

OHIO COUNTY WATER DISTRICT

OHIO COUNTY COMMUNITY CENTER

130 East Washington Street • Suite 206 • P.O. Box 207 • Hartford, Kentucky 42347
270-298-7704 • 1-800-953-2880

RECEIVED

MAY 04 2004

**PUBLIC SERVICE
COMMISSION**

RECEIVED

MAY 4 2004

FINANCIAL ANALYSIS

April 29, 2004

Public Service Commission
P.O. Box 615
Frankfort, Kentucky 40602

Case 2004-00157

RE: Ohio County Water District Acquiring Water System in Rockport, KY

To Whom It May Concern:

The Ohio County Water District has acquired the water system in Rockport, KY because the City Of Rockport defaulted on loans with The Central Bank and Trust Company (\$288,061.58) Lexington, KY and the Green River Area Development District (\$34,819.89).

The Ohio County Water District has two coal severance grants, #1 (\$281,072.63) #2 (\$232,260.00) to pay the loans and make the interconnection with the Rockport System. Ohio County Water District will only use grant funds for this project.

Enclosed with this letter is a copy of notice to Rockport customers, a Rockport System map, a newspaper notice, and a preliminary project cost schedule.

Sincerely,

Ohio County Water District



Walt Beasley, General Superintendent

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April 12, 2004

*THIS NOTICE WAS SENT TO
EACH CUSTOMER ON RECORD
IN ROCKPORT*

City of Rockport
US Highway 62 West
Rockport, KY 42369

Re: Rockport Water Customers

Dear Customer:

Walt B.

In March of 2003 the City of Rockport and Ohio County Water District began negotiations for Ohio County Water District to acquire the Rockport Water System. An agreement was signed by both parties on May 22, 2003. Since the agreement was made, the Ohio County Water District has made the payments to Central Bank and Trust Company on the Rockport Bond Issue. As of February 27, 2004 all documents have been approved by all parties concerned. In the agreement, the City of Rockport will continue to provide service and collect revenue for 75 days from February 27, 2004. During this 75 day period you may see some work being performed in preparation of Ohio County Water District serving your water needs.

There will be an informational meeting at Rockport Fire Department on May 6, 2004 at 6:00 p.m. At this meeting we will explain how the Public Service Commission regulates the District. We will also discuss our payment procedures. With this letter of notice a copy of Ohio County Water District's current rates are included. The office hours are 8:00 a.m. – 4:00 p.m. Monday thru Friday. Our phone number is 270-298-7704.

Thank you for your patience with this process and we look forward to serving your water needs in the future.

Sincerely,

Walt Beasley

Walt Beasley
General Superintendent

CC: Forwarded to all Rockport Customers

APPENDIX A

**APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2003-00034 DATED November 12, 2003**

The following rates and charges are prescribed for the customers in the area served by Ohio County Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

First	2,000 gallons	\$19.93	Minimum bill
Next	18,000 gallons	8.28	per 1,000 gallons
Next	30,000 gallons	7.16	per 1,000 gallons
Next	50,000 gallons	6.03	per 1,000 gallons
All Over	100,000 gallons	4.91	per 1,000 gallons
Leak Adjustment Rate		2.53	per 1,000 gallons
Wholesale Rate		2.53	per 1,000 gallons

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April 12, 2004

3.

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General Superintendent

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"Established 1952"
HUNTER H. MARTIN, FOUNDER (1924-1997)

HUNTER MARTIN & ASSOCIATES, INC.

ENGINEERS & SURVEYORS
3220 Lone Oak Road, Paducah, KY 42003 * (270) 564-2737 * FAX (270) 564-2738
http://www.huntermartin.com

4.

**OHIO COUNTY WATER DISTRICT
CONNECTION TO ROCKPORT, KY.
PRELIMINARY PROJECT COSTS**

March 2, 2004

			Subtotal	Total	Percent Of Project
CONSTRUCTION COSTS:					
	Length	Size			
Echols Church Lane					
6" SDR 21 PVC Water Main	3,300	LF	\$17,028.00		
6" x 6" Tapping Sleeve w/ Valve	1	LS	\$1,525.00		
6" Bore With 12" Casing	50	LF	\$2,500.00		
Tie Into Existing Main At R.R	1	LS	\$850.00		
6" Gate Valve	1	LS	\$750.00		
8" Hwy 62 To Connect Systems		LF			
8" Hwy 62 To Replace 4"		LF			
Control Station					
Building	1	LS	\$32,000.00		
Site Work	1	LS	\$7,500.00		
Piping & Valves	1	LS	\$4,500.00		
Radio Telemetry	1	LS	\$25,000.00		
TOTAL CONSTRUCTION				\$91,653.000	19.31%
TECHNICAL					
Basic Engineering Fee	Percent	Lump Sum			
Preliminary Basic (10%)		\$10,200.00	\$1,020.00		
Design Basic (60%)		\$10,200.00	\$6,120.00		
Bidding/Award (10%)		\$10,200.00	\$1,020.00		
Construction Basic (20 %)		\$10,200.00	\$2,040.00		
SUBTOTAL - BASIC			\$10,200.00		
Inspection (Part-Time)			\$1,000.00		
Extra					
Surveys	Hourly	\$3,500.00			
Permits	Hourly	\$800.00			
Psc Construction Case	Hourly	\$1,500.00			
SUBTOTAL - EXTRA			\$5,800.00		
TOTAL TECHNICAL				\$17,000.000	3.58%
PLANNING & ADMINISTRATIVE				\$5,000.000	1.05%
DEBT RETIREMENT				\$322,881.470	68.03%
LEGAL				\$3,000.000	0.63%
INTEREST PAYMENT BY OCWD				\$22,700.000	4.78%
CONTINGENCIES	13.47%	Of Construction		\$12,347.000	2.60%
TOTAL PROJECT COSTS				\$474,581.470	100.00%

NOTE: THE DEBT RETIREMENT FOR ROCKPORT INCLUDES \$35,000 TO GRADD AND \$300,000 TO THE BONDING COMPANY FOR A TOTAL OF \$335,000. THE DEBT WILL BE REPAYED WITH UNUSED GRANT FUNDS AND MONIES FROM THE DISTRICT'S RESERVES IF NEEDED.

PROJECT PROCEEDS:	REMAINING		
	TOTAL	THIS PROJECT	AFTER PROJECT
COAL SEVERANCE GRANT	\$232,260.00	\$232,260.00	
COAL SEVERANCE GRANT PREVIOUSLY FUNDED	\$280,000.00	\$242,321.47	\$37,678.530
TOTAL FUNDS	\$512,260.00	\$474,581.47	\$37,678.530