

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

OCT 27 2014

PUBLIC SERVICE
COMMISSION

In the Matter of:

The Application of East Casey County)
Water District for Approval of) Case No. 2014-00
Financing and Issuance of a)
Certificate of Convenience and Necessity)

APPLICATION

East Casey County Water District (East Casey County), by counsel, pursuant to KRS 278.020 and 278.300, petitions the Commission for an order approving the construction of certain water facilities and the financing of the improvements through a loan from the Kentucky Infrastructure Authority.

1. East Casey County is a regulated water district formed under KRS Chapter 74. It has no articles of incorporation. Its contact information is:

Andy Greynolds, Manager
Box 56, South Wallace Wilkinson Blvd.
Liberty, KY 42539
PH: 606 787-9961
Agreynolds@windstream.com

2. By order of June 7, 2013 in Case No. 2013-00155, East Casey County was authorized to construct certain water distribution facilities funded with a Kentucky Infrastructure Authority (KIA) loan. The application and exhibits of that filing are incorporated by reference. That construction was completed at a cost below the funding available from KIA. A summary of the project cost is attached as Exhibit A. East Casey County now proposes to use the remaining funds from that KIA loan to construct a

\$150,000 pump station and to purchase, replace and install 2500 meters that include an Automated Meter Reader (AMR) module.

By letter dated August 27, 2014, East Casey County was notified by the Commission that an application for approval of the use of the remaining KIA funds was necessary. Pursuant to that directive, this application is being submitted.

3. The construction is in the public interest and is required to allow East Casey County to continue to provide adequate service to additional residents of the county. The pump station is described in Exhibit B. Two paper copies of the maps, plans and specifications as well as two electronic copies are attached. The cost of the pump station is estimated to be \$150,000, which is being treated as a change order from the original plans. The Allentown pump station was originally built in 1992 as a 100 gpm facility. It was upgraded in 1998 to 120 gpm. It is an underground facility with OSHA confined entry space issues. The District has doubled its customers since that last improvement. The replacement of the pump with a new 150 to 200 gpm station will eliminate problems currently experienced during peak demand.

4. A description of the meter and AMR specifications is included in Exhibit C. There was only one bidder. The estimated cost of the meters and installation is approximately \$300,000.00. There are currently 4,353 meters. The District began replacing meters four years ago with a HB grant that funded 2,500 meters, hardware and software to read and bill with the AMR meters. Approximately 2,000 additional meters are to be replaced over a one year period. This project will complete the conversion of all meters to AMR. The life expectancy of the meters is 15 to 20 years. Current contract meter reading expense is \$1.00 per meter per month. The AMR meters will result in a

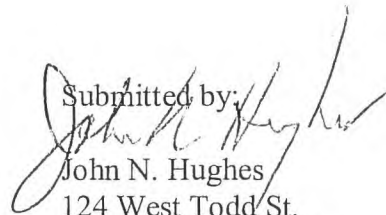
savings of \$2,000.00 per month when fully implemented. The AMR will also provide more accurate readings, reduce re-reads and re-billings and minimize billing errors.

5. The total project cost is approximately \$450,000. The KIA correspondence agreeing to the use of the funds is attached as Exhibit D.

6. East Casey moves for a deviation pursuant to 807 KAR 5:001(22) for any other filing requirement not essential for the review and approval of the application.

For these reasons, East Casey County requests a modification of the order dated June 7, 2013 in Case No. 2013-00155 to allow the use of remaining KIA funds and for approval of financing, construction and other authorizations that may be required.

Submitted by:



John N. Hughes
124 West Todd St.
Frankfort, KY 40601
(502) 227 7270
jnhughes@fewpb.net
Attorney for East Casey
Water District

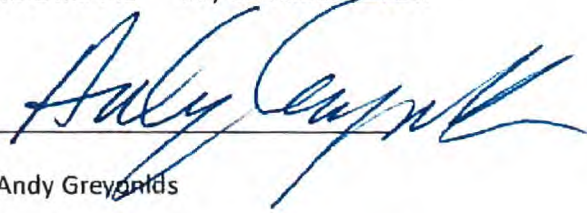
AFFIDAVIT

COMMONWEALTH OF KENTUCKY

COUNTY OF CASEY

Andy Greynolds, after being sworn, states that he is General Manager of East Casey Water District, that he is authorized to file this application and the statements in the application are true and correct to the best of his knowledge.

Sworn, acknowledged and subscribed before me the day of October, 2014.


Andy Greynolds



Edward A. Wesley Notary Public
ID# 488008



My commission expires: Notary State of Kentucky
My Commission Expires June 8, 2017

EXHIBIT A

PROJECT: DWL 12046 Various Waterline Extensions/200,000 Gallon Water Storage Tank
 OWNER: East Casey County Water District
 ADDRESS: P. O. Box 56, Liberty, KY 42539
 BANK:
 ACCT #:

Contractors: Cumberland Pipeline LLC
 Kentucky Glass Lined Tank System

FUNDS ON HAND IN THE BANK

FUNDS ON HAND IN THE BANK												
-												
		BUDGET								BUDGET		
BEGINNING BALANCE -		1,632,230.00	776,202.00	268,491.00	25,000.00	17,500.00	114,800.00	58,100.00	372,137.00	1,632,230.00	1,545,000.00	87,230.00
CUMULATIVE BUDGET CHANGES -		-	(58,597.52)	-	-	(17,500.00)	(1,024.72)	(3,273.12)	(80,395.36)	-	-	-
ADJUSTED BALANCE -		1,632,230.00	717,604.48	268,491.00	25,000.00	-	113,775.28	54,826.88	452,532.36	1,632,230.00	1,545,000.00	87,230.00
FUNDS EXPENDED TO DATE -		1,174,697.64	712,604.48	268,491.00	25,000.00	-	113,775.28	54,826.88	-	1,174,697.64	1,087,467.64	87,230.00
CURRENT BALANCE -		457,532.36	5,000.00	-	-	-	-	-	452,532.36	457,532.36	457,532.36	-
DATE	PAYEE	PROJECT CONTROL	CUMBERLAND PIPELINE	KENTUCKY GLASS LINED	ADMIN EXPENSES	LEGAL	BASIC ENGINEER	RESIDENT INSPECTION	CONTINGENCY	FUNDS CONTROL	DWSRF Loan	Local Fund
4/8/2013	Kenvirons, Inc.	87,230.00					87,230.00			87,230.00		87,230.00
6/27/2013	Cumberland Pipeline, LLC	224,933.23	224,933.23							224,933.23	224,933.23	
6/27/2013	Kenvirons, Inc.	24,437.91					11,272.45	13,165.46		24,437.91	24,437.91	
7/25/2013	Cumberland Pipeline, LLC	129,510.25	129,510.25							129,510.25	129,510.25	
7/25/2013	Kenvirons, Inc.	10,422.22					2,840.17	7,582.05		10,422.22	10,422.22	
8/29/2013	Cumberland Pipeline, LLC	146,085.09	146,085.09							146,085.09	146,085.09	
8/29/2013	Kenvirons, Inc.	8,101.44					1,553.57	6,547.87		8,101.44	8,101.44	
9/26/2013	Cumberland Pipeline, LLC	57,379.58	57,379.58							57,379.58	57,379.58	
9/26/2013	Kentucky Glass Lined Tank Systems, Inc.	143,266.79		143,266.79						143,266.79	143,266.79	
9/26/2013	Kenvirons, Inc.	12,335.47					2,365.51	9,969.96		12,335.47	12,335.47	
10/24/2013	Cumberland Pipeline, LLC	73,115.15	73,115.15							73,115.15	73,115.15	
10/24/2013	Kentucky Glass Lined Tank Systems, Inc.	63,219.42		63,219.42						63,219.42	63,219.42	
10/24/2013	Kenvirons, Inc.	14,060.71					2,696.35	11,364.36		14,060.71	14,060.71	
11/21/2013	Cumberland Pipeline, LLC	29,475.93	29,475.93							29,475.93	29,475.93	
11/21/2013	Kentucky Glass Lined Tank Systems, Inc.	33,769.04		33,769.04						33,769.04	33,769.04	
11/21/2013	Kenvirons, Inc.	4,952.87					949.78	4,003.09		4,952.87	4,952.87	
7/21/2014	Cumberland Pipeline, LLC	52,105.25	52,105.25							52,105.25	52,105.25	
7/21/2014	Kentucky Glass Lined Tank Systems, Inc.	28,235.75		28,235.75						28,235.75	28,235.75	
7/21/2014	LCADD	-								-	-	
7/21/2014	Kenvirons, Inc.	7,061.54					4,867.45	2,194.09		7,061.54	7,061.54	
		25,000.00			25,000.00					25,000.00	25,000.00	
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		-								-	-	

August 12, 2014

EAST CASEY COUNTY WATER DISTRICT BOARD OF DIRECTORS

Members Present:

Ricky Carman, Chairman

John McQueary

Jacob Beeler

Members Absent:

Phillip Owens

Lily Sandusky

CALL TO ORDER

Chairman Carman called the meeting to order at 7:30pm.

WATER PROJECT UPDATE

Eddie Brown from Kenviron stated that the District still has \$452,000.00 left in the project and approximately 35% is loan forgiveness. The Board discussed updating the Allentown pump station and also finishing the radio read meters. The meters would be approximately \$300,000.00. After discussion, the Board agreed to have Eddie Brown work on the paperwork and bids for both projects and also begin estimates and design work for the pump station.

MINUTES

Andy Greynolds read the minutes of the July 8, 2014 meeting. John McQueary made a motion to approve the minutes as read. Jacob Beeler seconded the motion. All members voted in favor and the motion carried.

ACCOUNTS PAYABLE

The Board discussed the accounts payable. After discussion, Jacob Beeler made a motion to approve the accounts payable for July 2014 as presented. John McQueary seconded the motion. All members voted in favor and the motion carried.

ADJOURN

John McQueary made a motion to adjourn. Jacob Beeler seconded the motion. All members voted in favor and the motion carried.

Ricky Carman, Chairman

EXHIBIT B

TWO PAPER COPIES OF MAPS, PLANS AND
SPECIFICATIONS

TWO CD'S WITH COMPLETE PLANS AND
SPECIFICATIONS

EXHIBIT C

BID DOCUMENTS

MATERIAL BID FOR RADIO READ METERS

FOR

**EAST CASEY COUNTY WATER DISTRICT
690 South Wallace Wilkinson Boulevard
Liberty, Kentucky 42539**

PREPARED BY:

**KENVIRONS, INC.
452 VERSAILLES ROAD
FRANKFORT, KY 40601**

PROJECT NO. 2010105

August 2014

East Casey County Water District, Kentucky

MATERIAL BID FOR RADIO READ METERS

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15101 Radio Read Meters	15101-1 to 15101-5

ADVERTISEMENT FOR BIDS
EAST CASEY COUNTY WATER DISTRICT
RADIO READ METERS

Separate sealed Bids for the purchase and delivery of the Radio Read Meters will be received by the East Casey County Water District at City Hall located at 690 South Wallace Wilkinson Boulevard, in Liberty, Kentucky 42539, until, 10:00 A.M. local time on Wednesday, September 10, 2014; and, then, at said Office, publicly opened and read aloud.

The Bidding Documents are on file for public inspection at the East Casey County Water District, 690 South Wallace Wilkinson Boulevard, Liberty, KY 42539 and Kenvirons, Inc., 452 Versailles Road, Frankfort, KY 40601.

Copies of the Bidding Documents may be obtained from the East Casey County Water District.

No Bidder may withdraw his/her Bid within 90 days after the actual date of the opening thereof.

Award of Contract will be made to the lowest responsive, responsible Bidder submitting the lowest, responsive Bid. The East Casey County Water District reserves the right to waive any informalities and/or reject any or all Bids, with proper justification.

Time allowed for delivery of the Radio Read Meters is **120 days**.

BID FORM

Item No.	Item	Unit	Quantity	Unit Price	Item Price
1	Radio Read Meters	EA	2,000	_____	_____
				Base Bid Total	\$ _____

This Bid Submitted by:

Name (typed or printed): _____

By: _____
(Individual's signature)

Doing business as: _____

Bidders Business address:

Business Phone No. (_____) _____

Business FAX No. (_____) _____

Business E-Mail Address _____

Employer's Tax ID No. _____

Phone and FAX Numbers, and Address for receipt of official communications, if different from Business contact information:

TECHNICAL SPECIFICATIONS

SECTION 15101 – RADIO READ METERS

Part 1 - GENERAL

Water Meters: 5/8" X 1/2" and 5/8" X 3/4" Composite Positive Displacement Meters with Drive-by RF Transmitters

Scope:

This Specification covers composite body cold-water positive displacement meters compatible with open architecture radio read equipment, in 5/8" size and the materials employed in their fabrication. These meters shall offer a completely **lead free** alternative that encourages conservation, recycling, water purity and green lifestyles.

AWWA Standards:

- All Meters shall meet or exceed the latest version of the American Water Works Association Standard C710 for Cold Water Meters - Displacement Type, Plastic Main Case.
- All Meters equipped with encoder registers shall meet or exceed the American Water Works Association Standard C707 for Encoder-Type Remote-Registration systems for Cold Water Meters when equipped with an open architecture radio MIU or similar device.

NSF-61 Standards:

- All Meters shall comply with the latest NSF-61 requirements and those included in the upcoming EPA requirement change in January 4, 2014.

State No Lead and Low Lead Initiatives Standards:

- All Meters shall comply with the latest state low lead and no lead initiatives due to their unique design, which incorporates suitable engineered polymers for **all** wetted surfaces in the meter with no possibility of lead contamination.

Part 2 - PRODUCTS

Main Case:

- Main cases shall be composed of suitable engineered polymer which is black in color to reduce the incidence of theft.
- Main case shall incorporate stainless steel male threads to prevent crossed or stripped threads during installation when utilizing existing bronze couplings and to facilitate ease of installation
- Stainless steel threads shall in no way contact the potable water supply
- Stainless steel threads shall provide adequate length to permit complete tightening of the existing bronze couplings of the setter to prevent interference with the body.

- Meter case must be black in color
- The meter case must utilize an external male thread to accommodate the internally threaded bottom plate to provide structural stability and prevent leaks.
- All materials used in the construction of the main cases shall have sufficient dimensional stability to retain operating clearances at working temperature up to 105 degrees F.
- The manufacturer shall warranty the main case for a period of 25 years from the date of shipment.
- The meter serial number shall be stamped on the main case of the meter.

Bottom Plate:

- Bottom plates shall be made of a suitable engineered polymer that utilizes an internal thread to provide strength and dimensional stability.
- The bottom plate shall utilize an o-ring seal
- The bottom plate shall be designed to minimize damage to the meter in the event of freezing conditions

Measuring Chamber:

- Measuring chambers shall be made of a suitable engineered polymer as described in AWWA C-710.
- Chamber shall be of the Nutating Disc style.
- The measuring chamber shall incorporate a locating device that aligns to the main case of the meter to ensure proper chamber orientation and alignment.
- The measuring chamber shall be locked into place with a single unit strainer/chamber retainer.
- The chamber shall be designed for long life, to reduce wear and must not exceed the following Nutations per gallon.

Size	5/8 "
Nutations Per Gallon	58

Headloss:

- Meters shall not exceed seven PSI pressure loss at AWWA safe maximum operating capacity.

Accuracy:

- Meters shall be 100% factory tested for accuracy and have the factory test results provided with each meter.
- Meters shall be pressure tested to ensure against leakage.
- Meters shall comply with the AWWA C710 accuracy requirements as specified in the standard for a period of five years from the date of installation.

- Additionally, the manufacturer shall warranty the meter to meet or exceed AWWA repaired meter accuracy standards per the following:

Size of Meter	Years of Warranty or	Millions of Gallons Registered
5/8"	15	1.75

Strainers:

- All meters shall be provided with strainer screens installed in the meter.
- Strainers shall be rigid, fit snugly, be easy to remove, and have an effective straining area at least twice that of the inlet opening.

Register Assembly:

- Registers shall be magnetic driven, straight reading, and permanently sealed by the manufacturer.
- The register shall provide for visual registration at the meter.
- The numerals on the number wheels of the register shall not be less than 1/4" in height and should be legible at a 45-degree angle.
- Registers shall incorporate a center sweep test hand and a low flow indicator.
- The register shall be secured to the meter main case by a tamper resistant bayonet-style locking mechanism protecting against unauthorized removal of the register.
- No special tools shall be required to remove the register.

Encoder Register Technology:

- The register shall be a true absolute encoder register that provides direct electronic transfer of meter reading information to any number of AMR device options. Minimally, a Touch Pad or Radio MIU device shall read the encoder register.
- The encoder register shall send data in ASCII format (American Standard code for Information Interchange) to the interrogation device.
- The encoder register shall transmit the complete odometer wheel reading, 6 digits and all 10 positions. An 8-digit register identification number that has been factory set and never duplicated shall be sent to the reading device.
- A Locating Clip shall be affixed to each of the odometer wheels in close proximity to the Segment Pads located on the encoders printed circuit board. When an AMR device interrogates the encoder register, the microprocessor shall determine the true position of each number wheel, encode the reading and send it to the AMR device. The Locating Clip shall not make physical contact with the Segment Pad in order to prevent wear of the clip and pads.

- For installations where moisture is not a concern, the encoder register shall be field installed to the touch pad or other AMR interrogation device. The register shall employ screws for ease of wire assembly and a dust cover equipped with seal wire holes for security.
- For pit set installations, the encoder register shall be permanently factory sealed with an epoxy coating of all terminal connections. Encoder register requiring field sealing of the wire connection or oil-filled will not be allowed.
- All wiring for radio MIU's shall be installed and potted by the manufacturer.
- In line waterproof connections are permitted during installation for pit set encoder registers with Radio MIU's to facilitate installation.

RF METER INTERFACE UNITS:

- MIU modules shall transmit hourly profile consumption data for a minimum of 170 days when initialized to provide an historic usage profile for the meter. **MIU models unable to store and transmit consumption data will not be considered.**
- MIUs must have ability to be utilized in a future fixed-based AMI system the District may implement.
- The proposed radio MIU system must have at least 100 utilities currently using the proposed meter/radio system combination in the United States. Manufacturers must provide a list of these utilities as well as contact information upon request of the District
- The proposed radio MIU shall be designed to encode water consumption, leak detection (small and large leaks), backflow, no flow, wire tampering and the duration of these events at the meter, store this data, and transmit this data to the data collection device. This information must be instantly available for viewing by the meter reader as soon as the meter is read by the drive-by system.
- The Utility is committed to selecting the technology that provides the most efficient, cost effective and flexible solution. Proposed radio MIU modules must be of an open architecture design and be compatible for use with water meters that utilize positional encoded registers manufactured by a major meter manufacturer. Proprietary systems will not be considered.
- The MIU units must transmit the encoded reading and event/duration data via radio frequency signal. The MIU units must be capable of operating in bubble-up (one way) mode only. The signal must be continually transmitted at a predetermined 3-second time interval in bubble-up mode to provide high performance meter reading.
- The meter module must last in the field without need for servicing for a minimum of 20 years.
- MIU modules must be programmed at the manufacturer and should require no additional field programming.
- The MIU modules must operate with one-way radio transmissions and continually transmit meter readings at the pre-selected 3-second interval without need of a wake-up call. MIU modules must transmit encoded meter data information on a radio frequency (902-928MHz) that does not require an FCC license.

- All wiring and connections for Pit MIUs must be installed and potted by the manufacturer for protection against moisture.

Consolidated Pipe & Supply

95 Brlans Way Somerset, KY 42501

Phone:(606)679-1999 Fax:(606)679-1942

Project: EAST CASEY WATER

Location: CASEY COUNTY

Bid Date: N/A

Customer: EAST CASEY

Bid Item #	Description	Unit	Quantity	Unit Cost	Extended Cost
1	COMPOSITE RADIO READ METER				
	5/8" X 3/4" COMPOSITE RADIO READ METER	EA	2000	\$149.99	\$299,980.00
	Total Bid Item #1				\$299,980.00

Terms and conditions of this proposal are as follows:

This quotation is based on the receipt of the entire list of material. Any deviation could result in price changes.

The quoted PVC Pipe prices are firm for order placement for thirty (30) days from bid date, and shipment within thirty (30) days from order. Delays in ordering or receiving shipment beyond this timetable MAY escalate prices.

Steel Casing Pipe prices are good for 30 days from bid date.

HDPE Pipe prices are good for 3 days from bid date.

All Copper and stainless steel prices are subject to change without notice.

All other material prices are good for 90 days.

DUE TO UNPRECEDENTED INDUSTRY WIDE PRICE CHANGES FROM MANUFACTURERS AND FRIEGHT COMPANIES, ALL PRICES ARE SUBJECT TO REVIEW AT THE TIME THE ORDER IS PLACED AND MAY BE CHANGED BASED ON MARKET CONDITIONS AT THAT TIME. THANK YOU FOR YOUR PATIENCE DURING THIS DIFFICULT PERIOD OF JOB MATERIAL QUOTATIONS.

Totals listed above do no include any items not specifically mentioned in the above scope of material.

The scope of material listed is our interpretation of the plans and specifications of this project. All materials shall be approved for use by the project engineer and/or water district. Quantities shall be verified and approved before placing an order. Return of any materials ordered are subject to a restock fee.

Payment Terms: Net 30 days.

FOB Terms: Jobsite

Taxes: Prices quoted are excluding any applicable taxes.

Submittals and drawings: Prices include any required submittal drawings
At **NO CHARGE**.

We appreciate the opportunity to provide you with this quotation, and hope we may be favored with your valued business.

Sincerely,
Consolidated Pipe And Supply
Michael Gilreath
Sales

EXHIBIT D

EDDIE W. BROWN

From: Jim Brown <jim@lcadd.org>
Sent: Tuesday, August 12, 2014 4:12 PM
To: Abshire, Jeff (KIA)
Cc: EDDIE W. BROWN; Andy Greynolds; McDonald, Cindy (EEC); Rasche, Mark (EEC); Griffin, Buddy (EEC)
Subject: RE: East Casey County Water District - DWSRF F11-11 - expenditure of remaining loan funds
Attachments: ECCWD DWSRF F11-11 - Cert of Operation Date.pdf

Jeff,

If the district only purchases meters, the time will be relatively short. I will have to work with Eddie Brown, and consult with DOW, to estimate dates for a pump station.

The initial operations date for both components (extension lines + storage tank) of the current work was January 20, 2014. The district's certification letter to that effect is attached.

As the project was originally conceived, we are within a matter of weeks, perhaps a month, of being able to close out the loan. However, I think it is to everyone's benefit if we can use the balance of loan funds to the greatest benefit of the district.

I will get back to you have the district board meets tonight to discuss how it wants to proceed.

Thanks very much!!!!

Jim

From: Abshire, Jeff (KIA) [mailto:jeff.abshire@ky.gov]
Sent: Tuesday, August 12, 2014 2:47 PM
To: Jim Brown
Cc: Eddie W. Brown, P.E.; Andy Greynolds; McDonald, Cindy (EEC); Rasche, Mark (EEC); Griffin, Buddy (EEC)
Subject: RE: East Casey County Water District - DWSRF F11-11 - expenditure of remaining loan funds

The borrower is supposed to spend the funds "expeditiously" which isn't defined. What kind of timeframe are you looking at to close out spending? Note that our original reference points were Construction Start of 04-2012 and Completion of 10-2012 based on the original credit analysis.

Jeff Abshire
Phone: 502-573-0260
Email: jeff.abshire@ky.gov
Internet: <http://kia.ky.gov/>

From: Jim Brown [mailto:jim@lcadd.org]
Sent: Tuesday, August 12, 2014 3:42 PM
To: Abshire, Jeff (KIA)
Cc: Eddie W. Brown, P.E.; Andy Greynolds; McDonald, Cindy (EEC); Rasche, Mark (EEC); Griffin, Buddy (EEC)
Subject: RE: East Casey County Water District - DWSRF F11-11 - expenditure of remaining loan funds

Jeff,


Is there a deadline for completing all work funded under the SRF loan. If so, what is it?

Thanks.

Jim

From: Abshire, Jeff (KIA) [mailto:jeff.abshire@ky.gov]
Sent: Tuesday, August 12, 2014 2:08 PM
To: Jim Brown
Cc: Eddie W. Brown, P.E.; Andy Greynolds; McDonald, Cindy (EEC); Rasche, Mark (EEC); Griffin, Buddy (EEC)
Subject: RE: East Casey County Water District - DWSRF F11-11 - expenditure of remaining loan funds

Jim,

 KIA will not have an issue with the proposed use of remaining funds. Proper procurement procedures would need to be followed for the meters. As noted in our telephone discussion I do not think there is an issue with the percentage of change order amount (\$60,000 + - on a contract of around \$700K) but I will defer to DOW (Mark?) for specific guidance / limits on the percent. Also, as noted on the earlier, someone in the building has a voice mail from you but I didn't receive one.

Please feel free to call if you have any questions.

Thanks,

Jeff Abshire
Phone: 502-573-0260
Email: jeff.abshire@ky.gov
Internet: <http://kia.ky.gov/>

From: Jim Brown [mailto:jim@lcadd.org]
Sent: Tuesday, August 12, 2014 2:50 PM
To: Abshire, Jeff (KIA)
Cc: Eddie W. Brown, P.E.; Andy Greynolds
Subject: East Casey County Water District - DWSRF F11-11 - expenditure of remaining loan funds
Importance: High

Jeff,

This is to follow-up on a voice message that I left for you this afternoon. The ECCWD board meets tonight and would like to discuss the issues outline below at that meeting.

The district will have approximately \$360,000 left under its SRF loan agreement after all of the remaining costs are paid for the Various Water Line Extensions and Storage Tank Project.

The district wants to know if it can reallocate the remaining funds to do one or both of the following:

1. Purchase 2,000 electronic meters @ \$150 ea for \$300,000. This would allow the district to complete its efforts to install electronic meters on its entire distribution system.

2. Construct a new pumping station in the general area of the work completed so far. This would require some additional engineering costs and the district would have to contribute some of its funds to construction. I am not sure, but depending on the SRF rules, it might be possible to do this by change order since the Cumberland Pipeline, LLC's, the pipeline contractor for this project, construction contract has not been closed out as yet. If this is not allowed, this additional item would have to be put out to bid after going through the review process at DOW.

The district understands that it would have to amend the project profile (WX21045012) and knows that additional environmental review might be necessary.

I have not investigated the issue, but it might also be necessary, particularly if the pumping station is included, to extend the deadline specified in the SRF loan documents.

Please respond to me and to Eddie Brown, the engineer, and to Andy Greynolds, the district manager, as soon as possible.

Thank you very much for your assistance.

Best regards,

Jim

Jim Brown
Community Development Specialist
Lake Cumberland Area Development District
P.O. Box 1570
2384 Lakeway Drive
Russell Springs, KY 42642-4509
(270) 866-4200, Phone
(270) 866-2044, FAX
(800) 264-2093, Toll Free
(800) 648-6056, TDD
jim@lcadd.org
www.lcadd.org