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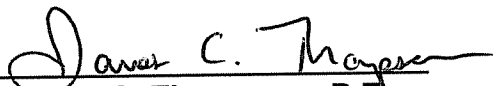
PLANNING  
DIVISION

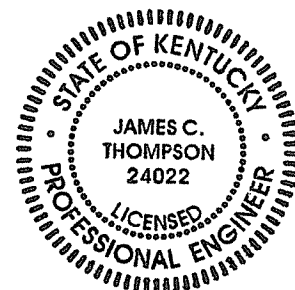
Case No. 2005-00374

**Southern Water and Sewer District  
Contract No. 27 – Morg Branch Pump Station  
System Maintenance, Repairs, and Upgrades  
Final Engineering Report  
August 2005**

**O'Brien & Gere Engineers, Inc.  
2333 Alexandria Drive  
Lexington, Kentucky 40504  
859.514.6055**

**Submitted By:**

  
**James C. Thompson, P.E.  
Project Engineer**



8-31-05

**SOUTHERN WATER AND SEWER DISTRICT  
FINAL ENGINEERING REPORT  
WATER SYSTEM IMPROVEMENTS**

**I. GENERAL**

The Southern Water & Sewer District was formed in March 2000 with the merger of the Mud Creek and Beaver Elkhorn Water Districts. The District employs Veolia Water North America to operate the water and sewer systems. The existing system consists of a 2 MGD surface water plant, over 269 miles of lines with 24 tanks and 26 pump stations serving 6,031 customers.

**II. PROJECT PLANNING AREA**

The Southern Water & Sewer District is located in Floyd County, Kentucky. The District serves the southern part of Floyd County from Route 80 south and Route 23 west. The District also serves a few customers in Knott County including selling water wholesale to the City of Hindman. The major land attributes are high mountains with narrow hollows prone to flooding.

**III. EXISTING FACILITIES**

***A. Location Map***

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

***B. History***

The Beaver Elkhorn and Mud Creek systems were originally built in the late 1960's and early 1970's with EDA funds. The Mud Creek system was constructed in the early 1970's with portions of the system renovated in 1987. The Beaver Elkhorn system has a water plant, which was expanded from 1 to 2 mgd in 1992. There were several tanks and pumps added to the system in 1992 along with a line extension from Hi Hat to Weeksbury. There was also an AML funded line extensions in Bill Hall Branch in 1999 and Arkansas Creek in 1997. The systems were merged in early 2000 to form the Southern Water & Sewer District. Since 2001 the District has undertaken several projects that have added over 1,100 customers, constructed over 74 miles of lines, nine storage tanks, and 14 pump stations.

***C. Condition of Facilities***

Present Condition – The District has been very aggressive in extending service and repairing existing assets. While funds are tight, the District works consistently to improve the facilities.

Suitability for Continued Use – The majority of the system is adequate for continued use.

Water Supply – The system gets water from two sources: the City of Pikeville and its own 2 MGD plant. The City of Pikeville can pump a maximum of 550,000 gallons per day. The current use averages between 233,000 to 300,000 gallons a day. The water plant has a capacity of 2 mgd and is currently pumping 1.6 mgd. The District has the ability to buy water from the Sandy Valley Water District through an eight-inch connection at Harold, the City of Prestonsburg from a six-inch connection on Prater Creek, an 8-inch connection close to the City of Martin and a six-inch connection on Route 7. Emergency purchases have been discussed with all utilities.

Treatment, Storage and Distribution Facilities – The distribution and storage is adequate at the current time

Compliance – The system is in compliance with both DOW and PSC regulations.

#### ***D. Financial Status***

The District has added many customers that have increased cash flow however, there have been additional expenses incurred by the District that have hindered the District's financial position.

In addition to increased debt as a result of a 2000 Rural Development project, the District has been asked by the Floyd County Fiscal Court to assume the debt payment on the funds the Court provided to the District for the 2000 Rural Development project. Initially, the Court was going to pick up the debt service on their contribution but the County has had financial difficulties and has requested that the District beginning paying the debt service of approximately \$100,000 per year.

The District retains Veolia Water North America for professional operation and management of the system. The District is behind on some payments to Veolia Water but hope that the rate increase will enable the District to pay its obligation to Veolia.

### **IV. NEED FOR THE PROJECT**

#### ***A. Health and Safety***

The project proposed by Southern Water is multi-faceted. A number of the proposed improvements: installation of new pump station at Morg Branch, repairs at the water treatment plant, and replacement of pressure reducing valves will improve the water quality by boosting pressures. The other activities in the project: replacement of large meters, and installation of a bypass meter at the Martin storage tank will improve the operations of the District and should improve the cash flow with more accurate meters.

**B. System O&M**

The Southern Water and Sewer District is operated and managed by Veolia Water North America. Veolia provides all personnel to the District and handles all the day to day operations of the District.

The proposed activities will improve operations of the District and replace old, worn out equipment.

**C. Growth**

The historical trends are based on census information. The trend shows a gradual decrease in the population for Floyd County.

	1990	2000	2020	2030
Population	43,586	42,441	41,570	40,257

The population decrease however does not reflect the needs of customers not served by water. The District has requests from approximately 350 families for line extensions. The District already serves Hindman with 50,000 gallons per day of water.

**V. ALTERNATIVES CONSIDERED**

The proposed project consists of the following activities:

1. Installation of new pump station at Morg Branch
2. Repairs at the Allen Water Treatment Plant – to be accomplished with Coal Severance grant
3. Replacement of large meters in the distribution system
4. Replacement of the pressure reducing valve at Route 850

These are very specific improvements to the District’s system. No substantial alternatives exist that would satisfy the District’s objectives in undertaking these improvements.

**B. Project Design**

The activities proposed required at a minimum development of specifications. The Morg Branch pump station is the only item that required the development of plans and specifications. The pump station was designed by the District’s engineers and approved by the Kentucky Division of Water.

The project was bid during the month of August 2005 with the bid opening August 29, 2005. There were two bidders on contract 27. The low bidder was Kenny, Inc. of Mt. Sterling, Kentucky, with a bid of \$214,717.00. The bid amount, when added to the project non-construction cost exceeds the project budget.

## **CONCLUSION AND RECOMMENDATIONS**

The recommendation to the Southern Water and Sewer District Board was to accept the low bid with the elimination of three items to bring the cost within the project budget.

The items included in the bid were:

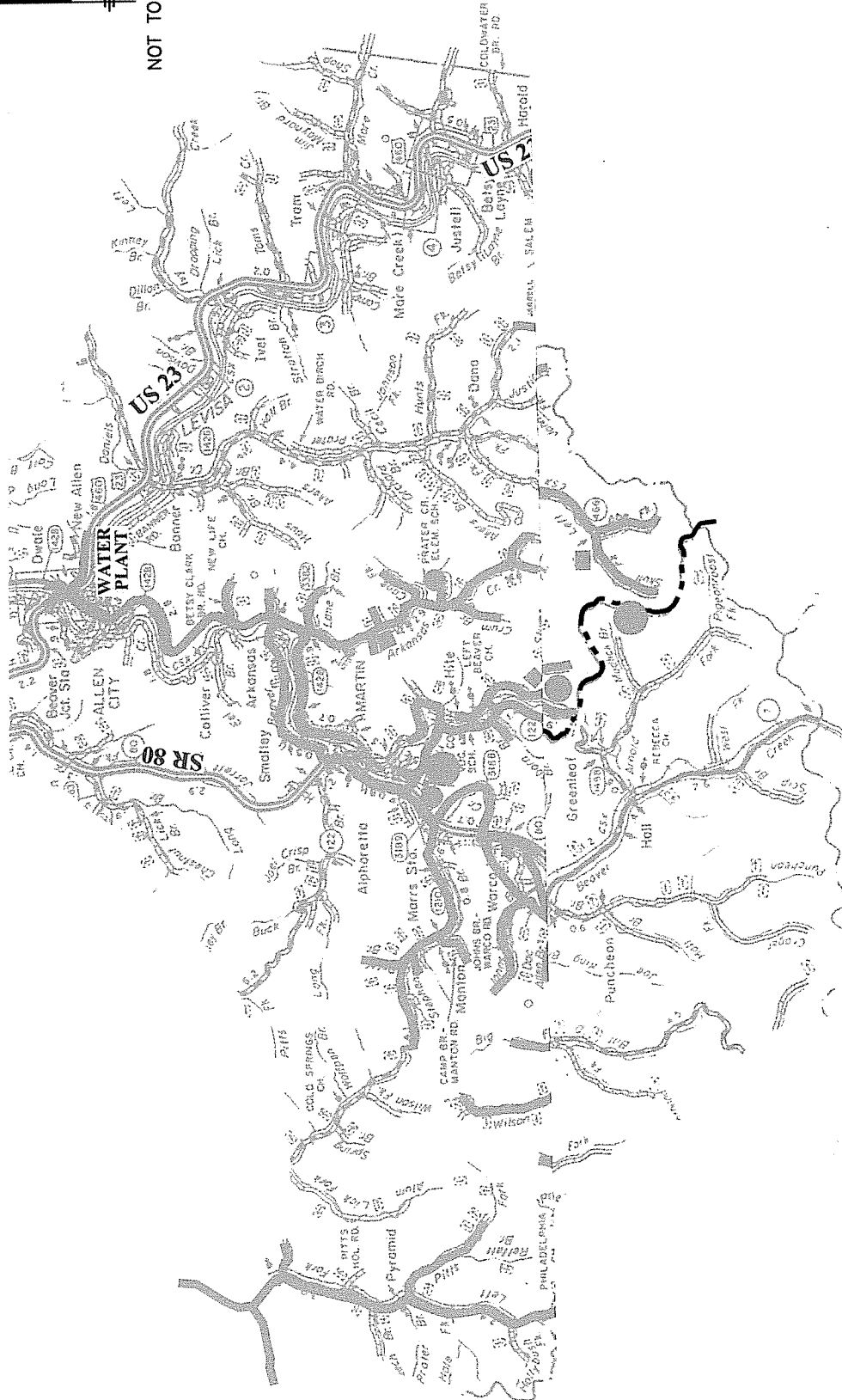
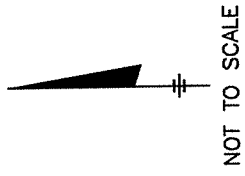
1. New Morg Branch pump station
2. Removal of existing Morg Branch pump station
3. Telemetry at Morg Branch pump station
4. New master meter at water treatment plant
5. Replacement of eight 2 inch meters in the distribution system
6. Replacement of one 3 inch meter in distribution system
7. Replacement of PRV along KY 850.

The attached bid tabulation shows the bid price for all seven items. O'Brien & Gere recommended award to Kenny, Inc., with a change order executed at contract signing deleting the following three items. The District accepted the recommendation to eliminate these three items, which bring the total construction cost to \$168,067.00.

1. Removal of existing Morg Branch pump station
2. Telemetry at Morg Branch pump station
3. Replacement of one 3 inch meter in distribution system

### **ATTACHMENTS:**

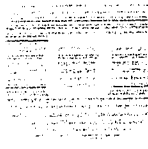
Map of District  
Bid Tabulation  
Engineers Letter of Recommendation



# EXISTING WATER SYSTEM SOUTHERN WATER and SEWER DISTRICT FLOYD COUNTY, KENTUCKY







**O'BRIEN AND GERE**

August 29, 2005

Mr. Bob Meyer, Project Manager  
Veolia Water, N.A.  
Southern Water and Sewer District  
245 KY Hwy. 680  
McDowell, Kentucky 41647

Re: Contract Award Recommendation  
Contract No. 27 – Morg Branch Pump Station and Improvements  
Southern Water and Sewer District, Floyd County, Kentucky  
O'Brien and Gere Project No. 36108

Dear Bob:

The bid opening for the above referenced contract was held today, Monday, August 29, 2005 at 1:00 pm local time at the offices of Southern Water and Sewer District in McDowell, Kentucky.

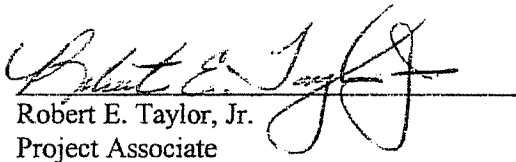
The low bidder for Contract No. 27 – Morg Branch Pump Station and Improvements is Kenney, Inc. of Mount Sterling, Kentucky in the amount of \$214,717.00. We have worked with Kenney, Inc. previously and we have checked the references and previous experience provided by Kenney, Inc. and have received favorable reports. They have successfully completed many projects of this type previously.

In order to reduce the amount bid and to bring the contract within budget, our recommendation is to delete by contract change order from the project Bid Item No. 2 – Complete Removal of the Existing Morg Branch Pump Station at \$5,550.00, Bid Item No. 3 – Telemetry at \$30,000, Bid Item No. 6 – Replacement of 3" meters at \$11,100.00 for a total reduction of \$46,650.00 for a revised contract amount of \$168,067.00.

**If the low bidder Kenney, Inc. is in agreement with the reduction in the bid amount we recommend award of Contract No. 27 to Kenney, Inc. for \$168,067.00.** A copy of the bid tabulation for each contract is included with this letter. If you have questions or need any additional information please contact me.

Sincerely,

O'BRIEN AND GERE ENGINEERS, INC.

  
Robert E. Taylor, Jr.  
Project Associate





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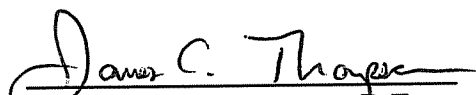
PLANNING & ESTIMATION  
DIVISION

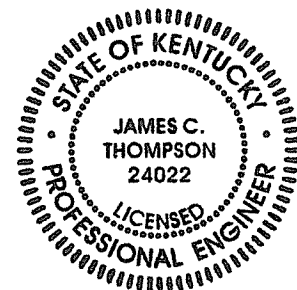
Case No. 2005-00374

**Southern Water and Sewer District  
Contract No. 27 – Morg Branch Pump Station  
System Maintenance, Repairs, and Upgrades  
Preliminary Engineering Report  
February 2005**

**O'Brien & Gere Engineers, Inc.  
2333 Alexandria Drive  
Lexington, Kentucky 40504  
859.514.6055**

**Submitted By:**

  
**James C. Thompson, P.E.  
Project Engineer**



2-21-05

**SOUTHERN WATER AND SEWER DISTRICT  
PRELIMINARY ENGINEERING REPORT  
WATER SYSTEM IMPROVEMENTS**

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***A. Location***

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***B. Environmental Resources***

The topographic maps at the end of this report show the major environmental features, which are primarily mountains and narrow hollows. The terrain has contributed to the need for the 24 tanks and 26 pump stations, pressures range from below 30 psi to over 210 psi in sections of the system. Many of the hollows are in floodplains. A large part of the mountain areas, which have not been mined, are forest covered. All of the activities proposed are located near roads in the area. No disturbance of open/vacant land is expected therefore, there shouldn't be any archaeological surveys required or impacts on endangered species.

***C. Growth Areas and Population Trends***

A quick review of the census information shows a gradual decline in the population over the next twenty-five years. The decline of coal mining certainly contributes to the population decline as jobs disappear. The water system itself however has been growing rapidly as water shortages and quality of natural sources deteriorates. The census statistics for Floyd County population are listed below.

	<u>1990</u>	<u>2000</u>	<u>2020</u>	<u>2030</u>
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### **III. EXISTING FACILITIES**

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### **IV. NEED FOR THE PROJECT**

#### ***A. Health and Safety***

The project proposed by Southern Water is multi-faceted. A number of the proposed improvements: installation of new pump station at Morg Branch, repairs at the water treatment plant, replacement of pressure reducing valves, and installation of automatic flushing assemblies and chlorine booster stations will improve the water quality by boosting pressures and chlorine residuals. The other activities in the project: replacement of large meters, installation of a bypass meter at the Martin storage tank and the purchase of a flow meter will improve the operations of the District and should improve the cash flow with more accurate meters.

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#### ***V. ALTERNATIVES CONSIDERED***

The proposed project consists of the following activities:

1. Installation of new pump station at Morg Branch
2. Repairs at the Allen Water Treatment Plant
3. Replacement of 19 large meters in the distribution system
4. Replacement of the pressure reducing valve at Route 850
5. Installation of a new 2 inch bypass meter at the Martin Tank for monitoring of water use and leak detection
6. Installation of 2 automatic flushing assemblies and 2 chlorine booster stations on Route 7
7. Purchase new flow meter

These are very specific improvements to the District's system. No substantial alternatives exist that would satisfy the District's objectives in undertaking these improvements.

#### ***B. Project Design***

The activities proposed will require at a minimum development of specifications. The District intends to install many of the items in-house but will need specifications to provide prospective equipment suppliers. The Morg Branch pump station will be the only item bid to a contractor for installation. The pump station will be designed by the District's engineers and submitted to the Kentucky Division of Water for approval.

#### ***C. Cost Estimate***

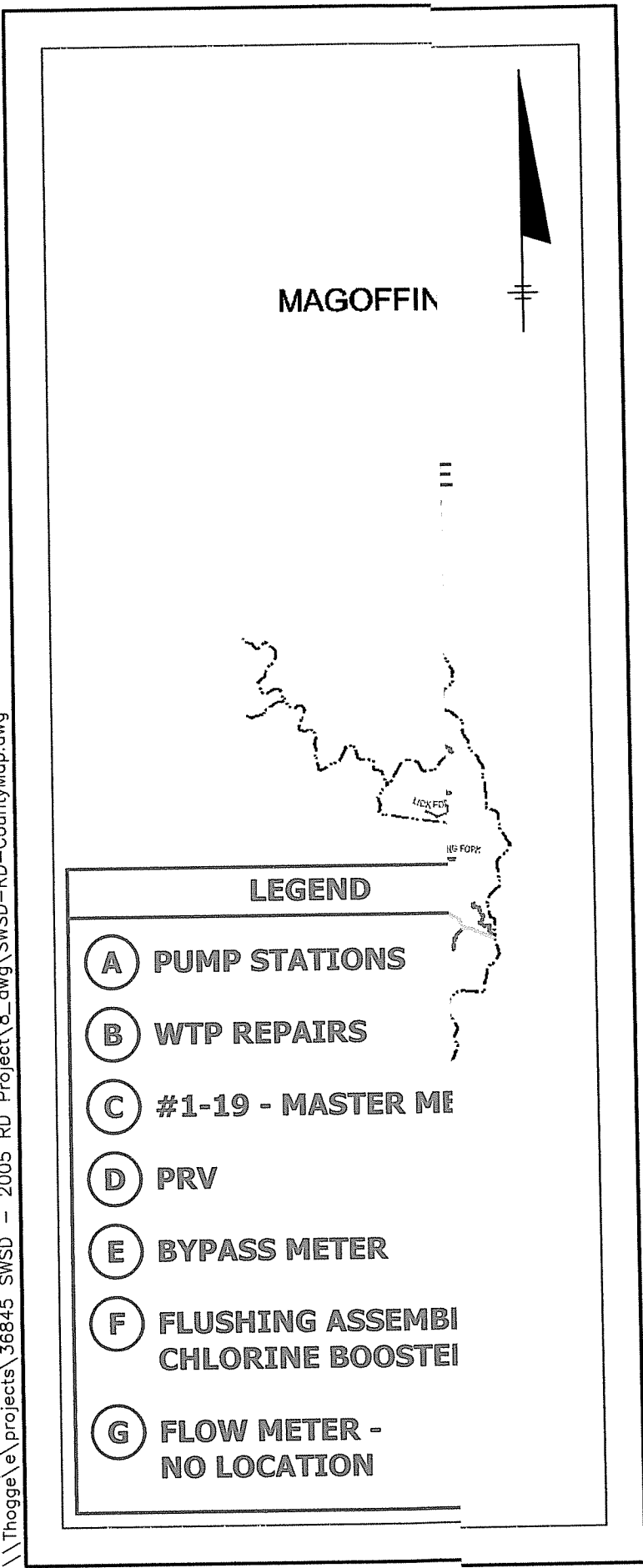
A detailed cost estimate is attached.

#### ***D. Annual Operating Budget***

An annual operating budget is provided in the summary addendum.

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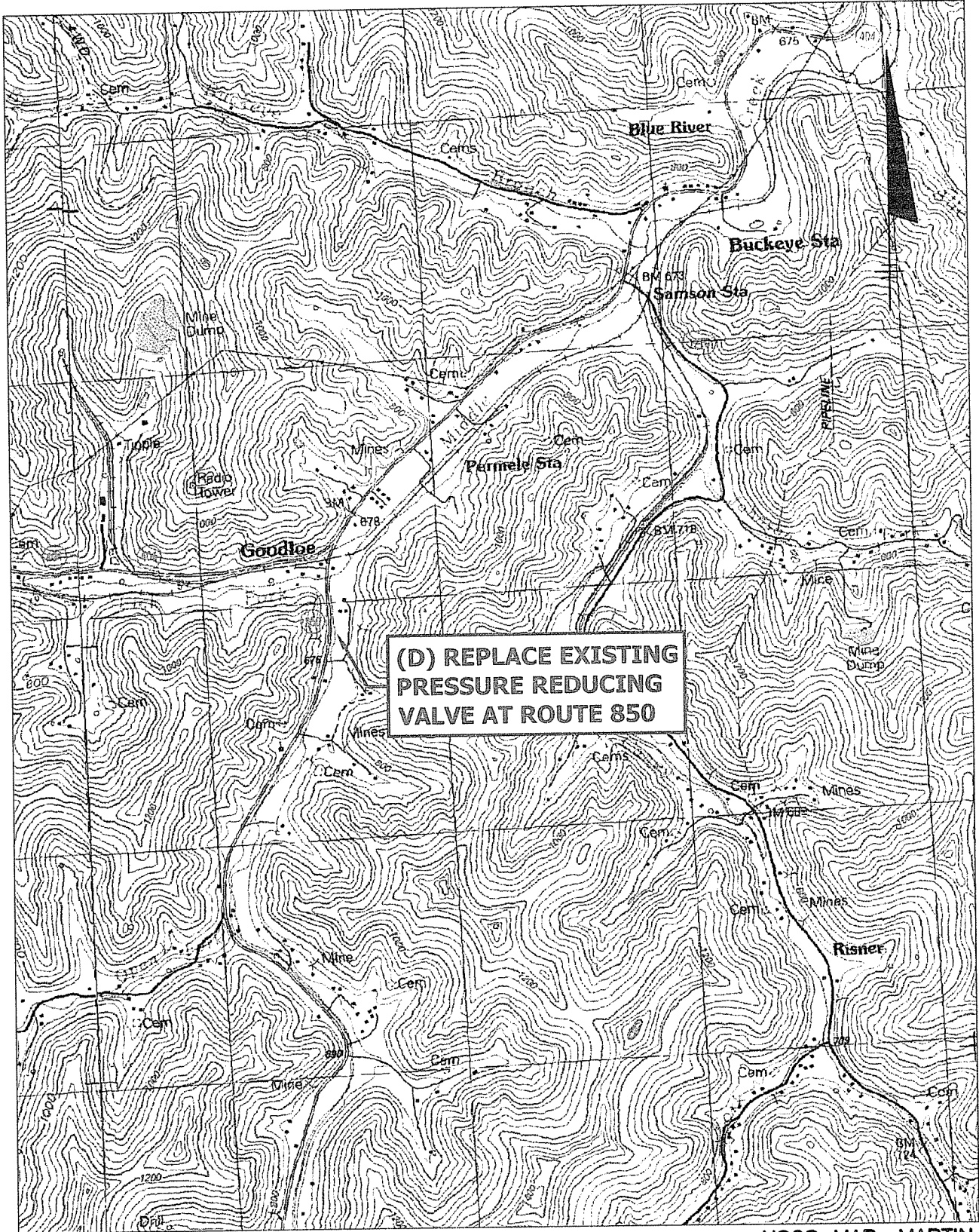
SOUTHERN WATER & SEWER DISTRICT  
FLOYD COUNTY, KY

PROPOSED  
WATER SYSTEM  
IMPROVEMENTS

JAN 2005



2005 © O'Brien and Gere Engineers, Inc.



USGS MAP: MARTIN



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ENGINEERS INC.

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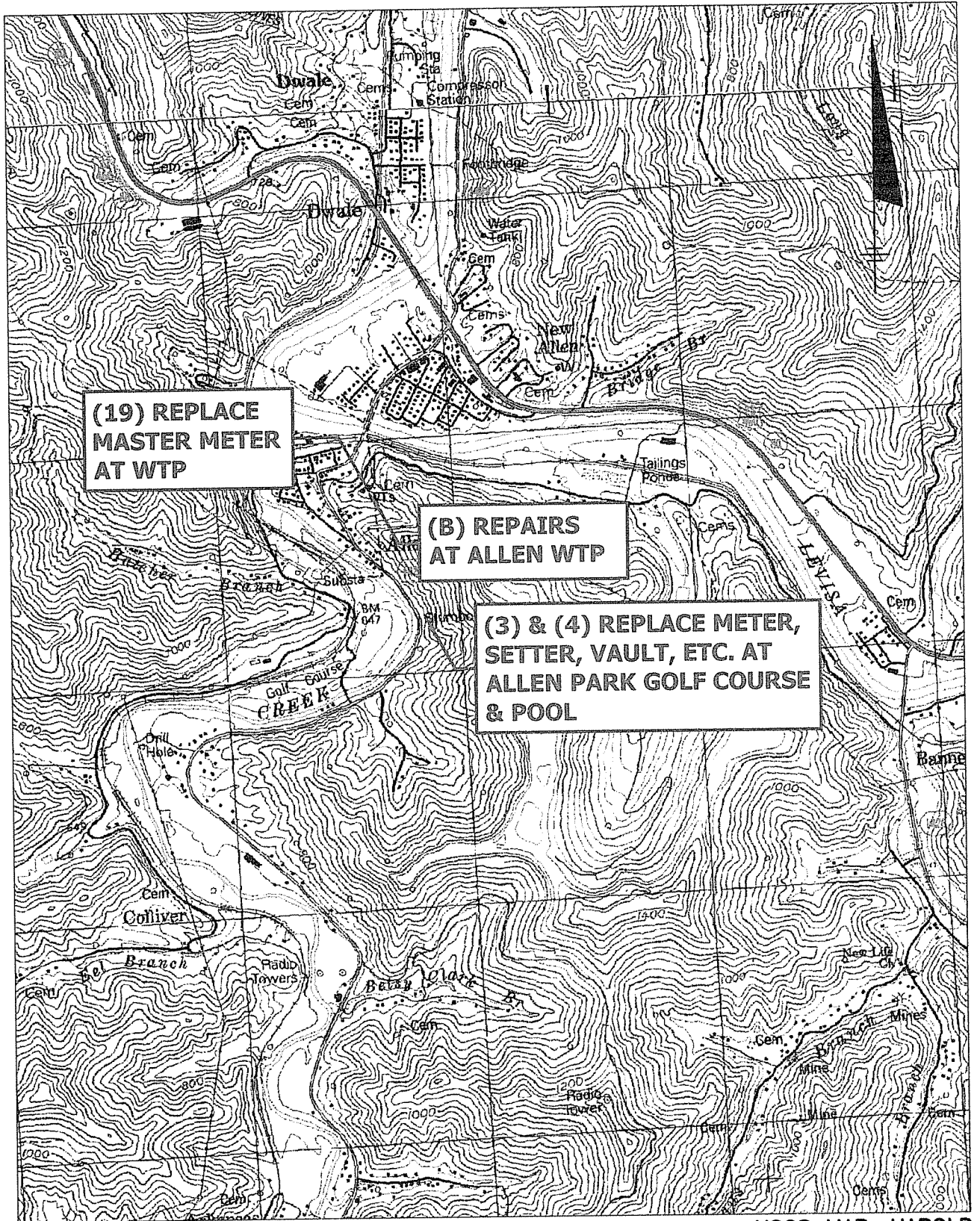
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SOUTHERN WATER & SEWER DISTRICT  
PROPOSED WATER SYSTEM IMPROVEMENTS  
FLOYD COUNTY, KENTUCKY  
SCALE: 1"=2000'

FILE NO.

DATE  
JAN 2005

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USGS MAP: HAROLD



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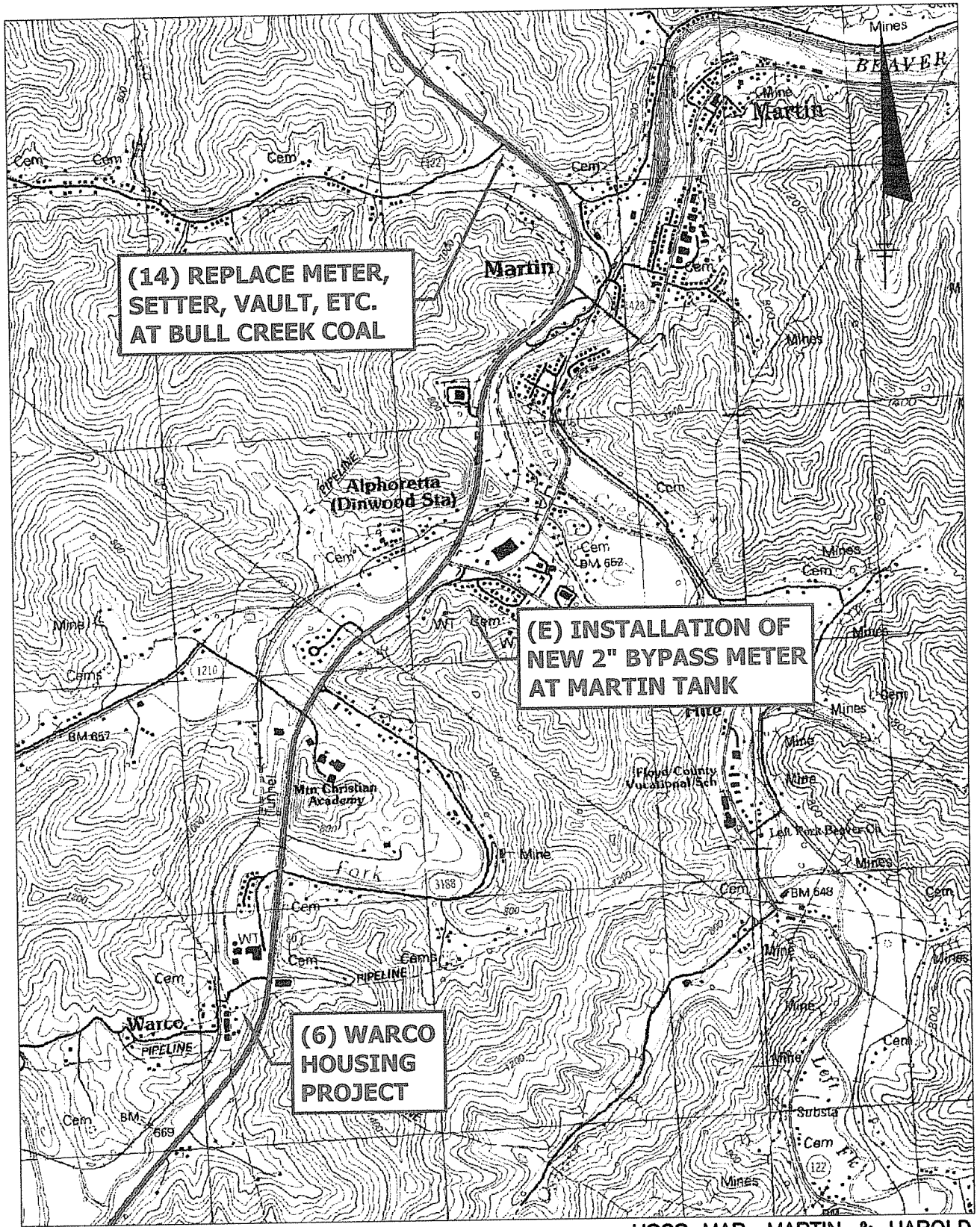
SOUTHERN WATER & SEWER DISTRICT  
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FLOYD COUNTY, KENTUCKY  
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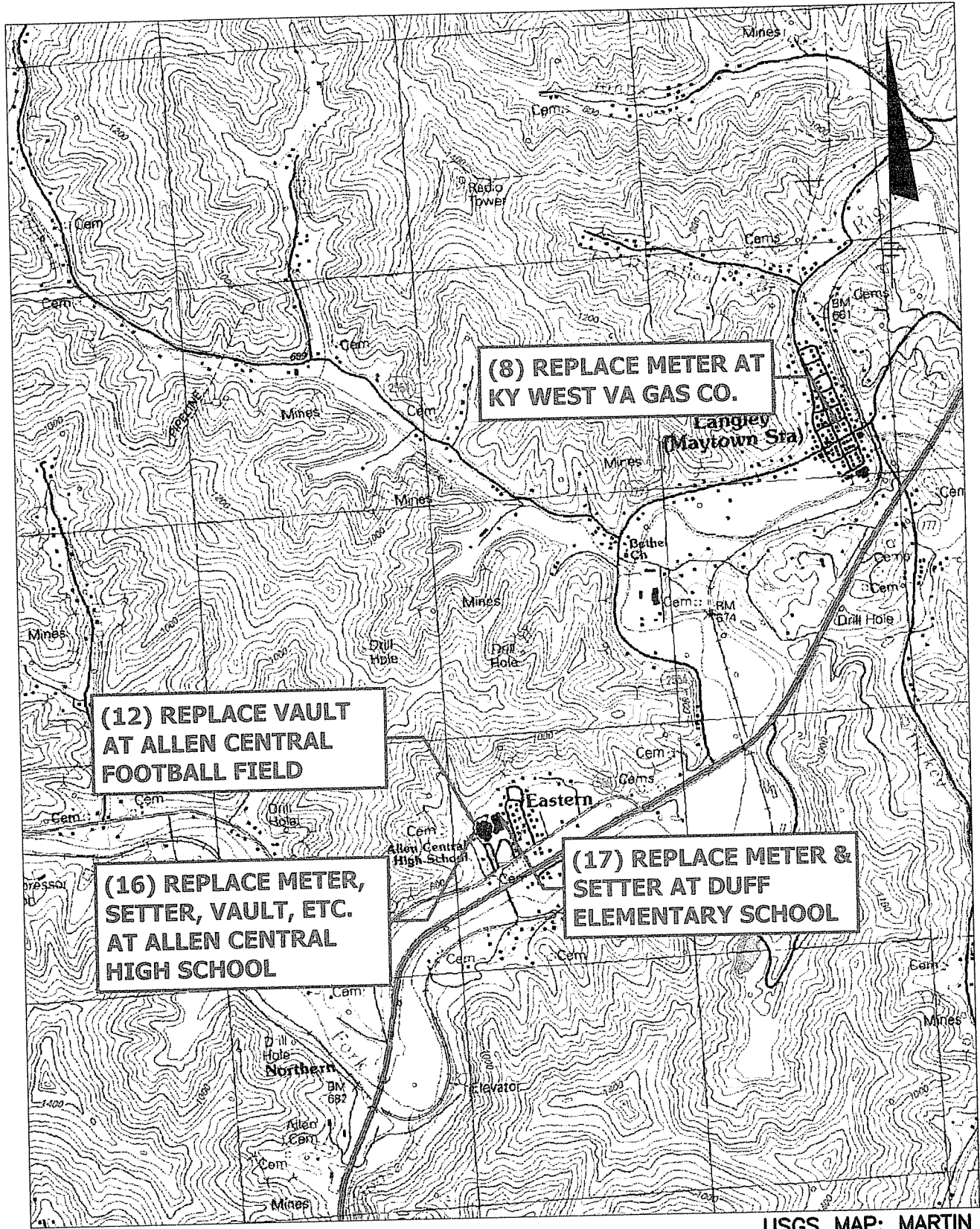


USGS MAP: MARTIN & HAROLD



SOUTHERN WATER & SEWER DISTRICT  
PROPOSED WATER SYSTEM IMPROVEMENTS  
FLOYD COUNTY, KENTUCKY  
SCALE: 1"=2000'

FILE NO.
DATE JAN 2005
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USGS MAP: MARTIN



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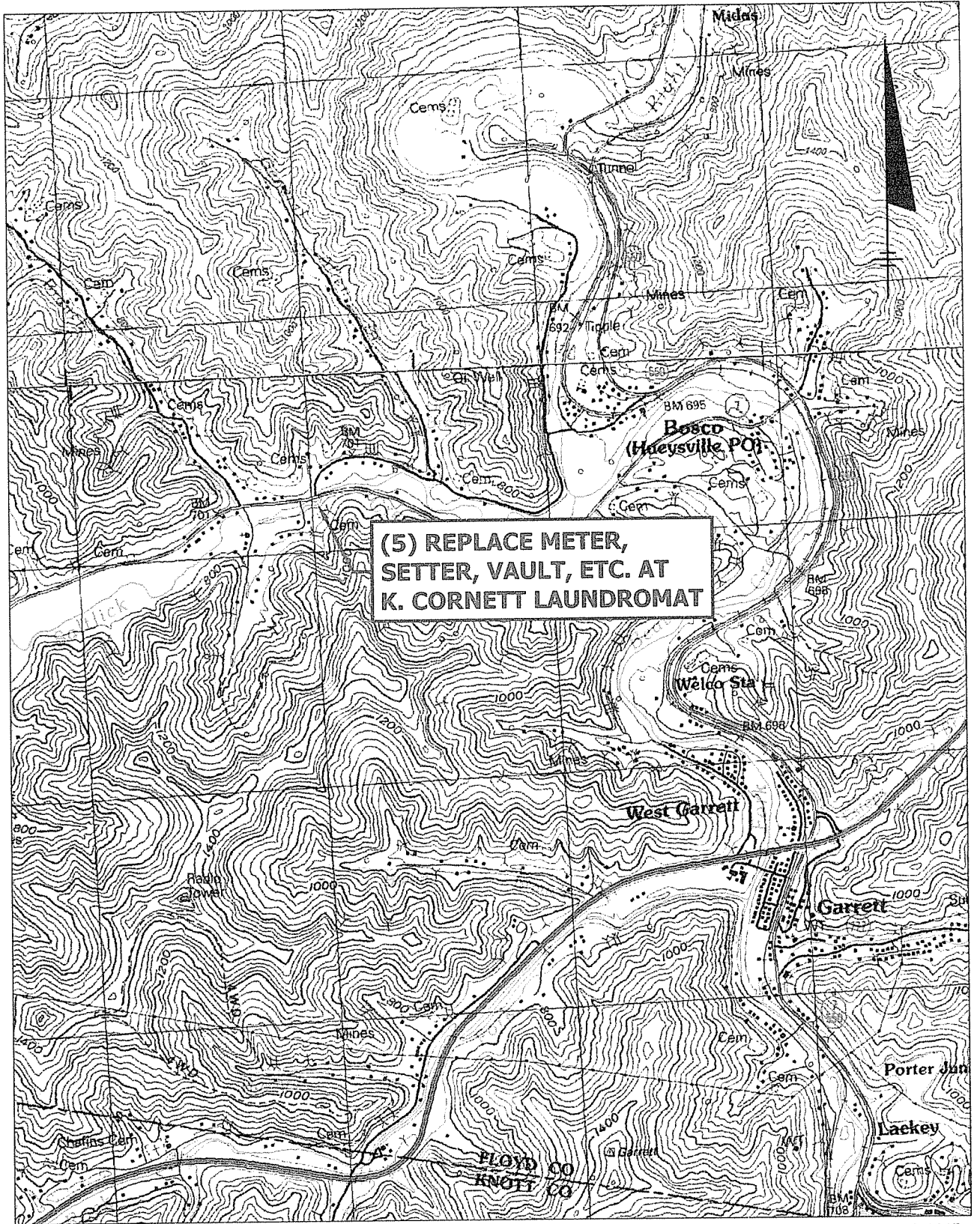
2333 ALEXANDRIA DRIVE  
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SOUTHERN WATER & SEWER DISTRICT  
 PROPOSED WATER SYSTEM IMPROVEMENTS  
 FLOYD COUNTY, KENTUCKY  
 SCALE: 1" = 2000'

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USGS MAPS: MARTIN & WAYLAND



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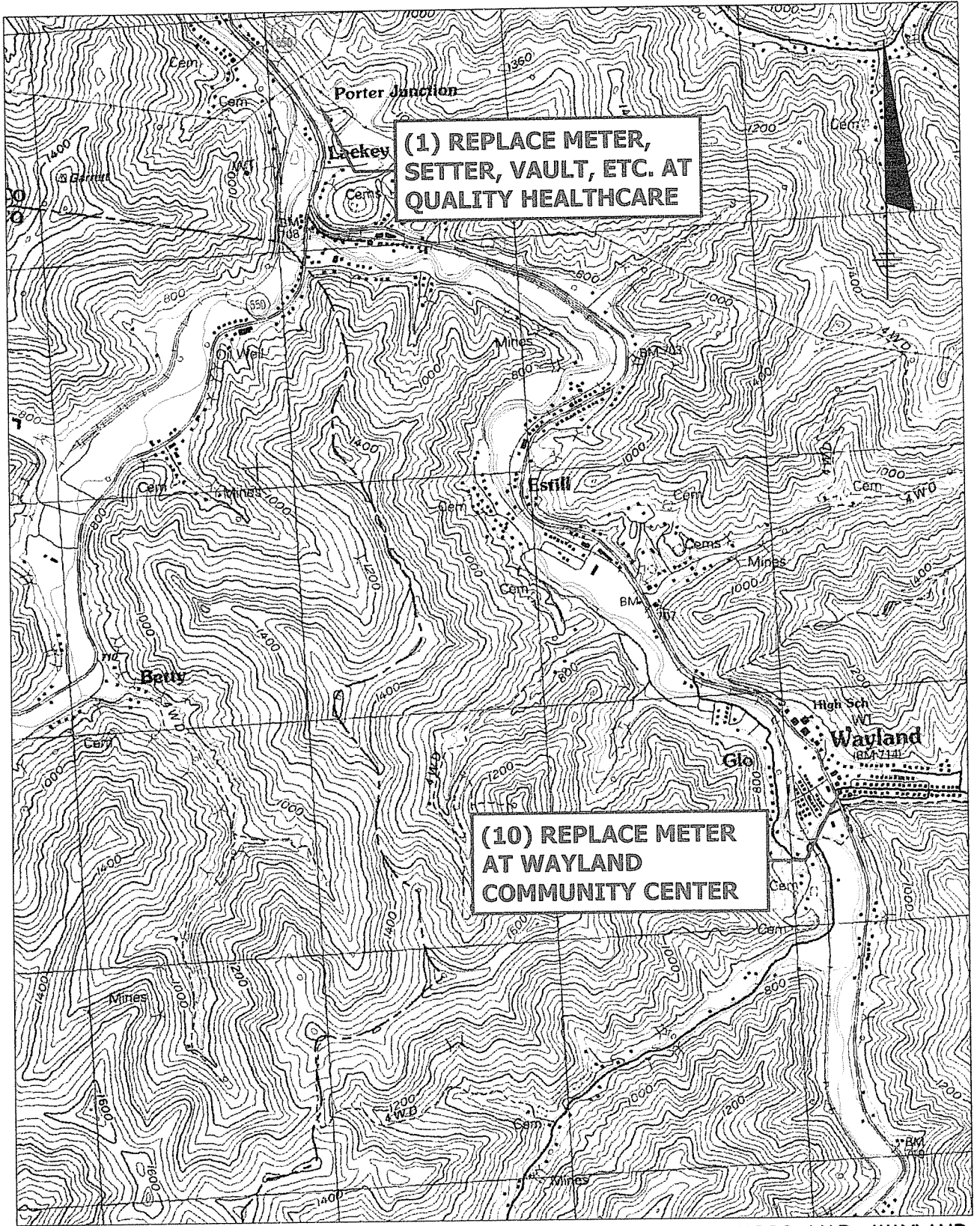
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SOUTHERN WATER & SEWER DISTRICT  
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FLOYD COUNTY, KENTUCKY  
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USGS MAP: WAYLAND



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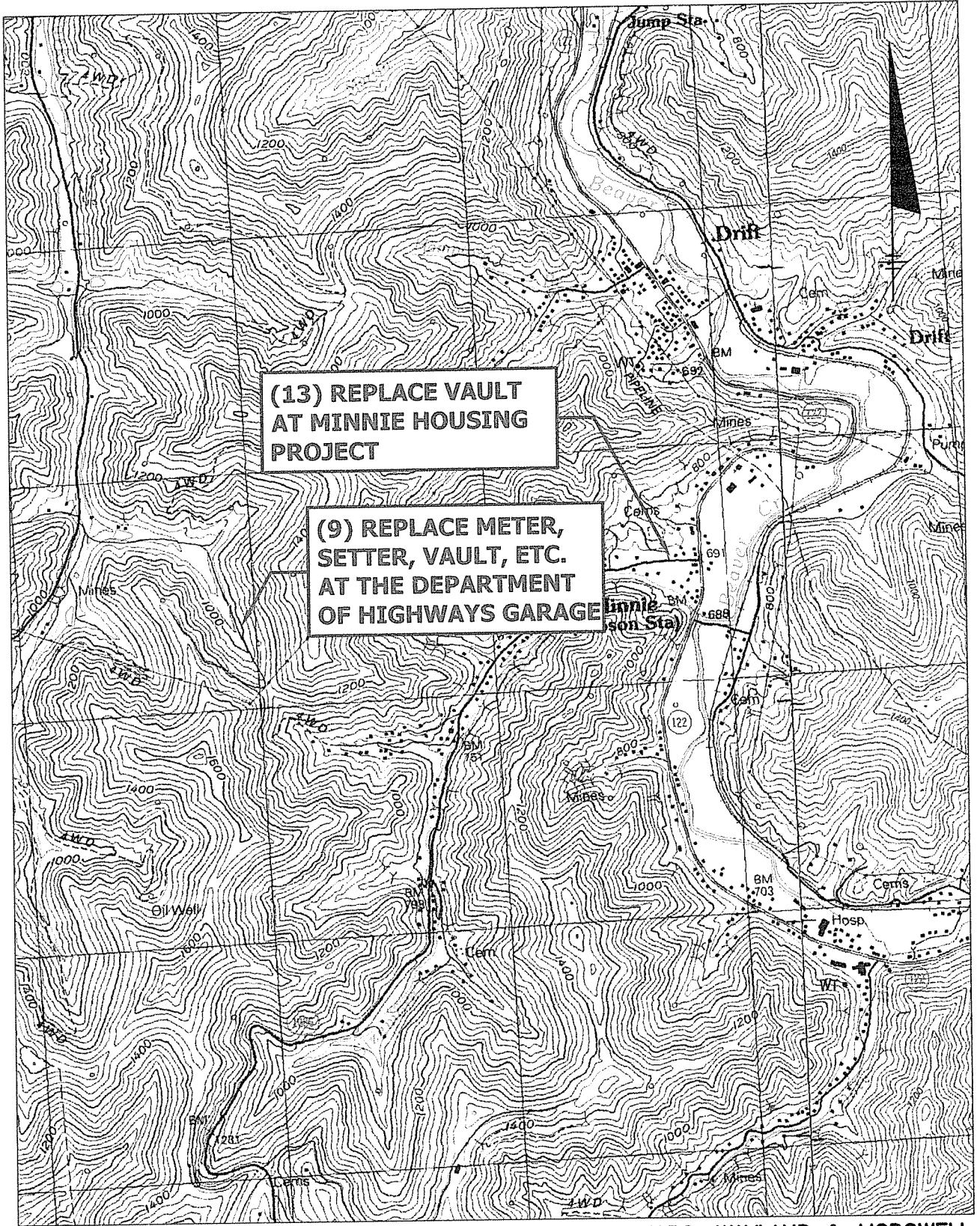
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SOUTHERN WATER & SEWER DISTRICT  
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FLOYD COUNTY, KENTUCKY  
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USGS MAPS: WAYLAND & MCDOWELL



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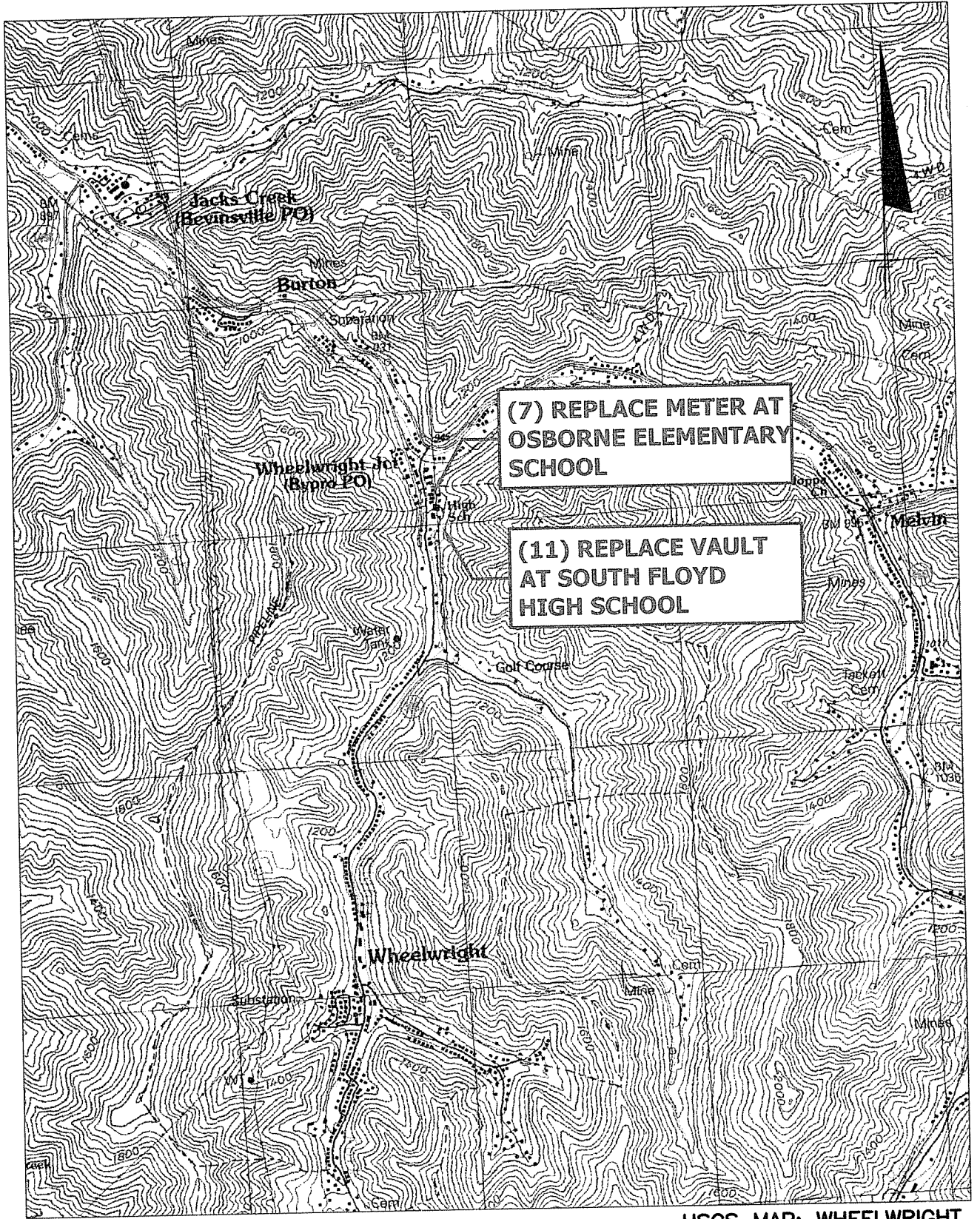
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PROPOSED WATER SYSTEM IMPROVEMENTS  
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SCALE: 1"=2000'

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JAN 2005

DWG NO.



USGS MAP: WHEELWRIGHT

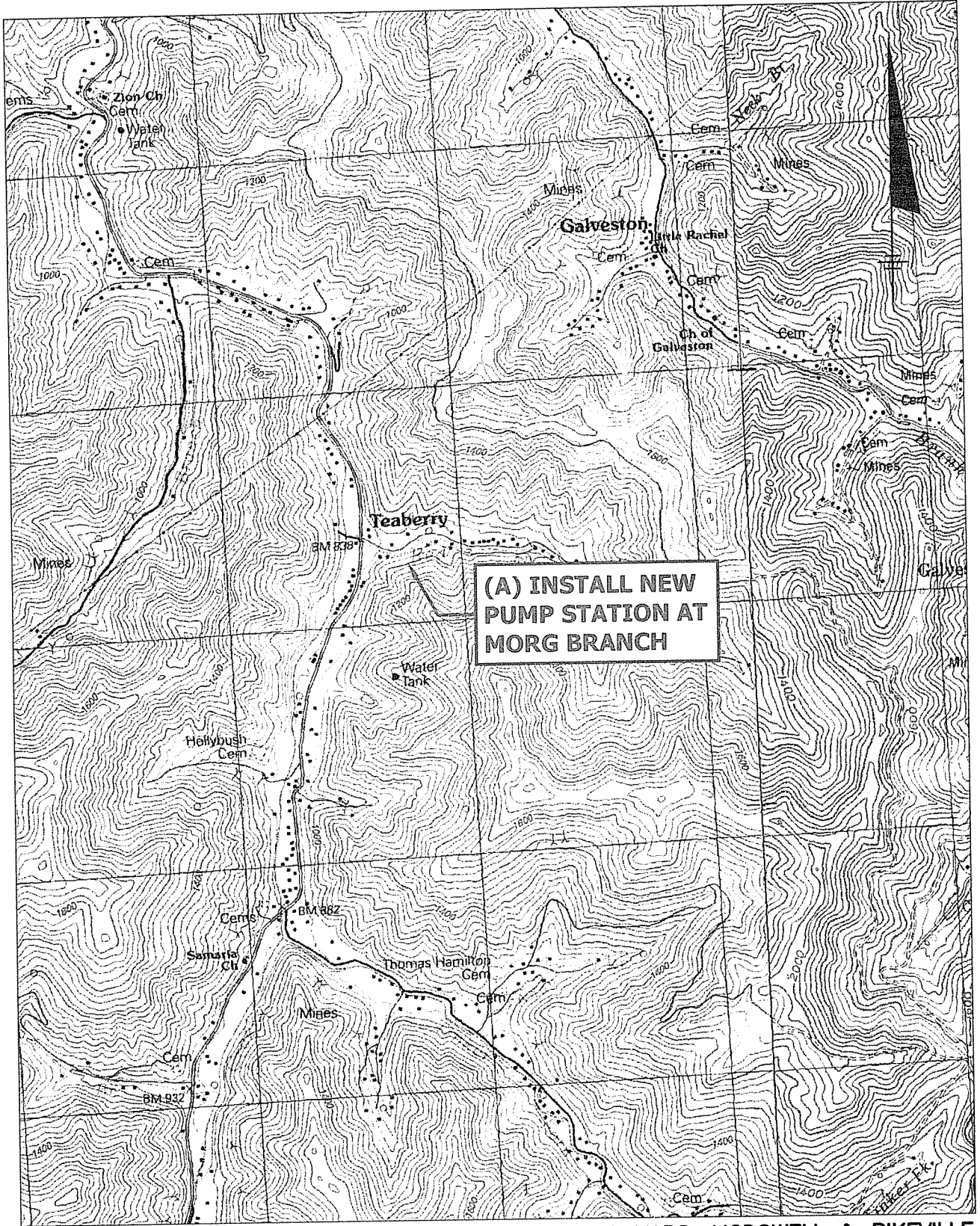


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SOUTHERN WATER & SEWER DISTRICT  
PROPOSED WATER SYSTEM IMPROVEMENTS  
FLOYD COUNTY, KENTUCKY  
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USGS MAPS: MCDOWELL & PIKEVILLE

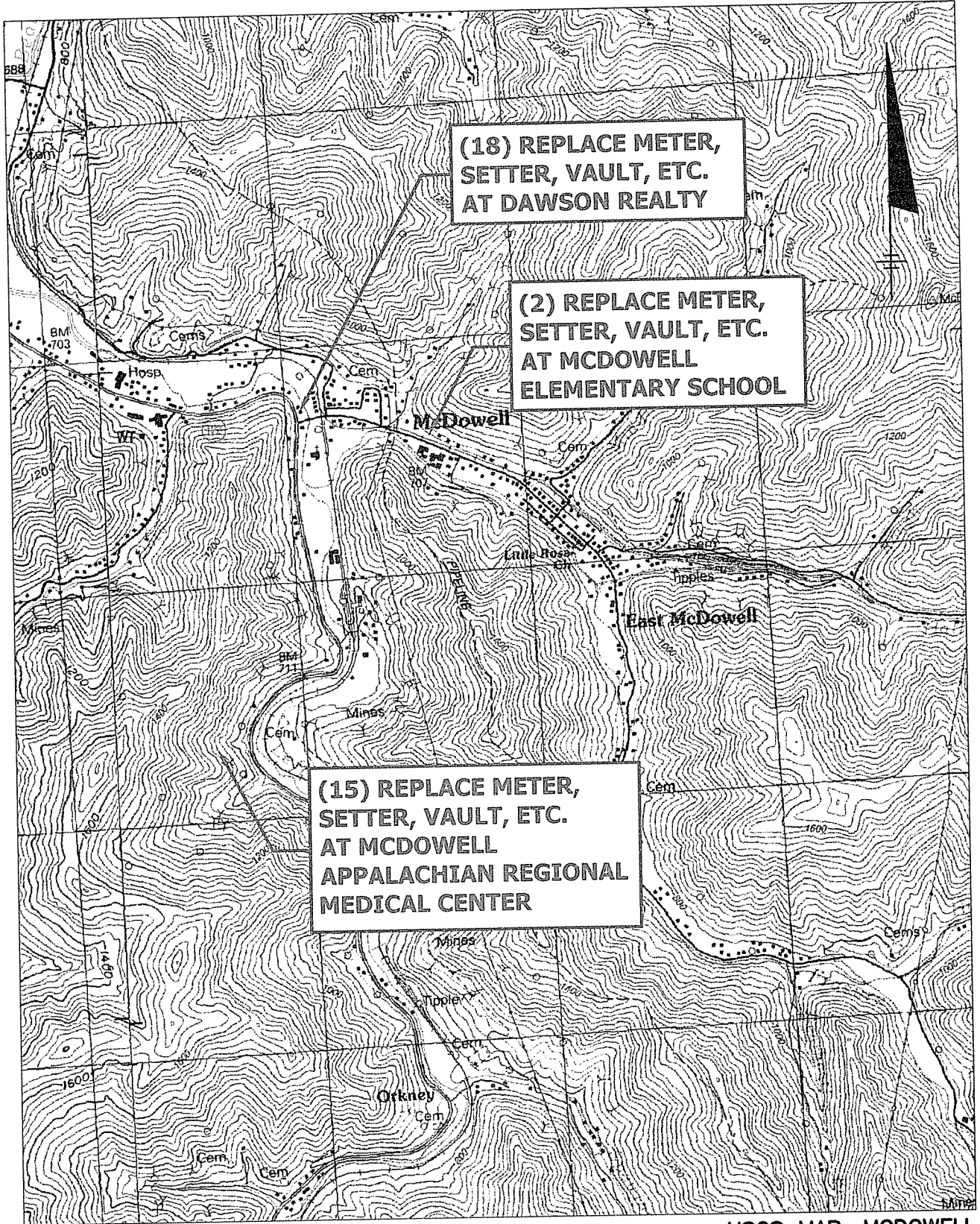
**O'BRIEN & GERE**  
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 2333 ALEXANDRIA DRIVE  
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SOUTHERN WATER & SEWER DISTRICT  
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 FLOYD COUNTY, KENTUCKY  
 SCALE: 1" = 2000'

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USGS MAP: MCDOWELL



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SOUTHERN WATER & SEWER DISTRICT  
PROPOSED WATER SYSTEM IMPROVEMENTS  
FLOYD COUNTY, KENTUCKY  
SCALE: 1" = 2000'

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DATE  
JAN 2005

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KENTUCKY GUIDE 7  
MAY 1998

SUMMARY ADDENDUM  
TO  
PRELIMINARY ENGINEERING REPORT  
DATED: **February 17, 2005**  
FOR

**Southern Water & Sewer District**

APPLICANT CONTACT PERSON: **Robert L. Meyer**

APPLICANT PHONE NUMBER: **606.377.9296**

APPLICANT TAX IDENTIFICATION NUMBER (TIN): **61-1365253**

***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.

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.

The proposed project involves system repairs and upgrades to the water treatment plant and distribution system. The activities are:

1. Installation of a new pump station at Morg Branch – this will replace an existing pump station that is not in the optimum location and is in very poor condition.
2. Repairs or replacement at the Allen water treatment plant – repairs to filter surface wash apparatus, replacement of timer on No. 1 sedimentation basin, replacement of No. 1 and 3 waste to drain actuator motors, and replacement of electric hoist at the raw water well.
3. Replacement of 19 large meters; 17 – 2 inch, 1 – 3 inch, and 1 – 12 inch.
4. Replacement of pressure reducing valve at Route 850.
5. Installation of 2-inch bypass meter at Martin storage tank.
6. Installation of 2 automatic flushing assemblies and 2 chlorine booster stations on Route 7.
7. Purchase of flow meter.

**II. FACILITY CHARACTERISTICS OF EXISTING SEWER SYSTEM**

**A. Sewage Treatment:** *The District has a project in construction that is building a sanitary sewer system and treatment facility in the Wayland community.*

- 1. Type:** *Extended aeration package plant*
- 2. Method of Sludge Disposal:** *Belt press then landfill*
- 3. Cost per 1,000 gallons if sewage treatment is contracted:** *N/A*
- 4. Date Constructed:** *2004-2005*

**B. Treatment Capacity of Sewage Treatment Plant:** *0.10 MGD*

**C. Type of Sewage Collector System (Describe):** *Conventional*

**D. Number and Capacity of Sewage Lift Stations:** *Four lift stations and 45 individual grinders.*

**E. Sewage Collection System:**

*Lineal Feet of Collector Lines, by size:*  
*gravity - 8" 11,931 lf*  
*force main - 6" - 11,569; 3" - 380;*  
*2" - 2,081; 1.25" - 5,583*  
*4" laterals - 6,447*

**Date(s) Constructed:** *2004-2005*

**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.**

*Sanitary sewer system for the Wayland community is brand new and should be sufficient for the area for the next 5-10 years or more.*

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.

Southern Water & Sewer District purchases water from the City of Pikeville in addition to producing water at its treatment plant located in Allen, Kentucky. The District purchases a daily average of between 233,000 and 300,000 gallons per day. It produces at the Allen plant, an average of 1.6 MGD. The Allen plant has a capacity of 2.0 MGD.

If the applicant purchases water:

Seller(s):

1. City of Pikeville
- 2.
- 3.

Price/1,000 gallons:

1. \$1.69/1000 gallons
- 2.
- 3.

Present Estimated Market Value of Existing System: \$21,118,694

B. Water Storage:

Type:	Ground Storage Tank	X	Elevated Tank
	Standpipe		Other

Number of Storage Structures - 23

Total Storage Volume Capacity - 3,025,000 Gallons

Date Storage Tank(s) Constructed - 1960s, 70s, 80s, 2001-2004

C. Water Distribution System:

Pipe Material - AC and PVC

Lineal Feet of Pipe by diameter: 3" - 65,472 4" - 456,720  
6" - 479,424 8" - 350,592  
10" - 65,472 12" - 24,816

Date(s) Water Lines Constructed - 1960s, 70s, 80s, 2000-2005

Number and Capacity of Pump Station(s) - 26

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 SWSD continues to make additions, improvements, renovations, and upgrades to its system. The majority of the system is in good condition and is suitable for use over the next 10-20 years. During the next 5-10 years the District will need to expand its water treatment plant, replace line in the Mud Creek area (replacing AC pipe that is susceptible to breakage), and continue with replacement of meters.

E. Percentage of Water Loss Existing System - 28 percent

IV. EXISTING LONG-TERM INDEBTEDNESS

A. List of Bonds and Notes:

DATE OF ISSUE	BOND HOLDER	PRINCIPAL BALANCE	PAYMENT DATE	BOND TYPE <sup>1</sup> WATER/SEWER		AMOUNT ON DEPOSIT IN RESERVE ACCOUNT
1993	KIA	1,035,320	June/Dec	100%		
1995	KIA	2,376,870	June/Dec	100%		
2003	RD	2,515,000	July/Jan	100%		
2005	KIA <sup>2</sup>	230,000	June/Dec		100%	
2005	Floyd Co.	2,455,000		100%		

<sup>1</sup> If a combined issue, show attributable portion to each system.

<sup>2</sup> KIA loan for Wayland Sewers is not closed as of 2/05 - final principal amount may change.

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

DATE OF ISSUE	BOND HOLDER	PAYMENT YEAR: 2006		PAYMENT YEAR: 2007		PAYMENT YEAR: 2008	
		PRINCIPAL PAYMENT	INTEREST PAYMENT	PRINCIPAL PAYMENT	INTEREST PAYMENT	PRINCIPAL PAYMENT	INTEREST PAYMENT
1993	KIA	39,600	29,600	40,800	28,415	42,030	27,180
1995	KIA	75,250	68,550	77,520	66,275	79,870	63,930
2003	RD	27,000	112,005	29,000	110,790	30,000	109,485
2005	KIA	10,450	2,275	10,550	2,170	10,650	2,060
2005	Floyd Co.	100,000	0	100,000	0	100,000	0

V. EXISTING SHORT-TERM INDEBTEDNESS

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

LENDER OR LESSOR	DATE OF ISSUE (MONTH & YEAR)	PRINCIPAL PAYMENT	PURPOSE (WATER and/or SEWER)	PAYMENT DATE	PRINCIPAL & INTEREST PAYMENT	DATE TO BE PAID IN FULL

VI. LAND AND RIGHTS - EXISTING SYSTEM(S)

Number of Treatment Plant Sites:	Water - 1	<i>Sewer - 1</i>
Number of Storage Tank Sites:	Water - 23	<i>Sewer</i>
Number of Pump Stations:	Water - 26	<i>Sewer - 4 &amp; 45 grinders</i>
Total Acreage:	Water -	<i>Sewer</i>
Purchase-Price:	Water \$	<i>Sewer \$</i>

VII. NUMBER OF EXISTING USERS

	Water	<i>Sewer</i>
Residential (In Town)*	5,885	<i>230</i>
Non-Residential (In Town)	132	
Total	6,017	<i>230</i>
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 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"	\$450.00	\$400.00 –gravity; \$2,610 – force main
1 – Inch & larger		

IX. SEWER RATES (EXISTING SYSTEM)

*First 2,000 gallons*            *\$23.65 minimum*  
*All over 2,000 gallons*       *\$7.93 per 1,000 gallons*

*Date this rate went into effect:*       *November 8, 2004*

X. WATER RATES EXISTING SYSTEM

Existing Rate Schedule:

First 2,000 gallons            \$14.80 minimum  
All over 2,000 gallons       \$4.30 per 1,000 gallons

Date This Rate Went into Effect:       September 13, 2002

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

**XI. ANALYSIS OF ACTUAL SEWER USAGE - EXISTING SYSTEM**

MONTHLY SEWER USAGE	Average	Residential		Non-Residential	
		No. of Users	Usage 1,000	No. of Users	Usage 1,000
<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
	<b>Subtotal</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Average Monthly Usage</b>					
		<b>0</b>	<b>-</b>	<b>0</b>	<b>-</b>
<b>Totals</b>		<b>0</b>	<b>-</b>	<b>0</b>	<b>-</b>

## XII. ANALYSIS OF ACTUAL WATER USAGE - EXISTING SYSTEM

MONTHLY WATER USAGE	Average	Residential		Commercial	
		No. of Users	Usage 1,000	No. of Users	Usage 1,000
<i>5/8 x 3/4 meter</i>					
0 - 1,000 Gal.	0		0		0
1,001 - 2,000 Gal.	1,000	2303	2,303	30	19
2,001 - 3,000 Gal.	2,000	811	1,622	19	36
3,001 - 4,000 Gal.	3,000	746	2,238	18	30
4,001 - 5,000 Gal.	4,000	549	2,196	10	36
5,001 - 6,000 Gal.	5,000	427	2,135	9	40
6,001 - 7,000 Gal.	6,000	288	1,728	8	24
7,001 - 8,000 Gal.	7,000	199	1,393	4	49
8,001 - 9,000 Gal.	8,000	134	1,072	7	24
9,001 - 10,000 Gal.	9,000	93	837	3	36
10,001 - 11,000 Gal.	10,000	68	680	4	60
11,001 - 12,000 Gal.	11,000	46	506	6	44
12,001 - 13,000 Gal.	12,000	42	504	4	12
13,001 - 14,000 Gal.	13,000	27	351	1	39
14,001 - 15,000 Gal.	14,000	17	238	3	28
15,001 - 16,000 Gal.	15,000	14	210	2	0
16,001 - 17,000 Gal.	16,000	15	240	0	32
17,001 - 18,000 Gal.	17,000	11	187	2	17
18,001 - 19,000 Gal.	18,000	9	162	1	18
19,001 - 20,000 Gal.	19,000	6	114	1	0
20,001 & over	59,000 96,000	78	4,602	0	0
	<i>Subtotal</i>	<i>5,883</i>	<i>23,318</i>	<i>132</i>	<i>544</i>
Average Monthly Usage			<u>3,964</u>		<u>4,121</u>
Wholesale Customers	121,000	4	484	0	0
<i>Total</i>		<u>5,887</u>	<u>23,802</u>	<u>132</u>	<u>544</u>





Martin tank (for monitoring water use and leak detection), installation of 2 flushing assemblies and chlorine booster stations, and the purchase of a flow meter.

B. Water Storage:

Type:	Ground Storage Tank	Elevated Tank
	Standpipe	Other

Number of Storage Structures

Total Storage Volume Capacity

C. Water Distribution System: -

Pipe Material

Lineal Feet of Pipe:	3" Diameter	4"
	6"	8"
	10"	12"

Number and Capacity of Pump Station(s) -

XVI. LAND AND RIGHTS - PROPOSED WATER SYSTEM

Number of Treatment Plant Sites

Number of Pump Sites                      One (1)

Number of Other Sites

Total Acreage

Purchase Price

XVII. NUMBER OF NEW SEWER USERS

*Residential (In Town)\**

*Non-Residential (In 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"	
1 – Inch and larger	

**XIX. NUMBER OF NEW WATER USERS**

Residential (In Town)*	No additional customers will be added as a result of this project
Non-Residential (In 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.

**XX. PROPOSED WATER CONNECTION FEES FOR EACH SIZE METER CONNECTION**

<u>Meter Size</u>	<u>Connection Fee</u>
-------------------	-----------------------

5/8" x 3/4"	No Change
1 – Inch and larger	

**XXI. SEWER RATES - PROPOSED**

- A. Proposed Rate Schedule without RUS Grant: *No Changes in Sewer Rates are proposed.*
- B. Recommended Rate Schedule with RUS Grant:

**XXII. WATER RATES - PROPOSED**

- A. Proposed Rate Schedule without RUS Grant:

First	2,000	Gallons @	\$16.50	Minimum
All Over	2,000	Gallons @	\$5.60	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:

First	<u>2,000</u>	Gallons @	<u>\$16.50</u>	Minimum
All Over	<u>2,000</u>	Gallons @	<u>\$5.50</u>	per 1,000 Gallons

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

MONTHLY SEWER USAGE	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>							
Subtotal		0	0	\$ -	0	0	\$ -
<i>2 inch meter</i>							
Subtotal		0	0	0	0	0	\$ -
<i>3 inch meter</i>							
Subtotal		0	0	0	0	0	\$ -
<i>4 inch meter</i>							
Subtotal		0	0	0	0	0	\$ -
<i>6 inch meter</i>							
Subtotal		0	0	0	0	0	\$ -
<b>Totals</b>		-	-	\$ -	-	-	\$ -
<b>Annual Total:</b>				\$ -	\$ -		

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

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



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

MONTHLY WATER USAGE	Average	Average	Residential			Commercial		
			No. of Users	Usage 1,000	Income	No. of Users	Usage 1,000	Income
<i>5/8 x 3/4 meter</i>								
1,001 - 2,000 Gal.	1,000	16.50	-	0	0	0	0	0
2,001 - 3,000 Gal.	2,000	22.00	-	0	0	0	0	0
3,001 - 4,000 Gal.	3,000	27.50	-	0	0	0	0	0
4,001 - 5,000 Gal.	4,000	33.00	-	0	0	0	0	0
5,001 - 6,000 Gal.	5,000	38.50	-	0	0	0	0	0
6,001 - 7,000 Gal.	6,000	44.00	-	0	0	0	0	0
7,001 - 8,000 Gal.	7,000	49.50	-	0	0	0	0	0
8,001 - 9,000 Gal.	8,000	55.00	-	0	0	0	0	0
9,001 - 10,000 Gal.	9,000	60.50	-	0	0	0	0	0
10,001 - 11,000 Gal.	10,000	66.00	-	0	0	0	0	0
11,001 - 12,000 Gal.	11,000	71.50	-	0	0	0	0	0
12,001 - 13,000 Gal.	12,000	77.00	-	0	0	0	0	0
13,001 - 14,000 Gal.	13,000	82.50	-	0	0	0	0	0
14,001 - 15,000 Gal.	14,000	88.00	-	0	0	0	0	0
15,001 - 16,000 Gal.	15,000	93.50	-	0	0	0	0	0
16,001 - 17,000 Gal.	16,000	99.00	-	0	0	0	0	0
17,001 - 18,000 Gal.	17,000	104.50	-	0	0	0	0	0
18,001 - 19,000 Gal.	18,000	110.00	-	0	0	0	0	0
19,001 - 20,000 Gal.	19,000	115.50	-	0	0	0	0	0
20,001 & over	40,000	330.00	-	0	0	0	0	0
<i>Sub-Total</i>			-	0	\$0	0	0	\$0
Average Monthly Rate			#DIV/0!					
Average Monthly Usage			#DIV/0!					

<b>Totals</b>	-	-	\$	-	-	-	\$	-
---------------	---	---	----	---	---	---	----	---

Annual Total:

\$ - \$ -



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

Year Ending

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



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

A. Operating Income:	
Sewer Revenue	\$0
Late Charge Fees	
Other (Describe)	
<i>Less Allowances and Deductions</i>	
Total Operating Income	<u>\$0</u>
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	<u>\$0</u>
Net Operating Income	<u>\$0</u>
C. Non-Operating Income:	
Interest on Deposits	
Other (Identify)	
Total Non-Operating Income	<u>\$0</u>
D. Net Income	<u>\$0</u>
E. Debt Repayment:	
RUS Interest	
RUS Principal	
Non-RUS Interest	
Non-RUS Principal	
Total Debt Repayment	<u>\$0</u>
F. Balance Available for Coverage	<u>\$0</u>

**XXX. CURRENT OPERATING BUDGET - (WATER SYSTEM)**  
 (As of the last full operating year)

A. Operating Income:	
Water Sales	\$1,401,750
Disconnect/Reconnect/Late Charge Fees	
Other (Describe) Tap Fees & Misc	\$ 255,900
Less Allowances and Deductions	
Total Operating Income	\$ 1,657,650
B. Operation and Maintenance Expenses:	
USFOS Operations	\$ 1,178,880
Power Pass Thru	\$ 90,130
Water Pass Thru	\$ 105,800
District Expenses (insurance, legal & accounting services, etc.)	\$ 36,580
Total Operating Expenses	\$ 1,411,390
Net Operating Income	\$ 246,260
C. Non-Operating Income:	
Interest on Deposits	
Other (Identify)	
Total Non-Operating Income	\$ -
D. Net Income	\$ 246,260
E. Debt Repayment:	
RD Interest	
RD Principal	
Existing KIA	\$ 238,660
Total Debt Repayment	\$ 238,660
F. Balance Available for Coverage	\$ 7,600

**XXXI. PROPOSED OPERATING BUDGET - (WATER SYSTEM) - EXISTING SYSTEM**  
**AND NEW USERS (1st Full Year of Operation)** Year Ending 2005

A.	Operating Income:	
	Water Sales	\$ 2,404,951
	Disconnect/Reconnect/Late Charge Fees	\$ 51,855
	Other (Describe)	\$ 39,820
	Less Allowances and Deductions	
	Total Operating Income	<u>\$ 2,496,626</u>
B.	Operation and Maintenance Expenses:	
	Veolia Water Management Fee	\$ 1,394,196
	Veolia Water Past Due	\$ 92,434
	Water & Power Purchase	\$ 336,000
	District Expenses (insurance, legal & accounting services, etc.)	\$ 90,642
	Total Operating Expenses	<u>\$ 1,913,272</u>
	Net Operating Income	<u>\$ 583,354</u>
C.	Non-Operating Income:	
	Interest on Deposits	
	Other (Identify)	
	Total Non-Operating Income	<u>\$ -</u>
D.	Net Income	<u>\$ 583,354</u>
E.	Debt Repayment:	
	RD Interest	\$ 118,610
	RD Principal	\$ 26,000
	Non-RD Interest	\$ 122,535
	Non-RD Principal	\$ 211,485
	Total Debt Repayment	<u>\$ 478,630</u>
F.	Balance Available for Coverage	<u>\$ 104,724</u>

**XXXII. PROPOSED OPERATING BUDGET - (WATER SYSTEM) - NEW USERS  
EXTENSION ONLY (1st Full Year of Operation) Year Ending 2002**

A.	Operating Income:		
	Water Sales	\$	-
	Disconnect/Reconnect/Late Charge Fees		
	Other (Describe) Tap Fees & Misc		
	Less Allowances and Deductions		
	Total Operating Income	\$	-
B.	Operation and Maintenance Expenses:		
	USFOS Operations	\$	-
	Power Pass Thru	\$	-
	Water Pass Thru		
	District Expenses (insurance, legal & accounting services, etc.)	\$	-
	Total Operating Expenses	\$	-
	Net Operating Income	\$	-
C.	Non-Operating Income:		
	Interest on Deposits		
	Other (Identify)		
	Total Non-Operating Income	\$	-
D.	Net Income	\$	-
E.	Debt Repayment:		
	RD Interest	\$	-
	RD Principal	\$	-
	Non-RD Interest	\$	-
	Non-RD Principal	\$	-
F.	Total Debt Repayment	\$	-
	Balance Available for Coverage	\$	-

**XXXIII. ESTIMATED PROJECT COST -SEWER**

	<u>Collection</u>	<u>Treatment</u>	<u>Total</u>
<i>Development</i>			\$ -
<i>Land and Rights</i>			\$ -
<i>Legal</i>			\$ -
<i>Engineering</i>			\$ -
<i>Interest</i>			\$ -
<i>Contingencies</i>			\$ -
<i>Initial O &amp; M</i>			\$ -
<i>Other</i>			\$ -
<b>TOTAL</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**XXXIV. PROPOSED PROJECT FUNDING - SEWER**

	<u>Collection</u>	<u>Treatment</u>	<u>Total</u>
<i>Applicant - User Contribution Fees</i>			\$ -
<i>Other - Applicant Contribution</i>			\$ -
<i>RUS Loan</i>			\$ -
<i>RUS Grant</i>			\$ -
<i>ARC Grant (If applicable)</i>			\$ -
<i>CDBG (If applicable)</i>			\$ -
<i>Other (Specify)</i>			\$ -
<b>TOTAL</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

XXXV. ESTIMATED PROJECT COST - WATER

Development	\$	182,360.00
Land and Rights	\$	-
Legal	\$	4,560.00
Engineering	\$	18,750.00
Interest	\$	1,090.00
Contingencies		\$18,240.00
Initial O & M	\$	-
Other	\$	-
TOTAL	\$	<u>225,000.00</u>

XXXVI. PROPOSED PROJECT FUNDING - WATER

Applicant - User Connection Fees	\$	-
Other Applicant Contribution	\$	-
RD Financial Assistance	Grant	\$ 125,000.00
	Loan	\$ 100,000.00
Other (Specify)	\$	-
Other (Specify)	\$	-
Other (Specify)	\$	-
Other (Specify)	\$	-
TOTAL	\$	<u>225,000.00</u>