

Rubin & Hays

ATTORNEYS AT LAW

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

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

RECEIVED

September 27, 2017

SEP 29 2017

PUBLIC SERVICE
COMMISSION

Mr. John Lyons
Acting Executive Director
Public Service Commission
P.O. Box 615
Frankfort, Kentucky 40602

Case No. 2017-000398

Re: Garrard County Water Association Water Project - KRS 278.023

Dear Mr. Lyons:

Enclosed please find the original and ten (10) copies of the Application of Garrard County Water Association for an Order approving increased rates, construction financing and issuing a Certificate of Public Convenience and Necessity pursuant to KRS 278.023.

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

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

Sincerely,

Rubin & Hays

By


W. Randall Jones

WRJ:jlm
Enclosures

cc: Ryan C. Carr, P.E., Kentucky Engineering Group, PLLC
Mr. Sean Smith, Garrard County Water Association
Mr. Greg Pridemore, USDA, Rural Development

RECEIVED

SEP 29 2017

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE GARRARD WATER)
ASSOCIATION, INC., FOR A CERTIFICATE)
OF PUBLIC CONVENIENCE AND) Case No. 2017-00398
NECESSITY TO CONSTRUCT, FINANCE AND)
INCREASE RATES PURSUANT TO KRS 278.023)

APPLICATION

This Application of the Garrard Water Association, Inc. ("Applicant"), respectfully shows:

1. That the Applicant is a non-profit water association created by virtue of Chapter 273 of the Kentucky Revised Statutes on February 4, 1970 and is currently in good standing with the Kentucky Secretary of State.

2. That the post office address of Applicant is:

Garrard Water Association, Inc.
c/o Mr. Sean Smith, General Manager
P.O. Box 670
Lancaster, Kentucky 40444
Phone: (859) 792-4501
Fax: (859) 792-1671
email address: ssmith@garrardwater.com

3. That Applicant, pursuant to the provisions of KRS 278.023, seeks (i) a Certificate of Public Convenience and Necessity ("CPCN"), 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) approximately 73,000 linear feet of various sized water line and appurtenances; (ii) a new underground booster pumping station; (iii) a 250,000 gallon elevated storage water tank; and demolition of 3 existing water storage tanks.

5. That Applicant proposes to finance the construction of the Project through (i) the issuance of a \$2,423,000 promissory note; (ii) a USDA, Rural Development ("RD") grant in the

amount of \$807,000; and (iii) a contribution from the Applicant in the amount of \$657,000. Applicant has a commitment from RD to purchase said \$2,423,000 note maturing over a 40-year period, at an interest rate not to exceed 2.75% per annum as set out in the RD Letter of Conditions 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 and Form RD 1940-1 (Request for Obligation of Funds) (**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 President 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;
 - (4) Setting out the dates when it is anticipated that construction will begin and end; and
 - (5) Plans and Specifications on electronic medium in portable document format.

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.garrardwater.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 newspapers 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 Garrard Water Association, Inc., 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 improvements project.
- b. An Order approving the financing arrangements made by Applicant, viz., (i) the issuance of a \$2,423,000 promissory note at an interest rate not to exceed 2.75% per annum; (ii) an RD grant in the amount of \$807,000; and (iii) an Applicant contribution in the amount of \$657,000.
- c. An Order approving the proposed water rates as set out in Section 33 of the RD Letter of Conditions filed herewith as an Exhibit.

Garrard Water Association, Inc.

By: Billy C. Doolin
President
Board of Directors

W. Randall Jones, Esq.
Rubin & Hays
Counsel for Applicant
Kentucky Home Trust Building
450 South Third Street
Louisville, Kentucky 40202
Phone: (502) 569-7534
Fax: (502) 569-7555
wrjones@rubinhays.com



April 21, 2017

Mr. Billy C. Doolin, President
Garrard County Water Association
P.O. Box 670
Lancaster, Kentucky 40444

SUBJECT: Recipient Name: Garrard County Water Association
Project Name: FY 16 Water Improvements

Dear Mr. Doolin:

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 \$2,423,000; a RUS grant not to exceed \$807,000; and an applicant cash contribution in the amount of \$657,000.

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 240 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:

1. Number of Users and Their Contribution:

There shall be 5,552 water users, of which 5,546 are existing users and 6 are new users. The Area Director will review and authenticate the number of users prior to advertising for construction bids.

Rural Development • Kentucky State Office
771 Corporate Drive, Suite 200, Lexington, Kentucky 40502
Voice (859) 224-7300 • Fax (855) 661-8335 • TTY (859) 224-7422

USDA is an equal opportunity provider, employer and lender.

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 Association 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 Promissory Note. Principal payment will not be deferred. The Association may be required to adopt a supplemental payment agreement providing for monthly payments of principal and interest so long as the Promissory Note 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 Association 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 Association will be required to deposit \$840 per month into a "Funded Debt Reserve Account" until the account reaches \$100,800. The deposits are to be resumed any time the account falls below the \$100,800.

The required monthly deposits to the Reserve Account and required Reserve Account levels are in addition to the requirements of the Association's prior loan 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 Association also needs to fund an account for short-lived assets by depositing a sum of \$8,834 monthly to the account. The funds in the short-lived asset account may be used by the Association as needed to replace or add short-lived assets in the Association's water system.

7. Security Requirements:

The loan will be secured by a real estate mortgage, a financing statement, and a pledge of gross water revenue in the Loan Resolution and Financing Statement.

8. Land Rights and Real Property:

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

The Association must maintain a current registration of their Dun and Bradstreet Data Universal Numbering System (DUNS) number in SAM.gov (System for Award Management) in order to receive federal loan and/or grant financial assistance. This registration must be updated/renewed at least annually.

10. Business Operations:

The Association 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 Association after review by Rural Development. At no later than loan pre-closing, the Association 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. Conflict of Interest Policy:

Prior to obligation of funds, you will certify in writing that your organization has in place an up-to-date written policy on conflict of interest. The policy will include, at a minimum: (1) a requirement for those with a conflict/potential conflict to disclose the conflict/potential conflict; (2) a prohibition of interested members of the applicant's governing body from voting on any matter in which there is a conflict, and (3) a description of the specific process by which the governing body will manage identified or potential conflicts.

You must also submit a disclosure of planned or potential transactions related to the use of Federal funds that may constitute or present the appearance of personal or organizational conflict of interest. Disclosure must be in the form of a written letter signed and dated by the applicant's official.

A negative disclosure in the same format is required if no conflicts are anticipated. Sample conflict of interest policies may be found at the National Council of Nonprofits website, <https://www.councilofnonprofits.org/tools-resources/conflict-of-interest>, or in Internal Revenue Service Form 1023, Appendix A, "Sample Conflict of Interest Policy," at <http://www.irs.gov/pub/irs-pdf/i1023.pdf>. Though these examples reference non-profit corporations, the requirement applies to all types of Agency borrowers.

Disclosure must be in the form of a written letter signed and dated by the applicant's official. A negative disclosure of the same format is required if no conflicts are anticipated. Assistance in developing a conflict of interest policy is available through Agency-contracted technical assistance providers if desired.

12. Accounts, Records and Audits:

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

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

The type of financial information that must be submitted is specified below:

Audits – An annual audit under the Single Audit Act is required if you expend \$750,000 or more in Federal financial assistance per fiscal year. The total Federal funds expended from all sources shall be used to determine Federal financial assistance expended. Expenditures of interim financing are considered Federal expenditures.

All audits are to be performed in accordance with 2 CFR Part 200, as adopted by USDA through 2 CFR Part 400. Further guidance on preparing an acceptable audit can be obtained from the Agency. It is not intended that audits required by this part be separate and apart from audits performed in accordance with State and local laws. To the extent feasible, the audit work should be done in conjunction with those audits. The audit must be prepared by an independent licensed Certified Public Accountant, or a State or Federal auditor if allowed by State law, and must be submitted within 9 months of your fiscal year end.

14. 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 Association. The Association should obtain amounts of coverage as recommended by its attorney, consulting engineer and/or insurance provider.
- B. Worker's Compensation - The Association will carry worker's compensation insurance for employees in accordance with applicable state laws.
- C. Fidelity Bond - The Association 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 \$111,000.
- D. Real Property Insurance - The Association 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 Association 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 Association will obtain and maintain adequate coverage on any facilities located in special flood and mudslide prone areas.

15. 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 "28" of this letter. The engineer may then proceed to develop final plans and specifications to be completed no later than 210 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 must be constructed by the design/bid/build method of construction. 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.

16. Bid Tabulation:

Immediately after bid opening, you must provide the Agency with the bid tabulation and your engineer's evaluation of bids and recommendations for contract awards. If the Agency agrees that the construction bids received are acceptable, adequate funds are available to cover the total project costs, and all the requirements of this letter have been satisfied, the Agency will authorize you to issue the Notice of Award.

- A. Cost Overruns – If bids are higher than expected, or if unexpected construction problems are encountered, you must utilize all options to reduce cost overruns. Negotiations, redesign, use of bidding alternatives, rebidding or other means will be considered prior to commitment of subsequent funding by the Agency. Any requests for subsequent funding to cover cost overruns will be contingent on the availability of funds. Cost overruns exceeding 20% of the development cost at time of loan or grant approval or where the scope of the original purpose has changed will compete for funds with all other applications on hand as of that date.
- B. Excess Funds – If bids are lower than anticipated at time of obligation, excess funds must be deobligated prior to start of construction except in the cases addressed in this paragraph. In cases where the original PER for the project included items that were not bid, or were bid as an alternate, the State Office official may modify the project to fully utilize obligated funds for those items. Amendments to the PER, ER, and letter of conditions may be needed for any work not included in the original project scope. In all cases, prior to start of construction, excess funds will be deobligated, with grant funds being deobligated first. Excess funds do not include contingency funds as described in this letter.

17. Contract Documents, Final Plans and Specifications:

- A. The contract documents must consist of the EJCDC construction contract documents as indicated in RUS Bulletin 1780-26 or other Agency-approved forms of agreement.
- B. The contract documents, final plans and specifications must comply with RUS Instruction 1780, Subpart C – Planning, Designing, Bidding, Contracting, Constructing and Inspections, and must be submitted to the Agency for concurrence prior to advertising for bids along with an updated cost estimate. The Agency may require another updated cost estimate if a significant amount of time elapses between the original submission and advertising for bids.
- C. The use of any procurement method other than competitive sealed bids must be requested in writing and approved by the Agency.

18. Contract Review:

Your attorney will certify that the executed contract documents, including performance and payment, if required are adequate and that the persons executing these documents have been properly authorized to do so in accordance with RUS Instruction 1780.61(b).

19. 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.

E. Limited English Proficiency (LEP) under Executive Order 13166:

LEP statutes and authorities prohibit exclusion from participation in, denial of benefits of, and discrimination under Federally-assisted and/or conducted programs on the ground of race, color, or national origin.

Title VI of the Civil Rights Act of 1964 covers program access for LEP persons.

LEP persons are individuals who do not speak English as their primary language and who have a limited ability to read, speak, write, or understand English. These individuals may be entitled to language assistance, free of charge.

You must take reasonable steps to ensure that LEP persons receive the language assistance necessary to have meaningful access to USDA programs, services, and information your organization provides. These protections are pursuant to Executive Order 13166 entitled, "Improving Access to Services by Persons with Limited English Proficiency" and further affirmed in the USDA Departmental Regulation 4330-005, "Prohibition Against National Origin Discrimination Affecting Persons with Limited English Proficiency in Programs and Activities Conducted by USDA."

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

You must display posters (provided by the Agency) informing users of these requirements, and the Agency will monitor your compliance with these requirements during compliance reviews.

20. 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 Association.

21. Compliance with Special Laws and Regulations:

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

22. System Operator:

The Association is reminded that the water system operator must have an Operator's Certificate issued by the State.

23. Prior to Pre-Closing the Loan, the Association Will Be Required to Adopt:

- A. Form RD 1942-8, "Resolution of Members or Stockholders."
- B. Form RUS Bulletin 1780-28, "Loan Resolution Security Agreement."
- C. Form RD 400-1, "Equal Opportunity Agreement."
- D. Form RD 400-4, "Assurance Agreement."
- E. Form AD-1047, "Certification Regarding Debarment, Suspension, and Other Responsibility Matters - Primary Covered Transaction."
- F. Form RD 1910-11, "Applicant Certification Federal Collection Policies for Consumer or Commercial Debts."

G. RD Instruction 1940-Q, Exhibit A-1, "Certification for Contracts, Grants and Loans."

H. RUS Bulletin 1780-22, "Eligibility Certification."

24. Refinancing and Graduation Requirements:

The Association is reminded that if at any time it shall appear to the Government that the Association 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 Association will apply for and accept such loan in sufficient amount to repay the Government.

25. Commercial Interim Financing:

The Association 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 Association 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.

26. Disbursement of Project Funds:

A construction account for the purpose of disbursement of project funds (RUS) will be established by the Association 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).

Agency funds will be disbursed into the construction account through an electronic transfer system. 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 Association's construction account records shall be made by Rural Development.

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

Any applicant contribution will be the first funds expended, followed by other funding sources. Interim financing or Agency loan funds will be expended after all other funding sources unless an agreement is reached with all other funding sources on how funds are to be disbursed prior to start of construction or loan closing, whichever occurs first. Interim financing funds or Agency loan funds must be used prior to the use of Agency grant funds. The Grant funds must not be disbursed prior to loan funds except as specified in RUS Instruction 1780.45 (d). In the unlikely event the Agency mistakenly disburses funds, the funds will be remitted back to the Agency electronically.

During construction, the Association 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 Association, 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 Association.

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

27. 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 Association.

Grant funds are to be deposited in an interest bearing account in accordance with 2 CFR part 200 and interest in excess of \$500 per year remitted to the Agency.

The funds should be disbursed by the recipient immediately upon receipt and there should be little interest accrual on the Federal funds. Recipients shall maintain advances of Federal funds in interest-bearing account, unless:

- a. The recipient receives less than \$120,000 in Federal awards per year.
- b. The best reasonably available interest-bearing account would not be expected to earn interest in excess of \$500 per year on Federal cash balances.
- c. The depository would require an average or minimum balance so high that it would not be feasible within the expected Federal and non-Federal cash resources.
- d. A foreign government or banking system prohibits or precludes interest-bearing accounts.

28. Project Budget:

Estimated expenditures are as follows:

Project Costs:

Development	\$3,158,200
Land and Rights	12,000
Legal and Administrative	10,000
Engineering Fees	391,000
Interest – Applicant will pay	0
Contingencies	<u>315,800</u>
TOTAL PROJECT COST	\$3,887,000

Project Funding:

RUS Loan	\$2,423,000
RUS Grant	807,000
Applicant Contribution	<u>657,000</u>
TOTAL FUNDING	\$3,887,000

29. Commitment of Other Project Funds:

This Letter of Conditions is issued contingent upon a firm commitment being in effect prior to advertising for construction bids and for the applicant contribution in the amount of \$657,000.

30. Construction Completion Timeframe:

All projects are required to be completed and all funds disbursed within five years of obligation. If funds are not disbursed within five years of obligation, you must submit a written waiver request with adequate justification of extenuating circumstances beyond your control for an extension of time. Any additional requests for waivers beyond the initial extension will be submitted through the State Office to the Assistant Administrator for concurrence decision.

31. Use of Remaining Project Funds:

The applicant contribution shall be considered as the first funds expended. 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.

32. 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.

33. Rates and Charges:

Rates and charges for facilities and services rendered by the Association 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:

5/8 Inch x 3/4 Inch Meter:

First	1,000	gallons @ \$11.68 - Minimum Bill.
Next	1,000	gallons @ \$ 6.29 – per 1,000 gallons.
Next	1,000	gallons @ \$ 5.08 – per 1,000 gallons.
Next	2,000	gallons @ \$ 4.86 – per 1,000 gallons.
All Over	5,000	gallons @ \$ 4.53 – per 1,000 gallons.

1 Inch Meter:

First	5,000	gallons @ \$32.77 - Minimum Bill.
All Over	5,000	gallons @ \$ 4.53 – per 1,000 gallons.

1.5 Inch Meter:

First	10,000	gallons @ \$55.42 - Minimum Bill.
All Over	10,000	gallons @ \$ 4.53 – per 1,000 gallons.

2 Inch Meter:

First	25,000	gallons @ \$123.37 - Minimum Bill.
All Over	25,000	gallons @ \$ 4.53 – per 1,000 gallons.

Bulk Sales: \$5.75 per 1,000 gallons

34. Water Purchase Contract:

The Association will submit a Water Purchase Contract for approval by Rural Development before advertising for construction bids. If the contract is not on Form RD 442-30, "Water Purchase Contract," the contract will require approval by our Regional Attorney. The contract must meet the requirements of subsection 1780.62 of RUS Instruction 1780.

35. Vulnerability Assessment/Emergency Response Plan (VA/ERP):

The Agency requires all financed water and wastewater systems to have a VA/ERP in place. Borrowers with existing systems must provide a certification that a VA/ERP has been completed prior to advertising for bids. The documents are not submitted to the Agency for VA/ERP requirements throughout the life of the loan.

36. Floodplain Construction:

The Association will be required to pass and adopt a Resolution or amend its By-Laws whereby the Association 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 Association 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.

37. Mitigation Measures:

- A. The project shall be in compliance with all requirements noted in the Governor's Office for Local Development letter dated September 13, 2016, 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 January 19, 2017, 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 until RD can consult with the State Historical Preservation Officer and issue further directions.
- 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.

38. System for Award Management:

You will be required to maintain a Dun and Bradstreet Data Universal Numbering System (DUNS) number and maintain an active registration in the System for Award Management (SAM) database. Renewal can be done on-line at: <http://sam.gov>.

This registration must be renewed and revalidated every twelve (12) months for as long as there are Agency funds to be expended.

To ensure the information is current, accurate and complete, and to prevent the SAM account expiration, the review and updates must be performed within 365 days of the activation date, commonly referred to as the expiration date. The registration process may take up to 10 business days. (See 2 CFR Part 25 and the "Help" section at <http://sam.gov>).

39. Prepayment and Extra Payments:

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of borrower, with no penalty.

Security instruments, including bonding documents, must contain the following language regarding extra payments, unless prohibited by State statute:

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of the borrower. Refunds, extra payments and loan proceeds obtained from outside sources for the purpose of paying down the Agency debt, shall, after payment of interest, be applied to the installments last to become due under this note and shall not affect the obligation of borrower to pay the remaining installments as scheduled in your security instruments.

40. Security/Operational Inspections:

The Agency will inspect the facility and conduct a review of your operations and records management system and conflict of interest policy every three years for the life of the loan. You must participate in these inspections and provide the required information.

41. 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,



JEFF JONES
Acting State Director

Enclosures

cc: Area Director – Shelbyville, Kentucky
Bluegrass ADD – Lexington, Kentucky
Kentucky Engineering Group – Versailles, Kentucky
Chris Whitworth – Lancaster, Kentucky
PSC - ATTN: Talina Mathews - Frankfort, Kentucky

REQUEST FOR OBLIGATION OF FUNDS

INSTRUCTIONS-TYPE IN CAPITALIZED ELITE TYPE IN SPACES MARKED () Complete Items 1 through 29 and applicable Items 30 through 34. See FMI.			
1. CASE NUMBER ST CO BORROWER ID 20-040-*****2154		LOAN NUMBER	FISCAL YEAR
2. BORROWER NAME Garrard County Water Assn Inc		3. NUMBER NAME FIELDS (1, 2, or 3 from Item 2)	
		4. STATE NAME Kentucky	
		5. COUNTY NAME Garrard	
GENERAL BORROWER/LOAN INFORMATION			
6. RACE/ETHNIC CLASSIFICATION 1 - WHITE 2 - BLACK 3 - AI/AN 4 - HISPANIC 5 - API	7. TYPE OF APPLICANT 1 - INDIVIDUAL 2 - PARTNERSHIP 3 - CORPORATION 4 - PUBLIC BODY 5 - ASSOC OF FARMERS 6 - ORG. OF FARMERS 7 - NONPROFIT-SECULAR 8 - NONPROFIT-FAITH BASED 9 - INDIAN TRIBE 10 - PUBLIC COLLEGE/UNIVERSITY 11 - OTHER	8. COLLATERAL CODE 1 - REAL ESTATE SECURED 2 - REAL ESTATE AND CHATTEL 3 - NOTE ONLY OR CHATTEL ONLY 4 - MACHINERY ONLY 5 - LIVESTOCK ONLY 6 - CROPS ONLY 7 - SECURED BY BONDS 8 - RLF ACCT	9. EMPLOYEE RELATIONSHIP CODE 1 - EMPLOYEE 2 - MEMBER OF FAMILY 3 - CLOSE RELATIVE 4 - ASSOC.
10. SEX CODE 1 - MALE 2 - FEMALE 3 - FAMILY UNIT 4 - ORGAN MALE OWNED 5 - ORGAN FEMALE OWNED 6 - PUBLIC BODY	11. MARITAL STATUS 1 - MARRIED 2 - SEPARATED 3 - UNMARRIED (INCLUDES WIDOWED/DIVORCED)	12. VETERAN CODE 1 - YES 2 - NO	13. CREDIT REPORT 1 - YES 2 - NO
14. DIRECT PAYMENT 3 (See FMI)	15. TYPE OF PAYMENT 2 1 - MONTHLY 2 - ANNUALLY 3 - SEMI-ANNUALLY 4 - QUARTERLY	16. FEE INSPECTION 2 1 - YES 2 - NO	
17. COMMUNITY SIZE 1 - 10,000 OR LESS (FOR SFH AND HPG ONLY) 2 - OVER 10,000		18. USE OF FUNDS CODE (See FMI)	
COMPLETE FOR OBLIGATION OF FUNDS			
19. TYPE OF ASSISTANCE 067 (See FMI)	20. PURPOSE CODE	21. SOURCE OF FUNDS	22. TYPE OF ACTION 1 - OBLIGATION ONLY 2 - OBLIGATION/CHECK REQUEST 3 - CORRECTION OF OBLIGATION
23. TYPE OF SUBMISSION 2 1 - INITIAL 2 - SUBSEQUENT	24. AMOUNT OF LOAN \$2,423,000.00	25. AMOUNT OF GRANT \$807,000.00	
26. AMOUNT OF IMMEDIATE ADVANCE	27. DATE OF APPROVAL MO DAY YR 04 26 17	28. INTEREST RATE 2.7500 %	29. REPAYMENT TERMS 40
COMPLETE FOR COMMUNITY PROGRAM AND CERTAIN MULTIPLE-FAMILY HOUSING LOANS			
30. PROFIT TYPE 1 - FULL PROFIT 2 - LIMITED PROFIT 3 - NONPROFIT			
COMPLETE FOR EM LOANS ONLY		COMPLETE FOR CREDIT SALE-ASSUMPTION	
31. DISASTER DESIGNATION NUMBER (See FMI)		32. TYPE OF SALE 1 - CREDIT SALE ONLY 2 - ASSUMPTION ONLY 3 - CREDIT SALE WITH SUBSEQUENT LOAN 4 - ASSUMPTION WITH SUBSEQUENT LOAN	
FINANCE OFFICE USE ONLY		COMPLETE FOR FP LOANS ONLY	
33. OBLIGATION DATE MO DA YR		34. BEGINNING FARMER/RANCHER (See FMI)	

If the decision contained above in this form results in denial, reduction or cancellation of USDA assistance, you may appeal this decision and have a hearing or you may request a review in lieu of a hearing. Please use the form we have included for this purpose.

Position 2

ORIGINAL - Borrower's Case Folder COPY 1 - Finance Office COPY 2 - Applicant/Lender COPY 3 - State Office

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0570-0062. The time required to complete this information collection is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

CERTIFICATION APPROVAL

For All Farmers Programs

EM, OL, FO, and SW Loans

This loan is approved subject to the availability of funds. If this loan does not close for any reason within 90 days from the date of approval on this document, the approval official will request updated eligibility information. The undersigned loan applicant agrees that the approval official will have 14 working days to review any updated information prior to submitting this document for obligation of funds. If there have been significant changes that may affect eligibility, a decision as to eligibility and feasibility will be made within 30 days from the time the applicant provides the necessary information.

If this is a loan approval for which a lien and/or title search is necessary, the undersigned applicant agrees that the 15-working-day loan closing requirement may be exceeded for the purposes of the applicant's legal representative completing title work and completing loan closing.

35. COMMENTS AND REQUIREMENTS OF CERTIFYING OFFICIAL

Approval of financial assistance is subject to the provisions of the Letter of Conditions dated 4/21/17, and any amendments thereto.

36. I HEREBY CERTIFY that I am unable to obtain sufficient credit elsewhere to finance my actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near my community for loans for similar purposes and periods of time. I agree to use the sum specified herein, subject to and in accordance with regulations applicable to the type of assistance indicated above, and request payment of such sum. I agree to report to USDA any material adverse changes, financial or otherwise, that occur prior to loan closing. I certify that no part of the sum specified herein has been received. I have reviewed the loan approval requirements and comments associated with this loan request and agree to comply with these provisions.

(For FP loans at eligible terms only) If this loan is approved, I elect the interest rate to be charged on my loan to be the lower of the interest rate in effect at the time of loan approval or loan closing. If I check "NO", the interest rate charged on my loan will be the rate specified in Item 28 of this form. YES NO

WARNING: Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more than five years, or both."

Date 4/24, 20 17 Billy Doolin, President (Signature of Applicant)

Date _____, 20 _____ (Signature of Co-Applicant)

37. I HEREBY CERTIFY that all of the committee and administrative determinations and certifications required by regulations prerequisite to providing assistance of the type indicated above have been made and that evidence thereof is in the docket, and that all requirements of pertinent regulations have been complied with. I hereby approve the above-described assistance in the amount set forth above, and by this document, subject to the availability of funds, the Government agrees to advance such amount to the applicant for the purpose of and subject to the availability prescribed by regulations applicable to this type of assistance.

(Signature of Approving Official)

Typed or Printed Name: Jeff Jones

Date Approved: 4/26/17 Title: Acting State Director

38. TO THE APPLICANT: As of this date 5/4/17, this is notice that your application for financial assistance from the USDA has been approved, as indicated above, subject to the availability of funds and other conditions required by the USDA. If you have any questions contact the appropriate USDA Servicing Office.



Rural Development

September 27, 2017

Kentucky State Office

771 Corporate Drive,
Suite 200
Lexington, KY
40503

Voice 859.224.7300
Fax 859.224.7425
TTY 859.224.7422

SUBJECT: Garrard County Water Association
Water System Improvements
Contract Award Concurrence

TO: Area Office
Shelbyville, Kentucky

Based on the bids received and the recommendation of the consulting engineer, Rural Development concurs in the award of subject contract contingent on passage of the required Water Usage Contract, to the low bidder on Contract 1, G and W Construction Co., Inc., in the amount of \$1,869,251, and the low bidder on Contract 2, Phoenix Fabricators and Erectors, Inc., in the amount of \$809,000.

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


Jeff Jones
Acting State Director
Rural Development

cc: KEG
Versailles, Kentucky

Randy Jones
Louisville, Kentucky

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.

**CERTIFICATE OF PRESIDENT OF THE GARRARD WATER ASSOCIATION, INC.
AS TO STATEMENT REQUIRED BY SECTION 2(6) OF 807 KAR 5:069**

I, Billy C. Doolin, hereby certify that I am the duly qualified and acting President of the Board of Directors of the Garrard Water Association, Inc., and that said Association is in the process of arranging to finance the construction of extensions, additions and improvements to the existing waterworks system of the Association (the "Project"), in cooperation with the Engineers for the Association, Kentucky Engineering Group, PLLC, Versailles, Kentucky.

Based on information furnished to me by said Engineers for the Association, 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 already been obtained.
3. That the rates of the Association shall produce the total revenue requirements set out in the engineering reports.
4. That it is now contemplated that construction of the Project will begin on or about November 1, 2017, and will end on or about September 1, 2018.

IN TESTIMONY WHEREOF, witness my signature this September 22, 2017.

Billy C Doolin

President

Garrard Water Association, Inc.

STATE OF KENTUCKY)
) SS
COUNTY OF GARRARD)

Subscribed and sworn to before me by Billy C. Doolin, President of the Board of Directors of the Garrard Water Association, Inc., on this September 22, 2017.

J. South

Notary Public

In and For Said State and County

(Seal of Notary)



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 Garrard County Water Association, Inc., (“Association”) of a change in water rates for users of the Association'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 Association in the principal amount of \$2,423,000 to be evidenced by the issuance by the Association of its promissory note in such amount, which RD has agreed to purchase provided the Association meets certain conditions of RD, including revising the water rates as set forth below:

Current Monthly Water Rates

<u>5/8 x 3/4 Inch Meter</u>		<u>Monthly Rate</u>	
First 1,000 gallons		\$10.63	Minimum
Next 1,000 gallons		\$5.73	Per 1,000 gallons
Next 1,000 gallons		\$4.63	Per 1,000 gallons
Next 2,000 gallons		\$4.43	Per 1,000 gallons
All Over 5,000 gallons		\$4.13	Per 1,000 gallons
 <u>1 Inch Meter</u>			
First 5,000 gallons		\$29.85	Minimum
All Over 5,000 gallons		\$4.13	Per 1,000 gallons
 <u>1.5 Inch Meter</u>			
First 10,000 gallons		\$50.50	Minimum
All Over 10,000 gallons		\$4.13	Per 1,000 gallons
 <u>2 Inch Meter</u>			
First 25,000 gallons		\$112.45	Minimum
All Over 25,000 gallons		\$4.13	Per 1,000 gallons
 <u>Bulk Rate</u>			
		\$5.25	Per 1,000 gallons

Proposed Monthly Water Rates

<u>5/8 x 3/4 Inch Meter</u>	<u>New Monthly Rate</u>	<u>Dollar Change</u>	<u>Percent Change</u>
First 1,000 gallons	\$11.68	\$1.05	9.88%
Next 1,000 gallons	\$6.29	\$0.56	9.77%
Next 1,000 gallons	\$5.08	\$0.45	9.72%
Next 2,000 gallons	\$4.86	\$0.43	9.71%
All Over 5,000 gallons	\$4.53	\$0.40	9.69%

<u>1 Inch Meter</u>			
First 5,000 gallons	\$32.77	\$2.92	9.78%
All Over 5,000 gallons	\$4.53	\$0.40	9.69%
<u>1.5 Inch Meter</u>			
First 10,000 gallons	\$55.42	\$4.92	9.74%
All Over 10,000 gallons	\$4.53	\$0.40	9.69%
<u>2 Inch Meter</u>			
Fist 25,000 gallons	\$123.37	\$10.92	9.71%
All Over 25,000 gallons	\$4.53	\$0.40	9.69%
<u>Bulk Rate</u>	\$5.75	\$0.50	9.52%

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. Based on a monthly usage of 5,000 gallons, the average bill of a Garrard County Water Association customer would increase \$2.92 from \$29.85 to \$32.77 or 9.78%. 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) Garrard County Water Association Office, 315 Lexington Street, Lancaster, KY 40444; (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 Association 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 Association 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 to finance the costs of the (i) installation of approximately 73,000 linear feet of 3, 4, 6, 8 and 10 inch water main improvements and associated appurtenances; (ii) new 250,000 gallon elevated water storage tank and demolition of three old, existing water storage tanks. Signed: Billy C. Doolin, President, Garrard County Water Association.

GARRARD COUNTY WATER ASSOCIATION

WATER SYSTEM IMPROVEMENTS

PRELIMINARY ENGINEERING REPORT

RECEIVED

SEP 29 2017

PUBLIC SERVICE
COMMISSION

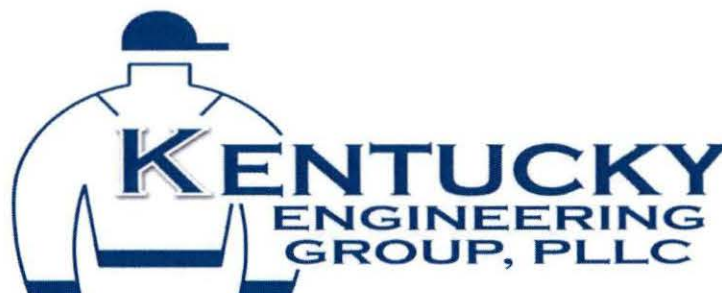


GARRARD COUNTY WATER ASSOCIATION

315 Lexington Road

Lancaster, KY 40444

January 2017



GARRARD COUNTY WATER ASSOCIATION PRELIMINARY ENGINEERING REPORT WATER SYSTEM IMPROVEMENTS

I. GENERAL

The Garrard County Water Association (GCWA) was formed in the late 1960's. The existing system consists of approximately 400 miles of water lines with 8 functioning water storage tanks and 6 booster pump stations that serve approximately 5,533 customers in Garrard County.

II. PROJECT PLANNING AREA

A. Location

The GCWA is located in Central Kentucky in Garrard County. With the exception of the City of Lancaster, the GCWA serves the majority of Garrard County along with a few customers in Lincoln, Madison and Rockcastle Counties. A map of the GCWA's service area is located at the end of this report.

The topography of Garrard County is a dissected upland with a gently rolling to hilly topography. The topography becomes more rugged near the deep valleys of the Kentucky River, which marks the northern boundary, and the Dix River, which forms the northwestern boundary. A nearly flat, slightly karstic, upland plain occupies part of northwestern Garrard County between U.S. 27 and Herrington Lake. Elsewhere, except locally in the vicinity of Lancaster, flat areas are rare. Local reliefs along the Kentucky River exceed 300 feet. Local reliefs along Herrington Lake are generally between 150 and 200 feet.

B. Environmental Resources

The major environmental features in the area are primarily gently rolling to hilly terrain. The gradual undulating terrain is the reason for a relatively few number of water storage tanks and pump stations. Water pressures range from below 30 psi to over 180 psi in sections of the system. Many of the hollows are in floodplains in particular along the Kentucky and Dix River. No known historic sites are noted in the planning area.

C. Growth Areas and Population Trends

A quick review of the census information shows a fairly significant increase in the population over the next twenty years. Since the establishment of the GCWA the population of Garrard County has continued to grow, in particular the northern portion of the county. The water system has had rapid growth over the past 20

years because of numerous line extension projects. The population projections for Garrard County are shown below.

	<u>2010</u>	<u>2020</u>	<u>2030</u>	<u>2040</u>	<u>2050</u>
Population	16,912	19,122	20,954	22,255	23,123

III. EXISTING FACILITIES

A. Location Map

A map of the county showing the extent of the water system is located at the end of this report.

B. History

The GCWA system was originally built in the late 1960's. The GCWA purchases the majority of its water from the City of Lancaster. Numerous water line extension projects have been developed over the past 40 years to establish the current GCWA customer base which serves approximately 95% of Garrard County.

C. Condition of Facilities

GCWA currently purchases an average of 800,000 gallons a day from the City of Lancaster. The system is in good to fair condition and work continues to improve the older, undersized sections of the GCWA.

Several of the original transmission watermains that connect to the City of Lancaster water system and transport the majority of the GCWA water to its customers are undersized. During periods of peak demand GCWA struggles to keep certain water storage tanks adequately supplied and several customers experience underserved water supply/pressure; in particular the northwestern and northern portion of the system which has experienced the most growth and the southern portion of the system which is some of the oldest sections of the system.

D. Financial Status

Annual audits will be submitted to Rural Development as required by the RD bond issue. A customer breakdown will be provided in the Summary Addendum.

As with the majority of utilities across the country, the GCWA has seen its operating expenses rise over the past several years. Fuel and health insurance are the expenses that have seen the largest increase. Because the GCWA covers a vast geographic area, the fuel cost has had a tremendous impact on cash flow.

IV. NEED FOR THE PROJECT

A. Health and Safety

The proposed project to upgrade the transmission mains, provide one (1) new water tank for adequate storage and eliminate three (3) old, dilapidated water storage tanks and two (2) pump stations will help to improve overall water quality. Improving water turnover/water age by eliminating the old tanks and removing dead ends by looping some of the existing water lines will improve the quality of water for residents in these particular areas and also provide alternatives for service during emergency outages.

Some of the families living in the project areas currently rely on hauled water and cisterns for their drinking water. Most cisterns do not provide ample quantity and require the families to purchase water several times a month. This exposes some families to poor quality water and limits the amount of water available to them. Many residents in the various areas covered by this project have petitioned the GCWA for water service.

The proposed project will help to improve the overall service from a water quality and reliability standpoint to the GCWA customers.

B. System O&M

Upgrading transmission mains, replacing one (1) pump station and one (1) water storage tank and eliminating two (2) other old water storage tanks and two (2) old pump stations will reduce the amount of operation and maintenance budget required for the GCWA system. It will also enable the GCWA to transmit more water to its distribution system.

V. ALTERNATIVES CONSIDERED

The only alternative considered for the transmission main upgrade was to construct new lines to neighboring utilities which would be prohibitively expensive. The GCWA was originally developed as the City of Lancaster being the sole, centrally located water source for the water system. Any project that attempts to contradict that original concept will have a significant financial impact on the GCWA.

VI. PROPOSED ALTERNATIVE

The proposed project is to upgrade the transmission mains that serve the northern and southern portion of the GCWA system. The majority of these transmission mains are undersized for the volume of water that needs to be transported through this area. One of the mains is along US 27 North and the other is along KY 52 (Richmond Road).

A second segment of this project is a water line extension to create a loop between Brock Road and Starns Road. The extension will provide service to approximately 6 new customers and provide improved service to all of the existing customers in the area. An additional water line extension along Hidden Hills will provide service to approximately 17 new customers.

The project will also include a new pump station to replace the existing Copper Creek Pump Station.

Lastly, the project will include the elimination of two (2) old water storage tanks (Burdette Knob & Harmon's Lick Tank) and two (2) pump stations (Harmon's Lick & Kemper Lane Pump Station) and the addition of a new elevated water storage tank that will replace the existing Manse Tank. The upgraded transmission main along US 27 should also greatly minimize the need for utilizing two other existing pump stations (Ballard Road & Lexington Road Pump Station), thus decreasing operational costs.

Each of the items listed above will help to improve the overall service from a water quality and reliability standpoint to the GCWA customers.

A summary of the proposed project is as follows:

	Approximate Year in Service	Approximate Age	
Elimination of three steel water storage tank standpipes	Burdette Knob	1972	45
	Manse (Coby)	1972	45
	Harmon's Lick	1985	30
Elimination of two pump stations	Harmon's Lick	1985	30
	Kemper Lane	1972	45
Minimize usage of two pump stations	Ballard Road Pump		
	Lexington Road Pump		

The project creates the possibility of Lancaster becoming a sole supplier to GCWA while still maintaining the potential to utilize Danville and Berea for emergency service.

Hydraulically the project takes advantage of elevations to reduce long-term pumping costs while also improving pressures to underserved areas.

The total project cost is shown on the detailed engineer estimate located at the end of the report.

It is expected that the GCWA will institute a rate increase with this project. The proposed rates and additional financial data will be presented in the Summary Addendum to the Preliminary Engineering Report that follows this report.

VII. PROPOSED PROJECT SCHEDULE

The proposed project schedule is:

1. Secure Letter of Conditions from USDA RD – March 2017
2. Secure Land/Easement/Encroachment Permits – April 2017
3. Division of Water Submittal – April 2017
4. Advertise for Bids – June 2017
5. Contract Award/Initiate Construction – August 2017
6. Substantial Completion – August 2018
7. Final Completion/Initiation of Operation – September 2018



Preliminary Project Cost Estimate

Project : GARRARD COUNTY WATER ASSOCIATION

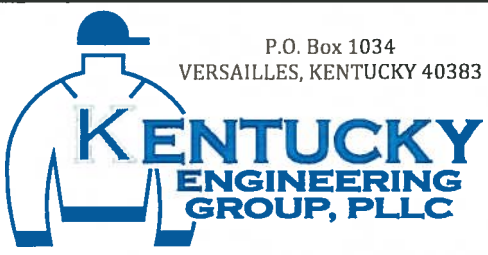
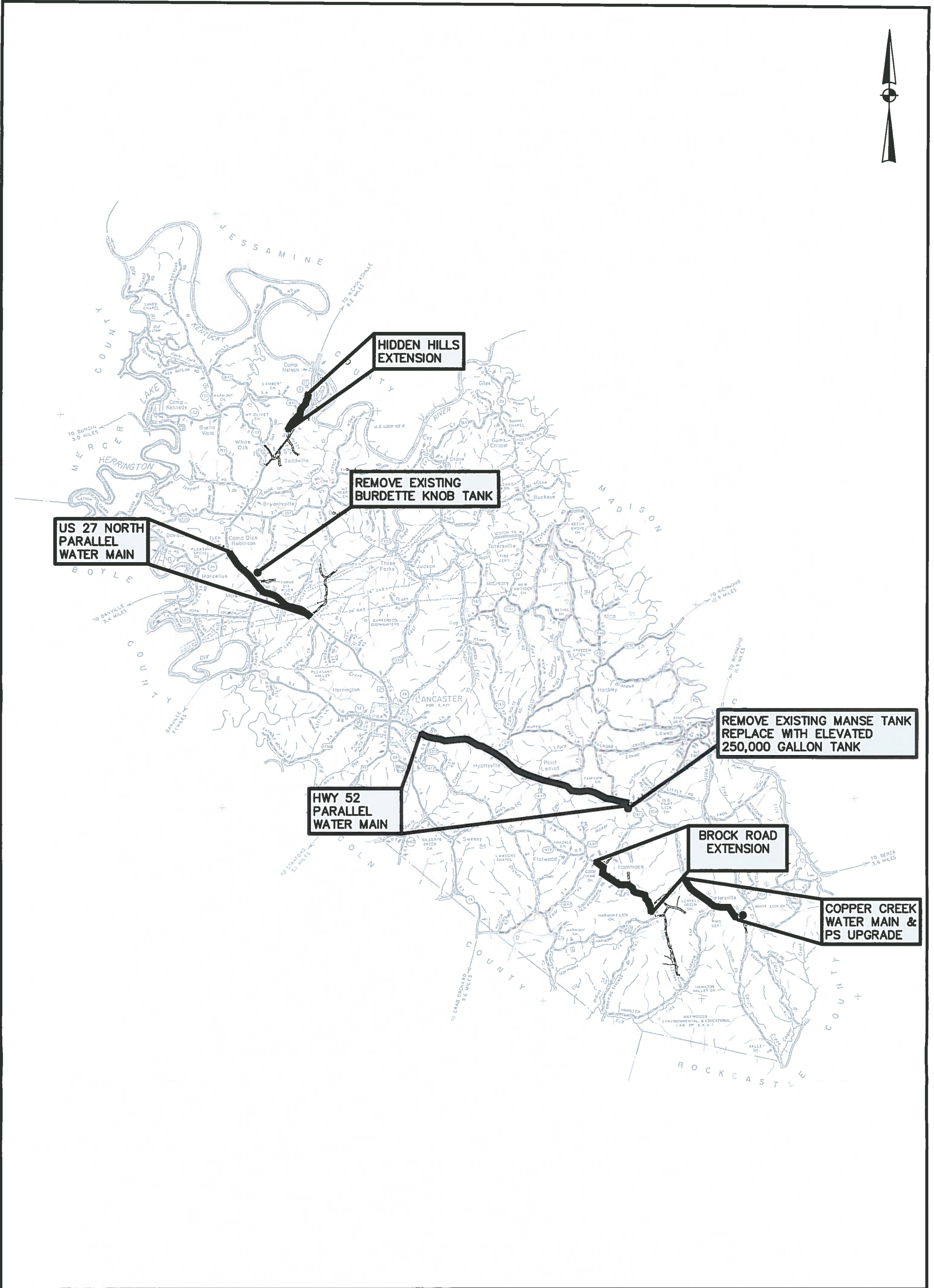
Date : 05/02/16

Job No. :

Revised : 06/07/16

Est. By: RCC

ITEM NO.	SUMMARY OF: 2016 Water System Improvements	QUANTITY			TOTAL COST
		NO. OF UNITS	UNIT MEAS.	COST PER UNIT	
US 27 NORTH PARALLEL WATER MAIN					
1	10" Class 200 SDR 21 PVC	20,000	LF	\$ 28.00	\$ 560,000
2	Main Line Reconnections	6	EA	\$ 3,500.00	\$ 21,000
3	Road Bore for 10" Water Main w/ Casing Pipe	200	LF	\$ 200.00	\$ 40,000
4	Blowoff Hydrant	4	EA	\$ 3,000.00	\$ 12,000
	Sub Total				\$ 633,000
KY 52 PARALLEL WATER MAIN					
1	8" Class 200 SDR 21 PVC	37,000	LF	\$ 25.00	\$ 925,000
2	Main Line Reconnections	6	EA	\$ 3,500.00	\$ 21,000
3	Road Bore for 8" Water Main w/ Casing Pipe	400	LF	\$ 180.00	\$ 72,000
4	Blowoff Hydrant	6	EA	\$ 3,000.00	\$ 18,000
	Sub Total				\$ 1,036,000
BROCK ROAD & STARNES ROAD LOOP					
1	6" Class 200 SDR 21 PVC	7,500	LF	\$ 20.00	\$ 150,000
2	Customer Services	6	EA	\$ 1,000.00	\$ 6,000
3	Main Line Connections	2	EA	\$ 3,500.00	\$ 7,000
4	Road Bore for 6" Water Main w/ Casing Pipe	40	LF	\$ 150.00	\$ 6,000
5	Blowoff Hydrant	2	EA	\$ 3,000.00	\$ 6,000
	Sub Total				\$ 175,000
COPPER CREEK PS UPGRADE					
1	New Booster Pump Station	1	LS	\$ 63,700.00	\$ 63,700
	Sub Total				\$ 63,700
MISCELLANEOUS SYSTEM IMPROVEMENTS					
1	Install New PRV	2	EA	\$ 10,000.00	\$ 20,000
2	Harmans Lick Tank & PS Demolition	1	LS	\$ 30,000.00	\$ 30,000
3	Burdette Knob Tank Demolition	1	LS	\$ 20,000.00	\$ 20,000
4	Additional Improvements	1	LS	\$ 10,000.00	\$ 10,000
5	New Manse Tank	1	LS	\$ 800,000.00	\$ 800,000
6	Cartersville Road Parallel 6" Water Main	10,000	LF	\$ 25.00	\$ 250,000
	Sub Total				\$ 1,130,000
HIDDEN HILLS EXTENSION					
1	3" Class 200 SDR 21 PVC	2,200	LF	\$ 25.00	\$ 55,000
2	Main Line Connections	1	EA	\$ 3,500.00	\$ 3,500
3	Customer Services	6	EA	\$ 1,000.00	\$ 6,000
4	Highway Bore for 3" Water Main w/ Casing Pipe	250	LF	\$ 200.00	\$ 50,000
5	Blowoff Hydrant	2	EA	\$ 3,000.00	\$ 6,000
	Sub Total				\$ 120,500
SUBTOTAL AMOUNT					\$ 3,158,200.00
10% CONTINGENCY					\$ 315,800.00
ENGINEERING DESIGN					\$ 226,000.00
RESIDENT INSPECTION					\$ 125,000.00
LEGAL AND ADMINISTRATION					\$ 10,000.00
EASEMENTS/LAND ACQUISITION					\$ 12,000.00
ADDITIONAL SERVICES					\$ 40,000.00
TOTAL ESTIMATED PROJECT COST					\$ 3,887,000.00



**GARRARD COUNTY WATER ASSOCIATION
2016 WATER SYSTEM IMPROVEMENTS
FEBRUARY, 2016**

PROJECT NO.

SHEET NO.
1

GARRARD COUNTY WATER ASSOCIATION

WATER SYSTEM IMPROVEMENTS

FINAL ENGINEERING REPORT

RECEIVED

SEP 29 2017

PUBLIC SERVICE
COMMISSION

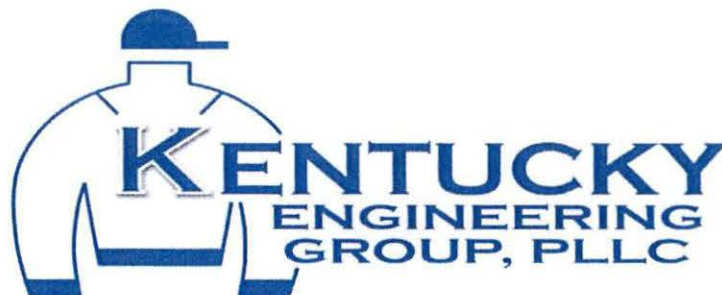
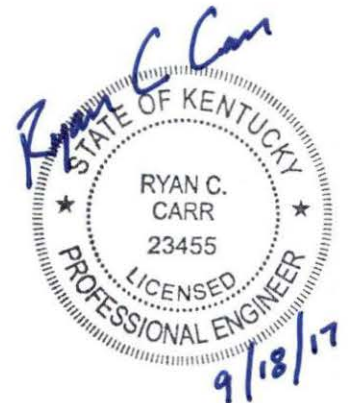


GARRARD COUNTY WATER ASSOCIATION

315 Lexington Road

Lancaster, KY 40444

September 2017



GARRARD COUNTY WATER ASSOCIATION FINAL ENGINEERING REPORT WATER SYSTEM IMPROVEMENTS

I. GENERAL

The Garrard County Water Association (GCWA) was formed in the late 1960's. The existing system consists of approximately 400 miles of water lines with 8 functioning water storage tanks and 6 booster pump stations that serve approximately 5,533 customers in Garrard County.

II. PROJECT PLANNING AREA

A. Location

The GCWA is located in Central Kentucky in Garrard County. With the exception of the City of Lancaster, the GCWA serves the majority of Garrard County along with a few customers in Lincoln, Madison and Rockcastle Counties. A map of the GCWA's service area is located at the end of this report.

The topography of Garrard County is a dissected upland with a gently rolling to hilly topography. The topography becomes more rugged near the deep valleys of the Kentucky River, which marks the northern boundary, and the Dix River, which forms the northwestern boundary. A nearly flat, slightly karstic, upland plain occupies part of northwestern Garrard County between U.S. 27 and Herrington Lake. Elsewhere, except locally in the vicinity of Lancaster, flat areas are rare. Local reliefs along the Kentucky River exceed 300 feet. Local reliefs along Herrington Lake are generally between 150 and 200 feet.

B. Environmental Resources

The major environmental features in the area are primarily gently rolling to hilly terrain. The gradual undulating terrain is the reason for a relatively few number of water storage tanks and pump stations. Water pressures range from below 30 psi to over 180 psi in sections of the system. Many of the hollows are in floodplains in particular along the Kentucky and Dix River. No known historic sites are noted in the planning area.

C. Growth Areas and Population Trends

A quick review of the census information shows a fairly significant increase in the population over the next twenty years. Since the establishment of the GCWA the population of Garrard County has continued to grow, in particular the northern portion of the county. The water system has had rapid growth over the past 20

years because of numerous line extension projects. The population projections for Garrard County are shown below.

	<u>2010</u>	<u>2020</u>	<u>2030</u>	<u>2040</u>	<u>2050</u>
Population	16,912	19,122	20,954	22,255	23,123

III. EXISTING FACILITIES

A. Location Map

A map of the county showing the extent of the water system is located at the end of this report.

B. History

The GCWA system was originally built in the late 1960's. The GCWA purchases the majority of its water from the City of Lancaster. Numerous water line extension projects have been developed over the past 40 years to establish the current GCWA customer base which serves approximately 95% of Garrard County.

C. Condition of Facilities

GCWA currently purchases an average of 800,000 gallons a day from the City of Lancaster. The system is in good to fair condition and work continues to improve the older, undersized sections of the GCWA.

Several of the original transmission watermains that connect to the City of Lancaster water system and transport the majority of the GCWA water to its customers are undersized. During periods of peak demand GCWA struggles to keep certain water storage tanks adequately supplied and several customers experience underserved water supply/pressure; in particular the northwestern and northern portion of the system which has experienced the most growth and the southern portion of the system which is some of the oldest sections of the system.

D. Financial Status

Annual audits will be submitted to Rural Development as required by the RD bond issue. A customer breakdown will be provided in the Summary Addendum.

As with the majority of utilities across the country, the GCWA has seen its operating expenses rise over the past several years. Fuel and health insurance are the expenses that have seen the largest increase. Because the GCWA covers a vast geographic area, the fuel cost has had a tremendous impact on cash flow.

IV. NEED FOR THE PROJECT

A. Health and Safety

The proposed project to upgrade the transmission mains, provide one (1) new water tank for adequate storage and eliminate three (3) old, dilapidated water storage tanks and two (2) pump stations will help to improve overall water quality. Improving water turnover/water age by eliminating the old tanks and removing dead ends by looping some of the existing water lines will improve the quality of water for residents in these particular areas and also provide alternatives for service during emergency outages.

Some of the families living in the project areas currently rely on hauled water and cisterns for their drinking water. Most cisterns do not provide ample quantity and require the families to purchase water several times a month. This exposes some families to poor quality water and limits the amount of water available to them. Many residents in the various areas covered by this project have petitioned the GCWA for water service.

The proposed project will help to improve the overall service from a water quality and reliability standpoint to the GCWA customers.

B. System O&M

Upgrading transmission mains, replacing one (1) pump station and one (1) water storage tank and eliminating two (2) other old water storage tanks and two (2) old pump stations will reduce the amount of operation and maintenance budget required for the GCWA system. It will also enable the GCWA to transmit more water to its distribution system.

V. ALTERNATIVES CONSIDERED

The only alternative considered for the transmission main upgrade was to construct new lines to neighboring utilities which would be prohibitively expensive. The GCWA was originally developed as the City of Lancaster being the sole, centrally located water source for the water system. Any project that attempts to contradict that original concept will have a significant financial impact on the GCWA.

VI. PROPOSED ALTERNATIVE

The proposed project is to upgrade the transmission mains that serve the northern and southern portion of the GCWA system. The majority of these transmission mains are undersized for the volume of water that needs to be transported through this area. One of the mains is along US 27 North and the other is along KY 52 (Richmond Road).

A second segment of this project is a water line extension to create a loop between Brock Road and Starns Road (known as the Brock Road Extension). The extension will provide service to approximately 6 new customers and provide improved service to all of the existing customers in the area. An additional water line extension along Hidden Hills will provide service to approximately 17 new customers.

The project will also include a new pump station to replace the existing Copper Creek Pump Station.

Lastly, the project will include the elimination of two (2) old water storage tanks (Burdette Knob & Harmon's Lick Tank) and two (2) pump stations (Harmon's Lick & Kemper Lane Pump Station) and the addition of a new elevated water storage tank that will replace the existing Manse Tank. The upgraded transmission main along US 27 should also greatly minimize the need for utilizing two other existing pump stations (Ballard Road & Lexington Road Pump Station), thus decreasing operational costs.

Each of the items listed above will help to improve the overall service from a water quality and reliability standpoint to the GCWA customers.

A summary of the proposed project is as follows:

		Approximate Year in Service	Approximate Age
Elimination of three steel water storage tank standpipes	Burdette Knob	1972	45
	Manse (Coby)	1972	45
	Harmon's Lick	1985	30
Elimination of two pump stations	Harmon's Lick	1985	30
	Kemper Lane	1972	45
Minimize usage of two pump stations	Ballard Road Pump		
	Lexington Road Pump		

The project creates the possibility of Lancaster becoming a sole supplier to GCWA while still maintaining the potential to utilize Danville and Berea for emergency service.

Hydraulically the project takes advantage of elevations to reduce long-term pumping

costs while also improving pressures to underserved areas.

The GCWA will institute a rate increase with this project. The proposed rates and additional financial data was presented in the Summary Addendum to the Preliminary Engineering Report. See attached Rate Summary for rate increase information.

VII. PROJECT BUDGET AND FINANCING

The project was advertised for construction bids on August 18, 2017 with a bid opening of September 6, 2017. There were nine bidders on Contract 1 – Water Main Improvements and three bidders on Contract 2 - 250,000 Gallon Elevated Water Storage Tank.

The low bidder on Contract 1 – Water Main Improvements was G & W Construction Company, Inc. of Morehead, Kentucky with a low bid of \$1,869,251.10. Kentucky Engineering Group, PLLC has worked with G & W and has found them to be a responsible and responsive bidder and contractor. Therefore, a letter of recommendation was provided to the Association.

The low bidder on Contract 2 – 250,000 Gallon Elevated Water Storage Tank was a tie between Maguire Iron, Inc. of Sioux Falls, South Dakota and Phoenix Fabricators & Erectors, Inc. of Avon, Indiana each with a bid of \$809,000.00. Upon review of the bid documents, Maguire Iron, Inc. listed eleven (11) “tank references” over the past two years while Phoenix Fabricators and Erectors, Inc. listed sixty-nine (69) “tank references” dating back to 2009. Phoenix has two recent tanks that have been completed in the state of Kentucky with another currently under construction while Maguire Iron did not list any projects that have been completed in Kentucky. Phoenix also has a fabrication facility located in Sebree, KY. Kentucky Engineering Group, PLLC recommended that Garrard County Water Association review this information and KRS 45A.494 concerning the relevant Preference in Bidding statute. It pertains to resident bidders and non-resident bidders. KRS 45A.494(4) even addresses the situation of a tie bid between a resident and a non-resident bidder. Garrard County Water Association has selected Phoenix as the contractor for Contract 2 based on all of the information provided.

Both Contracts 1 and 2 were below the engineers estimate for the project, therefore the Association has added a few additional items that will be added to the contractor’s contract through a change order and a few items will be purchased with project funds at the end of the construction period by the Owner.

The funding available for the project consists of the following source:

Rural Development	\$3,230,000
Garrard County Water Association	<u>\$657,000</u>
TOTAL	\$3,887,000

The revised budget for the project is as follows:

Legal and Administrative	\$10,000
Land and Rights	\$12,000
Preliminary Engineering Report	\$15,000
Environmental	\$7,500
Rate Study	\$10,000
Geotechnical Report	\$7,500
Basic Engineering Services	\$226,000
Construction Inspection	\$125,000
Construction – Contract 1	\$1,869,251
Construction – Contract 2	\$809,000
Change Order No.1 – Contract 1	
Additive Alternate No. 1	\$114,924
Additional Ext to New Customers	\$258,000
Engineering Service Amendment	
Basic Engineering for C.O. No. 1 Ext	\$30,000
Inspection for C.O. No. 1 Ext	\$24,000
Environmental Modification	\$3,500
Easement Acquisition	\$15,000
Owner Purchased Items	
Radio Read Meters	\$100,000
Telemetry Upgrades	\$50,000
Contingencies	<u>\$200,325</u>
Total	\$3,887,000

It is the recommendation of Kentucky Engineering Group, PLLC to proceed to the construction phase of this project after submittal of Rural Development post bid documents and proceed with the pre-closing and pre-construction conferences.

VIII. PROPOSED PROJECT SCHEDULE

The proposed project schedule is:

1. Contract Award/Initiate Construction – November 2017
2. Substantial Completion – August 2018
3. Final Completion/Initiation of Operation – September 2018

ATTACHMENTS:

1. Rate Summary
2. Letter of Recommendations w/ Bid Tabulations – Contracts 1 and 2

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 Garrard County Water Association ("Association") of a change in water rates for users of the Association'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 Association in the principal amount of \$2,423,000 to be evidenced by the issuance by the Association of its waterworks revenue bonds in such amount, which RD has agreed to purchase provided the Association meets certain conditions of RD, including revising the water rates as set forth below:

Current Monthly Water Rates

<u>5/8 x 3/4 Inch Meter</u>	<u>Monthly Rate</u>
First 1,000 gallons	\$10.62 Minimum
Next 1,000 gallons	\$5.72 Per 1,000 gallons
Next 1,000 gallons	\$4.62 Per 1,000 gallons
Next 2,000 gallons	\$4.42 Per 1,000 gallons
All Over 5,000 gallons	\$4.12 Per 1,000 gallons
 <u>1 Inch Meter</u>	
First 5,000 gallons	\$29.80 Minimum
All Over 5,000 gallons	\$4.12 Per 1,000 gallons
 <u>1.5 Inch Meter</u>	
First 10,000 gallons	\$50.40 Minimum
All Over 10,000 gallons	\$4.12 Per 1,000 gallons
 <u>2 Inch Meter</u>	
First 25,000 gallons	\$111.75 Minimum
All Over 25,000 gallons	\$4.12 Per 1,000 gallons
 <u>Bulk Rate</u>	\$5.25 Per 1,000 gallons

Proposed Monthly Water Rates

<u>5/8 x 3/4 Inch Meter</u>	<u>New Monthly Rate</u>	<u>Dollar Change</u>	<u>Percent Change</u>
First 1,000 gallons	\$11.68	\$1.06	10%
Next 1,000 gallons	\$6.29	\$0.57	10%
Next 1,000 gallons	\$5.08	\$0.46	10%
Next 2,000 gallons	\$4.86	\$0.44	10%
All Over 5,000 gallons	\$4.53	\$0.41	10%

<u>1 Inch Meter</u>			
First 5,000 gallons	\$32.77	\$2.97	10%
All Over 5,000 gallons	\$4.53	\$0.41	10%
<u>1.5 Inch Meter</u>			
First 10,000 gallons	\$55.42	\$5.02	10%
All Over 10,000 gallons	\$4.53	\$0.41	10%
<u>2 Inch Meter</u>			
Fist 25,000 gallons	\$123.37	\$11.62	10%
All Over 25,000 gallons	\$4.53	\$0.41	10%
<u>Bulk Rate</u>	\$5.75	\$0.50	10%

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. Based on a monthly usage of 5,000 gallons, the average bill of a Garrard County Water Association customer would increase \$2.97 from \$29.80 to \$32.77 or 10%. 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) Garrard County Water Association Office, 315 Lexington Street, Lancaster, KY 40444; (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 Association 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 Association 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 to finance the costs of the (i) installation of approximately 73,000 linear feet of 3, 4, 6, 8 and 10 inch water main improvements and associated appurtenances; (ii) new 250,000 gallon elevated water storage tank and demolition of three old, existing water storage tanks. Signed: Billy C. Doolin, President, Garrard County Water Association.



September 11, 2017

Mr. Sean Smith
Garrard County Water Association
315 Lexington Road
Lancaster, Kentucky 40444

RE: Recommendation of Award
Contract 1 – Water Main Improvements

Dear Mr. Smith:

Bids for the above referenced project were opened Wednesday, September 6, 2017 at 2:00 pm EST. The low bidder was G & W Construction Co., Inc., Morehead, Kentucky with a bid of \$1,869,251.10.

Upon review of the bid documents, checking references and previous experience with the low Bidder, Kentucky Engineering Group, PLLC would recommend to Garrard County Water Association that G & W Construction Co., Inc. be awarded the Contract 1 – Water Main Improvements project.

A copy of the certified bid tabulation is attached to this letter.

If you have any questions or need additional information please contact me at your earliest convenience.

Sincerely,

KENTUCKY ENGINEERING GROUP, PLLC

Ryan Carr, P.E.
Project Manager

c: File w/enclosures

P.O. Box 1034
Versailles, Kentucky 40383
Phone: (859) 251.4127
Fax: (859) 251.4137
Email: info@kyengr.com
www.kyengr.com



BID TABULATION
 Contract No. 1 - Water Main Improvements
 Garrard County Water Association
 Lancaster, Kentucky
 KEG Project No. 16039
 BID OPENING Wednesday, September 6, 2017, 2:00 pm EST

Item No.	Description	Quantity	Unit	G & W Construction Morehead, KY		Akins Excavating Company, Inc Corbin, KY		Frederick & May Const Comp, Inc. West Liberty, KY	
				\$ / Unit	Bid Amount	\$ / Unit	Bid Amount	\$ / Unit	Bid Amount
1	10 inch Water Main, PVC Pipe, Class 200 SDR 21 with all appurtenances and fittings	17,659	LF	\$ 22.28	\$ 392,138.00	\$ 20.75	\$ 365,200.00	\$ 26.00	\$ 457,600.00
2	8 inch Water Main, PVC Pipe, Class 200 SDR 21 with all appurtenances and fittings	21,000	LF	\$ 13.66	\$ 286,860.00	\$ 16.50	\$ 346,500.00	\$ 20.50	\$ 430,500.00
3	6 inch Water Main, PVC Pipe, Class 200 SDR 21 with all appurtenances and fittings	21,000	LF	\$ 12.79	\$ 268,590.00	\$ 12.75	\$ 267,750.00	\$ 16.00	\$ 336,000.00
4	4 inch Water Main, PVC Pipe, Class 200 SDR 21 with all appurtenances and fittings	6,700	LF	\$ 10.22	\$ 68,474.00	\$ 10.50	\$ 70,350.00	\$ 14.00	\$ 93,800.00
5	3 inch Water Main, PVC Pipe, Class 200 SDR 21 with all appurtenances and fittings	2,700	LF	\$ 9.67	\$ 26,109.00	\$ 10.00	\$ 27,000.00	\$ 13.00	\$ 35,100.00
6	4 inch Water Main, Ductile Iron Pipe, Class 500 with all appurtenances and fittings	400	LF	\$ 25.87	\$ 10,348.00	\$ 26.50	\$ 10,600.00	\$ 28.00	\$ 11,200.00
7	Directional Boring with 12" HDPE Pipe for Creek Crossing, Complete in Place	40	LF	\$ 163.51	\$ 6,540.40	\$ 145.00	\$ 5,800.00	\$ 250.00	\$ 10,000.00
8	Directional Boring with 10" HDPE Pipe for Creek Crossing, Complete in Place	370	LF	\$ 142.54	\$ 52,741.80	\$ 113.00	\$ 41,810.00	\$ 120.00	\$ 44,400.00
9	Directional Boring with 8" HDPE Pipe for Creek Crossing, Complete in Place	196	LF	\$ 125.02	\$ 24,503.92	\$ 101.00	\$ 19,796.00	\$ 100.00	\$ 19,600.00
10	Directional Boring with 6" HDPE Pipe for Creek Crossing, Complete in Place	187	LF	\$ 107.94	\$ 20,186.58	\$ 103.00	\$ 19,269.00	\$ 90.00	\$ 16,830.00
11	Highway Boring with 18" Steel Casing Pipe, Complete in Place	100	LF	\$ 260.17	\$ 26,017.00	\$ 385.00	\$ 38,500.00	\$ 210.00	\$ 21,000.00
12	Highway Boring with 16" Steel Casing Pipe, Complete in Place	100	LF	\$ 210.33	\$ 21,033.00	\$ 360.00	\$ 36,000.00	\$ 180.00	\$ 18,000.00
13	Highway Boring with 12" Steel Casing Pipe, Complete in Place	180	LF	\$ 169.00	\$ 30,420.00	\$ 325.00	\$ 58,500.00	\$ 150.00	\$ 27,000.00
14	Highway Boring with 10" Steel Casing Pipe, Complete in Place	40	LF	\$ 158.34	\$ 6,333.60	\$ 325.00	\$ 13,000.00	\$ 130.00	\$ 5,200.00
15	Highway Boring with 8" Steel Casing Pipe, Complete in Place	280	LF	\$ 135.00	\$ 37,800.00	\$ 325.00	\$ 91,000.00	\$ 125.00	\$ 35,000.00
16	18 inch Gate Valve and Box, Complete in Place	1	EA	\$ 1,947.71	\$ 1,947.71	\$ 2,190.00	\$ 2,190.00	\$ 2,000.00	\$ 2,000.00
17	8 inch Gate Valve and Box, Complete in Place	11	EA	\$ 1,307.86	\$ 14,386.46	\$ 1,430.00	\$ 15,730.00	\$ 1,500.00	\$ 16,500.00
18	4 inch Gate Valve and Box, Complete in Place	1	EA	\$ 917.68	\$ 917.68	\$ 962.00	\$ 962.00	\$ 1,000.00	\$ 1,000.00
19	4 inch Gate Valve and Box, Complete in Place	2	EA	\$ 739.24	\$ 1,478.48	\$ 800.00	\$ 1,600.00	\$ 800.00	\$ 1,600.00
20	3 inch Gate Valve and Box, Complete in Place	2	EA	\$ 701.48	\$ 1,402.96	\$ 750.00	\$ 1,500.00	\$ 750.00	\$ 1,500.00
21	2 inch Gate Valve and Box, Complete in Place	4	EA	\$ 607.28	\$ 2,429.12	\$ 635.00	\$ 2,540.00	\$ 635.00	\$ 2,540.00
22	6 inch Gate Valve Insertion and Box, Complete in Place	2	EA	\$ 8,500.00	\$ 17,000.00	\$ 7,560.00	\$ 15,120.00	\$ 6,000.00	\$ 12,000.00
23	Gas Main Crossing, with 10" PVC SDR 35 Casing Pipe, Complete in Place	100	LF	\$ 61.82	\$ 6,182.00	\$ 38.00	\$ 3,800.00	\$ 100.00	\$ 10,000.00
24	Gas Main Crossing, with 10" PVC SDR 35 Casing Pipe, Complete in Place	200	LF	\$ 18.56	\$ 3,712.00	\$ 28.50	\$ 5,700.00	\$ 100.00	\$ 20,000.00
25	10 inch Wet Tap Connection to Existing Water Main, Including Tapping Sleeve and Valve, Complete in Place	1	EA	\$ 4,526.25	\$ 4,526.25	\$ 3,885.00	\$ 3,885.00	\$ 3,500.00	\$ 3,500.00
26	8 inch Wet Tap Connection to Existing Water Main, Including Tapping Sleeve and Valve, Complete in Place	1	EA	\$ 3,455.06	\$ 3,455.06	\$ 2,685.00	\$ 2,685.00	\$ 3,000.00	\$ 3,000.00
27	6 inch Wet Tap Connection to Existing Water Main, Including Tapping Sleeve and Valve, Complete in Place	1	EA	\$ 2,617.84	\$ 2,617.84	\$ 2,100.00	\$ 2,100.00	\$ 2,600.00	\$ 2,600.00
28	4 inch Wet Tap Connection to Existing Water Main, Including Tapping Sleeve and Valve, Complete in Place	1	EA	\$ 2,102.64	\$ 2,102.64	\$ 1,605.00	\$ 1,605.00	\$ 2,200.00	\$ 2,200.00
29	3 inch Wet Tap Connection to Existing Water Main, Including Tapping Sleeve and Valve, Complete in Place	2	EA	\$ 1,647.96	\$ 3,295.92	\$ 1,533.00	\$ 3,066.00	\$ 2,000.00	\$ 4,000.00
30	Connection to Existing Water Main, Dry Concrete, Complete in Place	8	EA	\$ 1,478.24	\$ 11,825.92	\$ 1,000.00	\$ 8,000.00	\$ 2,000.00	\$ 16,000.00
31	Flushing Hydrant Assembly, Complete in Place	10	EA	\$ 3,658.01	\$ 36,580.10	\$ 4,100.00	\$ 41,000.00	\$ 3,724.00	\$ 37,240.00
32	Blowoff Assembly, Complete in Place	9	EA	\$ 1,160.51	\$ 10,444.59	\$ 1,000.00	\$ 9,000.00	\$ 1,800.00	\$ 16,200.00
33	Main Line PVI, Complete in Place	1	EA	\$ 17,500.00	\$ 17,500.00	\$ 16,400.00	\$ 16,400.00	\$ 14,000.00	\$ 14,000.00
34	Air Release Assembly, Complete in Place	10	EA	\$ 675.21	\$ 6,752.10	\$ 820.00	\$ 8,200.00	\$ 1,400.00	\$ 14,000.00
35	Reconnect Existing Meter to New Existing Water Main with New Service Line, Complete in Place	11	EA	\$ 723.07	\$ 7,953.77	\$ 400.00	\$ 4,400.00	\$ 450.00	\$ 4,950.00
36	Additional 1/2 inch Service Tubing, Complete in Place	700	LF	\$ 9.27	\$ 6,489.00	\$ 7.50	\$ 5,250.00	\$ 9.00	\$ 6,300.00
37	Cut and Plug Existing Water Main, Complete in Place	9	EA	\$ 647.82	\$ 5,830.38	\$ 760.00	\$ 6,840.00	\$ 1,250.00	\$ 11,250.00
38	Customer Meter Service, Complete in Place	18	EA	\$ 740.35	\$ 13,326.30	\$ 845.00	\$ 15,210.00	\$ 750.00	\$ 13,500.00
39	Copper Creek Booster Pump Station, Complete in Place	1	LS	\$ 133,590.00	\$ 133,590.00	\$ 173,150.00	\$ 173,150.00	\$ 142,000.00	\$ 142,000.00
ADDITIVE ALTERNATE NO. 1 BID PRICES									
1	6 inch Water Main, PVC Pipe, Class 200 SDR 21 with all appurtenances and fittings	7,100	LF	\$ 12.79	\$ 90,809.00	\$ 12.50	\$ 88,750.00	\$ 16.00	\$ 112,800.00
2	4 inch Water Main, PVC Pipe, Class 200 SDR 21 with all appurtenances and fittings	1,000	LF	\$ 10.22	\$ 10,220.00	\$ 11.00	\$ 11,000.00	\$ 16.00	\$ 16,000.00
3	Highway Boring with 10" Steel Casing Pipe, Complete in Place	40	LF	\$ 158.34	\$ 6,333.60	\$ 325.00	\$ 13,000.00	\$ 150.00	\$ 6,000.00
4	6 inch Wet Tap Connection to Existing Water Main, Including Tapping Sleeve and Valve, Complete in Place	1	EA	\$ 2,617.84	\$ 2,617.84	\$ 2,510.00	\$ 2,510.00	\$ 3,200.00	\$ 3,200.00
5	Connection to Existing Water Main, Dry Concrete, Complete in Place	1	EA	\$ 1,478.24	\$ 1,478.24	\$ 2,370.00	\$ 2,370.00	\$ 3,000.00	\$ 3,000.00
6	Reconnect Existing Meter to New Existing Water Main with New Service Line, Complete in Place	2	EA	\$ 723.07	\$ 1,446.14	\$ 400.00	\$ 800.00	\$ 450.00	\$ 900.00
7	Cut and Plug Existing Water Main, Complete in Place	2	EA	\$ 617.82	\$ 1,235.64	\$ 500.00	\$ 1,000.00	\$ 1,500.00	\$ 3,000.00
TOTAL CALCULATED BID AMOUNT					\$ 1,869,251.10		\$ 1,999,496.00		\$ 2,155,550.00
(Not Including Additive Alternate No. 1 Items)									



BID TABULATION
 Contract No. 1 - Water Main Improvements
 Garrard County Water Association
 Lancaster, Kentucky
 KEG Project No. 16039
 BID OPENING Wednesday September 6, 2017, 2:00 pm EST

Item No.	Description	Quantity	Unit	Weddle Enterprises Somerset, KY		Cumberland Pipeline LLC. Russell Springs, KY		Ford Contracting, Inc. Lancaster, KY	
				\$ / Unit	Bid Amount	\$ / Unit	Bid Amount	\$ / Unit	Bid Amount
1	10 inch Water Main, PVC Pipe, Class 200 SDR 21 with all appurtenances and fittings	17,830	LF	\$ 19.07	\$ 341,712.00	\$ 24.60	\$ 437,960.00	\$ 23.50	\$ 418,800.00
2	8 inch Water Main, PVC Pipe, Class 200 SDR 21 with all appurtenances and fittings	35,018	LF	\$ 19.83	\$ 694,750.00	\$ 19.43	\$ 679,700.00	\$ 19.50	\$ 682,500.00
3	6 inch Water Main, PVC Pipe, Class 200 SDR 21 with all appurtenances and fittings	11,020	LF	\$ 16.01	\$ 176,110.00	\$ 17.45	\$ 191,950.00	\$ 20.00	\$ 220,000.00
4	4 inch Water Main, PVC Pipe, Class 200 SDR 21 with all appurtenances and fittings	6,701	LF	\$ 13.10	\$ 87,770.00	\$ 15.20	\$ 101,840.00	\$ 15.00	\$ 100,500.00
5	3 inch Water Main, PVC Pipe, Class 200 SDR 21 with all appurtenances and fittings	2,700	LF	\$ 59.00	\$ 158,600.00	\$ 14.12	\$ 38,124.00	\$ 41.00	\$ 110,700.00
6	6 inch Water Main, Ductile Iron Pipe, Class 150 with all appurtenances and fittings	470	LF	\$ 21.70	\$ 8,800.00	\$ 22.70	\$ 9,080.00	\$ 47.00	\$ 18,800.00
7	Directional Boring with 32" HDPE Pipe for Creek Crossing, Complete in Place	40	LF	\$ 542.90	\$ 21,716.00	\$ 275.30	\$ 11,012.00	\$ 250.00	\$ 10,000.00
8	Directional Boring with 18" HDPE Pipe for Creek Crossing, Complete in Place	370	LF	\$ 245.87	\$ 90,971.90	\$ 182.40	\$ 67,488.00	\$ 220.00	\$ 81,400.00
9	Directional Boring with 8" HDPE Pipe for Creek Crossing, Complete in Place	210	LF	\$ 193.87	\$ 73,609.30	\$ 143.25	\$ 55,867.50	\$ 210.00	\$ 81,900.00
10	Directional Boring with 6" HDPE Pipe for Creek Crossing, Complete in Place	130	LF	\$ 138.94	\$ 21,883.40	\$ 114.26	\$ 15,868.60	\$ 170.00	\$ 18,700.00
11	Highway Boring with 18" Steel Casing Pipe Complete in Place	150	LF	\$ 227.20	\$ 34,080.00	\$ 330.50	\$ 49,575.00	\$ 245.00	\$ 36,750.00
12	Highway Boring with 14" Steel Casing Pipe Complete in Place	360	LF	\$ 198.10	\$ 71,316.00	\$ 314.75	\$ 113,310.00	\$ 235.00	\$ 84,600.00
13	Highway Boring with 12" Steel Casing Pipe Complete in Place	180	LF	\$ 145.60	\$ 26,208.00	\$ 288.85	\$ 51,993.00	\$ 140.00	\$ 28,800.00
14	Highway Boring with 10" Steel Casing Pipe Complete in Place	60	LF	\$ 124.25	\$ 4,970.00	\$ 288.55	\$ 11,542.00	\$ 160.00	\$ 6,400.00
15	Highway Boring with 8" Steel Casing Pipe Complete in Place	480	LF	\$ 93.75	\$ 17,955.00	\$ 291.29	\$ 52,432.20	\$ 150.00	\$ 27,000.00
16	10 inch Gate Valve and Box, Complete in Place	1	EA	\$ 2,107.50	\$ 6,322.50	\$ 1,503.00	\$ 4,509.00	\$ 2,000.00	\$ 6,000.00
17	8 inch Gate Valve and Box, Complete in Place	11	EA	\$ 1,380.00	\$ 15,180.00	\$ 1,004.00	\$ 11,044.00	\$ 1,300.00	\$ 14,300.00
18	6 inch Gate Valve and Box, Complete in Place	3	EA	\$ 802.00	\$ 2,586.00	\$ 670.20	\$ 2,010.60	\$ 960.00	\$ 2,760.00
19	4 inch Gate Valve and Box, Complete in Place	2	EA	\$ 727.00	\$ 1,454.00	\$ 540.65	\$ 1,081.30	\$ 750.00	\$ 1,500.00
20	3 inch Gate Valve and Box, Complete in Place	4	EA	\$ 688.00	\$ 1,376.00	\$ 493.25	\$ 986.50	\$ 725.00	\$ 1,450.00
21	2 inch Gate Valve and Box, Complete in Place	6	EA	\$ 580.00	\$ 1,528.00	\$ 385.50	\$ 2,313.00	\$ 600.00	\$ 3,600.00
22	4 inch Gate Valve Insertion and Box, Complete in Place	2	EA	\$ 4,115.00	\$ 8,230.00	\$ 6,992.00	\$ 13,784.00	\$ 6,000.00	\$ 12,000.00
23	Gas Main Crossing with 18" PVC SDR 26 Casing Pipe, Complete in Place	100	LF	\$ 57.40	\$ 5,740.00	\$ 127.97	\$ 12,797.00	\$ 60.00	\$ 6,000.00
24	Gas Main Crossing with 10" PVC SDR 26 Casing Pipe, Complete in Place	200	LF	\$ 51.00	\$ 10,200.00	\$ 117.86	\$ 23,572.00	\$ 75.00	\$ 15,000.00
25	10 inch Wet Tap Connection to Existing Water Main, Including Tapping Sleeve and Valve, Complete in Place	1	EA	\$ 3,782.00	\$ 3,782.00	\$ 2,540.00	\$ 2,540.00	\$ 3,700.00	\$ 3,700.00
26	8 inch Wet Tap Connection to Existing Water Main, Including Tapping Sleeve and Valve, Complete in Place	1	EA	\$ 2,783.30	\$ 2,783.30	\$ 2,484.00	\$ 2,484.00	\$ 2,600.00	\$ 2,600.00
27	6 inch Wet Tap Connection to Existing Water Main, Including Tapping Sleeve and Valve, Complete in Place	6	EA	\$ 2,008.30	\$ 12,049.80	\$ 1,926.00	\$ 11,556.00	\$ 2,100.00	\$ 12,600.00
28	4 inch Wet Tap Connection to Existing Water Main, Including Tapping Sleeve and Valve, Complete in Place	5	EA	\$ 1,794.10	\$ 8,970.50	\$ 1,750.00	\$ 8,750.00	\$ 1,800.00	\$ 9,000.00
29	3 inch Wet Tap Connection to Existing Water Main, Including Tapping Sleeve and Valve, Complete in Place	7	EA	\$ 1,739.00	\$ 12,173.00	\$ 1,561.00	\$ 10,927.00	\$ 2,500.00	\$ 17,500.00
30	Connection to Existing Water Main, Dry Clean Box, Complete in Place	8	EA	\$ 581.70	\$ 4,653.60	\$ 1,605.00	\$ 12,840.00	\$ 1,000.00	\$ 8,000.00
31	Flushing Hydrant Assembly, Complete in Place	10	EA	\$ 3,820.65	\$ 38,206.50	\$ 3,525.00	\$ 35,250.00	\$ 3,700.00	\$ 37,000.00
32	Blowoff Assembly, Complete in Place	9	EA	\$ 1,965.80	\$ 17,692.20	\$ 1,465.00	\$ 13,185.00	\$ 1,400.00	\$ 12,600.00
33	Main Line PRV, Complete in Place	1	EA	\$ 15,283.18	\$ 15,283.18	\$ 20,094.00	\$ 20,094.00	\$ 12,200.00	\$ 12,200.00
34	Air Release Assembly, Complete in Place	10	EA	\$ 656.15	\$ 6,561.50	\$ 682.00	\$ 6,820.00	\$ 800.00	\$ 8,000.00
35	Reconnect Existing Meter to New Existing Water Main, with New Service Line, Complete in Place	41	EA	\$ 313.50	\$ 12,853.50	\$ 897.00	\$ 36,877.00	\$ 1,000.00	\$ 41,000.00
36	Additional 1/2 inch Service Tapping, Complete in Place	700	LF	\$ 11.75	\$ 8,225.00	\$ 12.73	\$ 8,911.00	\$ 7.00	\$ 4,900.00
37	Cut and Plug Existing Water Main, Complete in Place	9	EA	\$ 226.70	\$ 2,040.30	\$ 800.00	\$ 7,200.00	\$ 700.00	\$ 6,300.00
38	Customer Meter Service, Complete in Place	18	EA	\$ 637.00	\$ 11,286.00	\$ 991.00	\$ 17,838.00	\$ 1,500.00	\$ 27,000.00
39	Copper Leak Buster Pump Station, Complete in Place	1	LS	\$ 145,000.00	\$ 145,000.00	\$ 116,656.00	\$ 116,656.00	\$ 130,000.00	\$ 130,000.00
ADDITIVE ALTERNATE NO. 1 BID PRICES									
4	6 inch Water Main, PVC Pipe, Class 200 SDR 21 with all appurtenances and fittings	7,430	LF	\$ 10.18	\$ 72,789.00	\$ 17.51	\$ 129,321.00	\$ 15.00	\$ 111,600.00
5	4 inch Water Main, PVC Pipe, Class 200 SDR 21 with all appurtenances and fittings	1,600	LF	\$ 25.00	\$ 25,000.00	\$ 15.09	\$ 15,090.00	\$ 15.00	\$ 15,000.00
6	Highway Boring with 18" Steel Casing Pipe Complete in Place	40	LF	\$ 137.17	\$ 4,886.80	\$ 291.15	\$ 11,766.00	\$ 150.00	\$ 6,000.00
7	6 inch Wet Tap Connection to Existing Water Main, Including Tapping Sleeve and Valve, Complete in Place	1	EA	\$ 2,570.00	\$ 2,570.00	\$ 1,926.00	\$ 1,926.00	\$ 2,100.00	\$ 2,100.00
8	Connection to Existing Water Main, Dry Clean Box, Complete in Place	1	EA	\$ 1,231.50	\$ 1,231.50	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00
9	Reconnect Existing Meter to New Existing Water Main, with New Service Line, Complete in Place	3	EA	\$ 380.00	\$ 1,140.00	\$ 795.00	\$ 2,385.00	\$ 800.00	\$ 2,400.00
10	Cut and Plug Existing Water Main, Complete in Place	2	EA	\$ 300.00	\$ 600.00	\$ 830.00	\$ 1,660.00	\$ 700.00	\$ 1,400.00
TOTAL CALCULATED BID AMOUNT									
(Not Including Additive Alternate No. 1 Items)					\$ 2,191,205.88		\$ 2,285,531.70		\$ 2,351,000.00



BID TABULATION
 Contract No. 1 - Water Main Improvements
 Garrard County Water Association
 Lancaster, Kentucky
 KEG Project No. 16039
 BID OPENING: Wednesday, September 6, 2017, 2:00 pm EST

Item No.	Description	Quantity	Unit	Hubert Excavating & Contracting Lawrenceburg, KY		Mike Enyart & Sons, Inc. South Point, OH		Norris Bros Excavating Crossville, TN	
				\$ / Unit	Bid Amount	\$ / Unit	Bid Amount	\$ / Unit	Bid Amount
1	10 inch Water Main, PVC Pipe, Class 200, SDR 21 with all appurtenances and fittings	17,000	LF	\$ 29.00	\$ 499,000.00	\$ 34.00	\$ 578,000.00	\$ 38.00	\$ 652,600.00
2	8 inch Water Main, PVC Pipe, Class 200, SDR 21 with all appurtenances and fittings	15,000	LF	\$ 21.00	\$ 315,000.00	\$ 31.00	\$ 465,000.00	\$ 33.95	\$ 509,250.00
3	6 inch Water Main, PVC Pipe, Class 200, SDR 21 with all appurtenances and fittings	11,000	LF	\$ 21.00	\$ 231,000.00	\$ 29.00	\$ 319,000.00	\$ 31.04	\$ 341,440.00
4	4 inch Water Main, PVC Pipe, Class 200, SDR 21 with all appurtenances and fittings	6,700	LF	\$ 20.00	\$ 134,000.00	\$ 25.00	\$ 167,500.00	\$ 29.10	\$ 194,970.00
5	3 inch Water Main, PVC Pipe, Class 200, SDR 21 with all appurtenances and fittings	2,700	LF	\$ 20.00	\$ 54,000.00	\$ 23.00	\$ 62,100.00	\$ 17.45	\$ 47,142.00
6	6 inch Water Main, Ductile Iron Pipe, Class 150, with all appurtenances and fittings	400	LF	\$ 30.00	\$ 12,000.00	\$ 40.00	\$ 16,000.00	\$ 50.44	\$ 20,176.00
7	Directional Boring with 12" HDPE Pipe for Creek Crossing Complete In Place	40	LF	\$ 170.00	\$ 6,800.00	\$ 300.00	\$ 12,000.00	\$ 213.40	\$ 8,536.00
8	Directional Boring with 10" HDPE Pipe for Creek Crossing Complete In Place	370	LF	\$ 150.00	\$ 55,500.00	\$ 275.00	\$ 101,750.00	\$ 271.60	\$ 100,492.00
9	Directional Boring with 8" HDPE Pipe for Creek Crossing Complete In Place	810	LF	\$ 150.00	\$ 121,500.00	\$ 185.00	\$ 150,150.00	\$ 194.00	\$ 157,660.00
10	Directional Boring with 6" HDPE Pipe for Creek Crossing Complete In Place	310	LF	\$ 145.00	\$ 44,850.00	\$ 185.00	\$ 57,350.00	\$ 179.45	\$ 55,629.50
11	Highway Boring with 16" Steel Casing Pipe Complete In Place	100	LF	\$ 260.00	\$ 26,000.00	\$ 320.00	\$ 32,000.00	\$ 339.50	\$ 33,950.00
12	Highway Boring with 14" Steel Casing Pipe Complete In Place	300	LF	\$ 250.00	\$ 75,000.00	\$ 300.00	\$ 90,000.00	\$ 300.70	\$ 90,210.00
13	Highway Boring with 12" Steel Casing Pipe Complete In Place	280	LF	\$ 165.00	\$ 46,200.00	\$ 285.00	\$ 79,800.00	\$ 233.10	\$ 65,268.00
14	Highway Boring with 10" Steel Casing Pipe Complete In Place	60	LF	\$ 155.00	\$ 9,300.00	\$ 285.00	\$ 17,100.00	\$ 184.30	\$ 11,058.00
15	Highway Boring with 8" Steel Casing Pipe Complete In Place	680	LF	\$ 155.00	\$ 105,400.00	\$ 285.00	\$ 193,800.00	\$ 155.20	\$ 106,576.00
16	10 inch Gate Valve and Box, Complete In Place	3	EA	\$ 2,000.00	\$ 6,000.00	\$ 1,995.85	\$ 5,987.55	\$ 3,395.00	\$ 10,185.00
17	8 inch Gate Valve and Box, Complete In Place	11	EA	\$ 1,475.00	\$ 16,225.00	\$ 1,358.86	\$ 14,947.46	\$ 1,891.50	\$ 20,806.50
18	6 inch Gate Valve and Box, Complete In Place	5	EA	\$ 1,000.00	\$ 5,000.00	\$ 956.79	\$ 4,783.95	\$ 970.00	\$ 4,850.00
19	4 inch Gate Valve and Box, Complete In Place	2	EA	\$ 800.00	\$ 1,600.00	\$ 800.00	\$ 1,600.00	\$ 921.50	\$ 1,843.00
20	3 inch Gate Valve and Box, Complete In Place	2	EA	\$ 700.00	\$ 1,400.00	\$ 704.25	\$ 1,408.50	\$ 824.50	\$ 1,649.00
21	2 inch Gate Valve and Box, Complete In Place	6	EA	\$ 565.00	\$ 3,390.00	\$ 600.00	\$ 3,600.00	\$ 776.00	\$ 4,656.00
22	6 inch Gate Valve Insertion and Box, Complete In Place	2	EA	\$ 5,400.00	\$ 10,800.00	\$ 6,625.00	\$ 13,250.00	\$ 5,432.00	\$ 10,864.00
23	Gas Main Crossing, with 14" PVC SDR 35 Casing Pipe, Complete In Place	100	LF	\$ 90.00	\$ 9,000.00	\$ 62.72	\$ 6,272.00	\$ 29.10	\$ 2,910.00
24	Gas Main Crossing, with 16" PVC SDR 35 Casing Pipe, Complete In Place	220	LF	\$ 50.00	\$ 11,000.00	\$ 46.80	\$ 10,300.00	\$ 29.10	\$ 6,402.00
25	10 inch Wet Tap Connection to Existing Water Main, Including Tapping Sleeve and Valve, Complete In Place	1	EA	\$ 3,500.00	\$ 3,500.00	\$ 3,000.00	\$ 3,000.00	\$ 4,753.00	\$ 4,753.00
26	8 inch Wet Tap Connection to Existing Water Main, Including Tapping Sleeve and Valve, Complete In Place	1	EA	\$ 2,600.00	\$ 2,600.00	\$ 2,500.00	\$ 2,500.00	\$ 4,656.00	\$ 4,656.00
27	6 inch Wet Tap Connection to Existing Water Main, Including Tapping Sleeve and Valve, Complete In Place	6	EA	\$ 2,100.00	\$ 12,600.00	\$ 2,000.00	\$ 12,000.00	\$ 4,559.00	\$ 27,354.00
28	4 inch Wet Tap Connection to Existing Water Main, Including Tapping Sleeve and Valve, Complete In Place	5	EA	\$ 1,900.00	\$ 9,500.00	\$ 1,500.00	\$ 7,500.00	\$ 4,462.00	\$ 22,310.00
29	3 inch Wet Tap Connection to Existing Water Main, Including Tapping Sleeve and Valve, Complete In Place	9	EA	\$ 1,800.00	\$ 16,200.00	\$ 1,200.00	\$ 10,800.00	\$ 4,365.00	\$ 39,285.00
30	Connection to Existing Water Main, Dry Connection, Complete In Place	8	EA	\$ 3,100.00	\$ 24,800.00	\$ 2,100.00	\$ 16,800.00	\$ 4,365.00	\$ 34,920.00
31	Flushing Hydrant Assembly, Complete In Place	10	EA	\$ 3,600.00	\$ 36,000.00	\$ 3,800.00	\$ 38,000.00	\$ 3,395.00	\$ 33,950.00
32	Blowoff Assembly, Complete In Place	7	EA	\$ 1,175.00	\$ 8,225.00	\$ 3,275.00	\$ 22,925.00	\$ 2,861.50	\$ 20,030.50
33	Main Line PRV, Complete In Place	1	EA	\$ 15,000.00	\$ 15,000.00	\$ 14,375.00	\$ 14,375.00	\$ 38,315.00	\$ 38,315.00
34	Air Release Assembly, Complete In Place	10	EA	\$ 460.00	\$ 4,600.00	\$ 891.25	\$ 8,912.50	\$ 1,164.00	\$ 11,640.00
35	Reconnect Existing Meter to New/Existing Water Main with New Service Line, Complete In Place	66	EA	\$ 560.00	\$ 36,960.00	\$ 661.25	\$ 43,642.50	\$ 873.00	\$ 57,618.00
36	Additional 1/2 inch Service Tubing, Complete In Place	700	LF	\$ 9.00	\$ 6,300.00	\$ 22.14	\$ 15,498.00	\$ 26.25	\$ 18,375.00
37	Cut and Plug Existing Water Main, Complete In Place	9	EA	\$ 3,000.00	\$ 27,000.00	\$ 330.00	\$ 2,970.00	\$ 4,365.00	\$ 39,285.00
38	Customer Meter Service, Complete In Place	18	EA	\$ 800.00	\$ 14,400.00	\$ 920.00	\$ 16,560.00	\$ 1,164.00	\$ 20,952.00
39	Copper Creek Booster Pump Station, Complete In Place	1	LS	\$ 129,810.00	\$ 129,810.00	\$ 141,565.00	\$ 141,565.00	\$ 179,450.00	\$ 179,450.00
ADDITIVE ALTERNATE NO. 1 BID PRICES									
1	6 inch Water Main, PVC Pipe, Class 100, SDR 21 with all appurtenances and fittings	7,100	LF	\$ 25.00	\$ 177,500.00	\$ 29.00	\$ 205,900.00	\$ 31.04	\$ 220,384.00
2	4 inch Water Main, PVC Pipe, Class 100, SDR 21 with all appurtenances and fittings	1,000	LF	\$ 20.00	\$ 20,000.00	\$ 25.00	\$ 25,000.00	\$ 29.10	\$ 29,100.00
3	Highway Boring with 10" Steel Casing Pipe Complete In Place	40	LF	\$ 170.00	\$ 6,800.00	\$ 285.00	\$ 11,400.00	\$ 194.00	\$ 7,760.00
4	8 inch Wet Tap Connection to Existing Water Main, Including Tapping Sleeve and Valve, Complete In Place	1	EA	\$ 2,500.00	\$ 2,500.00	\$ 2,000.00	\$ 2,000.00	\$ 4,365.00	\$ 4,365.00
5	Connection to Existing Water Main, Dry Connection, Complete In Place	1	EA	\$ 5,000.00	\$ 5,000.00	\$ 3,300.00	\$ 3,300.00	\$ 4,365.00	\$ 4,365.00
6	Reconnect Existing Meter to New/Existing Water Main with New Service Line, Complete In Place	3	EA	\$ 608.70	\$ 1,826.10	\$ 661.25	\$ 1,983.75	\$ 970.00	\$ 2,910.00
7	Cut and Plug Existing Water Main, Complete In Place	2	EA	\$ 3,186.95	\$ 6,373.90	\$ 350.00	\$ 700.00	\$ 4,365.00	\$ 8,730.00
TOTAL CALCULATED BID AMOUNT					\$ 2,400,000.00		\$ 3,128,605.13		\$ 3,498,256.50
(Not Including Additive Alternate No. 1 Items)									

*Numbers in Red indicate errors in Contractor's Bid Amount Calculations.

I certify that this is true and accurate tabulation of the bids.

The above is a true and complete tabulation of the bids received at 2:00 p.m. local time, Wednesday, September 6, 2017 at the Garrard County Water Association Office, Lancaster, Kentucky.

KENTUCKY ENGINEERING GROUP, PLLC

By: _____

Ryan Carr

Ryan Carr, PE



September 11, 2017

Mr. Sean Smith
Garrard County Water Association
315 Lexington Road
Lancaster, Kentucky 40444

RE: Contract 2 – 250,000 Gallon Elevated Water Storage Tank

Dear Mr. Smith:

Bids for the above referenced project were opened Wednesday, September 6, 2017 at 2:00 pm EST. There was a tie for the low bidder between Maguire Iron, Inc. and Phoenix Fabricators and Erectors, Inc. each with a bid of \$809,000.

Upon review of the bid documents, Maguire Iron, Inc. listed eleven (11) "tank references" over the past two years while Phoenix Fabricators and Erectors, Inc. listed sixty-nine (69) "tank references" dating back to 2009. Phoenix has two recent tanks that have been completed in the state of Kentucky with another currently under construction while Maguire Iron did not list any projects that have been completed in Kentucky. Phoenix also has a fabrication facility located in Sebree, KY.

Kentucky Engineering Group, PLLC recommends that Garrard County Water Association review the information listed above and KRS 45A.494 concerning the relevant Preference in Bidding statute. It pertains to resident bidders and non-resident bidders. KRS 45A.494(4) even addresses the situation of a tie bid between a resident and a non-resident bidder.

A copy of the certified bid tabulation is attached to this letter.

If you have any questions or need additional information please contact me at your earliest convenience.

Sincerely,

KENTUCKY ENGINEERING GROUP, PLLC

A handwritten signature in blue ink that reads "Ryan Carr". The signature is written in a cursive style and is positioned above a horizontal line.

Ryan Carr, P.E.
Project Manager

cc: File w/enclosures

P.O. Box 1034
Versailles, Kentucky 40383
Phone: (859) 251.4127
Fax: (859) 251.4137
Email: info@kyengr.com
www.kyengr.com



BID TABULATION

Contract No. 2 - 250,000 Gallon Elevated Water Storage Tank
 Garrard County Water Association
 Lancaster, Kentucky
 KEG Project No. 16039
 BID OPENING: Wednesday, September 6, 2017, 2:00 pm EST

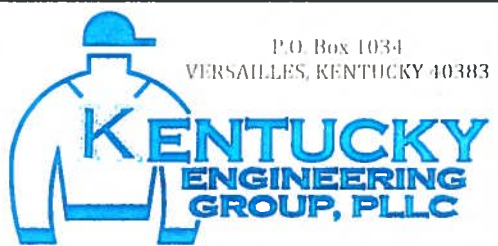
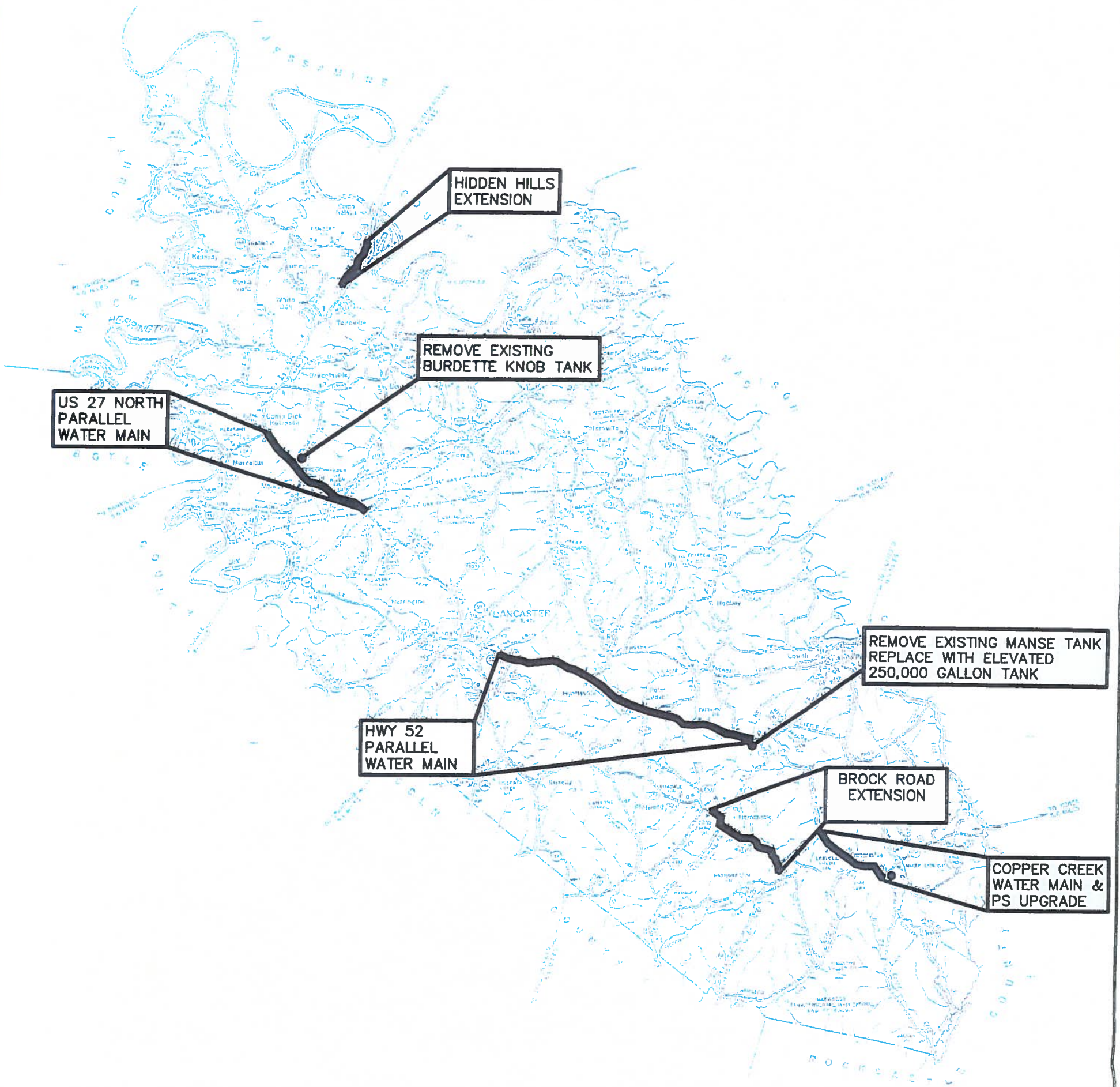
Item No.	Description	Quantity	Unit	Maguire Iron, Inc. Sioux Falls, SD		Phoenix Fabricators & Erectors, Inc. Avon, IN		Caldwell Tanks, Inc. Louisville, KY	
				\$ / Unit	Bid Amount	\$ / Unit	Bid Amount	\$ / Unit	Bid Amount
1	250,000 Gallon Elevated Water Storage Tank & Foundation with all appurtenances. Complete In Place	1	LS	\$ 704,000.00	\$ 704,000.00	\$ 669,500.00	\$ 669,500.00	\$ 756,000.00	\$ 756,000.00
2	Site Grading, Access Road & Site Restoration. Complete In Place	1	LS	\$ 5,000.00	\$ 5,000.00	\$ 32,000.00	\$ 32,000.00	\$ 10,000.00	\$ 10,000.00
3	Piping, Valves, Vault, Hydrant, Fittings. Complete In Place	1	LS	\$ 50,000.00	\$ 50,000.00	\$ 61,900.00	\$ 61,900.00	\$ 32,000.00	\$ 32,000.00
4	Chain Link Security Fence & Gate. Complete In Place.	1	LS	\$ 13,000.00	\$ 13,000.00	\$ 9,200.00	\$ 9,200.00	\$ 12,000.00	\$ 12,000.00
5	Existing Manse Tank Demolition	1	LS	\$ 16,000.00	\$ 16,000.00	\$ 16,100.00	\$ 16,100.00	\$ 16,000.00	\$ 16,000.00
6	Existing Burdette Knob Tank Demolition	1	LS	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00
7	Existing Harmons Lick Tank Demolition	1	LS	\$ 9,000.00	\$ 9,000.00	\$ 8,300.00	\$ 8,300.00	\$ 8,000.00	\$ 8,000.00
TOTAL CALCULATED BID AMOUNT				\$ 809,000.00		\$ 809,000.00		\$ 846,000.00	

*Numbers in Red indicate errors in Contractor's Bid Amount Calculations

I certify that this is true and accurate tabulation of the bids.
 The above is a true and complete tabulation of the bids received at 2:00 p.m. local time, Wednesday, September 6, 2017 at the Garrard County Water Association Office, Lancaster, Kentucky

KENTUCKY ENGINEERING GROUP, PLLC

By Ryan Carr
 Ryan Carr, PE



P.O. Box 1034
VERSAILLES, KENTUCKY 40383

GARRARD COUNTY WATER ASSOCIATION
2016 WATER SYSTEM IMPROVEMENTS
FEBRUARY, 2016

PROJECT NO.

SHEET NO.
1

Application
CONTAINS
LARGE OR OVERSIZED
MAP(S)

RECEIVED ON:
09/29/2017