

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 Email: rh@rubinhays.com

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

PARALEGAL
MARY M. EMBRY

January 30, 2004

RECEIVED
FEB 02 2004
PUBLIC SERVICE
COMMISSION

Mr. Thomas Dorman
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, Kentucky 40602

Re: Pendleton County Water District PSC Application

2004-00034

Dear Mr. Dorman:

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

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

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

Sincerely,

Rubin & Hays

By


W. Randall Jones

WRJ:jlm
Enclosures
cc: Distribution List

DISTRIBUTION LIST

Account No. 903.0000

Re: Pendleton County Water District Waterworks Revenue Bonds, Series 2004

Mr. Kenneth Slone
State Director
Rural Development
771 Corporate Drive, Suite 200
Lexington, Kentucky 40503-5477

Telephone: (859) 224-7336
Fax: (859) 224-7425

Mr. Elwood Howe
Rural Development
220 West First Street
Morehead, Kentucky 40351

Telephone: (606) 784-6447
Fax: (606) 784-2076

Mr. William Jones, Manager
Pendleton County Water District
P.O. Box 232
Falmouth, Kentucky 41040

Telephone: (859) 654-6964
Fax: (859) 654-7032

Mr. Bill Mitchell
Community Development Office
P.O. Box 231
Falmouth, Kentucky 41040

Telephone: (859) 654-4567

Mr. Don Willingham
PDR Engineers, Inc.
800 Corporate Drive, Suite 100
Lexington, Kentucky 40503

Telephone: (859) 223-8000
Fax: (859) 224-1025

Judy M. Wright, Esq.
Wright & Wright
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Falmouth, Kentucky 41040

Telephone: (859) 654-2929
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W. Randall Jones, Esq.
Rubin & Hays
Kentucky Home Trust Building
450 South Third Street
Louisville, Kentucky 40202

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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED
FEB 02 2004
PUBLIC SERVICE
COMMISSION

In the Matter of:

**THE APPLICATION OF PENDLETON COUNTY)
WATER DISTRICT OF PENDLETON AND CAMPBELL)
COUNTIES KENTUCKY, FOR A CERTIFICATE OF)
PUBLIC CONVENIENCE AND NECESSITY)
TO CONSTRUCT, FINANCE AND INCREASE)
RATES PURSUANT TO KRS 278.023)**

CASE NO. 2004-00034

A P P L I C A T I O N

This Application of the Pendleton County Water District ("Applicant") of Pendleton and Campbell Counties, Kentucky, respectfully shows:

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

2. That the post office address of Applicant is:

Pendleton County Water District
c/o Mr. William Jones, Manager
P.O. Box 232
Falmouth, Kentucky 41040

3. That Applicant, pursuant to the provisions of KRS 278.020 and 278.023, seeks (i) a Certificate of Public Convenience and Necessity, permitting Applicant to construct a water system 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 installation of approximately 19.7 miles of 3, 4, 6 and 8 inch waterline and the construction of a 200,000 gallon elevated water storage tank with appurtenances, including telemetry additions.

5. That Applicant proposes to finance the construction of the Project through (i) the issuance of \$596,000 of its Water and Sewer Revenue Bonds, Series 2004; (ii) a Community Development Block grant ("CDBG") grant in the amount of \$844,000; (iii) a Pendleton County Fiscal Court grant in the amount of \$300,000; and (iv) an Applicant contribution in the amount of

\$181,000. Applicant has a commitment from RD to purchase said \$596,000 of bonds maturing over a 40-year period, at an interest rate of not exceeding 4.625% per annum, as set out in the RD Letter of Conditions, as amended, filed herewith as an Exhibit.

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

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

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


8. That Applicant has arranged for the publication, prior to or at the same time this Application is filed, of a Notice of Proposed Water Rates pursuant to Section 4 of 807 KAR 5:069, in the Falmouth Outlook and the Campbell County Recorder, which are the newspapers of general circulation in Applicant's service area and in Pendleton and Campbell Counties, Kentucky. Said Notice sets out the current rates and the proposed rates of Applicant and a short description of the construction Project. A copy of said Notice is filed herewith as **Exhibit "D"**.

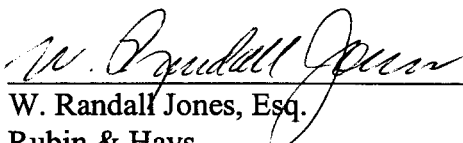
9. That the foregoing constitutes the documents necessary to obtain the approval of the Kentucky Public Service Commission in accordance with Section 278.023 of the Kentucky Revised Statutes and in accordance with the "Minimum Filing Requirements" specified in 807 KAR 5:069, Section 3.

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

- a. A Certificate of Public Convenience and Necessity permitting Applicant to construct a water system improvement project.
- b. An Order approving the financing arrangements made by Applicant, viz., (i) the issuance of \$596,000 of Pendleton County Water District Water and Sewer Revenue Bonds, Series 2004, at an interest rate of not exceeding 4.625% per annum; (ii) a CDBG grant in the amount of \$844,000; (iii) a Pendleton County Fiscal Court grant in the amount of \$300,000; and (iv) an Applicant contribution in the amount of \$181,000.
- c. An Order approving the proposed water rates as set out in Section 23 of the RD Letter of Conditions, as amended, filed herewith as an Exhibit.

PENDLETON COUNTY WATER DISTRICT

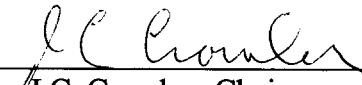
By: 
Chairman
Board of Water Commissioners


W. Randall Jones, Esq.
Rubin & Hays
Counsel for Applicant
Kentucky Home Trust Building
450 South Third Street
Louisville, Kentucky 40202
(502) 569-7525

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF PENDLETON)

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

IN TESTIMONY WHEREOF, witness the signature of the undersigned on this Jan 28, 2004.



J.C. Crowley, Chairman
Pendleton County Water District

Subscribed and sworn to before me by J.C. Crowley, Chairman of the Board of Commissioners of the Pendleton County Water District, on this Jan 28, 2004.

My Commission expires: 4-18-06.



Notary Public



May 13, 2003

Dr. J. C. Crowley, Chairman
Pendleton County Water District
P.O. Box 232
Falmouth, Kentucky 41040

Dear Dr. Crowley:

This letter establishes conditions which must be understood and agreed to by you before further consideration may be given to the application. The loan 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 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 \$596,000, a Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) of \$844,000, and a Pendleton County Fiscal Court contribution of \$300,000.

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 1,766 water users, of which 1,620 are existing users and 146 are new users contributing \$65,000 in connection fees toward the cost of the project. The connection fees will be collected prior to advertising for construction bids and will be placed in the construction account at loan pre-closing, unless spent for authorized purposes prior to loan pre-closing. The Rural Development Manager will review and authenticate the number of users and amount of connection fees prior to advertising for construction bids. No contribution is required from the Water District.

2. Repayment Period:

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

3. Recommended Repayment Method:

Payments on this loan can 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 SF 5510, "Authorization Agreement for Preauthorized Payments," should be signed by the District to authorize the electronic withdrawal of funds from your designated bank account on the exact installment payment due date. The Rural Development Manager will furnish the necessary forms and further guidance on the PAD procedure.

4. Funded Depreciation Reserve Account:

The Water District will be required to deposit \$280.00 per month into a "Funded Depreciation Reserve Account" until the account reaches \$33,600. The deposits are to be resumed any time the account falls below the \$33,600.

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

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

5. Security Requirements:

A combined pledge of gross water revenue will be provided in the Bond Resolution. Bonds shall rank on a parity with existing bonds, if possible. If this is not possible, the bond will be subordinate and junior to the existing bonds, in which case the Water District will be required to abrogate its right to issue additional bonds ranking on a parity

with the existing bonds, so long as any unpaid indebtedness remains on this bond issue.

6. Land Rights and Real Property:

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

7. Organization:

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

8. Business Operations:

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

9. Accounts, Records and Audits:

The Water District will be required to maintain adequate records and accounts and submit annual budgets and year-end reports (annual audits) in accordance with subsection 1780.47 of RUS Instruction 1780 and RUS Staff Instruction 1780-4, a copy of which is enclosed.

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

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

11. 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 Water District. The Water District should obtain amounts of coverage as recommended by its attorney, consulting engineer and/or insurance provider.
- B. Worker's Compensation - The Water District will carry worker's compensation insurance for employees in accordance with applicable state laws.

- C. Fidelity Bond - The Water District will provide Fidelity Bond Coverage for all persons who have access to funds. Coverage may be provided either for all individual positions or persons, or through "blanket" coverage providing protection for all appropriate employees and/or officials. The amount of coverage required for all RUS loans is \$93,000.
- D. Real Property Insurance - The Water District will obtain and maintain adequate fire and extended coverage on all structures including major items of equipment or machinery located in the structures. The amounts of coverage should be based on recommendations obtained by the Water District from its attorney, consulting engineer and/or insurance provider. Subsurface lift stations do not have to be covered except for the value of electrical and pumping equipment therein.
- E. Flood Insurance - The Water District will obtain and maintain adequate coverage on any facilities located in a special flood and mudslide prone areas.

12. 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 "21" 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 Rural Development Manager is prepared to furnish the necessary guide for him to follow so as to keep the project plans and documents within our guidelines and requirements. The project should not be advertised for construction bids until all easements and enforceable options have been obtained, and total funds are committed or available for the project.
- B. The following documents will be submitted to Rural Development for review and must be concurred in by Rural Development prior to advertisement for construction bids:
 - 1. Final plans, specifications and bid documents.
 - 2. Applicant's letter on efforts to encourage small business and minority-owned business participation.
 - 3. Legal Service Agreements.
 - 4. Engineering Agreements.

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

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

13. Compliance with Section 504 of the Rehabilitation Act of 1973:

The Water District will be required to comply with Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), in order to make sure no handicapped individual, solely by reason of their handicap, is excluded from participation in the use of the water system, be denied the benefits of the water system, or be subjected to discrimination.

14. 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 Water District.

15. Compliance with Special Laws and Regulations:

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

16. System Operator:

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

17. Prior to Pre-Closing the Loan, the Water District will be Required to Adopt:

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

The Water District must offer the opportunity for all residents in the service area to become users of the facilities regardless of race, creed, color, religion, sex, national origin, marital status, physical or mental handicap or level of income.

18. Refinancing and Graduation Requirements:

The Water District is reminded that if at any time it shall appear to the Government that the Water District is able to refinance the amount of the RUS indebtedness then outstanding, in whole or in part, by obtaining a loan from commercial sources at

reasonable rates and terms, upon the request of the Government, the Water District will apply for and accept such loan in sufficient amount to repay the Government.

19. Commercial Interim Financing:

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

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

20. Disbursement of Project Funds:

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

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

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

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

21. Cost of Facility:

Breakdown of Costs:

Development	\$ 1,431,900
Land and Rights	6,000
Legal and Administrative	55,000
Engineering	171,400
Interest	7,000
Contingencies	<u>133,700</u>
TOTAL	\$ 1,805,000

Financing:

RUS Loan	\$ 596,000
HUD-CDBG	844,000
Pendleton County Fiscal Court	300,000
Applicant Contribution	<u>65,000</u>
TOTAL	\$ 1,805,000

22. Debt Collection Improvement Act (DCIA) of 1996:

The Debt Collection Improvement Act (DCIA) of 1996 requires that all federal payments after January 1, 1999, must be made by Electronic Funds Transfer/Automated Clearing House (EFT/ACH). Borrowers receiving payments by EFT will have funds directly deposited to a specified account at a financial institution with funds being available to the recipient on the date of payment. The borrower should complete Form SF-3881, "Electronic Funds Transfer Payment Enrollment Form," for each account where funds will be electronically received. The completed form(s) must be received by Rural Development at least thirty (30) days prior to the first advance of funds.

23. Rates and Charges:

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

Water rates will be at least:

A. 5/8" x 3/4" Meter:

First	2,000	gallons @ \$	18.20 - Minimum Bill.
Next	3,000	gallons @ \$	7.50 - per 1,000 gallons.
Next	10,000	gallons @ \$	7.10 - per 1,000 gallons.
All Over	15,000	gallons @ \$	6.10 - per 1,000 gallons.

B. Special Users:

1. High School:

First	125,000	gallons @ \$	782.70 - Minimum Bill.
All Over	125,000	gallons @ \$	6.10 - per 1,000 gallons.

2. Griffin Industries:

First	400,000	gallons @ \$	2,478.40 - Minimum Bill.
All Over	400,000	gallons @ \$	6.10 - per 1,000 gallons.

3. City of Butler:

First	1,650,000	gallons @ \$	3,795.00 - Minimum Bill.
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All Over 1,650,000 gallons @ \$ 2.30 - per 1,000 gallons.

24. Water Purchase Contract:

The Water District 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.

25. Commitment of HUD Grant and Pendleton County Fiscal Court Contribution:

This Letter of Conditions is issued contingent upon a firm commitment being in effect prior to advertising for construction bids for the HUD Grant in the amount of \$844,000, and for the Pendleton County Fiscal Court contribution in the amount of \$461,600.

26. Floodplain Construction:

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

27. Mitigation Measures:

- A. The project shall be in compliance with all requirements noted in the Kentucky Department for Local Government letter dated December 13, 2002, from Mr. Ronald A. Cook, Manager.
- 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 March 11, 2003, 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 affect after construction is complete. The Army Corps of Engineers Nationwide Permit No. 12 applies to all floodplain and wetland utility line construction.
- D. The design and construction shall be in compliance with all local, state and federal environmental statutes, regulations and executive orders applicable to the project.

28. Final Approval Conditions:

Final approval of this loan 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.

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

Sincerely,



KENNETH SLONE

State Director

Enclosures

cc: Rural Development Manager - Morehead, Kentucky
Community Development Manager - Flemingsburg, Kentucky
Northern Kentucky ADD - Florence, Kentucky
Judy Wright - Falmouth, Kentucky
Rubin and Hays - Louisville, Kentucky
PDR Engineers - Lexington, Kentucky
PSC - ATTN: Bob Amato - Frankfort, Kentucky



Rural Development
A mission area of the
United States Department of Agriculture

771 Corporate Drive, Suite 200
 Lexington, KY 40503-5477
 859/224-7336 Fax 859/224-7344
 TTY 859/224-7422

Rural Business
 Cooperative Service

January 22, 2004

Rural Housing
 Service

Rural Utilities
 Service

Dr. J.C. Crowley, Chairman
 Pendleton County Water District
 P.O. Box 232
 Falmouth, Kentucky 41040

Re: Letter of Conditions Dated May 13, 2003

Dear Dr. Crowley:

This letter shall serve as Amendment No. 1 to the Letter of Conditions dated May 13, 2003. The purpose of the amendment is to (1) revise the total funding requirements due to a construction bid overrun; (2) revise the rates and charges; and (3) make other editorial changes in accordance with current Rural Utilities Service (RUS) Instructions.

The Second Paragraph on Page 1 is revised to read as follows:

“ This letter is not to be considered as loan 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 \$596,000, a Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) of \$844,000, a Pendleton County Fiscal Court contribution of \$300,000, and a cash contribution from the applicant in the amount of \$116,000. ”

Paragraph numbered "21" is revised to read as follows:

“ 21. Cost of Facility:

Breakdown of Costs:

Development	\$ 1,578,500
Land and Rights	6,000
Legal and Administrative	55,000
Engineering	185,200
Interest	7,000
Contingencies	<u>89,300</u>
TOTAL	\$ 1,921,000

Financing:

RUS Loan	\$ 596,000
HUD-CDBG	844,000
Pendleton Co. Fiscal Court	300,000
Applicant Contribution	<u>181,000</u>
TOTAL	\$ 1,921,000 ”

Pendleton County Water District

Page 2

Paragraph numbered "23" is revised to read as follows:

" 23. Rates and Charges:

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

Water rates will be at least:

A. 5/8" x 3/4" Meter:

First	2,000	gallons @ \$	19.10 - Minimum Bill.
Next	3,000	gallons @ \$	8.20 - per 1,000 gallons.
Next	10,000	gallons @ \$	7.70 - per 1,000 gallons.
All Over	15,000	gallons @ \$	6.60 - per 1,000 gallons.

B. Special Users:

1. High School

First	125,000	gallons @ \$	846.70 - Minimum Bill.
All Over	125,000	gallons @ \$	6.60 - per 1,000 gallons.

2. Griffin Industries:

First	400,000	gallons @ \$	2,680.80 - Minimum Bill.
All Over	400,000	gallons @ \$	6.60 - per 1,000 gallons.

3. City of Butler:

The wholesale water rate between the City of Butler and Pendleton County Water District will be in accordance with existing Water Purchase Contracts and any amendments negotiated between the parties. "

Paragraph numbered "25" is revised to read as follows:

" 25. Commitment of HUD-CDBG Grant and Pendleton County Fiscal Court and Applicant Cash Contributions:

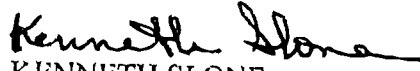
This Letter of Conditions is issued contingent upon a firm commitment being in effect prior to advertising for construction bids for the HUD-CDBG grant in the amount of \$844,000, for the Pendleton County Fiscal Court contribution in the amount of \$300,000, and for the applicant cash contribution in the amount of \$116,000. "

Pendleton County Water District

Page 3

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

Sincerely,


KENNETH SLONE
State Director

cc: Rural Development Manager - Morehead, Kentucky
Community Development Manager - Flemingsburg, Kentucky
Northern Kentucky ADD - Florence, Kentucky
Judy Wright - Falmouth, Kentucky
Rubin and Hays - Louisville, Kentucky
PDR Engineers - Lexington, Kentucky
PSC - ATTN: Bob Amato - Frankfort, Kentucky





January 16, 2004

SUBJECT: Pendleton County Water District
Water System Project
Contract Award Concurrence


TO: Rural Development Manager
Morehead, Kentucky

Based on the bids received and the recommendation of the consulting engineer, Rural Development concurs in the award of subject contract to the low bidder for contract 1, Tilton Excacating, L.L.C. , in the amount of \$1,249,980.50, and contract 2, Caldwell Tanks, Inc., in the amount of \$328,500.00

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


to  KENNETH SLONE
State Director
Rural Development

cc: Tetra Tech, Inc.
Lexington, Kentucky

 Rubin and Hays
Louisville, Kentucky


**CERTIFICATE OF CHAIRMAN OF PENDLETON COUNTY WATER DISTRICT,
AS TO STATEMENT REQUIRED BY SECTION 3(2)(D) OF 807 KAR 5:069**

I, J.C. Crowley, hereby certify that I am the duly qualified and acting Chairman of the Pendleton County Water District, and that said District is in the process of arranging to finance the construction of improvements to the water system (the "Project"), in cooperation with Tetra Tech, Inc., Lexington, Kentucky, the Engineers for the District (the "Engineers").

Based on information furnished to me by said Engineers for the District, 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 proposed by the District in its current Application filed with the Public Service Commission of Kentucky are contemplated to produce total revenue requirements set out in the Engineering Reports prepared by such Engineers and filed with the Public Service Commission.
4. That it is now contemplated that construction of the Project will begin on or about March 15, 2004, and will end on or about December 15, 2004.

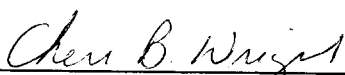
IN TESTIMONY WHEREOF, witness my signature this Jan. 28, 2004.



Chairman
Pendleton County Water District

STATE OF KENTUCKY)
) SS
COUNTY OF PENDLETON)

Subscribed and sworn to before me by J.C. Crowley, Chairman of the Board of Commissioners of the Pendleton County Water District, on this Jan 28, 2004.



Notary Public
In and For Said State and County

NOTICE OF PROPOSED WATER RATES

In accordance with the requirements of the Public Service Commission of the Commonwealth of Kentucky as set out in 807 KAR 5:069, Section 4, notice is hereby given to the customers of the Pendleton County Water District of an increase in water rates for users of the District's water system. The proposed water rates are required by the United States Department of Agriculture, acting by and through Rural Development ("RD"), in connection with a loan by RD to the District in the amount of \$596,000 to be evidenced by the issuance by the District of its Waterworks Revenue Bonds in such amount, which RD has agreed to purchase provided the District meets certain conditions of RD, including increasing water rates as set forth below:

Current Monthly Rates

All meter sizes, excluding Pendleton County High School, Griffin Industries and the City of Butler.

First 2,000 gallons	\$17.31 minimum bill
Next 3,000 gallons	7.95 per 1,000 gallons
Next 10,000 gallons	7.57 per 1,000 gallons
All over 15,000 gallons	6.49 per 1,000 gallons

Pendleton County High School

First 125,000 gallons	\$830.76 minimum bill
All over 125,000 gallons	6.49 per 1,000 gallons

Griffin Industries, Inc.

First 400,000 gallons	\$2,615.51 minimum bill
All over 400,000 gallons	6.49 per 1,000 gallons

City of Butler

First 1,672,917 gallons	\$4,500.15 minimum bill
All over 1,672,917 gallons	2.69 per 1,000 gallons

Proposed Monthly Water Rates

First 2,000 gallons	\$19.10 minimum bill
Next 3,000 gallons	8.20 per 1,000 gallons
Next 10,000 gallons	7.70 per 1,000 gallons
All over 15,000 gallons	6.60 per 1,000 gallons

Pendleton County High School

First 125,000 gallons	\$846.76 minimum bill
All over 125,000 gallons	6.60 per 1,000 gallons

Griffin Industries, Inc.

First 400,000 gallons	\$2,680.80 minimum bill
All over 400,000 gallons	6.60 per 1,000 gallons

City of Butler

The wholesale water rate between the City of Butler and Pendleton County Water District shall be established in accordance with the existing Water Purchase Contract and any amendments negotiated between the parties.

The RD loan proceeds will be used in conjunction with a \$181,000 contribution from the District, a \$844,000 CDBG grant, and a \$300,000 Pendleton County Fiscal Court grant, to finance the cost of the installation of approximately 19.7 miles of 3, 4, 6 and 8 inch waterline and the construction of a 200,000 gallon elevated water storage tank with appurtenances, including telemetry additions. Signed, J.C. Crowley, Chairman, Pendleton County Water District.

**FINAL ENGINEERING REPORT
KY. HWY. 491 ET. AL.
WATER FACILITIES PROJECT
PENDLETON COUNTY WATER DISTRICT
FALMOUTH, KENTUCKY
FOR
RURAL UTILITIES SERVICE
SAI# 20020913-1614, Tetra Tech Project 02331
January 8, 2004**

Approved by: Pendleton County Water District

William Jones 1-9-04
Date

Prepared By:

Tetra Tech, Inc.
800 Corporate Drive
Lexington, Kentucky 40503
Phone: 859/223-8000
FAX: 859/224-1025
E-Mail: don.willingham@tetrattech.com

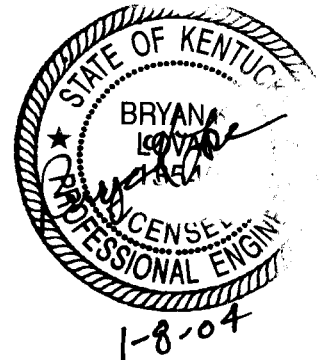


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SECTION 2	SUMMARY/ADDENDUM
APPENDIX A	BID TABULATIONS
APPENDIX B	PROJECT MAP

SECTION 1
INTRODUCTION

SECTION 1 INTRODUCTION

A. PROJECT PLANNING AREA

The Pendleton County Water District (PCWD) primarily serves the western half of Pendleton County in north central Kentucky and a section of southern Campbell County. The PCWD's north, west and south boundaries generally follow the adjoining county lines of Campbell, Kenton and Grant County, the south Licking and main Licking River, respectively. The eastern boundary follows a line approximately 1000 feet east of U.S. 27 to the Campbell County line.

B. PROPOSED PROJECT

The proposed project involves the installation of approximately 19.7 miles of new 8-inch, 6-inch, 4-inch and 3-inch water mains. The new mains will extend into areas of Pendleton County where potable water is not currently available. New customers will be served along Kentucky Highways 491 and 467, Gum Lick Road, John Denny Road, Roanoke Church Road and Straight Shoot Road.

With the new main on Ky. Highway 467 and Straight Shoot Road an alternate source of water will be added for the northern and southern section of the Water District. These water mains will connect to the Northern Kentucky Water District (NKWD) and City of Falmouth sources of water.

On Kentucky Highway 491 an 8-inch main will be extended from an existing 12-inch main on KY Highway 17 to the Gardnersville area serving 37 potential customers along the way. There is also a possible connection with the Bullock Pen Water District in Gardnersville.

Along KY highway 467 an 8-inch main would be installed from the existing 12-inch main on KY Hwy 17 to near the community of Knoxville, which is currently served by the City of Williamstown. This water main passes a potential 96 new water customers that currently rely on cisterns or hauled water.

From the 8-inch main on KY 467 another 8-inch main will be extended across the north end of Straight Shoot Road to connect to an existing 6" main on the south end of Straight Shoot Road that is fed by the 6" main on Kentucky Highway 22. This will connect two (2) different pressure zones in the Water District and allow water to flow in either direction for an additional backup for each area.

In the Locust Grove-Gum Lick-Roanoke area a 6-inch main will be extended along Gum Lick Road. This main will provide water service to a potential 70 customers including John Denny Road and Roanoke Church Road.

In addition to the water mains, also included in the proposed project is a 200,000 gallon elevated water tank to be constructed near Kentucky Highway 22 on a site donated by Tommy Ammerman. This tank will supplement the existing "overworked" Hogg Ridge standpipe and provide additional water storage for existing and new customers. The tank will be filled from the existing booster pumping station on Kentucky Highway 330 that currently fills the Hogg Ridge and Bethel water tanks.

Population in Pendleton County is projected to increase by 46% from 2005 to 2025.

C. EXISTING SYSTEM

PCWD has experienced moderate growth during the past years -- adding about 50 new customers per year to the existing system due to normal growth and more customers with expansion into new service areas. The predominant land uses in all project areas are agricultural with some residential.

PCWD was developed from the City of Butler system outside the city limits in 1962 and with several construction projects since that time. The latest of these projects, funded by the Pendleton County Fiscal Court, is currently in construction.

The existing system consists of over 100 miles of water mains ranging in size from 3 to 12 inches and approximately 1709 water customers. PCWD has three (3) water tanks in use with a total storage capacity of 456,000 gallons. The largest users on the system are the City of Butler and Griffin Industries.

PCWD has no treatment facilities of its own. All water is purchased from the City of Falmouth or the Northern Kentucky Water District (NKWD) through existing water purchase contracts. Both supply sources have an adequate supply to meet the additional estimated 41,800 GPD demands of the proposed project, assuming all customers use the estimated 200 gallons per day. The Falmouth source would supply approximately 70 potential customers, or 14,000 GPD, and the NKWD would supply 139 potential customers, or 27,800 GPD.

Currently 138 new households have signed up for water service.

Information regarding PCWD's rate schedule, operating and maintenance costs, monthly water usage and revenue received can be found in the Summary/Addendum included in this Final Engineering Report.

D. PROJECT NEED

Residents included in the project area are not currently served by a public water supply and do not have access to a public water supply. Residents in these areas currently rely on ground and surface water sources for drinking water, or must pay high fees to haul water from other sources.

The extension of 8-inch, 6-inch and 3-inch water mains along the various routes will provide water to presently unserved residents with sufficient flow and pressure to allow for additional customers in the future.

E. ALTERNATIVES CONSIDERED

The goals of the project are:

1. Serve new water customers on Ky. 491, Ky. 467, Gum Lick-Locust Grove,
2. Provide a connection between the two water sources and pressure zones and
3. Supplement the storage for the Hogg Ridge Standpipe service area.

Since the project is near the area of the Bullock Pen Water District and the City of Williamstown connections to both water systems were considered. However at this time

the more reliable and cost effective connections for a continuous supply were considered to be the City of Falmouth and NKWD.

F. DESIGN

All proposed water facilities will be designed using good engineering practice to provide the required flow and pressure and meet all requirements of the Kentucky Division of Water.

Facilities will not be constructed in a flood plain.

G. LAND AND CONSTRUCTION

Land requirements for all of the water mains will be limited to the acquisition of both private and state/county road easements.

A tank site approximately 100' x 100' has been donated for the project.

The construction problems discussed are not extraordinary for this type of project.

H. BUDGET

The proposed operating budget and rate schedule are presented in the attached Summary/Addendum. The rate increase proposed for this new project will cover debt repayment, O&M costs, purchased water, accounting and other miscellaneous items.

I. PLAN OF ACTION - PROJECT DEVELOPMENT

The Pendleton County Fiscal Court and the Pendleton County Water District have pledged \$50,000 and \$28,000 respectively for project design. The funds have been used for engineering design, sub contractors, plan sheets, and other items as necessary to prepare a complete project for submission to the Division of Water.

A SF424 form was completed along with other RD checklist items and submitted to Rural Utilities Service. In early 2003 plans were reviewed and approved by DOW.

On December 17, 2003 construction bids were opened at the offices of the Pendleton County Water District. A copy of the bid tabulations is included in an appendix to this report.

The water district now intends to apply to the PSC for a rate increase in January and award construction contracts in March 2004. Construction should be complete in mid December 2004.

1. General

A. Proposed Project: Provide a brief description of the proposed project. In addition to this summary, the applicant/engineer should submit a project map of the service area.

See Section 1 of this report for project description.
Project Maps are included in Appendix B.

II FACILITY CHARACTERISTICS OF EXISTING SEWER SYSTEM

A. Sewage Treatment: NOT APPLICABLE

1. Type:

2. Method of Sludge Disposal:

3. Cost per 1,000 gallons if sewage treatment is contracted:

4. Date Constructed:

B. Treatment Capacity of Sewage Treatment Plant:

C. Type of Sewage Collector System (Describe):

D. Number and Capacity of Sewage Lift Stations:

E. Sewage Collection System:

Lineal Feet of Collector Lines, by size: 6" _____ 8"

10" _____ 12" _____ Larger

Date(s) Constructed:

1. Conditions of Existing System. Briefly describe the conditions and suitability for continued use of facilities now owned by the applicant. Include any major renovation that will be needed within five to ten years.

SECTION 2

SUMMARY / ADDENDUM

SUMMARY ADDENDUM
TO
FINAL ENGINEERING REPORT
DATED: January 8, 2004
FOR
Pendleton County Water District (PCWD)
KY. HWY. 491 ET. AL.
WATER FACILITIES PROJECT

APPLICANT CONTACT PERSON: William Jones , General Manager

APPLICANT PHONE NUMBER: 859 / 654 - 6964

APPLICANT TAX IDENTIFICATION NUMBER (TIN): 61-0599209

REPORT DATA BASED FOR YEAR END DECEMBER 31, 2003.

ITEMS IN BOLD ITALIC PRINT ARE APPLICABLE TO SEWER SYSTEMS.

In order to avoid unnecessary delays in application processing, the applicant and its consulting engineer should prepare a summary of the preliminary report in accordance with this Guide.

Please complete the applicable sections of the Summary Addendum. ***Please note, if water and sewer revenue will both be taken as security for the loan, all user information and characteristics of both utility systems will be needed even though the project will benefit only one utility.***

Feasibility review and grant determinations may be processed more accurately and more rapidly if the Summary/Addendum is submitted simultaneously with the preliminary engineering report, or as soon thereafter as possible.

PCWD does not operate or plan to operate a sanitary sewer system. Items referring to **SEWER SYSTEMS** do not apply.

III FACILITY CHARACTERISTICS OF EXISTING WATER SYSTEM

- A. Water Source: Describe adequacy of source (quality and quantity). Include an explanation of raw water source, raw water intake structure, treatment plant capacity, and current level of production (WTP). Also describe the adequacy of Water Purchase Contract if applicable.

PCWD purchases water from the City of Falmouth and the Northern Kentucky Water District. Both suppliers have ample capacity to supply the anticipated demands of this project.

If the applicant purchases water:

Seller(s) :

1. City of Falmouth
2. NKWD - Ky. Hwy. 17
3. NKWD - U. S. 27 @ Grants Lick

Price/1,000 gallons:

1. \$1.86 per one thousand gallons
2. \$2.30
3. \$2.30

NOTE: NKWD has an application before the PSC to increase wholesale rates to \$2.50 / 1000 gallons. Also Falmouth is considering raising rates.

Present Estimated Market Value of Existing System:
\$ 4,500,000

B. Water Storage:

Type:	Ground Storage Tank	Elevated Tank	2
	Standpipe	Other	
	1		
Number of Storage Structures	-	3	
Total Storage Volume Capacity	-	456,000 gallons	
Date Storage Tank(s) Constructed	-	1978, 1986, 2000	

C. Water Distribution System:

Pipe Material - PVC, Ductile Iron, AC

Lineal Feet of Pipe: 3" Diameter 211,000' 4" 69,000'
6" 180,000' 8" 39,600' 12" 45,400'

Date(s) Water Lines Constructed - Pre 1963, 1968, 1978, 1986,
1990, 1994, 2000, 2001, 2002

Number and Capacity of Pump Station(s) - 1 @ 250 gpm

D. Condition of Existing Water System:

Briefly describe the condition and suitability for continued use of facility now owned by the applicant. Include any major renovation that will be needed within five to ten years.

The existing system is in good condition. A pump station renovation is anticipated in the next 5 to 10 years.

5. Percentage of Water Loss Existing System - 7.76 %

IV. EXISTING LONG-TERM INDEBTEDNESS

A. List of Bonds and Notes:

<u>Date of Issue</u>	<u>Bond/Note Holder</u>	<u>Principal Balance</u>	<u>Payment Date</u>	<u>Bond Type Water/Sewer*</u>	<u>Amount on Deposit in Reserve Account</u>
4/97 Issue	KACOLT	\$ 97,000	Monthly	6.414 %	%
5/26/78 Issue	RD 91-01	\$ 155,000	June 1, Dec 1	5 %	%
4/2/1998 Issue	RD 91-04	\$ 728,500	June 1, Dec 1	5.125 %	%
6/27/2001 Issue	KRW Finance	\$ 349,167	Jan 1, July 1	5.0998 %	%
TOTAL					\$ 117,000

* If a combined issue, show attributable portion to each system.

B. Principal and Interest Payments: (Begin with Next Fiscal Year Payment)

<u>Date of Issue</u>	<u>Bond/Note Holder</u>	<u>Payment Year 2004</u>		<u>Payment Year 2005</u>		<u>Payment Year 2006</u>	
		<u>Principal Payment</u>	<u>Interest Payment</u>	<u>Principal Payment</u>	<u>Interest Payment</u>	<u>Principal Payment</u>	<u>Interest Payment</u>
4/97	KACOLT	\$4,000	\$4,565	\$5,000	\$4,302	\$5,000	\$4,034
5/26/78 Issue	RD 91-01	\$8,000	\$7,300	\$8,000	\$6,900	\$9,000	\$6,450
4/2/1998 Issue	RD 91-04	\$5,500	\$37,079	\$6,000	\$36,772	\$6,500	\$36,439
6/27/2001 Issue	KRW Finance	\$11,000	\$17,336	\$11,000	\$16,879	\$11,000	\$17,069

V. EXISTING SHORT-TERM INDEBTEDNESS

A. List of All Short Term Debts: (Do Not Show Any Debt Listed in Paragraph IV above)

<u>Lendor or Lessor</u>	<u>Date of Issue (Month & Year)</u>	<u>Principal Balance</u>	<u>Purpose (Water and/or Sewer)</u>	<u>Payment Date</u>	<u>Principal & Interest Payment (P&I)</u>	<u>Date to Be Paid In Full</u>
-------------------------	---	--------------------------	-------------------------------------	---------------------	---	--------------------------------

VI. LAND AND RIGHTS - EXISTING SYSTEM(S)

Number of Treatment Plant Sites:	Water - 0	Sewer
Number of Storage Tank Sites:	Water - 5 (3 in use)	Sewer
Number of Pump Stations:	Water - 1	Sewer
Total Acreage: Estimated	Water - ~ 1	Sewer
Purchase Price: Estimated	Water \$ 3000	Sewer \$

VII. NUMBER OF EXISTING USERS

	Water	Sewer
Residential (In Town)*		
Residential (Out of Town)*	1694	
Non-Residential (In Town)		
Non-Residential (Out of Town)	<u>12</u>	
Total		
	Dec. 2003	1706

Number of Total Potential Users Living in the Service Area 1850

*Note: Residential Users: Classify by type of user regardless of quantity of water used. This classification should include those meters serving individual rural residence.

VIII CURRENT WATER AND SEWER CONNECTION FEES FOR EACH SIZE WATER METER CONNECTION

<u>Meter Size</u> <u>Connection Fee</u>	<u>Water Connection Fee</u>	<u>Sewer</u>
5/8" x 3/4"	\$ 715.00	
1 - Inch	\$ 977.50	Estimated Cost Plus

IX SEWER RATES (EXISTING SYSTEM)

Percentage of water bill ____%. Minimum Charge \$_____.

Other: (Sewer charge if not based on water bill)

Date this rate went into effect:

X WATER RATES EXISTING SYSTEM

<u>Existing Rate Schedule:</u>	<u>Gallons</u>	<u>Rate per 1,000</u>
5/8 - 3/4 inch meter Minimum Bill	First 2,000 gallons	\$17.31
	Next 3,000	\$7.95
	Next 10,000	\$7.57
	Over 15,000	\$6.49
High School - Min. Bill	First 125,000 gallons	\$830.76
	Over 125,000	\$6.49
Griffin Industries - Min. Bill	First 400,000 gallons	\$2615.51
	Over 400,000	\$6.49
City of Butler - Min. Bill	First 1,650,000 gallons	\$4,500.15
	Over 1,650,000	\$2.69

Date This Rate Went Into Effect July 15, 2003

If More Than One Rate Schedule, Please Include All Schedules.

XI. ANALYSIS OF ACTUAL SEWER USAGE - EXISTING SYSTEM

NOT APPLICABLE

<u>MONTHLY SEWER USAGE</u>	<u>Average</u>	<u>Residential</u>		<u>Non-Residential</u>	
		<u>No. of Users</u>	<u>Usage 1,000</u>	<u>No. of Users</u>	<u>Usage 1,000</u>
<i>5/8 x 3/4 meter</i>					
0 - 1,000 Gal.	1,000		0		0
1,000 - 2,000 Gal.	1,500		0		0
2,000 - 3,000 Gal.	2,500		0		0
3,000 - 4,000 Gal.	3,500		0		0
4,000 - 5,000 Gal.	4,500		0		0
5,000 - 6,000 Gal.	5,500		0		0
6,000 - 7,000 Gal.	6,500		0		0
7,000 - 8,000 Gal.	7,500		0		0
8,000 - 9,000 Gal.	8,500		0		0
9,000 - 10,000 Gal.	9,500		0		0
10,000 - 11,000 Gal.	10,500		0		0
11,000 - 12,000 Gal.	11,500		0		0
12,000 - 13,000 Gal.	12,500		0		0
13,000 - 14,000 Gal.	13,500		0		0
14,000 - 15,000 Gal.	14,500		0		0
15,000 - 16,000 Gal.	15,500		0		0
16,000 - 17,000 Gal.	16,500		0		0
17,000 - 18,000 Gal.	17,500		0		0
18,000 - 19,000 Gal.	18,500		0		0
19,000 - 20,000 Gal.	19,500		0		0
20,000 & Over			0		0
Subtotal		0	0	0	0
Average Monthly Usage					
Totals		0	-	0	

XII. ANALYSIS OF ACTUAL WATER USAGE - EXISTING SYSTEM

MONTHLY WATER USAGE	Monthly Average	Residential		Commercial	
		No. of Annual Bills	Usage In 1000 Gals.	No. of Annual Bills	Usage In 1000 Gals.
<i>5/8 x 3/4 meter</i>					
0 - 2,000 Gals.	1,009	4,813	4,856		0
2,000 - 5,000 Gals.	3,469	9,449	32,782		0
5,000 - 15,000 Gals.	7,212	5,875	42,369		0
OVER 15,000 Gals.	30,462	335	10,205		0
	<i>Subtotal</i>	<i>20,472</i>	<i>90,211</i>	<i>0</i>	<i>0</i>
Average Monthly Usage		<u><u>4,407</u></u>			

SPECIAL USERS

HIGH SCHOOL	119,275			12	1,431
GRIFFIN INDUSTRIES	796,934			12	9,563
CITY OF BUTLER	2,251,323			12	27,016
	<i>Subtotal</i>	<i>0</i>	<i>-</i>	<i>36</i>	<i>38,010</i>

Subtotal 0 0 0 -

Subtotal 0 0 0 -

Totals **20,472** **90,211** **36** **38,010**

TOTAL USAGE IN THOUSANDS OF GALLONS == 128,222

XIII. FACILITY CHARACTERISTICS OF PROPOSED SEWER SYSTEM

A. Sewage Treatment: NOT APPLICABLE

1. Type:

2. Method of Sludge Disposal:

3. Cost per 1,000 gallons if sewage treatment is contracted:

B. Treatment Capacity of Sewage Treatment Plant:

C. Type of Sewage Collector System (Describe):

D. Number and Capacity of Sewage Lift Stations:

E. Sewage Collection System:

Lineal Feet of Collector Lines, by size: 6" _____ 8" _____
10" _____ 12" _____ Larger _____

XIV. LAND AND RIGHTS - PROPOSED SEWER SYSTEM

Number of Treatment Plant Sites NOT APPLICABLE

Number of Pump Stations

Number of Other Sites

Total Acreage

Purchase Price

XV. FACILITY CHARACTERISTICS OF PROPOSED WATER SYSTEM

1. Water Source: Describe adequacy of source (quality and quantity). Include an explanation of raw water source, raw water intake structure, treatment plant capacity, and current level of production (WTP). Also describe the adequacy of Water Purchase Contract if applicable.

PCWD intends to purchase water from the City of Falmouth and the Northern Kentucky Water District. Both suppliers have ample capacity to supply the anticipated demands of this project. Proposed additional usage is within the limits of the existing water purchase contracts.

B. Water Storage:

Type:	Elevated Tank	1
Number of Storage Structures		1
Total Storage Volume Capacity	200,000 gallons	

C. Water Distribution System: -

Pipe Material	PVC and Ductile Iron
Lineal Feet of Pipe: 3" Diameter	5,010' 4"
6" 31,140'	8" 67,845' 10" 12"
Number and Capacity of Pump Station(s)	- 0

XVI. LAND AND RIGHTS - PROPOSED WATER SYSTEM

Number of Treatment Plant Sites	0
Number of Pump Sites	0
Number of Other Sites	1
Total Acreage	.25
Purchase Price	0

XVII. NUMBER OF NEW SEWER USERS

Residential (In Town)* **NOT APPLICABLE**

Residential (Out of Town)*

Non-Residential (In Town)

Non-Residential (Out of Town)

Total

Number of Total Potential Users Living in the Service Area

*** NOTE: Residential Users: Classify by type of user regardless of quantity of water used. This classification should include those meters serving individual rural residences.**

XVIII. PROPOSED SEWER CONNECTION FEES FOR EACH SIZE METER CONNECTION

<u>Meter Size</u>	<u>Connection Fee</u>
5/8" x 3/4"	NOT APPLICABLE
1 - Inch	
1½ - Inch	
2 - Inch	
3 - Inch	
4 - Inch	
5 - Inch	
6 - Inch	

XIX. NUMBER OF NEW WATER USERS

Residential (In Town) *	
Residential (Out of Town) *	138
Non-Residential (In Town)	
Non-Residential (Out of Town)	
Total (~66% of potential)	<u>138</u>
Number of Total Potential Users Living in the Service Area	209

* Note: Residential Users: Classify by type of user regardless of quantity of water used. This classification should include those meters serving individual rural residences.

XX. PROPOSED WATER CONNECTION FEES FOR EACH SIZE METER CONNECTION

<u>Meter Size</u>	<u>Connection Fee</u>
5/8" x 3/4"	\$ 715.00
1 - Inch	Cost Plus for All Others
1½ - Inch	
2 - Inch	
3 - Inch	
4 - Inch	
5 - Inch	
6 - Inch	

XXI. SEWER RATES - PROPOSED

NOT APPLICABLE

A. Proposed Rate Schedule without RUS Grant:

Percentage of water bill _____%. Minimum Charge
_____.

Other (If charge not based on water bill)

Proposed Rate Schedule: (Without RUS Grant)

First	_____	Gallons	\$	_____	Minimum
		@			
Next	_____	Gallons	\$	_____	per 1,000
		@			Gallons
Next	_____	Gallons	\$	_____	per 1,000
		@			Gallons
Next	_____	Gallons	\$	_____	per 1,000
		@			Gallons
Next	_____	Gallons	\$	_____	per 1,000
		@			Gallons
Next	_____	Gallons	\$	_____	per 1,000
		@			Gallons
All	_____	Gallons	\$	_____	per 1,000
Over		@			Gallons

The above proposed rate, without RUS grant, must be completed for each grant. If the applicant/engineer desires, there is no objection to recommending a proposed rate with an estimated RUS grant in the Table below. However, the preparer should remember that the Table (A) above must be completed prior to Table (B).

B. Recommended Rate Schedule with RUS Grant:

Percentage of water bill _____%. Minimum Charge
_____.

Other (If charge not based on water bill)

Proposed Rate Schedule: (Without RUS Grant)

First	_____	Gallons	\$	Minimum
		@		
Next	_____	Gallons	\$	per 1,000
		@		Gallons
Next	_____	Gallons	\$	per 1,000
		@		Gallons
Next	_____	Gallons	\$	per 1,000
		@		Gallons
Next	_____	Gallons	\$	per 1,000
		@		Gallons
Next	_____	Gallons	\$	per 1,000
		@		Gallons
All	_____	Gallons	\$	per 1,000
Over		@		Gallons

If more than one rate, use additional sheets.

NOT APPLICABLE

XXII. WATER RATES - PROPOSED

A. Proposed Rate Schedule :

--

RUS GRANT = _____

RUS LOAN = **\$ 596,000**

1. Proposed Monthly Rate Schedule - Meters 5/8" x 3/4" Meter

<u>MINIMUM BILL - FIRST 2000 GALS.</u>	<u>\$ 19.10</u>	<u>Minimum Bill</u>
<u>NEXT 2,000 to 5,000 GALS.</u>	<u>\$ 8.20</u>	<u>per 1000 Gallons</u>
<u>NEXT 5,000 to 15,000 GALS.</u>	<u>\$ 7.70</u>	<u>per 1000 Gallons</u>
<u>OVER 15,000 GALS</u>	<u>\$ 6.60</u>	<u>per 1000 Gallons</u>

SPECIAL USERS

2. HIGH SCHOOL

<u>MINIMUM BILL - FIRST 125,000 GALS.</u>	<u>\$ 846.70</u>	<u>Minimum Bill</u>
<u>OVER 125,000 GALS.</u>	<u>\$ 6.60</u>	<u>per 1000 Gallons</u>

3. GRIFFIN INDUSTRIES

<u>MINIMUM BILL - FIRST 400,000 GALS.</u>	<u>\$ 2,680.80</u>	<u>Minimum Bill</u>
<u>OVER 400,000 GALS.</u>	<u>\$ 6.60</u>	<u>per 1000 Gallons</u>

4. CITY OF BUTLER

<u>MINIMUM BILL - FIRST 1,650,000 GALS.</u>	<u>\$ 4,785.00</u>	<u>Minimum Bill</u>
<u>OVER 1,650,000 GALS.</u>	<u>\$ 2.90</u>	<u>per 1000 Gallons</u>

XXIII. FORECAST OF SEWER - INCOME - EXISTING SYSTEM - EXISTING USERS

NOT APPLICABLE

XXIV. FORECAST OF SEWER - INCOME - NEW USERS - EXTENSION ONLY

NOT APPLICABLE

SECTIONS XXIII AND XXIV INTENTIONALLY OMITTED

XXV. FORECAST OF WATER - INCOME - EXISTING SYSTEM

(PROPOSED RATES)

MONTHLY WATER USAGE	Average Gals.	Average Rate	Residential			Commercial		
			No. of Annual Bills	Usage In 1000 Gals.	Income	No. of Annual Bills	Usage In 1000 Gals.	Income
<i>5/8 x 3/4 meter</i>								
0 - 2,000 Gals.	1,009	\$ 19.10	4,813	4,856	\$ 91,928		0	\$ -
2,000 - 5,000 Gals.	3,469	\$ 31.15	9,449	32,782	\$ 294,323		0	\$ -
5,000 - 15,000 Gals.	7,212	\$ 60.73	5,875	42,369	\$ 356,790		0	\$ -
OVER 15,000 Gals.	30,462	\$ 222.75	335	10,205	\$ 74,621		0	\$ -
<i>Sub-Total</i>			20,472	90,211	\$817,662	0	0	\$0
Average Monthly Rate		\$ 39.94						
Average Monthly Usage/Cust.			4,407					

SPECIAL USERS

HIGH SCHOOL	119,275	\$ 846.70				12	1,431	\$ 10,160
GRIFFIN INDUSTRIES	796,934	\$ 5,281.46				12	9,563	\$ 63,378
CITY OF BUTLER	2,251,323	\$ 6,528.84				12	27,016	\$ 78,346
	0						0	\$ -
<i>Subtotal</i>			0	-	\$ -	36	38,010	\$ 151,884

Totals **20,472** **90,211** **\$ 817,662** **36** **38,010** **\$ 151,884**

ANNUAL TOTAL REVENUE FOR BOTH RESIDENTIAL AND COMMERCIAL :

\$ 969,546

XXVI. FORECAST OF WATER - INCOME - NEW USERS - EXTENSION ONLY

(PROPOSED RATES)

MONTHLY WATER USAGE					Residential		Commercial		
	<u>Average Mo.</u>		Average	No. of	Usage In	Annual	No. of	Usage In	Annual
	Usage	Cust.	Rate	Annual Bills	1000 Gals.	Income	Annual Bills	1000 Gals.	Annual Income
<i>5/8 x 3/4 meter</i>									
0 - 2,000 Gals.	1,009	71	\$ 19.10	852	860	\$ 16,273		0	\$ -
2,000 - 5,000 Gals.	3,469	41	\$ 31.15	492	1,707	\$ 15,325		0	\$ -
5,000 - 15,000 Gals.	7,212	26	\$ 60.73	312	2,250	\$ 18,948		0	\$ -
OVER 15,000 Gals.				-		\$ -		0	\$ -
<i>Sub-Total</i>		<i>138</i>		<i>1,656</i>	<i>4,817</i>	<i>\$50,546</i>	<i>0</i>	<i>0</i>	<i>\$0</i>
Average Monthly Rate	<u>\$ 28.45</u>								
Average Monthly Usage/Cust.	<u>2,909 \$ 30.52</u>								

SPECIAL USERS

									\$ -
									\$ -
									\$ -
									\$ -
<i>Subtotal</i>				<i>0</i>	<i>-</i>	<i>\$ -</i>	<i>0</i>	<i>-</i>	<i>\$ -</i>
<i>Subtotal</i>				<i>0</i>	<i>0</i>	<i>\$ -</i>	<i>0</i>	<i>0</i>	<i>\$ -</i>
<i>Subtotal</i>				<i>0</i>	<i>0</i>	<i>\$ -</i>	<i>0</i>	<i>0</i>	<i>\$ -</i>
Totals				1,656	4,817	\$50,546	-	-	\$ -

ANNUAL TOTAL REVENUE FOR BOTH RESIDENTIAL AND COMMERCIAL :

\$ 50,546

XXVII. CURRENT OPERATING BUDGET - (SEWER SYSTEM)
(As of the last full operating year)

Year Ending

NOT APPLICABLE

**XXVIII. PROPOSED OPERATING BUDGET - (SEWER SYSTEM) - EXISTING SYSTEM
AND NEW USERS (1ST Full Year of Operation)**

Year Ending

NOT APPLICABLE

**XXIX. PROPOSED OPERATING BUDGET - (SEWER SYSTEM) - NEW USERS -
EXTENSION ONLY (1ST Full Year of Operation)**

Year Ending

NOT APPLICABLE

SECTIONS XXVII, XXVIII, XXIX INTENTIONALLY OMITTED

XXX. CURRENT OPERATING BUDGET - (WATER SYSTEM)

(As of the last full operating year) Year Ending December 31, 2003

EXISTING RATES

A. Operating Income:

Water Sales	\$ 860,430	
Disconnect/Reconnect/Late Charge Fees/Other	\$ 29,000	
Other (Describe) Tap Fees & Misc		
Less Allowances and Deductions		
Total Operating Income		\$ 889,430

 B. Operation and Maintenance Expenses:
 (Based on Uniform System of Accounts prescribed by National
 Association of Regulatory Utility Commissioners)

1 Source of Supply Expense	\$ 277,921
2 Pumping Expense	\$ 13,855
3 Water Treatment Expense	\$ -
4 Transmission and Distribution Expense	\$ 150,691
5 Customer Accounts Expense	\$ 2,727
6 Administrative and General Expense	\$ 184,752
7 Other	\$ 30,055

Total Operation and Maintenance Expenses	\$ 660,000
--	------------

Other Expenses (Not including Depreciation):

Taxes	\$ 16,250
Amortization	\$ 4,307

OPERATING EXPENSES	\$ 20,557	\$ 680,557
--------------------	-----------	------------

NET Operating Income	\$ 208,873
----------------------	------------

C. Non-Operating Income:

Interest on Deposits	\$ 9,600
Other (Identify)	\$ -
Total Non-Operating Income	\$ 9,600

D. Income Available to Service Debt	\$ 218,473
-------------------------------------	------------

E. Debt Repayment:

RUS Interest	91-01	1978	\$ 8,400
RUS Principal	91-01	1978	\$ 7,000
RUS Interest	94-01	1998	\$ 37,874
RUS Principal	94-01	1998	\$ 4,000
KACOLT 1997 Interest			\$ 5,207
KACOLT 1997 Principal			\$ 4,000
KRW Finance Interest	2001		\$ 9,723
KRW Finance Principal	2001		\$ 12,000
OTHER - RD 1989 Loan Refinanced			\$ 10,706
Total Debt Repayment			\$ 98,910

F. Balance Available for Coverage	\$ 119,563
Less: 10% Coverage	\$ (9,900)
	\$ 109,663
Less: Depreciation	\$ (185,000)
BALANCE	\$ (75,337)

XXXI. PROPOSED OPERATING BUDGET - EXISTING AND NEW SYSTEMS

A. Operating Income: PROJECTED FOR 2005			
Water Sales		\$	1,020,092
Disconnect/Reconnect/Late Charge Fees/Other		\$	29,000
Other (Describe) Tap Fees & Misc	40 @ \$715 =	\$	28,600
Less Allowances and Deductions			
Total Operating Income			\$ 1,077,692
B. Operation and Maintenance Expenses: (Based on Uniform System of Accounts prescribed by National Association of Regulatory Utility Commissioners)			
1 Source of Supply Expense	(FALMOUTH @ 1.86)	\$	329,000
2 Pumping Expense		\$	15,000
3 Water Treatment Expense			
4 Transmission and Distribution Expense		\$	166,000
5 Customer Accounts Expense		\$	3,000
6 Administrative and General Expense		\$	204,000
7 Other		\$	33,000
8 Capital Improvements		\$	120,000
Total Operation and Maintenance Expenses		\$	870,000
Other Expenses (Not including Depreciation):			
Taxes		\$	16,250
Amortization		\$	4,307
		\$	20,557
OPERATING EXPENSES		\$	890,557
NET Operating Income		\$	187,135
C. Non-Operating Income:			
Interest on Deposits		\$	7,000
Other (Identify)			
Total Non-Operating Income		\$	7,000
D. Income Available to Service Debt		\$	194,135
E. Debt Repayment:			
RUS Principal	91-01	1978 issue	\$ 8,000
RUS Interest	91-01	1978 issue	\$ 6,900
RUS Principal	94-01	1998 Issue	\$ 6,000
RUS Interest	94-01	1998 Issue	\$ 36,772
KACOLT 1997 issue		Principal	\$ 5,000
KACOLT 1997 Issue		Interest	\$ 4,302
KRW Finance Principal	2001		\$ 11,000
KRW Finance Interest	2001		\$ 16,879
RUS Loan Principal - 2005			\$ -
RUS Loan Interest - 2005			\$ 30,545
Total Debt Repayment		\$	125,398
F. Balance Available for Coverage		\$	68,737
Less: 10% Coverage		\$	(12,500)
		\$	56,237
Less: Depreciation 50%		\$	(113,500)
		\$	(57,263)

XXXII. PROPOSED OPERATING BUDGET - (WATER SYSTEM) - NEW USERS

EXTENSION ONLY (1st Full Year of Operation) Year Ending 2004

FORM XXXII NOT USED

XXXIII. ESTIMATED PROJECT COST -SEWER

NOT APPLICABLE

XXXIV. PROPOSED PROJECT FUNDING - SEWER

NOT APPLICABLE

SECTIONS XXXII, XXXIII, XXXIV INTENTIONALLY OMITTED

XXXV. DEVELOPMENT AND CONSTRUCTION COST ESTIMATE

1 .	CONSTRUCTION BIDS -				
	CONTRACT 1 - WATER MAINS		\$		1,249,980.50
	CONTRACT 2 - ELEVATED WATER TANK		\$		328,500.00
2 .	CONTINGENCY OF 5% FOR BIDS	APPROX. 5.00%	\$		89,266.50
3 .	ENGINEERING DESIGN AND CONSTRUCTION ADMIN.	7.55%	(1) \$		109,052.00
4 .	RESIDENT REPRESENTATIVE	4.02%	\$		63,455.00
5 .	LEGAL AND ADMINISTRATION		(2) \$		55,000.00
6 .	ADDITIONAL ENGINEERING PER CONTRACT		(3) \$		10,000.00
7 .	ENGINEERING AMENDMENT FOR TANK ACCESS ROAD		\$		2,746.00
8 .	LAND AND RIGHT-OF-WAY		\$		6,000.00
9 .	INTERIM FINANCING		\$		7,000.00
					<hr/>
	PRELIMINARY OPINION OF PROJECT COSTS		\$		<u>1,921,000.00</u>

- (1) Design fees reduced by \$10,130 due to design work on one route which was paid under another contract.
- (2) Includes \$40,000 for the CDBG Administration and \$15,000 budget for the local attorney, bond counsel, etc.
- (3) Includes property survey of \$4,000, geotechnical report of \$2,972 and tank concrete testing.

XXXVI. PROJECT FUNDING

1 .	PCWD TAP ON FEES	60	X	\$715	=	\$		42,900.00
2 .	PENDLETON COUNTY WATER DISTRICT (PCWD)					\$		22,100.00
3 .	PENDLETON COUNTY FISCAL COURT					\$		300,000.00
4 .	RD / RUS - LOAN					\$		596,000.00
5 .	CDBG GRANT					\$		844,000.00
6 .	OTHER - ADDITIONAL PCWD PLEDGE					(4) \$		116,000.00
7 .	OTHER							
								<hr/>
								TOTAL FUNDING =
						\$		<u>1,921,000.00</u>

- (4) PCWD pledge for bid overrun and contingency.

APPENDIX A
BID TABULATIONS

BID TABULATION CONTRACT 1
PENDLETON COUNTY WATER DISTRICT
TT 02331 KY 491 AND OTHER WATER MAINS

TILTON EXCAVATING LLC
 Route 1, Box 21
 Mount Olivet, KY 41064

ITEM NO.	DESCRIPTION	UNITS	QTY.	UNIT BID COST	EXT. BID COST
1 A	8" PVC-SDR 21	L.F.	55,835	\$ 8.00	\$ 446,680.00
B	6" PVC-SDR 21	L.F.	28,220	\$ 5.90	\$ 166,498.00
C	3" PVC-SDR 21	L.F.	4,310	\$ 4.25	\$ 18,317.50
D	8" DUCTILE IRON	L.F.	9,200	\$ 13.50	\$ 124,200.00
E	6" DUCTILE IRON	L.F.	2,820	\$ 11.25	\$ 31,725.00
F	8" DUCTILE IRON REST JOINT	L.F.	2,810	\$ 18.50	\$ 51,985.00
G	6" DUCTILE IRON REST JOINT	L.F.	100	\$ 16.00	\$ 1,600.00
H	3" DUCTILE IRON REST JOINT	L.F.	700	\$ 15.00	\$ 10,500.00
2 A	8" GATE VALVE	Ea.	34	\$ 550.00	\$ 18,700.00
B	6" GATE VALVE	Ea.	14	\$ 400.00	\$ 5,600.00
C	3" GATE VALVE	Ea.	2	\$ 350.00	\$ 700.00
D	8" GATE VALVE RJ	Ea.	2	\$ 750.00	\$ 1,500.00
3 A	8" WET TAP INCL. VALVE	Ea.	2	\$ 2,000.00	\$ 4,000.00
B	6" WET TAP INCL. VALVE	Ea.	1	\$ 1,500.00	\$ 1,500.00
4	CONNECT NEW TO EX, NO WET TAP	Ea.	3	\$ 1,000.00	\$ 3,000.00
5 A	BORE FOR 8" MAN W/ 16" CASE	L.F.	300	\$ 100.00	\$ 30,000.00
B	BORE FOR 6" MAN W/ 12" CASE	L.F.	210	\$ 70.00	\$ 14,700.00
C	BORE FOR 3" MAN W/ 8" CASE	L.F.	40	\$ 60.00	\$ 2,400.00
6 A	O.C. FOR 8" MAN W/ CASE	L.F.	90	\$ 30.00	\$ 2,700.00
B	O.C. FOR 3" MAN W/ CASE	L.F.	30	\$ 25.00	\$ 750.00
7 A	BORE FOR 8" MAN, NO CASE	L.F.	105	\$ 40.00	\$ 4,200.00
B	BORE FOR 6" MAN, NO CASE	L.F.	30	\$ 40.00	\$ 1,200.00
C	BORE FOR 3" MAN, NO CASE	L.F.	15	\$ 40.00	\$ 600.00
8 A	1" BYPASS METER AT GV	Ea.	1	\$ 800.00	\$ 800.00
B	1" BYPASS METER W/ PRV AT GV	Ea.	3	\$ 850.00	\$ 2,550.00
C	1" BYP METER W/ PRV AT GV 250 PSI	Ea.	4	\$ 1,000.00	\$ 4,000.00
9 A	3/4" SAME SDE SERVICE	Ea.	36	\$ 525.00	\$ 18,900.00
B	3/4" OPP. SDE SERVICE	Ea.	34	\$ 625.00	\$ 21,250.00
C	3/4" SAME SDE SERVICE W/ PRV	Ea.	38	\$ 550.00	\$ 20,900.00
D	3/4" OPP. SDE SERVICE W/ PRV	Ea.	35	\$ 650.00	\$ 22,750.00
E	3/4" S S 250 PSISERVICE W/ PRV	Ea.	2	\$ 800.00	\$ 1,600.00
F	3/4" O S 250 PSISERVICE W/ PRV	Ea.	2	\$ 900.00	\$ 1,800.00
10 A	6" BLOW OFF ASSEMBLY	Ea.	10	\$ 850.00	\$ 8,500.00
B	4" BLOW OFF ASSEMBLY	Ea.	4	\$ 700.00	\$ 2,800.00
C	3" BLOW OFF ASSEMBLY	Ea.	2	\$ 600.00	\$ 1,200.00
11	2 1/2" FLUSH HYDRANT	Ea.	6	\$ 850.00	\$ 5,100.00
12	6" HYDRANT ASSEMBLY	Ea.	2	\$ 2,000.00	\$ 4,000.00
13 A	1" ARV ASSEMBLY-150 PSI	Ea.	27	\$ 425.00	\$ 11,475.00
B	1" ARV ASSEMBLY-250 PSI	Ea.	1	\$ 500.00	\$ 500.00
14	CONC ENCASE CREEK, STEEL PIPE	L.F.	240	\$ 60.00	\$ 14,400.00
15	CHECK VALVE VAULT	L.S.	1	\$ 4,500.00	\$ 4,500.00
16	HOGG RIDGE CONTROL VALVE	L.S.	1	\$ 7,500.00	\$ 7,500.00
17	KY 22/US 27 BETHEL CONTROL VALVE	L.S.	1	\$ 7,500.00	\$ 7,500.00
18	REMOVE EX6T BETHEL VALVE	L.S.	1	\$ 1,000.00	\$ 1,000.00
19	TELEMETRY ADDITIONS	L.S.	1	\$ 120,000.00	\$ 120,000.00
20	1" COPPER LNE IN OPEN TRENCH	L.F.	50	\$ 6.00	\$ 300.00
21	BITUMINOUS PAVNG REPLACE	L.F.	90	\$ 40.00	\$ 3,600.00
22	RADIO READ SOFTWARE AND EQUIP.	L.S.	1	\$ 20,000.00	\$ 20,000.00
TOTAL BID CONSTRUCTION - CONTRACT 1 WATER MAINS				\$ 1,249,980.50	

I certify that the above is a true and complete tabulation of the one bid received at 11:00 a.m. local time, Wednesday, December 17, 2003, at Falmouth, Kentucky.

TETRA TECH, INC.

By Don Renn Willingham Date 12-18-03

Don "Renn" Willingham, Project Manager

BID TABULATION CONTRACT 2
PENDLETON COUNTY WATER DISTRICT
TT 02331 ELEVATED WATER TANK

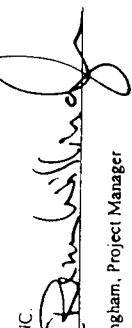
CALDWELL TANK BUILDERS
 4000 Tower Road
 Louisville, KY 40219

PITTSBURG TANK AND TOWER, INC.
 P. O. Box 40
 Seebree, KY. 42455

PHOENIX FABRICATORS AND ERECTORS,
 182 South County Road 900 East
 Avon, IN 46123

	UNITS	QTY.	UNIT BID COST	EXT. BID COST	UNIT BID COST	EXT. BID COST	UNIT BID COST	EXT. BID COST	
1	ELEV. TANK EXCAVATION	C.Y.	220	\$ 13.00	\$ 2,860.00	\$ 28.00	\$ 6,160.00	\$ 50.00	\$ 11,000.00
2	ELEV. TANK FDTION, CONC., STEEL ETC.	C.Y.	50	\$ 560.00	\$ 28,000.00	\$ 980.00	\$ 49,000.00	\$ 450.00	\$ 22,500.00
3	200,000 GAL. ELEV. TANK	L.S.	1	\$ 227,830.00	\$ 227,830.00	\$ 257,936.00	\$ 257,936.00	\$ 300,040.00	\$ 300,040.00
4	PAINTING AND DISINFECTION	L.S.	1	\$ 40,113.00	\$ 40,113.00	\$ 35,000.00	\$ 35,000.00	\$ 50,000.00	\$ 50,000.00
5	YARD PIPING, VALVES, HYDRANT	L.S.	1	\$ 2,800.00	\$ 2,800.00	\$ 9,200.00	\$ 9,200.00	\$ 9,200.00	\$ 9,200.00
6	"PCWD" LETTERING	L.S.	1	\$ 1,000.00	\$ 1,000.00	\$ 800.00	\$ 800.00	\$ 500.00	\$ 500.00
7	SITE GRADING, FILTER, GRAVEL	L.S.	1	\$ 7,100.00	\$ 7,100.00	\$ 8,400.00	\$ 8,400.00	\$ 8,400.00	\$ 8,400.00
8	CHAIN LINK SECURITY FENCE	L.F.	300	\$ 15.00	\$ 4,500.00	\$ 15.75	\$ 4,725.00	\$ 9.00	\$ 2,700.00
9	12' CHAIN LINK GATE	EA.	1	\$ 657.00	\$ 657.00	\$ 550.00	\$ 550.00	\$ 450.00	\$ 450.00
10	NEW GRAVEL ACCESS ROAD	L.S.	1	\$ 7,250.00	\$ 7,250.00	\$ 11,500.00	\$ 11,500.00	\$ 11,500.00	\$ 11,500.00
11	WOVEN WIRE FARM FENCE	L.F.	520	\$ 6.00	\$ 3,120.00	\$ 5.10	\$ 2,652.00	\$ 5.00	\$ 2,600.00
12	SINGLE 12" BULL" FARM GATE	EA.	2	\$ 365.00	\$ 730.00	\$ 280.00	\$ 560.00	\$ 240.00	\$ 480.00
13	DOUBLE 12" BULL" FARM GATE	EA.	2	\$ 610.00	\$ 1,220.00	\$ 560.00	\$ 1,120.00	\$ 480.00	\$ 960.00
14	18" DIAM. BCMP	L.F.	120	\$ 11.00	\$ 1,320.00	\$ 20.00	\$ 2,400.00	\$ 20.00	\$ 2,400.00
TOTAL BID CONSTRUCTION - CONTRACT 2				\$ 328,500.00		\$ 390,003.00		\$ 422,730.00	

I certify that the above is a true and complete tabulation of the bids received at 11:00 a.m. local time, Wednesday, December 17, 2003, at Falmouth, Kentucky.

TETRA TECH, INC
 By: 
 Don "Renn" Willingham, Project Manager

Date 12-18-03

APPENDIX B
PROJECT MAP

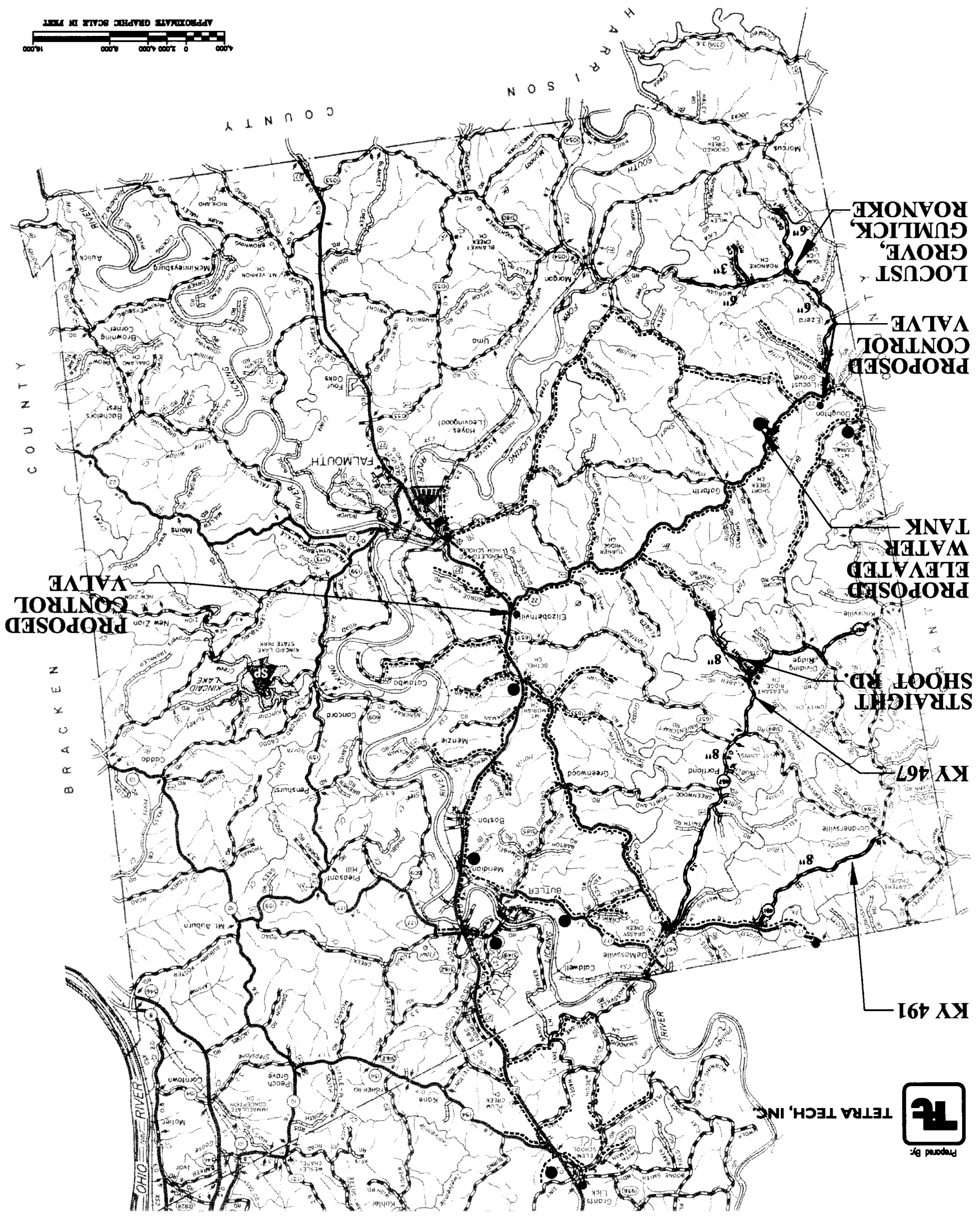
January 29, 2003

KY. HWY. 491 ET AL. WATER FACILITIES PROJECT PENDLETON COUNTY WATER DISTRICT FALMOUTH, KENTUCKY 41040

LEGEND	
<p>Existing</p> <p>3" Water Main</p> <p>4" Water Main</p> <p>6" Water Main</p> <p>8" Water Main</p> <p>12" Water Main</p> <p>Pressure Reducing Valve</p> <p>Pump Station</p> <p>Master Meter</p> <p>Water Storage Tank</p>	<p>●</p> <p>●</p> <p>■</p> <p>▼</p> <p>-----</p> <p>-----</p> <p>-----</p> <p>-----</p> <p>-----</p> <p>-----</p> <p>-----</p> <p>-----</p>

PROPOSED ADDITIONS

EXHIBIT A - PROJECT MAP



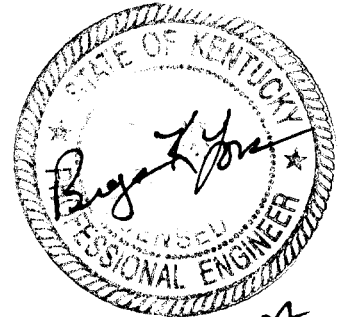
**PRELIMINARY ENGINEERING REPORT
KY. HWY. 491 ET. AL.
WATER FACILITIES PROJECT
PENDLETON COUNTY WATER DISTRICT
FALMOUTH, KENTUCKY
FOR
RURAL UTILITIES SERVICE
September 3, 2002 - PDR Project 95044**

Approved by: Pendleton County Water District

Willis Jones 9-4-02
Date

Prepared By:

PDR Engineers, Inc.
A Tetra Tech Company
800 Corporate Drive
Lexington, Kentucky 40503
Phone: 859/223-8000
FAX: 859/224-1025
E-Mail: pdr@pdreng.com



1-3-04

TABLE OF CONTENTS

SECTION 1	INTRODUCTION
SECTION 2	SUMMARY/ADDENDUM
APPENDIX A	COST ESTIMATE
APPENDIX B	PROJECT MAPS

SECTION 1
INTRODUCTION

SECTION 1 INTRODUCTION

A. PROJECT PLANNING AREA

The Pendleton County Water District (PCWD) primarily serves the western half of Pendleton County in north central Kentucky and a section of southern Campbell County. The PCWD's north, west and south boundaries generally follow the adjoining county lines of Campbell, Kenton and Grant County, the south Licking and main Licking River, respectively. The eastern boundary follows a line approximately 1000 feet east of U.S. 27 to the Campbell County line.

B. PROPOSED PROJECT

The proposed project involves the installation of approximately 22.3 miles of new 8-inch, 6-inch, 4-inch and 3-inch water mains. The new mains will extend into areas of Pendleton County where potable water is not currently available. New customers will be served along Kentucky Highways 491 and 467, Gum Lick Road, John Denny Road, Roanoke Church Road and Straight Shoot Road.

With the new main on Ky. Highway 467 and Straight Shoot Road an alternate source of water will be added for the northern and southern section of the Water District. These water mains will connect to the Northern Kentucky Water District (NKWD) and City of Falmouth sources of water.

On Kentucky Highway 491 an 8-inch main will be extended from an existing 12-inch main on KY Highway 17 to the Gardnersville area serving 37 potential customers along the way. There is also a possible connection with the Bullock Pen Water District in Gardnersville.

Along KY highway 467 an 8-inch main would be installed from the existing 12-inch main on KY Hwy 17 to near the community of Knoxville, which is currently served by the City of Williamstown. This water main passes a potential 96 new water customers which currently rely on cisterns or hauled water.

From the 8-inch main on KY 467 another 8-inch main will be extended across the north end of Straight Shoot Road to connect to an existing 6" main on the south end of Straight Shoot Road which is fed by the 6" main on Kentucky Highway 22. This will connect two (2) different pressure

zones in the Water District and allow water to flow in either direction for an additional backup for each area.

In the Locust Grove-Gum Lick-Roanoke area a 6-inch main will be extended along Gum Lick Road. This main will provide water service to a potential 70 customers including John Denny Road and Roanoke Church Road.

In addition to the water mains, also included in the proposed project is a 200,000 gallon elevated water tank to be constructed near Kentucky Highway 22 in the Goforth-Short Creek area. This tank will supplement the existing "overworked" Hogg Ridge standpipe and provide additional water storage for existing and new customers. The tank will be filled from the existing booster pumping station on Kentucky Highway 330 which currently fills the Hogg Ridge and Bethel water tanks.

Population in Pendleton County is projected to increase by 46% from 2005 to 2025.

C. EXISTING SYSTEM

PCWD has experienced moderate growth during the past years -- adding about 50 new customers per year to the existing system due to normal growth and more customers with expansion into new service areas. The predominant land uses in all project areas are agricultural with some residential.

PCWD was developed from the City of Butler system outside the city limits in 1962 and with several construction projects since that time. The latest of these projects, funded by the Pendleton County Fiscal Court, is currently in construction.

The existing system consists of over 100 miles of water mains ranging in size from 3 to 12 inches and approximately 1620 water customers. PCWD has three (3) water tanks in use with a total storage capacity of 456,000 gallons. The largest users on the system are the City of Butler and Griffin Industries.

PCWD has no treatment facilities of its own. All water is purchased from the City of Falmouth or the Northern Kentucky Water District (NKWD) through existing water purchase contracts. Both supply sources have an adequate supply to meet the additional estimated 41,800 GPD demands of the proposed project, assuming all customers use the estimated 200 gallons per

day. The Falmouth source would supply approximately 70 customers, or 14,000 GPD, and the NKWD would supply 139 potential customers, or 27,800 GPD.

Information regarding PCWD's rate schedule, operating and maintenance costs, monthly water usage and revenue received can be found in the Summary/Addendum included in this Preliminary Engineering Report.

D. PROJECT NEED

Residents included in the project area are not currently served by a public water supply and do not have access to a public water supply. Residents in these areas currently rely on ground and surface water sources for drinking water, or must pay high fees to haul water from other sources.

The extension of 8-inch, 6-inch and 3-inch water mains along the various routes will provide water to presently unserved residents with sufficient flow and pressure to allow for additional customers in the future.

E. ALTERNATIVES CONSIDERED

The goals of the project are:

1. Serve new water customers on Ky. 491, Ky. 467, Gum Lick-Locust Grove,
2. Provide a connection between the two water sources and pressure zones and
3. Supplement the storage for the Hogg Ridge Standpipe service area.

Since the project is near the area of the Bullock Pen Water District and the City of Williamstown connections to both water systems were considered. However at this time the more reliable and cost effective connections for a continuous supply were considered to be the City of Falmouth and NKWD.

F. DESIGN

All proposed water facilities will be designed using good engineering practice to provide the required flow and pressure and meet all requirements of the Kentucky Division of Water.

Facilities will not be constructed in a flood plain.

G. LAND AND CONSTRUCTION

Land requirements for all of the water mains will be limited to the acquisition of both private and state/county road easements.

A tank site approximately 100' x 100' will be acquired.

The construction problems discussed are not extraordinary for this type of project.

H. BUDGET

The proposed operating budget and rate schedule are presented in the attached Summary/Addendum. The rate increase proposed for this new project will cover debt repayment, O&M costs, purchased water, accounting and other miscellaneous items.

I. PLAN OF ACTION - PROJECT DEVELOPMENT

The Pendleton County Fiscal Court and the Pendleton County Water District have pledged \$50,000 and \$28,000 respectively to begin project design. The funds will be used for engineering design, sub contractors, plan sheets, and other items as necessary to prepare a complete project for submission to the Division of Water.

A SF424 form is being completed along with other RD checklist items to submit to Rural Utilities Service. In early 2003 after plans have been reviewed by DOW the water district intends to make a formal application to CDBG for additional project funds. PCWD has been working on income surveys for the project during the past year and expect all areas to qualify.

If all funding is available in the Spring of 2003 then the Owner would like to advertise for construction bids.

SECTION 2

SUMMARY / ADDENDUM

SUMMARY ADDENDUM
TO
PRELIMINARY ENGINEERING REPORT

DATED: September 3, 2002

FOR
Pendleton County Water District (PCWD)
KY. HWY. 491 ET. AL.
WATER FACILITIES PROJECT

APPLICANT CONTACT PERSON: William Jones , General Manager

APPLICANT PHONE NUMBER: 859 / 654 - 6964

APPLICANT TAX IDENTIFICATION NUMBER (TIN): 61-0599209

REPORT DATA BASED FOR YEAR END DECEMBER 31, 2001.

ITEMS IN BOLD ITALIC PRINT ARE APPLICABLE TO SEWER SYSTEMS.

In order to avoid unnecessary delays in application processing, the applicant and its consulting engineer should prepare a summary of the preliminary report in accordance with this Guide.

Please complete the applicable sections of the Summary Addendum. ***Please note, if water and sewer revenue will both be taken as security for the loan, all user information and characteristics of both utility systems will be needed even though the project will benefit only one utility.***

Feasibility review and grant determinations may be processed more accurately and more rapidly if the Summary/Addendum is submitted simultaneously with the preliminary engineering report, or as soon thereafter as possible.

PCWD does not operate or plan to operate a sanitary sewer system. Items referring to **SEWER SYSTEMS** do not apply.

I. General

A. Proposed Project: Provide a brief description of the proposed project. In addition to this summary, the applicant/engineer should submit a project map of the service area.

See Section 1 of this report for project description.
Project Maps are included in Appendix B.

II FACILITY CHARACTERISTICS OF EXISTING SEWER SYSTEM

A. Sewage Treatment: **NOT APPLICABLE**

1. Type:

2. Method of Sludge Disposal:

3. Cost per 1,000 gallons if sewage treatment is contracted:

4. Date Constructed:

B. Treatment Capacity of Sewage Treatment Plant:

C. Type of Sewage Collector System (Describe):

D. Number and Capacity of Sewage Lift Stations:

E. Sewage Collection System:

Lineal Feet of Collector Lines, by size: 6" ____ 8" ____
10" ____ 12" ____ Larger

Date(s) Constructed:

F. Conditions of Existing System. Briefly describe the conditions and suitability for continued use of facilities now owned by the applicant. Include any major renovation that will be needed within five to ten years.

III FACILITY CHARACTERISTICS OF EXISTING WATER SYSTEM

- A. **Water Source:** Describe adequacy of source (quality and quantity). Include an explanation of raw water source, raw water intake structure, treatment plant capacity, and current level of production (WTP). Also describe the adequacy of Water Purchase Contract if applicable.

PCWD purchases water from the City of Falmouth and the Northern Kentucky Water District. Both suppliers have ample capacity to supply the anticipated demands of this project.

If the applicant purchases water:

Seller(s):

1. City of Falmouth
2. NKWD - Ky. Hwy. 17
3. NKWD - U. S. 27 @ Grants Lick

Price/1,000 gallons:

1. \$1.86 per one thousand gallons
2. \$1.44
3. \$1.93

NOTE: NKWD has an application before the PSC to increase wholesale rates to \$2.50 / 1000 gallons.

Present Estimated Market Value of Existing System: \$ 4,000,000

B. Water Storage:

Type:	Ground Storage Tank	Elevated Tank	2
	Standpipe 1	Other	
Number of Storage Structures	-	3	
Total Storage Volume Capacity	-	456,000 gallons	
Date Storage Tank(s) Constructed	-	1978, 1986, 2000	

C. Water Distribution System:

Pipe Material - PVC, Ductile Iron, AC

Lineal Feet of Pipe:	3" Diameter	211,000'	4" 69,000'
	6"	180,000'	8" 39,600'
	10"		12" 45,400'

Date(s) Water Lines Constructed - Pre 1963, 1968, 1978, 1986, 1990, 1994, 2000, 2001, 2002

Number and Capacity of Pump Station(s) - 1 @ 250 gpm

D. Condition of Existing Water System:

Briefly describe the condition and suitability for continued use of facility now owned by the applicant. Include any major renovation that will be needed within five to ten years.

The existing system is in good condition and no major renovation is anticipated in the next 5 to 10 years.

E. Percentage of Water Loss Existing System - 6.71 %

IV. EXISTING LONG-TERM INDEBTEDNESS

A. List of Bonds and Notes:

<u>Date of Issue</u>	<u>Bond/Note Holder</u>	<u>Principal Balance</u>	<u>Payment Date</u>	<u>Bond Type Water/Sewer*</u>	<u>Amount on Deposit in Reserve Account</u>
4/97 Issue	KACOLT	\$ 97,000	Monthly	6.414 %	%
5/26/78 Issue	RD 91-01	\$ 169,000	June 1, Dec 1	5 %	%
4/2/1998 Issue	RD 91-04	\$ 738,500	June 1, Dec 1	5.125 %	%
6/27/2001 Issue	KRW Finance	\$ 374,000	Jan 1, July 1	5.0998 %	%
					\$ 42,278 Total

* If a combined issue, show attributable portion to each system.

B. Principal and Interest Payments: (Begin with Next Fiscal Year Payment)

<u>Date of Issue</u>	<u>Bond/Note Holder</u>	<u>Payment Year 2003</u>		<u>Payment Year 2004</u>		<u>Payment Year 2005</u>	
		<u>Principal Payment</u>	<u>Interest Payment</u>	<u>Principal Payment</u>	<u>Interest Payment</u>	<u>Principal Payment</u>	<u>Interest Payment</u>
4/97 Issue	KACOLT	\$4,000	\$4,779	\$4,000	\$4,565	\$5,000	\$4,302
5/26/78 Issue	RD 91-01	\$7,000	\$7,700	\$8,000	\$7,300	\$8,000	\$6,900
4/2/1998 Issue	RD 91-04	\$5,000	\$37,361	\$5,500	\$37,079	\$6,000	\$36,772
6/27/2001 Issue	KRW Finance	\$10,833	\$17,785	\$11,000	\$17,336	\$11,000	\$16,879

V. EXISTING SHORT-TERM INDEBTEDNESS

A. List of All Short Term Debts: (Do Not Show Any Debt Listed in Paragraph IV above)

<u>Lendor or Lessor</u>	<u>Date of Issue (Month & Year)</u>	<u>Principal Balance</u>	<u>Purpose (Water and/or Sewer)</u>	<u>Payment Date</u>	<u>Principal & Interest Payment (P&I)</u>	<u>Date to Be Paid In Full</u>
Modern Office	3-3-99		Water	Monthly	\$169	9-2002

VI. LAND AND RIGHTS - EXISTING SYSTEM(S)

Number of Treatment Plant Sites:	Water - 0	<i>Sewer</i>
Number of Storage Tank Sites:	Water - 5 (3 in use)	<i>Sewer</i>
Number of Pump Stations:	Water - 1	<i>Sewer</i>
Total Acreage: Estimated	Water - ~ 1	<i>Sewer</i>
Purchase Price: Estimated	Water \$ 3000	<i>Sewer \$</i>

VII. NUMBER OF EXISTING USERS

	Water	<i>Sewer</i>
Residential (In Town)*		
Residential (Out of Town)*	1608	
Non-Residential (In Town)		
Non-Residential (Out of Town)	12	
Total	Dec. 2001 1620	
Number of Total Potential Users Living in the Service Area	1660	

*Note: Residential Users: Classify by type of user regardless of quantity of water used. This classification should include those meters serving individual rural residence.

VIII CURRENT WATER AND SEWER CONNECTION FEES FOR EACH SIZE WATER METER CONNECTION

<u>Meter Size</u>	<u>Water Connection Fee</u>	<u>Sewer Connection Fee</u>
5/8" x 3/4"	\$ 715.00	
1 - Inch	\$ 977.50	Estimated Cost Plus

IX SEWER RATES (EXISTING SYSTEM)

Percentage of water bill _____%. Minimum Charge \$ _____.

Other: (Sewer charge if not based on water bill)

Date this rate went into effect:

X WATER RATES EXISTING SYSTEM

<u>Existing Rate Schedule:</u>	<u>Gallons</u>	<u>Rate per 1,000 Gallons</u>
5/8 - 3/4 inch meter	First 2,000 gallons	\$15.12 minimum bill
	Next 3,000	6.91
	Next 10,000	6.56
	Over 15,000	5.56
High School	First 125,000 gallons	\$713.05 minimum bill
	Over 125,000	5.56
Griffin Industries	First 400,000 gallons	\$2242.05 minimum bill
	Over 400,000	5.56
City of Butler	First 1,650,000 gallons	\$3630.00 minimum bill
	Over 1,650,000	2.20

Date This Rate Went Into Effect July 17, 2000

If More Than One Rate Schedule, Please Include All Schedules.

XI. ANALYSIS OF ACTUAL SEWER USAGE - EXISTING SYSTEM

NOT APPLICABLE

<u>MONTHLY SEWER USAGE</u>	<u>Average</u>	<u>Residential</u>		<u>Non-Residential</u>	
		<u>No. of Users</u>	<u>Usage 1,000</u>	<u>No. of Users</u>	<u>Usage 1,000</u>
<i>5/8 x 3/4 meter</i>					
0 - 1,000 Gal.	1,000		0		0
1,000 - 2,000 Gal.	1,500		0		0
2,000 - 3,000 Gal.	2,500		0		0
3,000 - 4,000 Gal.	3,500		0		0
4,000 - 5,000 Gal.	4,500		0		0
5,000 - 6,000 Gal.	5,500		0		0
6,000 - 7,000 Gal.	6,500		0		0
7,000 - 8,000 Gal.	7,500		0		0
8,000 - 9,000 Gal.	8,500		0		0
9,000 - 10,000 Gal.	9,500		0		0
10,000 - 11,000 Gal.	10,500		0		0
11,000 - 12,000 Gal.	11,500		0		0
12,000 - 13,000 Gal.	12,500		0		0
13,000 - 14,000 Gal.	13,500		0		0
14,000 - 15,000 Gal.	14,500		0		0
15,000 - 16,000 Gal.	15,500		0		0
16,000 - 17,000 Gal.	16,500		0		0
17,000 - 18,000 Gal.	17,500		0		0
18,000 - 19,000 Gal.	18,500		0		0
19,000 - 20,000 Gal.	19,500		0		0
20,000 & Over			0		0
Subtotal		0	0	0	0
 <i>Average Monthly Usage</i>					
Totals		0	-	0	

XII. ANALYSIS OF ACTUAL WATER USAGE - EXISTING SYSTEM

MONTHLY WATER USAGE	Monthly Average	Residential		Commercial	
		No. of Annual Bills	Usage In 1000 Gals.	No. of Annual Bills	Usage In 1000 Gals.
<i>5/8 x 3/4 meter</i>					
0 - 2,000 Gals.	1,173	4,304	5,048		0
2,000 - 5,000 Gals.	3,416	9,000	30,747		0
5,000 - 15,000 Gals.	7,216	5,762	41,577		0
OVER 15,000 Gals.	43,063	336	14,469		0
	<i>Subtotal</i>	19,402	91,841	0	0
Average Monthly Usage		4,734			

SPECIAL USERS

HIGH SCHOOL	77,317			12	928
GRIFFIN INDUSTRIES	591,870			12	7,102
CITY OF BUTLER	1,546,053			12	18,553
WATER HAULER	204,408			12	2,453
	<i>Subtotal</i>	0	-	48	29,036

Subtotal 0 0 0 -

Subtotal 0 0 0 -

Totals **19,402** **91,841** **48** **29,036**

TOTAL USAGE IN THOUSANDS OF GALLONS == 120,877

XIII. FACILITY CHARACTERISTICS OF PROPOSED SEWER SYSTEM

A. Sewage Treatment: NOT APPLICABLE

1. Type:

2. Method of Sludge Disposal:

3. Cost per 1,000 gallons if sewage treatment is contracted:

B. Treatment Capacity of Sewage Treatment Plant:

C. Type of Sewage Collector System (Describe):

D. Number and Capacity of Sewage Lift Stations:

E. Sewage Collection System:

Lineal Feet of Collector Lines, by size: 6" _____ 8" _____
10" _____ 12" _____ Larger _____

XIV. LAND AND RIGHTS - PROPOSED SEWER SYSTEM

Number of Treatment Plant Sites NOT APPLICABLE

Number of Pump Stations

Number of Other Sites

Total Acreage

Purchase Price

XV. FACILITY CHARACTERISTICS OF PROPOSED WATER SYSTEM

A. **Water Source:** Describe adequacy of source (quality and quantity). Include an explanation of raw water source, raw water intake structure, treatment plant capacity, and current level of production (WTP). Also describe the adequacy of Water Purchase Contract if applicable.

PCWD intends to purchase water from the City of Falmouth and the Northern Kentucky Water District. Both suppliers have ample capacity to supply the anticipated demands of this project. Proposed additional usage is within the limits of the existing water purchase contracts.

B. **Water Storage:**

Type:	Ground Storage Tank Standpipe	Elevated Tank Other	1
-------	----------------------------------	------------------------	---

Number of Storage Structures 1

Total Storage Volume Capacity 200,000 gallons

C. **Water Distribution System:** -

Pipe Material PVC and Ductile Iron

Lineal Feet of Pipe:	3" Diameter	4,500'	4"	
	6"	47,200'	8"	65,900'
	10"		12"	

Number and Capacity of Pump Station(s) - 0

XVI. LAND AND RIGHTS - PROPOSED WATER SYSTEM

Number of Treatment Plant Sites 0

Number of Pump Sites 0

Number of Other Sites 1

Total Acreage .25

Purchase Price \$1,000

XVII. NUMBER OF NEW SEWER USERS

*Residential (In Town)**

NOT APPLICABLE

*Residential (Out of Town)**

Non-Residential (In Town)

Non-Residential (Out of Town)

Total

Number of Total Potential Users Living in the Service Area

*** NOTE:** *Residential Users: Classify by type of user regardless of quantity of water used. This classification should include those meters serving individual rural residences.*

XVIII. PROPOSED SEWER CONNECTION FEES FOR EACH SIZE METER CONNECTION

Meter Size

Connection Fee

5/8" x 3/4"

NOT APPLICABLE

1 - Inch

1½ - Inch

2 - Inch

3 - Inch

4 - Inch

5 - Inch

6 - Inch

XIX. NUMBER OF NEW WATER USERS

Residential (In Town)*

Residential (Out of Town)* 146

Non-Residential (In Town)

Non-Residential (Out of Town)

Total (70% of potential) 146

Number of Total Potential Users Living in the Service Area 209

* Note: Residential Users: Classify by type of user regardless of quantity of water used. This classification should include those meters serving individual rural residences.

XX. PROPOSED WATER CONNECTION FEES FOR EACH SIZE METER CONNECTION

<u>Meter Size</u>	<u>Connection Fee</u>
5/8" x 3/4"	\$ 715.00
1 - Inch	Cost Plus for All Others
1½ - Inch	
2 - Inch	
3 - Inch	
4 - Inch	
5 - Inch	
6 - Inch	

XXI. SEWER RATES - PROPOSED

NOT APPLICABLE

A. Proposed Rate Schedule without RUS Grant:

Percentage of water bill _____%. Minimum Charge _____.

Other (If charge not based on water bill)

Proposed Rate Schedule: (Without RUS Grant)

First	_____	Gallons @	\$ _____	Minimum
Next	_____	Gallons @	\$ _____	per 1,000 Gallons
Next	_____	Gallons @	\$ _____	per 1,000 Gallons
Next	_____	Gallons @	\$ _____	per 1,000 Gallons
Next	_____	Gallons @	\$ _____	per 1,000 Gallons
Next	_____	Gallons @	\$ _____	per 1,000 Gallons
All Over	_____	Gallons @	\$ _____	per 1,000 Gallons

The above proposed rate, without RUS grant, must be completed for each grant. If the applicant/engineer desires, there is no objection to recommending a proposed rate with an estimated RUS grant in the Table below. However, the preparer should remember that the Table (A) above must be completed prior to Table (B).

B. Recommended Rate Schedule with RUS Grant:

Percentage of water bill _____%. Minimum Charge _____.

Other (If charge not based on water bill)

Proposed Rate Schedule: (Without RUS Grant)

First	_____	Gallons @	\$ _____	Minimum
Next	_____	Gallons @	\$ _____	per 1,000 Gallons
Next	_____	Gallons @	\$ _____	per 1,000 Gallons
Next	_____	Gallons @	\$ _____	per 1,000 Gallons
Next	_____	Gallons @	\$ _____	per 1,000 Gallons
Next	_____	Gallons @	\$ _____	per 1,000 Gallons
All Over	_____	Gallons @	\$ _____	per 1,000 Gallons

If more than one rate, use additional sheets.

XXII. WATER RATES - PROPOSED

A. Proposed Rate Schedule :

RUS GRANT = \$ \$ -

RUS LOAN = \$ \$ 629,458

1. Proposed Monthly Rate Schedule - Meters 5/8" x 3/4" Meter

<u>MINIMUM BILL - FIRST 2000 GALS.</u>	<u>\$ 18.20</u>	<u>Minimum Bill</u>
<u>NEXT 2,000 to 5,000 GALS.</u>	<u>\$ 7.50</u>	<u>per 1000 Gallons</u>
<u>NEXT 5,000 to 15,000 GALS.</u>	<u>\$ 7.10</u>	<u>per 1000 Gallons</u>
<u>OVER 15,000 GALS</u>	<u>\$ 6.10</u>	<u>per 1000 Gallons</u>

SPECIAL USERS

2. HIGH SCHOOL

<u>MINIMUM BILL - FIRST 125,000 GALS.</u>	<u>\$ 782.70</u>	<u>Minimum Bill</u>
<u>OVER 125,000 GALS.</u>	<u>\$ 6.10</u>	<u>per 1000 Gallons</u>

3. GRIFFIN INDUSTRIES

<u>MINIMUM BILL - FIRST 400,000 GALS.</u>	<u>\$ 2,478.40</u>	<u>Minimum Bill</u>
<u>OVER 400,000 GALS.</u>	<u>\$ 6.10</u>	<u>per 1000 Gallons</u>

4. CITY OF BUTLER

<u>MINIMUM BILL - FIRST 1,650,000 GALS.</u>	<u>\$ 3,795.00</u>	<u>Minimum Bill</u>
<u>OVER 1,650,000 GALS.</u>	<u>\$ 2.30</u>	<u>per 1000 Gallons</u>

XXIII. FORECAST OF SEWER - INCOME - EXISTING SYSTEM - EXISTING USERS

NOT APPLICABLE

MONTHLY SEWER USAGE	Average	Average Rate	Residential			Commercial		
			No. of Users	Usage 1,000	Income	No. of Users	Usage 1,000	Income
<i>5/8 x 3/4 meter</i>								
0 - 1,000 Gal.	1,000		0	0	0	0	0	0
1,000 - 2,000 Gal.	1,500		0	0	0	0	0	0
2,000 - 3,000 Gal.	2,500		0	0	0	0	0	0
3,000 - 4,000 Gal.	3,500		0	0	0	0	0	0
4,000 - 5,000 Gal.	4,500		0	0	0	0	0	0
5,000 - 6,000 Gal.	5,500		0	0	0	0	0	0
6,000 - 7,000 Gal.	6,500		0	0	0	0	0	0
7,000 - 8,000 Gal.	7,500		0	0	0	0	0	0
8,000 - 9,000 Gal.	8,500		0	0	0	0	0	0
9,000 - 10,000 Gal.	9,500		0	0	0	0	0	0
10,000 - 11,000 Gal.	10,500		0	0	0	0	0	0
11,000 - 12,000 Gal.	11,500		0	0	0	0	0	0
12,000 - 13,000 Gal.	12,500		0	0	0	0	0	0
13,000 - 14,000 Gal.	13,500		0	0	0	0	0	0
14,000 - 15,000 Gal.	14,500		0	0	0	0	0	0
15,000 - 16,000 Gal.	15,500		0	0	0	0	0	0
16,000 - 17,000 Gal.	16,500		0	0	0	0	0	0
17,000 - 18,000 Gal.	17,500		0	0	0	0	0	0
18,000 - 19,000 Gal.	18,500		0	0	0	0	0	0
19,000 - 20,000 Gal.	19,500		0	0	0	0	0	0
20,000 - 25,000 Gal.			0	0	0	0	0	0
Sub-Total			0	0	\$0	0	0	\$0
Average Monthly Rate								
Average Monthly Usage								
<i>1 inch meter</i>								
			0	0		0	0	
			0	0		0	0	
Subtotal			0	-	\$ -	0	-	\$ -
<i>2 inch meter</i>								
			0	0	0	0	0	0
			0	0	0	0	0	0
Subtotal			0	0	0	0	-	\$ -
<i>3 inch meter</i>								
			0	0	0	0	0	0
Subtotal			0	0	0	0	-	\$ -
Totals			-	-	-	-	-	-
Annual Total:					\$ -		\$ -	

XXIV. FORECAST OF SEWER - INCOME - NEW USERS - EXTENSION ONLY

NOT APPLICABLE

<u>MONTHLY SEWER USAGE</u>	<u>Average</u>	<u>Residential</u>			<u>Commercial</u>		
		<u>Average Rate</u>	<u>No. of Users</u>	<u>Usage 1,000</u>	<u>Income</u>	<u>No. of Users</u>	<u>Usage 1,000</u>
<i>5/8 x 3/4 meter</i>							
0 - 1,000 Gal.	1,000		0	0		0	0
1,000 - 2,000 Gal.	1,500		0	0		0	0
2,000 - 3,000 Gal.	2,500		0	0		0	0
3,000 - 4,000 Gal.	3,500		0	0		0	0
4,000 - 5,000 Gal.	4,500		0	0		0	0
5,000 - 6,000 Gal.	5,500		0	0		0	0
6,000 - 7,000 Gal.	6,500		0	0		0	0
7,000 - 8,000 Gal.	7,500		0	0		0	0
8,000 - 9,000 Gal.	8,500		0	0		0	0
9,000 - 10,000 Gal.	9,500		0	0		0	0
10,000 - 11,000 Gal.	10,500		0	0		0	0
11,000 - 12,000 Gal.	11,500		0	0		0	0
12,000 - 13,000 Gal.	12,500		0	0		0	0
13,000 - 14,000 Gal.	13,500		0	0		0	0
14,000 - 15,000 Gal.	14,500		0	0		0	0
15,000 - 16,000 Gal.	15,500		0	0		0	0
16,000 - 17,000 Gal.	16,500		0	0		0	0
17,000 - 18,000 Gal.	17,500		0	0		0	0
18,000 - 19,000 Gal.	18,500		0	0		0	0
19,000 - 20,000 Gal.	19,500		0	0		0	0
20,000 - 25,000 Gal.			0	0		0	0
Sub-Total			0	0	\$0	0	0
Average Monthly Rate							
Average Monthly Usage							
<i>1 inch meter</i>							
			0	0		0	0
			0	0		0	0
Subtotal			0	-	\$ -	0	-
<i>2 inch meter</i>							
			0	0		0	0
			0	0		0	0
Subtotal			0	0	0	0	- \$ -
<i>3 inch meter</i>							
			0	0		0	0
			0	0		0	0
Subtotal			0	0	0	0	- \$ -
Totals			-	-	-	-	-
Annual Total:					\$ -		\$ -

XXV. FORECAST OF WATER - INCOME - EXISTING SYSTEM

(PROPOSED RATES)

MONTHLY WATER USAGE	Average Gals.	Average Rate	Residential			Commercial		
			No. of Annual Bills	Usage In 1000 Gals.	Income	No. of Annual Bills	Usage In 1000 Gals.	Income
<i>5/8 x 3/4 meter</i>								
0 - 2,000 Gals.	1,173	\$ 18.20	4,304	5,048	\$ 78,333		0	\$ -
2,000 - 5,000 Gals.	3,416	\$ 28.82	9,000	30,747	\$ 259,403		0	\$ -
5,000 - 15,000 Gals.	7,216	\$ 56.43	5,762	41,577	\$ 325,159		0	\$ -
OVER 15,000 Gals.	43,063	\$ 282.88	336	14,469	\$ 95,048		0	\$ -
<i>Sub-Total</i>			19,402	91,841	\$757,943	0	0	\$0
Average Monthly Rate		\$ 39.07						
Average Monthly Usage/Cust.				4,734				

SPECIAL USERS

HIGH SCHOOL	77,317	\$ 782.70				12	928	\$ 9,392
GRIFFIN INDUSTRIES	591,870	\$ 3,630.61				12	7,102	\$ 43,567
CITY OF BUTLER	1,546,053	\$ 3,555.92				12	18,553	\$ 42,671
WATER HAULER	204,408	\$ 1,267.09				12	2,453	\$ 15,205
<i>Subtotal</i>			0	-	\$ -	48	29,036	\$ 110,836
<i>Subtotal</i>			0	0	\$ -	0	0	\$ -
<i>Subtotal</i>			0	0	\$ -	0	0	\$ -
Totals			19,402	91,841	\$757,943	48	29,036	\$ 110,836

ANNUAL TOTAL REVENUE FOR BOTH RESIDENTIAL AND COMMERCIAL :

\$ 868,778

XXVI. FORECAST OF WATER - INCOME - NEW USERS - EXTENSION ONLY

(PROPOSED RATES)

MONTHLY WATER USAGE					Residential		Commercial		
	Average Mo.		Average	No. of	Usage In	Annual	No. of	Usage In	Annual
	Usage	Cust.	Rate	Annual Bills	1000 Gals.	Income	Annual Bills	1000 Gals.	Income
<i>5/8 x 3/4 meter</i>									
0 - 2,000 Gals.	1,173	73	\$ 18.20	876	1,027	\$ 15,943		0	\$ -
2,000 - 5,000 Gals.	3,416	44	\$ 28.82	528	1,804	\$ 15,218		0	\$ -
5,000 - 15,000 Gals.	7,216	29	\$ 56.43	348	2,511	\$ 19,638		0	\$ -
OVER 15,000 Gals.				-		\$ -		0	\$ -
<i>Sub-Total</i>		146		1,752	5,342	\$50,800	0	0	\$0
Average Monthly Rate			\$ 28.24						
Average Monthly Usage/Cust.				3,049	\$ 29.00				

SPECIAL USERS

									\$ -
									\$ -
									\$ -
									\$ -
<i>Subtotal</i>				0	-	\$ -	0	-	\$ -
<i>Subtotal</i>				0	0	\$ -	0	0	\$ -
<i>Subtotal</i>				0	0	\$ -	0	0	\$ -
Totals				1,752	5,342	\$50,800	-	-	\$ -

ANNUAL TOTAL REVENUE FOR BOTH RESIDENTIAL AND COMMERCIAL : \$ 50,800

XXVII. CURRENT OPERATING BUDGET - (SEWER SYSTEM)

(As of the last full operating year)

Year Ending

NOT APPLICABLE

A. Operating Income:

Sewer Revenue \$0
Late Charge Fees
Other (Describe)

Less Allowances and Deductions

Total Operating Income \$0

B. Operation and Maintenance Expenses:
(Based on Uniform System of Accounts prescribed by National Association of Regulatory Utility Commissioners)

Operation Expense
Maintenance Expense
Customer Accounts Expense
Administrative and General Expense

Total Operating Expenses \$0

Net Operating Income \$0

C. Non-Operating Income:

Interest on Deposits
Other (Identify)

Total Non-Operating Income \$0

D. Net Income \$0

E. Debt Repayment:

RUS Interest
RUS Principal
Non-RUS Interest
Non-RUS Principal

Total Debt Repayment \$0

F. Balance Available for Coverage \$0

**XXVIII. PROPOSED OPERATING BUDGET - (SEWER SYSTEM) - EXISTING SYSTEM
AND NEW USERS (1ST Full Year of Operation) Year Ending**

A. *Operating Income:*

NOT APPLICABLE

*Sewer Revenue
Late Charge Fees
Other (Describe)*

Less Allowances and Deductions

Total Operating Income _____ \$0

B. *Operation and Maintenance Expenses:
(Based on Uniform System of Accounts prescribed by National
Association of Regulatory Utility Commissioners)*

*Operation Expense
Maintenance Expense
Customer Accounts Expense
Administrative and General Expense*

Total Operating Expenses _____ \$0

Net Operating Income _____ \$0

C. *Non-Operating Income:*

*Interest on Deposits
Other (Identify)*

Total Non-Operating Income _____ \$0

D. *Net Income* _____ \$0

E. *Debt Repayment:*

*RUS Interest
RUS Principal
Non-RUS Interest
Non-RUS Principal*

Total Debt Repayment _____ \$0

F. *Balance Available for Coverage* _____ \$0

**XXIX. PROPOSED OPERATING BUDGET - (SEWER SYSTEM) - NEW USERS -
EXTENSION ONLY (1ST Full Year of Operation) Year Ending**

A.	<i>Operating Income:</i>		NOT APPLICABLE
	<i>Sewer Revenue</i>		\$0
	<i>Late Charge Fees</i>		
	<i>Other (Describe)</i>		
	<i>Less Allowances and Deductions</i>		
	<i>Total Operating Income</i>		\$0
B.	<i>Operation and Maintenance Expenses:</i>		
	<i>(Based on Uniform System of Accounts prescribed by National Association of Regulatory Utility Commissioners)</i>		
	<i>Operation Expense</i>		
	<i>Maintenance Expense</i>		
	<i>Customer Accounts Expense</i>		
	<i>Administrative and General Expense</i>		
	<i>Total Operating Expenses</i>		\$0
	<i>Net Operating Income</i>		\$0
C.	<i>Non-Operating Income:</i>		
	<i>Interest on Deposits</i>		
	<i>Other (Identify)</i>		
	<i>Total Non-Operating Income</i>		\$0
D.	<i>Net Income</i>		\$0
E.	<i>Debt Repayment:</i>		
	<i>RUS Interest</i>		
	<i>RUS Principal</i>		
	<i>Non-RUS Interest</i>		
	<i>Non-RUS Principal</i>		
	<i>Total Debt Repayment</i>		\$0
F.	<i>Balance Available for Coverage</i>		\$0

XXX. CURRENT OPERATING BUDGET - (WATER SYSTEM)

(As of the last full operating year) Year Ending December 31, 2001

EXISTING RATES**A. Operating Income:**

Water Sales	\$ 790,193	
Disconnect/Reconnect/Late Charge Fees/Other	\$ 27,761	
Other (Describe) Tap Fees & Misc 40 @ \$715 =	\$ 28,600	
Less Allowances and Deductions		
Total Operating Income		\$ 846,554

B. Operation and Maintenance Expenses:
(Based on Uniform System of Accounts prescribed by National Association of Regulatory Utility Commissioners)

1 Source of Supply Expense	\$ 245,429
2 Pumping Expense	\$ 12,235
3 Water Treatment Expense	
4 Transmission and Distribution Expense	\$ 133,074
5 Customer Accounts Expense	\$ 2,408
6 Administrative and General Expense	\$ 163,153
7 Other	\$ 26,541

Total Operation and Maintenance Expenses	\$ 582,839
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Other Expenses (Not including Depreciation):

Taxes	\$ 15,560	
Amortization	\$ 4,307	
		\$ 19,867

OPERATING EXPENSES	\$ 602,706
--------------------	------------

NET Operating Income	\$ 243,848
----------------------	------------

C. Non-Operating Income:

Interest on Deposits	\$ 16,366	
Other (Identify)	\$ -	
Total Non-Operating Income		\$ 16,366

D. Income Available to Service Debt	\$ 260,214
-------------------------------------	------------

E. Debt Repayment:

RUS Interest 91-01 1978	\$ 8,400
RUS Principal 91-01 1978	\$ 7,000
RUS Interest 94-01 1998	\$ 37,874
RUS Principal 94-01 1998	\$ 4,000
KACOLT 1997 Interest	\$ 5,207
KACOLT 1997 Principal	\$ 4,000
KRW Finance Interest 2001	\$ 9,723
KRW Finance Principal 2001	\$ 12,000
OTHER - RD 1989 Loan Refinanced	\$ 10,706
Total Debt Repayment	\$ 98,910

F. Balance Available for Coverage	\$ 161,304
Less: 10% Coverage	\$ (9,900)
	\$ 151,404
Less: Depreciation	\$ (133,997)
BALANCE	\$ 17,407

XXXI. PROPOSED OPERATING BUDGET - EXISTING AND NEW SYSTEMS

A. Operating Income: PROJECTED FOR 2004			
Water Sales		\$	919,578
Disconnect/Reconnect/Late Charge Fees/Other		\$	27,761
Other (Describe) Tap Fees & Misc	50 @ \$715 =	\$	35,750
Less Allowances and Deductions			
Total Operating Income			\$ 983,089
B. Operation and Maintenance Expenses: (Based on Uniform System of Accounts prescribed by National Association of Regulatory Utility Commissioners)			
1 Source of Supply Expense		\$	274,234
2 Pumping Expense		\$	12,847
3 Water Treatment Expense			
4 Transmission and Distribution Expense		\$	139,727
5 Customer Accounts Expense		\$	2,528
6 Administrative and General Expense		\$	171,310
7 Other		\$	27,868
Total Operation and Maintenance Expenses		\$	628,514
Other Expenses (Not including Depreciation):			
Taxes		\$	15,560
Amortization		\$	4,307
		\$	19,867
OPERATING EXPENSES		\$	648,381
NET Operating Income		\$	334,708
C. Non-Operating Income:			
Interest on Deposits		\$	16,366
Other (Identify)			
Total Non-Operating Income		\$	16,366
D. Income Available to Service Debt		\$	351,074
E. Debt Repayment:			
RUS Principal	91-01	1978 issue	\$ 8,000
RUS Interest	91-01	1978 issue	\$ 7,300
RUS Principal	94-01	1998 issue	\$ 5,500
RUS Interest	94-01	1998 issue	\$ 37,079
KACOLT 1997 issue		Principal	\$ 4,000
KACOLT 1997 Issue		Interest	\$ 5,424
KRW Finance Principal	2001		\$ 11,000
KRW Finance Interest	2001		\$ 17,336
RUS Loan Principal - 2004			\$ -
RUS Loan Interest - 2004			\$ 32,180
Total Debt Repayment		\$	127,819
F. Balance Available for Coverage		\$	223,255
Less: 10% Coverage		\$	(12,800)
		\$	210,455
Less: Depreciation 80%		\$	(168,226)
		\$	42,229

XXXI. PROPOSED OPERATING BUDGET - EXISTING AND NEW SYSTEMS

A. Operating Income: PROJECTED FOR 2004

Water Sales	\$	915,340
Disconnect/Reconnect/Late Charge Fees/Other	\$	27,761
Other (Describe) Tap Fees & Misc 50 @ \$715 =	\$	35,750

Less Allowances and Deductions

Total Operating Income \$ 978,851

B. Operation and Maintenance Expenses:
(Based on Uniform System of Accounts prescribed by National Association of Regulatory Utility Commissioners)

1 Source of Supply Expense	\$	274,234
2 Pumping Expense	\$	12,847
3 Water Treatment Expense		
4 Transmission and Distribution Expense	\$	139,727
5 Customer Accounts Expense	\$	2,528
6 Administrative and General Expense	\$	171,310
7 Other	\$	27,868

Total Operation and Maintenance Expenses \$ 628,514

Other Expenses (Not including Depreciation):

Taxes	\$	15,560
Amortization	\$	4,307
	\$	19,867

OPERATING EXPENSES \$ 648,381

NET Operating Income \$ 330,470

C. Non-Operating Income:

Interest on Deposits	\$	16,366
Other (Identify)		
Total Non-Operating Income	\$	16,366

D. Income Available to Service Debt \$ 346,836

E. Debt Repayment:

RUS Principal	91-01	1978 issue	\$	8,000
RUS Interest	91-01	1978 issue	\$	7,300
RUS Principal	94-01	1998 Issue	\$	5,500
RUS Interest	94-01	1998 Issue	\$	37,079
KACOLT 1997 issue		Principal	\$	4,000
KACOLT 1997 Issue		Interest	\$	5,424
KRW Finance Principal	2001		\$	11,000
KRW Finance Interest	2001		\$	17,336

RUS Loan Principal - 2004 \$ -
RUS Loan Interest - 2004 \$ 22,527

Total Debt Repayment \$ 118,166

F. Balance Available for Coverage	\$	228,670
Less: 10% Coverage	\$	(11,800)
	\$	216,870
Less: Depreciation 80%	\$	(168,226)
	<u>\$</u>	<u>48,644</u>

XXXII. PROPOSED OPERATING BUDGET - (WATER SYSTEM) - NEW USERS
EXTENSION ONLY (1st Full Year of Operation) Year Ending 2004

A.	Operating Income:	FORM XXXII NOT USED
	Water Sales	
	Disconnect/Reconnect/Late Charge Fees	
	Other (Describe) Tap Fees & Misc	
	Less Allowances and Deductions	
	Total Operating Income	\$0
B.	Operation and Maintenance Expenses: (Based on Uniform System of Accounts prescribed by National Association of Regulatory Utility Commissioners)	
	Source of Supply Expense	
	Pumping Expense	
	Water Treatment Expense	
	Transmission and Distribution Expense	
	Customer Accounts Expense	
	Administrative and General Expense	
	Total Operating Expenses	_____
	Net Operating Income	_____
C.	Non-Operating Income:	
	Interest on Deposits	
	Other (Identify)	
	Total Non-Operating Income	\$0
D.	Net Income	\$0
E.	Debt Repayment:	
	RUS Interest	
	RUS Principal	
	Non-RUS Interest	
	Non-RUS Principal	
	Total Debt Repayment	\$0
F.	Balance Available for Coverage	\$0

PRELIMINARY OPINION OF PROBABLE PROJECT COSTS

PDR 95044 Ky. 491, Ky. 467, Locust Grove et.al.

REVISED September 3, 2002

XXXV. DEVELOPMENT AND CONSTRUCTION COST ESTIMATE

1 .	CONSTRUCTION COST ESTIMATE -		
	CONTRACT 1 - WATER MAINS	\$	1,323,408
	CONTRACT 2 - ELEVATED WATER TANK	\$	302,200
2 .	CONTINGENCY	\$	162,600
3 .	ACQUISITION, LEGAL, EASEMENTS, ROW	\$	6,150
4 .	ENGINEERING DESIGN AND CONSTRUCTION ADMIN.	\$	111,390
5 .	RESIDENT REPRESENTATIVE	\$	64,610
6 .	GEOTECHNICAL	\$	6,000
7 .	PROPERTY SURVEY	\$	5,000
8 .	CDBG ADMINISTRATION	\$	40,000
9 .	BOND COUNSEL	\$	5,000
10 .	INTERIM FINANCING	\$	8,000

PRELIMINARY OPINION OF PROJECT COSTS \$ 2,034,358

XXXVI. PROJECT FUNDING

1 .	PCWD TAP ON FEES	60 X	\$715 =	\$	42,900
2 .	OTHER APPLICANT CONTRIBUTION				
	PENDLETON COUNTY WATER DISTRICT			\$	22,000
	PENDLETON COUNTY FISCAL COURT			\$	350,000
3 .	RUS - LOAN			\$	629,458
4 .	RUS - GRANT			\$	-
5 .	CDBG GRANT			\$	990,000
6 .	OTHER				

TOTAL FUNDING = \$ 2,034,358

APPENDIX A
COST ESTIMATE

PRELIMINARY OPINION OF PROBABLE PROJECT COSTS

PDR 95044 Ky. 491, Ky. 467, Locust Grove et.al.

REVISED September 3, 2002

CONTRACT 1 WATER MAINS

ITEM NO.	DESCRIPTION	UNITS	UNIT COST	TOTAL QUANTITY	EXTENDED COST
1 A .	8" PVC-SDR 21	L.F.	\$ 8.00	59,800	\$ 478,400
B .	6" PVC-SDR 21	L.F.	\$ 5.60	29,100	\$ 162,960
D .	3" PVC-SDR 21	L.F.	\$ 4.00	4,500	\$ 18,000
I .	8" DUCTILE IRON	L.F.	\$ 14.60	19,100	\$ 278,860
J .	6" DUCTILE IRON	L.F.	\$ 12.50	5,100	\$ 63,750
2 A .	8" GATE VALVE	Ea.	\$ 620.00	43	\$ 26,660
B .	6" GATE VALVE	Ea.	\$ 420.00	18	\$ 7,560
D .	3" GATE VALVE	Ea.	\$ 300.00	3	\$ 900
3 A .	8" WET TAP INCL. VALVE	Ea.	\$ 1,880.00	2	\$ 3,760
B .	6" WET TAP INCL. VALVE	Ea.	\$ 1,450.00	1	\$ 1,450
4 A .	BORE FOR 8" MAIN W/ CASE	L.F.	\$ 110.00	160	\$ 17,600
B .	BORE FOR 6" MAIN W/ CASE	L.F.	\$ 80.00	40	\$ 3,200
5 A .	O.C. FOR 8" MAIN W/ CASE	L.F.	\$ 40.00	60	\$ 2,400
B .	O.C. FOR 6" MAIN W/ CASE	L.F.	\$ 30.00	230	\$ 6,900
6 A .	3/4" SAME SIDE SERVICE	Ea.	\$ 370.00	36	\$ 13,320
B .	3/4" OPP. SIDE SERVICE	Ea.	\$ 640.00	34	\$ 21,504
7 A .	3/4" SAME SIDE SERVICE W/ PRV	Ea.	\$ 390.00	40	\$ 15,444
B .	3/4" OPP. SIDE SERVICE W/ PRV	Ea.	\$ 700.00	37	\$ 25,620
9 .	2 1/2" FLUSH HYDRANTS	Ea.	\$ 810.00	47	\$ 38,070
10 .	AIR RELEASE VALVE ASSEMBLY	L.S.	\$ 350.00	47	\$ 16,450
11 .	CREEK CROSSING	L.F.	\$ 40.00	210	\$ 8,400
12	6" HYDRANTS	Ea.	\$ 1,400.00	26	\$ 36,400
13	CONNECT TO EXIST. MAIN	Ea.	\$ 800.00	1	\$ 800
14	KY 467 CONTROL VALVE	L.S.	\$ 10,000.00	1	\$ 10,000
15	HOGG RIDGE CONTROL VALVE	L.S.	\$ 10,000.00	1	\$ 10,000
16	TELEMETRY	L.S.	\$ 40,000.00	1	\$ 40,000
17	RELOCATE BETHEL CONTROL VALVE	L.S.	\$ 15,000.00	1	\$ 15,000

CONSTRUCTION - CONTRACT 1 WATER MAINS \$ 1,323,408

CONTRACT 2 ELEVATED WATER TANK

1	ELEV. TANK FOUNDATION	L.S.	1	\$ 37,500
2	200,000 GAL. ELEV. TANK	L.S.	1	\$ 199,700
3	ACCESS ROAD	L.S.	1	\$ 2,000
3	PAINTING AND DISINFECTION	L.S.	1	\$ 42,800
4	YARD PIPING	L.S.	1	\$ 2,700
5	ACCESS ROAD AND SITE GRADING	L.S.	1	\$ 1,100
6	CONTROL VALVE	L.S.	1	\$ 10,000
7	FENCING AND GATE	L.S.	1	\$ 6,400

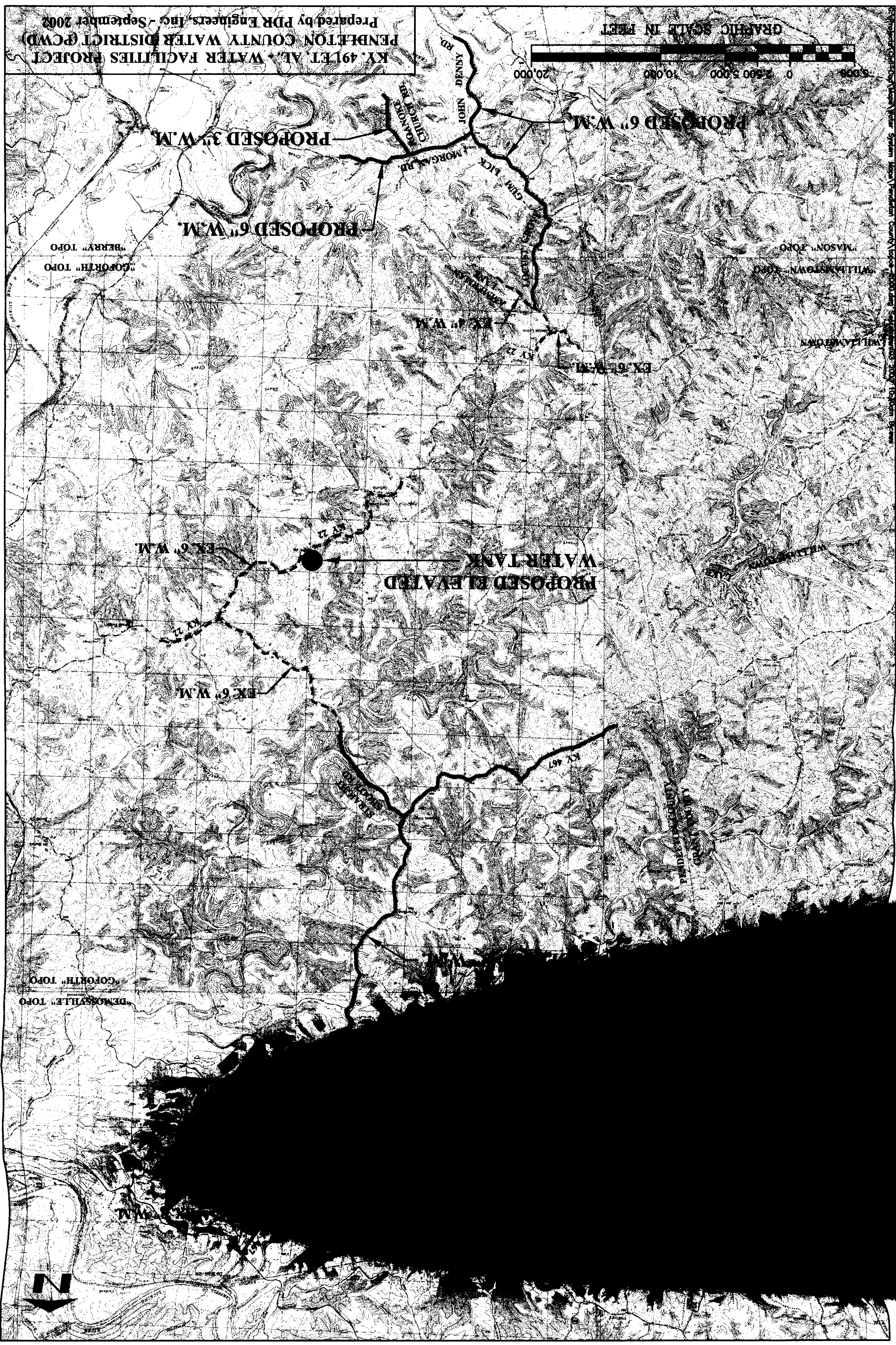
CONSTRUCTION - CONTRACT 2 ELEVATED WATER TANK \$ 302,200

TOTAL CONSTRUCTION \$ 1,625,608

CONTINGENCY 10% \$ 162,600

PRELIMINARY TOTAL CONSTRUCTION AND CONTINGENCY \$ 1,788,208

APPENDIX B
PROJECT MAPS



PROPOSED 6" W.M.

PROPOSED 3" W.M.

PROPOSED 6" W.M.

PROPOSED ELEVATED
WATER TANK

EX. 6" W.M.

EX. 6" W.M.

EX. 6" W.M.

EX. 4" W.M.

W.M.

DEMOSSEVILLE TOPO
GORRITH TOPO

GORRITH TOPO
BERRY TOPO

MASON TOPO
WILLIAMSTOWN TOPO

WILLIAMSTOWN



KY. HWY. 491 ET.AL. WATER FACILITIES PROJECT PENDLETON COUNTY WATER DISTRICT FALMOUTH, KENTUCKY

August 26, 2002

Prepared by:
RTI
Engineers, Inc. A Tetra Tech Co.
800 Corporate Dr. - Lexington, Kentucky 40503 - (502) 223-8000

LEGEND	
●	Water Storage Tank
●	Master Meter
■	Pump Station
▼	Pressure Reducing Valve
-----	12" Water Main
-----	8" Water Main
-----	6" Water Main
-----	4" Water Main
-----	3" Water Main
Existing	

PROPOSED ADDITIONS	
PDR 01272 - Pendleton Fiscal Court - HB 502 UNDER CONSTRUCTION	

