

Rubin & Hays

ATTORNEYS AT LAW

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

June 12, 2015

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

RECEIVED

JUN 16 2015

PUBLIC SERVICE
COMMISSION

Re: North Marshall Water District PSC Application - KRS 278.023

Dear Mr. Derouen:

Enclosed please find the original and ten (10) copies of the Application of the North Marshall Water District for a Certificate of Public Convenience and Necessity to construct, finance and increase rates pursuant to KRS 278.023.

Also enclosed are eleven (11) copies of the exhibits required pursuant to 807 KAR 5.069, with the **exception of the Preliminary and Final Engineering Reports, of which two copies are enclosed.**

The Engineers on this Project will file the electronic copy of the Plans and Specifications in the near future.

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

Sincerely,

Rubin & Hays

By 
W. Randall Jones

WRJ:jlm
Enclosures
cc: Distribution List

DISTRIBUTION LIST

Re: North Marshall Water District Waterworks Revenue Bonds, Series 2014, in the principal amount of \$2,850,000

Mr. Thomas G. Fern
State Director
USDA, Rural Development
771 Corporate Drive, Suite 200
Lexington, Kentucky 40503-5477

Phone: (859) 224-7336

Ms. Barbara Gillum
USDA, Rural Development
1000 Commonwealth Drive
Mayfield, Kentucky 42006
barbara.gillum@ky.usda.gov

Phone: (270) 247-9525
Fax: (270) 251-3596

Mr. Bobby Gifford
North Marshall Water District
96 Carroll Road
Benton, Kentucky 42025
bobbygifford@northmarshallwater.com

Phone: (270) 527-3208
Fax: (270) 527-3039

Mr. Paul Cloud
Paul Cloud Engineering
437 Cactus Drive
Benton, Kentucky 42025
pecloud@gmail.com

Phone: (270) 527-7909

Kip C. Mathis, Esq.
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RECEIVED
JUN 16 2015
PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

**THE APPLICATION OF THE NORTH MARSHALL)
WATER DISTRICT FOR A CERTIFICATE)
OF PUBLIC CONVENIENCE AND) Case No. 2015-_____
NECESSITY TO CONSTRUCT, FINANCE AND)
INCREASE RATES PURSUANT TO KRS 278.023)**

APPLICATION

This Application of the North Marshall Water District ("Applicant"), respectfully shows:

1. That Applicant is a water district created and existing under and by virtue of Chapter 74 of the Kentucky Revised Statutes.

2. That the post office address of Applicant is:

North Marshall Water District
c/o Mr. Bobby Gifford, Superintendent
96 Carroll Road
Benton, Kentucky 42025
Phone: (270) 527-3208
Fax: (270) 527-3039
Email address: bobbygifford@northmarshallwater.com

3. That Applicant, pursuant to the provisions of KRS 278.023, seeks (i) a Certificate of Public Convenience and Necessity, permitting Applicant to construct a waterworks improvement project (the "Project"); (ii) an Order approving increased water rates; and (iii) approval of the proposed plan of financing said Project.

4. That the Project consists of the construction and installation of (i) a new 250,000 gallon elevated water storage tank; (ii) upgrades to the four (4) existing water storage tanks; (iii) approximately 12.5 miles of PVC water mains throughout the District; and (iv) electrical and telemetry upgrades to the Tatumsville pumping station.

5. That Applicant proposes to finance the construction of the Project through (i) the issuance of \$3,850,000 of its Waterworks Revenue Bonds, consisting of \$2,850,000 of Series A Bonds and \$1,000,000 of Series B Bonds; and (ii) a USDA, Rural Development ("RD") grant in the

amount of \$1,150,000. Applicant has a commitment from RD to purchase said \$3,850,000 of bonds maturing over a 40-year period, at an interest rate not to exceed 2.75% per annum as to both series of Bonds, as set out in the RD Letter of Conditions, as amended, filed herewith as an Exhibit.

6. That Applicant does not contemplate having the Project constructed with any deviation from minimum construction standards of this Commission.

7. That Applicant files herewith the following Exhibits pursuant to 807 KAR 5:069, Section 2 in support of this Application:

- A. Copy of RD Letter of Conditions, as amended (**Exhibit "A"**).
- B. Copy of RD Letter of Concurrence in Contract Award (**Exhibit "B"**).
- C. Copy of Preliminary Engineering Report, Final Engineering Report and certified bid tabulations.
- D. Certified statement from the Chairman of Applicant (**Exhibit "C"**), based upon statements of the Engineers for Applicant, concerning the following:
 - (1) The proposed plans and specifications for the Project have been designed to meet the minimum construction and operating requirements set out in 807 KAR 5:066 Section 4(3) and (4); Section 5(1); Sections 6 and 7; Section 8(1) through (3); Section 9(1) and Section 10.
 - (2) All other state approvals or permits have been obtained;
 - (3) The proposed rates of Applicant shall produce the total revenue requirements recommended in the engineering reports; and
 - (4) Setting out the dates when it is anticipated that construction will begin and end.

8. That Applicant has complied with the "public postings" requirement of 807 KAR 5:069, Section 3(1)(a) and (b) by posting a copy of the Notice of Proposed Rate Change (the "Notice") (i) at its place of business; and (ii) within five (5) business days of the date this Application is submitted to the Commission, on its website (www.northmarshallwater.com) along with a hyperlink to the location on the Commission's website where the case documents are available. Applicant has also arranged for the publication, prior to or at the same time this Application is filed, of the Notice pursuant to 807 KAR 5:069, Section 3(2) in the newspaper of general circulation in Applicant's service area. Said Notice sets out the content requirements of 807 KAR 5:069, Section 3(4). A copy of said Notice is filed herewith as **Exhibit "D"**. Applicant shall file with this Commission no later than fifteen (15) days from the date this Application was initially filed, an affidavit and tearsheet from the publisher as required by 807 KAR 5:069 Section 3(3)(b).

9. That the foregoing constitutes the documents necessary to obtain the approval of this Commission in accordance with Section 278.023 of the Kentucky Revised Statutes and in accordance with the "Filing Requirements" specified in 807 KAR 5:069, Section 2.

WHEREFORE, Applicant, the North Marshall Water District, asks that the Public Service Commission of the Commonwealth of Kentucky grant to Applicant the following:

- a. A Certificate of Public Convenience and Necessity permitting Applicant to construct a water system improvement project.
- b. An Order approving the financing arrangements made by Applicant, viz., (i) the issuance of \$3,850,000 of North Marshall Water District Waterworks Revenue Bonds, consisting of \$2,850,000 of Series A Bonds and \$1,000,000 of Series B Bonds at an interest rate not to exceed 2.75% per annum as to both series of Bonds; and (ii) an RD grant in the amount of \$1,150,000.
- c. An Order approving the proposed water rates as set out in Section 27 of the RD Letter of Conditions filed herewith as an Exhibit.

North Marshall Water District


By: 
Chairman
Board of Water Commissioners


W. Randall Jones, Esq.
Rubin & Hays
Counsel for Applicant
Kentucky Home Trust Building
450 South Third Street
Louisville, Kentucky 40202
Phone: (502) 569-7525
Fax: (502) 569-7555
wrjones@rubinhays.com

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF MARSHALL)

The undersigned, Jerry Miller, being duly sworn, deposes and states that he is the Chairman of the Board of Commissioners of the North Marshall Water District, Applicant, in the above proceedings; that he has read the foregoing Application and has noted the contents thereof; that the same is true of his own knowledge, except as to matters which are therein stated on information or belief, and as to those matters, he believes same to be true.

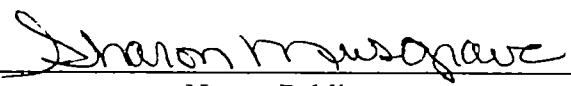
IN TESTIMONY WHEREOF, witness the signature of the undersigned on this June 10, 2015.



Jerry Miller, Chairman
North Marshall Water District

Subscribed and sworn to before me by Jerry Miller, Chairman of the Board of Commissioners of the North Marshall Water District, on this June 10, 2015.

My Commission expires: 9-1-18
#516873



Notary Public



Rural Development

July 26, 2013

Kentucky State Office

771 Corporate Drive,
Suite 200
Lexington, KY
40503

Jerry Miller, Chairman
North Marshall Water District
96 Carroll Road
Benton, Kentucky 42025

Voice 859.224.7300
Fax 859.224.7425
TTY 859.224.7422

Dear Chairman Miller:

This letter establishes conditions which must be understood and agreed to by you before further consideration may be given to the application. The loan and grant will be administered on behalf of the Rural Utilities Service (RUS) by the State and Area office staff of USDA Rural Development. Any changes in project cost, source of funds, scope of services or any other significant changes in the project or applicant must be reported to and approved by USDA Rural Development, by written amendment to this letter. Any changes not approved by Rural Development shall be cause for discontinuing processing of the application. It should also be understood that Rural Development is under no obligation to provide additional funds to meet an overrun in construction costs.

This letter is not to be considered as loan and grant approval or as a representation as to the availability of funds. The docket may be completed on the basis of a RUS loan not to exceed \$2,850,000; a RUS grant not to exceed \$750,000. No applicant cash contribution will be required.

If Rural Development makes the loan, the interest rate will be the lower of the rate in effect at the time of loan approval or the rate in effect at the time of loan closing, unless the applicant otherwise chooses. The loan will be considered approved on the date a signed copy of Form RD 1940-1, "Request for Obligation of Funds," is mailed to you.

Please complete and return the attached Form RD 1942-46, "Letter of Intent to Meet Conditions," if you desire that further consideration be given to your application.

The "Letter of Intent to Meet Conditions" must be executed within three weeks from the date of this letter or it becomes invalid unless a time extension is granted by Rural Development.

If the conditions set forth in this letter are not met within 210 days from the date hereof, Rural Development reserves the right to discontinue the processing of the application.

In signing Form RD 1942-46, "Letter of Intent to Meet Conditions," you are agreeing to complete the following as expeditiously as possible:

USDA is an equal opportunity provider and employer.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form (PDF), found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program_intake@usda.gov.

AUG 01 2013

1. Number of Users and Their Contribution:

There shall be 5,346 water users, of which all are existing users. The Area Director will review and authenticate the number of users prior to advertising for construction bids.

2. Grant Agreement:

Attached is a copy of RUS Bulletin 1780-12, "Water and Waste System Grant Agreement," for your review. You will be required to execute a completed form at the time of grant closing.

3. Drug-Free Work Place:

Prior to grant closing, the District will be required to execute Form AD-1049, "Certification Regarding Drug-Free Workplace Requirements (Grants) Alternative I - For Grantees Other Than Individuals."

4. Repayment Period:

The loan will be scheduled for repayment over a period not to exceed 40 years from the date of the Bond. Principal payment will not be deferred for a period in excess of two years from the date of the Bond. Payments will be in accordance with applicable KRS, which requires interest to be paid semi-annually (January 1st and July 1st) and principal will be due on or before the first of January. Rural Development may require the District to adopt a supplemental payment agreement providing for monthly payments of principal and interest so long as the bond is held or insured by RUS. Monthly payments will be approximate amortized installments.

5. Recommended Repayment Method:

Payments on this loan shall be made using the Preauthorized Debit (PAD) payment method. This procedure eliminates the need for paper checks and ensures timely receipt of RD loan payments. To initiate PAD payments, Form RD 3550-28, "Authorization Agreement for Preauthorized Payments," should be signed by the District to authorize the electronic withdrawal of funds from your designated bank account on the exact installment payment due date. The Area Director will furnish the necessary forms and further guidance on the PAD procedure.

6. Reserve Accounts:

Reserves must be properly budgeted to maintain the financial viability of any operation. Reserves are important to fund unanticipated emergency maintenance, pay for repairs, and assist with debt service should the need arise.

The District will be required to deposit \$1,020 per month into a "Funded Debt Reserve Account" until the account reaches \$122,000. The deposits are to be resumed any time the account falls below the \$122,000.

The required monthly deposits to the Reserve Account and required Reserve Account levels are in addition to the requirements of the District's prior bond resolutions.

The monthly deposits to the Reserve Account are required to commence with the first month of the first full fiscal year after the facility becomes operational.

The District also needs to fund an account for short-lived assets by depositing a sum of \$2,000 monthly into the account. The funds in the short-lived asset account may be used by the District as needed to replace or add short-lived assets in the District's water system. This short-lived asset reserve amount replaces any previous short-lived assets requirements previously set with any prior RUS loan.

7. Security Requirements:

A pledge of gross water will be provided in the Bond Resolution. Bonds shall rank on a parity with existing bonds, if possible.

If this is not possible, the bond will be subordinate and junior to the existing bonds, in which case the District will be required to abrogate its right to issue additional bonds ranking on a parity with the existing bonds, so long as any unpaid indebtedness remains on this bond issue.

8. Land Rights and Real Property:

The District will be required to furnish satisfactory title, easements, etc., necessary to install, maintain and operate the facility to serve the intended users. The pipelines will be on private rights-of-way where feasible. Easements and options are to be secured prior to advertising for construction bids.

9. Organization:

The District will be legally organized under applicable KRS which will permit them to perform this service, borrow and repay money.

10. Business Operations:

The District will be required to operate the system under a well-established set of resolutions, rules and regulations. A budget must be established annually and adopted by the District after review by Rural Development. At no later than loan pre-closing, the District will be required to furnish a prior approved management plan to include, as a minimum, provisions for management, maintenance, meter reading, miscellaneous services, billing, collecting, delayed payment penalties, disconnect/reconnect fees, bookkeeping, making and delivering required reports and audits.

11. Accounts, Records and Audits:

The District will be required to maintain adequate records and accounts and submit annual budgets and year-end reports (annual audits)/statistical and financial reports, quarterly and annually, in accordance with subsection 1780.47 of RUS Instruction 1780.

The District shall be required to submit a copy of its audit agreement for review and concurrence by Rural Development prior to pre-closing the loan.

12. Accomplish Audits for Years in Which Federal Financial Assistance is Received:

The District will accomplish audits in accordance with OMB Circular A-133, during the years in which federal funds are received. The District will provide copies of the audits to the Area Office and the appropriate Federal cognizant agency as designated by OMB Circular A-133.

13. Insurance and Bonding:

The following insurance and bonding will be required:

- A. Adequate Liability and Property Damage Insurance including vehicular coverage, if applicable, must be obtained and maintained by the District. The District should obtain amounts of coverage as recommended by its attorney, consulting engineer and/or insurance provider.
- B. Worker's Compensation - The District will carry worker's compensation insurance for employees in accordance with applicable state laws.
- C. Fidelity Bond - The District will provide Fidelity Bond Coverage for all persons who have access to funds. Coverage may be provided either for all individual positions or persons, or through "blanket" coverage providing protection for all appropriate employees and/or officials. The amount of coverage required for all RUS loans is \$122,000.
- D. Real Property Insurance - The District will obtain and maintain adequate fire and extended coverage on all structures including major items of equipment or machinery located in the structures. The amounts of coverage should be based on recommendations obtained by the District from its attorney, consulting engineer and/or insurance provider. Subsurface lift stations do not have to be covered except for the value of electrical and pumping equipment therein.
- E. Flood Insurance - The District will obtain and maintain adequate coverage on any facilities located in a special flood and mudslide prone areas.

14. Planning and Performing Development:

- A. The engineer should not be authorized to commence work on final plans and specifications until a determination has been made that the project can be planned and constructed within the estimated cost shown in paragraph "24" of this letter. The engineer may then proceed to develop final plans and specifications to be completed no later than 180 days from this date, and prepare bid documents. The Area Director is prepared to furnish the necessary guide to follow so as to keep the project plans and documents within our guidelines and requirements. The project should not be advertised for construction bids until all easements and enforceable options have been obtained, and total funds are committed or available for the project.

B. The following documents will be submitted to Rural Development for review and must be concurred in by Rural Development prior to advertisement for construction bids:

1. Final plans, specifications and bid documents.
2. Applicant's letter on efforts to encourage small business and minority-owned business participation.
3. Legal Service Agreements.
4. Engineering Agreements.

Revision in these documents will be subject to Rural Development concurrence. Any agreements, contracts, etc. not reviewed and approved by Rural Development will not be eligible for payment from project funds or revenues from facilities financed by this Agency.

Prior to receipt of an authorization to advertise for construction bids, the District will obtain advance clearance from Bond Counsel regarding compliance with KRS 424 pertaining to publishing of the advertisement for construction bids in local newspapers and the period of time the notice is required to be published.

15. Civil Rights & Equal Opportunity:

You should be aware of and will be required to comply with other federal statute requirements including but not limited to:

A. Section 504 of the Rehabilitation Act of 1973:

Under Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), no handicapped individual in the United States shall, solely by reason of their handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Rural Development financial assistance.

B. Civil Rights Act of 1964:

All borrowers are subject to, and facilities must be operated in accordance with, Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) and Subpart E of Part 1901 of this Title, particularly as it relates to conducting and reporting of compliance reviews. Instruments of conveyance for loans and/or grants subject to the Act must contain the covenant required by paragraph 1901.202(e) of this Title.

C. The Americans with Disabilities Act (ADA) of 1990:

This Act (42 U.S.C. 12101 et seq.) prohibits discrimination on the basis of disability in employment, state and local government services, public transportation, public accommodations, facilities, and telecommunications. Title II of the Act applies to facilities operated by state and local public entities that provide services, programs, and activities. Title III of the Act

applies to facilities owned, leased, or operated by private entities that accommodate the public.

D. Age Discrimination Act of 1975:

This Act (42 U.S.C. 6101 et seq.) provides that no person in the United States shall, on the basis of age, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

Rural Development financial programs must be extended without regard to race, color, religion, sex, national origin, marital status, age, or physical or mental handicap.

16. Closing Instructions:

The Office of General Counsel, our Regional Attorney, will be required to write closing instructions in connection with this loan. Conditions listed therein must be met by the District.

17. Compliance with Special Laws and Regulations:

The District will be required to conform to any and all state and local laws and regulations affecting this type project.

18. Treatment Plant and System Operator:

The District is reminded that the treatment plant and system operator must have an Operator's Certificate issued by the State.

19. Prior to Pre-Closing the Loan, the District Will Be Required to Adopt:

- A. Form RUS Bulletin 1780-27, "Loan Resolution (Public Bodies)."
- B. Form RD 400-1, "Equal Opportunity Agreement."
- C. Form RD 400-4, "Assurance Agreement."
- D. Form AD-1047, "Certification Regarding Debarment, Suspension, and Other Responsibility Matters - Primary Covered Transaction."
- E. Form RD 1910-11, "Applicant Certification Federal Collection Policies for Consumer or Commercial Debts."
- F. RD Instruction 1940-Q, Exhibit A-1, "Certification for Contracts, Grants and Loans."
- G. RUS Bulletin 1780-22, "Eligibility Certification."

20. Refinancing and Graduation Requirements:

The District is reminded that if at any time it shall appear to the Government that the District is able to refinance the amount of the RUS indebtedness then outstanding, in whole or in part, by obtaining a loan from commercial sources at reasonable rates and terms, upon the request of the Government, the District will apply for and accept such loan in sufficient amount to repay the Government.

21. Commercial Interim Financing:

The District will be required to use commercial interim financing for the project during construction for the RUS loan portion of the financing, if available at reasonable rates and terms.

Before the loan is closed, the District will be required to provide Rural Development with statements from the contractor, engineer and attorneys that they have been paid to date in accordance with their contract or other agreements and, in the case of the contractor, that he has paid his suppliers and sub-contractors.

22. Disbursement of Project Funds:

A construction account for the purpose of disbursement of project funds (RUS) will be established by the District prior to start of construction. The position of officials entrusted with the receipt and disbursement of RUS project funds will be covered by a "Fidelity Bond," with USDA Rural Development as Co-Obligee, in the amount of construction funds on hand at any one time during the construction phase.

For each "construction account" as established, if the amount of RUS loan and grant funds plus any applicant contributions or funds from other sources to be deposited into the account are expected to exceed \$250,000 at any time, the financial institution will secure the amount in excess of \$250,000 by pledging collateral with the Federal Reserve Bank in an amount not less than the excess in accordance with 7 CFR, 1902.7(a).

During construction, the District shall disburse project funds in a manner consistent with subsection 1780.76 (e) of RUS Instruction 1780. Form RD 1924-18, "Partial Payment Estimate," or similar form approved by Rural Development, shall be used for the purpose of documenting periodic construction estimates, and shall be submitted to Rural Development for review and acceptance. Prior to disbursement of funds by the District, the Board of Directors shall review and approve each payment estimate. All bills and vouchers must be approved by Rural Development prior to payment by the District.

Form RD 440-11, "Estimate of Funds Needed for 30-Day Period Commencing _____," will be prepared by the District and submitted to Rural Development in order that a periodic advance of federal cash may be requested.

Borrowers receiving federal loan and/or grant funds by EFT will have funds directly deposited to a specified account at a financial institution with funds being available to the recipient on the date of payment. The borrower should complete Form SF-3881, "Electronic Funds Transfer Payment Enrollment Form," for each account where funds

will be electronically received. The completed form(s) must be received by Rural Development at least thirty (30) days prior to the first advance of funds.

Monthly audits of the District's construction account records shall be made by Rural Development.

23. Disbursement of Grant Funds:

The RUS funds will be advanced as they are needed in the amount(s) necessary to cover the RUS proportionate share of obligations due and payable by the District. Grant funds, upon receipt, must be deposited in an interest bearing account in accordance with 7 CFR part 3016 (as applicable). Interest earned on grant funds in excess of \$100 (as applicable) per year will be submitted to RUS at least quarterly.

24. Cost of Facility:

Breakdown of Costs:

Development	\$ 2,782,400
Land and Rights	10,000
Legal and Administrative	10,000
Engineering	50,000
Interest	10,000
Refinance	517,600
Contingencies	<u>220,000</u>
TOTAL	\$ 3,600,000

Financing:

RUS Loan	\$ 2,850,000
RUS Grant	<u>750,000</u>
TOTAL	\$ 3,600,000

25. Use of Remaining Project Funds:

After providing for all authorized costs, any remaining project funds will be considered to be RUS grant funds and refunded in proportion to participation in the project. If the amount of unused project funds exceeds the grants, that part would be RUS loan funds.

26. Proposed Operating Budget:

You will be required to submit to Rural Development a copy of your proposed annual operating budget that supports the proposed loan repayment prior to this agency giving you written authorization to proceed with the bidding phase. The operating budget should be based on a typical year cash flow, subject to completion of this project in the first full year of operation. Form RD 442-7, "Operating Budget," or similar form may be utilized for this purpose.

27. Rates and Charges:

Rates and charges for facilities and services rendered by the District must be at least adequate to meet cost of maintaining, repairing and operating the water system and meeting required principal and interest payments and the required deposits to debt service and/or depreciation reserve.

Water rates will be at least:

Bi-Monthly Rates:

Customer Charge:

Meter Size:

5/8 x 3/4"	\$12.94
1"	\$20.44
1 1/2"	\$32.95
2"	\$47.99
3"	\$83.03
4"	\$133.12
6"	\$258.30

All Water Usage 2.64 per thousand gallons.

28. Compliance with the Bioterrorism Act:

Prior to pre-closing the loan, the District will provide a certification they have completed a Vulnerability Assessment (VA) and prepared an emergency response plan (ERP) as required by the Safe Drinking Water Act (SDWA).

29. Floodplain Construction:

The District will be required to pass and adopt a Resolution or amend its By-Laws whereby the District will deny any water service to any future customer wishing to build on or develop property located within a designated floodplain. If a customer or developer requests service for construction in a designated floodplain, the customer or developer must provide evidence and a justification for approval by the District and Rural Development officials that there are no other alternatives to construction or development within the designated floodplain. The community must be a participant in the National Flood Insurance Program (NFIP) and the customer or developer must obtain the required permits prior to the tap on restrictions being waived.

30. Water Withdrawal Permit:

The District will be required to obtain satisfactory evidence that a revised water withdrawal permit has been secured from the Division of Water. The permit must be obtained prior to the commencement of construction on the water project.

31. Water Tank Site:

The District will obtain SHPO clearance/approval for the new water tank site prior to Rural Development granting the District authorization to advertise the project for construction bids.

32. Existing Debt:

The existing debt to KIA will be paid in full prior to the loan closing for this RUS loan and grant assistance. The existing debt to First Kentucky Bank will be refinanced with these RUS loan funds. At the time that RUS loan and grant officially closes, RUS will have a first lien on all revenues of the Water District.

33. Mitigation Measures:

- A. The project shall be in compliance with all requirements noted in the Governor's Office for Local Development letter dated July 16, 2013, from Ms. Lee Nalley.
- B. The design and construction shall be in compliance with the requirements of the U.S. Fish and Wildlife Service as requested by letter dated July 18, 2013, and signed by Virgil Lee Andrews, Jr., Field Supervisor.
- C. The line design and construction shall be accomplished in a way that will leave flood plains and farmland without effect after construction is complete. The Army Corps of Engineers Nationwide Permit No. 12 applies to all floodplain and wetland utility line construction.
- D. Any excavation by Contractor that uncovers a historical or archaeological artifact shall be immediately reported to Owner and a representative of Agency. Construction shall be temporarily halted pending the notification process and further directions issued by Agency after consultation with the State Historic Preservation Officer (SHPO).
- E. The design and construction shall be in compliance with all local, state and federal environmental statutes, regulations and executive orders applicable to the project.
- F. Best Management Practices shall be incorporated into the project design, construction, and maintenance.

36. Final Approval Conditions:

Final approval of this assistance will depend on your willingness, with the assistance of all your co-workers, to meet the conditions of this letter in an orderly and systematic manner. Then too, final approval will depend on funds being available.

If you desire to proceed with your application, the Area Director will allot a reasonable portion of time to provide guidance in application processing.

Sincerely,

A handwritten signature in black ink, appearing to read 'Thomas G. Fern', written over a horizontal line.

THOMAS G. FERN
State Director

Enclosures

cc: Area Director - Madisonville, Kentucky
Area Manager - Mayfield, Kentucky
Purchase ADD - Mayfield, Kentucky
Kia Mathis - Benton, Kentucky
Paul E. Cloud - Benton, Kentucky
PSC - ATTN: Jeff Derouen - Frankfort, Kentucky



Rural Development

April 20, 2015

Kentucky State Office

771 Corporate Drive,
Suite 200
Lexington, KY
40503

Jerry Miller, Chairman
North Marshall Water District
96 Carroll Road
Benton, KY 42025

Voice 859.224.7300
Fax 859.224.7425
TTY 859.224.7422

Re: Letter of Conditions Dated July 26, 2013

Dear Chairman Miller:

This letter shall serve as Amendment No. 1 to the Letter of Conditions dated July 26, 2013. The purpose of this amendment is to provide additional details related to subsequent loan and grant assistance.

The second paragraph on Page 1 is revised to read as follows:

"This letter is not to be considered as loan and/or grant approval or as a representation as to the availability of funds. The docket may be completed on the basis of a RUS loan not to exceed \$3,850,000 and a RUS grant not to exceed \$1,150,000. No applicant cash contribution is required. "

Paragraph numbered "6" is revised to read as follows:

"6. Reserve Accounts:

Reserves must be properly budgeted to maintain the financial viability of any operation. Reserves are important to fund unanticipated emergency maintenance, pay for repairs, and assist with debt service should the need arise.

The District will be required to deposit \$1375 per month into a "Funded Debt Reserve Account" until the account reaches \$165,000. The deposits are to be resumed any time the account falls below the 165,000.

The required monthly deposits to the Reserve Account and required Reserve Account levels are in addition to the requirements of the District's prior bond ordinances.

The monthly deposits to the Reserve Account are required to commence with the first month of the first full fiscal year after the facility becomes operational.

The District also needs to fund an account for short-lived assets by depositing a sum of \$2,000 monthly into the account. The funds in the short-lived asset account may be used by the District as needed to replace or add short-lived assets in the District's water system."

USDA is an equal opportunity provider and employer.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form (PDF), found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 890-7442 or email at program.intake@usda.gov.

North Marshall Water District

Paragraph numbered "13" is revised to read as follows:

"13. Insurance and Bonding:

The following insurance and bonding will be required:

- C. Fidelity Bond – The District will provide Fidelity Bond Coverage for all persons who have access to funds. Coverage may be provided either for all individual positions or persons, or through "blanket" coverage providing protection for all appropriate employees and/or officials. The amount of coverage required for all RUS loans is \$165,000."

Paragraph numbered "24" is revised to read as follows:

"24. Cost of Facility:

Breakdown of Costs:

Development	\$ 3,964,154
Land and Rights	10,000
Legal, Administrative & Reimbursables	29,000
Engineering	331,385
Interest	100,000
Refinance First KY Bank	390,000
Contingencies	<u>175,461</u>
TOTAL	\$ 5,000,000

Financing:

RUS Loan	\$ 3,850,000
RUS Grant	<u>1,150,000</u>
TOTAL	\$ 5,000,000 "

Paragraph numbered "27" is revised to read as follows:

"27. Rates and Charges:

Rates and charges for facilities and services rendered by the District must be at least adequate to meet cost of maintaining, repairing and operating the water system and meeting required principal and interest payments and the required deposits to debt service and/or depreciation reserve.

Water rates will be at least:

Bi-Monthly Rates:

Customer Charge:

Meter Size:

5/8 x 3/4"	\$12.94
1"	\$20.44

North Marshall Water District

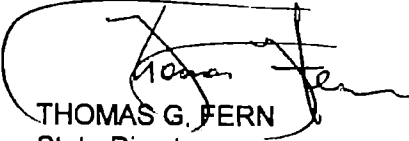
1 1/2"	\$32.95
2"	\$47.99
3"	\$83.03
4"	\$133.12
6"	\$258.30

All Water Usage \$2.64 per thousand gallons.

In addition to the above charges, there shall also be a \$3.00 per month debt service charge that is included on each customer's bill.

All other provisions of the referenced Letter of Conditions remain in full force and unchanged.

Sincerely,



THOMAS G. FERN
State Director

cc: Area Director - Madisonville, Kentucky
Area Manager - Mayfield, Kentucky
Purchase ADD - Mayfield, Kentucky
Kip Mathis - Benton, Kentucky
Paul C. Cloud - Benton, Kentucky
PSC - ATTN: Jeff Derouen - Frankfort, Kentucky



United States Department of Agriculture

Rural Development

April 13, 2015

Kentucky State Office

771 Corporate Drive,
Suite 200
Lexington, KY
40503

SUBJECT: North Marshall Water District
Water System Improvements
Contract Award Concurrence

Voice 859.224.7300
Fax 859.224.7425
TTY 859.224.7422

TO: Area Office
Mayfield, Kentucky

Based on the bids received and the recommendation of the consulting engineer, Rural Development concurs in the award of the water tower contract to the low bidder, Caldwell Tanks, Inc., in the amount of \$743,000.00, the award of the water tank rehab contract to the low bidder, Currans Construction Services, in the amount of \$1,125,365.00, and the award of the waterline contract to the low bidder, Bobby Luttrell and Son, LLC, in the amount of \$1,719,815.00.

If you have any questions, please contact Julie Anderson, State Engineer, at (859) 224-7348.


THOMAS G. FERN
State Director
Rural Development

cc: Paul Cloud
AGE

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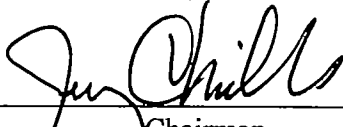
**CERTIFICATE OF CHAIRMAN OF NORTH MARSHALL
WATER DISTRICT, AS TO STATEMENT REQUIRED BY
SECTION 2(6) OF 807 KAR 5:069**

I, the undersigned, hereby certify that I am the duly qualified and acting Chairman of the North Marshall Water District, and that said District is in the process of arranging to finance the construction of improvements to the water system (the "Project"), in cooperation with Paul Cloud Engineering, Benton, Kentucky, the Engineers for the District (the "Engineers").

Based on information furnished to me by said Engineers, I hereby certify as follows:

1. That the proposed plans and specifications for the Project have been designed to meet the minimum construction and operating requirements set out in 807 KAR 5:066 Section 4(3) and (4); Section 5(1); Sections 6 and 7; Section 8(1) through (3); Section 9(1) and Section 10.
2. That all other state approvals and/or permits have been obtained.
3. That the rates proposed by the District in its current Application filed with the Kentucky Public Service Commission are contemplated to produce total revenue requirements recommended in the Engineering Reports prepared by such Engineers and filed with the Public Service Commission.
4. That it is now contemplated that construction of the Project will begin on or about July 15, 2015, and will end on or about April 31, 2016.

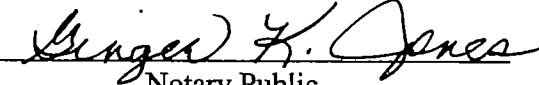
IN TESTIMONY WHEREOF, witness my signature this June 10, 2015.



Chairman
North Marshall Water District

STATE OF KENTUCKY)
) SS
COUNTY OF MARSHALL)

Subscribed and sworn to before me by Jerry Miller, Chairman of the Board of Commissioners of the North Marshall Water District, on this June 10, 2015.



Notary Public
In and For Said State and County
471928 8-20-16

NOTICE OF PROPOSED RATE CHANGE

In accordance with the requirements of the Kentucky Public Service Commission ("PSC") as set out in 807 KAR 5:069, Section 3, notice is hereby given to the customers of the North Marshall Water District (the "District") of a change in water rates for users of the District's water system. The changes in water rates are required by the U.S. Department of Agriculture, acting through Rural Development ("RD") in connection with a loan by RD to the District in the principal amount of \$3,850,000 to be evidenced by the issuance by the District of its waterworks revenue bonds in such amount, which RD has agreed to purchase provided the District meets certain conditions of RD, including revising the water rates as set forth below:

Current Monthly Rates

The current monthly rates for each customer classification shall remain the same with the exception of the added debt service charge stated below.

Proposed Monthly Water Rates

In addition to the current monthly rates, a \$3.00 per month debt service charge shall be added to each customer's bill. The amount of percentage change in each customer's bill based on meter size only shall be: (a) 5/8 x 3/4 inch - 23.2%; (b) 1 inch - 14.7%; (c) 1-1/2 inch - 9.1%; (d) 2 inch - 6.3%; (e) 3 inch - 3.6%; (f) 4 inch - 2.3%; and (g) 6 inch - 1.2%.

The proposed monthly water rates shall be effective for water sold after the date of the final approving Order of the PSC, which Order is expected to be issued no later than 30 days of the filing of the Application.

The amount of average usage for all customers was 7,761 gallons for two months thus generating an average billing based on current rates of \$33.49. The proposed debt service charge will increase the average billing to \$36.49 for an impact of \$3.00 or 8.95%.

The Application for approval of the rate change has been filed with the PSC and may be examined during normal business hours at the following locations: (i) North Marshall Water District office, 96 Carroll Road, Benton, Kentucky 42025; (ii) PSC, 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m., E.T.; and (iii) via the PSC website at <http://psc.ky.gov>. Comments regarding the Application may be submitted to the PSC via its website or by mail to PSC, P.O. Box 615, Frankfort, Kentucky 40602.

The proposed rates are required under the terms of an agreement between the District and RD and KRS 278.023 does not grant the PSC any discretionary authority to modify or reject any portion of the agreement between the District and RD, or to defer the issuance of all necessary orders to implement the terms of the agreement.

The RD loan proceeds will be used in conjunction with a \$1,150,000 RD grant to finance the cost of the construction and installation of (i) a new 250,000 gallon elevated water storage tank; (ii) upgrades to the four (4) existing water storage tanks; (iii) approximately 12.5 miles of PVC water mains throughout the District; and (iv) electrical and telemetry upgrades to the Tatumsville pumping station. Signed, Jerry Miller, Chairman, North Marshall Water District.

PAUL CLOUD ENGINEERING

CONSULTING ENGINEERS

437 CACTUS DRIVE

BENTON, KENTUCKY 42025
pecloud@gmail.com

PHONE (270) 527-7909

June 11, 2012

Mr. Bobby Gifford
North Marshall Water District
96 Carroll Road
Benton, Kentucky 42025

RECEIVED

JUN 16 2015

PUBLIC SERVICE
COMMISSION

RE: North Marshall Water Improvements
Preliminary Engineering Review Revision 1

Mr. Gifford:

Attached you will find the summarized results including preliminary cost estimates for the proposed Water District Improvements. I have estimated the lines individually except for the balance of the Moor's Camp area which was done as a combined estimate. I can provide supporting documentation for the site location of the new elevated tower if the funding agency desires it. The rehabilitation of the Kenbar tank is also included.

Don't hesitate to contact me if you desire additional information. Thank you for the opportunity to present you with the attached Preliminary Engineering Review Revision 1.

Sincerely,



Paul Cloud
Professional Engineer
Professional Land Surveyor

Attachments



PAUL CLOUD ENGINEERING

CONSULTING ENGINEERS

437 CACTUS DRIVE

BENTON, KENTUCKY 42025

PHONE (270) 527-7909

pecloud@gmail.com

North Marshall Water District Improvement Projects

Revision 1

06/11/2012

Paul Cloud Engineering has performed a preliminary engineering review of the proposed upgrades to the North Marshall Water District. This project will benefit existing and future customers of the district by making continual upgrades to provide a safe, reliable source of potable water at an affordable cost.

1. Project Planning:

- a. North Marshall Water District serves the northern portion of Marshall County (except for the City of Calvert City) in Western Kentucky. There are currently 5,465 existing customers with 415 being commercial and 5,050 being residential. This proposed project will replace many segments of the distribution system in communities along Kentucky Lake. A map showing the proposed improvement areas is attached.
- b. There will not be any known environmental issues created due to the construction of this project. It does not affect any wetlands and it will not extend below the TVA 375' contour line.
- c. The current population of Marshall County is 31,344 based on the 2012 census data. The Kentucky State Data Center, University of Louisville, projects a moderate growth rate of 6.4 % through 2030. Marshall County has enjoyed continued growth (87.3%) for the last five decades per the U. S. Census Bureau. This population was 16,736 in 1960; 20,381 in 1970; 25,637 in 1980 and 27,205 in 1990.
- d. North Marshall Water District has been proactive in meeting the communities' needs while seeking their input in all future project plans. Regular open meetings are conducted to allow anyone to express their view points. This project is a result of addressing the most significant problem areas of the system with the goal of supplying a safe, reliable potable water source with adequate pressure and flow to all customers.

2. Existing Facilities:

- a. A map is attached showing the existing distribution system. There are two pumping stations with multiple deep wells that consistently provide some of the best water in the State. There is approximately 200 miles of line in the district.

- b. North Marshall Water District has been in existence since 1961. Pumping stations and elevated water storage tanks have been updated and replaced in a consistent, planned approach. The distribution lines have been replaced primarily to upsize the main to provide fire protection and increased population demands. This project will address the replacement of aging lines that have proven to have the highest maintenance costs and outage occurrence during the last 15 years.
- c. This project will replace many lines located in subdivisions on Kentucky lake. A significant portion of these lines are some of the original PVC piping that has been a constant source of line breakages and customer outages. This has been a very expensive area to maintain. The project will also included the addition of a new elevated storage tank on the west side of the Purchase Parkway. This will allow two existing smaller tanks to be eliminated.
- d. Attached you will find a current rate schedule, annual O&M cost, and usage characteristics of the District. The water District currently has \$600,000 of debt and \$200,000 in reserve.
- e. There are no current water, energy, or waste audits for the system.

3. Need for Project:

- a. This project will allow the District to maintain its high level of health, sanitation, and security for a dependable potable water source in the northern portion of the county.
- b. This project addresses two primary needs: 1) It will replace many miles of lines that have been documented to historically have the greatest and most frequent number of repairs (and outages). Many of these lines are over 50 years old and the original installation was suspect. 2) Two existing elevated storage towers will be replaced with a new storage system that is located in a much more desirable location to address the flow characteristics of the system.
- c. This work will provide the infrastructure required to support the future growth and commercial expansion throughout the portion of Marshall County served by the District.

4. Alternatives Considered:

- a. Distribution line replacement - the lines we propose to replace are the very early production gray PVC and is in very bad condition. The lines in the areas we propose to replace break very easily. Once a pipe splits it is very difficult to find a stable section to

connect the new piping. The line must be replaced as there is no other way to insure the integrity of the distribution system in these areas. The lines will also be upgraded to 6" diameter so adequate flow and pressure can be maintained to provided needed fire protection in the areas. A new water tower is required on the west side of the Purchase Parkway to insure an adequate water supply can be maintained to the customer base in this area. The existing elevated tank at the former North Marshall Water district Office had to be removed due to foundation issues. The new tank will also give the District future option to decommission the existing Prime Battery elevated tank.

- b. The water tower and new line sizes were evaluated using KyPipe to insure the most effective means of designing the proposed system were used. It was critical in determining the desired location for the new 250,000 gallon elevated storage tank as well as modeling the hydraulic situations throughout the distribution system.
- c. See the attached map of the proposed system upgrades.
- d. There should not be any environmental impact due to the proposed alternative.
- e. The new lines will be installed in existing easements or within existing highway right of ways. The elevated tank will be constructed on a parcel of land that the District has proactively secured an Option to Purchase.
- f. We do not anticipate any construction issues other than typical congestion of utilities and home owner improvements in some of the subdivisions. These costs have been accounted for in the project estimates.
- g. Appropriate sustainable utility management practices shall be utilized in the renovation of the system.
- h. The construction costs of the system upgrades is attached. Maintaining the elevated storage tank will add to the O&M cost of the District but will be offset by the greatly reduced number of line breakages that will be eliminated.

5. Selection of an Alternative:

The only alternative acceptable is the one proposed and shown in the attached estimate. This is the only practical means to maintain the mechanical integrity of the distribution system. The upgrades will allow the District to continue to provide a safe, reliable potable water source for the area residents. The water will continue to meet, or

exceed, all regulatory requirements for purity. A life cycle comparison analysis is not required due to the singularity of alternatives.

6. Proposed Project (Recommended Alternative):

- a. This proposed project will upgrade the lines as indicated on the attached map. Most new piping will be 6" PVC. The water will continue to be supplied from the existing two deep well pumping stations. There will not be any changes to the treatment of the raw water. The electrical supply system will be upgraded at the Tatumsville Pumping Station to insure many more years of trouble free operation. The new elevated storage tank will add 250,000 gallon capacity to the system.
- b. It is anticipated the engineering and design work will commence upon project funding approval. We hope this to be in early July. The design package will be completed and submitted to the State Division of Water for approval in August. we hope to have final approval from the State in September. At that time bids will be solicited for the installation of the distribution lines and elevated tank. It is projected that bids will be received by October and all contracts awarded in November. Contractors will then have up to 210 days to execute the project.
- c. The project will have to be reviewed, approved and issued a construction permit by the Kentucky Division of Water prior to commencing work on the project. Contractors will be required to obtain permits will be needed for any work on a State of Kentucky Highway.
- d. This project insures that a safe, reliable potable water system is maintained for many years to come. All applicable sustainability considerations will be evaluated and followed as practical.
- e. Please see the attached cost estimate breakdown for the proposed system upgrades.
- f. The annual operating budget for the District will not be significantly impacted. Operating costs and water supply quantities are indicated on the attached sheets. The project is critical in maintaining a properly operating system while reducing the funds expended on repeated repairs/replacements of high maintenance cost lines.

7. Conclusions and Recommendations:

North Marshall Water District needs the described improvements to maintain a cost effective distribution system. There are no other recommendations at this time.

North Marshall Water District Improvement Projects
Revision 1
06/11/2012

PROPOSED SYSTEM IMPROVEMENTS

Potential improvement projects are divided into three primary categories: (1) distribution line replacement, (2) new water tower installation, and (3) water tower rehabilitation/elimination. Each area was evaluated and a cost estimate prepared. Please see the details below and the estimates on the attached sheet.

1. Line Replacement

Distribution lines were identified by the frequency/cost of distribution system repairs on the lines. By addressing the high cost items in this fashion the District will gain the most benefits. After the high cost lines were plotted it was very apparent the majority of the distribution line issues were located in subdivisions on Kentucky Lake. It appears that piping of suspect material of construction was used especially in the Moor's Camp area. Many lines in these areas are undersized and as-built plans are very limited. The lines locations plotted on an area map confirmed the problem areas. Due to this approach we have determined it would be cost effective to completely replace all water distribution lines in the Moor's Camp area. Should we not be able to perform all distribution line upgrades due to funding constraints, this ranking system is a tool the District can use to remain within budget.

2. New 250,000 gallon Water Tower

A new 250,000 gallon elevated water tower will be erected near the intersection of Highways 68 and 95. Preliminary design using KyPipe simulation software indicated the selected area would allow improved service primarily to the area west of the Purchase Parkway. The existing towers located at Draffenville and Sharpe are used very little due to improper tank heights. The new 250,000 gallon elevated tank will allow the District to better serve the area.

3. Water Tower Rehabilitation/Elimination

The existing 50,000 Kenbar elevated tower will be rehabilitated. It presently needs painting to prevent corrosion and future mechanical integrity issues. This tank is vital to the

distribution lines serving the Ky. Dam area. This project will allow it to continue to be used in the foreseeable future with minimal financial impact. Also, the existing tower at the former District Office site in Draffenville will be demolished and totally removed from service. This tank does not allow the water to properly cycle the water without manual valving that forces the tower to refresh the stored water per State guidelines. The tower also has a suspect foundation that is inadequate when following the latest criteria for construction in the designated earthquake zone. It is anticipated this tower will be removed from service at no cost to the District. The electrical supply system will be replaced at the Tatumsville Pumping Station. The SCADA telemetry system will be upgraded to provide the required operation controls and data required for the efficient operation of the system.

In summary, this proposed improvement project will allow the District to address the highest cost and most frequently repaired areas. It also provides for improved fire protection in the areas as needed. The new 250,000 gallon elevated tank will allow the system to be improved overall from a hydraulic analysis evaluation as well as allow the removal of the Draffenville tower eliminating concerns about the future stability of the structure. The rehabilitation of the Kenbar tower will insure that mechanical integrity issues are mitigated. This improvement project will be vital in the Improvement of the North Marshall Water System.

North Marshall Water Improvements

6/11/2013

Item	Name	Approx. Length Ft.	Total \$	Eng	Grand Totals
1	Sylvania Terrace	465	\$16,820	\$1,346	\$18,166
2	Castle Drive	3,400	\$101,300	\$8,104	\$109,404
3	Impala Road	3,200	\$75,550	\$6,044	\$81,594
4	Hawkeye Road	3,000	\$64,150	\$5,132	\$69,282
5	White Dove	2,750	\$77,600	\$6,208	\$83,808
6	Frederica Drive	950	\$31,800	\$2,544	\$34,344
7	Minerva Drive	550	\$37,000	\$2,960	\$39,960
8	Salyer Creek Road	5,630	\$119,290	\$9,543	\$128,833
9	Miller Lane	675	\$29,925	\$2,394	\$32,319
10	Bill Hamell	2,250	\$53,800	\$4,304	\$58,104
11	Enterprise Lane	585	\$25,280	\$2,022	\$27,302
12	Buckhorn Circle	2,000	\$80,350	\$6,428	\$86,778
13	Wildwood Circle	2,100	\$46,150	\$3,692	\$49,842
14	Crown Court	1,400	\$44,750	\$3,580	\$48,330
15	Arthur Court	2,250	\$90,500	\$7,240	\$97,740
16	Moor's Camp Roads	15,525	\$539,850	\$43,188	\$583,038
17	Englsh Road	10,300	\$153,500	\$12,280	\$165,780
18	Clinton Road	2,800	\$43,100	\$3,448	\$46,548
19	Water Tower Supply	2,000	\$62,500	\$5,000	\$67,500
20	Draffenville - Parkway	3,425	\$104,000	\$8,323	\$112,323
	Sub - Total Line Extensions	65,255	\$1,797,215	\$143,780	\$1,940,995
T1	250,000 Water Tower	1	\$600,000	\$37,500	\$637,500
T2	Soil Borings	1	\$4,000	\$320	\$4,320
T3	Site Work (Drive, Fence, etc.)	1	\$7,500	\$600	\$8,100
T4	Property	1	\$12,000	\$1,500	\$13,500
T5	Electrical and SCADA	1	\$50,000	\$4,000	\$54,000
T6	Kenbar Tank Rehab	1	\$132,913	\$300	\$133,213
T7	Kenbar Annual TAP-ON	1	\$6,896	\$0	\$6,896
T8	Tatumsville Pump Station	1	\$200,000	\$20,000	\$220,000
	Sub - Total Tanks		\$1,013,309	\$64,220	\$1,077,529
E1	Contingency	10%	\$281,052	\$0	\$281,052
E2	Administrative Costs	1	\$85,000	\$2,000	\$87,000
	Grand Total		\$3,176,576	\$210,000	\$3,386,577

**North Marshall Water District Improvement Projects
Revision 1
06/11/2012**

Attachments for 2D

26800 North Marshall Water District 01/01/2012 - 12/31/2012

Pumping and Water Statistics - part one (Ref Page: 29)

	Water Purchased For Resale (Omit 000's) (b)	Water Pumped from Wells (Omit 000's) (c)	Total Water Pumped and Purchased (Omit 000's) (d)	Water Sold To Customers (Omit 000's) (e)
January	0	33,133	33,133	366
February	0	30,702	30,702	45,854
March	0	34,363	34,363	113
April	0	35,095	35,095	55,000
May	0	45,346	45,346	95
June	0	45,852	45,852	67,141
July	0	55,190	55,190	166
August	0	41,765	41,765	97,124
September	0	30,217	30,217	167
October	0	31,287	31,287	65,250
November	0	31,506	31,506	78
December	0	28,480	28,480	51,802
Total for the year	0	442,936	442,936	383,156

26800 North Marshall Water District 01/01/2012 - 12/31/2012

Water Utility Expense Accounts (Ref Page: 28)

	Current Year (c)	Supply and Exp-Op. (d)	Supply and Exp-Maint. (e)	Water Treatmnt. Exp-Op. (f)	Water Treatmnt. Exp-Maint. (g)	Trans and Dist. Exp- Op (h)	Trans and Dist. Exp- Maint. (i)	Customer Accts Exp. (j)	Admin and Gen Exp.
Salaries and Wages-Employees (601)	\$406,834.00	\$0.00	\$5,677.00	\$0.00	\$0.00	\$0.00	\$174,921.00	\$28,562.00	\$197,674.00
Salaries and Wages-Officers, Directors and Majority Stockholders (603)									
Employee Pensions and Benefits (604)	\$161,160.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$161,160.00
Purchased Water (610)									
Purchased Power (615)	\$134,960.00	\$134,960.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Fuel for Power Production (616)									
Chemicals (618)	\$18,534.00	\$0.00	\$0.00	\$18,534.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Materials and Supplies (620)	\$71,942.00	\$0.00	\$45,280.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$26,662.00
Contractual Services - Eng. (631)	\$25,767.00	\$25,767.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Contractual Services - Acct. (632)	\$9,400.00	\$9,400.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Contractual Services - Legal (633)	\$14,352.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$14,352.00
Contractual Services - Management Fees (634)	\$6,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$6,000.00

26800 North Marshall Water District 01/01/2012 - 12/31/2012

Water Utility Expense Accounts (Ref Page: 28)

	Current Year (c)	Supply and Exp-Op. (d)	Supply and Exp-Maint. (e)	Water Treatmnt Exp-Op. (f)	Water Treatmnt Exp-Maint. (g)	Trans and Dist. Exp- Op. (h)	Trans and Dist. Exp- Maint. (i)	Customer Accts Exp. (j)	Admin and Gen Exp.
Contractual Serves - Water Testing (635)	\$8,112.00	\$0.00	\$0.00	\$8,112.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Contractual Services - Other (636)	\$77,237.00	\$0.00	\$65,707.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$11,530.00
Rental of Bld./Real Property (641)	\$2,700.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,700.00
Rental of Equipment (642)									
Transportation Expenses (650)	\$33,853.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$33,853.00
Insurance - Vehicle (656)									
Insurance - General Liability (657)	\$38,764.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$38,764.00
Insurance - Worker's Compensation (658)									
Insurance - Other (659)									
Advertising Expenses (660)	\$573.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$573.00
Regulatory Commission Exp.									
- Amortization of Rate Case (666)									
-Other (667)									

26800 North Marshall Water District 01/01/2012 - 12/31/2012

Water Utility Expense Accounts (Ref Page: 28)

	Current Year (c)	Supply and Exp-Op. (d)	Supply and Exp-Maint. (e)	Water Treatmnt. Exp-Op. (f)	Water Treatmnt. Exp-Maint. (g)	Trans and Dist. Exp-Op (h)	Trans and Dist. Exp- Maint. (i)	Customer Accts Exp. (j)	Admin and Gen Exp.
Water Resource Conservation Expense (668)									
Bad Debt (670)									
Miscellaneous Expenses (675)	\$20,222.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$20,222.00
Total	\$1,030,410.00	\$170,127.00	\$116,664.00	\$26,646.00	\$0.00	\$0.00	\$174,921.00	\$28,562.00	\$513,490.00



North Marshall Water District

Average Usage:
\$33.49/7761 Gallons

BI-MONTHLY RATES:

Customer Charge:
 5/8" x 3/4" \$ 12.94
 1" Meter \$ 20.44
 1 1/2" Meter \$ 32.95
 2" Meter \$ 47.99
 3" Meter \$ 83.03
 4" Meter \$133.12
 6" Meter \$258.30

All Water Usage 2.64 per thousand gallons

Sorry we do not accept credit or debit cards. We accept cash, check, or money order for payment.

CHARGES

Residential deposit is \$40.00
(due at time of sign up)

Transfer/reading fee \$ 25.00
(due at time of sign up)

Commercial Deposit
1/12th of Annual Bill
(due at time of sign up)

Tap on Fee Residential
\$600.00

Must have plumbing permit
from the Health Department

Home

North Marshall Water Final Engineering Report

Dated: 4/8/2015

		Committed	Projected	Totals	Remarks
Tatumsville Pump Station Electric					
Contractor - Contract	Rick's Electric	\$339,024			
Engineering	PCE	\$15,366	\$1,500		As Builts
HVAC System			\$5,450		
		\$354,390	\$6,950	\$361,340	
Water Tower Upgrades					
Contractor - Contract Tank Only	Caldwell Tank	\$743,000			
Contractor - Contract Tank Rabilitations	Currens Construction	\$1,125,365			
Land		\$10,000			
Electrical Service	JPECC		\$1,500		
Resident Inspector	Mid South Tanks		\$50,000		
Contingency (10%)			\$186,837		
Waterline Upgrades					
Contractor - Contract	Bobby Luttrell & Sons	\$1,719,815			
Ascot Drive			\$30,000		
Resident Inspector	PCE		\$50,000		
Contingency (10%)			\$171,982		
Engineering	PCE	\$210,000			
Reimbursables					
Soil Borings	BFW	\$4,200			
Copies	PCE	\$2,719	\$1,800		Estimated
EJCDC Forms	RD Requirement	\$1,151			
Postage		\$227	\$100		
Advertisements	Paducah Sun	\$2,500			Estimated
Advertisements	Tribune Courier (PCE)	\$716			
		\$3,819,692	\$492,218	\$4,311,910	
1st Ky Bank Loan Restructure			\$390,000	\$390,000	Radio Read Meters
Grand totals		\$4,174,082	\$499,168	\$5,063,250	

The debt will be serviced by a proposed \$3.00 per month (or \$6.00 per billing cycle) for each customer.

Prepared By: Paul Cloud, Paul Cloud Engineering

