated for any reason, except for the actions or failure to act by District, the District, at its own discretion, may terminate this agreement effective immediately.
- d. CH2M shall maintain during the term of this Agreement at least the following insurance coverage's shown below, and shall require their insurance carrier to submit multiple copies of certificate(s) of insurance to District evidencing the maintenance of at least the above insurance coverage. All such certificate(s) and evidences shall be maintained throughout the course of the work and District shall be noticed in the event of changes to same. All policies shall be written through a company duly authorized by the Commonwealth of Kentucky licensed to transact that class of insurance in the Commonwealth of Kentucky.
- e. CH2M will be required to provide various type of insurance, and coverage limits as listed in table below;

Type of Coverage	Per Occurrence Coverage	Total Coverage	Other Requirements
General Liability	\$2,000,000	\$4,000,000	Claims which may arise from all operations including completed operations
Worker's Compensation Bodily Injury Accident Per Accident	\$2,000,000	NA	Shall be plan acceptable and licensed for use in the Commonwealth of Kentucky <sup>1</sup>
Worker's Compensation Disease - Policy Limit	\$2,000,000	NA	Shall be plan acceptable and licensed for use in the Commonwealth of Kentucky <sup>1</sup>
Worker's Compensation Disease - Each Employee	\$2,000,000	NA	Shall be plan acceptable and licensed for use in the Commonwealth of Kentucky <sup>1</sup>
Professional Liability	NA	\$4,000,000	Shall include errors and omissions coverage

**18. INDEMNITY:**

- a. CH2M Indemnity: CH2M shall indemnify and hold harmless District for any and all costs, expenses of any kind or nature, including but not limited to legal fees, and against all claims, demands, liability, damages, suits, actions or causes of action of every kind and nature, which may be brought or asserted against District arising out of the negligent acts, errors or omissions of CH2M or from any CH2M subcontractor,

**Comment [d13]:** They propose deleting. Position?

**Comment [d14]:** Same

**Comment [d15]:** Want to insert "to the proportionate extent."

<sup>1</sup> Worker's Compensation and Employers Liability as required by the state where services are being performed will be provided (Services may or may not be performed in Kentucky).

supplier or other individual in the performance of this Agreement. ~~The limits of~~ insurance set forth above shall not limit the liability of CH2M hereunder.

**Comment [d16]:** Proposes deleting. Our position.?

b. Owner's Indemnity: The District agrees to indemnify and save CH2M harmless from and against all claims, demands, liability, damages, suits, actions or causes of action of every kind and nature, which may be brought or asserted against CH2M arising out of the negligent acts, errors or omissions of the District or the District's sub-contractors in the performance of this agreement. The limits of insurance set forth above shall not limit the liability of the District hereunder.

**Comment [d17]:** Same comments as above

c. CH2M's and Suppliers' Remedies: Whenever any CH2M subcontractor or supplier providing services to CH2M is listed as an additional insured on the property insurance provided herein, CH2M will use diligent efforts to incorporate in any agreement with a subcontractor or supplier provisions whereby subcontractor or supplier waives all rights of recovery against District, CH2M, District's subcontractors and all other additional insured (and their officers, directors, partners, employees, agents, and other subcontractors of each party) for all losses and damages caused by any of the perils or causes of loss covered by such policies and any other property insurance applicable to the services.

d. Force Majeure: Neither the District nor CH2M shall hold the other responsible for damages or delays in performance caused by Force Majeure or other events beyond the control of the other party and which could not reasonably have been anticipated or prevented. For purposes of this Agreement Force Majeure shall include, but not necessarily be limited to, adverse weather conditions, floods, epidemics, war, riot, strikes, lockouts and other industrial disturbances; unknown site conditions, accidents, sabotage, fire, loss of permits, court orders; acts of God; acts, orders, laws or regulations of any governmental agency; other than such laws currently in effect at the time of execution of this Agreement. Should such acts or events occur, the parties to this Agreement shall mutually agree on the terms and conditions upon which the services may be continued.

19. **TERMINATION:** This agreement may be terminated by either party after thirty (30) days written notice. In the event of termination by the District, other than for reason of default under this contract, the District shall be liable to pay to CH2M only for services and expenses incurred to date of termination. In the event of termination by CH2M, other than for reason of default under this contract, CH2M shall be liable for any expenses or damages incurred to the District.

a. If District fails to make payment for work completed within forty-five (45) days after a proper Request for Payment has been received and accepted by the District, except as set forth in the payment delay provided for in Section 16.b above, for approved work under this Agreement, CH2M may, upon thirty (30) days written notice to District, suspend performance of the work. In the event of suspension of work, CH2M shall have no liability to District for delay or damage incurred by District because of such suspension of work.

b. District shall, within thirty (30) days of termination, compensate CH2M for costs incurred up to the time of termination of any Task Order, as well as those associated with termination and post-termination activities, such as demobilization, modifying schedules, reassigning personnel, relocating equipment, disposal and replacement of

consumables, but not for lost profits or other ancillary expenses except as set forth herein.

IN WITNESS WHEREOF, the parties have hereunto set their hands the day and year first above written.

By signing below both parties acknowledge that they are authorized representatives and have the authority to enter into this contract.

HARDIN COUNTY WATER DISTRICT No. 1

By: \_\_\_\_\_

Ms. William J. Rissel, Chairperson

\_\_\_\_\_  
Mr. Jim Bruce, General Manager

CH2M INDUSTRIES, INC.

By: \_\_\_\_\_  
Authorized CH2M Representative

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

NOTARY STATEMENT:

On this \_\_\_\_ day of \_\_\_\_\_, 2005, the above named person(s) personally appeared before me, and did provide evidence that they officially represent their respective parties, and that the instrument was signed on behalf of the organizations which they represent;

\_\_\_\_\_  
Notary Public, Commonwealth of Kentucky

My commission expires \_\_\_\_\_

\_\_\_\_\_  
(Print name)

\_\_\_\_\_  
Date

On this \_\_\_\_ day of \_\_\_\_\_, 2005, the above named person(s) personally appeared before me, and did provide evidence that they officially represent their respective parties, and that the instrument was signed on behalf of the organizations which they represent;

\_\_\_\_\_  
Notary Public, State of Texas

My commission expires \_\_\_\_\_

\_\_\_\_\_  
(Print name)

\_\_\_\_\_  
Date

# ATTACHMENT A

Utility Service Contract \_\_\_\_\_  
Between Hardin County Water District No. 1 and United States Government - Fort Knox, KY  
Dated: \_\_\_\_\_, \_\_\_\_\_

(FOLLOWS THIS SHEET)

# ATTACHMENT B

Table and Spreadsheet of estimated Initial Fees and Charges  
for CH2M services to be provided for under the Agreement

(FOLLOWS THIS SHEET)



ISDC No.		Labor and Materials	HCWD1 Contract Administration and Technical Support	Contract Admin/Engineering/ Inspection	Subtotal	HCWD1 G&A	Total	Quote Source
1	System Survey/ Assessment and Re-Map the Utility System	\$ 108,650	\$ 10,865		\$ 119,515	\$ 5,259	\$ 124,774	Vendor (SDI) quote
2	Leak Detection Survey	\$ 44,525	\$ 4,453		\$ 48,978	\$ 2,155	\$ 51,133	LWC estimate
3	Hydraulic Model	\$ 19,700	\$ 1,970		\$ 21,670	\$ 953	\$ 22,623	Vendor (HDR) quote
4	Mater Flow Meters at the WTP	\$ 24,480			\$ 24,480	\$ 1,077	\$ 25,557	HCWD1 estimate
5	24-inch Raw Valves	\$ 102,756		\$ 14,000	\$ 116,756	\$ 5,137	\$ 121,893	LWC estimate
6	New Raw Water Main from the Muldraugh WTP to the 16-inch Raw Water Line Between Otter Creek PS	\$ 1,663,200		\$ 249,480	\$ 1,912,680	\$ 84,158	\$ 1,996,838	CH2M HILL estimate based on LWC and HCWD1 recent unit bid prices
7	Otter Creek Pump Station	\$ 102,500	\$ 10,250		\$ 112,750	\$ 4,961	\$ 117,711	Vendor (Archway Roofing) quote and HCWD1 estimate
8	Muldraugh HLPS	\$ 88,000	\$ 8,800		\$ 96,800	\$ 4,259	\$ 101,059	Vendor (Judy Construction) quote and HCWD1 estimate
9	Central WTP	\$ 45,200	\$ 4,520		\$ 49,720	\$ 2,188	\$ 51,908	Vendor (Judy Construction) quote
10	Central WTP Clear Well	\$ 1,560,000		\$ 234,000	\$ 1,794,000	\$ 78,936	\$ 1,872,936	Horizon estimate
11	Fire Hydrants	\$ 1,800,000			\$ 1,800,000	\$ 79,200	\$ 1,879,200	HCWD1 estimate
12					deleted by Government			
13	Water Storage Tank No. 5	\$ 316,250		\$ 47,438	\$ 363,688	\$ 16,002	\$ 379,690	Horizon estimate
14	Automatic Transfer Switches	\$ 212,500		\$ 31,875	\$ 244,375	\$ 10,753	\$ 255,128	HDR Estimate
15	Pipe between Otter Creek PS and Central WTP	\$ 1,515,885		\$ 227,383	\$ 1,743,268	\$ 76,704	\$ 1,819,972	CH2M HILL estimate based on LWC and HCWD1 recent unit bid
16	Water Storage Tank No. 6	\$ 155,250		\$ 23,288	\$ 178,538	\$ 7,856	\$ 186,393	Horizon estimate
17	Water Storage Tank No. 8	\$ 166,750		\$ 25,013	\$ 191,763	\$ 8,438	\$ 200,200	Horizon estimate
18	Water Storage Tank No. 7	\$ 166,750		\$ 25,013	\$ 191,763	\$ 8,438	\$ 200,200	Horizon estimate
19	SCADA System	\$ 244,903	\$ 85,097	\$ -	\$ 330,000	\$ 14,520	\$ 344,520	Sewell quote

ISDC No.		Labor and Materials	HCWD1 Contract Administration and Technical Support	Contract Admin/Engineering/ Inspection	Subtotal	HCWD1 G&A	Total	Quote Source
20	Distribution System Pipe and Valves	\$ 951,439		\$ 142,716	\$ 1,094,155	\$ 48,143	\$ 1,142,298	CH2M HILL estimate based on LWC and HCWD1 recent unit bid prices
21	Distribution System Pipe and Valves	\$ 2,592,905		\$ 388,936	\$ 2,981,841	\$ 131,201	\$ 3,113,042	CH2M HILL estimate based on LWC and HCWD1 recent unit bid prices
22	Distribution System Pipe and Valves	\$ 161,006		\$ 24,151	\$ 185,157	\$ 8,147	\$ 193,304	CH2M HILL estimate based on LWC and HCWD1 recent unit bid prices
23	Distribution System Pipe and Valves	\$ 5,656,321		\$ 848,448	\$ 6,504,769	\$ 286,210	\$ 6,790,979	CH2M HILL estimate based on LWC and HCWD1 recent unit bid prices
24	Water Tank No. 1	\$ 15,000		\$ 2,250	\$ 17,250	\$ 759	\$ 18,009	Horizon estimate
25	Water Tank No. 2	\$ 15,000		\$ 2,250	\$ 17,250	\$ 759	\$ 18,009	Horizon estimate
26	Water Tank No. 4	\$ 30,000		\$ 4,500	\$ 34,500	\$ 1,518	\$ 36,018	Horizon estimate
27	West Point Well Field	\$ 56,000		\$ 8,400	\$ 64,400	\$ 2,834	\$ 67,234	Horizon estimate
28	Van Voohis Pump Station	\$ 7,500		\$ 1,125	\$ 8,625	\$ 380	\$ 9,005	Horizon estimate
29	Decommission Muldraugh WTP	\$ 295,700		\$ 44,355	\$ 340,055	\$ 14,962	\$ 355,017	CH2M HILL and LWC estimate
30	Muldraugh WTP Operation Year 1							CH2M HILL and LWC estimate
31	Muldraugh WTP Operation Year 2							CH2M HILL and LWC estimate
32	Muldraugh WTP Operation Year 3							CH2M HILL and LWC estimate
33	Muldraugh WTP Operation Year 4							CH2M HILL and LWC estimate
34	Muldraugh WTP Operation Year 5							CH2M HILL and LWC estimate
<b>Total</b>		<b>\$ 18,118,170</b>	<b>\$ 125,955</b>	<b>\$ 2,344,618</b>	<b>\$ 20,588,743</b>	<b>\$ 905,905</b>	<b>\$ 21,494,648</b>	