

# Rubin & Hays

ATTORNEYS AT LAW

Kentucky Home Trust Building, 450 South Third Street, Louisville, Kentucky 40202-1410  
Telephone (502) 569-7525 Telefax (502) 569-7555 www.rubinhays.com

CHARLES S. MUSSON  
W. RANDALL JONES  
CHRISTIAN L. JUCKETT

January 10, 2013

RECEIVED

JAN 14 2013

PUBLIC SERVICE  
COMMISSION

Mr. Jeff Derouen  
Executive Director  
Public Service Commission  
P.O. Box 615  
Frankfort, Kentucky 40602

Re: Adair County Water District, d/b/a Columbia/Adair Utilities District

Dear Mr. Derouen:

Enclosed please find the original and ten (10) copies of the Application of the Adair County Water District, d/b/a/ Columbia/Adair Utilities District for a Certificate of Public Convenience and Necessity to construct a project and finance same pursuant to KRS Chapter 278.

Also enclosed are eleven (11) copies of the exhibits required, **with the exception of the Plans and Specifications, prepared by Monarch Engineering, Inc., on the Project, two of which are being forwarded by said Engineers.**

If you need any additional information or documentation, please let us know.

Sincerely,

Rubin & Hays

By   
W. Randall Jones

WRJ:jl  
Enclosures

cc: Mr. Robert Flowers, Chairman  
David Bowles, P.E., Monarch Engineering, Inc.

RECEIVED

JAN 14 2013

PUBLIC SERVICE COMMISSION

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the matter of:

APPLICATION OF THE ADAIR COUNTY WATER )  
DISTRICT FOR A CERTIFICATE OF PUBLIC )  
CONVENIENCE AND NECESSITY TO CONSTRUCT )  
A WATER IMPROVEMENTS PROJECT AND TO )  
ISSUE SECURITIES IN THE APPROXIMATE )  
AMOUNT OF \$446,000 TO FINANCE SAID PROJECT )  
PURSUANT TO KRS 278.020, 278.300 AND 807 KAR 5:001 )

Case No. 2013-\_\_\_\_\_

APPLICATION

The Adair County Water District, d/b/a Columbia/Adair Utilities District (the "District"), by counsel, pursuant to KRS 278.020, 278.300 and 807 KAR 5:001, petitions the Commission for a certificate of public convenience and necessity to construct a water improvement project and to enter an order authorizing the District to issue certain securities in the approximate principal amount of \$446,000 for the purpose of financing said Project. The following information is filed in accordance with the Commission's regulations:

1. The District's office address is P.O. Box 567, Columbia, Kentucky 42728. Its principal officers are listed in its 2011 Annual Report, which is on file with the Commission;
2. The District is a non-profit water district organized under KRS Chapter 74 and has no separate articles of incorporation or by-laws;
3. A description of the District's water and sewer system and its property stated at original cost by accounts is contained in its Annual Report, which is incorporated by reference pursuant to 807 KAR 5:001 Section (5)(5). All required normal financial schedules and other data are in the Annual Report;
4. The water improvements project is described in **Exhibit "A"** attached hereto;

5. The total project cost is approximately \$446,000, as set forth in the Final Project Budget attached hereto as **Exhibit "B"**;

6. The District has obtained all easements required for the Project;

7. This service will not compete with any other utility in the area;

8. Based on these facts, the District believes that it is in the public interest that this certificate of public convenience and necessity be granted;

9. Copies of the certified bid tabulations are attached hereto as **Exhibit "C"**;

10. The following information is provided in response to 807 KAR 5:001 Section (8)(3);

a. Articles of Incorporation - None, the District is a statutorily created water district under KRS Chapter 74;

11. The following information is supplied to 807 KAR 5:001 Section (9)(2);

a. Facts relied upon to show that the Project is in the public interest: See **Exhibit "A"** attached hereto.

b. No new franchises are required. Copies of the permits are attached hereto as **Exhibit "D"**;

c. Diagrams of the proposed construction and construction specifications are contained in the Plans and Specifications on file with the Commission;

d. Three (3) maps of suitable scale showing location of the proposed facilities are filed with this Application;

e. The construction costs will be funded by a portion (\$446,000) of a Federally Assisted Wastewater Revolving Fund loan (Fund F) in the total amount of \$1,500,000 (the "DWSRF

Loan”) - see Kentucky Infrastructure Authority conditional commitment letter attached hereto as **Exhibit "E"**;

f. The estimated cost of operation of the system after construction is completed is attached hereto as **Exhibit "F"**;

12. The following information is provided as required by 807 KAR 5:001(11);

a. A general description of the property is contained in the 2011 Annual Report;

b. Financial information relating to the DWSRF Loan is attached hereto in

**Exhibit "E"**;

c. All funds are to be used in accordance with the Final Project Budget;

d. There is no property acquisition being made in connection with this Project;

e. No proceeds of the DWSRF loan will be used to refund outstanding obligations;

13. The detailed Statement of Net Assets, Statement of Revenues, Expenses and Changes in Net Assets and Statement of Cash Flows for the twelve month period ending on December 31, 2011 are attached hereto as **Exhibit "G"**.

14. The following exhibits are provided pursuant to 807 KAR 5:001(11)(2);

a. Financial Exhibit (see paragraph 15 below);

b. There are no trust deeds or mortgages applicable;

c. Maps and detailed plans are on file with the Commission. Estimated costs of property broken down by the Uniform System of Accounts is: (i) account number 311 Pumping Equipment - \$145,820; and (ii) account number 331 Transmission and Distribution Mains - \$194,030.

15. The District hereby requests and moves for a deviation, pursuant to 807 KAR 5:001, Section 14, from the requirements of 807 KAR 5:001, Section 6, which requires that the financial data filed with the Application be for a twelve (12) month period ending within ninety (90) days of the filing of the application. The District states that there has been no change that is material in nature in the financial condition or operation of the District since December 31, 2011. The financial data filed with this Application is for the twelve (12) month period ending December 31, 2011. This is the most recent published financial data available. The District's computer system cannot generate the required financial data in a timely and efficient manner and requiring the District to generate such information may cause the District to lose their favorable construction bids thereby possibly increasing the cost of the Project.

**WHEREFORE**, the Applicant, Adair County Water District, d/b/a Columbia/Adair Utilities District requests that the Public Service Commission of Kentucky take the following actions:

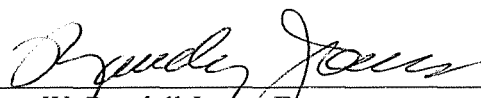
1. Authorize the issuance of the securities requested in the application;
2. Grant to the Applicant a Certificate of Public Convenience and Necessity permitting the Applicant to construct the water improvement project;
3. Grant the District a deviation, to the extent necessary, from 807 KAR 5:001, Section 6 to allow the submission of the District's 2011 Annual Report in lieu of more recent financial data, there being no material change in the data since December 31, 2011 and due to the favorable construction bids and the time required to generate such information;
4. Process this Application without a formal hearing in order to save time and expense.

The District will promptly respond to any inquiries or information requests by the Commission's staff.

Adair County Water District, d/b/a  
Columbia/Adair Utilities District

By  \_\_\_\_\_  
Chairman


Rubin & Hays

By  \_\_\_\_\_  
W. Randall Jones, Esq.  
Kentucky Home Trust Building  
450 South Third Street  
Louisville, Kentucky 40202  
(502) 569-7525

COMMONWEALTH OF KENTUCKY )  
 ) SS  
COUNTY OF ADAIR )

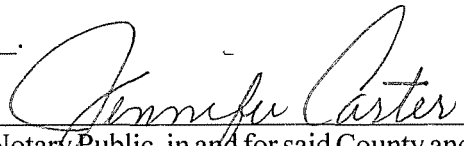
The undersigned, Robert Flowers, being duly sworn, deposes and states that he is the Chairman of the Adair County Water District, d/b/a Columbia/Adair Utilities District, Applicant; that he has read the foregoing Application and has noted the contents thereof; that the same is true of his own knowledge, except as to matters which are therein stated on information or belief, and as to those matters, he believes same to be true.

IN TESTIMONY WHEREOF, witness the signature of the undersigned on this January 7, 2013.

  
\_\_\_\_\_  
Robert Flowers, Chairman

Subscribed and sworn to before me by Robert Flowers, Chairman of the Adair County Water District, d/b/a Columbia/Adair Utilities District on this January 7, 2013.

My Commission expires 4-24-2016.

  
\_\_\_\_\_  
Notary Public, in and for said County and State





**COLUMBIA-ADAIR UTILITIES DISTRICT  
PHASE 11-2 WATER LINE EXTENSION & CONNECTOR LINES  
PROJECT DESCRIPTION NARRATIVE**

The Columbia-Adair Utilities District Phase 11-2 Water System Extensions & Improvements project consists of constructing the replacement and enlargement of a section of water line that will extend from the new tank westward toward KY HWY 80 for approximately two miles, a water line extension to serve new customers, and the construction of a new water booster pump station. The replacement of approximately 10,380 LF of 6-inch water lines with 8-inch water lines will be constructed along East 80 Russell Creek Road. Approximately 4,225 LF of 3-inch water line extension will be constructed to serve approximately 3 new customers on Lory Road. In addition, a new 250 gallon per minute water booster pump station will be constructed at the existing Shepherd Tank site to pump water towards the East 80 Russell Creek Road area.



**FINAL BUDGET**  
**PHASE 11 - 2 WATER LINE EXTENSION & CONNECTOR LINES**  
**COLUMBIA / ADAIR UTILITIES DISTRICT**  
**ADAIR COUNTY, KENTUCKY**  
**DECEMBER 2012**

**PROJECT COSTS**

|                                 |                     |
|---------------------------------|---------------------|
| DEVELOPMENT                     | \$339,850.00        |
| CONTINGENCY                     | 33,985.00           |
| ENGINEERING DESIGN (11.03%)     | 37,485.46           |
| CONSTRUCTION INSPECTION (8.48%) | 28,819.28           |
| LEGAL                           | <u>5,000.00</u>     |
| <b>TOTAL PROJECT COSTS</b>      | <b>\$445,139.74</b> |

**PROJECT FINANCING**

|                                       |                     |
|---------------------------------------|---------------------|
| STATE REVOLVING FUND LOAN             | \$267,083.84        |
| STATE REVOLVING FUND LOAN FORGIVENESS | <u>178,055.90</u>   |
| <b>TOTAL PROJECT COSTS</b>            | <b>\$445,139.74</b> |




**BID TABULATIONS**  
**COLUMBIA/ADAIR UTILITIES DISTRICT**  
**PHASE 11-2 WATER LINE EXTENSION & CONNECTOR LINES**  
**ADAIR COUNTY, KENTUCKY**  
**BID DATE: DECEMBER 13, 2012 @ 3:00 P.M. LOCAL TIME**

| ITEM NO. | DESCRIPTION                                | QUANTITY  | United Pipeline, Inc.<br>4627 Gamaliel Road<br>Tompkinsville, KY 42167 |                     | Cumberland Pipeline, LLC<br>P.O. Box 277<br>Russell Springs, KY 42642 |                     | Cleary Construction, Inc.<br>2006 Edmonton Road<br>Tompkinsville, KY 42167 |                     |
|----------|--|-----------|--|---------------------|---|---------------------|--|---------------------|
|          |  |           | UNIT PRICE   | TOTAL COST          | UNIT PRICE  | TOTAL COST          | UNIT PRICE   | TOTAL COST          |
|          | <b>BASE BID (Plan Sheets 1-6 &amp; 19)</b> |           |  |                     |   |                     |  |                     |
| 1        | 8-Inch PVC SDR 21 Water Line               | 10,400 LF | \$10.00  | \$104,000.00        | \$11.20   | \$116,480.00        | \$13.00  | \$135,200.00        |
| 2        | 3-Inch PVC SDR 17 Water Line               | 4,400 LF  | 7.00   | 30,800.00           | 6.32  | 27,808.00           | 8.00   | 35,200.00           |
| 3        | Bore & Case for 8-Inch Water Line          | 100 LF    | 100.00   | 10,000.00           | 106.10  | 10,610.00           | 140.00   | 14,000.00           |
| 4        | Directional Bore for 8-Inch Water Line     | 150 LF    | 115.00   | 17,250.00           | 95.45   | 14,317.50           | 150.00   | 22,500.00           |
| 5        | 8-Inch Gate Valve                          | 1 EA      | 1,100.00   | 1,100.00            | 1,085.00  | 1,085.00            | 1,400.00   | 1,400.00            |
| 6        | 6-Inch Gate Valve                          | 1 EA      | 790.00   | 790.00              | 765.00  | 765.00              | 900.00   | 900.00              |
| 7        | 3-Inch Gate Valve                          | 4 EA      | 565.00   | 2,260.00            | 545.00  | 2,180.00            | 675.00   | 2,700.00            |
| 8        | 3-Inch Blowoff Assembly                    | 1 EA      | 750.00   | 750.00              | 820.00  | 820.00              | 1,000.00   | 1,000.00            |
| 9        | Connection                                 | 6 EA      | 700.00   | 4,200.00            | 1,180.00  | 7,080.00            | 1,850.00   | 11,100.00           |
| 10       | Tandem Meter Setting                       | 25 EA     | 750.00   | 18,750.00           | 865.00  | 21,625.00           | 1,100.00   | 27,500.00           |
| 11       | 1-Inch Service Tubing                      | 800 LF    | 2.35   | 1,880.00            | 5.50  | 4,400.00            | 6.00   | 4,800.00            |
| 12       | 3/4-Inch Service Tubing                    | 1,000 LF  | 2.25   | 2,250.00            | 5.40  | 5,400.00            | 6.00   | 6,000.00            |
| 13       | Booster Pump Station                       | 1 LS      | 145,820.00   | 145,820.00          | 158,200.00  | 158,200.00          | 179,000.00   | 179,000.00          |
| 14       | Exploration                                | 20 HR     | 0.00   | 0.00                | 50.00   | 1,000.00            | 225.00   | 4,500.00            |
|          | <b>TOTAL BASE BID</b>                      |           |  | <b>\$339,850.00</b> |   | <b>\$371,770.50</b> |  | <b>\$445,800.00</b> |

THE ABOVE IS A TRUE AND COMPLETE TABULATION OF BIDS RECEIVED AT 3:00P.M. LOCAL TIME, THURSDAY, DECEMBER 13, 2012, AT THE COLUMBIA/ADAIR UTILITIES DISTRICT.

BY:

  
 DAVID M. BOWLES  
 BOWLES  
 15483  
 LICENSED PROFESSIONAL ENGINEER

12/14/12  
 DATE

MONARCH ENGINEERING, INC.  
 556 Carlton Drive  
 Lawrenceburg, KY 40342  
 Phone (502) 839-1310  
 Fax (502) 839-1373

**BID TABULATIONS**  
**COLUMBIA/ADAIR UTILITIES DISTRICT**  
**PHASE 11-2 WATER LINE EXTENSION & CONNECTOR LINES**  
**ADAIR COUNTY, KENTUCKY**  
**BID DATE: DECEMBER 13, 2012 @ 3:00 P.M. LOCAL TIME**

| ITEM NO. | DESCRIPTION                               | QUANTITY  | Stotts Construction Co., Inc.<br>P.O. Box 1689<br>Columbia, KY 42728 |                     | Grimes Construction Co., Inc.<br>248 Keller Road<br>London, KY 40741 |                     |
|----------|---|-----------|--|---------------------|--|---------------------|
|          |   |           | UNIT PRICE   | TOTAL COST          | UNIT PRICE   | TOTAL COST          |
|          | <b>BASE BID (Plan Sheets 1-6 &amp;19)</b> |           |  |                     |  |                     |
| 1        | 8-Inch PVC SDR 21 Water Line              | 10,400 LF | \$15.40  | \$160,160.00        | \$16.25  | \$169,000.00        |
| 2        | 3-Inch PVC SDR 17 Water Line              | 4,400 LF  | 11.30  | 49,720.00           | 8.50   | 37,400.00           |
| 3        | Bore & Case for 8-Inch Water Line         | 100 LF    | 125.00   | 12,500.00           | 150.00   | 15,000.00           |
| 4        | Directional Bore for 8-Inch Water Line    | 150 LF    | 85.00  | 12,750.00           | 225.00   | 33,750.00           |
| 5        | 8-Inch Gate Valve                         | 1 EA      | 1,600.00   | 1,600.00            | 1,400.00   | 1,400.00            |
| 6        | 6-Inch Gate Valve                         | 1 EA      | 1,200.00   | 1,200.00            | 1,000.00   | 1,000.00            |
| 7        | 3-Inch Gate Valve                         | 4 EA      | 900.00   | 3,600.00            | 825.00   | 3,300.00            |
| 8        | 3-Inch Blowoff Assembly                   | 1 EA      | 1,000.00   | 1,000.00            | 750.00   | 750.00              |
| 9        | Connection                                | 6 EA      | 1,100.00   | 6,600.00            | 2,200.00   | 13,200.00           |
| 10       | Tandem Meter Setting                      | 25 EA     | 1,050.00   | 26,250.00           | 950.00   | 23,750.00           |
| 11       | 1-Inch Service Tubing                     | 800 LF    | 7.35   | 5,880.00            | 6.00   | 4,800.00            |
| 12       | 3/4-Inch Service Tubing                   | 1,000 LF  | 7.25   | 7,250.00            | 7.50   | 7,500.00            |
| 13       | Booster Pump Station                      | 1 LS      | 155,000.00   | 155,000.00          | 155,000.00   | 155,000.00          |
| 14       | Exploration                               | 20 HR     | 300.00   | 6,000.00            | 80.00  | 1,600.00            |
|          | <b>TOTAL BASE BID</b>                     |           |  | <b>\$449,510.00</b> |  | <b>\$467,450.00</b> |

**BID TABULATIONS**  
**COLUMBIA/ADAIR UTILITIES DISTRICT**  
**PHASE 11-2 WATER LINE EXTENSION & CONNECTOR LINES**  
**ADAIR COUNTY, KENTUCKY**  
**BID DATE: DECEMBER 13, 2012 @ 3:00 P.M. LOCAL TIME**

|          |   |           | Salmon Construction, Inc.<br>P.O. Box 97<br>Mt. Washington, KY 40047 |                     | Twin States Utilities, Inc.<br>P.O. Box 14<br>Mt. Hermon, KY 42157 |                     |
|----------|---|-----------|--|---------------------|--|---------------------|
| ITEM NO. | DESCRIPTION                               | QUANTITY  | UNIT PRICE   | TOTAL COST          | UNIT PRICE   | TOTAL COST          |
|          | <b>BASE BID (Plan Sheets 1-6 &amp;19)</b> |           |  |                     |  |                     |
| 1        | 8-Inch PVC SDR 21 Water Line              | 10,400 LF | \$17.67  | \$183,768.00        | \$24.00  | \$249,600.00        |
| 2        | 3-Inch PVC SDR 17 Water Line              | 4,400 LF  | 6.24   | 27,456.00           | 20.00  | 88,000.00           |
| 3        | Bore & Case for 8-Inch Water Line         | 100 LF    | 226.50   | 22,650.00           | 185.00   | 18,500.00           |
| 4        | Directional Bore for 8-Inch Water Line    | 150 LF    | 250.00   | 37,500.00           | 150.00   | 22,500.00           |
| 5        | 8-Inch Gate Valve                         | 1 EA      | 1,427.00   | 1,427.00            | 1,300.00   | 1,300.00            |
| 6        | 6-Inch Gate Valve                         | 1 EA      | 1,000.00   | 1,000.00            | 1,000.00   | 1,000.00            |
| 7        | 3-Inch Gate Valve                         | 4 EA      | 700.00   | 2,800.00            | 800.00   | 3,200.00            |
| 8        | 3-Inch Blowoff Assembly                   | 1 EA      | 1,000.00   | 1,000.00            | 800.00   | 800.00              |
| 9        | Connection                                | 6 EA      | 2,000.00   | 12,000.00           | 2,000.00   | 12,000.00           |
| 10       | Tandem Meter Setting                      | 25 EA     | 1,125.00   | 28,125.00           | 745.00   | 18,625.00           |
| 11       | 1-Inch Service Tubing                     | 800 LF    | 4.35   | 3,480.00            | 12.00  | 9,600.00            |
| 12       | 3/4-Inch Service Tubing                   | 1,000 LF  | 4.35   | 4,350.00            | 10.00  | 10,000.00           |
| 13       | Booster Pump Station                      | 1 LS      | 251,500.00   | 251,500.00          | 195,000.00   | 195,000.00          |
| 14       | Exploration                               | 20 HR     | 250.00   | 5,000.00            | 350.00   | 7,000.00            |
|          | <b>TOTAL BASE BID</b>                     |           |  | <b>\$582,056.00</b> |  | <b>\$637,125.00</b> |

MONARCH ENGINEERING, INC.  
 556 Carlton Drive  
 Lawrenceburg, KY 40342  
 Phone (502) 839-1310  
 Fax (502) 839-1373

**BID TABULATIONS**  
**COLUMBIA/ADAIR UTILITIES DISTRICT**  
**PHASE 11-2 WATER LINE EXTENSION & CONNECTOR LINES**  
**ADAIR COUNTY, KENTUCKY**  
**BID DATE: DECEMBER 13, 2012 @ 3:00 P.M. LOCAL TIME**

| ITEM NO.                                      | DESCRIPTION                             | QUANTITY | United Pipeline, Inc.<br>4627 Gamaliel Road<br>Tompkinsville, KY 42167 |                     | Cumberland Pipeline, LLC<br>P.O. Box 277<br>Russell Springs, KY 42642 |                     | Cleary Construction, Inc.<br>2006 Edmonton Road<br>Tompkinsville, KY 42167 |                     |
|---|---|----------|--|---------------------|---|---------------------|--|---------------------|
|   |   |          | UNIT PRICE   | TOTAL COST          | UNIT PRICE  | TOTAL COST          | UNIT PRICE   | TOTAL COST          |
| <b>ALTERNATE BID NO. 1 (Plan Sheets 7-10)</b> |   |          |  |                     |   |                     |  |                     |
| 1   | 8-Inch PVC SDR 21 Water Line            | 8,300 LF | \$16.00  | \$132,800.00        | \$23.85   | \$197,955.00        | \$27.00  | \$224,100.00        |
| 2   | 8-Inch Ductile Iron Ball & Socket WL    | 1,600 LF | 200.00   | 320,000.00          | 169.46  | 271,136.00          | 260.00   | 416,000.00          |
| 3   | 8-Inch Ductile Iron CL350 Water Line    | 800 LF   | 30.00  | 24,000.00           | 40.31   | 32,248.00           | 45.00  | 36,000.00           |
| 4   | Bore & Case for 8-Inch Water Line*      | 80 LF    | 225.00   | 18,000.00           | 136.25  | 10,900.00           | 200.00   | 16,000.00           |
| 5   | Gas Line Crossing for 8-Inch Water Line | 350 LF   | 50.00  | 17,500.00           | 66.70   | 23,345.00           | 150.00   | 52,500.00           |
| 6   | 8-Inch Gate Valve                       | 6 EA     | 920.00   | 5,520.00            | 865.00  | 5,190.00            | 1,385.00   | 8,310.00            |
| 7   | 6-Inch Gate Valve                       | 1 EA     | 790.00   | 790.00              | 740.00  | 740.00              | 915.00   | 915.00              |
| 8   | 4-Inch Gate Valve                       | 1 EA     | 610.00   | 610.00              | 550.00  | 550.00              | 720.00   | 720.00              |
| 9   | Air Release Valve                       | 2 EA     | 450.00   | 900.00              | 650.00  | 1,300.00            | 760.00   | 1,520.00            |
| 10  | 8-Inch Blowoff Assembly                 | 4 EA     | 1,700.00   | 6,800.00            | 2,775.00  | 11,100.00           | 1,450.00   | 5,800.00            |
| 11  | Connection                              | 2 EA     | 700.00   | 1,400.00            | 935.00  | 1,870.00            | 2,850.00   | 5,700.00            |
| 12  | Exploration                             | 10 HR    | 0.00   | 0.00                | 50.00   | 500.00              | 225.00   | 2,250.00            |
| <b>TOTAL ALTERNATE BID NO. 1</b>              |   |          |  | <b>\$528,320.00</b> |   | <b>\$556,834.00</b> |  | <b>\$769,815.00</b> |

\* QUANTITY REVISED PER ADDENDUM NO. 1



**BID TABULATIONS**  
**COLUMBIA/ADAIR UTILITIES DISTRICT**  
**PHASE 11-2 WATER LINE EXTENSION & CONNECTOR LINES**  
**ADAIR COUNTY, KENTUCKY**  
**BID DATE: DECEMBER 13, 2012 @ 3:00 P.M. LOCAL TIME**

| ITEM NO.                                      | DESCRIPTION                             | QUANTITY | Stotts Construction Co., Inc.<br>P.O. Box 1689<br>Columbia, KY 42728 |                     | Grimes Construction Co., Inc.<br>248 Keller Road<br>London, KY 40741 |                     |
|---|---|----------|--|---------------------|--|---------------------|
|   |   |          | UNIT PRICE   | TOTAL COST          | UNIT PRICE   | TOTAL COST          |
| <b>ALTERNATE BID NO. 1 (Plan Sheets 7-10)</b> |   |          |  |                     |  |                     |
| 1   | 8-Inch PVC SDR 21 Water Line            | 8,300 LF | \$25.40  | \$210,820.00        | \$20.75  | \$172,225.00        |
| 2   | 8-Inch Ductile Iron Ball & Socket WL    | 1,600 LF | 200.00   | 320,000.00          | 325.00   | 520,000.00          |
| 3   | 8-Inch Ductile Iron CL350 Water Line    | 800 LF   | 38.00  | 30,400.00           | 45.00  | 36,000.00           |
| 4   | Bore & Case for 8-Inch Water Line*      | 80 LF    | 125.00   | 10,000.00           | 150.00   | 12,000.00           |
| 5   | Gas Line Crossing for 8-Inch Water Line | 350 LF   | 75.00  | 26,250.00           | 150.00   | 52,500.00           |
| 6   | 8-Inch Gate Valve                       | 6 EA     | 1,400.00   | 8,400.00            | 1,400.00   | 8,400.00            |
| 7   | 6-Inch Gate Valve                       | 1 EA     | 1,300.00   | 1,300.00            | 1,100.00   | 1,100.00            |
| 8   | 4-Inch Gate Valve                       | 1 EA     | 1,200.00   | 1,200.00            | 875.00   | 875.00              |
| 9   | Air Release Valve                       | 2 EA     | 1,100.00   | 2,200.00            | 1,800.00   | 3,600.00            |
| 10  | 8-Inch Blowoff Assembly                 | 4 EA     | 2,100.00   | 8,400.00            | 1,250.00   | 5,000.00            |
| 11  | Connection                              | 2 EA     | 1,100.00   | 2,200.00            | 2,200.00   | 4,400.00            |
| 12  | Exploration                             | 10 HR    | 300.00   | 3,000.00            | 80.00  | 800.00              |
| <b>TOTAL ALTERNATE BID NO. 1</b>              |   |          |  | <b>\$624,170.00</b> |  | <b>\$816,900.00</b> |

\* QUANTITY REVISED PER ADDENDUM NO. 1

MONARCH ENGINEERING, INC.  
 556 Carlton Drive  
 Lawrenceburg, KY 40342  
 Phone (502) 839-1310  
 Fax (502) 839-1373

**BID TABULATIONS**  
**COLUMBIA/ADAIR UTILITIES DISTRICT**  
**PHASE 11-2 WATER LINE EXTENSION & CONNECTOR LINES**  
**ADAIR COUNTY, KENTUCKY**  
**BID DATE: DECEMBER 13, 2012 @ 3:00 P.M. LOCAL TIME**

| ITEM NO.                                      | DESCRIPTION                             | QUANTITY | Salmon Construction, Inc.<br>P.O. Box 97<br>Mt. Washington, KY 40047 |                     | Twin States Utilities, Inc.<br>P.O. Box 14<br>Mt. Hermon, KY 42157 |                     |
|---|---|----------|--|---------------------|--|---------------------|
|   |   |          | UNIT PRICE   | TOTAL COST          | UNIT PRICE   | TOTAL COST          |
| <b>ALTERNATE BID NO. 1 (Plan Sheets 7-10)</b> |   |          |  |                     |  |                     |
| 1   | 8-Inch PVC SDR 21 Water Line            | 8,300 LF | \$28.59  | \$237,297.00        | \$26.50  | \$219,950.00        |
| 2   | 8-Inch Ductile Iron Ball & Socket WL    | 1,600 LF | 324.39   | 519,024.00          | 250.00   | 400,000.00          |
| 3   | 8-Inch Ductile Iron CL350 Water Line    | 800 LF   | 35.94  | 28,752.00           | 35.00  | 28,000.00           |
| 4   | Bore & Case for 8-Inch Water Line*      | 80 LF    | 303.00   | 24,240.00           | 186.00   | 14,880.00           |
| 5   | Gas Line Crossing for 8-Inch Water Line | 350 LF   | 223.00   | 78,050.00           | 100.00   | 35,000.00           |
| 6   | 8-Inch Gate Valve                       | 6 EA     | 1,400.00   | 8,400.00            | 1,300.00   | 7,800.00            |
| 7   | 6-Inch Gate Valve                       | 1 EA     | 1,100.00   | 1,100.00            | 1,000.00   | 1,000.00            |
| 8   | 4-Inch Gate Valve                       | 1 EA     | 900.00   | 900.00              | 900.00   | 900.00              |
| 9   | Air Release Valve                       | 2 EA     | 2,000.00   | 4,000.00            | 750.00   | 1,500.00            |
| 10  | 8-Inch Blowoff Assembly                 | 4 EA     | 2,500.00   | 10,000.00           | 1,000.00   | 4,000.00            |
| 11  | Connection                              | 2 EA     | 1,500.00   | 3,000.00            | 2,000.00   | 4,000.00            |
| 12  | Exploration                             | 10 HR    | 300.00   | 3,000.00            | 350.00   | 3,500.00            |
| <b>TOTAL ALTERNATE BID NO. 1</b>              |   |          |  | <b>\$917,763.00</b> |  | <b>\$720,530.00</b> |

\* QUANTITY REVISED PER ADDENDUM NO. 1

**BID TABULATIONS**  
**COLUMBIA/ADAIR UTILITIES DISTRICT**  
**PHASE 11-2 WATER LINE EXTENSION & CONNECTOR LINES**  
**ADAIR COUNTY, KENTUCKY**  
**BID DATE: DECEMBER 13, 2012 @ 3:00 P.M. LOCAL TIME**

| ITEM NO. | DESCRIPTION                                    | QUANTITY  | United Pipeline, Inc.<br>4627 Gamaliel Road<br>Tompkinsville, KY 42167 |                     | Cumberland Pipeline, LLC<br>P.O. Box 277<br>Russell Springs, KY 42642 |                     | Cleary Construction, Inc.<br>2006 Edmonton Road<br>Tompkinsville, KY 42167 |                     |
|----------|--|-----------|--|---------------------|---|---------------------|--|---------------------|
|          |  |           | UNIT PRICE   | TOTAL COST          | UNIT PRICE  | TOTAL COST          | UNIT PRICE   | TOTAL COST          |
|          | <b>ALTERNATE BID NO. 2 (Plan Sheets 11-18)</b> |           |  |                     |   |                     |  |                     |
| 1        | 4-Inch Ductile Iron CL350 Water Line           | 10,200 LF | \$20.00  | \$204,000.00        | \$21.91   | \$223,482.00        | \$19.00  | \$193,800.00        |
| 2        | 4-Inch PVC SDR 17 Water Line                   | 14,000 LF | 8.00   | 112,000.00          | 7.77  | 108,780.00          | 9.00   | 126,000.00          |
| 3        | 3-Inch PVC SDR 17 Water Line                   | 2,000 LF  | 7.00   | 14,000.00           | 6.50  | 13,000.00           | 8.00   | 16,000.00           |
| 4        | Bore & Case for 4-Inch Water Line              | 140 LF    | 95.00  | 13,300.00           | 81.20   | 11,368.00           | 125.00   | 17,500.00           |
| 5        | Creek Crossing for 4-Inch Water Line           | 150 LF    | 105.00   | 15,750.00           | 112.00  | 16,800.00           | 200.00   | 30,000.00           |
| 6        | 4-Inch Gate Valve                              | 6 EA      | 610.00   | 3,660.00            | 525.00  | 3,150.00            | 930.00   | 5,580.00            |
| 7        | 3-Inch Gate Valve                              | 2 EA      | 565.00   | 1,130.00            | 495.00  | 990.00              | 630.00   | 1,260.00            |
| 8        | 3-Inch Blowoff Assembly                        | 1 EA      | 750.00   | 750.00              | 820.00  | 820.00              | 1,200.00   | 1,200.00            |
| 9        | Connection                                     | 3 EA      | 700.00   | 2,100.00            | 975.00  | 2,925.00            | 2,650.00   | 7,950.00            |
| 10       | Tandem Meter Setting                           | 14 EA     | 750.00   | 10,500.00           | 835.25  | 11,693.50           | 1,000.00   | 14,000.00           |
| 11       | 3/4-Inch Service Tubing                        | 600 LF    | 2.25   | 1,350.00            | 5.40  | 3,240.00            | 6.00   | 3,600.00            |
| 12       | Exploration                                    | 20 HR     | 0.00   | 0.00                | 50.00   | 1,000.00            | 225.00   | 4,500.00            |
|          | <b>TOTAL ALTERNATE BID NO. 2</b>               |           |  | <b>\$378,540.00</b> |   | <b>\$397,248.50</b> |  | <b>\$421,390.00</b> |

MONARCH ENGINEERING, INC.

556 Carlton Drive

Lawrenceburg, KY 40342

Phone (502) 839-1310

Fax (502) 839-1373

**BID TABULATIONS**  
**COLUMBIA/ADAIR UTILITIES DISTRICT**  
**PHASE 11-2 WATER LINE EXTENSION & CONNECTOR LINES**  
**ADAIR COUNTY, KENTUCKY**  
**BID DATE: DECEMBER 13, 2012 @ 3:00 P.M. LOCAL TIME**

| ITEM NO.                                       | DESCRIPTION                          | QUANTITY  | Stotts Construction Co., Inc. |                     | Grimes Construction Co., Inc. |                     |
|--|--------------------------------------|-----------|-------------------------------|---------------------|-------------------------------|---------------------|
|  |                                      |           | UNIT PRICE                    | TOTAL COST          | UNIT PRICE                    | TOTAL COST          |
| <b>ALTERNATE BID NO. 2 (Plan Sheets 11-18)</b> |                                      |           |                               |                     |                               |                     |
| 1  | 4-Inch Ductile Iron CL350 Water Line | 10,200 LF | \$18.50                       | \$188,700.00        | \$21.50                       | \$219,300.00        |
| 2  | 4-Inch PVC SDR 17 Water Line         | 14,000 LF | 8.50                          | 119,000.00          | 8.75                          | 122,500.00          |
| 3  | 3-Inch PVC SDR 17 Water Line         | 2,000 LF  | 7.50                          | 15,000.00           | 8.50                          | 17,000.00           |
| 4  | Bore & Case for 4-Inch Water Line    | 140 LF    | 110.00                        | 15,400.00           | 110.00                        | 15,400.00           |
| 5  | Creek Crossing for 4-Inch Water Line | 150 LF    | 40.00                         | 6,000.00            | 125.00                        | 18,750.00           |
| 6  | 4-Inch Gate Valve                    | 6 EA      | 1,250.00                      | 7,500.00            | 900.00                        | 5,400.00            |
| 7  | 3-Inch Gate Valve                    | 2 EA      | 1,200.00                      | 2,400.00            | 825.00                        | 1,650.00            |
| 8  | 3-Inch Blowoff Assembly              | 1 EA      | 1,100.00                      | 1,100.00            | 750.00                        | 750.00              |
| 9  | Connection                           | 3 EA      | 1,400.00                      | 4,200.00            | 2,200.00                      | 6,600.00            |
| 10   | Tandem Meter Setting                 | 14 EA     | 1,200.00                      | 16,800.00           | 1,100.00                      | 15,400.00           |
| 11   | 3/4-Inch Service Tubing              | 600 LF    | 7.25                          | 4,350.00            | 7.50                          | 4,500.00            |
| 12   | Exploration                          | 20 HR     | 300.00                        | 6,000.00            | 80.00                         | 1,600.00            |
| <b>TOTAL ALTERNATE BID NO. 2</b>               |                                      |           |                               | <b>\$386,450.00</b> |                               | <b>\$428,850.00</b> |

**BID TABULATIONS**  
**COLUMBIA/ADAIR UTILITIES DISTRICT**  
**PHASE 11-2 WATER LINE EXTENSION & CONNECTOR LINES**  
**ADAIR COUNTY, KENTUCKY**  
**BID DATE: DECEMBER 13, 2012 @ 3:00 P.M. LOCAL TIME**

| ITEM NO.                                       | DESCRIPTION                          | QUANTITY  | Salmon Construction, Inc.<br>P.O. Box 97<br>Mt. Washington, KY 40047 |                     | Twin States Utilities, Inc.<br>P.O. Box 14<br>Mt. Hermon, KY 42157 |                     |
|--|--------------------------------------|-----------|--|---------------------|--|---------------------|
|  |                                      |           | UNIT PRICE   | TOTAL COST          | UNIT PRICE   | TOTAL COST          |
| <b>ALTERNATE BID NO. 2 (Plan Sheets 11-18)</b> |                                      |           |  |                     |  |                     |
| 1  | 4-Inch Ductile Iron CL350 Water Line | 10,200 LF | \$26.46  | \$269,892.00        | \$31.00  | \$316,200.00        |
| 2  | 4-Inch PVC SDR 17 Water Line         | 14,000 LF | 9.96   | 139,440.00          | 21.00  | 294,000.00          |
| 3  | 3-Inch PVC SDR 17 Water Line         | 2,000 LF  | 9.23   | 18,460.00           | 20.00  | 40,000.00           |
| 4  | Bore & Case for 4-Inch Water Line    | 140 LF    | 250.00   | 35,000.00           | 95.00  | 13,300.00           |
| 5  | Creek Crossing for 4-Inch Water Line | 150 LF    | 380.00   | 57,000.00           | 150.00   | 22,500.00           |
| 6  | 4-Inch Gate Valve                    | 6 EA      | 800.00   | 4,800.00            | 900.00   | 5,400.00            |
| 7  | 3-Inch Gate Valve                    | 2 EA      | 800.00   | 1,600.00            | 800.00   | 1,600.00            |
| 8  | 3-Inch Blowoff Assembly              | 1 EA      | 1,200.00   | 1,200.00            | 800.00   | 800.00              |
| 9  | Connection                           | 3 EA      | 1,500.00   | 4,500.00            | 2,000.00   | 6,000.00            |
| 10   | Tandem Meter Setting                 | 14 EA     | 1,200.00   | 16,800.00           | 745.00   | 10,430.00           |
| 11   | 3/4-Inch Service Tubing              | 600 LF    | 5.00   | 3,000.00            | 10.00  | 6,000.00            |
| 12   | Exploration                          | 20 HR     | 300.00   | 6,000.00            | 350.00   | 7,000.00            |
| <b>TOTAL ALTERNATE BID NO. 2</b>               |                                      |           |  | <b>\$557,692.00</b> |  | <b>\$723,230.00</b> |





STEVEN L. BESHEAR  
GOVERNOR

LEONARD K. PETERS  
SECRETARY

ENERGY AND ENVIRONMENT CABINET  
DEPARTMENT FOR ENVIRONMENTAL PROTECTION  
DIVISION OF WATER  
200 FAIR OAKS LANE, 4TH FLOOR  
FRANKFORT, KENTUCKY 40601  
[www.kentucky.gov](http://www.kentucky.gov)  
November 9, 2012

Mr. Lennon Stone  
Columbia/Adair Utilities District  
109 Grant Lane  
P. O. Box 567  
Columbia, KY 42728

RE: Columbia/Adair Utilities District  
AI # 33767, APE20120001  
PWSID # 0010702-12-001  
Phase 11-2 Water Line Extns. and Connector Lines  
Adair County, KY

Dear Mr. Stone:

We have reviewed the plans and specifications for the above referenced project. The plans include the construction of approximately 1,900 linear feet of 3 inch PVC; 10,200 linear feet of 4 inch D.I.; 14,000 linear feet of 4 inch PVC; 21,000 linear feet of 8 inch PVC; 250 gpm (180 feet TDH) Booster Pump Station; 300,000 Gallon Water Storage Tank. This is to advise that plans and specifications for the above referenced project are APPROVED with respect to sanitary features of design, as of this date with the requirements contained in the attached construction permit.

Based on the hydraulic analysis/data submitted, the areas served by the Providence Road and Knifley Connection extensions are considered to be underserved. This designation indicates that without improvements to the existing infrastructure, future extensions may not be able to provide the required minimum pressure of 30 psi on the discharge side of customers' meters. Without improvements to the infrastructure, future extensions may be denied. The underserved designation may be used to help prioritize areas under the Governor's 2020 plan for funding future infrastructure improvements.

If you have any questions concerning this project, please contact Mr. William Wright at 502-564-8158 x4829.

Sincerely,

A handwritten signature in black ink that reads "Mark Rasche".

Mark Rasche, P.E.  
Supervisor, Engineering Section  
Water Infrastructure Branch  
Division of Water

MR:WW

Enclosures

C: Monarch Engineering  
Adair County Health Department  
Public Service Commission  
Division of Plumbing

## Distribution-Major Construction

Columbia/Adair Utilities District  
Facility Requirements

Activity ID No.: APE20120001

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**GACT000000038 (Phase 11-2 WLE & East KY 80 WST Replacement) 1,900 linear feet of 3 inch PVC, 10,200 linear feet of 4 inch D.I., 14,000 linear feet of 4 inch PVC, 21,000 linear feet of 8 inch PVC; 250 gpm (180 feet TDH) Booster Pump Station, 300,000 Gallon Water Storage Tank:**

### Monitoring Requirements:

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| Condition No. | Parameter | Condition   |
|---------------|-----------|---|
| M-1           | Coliform  | The presence or absence of total Coliform monitored by sampling and analysis as needed shall be determined for the new or relocated water line(s). Take samples at connection points to existing lines, at 1 mile intervals, and at dead ends without omitting any branch of the new or relocated water line. Sample bottles shall be clearly identified as "special" construction tests. [401 KAR 8:100 Section 1(7), 401 KAR 8:150 Section 4, Recommended Standards for Water Works 8.5.6] This requirement is applicable during the following months: All Year. Statistical basis: Instantaneous determination.  |
| M-2           | Coliform  | The presence or absence of total Coliform monitored by sampling and analysis as needed shall be determined for the new storage structure(s). With at least 1 sample taken at least 24 hours after the first construction complete sample(s), take 2 or more samples from the yard hydrant, the outlet piping from the storage structure, or a sample tap directly connected to the storage structure. Sample bottles shall be clearly identified as "special" construction tests. [Recommended Standards for Water Works 7.0.18, 401 KAR 8:150 Section 4] This requirement is applicable during the following months: All Year. Statistical basis: Instantaneous determination. |
| M-3           | Coliform  | The presence or absence of total Coliform monitored by sampling and analysis as needed shall be determined for the new pump(s). If the pump(s) are independent of (not directly connected to) the new or relocated lines, take at least 1 sample at the discharge side pitcock. Otherwise, no additional sampling beyond the sampling required for new or relocated lines shall be required in association with the pump(s). Sample bottles shall be clearly identified as "special" construction tests. [401 KAR 8:100 Section 1(7)] This requirement is applicable during the following months: All Year. Statistical basis: Instantaneous determination.                     |

### Submittal/Action Requirements:

#### Coliform:

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| Condition No. | Condition   |
|---------------|---|
| S-1           | Coliform<br>For new construction projects, the distribution system, using the most expedient method, shall submit Coliform test results to the Cabinet: Due immediately following disinfection and flushing. [401 KAR 8:150 Section 4(2)] |



**Distribution-Major Construction**

Columbia/Adair Utilities District  
Facility Requirements

Activity ID No.: APE20120001

**GACT0000000038 (continued):**

**Submittal/Action Requirements:**

| Condition No. | Condition   |
|---------------|---|
| S-2           | For proposed changes to the approved plan, submit information: Due prior to any modification to the Cabinet for approval. Changes to the approved plan shall not be implemented without the prior written approval of the Cabinet. [401 KAR 8:100 Section 1(8)]   |
| S-3           | The person who presented the plans shall submit the professional engineer's certification: Due when construction is complete to the Division of Water. The certification shall be signed by a registered professional engineer and state that the water project has been constructed and tested in accordance with the approved plans, specifications, and requirements. [401 KAR 8:100 Section 1(8)] |

**Narrative Requirements:**

**Additional Limitations:**

| Condition No. | Condition  |
|---------------|--|
| T-1           | Additional Limitations:<br>Chlorinated water resulting from disinfection of project components shall be disposed in a manner which will not violate 401 KAR 5:031. [401 KAR 8:020 Section 2(20)] |

| Condition No. | Condition   |
|---------------|---|
| T-2           | This project has been permitted under the provisions of KRS Chapter 224 and regulations promulgated pursuant thereto. Issuance of this permit does not relieve the applicant from the responsibility of obtaining any other approvals, permits or licenses required by this Cabinet and other state, federal and local agencies. Further, this permit does not address the authority of the permittee to provide service to the area to be served. [401 KAR 8:100 Section 1(7)] |
| T-3           | Unless construction of this project is begun within 2 years from the issuance date of this permit, the permit shall expire. If this permit expires, the original plans and specifications may be resubmitted for a new comprehensive review. If you have any questions concerning this project, please contact the Drinking Water Branch at 502/564-3410. [401 KAR 8:100 Section 1(9)]  |

## Distribution-Major Construction

Columbia/Adair Utilities District  
Facility Requirements

Activity ID No.: APE20120001

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### Narrative Requirements:

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| Condition No. | Condition  |
|---------------|--|
| T-4           | Final approval of facility. Upon completion of construction, the person who presented the plans shall certify in writing that the project has been completed in accordance with the "approved" plans and specifications. The public water supply shall operate the facility consistent with the approved plans and specifications. Any proposed change to the approved plan shall be submitted to the cabinet for approval. The public water supply shall not implement any change to the approved plan without the prior written approval of the cabinet. [401 KAR 8:100 Section 401 KAR 8:100(1)(8)] |
| T-5           | During construction, a set of approved plans and specification shall be available at the job site at all times. All work shall be performed in accordance with the approved plans and specifications. [401 KAR 8:100 Section 1(7)(a)]  |

## Distribution-Major Construction

Columbia/Adair Utilities District  
Facility Requirements

Activity ID No.: APE20120001

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**PORT0000000044 (Phase 11-2 WLE & East KY 80 WST Replacement) 1,900 linear feet of 3 inch PVC, 10,200 linear feet of 4 inch D.I., 14,000 linear feet of 4 inch PVC, 21,000 linear feet of 8 inch PVC:**

### Limitation Requirements:

| Condition No. | Parameter | Condition   |
|---------------|-----------|---|
| L-1           | Depth     | A continuous and uniform bedding shall be provided in the trench for all buried pipe. Backfill material shall be tamped in layers around the pipe and to a sufficient height above the pipe to adequately support and protect the pipe. Stones found in the trench shall be removed for a Depth $\geq 6$ in below the bottom of the pipe. [Recommended Standards for Water Works 8.5.2] This requirement is applicable during the following months: All Year. Statistical basis: Not applicable.  |
| L-2           | Depth     | All water lines shall be covered to a Depth $\geq 30$ in to prevent freezing. [Recommended Standards for Water Works 8.5.3, 401 KAR 8:100 Section 1(7)] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.   |
| L-3           | Diameter  | All water lines shall have Diameter $\geq 3$ in. [Recommended Standards for Water Works 8.1.4] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.  |
| L-4           | Diameter  | Water lines with Diameter $< 6$ in shall not have fire hydrants. [Recommended Standards for Water Works 8.1.5] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.  |
| L-5           | Diameter  | All new and existing water lines serving fire hydrants or where fire protection is provided shall have Diameter $\geq 6$ in. [Recommended Standards for Water Works 8.1.2] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.  |
| L-6           | Distance  | Water lines shall have a sufficient quantity of valves so that inconvenience and sanitary hazards will be minimized during repairs. A valve spacing Distance $\leq 800$ feet should be utilized in non-commercial districts. Alternatively, non-commercial districts should utilize a valve spacing Distance $\leq 1$ block. Commercial districts should utilize a valve spacing Distance $\leq 500$ ft. [Recommended Standards for Water Works 8.2] This requirement is applicable during the following months: All Year. Statistical basis: Not applicable. |
| L-7           | Distance  | Hydrant drains shall not be connected to sanitary sewers or storm drains and shall be located a Distance $> 10$ ft from sanitary sewers and storm drains. [Recommended Standards for Water Works 8.3.4] This requirement is applicable during the following months: All Year. Statistical basis: Not applicable.  |

## Distribution-Major Construction

Columbia/Adair Utilities District  
Facility Requirements

Activity ID No.: APE20120001

Page 5 of 19

### Limitation Requirements:

| Condition No. | Parameter | Condition   |
|---------------|-----------|---|
| L-8           | Distance  | <p>Except when not practical, water lines shall be laid a horizontal Distance <math>\geq 10</math> ft from any existing or proposed sewer. The distance shall be measured edge to edge.</p> <p>In cases where it is not practical to maintain a 10 foot separation, water lines may be installed closer to a sewer provided that the water lines shall be laid in a separate trench or on an undisturbed shelf located on one side of the sewer at such an elevation that the bottom of the water line is at least 18 inches above the top of the sewer. [Recommended Standards for Water Works 8.6.2] This requirement is applicable during the following months: All Year. Statistical basis: Not applicable.</p>   |
| L-9           | Distance  | <p>When water lines and sewers cross,</p> <ol style="list-style-type: none"><li>1) water lines shall be laid such that either</li><li>a) the the top of the water line is a vertical Distance <math>\geq 18</math> in below the bottom of the sewer line or</li><li>b) the bottom of the water line is a vertical Distance <math>\geq 18</math> in above the top of the sewer line,</li><li>2) 1 full length of the water pipe shall be located so that both joints of the water pipe will be as far from the sewer as possible, and</li><li>3) special structural support for the water and sewer pipes may be required. [Recommended Standards for Water Works 8.6.3]</li></ol> <p>This requirement is applicable during the following months: All Year. Statistical basis: Not applicable.</p> |
| L-10          | Distance  | <p>The open end of an air relief pipe from automatic valves shall be extended a Distance <math>\geq 1.0</math> ft above grade and provided with a screened, downward-facing elbow. The pipe from a manually operated valve shall be extended to the top of the pit. Use of manual air relief valves is recommended wherever possible. [Recommended Standards for Water Works 8.4.2] This requirement is applicable during the following months: All Year. Statistical basis: Not applicable.</p>  |
| L-11          | Pressure  | <p>Pipes shall not be installed unless all points of the distribution system remain designed for ground level Pressure <math>\geq 20</math> psi under all conditions of flow. [Recommended Standards for Water Works 8.1.1] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.</p>   |
| L-12          | Pressure  | <p>Pressure <math>\geq 30</math> psi must be available on the discharge side of all meters. [401 KAR 8:100 Section 4(2)] This requirement is applicable during the following months: All Year. Statistical basis: Instantaneous determination.</p>  |

## Distribution-Major Construction

Columbia/Adair Utilities District  
Facility Requirements

Activity ID No.: APE20120001

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### Limitation Requirements:

| Condition No. | Parameter             | Condition  |
|---------------|-----------------------|--|
| L-13          | Residual Disinfection | <p>New or relocated water lines shall be thoroughly disinfected (in accordance with AWWA Standard C651) upon completion of construction and before being placed into service. To disinfect the new or relocated lines use chlorine or chlorine compounds in such amounts as to produce an initial disinfectant concentration of at least 50 ppm and a Residual Disinfection <math>\geq 25</math> ppm at the end of 24 hours. Follow the line disinfection with thorough flushing and place the lines into service if, and only if, Coliform monitoring applicable to the line does not show the presence of Coliform.</p> <p>If Coliform is detected, repeat flushing of the line and Coliform monitoring. If Coliform is still detected, repeat disinfection and flushing as if the line has never been disinfected. Continue the described process until monitoring does not show the presence of Coliform. [401 KAR 8:150 Section 4(1), Recommended Standards for Water Works 8.5.6] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.</p>        |
| L-14          | Velocity              | <p>Each blow-off or flush hydrant shall be sized so that Velocity <math>\geq 2.5</math> ft/sec can be achieved in the water main served by the blow-off or hydrant during flushing. [Recommended Standards for Water Works 8.1.6.b, 401 KAR 8:100 Section 1(7)] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.</p>  |
| L-15          | Velocity              | <p>Except in underserved areas, each blow-off or fire hydrant shall be sized so that Velocity <math>\geq 2.5</math> ft/sec can be achieved in the water main served by the blow-off or hydrant during flushing.</p> <p>Based on the hydraulic analysis/data submitted, the areas served by the following extension(s) are considered to be underserved:</p> <ul style="list-style-type: none"><li>a) Providence Road</li><li>b) Knifley Connection</li></ul> <p>This designation indicates that without improvements to the existing infrastructure, future extensions may not be able to provide the required minimum pressure of 30 psi on the discharge side of customers' meters. Without improvements to the infrastructure, future extensions may be denied. The underserved designation may be used to help prioritize areas under the Governor's 2020 plan for funding future infrastructure improvements. [Recommended Standards for Water Works 8.1.6.b, 401 KAR 8:100 Section 1(7)] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.</p> |

## Distribution-Major Construction

Columbia/Adair Utilities District  
Facility Requirements

Activity ID No.: APE20120001

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**PORT0000000044 (continued):**

### Monitoring Requirements:

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| Condition No. | Parameter | Condition   |
|---------------|-----------|---|
| M-1           | leaks     | The presence or absence of leaks monitored by physical testing as needed shall be determined in all types of installed pipe. Pressure testing and leakage testing shall be in accordance with the latest edition of AWWA Standard C600. [Recommended Standards for Water Works 8.5.5] This requirement is applicable during the following months: All Year. Statistical basis: Instantaneous determination. |

### Narrative Requirements:

#### Asbestos (Friable):

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| Condition No. | Condition   |
|---------------|---|
| T-1           | Asbestos (Friable):<br>If the existing water line to be tapped is asbestos concrete, then the contractor shall conform to OSHA regulations governing the handling of hazardous waste during the process of tapping the asbestos concrete line. Pieces of asbestos concrete resulting from the tap shall be double bagged, placed in a rigid container and disposed of in an approved landfill. [401 KAR 8:100 Section 1(7)] |

#### Additional Limitations:

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| Condition No. | Condition  |
|---------------|--|
| T-2           | Additional Limitations:<br>Water line installation shall be in accordance with AWWA standards or manufacturer recommendations. [Recommended Standards for Water Works 8.5.1]   |
| T-3           | Additional Limitations:<br>Pipes, fittings, valves and fire hydrants shall conform to the latest standards issued by the AWWA or NSF (if such standards exist). PVC and PE piping used must be certified to ANSI/NSF Standard 61. [Recommended Standards for Water Works 8.0.1]  |
| T-4           | Additional Limitations:<br>At high points in water lines, where air can accumulate, provisions shall be made to remove the air by means of hydrants or air relief valves. Automatic air relief valves shall not be used in situations where manhole or chamber flooding may occur. [Recommended Standards for Water Works 8.4.1] |

## Distribution-Major Construction

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### Narrative Requirements:

#### Additional Limitations:

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| Condition No. | Condition  |
|---------------|--|
| T-5           | Additional Limitations:<br>All tees, bends, plugs and hydrants shall be provided with reaction blocking, tie rods or joints designed to prevent movement. [Recommended Standards for Water Works 8.5.4]  |
| T-6           | Additional Limitations:<br>A flush hydrant or blow-off shall be required at the end of each dead end line. [Recommended Standards for Water Works 8.1.6]   |
| T-7           | Additional Limitations:<br>For each flush hydrant, auxiliary valves shall be installed in the hydrant lead pipe. [Recommended Standards for Water Works 8.3.3]   |
| T-8           | Additional Limitations:<br>No flushing device, blow-off, or air relief valve shall be directly connected to any sewer. Chambers, pits or manholes containing valves, blow-offs, meters, or other such appurtenances shall not be directly connected to any storm drain or sanitary sewer. Such chambers, pits or manholes shall be drained to absorptions pits underground or to the surface of the ground where they are not subject to flooding by surface water. [Recommended Standards for Water Works 8.1.6, Recommended Standards for Water Works 8.4.3] |
| T-9           | Additional Limitations:<br>If water lines are installed or replaced in areas of organic contamination or in areas within 200 ft of underground or petroleum storage tanks, ductile iron or other nonpermeable materials shall be used in all portions of the water line installation or replacement. [401 KAR 8:100 Section 1(5)(d)6, Recommended Standards for Water Works 8.0.2]   |
| T-10          | Additional Limitations:<br>No water pipe shall pass through or come in contact with any part of a sewer manhole. [Recommended Standards for Water Works 8.6.6]   |
| T-11          | Additional Limitations:<br>If water lines cross a stream or wetland, the provisions in the attached Water Quality Certification shall apply. If you have any questions please contact the Water Quality Certification Supervisor of the Water Quality Branch at (502) 564-2225. [401 KAR 8:100 Section 1(7)]   |
| T-12          | Additional Limitations:<br>A fire hydrant or blow-off shall be required at the end of each dead end line. [Recommended Standards for Water Works 8.1.6]  |

## Distribution-Major Construction

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### Narrative Requirements:

#### Additional Limitations:

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| Condition No. | Condition   |
|---------------|---|
| T-13          | Additional Limitations:<br>For each fire hydrant, auxiliary valves shall be installed in the hydrant lead pipe. [Recommended Standards for Water Works 8.3.3]   |
| T-14          | Additional Limitations:<br>If a fire sprinkler system is to be installed, a double check detector assembly approved for backflow prevention shall be utilized. The double check detector assembly of the system shall be accessible for testing. [401 KAR 8:100 Section 1(7)] |

#### Subfluvial Pipe Crossings:

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| Condition No. | Condition  |
|---------------|--|
| T-15          | Subfluvial Pipe Crossings:<br>For subfluvial pipe crossings, a floodplain construction permit will not be required pursuant to KRS 151.250 if the following requirements of 401 KAR 4:050 Section 2 are met.<br>1) No material may be placed in the stream or in the flood plain of the stream to form construction pads, coffer dams, access roads, etc. during construction of pipe crossings.<br>2) Crossing trenches shall be backfilled as closely as possible to the original contour.<br>3) All excess material resulting from construction displacement in a crossing trench shall be disposed of outside the flood plain.<br>4) For erodible channels, there shall be at least 30 inches of backfill on top of all pipe or conduit points in the crossing.<br>5) For nonerodible channels, pipes or conduits in the crossing shall be encased on all sides by at least 6 inches of concrete with all pipe or conduit points in the crossing at least 6 inches below the original contour of the channel. [401 KAR 8:100 Section 1(7)] |
| T-16          | Subfluvial Pipe Crossings:<br>For subfluvial pipe crossings greater than 15 feet in width,<br>1) the pipe shall be of special construction, having flexible, restrained, or welded watertight joints, and<br>2) valves shall be provided at both ends of water crossings so that the section can be isolated for testing or repair.<br>Valves shall<br>a) be easily accessible,<br>b) not be subject to flooding, and<br>c) if closest to the supply source, be in a manhole with permanent taps made on each side of the valve to allow insertion of a small meter to determine leakage and for sampling purposes. [Recommended Standards for Water Works 8.7.2]  |



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### PORT0000000045 (Phase 11-2 WLE & East KY 80 WST Replacement) 250 gpm (180 feet TDH) Booster Pump Station:

#### Limitation Requirements:

| Condition No. | Parameter             | Condition  |
|---------------|-----------------------|--|
| L-1           | Pressure              | Pump stations shall be located or controlled so that intake Pressure $\geq 20$ psi is maintained during normal pump operation. [Recommended Standards for Water Works 6.4.b] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.   |
| L-2           | Pressure              | Pump stations shall be located or controlled so that an automatic cutoff or a low pressure controller maintains a Pressure $\geq 10$ psi in the suction line under all operating conditions. [Recommended Standards for Water Works 6.4.c] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.   |
| L-3           | Residual Disinfection | New pumps shall be thoroughly disinfected (in accordance with AWWA Standard C651) upon completion of construction and before being placed into service. To disinfect new pumps use chlorine or chlorine compounds in such amounts as to produce an initial disinfectant concentration of at least 50 ppm and a Residual Disinfection $\geq 25$ ppm at the end of 24 hours. Follow the disinfection with thorough flushing and place each pump into service if, and only if, Coliform monitoring applicable to the pump does not show the presence of Coliform. If Coliform is detected, repeat flushing of the pump and Coliform monitoring. If Coliform is still detected, repeat disinfection and flushing as if the pump has never been disinfected. Continue the described process until monitoring does not show the presence of Coliform. [401 KAR 8:100 Section 1(7)] This requirement is applicable during the following months: All Year. Statistical basis: Minimum. |
| L-4           | Slope                 | Pumping facilities shall be located and designed to maintain the sanitary quality of pumped water. As part of this, all pump station floors shall have Slope $\geq 3$ in per 10 ft to a suitable drain. [Recommended Standards for Water Works 6.2.e, Recommended Standards for Water Works 6.0, Recommended Standards for Water Works 6.1] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.  |
| L-5           | Air Change Rate       | Ventilation shall conform to existing local and/or state codes. At a minimum forced ventilation shall produce an Air Change Rate $\geq 6$ air change(s)/hr. [401 KAR 8:100 Section 1(7), Recommended Standards for Water Works 6.2.5] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.  |

## Distribution-Major Construction

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**PORT0000000045 (continued):**

### Limitation Requirements:

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| Condition No. | Parameter | Condition  |
|---------------|-----------|--|
| L-6           | Height    | Pumping stations shall not be subject to flooding. To this end,<br>1) grading around stations shall lead surface drainage away and<br>2) stations shall be elevated or protected to a Height $\geq$ 3 ft above the highest of the following:<br>a) the 100-year flood elevation, or<br>b) the highest recorded flood elevation. [Recommended Standards for Water Works 6.1.1, Recommended Standards for Water Works 6.0] This requirement is applicable during the following months: All Year. Statistical basis: Minimum. |
| L-7           | Height    | When a pump station has pits or compartments which must be entered, stairways or ladders shall be provided between all floors. Stairs shall have risers with a Height $\leq$ 9 in, handrails on both sides, and treads with non-slip material wide enough for safety. [Recommended Standards for Water Works 6.2.3] This requirement is applicable during the following months: All Year. Statistical basis: Maximum.  |

### Narrative Requirements:

#### Additional Limitations:

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| Condition No. | Condition  |
|---------------|--|
| T-1           | Additional Limitations:<br>Pumping stations shall be so located that the proposed site will meet the requirements for hydraulics of the system. [Recommended Standards for Water Works 6.1]                  |
| T-2           | Additional Limitations:<br>Pumping stations shall be readily accessible at all times for servicing and repairs. [Recommended Standards for Water Works 6.1.1.b, Recommended Standards for Water Works 6.4.3] |
| T-3           | Additional Limitations:<br>Pumping stations shall be designed to prevent vandalism and protect against entrance of animals or unauthorized persons. [Recommended Standards for Water Works 6.1.1.d]          |
| T-4           | Additional Limitations:<br>Pumping stations shall be of durable construction with outward-opening doors. [Recommended Standards for Water Works 6.2.b]   |

## Distribution-Major Construction

Columbia/Adair Utilities District  
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### PORT0000000045 (continued):

#### Narrative Requirements:

##### Additional Limitations:

| Condition No. | Condition   |
|---------------|---|
| T-5           | Additional Limitations:<br>Pumping stations shall be fire and weather resistant. [Recommended Standards for Water Works 6.2.b]  |
| T-6           | Additional Limitations:<br>Pumping stations shall have suitable pump gland discharges so that drainage from the glands is not onto the floor. [Recommended Standards for Water Works 6.2.f]   |
| T-7           | Additional Limitations:<br>If underground structures are present at pumping stations, they shall be waterproofed. [Recommended Standards for Water Works 6.2.d]   |
| T-8           | Additional Limitations:<br>Pumping stations shall have adequate space for the installation of additional pumps. [Recommended Standards for Water Works 6.2.a]   |
| T-9           | Additional Limitations:<br>Pumping stations shall have adequate space for the safe servicing of all equipment. [Recommended Standards for Water Works 6.2.a]  |
| T-10          | Additional Limitations:<br>Pump stations shall have crane-ways, hoist beams, eyebolts, or other adequate facilities for servicing or removal of pumps, motors or other heavy equipment. [Recommended Standards for Water Works 6.2.2.a] |
| T-11          | Additional Limitations:<br>Pump stations shall have openings as needed for removal of heavy or bulky equipment. [Recommended Standards for Water Works 6.2.2.b]   |
| T-12          | Additional Limitations:<br>Pump stations shall have a convenient tool board, or other facilities as needed, for proper maintenance of equipment. [Recommended Standards for Water Works 6.2.2.c]  |
| T-13          | Additional Limitations:<br>In areas where excess moisture could cause safety hazards or damage to equipment, dehumidification shall be provided. [401 KAR 8:100 Section 1(7), Recommended Standards for Water Works 6.2.6]              |
| T-14          | Additional Limitations:<br>Electrical controls shall be located above grade. [Recommended Standards for Water Works 6.6.5]  |

## Distribution-Major Construction

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### PORT0000000045 (continued):

#### Narrative Requirements:

##### Additional Limitations:

| Condition No. | Condition  |
|---------------|--|
| T-15          | <p>Additional Limitations:<br/>All electrical equipment and work shall conform with the applicable state and local electrical codes and the National Electrical Code. [Recommended Standards for Water Works 6.5, Recommended Standards for Water Works 6.2.7]</p>   |
| T-16          | <p>Additional Limitations:<br/>Pump stations shall be adequately lighted throughout. [Recommended Standards for Water Works 6.2.7]</p>   |
| T-17          | <p>Additional Limitations:<br/>All automatic pump stations shall be provided with automatic signaling apparatus which will report when the station is out of service. All remote controlled stations shall be electrically operated and controlled and shall have signaling apparatus of proven performance. [Recommended Standards for Water Works 6.5]</p> |
| T-18          | <p>Additional Limitations:<br/>Automatic or remote control pump stations shall be located or shall have control devices setup so that the range between start and cutoff pressure prevents excessive pump cycling. [Recommended Standards for Water Works 6.4.d]</p>   |
| T-19          | <p>Additional Limitations:<br/>Equipment shall be provided or other arrangements made to prevent surge pressures from activating controls which switch on pumps or activate other equipment outside the normal design cycle of operation. [Recommended Standards for Water Works 6.6.5]</p>  |
| T-20          | <p>Additional Limitations:<br/>Provisions shall be made to prevent energizing the motor in the event of a backspin cycle. [Recommended Standards for Water Works 6.6.5]</p>  |
| T-21          | <p>Additional Limitations:<br/>Pump stations shall be provided with enough heat to prevent freezing of equipment or treatment processes. [Recommended Standards for Water Works 6.2.4]</p>   |
| T-22          | <p>Additional Limitations:<br/>Pump stations shall have at least 2 pumps. Pumps shall be sized so that if any single pump is out service, the remaining pump or pumps shall be capable of providing the peak demand on the station. [Recommended Standards for Water Works 6.3, Recommended Standards for Water Works 6.4.1]</p>                             |
| T-23          | <p>Additional Limitations:<br/>Provisions shall be made for pump alternation. [Recommended Standards for Water Works 6.6.5]</p>  |

## Distribution-Major Construction

Columbia/Adair Utilities District  
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### PORT0000000045 (continued):

#### Narrative Requirements:

##### Additional Limitations:

| Condition No. | Condition  |
|---------------|--|
| T-24          | <p>Additional Limitations:<br/>Pumps shall</p> <ul style="list-style-type: none"><li>a) have ample capacity to supply the peak demand against the required distribution system pressure without dangerous overloading,</li><li>b) be driven by prime movers able to meet the maximum horsepower condition of the pumps,</li><li>c) be provided readily available spare parts and tools, and</li><li>d) be served by control equipment that is properly protected against temperatures to be encountered. [Recommended Standards for Water Works 6.3]</li></ul> |
| T-25          | <p>Additional Limitations:<br/>Pumps, their prime movers and accessories shall be controlled in such a manner that they will operate at rated capacity without dangerous overload. [Recommended Standards for Water Works 6.6.5]</p>   |
| T-26          | <p>Additional Limitations:<br/>Pump stations shall be located or controlled so that a bypass is available. [Recommended Standards for Water Works 6.4.e]</p>   |
| T-27          | <p>Additional Limitations:<br/>Pump stations shall contain indicating and totalizing metering of the total water pumped. Each pump shall have</p> <ul style="list-style-type: none"><li>a) a standard pressure gauge on its discharge line and</li><li>b) a compound gauge on its suction line.</li></ul> <p>Each pump should have a means for measuring the instantaneous volume per time discharge. [401 KAR 8:100 Section 1(7), Recommended Standards for Water Works 6.4.2, Recommended Standards for Water Works 6.6.3]</p>                               |
| T-28          | <p>Additional Limitations:<br/>Pumps shall be adequately valved to permit satisfactory operation, maintenance and repair of the equipment. Each pump shall have a positive-acting check valve on the discharge side between the pump and the shut-off valve. [Recommended Standards for Water Works 6.6.1]</p>   |

## Distribution-Major Construction

Columbia/Adair Utilities District  
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PORT0000000045 (continued):

Narrative Requirements:

**Additional Limitations:**

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| Condition No. | Condition   |
|---------------|---|
| T-29          | <p>Additional Limitations:<br/>Piping for pumps shall, in general,</p> <ol style="list-style-type: none"><li>1) be designed so that the friction losses will be minimized,</li><li>2) not be subject to contamination,</li><li>3) have watertight joints,</li><li>4) be protected against surge or water hammer,</li><li>5) be provided with restraints where necessary, and</li><li>6) a) be such that each pump has an individual suction line or<br/>b) be manifolded such that the lines insure similar hydraulic and operating conditions. [Recommended Standards for Water Works 6.6.2]</li></ol> |
| T-30          | <p>Additional Limitations:<br/>To ensure continuous service when the primary power is interrupted, power supplied to pump stations shall be</p> <ol style="list-style-type: none"><li>a) from at least 2 independent sources or</li><li>b) from a primary source with a standby or auxiliary source provided.</li></ol> <p>If standby power is provided by onsite generators or engines, the fuel storage and fuel line must be designed to protect the water supply from contamination.<br/>[Recommended Standards for Water Works 6.6.6]</p>  |

## Distribution-Major Construction

Columbia/Adair Utilities District  
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### STOR0000000006 (Phase 11-2 WLE & East KY 80 WST Replacement) 300,000 Gallon Water Storage Tank:

#### Limitation Requirements:

| Condition No. | Parameter             | Condition   |
|---------------|-----------------------|---|
| L-1           | Residual Disinfection | <p>New water tanks shall be thoroughly disinfected (in accordance with AWWA Standard C651) upon completion of construction and before being placed into service. To disinfect new tanks use chlorine or chlorine compounds in such amounts as to produce an initial disinfectant concentration of at least 50 ppm and a Residual Disinfection <math>\geq</math> 25 ppm at the end of 24 hours. Follow the disinfection with thorough flushing and place tanks into service if, and only if, Coliform monitoring applicable to the tank does not show the presence of Coliform.</p> <p>If Coliform is detected, repeat flushing of the tank and Coliform monitoring. If Coliform is still detected, repeat disinfection and flushing as if the tank has never been disinfected. Continue the described process until monitoring does not show the presence of Coliform. [401 KAR 8:100 Section 1(7)] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.</p> |
| L-2           | Volume                | <p>Hydropneumatic (pressure) tanks should have a gross Volume <math>\geq</math> 1000 percent of the largest supply pump's per minute rating (i.e. if the largest pump connected to a pressure tank has a rating of 250 gpm, then the size of the pressure tank should be at least 2,500 gallons). The minimum tank volume shall be an even higher percentage (based on the necessary chlorine detention time) if a water system requires a chlorine detention time greater than the detention time that the related treatment/distribution facilities and this limit otherwise provide. [Recommended Standards for Water Works 7.2.2] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.</p>   |

#### Narrative Requirements:

##### Additional Limitations:

| Condition No. | Condition  |
|---------------|--|
| T-1           | <p>Additional Limitations:<br/>Hydropneumatic (pressure) tanks shall be the only water storage structure in the water distribution system. [Recommended Standards for Water Works 7.2]</p> |
| T-2           | <p>Additional Limitations:<br/>Hydropneumatic (pressure) tanks shall serve no more than 50 living units. [401 KAR 8:100 Section 1(7)]</p>  |
| T-3           | <p>Additional Limitations:<br/>Hydropneumatic (pressure) tanks shall not provide fire protection. [Recommended Standards for Water Works 7.2]</p>  |

## Distribution-Major Construction

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### STOR0000000006 (continued):

#### Narrative Requirements:

##### Additional Limitations:

| Condition No. | Condition   |
|---------------|---|
| T-4           | <p>Additional Limitations:<br/>The materials and designs used for tanks shall provide stability and durability as well as protection for the quality of the stored water. Steel structures shall follow the AWWA standards wherever they are applicable. Other materials of construction are acceptable when properly designed to meet the requirements in this permit. [Recommended Standards for Water Works 7.0]</p> |
| T-5           | <p>Additional Limitations:<br/>The safety of employees must be considered in the design of any storage structure. The design of storage structures shall meet or exceed the minimum requirements of pertinent safety laws and regulations in the areas where the structures are constructed. [Recommended Standards for Water Works 7.0.12]</p>   |
| T-6           | <p>Additional Limitations:<br/>Hydropneumatic (pressure) tanks shall meet ASME code requirements for the construction and installation of unfired pressure vessels or an equivalent requirement of state and local laws and regulations. [Recommended Standards for Water Works 7.2]</p>  |
| T-7           | <p>Additional Limitations:<br/>Fencing, locks on access manholes, and other necessary precautions shall be provided to prevent trespassing, vandalism, and sabotage. [Recommended Standards for Water Works 7.0.4]</p>  |
| T-8           | <p>Additional Limitations:<br/>Completely house the tank and locate it above the normal ground surface. [Recommended Standards for Water Works 7.2.1]</p>   |
| T-9           | <p>Additional Limitations:<br/>All tanks and their appurtenances shall be designed to prevent freezing. [Recommended Standards for Water Works 7.0.13]</p>  |
| T-10          | <p>Additional Limitations:<br/>The roof and sidewalls of each tank must be watertight with no openings except properly constructed drains, control ports, and piping for inflow and outflow. Any pipes running through the roof or sidewall must be welded. [Recommended Standards for Water Works 7.0.10]</p>  |
| T-11          | <p>Additional Limitations:<br/>Tank drains shall discharge to the ground surface at a drainage structure inlet or splash plate. [Recommended Standards for Water Works 7.3.2, Recommended Standards for Water Works 7.0.7]</p>  |



## Distribution-Major Construction

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### STOR000000006 (continued):

#### Narrative Requirements:

##### Additional Limitations:

| Condition No. | Condition  |
|---------------|--|
| T-12          | <p>Additional Limitations:<br/>No drain on a tank may have a direct connection to a sewer or storm drain. [Recommended Standards for Water Works 7.0.5, Recommended Standards for Water Works 7.0.7, Recommended Standards for Water Works 7.3.2]</p>  |
| T-13          | <p>Additional Limitations:<br/>Tanks shall be designed to facilitate turn over of water. [401 KAR 8:100 Section 1(7), Recommended Standards for Water Works 7.0.6]</p>   |
| T-14          | <p>Additional Limitations:<br/>Tanks shall have sufficient capacity, as determined from engineering studies, to meet domestic demands. [401 KAR 8:100 Section 1(7), Recommended Standards for Water Works 7.0.1]</p>   |
| T-15          | <p>Additional Limitations:<br/>Hydropneumatic (pressure) tanks shall have</p> <ol style="list-style-type: none"><li>1) bypass piping, to permit operation of the water distribution system while the tank is being repaired or painted,</li><li>2) a drain, and</li><li>3) control equipment.</li></ol> <p>The control equipment shall include</p> <ol style="list-style-type: none"><li>a) a pressure gauge,</li><li>b) a water sight glass,</li><li>c) an automatic or manual blow-off,</li><li>d) a means for adding air, and</li><li>e) pressure operated start-stop controls for the pumps. [Recommended Standards for Water Works 7.2.3]</li></ol> |
| T-16          | <p>Additional Limitations:<br/>Tank discharge pipes shall be located in a manner that will prevent the flow of sediment into the distribution system. [Recommended Standards for Water Works 7.0.15]</p>   |
| T-17          | <p>Additional Limitations:<br/>Appropriate sampling tap(s) shall be provided to facilitate collection of water samples for both bacteriologic and chemical analyses. [Recommended Standards for Water Works 7.0.19]</p>  |

## Distribution-Major Construction

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**STOR0000000006 (continued):**

### Narrative Requirements:

#### Additional Limitations:

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| Condition No. | Condition   |
|---------------|---|
| T-18          | <p>Additional Limitations:<br/>Adequate controls shall be provided to maintain levels in storage structures. The level controls shall be acceptable to the Division of Water. Level indicating devices should be provided at a central location. Overflow and low-level warnings or alarms should be located at places in the community where they will be under responsible surveillance 24 hrs a day. [401 KAR 8:100 Section 1(7), Recommended Standards for Water Works 7.3.3]</p> |
| T-19          | <p>Additional Limitations:<br/>Proper protection shall be given to metal surfaces by</p> <ol style="list-style-type: none"><li>paints or other protective coatings and/or</li><li>cathodic protective devices. [Recommended Standards for Water Works 7.0.17]</li></ol>   |
| T-20          | <p>Additional Limitations:<br/>If cathodic protection is utilized,</p> <ol style="list-style-type: none"><li>competent technical personnel should design and install the protection and</li><li>a maintenance contract should be provided. [Recommended Standards for Water Works 7.0.17]</li></ol>   |
| T-21          | <p>Additional Limitations:<br/>If the interior of the tank is coated or lined, the coating or lining shall be of a type approved by the Division of Water for use in contact with potable water. [401 KAR 8:020 Section 2(19)]</p>  |
| T-22          | <p>Additional Limitations:<br/>Paints and coatings</p> <ol style="list-style-type: none"><li>shall meet NSF standard 61,</li><li>shall be acceptable to the Division of Water,</li><li>shall be properly applied and cured, and</li><li>shall not transfer any substance to the water which will be toxic or cause tastes or odors (following curing). [Recommended Standards for Water Works 7.0.17]</li></ol>   |





DEPARTMENT OF THE ARMY  
U.S. ARMY ENGINEER DISTRICT, LOUISVILLE  
CORPS OF ENGINEERS  
P.O. BOX 59  
LOUISVILLE KY 40201-0059  
FAX: (502) 315-6677  
<http://www.lrl.usace.army.mil/>

October 24, 2011

Operations Division  
Regulatory Branch (South)  
ID No. LRL-2011-00187-jea

Mr. Danny Downey  
Chairman  
Columbia/Adair Utilities District  
P.O. Box 567  
Columbia, Kentucky 42728

Dear Mr. Downey:

This is in response to your request for authorization for the placement of backfill material below the Ordinary High Water Mark on both banks of Green River Lake (GRL) for the installation of a new 8-inch water pipeline across GRL in Adair County, Kentucky. The proposed project would consist of laying the pipeline within a 2-foot wide open trench and then placing backfill material over the pipeline on the banks of Green River Lake. The information supplied by you was reviewed to determine whether a Department of the Army (DA) permit would be required under the provisions of Section 404 of the Clean Water Act.

Your project is considered a discharge of backfill or bedding material for utility lines. The project is authorized under the provisions of 33 CFR 330 Nationwide Permit (NWP) No. 12, Utility Line Activities, as published in the Federal Register March 12, 2007.

During the review of your application, we noted that the proposed work was over, across, in, and upon lands of the United States as identified as Tract Nos. 1915-2, 1919, 1930 and 2002 at Green River Lake Project. We have no objection to the work being performed within the easement and have included with this Nationwide permit a Department of the Army "Easement for Pipeline Right-of-Way" located on Green River Lake Project, Adair County, Kentucky.

Under the provisions of this authorization you must comply with the enclosed Terms and General Conditions for Nationwide Permit No. 12 and the following special conditions:

1. The permittee shall follow the attached plan entitled "Safety & Boat Traffic Plan for the Columbia/Adair Utilities District Green River Lake Water Line Crossing along Kentucky Highway 551".

2. The permittee shall comply with the attached Department of the Army "Easement for Pipeline Right-of-Way" located on Green River Lake Project, Adair County, Kentucky (No. DACW27-2-11-448).

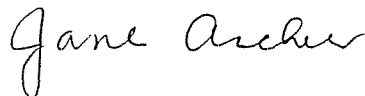
You must also comply with the enclosed Water Quality Certification (WQC) Conditions for Nationwide Permit No. 12 dated March 19, 2007, issued by the Kentucky Division of Water. Once you obtain your certification, or if no application was required, you may proceed with the project without further contact or verification from us.

This verification is valid until the NWP is modified, reissued, or revoked. All of the existing NWPs are scheduled to be modified, reissued, or revoked prior to **March 18, 2012**. It is incumbent upon you to remain informed of changes to the NWPs. We will issue a public notice when the NWPs are reissued. Furthermore, if you commence or are under contract to commence this activity before the date that the relevant nationwide permit is modified or revoked, you will have 12 months from the date of the modification or revocation of the NWP to complete the activity under the present terms and conditions of this nationwide permit. The enclosed Compliance Certification should be signed and returned when the project is completed. If your project is not completed within this timeframe or if your project is modified, you must contact us for another permit determination. Note that we also perform periodic inspections to ensure compliance with our permit conditions and applicable Federal laws. A copy of this letter is being sent to your agent and to the appropriate coordinating agencies (see enclosure for addresses).

Attached to this verification that the project is authorized by NWP No. 12 are a preliminary jurisdictional determination (JD), a Notification of Appeal Process (NAP) fact sheet, and Request for Appeal (RFA) form. However, a preliminary JD is not appealable and impacting "waters of the U.S." identified in the preliminary JD will result in you waiving the right to request an approved JD at a later date. An approved JD may be requested (which may be appealed), by contacting me for further instruction.

If you have any questions, please contact this office by writing to the above address, ATTN: CELRL-OP-FS, or by calling me at (502)315-6682. All correspondence pertaining to this matter should refer to our ID No. LRL-2011-00187-jea.

Sincerely,

A handwritten signature in cursive script that reads "Jane Archer".

Jane Archer  
Regulatory Specialist  
Regulatory Branch

Enclosures

**DEPARTMENT OF THE ARMY**  
**EASEMENT FOR PIPELINE RIGHT-OF-WAY**  
**LOCATED ON**  
**GREEN RIVER LAKE PROJECT**  
**ADAIR COUNTY, KENTUCKY**

**THE SECRETARY OF THE ARMY**, under and by virtue of the authority vested in the Secretary by Title 10 United States Code, Section 2668, having found that the granting of this easement will be in the public interest and will not substantially injure the interests of the United States, hereby grants to **COLUMBIA/ADAIR UTILITIES DISTRICT**, 109 Grant Lane, P.O. Box 567, Columbia, Kentucky 42728, hereinafter referred to as the grantee, a twenty (20) foot wide easement (10 feet on either side of the centerline) for the installation, maintenance and use of approximately 6,600 LF of 8-inch public waterline, hereinafter referred to as the facilities, over, across, in and upon lands of the United States as identified as Tract Nos. 1915-2, 1919, 1930 and 2002 in Exhibits "A" and "B" hereinafter referred to as the premises, and which are attached hereto and made a part hereof.

**THIS EASEMENT** is granted subject to the following conditions.

**1. TERM**

This easement is hereby granted in perpetuity.

**2. CONSIDERATION**

The consideration for this easement shall be the construction, operation and maintenance of the waterline for the benefit of the general public in accordance with the terms and conditions hereinafter set forth.

**3. NOTICES**

All correspondence and notices to be given pursuant to this easement shall be addressed, if to the Grantee, to **COLUMBIA/ADAIR UTILITIES DISTRICT**, 109 Grant Lane, P.O. Box 567, Columbia, Kentucky 42728; and, if to the United States, to the District Engineer, ATTN: Chief, Real Estate Division, U. S. Army Corps of Engineers, Post Office Box 59, Room 137, Louisville, Kentucky 40201-0059, or as may from time to time otherwise be directed by the parties. Notice shall be deemed to have been duly

given if and when enclosed in a properly sealed envelope, or wrapper, addressed as aforesaid, and deposited postage prepaid in a post office regularly maintained by the United States Postal Service.

#### **4. AUTHORIZED REPRESENTATIVES**

Except as otherwise specifically provided, any reference herein to "Secretary", "District Engineer", "Installation Commander", or "said officer" shall include their duly authorized representatives. Any reference to "grantee" shall include assignees, transferees and their duly authorized representatives.

#### **5. SUPERVISION BY THE DISTRICT ENGINEER**

The construction, operation, maintenance, repair or replacement of said facilities, including culverts and other drainage facilities, shall be performed at no cost or expense to the United States and subject to the approval of the District Engineer, Louisville District, hereinafter referred to as said officer. Upon the completion of any of the above activities, the Grantee shall immediately restore the premises to the satisfaction of said officer. The use and occupation of the premises for the purposes herein granted shall be subject to such rules and regulations as said officer prescribes in writing from time to time.

#### **6. APPLICABLE LAWS AND REGULATIONS**

The grantee shall comply with all applicable Federal, state, county and municipal laws, ordinances and regulations wherein the premises are located.

#### **7. CONDITION OF PREMISES**

The grantee acknowledges that it has inspected the premises, knows the condition, and understands that the same is granted without any representation or warranties whatsoever and without any obligation on the part of the United States.

#### **8. INSPECTION AND REPAIRS**

The grantee shall inspect the facilities at reasonable intervals and immediately repair any defects found by such inspection or when required by said officer to repair any such defects.

#### **9. PROTECTION OF GOVERNMENT PROPERTY**

The grantee shall be responsible for any damage that may be caused to the property of the United States by the activities of the grantee under this easement and



shall exercise due diligence in the protection of all property located on the premises against fire or damage from any and all other causes. Any property of the United States damaged or destroyed by the grantee incident to the exercise of the privileges herein granted shall be promptly repaired or replaced by the grantee to a condition satisfactory to said officer, or at the election of said officer, reimbursement made therefor by the grantee in an amount necessary to restore or replace the property to a condition satisfactory to said officer.

#### **10. RIGHT TO ENTER**

The right is reserved to the United States, its officers, agents, and employees to enter upon the premises at any time and for any purpose necessary or convenient in connection with government purposes, to make inspections, to remove timber or other material, except property of the grantee, to flood the premises and/or to make any other use of the lands as may be necessary in connection with government purposes, and the grantee shall have no claim for damages on account thereof against the United States or any officer, agent, or employee thereof.

#### **11. TRANSFERS AND ASSIGNMENTS**

Without prior written approval by said District Engineer, the grantee shall neither transfer nor assign this easement or any part thereof nor grant any interest, privilege or license whatsoever in connection with this easement. The provisions and conditions of this easement shall extend to and be binding upon and shall inure to the benefit of the representatives, successors and assigns of the grantee.

#### **12. INDEMNITY**

The United States shall not be responsible for damages to property or injuries to persons which may arise from or be incident to the exercise of the privileges herein granted, or for damages to the property or injuries to the person of the grantee's officers, agents, or employees or others who may be on the premises at their invitation or the invitation of any one of them, and the grantee shall hold the United States harmless from any and all such claims not including damages due to the fault or negligence of the United States or its contractors.

#### **13. SUBJECT TO EASEMENTS**

This easement is subject to all other existing easements, or those subsequently granted as well as established access routes for roadways and utilities located, or to be located, on the premises, provided that the proposed grant of any new easement or route will be coordinated with the grantee, and easements will not be granted which will, in the opinion of said officer, interfere with the use of the premises by the grantee.

#### **14. REQUIRED SERVICES**

The grantee shall furnish through said facilities such services as may be required from time to time for governmental purposes, provided that payment for such service will be made by the United States at rates which shall be mutually agreeable but which shall never exceed the most favorable rates granted by the grantee for similar service.

#### **15. RELOCATION OF FACILITIES**

In the event all or any portion of the premises occupied by the said facilities shall be needed by the United States, or in the event the existence of said facilities is determined to be detrimental to governmental activities, the grantee shall from time to time, upon notice to do so, and as often as so notified, remove said facilities to such other location on the premises as may be designated by said officer. In the event said facilities shall not be removed or relocated within ninety (90) days after such notice, the United States may cause such relocation at the sole expense of the grantee.

#### **16. TERMINATION**

This easement may be terminated by the Secretary upon 30 days written notice to the grantee if the Secretary shall determine that the right-of-way hereby granted interferes with the use or disposal of said land by the United States, or it may be revoked by the Secretary for failure of the grantee to comply with any or all of the conditions of this easement, or for non-use for a period of two (2) years, or for abandonment.

#### **17. SOIL AND WATER CONSERVATION**

The grantee shall maintain, in a manner satisfactory to said officer, all soil and water conservation structures that may be in existence upon said premises at the beginning of or that may be constructed by the grantee during the term of this easement, and the grantee shall take appropriate measures to prevent or control soil erosion within the right-of-way herein granted. Any soil erosion occurring outside the premises resulting from the activities of the grantee shall be corrected by the grantee as directed by said officer.

#### **18. ENVIRONMENTAL PROTECTION**

a. Within the limits of their respective legal powers, the parties hereto shall protect the premises against pollution of its air, ground, and water. The grantee shall promptly comply with any laws, regulations, conditions or instructions affecting the activity hereby authorized if and when issued by the Environmental Protection Agency,

or any Federal, state, interstate or local governmental agency having jurisdiction to abate or prevent pollution. The disposal of any toxic or hazardous materials within the premises is strictly prohibited. Such regulations, conditions, or instructions in effect or prescribed by the said Environmental Protection Agency or any Federal, state, interstate or local governmental agency are hereby made a condition of this easement. The grantee shall not discharge waste or effluent from the premises in such a manner that the discharge will contaminate streams or other bodies of water or otherwise become a public nuisance.

b. The use of any pesticides or herbicides within the premises shall be in conformance with all applicable Federal, state and local laws and regulations. The grantee must obtain approval in writing from said officer before any pesticides or herbicides are applied to the premises.

c. The grantee will use all reasonable means available to protect the environment and natural resources, and where damage nonetheless occurs arising from the grantee's activities, the grantee shall be liable to restore the damaged resources.

## **19. HISTORIC PRESERVATION**

The grantee shall not remove or disturb, or cause or permit to be removed or disturbed, any historical, archeological, architectural or other cultural artifacts, relics, remains or objects of antiquity. In the event such items are discovered on the premises, the grantee shall immediately notify said officer and protect the site and material from further disturbance until said officer gives clearance to proceed.

## **20. NON-DISCRIMINATION**

a. The grantee shall not discriminate against any person or persons because of race, color, age, sex, handicap, national origin or religion.

b. The grantee, by acceptance of this easement, is receiving a type of Federal assistance and, therefore, hereby gives assurance that it will comply with the provisions of Title VI of the Civil Rights Act of 1964 as amended (42 U.S.C. § 2000d); the Age Discrimination Act of 1975 (42 U.S.C. § 6102); the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794); and all requirements imposed by or pursuant to the Directive of the Department of Defense (32 CFR Part 300) issued as Department of Defense Directive 5500.11 and 1020.1, and Army Regulation 600-7. This assurance shall be binding on the grantee, its agents, successors, transferees, and assignees.

## **21. RESTORATION**

On or before the expiration or termination of this easement, the grantee shall, without expense to the United States, and within such time as said officer may indicate, remove said facilities and restore the premises to the satisfaction of said officer. In the event the grantee shall fail to remove said facilities and restore the premises, the United States shall have the option to take over said facilities without compensation, or to remove said facilities and perform the restoration at the expense of the grantee, and the grantee shall have no claim for damages against the United States or its officers or agents for such action.

## **22. SPECIAL CONDITIONS**

a Adequate measures shall be taken to prevent erosion and runoff into streams and lake. Where possible, straw bales or other acceptable practices shall be used to prevent erosion.

b All disturbed areas will be reseeded and returned to the pre-existing conditions, i.e. contour, drainage, etc.

c Adequate flagging and signage shall be used in accordance with State regulations for work along roadways.

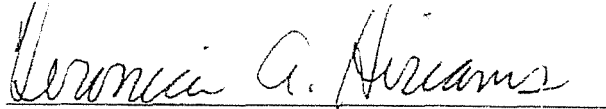
d Boat traffic control shall be implemented during installation of water line in the lake.

## **23. DISCLAIMER**

This instrument is effective only insofar as the rights of the United States in the property are concerned, and the grantee shall obtain such permission as may be required on account of any other existing rights. It is understood that the granting of this easement does not eliminate the necessity of obtaining any Department of the Army permit which may be required pursuant to the provisions of Section 10 of the Rivers and Harbors Act of 3 March 1899 (30 Stat. 1151; 33 U.S.C. § 403), Section 404 of the Clean Water Act (33 U.S.C. § 1344) or any other permit or license which may be required by Federal, state or local statute in connection with use of the premises.

**THIS EASEMENT** is not subject to Title 10, United States Code, Section 2662, as amended.

IN WITNESS WHEREOF, I have hereunto set my hand by authority of the  
Secretary of the Army, this 19<sup>th</sup> day of September, 2011.



VERONICA A. HIRIAMS  
Real Estate Contracting Officer  
Louisville District, Corps of  
Engineers  
Louisville, Kentucky

**ACKNOWLEDGEMENT**

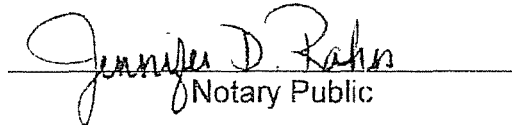
COMMONWEALTH OF KENTUCKY

SS

COUNTY OF JEFFERSON

BEFORE me a Notary Public in and for the State of Kentucky, personally  
appeared VERONICA A. HIRIAMS to me known to be the identical person and officer  
whose name is subscribed to the foregoing instrument and acknowledged to me that  
she executed the said instrument in the capacity therein stated for the purpose therein  
expressed as the act and deed of the United States of America.

GIVEN under my hand and seal this 19<sup>th</sup> day of September, 2011.



Notary Public

My Commission expires: 27 June 2015

Sept **THIS EASEMENT** is also executed by the grantee this 8 day of \_\_\_\_\_, 2011.

**COLUMBIA/ADAIR UTILITIES DISTRICT**

BY: Danny Downey  
TITLE: Chairman

**ACKNOWLEDGEMENT**

COMMONWEALTH OF KENTUCKY

SS

COUNTY OF ADAIR

BEFORE me, a Notary Public, in and for the County of ADAIR personally appeared Danny Downey, to me known to be the identical person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that he/she executed the said instrument in the capacity therein stated for the purpose therein expressed as the act and deed of the **COLUMBIA/ADAIR UTILITIES DISTRICT**.

GIVEN under my hand and seal this 8 day of Sept, 2011.

Jennifer Carter  
Notary Public

My Commission expires on 4-21-12

DATE VALLEY  
QUADRANGLE

UNDESIGNED

Copyright © 2007

EXISTING 8-INCH  
WATER LINE

LA 11-12-13-14  
CROSSING

PROPOSED 10,700 LF OF  
8-INCH WATER LINE

EXHIBIT 'A'  
DACW27-2-11-448  
GREEN RIVER LAKE, KY

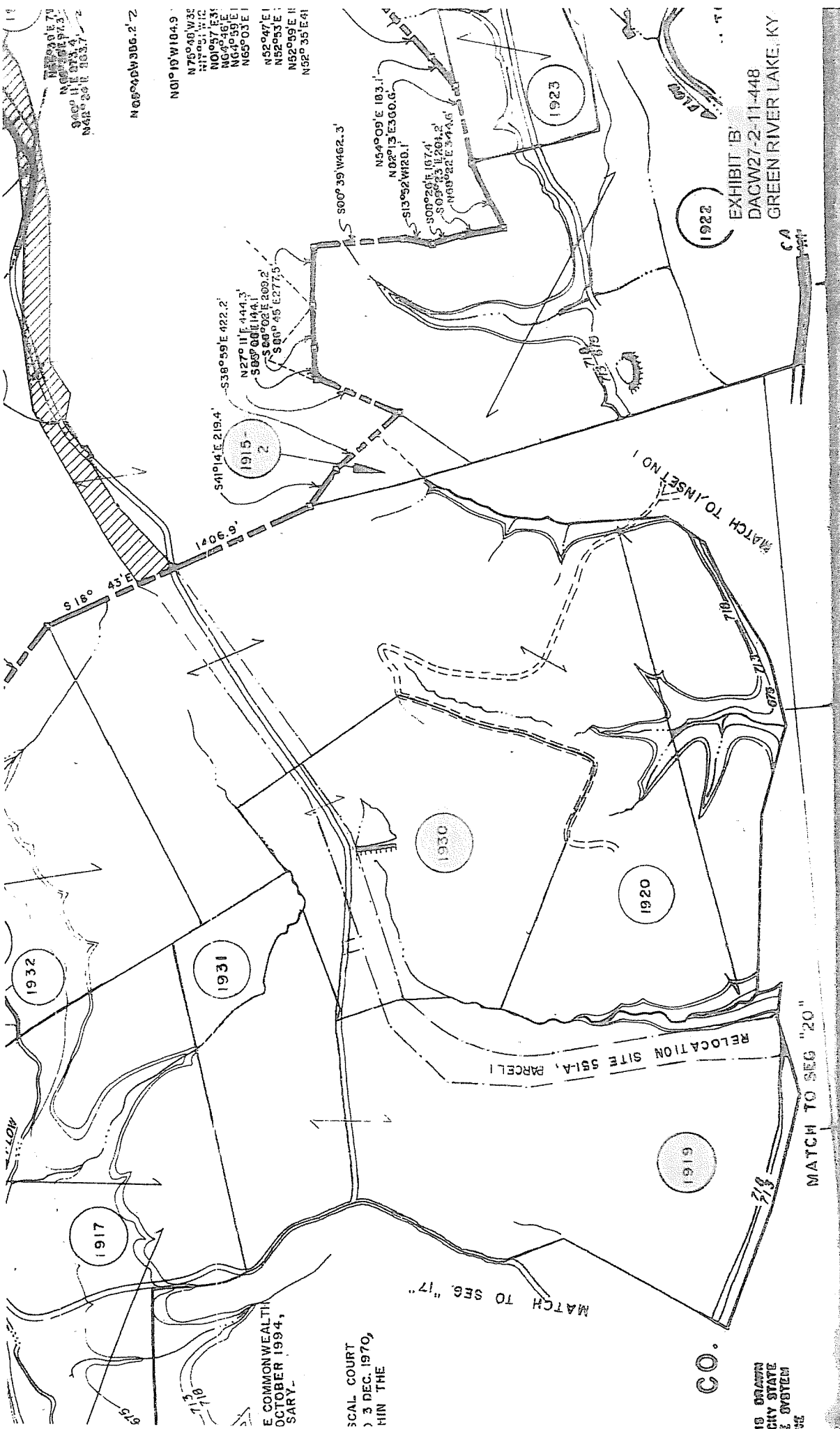
EXISTING 4-INCH  
WATER LINE



ENGINE CONNECTION  
GREEN RIVER CROSSING  
COLUMBIANA UTILITIES DISTRICT

William J. [Name]

SCALE 1" = 2000'



N65°01'E 79  
 N65°01'E 79.3  
 S90°11'E 373.4  
 N43°20'E 183.7

N 08°04'W 306.2' 2'

N01°10'W 104.9  
 N75°00'W 32  
 N17°01'W 12  
 N01°05'W 53  
 N64°06'E  
 N64°09'E  
 N65°03'E  
 N52°47'E  
 N52°53'E  
 N52°59'E  
 N52°35'E 41

S41°14'E 2194.4'  
 N27°11'E 444.3'  
 S58°00'W 144.1'  
 S36°02'E 209.2'  
 S80°45'E 277.5'  
 S38°59'E 422.2'  
 S13°02'W 120.1'  
 S08°26'E 167.4'  
 S05°23'E 204.2'  
 N48°22'E 344.6'  
 S50°09'E 183.1'  
 N05°13'E 330.6'  
 S00°39'W 462.3'

1922

1923

1915-2

1930

1920

1932

1931

1917

1919

EXHIBIT 'B'  
 DACW27-2-11-448  
 GREEN RIVER LAKE, KY

E COMMONWEALTH  
 OCTOBER 1994,  
 SARY

SCAL COURT  
 3 DEC. 1970,  
 HIN THE

CO.

IS DRAWN  
 KY STATE  
 E SYSTEM

MOTOR

RELOCATION SITE 581-A, PARCELL

MATCH TO SEG "17"

MATCH TO SEG "20"

MATCH TO INSET NO. 1







**KENTUCKY INFRASTRUCTURE AUTHORITY**

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

**Steven L. Beshear**  
Governor

**John E. Covington III**  
Executive Director

August 5, 2011

Mr. Danny Downey, Chairman  
Adair County Water District d/b/a Columbia/Adair Utilities District  
109 Grant Lane, PO Box 567  
Columbia, KY 42728

**KENTUCKY INFRASTRUCTURE AUTHORITY  
FEDERALLY ASSISTED DRINKING WATER REVOLVING LOAN FUND  
CONDITIONAL COMMITMENT LETTER (F11-10)**

Dear Mr. Downey:

The Kentucky Infrastructure Authority ("the Authority") commends your efforts to improve public service facilities in your community. On August 4, 2011, the Authority approved your loan for the Phase 11 Water System Extensions & Improvements Project subject to the conditions stated below. The total cost of the project shall not exceed \$3,554,000 of which the Authority loan shall provide \$1,500,000 of the funding. Other anticipated funding for the project is reflected in Attachment A. The final loan amount will be equal to the Authority's portion of estimated project cost applied to the actual project cost. Attachment A incorporated herein by reference fully describes the project.

An Assistance Agreement will be executed between the Authority and the Adair County Water District d/b/a Columbia/Adair Utilities District upon satisfactory performance of the conditions set forth in this letter. A period of twelve months from the date of this letter (8/5/2012) will be allowed for you to meet the conditions set forth in this letter and enter into an Assistance Agreement. A one-time extension of up to six months may be granted for applicants that experience extenuating circumstances. Funds will be available for disbursement only after execution of the Assistance Agreement.

The Assistance Agreement and this commitment shall be subject, but not limited to, the following terms:

1. The Authority project loan shall not exceed \$1,500,000.

2. The loan shall contain principal forgiveness in the amount of 40%. Actual amortized loan and forgiveness amounts will be based on actual project costs drawn from the Authority.
3. The loan shall bear interest at the rate of 1% per annum commencing with the first draw of funds.
4. The loan shall be repaid over a period not to exceed 20 years from the date the loan is closed.
5. Interest shall be payable on the unforgiven amount of actual funds received. The first payment shall be due on June 1 or December 1 immediately succeeding the date of the initial draw of funds, provided that if such June 1 or December 1 shall be less than three months since the date of the initial draw of funds, then the first interest payment date shall be the June 1 or December 1 which is at least six months from the date of the initial draw of funds. Interest payments will be due each six months thereafter until the loan is repaid.
6. Full principal payments will commence on the appropriate June 1 or December 1 within twelve months from initiation of operation. Full payments will be due each six months thereafter until the loan is repaid.
7. A loan servicing fee of 0.25% of the annual outstanding loan balance shall be payable to the Authority as a part of each interest payment.
8. Loan funds will be disbursed after execution of the Assistance Agreement as project costs are incurred.
9. The Authority loan funds must be expended within six months of the official date of initiation of operation.
10. Fund "F" loan funds are considered to be federal funds. OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations, requires that all recipients and subrecipients **expending \$500,000 or more in a year in federal awards must have a single or program-specific audit conducted for that year** in accordance with the Circular. If the federal amount expended plus all other federal funds expended exceeds the threshold, you are required to arrange for an A-133 audit to be performed by an independent, licensed CPA, or in special cases, the Auditor of Public

Accounts of the Commonwealth of Kentucky. The Authority requires an annual audit to be preformed for the life of the loan.

The following is a list of the standard conditions to be satisfied prior to execution of the Assistance Agreement or incorporated in the Assistance Agreement. Any required documentation must be submitted to the party designated.

1. The Authority to Award (bid) package must be submitted to the Division of Water for approval within 14 days of bid opening.
2. The Assistance Agreement must be executed within six (6) months from bid opening.
3. The Borrower must agree to expend all Authority loan funds within six months of the date of initiation of operation.
4. Documentation of final funding commitments from all parties other than the Authority as reflected in the credit analysis shall be provided prior to preparation of the Assistance Agreement and disbursement of the loan monies. Rejections of any anticipated project funding shall be immediately reported and may cause this loan to be subject to further consideration.
5. The loan must undergo review by the Capital Projects and Bond Oversight Committee of the Kentucky Legislature prior to the state's execution of the Assistance Agreement. The committee meets monthly on the third Tuesday. At this time we know of no further submission required for their review; however, they may request information as needed.
6. Any required adjustment in utility service rates shall be adopted by ordinance, municipal order or resolution by the appropriate governing body of the Borrower. Public hearings as required by law shall be held prior to the adoption of the service rate ordinance, order, or resolution. Any required approvals by the Kentucky Public Service Commission shall be obtained.
7. All easements or purchases of land shall be completed prior to commencement of construction. Certification of all land or easement acquisitions shall be provided to the Division of Water.
8. The Borrower must complete and return to the Authority the attached "Authorization For Electronic Deposit of Vendor Payment" Form.
9. The Authority to Award Package documentation shall be submitted to and approved by DOW.

Mr. Danny Downey  
August 5, 2011  
Page 4

10. An environmental review shall be conducted by the Division of Water for all construction projects receiving DWSRF funds, within the term of this binding commitment and prior to project bid.
11. Technical plans and specifications and a complete DWSRF specifications checklist shall be approved by the Division of Water prior to project bid.
12. A clear site certificate shall be obtained and DOW representatives shall be notified for attendance of the pre-construction conference.
13. Project changes or additions shall require a complete environmental and change order review before they can be included in the DWSRF loan project.

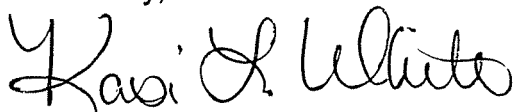
The following is a list of additional conditions to be satisfied prior to execution of the Assistance Agreement or incorporated in the Assistance Agreement. Any required documentation must be submitted to the party designated.

1. The Borrower shall require all contractors to pay wages pursuant to applicable prevailing wage rates (federal or state) for all work relating to the subject Project. The Borrower shall, if applicable, comply with all Davis Bacon related monitoring and reporting.
2. The project shall comply with the reporting requirements of the Transparency Act, and shall complete the attached Transparency Act Reporting Information Form and provide to the Authority no later than 30 days after the KIA Board approval date of your loan.
3. If the project has a "Green Reserve" component, the Borrower must submit a Business Case, if required.

Any special conditions listed below and/or stated in Attachment A must be resolved.

Please inform the Authority of any changes in your financing plan as soon as possible. We wish you every success for this project which will benefit both your community and the Commonwealth as a whole.

Sincerely,



Kasi L. White  
Financial Analyst

Mr. Danny Downey  
August 5, 2011  
Page 5

Attachments

cc: Lennon Stone, Adair County Water District d/b/a Columbia/Adair Utilities District  
David Bowles, PE, Monarch Engineering, Inc.  
Division of Water  
Dirk Bedarff, Peck, Shaffer & Williams LLP  
State Local Debt Office, DLG  
Borrower File - Adair County Water District d/b/a Columbia/Adair Utilities District -  
F11-10

Please sign and return a copy of this letter indicating your acceptance of this commitment and its terms. Also attach the completed "Authorization For Electronic Deposit of Vendor Payment" Form.

---

Accepted

---

Date

**ATTACHMENT A**

**Adair County Water District d/b/a Columbia/Adair Utilities District  
F11-10**

**EXECUTIVE SUMMARY  
KENTUCKY INFRASTRUCTURE AUTHORITY  
FUND F, FEDERALLY ASSISTED DRINKING WATER  
REVOLVING LOAN FUND**

Reviewer: Kasi White  
Date: August 4, 2011  
KIA Loan Number: F11-10  
WRIS Number: WX21001025

**BORROWER:** ADAIR COUNTY WATER DISTRICT D/B/A COLUMBIA/ADAIR UTILITIES DISTRICT  
ADAIR COUNTY

**BRIEF DESCRIPTION:**  
The Adair County Water District d/b/a Columbia Adair Utilities District is requesting \$1,500,000 in DWSRF funds for the Phase 11 Water System Extensions and Improvements project. This project will entail the (1) construction of a new 300,000 gallon water storage tank, (2) replacement and enlargement of approximately 2 miles of water line that will extend from the new tank westward towards KY HWY 80, (3) construction of a transmission main to connect the northeastern portion of they system to the southern portion (4) construction of approximately 84,000 LF of 3" water line to serve approximately 76 new customers and (5) replacement of approximately 46,500 LF of 12", 6" and 4" water lines along Knifley Connection/Green River Crossing and East 80. This project will improve system pressure and enhance distribution.

| PROJECT FINANCING: |                     | PROJECT BUDGET          |                     |
|--------------------|---------------------|-------------------------|---------------------|
| Fund F Loan        | \$ 1,500,000        | Administrative Expenses | \$ 75,000           |
| Rural Development  | 2,054,000           | Legal Expenses          | 45,000              |
|                    |                     | Land, Easements         | 25,000              |
|                    |                     | Engineering Fees        | 433,400             |
|                    |                     | Construction            | 2,757,000           |
|                    |                     | Contingency             | 218,600             |
| <b>TOTAL</b>       | <b>\$ 3,554,000</b> | <b>TOTAL</b>            | <b>\$ 3,554,000</b> |

| REPAYMENT |          | Est. Annual |                        |
|-----------|----------|-------------|------------------------|
| Rate      | 1.00%    | Payment     | \$ 37,049              |
| Term      | 30 years | 1st Payment | 6 Mo. after first draw |

|                              |              |                           |
|------------------------------|--------------|---------------------------|
| <b>PROFESSIONAL SERVICES</b> | Engineer     | Monarch Engineering, Inc. |
|                              | Bond Counsel | Peck, Shaffer, & Williams |

| PROJECT SCHEDULE    |                |
|---------------------|----------------|
| Bid Opening:        | January, 2012  |
| Construction Start: | March, 2012    |
| Construction Stop:  | December, 2012 |

|                          |           |          |
|--------------------------|-----------|----------|
| <b>DEBT PER CUSTOMER</b> | Existing: | \$ 1,024 |
|                          | Proposed: | \$ 1,797 |

|                   |              |
|-------------------|--------------|
| <b>OTHER DEBT</b> | See Attached |
|-------------------|--------------|

|   |              |
|---|--------------|
| <b>OTHER STATE-FUNDED PROJECTS LAST 5 YRS</b> | See Attached |
|---|--------------|

| RESIDENTIAL RATES | Users | Avg. Bill                    |
|-------------------|-------|------------------------------|
| Current           | 7,600 | \$ 26.85 (for 4,000 gallons) |
| Additional        | 76    | \$ 33.83 (for 4,000 gallons) |

|                              |  |
|------------------------------|--|
| <b>REGIONAL COORDINATION</b> | This project is consistent with regional planning recommendations. |
|------------------------------|--|

| CASHFLOW       | Cash Available for |              | Income after Debt |                |
|----------------|--------------------|--------------|-------------------|----------------|
|                | Debt Service       | Debt Service | Service           | Coverage Ratio |
| Audited 2007   | 358,201            | 299,088      | 59,113            | 1.20           |
| Audited 2008   | 375,213            | 328,507      | 46,706            | 1.14           |
| Audited 2009   | 335,914            | 399,965      | (64,051)          | 0.84           |
| Audited 2010   | 300,034            | 471,712      | (171,678)         | 0.64           |
| Projected 2011 | 285,234            | 532,814      | (247,580)         | 0.54           |
| Projected 2012 | 737,615            | 658,962      | 78,653            | 1.12           |
| Projected 2013 | 889,594            | 818,407      | 71,187            | 1.09           |
| Projected 2014 | 839,905            | 816,172      | 23,733            | 1.03           |



**KENTUCKY INFRASTRUCTURE AUTHORITY  
DRINKING WATER STATE REVOLVING FUND (FUND "F")  
ADAIR COUNTY WATER DISTRICT  
ADAIR COUNTY  
PROJECT REVIEW  
WX21001025**

**I. PROJECT DESCRIPTION**

The Adair County Water District d/b/a Columbia/Adair Utilities District (CAUD) is requesting \$1,500,000 in DWSRF funds for the Phase 11 Water System Extensions and Improvements project. This project will entail the (1) construction of a new 300,000 gallon water storage tank, (2) replacement and enlargement of approximately 2 miles of water line that will extend from the new tank westward towards KY HWY 80, (3) construction of a transmission main to connect the northeastern portion of the system to the southern portion (4) construction of approximately 84,000 LF of 3" water line to serve approximately 76 new customers and (5) replacement of approximately 46,500 LF of 12", 6" and 4" water lines along Knifley Connection / Green River Crossing and East 80. This project will improve system pressure and enhance distribution.

**II. PROJECT BUDGET**

|                         | <u>Total</u>        |
|-------------------------|---------------------|
| Administrative Expenses | \$ 75,000           |
| Legal Expenses          | 45,000              |
| Land, Easements         | 25,000              |
| Engineering Fees        | 433,400             |
| Construction            | 2,757,000           |
| Contingency             | 218,600             |
| <b>Total</b>            | <b>\$ 3,554,000</b> |

**III. PROJECT FUNDING**

|              | <u>Amount</u>       | <u>%</u>    |
|--------------|---------------------|-------------|
| Fund F Loan  | \$ 1,500,000        | 42%         |
| Local Funds  | 2,054,000           | 58%         |
| <b>Total</b> | <b>\$ 3,554,000</b> | <b>100%</b> |

#### **IV. KIA DEBT SERVICE**

|  |                   |
|--|-------------------|
| Construction Loan                          | \$ 1,500,000      |
| Less: Principal Forgiveness (40%)          | 600,000           |
| Amortized Loan Amount                      | <u>\$ 900,000</u> |
| Interest Rate                              | 1.00%             |
| Loan Term (Years)                          | 30                |
| Estimated Annual Debt Service              | \$ 34,799         |
| Administrative Fee (0.25%)                 | <u>2,250</u>      |
| <b>Total Estimated Annual Debt Service</b> | <b>\$ 37,049</b>  |

#### **V. PROJECT SCHEDULE**

|                     |               |
|---------------------|---------------|
| Bid Opening:        | January 2012  |
| Construction Start: | March 2012    |
| Construction Stop:  | December 2012 |

#### **VI. CUSTOMER COMPOSITION AND RATE STRUCTURE**

##### **A. Customers**

| Customers   | Proposed     |           | Total        |
|-------------|--------------|-----------|--------------|
|             | Current      |           |              |
| Residential | 7,446        | 76        | 7,522        |
| Commercial  | 154          | 0         | 154          |
| Industrial  | 0            | 0         | 0            |
|             | <u>7,600</u> | <u>76</u> | <u>7,676</u> |

At the time of the acquisition of the water and sewer operations of the City of Columbia, there were approximately 1640 customers of Columbia's water system. They are represented in the above customer counts. As part of the Purchase Agreement, the Columbia water system customers will be billed at the CAUD rate.

The district currently purchases the majority of their water from Columbia Adair County Water Commission; however, they do have water purchase agreements in place with the Cities of Russell Springs, Campbellsville and Jamestown. Pursuant to the terms of an Operating Agreement between CAUD and the Columbia Adair Water Commission (CAWC) dated January 1, 2011, the district assumed billing and operations from CAWC and therefore are not paying for their water purchases. This is offset by the additional expenses assumed pursuant to the Operating Agreement.

## **B. Rate Structure**

Water rates were last increased November 1, 2009. The district is in the process of filing a Rate Case to the Public Service Commission. The current rate structure is as follows:

|                                |    |       |
|--------------------------------|----|-------|
| First 2,000 Gallons (minimum)  | \$ | 15.35 |
| Next 3,000 Gallons             |    | 5.75  |
| Next 5,000 Gallons             |    | 5.00  |
| Next 15,000 Gallons            |    | 5.90  |
| All Over 25,000 Gallons        |    | 3.15  |
| Cost for 4,000 gallons         | \$ | 26.85 |
| Affordability Index (Rate/MHI) |    | 1.3%  |

## **VII. DEMOGRAPHICS**

In 2000, the population of Adair County was 17,244 and the Median Household Income was \$24,055 or 71.4% of the \$33,672 MHI for the Commonwealth. The US Census estimated the population at 18,029 in July 2009. Based on median household income falling below 80% of that of the Commonwealth, the project will qualify for the 1.00% interest rate.

## **VIII. FINANCIAL ANALYSIS (See Exhibit 1)**

Financial information for the Adair County Water District was obtained from audited financial statements for the years ended December 31, 2006, 2007, 2008 and 2009. The utility revenues are being pledged as security for the proposed KIA loan.

On May 3, 2010, the Adair County Water District entered into an Asset Purchase Agreement to acquire the water and sewer system from the City of Columbia. However, the agreement could not take effect until RD had approved the assumption of Columbia's debt by the district. The closing of the merger occurred July 21, 2011. In the interim, as of July 30, 2010, the City of Columbia and the Adair County Water District have been operating under an Operating Agreement which allowed the district to commence managing, operating, repairing and maintaining the Water and Wastewater Systems until the acquisition closing occurred.

On December 9, 2010, the district entered into an Intent to Merge with the Columbia Adair County Water Commission (CACWC). Prior to the Adair County Water District and City of Columbia merger, the City and the CAUD were the only customers of CACWC. The merger between CAUD and the CACWC will result in CAUD as the surviving entity and water supplier for their customers. The district anticipates that merger to occur in the latter part of 2011.

## HISTORICAL

Revenues have increased 16% from 2007 to 2010 due to a combination of growth, expansion of the water system, usage and rate increases in 2007 and 2009. Expenses have outpaced revenues in all years increasing 24% for the same period as a result of economic conditions and increased costs of administration, materials and supply inventories. Cash available for debt service has been positive in each year; however, the debt service ratio has decreased each year from a high in 2007 of 1.20 to a low of 0.64 in 2010.

In reviewing the balance sheet, utility assets have comprised approximately 90% of the district's assets. Several capital projects have been undertaken to expand the system and provide better service to the district's customers. In looking at the debt on the system, the district has funded capital projects through a combination of grants, loans and bond issues. The large increase in the Current Portion of Long Term Debt in 2009 and 2010 is related to the payoff of interim financing that has been replaced by a Rural Development Bond issue. The debt to equity ratio of the system has ranged from a low of 0.67 in 2010 to a high of 0.74 in 2009 and indicates that the system is strong enough to support additional debt with proposed rate increases.

## PROJECTED

Projections are based on the following assumptions:

- For 2011, revenues realized as a result of the Columbia merger have been added.
- For 2012 and 2013, revenues from the proposed and required rate increase as well as from an estimate of 50 new customers resulting from the project have been added.
- A 3% increase in revenues as a result of growth has been factored into all years.
- Expenses are anticipated to increase 5% annually and in 2011 those expenses related to the Columbia merger have been included.
- Future debt service includes the debt assumed from the City of Columbia, anticipation of a fully drawn KIA loan (F10-01) related to the currently under construction Sparksville project as well as debt service from the KIA and RD funding for the Phase II project.
- A replacement reserve of \$7,500 annual will be required for the KIA loan.
- Debt service on the new KIA loan will be \$40,136 beginning in 2013.

Debt service coverage is 1.08 in 2013 which represents the first full year of full principal and interest repayments on the Fund F loan. Based on the proforma assumptions, the utility shows adequate cash flow to repay the KIA Fund F loan.

## REPLACEMENT RESERVE

The annual replacement cost is \$7,500. This amount should be added to the replacement account each December 1 until the balance reaches \$75,000 and maintained for the life of the loan.

## IX. DEBT OBLIGATIONS

| <u>Debt Issue</u>                | <u>Outstanding</u>               | <u>Maturity</u> |
|----------------------------------|----------------------------------|-----------------|
| 1974 Waterworks Revenue Bond     | 15,500                           | 2014            |
| 1978 Waterworks Revenue Bond     | 152,000                          | 2018            |
| 1985 Water District Revenue Bond | 821,000                          | 2025            |
| 1989 Water District Revenue Bond | 122,000                          | 2022            |
| 1992 Water District Revenue Bond | 582,000                          | 2032            |
| 1995 Water District Revenue Bond | 351,000                          | 2035            |
| 1998 Water District Revenue Bond | 372,000                          | 2035            |
| 2003 Water District Revenue Bond | 583,000                          | 2042            |
| 2005 Water District Revenue Bond | 1,168,000                        | 2045            |
| 2007 Water District Revenue Bond | 735,000                          | 2046            |
| KIA (F07-01)                     | 908,736                          | 2028            |
| 2009 Water District Revenue Bond | 1,100,000                        | 2050            |
| 1975 Bonds (assumed)             | 26,000                           | 2015            |
| 1984 Bonds                       | 465,500                          | 2043            |
| KIA (F10-01) (i/a/o \$4MM)       | 0                                | TBD             |
| <b>Total</b>                     | <b><u><u>\$7,401,736</u></u></b> |                 |

## X. OTHER STATE OF FEDERAL FUNDING IN PAST FIVE YEARS

| <u>Project Title</u>     | <u>Funding Source</u> | <u>Amount</u> | <u>Type</u> |
|--------------------------|-----------------------|---------------|-------------|
| Water System Renovation  | USDA                  | \$ 900,000    | Grant       |
| Shepherd Water System    | HB380 (2006)          | 1,000,000     | Grant       |
| Shepherd Water System    | USDA                  | 550,000       | Grant       |
| Columbia Bypass and Tank | USDA                  | 608,000       | Grant       |
| Columbia Bypass and Tank | HB608 (2008)          | 1,225,000     | Grant       |
| Columbia Bypass and Tank | EDA                   | 1,500,000     | Grant       |

## **XI. CONTACTS**

### **Applicant**

Name Adair County Water District  
Address 109 Grant Lane, P.O. Box 567  
Columbia, KY 42728  
County Adair  
Contact Danny Downey  
Phone (270) 384-2181

### **Applicant Contact**

Name Adair County Water District  
Address 109 Grant Lane, P.O. Box 567  
Columbia, KY 42728  
Contact Lennon Stone  
Phone (270) 384-2181  
Email lenny.stone@caud.net

### **Engineer**

Name David M. Bowles, P.E.  
Firm Monarch Engineering, Inc.  
Address 556 Carlton Drive  
Lawrenceburg, KY 40342  
Phone (502) 839-1310  
Email dbowles@monarchengineering.net

## **XII. RECOMMENDATIONS**

KIA staff recommends approval of the loan with the standard conditions and the following special condition:

A rate increase of at least 25% shall be implemented by the district upon PSC approval and no later than January 1, 2012. A copy of the resolution by the district and a copy of the PSC Order shall be provided to the Kentucky Infrastructure Authority. This will result in the rate structure reflected below:

| Date of Last Rate Increase     | 1/1/2012   | 1/1/2013  |
|--------------------------------|------------|-----------|
| First 2,000 Gallons (minimum)  | \$ 18.42   | \$ 19.34  |
| Next 3,000 Gallons             | 6.90       | 7.25      |
| Next 5,000 Gallons             | 6.00       | 6.30      |
| Next 15,000 Gallons            | 4.68       | 4.91      |
| All Over 25,000 Gallons        | 3.78       | 3.97      |
| Cost for 4,000 gallons         | \$ 32.22   | \$ 33.83  |
| Affordability Index (Rate/MHI) | 1.3%       | 1.4%      |
| <b>Proposed Increase</b>       | <b>20%</b> | <b>5%</b> |

| <b>EXHIBIT 1<br/>ADAIR COUNTY WATER DISTRICT<br/>CASH FLOW ANALYSIS</b> |                         |                     |                         |                     |                         |                     |                         | December 31 Year End      |                           |                           |                           |
|---|-------------------------|---------------------|-------------------------|---------------------|-------------------------|---------------------|-------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
|   | <b>Audited<br/>2007</b> | <b>%<br/>Change</b> | <b>Audited<br/>2008</b> | <b>%<br/>Change</b> | <b>Audited<br/>2009</b> | <b>%<br/>Change</b> | <b>Audited<br/>2010</b> | <b>Projected<br/>2011</b> | <b>Projected<br/>2012</b> | <b>Projected<br/>2013</b> | <b>Projected<br/>2014</b> |
| <b>Operating Revenues</b>   |                         |                     |                         |                     |                         |                     |                         |                           |                           |                           |                           |
| Revenues  | 2,036,616               | 8%                  | 2,195,154               | 3%                  | 2,264,861               | 4%                  | 2,366,106               | 2,437,089                 | 3,361,259                 | 4,167,126                 | 4,517,164                 |
| Columbia Revenues (partial year)  |                         |                     |                         |                     |                         |                     |                         | 425,529                   | -                         | -                         | -                         |
| Additional Revenues from Rate Increase                                  |                         |                     |                         |                     |                         |                     |                         |                           | 685,697                   | 225,025                   | -                         |
| Additional Revenues from new Customers                                  |                         |                     |                         |                     |                         |                     |                         |                           | 19,332                    |                           |                           |
| <b>Total Revenues</b>   | <b>2,036,616</b>        | <b>8%</b>           | <b>2,195,154</b>        | <b>3%</b>           | <b>2,264,861</b>        | <b>4%</b>           | <b>2,366,106</b>        | <b>2,862,618</b>          | <b>4,066,288</b>          | <b>4,392,150</b>          | <b>4,517,164</b>          |
| <b>Operating Expenses</b>   |                         |                     |                         |                     |                         |                     |                         |                           |                           |                           |                           |
| Operating Expenses  | 1,717,197               | 8%                  | 1,849,797               | 5%                  | 1,950,460               | 8%                  | 2,111,937               | 2,597,784                 | 3,327,673                 | 3,494,057                 | 3,668,760                 |
| Depreciation  | 482,128                 | 3%                  | 498,759                 | 12%                 | 559,313                 | 12%                 | 624,893                 | 768,250                   | 972,465                   | 991,914                   | 1,011,752                 |
| Replacement Reserve   |                         |                     |                         |                     |                         |                     |                         |                           | 10,000                    | 17,500                    | 17,500                    |
| <b>Total Expenses</b>   | <b>2,199,325</b>        | <b>7%</b>           | <b>2,348,556</b>        | <b>7%</b>           | <b>2,509,773</b>        | <b>9%</b>           | <b>2,736,830</b>        | <b>3,366,034</b>          | <b>4,310,138</b>          | <b>4,503,471</b>          | <b>4,698,012</b>          |
| <b>Net Operating Income</b>   | <b>(162,709)</b>        | <b>-6%</b>          | <b>(153,402)</b>        | <b>60%</b>          | <b>(244,912)</b>        | <b>51%</b>          | <b>(370,724)</b>        | <b>(503,416)</b>          | <b>(243,850)</b>          | <b>(111,320)</b>          | <b>(180,848)</b>          |
| <b>Non-Operating Income and Expenses</b>                                |                         |                     |                         |                     |                         |                     |                         |                           |                           |                           |                           |
| Interest on Investments   | 31,514                  | -24%                | 24,009                  | -32%                | 16,411                  | -79%                | 3,512                   | 3,512                     | 4,000                     | 4,000                     | 4,000                     |
| Lease (Operating Agreement - Columbia)                                  |                         |                     |                         |                     |                         |                     | 28,570                  | 14,285                    | -                         | -                         | -                         |
| Other Operating Income (Expense)  | 7,268                   | -20%                | 5,847                   | -13%                | 5,102                   | 170%                | 13,783                  | 5,000                     | 5,000                     | 5,000                     | 5,000                     |
| <b>Total Non-Operating Income &amp; Expenses</b>                        | <b>38,782</b>           | <b>-23%</b>         | <b>29,856</b>           | <b>-28%</b>         | <b>21,513</b>           | <b>113%</b>         | <b>45,865</b>           | <b>2040000%</b>           | <b>9,000</b>              | <b>9,000</b>              | <b>9,000</b>              |
| <b>Add Non-Cash Expenses</b>  |                         |                     |                         |                     |                         |                     |                         |                           |                           |                           |                           |
| Depreciation  | 482,128                 | 3%                  | 498,759                 | 12%                 | 559,313                 | 12%                 | 624,893                 | 768,250                   | 972,465                   | 991,914                   | 1,011,752                 |
| <b>Cash Available for Debt Service</b>                                  | <b>358,201</b>          | <b>5%</b>           | <b>375,213</b>          | <b>-10%</b>         | <b>335,914</b>          | <b>-11%</b>         | <b>300,034</b>          | <b>285,234</b>            | <b>737,615</b>            | <b>889,594</b>            | <b>839,905</b>            |
| <b>Debt Service (enter as positive #'s)</b>                             |                         |                     |                         |                     |                         |                     |                         |                           |                           |                           |                           |
| Existing Debt   | 299,088                 |                     | 328,507                 |                     | 399,965                 |                     | 471,712                 | 426,994                   | 427,607                   | 447,970                   | 445,329                   |
| Assumed Debt  |                         |                     |                         |                     |                         |                     |                         | 31,108                    | 32,060                    | 31,513                    | 31,919                    |
| Anticipated RD Debt (Sparksville)                                       |                         |                     |                         |                     |                         |                     |                         | 54,713                    | 54,713                    | 70,711                    | 70,711                    |
| KIA Loan (F10-01) - Sparksville project                                 |                         |                     |                         |                     |                         |                     |                         | 20,000                    | 135,582                   | 231,164                   | 231,164                   |
| Proposed KIA Loan   |                         |                     |                         |                     |                         |                     |                         |                           | 9,000                     | 37,049                    | 37,049                    |
| <b>Total Debt Service</b>   | <b>299,088</b>          |                     | <b>328,507</b>          |                     | <b>399,965</b>          |                     | <b>471,712</b>          | <b>532,814</b>            | <b>658,962</b>            | <b>818,407</b>            | <b>816,172</b>            |
| <b>Income After Debt Service</b>  | <b>59,113</b>           |                     | <b>46,706</b>           |                     | <b>(64,051)</b>         |                     | <b>(171,678)</b>        | <b>(247,580)</b>          | <b>78,653</b>             | <b>71,187</b>             | <b>23,733</b>             |
| <b>Debt Coverage Ratio</b>  | <b>1.20</b>             |                     | <b>1.14</b>             |                     | <b>0.84</b>             |                     | <b>0.64</b>             | <b>0.54</b>               | <b>1.12</b>               | <b>1.09</b>               | <b>1.03</b>               |
| <b>RATE INCREASE REQUIRED - Proposed</b>                                |                         |                     |                         |                     |                         |                     |                         |                           | <b>20%</b>                | <b>5%</b>                 |                           |

**ADAIR COUNTY WATER DISTRICT  
BALANCE SHEETS**

| <b>ASSETS</b>                                  | <b>2007</b>       | <b>2008</b>       | <b>2009</b>       | <b>2010</b>       | <b>2012</b>       |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Current Assets</b>                          |                   |                   |                   |                   |                   |
| Cash   | 269,762           | 257,553           | 213,253           | 104,767           | 100,000           |
| Short Term Investments                         | 122,639           | 128,050           | 0                 | 0                 | 0                 |
| Accounts Receivable                            | 198,209           | 215,995           | 209,680           | 378,776           | 375,000           |
| Inventory                                      | 105,370           | 168,400           | 175,070           | 160,239           | 178,571           |
| Prepaid  | 25,864            | 26,688            | 30,402            | 42,818            | 45,000            |
| Other Current Assets                           | 0                 | 0                 | 0                 | 519,500           | 0                 |
| <b>Total Current Assets</b>                    | <b>721,844</b>    | <b>796,686</b>    | <b>628,405</b>    | <b>1,206,100</b>  | <b>698,571</b>    |
| <b>Restricted Assets</b>                       |                   |                   |                   |                   |                   |
| Investments                                    | 1,405,788         | 939,456           | 574,181           | 571,664           | 611,681           |
| Other  |                   |                   |                   |                   |                   |
| Escrow Account                                 |                   |                   |                   |                   |                   |
| Debt Service Reserve Fund                      |                   |                   |                   |                   |                   |
| <b>Total Restricted Assets</b>                 | <b>1,405,788</b>  | <b>939,456</b>    | <b>574,181</b>    | <b>571,664</b>    | <b>611,681</b>    |
| Land, System, Building and Equipment           | 18,478,108        | 20,594,856        | 22,242,920        | 25,599,835        | 39,594,120        |
| Less Accumulated Depreciation ( )              | (5,405,149)       | (5,902,897)       | (6,462,210)       | (7,086,055)       | (9,632,399)       |
| <b>Net Fixed Assets</b>                        | <b>13,072,959</b> | <b>14,691,959</b> | <b>15,780,710</b> | <b>18,513,780</b> | <b>20,522,419</b> |
| Debt Issue Costs - Net                         | 1,010             | 0                 | 0                 | 0                 | 5,000             |
| <b>Total Other Assets</b>                      | <b>1,010</b>      | <b>0</b>          | <b>0</b>          | <b>0</b>          | <b>5,000</b>      |
| <b>Total Assets</b>                            | <b>15,201,601</b> | <b>16,428,101</b> | <b>16,983,296</b> | <b>20,291,544</b> | <b>21,837,672</b> |
| <b>LIABILITIES</b>                             |                   |                   |                   |                   |                   |
| <b>Current Liabilities</b>                     |                   |                   |                   |                   |                   |
| Accounts Payable                               | 298,998           | 358,079           | 96,156            | 123,429           | 150,000           |
| Customer Deposits                              | 12,876            | 13,294            | 16,797            | 22,467            | 30,000            |
| Current Portion Long Term Debt                 | 728,500           | 154,876           | 1,114,832         | 852,349           | 184,284           |
| Other  | 11,466            | 22,708            | 0                 | 205,525           | 11,009            |
| Interest Payable                               | 174,244           | 182,454           | 171,906           | 184,745           | 200,000           |
| <b>Total Current Liabilities</b>               | <b>1,226,084</b>  | <b>731,411</b>    | <b>1,399,691</b>  | <b>1,388,515</b>  | <b>575,293</b>    |
| Notes and Bonds Payable                        | 5,193,633         | 5,940,623         | 5,810,236         | 6,744,917         | 13,411,133        |
| <b>Total Long Term Liabilities</b>             | <b>5,193,633</b>  | <b>5,940,623</b>  | <b>5,810,236</b>  | <b>6,744,917</b>  | <b>13,411,133</b> |
| <b>Total Liabilities</b>                       | <b>6,419,717</b>  | <b>6,672,034</b>  | <b>7,209,927</b>  | <b>8,133,432</b>  | <b>13,986,426</b> |
| <b>Retained Earnings:</b>                      |                   |                   |                   |                   |                   |
| Invested in Capital Assets Net of Related Debt | 6,961,018         | 8,381,055         | 8,855,642         | 10,733,962        | 6,634,659         |
| Restricted                                     | 1,405,788         | 939,456           | 574,181           | 571,664           | 611,681           |
| Unrestricted                                   | 415,078           | 435,556           | 343,546           | 852,486           | 604,906           |
| <b>Total Retained Earnings</b>                 | <b>8,781,884</b>  | <b>9,756,067</b>  | <b>9,773,369</b>  | <b>12,158,112</b> | <b>7,851,245</b>  |
| <b>Total Liabilities and Equities</b>          | <b>15,201,601</b> | <b>16,428,101</b> | <b>16,983,296</b> | <b>20,291,544</b> | <b>21,837,672</b> |
| <b>Balance Sheet Analysis</b>                  |                   |                   |                   |                   |                   |
| Current Ratio                                  | 0.59              | 1.09              | 0.45              | 0.87              | 1.21              |
| Debt to Equity                                 | 0.73              | 0.68              | 0.74              | 0.67              | 1.78              |
| Working Capital                                | (504,240)         | 65,275            | (771,286)         | (182,415)         | 123,278           |
| Percent of Total Assets in Working Capital     | -3.32%            | 0.40%             | -4.54%            | -0.90%            | 0.56%             |





| EXHIBIT 1<br>ADAIR COUNTY WATER DISTRICT<br>CASH FLOW ANALYSIS |                 |             |                 |             |                 |             |                  | December 31 Year End |                   |                   |                   |
|--|-----------------|-------------|-----------------|-------------|-----------------|-------------|------------------|----------------------|-------------------|-------------------|-------------------|
|  | Audited<br>2007 | %<br>Change | Audited<br>2008 | %<br>Change | Audited<br>2009 | %<br>Change | Audited<br>2010  | Projected<br>2011    | Projected<br>2012 | Projected<br>2013 | Projected<br>2014 |
| <b>Operating Revenues</b>                                      |                 |             |                 |             |                 |             |                  |                      |                   |                   |                   |
| Revenues   | 2,036,616       | 8%          | 2,195,154       | 3%          | 2,264,861       | 4%          | 2,366,106        | 2,437,089            | 3,361,259         | 4,167,126         | 4,517,164         |
| Columbia Revenues (partial year)                               |                 |             |                 |             |                 |             |                  | 425,529              | -                 | -                 | -                 |
| Additional Revenues from Rate Increase                         |                 |             |                 |             |                 |             |                  |                      | 685,697           | 225,025           | -                 |
| Additional Revenues from new Customers                         |                 |             |                 |             |                 |             |                  |                      | 19,332            |                   |                   |
| <b>Total Revenues</b>  | 2,036,616       | 8%          | 2,195,154       | 3%          | 2,264,861       | 4%          | 2,366,106        | 2,862,618            | 4,066,288         | 4,392,150         | 4,517,164         |
| <b>Operating Expenses</b>                                      |                 |             |                 |             |                 |             |                  |                      |                   |                   |                   |
| Operating Expenses   | 1,717,197       | 8%          | 1,849,797       | 5%          | 1,950,460       | 8%          | 2,111,937        | 2,597,784            | 3,327,673         | 3,494,057         | 3,668,760         |
| Depreciation   | 482,128         | 3%          | 498,759         | 12%         | 559,313         | 12%         | 624,893          | 768,250              | 972,465           | 991,914           | 1,011,752         |
| Replacement Reserve  |                 |             |                 |             |                 |             |                  |                      | 10,000            | 17,500            | 17,500            |
| <b>Total Expenses</b>  | 2,199,325       | 7%          | 2,348,556       | 7%          | 2,509,773       | 9%          | 2,736,830        | 3,366,034            | 4,310,138         | 4,503,471         | 4,698,012         |
| <b>Net Operating Income</b>                                    | (162,709)       | -6%         | (153,402)       | 60%         | (244,912)       | 51%         | (370,724)        | (503,416)            | (243,850)         | (111,320)         | (180,848)         |
| <b>Non-Operating Income and Expenses</b>                       |                 |             |                 |             |                 |             |                  |                      |                   |                   |                   |
| Interest on Investments  | 31,514          | -24%        | 24,009          | -32%        | 16,411          | -79%        | 3,512            | 3,512                | 4,000             | 4,000             | 4,000             |
| Lease (Operating Agreement - Columbia)                         |                 |             |                 |             |                 |             | 28,570           | 14,285               | -                 | -                 | -                 |
| Other Operating Income (Expense)                               | 7,268           | -20%        | 5,847           | -13%        | 5,102           | 170%        | 13,783           | 5,000                | 5,000             | 5,000             | 5,000             |
| <b>Total Non-Operating Income &amp; Expenses</b>               | 38,782          | -23%        | 29,856          | -28%        | 21,513          | 113%        | 45,865           | 2040000%             | 9,000             | 9,000             | 9,000             |
| <b>Add Non-Cash Expenses</b>                                   |                 |             |                 |             |                 |             |                  |                      |                   |                   |                   |
| Depreciation   | 482,128         | 3%          | 498,759         | 12%         | 559,313         | 12%         | 624,893          | 768,250              | 972,465           | 991,914           | 1,011,752         |
| <b>Cash Available for Debt Service</b>                         | <b>358,201</b>  | <b>5%</b>   | <b>375,213</b>  | <b>-10%</b> | <b>335,914</b>  | <b>-11%</b> | <b>300,034</b>   | <b>285,234</b>       | <b>737,615</b>    | <b>889,594</b>    | <b>839,905</b>    |
| <b>Debt Service (enter as positive #'s)</b>                    |                 |             |                 |             |                 |             |                  |                      |                   |                   |                   |
| Existing Debt  | 299,088         |             | 328,507         |             | 399,965         |             | 471,712          | 426,994              | 427,607           | 447,970           | 445,329           |
| Assumed Debt   |                 |             |                 |             |                 |             |                  | 31,108               | 32,060            | 31,513            | 31,919            |
| Anticipated RD Debt (Sparksville)                              |                 |             |                 |             |                 |             |                  | 54,713               | 54,713            | 70,711            | 70,711            |
| KIA Loan (F10-01) - Sparksville project                        |                 |             |                 |             |                 |             |                  | 20,000               | 135,582           | 231,164           | 231,164           |
| Proposed KIA Loan  |                 |             |                 |             |                 |             |                  |                      | 9,000             | 37,049            | 37,049            |
| <b>Total Debt Service</b>                                      | <b>299,088</b>  |             | <b>328,507</b>  |             | <b>399,965</b>  |             | <b>471,712</b>   | <b>532,814</b>       | <b>658,962</b>    | <b>818,407</b>    | <b>816,172</b>    |
| <b>Income After Debt Service</b>                               | <b>59,113</b>   |             | <b>46,706</b>   |             | <b>(64,051)</b> |             | <b>(171,678)</b> | <b>(247,580)</b>     | <b>78,653</b>     | <b>71,187</b>     | <b>23,733</b>     |
| <b>Debt Coverage Ratio</b>                                     | <b>1.20</b>     |             | <b>1.14</b>     |             | <b>0.84</b>     |             | <b>0.64</b>      | <b>0.54</b>          | <b>1.12</b>       | <b>1.09</b>       | <b>1.03</b>       |
| <b>RATE INCREASE REQUIRED - Proposed</b>                       |                 |             |                 |             |                 |             |                  |                      | <b>20%</b>        | <b>5%</b>         |                   |



ADAIR COUNTY WATER DISTRICT  
DBA COLUMBIA/ADAIR UTILITIES DISTRICT  
STATEMENT OF NET ASSETS  
December 31, 2011 and 2010

| ASSETS   | <u>2011</u>          | <u>2010</u>          |
|--|----------------------|----------------------|
| <b>CURRENT ASSETS</b>                                  |                      |                      |
| Cash and Cash Equivalents                              | \$ 190,215           | \$ 104,767           |
| Customer Accounts Receivable                           | 294,509              | 378,776              |
| Accounts Receivable - Other                            | 9,990                | 519,500              |
| Inventory  | 179,916              | 160,239              |
| Prepaid Expenses                                       | <u>8,659</u>         | <u>42,818</u>        |
| Total Unrestricted Current Assets                      | 683,289              | 1,206,100            |
| Restricted Cash and Investments                        | <u>735,412</u>       | <u>571,664</u>       |
| Total Current Assets                                   | 1,418,701            | 1,777,764            |
| <b>NON-CURRENT ASSETS</b>                              |                      |                      |
| Capital Assets:  |                      |                      |
| Land and Construction in Progress                      | 2,726,557            | 384,224              |
| Other Capital Assets (net of accumulated depreciation) | <u>30,860,259</u>    | <u>18,537,285</u>    |
| Total Non-Current Assets                               | <u>33,586,816</u>    | <u>18,921,509</u>    |
| TOTAL ASSETS   | 35,005,517           | 20,699,273           |
| <b>LIABILITIES</b>                                     |                      |                      |
| <b>CURRENT LIABILITIES</b>                             |                      |                      |
| Accounts Payable - Trade                               | 249,009              | 123,429              |
| Accounts Payable - Construction in Progress            | -                    | 182,552              |
| Accrued and Withheld Taxes                             | 55,860               | 14,450               |
| Customer Deposits                                      | 34,586               | 22,467               |
| Accrued Payroll  | 11,440               | 8,523                |
| Deferred Credit  | 398,593              | 264,040              |
| Liabilities Payable from Restricted Assets:            |                      |                      |
| Interest Payable                                       | 224,096              | 184,745              |
| Current Portion of Revenue Bonds Payable               | 268,884              | 165,319              |
| Current Portion of Notes Payable                       | <u>2,556,485</u>     | <u>687,030</u>       |
| Total Current Liabilities                              | 3,798,953            | 1,652,555            |
| <b>NON-CURRENT LIABILITIES</b>                         |                      |                      |
| Long-term Liabilities (Excluding Current Portion):     |                      |                      |
| Non-Current Portion of Revenue Bonds Payable           | <u>8,526,676</u>     | <u>6,744,917</u>     |
| Total Non-Current Liabilities                          | <u>8,526,676</u>     | <u>6,744,917</u>     |
| TOTAL LIABILITIES                                      | 12,325,629           | 8,397,472            |
| <b>NET ASSETS</b>                                      |                      |                      |
| Invested in Capital Assets, Net of Related Debt        | 22,010,673           | 10,956,946           |
| Restricted   | 735,412              | 571,664              |
| Unrestricted   | <u>(66,197)</u>      | <u>773,191</u>       |
| TOTAL NET ASSETS                                       | <u>\$ 22,679,888</u> | <u>\$ 12,301,801</u> |

ADAIR COUNTY WATER DISTRICT  
 DBA COLUMBIA/ADAIR UTILITIES DISTRICT  
 STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS  
 Years Ended December 31, 2011 and 2010

|  | County<br>Water  | City<br>Water    | Sewer            | Total<br>2011        | 2010                 |
|--|------------------|------------------|------------------|----------------------|----------------------|
| OPERATING REVENUES                         |                  |                  |                  |                      |                      |
| Water Sales                                | \$ 2,123,095     | \$ 261,756       | \$ 295,995       | \$ 2,680,846         | \$ 2,175,021         |
| Service Charges and Other                  | 126,898          | 1,770            | -                | 128,668              | 191,085              |
| Total Operating Revenues                   | <u>2,249,993</u> | <u>263,526</u>   | <u>295,995</u>   | <u>2,809,514</u>     | <u>2,366,106</u>     |
| OPERATING EXPENSES                         |                  |                  |                  |                      |                      |
| Personal Service                           | 777,927          | 260,664          | 199,284          | 1,237,875            | 681,858              |
| Contractual Services                       | 33,061           | 4,436            | 7,297            | 44,794               | 30,063               |
| Supplies and Materials                     | 207,641          | 72,126           | 11,446           | 291,213              | 174,619              |
| Repairs and Maintenance                    | 62,701           | 15,697           | 21,888           | 100,286              | 60,030               |
| Operational                                | 442,714          | 107,306          | 77,467           | 627,487              | 1,165,367            |
| Depreciation and Amortization              | 665,813          | 48,931           | 213,621          | 928,365              | 624,893              |
| Total Operating Expenses                   | <u>2,189,857</u> | <u>509,160</u>   | <u>531,003</u>   | <u>3,230,020</u>     | <u>2,736,830</u>     |
| OPERATING INCOME/(LOSS)                    | 60,136           | (245,634)        | (235,008)        | (420,506)            | (370,724)            |
| NON-OPERATING REVENUES (EXPENSES)          |                  |                  |                  |                      |                      |
| Other Non-Utility Income                   | 30,824           | -                | -                | 30,824               | 13,783               |
| Operating Lease - City                     | 174,336          | -                | -                | 174,336              | 28,570               |
| Operating Lease -Water Plant               | (715,326)        | -                | -                | (715,326)            | -                    |
| Interest Income                            | 3,197            | -                | -                | 3,197                | 3,512                |
| Miscellaneous Nonutility Expenses          | (1,167)          | (773)            | (623)            | (2,563)              | -                    |
| Interest Expenses and Fiscal Charges       | (263,795)        | (10,542)         | (39,435)         | (313,772)            | (280,708)            |
| Total Non-Operating Revenues (Expenses)    | <u>(771,931)</u> | <u>(11,315)</u>  | <u>(40,058)</u>  | <u>(823,304)</u>     | <u>(234,843)</u>     |
| INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS | (711,795)        | (256,949)        | (275,066)        | (1,243,810)          | (605,567)            |
| Capital Contributions                      | 1,782,754        | 3,000            | 9,836,143        | 11,621,897           | 2,990,310            |
| Grants                                     | -                | -                | -                | -                    | -                    |
| INCREASE (DECREASE) IN NET ASSETS          | <u>1,070,959</u> | <u>(253,949)</u> | <u>9,561,077</u> | <u>10,378,087</u>    | <u>2,384,743</u>     |
| NET ASSETS                                 |                  |                  |                  |                      |                      |
| Beginning of Year, Restated                |                  |                  |                  | <u>12,301,801</u>    | <u>9,917,058</u>     |
| End of Year                                |                  |                  |                  | <u>\$ 22,679,888</u> | <u>\$ 12,301,801</u> |

ADAIR COUNTY WATER DISTRICT  
 DBA COLUMBIA/ADAIR UTILITIES DISTRICT  
 STATEMENT OF CASH FLOWS  
 Years Ended December 31, 2011 and 2010

|   | 2011         | 2010         |
|---|--------------|--------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |              |              |
| Cash Received From Customers  | \$ 2,908,321 | \$ 2,279,771 |
| Cash Payments to Employees for Services   | (1,193,547)  | (671,093)    |
| Cash Payments to Suppliers for Goods and Services                                     | (938,199)    | (1,446,303)  |
| Customer Deposits Received  | 35,575       | 20,600       |
| Customer Deposits Returned  | (23,515)     | (14,740)     |
| Net Cash Provided/(Used) By Operating Activities                                      | 788,635      | 168,235      |
| <br><b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>                   |              |              |
| Principal Paid on Debt  | (258,919)    | (2,109,861)  |
| Interest Paid on Debt   | (318,066)    | (248,183)    |
| Loan Proceeds   | 1,869,455    | 1,233,390    |
| Bond Proceeds   | -            | 1,100,000    |
| Acquisition of Capital Assets   | (2,706,047)  | (2,812,359)  |
| Contributed Capital   | 870,940      | 2,554,262    |
| Net Cash Provided/(Used) By Investing Activities<br>Related Financing Activities      | (542,637)    | (282,751)    |
| <br><b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                       |              |              |
| Interest  | 3,198        | 3,513        |
| Net Cash Provided/(Used) By Investing Activities                                      | 3,198        | 3,513        |
| Net Increase/(Decrease) In Cash and Cash Equivalents                                  | 249,196      | (111,003)    |
| Cash and Cash Equivalents - Beginning of Year   | 676,431      | 787,434      |
| Cash and Cash Equivalents - End of Year   | \$ 925,627   | \$ 676,431   |
| <br><b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET ASSETS</b> |              |              |
| Cash and Cash Equivalents   | \$ 190,215   | \$ 104,767   |
| Short-Term Investments  | -            | -            |
| Restricted Cash   | 735,412      | 571,664      |
| TOTAL CASH AND CASH EQUIVALENTS   | \$ 925,627   | \$ 676,431   |
| <br><b>NONCASH ITEMS:</b>   |              |              |
| Contributed Capital from City Water & Sewer Assets                                    | \$10,751,457 |              |

ADAIR COUNTY WATER DISTRICT  
 DBA COLUMBIA/ADAIR UTILITIES DISTRICT  
 STATEMENT OF CASH FLOWS (CONTINUED)  
 Years Ended December 31, 2011 and 2010

|   | 2011         | 2010         |
|---|--------------|--------------|
| RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED/(USED) FOR OPERATING ACTIVITIES        |              |              |
| Operating Margin  | \$ (420,506) | \$ (370,724) |
| ADJUSTMENTS TO RECONCILE OPERATING INCOME/(LOSS) TO NET CASH PROVIDED/(USED) FOR OPERATING ACTIVITIES |              |              |
| Depreciation  | 928,365      | 624,893      |
| Change in Assets and Liabilities:   |              |              |
| (Increase)/Decrease in Accounts Receivable  | 84,267       | (169,096)    |
| (Increase)/Decrease in Inventory  | (19,677)     | 14,830       |
| (Increase)/Decrease in Prepaid Expenses   | 34,159       | 12,416       |
| Increase/(Decrease) in Accounts Payable   | 125,581      | 27,273       |
| Increase/(Decrease) in Salaries and Wages Payable   | 2,917        | 8,523        |
| Increase/(Decrease) in Customer Deposits  | 12,119       | 5,670        |
| Increase/(Decrease) in Accrued and Withheld Taxes   | 41,410       | 14,450       |
| Total Reconciling Adjustments   | 1,209,141    | 538,959      |
| NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES  | \$ 788,635   | \$ 168,235   |





**MONTPELIER  
QUADRANGLE**



**CONNECT TO EXISTING  
8-INCH WATER LINE**  
LAT: 37° 04' 39" N  
LONG: 85° 09' 58" W

**EXISTING 8-INCH  
WATER LINE**

**EAST 80 WATER STORAGE  
TANK REPLACEMENT**  
LAT: 37° 04' 28" N  
LONG: 85° 08' 01" W

**PROPOSED 10,500 LF OF  
8-INCH WATER LINE**

**BASE BID**

**SCALE 1" = 2,000'**



**EAST 80 RUSSELL CREEK  
WATER LINE REPLACEMENT  
COLUMBIA/ADAIR UTILITIES DISTRICT**



**Monarch Engineering, Inc.**

556 Carlton Drive  
Lawrenceburg, KY

KNIFLEY  
QUADRANGLE



Purdy

EXISTING 6-INCH  
WATER LINE

BM  
1024

1018

PROPOSED SHEPHERD  
BOOSTER PUMP STATION  
LAT: 37° 08' 56" N  
LONG: 85° 11' 35" W

EXISTING 12-INCH  
WATER LINE

EXISTING 500,000 GALLON  
SHEPHERD WATER STORAGE TANK

Shepherd Sch

EXISTING 6-INCH  
WATER LINE

**BASE BID**

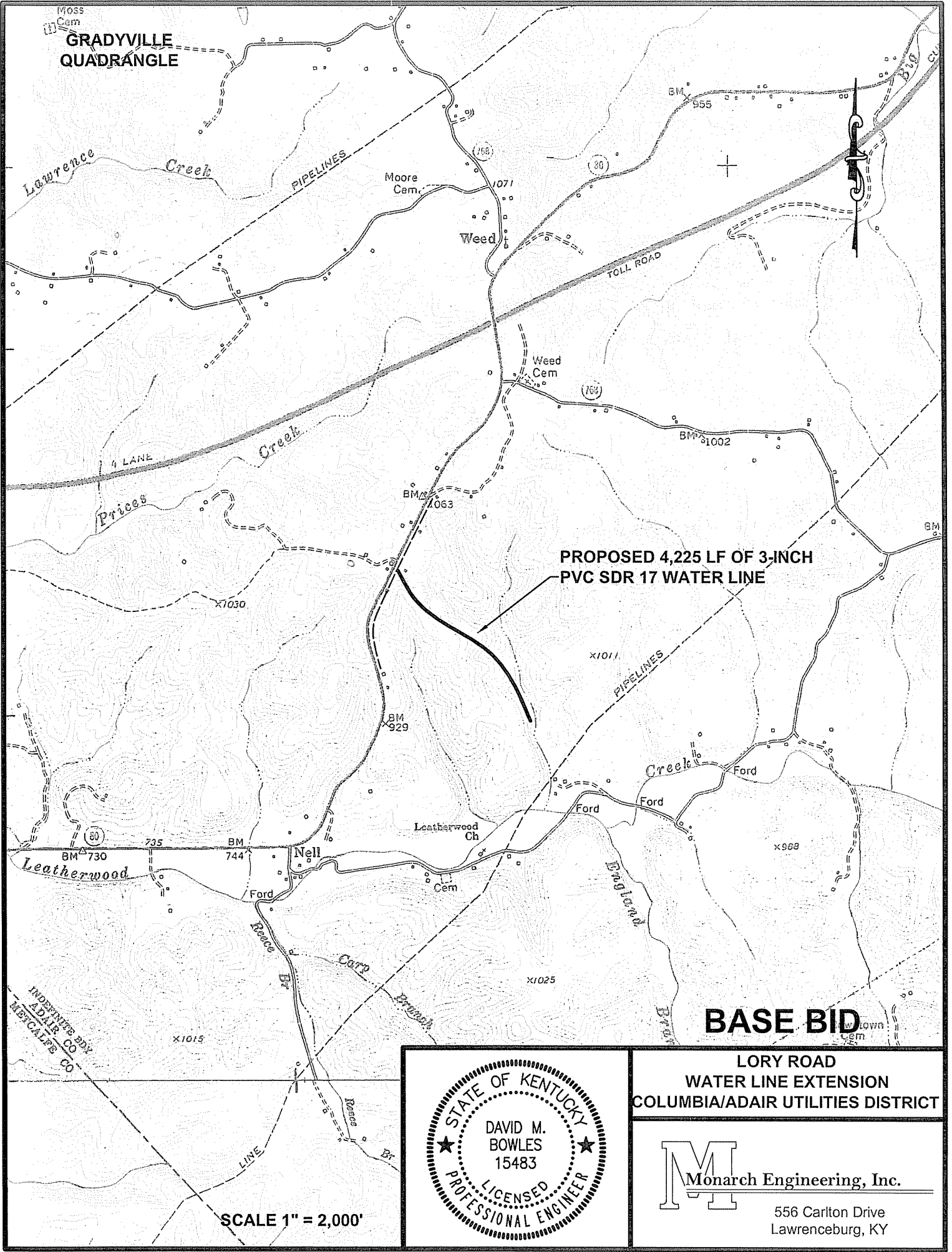
SHEPHERD BOOSTER  
PUMP STATION  
COLUMBIA/ADAIR UTILITIES DISTRICT



**M**  
Monarch Engineering, Inc.

556 Carlton Drive  
Lawrenceburg, KY

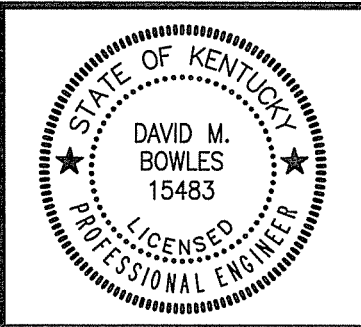
SCALE 1" = 500'



**PROPOSED 4,225 LF OF 3-INCH  
PVC SDR 17 WATER LINE**

**BASE BID**

**LORY ROAD  
WATER LINE EXTENSION  
COLUMBIA/ADAIR UTILITIES DISTRICT**



**M**  
**Monarch Engineering, Inc.**  
556 Carlton Drive  
Lawrenceburg, KY

**SCALE 1" = 2,000'**

INDENTURE BDR  
ADAIR CO  
MEYER & CO

CANE VALLEY  
QUADRANGLE

GREEN RIVER  
LAKE KNIFLEY  
QUADRANGLE



GREEN RIVER

GREEN RIVER  
LAKE

PIPELINES

EXISTING 6-INCH  
WATER LINE

CONNECTION TO EXISTING  
6-INCH WATER LINE  
LAT: 37° 12' 51" N  
LONG: 85° 14' 19" W

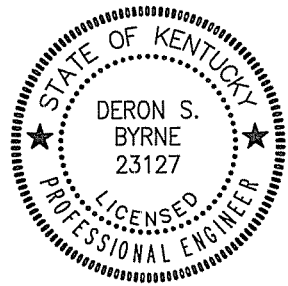
PROPOSED 10,700 LF OF  
8-INCH WATER LINE

CONNECTION TO EXISTING  
4-INCH WATER LINE  
LAT: 37° 11' 25" N  
LONG: 85° 14' 54" W

EXISTING 4-INCH  
WATER LINE

**ALTERNATE NO. 1**

SCALE 1" = 2,000'

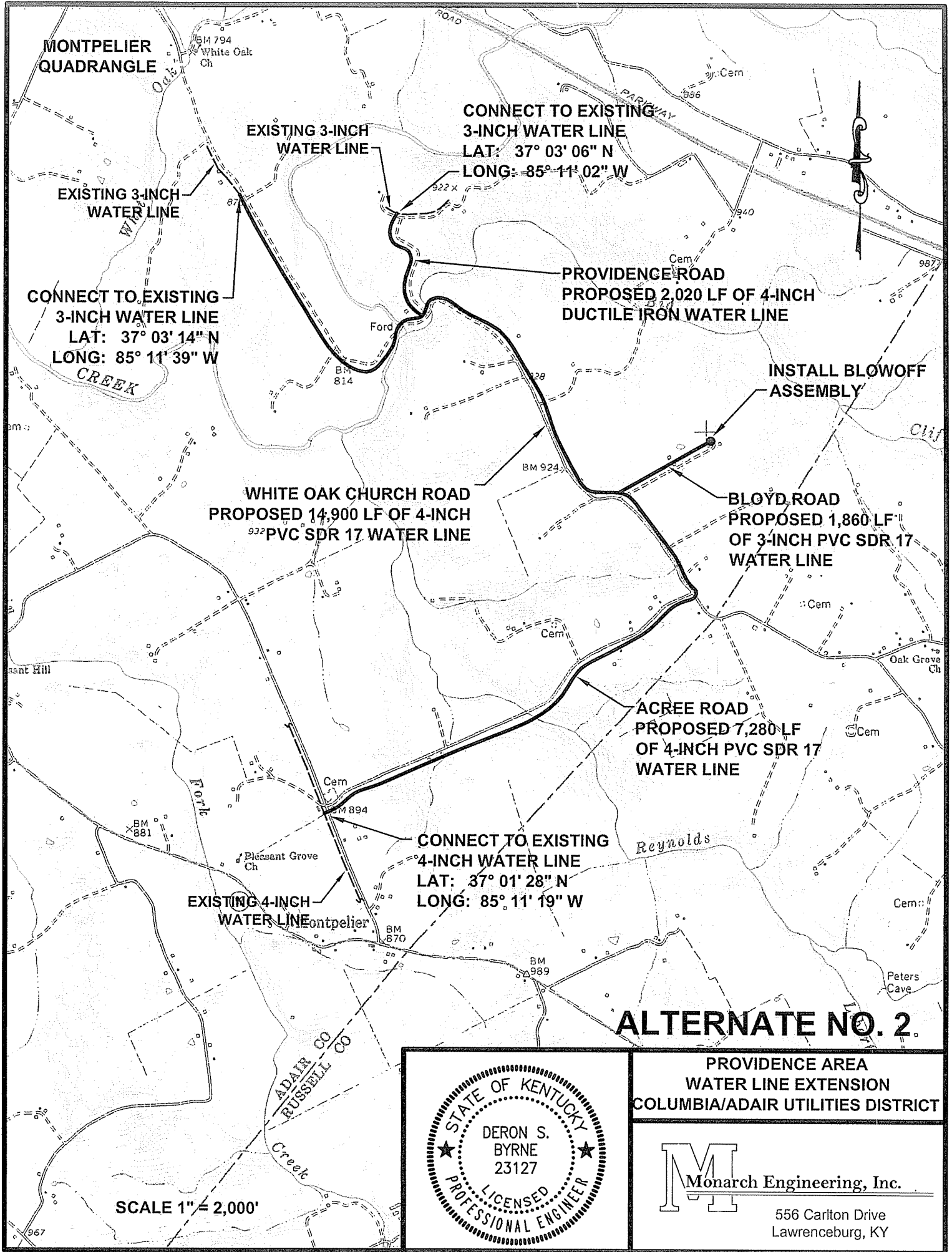


KNIFLEY CONNECTION/  
GREEN RIVER CROSSING  
COLUMBIA/ADAIR UTILITIES DISTRICT



Monarch Engineering, Inc.

556 Carlton Drive  
Lawrenceburg, KY



**MONTPELIER  
QUADRANGLE**

**EXISTING 3-INCH  
WATER LINE**

**CONNECT TO EXISTING  
3-INCH WATER LINE  
LAT: 37° 03' 06" N  
LONG: 85° 11' 02" W**

**EXISTING 3-INCH  
WATER LINE**

**PROVIDENCE ROAD  
PROPOSED 2,020 LF OF 4-INCH  
DUCTILE IRON WATER LINE**

**CONNECT TO EXISTING  
3-INCH WATER LINE  
LAT: 37° 03' 14" N  
LONG: 85° 11' 39" W**

**INSTALL BLOWOFF  
ASSEMBLY**

**WHITE OAK CHURCH ROAD  
PROPOSED 14,900 LF OF 4-INCH  
PVC SDR 17 WATER LINE**

**BLOYD ROAD  
PROPOSED 1,860 LF  
OF 3-INCH PVC SDR 17  
WATER LINE**

**ACREE ROAD  
PROPOSED 7,280 LF  
OF 4-INCH PVC SDR 17  
WATER LINE**

**CONNECT TO EXISTING  
4-INCH WATER LINE  
LAT: 37° 01' 28" N  
LONG: 85° 11' 19" W**

**EXISTING 4-INCH  
WATER LINE**

**ALTERNATE NO. 2**

**SCALE 1" = 2,000'**



**PROVIDENCE AREA  
WATER LINE EXTENSION  
COLUMBIA/ADAIR UTILITIES DISTRICT**

**M**  
**Monarch Engineering, Inc.**

556 Carlton Drive  
Lawrenceburg, KY