



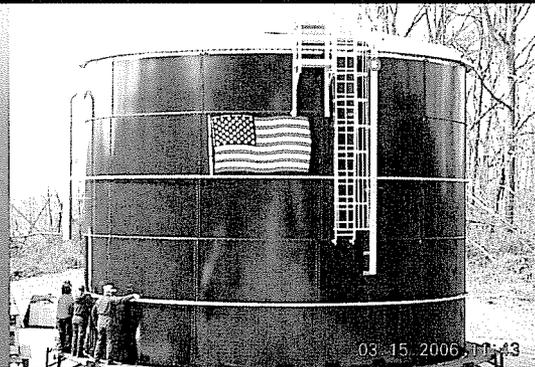
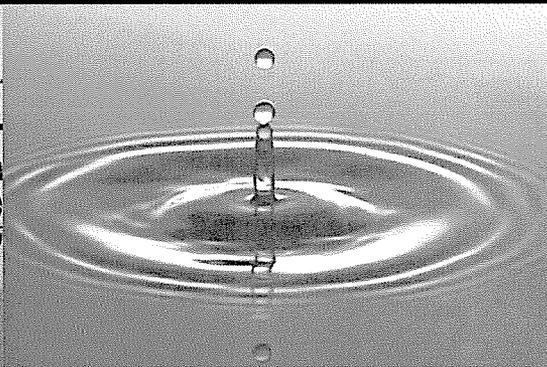
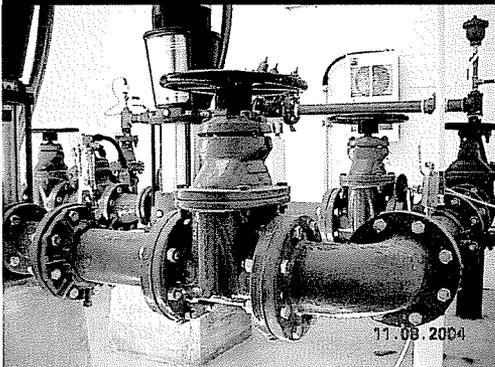
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ORIGINAL

February 2013

Breathitt County Water District KY 1110/28 Waterline Interconnection

Preliminary Engineering Report Amended to Final



SUBMITTED TO:
Breathitt County Water District

PREPARED BY:
Nesbitt Engineering, Inc.
Lexington, KY

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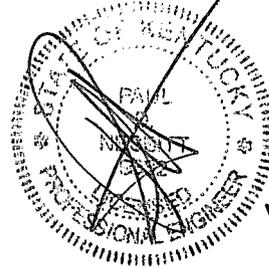
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227 North Upper Street
Lexington, KY 40507-1016

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FEB 27 2013

PUBLIC SERVICE
COMMISSION

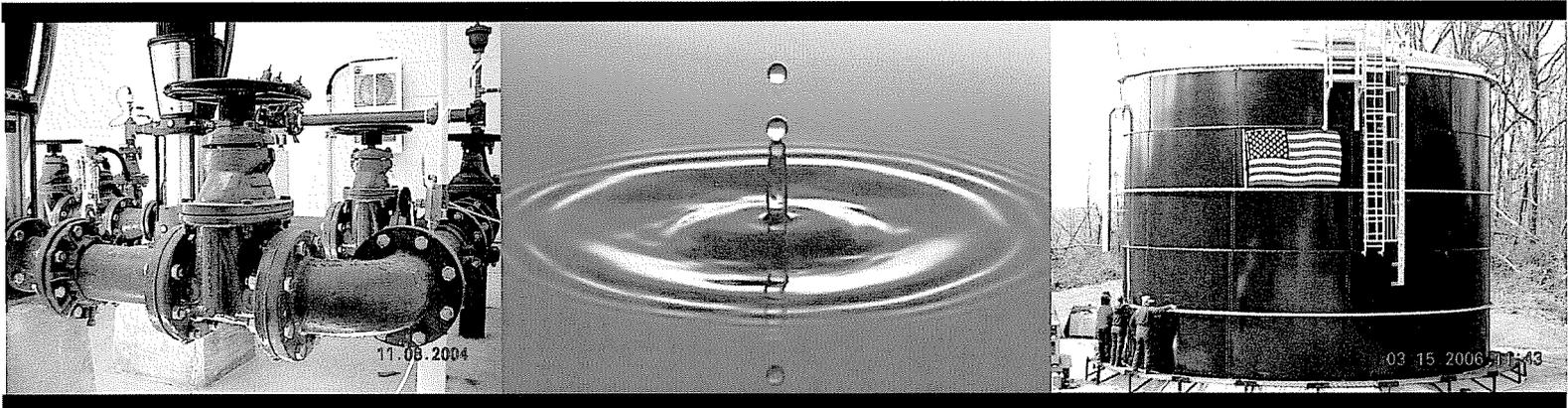


February 2013

Breathitt County Water District

KY 1110/28 Waterline Interconnection

Preliminary Engineering Report Amended to Final



Breathitt County Judge/Executive — Jason Richardson

Breathitt County Water District Commissioners

Bobby Thorpe, Chairman

Sammie Turner, Vice Chairman

Kash Noble, Treasurer

Eva Fugate, Secretary

Eugene Turner, Member

SUBMITTED TO:
Breathitt County Water District

PREPARED BY:
Nesbitt Engineering, Inc.
Lexington, KY

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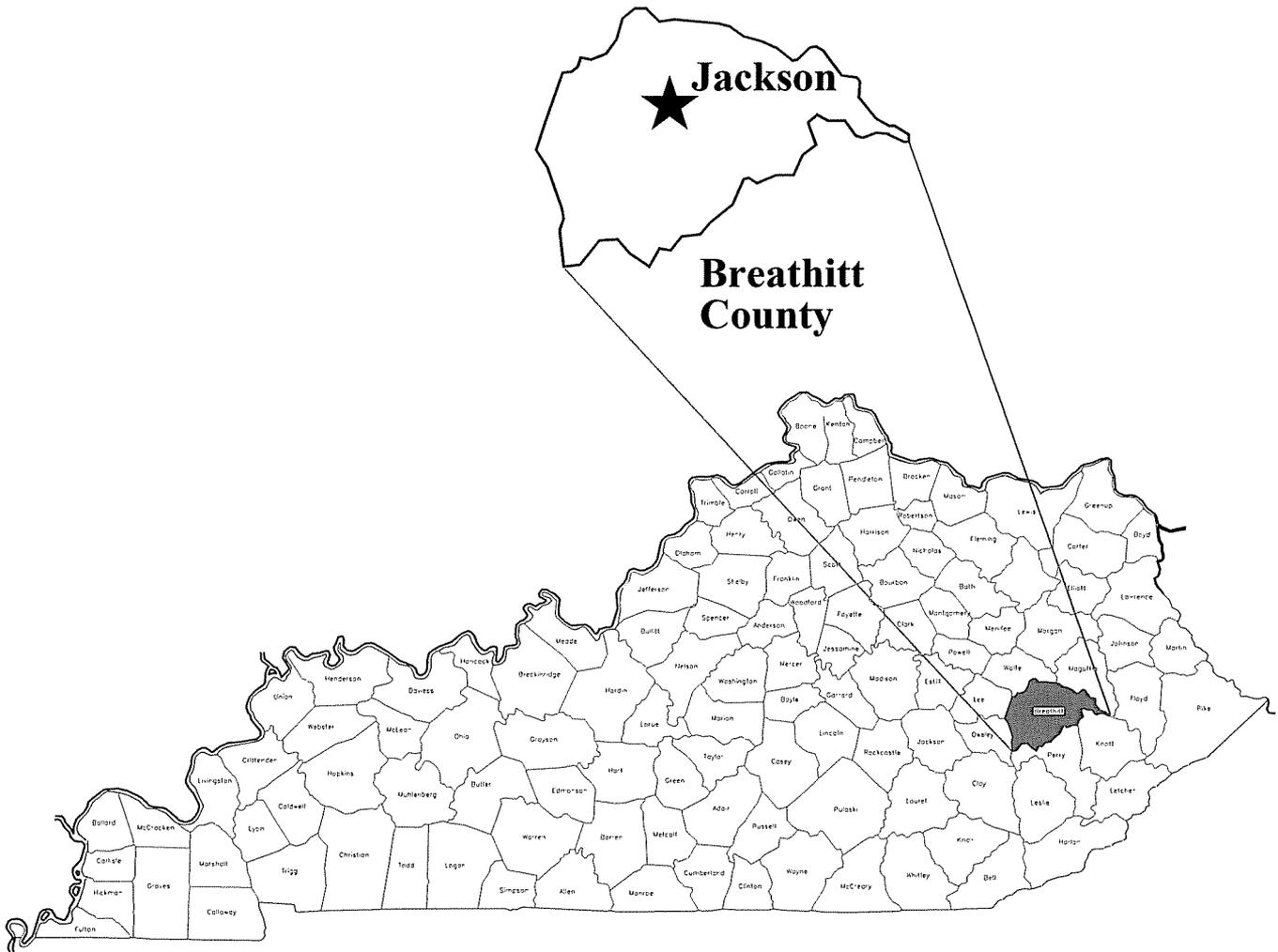
Chapter 1 - General

Breathitt County Water District (BCWD) is a Class "C" Water District organized in August 2003 by the Breathitt County Judge Executive. The County Judge Executive then appointed five commissioners to serve on the Water District's Board. These five commissioners then selected a Chairman from the appointed board.

Jackson, the county seat, operates an independent water system (Jackson Municipal Water Works), drawing water from the North Fork of the Kentucky River. The system currently serves approximately 2,000 households within the Jackson service area. The water treatment plant (WTP), capable of producing 2.5 MGD, is expected to supply the potable water to the various county water line extensions. Daily production by Jackson Municipal Water Works is currently 900,000 gallons (36% of plant capacity) and their storage capacity is presently 925,000 gallons. This proposed project is a continuation of BCWD's efforts to deliver potable drinking water to all residents of Breathitt County outside Jackson's service area. Jackson's WTP is expected to have more than adequate capacity to supply the needed potable water for this proposed project.

Breathitt County, which encompasses the City of Jackson, is located in the eastern coalfields of Kentucky, approximately 85 miles south and east of Lexington on KY 15, and approximately 34 miles north of Hazard. Jackson, the county seat, is a fourth class city located near the center of Breathitt County. The County borders Wolfe, Lee, Owsley, Perry, Knott, and Magoffin Counties. (See Figure 1)

The 2010 US Census figure for Breathitt County is 13,878 persons. There are 5,494 occupied housing units in Breathitt County and therefore 2.47 persons per household. Currently (**January 2013**), the BCWD serves approximately **1,300** of these households.



KENTUCKY



NESBITT ENGINEERING, INC.
 ENGINEERS • SURVEYORS • SCIENTISTS

**NESBITT
 ENGINEERING
 INC.**

FIGURE 1

LOCATION MAP

BREATHITT COUNTY WATER DISTRICT

DRAWN BY:
kr

DATE:
03/09/09

DISK/FILE NAME:
\\PER FIGURE 1.DWG

LAST PLOT DATE:

JOB NO.:
998

SCALE:
NOT TO SCALE

Chapter 2 - Project Planning Area

The project area for the proposed waterline extension project includes KY 315 from just north of it's intersection with KY 1933 then proceeding to it's intersection with KY 28. Also included is KY 1110 from it's intersection with Bowling Fork to it's intersection with KY 28.

Location – The location of the proposed project is as indicated on the sections of U.S.G.S. Topographical map included as **Attachment 1**.

Environmental Resources Present – This project is located within the boundaries of Breathitt County.

Growth Areas & Population Trends – According to figures obtained from the Kentucky State Data Center in Louisville, Breathitt County is projected to decrease in population. Thus, the intentions of this project do not take growth into consideration for the design.

Existing Facilities

Location Map – Location of the existing water distribution facilities as identified on **Attachment 2**.

History – The City of Jackson owns and operates the only water treatment plant in Breathitt County. Breathitt County Water District has multiple purchase points with master meters located at each purchase point throughout the BCWD's distribution system. All of BCWD distribution system has been constructed in the last 10 years.

Condition of Facilities – The district's existing water distribution system is in excellent condition with all of the system being less than 10 years old. Tanks have been constructed throughout the distribution system to provide adequate pressures and storage within the service area.

Financial Status of any Existing Facilities – The district operates all water infrastructure facilities in a financially solvent manner. Audits are performed on an annual basis and rates are reviewed as necessary by an outside consultant to insure adequate financial resources to operate and maintain the system.

Need for Project

Health, Sanitation & Security – This project intends to extend potable water to existing residents that currently have no access to public potable water. Most of the residents within the project area have well water for domestic use. Well water, in the project area, is extremely hard and contains noticeable amounts of iron. Salty water may be found from 50 feet to several hundred feet below the level of the principal valley bottoms. Where springs supply drinking water, the yield is rarely more than 5 GPM. A more reliable and healthy source for water is needed for the residents.

System O & M – Operation and maintenance of the new water system improvements will be provided by the existing, certified and licensed staff of the Breathitt County Water District.

Growth – Growth is not considered a significant factor in the need for the proposed project.

Chapter 3 - Proposed Project-Project Cost-Rates

Proposed Project – The proposed KY 1110/28 Waterline Interconnection project consists of distribution waterlines and appurtenances.

Project Cost – On January 31, 2013 the district received sealed bids for the project. **Attachment 3** displays the certified bid tabulation for this contract. **Attachment 4** details the project budget based upon the low bid that was received. As shown in attachment 4 the project budget is within the project funds.

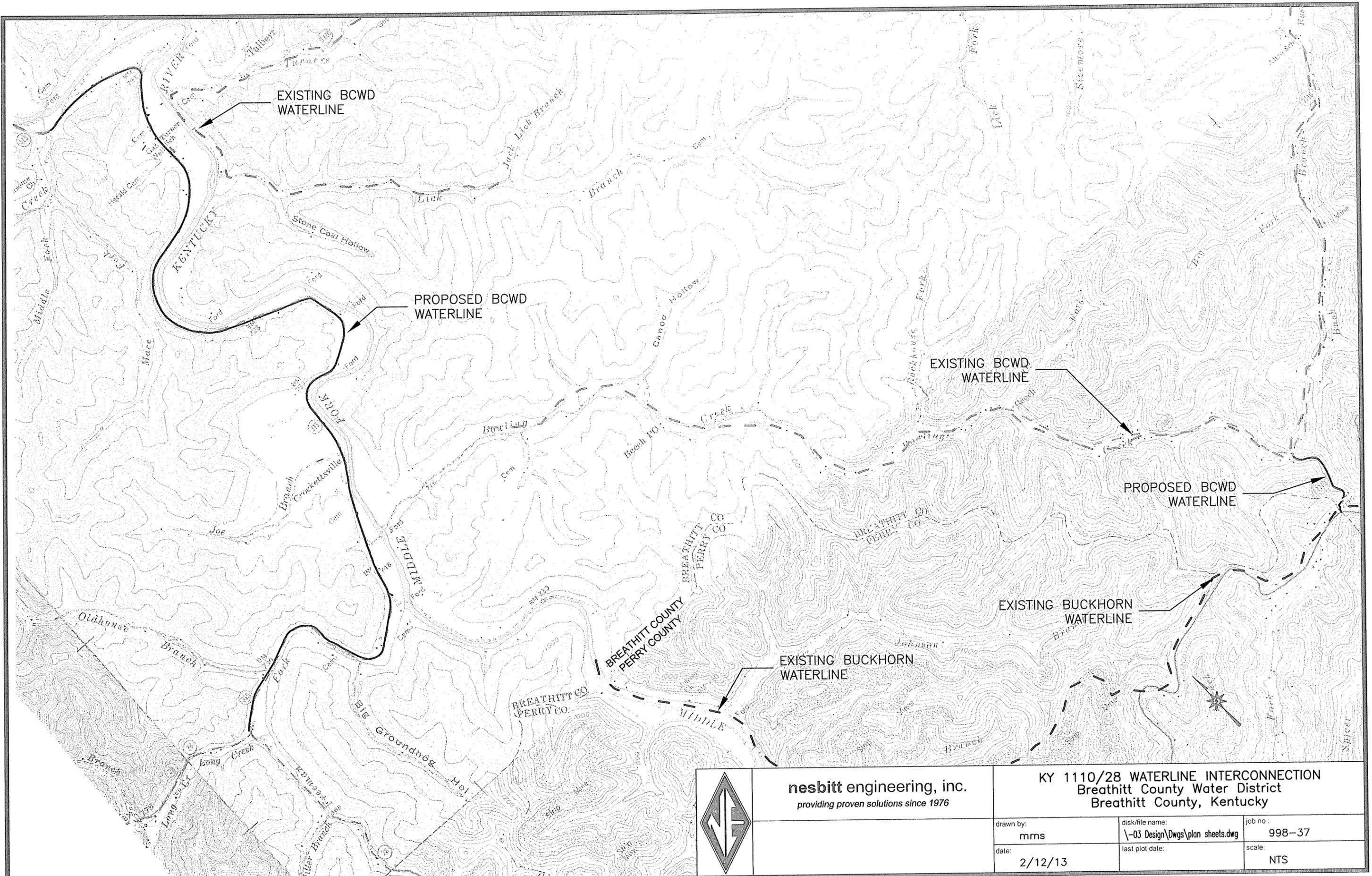
Rates – Rates have not been adjusted as a result of this project.

Chapter 4 - Conclusions & Recommendations

It is recommended that the Breathitt County Water District award the KY 1110/28 Waterline Interconnection to the certified low bidder.

Attachment 1

Project Map



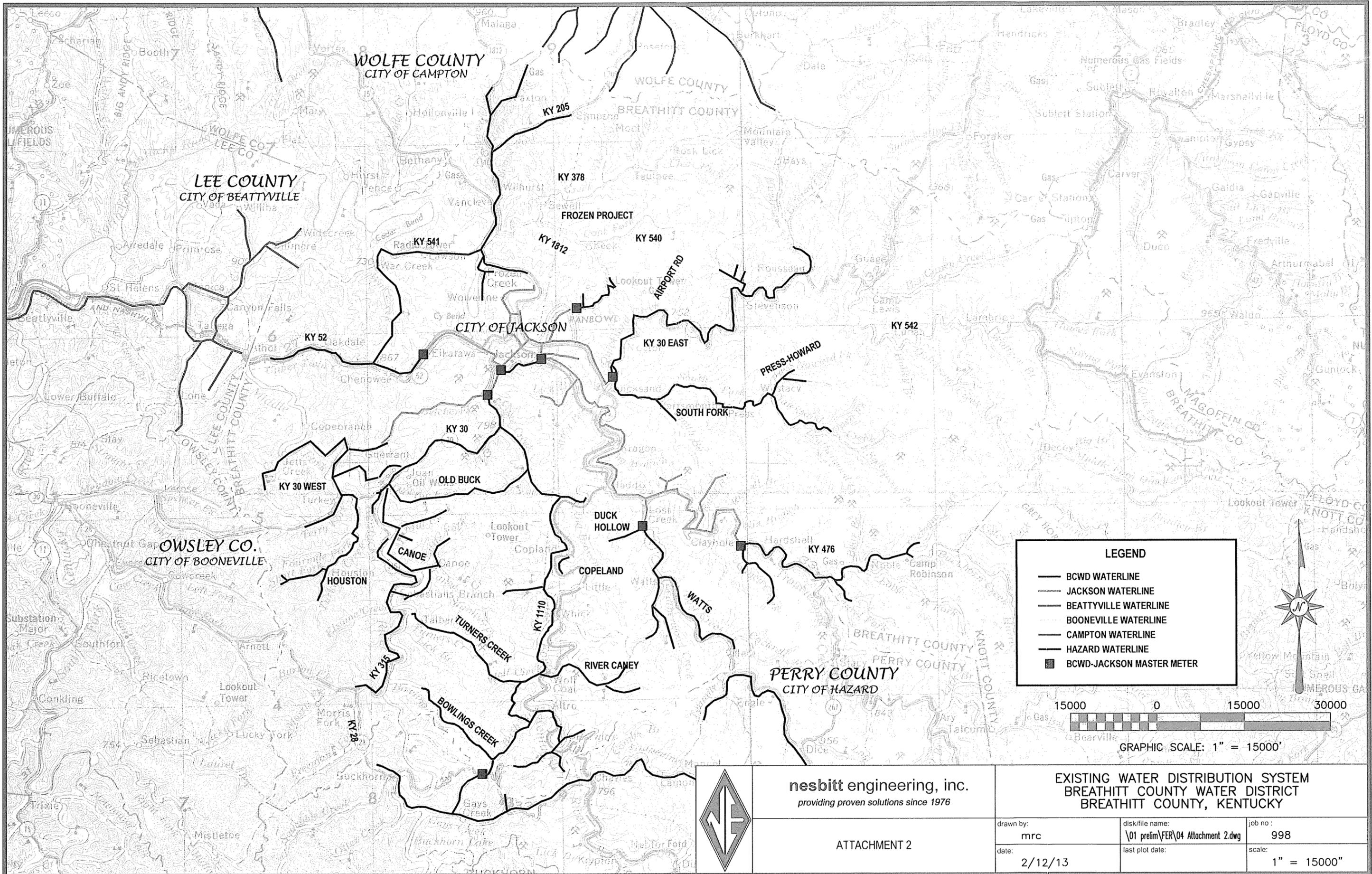
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KY 1110/28 WATERLINE INTERCONNECTION
 Breathitt County Water District
 Breathitt County, Kentucky

drawn by: mms	disk/file name: \\-03 Design\Draws\plan sheets.dwg	job no: 998-37
date: 2/12/13	last plot date:	scale: NTS

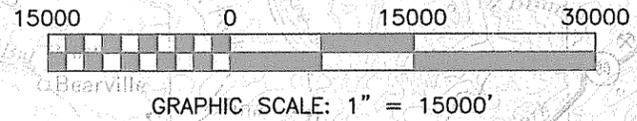
Attachment 2

Existing BCWD Water Distribution System



LEGEND

- BCWD WATERLINE
- JACKSON WATERLINE
- BEATTYVILLE WATERLINE
- BOONEVILLE WATERLINE
- CAMPTON WATERLINE
- HAZARD WATERLINE
- BCWD-JACKSON MASTER METER



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**EXISTING WATER DISTRIBUTION SYSTEM
 BREATHITT COUNTY WATER DISTRICT
 BREATHITT COUNTY, KENTUCKY**

ATTACHMENT 2

drawn by: mrc	disk/file name: \\01 prelim\FER\04 Attachment 2.dwg	job no: 998
date: 2/12/13	last plot date:	scale: 1" = 15000"

Attachment 3

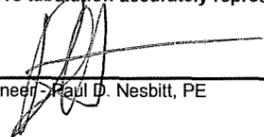
Certified Bid Tabulation and Concurrence of Bid Award

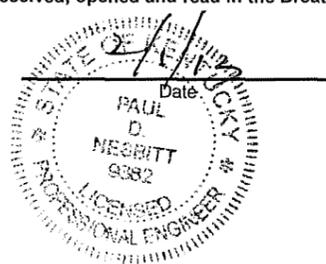
Breathitt County Water District
KY 1110/28 Waterline Interconnection Project
Bid Opening - 1:00 PM Local Time, January 31, 2013

Certified Bid Tabulation

Item #	Item	Unit	Quantity	G & W Construction Morehead, KY 40351		Packs Inc Morehead, KY 40351		Cleary Construction Inc Tompkinsville, KY 42167		Akins Excavating Co Inc Corbin, KY 40701		Cumberland Pipeline, LLC Russell Springs, KY 42642		Clay Pipeline Manchester, KY 40962		Norris Bros. Excavating Cropsville, TN 38572	
				Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost
1	Tie Into Existing WL w TV&TSiv	EA	2	\$ 3,500.00	\$ 7,000.00	\$ 3,000.00	\$ 6,000.00	\$ 2,200.00	\$ 4,400.00	\$ 2,570.00	\$ 5,140.00	\$ 2,200.00	\$ 4,400.00	\$ 2,473.00	\$ 4,946.00	\$ 4,600.00	\$ 9,200.00
2	8" PVC SDR-17 Waterline	LF	30,000	\$ 13.46	\$ 403,800.00	\$ 12.60	\$ 378,000.00	\$ 15.50	\$ 465,000.00	\$ 15.70	\$ 471,000.00	\$ 20.20	\$ 606,000.00	\$ 22.40	\$ 672,000.00	\$ 34.50	\$ 1,035,000.00
3	8" D.I. Waterline with Nitrile Gaskets	LF	200	\$ 35.71	\$ 7,142.00	\$ 27.64	\$ 5,528.00	\$ 34.00	\$ 6,800.00	\$ 34.50	\$ 6,900.00	\$ 24.64	\$ 4,928.00	\$ 38.40	\$ 7,680.00	\$ 34.00	\$ 6,800.00
4	4" PVC SDR-17 Waterline	EA	100	\$ 7.35	\$ 735.00	\$ 9.00	\$ 900.00	\$ 6.50	\$ 650.00	\$ 9.90	\$ 990.00	\$ 10.15	\$ 1,015.00	\$ 27.22	\$ 2,722.00	\$ 18.00	\$ 1,800.00
5	8" D.I.M.J. Gate Valve & Box	EA	15	\$ 1,041.26	\$ 15,618.90	\$ 1,250.00	\$ 18,750.00	\$ 1,000.00	\$ 15,000.00	\$ 1,290.00	\$ 19,350.00	\$ 1,633.00	\$ 24,495.00	\$ 1,090.00	\$ 16,350.00	\$ 1,000.00	\$ 15,000.00
6	4" D.I.M.J. Gate Valve & Box	EA	1	\$ 627.83	\$ 627.83	\$ 800.00	\$ 800.00	\$ 500.00	\$ 500.00	\$ 675.00	\$ 675.00	\$ 495.00	\$ 495.00	\$ 727.00	\$ 727.00	\$ 600.00	\$ 600.00
7	10" HDPE Waterline Directional Drilled	LF	500	\$ 120.00	\$ 60,000.00	\$ 115.00	\$ 57,500.00	\$ 95.00	\$ 47,500.00	\$ 81.00	\$ 40,500.00	\$ 138.36	\$ 69,180.00	\$ 117.00	\$ 58,500.00	\$ 195.00	\$ 97,500.00
8	14" API 5L Grade B Steel Casing, Bore & Jack w/ carrier pipe	LF	160	\$ 110.00	\$ 17,600.00	\$ 96.00	\$ 15,360.00	\$ 165.00	\$ 26,400.00	\$ 160.00	\$ 25,600.00	\$ 162.95	\$ 26,072.00	\$ 154.00	\$ 24,640.00	\$ 185.00	\$ 29,600.00
9	Flushing Hydrant Assembly Type 1	EA	12	\$ 3,031.09	\$ 36,373.08	\$ 2,745.00	\$ 32,940.00	\$ 2,900.00	\$ 34,800.00	\$ 3,600.00	\$ 43,200.00	\$ 2,240.00	\$ 26,880.00	\$ 3,031.00	\$ 36,372.00	\$ 3,000.00	\$ 36,000.00
10	Reconnect existing services and replace meters	EA	15	\$ 600.00	\$ 9,000.00	\$ 950.00	\$ 14,250.00	\$ 400.00	\$ 6,000.00	\$ 530.00	\$ 7,950.00	\$ 550.00	\$ 8,250.00	\$ 700.00	\$ 10,500.00	\$ 750.00	\$ 11,250.00
11	5/8" x 3/4" Indiv. Meter with iprv & orion radio read profiler	EA	50	\$ 869.13	\$ 43,456.50	\$ 1,263.00	\$ 63,150.00	\$ 900.00	\$ 45,000.00	\$ 750.00	\$ 37,500.00	\$ 960.00	\$ 48,000.00	\$ 928.00	\$ 46,400.00	\$ 750.00	\$ 37,500.00
12	3/4" water service line	LF	2,420	\$ 4.21	\$ 10,188.20	\$ 6.00	\$ 14,520.00	\$ 5.00	\$ 12,100.00	\$ 6.00	\$ 14,520.00	\$ 11.40	\$ 27,588.00	\$ 10.00	\$ 24,200.00	\$ 9.00	\$ 21,780.00
13	1" water service line	LF	1,000	\$ 5.31	\$ 5,310.00	\$ 6.50	\$ 6,500.00	\$ 5.00	\$ 5,000.00	\$ 6.25	\$ 6,250.00	\$ 11.52	\$ 11,520.00	\$ 10.00	\$ 10,000.00	\$ 10.00	\$ 10,000.00
14	Combination Air Release Valve	EA	3	\$ 579.13	\$ 1,737.39	\$ 700.00	\$ 2,100.00	\$ 475.00	\$ 1,425.00	\$ 640.00	\$ 1,920.00	\$ 875.00	\$ 2,625.00	\$ 779.00	\$ 2,337.00	\$ 1,200.00	\$ 3,600.00
15	Master Meter Vault with Telemetry	LS	1	\$ 25,932.65	\$ 25,932.65	\$ 37,745.00	\$ 37,745.00	\$ 24,000.00	\$ 24,000.00	\$ 46,000.00	\$ 46,000.00	\$ 37,731.30	\$ 37,731.30	\$ 30,675.00	\$ 30,675.00	\$ 26,000.00	\$ 26,000.00
16	Pressure Reducing Valve and Vault	EA	1	\$ 12,019.25	\$ 12,019.25	\$ 19,900.00	\$ 19,900.00	\$ 22,000.00	\$ 22,000.00	\$ 22,000.00	\$ 22,000.00	\$ 15,515.00	\$ 15,515.00	\$ 16,945.00	\$ 16,945.00	\$ 12,000.00	\$ 12,000.00
17	Waterline Marker	EA	8	\$ 85.60	\$ 684.80	\$ 40.00	\$ 320.00	\$ 150.00	\$ 1,200.00	\$ 55.00	\$ 440.00	\$ 100.00	\$ 800.00	\$ 45.00	\$ 360.00	\$ 75.00	\$ 600.00
Total Base Bids (Items 1 through 17)					\$ 657,225.60		\$ 674,263.00		\$ 717,775.00		\$ 749,935.00		\$ 915,494.30		\$ 965,354.00		\$ 1,354,230.00

I hereby certify that the above tabulation accurately represents bids, received, opened and read in the Breathitt County Water District for the KY 1110/28 Waterline Interconnection Project on January 31, 2013.

Project Engineer  Paul D. Nesbitt, PE





February 1, 2013

Mr. Bobby Thorpe, Jr., Chairman
Breathitt County Water District
1137 Main Street
Jackson, KY 41339

RE: Award of Construction Contract –KY 1110/28 Waterline Interconnection

Dear Mr. Thorpe:

On January 31, 2013, at the Breathitt County Courthouse, bids were received on the above referenced project. A total of seven (7) sealed bids were received. After the bids were read aloud a Certified Bid Tabulation was prepared and distributed to all parties involved.

The low bidder for the contract was G & W Construction Company, Inc. Based upon previous reference checks and recent experience with the low bidder, we conclude that, G & W Construction Company, Inc. qualifies as a responsive and responsible bidder. Therefore, NEI recommends that the Breathitt County Water District award the above referenced construction contract to G & W Construction Company, Inc. in the amount of \$ 657,225.60.

Issuance of the "Notice of Award" for this contract is recommended pending concurrence of the board and all funding agencies. Please feel free to call me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Paul D. Nesbitt', with a long horizontal line extending to the right.

Paul D. Nesbitt, P.E.
Project Engineer

C: Estill McIntosh, Superintendent; Jennifer McIntosh – KRADD; Sandy Williams – KIA;
G&W Construction Co., Inc.

p:\breathitt\998-37 buckhorn\07 bidding\ltr contract award.docx

Attachment 4

As Bid Budget

BREATHITT COUNTY WATER DISTRICT

Breathitt County, Kentucky

Attachment 4 - As-Bid Project Budget

KY 1110/28 Waterline Interconnection

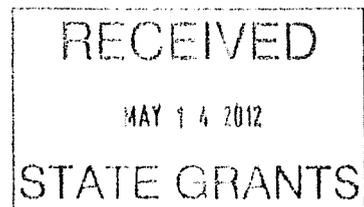
Contract #1 Waterlines (As Bid)		\$ 657,225.60
Total Construction Cost =		\$ 657,225.60
Administrative		\$ 5,000.00
Legal		\$ 5,000.00
Engineering		
Design		\$ 50,316.14
Construction		\$ 12,579.04
Resident Observation		\$ 43,186.95
Additional Services		\$ 10,000.00
Project Contingencies		\$ 146,692.27
Total - Opinion of Probable Project Costs =		\$ 930,000.00
Funding Sources		
Multi County Coal Severance		\$ 930,000.00
Total - Funding Available		\$ 930,000.00
Funding Gap		\$ -



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Attachment 5

Funding Agreement
(Multi County Coal Severance)



COMMONWEALTH OF KENTUCKY
DEPARTMENT FOR LOCAL GOVERNMENT
AMENDMENT

M.A. No. 1200001039
Amendment No. 1
Project No. 774
Net Incr/Decr 0

Breathitt County Fiscal Court
1137 Main Street
Jackson, KY 41339
RE: Buckhorn Interconnection Project (MultiCounty)

The Memorandum of Agreement (MA) cited above, by and between the Commonwealth of Kentucky, Department for Local Government (DLG) and the Breathitt County Fiscal Court, Kentucky is being amended as follows: EXTEND THE EXPIRATION DATE FROM JUNE 30, 2012 TO JUNE 30, 2013 TO ALLOW FOR PROJECT COMPLETION.

"The Agreement is amended to add the following language, which shall supersede any conflicting provisions:

Access to Records:

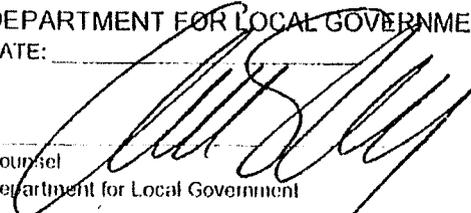
The contractor, as defined in KRS 45A.030 (9) agrees that the contracting agency, the Finance and Administration Cabinet, the Auditor of Public Accounts, and the Legislative Research Commission, or their duly authorized representatives, shall have access to any books, documents, papers, records, or other evidence, which are directly pertinent to this contract for the purpose of financial audit or program review. Records and other prequalification information confidentially disclosed as part of the bid process shall not be deemed as directly pertinent to the contract and shall be exempt from disclosure as provided in KRS 61.878(1)(c). The contractor also recognizes that any books, documents, papers, records, or other evidence, received during a financial audit or program review shall be subject to the Kentucky Open Records Act, KRS 61.870 to 61.884.

All other terms and conditions of the MA, except as modified above and by prior amendments, if any, are hereby ratified and confirmed. This Amendment shall be approved by the Secretary of the Finance and Administration Cabinet prior to it taking effect.

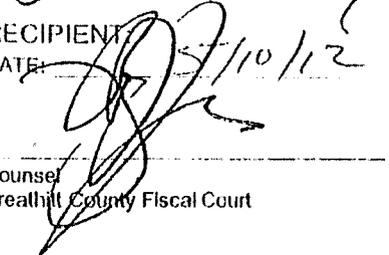
IN WITNESS WHEREOF, DLG and the Recipient have executed this Amendment.

Examined as to form and legality only:

DEPARTMENT FOR LOCAL GOVERNMENT:

DATE: _____

Counsel
Department for Local Government


Tony Wilder, Commissioner
Department for Local Government

RECIPIENT:
DATE: 5/10/12

Counsel
Breathitt County Fiscal Court


Harvey Jason Richardson, County Judge Executive
Breathitt County Fiscal Court



Commonwealth of Kentucky

CONTRACT

IMPORTANT
 Show Doc ID number on all packages, invoices and correspondence.

Doc Description: MC774BreathittCFCBuckhornInterconnectionMultiCoCS	
Doc ID No: PON2 112 1200001039 1	Procurement Folder: 2368016
Procurement Type: Memorandum of Agreement	
Administered By: Mary Gabbard	Cited Authority: KRS42.4588
Telephone: 502-573-2382	Issued By: MARY GABBARD

C O N T R A C T O R	BREATHITT CO FISCAL CT
	1137 MAIN STREET
	JACKSON KY 41339
	US

Line	GL Description	Due Date	Quantity	Unit Issue	Unit Price	Contract Amt	Total Price
1	MC774BreathittCFCBuckhornInterconnectionMultiCoCS		0.00		0.00000	930,000.00	930,000.00

Extended Description

Service From/To Dates: 2/13/12 - 06/30/2012
 FUNDS WILL BE USED TO CONSTRUCT AN INTERCONNECTION BETWEEN THE BREATHITT COUNTY WATER DISTRICT AND THE BUCKHORN AREA INCLUDING BUT NOT LIMITED TO CONSTRUCTION, LEGAL AND ENGINEERING.

B I L L T O	1826
	GG GOLD - KY COMMUNITY DEV OF
	1024 CAPITAL CTR STE 340
	KY COMMUNITY DEV OF
	FRANKFORT KY 406001
US	

Total Order Amount: 930,000.00

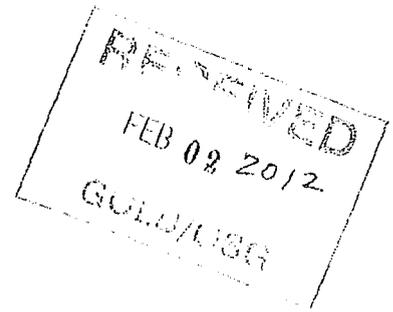
MEMORANDUM OF AGREEMENT

by and between

**COMMONWEALTH OF KENTUCKY
OFFICE OF THE GOVERNOR
DEPARTMENT FOR LOCAL GOVERNMENT**

and

BREATHITT COUNTY FISCAL COURT



THIS GRANT AGREEMENT (hereinafter "Agreement"), is made and entered into on the 31 day of Jan, 2012, by and between the **COMMONWEALTH OF KENTUCKY, OFFICE OF THE GOVERNOR, DEPARTMENT FOR LOCAL GOVERNMENT** (hereinafter "DLG"), with a mailing address of 1024 Capital Center Drive, Suite 340, Frankfort, Kentucky, 40601 and the **BREATHITT COUNTY FISCAL COURT**, (hereinafter "Recipient"), with a mailing address of 1137 Main Street, Jackson, KY 41339.

WHEREAS, it is the public policy of the Commonwealth of Kentucky to encourage, promote, and support water and wastewater infrastructure development in Kentucky in order to provide safe, potable water for its citizens and residents; and

WHEREAS, the 2010 Kentucky General Assembly enacted House Bill 1 authorizing the 'Parameters for County Flexibility' (hereinafter "Parameters") county grant program; and

WHEREAS, the Parameters program enhanced the KRS 42.4588 coal severance grant program administered by DLG; and

WHEREAS, the Memorandum of Understanding (MOU) between DLG and the Cabinet for Economic Development, executed May 16, 2011, moves the administration of the Multi-County LGEDF Account funds to the Department for Local Government, Office of State Grants from the Economic Development Cabinet; the Commissioner of the Department for Local Government further has all of the authorities, duties, function, responsibilities, and obligations for Multi-County LGEDF Account funds, in accordance with KRS 42.4588; the Commissioner of the Department for Local Government now has the same authorities, duties, function, responsibilities, and obligations as the Secretary of the Economic Development Cabinet and the Kentucky Economic Development Finance Authority (hereinafter "KEDFA") within the statutory powers listed in KRS 42.4588 and KRS 42.4595 for the purposes of administering the Multi-County LGEDF Account funds; and

WHEREAS, it is appropriate and in the public interest that the Commonwealth make a commitment of financial resources in order to promote and encourage public water and wastewater development projects approved by the Commissioner of DLG pursuant to KRS 42.4588 and Executive Order 2009-543; and

WHEREAS, the Recipient has applied for, and DLG has awarded a \$930,000 Local Government Economic Development Fund ("LGEDF") Multi-County Grant to the Recipient for the purpose of the Buckhorn Interconnection Project; and

NOW THEREFORE, in consideration of the recitals set forth above and terms, covenants, and conditions contained herein, the parties agree as follows:

SECTION ONE **DEFINITIONS**

Section 1.1 Definitions. For the purposes hereof, unless the context otherwise indicates, the following words and phrases shall have the meanings ascribed thereto:

"Committee" means the Government Contract Review Committee;

"Commonwealth" means the Commonwealth of Kentucky and all governmental agencies, authorities, and political subdivisions thereof, including without limitation, DLG;

"Contractor" means any person having a contract with a governmental body;

"Department for Local Government" ("DLG") shall mean that office created by KRS 147A.002, which is responsible for the administration of LGEDF;

"Disbursement" means any distribution of the proceeds of the Grant by DLG to the Recipient pursuant to Section 2 of this Agreement;

"Event of Default" means the occurrence of any one or more of the events specified as "Events of Default" to Section 7.1 of this agreement;

"Grant" shall refer to the Multi-County LGEDF Grant awarded by DLG to the Recipient for the Buckhorn Interconnection Project in the amount of \$930,000;

"Grant Documents" collectively refers to the MOA and all other agreements, documents, and instruments referred to in this Agreement or otherwise evidencing or pertaining to or executed connection with the Grant, together with any and all agreements, documents, or instruments made in modification, amendment, renewal, extension, substitution, or replacement thereof;

“Laws” include all laws, statutes, court decisions, rules, orders and regulations of the United States of America, the Commonwealth of Kentucky and its respective counties, municipalities and other subdivisions;

“Local Government Economic Development Fund” (“LGEDF”) means that certain fund created pursuant to KRS 42.4582, constituting a portion of the severance and processing taxes on coal collected annually by the Commonwealth, which is administered by DLG, as a system of grants to coal producing counties;

“Memorandum of Agreement” (“MOA”) shall refer to this certain agreement by and between DLG and the Recipient for the purpose of entering into the Grant Agreement;

“Multi-County LGEDF Account” means those certain funds reserved in the LGEDF pursuant to KRS 42.4592(1)(c) for disbursement as grants by DLG for industrial development projects benefitting two or more coal producing counties pursuant to KRS 42.4588;

“Multi-County LGEDF Grant” shall mean a grant awarded pursuant to KRS 42.4588 for the benefit of two or more coal producing counties and funded through the Multi-County LGEDF Account;

“Person” shall include an individual, firm, trust, estate, association, unincorporated organization, corporation, partnership, joint venture, or government or agency or political subdivision thereof;

“Project” includes engineering, design and construction costs associated with the interconnection of water lines that serve the City of Buckhorn in Perry County and with the water system of the Breathitt County Water District eligible under KRS 42.4588, as approved in writing by the Commissioner of DLG;

“Project Costs” shall mean the actual costs allowed by DLG under Section 2.2, including labor costs, materials, services and other work performed in connection with the Project in accordance with the terms and conditions of the MOA and KRS 42.4588; Project Costs do not include charges for the overhead of the Recipient;

“Request for Disbursement” means a written request to the Commissioner of DLG to make a disbursement of proceeds of the Grant, in its sole discretion, and substantially in the form attached hereto as Exhibit A;

“Supporting Documentation” means all receipts, vouchers, statements, bills of sale, invoices, AIA forms, equipment lists, property descriptions, deeds, purchase contracts or other evidence satisfactory to the Commissioner of DLG, in his/her sole discretion, of the actual payment of Project Costs.

“Water and Wastewater infrastructure development” means the promotion or provision of services and/or the construction of infrastructure to improve, maintain or create access to clean and safe water.

SECTION TWO **THE GRANT**

Section 2.1 Agreement to Make Grant. Pursuant to KRS 42.4588 and 2010 Kentucky General Assembly enacted House Bill 1, DLG hereby agrees to make a Multi-County LGEDF Grant to the Recipient for the benefit of the Project, from the Multi-County LGEDF Account in the amount of \$930,000, subject to and in accordance with the terms, covenants, and conditions set forth in this MOA. The Recipient hereby expressly agrees to comply with and to perform all of the terms and conditions of this MOA.

Section 2.2 Use of Proceeds. The proceeds of the Grant shall be used by the Recipient to pay for Project Costs. The Recipient further understands and agrees that although the maximum approved amount of the grant remaining is \$930,000, the Recipient will be reimbursed only for Project Costs. It is further understood and agreed by the parties hereto that the use of proceeds set forth herein is the only authorized purpose for which the Grant shall be used, and that any additional LGEDF funding desired for further engineering, acquisition, or development of the Project must be separately applied for by the Recipient and approved by the Commissioner of DLG. Any funds remaining upon completion of the Project must be returned to the Multi-County LGEDF Account. Funds for eligible projects may be requested by the Recipient and may be disbursed, provided that the Commissioner of DLG gives written approval of the disbursement of funds for the eligible project.

Section 2.3 Amount of Disbursement. DLG shall, subject to the availability of appropriate funds, pay the Recipient a sum not to exceed \$930,000 (NINE HUNDRED AND THIRTY THOUSAND DOLLARS) in accordance with the submission of Request(s) for Disbursement. The specific amount of any disbursement shall not exceed the amount justified in the Request(s) for Disbursement and by the Supporting Documentation.

Section 2.4 Right to Withhold Funds. The Commissioner of DLG may amend, reduce, or withhold disbursement until such time as he/she shall be satisfied, in his/her sole discretion, that the requirements set forth in this MOA have been performed in full, and that the Request for Disbursement and the Supporting Documentation received by DLG in connection therewith all support the amount of the Disbursement requested by the Recipient. The Commissioner of DLG may elect to amend, reduce, or withhold Disbursement if he/she determines at any time, in its sole discretion, that (i) the actual Project Costs or the progress of the Project is materially inconsistent with the Request for Disbursement; (ii) the percentage of completion of the Project differs materially from that

shown on the Request for Disbursement or from that shown on any documentation submitted to the Commissioner of DLG with the Request for Disbursement; (iii) the Recipient shall have failed to perform any condition precedent to the Disbursement under the terms and conditions of this Agreement or other Grant Documents; or (iv) any Event of Default shall have occurred and be continuing.

SECTION THREE **CONDITIONS PRECEDENT TO DISBURSEMENT**

Section 3.1 Conditions Precedent to Disbursement. The requirements listed below are conditions precedent to any obligation of DLG to make a disbursement of any proceeds of the Grant, and the Recipient shall fully perform all of the following conditions precedent in form and substance acceptable to the Commissioner of DLG in its sole discretion prior to funding:

- (a) Grant Documents. The Recipient shall execute and fully perform each of the conditions precedent to the Grant set forth in this MOA and in each of the other Grant Documents;
- (b) Request for Disbursement. The Recipient shall properly execute, complete, and deliver to DLG a Request for Disbursement as set forth above;
- (c) Approvals. The Recipient shall (i) take all actions necessary to approve the Grant Documents and their participation in the Grant with respect to the Project and (ii) provide certified copies of all resolutions, ordinances, or other governmental actions taken in connection with the authorization of the Grant and the Project;
- (d) Event of Default. No event or condition which with notice or the passage of time or both, shall exist or have occurred that would constitute an Event of Default under the terms and conditions of this MOA or any of the other Grant Documents as of the date of each Disbursement.

SECTION FOUR **REPRESENTATIONS AND WARRANTIES**

The Recipient hereby represents and warrants to the Commissioner of DLG as follows:

Section 4.1 Authority to Act. The Recipient has the requisite power, capacity, and authority to execute and deliver this MOA and the other Grant Documents, to consummate the transactions contemplated by this MOA and the other Grant Documents, and to observe and perform this MOA and the other Grant Documents in accordance with

their respective terms and conditions. The officers executing and delivering this MOA and the other Grant Documents on behalf of the Recipient have been duly authorized to enter into this MOA and the other Grant Documents. A copy of the resolution authorizing the execution of this Agreement is attached hereto as Exhibit B which is hereby incorporated herein and made part of this Agreement.

Section 4.2 Procurement. The Recipient shall use its own procurement procedures that reflect applicable state and local laws for all purchases of goods or services related to the Project.

Section 4.3 Legal Compliance. No violation of any applicable zoning or building requirements or other Laws has occurred or exists with the respect of the development of the Project. The Recipient has obtained all licenses, permits, and approvals required under applicable Laws regulating the undertaking of the Project. The Recipient is in compliance with the Laws of all applicable governmental authorities.

Section 4.4 Litigation. No litigation or proceeding involving the Recipient is pending or, to the best of its knowledge, threatened in any court or administrative agency which, in the Commissioner of DLG's sole discretion, if determined adversely to the Recipient could have a materially adverse impact on (i) its ability to perform any of their obligations under this MOA or any of the other Grant Documents, or (ii) its business operations, affairs, or conditions (financial or otherwise).

Section 4.5 No Defaults. The Recipient is not in default under any contract, agreement, indenture, lease, loan, or credit agreement to which it is a party or by which it is bound, nor has any event occurred which after the giving or notice or the passage of time, or both, would constitute a default under any such contract, agreement, indenture, lease, loan, or credit agreement. No Event of Default exists on the date hereof, nor shall any such Event of Default begin to exist immediately after the execution and delivery of this MOA or the other Grant Documents.

Section 4.6 Conflicting Transactions. The consummation of the transactions contemplated hereby and the performance of the obligations of the Recipient under and by virtue of this MOA and the other Grant Documents shall not result in any breach of, or constitute a default under, any contract, agreement, indenture, lease, loan, or credit agreement to which the Recipient is a party or by which it is bound.

Section 4.7 Disclosure. Neither this MOA nor any of the other Grant Documents contains any untrue statement of any material fact or omits to state any material fact. There is no fact known to the Recipient that materially or adversely affects, or in the future could materially or adversely affect, the business, operations, affairs, or condition, financial or otherwise, of the Recipient that has not been disclosed to the Commissioner of DLG.

SECTION FIVE **COVENANTS**

To induce the Commissioner of DLG to enter into this Agreement, the Recipient hereby covenants and agrees with him/her as follows:

Section 5.1 Recipient's Audit Requirement. Pursuant to KRS 42.460, the Recipient agrees that an independent audit of any Grant proceeds received shall be conducted in accordance with generally accepted accounting standards, Government Auditing Standards, issued by the Comptroller General of the United States, the provisions of Office of Management and Budget Circular A-133, "Audits of State and Local Governments," if applicable, and the Audit Guide for Fiscal Court Audits issued by the Kentucky Auditor of Public Accounts. Bound within the audit report shall be a certification of compliance that the funds were expended in accordance with the provisions of KRS 42.4588 and 42.495. A copy of the audit report and the certification shall be forwarded to DLG within eighteen (18) months following the end of any fiscal year during which such proceeds were received.

Section 5.2 Right of DLG to Inspect. The Recipient agrees that the Commissioner of DLG and/or his/her designee shall have the right, but not the obligation, to enter onto the Real Property for the purpose of inspecting the Project. The Recipient shall cause the owner of the Real Property and any contractors or subcontractors to cooperate with the Commissioner of DLG in the exercise of his/her right to inspect hereunder. The Commissioner of DLG shall not be obligated in any way to inspect the Project, correct any defects discovered by him/her, or to notify the Recipient or any other Person with respect thereto. The Commissioner of DLG may, but is not obligated to, send inspection reports to the Recipient. Deficiencies identified in an inspection report shall be corrected by the Recipient and their correction reported in writing to DLG within two weeks of the receipt of the inspection report. DLG may audit or review all documentation and records of the recipient relating to the Project.

Section 5.3 Access to Records. DLG may audit or review all documentation and records of the Recipient relating to the Project pursuant to the provisions of KRS 45A.150. The contractor, as defined in KRS 45A.030(9), agrees that DLG, the Finance and Administration Cabinet, the Auditor of Public Accounts, and the Legislative Research Commission, or their duly authorized representatives, shall have access to any books, documents, papers, records, or other evidence, which are directly pertinent to this contract for the purpose of financial audit or program review. Furthermore, any books, documents, papers, records, or other evidence provided to DLG, the Finance and Administration Cabinet, the Auditor of Public Accounts, or the Legislative Research Commission which are directly pertinent to the contract shall be subject to public disclosure regardless of the proprietary nature of the information, unless specific information is identified and exempted and agreed to by the Secretary of the Finance and Administration Cabinet as meeting the provisions of KRS 61.878(1)(c) prior to the execution of the contract. The Secretary of the Finance and Administration Cabinet shall

not restrict the public release of any information that would otherwise be subject to public release if a state government agency were providing the service.

Section 5.4 Further Assurances. The Recipient shall, at any time upon request by the Commissioner of DLG, make, execute, and deliver or cause to be made, executed, and delivered to DLG, any and all other further instruments, certificates and other documents as may, in the opinion of the Commissioner of DLG, be necessary or desirable in order to effect, complete, perfect or otherwise to continue and preserve the obligations of the Recipient under this MOA and the other Grant Documents (collectively, the "Further Assurances"). Upon any failure by the Recipient to execute and deliver Further Assurances, the Commissioner of DLG may make, execute, and record any and all instruments, certificates, and documents for Further Assurances for and in the name of said parties, and the Recipient hereby irrevocably appoints the Commissioner of DLG as its attorney-in-fact thereof to make, execute, and record any such instruments, certificates or documents for Further Assurances for and in the name of the Recipient.

Section 5.5 Record Retention. The Recipient shall retain all records relating to the Project until the records are audited by DLG, or for three (3) years after the Project has been closed out by DLG, whichever occurs first.

SECTION SIX WAIVERS

Section 6.1 Waivers. The Recipient hereby waives, to the extent permitted by applicable Laws, all presentments, demands for performance, notices of nonperformance, protests, notices of protest, and notices of dishonor in connection with this agreement.

Section 6.2 No Waiver of Remedies. Any forbearance or failure or delay by the Commissioner of DLG in exercising any right, power, or remedy hereunder shall not be deemed to be a waiver of such right, power, or remedy, and any single or partial exercise of any right, power, or remedy shall not preclude the further exercise thereof. Any consent by the Commissioner of DLG or any waiver of an Event of Default under this MOA shall not constitute a consent to or waiver of any right, remedy or power of the Commissioner of DLG upon a subsequent Event of Default.

SECTION SEVEN EVENTS OF DEFAULT

Section 7.1 Events of Default. Each of the following events or occurrences shall constitute an Event of Default under this Agreement.

- (a) **Representations and Warranties.** If any warranty or representation made by the Recipient under this Agreement or in any of the documents required by this Agreement, including but not limited to the Request for Disbursement or

any of the other Grant Documents, shall at any time be false or misleading in any material respect; or

- (b) **Obligations.** If the Recipient shall fail to keep, observe or perform any of the terms, agreements, covenants, representations or warranties set forth in this Agreement or in any of the other Grant Documents, or if the Recipient is unable or unwilling to meet its obligations hereunder.

Section 7.2 Remedies of DLG Upon an Event of Default. Notwithstanding anything to the contrary set forth herein, upon the occurrence of an Event of Default, then the Commissioner of DLG, in his/her sole discretion and without notice to the Recipient, may at any time exercise any one or more of the following rights and remedies:

- (a) Withhold disbursement under the Grant, after which DLG shall be under no obligation to advance any undisbursed monies from the Grant to the Recipient;
- (b) Declare the entire disbursement portion of the Grant plus any interest earned thereon to be immediately due and payable in full from the Recipient;
- (c) Commence an appropriate legal or equitable action to enforce the Recipient's performance of the terms, agreements, covenants, and conditions of this Agreement and any of the other Grant Documents; and/or
- (d) Exercise any other rights or remedies, at law, in equity or otherwise, that may be available to DLG pursuant to this Agreement, any other Grant Documents, or under applicable Laws, including, but not limited to, the rights to bring suit or other proceedings before any tribunal of competent jurisdiction, either for specific performance of any agreement, covenant or condition contained in this Agreement.

Section 7.3 Cumulative Rights. All rights available to DLG under this Agreement or the other Grant Documents shall be cumulative and in addition to all other rights granted to the Commissioner of DLG at law or in equity, whether or not DLG shall have instituted any suit or other action in connection with this Agreement or the other Grant Documents.

SECTION EIGHT

MOA STANDARD TERMS OF AGREEMENT

Section 8.1 Cancellation clause: Either party may cancel the contract at any time for cause or may cancel without cause on 30 days' written notice.

Section 8.2 Funding Out Provision: The state agency may terminate this contract if funds are not appropriated to the contracting agency or are not otherwise available for the purpose of making payments without incurring any obligation for payment after the date of termination, regardless of the terms of the contract. The state agency shall provide the contractor thirty (30) calendar days written notice of termination of the contract.

Section 8.3 Access to Records: The state agency certifies that it is in compliance with the provisions of KRS 45A.695. "Access to contractor's books, documents, papers, records, or other evidence directly pertinent to the contract." The contractor, as defined in KRS 45A.030(9) agrees that the contracting agency, the Finance and Administration Cabinet, the Auditor of Public Accounts, and the Legislative Research Commission, or their duly authorized representatives, shall have access to any books, documents, papers, records, or other evidence, which are directly pertinent to this contract for the purpose of financial audit or program review. Records and other prequalification information confidentially disclosed as part of the bid process shall not be deemed as directly pertinent to the contract and shall be exempt from disclosure as provided in KRS 61.878(1)(c). The contractor also recognizes that any books, documents, papers, records, or other evidence, received during a financial audit or program review shall be subject to the Kentucky Open Records Act, KRS 61.870 to 61.884

Section 8.4 Effective Date: This Agreement is not effective until the Secretary of the Finance and Administration Cabinet or his authorized designee has approved the contract and until the contract has been submitted to the Legislative Research Commission, Government Contract Review Committee ("LRC"), and shall expire on June 30, 2012. The terms of this Agreement may be renewed or extended upon mutual written agreement duly executed by the parties.

Section 8.5 KRS 45A.695(7) Payments on personal service contracts and memoranda of agreements shall not be authorized for services rendered after government contract review committee disapproval, unless the decision of the committee is overridden by the secretary of the Finance and Administration cabinet or agency head, if the agency has been granted delegation authority by the secretary.

Section 8.6 Violation of tax and employment laws: KRS 45A.485 requires the contractor to reveal to the Commonwealth, prior to the award of a contract, any final determination of a violation by the contractor within the previous five (5) year period of the provisions of KRS chapters 136, 139, 141, 337, 338, 341, and 342. These statutes relate to the state sales and use tax, corporate and utility tax, income tax, wages and hours laws, occupational safety and health laws, unemployment insurance laws, and workers compensation insurance laws, respectively.

To comply with the provisions of KRS 45A.485, the contractor shall report any such final determination(s) of violation(s) to the Commonwealth by providing the

following information regarding the final determination(s): the KRS violated, the date of the final determination, and the state agency which issued the final determination.

KRS 45A.485 also provides that, for the duration of any contract, the contractor shall be in continuous compliance with the provisions of those statutes which apply to the contractor's operations, and that the contractor's failure to reveal a final determination as described above or failure to comply with the above statutes for the duration of the contract, shall be grounds for the Commonwealth's cancellation of the contract and the contractor's disqualification from eligibility for future state contracts for a period of two (2) years.

Contractor must check one:

HJR The contractor has not violated any of the provisions of the above statutes within the previous five (5) year period.

_____ The contractor has violated the provisions of one or more of the above statutes within the previous five (5) year period and has revealed such final determination(s) of violation(s). A list of such determination(s) is attached

Section 8.7 Reduction in Contract Worker Hours: The Kentucky General Assembly may allow for a reduction in contract worker hours in conjunction with a budget balancing measure for some professional and non-professional service contracts. If under such authority the agency is required by Executive Order or otherwise to reduce contract hours, the contract will be reduced by the amount specified in that document.

SECTION NINE **MISCELLANEOUS PROVISIONS**

Section 9.1 Committee Approval. Payments on memoranda of agreements shall not be authorized for services rendered after Committee disapproval, unless the decision of the Committee is overridden by the Secretary of the Finance and Administration Cabinet or Commissioner of DLG, if DLG has been granted delegation authority by the Secretary.

Section 9.2 Expenses. At the Commissioner of DLG's request, the Recipient shall promptly indemnify and/or reimburse DLG for all expenses, costs and charges of any kind (but, not limited to, taxes, assessments, insurance premiums, repairs and maintenance expenses, reasonable attorneys' fees and legal expenses, title examination fees, survey expenses, recording expenses, and inspectors fees) incurred by or billed to DLG in connection with preservation, perfection and enforcement of DLG's rights and remedies under this Agreement and the other Grant Documents. If any Event of Default under Section 7.1 shall occur under this MOA or any of the Grant Documents, the Recipient shall pay to DLG, to the extent allowable by applicable law, such amounts as shall be sufficient to reimburse DLG fully for all applicable costs and expenses incurred

in enforcing its rights and remedies under this MOA any of the Grant Documents, including without limitation the reasonable attorney's fees and court costs for DLG.

Section 9.3 Incorporation by Reference. All exhibits, schedules, annexes, or other attachments to this MOA are hereby incorporated into and made a part of this MOA as if set out at length herein.

Section 9.4 Multiple Counterparts. This MOA may be signed by each party upon a separate copy, and in such case one counterpart of this MOA shall consist of a sufficient number of such copies to reflect the signature of each party hereto. This MOA may be executed in two or more counterparts, each of which shall be deemed an original, and shall not be necessary in making proof of this MOA or the terms and conditions hereof to produce or account for more than one of such counterparts.

Section 9.5 Headings. The section headings set forth in this MOA are for convenience of reference only, and the words contained therein shall in no way be held to explain, modify, amplify, or aid in the interpretation, construction, or meaning of the provisions of this MOA.

Section 9.6 Partial Invalidity. If any term or provision of this MOA, or the application thereof to any Person or circumstances shall, to any extent, be determined to be invalid or unenforceable by a court of competent jurisdiction, the remainder of this MOA shall not be affected thereby, and the remaining provisions of this MOA shall be valid and enforceable to the fullest extent permitted by applicable law.

Section 9.7 Successors and Assigns. Each of the representations, warranties, agreements, covenants, obligations, and duties of the parties shall be deemed to have been made for the benefit of all parties, their successors and assigns. Except as otherwise expressly provided herein, the terms and condition of this MOA shall be binding upon and shall inure to the benefit of the parties hereto, their successors and assigns. This provision shall not be construed to permit assignment by the Recipient of any of its respective rights and duties under this MOA or the other Grant Documents.

Section 9.8 No Partnership – Status of Relationship. The Commissioner of DLG, the Recipient, and any party therewith shall in no event be construed for any purpose to be partners, associates or joint ventures in the conduct of their respective businesses or otherwise. No contractor, licensee, agent, servant, employee, invitee, or customer of any party shall be, or be deemed to be, a contractor, licensee, agent, servant, invitee, or customer of any party hereto.

Section 9.9 Rights of Third Persons. In no event shall this MOA be construed to make DLG or any agent of DLG liable to any general contractors, subcontractors, laborers, material men, craftsmen, or other Persons for labor, materials, or services delivered to the Real Property or goods specially fabricated for incorporation into the Project, if any, or for debts or claims accruing or arising to any such Persons against the

Recipient. The Recipient expressly agrees that there is no relationship of any type whatsoever, contractual or otherwise, either express or implied, between DLG and any general contractor, material man, subcontractor, craftsman, laborer, or any other person or entity supplying any labor, materials or services to the Project or Real Property or specially fabricating goods to be incorporated therein. No Persons are intended to be third party beneficiaries of the Grant Documents or to have any claim in or to any undisbursed proceeds of the Grant pursuant to the Grant Documents.

Section 9.10 Modification. This MOA sets forth the entire understanding of the parties with respect to the subject matter hereof, supersedes all existing agreements among them concerning the subject matter hereof, and may be modified only by a written instrument duly executed by each of the parties hereto.

Section 9.11 Time of Essence. Time is of the essence in the performance of each of the terms and conditions of this MOA.

Section 9.12 No Assignments or Modifications. The Recipient may not assign its rights under this MOA to any Person.

Section 9.13 No Transfer of Project. The Recipient may not assign, sell, lease, sublease, convey, mortgage, encumber, hypothecate, or dispose of all or any portion of the Project in any manner without the express written consent of the Commissioner of DLG.

Section 9.14 Notices. All notices, requests, demands, waivers, and other communications given as provided in this MOA shall be in writing, and shall be addressed as follows:

If to DLG: Office of the Governor
 Department for Local Government
 1024 Capital Center Drive, Suite 340
 Frankfort, KY 40601
 Attn: Amy Barnes

If to Recipient: Breathitt County Fiscal Court
 1137 Main Street
 Jackson, KY 41339
 Attn: Harvey Jason Richardson

Any notice required or permitted to be given under this Grant Agreement shall be deemed sufficiently given for all purposes if sent by registered mail, postage pre-paid and return receipt requested, addressed to the intended recipient at the address set forth above. DLG or the Recipient may change their respective addresses as provided above by given written notice of the change to the other parties hereto as provided in this paragraph.

Section 9.15 Governing Law. This Agreement shall be governed by and construed in accordance with the Laws of the United States of America, the Commonwealth of Kentucky, and its respective counties, municipalities and other subdivisions.

Section 9.16 Jurisdiction and Venue. The parties agree that any suit, action, or proceeding with respect to this Agreement may only be brought in or entered by, as the case may be, the courts of the Commonwealth of Kentucky situated in Frankfort, Franklin County, Kentucky or the United States District Court for the Eastern District of Kentucky's Frankfort Division.

Section 9.17 No Commonwealth Liability. Under no circumstances will the Commonwealth, its officials, agents, directors, contractors, servants, members, employees, licensees, or assigns be held or adjudged liable in connection with any cause of action arising under or as a result of this Agreement, the Project or in connection with claims or cross-claims by or among the Recipient and any third party.

Section 9.18 Indemnity. The Recipient agrees to indemnify DLG for any damage to persons or property caused by an agent, employee, or independent contractor conducting any of the Project activities contemplated on the Project in this MOA including, without limitation, reasonable costs, and attorney's fees for defending any such action.

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IN WITNESS THEREOF, DLG and the Recipient by and through their duly authorized officials have executed this Agreement as of the ____ of _____, 2011.

DEPARTMENT FOR LOCAL GOVERNMENT

By: Stacia Peyton
Tony Wilder, Commissioner

Date: 2/6/12

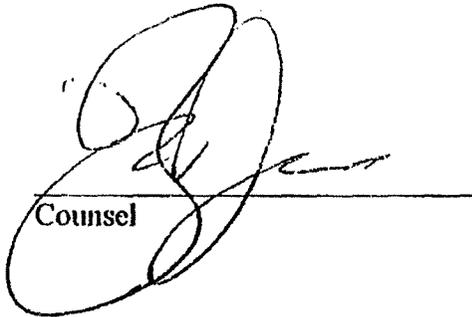
BREATHITT COUNTY FISCAL COURT

By: H. J. Richardson
Harvey Jason Richardson, Judge-Executive

Date: 1-31-2012

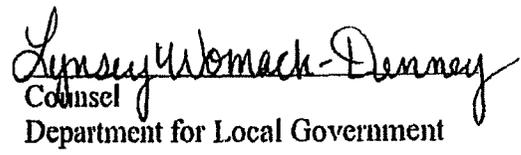
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Examined as form and legality only:



Counsel

Examined as to form and legality only:



Lynsey Womack-Denney
Counsel
Department for Local Government

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JOINT RESOLUTION OF THE BREATHITT COUNTY WATER DISTRICT AND THE VILLAGE OF BUCKHORN
RESOLUTION 10172012

WHEREAS, The Breathitt County Water District through the Breathitt County Fiscal Court has been approved for nine hundred thirty thousand dollars (\$ 930,000.00) in multi-county coal severance to complete the Breathitt and Perry County Waterline Interconnection (WX21025028) AKA Buckhorn Interconnection Project.

WHEREAS, The original project description included an interconnection at the junction of HWY 315 and HWY 28 including construction of water lines to the Crockettsville area.

WHEREAS, Additional funding to complete the project has been approved by AML; however the funds are not available until after July of 2014.

NOW, THEREFORE, Due to the current interconnection being above ground and inclement weather is near, the Breathitt Water District in conjunction with the Village of Buckhorn would like to change the location of the interconnection to the junction of HWY 1110 and HWY 28. The Village of Buckhorn currently has one hundred ten thousand seven hundred ninety two dollars and sixty five cents (\$110,792.65) in approved coal severance that they are willing to utilize for this change in scope. With the additional funding the project will be fully funded and will be able to let for bid within the next six months pending Department of Local Government approval. The change in scope will still include the Crockettsville area line extension and will still provide a permanent interconnection between the two systems.

Done this 17 day of October, 2012 by the Breathitt County Water District

By: 
Chairman

Attest: Kay Sawatt

Done this 29 day of Oct, 2012 by the Village of Buckhorn

By: Veda Wooten
Mayor

Attest: Jay Stamp

RESOLUTION OF THE BREATHITT COUNTY FISCAL COURT

RESOLUTION 10232012

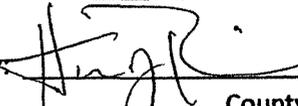
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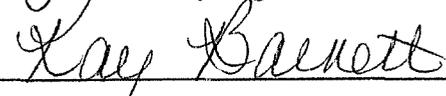
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Done this 23 day of October, 2012 by the Breathitt County Fiscal Court

By: 
County Judge Executive

Attest: 



HARVEY JASON RICHARDSON
BREATHITT COUNTY JUDGE EXECUTIVE

Breathitt County Courthouse
1137 Main Street • Jackson, KY 41339
(606) 666-3800, Ext. 224 • Fax (606) 666-3813



October 30, 2012

Amy Barnes
Department for Local Government
1024 Capital Center Drive, Suite 340
Frankfort, KY 40601

Dear Ms. Barnes:

The Breathitt County Fiscal Court would like to formally request a change in scope of work to their Breathitt and Perry County Waterline Interconnection (AKA Buckhorn Interconnection Project), WX21025028. The Fiscal Court currently has been awarded \$930,000 dollars in Multi-County Coal Severance Funds for this project. The project is currently awaiting allocation of Abandoned Mine Lines (AML) Funds to complete the project; however this allocation is not expected until July 2014.

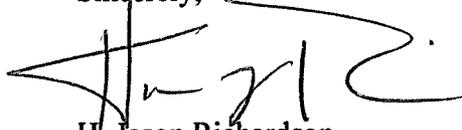
The original project allows for a permanent interconnection at the junction of Highway 315 and Highway 28 and includes a line extension to the Crockettsville area. At present time, the Breathitt County Water District has a temporary above ground interconnection with the Village of Buckhorn located at Highway 1110 and Highway 28. The fiscal court would like to amend the existing Memorandum of Agreement to change the interconnection site to make the existing temporary interconnection the permanent connection between the two systems. The Village of Buckhorn currently has \$110,792.65 in coal severance that they have agreed to utilize for this interconnection. With this additional funding the interconnection at Highway 1110 and Highway 28 and the line extension to the Crockettsville area would be fully funded and able to let for bid.

By changing the scope of work, this would allow the permanent interconnection to be constructed before 2014 and would a reliable connection point between the two systems in case of an emergency. The remaining Highway 315 and Highway 28 project will be

constructed when the AML funds become available in July of 2014. The change while different than originally planned will still provide the same desired effect.

If you have any questions, please feel free to contact myself or Jennifer McIntosh, Project Administrator at the Kentucky River Area Development District in Hazard. Her phone number is (606) 436-3158.

Sincerely,

A handwritten signature in black ink, appearing to read 'H. Jason Richardson', written over a horizontal line.

H. Jason Richardson
Breathitt County Judge Executive

enclosures

CC: Mayor Veda Wooton, Village of Buckhorn
Estill McIntosh, Breathitt County Water District
Jennifer McIntosh, KRADD

Attachment 6

DOW Construction Approval



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

January 9, 2013

Mr. Bobby Thorpe
Breathitt Co Water District
1137 Main St Ste 305
Jackson, KY 41339

RE: Breathitt Co Water District
AI # 45303, APE20120005
PWSID # 0131012-12-005
KY 1110/28 WL Interconnection Permit
Breathitt County, KY

Dear Mr. Thorpe:

We have reviewed the plans and specifications for the above referenced project. The plans include the construction of approximately 30,000 LF of 8-inch PVC and 140 LF of 8-inch DI WLE. 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.

If you have any questions concerning this project, please contact Mr. Abbas Pourghasemi at 502-564-3410 x4833.

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:AP

Enclosures

C: Nesbitt Engineering, Inc.
Breathitt County Health Department
Public Service Commission
Division of Plumbing

Distribution-Major Construction

Breathitt Co Water District
Facility Requirements

Activity ID No.: APE20120005

Page 1 of 7

GACT0000000022 (KY 1110/28 WL Interconnection) 30,000 LF of 8-inch PVC and 140 LF-of 8-inch DI WLE:

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 ≥ 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 ≥ 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 new and existing water lines serving fire hydrants or where fire protection is provided shall have Diameter ≥ 6 in. [Recommended Standards for Water Works 8.1.2] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.
L-4	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 ≤ 800 feet should be utilized in non-commercial districts. Alternatively, non-commercial districts should utilize a valve spacing Distance ≤ 1 block. Commercial districts should utilize a valve spacing Distance ≤ 500 ft. [Recommended Standards for Water Works 8.2] This requirement is applicable during the following months: All Year. Statistical basis: Not applicable.
L-5	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.
L-6	Distance	Except when not practical, water lines shall be laid a horizontal Distance ≥ 10 ft from any existing or proposed sewer. The distance shall be measured edge to edge. 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.

Distribution-Major Construction

Breathitt Co Water District
Facility Requirements

Activity ID No.: APE20120005

Page 2 of 7

GACT0000000022 (continued):

Limitation Requirements:

Condition No.	Parameter	Condition
L-7	Distance	<p>When water lines and sewers cross,</p> <ol style="list-style-type: none">1) water lines shall be laid such that either<ol style="list-style-type: none">a) the the top of the water line is a vertical Distance ≥ 18 in below the bottom of the sewer line orb) the bottom of the water line is a vertical Distance ≥ 18 in above the top of the sewer line,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, and3) special structural support for the water and sewer pipes may be required. [Recommended Standards for Water Works 8.6.3] This requirement is applicable during the following months: All Year. Statistical basis: Not applicable.
L-8	Distance	<p>The open end of an air relief pipe from automatic valves shall be extended a Distance ≥ 1.0 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-9	Pressure	<p>Pipes shall not be installed unless all points of the distribution system remain designed for ground level Pressure ≥ 20 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-10	Pressure	<p>Pressure ≥ 30 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>
L-11	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 ≥ 25 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>

Distribution-Major Construction

Breathitt Co Water District
Facility Requirements

Activity ID No.: APE20120005

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GACT0000000022 (continued):

Limitation Requirements:

Condition No.	Parameter	Condition
L-12	Velocity	Each blow-off or fire hydrant shall be sized so that Velocity \geq 2.5 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.

Monitoring Requirements:

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:

Additional Limitations:

Condition No.	Condition
T-1	Additional Limitations: Water line installation shall be in accordance with AWWA standards or manufacturer recommendations. [Recommended Standards for Water Works 8.5.1]
T-2	Additional Limitations: 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-3	Additional Limitations: 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

Breathitt Co Water District
Facility Requirements

Activity ID No.: APE20120005

Page 4 of 7

GACT0000000022 (continued):

Narrative Requirements:

Additional Limitations:

Condition

No. Condition

- T-4 Additional Limitations:
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-5 Additional Limitations:
For each fire hydrant, auxiliary valves shall be installed in the hydrant lead pipe. [Recommended Standards for Water Works 8.3.3]
- T-6 Additional Limitations:
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-7 Additional Limitations:
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-8 Additional Limitations:
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-9 Additional Limitations:
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)]
- T-10 Additional Limitations:
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)]

Distribution-Major Construction

Breathitt Co Water District
Facility Requirements

Activity ID No.: APE20120005

Page 5 of 7

GACT0000000022 (continued):

Narrative Requirements:

Subfluvial Pipe Crossings:

Condition No.	Condition
T-11	<p>Subfluvial Pipe Crossings: 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.</p> <ol style="list-style-type: none">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.2) Crossing trenches shall be backfilled as closely as possible to the original contour.3) All excess material resulting from construction displacement in a crossing trench shall be disposed of outside the flood plain.4) For erodible channels, there shall be at least 30 inches of backfill on top of all pipe or conduit points in the crossing.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-12	<p>Subfluvial Pipe Crossings: For subfluvial pipe crossings greater than 15 feet in width,</p> <ol style="list-style-type: none">1) the pipe shall be of special construction, having flexible, restrained, or welded watertight joints, and2) valves shall be provided at both ends of water crossings so that the section can be isolated for testing or repair. <p>Valves shall</p> <ol style="list-style-type: none">a) be easily accessible,b) not be subject to flooding, andc) 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]

Distribution-Major Construction

Breathitt Co Water District
Facility Requirements

Activity ID No.: APE20120005

PORT0000000037 (KY 1110/28 WL Interconnection) 30,000 LF of 8-inch PVC and 140 LF-of 8-inch DI WLE:

Monitoring Requirements:

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.

Submittal/Action Requirements:

Coliform:

Condition No.	Condition
S-1	Coliform 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)]

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)]

Distribution-Major Construction

Breathitt Co Water District
Facility Requirements

Activity ID No.: APE20120005

Page 7 of 7

PORT0000000037 (continued):

Narrative Requirements:

Additional Limitations:

Condition No.	Condition
T-1	Additional Limitations: 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)]
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 two 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)]
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]
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)]

Attachment 7

Cost of Operation

Breathitt County Water District

KY 1110/28 Waterline Interconnection
998-37

ATTACHMENT # 7

Electrical Rates - AEP (Tariff 215-Medium General Service)

Monthly Basic Fee	\$ 13.50
Usage Rate	\$ 0.09862 per KWH for first 200 KWH
	\$ 0.08460 per KWH after first 200 KWH
Demand Factor	\$ 1.64 per KWH

Pump Data (KY 30 West)

Average Flow Rate	540	gpm
Horsepower	50	
Efficiency	75%	
Hours of Operation	6.00	hours/day

Demand of Customers

Estimated Customers (1281 current & 50 new)	1331	Homes
New - Total Estimate Flow	266,200	gallons/day

Opinion of Probable Cost of Operation						
Proposed Operating Conditions						
New Production Cost						
Purchase Price per 1,000 gallons (Purchased from the City of Jackson)						\$ 2.90
Total - Proposed Annual Cost of Purchased Water						\$ 281,772.70
Operation Costs						
Pumping Costs						
KY 30 West Booster Station Electric Consumption	332	KWH per Day	121,018	KWH per year		
Total Project Electric Consumption	332	KWH per Day	121,018	KWH per year		
	Monthly Basic Fee (\$13.50 x 12 months)				\$	162.00
	Usage Rate (200 KW x \$0.09862 + ((80,679 KW - 200 KW) x \$0.0846))				\$	11,934.77
	Demand Charge (61.43 KW x \$1.64 x 12 months)				\$	1,208.94
Total - Proposed Annual Pumping Cost						\$ 13,305.72
Total - Proposed Annual Production & Operation Costs						\$ 295,078.42