



S T O L L · K E E N O N · O G D E N
P L L C

DEBORAH T. EVERSOLE
502-568-5770
Deborah.Eversole@skofirm.com

March 30, 2006

Ms. Beth O'Donnell
Executive Director,
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602-0615

RECEIVED

MAR 31 2006

PUBLIC SERVICE
COMMISSION

Case 2006-00142

Re: Application of Peaks Mill Water District

Dear Ms. O'Donnell:

Enclosed please find the original and ten (10) copies of the Application of Peaks Mill Water District for a Certificate of Public Convenience and Necessity to Construct the Proposed Waterworks Improvement Project; (2) Approval of the Proposed Plan to Finance the Waterworks Improvement Project; and (3) Approval of the Proposed Increase in Rates for Water Service.

An extra copy of the Application is enclosed for your file stamp. Please return the extra copy in the enclosed, self-addressed postage paid envelope. Your assistance in this matter is greatly appreciated.

Sincerely yours,

Deborah T. Eversole

Enclosures

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

MAR 31 2006

PUBLIC SERVICE
COMMISSION

IN THE MATTER OF:

**THE APPLICATION OF THE PEAKS MILL)
WATER DISTRICT FOR (1) A CERTIFICATE OF)
PUBLIC CONVENIENCE AND NECESSITY TO)
CONSTRUCT THE PROPOSED WATERWORKS)
IMPROVEMENT PROJECT; (2) APPROVAL OF)
THE PROPOSED PLAN TO FINANCE THE)
WATERWORKS IMPROVEMENT PROJECT; AND)
(3) APPROVAL OF THE PROPOSED INCREASE)
IN RATES FOR WATER SERVICE)**

CASE NO. 2006-00142

APPLICATION

Peaks Mill Water District ("Peaks Mill"), by counsel, pursuant to KRS 278.020, KRS 278.180, KRS 278.190, KRS 278.300, and all other applicable statutes and regulations, petitions the Commission for (1) a Certificate of Public Convenience and Necessity ("Certificate") to construct a waterworks improvement project; (2) approval of the proposed plan to finance the waterworks improvement project; and (3) approval of the proposed increase in the rates and charges. In support of its application, Peaks Mill respectfully states as follows:

1. Peaks Mill is a non-profit water district organized under KRS Chapter 74 and has no separate articles of incorporation or by-laws. Peaks Mill's principal office and mailing address is 310 Perkins Lane, Frankfort, Kentucky 40601.

2. Peaks Mill is engaged in the distribution and sale of water. It currently provides water service to approximately 1,048 residential customers in Franklin County, Kentucky.

CERTIFICATE

3. Peaks Mill's proposed waterworks improvement project will be constructed in two phases:

Phase I: Consists of constructing a new water storage tank and 13,762 LF of pipelines along with a booster pump station to serve 9 new customers.

Phase II: Consists of constructing approximately 43,913 linear feet of water distribution mains to serve 41 new customers.

4. In its letters dated October 20, 2005 and October 25, 2005, which are attached hereto as Exhibit 19, Commission Staff states that pursuant to 2005 Ky. Acts Ch. 173, Phase I of the project does not require a Certificate. Therefore, Peaks Mill requests herein a Certificate only for Phase II of the proposed construction project.

5. Phase II of the waterworks improvement project is in the public interest as it will enable Peaks Mill to provide water service to an area that is currently not served. This service will not compete with any other utility in the area.

6. Exhibit No. 15 is the final engineering report. As required by KRS 322.340, it has been prepared, signed, sealed, and dated by an engineer registered in Kentucky.

7. The list of the documents filed in support of Peaks Mill's application for a Certificate for Phase II or explanations for the absence of such documents is contained in the Filing Requirement Index for "Certificate of Convenience and Necessity."

FINANCING

8. Phase I of Peaks Mill's waterworks improvement project is financed by two grants from the Kentucky Infrastructure Authority ("KIA") totaling \$980,000.

9. Peaks Mill proposes to finance Phase II of its waterworks improvement project with a \$971,179 loan from the Kentucky Infrastructure Authority ("KIA") and contributions from the customers ("tap-on fees") of \$24,600. The proposed KIA loan will have a 20-year term and an approximate interest rate of 5 percent per annum.

10. The lists of the documents filed in support of Peaks Mill's application for the approval of the proposed plan to finance Phase II of its waterworks improvement project or explanations for the absence of such documents are contained in the Filing Requirement Index for "Financing."

RATE INCREASE

11. The increase in the rates and charges proposed in this Application is necessary for Peaks Mill to meet continuing demand for adequate service. Peaks Mill is issuing debt to provide service. The increases in debt payments and the cost of service are not offset by Peaks Mill's system growth. An increase in its rates is essential for Peaks Mill to maintain a reasonable level of service, to meet the expanding needs of its service area and to cover its debt service.

12. As authorized by KRS 278.192(1), and for the purpose of justifying the reasonableness of the proposed general increase in rates, Peaks Mill has utilized an historical test period consisting of the twelve (12) consecutive calendar months ending December 31, 2004.

13. Peaks Mill's annual reports, including the annual report for 2004, are on file with the Public Service Commission as required by 807 KAR 5:006, Section 3(1).

14. Peaks Mill hereby gives notice to the Public Service Commission of the adjustment of its rates to those rates set forth in Exhibit No. 1 hereto. The rates are

proposed to become effective on and after April 30, 2006 and will result in increase in annual revenues of \$136,962, which is an increase of 39.72 percent over normalized revenues from water sales of \$344,817. Because Peaks Mill only has residential customers, 100 percent of the requested increase will come from that class of customers.

15. The proposed tariffs (Exhibit No. 1) are shown in comparative form on the same sheets, side by side, and those comparative sheets are found at Exhibit No. 2 hereto.

16. Peaks Mill has complied with 807 KAR 5:011, Section 9, (2) and 807 KAR 5:001, Section 10, (3) and (4), by delivering to a newspaper of general circulation in its service area a copy of the Notice attached hereto as Exhibit No. 12. The Notice shall be published for three consecutive weeks in a prominent manner, the first of said publications to be made no later than seven (7) days after the date this application is filed with the Commission.

17. As required by 807 KAR 5:001, Section 10 (4) (f), Peaks Mill has posted a copy of its Customer Notice (Exhibit No. 12) at its place of business, and such notice will remain posted until the Public Service Commission has determined Peaks Mill's rates.

18. The lists of the documents filed in support of Peaks Mill's application for approval of the proposed adjustment of rates or the explanations for their absence are contained in the Filing Requirement Index for "Historical Test Period Rate Case."

WHEREFORE, the Applicant, Peaks Mill Water District requests the Public Service Commission of Kentucky grant to the Applicant the following:

- A. A Certificate of Public Convenience and Necessity permitting Applicant to construct Phase II of the waterworks improvement project fully described in the Final Engineer's Report filed herewith as Exhibit 15;
- B. Approval of Applicant's Kentucky Infrastructure Authority loan in the amount of \$971,179 loan, with a term of 20 years, at an approximate interest rate of 5 percent per annum; and
- C. Approval of Applicant's proposal to increase its rates and charges as set forth in this Application.

Respectfully submitted,



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Frankfort, Kentucky 40602
502-223-4723
502-223-0001-fax

Attorneys for Peaks Mill Water District

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF FRANKLIN)

The undersigned, Wilbert Perkins, being duly sworn, deposes and states that he is the Chairman of the Peaks Mill Water District, Applicant in the above proceedings; that he has read the foregoing Application and has noted the contents thereof; and 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.

24th IN TESTIMONY WHEREOF, witness the signature of the undersigned on this day of March, 2006.

Wilbert Perkins
Wilbert Perkins, Chairman
Peaks Mill Water District

Subscribed and sworn to before me by Wilbert Perkins, chairman of the Peaks Mill Water District, on this 24th day of March, 2006.

My Commission expires 1/6/08.

Lisa Perkins
Notary Public
In and for said County and State

Filing Requirement Index Historical Test Period Rate Case

Filing Requirements	Filing Requirement Description	Location or Absence Reason
807 KAR 5:001 Section 8(1)	Full name and post office address of applicant and a reference to the particular provision of law requiring Commission approval.	Application – Page No. 1.
807 KAR 5:001 Section 8(2)	The original and 10 copies of the application with an additional copy for any party named therein as an interested party.	The correct number of applications has been filed.
807 KAR 5:001 Section 10(1)(b)(1)	A statement of the reason the adjustment is required.	Application – Page No. 3.
807 KAR 5:001 Section 10(1)(b)(2)	A statement that the utility's annual reports, including the annual report for the most recent calendar year, are on file with the commission in accordance with 807 KAR 5:006, Section 3(1)	Application – Page No. 4.
807 KAR 5:001 Section 10(1)(b)(3) & (5)	If the utility is incorporated, a certified copy of the utility's articles of incorporation and all amendments thereto or out of state documents of similar import. If the utility's articles of incorporation and amendments have already been filed with the Commission in a prior proceeding, the application may state this fact making reference to the style and case number of the prior proceeding and a certificate of good standing or certificate of authorization dated within sixty (60) days of the date the application is filed.	Application – Page No. 1.
807 KAR 5:001 Section 10(1)(b)(4) & (5)	If applicant is a limited partnership, a certified copy of the limited partnership agreement or if the agreement was filed with the PSC in a prior proceeding, a reference to the style and case number of the prior proceeding and a certificate of good standing or certificate of authorization dated within sixty (60) days of the date the application is filed.	N/A – Peaks Mill is not a limited partnership.
807 KAR 5:001 Section 10(1)(b)(6)	A certified copy of a certificate of assumed name as required by KRS 365.015 or a statement that such a certificate is not necessary.	N/A – Peaks Mill has never used an assumed name.
807 KAR 5:001 Section 10(1)(b)(7)	Proposed tariff changes shown either by providing present and proposed tariffs in comparative form or indicating additions by italicized inserts or underscoring and striking over deletions in a copy of the current tariff.	Exhibit No. 1.

Filing Requirement Index Historical Test Period Rate Case

Filing Requirements	Filing Requirement Description	Location or Absence Reason
807 KAR 5:001 Section 10(1)(b)(8)	Proposed tariff changes shown by present and proposed tariffs in comparative form or by indicating additions in italics or by underscoring and striking over deletions in current tariff.	Exhibit No. 2.
807 KAR 5:001 Section 10(1)(b)(9)	Statement that notice given, see subsections (3) and (4) of 807 KAR 5:001, Section 10 with copy.	Application – Page No. 4. Exhibit No. 12.
807 KAR 5:001 Section 10(2)	If gross annual revenues exceed \$1,000,000 written notice of intent filed at least four (4) weeks prior to application. Notice shall state whether the application will be supported by historical or a fully forecasted test period.	N/A – Gross annual revenues do not exceed \$1,000,000.
807 KAR 5:001 Section 10 (6)(a)	Complete description and quantified explanation for proposed adjustments with support for changes in price or activity levels, and other factors affecting the adjustment.	Exhibit No. 4.
807 KAR 5:001 Section 10 (6)(b) & (c)	If gross annual revenues exceed \$1,000,000, prepared testimony of each witness who will support the application. If less than \$1,000,000, prepared testimony of each witness who will support application or statement that utility does not plan to submit prepared testimony.	Peaks Mill does not intend to submit prepared testimony.
807 KAR 5:001 Section 10 (6)(d)	Estimate of effect that new rate(s) will have on revenues including, at minimum, total revenues resulting from increase or decrease and percentage of increase or decrease.	Application – Page No. 4.
807 KAR 5:001 Section 10 (6)(e)	If electric, gas, water or sewer utility effect upon the average bill for each customer classification to which change will apply.	Exhibit No. 6.
807 KAR 5:001 Section 10 (6)(f)	If local exchange company, effect upon the average bill for each customer class for change in basic local service.	N/A – Peaks Mill is a Water District.
807 KAR 5:001 Section 10 (6)(g)	Analysis of customers' bills in such detail that revenues from present and proposed rates can be readily determined for each customer class.	Exhibit No. 5.
807 KAR 5:001 Section 10 (6)(h)	Summary of determination of revenue requirements based on return on net investment rate base, return on capitalization, interest coverage, debt service coverage, or operating ratio, with supporting schedules.	Exhibit No. 7.

Filing Requirement Index Historical Test Period Rate Case

Filing Requirements	Filing Requirement Description	Location or Absence Reason
807 KAR 5:001 Section 10 (6)(i)	Reconciliation of rate base and capital used to determine revenue requirements.	N/A – Revenue Requirement reflects Debt Service.
807 KAR 5:001 Section 10 (6)(j):	Current chart of accounts if more detailed than the Uniform System of Accounts.	Exhibit No. 8.
807 KAR 5:001 Section 10 (6)(k)	Independent auditor's annual opinion report, with any written communication from auditor which indicates existence of material weakness in internal controls.	Exhibit No. 13 – 2004 Audit Report. Exhibit No. 14 – 2004 Annual Report.
807 KAR 5:001 Section 10 (6)(l):	The most recent FERC or FCC audit reports.	N/A – Peaks Mill is a Water District.
807 KAR 5:001 Section 10 (6)m	The most recent FERC Form 1 (electric), FERC Form 2 (gas), or Automated Reporting Management Information System Report (telephone) and PSC Form T (telephone).	N/A – Peaks Mill is a Water District.
807 KAR 5:001 Section 10 (6)(n)	Summary of latest depreciation study with schedules by major plant accounts, except that telecommunications utilities adopting PSC's average depreciation rates shall provide schedule identifying current and test period depreciation rates used by major plant accounts. If filed in another PSC case refer to that case's number and style.	Exhibit No. 9.
807 KAR 5:00 Section 10 (6)(o)	List of all commercial or in-house computer software, for the computer hardware and the operating system required to run the program.	Excel Word
807 KAR 5:001 Section 10 (6)(p)	Prospectuses of most recent stock or bond offerings.	N/A – Peaks Mill is a Water District.
807 KAR 5:001 Section 10 (6)(q)	Annual report to shareholders, or members, and statistical supplements covering 2 years prior to application filing date.	N/A – Peaks Mill is a Water District.
807 KAR 5:001 Section 10 (6)(r)	Monthly managerial reports providing financial results for 12 months in test period.	Exhibit No. 10.
807 KAR 5:001 Section 10 (6)(s)	SEC's annual report for most recent 2 years, Form 10-Ks and any Form 8-Ks issued within past 2 years, and Form 10-Qs issued during the past 6 quarters updated as current information becomes available.	N/A – Peaks Mill is a Water District.

Filing Requirement Index Historical Test Period Rate Case

Filing Requirements	Filing Requirement Description	Location or Absence Reason
807 KAR 5:001 Section 10 (6)(t)	<p>If utility had any amounts charged or allocated to it by affiliate or general or home office, or paid any monies to affiliate or general or home office during test period or during previous 3 calendar years, file:</p> <ol style="list-style-type: none"> 1. Detailed description of method of calculation and amounts allocated or charged to utility by affiliate or general or home office for each charge allocation or payment; 2. Explanation of how allocator for the test period was determined; and 3. All facts relied upon, including other regulatory approval, to demonstrate that each amount charged, allocated or paid during test period was reasonable; 	N/A – There are no affiliate allocations.
807 KAR 5:001 Section 10 (6)(u)	A cost of service study based on methodology generally accepted in industry and based on current and reliable data from a single time period.	Exhibit No. 11.
807 KAR 5:001 Section 10 (6)(v)	<p>Local exchange carriers with fewer than 50,000 access lines need not file cost of service studies, except as specifically directed by PSC. Local exchange carriers with more than 50,000 access lines shall file:</p> <ol style="list-style-type: none"> 1. Jurisdictional separations study consistent with Part 36 of the FCC's rules and regulations; and 2. Service specific cost studies supporting pricing of all services that generate annual revenue greater than \$1,000,000 except local exchange access: <ol style="list-style-type: none"> (a) Based on current and reliable data from a single time period; and (b) Using generally recognized fully allocated, embedded, or incremental cost principles. 	N/A – Peaks Mill is a Water District.

Filing Requirement Index Historical Test Period Rate Case

Filing Requirements	Filing Requirement Description	Location or Absence Reason
807 KAR 5:001 Section 10 (7)(a)	Detailed income statement and balance sheet reflecting impact of all proposed adjustments.	Exhibit No. 4 – Income Statement
807 KAR 5:001 Section 10 (7)(b)	Most recent capital construction budget containing at least period of time as proposed for any pro forma adjustment for plant additions	Exhibit No. 15 – Engineering Report. Peaks Mill does not prepare a capital construction budget.
807 KAR 5:001 Section 10 (7)(c)	<p>For each proposed pro forma adjustment reflecting plant additions the following information:</p> <ol style="list-style-type: none"> 1. Starting date of the construction of each major component of plant; 2. Proposed in-service date; 3. Total estimated cost of construction at completion; 4. Amount contained in construction work in progress at end of test period; 5. Complete description of actual plant retirements and anticipated plant retirements related to the pro forma plant additions including the actual or anticipated date of retirement; 6. Original cost, cost of removal and salvage for each component of plant to be retired during the period of the proposed pro forma adjustment for plant additions; 7. Explanation of any differences in amounts contained in the capital construction budget and amounts of capital construction cost contained in the pro forma adjustment period; and 8. Impact on depreciation expense of all proposed pro forma adjustments for plant additions and retirements; 	<p>April/May 2006.</p> <p>August/September 2006. Exhibit No. 15. N/A – Project has not been granted a Certificate. N/A – There are no plant retirements with this construction project.</p> <p>N/A – There are no plant retirements with this construction project.</p> <p>N/A – Peaks Mill does not prepare a construction budget.</p> <p>Exhibit No. 9.</p>
807 KAR 5:001 Section 10 (7)(d)	Operating budget for each month of the period encompassing the pro forma adjustments;	N/A – Peaks Mill does not prepare monthly operating budgets.

Filing Requirement Index Historical Test Period Rate Case

Filing Requirements	Filing Requirement Description	Location or Absence Reason
807 KAR 5:001 Section 10 (7)(e)	Number of customers to be added to the test period – end level of customers and the related revenue requirements impact for all pro forma adjustments with complete details and supporting work papers.	Exhibit No. 4.
807 KAR 5:001 Section 10(3)(a)	Amount of change requested in dollar amounts and percentage for each customer classification to which change will apply.	Exhibit No. 12.
807 KAR 5:001 Section 10(3)(b)	Present and proposed rates for each customer class to which change would apply.	Exhibit No. 12.
807 KAR 5:001 Section 10(3)(c)	Electric, gas, water and sewer utilities - effect upon average bill for each customer class to which change will apply.	Exhibit No. 12.
807 KAR 5:001 Section 10(3)(d)	Local exchange companies include effect upon average bill for each customer class for change in basic local service.	N/A – Peaks Mill is a Water District.
807 KAR 5:001 Section 10(4)	If copy of public notice included, did it meet requirements?*	Exhibit No. 12.

Filing Requirement Index Financing

Filing Requirements	Filing Requirement Description	Location or Absence Reason
807 KAR 5:001 Section 8(1)	Full name and post office address of applicant and a reference to the particular provision of law requiring Commission approval.	Application – Page No. 1.
807 KAR 5:001 Section 8(2)	The original and 10 copies of the application with an additional copy for any party named therein as an interested party.	The correct number of applications has been filed.
807 KAR 5:001 Section 8(3)	If applicant is a corporation, a certified copy of the Articles of Incorporation and all amendments thereto <u>or</u> if the articles were filed with the PSC in a prior proceeding, a reference to the style and case number of the prior proceeding.	Application – Page No. 1.
KRS 278.300(2)	Every financing application shall be made under oath, and shall be signed and filed on behalf of the utility by its president, or by a vice president, auditor, comptroller or other executive officer having knowledge of the matters set forth and duly designated by the utility.	Application – Page No. 5.
807 KAR 5:001 Section 11(1)(a)	Description of applicant's property. Statement of original cost of applicant's property and the cost to the applicant, if different.	Exhibit No. 13. Exhibit No. 14.
807 KAR 5:001 Section 11(1)(b)	If stock is to be issued: --Description of amount and kinds to be issued. --If preferred stock, a description of the preferences.	N/A – Peaks Mill is a Water District.
807 KAR 5:001 Section 11(1)(b)	If Bonds or Notes or Other Indebtedness is proposed: --Description of the amount(s). --Full description of all terms --Interest rate(s) --Whether the debt is to be secured and if so a description of how it's secured.	Application – Page No. 2.
807 KAR 5:001 Section 11(1)(c)	Statement of how proceeds are to be used. Should show amounts for each type of use (i.e., property, debt refunding, etc.)	Exhibit No. 15.
807 KAR 5:001 Section 11(1)(d)	If proceeds are for property acquisition, give a full description thereof. Supply any contracts.	N/A – Loan proceeds will not be used to acquire property.

Filing Requirement Index Financing

Filing Requirements	Filing Requirement Description	Location or Absence Reason
807 KAR 5:001 Section 11(1)(e)	If proceeds are to refund outstanding obligations, give: <ul style="list-style-type: none"> --Par value --Amount for which actually sold --Expenses and application of proceeds --Date of obligations --Total amount --Time held --Interest rate --Payee 	N/A – Loan proceeds will not be used to refund outstanding obligations.
807 KAR 5:001 Section 11(2)(a)	Financial Exhibit as required in 807 KAR 5:001Section 6: (Filing Requirements Listed Below)	Exhibit 13 – 2004 Audit Report.
807 KAR 5:001 Section 11(2)(b)	Copies of all trust deeds or mortgages. If previously filed, state case number.	N/A – Peaks Mill does not have either trust deed or mortgages.
807 KAR 5:001 Section 11(2)(c)	If property to be acquired: <ul style="list-style-type: none"> --Maps and plans of property. --Detailed estimates by USOA account number. 	N/A – No property will be acquired.
807 KAR 5:001 Section 6(1)	Amount and types of stock authorized.	N/A – Peaks Mill is a Water District.
807 KAR 5:001 Section 6(2)	Amount and types of stock issued and outstanding.	N/A – Peaks Mill is a Water District.
807 KAR 5:001 Section 6(3)	Detail of preference terms of preferred stock.	N/A – Peaks Mill is a Water District.
807 KAR 5:001 Section 6(4)	<u>Mortgages:</u> <ul style="list-style-type: none"> --Date of Execution --Name of Mortgagor --Name of Mortgagee or Trustee --Amount of Indebtedness Secured --Sinking Fund Provisions 	N/A – Peaks Mill does not have an outstanding mortgage.

Filing Requirement Index Financing

Filing Requirements	Filing Requirement Description	Location or Absence Reason
807 KAR 5:001 Section 6(5)	<u>Bonds:</u> --Amount Authorized --Amount Issued --Name of Utility Who Issued --Description of Each Class Issued --Date of Issue --Date of Maturity --How Secured --Interest Paid in Last Fiscal Year	Exhibit No. 13. Exhibit No. 14.
807 KAR 5:001 Section 6(6)	<u>Notes Outstanding:</u> --Date of Issue --Amount --Maturity Date --Rate of Interest --In Whose Favor --Interest Paid in Last Fiscal Yr.	Exhibit No. 13. Exhibit No. 14.
807 KAR 5:001 Section 6(7)	<u>Other Indebtedness:</u> --Description of Each Class --How Secured --Description of Any Assumption of Indebtedness by Outside Party (i.e., any transfer) --Interest Paid in Last Fiscal Yr.	N/A – Peaks Mill does not have any outstanding other indebtedness.
807 KAR 5:001 Section 6(8)	Rate and amount of dividends paid during the five(5) previous fiscal years and the amount of capital stock on which dividends were paid each year.	N/A – Peaks Mill is a Water District.
807 KAR 5:001 Section 6(9)	Detailed income statement and balance sheet.	Exhibit No. 13. Exhibit No. 14.

Filing Requirement Index Financing

Filing Requirements

Filing Requirement Description

Location or Absence Reason

IF APPLICANT IS A SEWER UTILITY, THE FOLLOWING ADDITIONAL FILING REQUIREMENTS APPLY:		
807 KAR 5:071 Section 3(3)(a)	Copy of amortization schedules of present and proposed indebtedness.	N/A – Peaks Mill is a Water District.
807 KAR 5:071 Section 3(3)(a)	A full and complete explanation of any corporate or business relationships between applicant and parent or brother-sister corporation, subsidiary(ies), a development corporation(s), or any other party or business to afford the PSC a full understanding of the situation.	N/A – Peaks Mill is a Water District.

Filing Requirement Index
Certificate of Public Convenience and Necessity

Filing Requirements	Filing Requirement Description	Location or Absence Reason
807 KAR 5:001 Section 8(1)	Full name and post office address of applicant and a reference to the particular provision of law requiring Commission approval.	Application – Page No. 1.
807 KAR 5:001 Section 8(2)	The original and 10 copies of the application with an additional copy for any party named therein as an interested party.	The correct number of applications has been filed.
807 KAR 5:001 Section 8(3)	If applicant is a corporation, a certified copy of the Articles of Incorporation and all amendments thereto <u>or</u> if the articles were filed with the PSC in a prior proceeding, a reference to the style and case number of the prior proceeding.	Application – Page No. 1.
807 KAR 5:001 Section 9(2)(a)	(a) The facts relied upon to show that the proposed new construction is or will be required by public convenience or necessity.	Application – Page No. 2.
807 KAR 5:001 Section 9(2)(b)	(b) Copies of franchises or permits, if any, from the proper public authority for the proposed new construction or extension, if not previously filed with the commission.	No new franchises are required. Permits Exhibit No. 17.
807 KAR 5:001 Section 9(2)(c)	(c) A full description of the proposed location, route, or routes of the new construction or extension, including a description of the manner in which same will be constructed, and also the names of all public utilities, corporations, or persons with whom the proposed new construction or extension is likely to compete.	Exhibit No. 15.
807 KAR 5:001 Section 9(2)(d)	(d) Three (3) maps to suitable scale (preferably not more than two (2) miles per inch) showing the location or route of the proposed new construction or extension, as well as the location to scale of any like facilities owned by others located anywhere within the map area with adequate identification as to the ownership of such other facilities.	Exhibit No. 15.
807 KAR 5:001 Section 9(2)(e)	(e) The manner, in detail, in which it is proposed to finance the new construction or extension.	Application – Page No. 2.
807 KAR 5:001 Section 9(2)(f)	(f) An estimated cost of operation after the proposed facilities are completed.	Exhibit No. 3.

**Filing Requirement Index
Certificate of Public Convenience and Necessity**

Filing Requirements	Filing Requirement Description	Location or Absence Reason
THE FOLLOWING ITEM IS NOT REQUIRED TO BE FILED WITH AN APPLICATION FOR A CERTIFICATE TO CONSTRUCT BUT IDEALLY SHOULD BE FILED WITH THE APPLICATION TO EXPEDITE ITS PROCESSING:		
KRS 322.340	Engineering plans, specifications, plats and report for the proposed construction. The engineering documents are prepared by a registered engineer and signed, sealed, and dated by an engineer registered in Kentucky.	Application – Page No. 2 Final Engineering Report – Exhibit No. 15.

Exhibit Index

<u>Exhibit Title</u>	<u>Exhibit Number</u>
Proposed Tariff	1
Comparison of the Proposed & Current Tariffs	2
Pro Forma Financial Statements	3
Pro Forma Adjustment Descriptions	4
Billing Analysis	5
Impact on Average Customer	6
Revenue Requirement Determination	7
Current Chart of Accounts	8
Analysis of Depreciation	9
Monthly Managerial Reports	10
Cost of Service Study	11
Customer Notification	12
2005 Audit Report	13
2004 Annual Report	14
Final Engineering Report	15
Analysis of Outstanding Indebtedness	16
Required Permits	17
KIA Loan Documents	18
PSC Staff Letters – Phase I Construction Project	19

EXHIBIT NO. 1
PROPOSED TARIFF

FOR Northeastern Franklin County
Community, Town or City

P.S.C. KY. NO. _____

SHEET NO. 1

CANCELLING P.S.C. KY. NO. _____

SHEET NO. _____

Peaks Mill Water District
(Name of Utility)

RATES AND CHARGES

Monthly Water Rates

First	2,000	Gallons	\$19.25	Minimum Bill
Next	3,000	Gallons	6.21	per 1,000 Gallons
Next	5,000	Gallons	4.99	per 1,000 Gallons
Over	10,000	Gallons	4.38	per 1,000 Gallons

DATE OF ISSUE _____
Month / Date / Year

DATE EFFECTIVE _____
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE _____

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

EXHIBIT NO. 2

**COMPARISON –
PROPOSED & CURRENT
TARRIFFS**

FOR Northeastern Franklin County
Community, Town or City

P.S.C. KY. NO. _____

SHEET NO. 1

CANCELLING P.S.C. KY. NO. _____

SHEET NO. _____

Peaks Mill Water District
(Name of Utility)

RATES AND CHARGES

Monthly Water Rates

5/8" — 1" Meters

First	2,000 Gallons	\$15.72 Minimum Bill
Next	1,000 Gallons	4.37 per 1,000 Gallons
Next	2,000 Gallons	3.77 per 1,000 Gallons
Over	5,000 Gallons	2.57 per 1,000 Gallons

1 1/2" — 2" Meters

First	2,000 Gallons	\$226.20 Minimum Bill
Over	5,000 Gallons	1.85 per 1,000 Gallons

All Customers

First	2,000 Gallons	\$19.25 Minimum Bill
Next	3,000 Gallons	6.21 per 1,000 Gallons
Next	5,000 Gallons	4.99 per 1,000 Gallons
Over	10,000 Gallons	4.38 per 1,000 Gallons

DATE OF ISSUE _____
Month / Date / Year

DATE EFFECTIVE _____
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE _____

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

EXHIBIT NO. 3

**PRO FORMA
FINANCIAL STATEMENTS**

Utility: **Peaks Mill Water District**
 Title: **Pro Forma Income Statement**

	Test-Period Operations	Pro Forma Adjustments	Adj. Ref	Pro Forma Operations
Operating Revenues:				
Metered Water Sales	\$ 315,715	\$ 29,102	(a)	\$ 344,817
Other Water Revenue:				
Miscellaneous Service Revenues	10,196	0		10,196
Revenue - Water Sales	<u>\$ 325,911</u>	<u>\$ 29,102</u>		<u>\$ 355,013</u>
Operating Expenses:				
Operation & Maintenance:				
Salaries & Wages - Employees	\$ 18,277	\$ (637)	(b)	\$ 17,640
Salaries & Wages - Commissioners	10,800	0		10,800
Employee Pension & Benefits	2,632	(2,632)	(c)	0
Purchased Water	117,773	2,978	(d)	120,751
Purchased Power	5,363	(801)	(d)	4,562
Chemicals	1,260	0		1,260
Contractual Services - Acctounting	4,500	0		4,500
Contractual Services - Legal	3,484	(3,334)	(e)	150
Contractual Services - Other:				
Routine Maintenance	35,596	0		35,596
Maintenance - Supplies & Labor	45,769	(24,519)	(f)	21,250
Insurance - Gen. Liability	5,085	0		5,085
Advertising	605	0		605
Bad Debt Expense	1,206	0		1,206
Miscellaneous	13,964	1,868	(g)	15,832
Total Operation & Maintenance	<u>\$ 266,314</u>	<u>\$ (27,077)</u>		<u>\$ 239,237</u>
Depreciation	67,682	42,728	(h)	110,410
Amortization	0	1,621	(i)	1,621
Taxes Other Than Income:				
Public Service Com. Assessment	551	0		551
Payroll Taxes	0	2,824	(c)	2,824
Other Tax & License	0	0		0
Utility Operating Expenses	<u>\$ 334,547</u>	<u>\$ 20,096</u>		<u>\$ 354,643</u>
Net Utility Operating Income	<u>\$ (8,636)</u>	<u>\$ 9,006</u>		<u>\$ 370</u>
Other Income & Deductions:				
Interest Income	3,410	0		3,410
Net Income Available for Debt Service	<u><u>\$ (5,226)</u></u>	<u><u>\$ 9,006</u></u>		<u><u>\$ 3,780</u></u>

Utility: Peaks Mill Water District
 Title: Pro Forma Balance Sheet

	<u>Test-Period Operations</u>	<u>Pro Forma Adjustments</u>	<u>Pro Forma Operations</u>
<u>ASSETS & OTHER DEBITS</u>			
<u>UTILITY PLANT</u>			
Utility Plant	\$ 2,640,006	\$ 1,650,243	\$ 4,290,249
Less: Accumulated Depreciation	995,590	110,410	1,106,000
Net Utility Plant	<u>\$ 1,644,416</u>	<u>\$ 1,539,833</u>	<u>\$ 3,184,249</u>
<u>OTHER PROPERTY & INVESTMENTS</u>			
Utility & Other Investments	\$ 114,235	\$ -	\$ 114,235
<u>CURRENT & ACCRUED ASSETS</u>			
Cash	\$ 124,466	\$ 129,617	\$ 254,083
Special Deposits	79,897	0	79,897
Accounts & Notes Receivable	36,350	0	36,350
Total Current & Accrued Assets	<u>\$ 240,713</u>	<u>\$ 129,617</u>	<u>\$ 370,330</u>
<u>DEFERRED DEBITS</u>			
Unamortized Debt Discount & Expense	\$ -	\$ 24,277	\$ 24,277
Miscellaneous Deferred Debits	0	3,241	3,241
	<u>\$ -</u>	<u>\$ 27,518</u>	<u>\$ 27,518</u>
Total Assets & Other Debits	<u>\$ 1,999,364</u>	<u>\$ 1,696,968</u>	<u>\$ 3,696,332</u>

	<u>Test-Period Operations</u>	<u>Pro Forma Adjustments</u>	<u>Pro Forma Operations</u>
<u>EQUITY CAPITAL & LIABILITIES</u>			
<u>EQUITY CAPITAL</u>			
Appropriated Retained Earnings	\$ 79,894	\$ -	\$ 79,894
Retained Earnings - Income before CIAC	121,649	93,873	215,522
Donated Capital	1,184,752	680,000	1,864,752
Total Equity Capital	<u>\$ 1,386,295</u>	<u>\$ 773,873</u>	<u>\$ 2,160,168</u>
<u>LONG-TERM DEBT</u>			
Bonds	\$ 597,200	\$ 923,095	\$ 1,520,295
Other Long Term Debt	0	0	0
Total Long-Term Debt	<u>\$ 597,200</u>	<u>\$ 923,095</u>	<u>\$ 1,520,295</u>
<u>CURRENT & ACCRUED LIABILITIES</u>			
Accounts Payable	\$ 15,869	\$ -	\$ 15,869
Notes Payable	0	0	0
Accrued Taxes	0	0	0
Accrued Interest	0	0	0
Misc. Current & Accrued Liabilities	0	0	0
Total Current & Accrued Liabilities	<u>\$ 15,869</u>	<u>\$ -</u>	<u>\$ 15,869</u>
Total Equity Capital & Liabilities	<u>\$ 1,999,364</u>	<u>\$ 1,696,968</u>	<u>\$ 3,696,332</u>

\$ -

EXHIBIT 4

**PRO FORMA
ADJUSTMENT DESCRIPTIONS**

Utility: Peaks Mill Water District
Title: Index of Pro Forma Adjustments - Income Statement

Adj. Ref.	Adjustment Description
(a)	Revenue from Water Sales: This adjustment reflects the results of Commission Staff's billing analysis and the current tariffed rate.
(b)	Salaries & Wages - Employees: This adjustment reflects the annual salary paid to the office personnel.
(c)	Employee Pensions & Benefits: This adjustment corrects the classification of the payroll taxes.
(d)	Purchased Water: This adjustment: (1) reflects removes the misclassified office electricity; (2) includes purchases for the 50 new customers; (3) recognizes the rate increase in 2005; and (4) eliminates line-loss that is greater than 15 percent.
(e)	Contractual Services Legal: This adjustment removes legal fees that are considered capital costs that should be depreciated.
(f)	Materials & Supplies: This adjustment removes capital expenditures that were incorrectly expensed in the test-period.
(g)	KIA Service Fee: This adjustment reflects the 3-year amortization of the KIA service fee for the new loan.
(h)	Depreciation: This adjustment: (1) includes a full year depreciation on test-period plant additions; (2) depreciates test-period capital expenditures that were originally expensed; and (3) depreciates Phase I and II of the proposed construction project.
(i)	Amortization: This adjustment reflects the amortizing the nonrecurring expenditures.

Utility: Peaks Mill Water District
Adjustr (a) Revenue from Water Sales

	Gallons	Amount
Normalized Revenue from Water Sales - Existing	62,190,700	\$ 319,098
Purchase Water Adjustment - 2005		\$ 9,141
Add: Revenue New Customers	3,000,000	16,578
Total Normalized Revenues	<u>65,190,700</u>	<u>\$ 344,817</u>
Less: Reported Revenue from Water Sales		315,715
Pro Forma Adjustment		<u>\$ 29,102</u>

Average Monthly Water Sales	5,000
Multiplied by: 50 New Customers	<u>50</u>
Monthly Water Sales	250,000
Multiplied by: 12-Months	<u>12</u>
New Water Sales	<u><u>3,000,000</u></u>

	Residential Rate Block (Annual)		Bills	Gallons	Increase
First	24,000	\$ 15.72	Min. Bill	600	1,200,000
Next	12,000	\$ 4.37	per 1,000 Gal.		600,000
Next	24,000	\$ 3.77	per 1,000 Gal.		1,200,000
Over	60,000	\$ 2.57	per 1,000 Gal.		0
Revenues - New Customers				<u>3,000,000</u>	<u>\$ 16,578</u>

Utility: Peaks Mill Water District
Adjustment: (b) Salaries & Wages - Employees

Monthly Contract Fee	\$	1,470
Multipled by: 12-Months		12
Salaries & Wages - Employees	\$	<u>17,640</u>
Less: Reported Salaries & Wages - Employees		18,277
Pro Forma Adjustment	\$	<u><u>(637)</u></u>

Utility: Peaks Mill Water District
 Adjustment: (j) Payroll Taxes

Employee Position	Pro Forma Payroll	Pro Forma Payroll Taxes			Total Payroll Taxes
		St. Unemp. \$ 8,000 2.70%	Fed. Unemp \$ 7,000 0.80%	FICA \$ 76,000 7.65%	
Billing Clerk	\$ 17,640	216	56	1,349	1,621
Commissioner	3,600	97	29	275	401
Commissioner	3,600	97	29	275	401
Commissioner	3,600	97	29	275	401
Pro Forma Totals	\$ 28,440	\$ 507	\$ 143	\$ 2,174	\$ 2,824
Pro Forma Payroll Taxes					\$ 2,824
Less: Test Period Payroll Taxes					0
Pro Forma Adjustment					<u>\$ 2,824</u>
Employee Pension & Benefits					<u>\$ (2,632)</u>

Utility: Peaks Mill Water District
 Adjustment: (e) Purchased Water

Frankfort Plant Board			Kentucky-American (Tri-Village)		
Purchase Month	Gallons	Billed	Purchase Month	Gallons	Billed
Jan-04	6,435,900	9,448	Jan-04	0	0
Feb-04	6,227,300	9,142	Feb-04	0	0
Mar-04	6,503,500	9,762	Mar-04	0	0
Apr-04	6,307,100	9,259	Apr-04	0	0
May-04	6,488,700	9,525	May-04	0	0
Jun-04	7,344,700	10,782	Jun-04	0	0
Jul-04	6,453,500	9,474	Jul-04	252,000	1,679
Aug-04	6,553,000	9,620	Aug-04	25,500	175
Sep-04	7,367,600	10,816	Sep-04	37,500	250
Oct-04	5,952,300	8,738	Oct-04	33,750	226
Nov-04	5,808,900	8,527	Nov-04	29,250	198
Dec-04	6,190,300	9,087	Dec-04	29,250	264
Annual Totals	<u>77,632,800</u>	<u>114,180</u>	Annual Totals	<u>407,250</u>	<u>2,792</u>

		Gallons	Percentage	Billed
Frankfort Plant Board	Electricity	0		801
Frankfort Plant Board	Water	77,632,800		114,180
Kentucky-American (Tri-Village)	Water	407,250		2,792
Test-Period Totals		<u>78,040,050</u>		<u>117,773</u>

Unaccounted for Water Loss Percentage

Water Produced/Purchased	78,040,050.00
Water Sales - Staff's Billing Analysis	62,190,700.00
System Flushing	806,000.00
Total Water Sold and Used	62,996,700.00
Unaccounted for Water Loss - Gallons	<u>15,043,350.00</u>
Percentage of Unaccounted for Water Loss	<u>19.276%</u>
Percentage Water Loss in Excess of 15 Percent	<u>4.276%</u>

Determination of Pro Forma Purchased Water

	Ky-American (Tri-Village)	Frankfort Plant Board	Total
Test-Period Water Purchases	407,250.00	77,632,800.00	78,040,050.00
Divided by: Total Water Purchases	78,040,050.00	78,040,050.00	
Percentage of Purchases	0.522%	99.478%	100.000%
Multiplied by: Test-Period Water Sales	62,190,700.0	62,190,700.0	62,190,700.0
Allocated Water Sales	324,635.0	61,866,065.0	62,190,700.0
dsjfajjasdasj	0.0	3,000,000.0	3,000,000.0
Pro Forma Water Sales	324,635.0	64,866,065.0	65,190,700.0
Divided by: Line Loss Reciprocal	85%	85%	85%
Allowable Water Purchases	<u>381,924.0</u>	<u>76,313,018.0</u>	<u>76,694,942.0</u>

Residential Rate Block (Annual)				Bills	Gallons	Increase
First	24,000	\$ 27.21	Min. Bill	12	24,000	\$ 327
Next	48,000	\$ 8.72	per 1,000 Gal.		48,000	419
Next	48,000	\$ 8.56	per 1,000 Gal.		48,000	411
Next	120,000	\$ 8.38	per 1,000 Gal.		120,000	1,006
Over	240,000	\$ 8.05	per 1,000 Gal.		141,924	1,142
Pro Forma Purchased Water - Kentucky-American (Tri-Village)						\$ 3,305
Water Purchases - Frankfort Plant Board Gallons					76,313,018	
Multiplied by: Rate Per 1,000 Gallons Effective Macrch 19, 2005					\$ 1.539	
Pro Forma Purchased Water - Frankfort Plant Board						117,446
Pro Forma Purchased Water						\$ 120,751
Less: Reported Purchased Water Expenses						117,773
Pro Forma Adjustment						<u>\$ 2,978</u>
Electricity - Frankfort Plant Board						<u>\$ 801</u>

Utility: Peaks Mill Water District
 Adjustment: (e) Contractual Services - Legal

Check #	Vendor	Description	Amount
6263	John C. Ryan	Easements	\$ (500)
6304	John C. Ryan	Waterline Extension Project	(2,834)
Pro Forma Adjustment			<u>\$ (3,334)</u>

Utility: **Peaks Mill Water District**
 Adjustment: **(f) Materials & Supplies**

Repairs & Mainaenance - General Ledger		\$	48,799
Less: Accounts Payable 01/01/04			
Gatewood Water Service	Invoice Date: 12/31/03	\$	(3,160)
Brock McVey (Credit)	Invoice Date: 12/31/03		35
Water Works	Invoice Date: 12/12/03		(742)
Harrodd	Invoice Date: 12/31/03		(371)
			<u>(4,238)</u>
Add: Accounts Payable 01/01/05			
Gate Wood Water Service	Invoice Date: 12/30/04		1,560
Less: Capital			(20,009)
Less: Non-Recurring - Gatewood:Vulneability Assessment & Emergency Response Plan			(4,862)
Pro Forma Materials & Supplies		\$	21,250
Less: Test-Period Materials & Supplies			45,769
Pro Forma Adjustment		\$	<u>(24,519)</u>

Invoice #	Vendor	Description	Amount
	Gatewood Water Service	Meters	\$ (3,213)
	Gatewood Water Service	Capital	(6,815)
6139	CI Thornburg	12 5/8" x 3/4" Water Meters	(580)
6087	Water Works	4 Inch Class 200 PVC Pipe - 600 ft.	(742)
6148	Water Works	4" Tapping valve & 3/4 Air Release Valve	(1,197)
6252	Dyer Meter Service	4" Wet Tap - Install Sleeve & Valve	(300)
6364	CI Thornburg	6" Flanged Strainer \$614	(939)
6253	CI Thornburg	6" Tapping Sleeve, 6" Gate Valve, & Various Parts	(1,745)
6166	CI Thornburg	Meter Box & Lid	(140)
6099	Water Works	Meter Box & Parts	(621)
6103	CI Thornburg	Meter Box & Parts	(573)
6117	Water Works	Meter Service Parts	(378)
6201	Water Works	Meter Service Parts	(325)
6274	Water Works	Meter Service Parts	(147)
6334	Water Works	Meter Service Parts	(404)
6143	Water Works	Meter Well & Various Parts	(274)
6237	Water Works	Meter Well & Various Parts	(92)
6254	Water Works	Meter Well & Various Parts	(71)
6318	Water Works	Meter Well & Various Parts	(670)
6167	Water Works	Meter Well & Various Parts - \$240	(240)
6125	Water Works	Meter Wells & Lids	(241)
6219	Water Works	Pressure Regulator (\$202)	(302)
			<u>(20,009)</u>
			<u>\$ (20,009)</u>

Pro Forma Adjustment

Utility: Peaks Mill Water District
 Adjustment: (g) Miscellaneous(KIA Debt Servicing Fee)

Year	Amount
Year 1	1,928
Year 2	1,869
Year 3	1,807
Pro Forma Adjustment (3-Year Average)	<u>1,868</u>

Utility: Peaks Mill Water District
 Adjustment: (h) Depreciation

		Test Period Dep Exp	Cost	Dep Life	Adjustment
Computer	Date Acquired: 2004	\$ 481	\$ 7,226	5	\$ 964
Gatewood Water Service	Meters		\$ 3,213	20	161
Gatewood Water Service	Capital		\$ 6,815	15	454
CI Thornburg	12 5/8" x 3/4" Water Meters		\$ 580	20	29
Water Works	4 Inch Class 200 PVC Pipe - 600 ft.		\$ 742	40	19
Water Works	4" Tapping valve & 3/4 Air Release Valve		\$ 1,197	20	60
Dyer Meter Service	4" Wet Tap - Install Sieve & Valve		\$ 300	20	15
CI Thornburg	6" Flanged Strainer \$614		\$ 939	20	47
CI Thornburg	6" Tapping Sieve, 6" & Gate Valve		\$ 1,745	20	87
CI Thornburg	Meter Box & Lid		\$ 140	40	4
Water Works	Meter Box & Parts		\$ 621	40	16
CI Thornburg	Meter Box & Parts		\$ 573	40	14
Water Works	Meter Service Parts		\$ 378	40	9
Water Works	Meter Service Parts		\$ 325	40	8
Water Works	Meter Service Parts		\$ 147	40	4
Water Works	Meter Service Parts		\$ 404	40	10
Water Works	Meter Well & Various Parts		\$ 274	40	7
Water Works	Meter Well & Various Parts		\$ 92	40	2
Water Works	Meter Well & Various Parts		\$ 71	40	2
Water Works	Meter Well & Various Parts		\$ 670	40	17
Water Works	Meter Well & Various Parts - \$240		\$ 240	40	6
Water Works	Meter Wells & Lids		\$ 241	40	6
Water Works	Pressure Regulator (\$202)		\$ 302	10	30
John C. Ryan	Easements		\$ 500	40	13
John C. Ryan	Waterline Extension Project		\$ 2,834	40	71
Construction Project (53,000 ft 6-Inch waterline & 2 booster pumps)			\$ 1,626,900	40	40,673
Pro Forma Adjustment					<u>\$ 42,728</u>

Utility: Peaks Mill Water District
Adjustment: (i) Amortization

Cost	Dep Life	Adjustment
\$ 4,862	3	\$ 1,621

Vulnerability Assessment & Emergency Response Plan

Utility: Peaks Mill Water District
 Title: Index of Pro Forma Adjustments - Balance Sheet

Adj. Ref.	Adjustment Description
(q)	Utility Plant: This adjustment reflects reclassification of capital expenditures that were expensed in test-period and the proposed capital construction project.
(r)	Accumulated Depreciation: This adjustment reflects annual depreciation of plant in service as of the test-period end and depreciation of the proposed capital construction project.
(s)	Cash: This adjustment reflects the accumulated impact on the cash balance resulting from pro forma adjustments.
(t)	Unamortized Debt Discount & Expense: This adjustment reflects KIA's loan issuance fee.
(u)	Miscellaneous Deferred Debits: This adjustment reflects the non-recurring expenditures removed from operating expenses and amortized.
(v)	Retained Earnings: This adjustment reflects the accumulated impact on the retained earnings balance resulting from pro forma adjustments.
(w)	Donated Capital: This adjustment reflects the donated capital, grants and tap-on fees used to fund the capital construction project.
(x)	Long-Term Debt: This adjustment reflects the average debt payment.

Utility: Peaks Mill Water District
Adjustment: (q) Utility Plant

Amount
\$ 1,626,900
23,343
<u>\$ 1,650,243</u>

Proposed Capital Construction Project
Capital Costs Removed from Expenses
Pro Forma Adjustment

Utility: Peaks Mill Water District
Adjustment: (r) Accumulated Depreciation

Amount
\$ 110,410

Pro Forma Depreciation Expense

Utility: Peaks Mill Water District
 Adjustment: (s) Cash

	<u>Amount</u>
Net Income Available for Debt Service	3,780
Add:	
Requested Increase	136,962
Depreciation Expense	110,410
Amortization Expense	1,621
Deduct:	
Debt Service - 2006	123,156
Addition to Cash	<u>\$ 129,617</u>

Utility: Peaks Mill Water District
Adjustment: (t) KIA Issuance Fee:

	<u>Amount</u>
Cost of Debt Issuance (2.5%)	<u>24,277</u>

Utility: Peaks Mill Water District
Adjustment: (u) Miscellaneous Deferred Debits

Amount
\$ 4,862

Vulnerability Assessment & Emergency Response Plan
Less: Amortization
Pro Forma Adjustment

(1,621)
\$ 3,241

Utility: Peaks Mill Water District
 Adjustment: (v) Retained Earnings

	<u>Amount</u>
Net Income Available for Debt Service	3,780
Add:	
Requested Increase	136,962
Plant Additions	23,343
Defferd Debits	4,860
Deduct:	
Average Interest Expense	75,072
Addition to Retained Earnings	<u>\$ 93,873</u>

Utility: Peaks Mill Water District
Adjustment: (w) Donated Capital (CIAC)

Amount
650,000
30,000
<u>\$ 680,000</u>

TDF Grant
Tap-on Fees
Addition to Retained Earnings

Utility: Peaks Mill Water District
Adjustment: (x) Long-Term Debt

	<u>Amount</u>
	971,179
Less:	
Principal Payment	<u>48,084</u>
Decrease - Debt Payment	<u><u>\$ 923,095</u></u>

EXHIBIT 5
BILLING ANALYSIS

BILLING ANALYSIS FOR: PEAKS MILL WATER DISTRICT
 TEST PERIOD FROM 1/1/2004
 USAGE TABLE

	CLASS: <u>USAGE</u>	<u>BILLS</u>	<u>GALLONS</u>	FIRST <u>20</u>	NEXT <u>10</u>	NEXT <u>20</u>	OVER <u>50</u>
FIRST	20	3,220	33,349	33,349			
NEXT	10	2,014	55,711	40,280	15,431		
NEXT	20	3,940	170,010	78,800	39,400	51,810	
OVER	50	3,799	392,837	75,980	37,990	75,980	202,887

TOTAL	12,973	651,907	228,409	92,821	127,790	202,887
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REVENUE TABLE

REVENUE BY RATE INCREMENT

		<u>BILLS</u>	<u>GALLONS</u>	<u>RATE</u>	<u>REVENUE</u>
FIRST	20	12,973	22,840,900	\$15.72	\$203,936
NEXT	10		9,282,100	4.37	40,563
NEXT	20		12,779,000	3.77	48,177
OVER	50		20,288,700	2.57	52,142

TOTAL	12,973	65,190,700	\$344,817
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EXHIBIT 6

**IMPACT ON AVERAGE BILL
BY CUSTOMER CLASSIFICATION**

**IMPACT ON THE AVERAGE CUSTOMER
BILL BY CLASSIFICATION**

5/8 and 1 Inch Meters - Comparison is Based on an average 5,000 Gallons Usage:

<u>Current</u> <u>Rates</u>	<u>Proposed</u> <u>Rates</u>	<u>Increase</u>	<u>Percentage</u>
\$ 28.83	\$ 37.88	\$ 9.05	31%

EXHIBIT 7

**REVENUE REQUIREMENT
DETERMINATION**

Utility: Peaks Mill Water District
 Workpaper: Minimum and Maximum Revenue
 Requirement Determinations

	Revenue Requirement	
	Minimum	Maximum
3-Year Average Debt Service	\$ 117,285	\$ 117,285
Multiplied by: Debt Service Coverage	1.2	1.2
Income From Operations	\$ 140,742	\$ 140,742
Add: Operating Expenses	239,237	239,237
Depreciation	0	110,410
Amortization	1,621	1,621
Taxes Other Than Income	3,375	3,375
Total Revenue Requirement	\$ 384,975	\$ 495,385
Less: Other Income & Deductions	3,410	3,410
Revenue Requirement from Operations	\$ 381,565	\$ 491,975
Less: Other Operating Revenues	10,196	10,196
Revenue Requirement from Water Sales	\$ 371,369	\$ 481,779
Less: Pro Forma Revenue - Water Sales	344,817	344,817
Requested/Recommended Increase	\$ 26,552	\$ 136,962
Percentage Increase	7.700%	39.720%

Utility: Peaks Mill Water District
 Title: Determination of 3-Year Average Debt Service

	2006	2007	2008	3-Year Average
ISSUE: 1969 ISSUE	\$ 8,400	\$ -	\$ -	\$ 2,800
ISSUE: 1997 ISSUE (91-03)	25,150	24,850	24,550	24,850
ISSUE: 1997 ISSUE (91-03)	12,230	12,296	12,250	12,259
Proposed: KIA Loan (2006)	77,376	77,376	77,376	77,376
Totals	\$ 123,156	\$ 114,522	\$ 114,176	\$ 117,285

Proposed: KIA Loan (2006)

	Interest	Principal	Total
Year 1	\$ 48,199	\$ 29,177	\$ 77,376
Year 2	46,722	30,655	77,376
Year 3	45,170	32,206	77,376
Average	\$ 46,697	\$ 30,680	\$ 77,376

	Original Issue	Outstanding Balance 12/31/05	Interest Paid & Accrued 2004
ISSUE: 1969 ISSUE	\$ 182,000	\$ 16,000	\$ 1,200
ISSUE: 1997 ISSUE (91-03)	\$ 627,000	\$ 581,200	\$ 29,430

PEAKS MILL WATER DISTRICT
 SCHEDULE OF BOND AND INTEREST PAYMENTS
 TOTAL REVENUE BONDS PAYABLE
 December 31, 2004

YEAR END	BOND		INTEREST 5%		TOTAL INTEREST	TOTAL PRIN & INT	OUTSTANDING BALANCE
	PRIN. DUE JANUARY 1	JANUARY 1	JANUARY 1	JULY 1			
2005	\$ 15,600	\$ 14,930	\$ 14,930		\$ 29,860	\$ 45,460	\$ 597,200
2006	16,700	14,540	14,540		29,080	45,780	\$ 581,600
2007	8,900	14,123	14,123		28,246	37,146	\$ 564,900
2008	9,000	13,900	13,900		27,800	36,800	\$ 556,000
2009	10,200	13,675	13,675		27,350	37,550	\$ 547,000
2010	10,300	13,420	13,420		26,840	37,140	\$ 536,800
2011	10,600	13,163	13,163		26,326	36,926	\$ 526,500
2012	11,700	12,898	12,898		25,796	37,496	\$ 515,900
2013	11,900	12,605	12,605		25,210	37,110	\$ 504,200
2014	12,100	12,308	12,308		24,616	36,716	\$ 492,300
2015	13,300	12,005	12,005		24,010	37,310	\$ 480,200
2016	13,600	11,673	11,673		23,346	36,946	\$ 466,900
2017	14,800	11,333	11,333		22,666	37,466	\$ 453,300
2018	15,100	10,963	10,963		21,926	37,026	\$ 438,500
2019	16,300	10,585	10,585		21,170	37,470	\$ 423,400
2020	16,600	10,178	10,178		20,356	36,956	\$ 407,100
2021	17,900	9,763	9,763		19,526	37,426	\$ 390,500
2022	19,200	9,315	9,315		18,630	37,830	\$ 372,600
2023	19,500	8,835	8,835		17,670	37,170	\$ 353,400
2024	20,900	8,348	8,348		16,696	37,596	\$ 333,900
2025	22,200	7,825	7,825		15,650	37,850	\$ 313,000
2026	22,600	7,270	7,270		14,540	37,140	\$ 290,800
2027	25,000	6,705	6,705		13,410	38,410	\$ 268,200
2028	25,400	6,080	6,080		12,160	37,560	\$ 243,200
2029	26,900	5,445	5,445		10,890	37,790	\$ 217,800
2030	28,500	4,773	4,773		9,546	38,046	\$ 190,900
2031	30,000	4,060	4,060		8,120	38,120	\$ 162,400
2032	30,600	3,310	3,310		6,620	37,220	\$ 132,400
2033	32,100	2,545	2,545		5,090	37,190	\$ 101,800
2034	33,600	1,743	1,743		3,486	37,086	\$ 69,700
2035	36,100	903	903		1,806	37,906	\$ 36,100
	<u>\$ 597,200</u>	<u>\$ 289,219</u>	<u>\$ 289,219</u>		<u>\$ 578,438</u>	<u>\$ 1,175,638</u>	-

PEAKS MILL WATER DISTRICT
 SCHEDULE OF BOND AND INTEREST PAYMENTS
 ISSUE: 1969 ISSUE
 December 31, 2004

YEAR END	BOND		INTEREST 5%		TOTAL INTEREST	TOTAL REQUIREMENTS	OUTSTANDING BALANCE
	PRIN. DUE JANUARY 1	JANUARY 1	JULY 1				
2005	\$ 8,000	\$ 400	\$ 400	\$ 800	\$ 8,800	\$ 16,000	
2006	8,000	200	200	400	8,400	8,000	
2007		-	-	-	-	\$ -	
2008		-	-	-	-	\$ -	
2009		-	-	-	-	\$ -	
2010		-	-	-	-	\$ -	
2011		-	-	-	-	\$ -	
2012		-	-	-	-	\$ -	
2013		-	-	-	-	\$ -	
2014		-	-	-	-	\$ -	
2015		-	-	-	-	\$ -	
2016		-	-	-	-	\$ -	
2017		-	-	-	-	\$ -	
2018		-	-	-	-	\$ -	
2019		-	-	-	-	\$ -	
2020		-	-	-	-	\$ -	
2021		-	-	-	-	\$ -	
2022		-	-	-	-	\$ -	
2023		-	-	-	-	\$ -	
2024		-	-	-	-	\$ -	
2025		-	-	-	-	\$ -	
2026		-	-	-	-	\$ -	
2027		-	-	-	-	\$ -	
2028		-	-	-	-	\$ -	
2029		-	-	-	-	\$ -	
2030		-	-	-	-	\$ -	
2031		-	-	-	-	\$ -	
2032		-	-	-	-	\$ -	
2033		-	-	-	-	\$ -	
2034		-	-	-	-	\$ -	
2035		-	-	-	-	\$ -	
TOTAL	\$ 16,000	\$ 600	\$ 600	\$ 1,200	\$ 17,200		

PEAKS MILL WATER DISTRICT
 SCHEDULE OF BOND AND INTEREST PAYMENTS
 ISSUE: 1997 ISSUE (91-03)
 December 31, 2004

YEAR END	BOND		INTEREST 5%		TOTAL INTEREST	TOTAL PRIN & INT	OUTSTANDING BALANCE
	PRIN. DUE JANUARY 1	JANUARY 1	JANUARY 1	JULY 1			
2005	\$ 5,000	\$ 9,700	\$ 9,700	\$ 9,700	\$ 19,400	\$ 24,400	\$ 388,000
2006	6,000	9,575	9,575	9,575	19,150	25,150	\$ 383,000
2007	6,000	9,425	9,425	9,425	18,850	24,850	\$ 377,000
2008	6,000	9,275	9,275	9,275	18,550	24,550	\$ 371,000
2009	7,000	9,125	9,125	9,125	18,250	25,250	\$ 365,000
2010	7,000	8,950	8,950	8,950	17,900	24,900	\$ 358,000
2011	7,000	8,775	8,775	8,775	17,550	24,550	\$ 351,000
2012	8,000	8,600	8,600	8,600	17,200	25,200	\$ 344,000
2013	8,000	8,400	8,400	8,400	16,800	24,800	\$ 336,000
2014	8,000	8,200	8,200	8,200	16,400	24,400	\$ 328,000
2015	9,000	8,000	8,000	8,000	16,000	25,000	\$ 320,000
2016	9,000	7,775	7,775	7,775	15,550	24,550	\$ 311,000
2017	10,000	7,550	7,550	7,550	15,100	25,100	\$ 302,000
2018	10,000	7,300	7,300	7,300	14,600	24,600	\$ 292,000
2019	11,000	7,050	7,050	7,050	14,100	25,100	\$ 282,000
2020	11,000	6,775	6,775	6,775	13,550	24,550	\$ 271,000
2021	12,000	6,500	6,500	6,500	13,000	25,000	\$ 260,000
2022	13,000	6,200	6,200	6,200	12,400	25,400	\$ 248,000
2023	13,000	5,875	5,875	5,875	11,750	24,750	\$ 235,000
2024	14,000	5,550	5,550	5,550	11,100	25,100	\$ 222,000
2025	15,000	5,200	5,200	5,200	10,400	25,400	\$ 208,000
2026	15,000	4,825	4,825	4,825	9,650	24,650	\$ 193,000
2027	17,000	4,450	4,450	4,450	8,900	25,900	\$ 178,000
2028	17,000	4,025	4,025	4,025	8,050	25,050	\$ 161,000
2029	18,000	3,600	3,600	3,600	7,200	25,200	\$ 144,000
2030	19,000	3,150	3,150	3,150	6,300	25,300	\$ 126,000
2031	20,000	2,675	2,675	2,675	5,350	25,350	\$ 107,000
2032	20,000	2,175	2,175	2,175	4,350	24,350	\$ 87,000
2033	21,000	1,675	1,675	1,675	3,350	24,350	\$ 67,000
2034	22,000	1,150	1,150	1,150	2,300	24,300	\$ 46,000
2035	24,000	600	600	600	1,200	25,200	\$ 24,000
	<u>\$ 388,000</u>	<u>\$ 192,125</u>	<u>\$ 192,125</u>	<u>\$ 384,250</u>	<u>\$ 772,250</u>		-

PEAKS MILL WATER DISTRICT
 SCHEDULE OF BOND AND INTEREST PAYMENTS
 ISSUE: 1997 ISSUE (91-03)
 December 31, 2004

YEAR END	BOND		INTEREST 5%		TOTAL INTEREST	TOTAL PRIN & INT	OUTSTANDING BALANCE
	PRIN. DUE JANUARY 1	JANUARY 1	JANUARY 1	JULY 1			
2005	\$ 2,600	\$ 4,830	\$ 4,830	\$ 4,830	\$ 9,660	\$ 12,260	\$ 193,200
2006	2,700	4,765	4,765	4,765	9,530	12,230	\$ 190,600
2007	2,900	4,698	4,698	4,698	9,396	12,296	\$ 187,900
2008	3,000	4,625	4,625	4,625	9,250	12,250	\$ 185,000
2009	3,200	4,550	4,550	4,550	9,100	12,300	\$ 182,000
2010	3,300	4,470	4,470	4,470	8,940	12,240	\$ 178,800
2011	3,600	4,388	4,388	4,388	8,776	12,376	\$ 175,500
2012	3,700	4,298	4,298	4,298	8,596	12,296	\$ 171,900
2013	3,900	4,205	4,205	4,205	8,410	12,310	\$ 168,200
2014	4,100	4,108	4,108	4,108	8,216	12,316	\$ 164,300
2015	4,300	4,005	4,005	4,005	8,010	12,310	\$ 160,200
2016	4,600	3,898	3,898	3,898	7,796	12,396	\$ 155,900
2017	4,800	3,783	3,783	3,783	7,566	12,366	\$ 151,300
2018	5,100	3,663	3,663	3,663	7,326	12,426	\$ 146,500
2019	5,300	3,535	3,535	3,535	7,070	12,370	\$ 141,400
2020	5,600	3,403	3,403	3,403	6,806	12,406	\$ 136,100
2021	5,900	3,263	3,263	3,263	6,526	12,426	\$ 130,500
2022	6,200	3,115	3,115	3,115	6,230	12,430	\$ 124,600
2023	6,500	2,960	2,960	2,960	5,920	12,420	\$ 118,400
2024	6,900	2,798	2,798	2,798	5,596	12,496	\$ 111,900
2025	7,200	2,625	2,625	2,625	5,250	12,450	\$ 105,000
2026	7,600	2,445	2,445	2,445	4,890	12,490	\$ 97,800
2027	8,000	2,255	2,255	2,255	4,510	12,510	\$ 90,200
2028	8,400	2,055	2,055	2,055	4,110	12,510	\$ 82,200
2029	8,900	1,845	1,845	1,845	3,690	12,590	\$ 73,800
2030	9,500	1,623	1,623	1,623	3,246	12,746	\$ 64,900
2031	10,000	1,385	1,385	1,385	2,770	12,770	\$ 55,400
2032	10,600	1,135	1,135	1,135	2,270	12,870	\$ 45,400
2033	11,100	870	870	870	1,740	12,840	\$ 34,800
2034	11,600	593	593	593	1,186	12,786	\$ 23,700
2035	12,100	303	303	303	606	12,706	\$ 12,100
	<u>\$ 193,200</u>	<u>\$ 96,494</u>	<u>\$ 96,494</u>	<u>\$ 96,494</u>	<u>\$ 192,988</u>	<u>\$ 386,188</u>	-

EXHIBIT 8
CURRENT CHART OF
ACCOUNTS

**Peaks Mill Water District
Account Listing
February 14, 2006**

Account	Type	Description	Tax Line
Construction Fund	Bank		<Unassigned>
Investments	Bank		<Unassigned>
Operations	Bank		<Unassigned>
Revenue Fund	Bank		<Unassigned>
Revenue	Bank		<Unassigned>
Sinking Fund	Bank		<Unassigned>
Union Ridge Extension - P.M.W...	Bank		<Unassigned>
*Accounts Receivable	Accounts Receivable		<Unassigned>
Accounts Receivable	Other Current Asset		<Unassigned>
Accounts Receivable/Allowance...	Other Current Asset		<Unassigned>
Accumulated Depreciation	Fixed Asset		<Unassigned>
Land	Fixed Asset		<Unassigned>
Meter Testing Equipment	Fixed Asset		<Unassigned>
Office Equipment	Fixed Asset		<Unassigned>
Pumps, Lines & Meters	Fixed Asset		<Unassigned>
Tanks	Fixed Asset		<Unassigned>
Accounts Payable	Other Current Liability		<Unassigned>
Payroll Liabilities	Long Term Liability		<Unassigned>
Bonds Payable	Equity		<Unassigned>
Customer Contributions	Equity		<Unassigned>
Federal Grants-In-Aid	Equity		<Unassigned>
Opening Bal Equity	Equity		<Unassigned>
Reserve for Bond Retirement	Equity		<Unassigned>
Reserve for Depreciation	Equity		<Unassigned>
Retained Earnings	Income		<Unassigned>
Interest Income	Income		<Unassigned>
Late, Cut On/Off Fees	Income		<Unassigned>
Sales	Income		<Unassigned>
Sewer Billing	Income		<Unassigned>
Transfer Fees	Expense		<Unassigned>
127 Pump Station	Expense		<Unassigned>
Advertisement	Expense		<Unassigned>
Attorney Fees	Expense		<Unassigned>
Chemical & Lab Analysis	Expense		<Unassigned>
commissioner fees	Expense		<Unassigned>
Deposit correction	Expense		<Unassigned>
Deposit correction	Expense		<Unassigned>
Electric	Expense		<Unassigned>
Hockensmith extension	Expense		<Unassigned>
INSURANCE	Expense		<Unassigned>
Ky Sales Tax	Expense		<Unassigned>
LEGAL AND PROF	Expense		<Unassigned>
Line repair billing	Expense		<Unassigned>
loan payment	Expense		<Unassigned>
Membership dues	Expense		<Unassigned>
MISC	Expense		<Unassigned>
misc.	Expense		<Unassigned>
New Meter	Expense		<Unassigned>
New Pump Station	Expense		<Unassigned>
Office Supplies	Expense		<Unassigned>
Payroll Expenses	Expense		<Unassigned>
PCS TAX ASSESSMENT	Expense		<Unassigned>
Postage	Expense		<Unassigned>
Printing	Expense		<Unassigned>
Professional Services-Billing C	Expense		<Unassigned>
Professional Services-Maintenan	Expense		<Unassigned>
PSC Assessment	Expense		<Unassigned>
Refund	Expense		<Unassigned>
Rent	Expense		<Unassigned>
Repairs & Maintenance	Expense		<Unassigned>
RET CK FEES	Expense		<Unassigned>
returned check	Expense		<Unassigned>
returned check fee	Expense		<Unassigned>
returned checks	Expense		<Unassigned>
Sales Tax	Expense		<Unassigned>
service charge	Expense		<Unassigned>
Telephone	Expense		<Unassigned>
turn on fee	Expense		<Unassigned>
COMMISSIONERS INSURA...			



10:25 AM

02/14/06

Peaks Mill Water District
Account Listing
February 14, 2006

<u>Account</u>	<u>Type</u>	<u>Description</u>	<u>Tax Line</u>
Union Ridge Extension Account	Expense		<Unassigned>
Utility Tax	Expense		<Unassigned>
Water Purchases	Expense		<Unassigned>
water revenue	Expense		<Unassigned>

EXHIBIT 9

**ANALYSIS OF
DEPRECIATION**

Peaks Mill Water District
Depreciation Schedule

December 31, 2004

	Date <u>Acquired</u>	Method <u>Life</u>	Cost	Prior <u>Depreciation</u>	Current <u>Depreciation</u>	Accumulated <u>Depreciation</u>	<u>NET</u>
LAND			2,093.00	-	-	-	2,093.00
LAND	07-95		3,500.00	-	-	-	3,500.00
			<u>5,593.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,593.00</u>
PUMPS, LINES & METERS:							
P, L & M	VARIOUS	SL/40	667,426.37	472,947.53	16,685.66	489,633.19	177,793.18
P, L & M	07-89	SL/40	31,244.56	11,326.12	781.11	12,107.24	19,137.32
P, L & M	07-90	SL/40	21,647.94	7,306.20	541.20	7,847.39	13,800.55
P, L & M	07-91	SL/40	9,598.67	2,999.60	239.97	3,239.57	6,359.10
P, L & M	07-92	SL/40	99,862.81	27,496.59	2,496.57	29,993.16	69,869.65
P, L & M	07-93	SL/40	209,023.03	54,868.57	5,225.58	60,094.14	148,928.89
P, L & M	07-94	SL/40	19,824.08	4,956.02	495.60	5,451.62	14,372.46
P, L & M	07-95	SL/40	15,579.74	3,310.68	389.49	3,700.17	11,879.57
US 127 Project	12-95	SL/40	67,626.74	13,525.36	1,690.67	15,216.02	52,410.72
P, L & M	7-96	SL/40	136,445.03	25,583.46	3,411.13	28,994.58	107,450.45
P, L & M	8-96	SL/40	93,700.09	17,373.55	2,342.50	19,716.05	73,984.04
P, L & M	9-96	SL/40	124,074.33	22,746.96	3,101.86	25,848.82	98,225.51
US 127 Project-HMB	4-96	SL/40	11,037.00	2,138.44	275.93	2,414.36	8,622.64
US 127 Project-AKINS	5-96	SL/40	192,494.99	36,894.85	4,812.37	41,707.23	150,787.76
US 127 Project-AKINS	6-96	SL/40	35,355.22	6,702.76	883.88	7,586.64	27,768.58
US 127 Project-HMB	6-96	SL/40	3,407.16	645.95	85.18	731.13	2,676.03
P, L & M	10-96	SL/40	97,339.86	17,642.86	2,433.50	20,076.36	77,263.50
P, L & M	11-96	SL/40	73,746.86	13,212.97	1,843.67	15,056.65	58,690.21
P, L & M	12-96	SL/40	95,827.89	16,969.54	2,395.70	19,365.24	76,462.65
P, L & M	1997	SL/40	182,663.33	31,966.06	4,566.58	36,532.64	146,130.69
PUMP	1998	SL/40	4,608.00	691.19	115.20	806.39	3,801.61
P, L & M	2000	SL/40	28,767.45	2,876.75	719.19	3,595.94	25,171.52
P, L & M	2001	SL/40	23,303.56	1,747.77	582.59	2,330.36	20,973.20
P, L & M	2002	SL/40	19,210.41	960.52	480.26	1,440.78	17,769.63
P, L & M	2003	SL/40	59,882.25	1,497.06	1,497.06	2,994.11	56,888.14
P, L & M	2004	SL/40	3,035.80	-	75.90	75.90	2,959.91
TOTAL PUMPS, LINES & METERS			<u>2,326,733.17</u>	<u>798,387.34</u>	<u>58,168.33</u>	<u>856,555.67</u>	<u>1,467,217.60</u>
TANKS:							
TANKS	VARIOUS	SL/33	162,425.17	89,957.03	4,921.97	94,879.01	67,546.16
TANK IMPOVE	10-91	SL/33	5,155.00	1,905.55	156.21	2,061.76	3,093.24
TANK-US 127 EXT	10-96	SL/33	94,095.15	20,666.00	2,851.37	23,517.37	70,577.78
TANK-US 127 EXT	11-96	SL/33	9,500.00	2,062.71	287.88	2,350.59	7,149.41
TANK-US 127 EXT	1997	SL/33	16,241.85	3,445.25	492.18	3,937.43	12,304.42
TOTAL TANKS			<u>287,417.17</u>	<u>118,036.54</u>	<u>8,709.61</u>	<u>126,746.15</u>	<u>160,671.02</u>
OFFICE EQUIPMENT:							
OFFICE EQUIP	VARIOUS	SL/10	1,348.27	1,348.27	-	1,348.27	-
COMPUTER	12-89	SL/10	2,568.30	2,568.30	-	2,568.30	-
COMPUTER SOFT	07-90	SL/10	1,150.48	1,150.48	-	1,150.48	-
OFFICE EQUIP	01-29-92	SL/10	429.00	429.00	-	429.00	-
FILE CABINET	03-01-92	SL/10	75.00	75.00	-	75.00	-
COPIER	09-15-92	SL/10	400.00	400.00	-	400.00	-
COPIER	12-15-98	SL/10	607.87	364.73	60.79	425.51	182.36
COMPUTER	3-10-99	SL/5	2,619.00	1,309.50	261.90	1,571.40	1,047.60
COMPUTER & BILLING SYSTEM	8/29/2004	SL/5	7,226.00	-	481.73	481.73	6,744.27
TOTAL OFFICE EQUIPMENT			<u>16,423.92</u>	<u>7,645.28</u>	<u>804.42</u>	<u>8,449.70</u>	<u>7,974.22</u>
METER TESTING EQUIP	VARIOUS	SL/10	3,838.64	3,838.64	-	3,838.64	-
			<u>3,838.64</u>	<u>3,838.64</u>	<u>-</u>	<u>3,838.64</u>	<u>-</u>
			<u>2,640,005.90</u>	<u>927,907.80</u>	<u>67,682.36</u>	<u>995,590.16</u>	<u>1,641,455.83</u>
Pro Forma Depreciation Adjustment					<u>42,728.00</u>		
Pro Forma Depreciation Expense					<u>110,410.36</u>		

Utility: Peaks Mill Water District
 Adjustment: Pro Forma Depreciation

		Test Period Dep Exp	Cost	Dep Life	Adjustment
Computer	Date Acquired: 2004	\$ 481	\$ 7,226	5	\$ 964
Gatewood Water Service	Meters		\$ 3,213	20	161
Gatewood Water Service	Capital		\$ 6,815	15	454
Cl Thornburg	12 5/8" x 3/4" Water Meters		\$ 580	20	29
Water Works	4 Inch Class 200 PVC Pipe - 600 ft.		\$ 742	40	19
Water Works	4" Tapping valve & 3/4 Air Release Valve		\$ 1,197	20	60
Dyer Meter Service	4" Wet Tap - Install Sleeve & Valve		\$ 300	20	15
Cl Thornburg	6" Flanged Strainer \$614		\$ 939	20	47
Cl Thornburg	6" Tapping Sleeve, 6" & Gate Valve		\$ 1,745	20	87
Cl Thornburg	Meter Box & Lid		\$ 140	40	4
Water Works	Meter Box & Parts		\$ 621	40	16
Cl Thornburg	Meter Box & Parts		\$ 573	40	14
Water Works	Meter Service Parts		\$ 378	40	9
Water Works	Meter Service Parts		\$ 325	40	8
Water Works	Meter Service Parts		\$ 147	40	4
Water Works	Meter Service Parts		\$ 404	40	10
Water Works	Meter Well & Various Parts		\$ 274	40	7
Water Works	Meter Well & Various Parts		\$ 92	40	2
Water Works	Meter Well & Various Parts		\$ 71	40	2
Water Works	Meter Well & Various Parts		\$ 670	40	17
Water Works	Meter Well & Various Parts - \$240		\$ 240	40	6
Water Works	Meter Wells & Lids		\$ 241	40	6
Water Works	Pressure Regulator (\$202)		\$ 302	10	30
John C. Ryan	Easements		\$ 500	40	13
John C. Ryan	Waterline Extension Project		\$ 2,834	40	71
Construction Project (53,000 ft 6-inch waterline & 2 booster pumps)			\$ 1,626,900	40	40,673
Pro Forma Adjustment					<u>\$ 42,728</u>

EXHIBIT 10

**MONTHLY MANAGERIAL
REPORTS**

9:02 AM
01/05/04
Cash Basis

Peaks Mill Water District
Profit & Loss
December 2003

	<u>Dec 03</u>
Income	
Late, Cut On/Off Fees	453.99
Sales	25,843.53
Transfer Fees	75.00
Total Income	<u>26,372.52</u>
Expense	
127 Pump Station	2,439.24
Chemical & Lab Analysis	50.00
Electric	500.65
Membership dues	355.00
New Meter	-3,075.00
Office Supplies	34.80
Payroll Expenses	4,702.81
Postage	372.40
Professional Services-Billing C	1,147.39
Professional Services-Maintenan	2,980.00
Rent	300.00
Repairs & Maintenance	687.33
RET CK FEES	-32.29
Telephone	166.66
Utility Tax	752.34
Water Purchases	8,234.03
Total Expense	<u>19,615.36</u>
Net Income	<u><u>6,757.16</u></u>

David W. Clark 01-05-04
Charles Yonkers 1-5-04

Peaks Mill Water District
Balance Sheet
 As of December 31, 2003

	Dec 31, 03
ASSETS	
Current Assets	
Checking/Savings	
Construction Fund	9,400.79
Investments	109,816.99
Operations	23,563.92
Reserve Fund	35,271.94
Revenue	103,172.17
Sinking Fund	62,853.28
Total Checking/Savings	344,079.09
Other Current Assets	
Accounts Receivable	
Allowance for Doubtful Accounts	-1,229.90
Accounts Receivable - Other	29,696.97
Total Accounts Receivable	28,467.07
Total Other Current Assets	28,467.07
Total Current Assets	372,546.16
Fixed Assets	
Accumulated Depreciation	-860,783.07
Land	5,593.00
Meter Testing Equipment	9,197.90
Office Equipment	3,838.64
Pumps, Lines & Meters	2,262,600.57
Tanks	287,417.17
Total Fixed Assets	1,707,864.21
TOTAL ASSETS	2,080,410.37
LIABILITIES & EQUITY	
Liabilities	
Long Term Liabilities	
Bonds Payable	628,000.00
Total Long Term Liabilities	628,000.00
Total Liabilities	628,000.00
Equity	
Customer Contributions	377,759.82
Federal Grants-In-Aid	786,071.68
Opening Bal Equity	-256.95
Reserve for Bond Retirement	26,204.19
Reserve for Depreciation	33,088.29
Retained Earnings	193,993.54
Net Income	35,549.80
Total Equity	1,452,410.37
TOTAL LIABILITIES & EQUITY	2,080,410.37

Utility: Peaks Mill Water District
Adjustr (a) Revenue from Water Sales

	Gallons	Amount
Normalized Revenue from Water Sales - Existing	62,190,700	\$ 319,098
Purchase Water Adjustment - 2005		\$ 9,141
Add: Revenue New Customers	3,000,000	16,578
Total Normalized Revenues	<u>65,190,700</u>	<u>\$ 344,817</u>
Less: Reported Revenue from Water Sales		315,715
Pro Forma Adjustment		<u>\$ 29,102</u>

Average Monthly Water Sales	5,000
Multiplied by: 50 New Customers	<u>50</u>
Monthly Water Sales	250,000
Multiplied by: 12-Months	<u>12</u>
New Water Sales	<u><u>3,000,000</u></u>

	Residential Rate Block (Annual)		Bills	Gallons	Increase
First	24,000	\$ 15.72	Min. Bill	600	1,200,000
Next	12,000	\$ 4.37	per 1,000 Gal.		600,000
Next	24,000	\$ 3.77	per 1,000 Gal.		1,200,000
Over	60,000	\$ 2.57	per 1,000 Gal.		0
Revenues - New Customers				<u>3,000,000</u>	<u>\$ 16,578</u>

Utility: Peaks Mill Water District
 Adjustment: (b) Salaries & Wages - Employees

Monthly Contract Fee	\$	1,470
Multipled by: 12-Months		12
Salaries & Wages - Employees	\$	17,640
Less: Reported Salaries & Wages - Employees		18,277
Pro Forma Adjustment	\$	<u>(637)</u>

Utility: Peaks Mill Water District
 Adjustment: (j) Payroll Taxes

Employee Position	Pro Forma Payroll	Pro Forma Payroll Taxes			Total Payroll Taxes
		St. Unemp. \$ 8,000 2.70%	Fed. Unemp \$ 7,000 0.80%	FICA \$ 76,000 7.65%	
Billing Clerk	\$ 17,640	216	56	1,349	1,621
Commissioner	3,600	97	29	275	401
Commissioner	3,600	97	29	275	401
Commissioner	3,600	97	29	275	401
Pro Forma Totals	\$ 28,440	\$ 507	\$ 143	\$ 2,174	\$ 2,824
Pro Forma Payroll Taxes					\$ 2,824
Less: Test Period Payroll Taxes					0
Pro Forma Adjustment					<u>\$ 2,824</u>
Employee Pension & Benefits					<u>\$ (2,632)</u>

Utility: Peaks Mill Water District
 Adjustment: (e) Purchased Water

Frankfort Plant Board			Kentucky-American (Tri-Village)		
Purchase Month	Gallons	Billed	Purchase Month	Gallons	Billed
Jan-04	6,435,900	9,448	Jan-04	0	0
Feb-04	6,227,300	9,142	Feb-04	0	0
Mar-04	6,503,500	9,762	Mar-04	0	0
Apr-04	6,307,100	9,259	Apr-04	0	0
May-04	6,488,700	9,525	May-04	0	0
Jun-04	7,344,700	10,782	Jun-04	0	0
Jul-04	6,453,500	9,474	Jul-04	252,000	1,679
Aug-04	6,553,000	9,620	Aug-04	25,500	175
Sep-04	7,367,600	10,816	Sep-04	37,500	250
Oct-04	5,952,300	8,738	Oct-04	33,750	226
Nov-04	5,808,900	8,527	Nov-04	29,250	198
Dec-04	6,190,300	9,087	Dec-04	29,250	264
Annual Totals	<u>77,632,800</u>	<u>114,180</u>	Annual Totals	<u>407,250</u>	<u>2,792</u>

		Gallons	Percentage	Billed
Frankfort Plant Board	Electricity	0		801
Frankfort Plant Board	Water	77,632,800		114,180
Kentucky-American (Tri-Village)	Water	407,250		2,792
Test-Period Totals		<u>78,040,050</u>		<u>117,773</u>

Unaccounted for Water Loss Percentage

Water Produced/Purchased	78,040,050.00
Water Sales - Staff's Billing Analysis	62,190,700.00
System Flushing	806,000.00
Total Water Sold and Used	62,996,700.00
Unaccounted for Water Loss - Gallons	<u>15,043,350.00</u>
Percentage of Unaccounted for Water Loss	<u>19.276%</u>
Percentage Water Loss in Excess of 15 Percent	<u>4.276%</u>

Determination of Pro Forma Purchased Water

	Ky-American (Tri-Village)	Frankfort Plant Board	Total
Test-Period Water Purchases	407,250.00	77,632,800.00	78,040,050.00
Divided by: Total Water Purchases	78,040,050.00	78,040,050.00	
Percentage of Purchases	0.522%	99.478%	100.000%
Multiplied by: Test-Period Water Sales	62,190,700.0	62,190,700.0	62,190,700.0
Allocated Water Sales	324,635.0	61,866,065.0	62,190,700.0
dsjfajjasdasj	0.0	3,000,000.0	3,000,000.0
Pro Forma Water Sales	324,635.0	64,866,065.0	65,190,700.0
Divided by: Line Loss Reciprocal	85%	85%	85%
Allowable Water Purchases	<u>381,924.0</u>	<u>76,313,018.0</u>	<u>76,694,942.0</u>

Residential Rate Block (Annual)				Bills	Gallons	Increase
First	24,000	\$ 27.21	Min. Bill	12	24,000	\$ 327
Next	48,000	\$ 8.72	per 1,000 Gal.		48,000	419
Next	48,000	\$ 8.56	per 1,000 Gal.		48,000	411
Next	120,000	\$ 8.38	per 1,000 Gal.		120,000	1,006
Over	240,000	\$ 8.05	per 1,000 Gal.		141,924	1,142
Pro Forma Purchased Water - Kentucky-American (Tri-Village)						\$ 3,305
Water Purchases - Frankfort Plant Board Gallons					76,313,018	
Multiplied by: Rate Per 1,000 Gallons Effective Macrch 19, 2005					\$ 1.539	
Pro Forma Purchased Water - Frankfort Plant Board						117,446
Pro Forma Purchased Water						\$ 120,751
Less: Reported Purchased Water Expenses						117,773
Pro Forma Adjustment						<u>\$ 2,978</u>
Electricity - Frankfort Plant Board						<u>\$ 801</u>

Utility: Peaks Mill Water District
 Adjustment: (e) Contractual Services - Legal

Check #	Vendor	Description	Amount
6263	John C. Ryan	Easements	\$ (500)
6304	John C. Ryan	Waterline Extension Project	(2,834)
Pro Forma Adjustment			<u>\$ (3,334)</u>

Utility: **Peaks Mill Water District**
 Adjustment: **(f) Materials & Supplies**

Repairs & Mainaenance - General Ledger		\$	48,799
Less: Accounts Payable 01/01/04			
Gatewood Water Service	Invoice Date: 12/31/03	\$	(3,160)
Brock McVey (Credit)	Invoice Date: 12/31/03		35
Water Works	Invoice Date: 12/12/03		(742)
Harrodd	Invoice Date: 12/31/03		(371)
			<u>(4,238)</u>
Add: Accounts Payable 01/01/05			
Gate Wood Water Service	Invoice Date: 12/30/04		1,560
Less: Capital			(20,009)
Less: Non-Recurring - Gatewood:Vulneability Assessment & Emergency Response Plan			(4,862)
Pro Forma Materials & Supplies		\$	21,250
Less: Test-Period Materials & Supplies			45,769
Pro Forma Adjustment		\$	<u>(24,519)</u>

Invoice #	Vendor	Description	Amount
	Gatewood Water Service	Meters	\$ (3,213)
	Gatewood Water Service	Capital	(6,815)
6139	CI Thornburg	12 5/8" x 3/4" Water Meters	(580)
6087	Water Works	4 Inch Class 200 PVC Pipe - 600 ft.	(742)
6148	Water Works	4" Tapping valve & 3/4 Air Release Valve	(1,197)
6252	Dyer Meter Service	4" Wet Tap - Install Sleeve & Valve	(300)
6364	CI Thornburg	6" Flanged Strainer \$614	(939)
6253	CI Thornburg	6" Tapping Sleeve, 6" Gate Valve, & Various Parts	(1,745)
6166	CI Thornburg	Meter Box & Lid	(140)
6099	Water Works	Meter Box & Parts	(621)
6103	CI Thornburg	Meter Box & Parts	(573)
6117	Water Works	Meter Service Parts	(378)
6201	Water Works	Meter Service Parts	(325)
6274	Water Works	Meter Service Parts	(147)
6334	Water Works	Meter Service Parts	(404)
6143	Water Works	Meter Well & Various Parts	(274)
6237	Water Works	Meter Well & Various Parts	(92)
6254	Water Works	Meter Well & Various Parts	(71)
6318	Water Works	Meter Well & Various Parts	(670)
6167	Water Works	Meter Well & Various Parts - \$240	(240)
6125	Water Works	Meter Wells & Lids	(241)
6219	Water Works	Pressure Regulator (\$202)	(302)
			<u>\$ (20,009)</u>
	Pro Forma Adjustment		

Utility: Peaks Mill Water District
 Adjustment: (g) Miscellaneous(KIA Debt Servicing Fee)

Year	Amount
Year 1	1,928
Year 2	1,869
Year 3	1,807
Pro Forma Adjustment (3-Year Average)	<u>1,868</u>

Utility: Peaks Mill Water District
 Adjustment: (h) Depreciation

		Test Period Dep Exp	Cost	Dep Life	Adjustment
Computer	Date Acquired: 2004	\$ 481	\$ 7,226	5	\$ 964
Gatewood Water Service	Meters		\$ 3,213	20	161
Gatewood Water Service	Capital		\$ 6,815	15	454
CI Thornburg	12 5/8" x 3/4" Water Meters		\$ 580	20	29
Water Works	4 Inch Class 200 PVC Pipe - 600 ft.		\$ 742	40	19
Water Works	4" Tapping valve & 3/4 Air Release Valve		\$ 1,197	20	60
Dyer Meter Service	4" Wet Tap - Install Sieve & Valve		\$ 300	20	15
CI Thornburg	6" Flanged Strainer \$614		\$ 939	20	47
CI Thornburg	6" Tapping Sieve, 6" & Gate Valve		\$ 1,745	20	87
CI Thornburg	Meter Box & Lid		\$ 140	40	4
Water Works	Meter Box & Parts		\$ 621	40	16
CI Thornburg	Meter Box & Parts		\$ 573	40	14
Water Works	Meter Service Parts		\$ 378	40	9
Water Works	Meter Service Parts		\$ 325	40	8
Water Works	Meter Service Parts		\$ 147	40	4
Water Works	Meter Service Parts		\$ 404	40	10
Water Works	Meter Well & Various Parts		\$ 274	40	7
Water Works	Meter Well & Various Parts		\$ 92	40	2
Water Works	Meter Well & Various Parts		\$ 71	40	2
Water Works	Meter Well & Various Parts		\$ 670	40	17
Water Works	Meter Well & Various Parts - \$240		\$ 240	40	6
Water Works	Meter Wells & Lids		\$ 241	40	6
Water Works	Pressure Regulator (\$202)		\$ 302	10	30
John C. Ryan	Easements		\$ 500	40	13
John C. Ryan	Waterline Extension Project		\$ 2,834	40	71
Construction Project (53,000 ft 6-Inch waterline & 2 booster pumps)			\$ 1,626,900	40	40,673
Pro Forma Adjustment					<u>\$ 42,728</u>

Utility: Peaks Mill Water District
Adjustment: (i) Amortization

Cost	Dep Life	Adjustment
\$ 4,862	3	\$ 1,621

Vulnerability Assessment & Emergency Response Plan

Utility: Peaks Mill Water District
 Title: Index of Pro Forma Adjustments - Balance Sheet

Adj. Ref.	Adjustment Description
(q)	Utility Plant: This adjustment reflects reclassification of capital expenditures that were expensed in test-period and the proposed capital construction project.
(r)	Accumulated Depreciation: This adjustment reflects annual depreciation of plant in service as of the test-period end and depreciation of the proposed capital construction project.
(s)	Cash: This adjustment reflects the accumulated impact on the cash balance resulting from pro forma adjustments.
(t)	Unamortized Debt Discount & Expense: This adjustment reflects KIA's loan issuance fee.
(u)	Miscellaneous Deferred Debits: This adjustment reflects the non-recurring expenditures removed from operating expenses and amortized.
(v)	Retained Earnings: This adjustment reflects the accumulated impact on the retained earnings balance resulting from pro forma adjustments.
(w)	Donated Capital: This adjustment reflects the donated capital, grants and tap-on fees used to fund the capital construction project.
(x)	Long-Term Debt: This adjustment reflects the average debt payment.

Utility: Peaks Mill Water District
Adjustment: (q) Utility Plant

Amount
\$ 1,626,900
23,343
<u>\$ 1,650,243</u>

Proposed Capital Construction Project
Capital Costs Removed from Expenses
Pro Forma Adjustment

Utility: Peaks Mill Water District
Adjustment: (r) Accumulated Depreciation

Amount
\$ 110,410

Pro Forma Depreciation Expense

Utility: Peaks Mill Water District
 Adjustment: (s) Cash

	<u>Amount</u>
Net Income Available for Debt Service	3,780
Add:	
Requested Increase	136,962
Depreciation Expense	110,410
Amortization Expense	1,621
Deduct:	
Debt Service - 2006	123,156
Addition to Cash	<u>\$ 129,617</u>

Utility: Peaks Mill Water District
Adjustment: (t) KIA Issuance Fee:

	<u>Amount</u>
Cost of Debt Issuance (2.5%)	<u>24,277</u>

Utility: Peaks Mill Water District
Adjustment: (u) Miscellaneous Deferred Debits

Amount
\$ 4,862

Vulnerability Assessment & Emergency Response Plan
Less: Amortization
Pro Forma Adjustment

(1,621)
\$ 3,241

Utility: Peaks Mill Water District
 Adjustment: (v) Retained Earnings

	Amount
Net Income Available for Debt Service	3,780
Add:	
Requested Increase	136,962
Plant Additions	23,343
Defferd Debits	4,860
Deduct:	
Average Interest Expense	75,072
Addition to Retained Earnings	<u>\$ 93,873</u>

Utility: Peaks Mill Water District
Adjustment: (w) Donated Capital (CIAC)

Amount
650,000
30,000
<u>\$ 680,000</u>

TDF Grant
Tap-on Fees
Addition to Retained Earnings

Utility: Peaks Mill Water District
Adjustment: (x) Long-Term Debt

	<u>Amount</u>
	971,179
Less:	
Principal Payment	<u>48,084</u>
Decrease - Debt Payment	<u><u>\$ 923,095</u></u>

EXHIBIT 5
BILLING ANALYSIS

BILLING ANALYSIS FOR: PEAKS MILL WATER DISTRICT
 TEST PERIOD FROM 1/1/2004
 USAGE TABLE

	CLASS: <u>USAGE</u>	<u>BILLS</u>	<u>GALLONS</u>	FIRST <u>20</u>	NEXT <u>10</u>	NEXT <u>20</u>	OVER <u>50</u>
FIRST	20	3,220	33,349	33,349			
NEXT	10	2,014	55,711	40,280	15,431		
NEXT	20	3,940	170,010	78,800	39,400	51,810	
OVER	50	3,799	392,837	75,980	37,990	75,980	202,887

TOTAL	12,973	651,907	228,409	92,821	127,790	202,887
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REVENUE TABLE

REVENUE BY RATE INCREMENT

		<u>BILLS</u>	<u>GALLONS</u>	<u>RATE</u>	<u>REVENUE</u>
FIRST	20	12,973	22,840,900	\$15.72	\$203,936
NEXT	10		9,282,100	4.37	40,563
NEXT	20		12,779,000	3.77	48,177
OVER	50		20,288,700	2.57	52,142

TOTAL	12,973	65,190,700	\$344,817
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EXHIBIT 6

**IMPACT ON AVERAGE BILL
BY CUSTOMER CLASSIFICATION**

**IMPACT ON THE AVERAGE CUSTOMER
BILL BY CLASSIFICATION**

5/8 and 1 Inch Meters - Comparison is Based on an average 5,000 Gallons Usage:

<u>Current Rates</u>	<u>Proposed Rates</u>	<u>Increase</u>	<u>Percentage</u>
\$ 28.83	\$ 37.88	\$ 9.05	31%

EXHIBIT 7

**REVENUE REQUIREMENT
DETERMINATION**

Utility: Peaks Mill Water District
 Workpaper: Minimum and Maximum Revenue Requirement Determinations

	Revenue Requirement	
	Minimum	Maximum
3-Year Average Debt Service	\$ 117,285	\$ 117,285
Multiplied by: Debt Service Coverage	1.2	1.2
Income From Operations	\$ 140,742	\$ 140,742
Add: Operating Expenses	239,237	239,237
Depreciation	0	110,410
Amortization	1,621	1,621
Taxes Other Than Income	3,375	3,375
Total Revenue Requirement	\$ 384,975	\$ 495,385
Less: Other Income & Deductions	3,410	3,410
Revenue Requirement from Operations	\$ 381,565	\$ 491,975
Less: Other Operating Revenues	10,196	10,196
Revenue Requirement from Water Sales	\$ 371,369	\$ 481,779
Less: Pro Forma Revenue - Water Sales	344,817	344,817
Requested/Recommended Increase	\$ 26,552	\$ 136,962
Percentage Increase	7.700%	39.720%

Utility: Peaks Mill Water District
 Title: Determination of 3-Year Average Debt Service

	2006	2007	2008	3-Year Average
ISSUE: 1969 ISSUE	\$ 8,400	\$ -	\$ -	\$ 2,800
ISSUE: 1997 ISSUE (91-03)	25,150	24,850	24,550	24,850
ISSUE: 1997 ISSUE (91-03)	12,230	12,296	12,250	12,259
Proposed: KIA Loan (2006)	77,376	77,376	77,376	77,376
Totals	\$ 123,156	\$ 114,522	\$ 114,176	\$ 117,285

Proposed: KIA Loan (2006)

	Interest	Principal	Total
Year 1	\$ 48,199	\$ 29,177	\$ 77,376
Year 2	46,722	30,655	77,376
Year 3	45,170	32,206	77,376
Average	\$ 46,697	\$ 30,680	\$ 77,376

	Original Issue	Outstanding Balance 12/31/05	Interest Paid & Accrued 2004
ISSUE: 1969 ISSUE	\$ 182,000	\$ 16,000	\$ 1,200
ISSUE: 1997 ISSUE (91-03)	\$ 627,000	\$ 581,200	\$ 29,430

PEAKS MILL WATER DISTRICT
 SCHEDULE OF BOND AND INTEREST PAYMENTS
 TOTAL REVENUE BONDS PAYABLE
 December 31, 2004

YEAR END	BOND		INTEREST 5%		TOTAL INTEREST	TOTAL PRIN & INT	OUTSTANDING BALANCE
	PRIN. DUE JANUARY 1	JANUARY 1	JANUARY 1	JULY 1			
2005	\$ 15,600	\$ 14,930	\$ 14,930	\$ 14,930	\$ 29,860	\$ 45,460	\$ 597,200
2006	16,700	14,540	14,540	14,540	29,080	45,780	\$ 581,600
2007	8,900	14,123	14,123	14,123	28,246	37,146	\$ 564,900
2008	9,000	13,900	13,900	13,900	27,800	36,800	\$ 556,000
2009	10,200	13,675	13,675	13,675	27,350	37,550	\$ 547,000
2010	10,300	13,420	13,420	13,420	26,840	37,140	\$ 536,800
2011	10,600	13,163	13,163	13,163	26,326	36,926	\$ 526,500
2012	11,700	12,898	12,898	12,898	25,796	37,496	\$ 515,900
2013	11,900	12,605	12,605	12,605	25,210	37,110	\$ 504,200
2014	12,100	12,308	12,308	12,308	24,616	36,716	\$ 492,300
2015	13,300	12,005	12,005	12,005	24,010	37,310	\$ 480,200
2016	13,600	11,673	11,673	11,673	23,346	36,946	\$ 466,900
2017	14,800	11,333	11,333	11,333	22,666	37,466	\$ 453,300
2018	15,100	10,963	10,963	10,963	21,926	37,026	\$ 438,500
2019	16,300	10,585	10,585	10,585	21,170	37,470	\$ 423,400
2020	16,600	10,178	10,178	10,178	20,356	36,956	\$ 407,100
2021	17,900	9,763	9,763	9,763	19,526	37,426	\$ 390,500
2022	19,200	9,315	9,315	9,315	18,630	37,830	\$ 372,600
2023	19,500	8,835	8,835	8,835	17,670	37,170	\$ 353,400
2024	20,900	8,348	8,348	8,348	16,696	37,596	\$ 333,900
2025	22,200	7,825	7,825	7,825	15,650	37,850	\$ 313,000
2026	22,600	7,270	7,270	7,270	14,540	37,140	\$ 290,800
2027	25,000	6,705	6,705	6,705	13,410	38,410	\$ 268,200
2028	25,400	6,080	6,080	6,080	12,160	37,560	\$ 243,200
2029	26,900	5,445	5,445	5,445	10,890	37,790	\$ 217,800
2030	28,500	4,773	4,773	4,773	9,546	38,046	\$ 190,900
2031	30,000	4,060	4,060	4,060	8,120	38,120	\$ 162,400
2032	30,600	3,310	3,310	3,310	6,620	37,220	\$ 132,400
2033	32,100	2,545	2,545	2,545	5,090	37,190	\$ 101,800
2034	33,600	1,743	1,743	1,743	3,486	37,086	\$ 69,700
2035	36,100	903	903	903	1,806	37,906	\$ 36,100
	<u>\$ 597,200</u>	<u>\$ 289,219</u>	<u>\$ 289,219</u>	<u>\$ 289,219</u>	<u>\$ 578,438</u>	<u>\$ 1,175,638</u>	-

PEAKS MILL WATER DISTRICT
 SCHEDULE OF BOND AND INTEREST PAYMENTS
 ISSUE: 1969 ISSUE
 December 31, 2004

YEAR END	BOND		INTEREST 5%		TOTAL INTEREST	TOTAL REQUIREMENTS	OUTSTANDING BALANCE
	PRIN. DUE JANUARY 1	JANUARY 1	JULY 1				
2005	\$ 8,000	\$ 400	\$ 400	\$ 800	\$ 8,800	\$ 16,000	
2006	8,000	200	200	400	8,400	8,000	
2007		-	-	-	-	\$ -	
2008		-	-	-	-	\$ -	
2009		-	-	-	-	\$ -	
2010		-	-	-	-	\$ -	
2011		-	-	-	-	\$ -	
2012		-	-	-	-	\$ -	
2013		-	-	-	-	\$ -	
2014		-	-	-	-	\$ -	
2015		-	-	-	-	\$ -	
2016		-	-	-	-	\$ -	
2017		-	-	-	-	\$ -	
2018		-	-	-	-	\$ -	
2019		-	-	-	-	\$ -	
2020		-	-	-	-	\$ -	
2021		-	-	-	-	\$ -	
2022		-	-	-	-	\$ -	
2023		-	-	-	-	\$ -	
2024		-	-	-	-	\$ -	
2025		-	-	-	-	\$ -	
2026		-	-	-	-	\$ -	
2027		-	-	-	-	\$ -	
2028		-	-	-	-	\$ -	
2029		-	-	-	-	\$ -	
2030		-	-	-	-	\$ -	
2031		-	-	-	-	\$ -	
2032		-	-	-	-	\$ -	
2033		-	-	-	-	\$ -	
2034		-	-	-	-	\$ -	
2035		-	-	-	-	\$ -	
TOTAL	\$ 16,000	\$ 600	\$ 600	\$ 1,200	\$ 17,200		

PEAKS MILL WATER DISTRICT
 SCHEDULE OF BOND AND INTEREST PAYMENTS
 ISSUE: 1997 ISSUE (91-03)
 December 31, 2004

YEAR END	BOND		INTEREST 5%		TOTAL INTEREST	TOTAL PRIN & INT	OUTSTANDING BALANCE
	PRIN. DUE JANUARY 1	JANUARY 1	JANUARY 1	JULY 1			
2005	\$ 5,000	\$ 9,700	\$ 9,700	\$ 9,700	\$ 19,400	\$ 24,400	\$ 388,000
2006	6,000	9,575	9,575	9,575	19,150	25,150	\$ 383,000
2007	6,000	9,425	9,425	9,425	18,850	24,850	\$ 377,000
2008	6,000	9,275	9,275	9,275	18,550	24,550	\$ 371,000
2009	7,000	9,125	9,125	9,125	18,250	25,250	\$ 365,000
2010	7,000	8,950	8,950	8,950	17,900	24,900	\$ 358,000
2011	7,000	8,775	8,775	8,775	17,550	24,550	\$ 351,000
2012	8,000	8,600	8,600	8,600	17,200	25,200	\$ 344,000
2013	8,000	8,400	8,400	8,400	16,800	24,800	\$ 336,000
2014	8,000	8,200	8,200	8,200	16,400	24,400	\$ 328,000
2015	9,000	8,000	8,000	8,000	16,000	25,000	\$ 320,000
2016	9,000	7,775	7,775	7,775	15,550	24,550	\$ 311,000
2017	10,000	7,550	7,550	7,550	15,100	25,100	\$ 302,000
2018	10,000	7,300	7,300	7,300	14,600	24,600	\$ 292,000
2019	11,000	7,050	7,050	7,050	14,100	25,100	\$ 282,000
2020	11,000	6,775	6,775	6,775	13,550	24,550	\$ 271,000
2021	12,000	6,500	6,500	6,500	13,000	25,000	\$ 260,000
2022	13,000	6,200	6,200	6,200	12,400	25,400	\$ 248,000
2023	13,000	5,875	5,875	5,875	11,750	24,750	\$ 235,000
2024	14,000	5,550	5,550	5,550	11,100	25,100	\$ 222,000
2025	15,000	5,200	5,200	5,200	10,400	25,400	\$ 208,000
2026	15,000	4,825	4,825	4,825	9,650	24,650	\$ 193,000
2027	17,000	4,450	4,450	4,450	8,900	25,900	\$ 178,000
2028	17,000	4,025	4,025	4,025	8,050	25,050	\$ 161,000
2029	18,000	3,600	3,600	3,600	7,200	25,200	\$ 144,000
2030	19,000	3,150	3,150	3,150	6,300	25,300	\$ 126,000
2031	20,000	2,675	2,675	2,675	5,350	25,350	\$ 107,000
2032	20,000	2,175	2,175	2,175	4,350	24,350	\$ 87,000
2033	21,000	1,675	1,675	1,675	3,350	24,350	\$ 67,000
2034	22,000	1,150	1,150	1,150	2,300	24,300	\$ 46,000
2035	24,000	600	600	600	1,200	25,200	\$ 24,000
	<u>\$ 388,000</u>	<u>\$ 192,125</u>	<u>\$ 192,125</u>	<u>\$ 384,250</u>	<u>\$ 772,250</u>		-

PEAKS MILL WATER DISTRICT
 SCHEDULE OF BOND AND INTEREST PAYMENTS
 ISSUE: 1997 ISSUE (91-03)
 December 31, 2004

YEAR END	BOND	INTEREST 5%		TOTAL INTEREST	TOTAL PRIN & INT	OUTSTANDING BALANCE
	PRIN. DUE JANUARY 1	JANUARY 1	JULY 1			
2005	\$ 2,600	\$ 4,830	\$ 4,830	\$ 9,660	\$ 12,260	\$ 193,200
2006	2,700	4,765	4,765	9,530	12,230	\$ 190,600
2007	2,900	4,698	4,698	9,396	12,296	\$ 187,900
2008	3,000	4,625	4,625	9,250	12,250	\$ 185,000
2009	3,200	4,550	4,550	9,100	12,300	\$ 182,000
2010	3,300	4,470	4,470	8,940	12,240	\$ 178,800
2011	3,600	4,388	4,388	8,776	12,376	\$ 175,500
2012	3,700	4,298	4,298	8,596	12,296	\$ 171,900
2013	3,900	4,205	4,205	8,410	12,310	\$ 168,200
2014	4,100	4,108	4,108	8,216	12,316	\$ 164,300
2015	4,300	4,005	4,005	8,010	12,310	\$ 160,200
2016	4,600	3,898	3,898	7,796	12,396	\$ 155,900
2017	4,800	3,783	3,783	7,566	12,366	\$ 151,300
2018	5,100	3,663	3,663	7,326	12,426	\$ 146,500
2019	5,300	3,535	3,535	7,070	12,370	\$ 141,400
2020	5,600	3,403	3,403	6,806	12,406	\$ 136,100
2021	5,900	3,263	3,263	6,526	12,426	\$ 130,500
2022	6,200	3,115	3,115	6,230	12,430	\$ 124,600
2023	6,500	2,960	2,960	5,920	12,420	\$ 118,400
2024	6,900	2,798	2,798	5,596	12,496	\$ 111,900
2025	7,200	2,625	2,625	5,250	12,450	\$ 105,000
2026	7,600	2,445	2,445	4,890	12,490	\$ 97,800
2027	8,000	2,255	2,255	4,510	12,510	\$ 90,200
2028	8,400	2,055	2,055	4,110	12,510	\$ 82,200
2029	8,900	1,845	1,845	3,690	12,590	\$ 73,800
2030	9,500	1,623	1,623	3,246	12,746	\$ 64,900
2031	10,000	1,385	1,385	2,770	12,770	\$ 55,400
2032	10,600	1,135	1,135	2,270	12,870	\$ 45,400
2033	11,100	870	870	1,740	12,840	\$ 34,800
2034	11,600	593	593	1,186	12,786	\$ 23,700
2035	12,100	303	303	606	12,706	\$ 12,100
	<u>\$ 193,200</u>	<u>\$ 96,494</u>	<u>\$ 96,494</u>	<u>\$ 192,988</u>	<u>\$ 386,188</u>	<u>-</u>

EXHIBIT 8
CURRENT CHART OF
ACCOUNTS

**Peaks Mill Water District
Account Listing
February 14, 2006**

Account	Type	Description	Tax Line
Construction Fund	Bank		<Unassigned>
Investments	Bank		<Unassigned>
Operations	Bank		<Unassigned>
Revenue Fund	Bank		<Unassigned>
Revenue	Bank		<Unassigned>
Sinking Fund	Bank		<Unassigned>
Union Ridge Extension - P.M.W...	Bank		<Unassigned>
*Accounts Receivable	Accounts Receivable		<Unassigned>
Accounts Receivable	Other Current Asset		<Unassigned>
Accounts Receivable/Allowance...	Other Current Asset		<Unassigned>
Accumulated Depreciation	Fixed Asset		<Unassigned>
Land	Fixed Asset		<Unassigned>
Meter Testing Equipment	Fixed Asset		<Unassigned>
Office Equipment	Fixed Asset		<Unassigned>
Pumps, Lines & Meters	Fixed Asset		<Unassigned>
Tanks	Fixed Asset		<Unassigned>
Accounts Payable	Other Current Liability		<Unassigned>
Payroll Liabilities	Long Term Liability		<Unassigned>
Bonds Payable	Equity		<Unassigned>
Customer Contributions	Equity		<Unassigned>
Federal Grants-In-Aid	Equity		<Unassigned>
Opening Bal Equity	Equity		<Unassigned>
Reserve for Bond Retirement	Equity		<Unassigned>
Reserve for Depreciation	Equity		<Unassigned>
Retained Earnings	Income		<Unassigned>
Interest Income	Income		<Unassigned>
Late, Cut On/Off Fees	Income		<Unassigned>
Sales	Income		<Unassigned>
Sewer Billing	Income		<Unassigned>
Transfer Fees	Expense		<Unassigned>
127 Pump Station	Expense		<Unassigned>
Advertisement	Expense		<Unassigned>
Attorney Fees	Expense		<Unassigned>
Chemical & Lab Analysis	Expense		<Unassigned>
commissioner fees	Expense		<Unassigned>
Deposit correction	Expense		<Unassigned>
Deposit correction	Expense		<Unassigned>
Electric	Expense		<Unassigned>
Hockensmith extension	Expense		<Unassigned>
INSURANCE	Expense		<Unassigned>
Ky Sales Tax	Expense		<Unassigned>
LEGAL AND PROF	Expense		<Unassigned>
Line repair billing	Expense		<Unassigned>
loan payment	Expense		<Unassigned>
Membership dues	Expense		<Unassigned>
MISC	Expense		<Unassigned>
misc.	Expense		<Unassigned>
New Meter	Expense		<Unassigned>
New Pump Station	Expense		<Unassigned>
Office Supplies	Expense		<Unassigned>
Payroll Expenses	Expense		<Unassigned>
PCS TAX ASSESSMENT	Expense		<Unassigned>
Postage	Expense		<Unassigned>
Printing	Expense		<Unassigned>
Professional Services-Billing C	Expense		<Unassigned>
Professional Services-Maintenan	Expense		<Unassigned>
PSC Assessment	Expense		<Unassigned>
Refund	Expense		<Unassigned>
Rent	Expense		<Unassigned>
Repairs & Maintenance	Expense		<Unassigned>
RET CK FEES	Expense		<Unassigned>
returned check	Expense		<Unassigned>
returned check fee	Expense		<Unassigned>
returned checks	Expense		<Unassigned>
Sales Tax	Expense		<Unassigned>
service charge	Expense		<Unassigned>
Telephone	Expense		<Unassigned>
turn on fee	Expense		<Unassigned>
COMMISSIONERS INSURA...			

10:25 AM

02/14/06

Peaks Mill Water District
Account Listing
February 14, 2006

<u>Account</u>	<u>Type</u>	<u>Description</u>	<u>Tax Line</u>
Union Ridge Extension Account	Expense		<Unassigned>
Utility Tax	Expense		<Unassigned>
Water Purchases	Expense		<Unassigned>
water revenue	Expense		<Unassigned>

EXHIBIT 9

**ANALYSIS OF
DEPRECIATION**

Peaks Mill Water District
Depreciation Schedule

December 31, 2004

	Date <u>Acquired</u>	Method <u>Life</u>	Cost	Prior <u>Depreciation</u>	Current <u>Depreciation</u>	Accumulated <u>Depreciation</u>	<u>NET</u>
LAND			2,093.00	-	-	-	2,093.00
LAND	07-95		3,500.00	-	-	-	3,500.00
			<u>5,593.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,593.00</u>
PUMPS, LINES & METERS:							
P, L & M	VARIOUS	SL/40	667,426.37	472,947.53	16,685.66	489,633.19	177,793.18
P, L & M	07-89	SL/40	31,244.56	11,326.12	781.11	12,107.24	19,137.32
P, L & M	07-90	SL/40	21,647.94	7,306.20	541.20	7,847.39	13,800.55
P, L & M	07-91	SL/40	9,598.67	2,999.60	239.97	3,239.57	6,359.10
P, L & M	07-92	SL/40	99,862.81	27,496.59	2,496.57	29,993.16	69,869.65
P, L & M	07-93	SL/40	209,023.03	54,868.57	5,225.58	60,094.14	148,928.89
P, L & M	07-94	SL/40	19,824.08	4,956.02	495.60	5,451.62	14,372.46
P, L & M	07-95	SL/40	15,579.74	3,310.68	389.49	3,700.17	11,879.57
US 127 Project	12-95	SL/40	67,626.74	13,525.36	1,690.67	15,216.02	52,410.72
P, L & M	7-96	SL/40	136,445.03	25,583.46	3,411.13	28,994.58	107,450.45
P, L & M	8-96	SL/40	93,700.09	17,373.55	2,342.50	19,716.05	73,984.04
P, L & M	9-96	SL/40	124,074.33	22,746.96	3,101.86	25,848.82	98,225.51
US 127 Project-HMB	4-96	SL/40	11,037.00	2,138.44	275.93	2,414.36	8,622.64
US 127 Project-AKINS	5-96	SL/40	192,494.99	36,894.85	4,812.37	41,707.23	150,787.76
US 127 Project-AKINS	6-96	SL/40	35,355.22	6,702.76	883.88	7,586.64	27,768.58
US 127 Project-HMB	6-96	SL/40	3,407.16	645.95	85.18	731.13	2,676.03
P, L & M	10-96	SL/40	97,339.86	17,642.86	2,433.50	20,076.36	77,263.50
P, L & M	11-96	SL/40	73,746.86	13,212.97	1,843.67	15,056.65	58,690.21
P, L & M	12-96	SL/40	95,827.89	16,969.54	2,395.70	19,365.24	76,462.65
P, L & M	1997	SL/40	182,663.33	31,966.06	4,566.58	36,532.64	146,130.69
PUMP	1998	SL/40	4,608.00	691.19	115.20	806.39	3,801.61
P, L & M	2000	SL/40	28,767.45	2,876.75	719.19	3,595.94	25,171.52
P, L & M	2001	SL/40	23,303.56	1,747.77	582.59	2,330.36	20,973.20
P, L & M	2002	SL/40	19,210.41	960.52	480.26	1,440.78	17,769.63
P, L & M	2003	SL/40	59,882.25	1,497.06	1,497.06	2,994.11	56,888.14
P, L & M	2004	SL/40	3,035.80	-	75.90	75.90	2,959.91
TOTAL PUMPS, LINES & METERS			<u>2,326,733.17</u>	<u>798,387.34</u>	<u>58,168.33</u>	<u>856,555.67</u>	<u>1,467,217.60</u>
TANKS:							
TANKS	VARIOUS	SL/33	162,425.17	89,957.03	4,921.97	94,879.01	67,546.16
TANK IMPOVE	10-91	SL/33	5,155.00	1,905.55	156.21	2,061.76	3,093.24
TANK-US 127 EXT	10-96	SL/33	94,095.15	20,666.00	2,851.37	23,517.37	70,577.78
TANK-US 127 EXT	11-96	SL/33	9,500.00	2,062.71	287.88	2,350.59	7,149.41
TANK-US 127 EXT	1997	SL/33	16,241.85	3,445.25	492.18	3,937.43	12,304.42
TOTAL TANKS			<u>287,417.17</u>	<u>118,036.54</u>	<u>8,709.61</u>	<u>126,746.15</u>	<u>160,671.02</u>
OFFICE EQUIPMENT:							
OFFICE EQUIP	VARIOUS	SL/10	1,348.27	1,348.27	-	1,348.27	-
COMPUTER	12-89	SL/10	2,568.30	2,568.30	-	2,568.30	-
COMPUTER SOFT	07-90	SL/10	1,150.48	1,150.48	-	1,150.48	-
OFFICE EQUIP	01-29-92	SL/10	429.00	429.00	-	429.00	-
FILE CABINET	03-01-92	SL/10	75.00	75.00	-	75.00	-
COPIER	09-15-92	SL/10	400.00	400.00	-	400.00	-
COPIER	12-15-98	SL/10	607.87	364.73	60.79	425.51	182.36
COMPUTER	3-10-99	SL/5	2,619.00	1,309.50	261.90	1,571.40	1,047.60
COMPUTER & BILLING SYSTEM	8/29/2004	SL/5	7,226.00	-	481.73	481.73	6,744.27
TOTAL OFFICE EQUIPMENT			<u>16,423.92</u>	<u>7,645.28</u>	<u>804.42</u>	<u>8,449.70</u>	<u>7,974.22</u>
METER TESTING EQUIP	VARIOUS	SL/10	3,838.64	3,838.64	-	3,838.64	-
			<u>3,838.64</u>	<u>3,838.64</u>	<u>-</u>	<u>3,838.64</u>	<u>-</u>
			<u>2,640,005.90</u>	<u>927,907.80</u>	<u>67,682.36</u>	<u>995,590.16</u>	<u>1,641,455.83</u>
Pro Forma Depreciation Adjustment					<u>42,728.00</u>		
Pro Forma Depreciation Expense					<u>110,410.36</u>		

Utility: Peaks Mill Water District
 Adjustment: Pro Forma Depreciation

		Test Period Dep Exp	Cost	Dep Life	Adjustment
Computer	Date Acquired: 2004	\$ 481	\$ 7,226	5	\$ 964
Gatewood Water Service	Meters		\$ 3,213	20	161
Gatewood Water Service	Capital		\$ 6,815	15	454
Cl Thornburg	12 5/8" x 3/4" Water Meters		\$ 580	20	29
Water Works	4 Inch Class 200 PVC Pipe - 600 ft.		\$ 742	40	19
Water Works	4" Tapping valve & 3/4 Air Release Valve		\$ 1,197	20	60
Dyer Meter Service	4" Wet Tap - Install Sleeve & Valve		\$ 300	20	15
Cl Thornburg	6" Flanged Strainer \$614		\$ 939	20	47
Cl Thornburg	6" Tapping Sleeve, 6" & Gate Valve		\$ 1,745	20	87
Cl Thornburg	Meter Box & Lid		\$ 140	40	4
Water Works	Meter Box & Parts		\$ 621	40	16
Cl Thornburg	Meter Box & Parts		\$ 573	40	14
Water Works	Meter Service Parts		\$ 378	40	9
Water Works	Meter Service Parts		\$ 325	40	8
Water Works	Meter Service Parts		\$ 147	40	4
Water Works	Meter Service Parts		\$ 404	40	10
Water Works	Meter Well & Various Parts		\$ 274	40	7
Water Works	Meter Well & Various Parts		\$ 92	40	2
Water Works	Meter Well & Various Parts		\$ 71	40	2
Water Works	Meter Well & Various Parts		\$ 670	40	17
Water Works	Meter Well & Various Parts - \$240		\$ 240	40	6
Water Works	Meter Wells & Lids		\$ 241	40	6
Water Works	Pressure Regulator (\$202)		\$ 302	10	30
John C. Ryan	Easements		\$ 500	40	13
John C. Ryan	Waterline Extension Project		\$ 2,834	40	71
Construction Project (53,000 ft 6-inch waterline & 2 booster pumps)			\$ 1,626,900	40	40,673
Pro Forma Adjustment					<u>\$ 42,728</u>

EXHIBIT 10

**MONTHLY MANAGERIAL
REPORTS**

9:02 AM
01/05/04
Cash Basis

Peaks Mill Water District
Profit & Loss
December 2003

	<u>Dec 03</u>
Income	
Late, Cut On/Off Fees	453.99
Sales	25,843.53
Transfer Fees	75.00
Total Income	<u>26,372.52</u>
Expense	
127 Pump Station	2,439.24
Chemical & Lab Analysis	50.00
Electric	500.65
Membership dues	355.00
New Meter	-3,075.00
Office Supplies	34.80
Payroll Expenses	4,702.81
Postage	372.40
Professional Services-Billing C	1,147.39
Professional Services-Maintenan	2,980.00
Rent	300.00
Repairs & Maintenance	687.33
RET CK FEES	-32.29
Telephone	166.66
Utility Tax	752.34
Water Purchases	8,234.03
Total Expense	<u>19,615.36</u>
Net Income	<u><u>6,757.16</u></u>

David W. Clark 01-05-04
Charles Yonkers 1-5-04

Peaks Mill Water District
Balance Sheet
 As of December 31, 2003

	<u>Dec 31, 03</u>
ASSETS	
Current Assets	
Checking/Savings	
Construction Fund	9,400.79
Investments	109,816.99
Operations	23,563.92
Reserve Fund	35,271.94
Revenue	103,172.17
Sinking Fund	62,853.28
Total Checking/Savings	<u>344,079.09</u>
Other Current Assets	
Accounts Receivable	
Allowance for Doubtful Accounts	-1,229.90
Accounts Receivable - Other	29,696.97
Total Accounts Receivable	<u>28,467.07</u>
Total Other Current Assets	<u>28,467.07</u>
Total Current Assets	372,546.16
Fixed Assets	
Accumulated Depreciation	-860,783.07
Land	5,593.00
Meter Testing Equipment	9,197.90
Office Equipment	3,838.64
Pumps, Lines & Meters	2,262,600.57
Tanks	287,417.17
Total Fixed Assets	<u>1,707,864.21</u>
TOTAL ASSETS	<u><u>2,080,410.37</u></u>
LIABILITIES & EQUITY	
Liabilities	
Long Term Liabilities	
Bonds Payable	628,000.00
Total Long Term Liabilities	<u>628,000.00</u>
Total Liabilities	628,000.00
Equity	
Customer Contributions	377,759.82
Federal Grants-In-Aid	786,071.68
Opening Bal Equity	-256.95
Reserve for Bond Retirement	26,204.19
Reserve for Depreciation	33,088.29
Retained Earnings	193,993.54
Net Income	35,549.80
Total Equity	<u>1,452,410.37</u>
TOTAL LIABILITIES & EQUITY	<u><u>2,080,410.37</u></u>

Peaks Mill Water District

1/5/2004

Register: Construction Fund

From 12/01/2003 through 12/31/2003

Sorted by: Date, Type, Number/Ref

<u>Date</u>	<u>Number</u>	<u>Payee</u>	<u>Account</u>	<u>Memo</u>	<u>Payment</u>	<u>C</u>	<u>Deposit</u>	<u>Balance</u>
12/02/2003	397	Dyer Meter Service	127 Pump Station	#862590	600.00			8,165.03
12/02/2003	398	C. I. THORNBURG	127 Pump Station	#s1212279.1 -...	1,279.17			6,885.86
12/16/2003		Peaks Mill Water Di...	New Meter	2- Libby Perkins			1,200.00	8,085.86
12/16/2003		Peaks Mill Water Di...	New Meter	2- Zach Saufle...			1,250.00	9,335.86
12/16/2003		Peaks Mill Water Di...	New Meter	Shields 1 + ins...			625.00	9,960.86
12/16/2003	399	Water WORKS	127 Pump Station	#354312	560.07			9,400.79

Peaks Mill Water District

1/5/2004

Register: Operations

From 12/01/2003 through 12/31/2003

Sorted by: Date, Type, Number/Ref

<u>Date</u>	<u>Number</u>	<u>Payee</u>	<u>Account</u>	<u>Memo</u>	<u>Payment</u>	<u>C</u>	<u>Deposit</u>	<u>Balance</u>
12/01/2003	6057	Lowell Clark	Payroll Expenses	Com. pay - 6 m...	1,569.63			22,277.70
12/01/2003	6058	Wilbert Perkins	Payroll Expenses	Com. pay - 6 m...	1,557.59			20,720.11
12/01/2003	6059	Church Quarles	Payroll Expenses	Com. pay - 6 m...	1,575.59			19,144.52
12/01/2003	6060	KENTUCKYT UTIL...	Electric	4	228.82			18,915.70
12/01/2003	6061	Fouser Environmental	Chemical & Lab Analy...	#8942 & #8846	30.00			18,885.70
12/01/2003	6062	Ky Rural Water Ass...	Membership dues	for 2004	355.00			18,530.70
12/01/2003	6063	Brock McVey	Repairs & Maintenance	#1630819	35.23			18,495.47
12/08/2003	6064	USPOSTMASTER	Postage	Liz	1.40			18,494.07
12/08/2003	6065	Frankfort Plant Board	Water Purchases	3	8,234.03			10,260.04
12/08/2003	6066	FRANKLIN CO. FIN...	Utility Tax	for Nov.	752.34			9,507.70
12/11/2003	6067	USPOSTMASTER	Postage		111.00			9,396.70
12/16/2003	6068	Bell South	Telephone	2- tank & office	146.66			9,250.04
12/16/2003	6069	Office Depot	Office Supplies	printer ribbons...	34.80			9,215.24
12/16/2003	6070	Fouser Environmental	Chemical & Lab Analy...	2	20.00			9,195.24
12/16/2003	6071	Brock McVey	Repairs & Maintenance	#818958-3INV	51.87			9,143.37
12/16/2003	6072	C. I. THORNBURG	Repairs & Maintenance	#s1214840.1	331.76			8,811.61
12/24/2003	6073	Gatewood Water Ser...	Professional Services-...		2,980.00			5,831.61
12/24/2003	6074	Gatewood Water Ser...	Telephone		20.00			5,811.61
12/26/2003	6075	Lisa Perkins	Professional Services-...		1,147.39			4,664.22
12/26/2003	6076	Lisa Perkins	Rent		300.00			4,364.22
12/30/2003	6077	Waterworks	Repairs & Maintenance	#354395	91.56			4,272.66
12/30/2003	6078	Harrod Concrete & S...	Repairs & Maintenance	#293553- Owe...	176.91			4,095.75
12/30/2003	6079	KENTUCKYT UTIL...	Electric	4	271.83			3,823.92
12/31/2003	1224	Peaks Mill Water Di...	Revenue				20,000.00	23,823.92
12/31/2003	6080	USPOSTMASTER	Postage	billing	260.00			23,563.92

Peaks Mill Water District

1/5/2004

Register: Reserve Fund

From 12/01/2003 through 12/31/2003

Sorted by: Date, Type, Number/Ref

<u>Date</u>	<u>Number</u>	<u>Payee</u>	<u>Account</u>	<u>Memo</u>	<u>Payment</u>	<u>C</u>	<u>Deposit</u>	<u>Balance</u>
12/31/2003	1225	Peaks Mill Water Di...	Revenue				500.00	35,271.94

Peaks Mill Water District

1/5/2004

Register: Revenue

From 12/01/2003 through 12/31/2003

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
12/05/2003		Peaks Mill Water Di...	-split-	Deposit			1,058.22	102,325.58
12/05/2003		Peaks Mill Water Di...	-split-	Deposit			1,544.28	103,869.86
12/05/2003		Peaks Mill Water Di...	-split-	Deposit			1,534.31	105,404.17
12/05/2003		Peaks Mill Water Di...	-split-	Deposit			1,523.72	106,927.89
12/05/2003		Peaks Mill Water Di...	-split-	Deposit			1,520.85	108,448.74
12/05/2003		Peaks Mill Water Di...	-split-	Deposit			1,643.31	110,092.05
12/05/2003		Peaks Mill Water Di...	-split-	Deposit			1,451.98	111,544.03
12/05/2003		Peaks Mill Water Di...	-split-	Deposit			40.00	111,584.03
12/16/2003		Peaks Mill Water Di...	RET CK FEES	\$10.00 retd ck ...			32.29	111,616.32
12/16/2003		Peaks Mill Water Di...	Transfer Fees	07710 7 & 022...			50.00	111,666.32
12/16/2003		Peaks Mill Water Di...	-split-	Deposit			338.04	112,004.36
12/16/2003		Peaks Mill Water Di...	-split-	Deposit			288.50	112,292.86
12/16/2003		Peaks Mill Water Di...	-split-	Deposit			1,583.49	113,876.35
12/16/2003		Peaks Mill Water Di...	-split-	Deposit			947.71	114,824.06
12/16/2003		Peaks Mill Water Di...	-split-	Deposit			1,220.24	116,044.30
12/16/2003		Peaks Mill Water Di...	-split-	Deposit			1,345.32	117,389.62
12/16/2003		Peaks Mill Water Di...	-split-	Deposit			890.69	118,280.31
12/16/2003		Peaks Mill Water Di...	-split-	Deposit			1,239.86	119,520.17
12/16/2003		Peaks Mill Water Di...	-split-	Deposit			1,693.14	121,213.31
12/16/2003		Peaks Mill Water Di...	-split-	Deposit			737.75	121,951.06
12/16/2003		Peaks Mill Water Di...	-split-	Deposit			1,539.81	123,490.87
12/19/2003		Peaks Mill Water Di...	-split-	Deposit			54.24	123,545.11
12/19/2003		Peaks Mill Water Di...	-split-	Deposit			1,509.13	125,054.24
12/31/2003		Peaks Mill Water Di...	-split-	Deposit			290.85	125,345.09
12/31/2003		Peaks Mill Water Di...	-split-	Deposit			32.75	125,377.84
12/31/2003		Peaks Mill Water Di...	-split-	Deposit			514.04	125,891.88
12/31/2003		Peaks Mill Water Di...	-split-	Deposit			633.52	126,525.40
12/31/2003		Peaks Mill Water Di...	-split-	Deposit			1,050.93	127,576.33
12/31/2003		Peaks Mill Water Di...	Transfer Fees	#02110 Kelly			25.00	127,601.33
12/31/2003		Peaks Mill Water Di...	-split-	Deposit			70.84	127,672.17
12/31/2003	1224	Peaks Mill Water Di...	Operations		20,000.00			107,672.17
12/31/2003	1225	Peaks Mill Water Di...	Reserve Fund		500.00			107,172.17
12/31/2003	1226	Peaks Mill Water Di...	Sinking Fund		4,000.00			103,172.17

Peaks Mill Water District

1/5/2004

Register: Sinking Fund

From 12/01/2003 through 12/31/2003

Sorted by: Date, Type, Number/Ref

<u>Date</u>	<u>Number</u>	<u>Payee</u>	<u>Account</u>	<u>Memo</u>	<u>Payment</u>	<u>C</u>	<u>Deposit</u>	<u>Balance</u>
12/31/2003	1226	Peaks Mill Water Di...	Revenue				4,000.00	62,853.28

4233

GATEWOOD SERVICE
2126 Lucas Lane
Frankfort, KY 40601

CUSTOMER'S ORDER NO.	DEPT.	DATE: 12/31/03
NAME: Peaks Mill Water Dist		
ADDRESS: 310 Perkins Rd		
CITY, STATE, ZIP: Frankfort Ky. 40601		

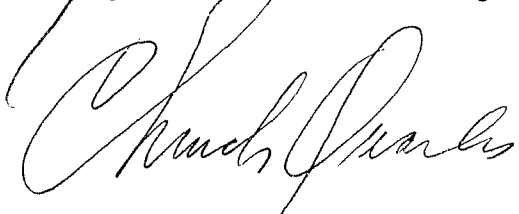
SOLD BY:	CASH	C.O.D.	CHARGE	ON ACCT.	MDSE RTD.	PAID OUT
-----------------	-------------	---------------	---------------	-----------------	------------------	-----------------

QUANTITY	DESCRIPTION	PRICE	AMOUNT
1	1 Short meter at 7400		
	2 Owenton Rd		190 00
2	3 Short meter at 101		
	4 Preston Way	190.00	380 00
1	5 Long meter Tracy trucking		440 00
2	6 Inspection @ 101 Preston		
	7 Way	25.00	50 00
1	8 Work on creek Bank @		
	9 Ky River Campground		140 00
22ft	10 Push for 4" line on road		
	11 @ County line job 127	40.00	880 00
540ft	12 1/2 price of laying pipe on		
	13 127 @ county line 2.00		1080 00
	14 <u>total</u>		3160 00
	15		
	16		
	17		
	18		

RECEIVED BY:

**Peaks Mill Water District
 Balance Sheet
 As of January 31, 2004**

	Jan 31, 04
ASSETS	
Current Assets	
Checking/Savings	
Construction Fund	10,007.09
Investments	109,816.99
Operations	15,801.07
Reserve Fund	35,297.11
Revenue	108,422.77
Sinking Fund	31,780.95
Total Checking/Savings	311,125.98
Other Current Assets	
Accounts Receivable	
Allowance for Doubtful Accounts	-1,229.90
Accounts Receivable - Other	29,696.97
Total Accounts Receivable	28,467.07
Total Other Current Assets	28,467.07
Total Current Assets	339,593.05
Fixed Assets	
Accumulated Depreciation	-860,783.07
Land	5,593.00
Meter Testing Equipment	9,197.90
Office Equipment	3,838.64
Pumps, Lines & Meters	2,262,600.57
Tanks	287,417.17
Total Fixed Assets	1,707,864.21
TOTAL ASSETS	2,047,457.26
LIABILITIES & EQUITY	
Liabilities	
Long Term Liabilities	
Bonds Payable	628,000.00
Total Long Term Liabilities	628,000.00
Total Liabilities	628,000.00
Equity	
Customer Contributions	377,759.82
Federal Grants-In-Aid	786,071.68
Opening Bal Equity	-256.95
Reserve for Bond Retirement	26,204.19
Reserve for Depreciation	33,088.29
Retained Earnings	198,485.11
Net Income	-1,894.88
Total Equity	1,419,457.26
TOTAL LIABILITIES & EQUITY	2,047,457.26

For the Chief 02-02-04


3:40 PM

01/31/04

Peaks Mill Water District
Statement of Cash Flows
January 2004

	<u>Jan 04</u>
OPERATING ACTIVITIES	
Net Income	-1,894.88
Net cash provided by Operating Activities	<u>-1,894.88</u>
Net cash increase for period	-1,894.88
Cash at beginning of period	313,020.86
Cash at end of period	<u><u>311,125.98</u></u>

3:37 PM
01/31/04
Cash Basis

Peaks Mill Water District
Profit & Loss
January 2004

	<u>Jan 04</u>
Income	
Late, Cut On/Off Fees	490.95
Sales	24,657.85
Transfer Fees	125.00
Total Income	<u>25,273.80</u>
Expense	
Chemical & Lab Analysis	30.00
Electric	416.11
Ky. Sales Tax	46.59
New Meter	-600.00
Office Supplies	42.67
Payroll Expenses	2,510.42
Postage	658.59
Professional Services-Billing C	1,777.39
Professional Services-Maintenan	2,980.00
Rent	300.00
Repairs & Maintenance	7,921.65
Telephone	172.12
Utility Tax	757.40
Water Purchases	10,155.74
Total Expense	<u>27,168.68</u>
Net Income	<u><u>-1,894.88</u></u>

Peaks Mill Water District

1/31/2004

Register: Operations

From 01/01/2004 through 01/31/2004

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment C	Deposit	Balance
01/02/2004	6081	Gatewood Water Ser...	Repairs & Maintenance	#4233	3,160.00		20,409.75
01/06/2004	6083	Lisa Perkins	Professional Services-...	5% increment4...	630.00		19,779.75
01/07/2004	6082	FRANKLIN CO. FIN...	Utility Tax	for Dec.03	757.40		19,022.35
01/08/2004	6084	Frankfort Plant Board	Water Purchases	for Dec. 2003	10,155.74		8,866.61
01/08/2004	6085	Harrod Concrete & S...	Repairs & Maintenance	Owen Co. line	371.44		8,495.17
01/08/2004	6086	Kentucky Utilities	Electric	Sulphur Lick T...	140.97		8,354.20
01/08/2004	6087	Water WORKS	Repairs & Maintenance	Owen Co. Line	742.04		7,612.16
01/08/2004	6088	Bell South	Telephone	Tank	75.07		7,537.09
01/09/2004	6089	Kentucky State Trea...	Ky. Sales Tax	for10/03 - 12/03	46.59		7,490.50
01/14/2004	6097	Bell South	Telephone	office	77.05		7,413.45
01/15/2004	6090	FARMERS BANK	Payroll Expenses	Fed. unemploy...	43.20		7,370.25
01/20/2004	6091	I R S	Payroll Expenses	form 941 Quart...	1,801.49		5,568.76
01/20/2004	6092	Kentucky State Trea...	Payroll Expenses	form K3 withh...	273.93		5,294.83
01/20/2004	6093	Treasurer, Ky. unem...	Payroll Expenses	unemployment ...	145.80		5,149.03
01/20/2004	6094	Franklin Co. Treasurer	Payroll Expenses	occupational tax	96.00		5,053.03
01/20/2004	6095	USPOSTMASTER	Postage	Fkt. plant boar...	206.49		4,846.54
01/20/2004	6096	Office Depot	Office Supplies		42.67		4,803.87
01/20/2004	6098	Charles T. MITCHE...	Payroll Expenses		150.00		4,653.87
01/20/2004	6099	Waterworks	Repairs & Maintenance	2 - #354606 &...	621.07		4,032.80
01/23/2004	1227	Peaks Mill Water Di...	Revenue			20,000.00	24,032.80
01/23/2004	6100	USPOSTMASTER	Postage	Liz	2.10		24,030.70
01/23/2004	6101	Kentucky Utilities	Electric	3	275.14		23,755.56
01/23/2004	6102	USPOSTMASTER	Postage	permit 701 - 1 ...	150.00		23,605.56
01/23/2004	6103	C. I. THORNBURG	Repairs & Maintenance		573.08		23,032.48
01/23/2004	6104	Brock McVey	Repairs & Maintenance		6.89		23,025.59
01/23/2004	6105	Harrod Concrete & S...	Repairs & Maintenance	#294806	192.13		22,833.46
01/23/2004	6106	Fouser Environmental	Chemical & Lab Analy...	2	30.00		22,803.46
01/28/2004	6107	Gatewood Water Ser...	Repairs & Maintenance	#4238	2,255.00		20,548.46
01/28/2004	6108	Gatewood Water Ser...	Professional Services-...		2,980.00		17,568.46
01/28/2004	6109	Gatewood Water Ser...	Telephone		20.00		17,548.46
01/30/2004	6110	Lisa Perkins	Professional Services-...		1,147.39		16,401.07
01/30/2004	6111	USPOSTMASTER	Postage	billing	300.00		16,101.07
01/30/2004	6112	Lisa Perkins	Rent		300.00		15,801.07

Peaks Mill Water District

1/31/2004

Register: Revenue

From 01/01/2004 through 01/31/2004

Sorted by: Date, Type, Number/Ref

<u>Date</u>	<u>Number</u>	<u>Payee</u>	<u>Account</u>	<u>Memo</u>	<u>Payment</u>	<u>C</u>	<u>Deposit</u>	<u>Balance</u>
01/08/2004		Peaks Mill Water Di...	-split-	Deposit			227.06	103,376.03
01/08/2004		Peaks Mill Water Di...	-split-	Deposit			78.00	103,454.03
01/08/2004		Peaks Mill Water Di...	-split-	Deposit			1,070.11	104,524.14
01/08/2004		Peaks Mill Water Di...	-split-	Deposit			1,031.38	105,555.52
01/08/2004		Peaks Mill Water Di...	-split-	Deposit			1,545.70	107,101.22
01/08/2004		Peaks Mill Water Di...	-split-	Deposit			1,117.62	108,218.84
01/08/2004		Peaks Mill Water Di...	-split-	Deposit			1,338.29	109,557.13
01/08/2004		Peaks Mill Water Di...	-split-	Deposit			1,685.69	111,242.82
01/08/2004		Peaks Mill Water Di...	-split-	Deposit			1,415.00	112,657.82
01/15/2004		Peaks Mill Water Di...	Transfer Fees	5			125.00	112,782.82
01/15/2004		Peaks Mill Water Di...	-split-	Deposit			1,664.62	114,447.44
01/15/2004		Peaks Mill Water Di...	-split-	Deposit			1,380.20	115,827.64
01/15/2004		Peaks Mill Water Di...	-split-	Deposit			1,424.48	117,252.12
01/15/2004		Peaks Mill Water Di...	-split-	Deposit			1,383.87	118,635.99
01/15/2004		Peaks Mill Water Di...	-split-	Deposit			1,335.17	119,971.16
01/15/2004		Peaks Mill Water Di...	-split-	Deposit			1,212.46	121,183.62
01/15/2004		Peaks Mill Water Di...	-split-	Deposit			540.38	121,724.00
01/16/2004		Peaks Mill Water Di...	-split-	Deposit			840.67	122,564.67
01/23/2004		Peaks Mill Water Di...	-split-	Deposit			1,065.54	123,630.21
01/23/2004		Peaks Mill Water Di...	-split-	Deposit			1,001.06	124,631.27
01/23/2004		Peaks Mill Water Di...	-split-	Deposit			747.93	125,379.20
01/23/2004		Peaks Mill Water Di...	-split-	Deposit			1,195.47	126,574.67
01/23/2004		Peaks Mill Water Di...	-split-	Deposit			249.79	126,824.46
01/23/2004		Peaks Mill Water Di...	-split-	Deposit			403.87	127,228.33
01/23/2004	1227	Peaks Mill Water Di...	Operations	transfer	20,000.00			107,228.33
01/30/2004		Peaks Mill Water Di...	-split-	Deposit			103.47	107,331.80
01/30/2004		Peaks Mill Water Di...	-split-	Deposit			1,090.97	108,422.77

Peaks Mill Water District

1/31/2004

Register: Construction Fund

From 01/01/2004 through 01/31/2004

Sorted by: Date, Type, Number/Ref

<u>Date</u>	<u>Number</u>	<u>Payee</u>	<u>Account</u>	<u>Memo</u>	<u>Payment</u>	<u>C</u>	<u>Deposit</u>	<u>Balance</u>
01/15/2004		Peaks Mill Water Di...	New Meter	Randall Hall c...			600.00	10,007.09

4238

GATEWOOD WATER SERVICE
2126 Lucas Lane
Frankfort, KY 40601

CUSTOMER'S ORDER NO.	DEPT.	DATE: 1/28/04
NAME: Peaks Mill Water Dist		
ADDRESS: 310 Perkins Rd.		
CITY, STATE, ZIP: Frankfort Ky. 40601		

SOLD BY:	CASH	C.O.D.	CHARGE	ON ACCT.	MDSE RTD.	PAID OUT
-----------------	-------------	---------------	---------------	-----------------	------------------	-----------------

QUANTITY	DESCRIPTION	PRICE	AMOUNT
1	1 Leak on Lewis Ferry @		
	2 Fred Browns - 190 ⁰⁰ plus		
	3 8 hr extra for Backhoe		
	4 operator and extra man 60		
	5 per hour		670 00
1	6 Set Backhoe + extra box		
	7 on line @ County line		500 00
1	8 Set Blow off @ Church		
	9 @ county line		250 00
160	10 ft of line laid @ county		
	11 line 1/2 price of cost		320 00
1	12 Short meter on Shaw Farm		190 00
1	13 Rental on Trash pump		75 00
1	14 Second Blow off on 127 line		250 00
	15 Total		2255 00
	16		
	17		
	18		

RECEIVED BY: pd 1-28 04 CK# 6107

8:41 AM
03/01/04
Cash Basis

Peaks Mill Water District
Profit & Loss
February 2004

	<u>Feb 04</u>
Income	
Late, Cut On/Off Fees	498.98
Sales	25,285.32
Transfer Fees	100.00
Total Income	<u>25,884.30</u>
Expense	
Chemical & Lab Analysis	30.00
Electric	436.35
MISC	103.62
New Meter	-600.00
Office Supplies	69.13
Postage	301.40
Professional Services-Billing C	1,252.87
Professional Services-Maintenan	2,980.00
Rent	300.00
Repairs & Maintenance	2,626.92
Telephone	95.07
Utility Tax	725.64
Water Purchases	9,565.34
Total Expense	<u>17,886.34</u>
Net Income	<u><u>7,997.96</u></u>

Chuck Funk 03-1-04
Wilbert Perkins 3-1-04
Joel W. Clark 03-01-04

8:46 AM
03/01/04
Cash Basis

Peaks Mill Water District
Balance Sheet
As of February 29, 2004

	<u>Feb 29, 04</u>
ASSETS	
Current Assets	
Checking/Savings	
Construction Fund	10,613.47
Investments	109,816.99
Operations	17,321.01
Reserve Fund	36,320.33
Revenue	105,378.95
Sinking Fund	39,801.85
Total Checking/Savings	<u>319,252.60</u>
Other Current Assets	
Accounts Receivable	
Allowance for Doubtful Accounts	-1,229.90
Accounts Receivable - Other	29,696.97
Total Accounts Receivable	<u>28,467.07</u>
Total Other Current Assets	<u>28,467.07</u>
Total Current Assets	347,719.67
Fixed Assets	
Accumulated Depreciation	-860,783.07
Land	5,593.00
Meter Testing Equipment	9,197.90
Office Equipment	3,838.64
Pumps, Lines & Meters	2,262,600.57
Tanks	287,417.17
Total Fixed Assets	<u>1,707,864.21</u>
TOTAL ASSETS	<u><u>2,055,583.88</u></u>
LIABILITIES & EQUITY	
Liabilities	
Long Term Liabilities	
Bonds Payable	628,000.00
Total Long Term Liabilities	<u>628,000.00</u>
Total Liabilities	628,000.00
Equity	
Customer Contributions	377,759.82
Federal Grants-In-Aid	786,071.68
Opening Bal Equity	-256.95
Reserve for Bond Retirement	26,204.19
Reserve for Depreciation	33,088.29
Retained Earnings	198,485.11
Net Income	6,231.74
Total Equity	<u>1,427,583.88</u>
TOTAL LIABILITIES & EQUITY	<u><u>2,055,583.88</u></u>

Peaks Mill Water District

3/1/2004

Register: Sinking Fund

From 02/01/2004 through 02/29/2004

Sorted by: Date, Type, Number/Ref

<u>Date</u>	<u>Number</u>	<u>Payee</u>	<u>Account</u>	<u>Memo</u>	<u>Payment</u>	<u>C</u>	<u>Deposit</u>	<u>Balance</u>
02/05/2004	1228	Peaks Mill Water Di...	Revenue				4,000.00	35,801.85
02/27/2004	1232	Peaks Mill Water Di...	Revenue				4,000.00	39,801.85

Peaks Mill Water District

3/1/2004

Register: Reserve Fund

From 02/01/2004 through 02/29/2004

Sorted by: Date, Type, Number/Ref

<u>Date</u>	<u>Number</u>	<u>Payee</u>	<u>Account</u>	<u>Memo</u>	<u>Payment</u>	<u>C</u>	<u>Deposit</u>	<u>Balance</u>
02/05/2004	1229	Peaks Mill Water Di...	Revenue				500.00	35,820.33
02/27/2004	1231	Peaks Mill Water Di...	Revenue				500.00	36,320.33

Peaks Mill Water District

3/1/2004

Register: Operations

From 02/01/2004 through 02/29/2004

Sorted by: Date, Type, Number/Ref

<u>Date</u>	<u>Number</u>	<u>Payee</u>	<u>Account</u>	<u>Memo</u>	<u>Payment</u>	<u>C</u>	<u>Deposit</u>	<u>Balance</u>
02/05/2004	6114	Brock McVey	Repairs & Maintenance	6	109.56			15,697.79
02/05/2004	6115	Church Quarles	MISC	reimbursement...	78.62			15,619.17
02/05/2004	6116	LINDA ELDRIDGE	MISC	computer progr...	25.00			15,594.17
02/05/2004	6117	Waterworks	Repairs & Maintenance	#354698	377.84			15,216.33
02/05/2004	6118	National Waterworks	Repairs & Maintenance	#1004223	69.78			15,146.55
02/05/2004	6119	Bell South	Telephone	tank	75.07			15,071.48
02/05/2004	6120	Kentucky Utilities	Electric	2 - #519866-0...	151.21			14,920.27
02/06/2004	6121	FRANKLIN CO. FIN...	Utility Tax	for Jan. 2004	725.64			14,194.63
02/06/2004	6122	Frankfort Plant Board	Water Purchases	for Jan. 2004	9,565.34			4,629.29
02/11/2004	6123	Office Depot	Office Supplies	chair & Fkt. pl...	69.13			4,560.16
02/23/2004	1230	Peaks Mill Water Di...	Revenue				20,000.00	24,560.16
02/24/2004	6124	Postmaster	Postage	Liz Frakes	1.40			24,558.76
02/24/2004	6125	Waterworks	Repairs & Maintenance	#354790 & #3...	240.94			24,317.82
02/24/2004	6126	Fouser Environmental	Chemical & Lab Analy...	2 - #9410 & #9...	20.00			24,297.82
02/24/2004	6127	Fouser Environmental	Chemical & Lab Analy...	#9469	10.00			24,287.82
02/24/2004	6128	KENTUCKYT UTIL...	Electric	3	285.14			24,002.68
02/27/2004	6129	USPOSTMASTER	Postage		300.00			23,702.68
02/27/2004	6130	Lisa Perkins	Rent		300.00			23,402.68
02/27/2004	6131	Lisa Perkins	Professional Services-...		1,200.13			22,202.55
02/27/2004	6132	Lisa Perkins	Professional Services-...	difference for J...	52.74			22,149.81
02/27/2004	6133	Gatewood Water Ser...	Telephone		20.00			22,129.81
02/27/2004	6134	Gatewood Water Ser...	Professional Services-...		2,980.00			19,149.81
02/27/2004	6135	Gatewood Water Ser...	Repairs & Maintenance	#4242	1,828.80			17,321.01

Peaks Mill Water District

3/1/2004

Register: Revenue

From 02/01/2004 through 02/29/2004

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
02/05/2004		Peaks Mill Water Di...	-split-	Deposit			1,410.53	109,905.18
02/05/2004		Peaks Mill Water Di...	-split-	Deposit			1,298.70	111,203.88
02/05/2004		Peaks Mill Water Di...	-split-	Deposit			801.57	112,005.45
02/05/2004		Peaks Mill Water Di...	-split-	Deposit			1,433.27	113,438.72
02/05/2004		Peaks Mill Water Di...	-split-	Deposit			1,140.41	114,579.13
02/05/2004		Peaks Mill Water Di...	-split-	Deposit			1,327.31	115,906.44
02/05/2004	1228	Peaks Mill Water Di...	Sinking Fund	transfer for Feb...	4,000.00			111,906.44
02/05/2004	1229	Peaks Mill Water Di...	Reserve Fund	transfer for Feb...	500.00			111,406.44
02/13/2004		Peaks Mill Water Di...	-split-	Deposit			210.00	111,616.44
02/13/2004		Peaks Mill Water Di...	Transfer Fees	Hedges			25.00	111,641.44
02/13/2004		Peaks Mill Water Di...	-split-	Deposit			154.38	111,795.82
02/13/2004		Peaks Mill Water Di...	-split-	Deposit			56.49	111,852.31
02/13/2004		Peaks Mill Water Di...	-split-	Deposit			190.06	112,042.37
02/13/2004		Peaks Mill Water Di...	-split-	Deposit			1,576.86	113,619.23
02/13/2004		Peaks Mill Water Di...	-split-	Deposit			1,325.93	114,945.16
02/13/2004		Peaks Mill Water Di...	-split-	Deposit			625.74	115,570.90
02/13/2004		Peaks Mill Water Di...	-split-	Deposit			1,239.00	116,809.90
02/13/2004		Peaks Mill Water Di...	-split-	Deposit			808.09	117,617.99
02/13/2004		Peaks Mill Water Di...	-split-	Deposit			1,543.28	119,161.27
02/13/2004		Peaks Mill Water Di...	-split-	Deposit			730.13	119,891.40
02/13/2004		Peaks Mill Water Di...	-split-	Deposit			1,844.00	121,735.40
02/13/2004		Peaks Mill Water Di...	-split-	Deposit			1,350.08	123,085.48
02/13/2004		Peaks Mill Water Di...	-split-	Deposit			57.74	123,143.22
02/13/2004		Peaks Mill Water Di...	-split-	Deposit			254.37	123,397.59
02/13/2004		Peaks Mill Water Di...	Transfer Fees	#02370McCane			25.00	123,422.59
02/23/2004		Peaks Mill Water Di...	-split-	Deposit			1,359.91	124,782.50
02/23/2004		Peaks Mill Water Di...	-split-	Deposit			911.76	125,694.26
02/23/2004		Peaks Mill Water Di...	-split-	Deposit			310.74	126,005.00
02/23/2004		Peaks Mill Water Di...	-split-	Deposit			125.00	126,130.00
02/23/2004		Peaks Mill Water Di...	-split-	Deposit			1,056.94	127,186.94
02/23/2004		Peaks Mill Water Di...	-split-	Deposit			858.51	128,045.45
02/23/2004		Peaks Mill Water Di...	-split-	Deposit			766.42	128,811.87
02/23/2004		Peaks Mill Water Di...	-split-	Deposit			338.64	129,150.51
02/23/2004		Peaks Mill Water Di...	-split-	Deposit			15.90	129,166.41
02/23/2004		Peaks Mill Water Di...	Transfer Fees	#02010			25.00	129,191.41
02/23/2004	1230	Peaks Mill Water Di...	Operations	transfer for Ma...	20,000.00			109,191.41
02/27/2004		Peaks Mill Water Di...	-split-	Deposit			238.98	109,430.39
02/27/2004		Peaks Mill Water Di...	-split-	Deposit			423.56	109,853.95
02/27/2004		Peaks Mill Water Di...	Transfer Fees	#02330			25.00	109,878.95

Peaks Mill Water District

3/1/2004

Register: Revenue

From 02/01/2004 through 02/29/2004

Sorted by: Date, Type, Number/Ref

<u>Date</u>	<u>Number</u>	<u>Payee</u>	<u>Account</u>	<u>Memo</u>	<u>Payment</u>	<u>C</u>	<u>Deposit</u>	<u>Balance</u>
02/27/2004	1231	Peaks Mill Water Di...	Reserve Fund	transfer	500.00			109,378.95
02/27/2004	1232	Peaks Mill Water Di...	Sinking Fund	transfer	4,000.00			105,378.95

Peaks Mill Water District

3/1/2004

Register: Construction Fund

From 02/01/2004 through 02/29/2004

Sorted by: Date, Type, Number/Ref

<u>Date</u>	<u>Number</u>	<u>Payee</u>	<u>Account</u>	<u>Memo</u>	<u>Payment</u>	<u>C</u>	<u>Deposit</u>	<u>Balance</u>
02/13/2004		Peaks Mill Water Di...	New Meter	Mason			600.00	10,613.47

4242

GATEWOOD WATER SERVICE
2126 Lucas Lane
Frankfort, KY 40601

CUSTOMER'S ORDER NO.	DEPT.	DATE: 2/27/04
NAME: Peaks Mill Water Dist		
ADDRESS: 310 Perkins Rd		
CITY, STATE, ZIP Frankfort Ky 40601		

SOLD BY:	CASH	C.O.D.	CHARGE	ON ACCT.	MSERTD.	PAID OUT
----------	------	--------	--------	----------	---------	----------

QUANTITY	DESCRIPTION	PRICE	AMOUNT
1	Short Meter at 953		
2	Camp Pleasant		190 00 <i>W</i>
2	Long meter 156 Appomattox		
4	Dct 158 Appomattox	880 00	880 00 <i>W</i>
1	Leak @ 2192 Sullivan Ln	190 00	190 00 <i>M</i>
1	Frist 7-hr of work on		
7	Leak at James way and		
8	Owenton Rd		190 00 <i>M</i>
9	Sub Total		1450 00
1200	envelopes	0,024	28 80
1	50¢ a ft for 700 ft of line		
12	for flushing & testing line at		
13	Country line - 150 per foot left		
14	for clean up		350 00 <i>W</i>
15	Total		1828 80
16			
17			
18			

RECEIVED BY:



2:02 PM

03/28/06

Cash Basis

Peaks Mill Water District Balance Sheet As of March 31, 2004

	<u>Mar 31, 04</u>
ASSETS	
Current Assets	
Checking/Savings	
Construction Fund	10,162.50
Investments	109,816.99
Operations	1,767.98
Reserve Fund	36,368.58
Revenue	119,205.86
Sinking Fund	39,852.29
Total Checking/Savings	<u>317,174.18</u>
Other Current Assets	
Accounts Receivable	
Allowance for Doubtful Accounts	-1,229.90
Accounts Receivable - Other	29,696.97
Total Accounts Receivable	<u>28,467.07</u>
Total Other Current Assets	<u>28,467.07</u>
Total Current Assets	345,641.25
Fixed Assets	
Accumulated Depreciation	-860,783.07
Land	6,593.00
Meter Testing Equipment	9,197.90
Office Equipment	3,838.64
Pumps, Lines & Meters	2,262,600.57
Tanks	287,417.17
Total Fixed Assets	<u>1,707,864.21</u>
TOTAL ASSETS	<u><u>2,053,505.46</u></u>
LIABILITIES & EQUITY	
Liabilities	
Long Term Liabilities	
Bonds Payable	628,000.00
Total Long Term Liabilities	<u>628,000.00</u>
Total Liabilities	628,000.00
Equity	
Customer Contributions	377,759.82
Federal Grants-In-Aid	786,071.68
Opening Bal Equity	-256.95
Reserve for Bond Retirement	26,204.19
Reserve for Depreciation	33,088.29
Retained Earnings	197,023.33
Net Income	5,615.10
Total Equity	<u>1,425,505.46</u>
TOTAL LIABILITIES & EQUITY	<u><u>2,053,505.46</u></u>

2:01 PM
03/28/06
Cash Basis

Peaks Mill Water District
Profit & Loss
March 2004

	<u>Mar 04</u>
Income	
Interest Income	148.69
Late, Cut On/Off Fees	441.38
New Meter	800.00
Sales	25,006.74
Transfer Fees	75.00
Total Income	<u>26,271.79</u>
Expense	
Chemical & Lab Analysis	70.00
Electric	365.37
INSURANCE	1,508.00
LEGAL AND PROF	4,500.00
Postage	200.00
Professional Services-Billing C	1,200.33
Professional Services-Maintenan	2,980.00
Rent	300.00
Repairs & Maintenance	5,904.90
returned check	101.79
Telephone	280.72
Water Purchases	9,309.23
Total Expense	<u>26,720.34</u>
Net Income	<u><u>-448.55</u></u>

*Scott W. Clark
Wilbert Perkins
Church Records*

9:39 PM
05/02/04
Cash Basis

Peaks Mill Water District
Balance Sheet
As of April 30, 2004

Apr 30, 04

ASSETS	
Current Assets	
Checking/Savings	
Construction Fund	10,762.50
Investments	109,816.99
Operations	17,466.07
Reserve Fund	37,368.58
Revenue	97,470.03
Sinking Fund	47,852.29
Total Checking/Savings	320,736.46
Other Current Assets	
Accounts Receivable	
Allowance for Doubtful Accounts	-1,229.90
Accounts Receivable - Other	29,696.97
Total Accounts Receivable	28,467.07
Total Other Current Assets	28,467.07
Total Current Assets	349,203.53
Fixed Assets	
Accumulated Depreciation	-860,783.07
Land	5,593.00
Meter Testing Equipment	9,197.90
Office Equipment	3,838.64
Pumps, Lines & Meters	2,262,600.57
Tanks	287,417.17
Total Fixed Assets	1,707,864.21
TOTAL ASSETS	2,057,067.74
LIABILITIES & EQUITY	
Liabilities	
Long Term Liabilities	
Bonds Payable	628,000.00
Total Long Term Liabilities	628,000.00
Total Liabilities	628,000.00
Equity	
Customer Contributions	377,759.82
Federal Grants-In-Aid	786,071.68
Opening Bal Equity	-256.95
Reserve for Bond Retirement	26,204.19
Reserve for Depreciation	33,088.29
Retained Earnings	198,485.11
Net Income	7,715.60
Total Equity	1,429,067.74
TOTAL LIABILITIES & EQUITY	2,057,067.74

Chuck Quaresima
Forll w - Ckh
05-03-04

PEAKS MILL WATER DISTRICT
REGULAR BOARD MEETING
APRIL 5, 2004

PRESENT: WILBERT PERKINS, LOWELL CLARK, LISA PERKINS, CHURCH QUARLES, DALE GATEWOOD, IRA FANNIN, AND SANDY BROUGHMAN.

OLD BUSINESS:

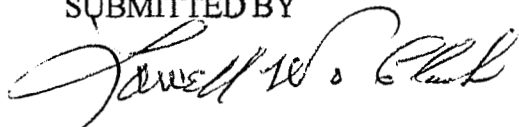
1. THE POLE HAS BEEN SET AT THE NEW WATER PUMP STATION, AND THE WIRING IS BEING COMPLETED. WE SHOULD HAVE START-UP VERY SOON.
2. ALL OF THE RESIDENTS AT THE OWEN COUNTY LINE HAVE BEEN CONNECTED TO THE OWEN CO. WATER SUPPLY.
3. CHURCH AND LISA HAVE THE INFORMATION FROM THE COMPUTER COMPANIES AND WILL REPORT AT THE NEXT MEETING.
4. WILBERT MET WITH MR. ADAMS. HIS DEMANDS ARE TOO MUCH FOR US TO AGREE TO, THEREFORE WE WILL CROSS THE ROAD AND RUN THE WATER LINE ON THAT SIDE. THIS WILL REQUIRE SIX ADDITIONAL EASEMENTS. SANDY HAS THE NAMES. WE NOW LACK FIFTEEN EASEMENTS FOR US TO BEGIN. SANDY, LISA AND IRA WILL TRY TO GET THEM IN THE NEXT TWO WEEKS. IF THEY CAN'T WILBERT, CHURCH, AND LOWELL WILL GO SEE EACH AND TRY TO ACQUIRE THEM.
5. MR. ADAMS SAID THAT DIANA HOGAN DOES NOT WANT ANY THING DONE TO HER PROPERTY WHERE THE LINE WAS INSTALL LAST TIME. IT HAS GROWN UP AND SHE WISHES FOR IT TO NOT BE DISTURBED.
6. THE PAPER WORK HAS BEEN SENT IN TO GET THE GRANT MONEY TO START THE PROJECT. SANDY SAID THAT ADDITIONAL MONEY (\$33,000 FOR SCHRADER HILL AND \$750,000 FOR ELMVILLE -KAYS BRANCH EXTENSION) HAS BEEN PUT INTO THE BUDGET BILL. HOWEVER, IT IS UNLIKELY THE LEGISLATURE WILL PASS A BUDGET THIS SESSION.
7. SANDY PREDICTS THAT WE SHOULD GET A CONTRACT IN ABOUT TWO MONTHS AND BEGIN DIGGING IN THREE.

NEW BUSINESS:

1. DAVID SMITH DESIRES WATER ON HIS DAUGHTERS LOT JUST OFF OF TRACY LANE. HE NEEDS TO BRING AN EASEMENT FROM THE OTHER PROPERTY OWNER BEFORE WE WILL SET A METER AT HER PROPERTY.
2. SANDY REPORTED THAT WE WILL STAY ON MRS. MOORES PROPERTY AT KNIGHTS BRIDGE, THEREFORE WE WILL NOT NEED AN EASEMENT FROM MRS. THOMPSON.

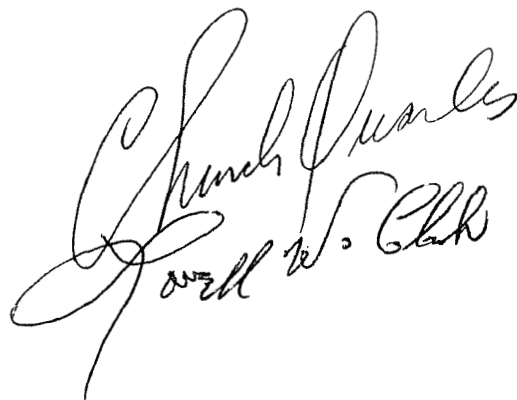
WITH NO OTHER BUSINESS TO DISCUSS, THE MEETING WAS ADJOURNED.

SUBMITTED BY



LOWELL W. CLARK, SECRETARY

04-05-04



05-03-04

9:38 PM
05/02/04
Cash Basis

Peaks Mill Water District
Profit & Loss
April 2004

	<u>Apr 04</u>
Income	
Late, Cut On/Off Fees	488.18
Sales	25,089.21
Transfer Fees	225.00
Total Income	<u>25,802.39</u>
Expense	
Chemical & Lab Analysis	30.00
Electric	450.66
INSURANCE	3,577.44
Ky. Sales Tax	44.84
New Meter	-600.00
Office Supplies	693.56
Payroll Expenses	1,450.94
Postage	200.00
Professional Services-Billing C	1,200.13
Professional Services-Maintenan	2,898.00
Rent	300.00
Repairs & Maintenance	1,965.39
Telephone	176.66
Utility Tax	1,421.29
Water Purchases	9,892.98
Total Expense	<u>23,701.89</u>
Net Income	<u><u>2,100.50</u></u>

7:13 AM
03/23/06
Cash Basis

Peaks Mill Water District
Profit & Loss
June 2004

	<u>Jun 04</u>
Income	
Interest Income	148.56
Late, Cut On/Off Fees	671.58
New Meter	1,200.00
Sales	27,454.28
Transfer Fees	150.00
Total Income	<u>29,624.42</u>
Expense	
Chemical & Lab Analysis	30.00
commissioner fees	4,720.81
Electric	379.50
loan payment	15,315.00
Postage	300.00
Professional Services-Billing C	1,200.33
Professional Services-Maintenan	2,980.00
Rent	300.00
Repairs & Maintenance	2,662.02
returned check	22.12
Telephone	287.55
Utility Tax	783.76
Water Purchases	9,557.34
Total Expense	<u>38,538.43</u>
Net Income	<u><u>-8,914.01</u></u>

Thomas Yarnall
Wilbert Perkins
Scott W. Clark

7:02 AM
 03/23/06
 Cash Basis

Peaks Mill Water District
Balance Sheet
 As of June 30, 2004

	Jun 30, 04
ASSETS	
Current Assets	
Checking/Savings	
Construction Fund	9,877.57
Investments	109,816.99
Operations	4,903.62
Reserve Fund	37,943.08
Revenue	118,228.74
Sinking Fund	36,627.33
Total Checking/Savings	317,397.33
Other Current Assets	
Accounts Receivable	
Allowance for Doubtful Accounts	-1,229.90
Accounts Receivable - Other	29,696.97
Total Accounts Receivable	28,467.07
Total Other Current Assets	28,467.07
Total Current Assets	345,864.40
Fixed Assets	
Accumulated Depreciation	-860,783.07
Land	5,593.00
Meter Testing Equipment	9,197.90
Office Equipment	3,838.64
Pumps, Lines & Meters	2,262,600.57
Tanks	287,417.17
Total Fixed Assets	1,707,864.21
TOTAL ASSETS	2,053,728.61
LIABILITIES & EQUITY	
Liabilities	
Long Term Liabilities	
Bonds Payable	628,000.00
Total Long Term Liabilities	628,000.00
Total Liabilities	628,000.00
Equity	
Customer Contributions	377,759.82
Federal Grants-In-Aid	786,071.68
Opening Bal Equity	-256.96
Reserve for Bond Retirement	26,204.19
Reserve for Depreciation	33,088.29
Retained Earnings	197,023.33
Net Income	5,838.26
Total Equity	1,425,728.61
TOTAL LIABILITIES & EQUITY	2,053,728.61

CP Church Journals
Wilbert Perkins
Scott W. Clark

Peaks Mill Water District
Balance Sheet
As of July 31, 2004

Jul 31, 04

ASSETS	
Current Assets	
Checking/Savings	
Construction Fund	7,887.57
Investments	109,816.99
Operations	24,745.77
Reserve Fund	38,943.08
Revenue	82,721.51
Sinking Fund	44,627.33
Total Checking/Savings	308,742.25
Other Current Assets	
Accounts Receivable	
Allowance for Doubtful Accounts	-1,229.90
Accounts Receivable - Other	29,696.97
Total Accounts Receivable	28,467.07
Total Other Current Assets	28,467.07
Total Current Assets	337,209.32
Fixed Assets	
Accumulated Depreciation	-860,783.07
Land	5,593.00
Meter Testing Equipment	9,197.90
Office Equipment	3,838.64
Pumps, Lines & Meters	2,262,600.57
Tanks	287,417.17
Total Fixed Assets	1,707,864.21
TOTAL ASSETS	2,045,073.53
LIABILITIES & EQUITY	
Liabilities	
Long Term Liabilities	
Bonds Payable	628,000.00
Total Long Term Liabilities	628,000.00
Total Liabilities	628,000.00
Equity	
Customer Contributions	377,759.82
Federal Grants-In-Aid	786,071.68
Opening Bal Equity	-256.96
Reserve for Bond Retirement	28,204.19
Reserve for Depreciation	33,088.29
Retained Earnings	198,485.11
Net Income	-4,278.60
Total Equity	1,417,073.53
TOTAL LIABILITIES & EQUITY	2,045,073.53

David W. Clark
Wilbert Perkins
Chuck Qualls

8:54 AM
08/02/04
Cash Basis

Peaks Mill Water District
Profit & Loss
July 2004

Jul 04

	Jul 04
Income	
Late, Cut On/Off Fees	266.20
Sales	21,509.79
Transfer Fees	245.00
Total Income	22,020.99
Expense	
Advertisement	228.38
Chemical & Lab Analysis	130.00
Electric	269.56
Ky. Sales Tax	56.58
MISC	20.00
Office Supplies	24.96
Payroll Expenses	2,695.33
Professional Services-Billing C	1,200.33
Professional Services-Maintenan	2,980.00
PSC Assessment	551.17
Refund	27.24
Rent	300.00
Repairs & Maintenance	11,864.25
RET CK FEES	-10.00
Telephone	199.52
Utility Tax	810.00
Water Purchases	10,790.53
Total Expense	32,137.85
Net Income	-10,116.86

safe deposit box ←

Lowell W. Clark
Wilbert Perkins
Church Funds

Peaks Mill Water District

8/2/2004

Register: Revenue

From 07/01/2004 through 07/31/2004

Sorted by: Date, Type, Number/Ref

<u>Date</u>	<u>Number</u>	<u>Payee</u>	<u>Account</u>	<u>Memo</u>	<u>Payment</u>	<u>C</u>	<u>Deposit</u>	<u>Balance</u>
07/09/2004		Peaks Mill Water Di...	-split-	Deposit			1,335.30	121,025.82
07/09/2004		Peaks Mill Water Di...	-split-	Deposit			1,041.81	122,067.63
07/09/2004		Peaks Mill Water Di...	-split-	Deposit			1,126.48	123,194.11
07/09/2004		Peaks Mill Water Di...	-split-	Deposit			1,542.24	124,736.35
07/09/2004		Peaks Mill Water Di...	-split-	Deposit			1,426.64	126,162.99
07/09/2004		Peaks Mill Water Di...	-split-	Deposit			1,511.02	127,674.01
07/09/2004		Peaks Mill Water Di...	-split-	Deposit			1,063.80	128,737.81
07/09/2004		Peaks Mill Water Di...	-split-	Deposit			1,283.18	130,020.99
07/09/2004		Peaks Mill Water Di...	-split-	Deposit			1,284.12	131,305.11
07/09/2004		Peaks Mill Water Di...	-split-	Deposit			1,214.94	132,520.05
07/09/2004	1243	Peaks Mill Water Di...	Operations	transfer for Jul...	30,000.00			102,520.05
07/09/2004	1244	Peaks Mill Water Di...	Reserve Fund	transfer for Jul...	500.00			102,020.05
07/09/2004	1245	Peaks Mill Water Di...	Sinking Fund	transfer for Jul...	4,000.00			98,020.05
07/17/2004		Peaks Mill Water Di...	-split-	Deposit			1,675.23	99,695.28
07/17/2004		Peaks Mill Water Di...	-split-	Deposit			3,048.55	102,743.83
07/17/2004		Peaks Mill Water Di...	-split-	Deposit			3,263.81	106,007.64
07/17/2004		Peaks Mill Water Di...	-split-	Deposit			463.80	106,471.44
07/17/2004		Peaks Mill Water Di...	-split-	Deposit			465.07	106,936.51
07/17/2004		Peaks Mill Water Di...	Transfer Fees	Deposit			245.00	107,181.51
07/17/2004		Peaks Mill Water Di...	-split-	Deposit			40.00	107,221.51
07/30/2004		Peaks Mill Water Di...	-split-	Deposit			209.41	107,430.92
07/30/2004		Peaks Mill Water Di...	-split-	Deposit			204.52	107,635.44
07/30/2004		Peaks Mill Water Di...	Transfer Fees	3			75.00	107,710.44
07/30/2004		Peaks Mill Water Di...	-split-	Deposit			1,437.91	109,148.35
07/30/2004		Peaks Mill Water Di...	-split-	Deposit			347.15	109,495.50
07/30/2004		Peaks Mill Water Di...	-split-	Deposit			2,758.08	112,253.58
07/30/2004		Peaks Mill Water Di...	-split-	Deposit			1,126.25	113,379.83
07/30/2004	1246	Peaks Mill Water Di...	Operations	transfer for aug...	20,000.00			93,379.83
07/30/2004	1247	Peaks Mill Water Di...	Reserve Fund	transfer for Au...	500.00			92,879.83
07/30/2004	1248	Peaks Mill Water Di...	Sinking Fund	transfer for 8/04	4,000.00			88,879.83

Peaks Mill Water District

8/2/2004

Register: Construction Fund

From 07/01/2004 through 07/31/2004

Sorted by: Date, Type, Number/Ref

<u>Date</u>	<u>Number</u>	<u>Payee</u>	<u>Account</u>	<u>Memo</u>	<u>Payment</u>	<u>C</u>	<u>Deposit</u>	<u>Balance</u>
07/29/2004	404	Gatewood Water Ser...	Repairs & Maintenance	#0199860�...	1,990.00			7,887.57

Peaks Mill Water District

8/2/2004

Register: Operations

From 07/01/2004 through 07/31/2004

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
07/05/2004	6228	Kentucky Utilities	Electric	2	36.94			4,866.68
07/05/2004	6229	Bell South	Telephone	502m1084023...	90.08			4,776.60
07/07/2004	6230	FARM PLAN (SOU...	Repairs & Maintenance	acct#21022-31...	23.64			4,752.96
07/08/2004	6231	Frankfort Plant Board	Water Purchases		10,790.53			-6,037.57
07/09/2004	1243	Peaks Mill Water Di...	Revenue				30,000.00	23,962.43
07/10/2004	6232	FRANKLIN CO. FIN...	Utility Tax	for June 2004	810.00			23,152.43
07/10/2004	6233	Kentucky State Trea...	Ky. Sales Tax	for 4/04 - 7/04	56.58			23,095.85
07/10/2004	6234	C. I. THORNBURG	Repairs & Maintenance	#s1233467.1	288.76			22,807.09
07/10/2004	6235	Frankfort Publishing...	Advertisement	STATE JOUR...	228.38			22,578.71
07/10/2004	6236	Brock McVey	Repairs & Maintenance	#4667700	1.99			22,576.72
07/10/2004	6237	Waterworks	Repairs & Maintenance	#355946	92.13			22,484.59
07/10/2004	6238	Lyons Lumber Co.	Repairs & Maintenance	#peakswa-1	109.42			22,375.17
07/15/2004	6239	Brock McVey	Repairs & Maintenance	#1783399	25.72			22,349.45
07/15/2004	6240	Office Depot	Office Supplies		24.96			22,324.49
07/15/2004	6241	Bell South	Telephone		89.44			22,235.05
07/15/2004	6242	Charles T. MITCHE...	Payroll Expenses		150.00			22,085.05
07/15/2004	6243	FARMERS BANK	Payroll Expenses		63.92			22,021.13
07/15/2004	6244	I R S	Payroll Expenses		1,854.65			20,166.48
07/15/2004	6245	Kentucky State Trea...	Payroll Expenses		285.93			19,880.55
07/15/2004	6246	Treasurer, Ky. unem...	Payroll Expenses		242.73			19,637.82
07/15/2004	6247	Treasurer, Franklin Co	Payroll Expenses		98.10			19,539.72
07/16/2004	6248	Harry McCoy	Refund	acct pd twice	27.24			19,512.48
07/26/2004	6249	Kentucky State Trea...	PSC Assessment	7/1/04 - 6/30/05	551.17			18,961.31
07/26/2004	6250	FARMERS BANK	MISC	rent on safe de...	20.00			18,941.31
07/26/2004	6251	Kentucky Utilities	Electric	4	232.62			18,708.69
07/26/2004	6252	Dyer Meter Service	Repairs & Maintenance	James Way Hy...	300.00			18,408.69
07/26/2004	6253	C. I. THORNBURG	Repairs & Maintenance	3	1,744.68			16,664.01
07/26/2004	6254	Water WORKS	Repairs & Maintenance	2	71.21			16,592.80
07/26/2004	6255	Fouser Environmental	Chemical & Lab Analy...	2	130.00			16,462.80
07/29/2004	6256	Gatewood Water Ser...	Telephone		20.00			16,442.80
07/29/2004	6257	Gatewood Water Ser...	Professional Services-...		2,980.00			13,462.80
07/29/2004	6258	Lisa Perkins	Rent		300.00			13,162.80
07/29/2004	6259	Lisa Perkins	Professional Services-...		1,200.33			11,962.47
07/29/2004	6260	Gatewood Water Ser...	Repairs & Maintenance	#0199860�...	7,216.70			4,745.77
07/30/2004	1246	Peaks Mill Water Di...	Revenue				20,000.00	24,745.77

Peaks Mill Water District

8/2/2004

Register: Reserve Fund

From 07/01/2004 through 07/31/2004

Sorted by: Date, Type, Number/Ref

<u>Date</u>	<u>Number</u>	<u>Payee</u>	<u>Account</u>	<u>Memo</u>	<u>Payment</u>	<u>C</u>	<u>Deposit</u>	<u>Balance</u>
07/09/2004	1244	Peaks Mill Water Di...	Revenue				500.00	38,443.08
07/30/2004	1247	Peaks Mill Water Di...	Revenue				500.00	38,943.08

9:06 AM

07/01/04

Cash Basis

**Peaks Mill Water District
Profit & Loss
June 2004**

	<u>Jun 04</u>
Income	
Late, Cut On/Off Fees	671.58
Sales	27,454.28
Transfer Fees	150.00
Total Income	<u>28,275.86</u>
Expense	
Chemical & Lab Analysis	30.00
commissioner fees	4,720.81
Electric	379.50
loan payment	15,315.00
New Meter	-1,200.00
Postage	300.00
Professional Services-Billing C	1,200.33
Professional Services-Maintenan	2,980.00
Rent	300.00
Repairs & Maintenance	2,662.02
Telephone	287.55
Utility Tax	763.76
Water Purchases	9,557.34
Total Expense	<u>37,316.31</u>
Net Income	<u><u>-9,040.45</u></u>

Lowell W. Clark
Wilbert Perkins
Chuck Quares

9:18 AM
07/01/04
Cash Basis

Peaks Mill Water District
Balance Sheet
As of June 30, 2004

	Jun 30, 04
ASSETS	
Current Assets	
Checking/Savings	
Construction Fund	9,870.82
Investments	109,816.99
Operations	4,895.54
Reserve Fund	37,915.70
Revenue	119,638.71
Sinking Fund	36,594.91
Total Checking/Savings	<u>318,732.67</u>
Other Current Assets	
Accounts Receivable	
Allowance for Doubtful Accounts	-1,229.90
Accounts Receivable - Other	29,696.97
Total Accounts Receivable	<u>28,467.07</u>
Total Other Current Assets	<u>28,467.07</u>
Total Current Assets	<u>347,199.74</u>
Fixed Assets	
Accumulated Depreciation	-860,783.07
Land	5,593.00
Meter Testing Equipment	9,197.90
Office Equipment	3,838.64
Pumps, Lines & Meters	2,262,600.57
Tanks	287,417.17
Total Fixed Assets	<u>1,707,864.21</u>
TOTAL ASSETS	<u><u>2,055,063.95</u></u>
LIABILITIES & EQUITY	
Liabilities	
Long Term Liabilities	
Bonds Payable	628,000.00
Total Long Term Liabilities	<u>628,000.00</u>
Total Liabilities	628,000.00
Equity	
Customer Contributions	377,759.82
Federal Grants-In-Aid	786,071.68
Opening Bal Equity	-256.96
Reserve for Bond Retirement	26,204.19
Reserve for Depreciation	33,088.29
Retained Earnings	198,485.11
Net Income	5,711.82
Total Equity	<u>1,427,063.95</u>
TOTAL LIABILITIES & EQUITY	<u><u>2,055,063.95</u></u>

7:13 AM
03/23/06
Cash Basis

Peaks Mill Water District
Profit & Loss
August 2004

	<u>Aug 04</u>
Income	
Interest Income	141.48
Late, Cut On/Off Fees	736.95
Sales	28,561.98
Transfer Fees	225.00
Total Income	<u>29,665.41</u>
Expense	
127 Pump Station	220.00
Chemical & Lab Analysis	30.00
Electric	337.63
LEGAL AND PROF	500.00
Office Supplies	7,668.33
Postage	300.00
Professional Services-Billing C	1,200.33
Professional Services-Maintenan	2,980.00
Rent	300.00
Repairs & Maintenance	3,030.19
returned check	125.56
Telephone	195.29
Utility Tax	614.27
Water Purchases	11,160.88
Total Expense	<u>28,662.48</u>
Net Income	<u><u>1,002.93</u></u>

Channah Qualls
Wilbert Perkins
Scott W. Clark

7:03 AM
03/23/06
Cash Basis

Peaks Mill Water District
Balance Sheet
As of August 31, 2004

	<u>Aug 31, 04</u>
ASSETS	
Current Assets	
Checking/Savings	
Construction Fund	7,899.52
Investments	109,816.99
Operations	15,922.93
Reserve Fund	39,495.69
Revenue	92,451.97
Sinking Fund	48,685.21
Total Checking/Savings	<u>314,272.31</u>
Other Current Assets	
Accounts Receivable	
Allowance for Doubtful Accounts	-1,229.90
Accounts Receivable - Other	29,696.97
Total Accounts Receivable	<u>28,467.07</u>
Total Other Current Assets	<u>28,467.07</u>
Total Current Assets	342,739.38
Fixed Assets	
Accumulated Depreciation	-860,783.07
Land	5,593.00
Meter Testing Equipment	9,197.90
Office Equipment	3,838.64
Pumps, Lines & Meters	2,262,600.57
Tanks	287,417.17
Total Fixed Assets	<u>1,707,864.21</u>
TOTAL ASSETS	<u><u>2,050,603.59</u></u>
LIABILITIES & EQUITY	
Liabilities	
Long Term Liabilities	
Bonds Payable	628,000.00
Total Long Term Liabilities	<u>628,000.00</u>
Total Liabilities	628,000.00
Equity	
Customer Contributions	377,759.82
Federal Grants-In-Aid	786,071.68
Opening Bal Equity	-256.96
Reserve for Bond Retirement	26,204.19
Reserve for Depreciation	33,088.29
Retained Earnings	197,023.33
Net Income	2,713.24
Total Equity	<u>1,422,603.59</u>
TOTAL LIABILITIES & EQUITY	<u><u>2,050,603.59</u></u>

Cheryl Daniels
Wilbert Perkins
Scott W. Clark

8:59 AM
10/13/04
Cash Basis

**Peaks Mill Water District
Profit & Loss
September 2004**

Reprints

	<u>Sep 04</u>
Income	
Late, Cut On/Off Fees	1,064.39
Sales	<u>25,346.35</u>
Transfer Fees	125.00
Total Income	<u>26,535.74</u>
Expense	
Chemical & Lab Analysis	110.00
Electric	330.29
New Meter	-600.00
Postage	300.00
Professional Services-Billing C	1,200.33
Professional Services-Maintenan	2,980.00
Rent	300.00
Repairs & Maintenance	2,252.71
Telephone	110.08
Utility Tax	1,659.74
Water Purchases	9,802.39
Total Expense	<u>18,445.54</u>
Net Income	<u><u>8,090.20</u></u>

8:57 AM
10/13/04
Cash Basis

Peaks Mill Water District
Balance Sheet
As of September 30, 2004

Reprint

	<u>Sep 30, 04</u>
ASSETS	
Current Assets	
Checking/Savings	
Construction Fund	8,499.52
Investments	109,816.99
Operations	17,707.26
Reserve Fund	39,495.69
Revenue	99,619.62
Sinking Fund	48,685.21
Total Checking/Savings	<u>323,824.29</u>
Other Current Assets	
Accounts Receivable	
Allowance for Doubtful Accounts	-1,229.90
Accounts Receivable - Other	29,696.97
Total Accounts Receivable	<u>28,467.07</u>
Total Other Current Assets	<u>28,467.07</u>
Total Current Assets	<u>352,291.36</u>
Fixed Assets	
Accumulated Depreciation	-860,783.07
Land	5,593.00
Meter Testing Equipment	9,197.90
Office Equipment	3,838.64
Pumps, Lines & Meters	2,262,600.57
Tanks	287,417.17
Total Fixed Assets	<u>1,707,864.21</u>
TOTAL ASSETS	<u><u>2,060,155.57</u></u>
LIABILITIES & EQUITY	
Liabilities	
Long Term Liabilities	
Bonds Payable	628,000.00
Total Long Term Liabilities	<u>628,000.00</u>
Total Liabilities	628,000.00
Equity	
Customer Contributions	377,759.82
Federal Grants-In-Aid	786,071.68
Opening Bal Equity	-256.96
Reserve for Bond Retirement	26,204.19
Reserve for Depreciation	33,088.29
Retained Earnings	198,485.11
Net Income	10,803.44
Total Equity	<u>1,432,155.57</u>
TOTAL LIABILITIES & EQUITY	<u><u>2,060,155.57</u></u>

1:48 PM
11/01/04
Cash Basis

Peaks Mill Water District
Profit & Loss
October 2004

	<u>Oct 04</u>
Income	
Late, Cut On/Off Fees	1,091.50
Sales	<u>28,181.92</u>
Transfer Fees	25.00
Total Income	<u>29,298.42</u>
Expense	
Advertisement	87.00
Chemical & Lab Analysis	30.00
Electric	406.59
LEGAL AND PROF	2,984.32
MISC	456.08
Payroll Expenses	1,146.39
Postage	300.00
Professional Services-Billing C	1,200.33
Professional Services-Maintenan	2,980.00
Rent	300.00
Repairs & Maintenance	2,467.15
Telephone	110.08
Utility Tax	736.30
Water Purchases	11,301.21
Total Expense	<u>24,505.45</u>
Net Income	<u><u>4,792.97</u></u>

James W. Clark 11-1-04
Wilbert Perkins 11-1-04
Chuck Gunde 11-1-04

1:47 PM
11/01/04
Cash Basis

Peaks Mill Water District
Balance Sheet
As of October 31, 2004

	<u>Oct 31, 04</u>
ASSETS	
Current Assets	
Checking/Savings	
Construction Fund	7,454.77
Investments	109,816.99
Operations	14,256.98
Reserve Fund	40,521.67
Revenue	102,220.37
Sinking Fund	56,717.23
Total Checking/Savings	<u>330,988.01</u>
Other Current Assets	
Accounts Receivable	
Allowance for Doubtful Accounts	-1,229.90
Accounts Receivable - Other	29,696.97
Total Accounts Receivable	<u>28,467.07</u>
Total Other Current Assets	<u>28,467.07</u>
Total Current Assets	<u>359,455.08</u>
Fixed Assets	
Accumulated Depreciation	-860,783.07
Land	5,593.00
Meter Testing Equipment	9,197.90
Office Equipment	3,838.64
Pumps, Lines & Meters	2,262,600.57
Tanks	287,417.17
Total Fixed Assets	<u>1,707,864.21</u>
TOTAL ASSETS	<u><u>2,067,319.29</u></u>
LIABILITIES & EQUITY	
Liabilities	
Long Term Liabilities	
Bonds Payable	628,000.00
Total Long Term Liabilities	<u>628,000.00</u>
Total Liabilities	628,000.00
Equity	
Customer Contributions	377,759.82
Federal Grants-In-Aid	786,071.68
Opening Bal Equity	-256.96
Reserve for Bond Retirement	26,204.19
Reserve for Depreciation	33,088.29
Retained Earnings	198,485.11
Net Income	17,967.16
Total Equity	<u>1,439,319.29</u>
TOTAL LIABILITIES & EQUITY	<u><u>2,067,319.29</u></u>

Peaks Mill Water District

11/1/2004

Register: Construction Fund

From 10/01/2004 through 10/31/2004

Sorted by: Date, Type, Number/Ref

<u>Date</u>	<u>Number</u>	<u>Payee</u>	<u>Account</u>	<u>Memo</u>	<u>Payment</u>	<u>C</u>	<u>Deposit</u>	<u>Balance</u>
10/27/2004	405	Gatewood Water Ser...	Repairs & Maintenance	#199874	1,050.00			7,454.77

Peaks Mill Water District

11/1/2004

Register: Revenue

From 10/01/2004 through 10/31/2004

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
10/15/2004	1253	Peaks Mill Water Di...	Operations		10,000.00			91,921.95
10/16/2004		Peaks Mill Water Di...	Late, Cut On/Off Fees	1 - Cloyd			50.00	91,971.95
10/16/2004		Peaks Mill Water Di...	-split-	Deposit			106.46	92,078.41
10/16/2004		Peaks Mill Water Di...	-split-	Deposit			15.90	92,094.31
10/16/2004		Peaks Mill Water Di...	Transfer Fees	Deposit			25.00	92,119.31
10/16/2004		Peaks Mill Water Di...	-split-	Deposit			962.12	93,081.43
10/16/2004		Peaks Mill Water Di...	-split-	Deposit			2,901.15	95,982.58
10/16/2004		Peaks Mill Water Di...	-split-	Deposit			2,148.96	98,131.54
10/16/2004		Peaks Mill Water Di...	-split-	Deposit			858.62	98,990.16
10/16/2004		Peaks Mill Water Di...	-split-	Deposit			1,851.00	100,841.16
10/16/2004		Peaks Mill Water Di...	-split-	Deposit			836.53	101,677.69
10/16/2004		Peaks Mill Water Di...	-split-	Deposit			868.72	102,546.41
10/16/2004		Peaks Mill Water Di...	-split-	Deposit			670.14	103,216.55
10/16/2004		Peaks Mill Water Di...	-split-	Deposit			1,750.64	104,967.19
10/16/2004		Peaks Mill Water Di...	-split-	Deposit			1,436.77	106,403.96
10/16/2004		Peaks Mill Water Di...	-split-	Deposit			1,906.05	108,310.01
10/16/2004		Peaks Mill Water Di...	-split-	Deposit			2,834.88	111,144.89
10/16/2004		Peaks Mill Water Di...	-split-	Deposit			477.92	111,622.81
10/16/2004		Peaks Mill Water Di...	-split-	Deposit			2,581.82	114,204.63
10/16/2004		Peaks Mill Water Di...	-split-	Deposit			1,705.45	115,910.08
10/29/2004	1254	Peaks Mill Water Di...	Reserve Fund	transfer for Oct...	1,000.00			114,910.08
10/29/2004	1255	Peaks Mill Water Di...	Sinking Fund	transfer for Oct...	8,000.00			106,910.08
10/29/2004	1256	Peaks Mill Water Di...	Operations	transfer for No...	10,000.00			96,910.08
10/30/2004		Peaks Mill Water Di...	-split-	Deposit			1,247.72	98,157.80
10/30/2004		Peaks Mill Water Di...	-split-	Deposit			585.83	98,743.63
10/30/2004		Peaks Mill Water Di...	-split-	Deposit			173.89	98,917.52
10/30/2004		Peaks Mill Water Di...	-split-	Deposit			3,302.85	102,220.37

Peaks Mill Water District

11/1/2004

Register: Reserve Fund

From 10/01/2004 through 10/31/2004

Sorted by: Date, Type, Number/Ref

<u>Date</u>	<u>Number</u>	<u>Payee</u>	<u>Account</u>	<u>Memo</u>	<u>Payment</u>	<u>C</u>	<u>Deposit</u>	<u>Balance</u>
10/29/2004	1254	Peaks Mill Water Di...	Revenue				1,000.00	40,521.67

Peaks Mill Water District

11/1/2004

Register: Sinking Fund

From 10/01/2004 through 10/31/2004

Sorted by: Date, Type, Number/Ref

<u>Date</u>	<u>Number</u>	<u>Payee</u>	<u>Account</u>	<u>Memo</u>	<u>Payment</u>	<u>C</u>	<u>Deposit</u>	<u>Balance</u>
10/29/2004	1255	Peaks Mill Water Di...	Revenue				8,000.00	56,717.23

Peaks Mill Water District

11/1/2004

Register: Operations

From 10/01/2004 through 10/31/2004

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
10/05/2004	6303	Lowell Clark	MISC	Louisville conf...	456.08			17,256.35
10/08/2004	6304	John C Ryan	LEGAL AND PROF	Union Ridge ext.	2,834.32			14,422.03
10/08/2004	6305	The State Journal	Advertisement	Union Ridge e...	87.00			14,335.03
10/08/2004	6306	Bell South	Telephone	tank	90.08			14,244.95
10/08/2004	6307	Frankfort Plant Board	Water Purchases	3	10,824.86			3,420.09
10/08/2004	6308	FARM PLAN (SOU...	Repairs & Maintenance		12.10			3,407.99
10/08/2004	6309	Ky American Water	Water Purchases		249.93			3,158.06
10/08/2004	6310	KENTUCKYT UTIL...	Electric	2	104.44			3,053.62
10/08/2004	6311	Lyons Lumber Co.	Repairs & Maintenance		17.86			3,035.76
10/08/2004	6312	Fouser Environmental	Chemical & Lab Analy...	1	10.00			3,025.76
10/13/2004	6313	FRANKLIN CO. FIN...	Utility Tax		736.30			2,289.46
10/15/2004	1253	Peaks Mill Water Di...	Revenue				10,000.00	12,289.46
10/15/2004	6314	I R S	Payroll Expenses		915.75			11,373.71
10/15/2004	6315	Kentucky State Trea...	Payroll Expenses		186.54			11,187.17
10/15/2004	6316	Treasurer, Franklin Co	Payroll Expenses		44.10			11,143.07
10/15/2004	6317	Charles T. MITCHE...	LEGAL AND PROF		150.00			10,993.07
10/15/2004	6318	Waterworks	Repairs & Maintenance	2	669.60			10,323.47
10/15/2004	6319	Fouser Environmental	Chemical & Lab Analy...	#11037	20.00			10,303.47
10/27/2004	6320	Gatewood Water Ser...	Repairs & Maintenance	#199874	640.00			9,663.47
10/27/2004	6321	Gatewood Water Ser...	Telephone		20.00			9,643.47
10/27/2004	6322	Gatewood Water Ser...	Professional Services-...		2,980.00			6,663.47
10/28/2004	6323	Ky American Water	Water Purchases		226.42			6,437.05
10/28/2004	6324	Kentucky Utilities	Electric	6	302.15			6,134.90
10/28/2004	6325	Water WORKS	Repairs & Maintenance	#357089	52.00			6,082.90
10/28/2004	6326	Lyons Lumber Co.	Repairs & Maintenance	order# 480137	25.59			6,057.31
10/28/2004	6327	Lisa Perkins	Rent		300.00			5,757.31
10/28/2004	6328	Lisa Perkins	Professional Services-...		1,200.33			4,556.98
10/28/2004	6329	USPOSTMASTER	Postage		300.00			4,256.98
10/29/2004	1256	Peaks Mill Water Di...	Revenue				10,000.00	14,256.98

10:30 AM
12/06/04
Cash Basis

**Peaks Mill Water District
Profit & Loss
November 2004**

	<u>Nov 04</u>
Income	
Late, Cut On/Off Fees	486.08
Sales	<u>27,317.93</u>
Transfer Fees	150.00
Total Income	<u>27,954.01</u>
Expense	
Advertisement	217.52
Chemical & Lab Analysis	40.00
Electric	373.37
Membership dues	330.00
MISC	916.10
New Meter	-600.00
Office Supplies	143.00
Professional Services-Billing C	1,200.33
Professional Services-Maintenan	2,980.00
Rent	300.00
Repairs & Maintenance	2,832.41
Telephone	110.08
Utility Tax	760.62
Water Purchases	8,947.44
Total Expense	<u>18,550.87</u>
Net Income	<u><u>9,403.14</u></u>

Joseph W. Clark 12-06-04
Church Parents
Wilbert Perkins

10:30 AM
 12/06/04
 Cash Basis

Peaks Mill Water District
Balance Sheet
 As of November 30, 2004

	Nov 30, 04
ASSETS	
Current Assets	
Checking/Savings	
Construction Fund	8,060.11
Investments	109,816.99
Operations	15,110.47
Reserve Fund	40,546.80
Revenue	110,214.29
Sinking Fund	56,748.20
Total Checking/Savings	340,496.86
Other Current Assets	
Accounts Receivable	
Allowance for Doubtful Accounts	-1,229.90
Accounts Receivable - Other	29,696.97
Total Accounts Receivable	28,467.07
Total Other Current Assets	28,467.07
Total Current Assets	368,963.93
Fixed Assets	
Accumulated Depreciation	-860,783.07
Land	5,593.00
Meter Testing Equipment	9,197.90
Office Equipment	3,838.64
Pumps, Lines & Meters	2,262,600.57
Tanks	287,417.17
Total Fixed Assets	1,707,864.21
TOTAL ASSETS	2,076,828.14
LIABILITIES & EQUITY	
Liabilities	
Long Term Liabilities	
Bonds Payable	628,000.00
Total Long Term Liabilities	628,000.00
Total Liabilities	628,000.00
Equity	
Customer Contributions	377,759.82
Federal Grants-In-Aid	786,071.68
Opening Bal Equity	-256.96
Reserve for Bond Retirement	26,204.19
Reserve for Depreciation	33,088.29
Retained Earnings	198,485.11
Net Income	27,476.01
Total Equity	1,448,828.14
TOTAL LIABILITIES & EQUITY	2,076,828.14

10:32 AM

12/06/04

Accrual Basis

Peaks Mill Water District Balance Sheet Detail As of November 30, 2004

Type	Date	Num	Name	Memo	Clr	Split	Amount
ASSETS							
Current Assets							
Checking/Savings							
Construction Fund							
Deposit	11/24/2004		Peaks Mill Water Di...	Davis Rodgers		New Meter	600.00
Total Construction Fund							600.00
Investments							
Total Investments							
Operations							
Check	11/2/2004	6330	Computer Resource...	binders & pa...		Office Supplies	-143.00
Check	11/3/2004	6331	Steve Parido	split on line b...		MISC	-896.10
Check	11/3/2004	6332	Frankfort Plant Board	3		Water Purcha...	-8,749.22
Check	11/3/2004	6333	Bell South	tank		Telephone	-90.08
Check	11/3/2004	6334	Waterworks	2-#357217&3...		Repairs & Mai...	-404.34
Check	11/3/2004	6335	FARM PLAN (SOU...			Repairs & Mai...	-12.00
Check	11/5/2004	6336	Ky Rural Water Ass...	conference ...		MISC	-20.00
Check	11/5/2004	6337	FRANKLIN CO. FIN...	for Oct. 2004		Utility Tax	-760.62
Check	11/16/2004	6338	Kentucky Utilities	2		Electric	-41.66
Check	11/16/2004	6339	Brock McVey	cust#4667700		Repairs & Mai...	-35.96
Check	11/16/2004	6340	Ky Rural Water Ass...	for 2005		Membership d...	-330.00
Check	11/16/2004	6341	Harrod Concrete & ...	#318748		Repairs & Mai...	-189.11
Check	11/16/2004	6342	The State Journal	bid - 2nd time		Advertisement	-217.52
Check	11/16/2004	6343	Fouser Environmental	2- #11173 &...		Chemical & La...	-30.00
Check	11/24/2004	1257	Peaks Mill Water Di...	transfer		Revenue	20,000.00
Check	11/26/2004	6344	Gatewood Water S...			Telephone	-20.00
Check	11/26/2004	6345	Gatewood Water S...			Professional S...	-2,980.00
Check	11/26/2004	6346	Gatewood Water S...	#0199878		Repairs & Mai...	-1,634.50
Check	11/30/2004	6347	Ky American Water			Water Purcha...	-198.22
Check	11/30/2004	6348	Lyons Lumber Co.	4		Repairs & Mai...	-69.61
Check	11/30/2004	6349	Water WORKS	#357336		Repairs & Mai...	-81.90
Check	11/30/2004	6350	Brock McVey	order# 18682...		Repairs & Mai...	-79.94
Check	11/30/2004	6351	C. I. THORNBURG	#s1247461.1		Repairs & Mai...	-325.05
Check	11/30/2004	6352	KENTUCKYT UTILI...	4 tanks		Electric	-331.71
Check	11/30/2004	6353	Fouser Environmental	1		Chemical & La...	-10.00
Check	11/30/2004	6354	Lisa Perkins			Rent	-300.00
Check	11/30/2004	6355	Lisa Perkins			Professional S...	-1,200.33
Total Operations							849.13
Reserve Fund							
Total Reserve Fund							
Revenue							
Deposit	11/5/2004		Peaks Mill Water Di...	Deposit		-SPLIT-	1,382.60
Deposit	11/5/2004		Peaks Mill Water Di...	Deposit		-SPLIT-	1,993.20
Deposit	11/5/2004		Peaks Mill Water Di...	Deposit		-SPLIT-	368.43
Deposit	11/5/2004		Peaks Mill Water Di...	Deposit		-SPLIT-	256.95
Deposit	11/5/2004		Peaks Mill Water Di...	Deposit		-SPLIT-	2,593.93
Deposit	11/5/2004		Peaks Mill Water Di...	Deposit		-SPLIT-	316.09
Deposit	11/5/2004		Peaks Mill Water Di...	1 cut on incl.		Transfer Fees	100.00
Deposit	11/5/2004		Peaks Mill Water Di...	Deposit		-SPLIT-	37.10
Deposit	11/5/2004		Peaks Mill Water Di...	M. Clark		Late, Cut On/...	50.00
Deposit	11/5/2004		Peaks Mill Water Di...	Deposit		-SPLIT-	2,609.08
Deposit	11/12/2004		Peaks Mill Water Di...	Deposit		-SPLIT-	437.56
Deposit	11/12/2004		Peaks Mill Water Di...	Deposit		-SPLIT-	2,680.49
Deposit	11/12/2004		Peaks Mill Water Di...	Deposit		-SPLIT-	84.68
Deposit	11/12/2004		Peaks Mill Water Di...	Deposit		-SPLIT-	2,288.86
Deposit	11/12/2004		Peaks Mill Water Di...	Deposit		-SPLIT-	1,374.14
Deposit	11/12/2004		Peaks Mill Water Di...	Deposit		-SPLIT-	1,057.62
Deposit	11/12/2004		Peaks Mill Water Di...	Deposit		-SPLIT-	2,311.94
Deposit	11/19/2004		Peaks Mill Water Di...	Deposit		Sales	15.90
Deposit	11/19/2004		Peaks Mill Water Di...	Deposit		-SPLIT-	836.60
Deposit	11/19/2004		Peaks Mill Water Di...	Deposit		-SPLIT-	683.59
Deposit	11/19/2004		Peaks Mill Water Di...	Deposit		Sales	53.70
Deposit	11/19/2004		Peaks Mill Water Di...	Deposit		-SPLIT-	2,174.30

10:32 AM
 12/06/04
 Accrual Basis

Peaks Mill Water District Balance Sheet Detail As of November 30, 2004

Type	Date	Num	Name	Memo	Clr	Split	Amount
Check	11/24/2004	1257	Peaks Mill Water Di...	transfer		Operations	-20,000.00
Deposit	11/24/2004		Peaks Mill Water Di...	Deposit		-SPLIT-	18.00
Deposit	11/24/2004		Peaks Mill Water Di...	Deposit		Transfer Fees	50.00
Deposit	11/24/2004		Peaks Mill Water Di...	Deposit		-SPLIT-	385.26
Deposit	11/24/2004		Peaks Mill Water Di...	Deposit		-SPLIT-	1,183.05
Deposit	11/24/2004		Peaks Mill Water Di...	Deposit		-SPLIT-	1,545.75
Deposit	11/30/2004		Peaks Mill Water Di...	Deposit		-SPLIT-	1,065.19
Total Revenue							7,954.01
Sinking Fund							
Total Sinking Fund							
Total Checking/Savings							9,403.14
Accounts Receivable							
Total Accounts Receivable							
Other Current Assets							
Accounts Receivable							
Allowance for Doubtful Accounts							
Total Allowance for Doubtful Accounts							
Accounts Receivable - Other							
Total Accounts Receivable - Other							
Total Accounts Receivable							
Total Other Current Assets							
Total Current Assets							9,403.14
Fixed Assets							
Accumulated Depreciation							
Total Accumulated Depreciation							
Land							
Total Land							
Meter Testing Equipment							
Total Meter Testing Equipment							
Office Equipment							
Total Office Equipment							
Pumps, Lines & Meters							
Total Pumps, Lines & Meters							
Tanks							
Total Tanks							
Total Fixed Assets							
Other Assets							
Total Other Assets							
TOTAL ASSETS							9,403.14

10:32 AM
 12/06/04
 Accrual Basis

Peaks Mill Water District
Balance Sheet Detail
 As of November 30, 2004

Type	Date	Num	Name	Memo	Clr	Split	Amount
LIABILITIES & EQUITY							
Liabilities							
Current Liabilities							
Accounts Payable							
			Total Accounts Payable				
Credit Cards							
			Total Credit Cards				
Other Current Liabilities							
Accounts Payable							
			Total Accounts Payable				
Payroll Liabilities							
			Total Payroll Liabilities				
			Total Other Current Liabilities				
			Total Current Liabilities				
Long Term Liabilities							
Bonds Payable							
			Total Bonds Payable				
			Total Long Term Liabilities				
			Total Liabilities				
Equity							
Customer Contributions							
			Total Customer Contributions				
Federal Grants-In-Aid							
			Total Federal Grants-In-Aid				
Opening Bal Equity							
			Total Opening Bal Equity				
Reserve for Bond Retirement							
			Total Reserve for Bond Retirement				
Reserve for Depreciation							
			Total Reserve for Depreciation				
Retained Earnings							
			Total Retained Earnings				
Net Income							
			Total Net Income				9,403.14
			Total Equity				9,403.14
TOTAL LIABILITIES & EQUITY							9,403.14

10:32 AM
12/06/04
Accrual Basis

Peaks Mill Water District Balance Sheet Detail As of November 30, 2004

<u>Balance</u>
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14,118.34
13,222.24
4,473.02
4,382.94
3,978.60
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3,946.60
3,185.98
3,144.32
3,108.36
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2,589.25
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2,341.73
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22,321.73
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109,271.48
109,308.58
109,358.58
111,967.66
112,405.22
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117,459.25
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123,739.04
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125,967.04

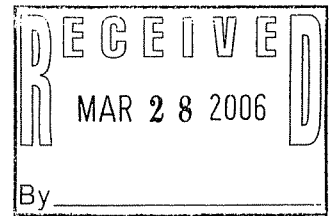
10:32 AM
12/06/04
Accrual Basis

**Peaks Mill Water District
Balance Sheet Detail
As of November 30, 2004**

<u>Balance</u>
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106,035.04
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2,076,828.14
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7:13 AM
03/23/06
Cash Basis

Peaks Mill Water District
Profit & Loss
December 2004



	<u>Dec 04</u>
Income	
Interest Income	169.01
Late, Cut On/Off Fees	897.02
New Meter	600.00
Sales	24,392.18
Transfer Fees	125.00
Total Income	<u>26,183.21</u>
Expense	
commissioner fees	4,720.81
Deposit correction	5.10
Electric	281.79
loan payment	30,715.00
Office Supplies	125.18
Professional Services-Billing C	1,200.33
Professional Services-Maintenan	2,980.00
Rent	300.00
Repairs & Maintenance	1,136.34
returned check	-40.00
Telephone	110.08
Utility Tax	793.38
Water Purchases	8,570.00
Total Expense	<u>50,898.01</u>
Net Income	<u><u>-24,714.80</u></u>

*Chuck Kunkle
Wilbert Perkins
Sergeant, Clerk*

Peaks Mill Water District
Balance Sheet
As of December 31, 2004

	<u>Dec 31, 04</u>
ASSETS	
Current Assets	
Checking/Savings	
Construction Fund	8,671.48
Investments	109,816.99
Operations	34,604.94
Reserve Fund	41,105.77
Revenue	89,859.18
Sinking Fund	30,116.83
Total Checking/Savings	<u>314,175.19</u>
Other Current Assets	
Accounts Receivable	
Allowance for Doubtful Accounts	-1,229.90
Accounts Receivable - Other	29,696.97
Total Accounts Receivable	<u>28,467.07</u>
Total Other Current Assets	<u>28,467.07</u>
Total Current Assets	342,642.26
Fixed Assets	
Accumulated Depreciation	-860,783.07
Land	5,593.00
Meter Testing Equipment	9,197.90
Office Equipment	3,838.64
Pumps, Lines & Meters	2,262,600.57
Tanks	287,417.17
Total Fixed Assets	<u>1,707,864.21</u>
TOTAL ASSETS	<u><u>2,050,506.47</u></u>
LIABILITIES & EQUITY	
Liabilities	
Long Term Liabilities	
Bonds Payable	628,000.00
Total Long Term Liabilities	<u>628,000.00</u>
Total Liabilities	628,000.00
Equity	
Customer Contributions	377,759.82
Federal Grants-In-Aid	786,071.68
Opening Bal Equity	-256.96
Reserve for Bond Retirement	26,204.19
Reserve for Depreciation	33,088.29
Retained Earnings	197,023.33
Net Income	2,616.12
Total Equity	<u>1,422,506.47</u>
TOTAL LIABILITIES & EQUITY	<u><u>2,050,506.47</u></u>

Chuck Kunkles
Wilbert Perkins
Joseph W. Clark

EXHIBIT 11
COST-OF-SERVICE
STUDY

Allocation of Plant Value				
Peaks Mill Water District				
	Total	Commodity	Demand	Customer
Land & Land Rights	\$5,593		\$5,593	
Pumping Equipment	92,326		92,326	
Distribution Reservoirs & Standpipes	287,417		287,417	
Trasmission & Distribution Mains	2,059,015		2,059,015	
Meters & Meter Installations	175,393			175,393
Subtotal	\$2,619,744		\$2,444,351	\$175,393
Office Furniture & Equipment	16,423		15,323	1,100
Other Plant & Misc. Equipment	3,839		3,582	257
Subtotal	\$20,262		\$18,905	\$1,357
Total	\$2,640,006		\$2,463,256	\$176,750
Allocation Percentages	100%		93.3%	6.7%

Source: PSC Annual Report 2004

Allocation of Depreciation				
Peaks Mill Water District				
	Total	Commodity	Demand	Customer
Pumping Equipment	41,112		41,112	
Trasmission & Distribution Mains	636,688		636,688	
Distribution Reservoirs & Standpipes	126,749			\$126,749
Meters	178,752			178,752
Subtotal	\$983,301		\$677,800	\$305,501
Allocation Percentages	100%		68.9%	31.1%
Other Plant & Misc. Equipment	8,450		5,822	2,628
Tools, Shop and Garage Equipment	3,839		2,645	1,194
Subtotal	\$12,289		\$8,467	\$3,822
Total	\$995,590		\$686,267	\$309,323
Allocation Percentages	100%		68.9%	31.1%

Source: PSC Annual Report 2004

Allocation of Operation & Maintenance Expense				
Peaks Mill Water District				
	Total	Commodity	Demand	Customer
Purchased Water	\$120,751	\$120,751		
Purchased Power	\$4,562	\$4,562		
Chemicals	\$1,260	\$1,260		
Bad Debt	1,206			\$1,206
Salaries & Wages - Office	17,640			17,640
Payroll Taxes - Office	1,621			1,621
Contractual Services - Routine Maintenance (57.931%)	20,621			20,621
Contractual Services - Routine Maintenance (37.241%)	13,256		13,256	
Contractual Services - Supplies & Labor	21,250		21,250	
Subtotal	\$202,167	\$126,573	\$34,506	\$41,088
Less Commodity	\$126,573			
Total	\$75,594		\$34,506	\$41,088
Allocation Percentages	100%		46%	54%
Amortization	\$1,621		\$746	\$875
Insurance Expense	5,085		2,339	2,746
Advertising	605		278	327
Miscellaneous	15,832		7,283	8,549
PSC Assessment	551		253	298
Contractual Services - Legal	150		69	81
Contractual Services - Accounting	4,500		2,070	2,430
Contractual Services - Routine Maintenance (4.827%)	1,718		790	928
Payroll Taxes - Commissioners	1,203		553	650
Salaries & Wages - Commissioners	10,800		4,968	5,832
Subtotal	\$42,065		\$19,349	\$22,716
Total Operating Expenses	\$244,232	\$126,573	\$53,855	\$63,804

Allocation of Cost of Service				
Peaks Mill Water District				
	Total	Commodity	Demand	Customer
Operation & Maintenance	\$244,232	\$126,573	\$53,855	\$63,804
Debt Service ¹	140,742		131,312	9,430
Depreciation ²	110,410		76,072	34,338
General Water Service Cost	\$495,384	\$126,573	\$261,239	\$107,572
Less:				
Interest Income	(\$3,410)			(\$3,410)
Other Operating Revenue	(\$10,196)			(\$10,196)
Revenue Required from Rates	\$481,778	\$126,573	\$261,239	\$93,966

NOTES:

¹Debt Service has been allocated on a percentage of Plant Value from the Allocation of Plant Value Sheet.

²Depreciation has been allocated on a percentage of Depreciation from the Allocation of Depreciation Sheet.

Calculation of Water Rates					
Peaks Mill Water District					
	Total	First 2,000 gallons*	Next 3,000 gallons*	Next 5,000 gallons*	Over 10,000 gallons
Actual Water Sales:					
Thousand Gallons	65,190,700	22,840,900	22,061,100	10,239,300	10,049,400
Percent	100%	35.0%	33.8%	15.7%	15.4%
Weighted Sales for Demand:					
		2	1.75	1.25	1
Thousand Gallons	107,137,250	45,681,800	38,606,925	12,799,125	10,049,400
Percent	100%	42.6%	36.0%	11.9%	9.4%
Allocation of Volumetric Costs:					
Commodity	\$126,573	\$44,301	\$42,782	\$19,872	\$19,492
Demand	261,239	111,288	94,046	31,087	24,556
Customer	93,966	93,966			
Total	\$481,778	\$249,555	\$136,828	\$50,959	\$44,048
Number of Bills	12,973				
Proposed Rates		\$19.25	\$6.21	\$4.99	\$4.38

*\$0.01 was added to these steps to cover the revenue requirement.

Verification of Rates				
Peaks Mill Water District				
	Bills	Gallons	Rate	Revenue
<u>5/8 x 3/4 Inch Meter</u>				
First 2,000 gallons*	12,973	22,840,900	\$19.25	\$249,730
Next 3,000 gallons*		22,061,100	6.21	136,999
Next 5,000 gallons*		10,239,300	4.99	51,094
Over 10,000 gallons		10,049,400	4.38	44,016
Total Revenue from Rates	12,973	65,190,700		\$481,839

Peaks Mill Water District				
Proposed Cost of Service Rates Monthly Water Rates				
5/8 x 3/4 Inch Meter				
First 2,000 gallons*		\$19.25	Minimum bill	
Next 3,000 gallons*		6.21	per 1,000 gallons	
Next 5,000 gallons*		4.99	per 1,000 gallons	
Over 10,000 gallons		4.38	per 1,000 gallons	

Comparison of Rates				
Peaks Mill Water District				
Gallon Usage	Current Rates	Cost of Service Rates	Increase	Percentage
2,000	\$15.72	\$19.25	3.53	22.5%
3,000	20.09	25.46	5.37	26.7%
4,000	24.46	31.67	7.21	29.5%
5,000	28.83	37.88	9.05	31.4%
6,000	32.60	42.87	10.27	31.5%
7,000	36.37	47.86	11.49	31.6%
8,000	40.14	52.85	12.71	31.7%
9,000	43.91	57.84	13.93	31.7%
10,000	47.68	62.83	15.15	31.8%
15,000	60.53	84.73	24.20	40.0%
20,000	73.38	106.63	33.25	45.3%
25,000	86.23	128.53	42.30	49.1%
30,000	99.08	150.43	51.35	51.8%
35,000	111.93	172.33	60.40	54.0%
40,000	124.78	194.23	69.45	55.7%
50,000	150.48	238.03	87.55	58.2%
75,000	214.73	347.53	132.80	61.8%
100,000	278.98	457.03	178.05	63.8%
150,000	407.48	676.03	268.55	65.9%
300,000	792.98	1,333.03	540.05	68.1%
500,000	1,306.98	2,209.03	902.05	69.0%

Comparison of Rates			
Current Rates		Cost of Service Study Rates	
Block Usage	Rate	Block Usage	Rate
First 2,000 gallons	\$15.72	First 2,000 gallons*	\$19.25
Next 1,000 gallons	4.37	Next 3,000 gallons*	6.21
Next 2,000 gallons	3.77	Next 5,000 gallons*	4.99
Over 5,000 gallons	2.57	Over 10,000 gallons	4.38

Effect on Customer Average Bill - 5,000 Gallons Usage			
Current Rates	Proposed Rates	Amount Increase	% Increase
\$28.83	\$37.88	\$9.05	31.40%

Comparison of Rates				
Peaks Mill Water District				
Gallon Usage	Current Rates	Cost of Service Rates	Increase	Percentage
2,000	\$15.72	\$19.25	3.53	22.5%
3,000	20.09	25.46	5.37	26.7%
4,000	24.46	31.67	7.21	29.5%
5,000	28.83	37.88	9.05	31.4%
6,000	32.60	42.87	10.27	31.5%
7,000	36.37	47.86	11.49	31.6%
8,000	40.14	52.85	12.71	31.7%
9,000	43.91	57.84	13.93	31.7%
10,000	47.68	62.83	15.15	31.8%
15,000	60.53	84.73	24.20	40.0%
20,000	73.38	106.63	33.25	45.3%
25,000	86.23	128.53	42.30	49.1%
30,000	99.08	150.43	51.35	51.8%
35,000	111.93	172.33	60.40	54.0%
40,000	124.78	194.23	69.45	55.7%
50,000	150.48	238.03	87.55	58.2%
75,000	214.73	347.53	132.80	61.8%
100,000	278.98	457.03	178.05	63.8%
150,000	407.48	676.03	268.55	65.9%
300,000	\$792.98	\$1,333.03	\$540.05	68.1%
500,000	\$1,306.98	\$2,209.03	\$902.05	69.0%

Comparison of Rates		
Block Usage	Current Rates	Cost of Service Rates
First 2,000 gallons*	\$15.72	\$19.25
Next 3,000 gallons*	4.37	6.21
Next 5,000 gallons*	3.77	4.99
Over 10,000 gallons	2.57	4.38

Effect on Customer Average Bill - 5,000 Gallons Usage			
Current Rates	Proposed Rates	Amount Increase	% Increase
\$28.83	\$37.88	\$9.05	31.40%

EXHIBIT 12

CUSTOMER NOTIFICATION

NOTICE

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Monthly Rate:

	<u>Current</u>	<u>Proposed</u>
<u>5/8" & 1" Meters</u>		<u>All Customers</u>
First 2,000 Gallons	\$15.72	First 2,000 Gallons \$20.03
Next 1,000 Gallons	4.37	Next 3,000 Gallons 6.58
Next 2,000 Gallons	3.77	Next 5,000 Gallons 5.27
Over 2,000 Gallons	2.57	Over 10,000 Gallons 4.61

1 1/2" & 2" Meters

First 113,000 Gallons	\$226.20
Over 113,000 Gallons	1.85

Comparison of Monthly Bills at Current and Proposed Rates				
Gallon Usage	Current Rates	Proposed Rates	Increase	Percentage
2,000	\$15.72	\$19.25	3.53	22.5%
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		<u>5/8" & 1" Meters</u>		<u>All Customers</u>	
First	2,000 Gallons	\$15.72	First	2,000 Gallons	\$20.03
Next	1,000 Gallons	4.37	Next	3,000 Gallons	6.58
Next	2,000 Gallons	3.77	Next	5,000 Gallons	5.27
Over	2,000 Gallons	2.57	Over	10,000 Gallons	4.61

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NOTICE
in Exh. 12
Please
write back
(date Apr. 30)

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Next 2,000 Gallons	3.77	Next 5,000 Gallons	5.27
Over 2,000 Gallons	2.57	Over 10,000 Gallons	4.61

1 1/2" & 2" Meters

First 113,000 Gallons	\$226.20
Over 113,000 Gallons	1.85

Comparison of Monthly Bills at Current and Proposed Rates				
Gallon Usage	Current Rates	Proposed Rates	Increase	Percentage
2,000	\$15.72	\$19.25	3.53	22.5%
3,000	20.09	25.46	5.37	26.7%
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10,000	47.68	62.83	15.15	31.8%
15,000	60.53	84.73	24.20	40.0%
20,000	73.38	106.63	33.25	45.3%
25,000	86.23	128.53	42.30	49.1%
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35,000	111.93	172.33	60.40	54.0%
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300,000	792.98	1,333.03	540.05	68.1%
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Peaks Mill Water District

EXHIBIT 13

**AUDITED
FINANCIAL STATEMENTS
For the Calendar Year Ending
December 31, 2005**

PEAKS MILL WATER DISTRICT
AUDIT REPORT
December 31, 2005 and 2004

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Charles T. Mitchell Company, LLP

Certified Public Accountants

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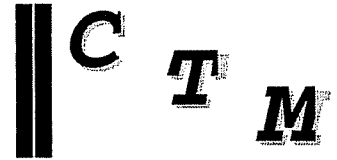
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INDEPENDENT AUDITOR'S REPORT

Board Members of Peaks Mill Water District
Frankfort, KY 40601

We have audited the accompanying financial statements of Peaks Mill Water District as of December 31, 2005 and 2004 and the related statements of revenues, expenses and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Peaks Mill Water District, as of December 31, 2005 and 2004 and the results of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis is not a required part of the financial statements but is supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding methods of measurement and presentation of the supplemental information. However, we did not audit the information and express no opinion on it.

Charles T. Mitchell Co.

February 2, 2006

PEAKS MILL WATER DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

As financial management of the Peaks Mill Water District (the "District"), we offer readers of these financial statements this narrative and analysis of the financial activities of the District for calendar year ended December 31, 2005. The discussion and analysis is designed to assist the reader in focusing on the significant financial issues and activities and to identify any significant changes in financial position. We encourage readers to consider the information presented here in conjunction with the financial statements as a whole.

Financial Highlights

Net income produced an increase in net assets of \$28,845. The term "net assets" refers to the difference between assets and liabilities. At the close of calendar year 2005, the District had net assets of \$1,415,142.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's financial statements, which is comprised of the basic financial statements and the notes to the financial statements. Since the District is comprised of a single enterprise fund, no fund level financial statements are shown. This report also contains other supplementary information concerning the District's budget to actual revenues and expenses.

Basic Financial Statements

The basic financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statements of net assets present information on all the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Net assets increase when revenues exceed expenses. Increases to assets without a corresponding increase to liabilities, results in increased net assets, which indicates an improved financial position.

The statement of net revenues, expenses and changes in net assets present information showing how the District's net assets change during the fiscal year. All changes in net assets are reported as soon as the underlying event occurs, regardless of timing of related cash flows. Thus revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Notes of the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning the District's budget to actual revenues and expenses.

Financial Analysis

Net assets may serve, over time, as a useful indicator of the District's financial position. In the case of the District, assets exceeded liabilities by \$1,415,142 at the close of the most recent calendar year. This represents an increase of \$28,845 over the previous year.

The unrestricted net assets were \$252,509. The District's net assets reflect its investment in capital assets (property, building and equipment). The District uses these capital assets to provide service and consequently these assets are not available to liquidate liabilities or other spending. The following is a schedule of financial analysis of net assets and changes in net assets:

PEAKS MILL WATER DISTRICT
MANAGEMENT'S DISCUSISON AND ANALYSIS
(continued)

Peaks Mill Water District		
Net Assets		
	<u>December 31, 2005</u>	<u>December 31, 2004</u>
Current Assets	\$ 266,695	\$ 275,058
Non-Current Assets	106,772	79,894
Capital Assets	<u>1,637,461</u>	<u>1,644,414</u>
Total Assets	<u>\$ 2,010,928</u>	<u>\$ 1,999,366</u>
Total Liabilities	<u>\$ 595,786</u>	<u>\$ 613,069</u>
Net Assets	<u>\$ 1,415,142</u>	<u>\$ 1,386,297</u>

Peaks Mill Water District		
Changes in Net Assets		
	<u>December 31, 2005</u>	<u>December 31, 2004</u>
Revenues	\$ 387,987	\$ 334,721
Expenses	<u>359,142</u>	<u>365,175</u>
Changes in Net Assets	28,845	(30,454)
Net Assets, Beginning of Year	<u>1,386,297</u>	<u>1,416,751</u>
Net Assets, End of Year	<u>\$ 1,415,142</u>	<u>\$ 1,386,297</u>

Cash Flows

Net cash provided by operating activities increased cash by \$88,816. Net provided in investing increased cash by \$2,390 and net cash used by capital and related financing activities decreased cash by \$73,317, which was due to purchasing capital assets.

Capital Assets

The District's investment in capital assets totals \$1,055,861, net of accumulated depreciation. Major capital assets include pumps, lines, meters and tanks.

Requests for Information

This financial information is designed to provide a general overview of the District's finances for all those with an interest in the finances. Questions concerning any of the information provided in this report or request for additional financial information should be directed to Peaks Mill Water District, 310 Perkins Lane, Frankfort, Kentucky 40601.

Peaks Mill Water District
Comparative Statement of Net Assets
December 31, 2005 and 2004

	2005	2004
Assets		
Current Assets		
Cash in Bank	\$ 115,475	\$ 124,464
Investments at Cost	117,180	114,234
Accounts Receivable	34,040	36,360
Total Current Assets	266,695	275,058
Non-Current Assets		
Restricted Assets - Cash	106,772	79,894
Property, Plant & Equipment		
Property, Plant & Equipment	2,702,227	2,640,005
Accumulated Depreciation	(1,064,766)	(995,591)
Total Property, Plant & Equipment	1,637,461	1,644,414
Total Non-Current Assets	1,744,233	1,724,308
Total Assets	\$ 2,010,928	\$ 1,999,366
Liabilities & Net Assets		
Current Liabilities		
Accounts Payable	\$ 11,818	\$ 13,448
Payroll Taxes Payable	2,368	2,421
Current Portion of Bonds Payable	15,400	15,400
Total Current Liabilities	29,586	31,269
Long Term Liabilities		
Bonds Payable	566,200	581,800
Total Long Term Liabilities	566,200	581,800
Total Liabilities	595,786	613,069
Net Assets		
Investment in Capital Assets, Net of Related Debt	1,055,861	1,047,214
Restricted for Debt Retirement	37,173	30,116
Restricted for Construction	69,599	49,777
Unrestricted	252,509	259,190
Total Net Assets	1,415,142	1,386,297
Total Liabilities and Net Assets	\$ 2,010,928	\$ 1,999,366

The accompanying notes are an integral part of these financial statements.

Peaks Mill Water District
 Comparative Statement of Revenues, Expenses and
 Changes in Net Assets
 For the Years Ended December 31, 2005 and 2004

	2005	2004
Operating Income		
Water Revenue	\$ 331,717	\$ 315,715
Miscellaneous Income	<u>16,569</u>	<u>10,196</u>
Total Operating Income	<u>348,286</u>	<u>325,911</u>
Operating Expenses		
Purchased Water	129,260	117,773
Purchased Power	5,326	5,362
Contractual Services	37,180	35,596
Advertising	551	605
Salaries	19,215	18,277
Payroll Taxes	2,296	2,632
Postage	3,297	3,463
Maintenance	28,623	45,769
Office Supplies	1,164	1,588
Insurance	6,179	5,085
Legal & Professional	6,515	7,984
Commissioner's Fees	10,800	10,800
Utilities and Telephone	2,476	1,957
Rent	3,600	3,600
Chemical and Lab Analysis	658	1,260
Miscellaneous	2,967	3,907
Bad Debt Expense		1,205
Depreciation	<u>69,175</u>	<u>67,682</u>
Total Operating Expenses	<u>329,282</u>	<u>334,545</u>
Net Operating Income	<u>19,004</u>	<u>(8,634)</u>
Non-Operating Revenue(Expenses)		
Interest Revenue	5,336	3,410
Interest Expense	<u>(29,860)</u>	<u>(30,630)</u>
Total Non-Operating Revenue(Expenses)	<u>(24,524)</u>	<u>(27,220)</u>
Net Income Before Contributions	(5,520)	(35,854)
Contributions from Customers	<u>34,365</u>	<u>5,400</u>
Change in Net Assets	28,845	(30,454)
Net Assets - Beginning of Year	<u>1,386,297</u>	<u>1,416,751</u>
Net Assets - End of Year	<u>\$ 1,415,142</u>	<u>\$ 1,386,297</u>

The accompanying notes are an integral part of these financial statements.

Peaks Mill Water District
Comparative Statement of Cash Flows
For The Years Ended December 31, 2005 and 2004

	2005	2004
Cash Flows from Operating Activities		
Cash Received from Customers	\$ 350,608	\$ 318,817
Cash Payments for Employee Services and Benefits	(32,313)	(31,709)
Cash Payments to Suppliers for Goods and Services	(229,479)	(236,747)
Net Cash Provided/(Used) by Operating Activities	88,816	50,361
Cash Flows from Capital and Related Financing Activities		
Capital Contributions Received	34,365	5,400
Bond Interest Payments on Long-Term Debt	(45,460)	(46,030)
Acquisition of Capital Assets	(62,222)	(10,262)
Net Cash Provided/(Used) by Capital and Related Financing Activities	(73,317)	(50,892)
Cash Flows from Investing Activities		
Investment Income Received	5,336	3,410
Net Purchases of Restricted Investments	(2,946)	(1,727)
Net Cash Provided/(Used) by Financing Activities	2,390	1,683
Net Increase/(Decrease) in Cash and Cash Equivalents	17,889	1,152
Cash & Cash Equivalents - Beginning of Year	204,358	203,206
Cash & Cash Equivalents - End of Year	\$ 222,247	\$ 204,358
Reconciliation of Operating Income/(Loss) to Net Cash Used by Operating Activities		
Operating Income/(Loss)	\$ 19,004	\$ (8,634)
Adjustment to Reconcile Operating Income/(Loss) to		
Net Cash Provided/(Used) in Operating Activities:		
Depreciation	69,175	67,682
(Increase)/Decrease in Accounts Receivable	2,319	(7,095)
Increase/(Decrease) in Accounts Payable	(1,682)	(1,592)
Net Cash Provided/(Used) by Operating Activities	\$ 88,816	\$ 50,361

Disclosure of Accounting Policy:

For purposes of the statement of cash flows, Peaks Mill Water District considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

The accompanying notes are an integral part of these financial statements.

Peaks Mill Water District
Statement of Revenues, Expenses, and Changes in Net Assets
Budget vs. Actual
For The Year Ended December 31, 2005

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Operating Income			
Water Revenue	\$ 336,000	\$ 331,717	\$ (4,283)
Miscellaneous Income		<u>16,569</u>	<u>16,569</u>
Total Operating Income	<u>336,000</u>	<u>348,286</u>	<u>12,286</u>
Operating Expenses			
Purchased Water	121,000	129,260	(8,260)
Purchased Power	4,000	5,326	(1,326)
Contractual Services	50,000	37,180	12,820
Advertising		551	(551)
Salaries	17,673	19,215	(1,542)
Payroll Taxes	2,127	2,296	(169)
Postage	3,000	3,297	(297)
Maintenance	11,500	28,623	(17,123)
Office Supplies	3,500	1,164	2,336
Insurance	5,000	6,179	(1,179)
Legal & Professional	6,000	6,515	(515)
Commissioner's Fees	10,800	10,800	
Utilities and Telephone	2,000	2,476	(476)
Rent	3,600	3,600	
Chemical and Lab Analysis	1,000	658	342
Miscellaneous	500	2,967	(2,467)
Depreciation	<u>71,000</u>	<u>69,175</u>	<u>1,825</u>
Total Operating Expenses	<u>312,700</u>	<u>329,282</u>	<u>(16,582)</u>
Operating Income	<u>23,300</u>	<u>19,004</u>	<u>(4,296)</u>
Non-Operating Revenue(Expenses)			
Interest Revenue	1,750	5,336	3,586
Interest Expense	<u>(29,860)</u>	<u>(29,860)</u>	
Total Non-Operating Revenue(Expenses)	<u>(28,110)</u>	<u>(24,524)</u>	<u>3,586</u>
Net Income Before Contributions	(4,810)	(5,520)	(710)
Contributions from Customers	<u>5,000</u>	<u>34,365</u>	<u>29,365</u>
Change in Net Assets	<u>\$ 190</u>	<u>\$ 28,845</u>	<u>\$ 28,655</u>

The accompanying notes are an integral part of these financial statements.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Entity

The Peaks Mill Water District was organized in November, 1968 to provide water service to the residents of Peaks Mill. It is a political subdivision of Franklin County, Kentucky and purchases water from the Frankfort Electric and Water Plant Board for resale to the residents.

The District is subject to the regulatory authority of the Kentucky Public Service Commission (“PSC”) pursuant to KRS 278.040. The financial statements as of December 31, 2005 are reported in accordance with the Uniform System of Accounts for Class A and B Water Utilities, Financial Accounting Standards Board Statement No. 71, “Accounting for Regulated Industries”, and other PSC prescribed policies and regulations.

Basis of Accounting

Assets and liabilities, and revenues and expenses are recognized on the accrual basis of accounting. The District incorporates current FASB pronouncements in its proprietary fund activities. The District does not utilize encumbrance accounting in its proprietary fund activities.

Property, Plant & Equipment

Fixed assets are depreciated using the straight-line method at the following rates:

Pump, lines, meters	2½%
Tanks	3%
Office equipment	10%
Meter testing equipment	10%

The District capitalizes interest cost incurred during construction of its fixed assets.

Investments

Investments are stated at cost, unless the market value is less than cost and there is evidence the decline in market value is due to other than temporary conditions.

Revenue Recognition

Water revenues are reflected as earned revenues when the customers are billed.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE B – BOND INDENTURE

In November 1968 the Peaks Mill Water District issued and sold \$182,000 of Waterworks Acquisition and Construction Revenue Bonds for the purpose of acquiring and constructing a water works system for the District. The District has complied with the terms of this indenture. The bonds pay interest at 5% and mature ratably through the year 2007. As of December 31, 2005, \$8,000 remained outstanding.

In September 1997 the Peaks Mill Water District issued and sold \$627,000 of Waterworks Revenue Bonds for the purpose of extending water service to other customers. The bonds pay interest at 5% and mature ratably through the year 2035. As of December 31, 2005, \$573,600 remained outstanding.

NOTE C – RELATED PARTY TRANSACTIONS

In 2005 and 2004, the Water District rented office space from Lisa Perkins, Bookkeeper. The office space was rented to the Water District on a month to month basis for \$300 per month. Rent costs of \$3,600 were reflected in the financial statements for both 2005 and 2004.

Also in 2005 and 2004, the District utilized the services of Gatewood Water Service as an independent contractor as stipulated in the contract with the District. Monthly fees totaled \$37,180 for 2005.

NOTE D – CASH AND INVESTMENTS

Kentucky Revised Statute 66.480 authorizes the District to invest in obligations of the U.S. Treasury, in bonds or certificates of indebtedness of this state and of its agencies, savings and loan associations insured by an agency of the government of the United States up to the amount so insured, interest-bearing deposits in state or national banks chartered in Kentucky and insured by an agency of the United States up to the amount so insured, and in larger amounts providing such bank pledges as security obligations equal to uninsured amounts.

Statutes require that financial institutions pledge approved securities to secure those funds on deposit in an amount equal to the amount of those funds. At the end of the calendar year, the carrying amount of the District's deposits and investments were \$339,427. All deposits and investments were covered by federal depository insurance or by collateral held in the pledging institution's trust department in the District's name.

Listed below are the different cash accounts and the amounts that are in each cash account for the statement of cash flows.

Operations and maintenance fund	\$ 22,814	
Revenue fund	<u>92,661</u>	
 Total cash in bank		 \$115,475
Debt service reserve	37,172	
Reserve account	48,075	
Construction account	<u>21,525</u>	
 Total restricted cash		 <u>106,772</u>
 Total cash for cash flows statement		 <u>\$222,247</u>

Following is a chart summarizing investments held in federally insured financial institutions based in your area:

<u>Institution</u>	<u>Type</u>	<u>Rate</u>	<u>Amount</u>
Fifth Third Bank	C.D.	3.44	\$ 51,269
Fifth Third Bank	C.D.	4.40%	<u>65,911</u>
 Total			 <u>\$117,180</u>

NOTE E – ACCOUNTS RECEIVABLE

Total accounts receivable	\$ 37,830
Less: Allowance for doubtful accounts	<u>(3,800)</u>
Accounts Receivable, Net	<u>\$ 34,030</u>

NOTE F – ACCOUNTS PAYABLE

Water purchases	\$ 10,578
Electric – pump	703
Office Supplies	57
Repairs & Maintenance	229
Chemical & Lab Analysis	44
Telephone	<u>207</u>
 Total accounts payable	 <u>\$ 11,818</u>

All accounts were paid in January, 2006 and all checks cleared the bank. The same vendors were used throughout the year.

NOTE G – BONDS PAYABLE

The District's annual principal payments are due January 1 of each year. At December 31, 2005 the District had paid its principal and interest requirements for January 1, 2006.

NOTE G – BONDS PAYABLE (Continued)

The annual debt service requirements to retire the bonds outstanding at December 31, 2005 for each of the next five years and in remaining five year increments are as follows:

YEAR	BOND PRINCIPAL	BOND INTEREST	TOTAL
2006	\$ 16,700	\$ 29,080	\$ 45,780
2007	8,900	28,245	37,145
2008	9,000	27,800	36,800
2009	10,200	27,350	37,550
2010	56,600	128,785	185,385
2011-2015	73,100	113,115	186,215
2016-2020	94,100	92,875	186,975
2021-2025	122,100	66,650	188,750
2026-2030	154,800	32,941	187,741
2031-2035	36,100	1,806	37,906
TOTAL	<u>\$ 581,600</u>	<u>\$ 548,647</u>	<u>\$ 1,130,247</u>

NOTE H - RESERVES

Debt Service Reserve – There is to be a monthly deposit of an amount equal to 1/12 of the next ensuing principal payment due and 1/6 of the next ensuing interest payment due for the remaining outstanding bonds. At December 31, 2005 the Debt Service reserve had a balance of \$37,173.

Depreciation Reserve – This fund may be used to purchase new or replacement equipment and emergency repairs to the water line system. At December 31, 2005 the depreciation reserve had a balance of \$69,502.

These reserves are included in the Restrictions of Net Assets for December 31, 2005 and 2004.

NOTE I – CONCENTRATIONS OF CREDIT RISK

As of December 31, 2005, Peaks Mill Water District had cash and cash equivalents in excess of FDIC insurance at Farmers Bank & Capital Trust Company, but the financial institution did possess securities pledged against this excess. The highest cash balance occurred on January 31, 2005, and Farmers Bank & Capital Trust did not maintain securities pledged on this date. At year end, the District held two certificates of deposit which in total exceeded FDIC insurance of \$100,000 at Fifth Third Bank. Fifth Third Bank did not maintain securities pledged in the District's name.

Charles T. Mitchell Company, LLP

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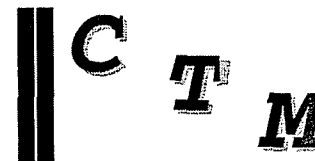
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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Peaks Mill Water District
Frankfort, Kentucky

We have audited the financial statements of Peaks Mill Water District as of and for the year ended December 31, 2005 and have issued our report thereon dated February 2, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Peaks Mill Water District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Peaks Mill Water District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the Board of Directors, management, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Charles T. Mitchell Co.

February 2, 2006

SUPPLEMENTARY INFORMATION

PEAKS MILL WATER DISTRICT
 SCHEDULE OF BOND AND INTEREST PAYMENTS
 ISSUE: 1969 ISSUE

YEAR END	BOND PRIN. DUE JANUARY 1	INTEREST JANUARY 1	JULY 1	TOTAL INTEREST	TOTAL REQUIREMENTS
2006	\$ 8,000	\$ 200	\$ 200	\$ 400	\$ 8,400
TOTAL	\$ 8,000	\$ 200	\$ 200	\$ 400	\$ 8,400

ISSUE: 1997 ISSUE 91-03

YEAR END	BOND PRIN. DUE JANUARY 1	INTEREST JANUARY 1	JULY 1	TOTAL INTEREST	TOTAL REQUIREMENTS
2006	\$ 6,000	\$ 9,575	\$ 9,575	\$ 19,150	\$ 25,150
2007	6,000	9,425	9,425	18,850	24,850
2008	6,000	9,275	9,275	18,550	24,550
2009	7,000	9,125	9,125	18,250	25,250
2010	7,000	8,950	8,950	17,900	24,900
2011	7,000	8,775	8,775	17,550	24,550
2012	8,000	8,600	8,600	17,200	25,200
2013	8,000	8,400	8,400	16,800	24,800
2014	8,000	8,200	8,200	16,400	24,400
2015	9,000	8,000	8,000	16,000	25,000
2016	9,000	7,775	7,775	15,550	24,550
2017	10,000	7,550	7,550	15,100	25,100
2018	10,000	7,300	7,300	14,600	24,600
2019	11,000	7,050	7,050	14,100	25,100
2020	11,000	6,775	6,775	13,550	24,550
2021	12,000	6,500	6,500	13,000	25,000
2022	13,000	6,200	6,200	12,400	25,400
2023	13,000	5,875	5,875	11,750	24,750
2024	14,000	5,550	5,550	11,100	25,100
2025	15,000	5,200	5,200	10,400	25,400
2026	15,000	4,825	4,825	9,650	24,650
2027	17,000	4,450	4,450	8,900	25,900
2028	17,000	4,025	4,025	8,050	25,050
2029	18,000	3,600	3,600	7,200	25,200
2030	19,000	3,150	3,150	6,300	25,300
2031	20,000	2,675	2,675	5,350	25,350
2032	20,000	2,175	2,175	4,350	24,350
2033	21,000	1,675	1,675	3,350	24,350
2034	22,000	1,150	1,150	2,300	24,300
2035	24,000	600	600	1,200	25,200
	\$ 383,000	\$ 182,425	\$ 182,425	\$ 364,850	\$ 747,850

PEAKS MILL WATER DISTRICT
 SCHEDULE OF BOND AND INTEREST PAYMENTS
 ISSUE: 1997 ISSUE (91-05)

YEAR END	BOND			TOTAL INTEREST	TOTAL REQUIREMENTS
	PRIN. DUE JANUARY 1	INTEREST JANUARY 1	JULY 1		
2006	\$ 2,700	\$ 4,765	\$ 4,765	\$ 9,530	\$ 12,230
2007	2,900	4,698	4,698	9,395	12,295
2008	3,000	4,625	4,625	9,250	12,250
2009	3,200	4,550	4,550	9,100	12,300
2010	3,300	4,470	4,470	8,940	12,240
2011	3,600	4,388	4,388	8,775	12,375
2012	3,700	4,298	4,298	8,595	12,295
2013	3,900	4,205	4,205	8,410	12,310
2014	4,100	4,108	4,108	8,215	12,315
2015	4,300	4,005	4,005	8,010	12,310
2016	4,600	3,898	3,898	7,795	12,395
2017	4,800	3,783	3,783	7,565	12,365
2018	5,100	3,663	3,663	7,325	12,425
2019	5,300	3,535	3,535	7,070	12,370
2020	5,600	3,403	3,403	6,805	12,405
2021	5,900	3,263	3,263	6,525	12,425
2022	6,200	3,115	3,115	6,230	12,430
2023	6,500	2,960	2,960	5,920	12,420
2024	6,900	2,798	2,798	5,595	12,495
2025	7,200	2,625	2,625	5,250	12,450
2026	7,600	2,445	2,445	4,890	12,490
2027	8,000	2,255	2,255	4,510	12,510
2028	8,400	2,055	2,055	4,110	12,510
2029	8,900	1,845	1,845	3,690	12,590
2030	9,500	1,663	1,663	3,325	12,825
2031	10,000	1,385	1,385	2,770	12,770
2032	10,600	1,135	1,135	2,270	12,870
2033	11,100	870	870	1,740	12,840
2034	11,600	593	593	1,186	12,786
2035	12,100	303	303	606	12,706
	<u>\$ 190,600</u>	<u>\$ 91,699</u>	<u>\$ 91,699</u>	<u>\$ 183,397</u>	<u>\$ 373,997</u>

EXHIBIT 14

**ANNUAL REPORT
SUBMITTED TO THE COMMISSION
For the Calendar Year Ending
December 31, 2004**

27900 Peaks Mill Water District 01/01/2004 - 12/31/2004

Title Page

Name of Respondent	Address 1	Address 2	City	State	Zip
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Water Districts/Associations

Annual Report of	Name of Respondent	Address 1	Address 2	City	State	Zip
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Respondent	PEAKS MILL WATER DISTRICT	310 PERKINS LANE		FRANKFORT	KY	40601
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27900 Peaks Mill Water District 01/01/2004 - 12/31/2004

Principal Payment and Interest Information

	Amount	Y/N/NA	PSC CASE No.
Amount of Principal Payment During Calendar Year	\$15,400.00		
Is Principal Current?		Y	
Is Interest Current?		Y	
Has all long-term debt been approved by the Public Service Commission?		Y	

27900 Peaks Mill Water District 01/01/2004 - 12/31/2004

Services Performed by Independent CPA

	Yes/No	Y/N
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Are your financial statements examined by a Certified Public Accountant?

Enter Y for Yes or N for No	Y	
-----------------------------	---	--

If yes, which service is performed?

Enter an X on each appropriate line		
-------------------------------------	--	--

Audit		X
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Compilation		
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Review

27900 Peaks Mill Water District 01/01/2004 - 12/31/2004

Additional Requested Information

Name

Electronic Info

PEAKS MILL WATER DISTRICT

Contact Name and Email Address

LISA PERKINS 502-227-5740

27900 Peaks Mill Water District 01/01/2004 - 12/31/2004

Additional Information Required

Case Num	Date	EXPIRE
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27900 Peaks Mill Water District 01/01/2004 - 12/31/2004

Major Water Projects

Provide details about each major water project which is planned but has not yet been submitted for approval to the Public Service Commission.

For the limited purpose of this report, a "Major Project" is defined as one which is not in the ordinary course of business, and will increase your current utility plant by at least 20 percent.

Brief Project Description: (improvement, replacement, building construction, expansion, if expansion, provide the estimated number of new customers.)

Projected Costs and Funding Sources/Amounts:

Approval Status: (Application for financial assistance filed, but not approved or application approved, but have not advertised for construction bids)

Location: (community, area or nearby roads)

27900 Peaks Mill Water District 01/01/2004 - 12/31/2004

History-Legal Name (Ref Page: 4)

1. Exact name of utility making this report.

(Use the words "The", "Company" or "Incorporated" only when part of the corporate name.)

PEAKS MILL WATER DISTRICT

27900 Peaks Mill Water District 01/01/2004 - 12/31/2004

History-Location (Ref Page: 4)

Name	Address	City	State	Zip	Phone
------	---------	------	-------	-----	-------

Give the location, including street and number, and TELEPHONE NUMBER of the principal office in KY.

Principal office in KY	PEAKS MILL WATER DISTRICT	310 PERKINS LANE	FRANKFORT	KY	40601	5022275740
------------------------	---------------------------	------------------	-----------	----	-------	------------

Give name, title, address and TELEPHONE NUMBER of the officer

To whom correspondence concerning this report should be addressed:	WILBERT PERKINS	310 PERKINS LANE	FRANKFORT	KY	40601	5022275740
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Location where books are located	LISA PERKINS	310 PERKINS LANE	FRANKFORT	KY		5022275740
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27900 Peaks Mill Water District 01/01/2004 - 12/31/2004

History-Date Organized (Ref Page: 4)

Date

Date of Organization

03/03/1961

27900 Peaks Mill Water District 01/01/2004 - 12/31/2004

History-Laws of Organization (Ref Page: 4)

If a consolidated or merger company, name all contingent and all merged companies. Give reference to charters or general laws governing each, and all amendments of same

Date and Authority for each consolidation and each merger

27900 Peaks Mill Water District 01/01/2004 - 12/31/2004

History-Departments (Ref Page: 4)

State whether respondent is a water district or association	District
Name all operating departments other than water	

27900 Peaks Mill Water District 01/01/2004 - 12/31/2004

History - Counties (Ref Page: 5)

List Counties in which you furnish water service

County
Franklin

27900 Peaks Mill Water District 01/01/2004 - 12/31/2004

Contacts (Ref Page: 6)

Person to send correspondence:	TITLE	LAST NAME	FIRST NAME	HOME ADDR	SALARY	TERM/EXPIRES
BOOKKEEPER	PERKINS	USA		310 PERKINS LANE		

Person who prepared this report: AUDITOR CHARLES T MITCHELL
 201 WEST MAIN ST
 FRANKFORT

Officers and Managers

CHAIRPERSON	PERKINS	WILBERT		256 PERKINS LANE	\$3,600.00	2007
SECRETARY	CLARK	LOWELL		2445 INDIAN GAP RD	\$3,600.00	2007
TREASURER	QUARLES	CHURCH		408 INDIAN GAP RD	\$3,600.00	2007

27900 Peaks Mill Water District 01/01/2004 - 12/31/2004
Balance Sheet - Assets and Other Debits (Ref Page: 7)

	Previous Year	Current Year
UTILITY PLANT		
Utility Plant (101-106)	\$2,629,744.00	\$2,640,006.00
Less: Accumulated Depreciation and Amortization (108-110)	\$927,908.00	\$995,590.00
Net Plant	\$1,701,836.00	\$1,644,416.00
Utility Plant Acquisition Adjustments (Net) (114-115)		
Other Utility Plant Adjustments (116)		
Total Net Utility Plant	\$1,701,836.00	\$1,644,416.00
OTHER PROPERTY AND INVESTMENTS		
Nonutility Property (121)		
Less: Accumulated Depreciation and Amortization (122)		
Net Nonutility Property		
Investment in Associated Companies (123)		
Utility and Other Investments (124-125)	\$112,507.00	\$114,235.00
Sinking Funds (126)		
Other Special Funds (127)		
Total Other Property and Investments	\$112,507.00	\$114,235.00
CURRENT AND ACCRUED ASSETS		
Cash (131)	\$126,720.00	\$124,486.00
Special Deposits (132)	\$76,486.00	\$79,897.00
Other Special Deposits (133)		
Working Funds (134)		
Temporary Cash Investments (135)		

27900 Peaks Mill Water District 01/01/2004 - 12/31/2004
Balance Sheet - Assets and Other Debits (Ref Page: 7)

	HEAVILY USED	QUARTERLY
Accounts and Notes Receivable, Less Accumulated Provision for Uncollectible Accounts (141-144)	\$29,264.00	\$36,350.00
Accounts Receivable from Associated Companies (145)		
Notes Receivable from Associated Companies (146)		
Materials and Supplies (151-153)		
Stores Expense (161)		
Prepayments (162)		
Accrued Interest and Dividends Receivable (171)		
Rents Receivable (172)		
Accrued Utility Revenues (173)		
Misc. Current and Accrued Assets (174)		
Total Current and Accrued Assets	\$232,470.00	\$240,713.00
DEFERRED DEBITS		
Unamortized Debt Discount and Expense (181)		
Extraordinary Property Losses (182)		
Preliminary Survey and Investigation Charges (183)		
Clearing Accounts (184)		
Temporary Facilities (185)		
Misc. Deferred Debits (186)		
Research and Development Expenditure (187)		
Total Deferred Debits	\$2,046,813.00	\$1,999,364.00
TOTAL ASSETS AND OTHER DEBITS		

27900 Peaks Mill Water District 01/01/2004 - 12/31/2004
 Balance Sheet - Equity Capital and Liabilities (Ref Page: 9)

	Financial Year	Current Year
EQUITY CAPITAL		
Appropriated Retained Earnings (214)	\$76,484.00	\$79,894.00
Retained Earnings From Income before contributions (215.1)	\$160,915.00	\$121,649.00
Donated Capital (215.2)	\$1,179,352.00	\$1,184,752.00
Total Equity Capital	\$1,416,751.00	\$1,386,295.00
LONG-TERM DEBT		
Bonds (221)	\$612,600.00	\$597,200.00
Required Bonds (222)		
Advances from Associated Companies (223)		
Other Long-Term Debt (224)	\$612,600.00	\$597,200.00
Total Long Term Debt	\$612,600.00	\$597,200.00
CURRENT AND ACCRUED LIABILITIES		
Accounts Payable (231)	\$17,462.00	\$15,869.00
Notes Payable (232)		
Accounts Payable to Associated Co. (233)		
Notes Payable to Associated Co (234)		
Customer Deposits (235)		
Accrued Taxes (236)		
Accrued Interest (237)		
Matured Long-Term Debt (239)		
Matured Interest (240)		
Tax Collections Payable (241)		

27900 Peaks Mill Water District 01/01/2004 - 12/31/2004
Balance Sheet - Equity Capital and Liabilities (Ref Page: 9)

	PFA/BU/VEIL	CURRENT VAL
Misc. Current and Accrued Liabilities (242)		
Total Current and Accrued Liabilities	\$17,462.00	\$15,869.00
DEFERRED CREDITS		
Unamortized Premium on Debt (251)		
Advances for Construction (252)		
Other Deferred Credits (253)		
Total Deferred Credits		
OPERATING RESERVES		
Accumulated Provision For:		
Property Insurance (261)		
Injuries and Damages (262)		
Pensions and Benefits (263)		
Miscellaneous Operating Reserves (265)		
Total Operating Reserves		
Total Equity Capital and Liabilities	\$2,046,813.00	\$1,999,364.00

27900 Peaks Mill Water District 01/01/2004 - 12/31/2004
 Comparative Operating Statement (Ref Page: 11)

	Previous Year	Current Year
UTILITY OPERATING INCOME		
Operating Revenues (400)	\$319,333.00	\$325,971.00
Operating Expenses (401)	\$231,386.00	\$266,314.00
Depreciation Expenses (403)	\$67,125.00	\$67,682.00
Amortization of Utility Plant Acquisition Adjustment (406)		
Amortization Expense (407)		
Taxes Other Than Income (408, 10-408, 13)	\$604.00	\$551.00
Utility Operating Expenses	\$299,115.00	\$334,547.00
Utility Operating Income	\$20,218.00	(\$8,636.00)
Income From Utility Plant Leased to Others (413)		
Gains (Losses) from Disposition of Utility Property (414)		
Total Utility Operating Income	\$20,218.00	(\$8,636.00)
OTHER INCOME AND DEDUCTIONS		
Revenues From Merchandising, Jobbing and Contract Work (415)		
Costs and Expenses of Merchandising, Jobbing and Contract Work (416)		
Interest and Dividend Income (419)	\$4,714.00	\$3,410.00
Allowance for funds Used During Constructions (420)		
Nonutility Income (421)		
Miscellaneous Nonutility Expenses (426)		
Total Other Income and Deductions	\$4,714.00	\$3,410.00
TAXES APPLICABLE TO OTHER INCOME		

27900 Peaks Mill Water District 01/01/2004 - 12/31/2004
Comparative Operating Statement (Ref Page: 11)

	Fiscal Year	Calendar Year
Taxes Other Than Income (408.20)		
Total Taxes Applic. to Other Income		
INTEREST EXPENSE		
Interest Expense (427)	\$31,400.00	\$30,630.00
Amortization of Debt Discount and Exp. (428)		
Amortization of Premium on Debt (429)		
Total Interest Expense	\$31,400.00	\$30,630.00
EXTRAORDINARY ITEMS		
Extraordinary Income (433)		
Extraordinary Deductions (434)		
Total Extraordinary Items		
NET INCOME BEFORE CONTRIBUTIONS	(\$6,468.00)	(\$35,856.00)

27900 Peaks Mill Water District 01/01/2004 - 12/31/2004
Statement of Retained Earnings 2002 (Ref Page: 12)

	Debit	Credit
Appropriated Retained earnings (214)		
(state balance and purpose of each appropriated amount at year end.)		
		RESTRICTED FOR DEBT RETIREMENT
		\$30,117.00
		RESTRICTED FOR CONSTRUCTION
		\$49,777.00
Total Appropriated Retained Earnings		\$79,894.00
Retained Earnings From Income Before Contributions (215.1)		
Balance beginning of year		\$160,915.00
Balance transferred from Net Income Before Contributions (436)		(\$36,856.00)
Changes to account:		
Appropriations of Retained Earnings (436)		(\$3,410.00)
Adjustments to Retained Earnings (439)		
(requires Commission approval prior to use)		
Credits		
Debits		
Balance End of Year		\$121,649.00

27900 Peaks Mill Water District 01/01/2004 - 12/31/2004

Statement of Retained Earnings (cont. 215.2) (Ref Page: 12)

Description	Capital Fees	Grants	Other	Total
Donated Capital (215.2)				
Balance Beginning of the Year	\$393,280.00	\$786,072.00		\$1,179,352.00
Credits				
Proceeds from capital contributions (432)	\$5,400.00			\$5,400.00
Other Credits (explain)				
Debits (explain - requires Commission Approval)				
Balance End of Year	\$398,680.00	\$786,072.00		\$1,184,752.00

27900 Peaks Mill Water District 01/01/2004 - 12/31/2004

Net Utility Plant (Accts. 101-106) (Ref Page: 13)

	Total
Utility Plant in Service (101)	\$2,640,006.00
Utility Plant Leased to Others (102)	
Property Held for Future Use (103)	
Utility Plant Purchased or Sold (104)	
Construction Work in Progress (105)	
Completed Construction Not Classified (106)	
Total Utility Plant	\$2,640,006.00

**27900 Peaks Mill Water District 01/01/2004 - 12/31/2004
Accumulated Depreciation (Acct. 108) (Ref Page: 13)**

	Debit	Credit	Total
Balance First of Year			
Credit during year			\$927,908.00
Accruals Charged to Account 108.1			
Accruals Charged to Account 108.2			\$67,682.00
Accruals Charged to Account 108.3			
Accruals Charged to Other Accounts (specify) (specify)			
Salvage Value Recovered on Plant Retired			
Other Credits (specify)			
Total Credits			
Debits during year:			
Book Cost of Plant Retired			\$67,682.00
Cost of Removal			
Other Debits (specify)			
Total Debits			
Balance at End of Year			\$995,590.00

27900 Peaks Mill Water District 01/01/2004 - 12/31/2004

Water Utility Plant Accounts (Ref Page: 14)

	File Year (a)	Additions (d)	Retirement (e)	Current Val (h)	Number Plant (g)	Subst/Equip (b)	Water Treatment (c)	Trans and Dist (f)	General Plant (i)
Organization (301)									
Franchises (302)									
Land and Land Rights (303)		\$5,593.00		\$5,593.00					\$5,593.00
Structures and Improvements (304)									
Collecting and Impounding Reservoirs (305)									
Lakes, Rivers and Other Intakes (306)									
Wells and Springs (307)									
Infiltration Galleries and Tunnels (308)									
Supply Mains (309)									
Power Generation Equipment (310)									
Pumping Equipment (311)		\$92,326.00		\$92,326.00					\$92,326.00
Water Treatment Equipment (320)									

27900 Peaks Mill Water District 01/01/2004 - 12/31/2004

Water Utility Plant Accounts (Ref Page: 14)

	Payroll (6)	Additions (6)	Retirement (6)	Current (6)	Intangible Plant (6)	Supplies & Pumps	Water Materials	Trucks	Buildings	General Plant
Distribution		\$287,417.00		\$287,417.00						
Reservoirs and Standpipes (330)										\$287,417.00
Transmission and Distribution Mains (331)		\$2,059,979.00	\$3,036.00	\$2,059,015.00						\$2,059,015.00
Services (333)										
Meters and Meter Installations (334)		\$175,393.00		\$175,393.00						\$175,393.00
Hydrants (335)										
Backflow Prevention Devices (336)										
Other Plant and Misc. Equipment (339)		\$3,839.00		\$3,839.00						\$3,839.00
Office Furniture and Equip. (340)		\$9,197.00	\$7,226.00	\$16,423.00						\$16,423.00
Transportation Equipment (341)										
Stores Equipment (342)										
Tools, Shop and Garage Equip (343)										
Laboratory Equipment (344)										

27900 Peaks Mill Water District 01/01/2004 - 12/31/2004

Water Utility Plant Accounts (Ref Page: 14)

	Prev Year (6)	Additions (d)	Retirement (e)	Current Yr (f)	Balance Plant (g)	Supplies & Pumps	Water Treatment	Trains & Hoists	General Plant
Power Operated Equipment (345)									
Communication Equipment (346)									
Miscellaneous Equipment (347)									
Other Tangible Plant (348)									
Total Water Plant	\$2,629,744.00	\$10,262.00		\$2,640,006.00	\$92,326.00		\$2,531,257.00		\$16,423.00

27900 Peaks Mill Water District 01/01/2004 - 12/31/2004

Analysis of Accumulated Depreciation and Amortization by Primary Acct (Ref Page: 15)

	Balance Beg Yr (6)	Cr. Chgs Dep Exr (8)	Other Cr/Dr (6)	Cr/Dr Balance (7)	Other Chgs (9)	Balance End Yr (11)
Organization (301)						
Franchises (302)						
Land and Land Rights (303)						
Structures and Improvements (304)						
Collecting and Impounding Reservoirs (305)						
Lake, River and Other Intakes (306)						
Wells and Springs (307)						
Infiltration Galleries and Tunnels (308)						
Supply Mains (309)						
Power Generating Equipment (310)						
Pumping Equipment (311)	\$37,145.00		\$3,967.00			\$41,112.00
Water Treatment Equipment (320)						
Distributions Reservoirs and Standpipes (330)	\$118,039.00		\$8,710.00			\$126,749.00
Transmission and Distribution Mains (331)	\$594,553.00		\$42,135.00			\$636,688.00
Services (333)						
Meters and Meter Installations (334)	\$166,666.00		\$12,066.00			\$178,732.00

27900 Peaks Mill Water District 01/01/2004 - 12/31/2004

Analysis of Accumulated Depreciation and Amortization by Primary Acct (Ref Page: 15)

	Balance Beg Yr (6)	Chg Dep Exp'd (6)	Other Credits (9)	Charge Plant Ret'n (6)	Other Charges (6)	Balance End Yr (10)
Hydrants (335)						
Backflow Prevention Devices (336)						
Other Plant and Miscellaneous Equipment (339)	\$7,646.00				\$804.00	\$8,450.00
Office Furniture and Equip (340)						
Transportation Equipment (341)						
Stores Equipment (342)						
Tools, Shop and Garage Equip (343)	\$3,839.00					\$3,839.00
Laboratory Equipment (344)						
Power Operated Equipment (345)						
Communication Equipment (346)						
Miscellaneous Equipment (347)						
Other Tangible Plant (348)						
Totals	\$927,908.00				\$67,682.00	\$995,590.00

**27900 Peaks Mill Water District 01/01/2004 - 12/31/2004
Accumulated Amortization (Acct. 110) (Ref Page: 16)**

Description	Total
Balance First of Year	
Credit during year	
Accruals Charged to Account 110.1	
Accruals Charged to Account 110.2	
Other Credits	
(Specify)	
Total Credits	
Debits during year:	
Book Cost of Plant Retired	
Other Debits	
(Specify)	
Total Debits	
Balance end of Year	

27900 Peaks Mill Water District 01/01/2004 - 12/31/2004

Utility Plant Acquisition Adjustments (Accts. 114-115) (Ref Page: 16)

	Description	Total
Acquisition Adjustments (114)		
(specify)		
Total Plant Acquisition Adjustments		
Accumulated Amortization (115)		
(specify)		
Total Accumulated Amortization		
Net Acquisition Adjustments		

27900 Peaks Mill Water District 01/01/2004 - 12/31/2004

Investments and Special Funds (Ref Page: 17)

	Description (a)	Fund or Par Value (b)	Year Entered (c)	Cost
Investment in Associated Companies (123)				
Total Investment in Associated Companies				
Utility Investments (124)				
	FARMERS BANK cd			\$114,235.00
				\$0.00
Total Utility Investments \$114,235.00				
Other Investments (125)				
Total Other Investments				
Sinking Funds (126)				
Total Sinking Funds \$0.00				
Other Special Funds (127)				
Total Other Special Funds \$0.00				

Accounts and Notes Receivable - Net (Accts 141-144) (Ref Page: 18)

Description	141	142	143	144
Accounts and Notes Receivable				
Customer Accounts Receivable (141)				\$40,150.00
Other Accounts Receivable (142)				
Total Other Accounts Receivable				
Notes Receivable (144)				
Total Notes Receivable				\$40,150.00
Total Accounts and Notes Receivable				
Accumulated Provision for Uncollectible Accounts (143)				\$2,595.00
Balance First of Year				
Add:				\$1,205.00
Provision for uncollectibles for current year				
Collections of accounts previously written off				
Other				
(specify)				\$1,205.00
Total Additions				
Deduct accounts written off during year				
Other				
(specify)				
Total Deductions				\$3,800.00
Balance end of Year				

27900 Peaks Mill Water District 01/01/2004 - 12/31/2004

Accounts and Notes Receivable - Net (Accts 141-144) (Ref Page: 18)

Description	Total
\$36,350.00	

Total Accounts and Notes Receivable - Net

27900 Peaks Mill Water District 01/01/2004 - 12/31/2004
Materials and Supplies (151-153) (Ref Page: 19)

Total

Plant Materials and Supplies (151)

Merchandise (152)

Other Materials and Supplies (153)

Total Materials and Supplies

27900 Peaks Mill Water District 01/01/2004 - 12/31/2004
Prepayments (Acct. 162) (Ref Page: 19)

Description	1/31/04
Prepaid Insurance	
Prepaid Rents	
Prepaid Interest	
Prepaid Taxes	
Other Prepayments	
(Specify)	
Total Prepayments	

27900 Peaks Mill Water District 01/01/2004 - 12/31/2004
Miscellaneous Deferred Debits (Acct. 186) (Ref Page: 20)

Detail

Miscellaneous Deferred Debits (186)

Deferred Rate Case Expense (186.1)

Other Deferred Debits (186.2)

Regulatory Assets (186.3)

Total Miscellaneous Deferred Debits

27900 Peaks Mill Water District 01/01/2004 - 12/31/2004

Unamortized Debt Discount and Expense and Premium on Debt (Accts 181 and 251) (Ref Page: 20)

Description	Amortization Crediting/Debiting	Year-End Balance
Unamortized Debt Discount and Expense (181)		
Total Unamortized Debt Discount and Expense		
Unamortized Premium on Debt (251)		
Total Unamortized Premium on Debt		

27900 Peaks Mill Water District 01/01/2004 - 12/31/2004

Extraordinary Property Losses (Acct. 182) (Ref Page: 21)

	Description	Total
Extraordinary Property Losses (182)		
(Specify)		
Total Extraordinary Property Losses		

27900 Peaks Mill Water District 01/01/2004 - 12/31/2004
Advances for Construction (Acct. 252) (Ref Page: 21)

Balance First of Year	
Add credits during year	
Deduct charges during year	
Balance end of year	

27900 Peaks Mill Water District 01/01/2004 - 12/31/2004

Long Term Debt (Ref Page: 22)

Description of obligation (a)	Issue Date (b)	Maturity Date (c)	Interest Expense for Year Rate (d)	Interest Expense for Year Amount (e)	Principal Balance Schedule (f)
0					
0					
Total					

27900 Peaks Mill Water District 01/01/2004 - 12/31/2004

Bonds - Account 221 (Ref Page: 23)

	Par Value of Actual Issue (1)	Cash Realized on Actual Issue (2)	Par Value of Liability of the Respondent (3)	Actual Outstanding at Close of Year (4)	Interest Due for Year Accrued (5)	Interest Due for Year Actually Paid (6)
	\$182,000.00	\$182,000.00	\$16,000.00	\$16,000.00	\$1,200.00	\$1,200.00
	\$627,000.00	\$627,000.00	\$581,200.00	\$581,200.00	\$29,430.00	\$29,430.00
Total	\$809,000.00	\$809,000.00	\$597,200.00	\$597,200.00	\$30,630.00	\$30,630.00

27900 Peaks Mill Water District 01/01/2004 - 12/31/2004

Schedule of Bond Maturities (Ref Page: 23)

Bond Number(s) (7)	Maturity Date (8)	Interest Rate (9)	Principal Amt. (10)	Amounts Paid (11)	Remaining Bonds Outstanding (12)
	1/1/06		5,0000	\$15,600.00	\$15,600.00
	1/1/07		5,0000	\$16,700.00	\$16,700.00
	1/1/08		5,0000	\$8,900.00	\$8,900.00
	1/1/09		5,0000	\$9,000.00	\$9,000.00
	1/1/10		5,0000	\$10,200.00	\$10,200.00
	1/1/11		5,0000	\$10,300.00	\$10,300.00
	1/1/12		5,0000	\$10,600.00	\$10,600.00
	1/1/13		5,0000	\$11,700.00	\$11,700.00
	1/1/14		5,0000	\$11,900.00	\$11,900.00
	1/1/15		5,0000	\$12,100.00	\$12,100.00
			0		
	1/1/16		5,0000	\$13,300.00	\$13,300.00
	1/1/17		5,0000	\$13,600.00	\$13,600.00
	1/1/18		5,0000	\$14,800.00	\$14,800.00
	1/1/19		5,0000	\$15,100.00	\$15,100.00
	1/1/20		5,0000	\$16,300.00	\$16,300.00
	1/1/21		5,0000	\$16,600.00	\$16,600.00
	1/1/22		5,0000	\$17,900.00	\$17,900.00
	1/1/23		5,0000	\$19,200.00	\$19,200.00
	1/1/24		5,0000	\$19,500.00	\$19,500.00
	1/1/25		5,0000	\$20,900.00	\$20,900.00

27900 Peaks Mill Water District 01/01/2004 - 12/31/2004

Schedule of Bond Maturities (Ref Page: 23)

Bond Numbers (7)	Maturity Date (8)	Interest Rate (9)	Par Value Amt (10)	Amount Paid (11)	Remaining Bond Outstanding (12)
	1/1/26	5.0000	\$22,200.00		\$22,200.00
	1/1/27	5.0000	\$22,600.00		\$22,600.00
	1/1/28	5.0000	\$25,000.00		\$25,000.00
	1/1/29	5.0000	\$25,400.00		\$25,400.00
	1/1/30	5.0000	\$26,900.00		\$26,900.00
	1/1/31	5.0000	\$28,500.00		\$28,500.00
	1/1/32	5.0000	\$30,000.00		\$30,000.00
	1/1/33	5.0000	\$30,600.00		\$30,600.00
	1/1/34	5.0000	\$32,100.00		\$32,100.00
	1/1/35	5.0000	\$33,600.00		\$33,600.00
	1/1/36	5.0000	\$36,100.00		\$36,100.00
Total			\$597,200.00		\$597,200.00

(The total of Column 12 must agree with the total of col 4)

27900 Peaks Mill Water District 01/01/2004 - 12/31/2004

Notes Payable (Accts 232 and 234) (Ref Page: 24)

Description	Normal Date of Issue	Date of Maturity	Int. Rate	Job Payment	Principal Amt. Payable Sheet
Account 232 - Notes Payable					
				0	
Total Account 232					
Account 234 - Notes Payable to Associated Companies					
				0	
Total Account 234					

27900 Peaks Mill Water District 01/01/2004 - 12/31/2004

Accounts Payable to Associated Companies (Acct. 233) (Ref Page: 24)

Show Payable to Each Associated Company Separately

Description	Total
(Specify)	

Total

27900 Peaks Mill Water District 01/01/2004 - 12/31/2004
Taxes Accrued (Acct. 236) (Ref Page: 25)

Balance First of Year	
Accruals Charged:	
Utility regulatory assessment fees (408.10)	\$551.00
Property taxes (408.11)	
Payroll taxes (employer's portion) (408.12)	
Other taxes and licenses (408.13)	
Taxes other than income, other income and deductions (408.20)	
Total taxes accrued	\$551.00
Taxes paid during year:	
Utility regulatory assessment fees (408.10)	\$551.00
Property taxes (408.11)	
Payroll taxes (employer's portion) (408.12)	
Other taxes and licenses (408.13)	
Taxes other than income, other income and deductions (408.20)	
Total Taxes Paid	\$551.00
Balance end of year	

27900 Peaks Mill Water District 01/01/2004 - 12/31/2004
Accrued Interest (Account 237) 2002 (Ref Page: 25)

	Description of Debt (a)	Balance Sheet Year (b)	Interest Accrued (c)	Interest Paid (d)	Balance End of Year (e)
Long Term Debt:					
			\$30,630.00		\$30,630.00
Notes Payable:					
Customer Deposits:					
Other					
Total Acct. No 237			\$30,630.00		\$30,630.00

27900 Peaks Mill Water District 01/01/2004 - 12/31/2004

Miscellaneous Current and Accrued Liabilities (Acct. 242) (Ref Page: 26)

Description	Balance EOB YTD
Total Miscellaneous Current and Accrued Liabilities	

27900 Peaks Mill Water District 01/01/2004 - 12/31/2004

Regulatory Commission Expense (Acct 666 and 667) (Ref Page: 26)

Description of Case (Docket No.) (a)	Total Incurred During Year (b)	Amount Transferred to Acct (666) (c)	Expenses During Year (d)	Expenses During Year Amount (e)
Total				

27900 Peaks Mill Water District 01/01/2004 - 12/31/2004

Water Operating Revenue (Ref Page: 27)

	Beginning Year Customers	Year End Customers	Amount
Operating Revenues			
Unmetered Water Revenue (460)	0	0	\$0.00
Metered Water Revenue (461)			
Sales to Residential Customers (461.1)	1,045	1,050	\$311,256.00
Sales to Commercial Customers (461.2)	5	3	\$4,459.00
Sales to Industrial Customers (461.3)	0	0	\$0.00
Sales to Public Authorities (461.4)	0	0	\$0.00
Sales to Multiple Family Dwellings (461.5)	0	0	\$0.00
Sales through Bulk Loading Stations (461.6)	0	0	\$0.00
Total Metered Sales	1,050	1,053	\$315,715.00
Fire Protection Revenue (462)			
Public Fire Protection (462.1)	0	0	\$0.00
Private Fire Protection (462.2)	0	0	\$0.00
Total Fire Protection Revenue	0	0	\$0.00
Other Sales to Public Authorities (464)	0	0	\$0.00
Sales to Irrigation Customers (465)	0	0	\$0.00
Sales for Resale (466)	0	0	\$0.00
Interdepartmental Sales (467)	0	0	\$0.00
Total Sales of Water	1,050	1,053	\$315,715.00
Other Water Revenues			
Guaranteed Revenues (469)	0	0	\$0.00
Forfeited Discounts (470)			\$0.00

27900 Peaks Mill Water District 01/01/2004 - 12/31/2004

Water Operating Revenue (Ref Page: 27)

	Beginning Year Customer	Year End Customer	Amount
Miscellaneous Service Revenues (471)			\$10,196.00
Rents from Water Property (472)			\$0.00
Interdepartments Rents (473)			\$0.00
Other Water Revenues (474)			\$0.00
Total Other Water Revenues			\$10,196.00
Total Water Operating Revenues			\$325,911.00

27900 Peaks Mill Water District 01/01/2004 - 12/31/2004

Water Utility Expense Accounts (Ref Page: 28)

	Current Year (0)	Supply and Exp (0) (a)	Supply and Exp (0) (a)	Water Treatment Exp (0) (b)	Water Treatment Exp (0) (b)	Contractual Exp (0) (c)	Travel and Other Exp (0) (d)	Travel and Other Exp (0) (d)	Customer Acct Exp (0) (e)	Admin and Gen Exp (0) (f)
Salaries and Wages-Employees (601)	\$18,277.00									\$18,277.00
Salaries and Wages-Officers, Directors and Majority Stockholders (603)	\$10,800.00									\$10,800.00
Employee Pensions and Benefits (604)	\$2,632.00									\$2,632.00
Purchased Water (610)	\$117,773.00	\$117,773.00								
Purchased Power (615)	\$5,363.00	\$5,363.00								
Fuel for Power Production (616)						\$1,260.00				
Chemicals (618)	\$1,260.00									
Materials and Supplies (620)										
Contractual Services - Eng. (631)										\$4,500.00
Contractual Services - Acct (632)	\$4,500.00									\$4,500.00
Contractual Services - Legal (633)	\$3,484.00									\$3,484.00

27900 Peaks Mill Water District 01/01/2004 - 12/31/2004

Water Utility Expense Accounts (Ref Page: 28)

	Current Year (6)	Supply and Exp (D)	Supply and Exp Maint (6)	Water Treatment Exp (D) (F)	Water Treatment Exp Maint (6)	Trains and Dist Exp (D) (F)	Trains and Dist Exp Maint (D)	Customer Accnts Adm and Gen Exp (D)	Admin and Gen Exp
Regulatory Commission Exp.									
Amortization of Rate Case (666)									
-Other (667)									
Water Resource Conservation Expense (668)								\$1,206.00	
Bad Debt (670)	\$1,206.00								
Miscellaneous Expenses (675)	\$13,964.00							\$6,489.00	\$7,475.00
Total	\$266,314.00	\$123,136.00				\$35,596.00	\$47,029.00	\$7,695.00	\$52,858.00

**27900 Peaks Mill Water District 01/01/2004 - 12/31/2004
Pumping and Water Statistics - part one (Ref Page: 29)**

	Water Purchased For Resale (Cmft. (000's) (b))	Water Purchased from Wells (Cmft. (000's) (g))	Total Water Pumped into Watercraft (Cmft. (000's) (c))	Water Sold to Customers (Cmft. (000's) (e))
January	6,436		6,436	4,630
February	6,227		6,227	5,287
March	6,504		6,504	4,647
April	6,307		6,307	5,265
May	6,489		6,489	5,205
June	7,345		7,345	5,623
July	6,453		6,453	5,424
August	6,805		6,805	6,102
September	7,393		7,393	5,627
October	5,990		5,990	5,175
November	5,842		5,842	4,672
December	6,251		6,251	4,710
Total for the year	78,042		78,042	62,367

**27900 Peaks Mill Water District 01/01/2004 - 12/31/2004
Pumping and Water Statistics - part two (Ref Page: 29)**

	Gallons	Date
Maximum Gallons pumped by all methods in any one day (Omit 000's)	304	02/02/2004
Minimum Gallons pumped by all methods in any one day (Omit 000's)	199	09/23/2004

27900 Peaks Mill Water District 01/01/2004 - 12/31/2004
Pumping and Water Statistics - part three (Ref Page: 29)

If water is purchased indicate the following:

Vendor

FRANKFORT ELECTRIC & WATER PLANT BOARD

Point of Delivery

CITY LIMITS

If water is sold to other water utilities for redistribution:

List names of such utilities below:

27900 Peaks Mill Water District 01/01/2004 - 12/31/2004

Sales For Resale (466) (Ref Page: 30)

Company	Gallons (Millions)	Avg Rate Per 100 Gallons (\$/Hr)	Amount
	0		\$0.00
Total			\$0.00

27900 Peaks Mill Water District 01/01/2004 - 12/31/2004

Water Statistics (Ref Page: 30)

Gallons (Mil. Units)

Percent

1. Water Produced, Purchased and Distributed:	
2. Water Produced	
3. Water Purchased	78,042
4. Total Produced and Purchased	78,042
6. Water Sales:	
7. Residential	61,129
8. Commercial	1,238
9. Industrial	
10. Bulk Loading Stations	
11. Resale	
12. Other Sales	
13. Total Water Sales	62,367
15. Other Water Used	
16. Utility/water treatment plant	
17. Wastewater plant	
18. System flushing	806
19. Fire department	
20. Other	
21. Total Other Water Used	806
23. Water Loss:	
24. Tank Overflows	
25. Line Breaks	14,869

27900 Peaks Mill Water District 01/01/2004 - 12/31/2004

Water Statistics (Ref Page: 30)

	Gallons (Grt) (000's)	Percent
26. Line Leaks		
27. Other		
28. Total Line Loss	14,869	
Note: Line 13 + Line 21 + Line 28 must equal Line 4		
32. Water Loss Percentage		
33. Line 28 divided by Line 4		19.0526

27900 Peaks Mill Water District 01/01/2004 - 12/31/2004

Plant Statistics (Ref Page: 31)

Give the following information

Number of fire hydrants, by size

24-4.5", 10-5.25", 27-2.25"

Number of private fire hydrants, by size

NONE

If produced whether water supply is river, impounded streams, well, springs, artificial lake, or collector well

PURCHASED FROM FRANKFORT ELECTRIC & WATER PLANT BOARD

If produced whether supply is by gravity, pumping, or a combination

PUMPING

Type, capacity, and elevation of reservoirs at overflow and ground level

1 - 50,000 GALLON ELEVATED TANK, 1 - 176,000 GALLON SLID TYPE TANK, 1 - 112,000 GALLON SLID TYPE TANK

Miles of main by size and kind

4,600 FEET - 8" PVC, 29,670 FEET - 6" TRANSIT, 5,130 FEET - 6" PVC, 27,000 FEET - 4" TRANSIT, 36,000 FEET - 4" PVC, 65,689 FEET - 3" PVC, 1,100 FEET - 2" PLASTIC, 5,680 FEET - 4" GRID LINE INSTALLED IN 1989 TO IMPROVE FLOW IN SYSTEM, 4,500 FEET - 3" PVC, 73,920 FEET - 6" PVC, 63,360 FEET - 4" PVC

Types of filters: gravity or pressure, number of units and total rated in capacity in gal. per min.

PURCHASED FROM FRANKFORT ELECTRIC & WATER PLANT BOARD

Type of disinfectant, number of units and capacity in pounds per 24 hours

N/A

Station Equipment. List each pump, giving type and capacity, HP of driving unit and character of driving unit (steam/electric/int. combustion) also whether pump is high/low duty

2-30 HP, 3540 RPM, 3 PHASE, 1-5HP, 3540 RPM, 2 PHASE, 2-10HP, 3540 RPM, 3 PHASE, 2-25HP

Quantity of fuel used: coal in lbs., gas in cu.ft., oil in gals, and electric in KWH

ELECTRIC PUMPING COST \$5,363. UNITS 71,906 KWH

Give description and total cost of any sizable additions or retirements to plant and service outside the normal system of growth for the period covered by this report

NONE

Capacity of clear well

N/A

Peak month, in gallons of water sold

SEPTEMBER 2004

Peak day, in gallons of water sold

FEBRUARY 2, 2004

27900 Peaks Mill Water District 01/01/2004 - 12/31/2004

Plant Statistics - Part B (Ref Page: 31)

Choose one to indicate the type of Water Supply

Purchase

27900 Peaks Mill Water District 01/01/2004 - 12/31/2004

Plant Statistics - Part C (Ref Page: 31)

Type

Choose one to indicate the type of Water Supply Method

Pumping

EXHIBIT 15

**FINAL
ENGINEERING REPORT**

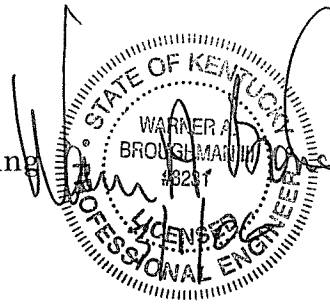
**PEAKS MILL WATER DISTRICT
UNION RIDGE EXTENSION
Final Engineering Report
February 14, 2006**

The project encompassed by this Peaks Mill Water District project (Phase II) is the construction of approximately 43,913 linear feet of water distribution mains. Phase I of the project consisted of the construction of a new water storage tank and 13,762 LF of pipelines along with a booster pump station to serve nine new customers. Phase I of the project was financed with two grants from KIA in the amounts of \$650,000 and \$330,000 respectively. Per Public Service Commission Staff letters dated October 20, 2005 and October 25, 2005, pursuant to 2005 Ky. Acts Ch. 173, Phase I of the project did not require a certificate of public convenience and necessity prior to construction.

The overall scheme is to pump water purchased from the Frankfort Plant Board with an existing pump station and fill both the new tank and the existing tank on Wright Road. The new tank replaces an existing obsolete tank and meets the one-day storage requirement of the Public Service Commission. There will be at least 41 new customers that are served with this construction. The low bidding contractor for the pipeline is BP Pipeline, Inc. at \$742,794.00.

The method of financing the above outlined work (Phase II) is through a Kentucky Infrastructure Authority (KIA) loan of \$971,179.00; and a contribution from the customers in the amount of \$24,600.00. The total financing for this project is \$995,779.00. The final estimate for the project is as follows:

Contract #1 Pipelines	\$ 742,794.00
Land and Right-of-Way	\$ 2,500.00
Local Counsel	\$ 5,000.00
Administration & Planning	\$ 5,000.00
Engineering Design	\$ 63,806.00
Resident Inspection	\$ 38,848.00
Bond Financing	\$ 24,279.00
Contingency	\$ 113,552.00
TOTAL:	\$995,779.00



The District will need to increase rates to finance the new project. The following rates will be needed to maintain the District. The District has proposed a new schedule for this increase:

First 2,000 gallons	\$ 19.25 minimum bill
Next 3,000 gallons	\$ 6.21 per 1000 gallons
Next 5,000 gallons	\$ 4.99 per 1000 gallons
Over 10,000 gallons	\$ 4.38 per 1000 gallons

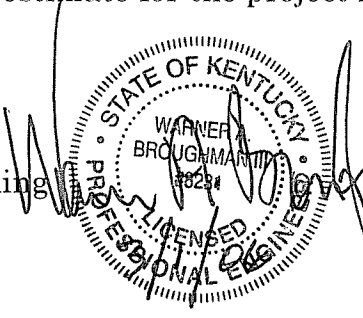
**PEAKS MILL WATER DISTRICT
UNION RIDGE EXTENSION
Final Engineering Report
February 14, 2006**

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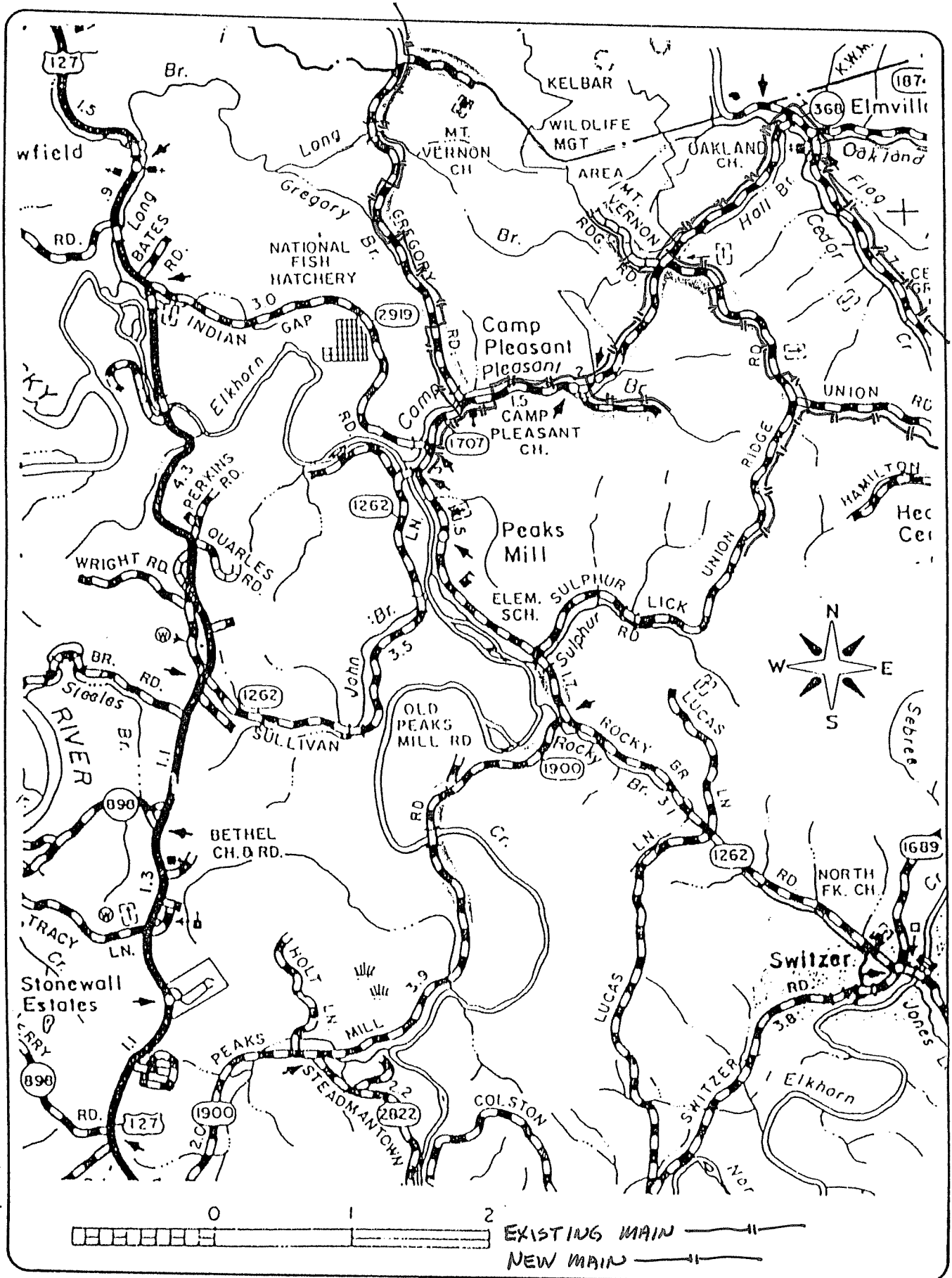
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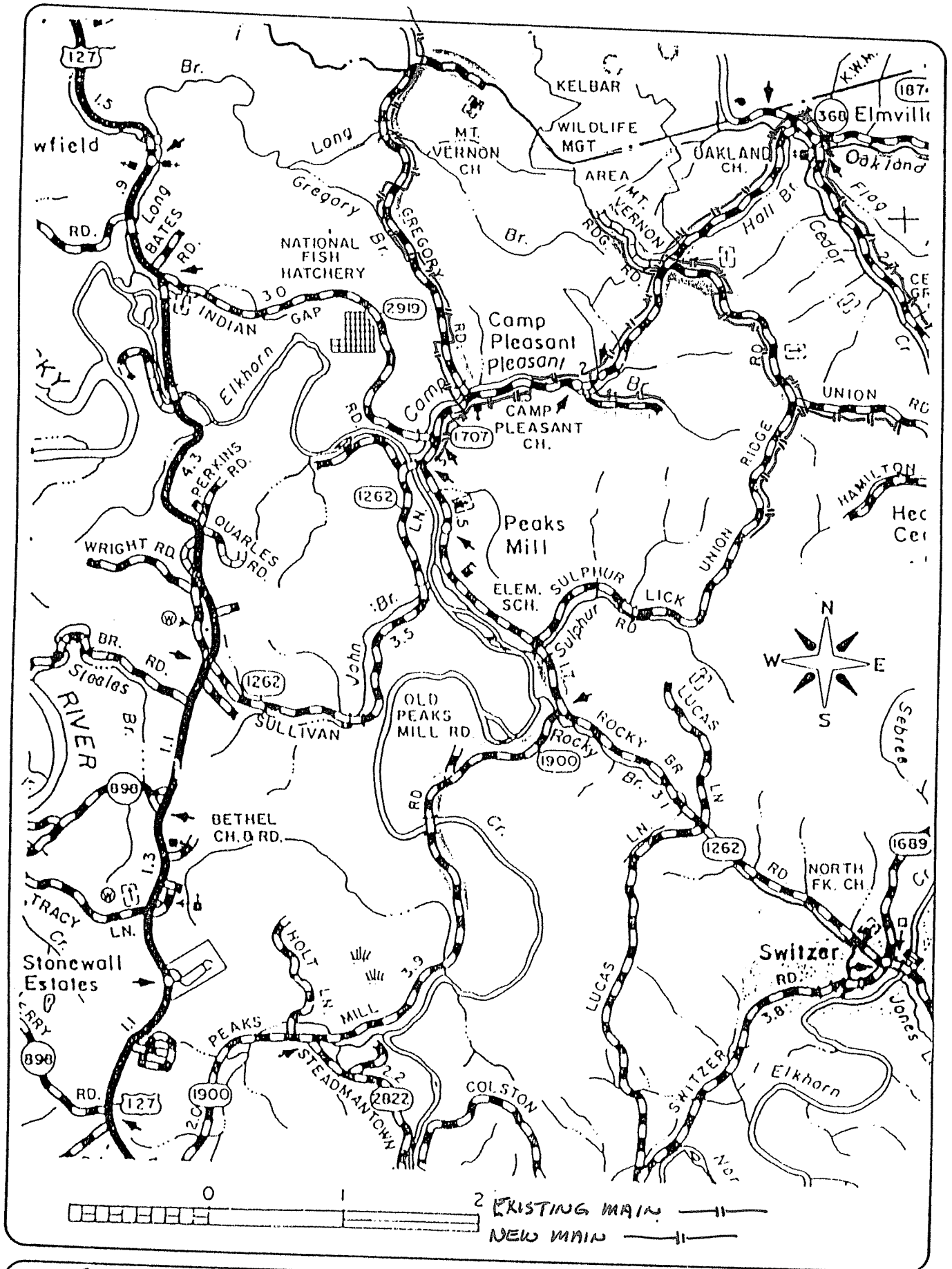
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Next 5,000 gallons	\$ 4.99 per 1000 gallons
Over 10,000 gallons	\$ 4.38 per 1000 gallons



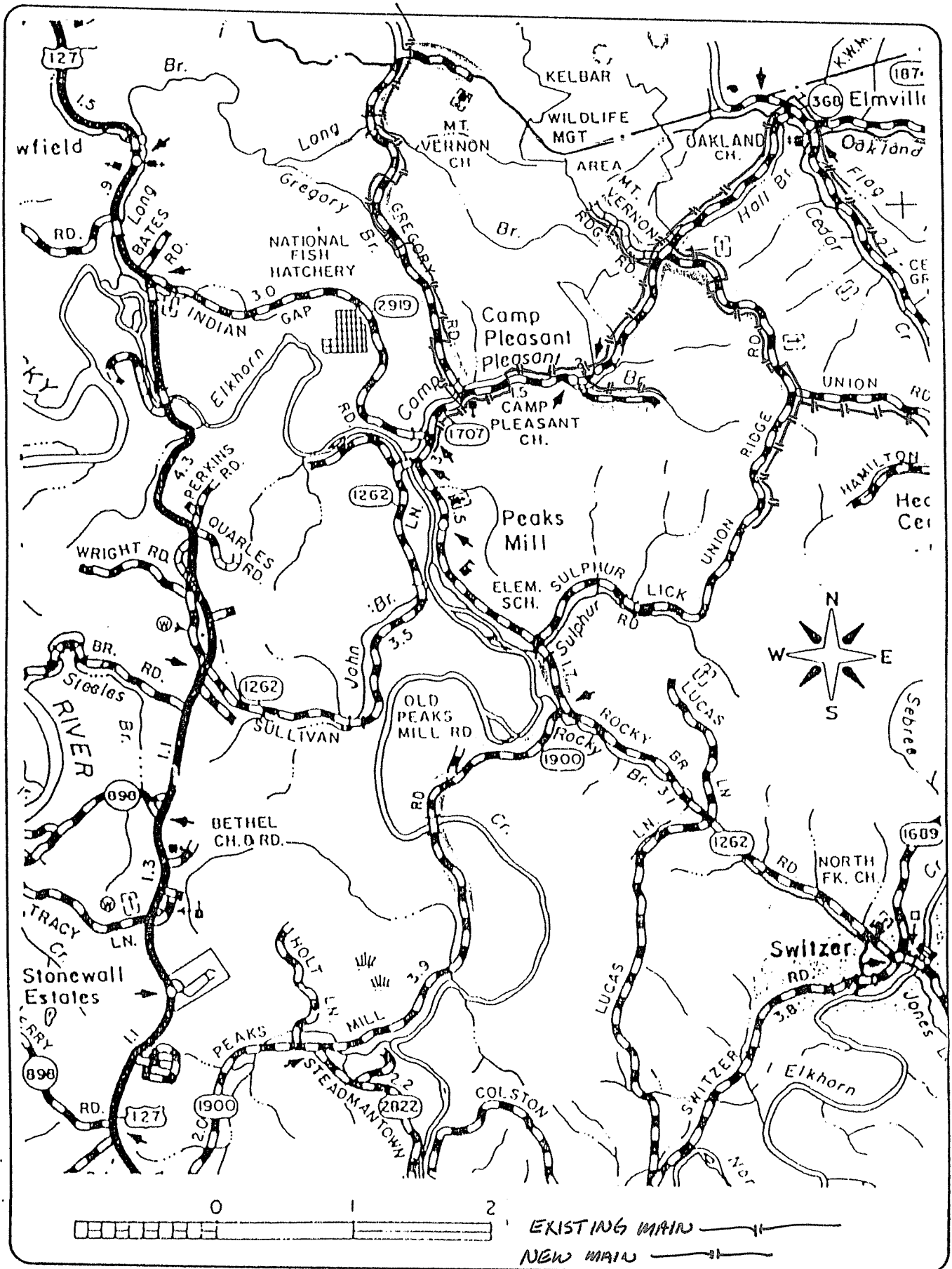
Warner A. Broughman III
 and Associates
 LEXINGTON KENTUCKY

UNION RIDGE EXTENSION - PHASE II
 PEAKS MILL WATER DISTRICT



Warner A. Broughman III
and Associates
LEXINGTON KENTUCKY

UNION RIDGE EXTENSION -- PHASE II
PEAKS MILL WATER DISTRICT



Warner A. Broughman III
and Associates
LEXINGTON KENTUCKY

UNION RIDGE EXTENSION -- PHASE II
PEAKS MILL WATER DISTRICT

**PEAKS MILL WATER DISTRICT
UNION RIDGE EXTENSION, PHASE II
PROJECT DESCRIPTION
Per 807KAR 5:001 Section 9(2)(c)**

The Union Ridge Extension will consist of the construction and installation of 6-inch PVC water mains along Union Ridge road, Camp Pleasant road, Mt. Vernon Ridge road, Baker Branch Road, and Gregory Woods Road in Franklin County and Kay's Branch Road in Owen County. Ordinary pipeline construction will be utilized for the construction. Ditches will be opened with a backhoe or rock trencher; highways will be bored with a steel sleeve; waterways will be crossed with a concrete encased casing pipe followed by a PVC carrier pipe. The location of the pipelines is generally parallel to the centerline of the above named roads. Right-of-ways will be restored with seed and straw after settlement and grading has been accomplished.

The project will incorporate some 43,913 linear feet of 6-inch pipelines to provide water to some 40 new customers. Meter connections will be provided at the same time to serve the 40 new customers. Individual customers will be required to connect the water meter to the residence.

EXHIBIT 16

**ANALYSIS OF
OUTSTANDING INDEBTEDNESS**

**PEAKS MILL WATER DISTRICT
ANALYSIS OF OUTSTANDING INDEBTEDNESS
TOTAL REVENUE BONDS PAYABLE
December 31, 2004**

YEAR	BOND		TOTAL
	PRINCIPAL	INTEREST	
2005	\$ 15,600	\$ 29,860	\$ 45,460
2006	16,700	29,080	45,780
2007	8,900	28,246	37,146
2008	9,000	27,800	36,800
2009	10,200	27,350	37,550
2010-2014	56,600	128,788	185,388
2015-2019	73,100	113,118	186,218
2019-2024	94,100	92,878	186,978
2025-2029	122,100	66,650	188,750
2030-2034	154,800	32,862	187,662
2035	36,100	1,806	37,906
TOTAL	\$ 597,200	\$ 578,438	\$ 1,175,638

**PEAKS MILL WATER DISTRICT
SCHEDULE OF BOND AND INTEREST PAYMENTS**

		ISSUE: 1969 ISSUE			ISSUE: 1997 ISSUE (91-03)
Par value Actual Issue:		\$	182,000		\$ 627,000
Cash realized:		\$	182,000		\$ 627,000
Outstanding as of 12/31/04:		\$	16,000		\$ 581,200
Interest During 2004:		\$	1,200		\$ 29,430
Interest Rate per Annum:			5%		5%

YEAR	BOND PRINCIPAL	BOND INTEREST	TOTAL	BOND PRINCIPAL	BOND INTEREST	TOTAL
2005	\$ 8,000	\$ 800	\$ 8,800	\$ 7,600	\$ 36,660	\$ 44,260
2006	8,000	400	8,400	8,700	37,380	46,080
2007	-	-	-	8,900	37,146	46,046
2008	-	-	-	9,000	36,800	45,800
2009	-	-	-	10,200	37,550	47,750
2010-2014	-	-	-	56,600	185,388	241,988
2015-2019	-	-	-	73,100	186,218	259,318
2019-2024	-	-	-	94,100	186,978	281,078
2025-2029	-	-	-	122,100	188,750	310,850
2030-2034	-	-	-	154,800	187,662	42,462
2035	-	-	-	36,100	37,906	74,006
TOTAL	\$ 16,000	\$ 1,200	\$ 17,200	\$ 581,200	\$ 1,158,438	\$ 1,739,638

EXHIBIT 17

**REQUIRED
PERMITS FOR
CERTIFICATE OF PUBLIC
CONVENIENCE & NECESSITY**



ENVIRONMENTAL AND PUBLIC PROTECTION CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION

Ernie Fletcher
Governor

Division of Water
14 Reilly Road
Frankfort, Kentucky 40601-1190
www.kentucky.gov
August 24, 2005

LaJuana S. Wilcher
Secretary

Dale Gatewood, Manager
Peaks Mill Water District
310 Perkins Road
Frankfort, KY 40517

Re: Peaks Mill Water District, PWS-33878
DW No. 0370346-05-001
Union Ridge Extension WLE
Activity ID: APE20050001
Franklin County

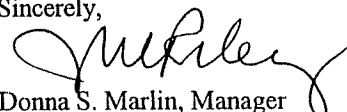
Dear Mr. Gatewood:

We have reviewed the plans and specifications for the above referenced project. The plans include the construction of approximately 55,001-feet of 6-inch PVC, 5,222-feet of 4-inch PVC, a booster pump station capable of 100GPM @ 250 TDH & a booster pump station capable 25GPM @ 150 TDH. This is to advise that plans and specifications for the above referenced project are APPROVED with respect to sanitary features of design, as of this date with the requirements contained in the enclosed waterline extension construction permit with the following stipulations.

1. Reasonable precautions should be taken to minimize any downtime of the proposed booster pump stations due to power outages. At a minimum, switch gear shall be installed in the booster pump stations to allow for the easy connection of a portable generator to maintain pumping ability should an extended outage occur.
2. The plans and specifications for the booster pump stations are approved as an interim measure providing potable water to the areas indicated on the plans. Planning for additional elevated storage or additional feed points to provide service without the use of a continuous running booster pumps shall be initiated and a schedule of proposed implementation dates shall be provided to this office by October 31, 2005.

If you have any questions regarding this decision, please contact Shanaka Ewing, at (502) 564-2225, extension 529.

Sincerely,

for 
Donna S. Marlin, Manager
Drinking Water Branch
Division of Water

DSM/SCE
Enclosure

CC: Warner Broughman III & Associates
Franklin County Health Department
Public Service Commission
Division of Plumbing



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Distribution-Major Construction

Peaks Mill Water District
Facility Requirements

Activity ID No.: APE20050001

GACT3 (Union Ridge Extension) 55,001-Foot of 6" PVC, 5,222-Foot of 4" PVC, 100gpm Booster Pump @ 250 TDH, 15hp & 25gpm Booster Pump @ 150 TDH, 3hp:

Monitoring Requirements:

Condition No.	Parameter	Condition
M-1	Coliform	The presence or absence of total Coliform monitored by sampling and analysis as needed shall be determined for the new or relocated water line(s). Take samples at connection points to existing lines, at 1 mile intervals, and at dead ends without omitting any branch of the new or relocated water line. Sample bottles shall be clearly identified as "special" construction tests. [401 KAR 8:100 Section 1(7), 401 KAR 8:150 Section 4, Recommended Standards for Water Works 8.5.6] This requirement is applicable during the following months: All Year. Statistical basis: Instantaneous determination.
M-2	Coliform	The presence or absence of total Coliform monitored by sampling and analysis as needed shall be determined for the new pump(s). If the pump(s) are independent of (not directly connected to) the new or relocated lines, take at least 1 sample at the discharge side pitcock. Otherwise, no additional sampling beyond the sampling required for new or relocated lines shall be required. Sample bottles shall be clearly identified as "special" construction tests. [401 KAR 8:100 Section 1(7)] This requirement is applicable during the following months: All Year. Statistical basis: Instantaneous determination.

Submittal/Action Requirements:

Coliform:

Condition No.	Condition
S-1	Coliform For new construction projects, the distribution system, using the most expedient method, shall submit Coliform test results to the Cabinet. Due immediately following disinfection and flushing. [401 KAR 8:150 Section 4(2)]

Condition No.	Condition
S-2	For proposed changes to the approved plan, submit information: Due prior to any modification to the Cabinet for approval. Changes to the approved plan shall not be implemented without the prior written approval of the Cabinet. [401 KAR 8:100 Section 1(8)]

Distribution-Major Construction

Peaks Mill Water District
Facility Requirements

Activity ID No.: APE20050001

PORT3 (WATER LINE) 55,001-Feet of 6" PVC & 5,222-Feet of 4" PVC:

Limitation Requirements:

Condition No.	Parameter	Condition
L-1	Depth	A continuous and uniform bedding shall be provided in the trench for all buried pipe. Backfill material shall be tamped in layers around the pipe and to a sufficient height above the pipe to adequately support and protect the pipe. Stones found in the trench shall be removed for a Depth ≥ 6 in below the bottom of the pipe. [Recommended Standards for Water Works 8.5.2] This requirement is applicable during the following months: All Year. Statistical basis: Not applicable.
L-2	Depth	All water lines shall be covered to a Depth ≥ 30 in to prevent freezing. [Recommended Standards for Water Works 8.5.3, 401 KAR 8:100 Section 1(7)] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.
L-3	Diameter	All water lines shall have Diameter ≥ 3 in. [Recommended Standards for Water Works 8.1.4] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.
L-4	Diameter	Water lines with Diameter < 6 in shall not have fire hydrants. [Recommended Standards for Water Works 8.1.5] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.
L-5	Diameter	All new and existing water lines serving fire hydrants or where fire protection is provided shall have Diameter ≥ 6 in. [Recommended Standards for Water Works 8.1.2] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.
L-6	Distance	Water lines shall have a sufficient quantity of valves so that inconvenience and sanitary hazards will be minimized during repairs. A valve spacing Distance ≤ 1.0 mi should be utilized. [Recommended Standards for Water Works 8.2] This requirement is applicable during the following months: All Year. Statistical basis: Not applicable.
L-7	Distance	Hydrant drains shall not be connected to sanitary sewers or storm drains and shall be located a Distance > 10 ft from sanitary sewers and storm drains. [Recommended Standards for Water Works 8.3.4] This requirement is applicable during the following months: All Year. Statistical basis: Not applicable.

Distribution-Major Construction

Peaks Mill Water District
Facility Requirements

Activity ID No.: APE20050001

Limitation Requirements:

Condition No.	Parameter	Condition
L-13	Residual Disinfection	New or relocated water lines shall be thoroughly disinfected (in accordance with AWWA Standard C651) upon completion of construction and before being placed into service. To disinfect the new or relocated lines use chlorine or chlorine compounds in such amounts as to produce an initial disinfectant concentration of at least 50 ppm and a Residual Disinfection \geq 2.5 ppm at the end of 24 hours. Follow the line disinfection with thorough flushing and place the lines into service if, and only if, Coliform monitoring applicable to the line does not show the presence of Coliform. If Coliform is detected, repeat flushing of the line and Coliform monitoring. If Coliform is still detected, repeat disinfection and flushing as if the line has never been disinfected. Continue the described process until monitoring does not show the presence of Coliform. [401 KAR 8:150 Section 4(1), Recommended Standards for Water Works 8.5.6] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.
L-14	Velocity	Each blow-off, fire hydrant, or flush hydrant shall be sized so that Velocity \geq 2.5 ft/sec can be achieved in the water main served by the blow-off or hydrant during flushing. [Recommended Standards for Water Works 8.1.6.b, 401 KAR 8:100 Section 1(7)] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.

Monitoring Requirements:

Condition No.	Parameter	Condition
M-1	leaks	The presence or absence of leaks monitored by physical testing as needed shall be determined in all types of installed pipe. Pressure testing and leakage testing shall be in accordance with the latest edition of AWWA Standard C600. [Recommended Standards for Water Works 8.5.5] This requirement is applicable during the following months: All Year. Statistical basis: Instantaneous determination.

Distribution-Major Construction

Peaks Mill Water District
Facility Requirements

Activity ID No.: APE20050001

Narrative Requirements:

Additional Limitations:

Condition No.	Condition
T-9	<p>Additional Limitations: No water pipe shall pass through or come in contact with any part of a sewer manhole. [Recommended Standards for Water Works 8.6.6]</p>
T-10	<p>Additional Limitations: If a fire sprinkler system is to be installed, a double check detector assembly approved for backflow prevention shall be utilized. The double check detector assembly of the system shall be accessible for testing. [401 KAR 8:100 Section 1(7)]</p>
T-11	<p>Additional Limitations: If water lines cross a stream or wetland, the provisions in the attached Water Quality Certification shall apply. If you have any questions please contact the Water Quality Certification Supervisor of the Water Quality Branch at (502) 564-2225. [401 KAR 8:100 Section 1(7)]</p>

Subfluvial Pipe Crossings:

Condition No.	Condition
T-12	<p>Subfluvial Pipe Crossings: For subfluvial pipe crossings, a floodplain construction permit will not be required pursuant to KRS 151.250 if the following requirements of 401 KAR 4:050 Section 2 are met.</p> <ol style="list-style-type: none">1) No material may be placed in the stream or in the flood plain of the stream to form construction pads, coffer dams, access roads, etc. during construction of pipe crossings.2) Crossing trenches shall be backfilled as closely as possible to the original contour.3) All excess material resulting from construction displacement in a crossing trench shall be disposed of outside the flood plain.4) For erodible channels, there shall be at least 30 inches of backfill on top of all pipe or conduit points in the crossing.5) For nonerodible channels, pipes or conduits in the crossing shall be encased on all sides by at least 6 inches of concrete with all pipe or conduit points in the crossing at least 6 inches below the original contour of the channel. [401 KAR 8:100 Section 1(7)]

Distribution-Major Construction

Peaks Mill Water District
Facility Requirements

Activity ID No.: APE20050001

Page 9 of 20

PORT4 (BOOSTER PUMP STATION) 100gpm @ 250 TDH,15hp:

Limitation Requirements:

Condition No.	Parameter	Condition
L-1	Pressure	Pump stations shall be located or controlled so that intake Pressure ≥ 20 psi is maintained during normal pump operation. [Recommended Standards for Water Works 6.4.b] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.
L-2	Pressure	Pump stations shall be located or controlled so that an automatic cutoff or a low pressure controller maintains a Pressure ≥ 10 psi in the suction line under all operating conditions. [Recommended Standards for Water Works 6.4.c] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.
L-3	Residual Disinfection	New pumps shall be thoroughly disinfected (in accordance with AWWA Standard C651) upon completion of construction and before being placed into service. To disinfect new pumps use chlorine or chlorine compounds in such amounts as to produce an initial disinfectant concentration of at least 50 ppm and a Residual Disinfection ≥ 25 ppm at the end of 24 hours. Follow the disinfection with thorough flushing and place each pump into service if, and only if, Coliform monitoring applicable to the pump does not show the presence of Coliform. If Coliform is detected, repeat flushing of the pump and Coliform monitoring. If Coliform is still detected, repeat disinfection and flushing as if the pump has never been disinfected. Continue the described process until monitoring does not show the presence of Coliform. [401 KAR 8:100 Section 1(7)] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.
L-4	Slope	Pumping facilities shall be located and designed to maintain the sanitary quality of pumped water. As part of this, all pump station floors shall have Slope ≥ 3 in per 10 ft to a suitable drain. [Recommended Standards for Water Works 6.2.e, Recommended Standards for Water Works 6.0, Recommended Standards for Water Works 6.1] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.
L-5	Air Change Rate	Ventilation shall conform to existing local and/or state codes. At a minimum forced ventilation shall produce an Air Change Rate ≥ 6 air change(s)/hr. [401 KAR 8:100 Section 1(7), Recommended Standards for Water Works 6.2.5] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.

Distribution-Major Construction

Peaks Mill Water District
Facility Requirements

Activity ID No.: APE20050001

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Narrative Requirements:

Additional Limitations:

Condition No.	Condition
T-5	<p>Additional Limitations: Pumping stations shall be fire and weather resistant. [Recommended Standards for Water Works 6.2.b]</p>
T-6	<p>Additional Limitations: Pumping stations shall have suitable pump gland discharges so that drainage from the glands is not onto the floor. [Recommended Standards for Water Works 6.2.f]</p>
T-7	<p>Additional Limitations: If underground structures are present at pumping stations, they shall be waterproofed. [Recommended Standards for Water Works 6.2.d]</p>
T-8	<p>Additional Limitations: Pumping stations shall have adequate space for the installation of additional pumps. [Recommended Standards for Water Works 6.2.a]</p>
T-9	<p>Additional Limitations: Pumping stations shall have adequate space for the safe servicing of all equipment. [Recommended Standards for Water Works 6.2.a]</p>
T-10	<p>Additional Limitations: Pump stations shall have crane-ways, hoist beams, eyebolts, or other adequate facilities for servicing or removal of pumps, motors or other heavy equipment. [Recommended Standards for Water Works 6.2.2.a]</p>
T-11	<p>Additional Limitations: Pump stations shall have openings as needed for removal of heavy or bulky equipment. [Recommended Standards for Water Works 6.2.2.b]</p>
T-12	<p>Additional Limitations: Pump stations shall have a convenient tool board, or other facilities as needed, for proper maintenance of equipment. [Recommended Standards for Water Works 6.2.2.c]</p>
T-13	<p>Additional Limitations: In areas where excess moisture could cause safety hazards or damage to equipment, dehumidification shall be provided. [401 KAR 8:100 Section 1(7), Recommended Standards for Water Works 6.2.6]</p>
T-14	<p>Additional Limitations: Electrical controls shall be located above grade. [Recommended Standards for Water Works 6.6.5]</p>

Distribution-Major Construction

Peaks Mill Water District
Facility Requirements

Activity ID No.: APE20050001

Narrative Requirements:

Additional Limitations:

Condition No.	Condition
T-24	<p>Additional Limitations: Pumps shall</p> <ol style="list-style-type: none">have ample capacity to supply the peak demand against the required distribution system pressure without dangerous overloading,be driven by prime movers able to meet the maximum horsepower condition of the pumps,be provided readily available spare parts and tools, andbe served by control equipment that is properly protected against temperatures to be encountered. [Recommended Standards for Water Works 6.3]
T-25	<p>Additional Limitations: Pumps, their prime movers and accessories shall be controlled in such a manner that they will operate at rated capacity without dangerous overload. [Recommended Standards for Water Works 6.6.5]</p>
T-26	<p>Additional Limitations: Pump stations shall be located or controlled so that a bypass is available. [Recommended Standards for Water Works 6.4.e]</p>
T-27	<p>Additional Limitations: Pump stations shall contain indicating and totalizing metering of the total water pumped. Each pump shall have</p> <ol style="list-style-type: none">a standard pressure gauge on its discharge line anda compound gauge on its suction line. <p>Each pump should have a means for measuring the instantaneous volume per time discharge. [401 KAR 8:100 Section 1(7), Recommended Standards for Water Works 6.4.2, Recommended Standards for Water Works 6.6.3]</p>
T-28	<p>Additional Limitations: Pumps shall be adequately valved to permit satisfactory operation, maintenance and repair of the equipment. Each pump shall have a positive-acting check valve on the discharge side between the pump and the shut-off valve. [Recommended Standards for Water Works 6.6.1]</p>
T-29	<p>Additional Limitations: Piping for pumps shall, in general,</p> <ol style="list-style-type: none">be designed so that the friction losses will be minimized,not be subject to contamination,have watertight joints,be protected against surge or water hammer,be provided with restraints where necessary, anda) be such that each pump has an individual suction line orb) be manifolded such that the lines insure similar hydraulic and operating conditions. [Recommended Standards for Water Works 6.6.2]

Distribution-Major Construction

Peaks Mill Water District
Facility Requirements

Activity ID No.: APE20050001

PORT5 (BOOSTER PUMP STATION) 25gpm @ 150 TDH, 3hp:

Limitation Requirements:

Condition No.	Parameter	Condition
L-1	Pressure	Pump stations shall be located or controlled so that intake Pressure ≥ 20 psi is maintained during normal pump operation. [Recommended Standards for Water Works 6.4.b] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.
L-2	Pressure	Pump stations shall be located or controlled so that an automatic cutoff or a low pressure controller maintains a Pressure ≥ 10 psi in the suction line under all operating conditions. [Recommended Standards for Water Works 6.4.c] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.
L-3	Residual Disinfection	New pumps shall be thoroughly disinfected (in accordance with AWWA Standard C651) upon completion of construction and before being placed into service. To disinfect new pumps use chlorine or chlorine compounds in such amounts as to produce an initial disinfectant concentration of at least 50 ppm and a Residual Disinfection ≥ 25 ppm at the end of 24 hours. Follow the disinfection with thorough flushing and place each pump into service if, and only if, Coliform monitoring applicable to the pump does not show the presence of Coliform. If Coliform is detected, repeat flushing of the pump and Coliform monitoring. If Coliform is still detected, repeat disinfection and flushing as if the pump has never been disinfected. Continue the described process until monitoring does not show the presence of Coliform. [401 KAR 8:100 Section 1(7)] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.
L-4	Slope	Pumping facilities shall be located and designed to maintain the sanitary quality of pumped water. As part of this, all pump station floors shall have Slope ≥ 3 in per 10 ft to a suitable drain. [Recommended Standards for Water Works 6.2.e, Recommended Standards for Water Works 6.0, Recommended Standards for Water Works 6.1] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.
L-5	Air Change Rate	Ventilation shall conform to existing local and/or state codes. At a minimum forced ventilation shall produce an Air Change Rate ≥ 6 air change(s)/hr. [401 KAR 8:100 Section 1(7), Recommended Standards for Water Works 6.2.5] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.

Distribution-Major Construction

Peaks Mill Water District
Facility Requirements

Activity ID No.: APE20050001

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Narrative Requirements:

Additional Limitations:

Condition No.	Condition
T-5	<p>Additional Limitations: Pumping stations shall be fire and weather resistant. [Recommended Standards for Water Works 6.2.b]</p>
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Distribution-Major Construction

Peaks Mill Water District
Facility Requirements

Activity ID No.: APE20050001

Page 19 of 20

Narrative Requirements:

Additional Limitations:

Condition No.	Condition
T-24	<p>Additional Limitations: Pumps shall</p> <ol style="list-style-type: none">have ample capacity to supply the peak demand against the required distribution system pressure without dangerous overloading,be driven by prime movers able to meet the maximum horsepower condition of the pumps,be provided readily available spare parts and tools, andbe served by control equipment that is properly protected against temperatures to be encountered. [Recommended Standards for Water Works 6.3]
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T-26	<p>Additional Limitations: Pump stations shall be located or controlled so that a bypass is available. [Recommended Standards for Water Works 6.4.e]</p>
T-27	<p>Additional Limitations: Pump stations shall contain indicating and totalizing metering of the total water pumped. Each pump shall have</p> <ol style="list-style-type: none">a standard pressure gauge on its discharge line anda compound gauge on its suction line. <p>Each pump should have a means for measuring the instantaneous volume per time discharge. [401 KAR 8:100 Section 1(7), Recommended Standards for Water Works 6.4.2, Recommended Standards for Water Works 6.6.3]</p>
T-28	<p>Additional Limitations: Pumps shall be adequately valved to permit satisfactory operation, maintenance and repair of the equipment. Each pump shall have a positive-acting check valve on the discharge side between the pump and the shut-off valve. [Recommended Standards for Water Works 6.6.1]</p>
T-29	<p>Additional Limitations: Piping for pumps shall, in general,</p> <ol style="list-style-type: none">be designed so that the friction losses will be minimized,not be subject to contamination,have watertight joints,be protected against surge or water hammer,be provided with restraints where necessary, anda) be such that each pump has an individual suction line orb) be manifolded such that the lines insure similar hydraulic and operating conditions. [Recommended Standards for Water Works 6.6.2]

EXHIBIT 17

**REQUIRED
PERMITS FOR
CERTIFICATE OF PUBLIC
CONVENIENCE & NECESSITY**



ENVIRONMENTAL AND PUBLIC PROTECTION CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION

Ernie Fletcher
Governor

Division of Water
14 Reilly Road
Frankfort, Kentucky 40601-1190
www.kentucky.gov
August 24, 2005

LaJuana S. Wilcher
Secretary

Dale Gatewood, Manager
Peaks Mill Water District
310 Perkins Road
Frankfort, KY 40517

Re: Peaks Mill Water District, PWS-33878
DW No. 0370346-05-001
Union Ridge Extension WLE
Activity ID: APE20050001
Franklin County

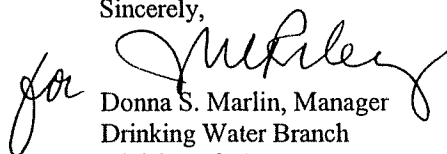
Dear Mr. Gatewood:

We have reviewed the plans and specifications for the above referenced project. The plans include the construction of approximately 55,001-feet of 6-inch PVC, 5,222-feet of 4-inch PVC, a booster pump station capable of 100GPM @ 250 TDH & a booster pump station capable 25GPM @ 150 TDH. This is to advise that plans and specifications for the above referenced project are APPROVED with respect to sanitary features of design, as of this date with the requirements contained in the enclosed waterline extension construction permit with the following stipulations.

1. Reasonable precautions should be taken to minimize any downtime of the proposed booster pump stations due to power outages. At a minimum, switch gear shall be installed in the booster pump stations to allow for the easy connection of a portable generator to maintain pumping ability should an extended outage occur.
2. The plans and specifications for the booster pump stations are approved as an interim measure providing potable water to the areas indicated on the plans. Planning for additional elevated storage or additional feed points to provide service without the use of a continuous running booster pumps shall be initiated and a schedule of proposed implementation dates shall be provided to this office by October 31, 2005.

If you have any questions regarding this decision, please contact Shanaka Ewing, at (502) 564-2225, extension 529.

Sincerely,


Donna S. Marlin, Manager
Drinking Water Branch
Division of Water

DSM/SCE
Enclosure

CC: Warner Broughman III & Associates
Franklin County Health Department
Public Service Commission
Division of Plumbing



Distribution-Major Construction

Peaks Mill Water District
Facility Requirements

Activity ID No.: APE20050001

GACT3 (Union Ridge Extension) 55,001-Foot of 6" PVC, 5,222-Foot of 4" PVC, 100gpm Booster Pump @ 250 TDH, 15hp & 25gpm Booster Pump @ 150 TDH, 3hp:

Monitoring Requirements:

Condition No.	Parameter	Condition
M-1	Coliform	The presence or absence of total Coliform monitored by sampling and analysis as needed shall be determined for the new or relocated water line(s). Take samples at connection points to existing lines, at 1 mile intervals, and at dead ends without omitting any branch of the new or relocated water line. Sample bottles shall be clearly identified as "special" construction tests. [401 KAR 8:100 Section 1(7), 401 KAR 8:150 Section 4, Recommended Standards for Water Works 8.5.6] This requirement is applicable during the following months: All Year. Statistical basis: Instantaneous determination.
M-2	Coliform	The presence or absence of total Coliform monitored by sampling and analysis as needed shall be determined for the new pump(s). If the pump(s) are independent of (not directly connected to) the new or relocated lines, take at least 1 sample at the discharge side pitcock. Otherwise, no additional sampling beyond the sampling required for new or relocated lines shall be required. Sample bottles shall be clearly identified as "special" construction tests. [401 KAR 8:100 Section 1(7)] This requirement is applicable during the following months: All Year. Statistical basis: Instantaneous determination.

Submittal/Action Requirements:

Coliform:

Condition No.	Condition
S-1	Coliform For new construction projects, the distribution system, using the most expedient method, shall submit Coliform test results to the Cabinet. Due immediately following disinfection and flushing. [401 KAR 8:150 Section 4(2)]
Condition No.	Condition
S-2	For proposed changes to the approved plan, submit information: Due prior to any modification to the Cabinet for approval. Changes to the approved plan shall not be implemented without the prior written approval of the Cabinet. [401 KAR 8:100 Section 1(8)]

Distribution-Major Construction

Peaks Mill Water District
Facility Requirements

Activity ID No.: APE20050001

Page 2 of 20

Submittal/Action Requirements:

Condition No.	Condition
S-3	The person who presented the plans shall submit the professional engineer's certification: Due when construction is complete to the Division of Water. The certification shall be signed by a registered professional engineer and state that the water project has been constructed and tested in accordance with the approved plans, specifications, and requirements. [401 KAR 8:100 Section 1(8)]

Narrative Requirements:

Additional Limitations:

Condition No.	Condition
T-1	Additional Limitations: Chlorinated water resulting from disinfection of project components shall be disposed in a manner which will not violate 401 KAR 5:031. [401 KAR 8:020 Section 2(20)]

Condition No.	Condition
T-2	This project has been permitted under the provisions of KRS Chapter 224 and regulations promulgated pursuant thereto. Issuance of this permit does not relieve the applicant from the responsibility of obtaining any other approvals, permits or licenses required by this Cabinet and other state, federal and local agencies. Further, this permit does not address the authority of the permittee to provide service to the area to be served. [401 KAR 8:100 Section 1(7)]
T-3	Unless construction of this project is begun within 1 year from the issuance date of this permit, the permit shall expire. If requested prior to the permit expiration, an official extension from the Division of Water may be granted. If this permit expires, the original plans and specifications may be resubmitted for a new comprehensive review. If you have any questions concerning this project, please contact the Drinking Water Branch at 502/564-3410. [401 KAR 8:100 Section 1(9)]
T-4	During construction, a set of approved plans and specification shall be available at the job site at all times. All work shall be performed in accordance with the approved plans and specifications. [401 KAR 8:100 Section 1(7)(a)]

Distribution-Major Construction

Peaks Mill Water District
Facility Requirements

Activity ID No.: APE20050001

Page 3 of 20

PORT3 (WATER LINE) 55,001-Feet of 6" PVC & 5,222-Feet of 4" PVC:

Limitation Requirements:

Condition No.	Parameter	Condition
L-1	Depth	A continuous and uniform bedding shall be provided in the trench for all buried pipe. Backfill material shall be tamped in layers around the pipe and to a sufficient height above the pipe to adequately support and protect the pipe. Stones found in the trench shall be removed for a Depth ≥ 6 in below the bottom of the pipe. [Recommended Standards for Water Works 8.5.2] This requirement is applicable during the following months: All Year. Statistical basis: Not applicable.
L-2	Depth	All water lines shall be covered to a Depth ≥ 30 in to prevent freezing. [Recommended Standards for Water Works 8.5.3, 401 KAR 8:100 Section 1(7)] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.
L-3	Diameter	All water lines shall have Diameter ≥ 3 in. [Recommended Standards for Water Works 8.1.4] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.
L-4	Diameter	Water lines with Diameter < 6 in shall not have fire hydrants. [Recommended Standards for Water Works 8.1.5] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.
L-5	Diameter	All new and existing water lines serving fire hydrants or where fire protection is provided shall have Diameter ≥ 6 in. [Recommended Standards for Water Works 8.1.2] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.
L-6	Distance	Water lines shall have a sufficient quantity of valves so that inconvenience and sanitary hazards will be minimized during repairs. A valve spacing Distance ≤ 1.0 mi should be utilized. [Recommended Standards for Water Works 8.2] This requirement is applicable during the following months: All Year. Statistical basis: Not applicable.
L-7	Distance	Hydrant drains shall not be connected to sanitary sewers or storm drains and shall be located a Distance > 10 ft from sanitary sewers and storm drains. [Recommended Standards for Water Works 8.3.4] This requirement is applicable during the following months: All Year. Statistical basis: Not applicable.

Distribution-Major Construction

Peaks Mill Water District
Facility Requirements

Activity ID No.: APE20050001

Limitation Requirements:

Condition No.	Parameter	Condition
L-8	Distance	<p>Except when not practical, water lines shall be laid a horizontal Distance ≥ 10 ft from any existing or proposed sewer. The distance shall be measured edge to edge.</p> <p>In cases where it is not practical to maintain a 10 foot separation, water lines may be installed closer to a sewer provided that the water lines shall be laid in a separate trench or on an undisturbed shelf located on one side of the sewer at such an elevation that the bottom of the water line is at least 18 inches above the top of the sewer. [Recommended Standards for Water Works 8.6.2] This requirement is applicable during the following months: All Year. Statistical basis: Not applicable.</p>
L-9	Distance	<p>When water lines and sewers cross,</p> <ol style="list-style-type: none">1) water lines shall be laid such that eithera) the top of the water line is a vertical Distance ≥ 18 in below the bottom of the sewer line orb) the bottom of the water line is a vertical Distance ≥ 18 in above the top of the sewer line,2) 1 full length of the water pipe shall be located so that both joints of the water pipe will be as far from the sewer as possible, and3) special structural support for the water and sewer pipes may be required. [Recommended Standards for Water Works 8.6.3] This requirement is applicable during the following months: All Year. Statistical basis: Not applicable.
L-10	Distance	<p>The open end of an air relief pipe from automatic valves shall be extended a Distance ≥ 1.0 ft above grade and provided with a screened, downward-facing elbow. The pipe from a manually operated valve shall be extended to the top of the pit. Use of manual air relief valves is recommended wherever possible. [Recommended Standards for Water Works 8.4.2] This requirement is applicable during the following months: All Year. Statistical basis: Not applicable.</p>
L-11	Pressure	<p>Pipes shall not be installed unless all points of the distribution system remain designed for ground level Pressure ≥ 20 psi under all conditions of flow. [Recommended Standards for Water Works 8.1.1] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.</p>
L-12	Pressure	<p>Pressure ≥ 30 psi must be available on the discharge side of all meters. [401 KAR 8:100 Section 4(2)] This requirement is applicable during the following months: All Year. Statistical basis: Instantaneous determination.</p>

Distribution-Major Construction

Peaks Mill Water District
Facility Requirements

Activity ID No.: APE20050001

Limitation Requirements:

Condition No.	Parameter	Condition
L-13	Residual Disinfection	New or relocated water lines shall be thoroughly disinfected (in accordance with AWWA Standard C651) upon completion of construction and before being placed into service. To disinfect the new or relocated lines use chlorine or chlorine compounds in such amounts as to produce an initial disinfectant concentration of at least 50 ppm and a Residual Disinfection \geq 25 ppm at the end of 24 hours. Follow the line disinfection with thorough flushing and place the lines into service if, and only if, Coliform monitoring applicable to the line does not show the presence of Coliform. If Coliform is detected, repeat flushing of the line and Coliform monitoring. If Coliform is still detected, repeat disinfection and flushing as if the line has never been disinfected. Continue the described process until monitoring does not show the presence of Coliform. [401 KAR 8:150 Section 4(1), Recommended Standards for Water Works 8.5.6] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.
L-14	Velocity	Each blow-off, fire hydrant, or flush hydrant shall be sized so that Velocity \geq 2.5 ft/sec can be achieved in the water main served by the blow-off or hydrant during flushing. [Recommended Standards for Water Works 8.1.6.b, 401 KAR 8:100 Section 1(7)] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.

Monitoring Requirements:

Condition No.	Parameter	Condition
M-1	leaks	The presence or absence of leaks monitored by physical testing as needed shall be determined in all types of installed pipe. Pressure testing and leakage testing shall be in accordance with the latest edition of AWWA Standard C600. [Recommended Standards for Water Works 8.5.5] This requirement is applicable during the following months: All Year. Statistical basis: Instantaneous determination.

Distribution-Major Construction

Peaks Mill Water District
Facility Requirements

Activity ID No.: APE20050001

Narrative Requirements:

Additional Limitations:

Condition No.	Condition
T-1	<p>Additional Limitations: Water line installation shall be in accordance with AWWA standards or manufacturer recommendations. [Recommended Standards for Water Works 8.5.1.]</p>
T-2	<p>Additional Limitations: Pipes, fittings, valves and fire hydrants shall conform to the latest standards issued by the AWWA or NSF (if such standards exist). PVC and PE piping used must be certified to ANSI/NSF Standard 61. [Recommended Standards for Water Works 8.0.1.]</p>
T-3	<p>Additional Limitations: At high points in water lines, where air can accumulate, provisions shall be made to remove the air by means of hydrants or air relief valves. Automatic air relief valves shall not be used in situations where manhole or chamber flooding may occur. [Recommended Standards for Water Works 8.4.1.]</p>
T-4	<p>Additional Limitations: All tees, bends, plugs and hydrants shall be provided with reaction blocking, tie rods or joints designed to prevent movement. [Recommended Standards for Water Works 8.5.4.]</p>
T-5	<p>Additional Limitations: For lines that dead end, a fire hydrant or blow-off shall be required at the end of each 6 inch or larger diameter line and a flush hydrant or blow-off shall be required at the end of each line that is less than 6 inches in diameter. [Recommended Standards for Water Works 8.1.6.]</p>
T-6	<p>Additional Limitations: For each fire or flush hydrant, auxiliary valves shall be installed in the hydrant lead pipe. [Recommended Standards for Water Works 8.3.3.]</p>
T-7	<p>Additional Limitations: No flushing device, blow-off, or air relief valve shall be directly connected to any sewer. Chambers, pits or manholes containing valves, blow-offs, meters, or other such appurtenances shall not be directly connected to any storm drain or sanitary sewer. Such chambers, pits or manholes shall be drained to absorptions pits underground or to the surface of the ground where they are not subject to flooding by surface water. [Recommended Standards for Water Works 8.1.6, Recommended Standards for Water Works 8.4.3.]</p>
T-8	<p>Additional Limitations: If water lines are installed or replaced in areas of organic contamination or in areas within 200 ft of underground or petroleum storage tanks, ductile iron or other nonpermeable materials shall be used in all portions of the water line installation or replacement. [401 KAR 8:100 Section 1(5)(d)6, Recommended Standards for Water Works 8.0.2.]</p>

Distribution-Major Construction

Peaks Mill Water District
Facility Requirements

Activity ID No.: APE20050001

Narrative Requirements:

Additional Limitations:

Condition No.	Condition
T-9	<p>Additional Limitations: No water pipe shall pass through or come in contact with any part of a sewer manhole. [Recommended Standards for Water Works 8.6.6]</p>
T-10	<p>Additional Limitations: If a fire sprinkler system is to be installed, a double check detector assembly approved for backflow prevention shall be utilized. The double check detector assembly of the system shall be accessible for testing. [401 KAR 8:100 Section 1(7)]</p>
T-11	<p>Additional Limitations: If water lines cross a stream or wetland, the provisions in the attached Water Quality Certification shall apply. If you have any questions please contact the Water Quality Certification Supervisor of the Water Quality Branch at (502) 564-2225. [401 KAR 8:100 Section 1(7)]</p>

Subfluvial Pipe Crossings:

Condition No.	Condition
T-12	<p>Subfluvial Pipe Crossings: For subfluvial pipe crossings, a floodplain construction permit will not be required pursuant to KRS 151.250 if the following requirements of 401 KAR 4:050 Section 2 are met.</p> <ol style="list-style-type: none">1) No material may be placed in the stream or in the flood plain of the stream to form construction pads, coffer dams, access roads, etc. during construction of pipe crossings.2) Crossing trenches shall be backfilled as closely as possible to the original contour.3) All excess material resulting from construction displacement in a crossing trench shall be disposed of outside the flood plain.4) For erodible channels, there shall be at least 30 inches of backfill on top of all pipe or conduit points in the crossing.5) For nonerodible channels, pipes or conduits in the crossing shall be encased on all sides by at least 6 inches of concrete with all pipe or conduit points in the crossing at least 6 inches below the original contour of the channel. [401 KAR 8:100 Section 1(7)]

Distribution-Major Construction

Peaks Mill Water District
Facility Requirements

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Narrative Requirements:

Subfluvial Pipe Crossings:

Condition No.	Condition
T-13	<p>Subfluvial Pipe Crossings: For subfluvial pipe crossings greater than 15 feet in width,</p> <ol style="list-style-type: none">1) the pipe shall be of special construction, having flexible, restrained, or welded watertight joints, and2) valves shall be provided at both ends of water crossings so that the section can be isolated for testing or repair. <p>Valves shall</p> <ol style="list-style-type: none">a) be easily accessible,b) not be subject to flooding, andc) if closest to the supply source, be in a manhole with permanent taps made on each side of the valve to allow insertion of a small meter to determine leakage and for sampling purposes. [Recommended Standards for Water Works 8.7.2]

Distribution-Major Construction

Peaks Mill Water District
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PORT4 (BOOSTER PUMP STATION) 100gpm @ 250 TDH, 15hp:

Limitation Requirements:

Condition No.	Parameter	Condition
L-1	Pressure	Pump stations shall be located or controlled so that intake Pressure ≥ 20 psi is maintained during normal pump operation. [Recommended Standards for Water Works 6.4.b] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.
L-2	Pressure	Pump stations shall be located or controlled so that an automatic cutoff or a low pressure controller maintains a Pressure ≥ 10 psi in the suction line under all operating conditions. [Recommended Standards for Water Works 6.4.c] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.
L-3	Residual Disinfection	New pumps shall be thoroughly disinfected (in accordance with AWWA Standard C651) upon completion of construction and before being placed into service. To disinfect new pumps use chlorine or chlorine compounds in such amounts as to produce an initial disinfectant concentration of at least 50 ppm and a Residual Disinfection ≥ 25 ppm at the end of 24 hours. Follow the disinfection with thorough flushing and place each pump into service if, and only if, Coliform monitoring applicable to the pump does not show the presence of Coliform. If Coliform is detected, repeat flushing of the pump and Coliform monitoring. If Coliform is still detected, repeat disinfection and flushing as if the pump has never been disinfected. Continue the described process until monitoring does not show the presence of Coliform. [401 KAR 8:100 Section 1(7)] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.
L-4	Slope	Pumping facilities shall be located and designed to maintain the sanitary quality of pumped water. As part of this, all pump station floors shall have Slope ≥ 3 in per 10 ft to a suitable drain. [Recommended Standards for Water Works 6.2.e, Recommended Standards for Water Works 6.0, Recommended Standards for Water Works 6.1] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.
L-5	Air Change Rate	Ventilation shall conform to existing local and/or state codes. At a minimum forced ventilation shall produce an Air Change Rate ≥ 6 air change(s)/hr. [401 KAR 8:100 Section 1(7), Recommended Standards for Water Works 6.2.5] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.

Distribution-Major Construction

Peaks Mill Water District
Facility Requirements

Activity ID No.: APE20050001

Limitation Requirements:

Condition No.	Parameter	Condition
L-6	Height	<p>Pumping stations shall not be subject to flooding. To this end,</p> <ol style="list-style-type: none">1) grading around stations shall lead surface drainage away and2) stations shall be elevated or protected to a Height \geq 3 ft above the highest of the following:<ol style="list-style-type: none">a) the 100-year flood elevation, orb) the highest recorded flood elevation. [Recommended Standards for Water Works 6.1.1, Recommended Standards for Water Works 6.0] This requirement is applicable during the following months: All Year. Statistical basis: Minimum. <p>When a pump station has pits or compartments which must be entered, stairways or ladders shall be provided between all floors. Stairs shall have risers with a Height \leq 9 in, handrails on both sides, and treads with non-slip material wide enough for safety. [Recommended Standards for Water Works 6.2.3] This requirement is applicable during the following months: All Year. Statistical basis: Maximum.</p>
L-7	Height	

Narrative Requirements:

Additional Limitations:

Condition No.	Condition
T-1	<p>Additional Limitations: Pumping stations shall be so located that the proposed site will meet the requirements for hydraulics of the system. [Recommended Standards for Water Works 6.1]</p>
T-2	<p>Additional Limitations: Pumping stations shall be readily accessible at all times for servicing and repairs. [Recommended Standards for Water Works 6.1.1.b, Recommended Standards for Water Works 6.4.3]</p>
T-3	<p>Additional Limitations: Pumping stations shall be designed to prevent vandalism and protect against entrance of animals or unauthorized persons. [Recommended Standards for Water Works 6.1.1.d]</p>
T-4	<p>Additional Limitations: Pumping stations shall be of durable construction with outward-opening doors. [Recommended Standards for Water Works 6.2.b]</p>

Distribution-Major Construction

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Facility Requirements

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Narrative Requirements:

Additional Limitations:

Condition No.	Condition
T-5	<p>Additional Limitations: Pumping stations shall be fire and weather resistant. [Recommended Standards for Water Works 6.2.b]</p>
T-6	<p>Additional Limitations: Pumping stations shall have suitable pump gland discharges so that drainage from the glands is not onto the floor. [Recommended Standards for Water Works 6.2.f]</p>
T-7	<p>Additional Limitations: If underground structures are present at pumping stations, they shall waterproofed. [Recommended Standards for Water Works 6.2.d]</p>
T-8	<p>Additional Limitations: Pumping stations shall have adequate space for the installation of additional pumps. [Recommended Standards for Water Works 6.2.a]</p>
T-9	<p>Additional Limitations: Pumping stations shall have adequate space for the safe servicing of all equipment. [Recommended Standards for Water Works 6.2.a]</p>
T-10	<p>Additional Limitations: Pump stations shall have crane-ways, hoist beams, eyebolts, or other adequate facilities for servicing or removal of pumps, motors or other heavy equipment. [Recommended Standards for Water Works 6.2.2.a]</p>
T-11	<p>Additional Limitations: Pump stations shall have openings as needed for removal of heavy or bulky equipment. [Recommended Standards for Water Works 6.2.2.b]</p>
T-12	<p>Additional Limitations: Pump stations shall have a convenient tool board, or other facilities as needed, for proper maintenance of equipment. [Recommended Standards for Water Works 6.2.2.c]</p>
T-13	<p>Additional Limitations: In areas where excess moisture could cause safety hazards or damage to equipment, dehumidification shall be provided. [401 KAR 8:100 Section 1(7), Recommended Standards for Water Works 6.2.6]</p>
T-14	<p>Additional Limitations: Electrical controls shall be located above grade. [Recommended Standards for Water Works 6.6.5]</p>

Distribution-Major Construction

Peaks Mill Water District
Facility Requirements

Activity ID No.: APE20050001

Narrative Requirements:

Additional Limitations:

Condition No.	Condition
T-15	<p>Additional Limitations: All electrical equipment and work shall conform with the applicable state and local electrical codes and the National Electrical Code. [Recommended Standards for Water Works 6.5, Recommended Standards for Water Works 6.2.7]</p>
T-16	<p>Additional Limitations: Pump stations shall be adequately lighted throughout. [Recommended Standards for Water Works 6.2.7]</p>
T-17	<p>Additional Limitations: All automatic pump stations shall be provided with automatic signaling apparatus which will report when the station is out of service. All remote controlled stations shall be electrically operated and controlled and shall have signaling apparatus of proven performance. [Recommended Standards for Water Works 6.5]</p>
T-18	<p>Additional Limitations: Automatic or remote control pump stations shall be located or shall have control devices setup so that the range between start and cutoff pressure prevents excessive pump cycling. [Recommended Standards for Water Works 6.4.d]</p>
T-19	<p>Additional Limitations: Equipment shall be provided or other arrangements made to prevent surge pressures from activating controls which switch on pumps or activate other equipment outside the normal design cycle of operation. [Recommended Standards for Water Works 6.6.5]</p>
T-20	<p>Additional Limitations: Provisions shall be made to prevent energizing the motor in the event of a backspin cycle. [Recommended Standards for Water Works 6.6.5]</p>
T-21	<p>Additional Limitations: Pump stations shall be provided with enough heat to prevent freezing of equipment or treatment processes. [Recommended Standards for Water Works 6.2.4]</p>
T-22	<p>Additional Limitations: Pump stations shall have at least 2 pumps. Pumps shall be sized so that if any single pump is out service, the remaining pump or pumps shall be capable of providing the peak demand on the station. [Recommended Standards for Water Works 6.3, Recommended Standards for Water Works 6.4.1]</p>
T-23	<p>Additional Limitations: Provisions shall be made for pump alternation. [Recommended Standards for Water Works 6.6.5]</p>

Distribution-Major Construction

Peaks Mill Water District
Facility Requirements

Activity ID No.: APE20050001

Narrative Requirements:

Additional Limitations:

Condition No.	Condition
T-24	<p>Additional Limitations: Pumps shall</p> <ol style="list-style-type: none">have ample capacity to supply the peak demand against the required distribution system pressure without dangerous overloading,be driven by prime movers able to meet the maximum horsepower condition of the pumps,be provided readily available spare parts and tools, andbe served by control equipment that is properly protected against temperatures to be encountered. [Recommended Standards for Water Works 6.3]
T-25	<p>Additional Limitations: Pumps, their prime movers and accessories shall be controlled in such a manner that they will operate at rated capacity without dangerous overload. [Recommended Standards for Water Works 6.6.5]</p>
T-26	<p>Additional Limitations: Pump stations shall be located or controlled so that a bypass is available. [Recommended Standards for Water Works 6.4.e]</p>
T-27	<p>Additional Limitations: Pump stations shall contain indicating and totalizing metering of the total water pumped. Each pump shall have</p> <ol style="list-style-type: none">a standard pressure gauge on its discharge line anda compound gauge on its suction line. <p>Each pump should have a means for measuring the instantaneous volume per time discharge. [401 KAR 8:100 Section 1(7), Recommended Standards for Water Works 6.4.2, Recommended Standards for Water Works 6.6.3]</p>
T-28	<p>Additional Limitations: Pumps shall be adequately valved to permit satisfactory operation, maintenance and repair of the equipment. Each pump shall have a positive-acting check valve on the discharge side between the pump and the shut-off valve. [Recommended Standards for Water Works 6.6.1]</p>
T-29	<p>Additional Limitations: Piping for pumps shall, in general,</p> <ol style="list-style-type: none">be designed so that the friction losses will be minimized,not be subject to contamination,have watertight joints,be protected against surge or water hammer,be provided with restraints where necessary, anda) be such that each pump has an individual suction line orb) be manifolded such that the lines insure similar hydraulic and operating conditions. [Recommended Standards for Water Works 6.6.2]

Distribution-Major Construction

Peaks Mill Water District
Facility Requirements

Activity ID No.: APE20050001

Narrative Requirements:

Additional Limitations:

Condition No.	Condition
T-30	<p>Additional Limitations: To ensure continuous service when the primary power is interrupted, power supplied to pump stations shall be</p> <ul style="list-style-type: none">a) from at least 2 independent sources orb) from a primary source with a standby or auxiliary source provided. <p>If standby power is provided by onsite generators or engines, the fuel storage and fuel line must be designed to protect the water supply from contamination. [Recommended Standards for Water Works 6.6.6]</p>

Condition No.	Condition
T-31	<p>Reasonable precautions should be taken to minimize any downtime of the proposed booster pump station due to power outages. At a minimum, switch gear shall be installed in the booster pump station to allow for easy connection of a portable generator to maintain pumping ability should an extended outage occur. [Recommended Standards for Water Works 2.6]</p>
T-32	<p>The plans and specifications for the booster pump station are approved as an interim measure providing potable water to the areas indicated on the plans. Planning for additional elevated storage or additional feed points to provide service without the use of a continuous running booster pumps shall be initiated and a schedule of proposed implementation dates shall be provided to this office by October 31, 2005. [Recommended Standards for Water Works 2.6]</p>

Distribution-Major Construction

Peaks Mill Water District
Facility Requirements

Activity ID No.: APE20050001

PORT5 (BOOSTER PUMP STATION) 25gpm @ 150 TDH, 3hp:

Limitation Requirements:

Condition No.	Parameter	Condition
L-1	Pressure	Pump stations shall be located or controlled so that intake Pressure ≥ 20 psi is maintained during normal pump operation. [Recommended Standards for Water Works 6.4.b] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.
L-2	Pressure	Pump stations shall be located or controlled so that an automatic cutoff or a low pressure controller maintains a Pressure ≥ 10 psi in the suction line under all operating conditions. [Recommended Standards for Water Works 6.4.c] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.
L-3	Residual Disinfection	New pumps shall be thoroughly disinfected (in accordance with AWWA Standard C651) upon completion of construction and before being placed into service. To disinfect new pumps use chlorine or chlorine compounds in such amounts as to produce an initial disinfectant concentration of at least 50 ppm and a Residual Disinfection ≥ 25 ppm at the end of 24 hours. Follow the disinfection with thorough flushing and place each pump into service if, and only if, Coliform monitoring applicable to the pump does not show the presence of Coliform. If Coliform is detected, repeat flushing of the pump and Coliform monitoring. If Coliform is still detected, repeat disinfection and flushing as if the pump has never been disinfected. Continue the described process until monitoring does not show the presence of Coliform. [401 KAR 8:100 Section 1(7)] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.
L-4	Slope	Pumping facilities shall be located and designed to maintain the sanitary quality of pumped water. As part of this, all pump station floors shall have Slope ≥ 3 in per 10 ft to a suitable drain. [Recommended Standards for Water Works 6.2.e, Recommended Standards for Water Works 6.0, Recommended Standards for Water Works 6.1] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.
L-5	Air Change Rate	Ventilation shall conform to existing local and/or state codes. At a minimum forced ventilation shall produce an Air Change Rate ≥ 6 air change(s)/hr. [401 KAR 8:100 Section 1(7), Recommended Standards for Water Works 6.2.5] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.

Distribution-Major Construction

Peaks Mill Water District
Facility Requirements

Activity ID No.: APE20050001

Limitation Requirements:

Condition No.	Parameter	Condition
L-6	Height	<p>Pumping stations shall not be subject to flooding. To this end,</p> <ol style="list-style-type: none">1) grading around stations shall lead surface drainage away and2) stations shall be elevated or protected to a Height \geq 3 ft above the highest of the following:<ol style="list-style-type: none">a) the 100-year flood elevation, orb) the highest recorded flood elevation. [Recommended Standards for Water Works 6.1.1, Recommended Standards for Water Works 6.0] This requirement is applicable during the following months: All Year. Statistical basis: Minimum. <p>When a pump station has pits or compartments which must be entered, stairways or ladders shall be provided between all floors. Stairs shall have risers with a Height \leq 9 in, handrails on both sides, and treads with non-slip material wide enough for safety. [Recommended Standards for Water Works 6.2.3] This requirement is applicable during the following months: All Year. Statistical basis: Maximum.</p>
L-7	Height	

Narrative Requirements:

Additional Limitations:

Condition No.	Condition
T-1	<p>Additional Limitations: Pumping stations shall be so located that the proposed site will meet the requirements for hydraulics of the system. [Recommended Standards for Water Works 6.1]</p>
T-2	<p>Additional Limitations: Pumping stations shall be readily accessible at all times for servicing and repairs. [Recommended Standards for Water Works 6.1.1.b, Recommended Standards for Water Works 6.4.3]</p>
T-3	<p>Additional Limitations: Pumping stations shall be designed to prevent vandalism and protect against entrance of animals or unauthorized persons. [Recommended Standards for Water Works 6.1.1.d]</p>
T-4	<p>Additional Limitations: Pumping stations shall be of durable construction with outward-opening doors. [Recommended Standards for Water Works 6.2.b]</p>

Distribution-Major Construction

Peaks Mill Water District
Facility Requirements

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Narrative Requirements:

Additional Limitations:

Condition No.	Condition
T-5	<p>Additional Limitations: Pumping stations shall be fire and weather resistant. [Recommended Standards for Water Works 6.2.b]</p>
T-6	<p>Additional Limitations: Pumping stations shall have suitable pump gland discharges so that drainage from the glands is not onto the floor. [Recommended Standards for Water Works 6.2.f]</p>
T-7	<p>Additional Limitations: If underground structures are present at pumping stations, they shall be waterproofed. [Recommended Standards for Water Works 6.2.d]</p>
T-8	<p>Additional Limitations: Pumping stations shall have adequate space for the installation of additional pumps. [Recommended Standards for Water Works 6.2.a]</p>
T-9	<p>Additional Limitations: Pumping stations shall have adequate space for the safe servicing of all equipment. [Recommended Standards for Water Works 6.2.a]</p>
T-10	<p>Additional Limitations: Pump stations shall have crane-ways, hoist beams, eyebolts, or other adequate facilities for servicing or removal of pumps, motors or other heavy equipment. [Recommended Standards for Water Works 6.2.2.a]</p>
T-11	<p>Additional Limitations: Pump stations shall have openings as needed for removal of heavy or bulky equipment. [Recommended Standards for Water Works 6.2.2.b]</p>
T-12	<p>Additional Limitations: Pump stations shall have a convenient tool board, or other facilities as needed, for proper maintenance of equipment. [Recommended Standards for Water Works 6.2.2.c]</p>
T-13	<p>Additional Limitations: In areas where excess moisture could cause safety hazards or damage to equipment, dehumidification shall be provided. [401 KAR 8:100 Section 1(7), Recommended Standards for Water Works 6.2.6]</p>
T-14	<p>Additional Limitations: Electrical controls shall be located above grade. [Recommended Standards for Water Works 6.6.5]</p>

Distribution-Major Construction

Peaks Mill Water District
Facility Requirements

Activity ID No.: APE20050001

Narrative Requirements:

Additional Limitations:

Condition No.	Condition
T-15	<p>Additional Limitations: All electrical equipment and work shall conform with the applicable state and local electrical codes and the National Electrical Code. [Recommended Standards for Water Works 6.5, Recommended Standards for Water Works 6.2.7]</p>
T-16	<p>Additional Limitations: Pump stations shall be adequately lighted throughout. [Recommended Standards for Water Works 6.2.7]</p>
T-17	<p>Additional Limitations: All automatic pump stations shall be provided with automatic signaling apparatus which will report when the station is out of service. All remote controlled stations shall be electrically operated and controlled and shall have signaling apparatus of proven performance. [Recommended Standards for Water Works 6.5]</p>
T-18	<p>Additional Limitations: Automatic or remote control pump stations shall be located or shall have control devices setup so that the range between start and cutoff pressure prevents excessive pump cycling. [Recommended Standards for Water Works 6.4.d]</p>
T-19	<p>Additional Limitations: Equipment shall be provided or other arrangements made to prevent surge pressures from activating controls which switch on pumps or activate other equipment outside the normal design cycle of operation. [Recommended Standards for Water Works 6.6.5]</p>
T-20	<p>Additional Limitations: Provisions shall be made to prevent energizing the motor in the event of a backspin cycle. [Recommended Standards for Water Works 6.6.5]</p>
T-21	<p>Additional Limitations: Pump stations shall be provided with enough heat to prevent freezing of equipment or treatment processes. [Recommended Standards for Water Works 6.2.4]</p>
T-22	<p>Additional Limitations: Pump stations shall have at least 2 pumps. Pumps shall be sized so that if any single pump is out of service, the remaining pump or pumps shall be capable of providing the peak demand on the station. [Recommended Standards for Water Works 6.3, Recommended Standards for Water Works 6.4.1]</p>
T-23	<p>Additional Limitations: Provisions shall be made for pump alternation. [Recommended Standards for Water Works 6.6.5]</p>

Distribution-Major Construction

Peaks Mill Water District
Facility Requirements

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Narrative Requirements:

Additional Limitations:

Condition No.	Condition
T-24	<p>Additional Limitations: Pumps shall</p> <ol style="list-style-type: none">have ample capacity to supply the peak demand against the required distribution system pressure without dangerous overloading,be driven by prime movers able to meet the maximum horsepower condition of the pumps,be provided readily available spare parts and tools, andbe served by control equipment that is properly protected against temperatures to be encountered. [Recommended Standards for Water Works 6.3]
T-25	<p>Additional Limitations: Pumps, their prime movers and accessories shall be controlled in such a manner that they will operate at rated capacity without dangerous overload. [Recommended Standards for Water Works 6.6.5]</p>
T-26	<p>Additional Limitations: Pump stations shall be located or controlled so that a bypass is available. [Recommended Standards for Water Works 6.4.e]</p>
T-27	<p>Additional Limitations: Pump stations shall contain indicating and totalizing metering of the total water pumped. Each pump shall have</p> <ol style="list-style-type: none">a standard pressure gauge on its discharge line anda compound gauge on its suction line. <p>Each pump should have a means for measuring the instantaneous volume per time discharge. [401 KAR 8:100 Section 1(7), Recommended Standards for Water Works 6.4.2, Recommended Standards for Water Works 6.6.3]</p>
T-28	<p>Additional Limitations: Pumps shall be adequately valved to permit satisfactory operation, maintenance and repair of the equipment. Each pump shall have a positive-acting check valve on the discharge side between the pump and the shut-off valve. [Recommended Standards for Water Works 6.6.1]</p>
T-29	<p>Additional Limitations: Piping for pumps shall, in general,</p> <ol style="list-style-type: none">be designed so that the friction losses will be minimized,not be subject to contamination,have watertight joints,be protected against surge or water hammer,be provided with restraints where necessary, anda) be such that each pump has an individual suction line orb) be manifolded such that the lines insure similar hydraulic and operating conditions. [Recommended Standards for Water Works 6.6.2]

Distribution-Major Construction

Peaks Mill Water District
Facility Requirements

Activity ID No.: APE20050001

Narrative Requirements:

Additional Limitations:

Condition No.	Condition
T-30	<p>Additional Limitations: To ensure continuous service when the primary power is interrupted, power supplied to pump stations shall be</p> <ul style="list-style-type: none">a) from at least 2 independent sources orb) from a primary source with a standby or auxiliary source provided. <p>If standby power is provided by onsite generators or engines, the fuel storage and fuel line must be designed to protect the water supply from contamination. [Recommended Standards for Water Works 6.6.6]</p>

Condition No.	Condition
T-31	<p>Reasonable precautions should be taken to minimize any downtime of the proposed booster pump station due to power outages. At a minimum, switch gear shall be installed in the booster pump station to allow for the easy connection of a portable generator to maintain pumping ability should an extended outage occur. [Recommended Standards for Water Works 2.6]</p>
T-32	<p>The plans and specifications for the booster pump station are approved as an interim measure providing potable water to the areas indicated on the plans. Planning for additional elevated storage or additional feed points to provide service without the use of a continuous running booster pumps shall be initiated and a schedule of proposed implementation dates shall be provided to this office by October 31, 2005. [Recommended Standards for Water Works 2.6]</p>

EXHIBIT 18

**KIA
LOAN DOCUMENTS**



KENTUCKY INFRASTRUCTURE AUTHORITY

Ernie Fletcher
Governor

Capital Center Complex
1024 Capital Center Drive, Suite 340
Frankfort, Kentucky 40601
(502) 573-0260
(502) 673-0157
kia.ky.gov

Jody E. Hughes
Executive Director

May 6, 2005

Mr. Wilbert Perkins, Chairman
Peaks Mill Water District
310 Perkins Road
Frankfort, Kentucky 40601

**KENTUCKY INFRASTRUCTURE AUTHORITY
GOVERNMENTAL AGENCIES PROGRAM
CONDITIONAL LOAN COMMITMENT C05-01
DRINKING WATER SYSTEM IMPROVEMENTS**

Dear Mr. Perkins:

The Kentucky Infrastructure Authority ("the Authority") commends your efforts to improve public service facilities in your community. The Authority at the May 5, 2005 board meeting approved your loan application for \$946,900 of construction financing for a \$1,626,900 project. All anticipated funding for the project has been reflected in Attachment A. Attachment A, incorporated herein by reference, fully describes the project. **Please note that failure to respond to this conditional commitment within thirty (30) days may result in the Authority's withdrawal of the commitment of funds.**

A loan agreement will be executed between the Authority and the Peaks Mill Water District upon satisfactory performance of the conditions set forth in this letter. A period of eleven (11) months from the date of this letter will be allowed for you to meet the conditions and enter the loan agreement. A one-time extension of up to six (6) months may be granted with acceptable justification. Funds will be available for disbursement only after execution of the loan agreement.

The loan agreement and this commitment shall be subject, but not limited to the following terms:

The loan agreement will cover both the permanent loan and an interim loan from "Authority" cash until bonds are issued to provide the permanent loan.



Mr. Wilbert Perkins
May 6, 2005
Page 2

2. The KIA loan shall not exceed \$971,179. The loan amount is based on the project cost financed by this loan and a proportional share of the bond financing expenses. This amount will be adjusted based on the actual results of the bond sale. The financing expenses will be a cost to you for the loan. Construction funds advanced to the borrower shall not exceed \$946,900.
3. The loan shall be repaid over a period of not to exceed 20 years from the date bonds are sold.
4. During the interim loan, advances will be made from proceeds of the Authority's Notes in an amount not to exceed the loan amount. Such interim advances shall bear interest at the rate or rates established for the Notes or other source of funding, or from funds available to the Authority for such purposes, until repaid from either borrower revenues or the proceeds of the Assistance Agreement upon issuance of bonds.
5. Prior to the bond sale for the loan, interest shall be payable on the amount of actual funds received. The first payment shall be due on June 1 or December 1 immediately succeeding the date of the initial draw of funds, provided that if such June 1 or December 1 shall be less than three months since the date of the initial draw of funds, then the first interest payment date shall be the June 1 or December 1 which is at least six months from the date of the initial draw of funds. Interest payments will be due each six months thereafter until the loan is repaid. Principal and interest payments will commence either when bonds are sold or when construction is completed. Principal and interest payments will be due monthly thereafter until the loan is repaid and will be made electronically by automatic funds transfer.
6. An annual loan servicing fee of two-tenths of one percent (0.2%) of the outstanding loan balance shall be payable to the Authority as a part of each payment for the project or payment in full of the outstanding loan balance.
7. Loan funds will be disbursed after execution of the loan agreement as project cost is incurred.
8. The loan agreement must be approved by ordinance or resolution of the city council or appropriate governing board.

Mr. Wilbert Perkins
May 6, 2005
Page 3

9. The loan must undergo review by the Capital Projects and Bond Oversight Committee of the Kentucky Legislature prior to the state's execution of the Assistance Agreement. The committee meets monthly on the third Tuesday. At this time we know of no further submission required for their review; however, they may request information as needed.
10. The attached "Authorization For Electronic Deposit of Vendor Payment" Form must complete and returned to KIA

The following is a list of the standard conditions to be satisfied prior to execution of the loan agreement or incorporated in the loan agreement. Any required documentation must be submitted to the Authority.

1. Upon completion of final design of the facilities in the attached project description, favorable approval shall be obtained of such design by all appropriate parties as required by Kentucky statute or administrative regulation.
2. Construction bid specifications shall be approved as required by the Kentucky Division of Water and other funding sources if applicable, and the Kentucky Infrastructure Authority should be consulted prior to preparation of bidding specifications for guidance on federal or state requirements.
3. Applicant must provide certification from their legal counsel stating that they have prepared construction specifications in accordance with all applicable state or federal wage rate laws, and that the procurement procedures, including those for construction, land, equipment and professional services that are a part of the project, are in compliance with applicable federal, state and local procurement laws.
4. Documentation of final funding commitments from all parties other than the Authority as reflected in the Attachment A description shall be provided to the Authority prior to the pre-closing of the Authority loan and disbursement of the loan moneys. Rejections of any anticipated project funding or any new sources or funding not reflected in Attachment A shall be immediately reported to the Authority and cause this loan to be subject to further consideration.

Mr. Wilbert Perkins
May 6, 2005
Page 4

5. Upon receipt of construction bids a tabulation of such bids and engineer's recommendations on compliance with bid specifications and recommendation for award, shall be forwarded to the Authority for final approval and sizing of this loan and the project.
6. Based on the final "as bid" project budget, the community must provide satisfactory proof, based on then existing conditions, that the revenue projections in the attached descriptions are still obtainable and that projections of operating expenses have not materially changed. This shall be reviewed and approved by your consultant engineer.
7. Any required adjustment in utility service rates shall be adopted by ordinance or resolution by the city council or appropriate governing board. Public hearings as required by law shall be held prior to the adoption of the service rate ordinance or resolution. Any required approvals by the Kentucky Public Service Commission shall be obtained.
8. All easements or purchases of land shall be completed prior to commencement of construction and prior to execution of the loan agreement. Certification of said acquisitions shall be provided to the Authority.

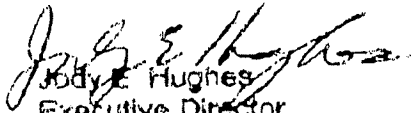
The following conditions are to be satisfied prior to execution of the loan agreement or incorporated in the loan agreement.

1. Interest rate on interim finance shall be 3% subject to change by the Authority board. Interest rate on permanent financing will be either the interest rate on the bonds sold to finance the loan or a rate established by the board base on tax-exempt bond market.
2. The project must be submitted to the Clearinghouse for approval.
3. Peaks Mill Water District will meet the Authority's Uniform System of Accounts and Cost Base Rates requirement.
4. Peaks Mill Water District will provide a certification from its auditors that after the incursion of this additional debt that the district will be in compliance with exiting debt covenants and requirements.

- 5. Peaks Mill Water District will implement the proposed rate increase or an increase adequate to meet projected expenses, debt service and any debt coverage requirements. The district will provide documentation to the Authority of the adequacy of the rates.

Please inform the Authority of any changes in your financing plan as soon as possible. We will assist you in a final evaluation of the financing plan when construction bids are available. We wish you every success for this project, which will benefit both your community and the Commonwealth as a whole.

Sincerely,



Jody E. Hughes
 Executive Director
 Kentucky Infrastructure Authority

Attachment

- c: State Local Debt Officer, Department for Local Government
 Warner Broughtman, Warner A. Broughtman III & Assoc.

Please sign and return a copy of this letter indicating your acceptance of this commitment and its terms.

 Accepted Date _____

**AUTHORIZATION FOR FEDWIRE
OF GRANTEE PAYMENT
KIA FUND C**

Project #: WX21073003

Grantee Information:

Utility: _____ (Grantee Name)
Address: _____
City: _____ State: _____ Zip: _____
Telephone: _____ Contact: _____
E-mail address: _____
Federal I.D. #: _____

Financial Institution Information (please obtain instructions from bank for FEDWIRE):

Note: All lines may not need to be filled out

Bank Name: _____
Branch: _____ Phone No: _____
City: _____ State: _____ Zip: _____
Transit / ABA No.: _____
Credit to:
Bank Name: _____
Account Number: _____
Further Credit to:
Account Name: _____
Account Number: _____

I, the undersigned, authorize payments directly to the account indicated above and to correct any errors which may occur from the transactions. I also authorize the Financial Institution to post these transactions to that account.

Signature: _____ Date: _____
Name Printed: _____ Job Title: _____

Please return completed form to:

Kentucky Infrastructure Authority
375 Versailles Road
Frankfort, KY 40601
phone: 502-573-0260
fax: 502-573-0157

PEAKS MILL WATER DISTRICT

Wilbert Perkins, Chairman

310 Perkins Road
Frankfort, Kentucky 40601

(502) 227-5740

February 28, 2006

John Covington
Kentucky Infrastructure Authority
1024 Capital Center Drive Suite 340
Frankfort, KY 40601

re: Peaks Mill Water District
WX 210 73003

Dear Mr. Covington:

The Peaks Mill Water District respectfully asks the Authority to extend our loan start day by 6 months.

We have been delayed in filing the required application for a Certificate of Convenience and Necessity with the Public service Commission while the PSC reviewed our books and came up with the rate structure needed. That step has been finished now and the application is being prepared for submission. We anticipate that the application process will take 90 to 120 days.

Thank you for your attention in this matter.

Yours truly,



Wilbert Perkins
Chairman

cc: Sandy Broughman, Engineer
Debbie Eversole, Attorney

EXHIBIT 19

**PSC STAFF LETTERS –
PHASE I CONSTRUCTION
PROJECT**



Ernie Fletcher
Governor

LaJuana S. Wilcher, Secretary
Environmental and Public
Protection Cabinet

Christopher L. Lilly
Commissioner
Department of Public Protection

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

Mark David Goss
Chairman

Teresa J. Hill
Vice Chairman

Gregory Coker
Commissioner

October 25, 2005

Ms. Deborah T. Eversole
Stoll Keenon and Park, LLP
2650 Aegon Center
400 West Market Street
Louisville, Kentucky 40202-3377

Re: Peaks Mill Water District

Dear Ms. Eversole:

Commission Staff acknowledges receipt of your letter of October 13, 2005 in which you request an opinion regarding the need for a certificate of public convenience and necessity for a proposed water improvements project in Franklin County, Kentucky.

In your letter, you present the following facts: Peaks Mill Water District, a water district organized pursuant to KRS Chapter 74, proposes to extend its water mains in Franklin County, Kentucky. This project consists of the construction of 11,137 linear feet of 6-inch and 2,925 linear feet of 4-inch water main and a booster pumping station. Estimated cost of this project, including a contingency of 5 percent, is \$332,180. The project will provide service to 10 households that no water distribution system currently serves. Peaks Mill will finance the proposed project entirely from the proceeds of an appropriation from the Kentucky General Assembly. It will not issue any evidences of indebtednesses nor increase its rates for water service. Peaks Mill had total water operating revenues of \$325,911 in calendar year 2004.¹

Your letter presents the following question: Must Peaks Mill Water District obtain a certificate of public convenience and necessity for the proposed project?

KRS 278.020(1) provides:

No person, partnership, public or private corporation, or combination thereof shall commence providing utility service to or for the public or begin the construction of any plant, equipment, property, or facility for furnishing to the public

¹ Annual Report of Peaks Mill Water District to the Public Service Commission for the Calendar Year Ended December 31, 2004 at 27.

Debroah T. Eversole
October 25, 2005
Page 2

any of the services enumerated in KRS 278.010, except retail electric suppliers for service connections to electric-consuming facilities located within its certified territory and ordinary extensions of existing systems in the usual course of business, until that person has obtained from the Public Service Commission a certificate that public convenience and necessity require the service or construction.

Administrative Regulation 807 KAR 5:001, Section 9(3) further provides:

Extensions in the ordinary course of business. No certificate of public convenience and necessity will be required for extensions that do not create wasteful duplication of plant, equipment, property or facilities, or conflict with the existing certificates or service of other utilities operating in the same area and under the jurisdiction of the commission that are in the general area in which the utility renders service or contiguous thereto, and that do not involve sufficient capital outlay to materially affect the existing financial condition of the utility involved, or will not result in increased charges to its customers.

Under the method of analysis that Commission Staff has historically employed, the proposed construction would likely require a certificate of public convenience and necessity. According to its Annual Report for Calendar Year 2004, Peaks Mill Water District had net utility plant of \$2,640,006. The proposed construction, therefore, represents an increase of approximately 12.6 percent in Peaks Mill Water District's utility plant. Such a large increase in utility plant cannot be considered ordinary. See, e.g., City of Covington v. Board of Commissioners of Kenton County Water District No. 1, 371 S.W.2d 20 (Ky. 1963).

The Kentucky General Assembly, however, has recently enacted legislation that provides:

Water Districts and Water Associations: A water district created pursuant to KRS Chapter 74 and a water association created pursuant to KRS Chapter 273 that undertakes a waterline extension or improvement project shall not be required to obtain a certificate of public convenience and necessity pursuant to KRS 278.020(1) if the water district or water association is a Class A or B utility as defined in the Uniform System of Accounts established by the Public Service Commission, pursuant to KRS 278.220, as the system of accounts prescribed for utilities in Kentucky, and either: (a) The water line extension or improvement project will not cost in excess of \$500,000; or (b) The water district or water association will not, as a result of the water line extension or improvement project, incur obligations

Debroah T. Eversole
October 25, 2005
Page 3

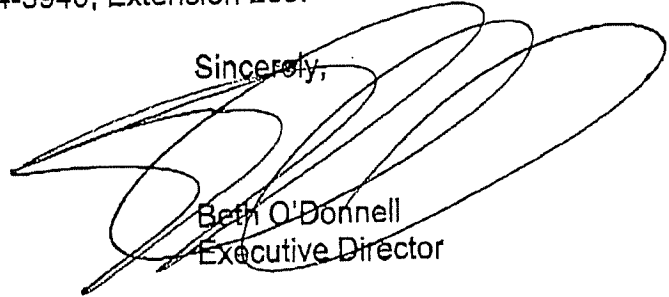
requiring Public Service Commission approval pursuant to KRS 278.300. In either case, the water district or water association shall not, as a result of the water line extension or improvement project, increase rates to its customers.

2005 Ky. Acts Chapter 173.

Based upon the facts presented in your letter and its interpretation of this Act, Commission Staff is of the opinion that the proposed construction is exempt from any requirement to obtain a certificate of public convenience and necessity. As Peaks Mill Water District had annual revenues in calendar year 2004 of \$325,911, it is a Class B water utility.² The cost of the proposed extension is \$332,180. The proposed extension will not require the issuance of any evidence of indebtedness that requires Commission authorization or result in any increase in the water district's rates.

This letter represents Commission Staff's interpretation of the law as applied to the facts presented. This opinion is advisory in nature and not binding on the Commission should the issues herein be formally presented for Commission resolution. Questions concerning this opinion should be directed to Gerald Wuetcher, Assistant General Counsel, at (502) 564-3940, Extension 259.

Sincerely,



Beth O'Donnell
Executive Director

² The Kentucky Public Service Commission's Uniform System of Accounts defines a Class B water utility as a utility "having annual water operating revenues of \$250,000 or more but less than \$750,000." Uniform System of Accounts for Class A/B Water Districts and Associations at 14 (2002) (found at <http://psc.ky.gov/agencies/psc/forms/usoa/0700ab02.pdf>).



Ernie Fletcher
Governor

LaJuana S. Wilcher, Secretary
Environmental and Public
Protection Cabinet

Christopher L. Lilly
Commissioner
Department of Public Protection

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

Mark David Goss
Chairman

Teresa J. Hill
Vice Chairman

Gregory Coker
Commissioner

October 20, 2005

Ms. Deborah T. Eversole
Stoll Keenon and Park, LLP
2650 Aegon Center
400 West Market Street
Louisville, Kentucky 40202-3377

RECEIVED OCT 21 2005

Re: Peaks Mill Water District

Dear Ms. Eversole:

Commission Staff acknowledges receipt of your letter of October 13, 2005 in which you request an opinion regarding the need for a certificate of public convenience and necessity for a proposed water improvements project in Franklin County, Kentucky.

In your letter, you present the following facts: Peaks Mill Water District, a water district organized pursuant to KRS Chapter 74, proposes to construct a water storage tank at the intersection of U.S. Highway 127 and Shadrick Ferry Road in Franklin County, Kentucky. This project consists of the construction of a 300,000 gallon water storage tank, with telemetry vault, telemetry system, foundation, fencing, and access area. Its estimated cost is \$397,491. Peaks Mill will finance the proposed project entirely from the proceeds of an appropriation from the Kentucky General Assembly. It will not issue any evidences of indebtednesses nor increase its rates for water service. Peaks Mill had total water operating revenues of \$325,911 in calendar year 2004.¹

Your letter presents the following question: Must Peaks Mill Water District obtain a certificate of public convenience and necessity for the proposed project?

KRS 278.020(1) provides:

No person, partnership, public or private corporation, or combination thereof shall commence providing utility service to or for the public or begin the construction of any plant, equipment, property, or facility for furnishing to the public any of the services enumerated in KRS 278.010, except

¹ Annual Report of Peaks Mill Water District to the Public Service Commission for the Calendar Year Ended December 31, 2004 at 27.

Debroah T. Eversole

October 20, 2005

Page 2

retail electric suppliers for service connections to electric-consuming facilities located within its certified territory and ordinary extensions of existing systems in the usual course of business, until that person has obtained from the Public Service Commission a certificate that public convenience and necessity require the service or construction.

Administrative Regulation 807 KAR 5:001, Section 9(3) further provides:

Extensions in the ordinary course of business. No certificate of public convenience and necessity will be required for extensions that do not create wasteful duplication of plant, equipment, property or facilities, or conflict with the existing certificates or service of other utilities operating in the same area and under the jurisdiction of the commission that are in the general area in which the utility renders service or contiguous thereto, and that do not involve sufficient capital outlay to materially affect the existing financial condition of the utility involved, or will not result in increased charges to its customers.

Under the method of analysis that Commission Staff has historically employed, the proposed construction would likely require a certificate of public convenience and necessity. According to its Annual Report for Calendar Year 2004, Peaks Mill Water District had net utility plant of \$2,640,006. The proposed construction, therefore, represents an increase of approximately 15.1 percent in Peaks Mill Water District's utility plant. Such a large increase in utility plant cannot be considered ordinary. See, e.g., City of Covington v. Board of Commissioners of Kenton County Water District No. 1, 371 S.W.2d 20 (Ky. 1963).

The Kentucky General Assembly, however, has recently enacted legislation that provides:

Water Districts and Water Associations: A water district created pursuant to KRS Chapter 74 and a water association created pursuant to KRS Chapter 273 that undertakes a waterline extension or improvement project shall not be required to obtain a certificate of public convenience and necessity pursuant to KRS 278.020(1) if the water district or water association is a Class A or B utility as defined in the Uniform System of Accounts established by the Public Service Commission, pursuant to KRS 278.220, as the system of accounts prescribed for utilities in Kentucky, and either: (a) The water line extension or improvement project will not cost in excess of \$500,000; or (b) The water district or water association will not, as a result of the water line extension or improvement project, incur obligations requiring Public Service Commission approval pursuant to

Debroah T. Eversole
October 20, 2005
Page 3

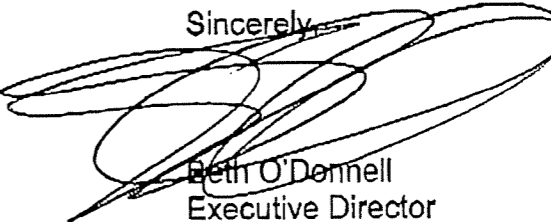
KRS 278.300. In either case, the water district or water association shall not, as a result of the water line extension or improvement project, increase rates to its customers.

2005 Ky. Acts Chapter 173.

Based upon the facts presented in your letter and its interpretation of this Act, Commission Staff is of the opinion that the proposed construction is exempt from any requirement to obtain a certificate of public convenience and necessity. As Peaks Mill Water District had annual revenues in calendar year 2004 of \$325,911, it is a Class B water utility.² The cost of the proposed extension is \$397,491. The proposed extension will not require the issuance of any evidence of indebtedness that requires Commission authorization or result in any increase in the water district's rates.

This letter represents Commission Staff's interpretation of the law as applied to the facts presented. This opinion is advisory in nature and not binding on the Commission should the issues herein be formally presented for Commission resolution. Questions concerning this opinion should be directed to Gerald Wuetcher, Assistant General Counsel, at (502) 564-3940, Extension 259.

Sincerely,



Beth O'Donnell
Executive Director

² The Kentucky Public Service Commission's Uniform System of Accounts defines a Class B water utility as a utility "having annual water operating revenues of \$250,000 or more but less than \$750,000." Uniform System of Accounts for Class A/B Water Districts and Associations at 14 (2002) (found at <http://psc.ky.gov/agencies/psc/forms/usoa/0700ab02.pdf>).

Warner A. Broughman III
and Associates

RECEIVED

APR 04 2006

PUBLIC SERVICE
COMMISSION

3161 Custer Dr, Suite 6 Lexington, Kentucky 40517 (859) 271-1778

April 4, 2006

Ms. Beth O'Donnell, Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602-0615

re: Application of Peaks Mill Water District
Certificate of Public Convenience and
Necessity to Construct
Plans and Specifications

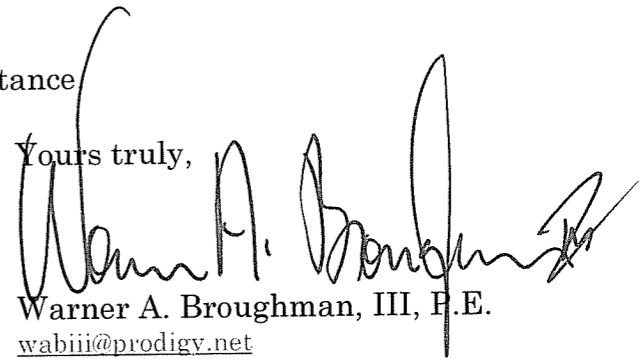
Dear Ms. O'Donnell:

Enclosed are 2 copies of the Plans and Specifications for the above referenced Application (Union Ridge Extension).

An extra copy of this letter is being delivered by hand delivery for your file stamp for our files.

Thank you for your assistance

Yours truly,



Warner A. Broughman, III, P.E.
wabiii@prodigy.net

WAB:pac

Encl.

© by Warner A. Broughman III & Associates September 14, 2004

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S P E C I F I C A T I O N S
A N D
C O N T R A C T D O C U M E N T S

f o r

U N I O N R I D G E
E X T E N S I O N

P E A K S M I L L W A T E R D I S T R I C T
F R A N K F O R T , K E N T U C K Y

S E P T E M B E R 2 0 0 4

Warner A. Broughman III & Associates
3161 Custer Drive
Lexington, Kentucky 40517

**PEAKS MILL WATER DISTRICT
FRANKFORT, KENTUCKY**

COMMISIONERS

Wilbert Perkins, Chairman

Lowell Clark, Secretary

Church Quarles, Treasurer

OFFICE MANAGER

Lisa Perkins

FIELD MANAGER

Dale Gatewood

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ADVERTISEMENT FOR BIDS

PEAKS MILL WATER DISTRICT
301 Perkins Rd
Frankfort, KY 40601

Separate sealed BIDS for the construction of the UNION RIDGE EXTENSION consisting of approximately 57,915 LINEAR FEET OF 6-INCH AND 5,225 LINEAR FEET OF 4-INCH PVC WATER LINES AND TWO PREFABRICATED PUMP STATIONS, together with all appurtenances thereof, will be received by PEAKS MILL WATER DISTRICT at the FRANKLIN COUNTY EXTENSION OFFICE, 101 LAKEVIEW COURT, FRANKFORT, KY until 11:00 A.M., October 21, 2004, and then at said office publicly opened and read aloud.

The CONTRACT DOCUMENTS consisting of ADVERTISEMENT FOR BIDS, INFORMATION FOR BIDDERS, BID, BID BOND, AGREEMENT, PAYMENT & PERFORMANCE BOND, GENERAL CONDITIONS, NOTICE OF AWARD, DRAWINGS, SPECIFICATIONS AND ADDENDA may be examined at the following locations:

WARNER A. BROUGHMAN III & ASSOCIATES
3161 CUSTER DRIVE
LEXINGTON, KENTUCKY 40517

Peaks Mill Water District
310 Perkins Road
Frankfort, KY 40601

Copies of the CONTRACT DOCUMENTS may be obtained at the office of Warner A. Broughman III & Associates (859) 271-1778 upon payment of \$50.00 for each set.

INFORMATION FOR BIDDERS

BIDS will be received by **PEAKS MILL WATER DISTRICT** (herein called the "OWNER"), at the **FRANKLIN COUNTY EXTENSION OFFICE, 101 LAKEVIEW COURT, FRANKFORT, KY 40601**, and then at said office publicly opened and read aloud.

If forwarded by mail, the sealed envelope containing the BID must be enclosed in another envelope addressed to the **Peaks Mill Water District, 310 Perkins Road, Frankfort, KY 40601**. Each sealed envelope containing a BID must be plainly marked on the outside as **BID FOR UNION RIDGE EXTENSION** and the envelope should bear on the outside the name of the BIDDER, his address, his license number, if applicable, and the name of the project for which the BID is submitted. All BIDS must be made on the required BID form. All blank spaces for BID prices must be filled in, in ink or typewritten, and the BID form must be fully completed and executed when submitted. Only one copy of the BID form is required.

The OWNER may waive any informalities or minor defects or reject any and all BIDS. Any BID may be withdrawn prior to the above scheduled time for the opening of BIDS or authorized postponement thereof. Any BID received after the time and date specified shall not be considered. No BIDDER may withdraw a BID within ninety (90) days after the actual date of the opening thereof. Should there be reasons why the contract cannot be awarded within the specified period, the time may be extended by mutual agreement between the OWNER and the BIDDER.

BIDDERS must satisfy themselves of the accuracy of the estimated quantities in the BID SCHEDULE by examination of the site and a review of the drawings and specifications including ADDENDA. After BIDS have been submitted, the BIDDER shall not assert that there was a misunderstanding concerning the quantities of WORK or of the nature of the WORK to be done.

The OWNER shall provide to BIDDERS prior to BIDDING all information which is pertinent to, and delineates and describes, the land owned and rights-of-way acquired or to be acquired.

The CONTRACT DOCUMENTS contain the provisions required for the construction of the PROJECT. Information obtained from an officer, agent, or employee of the OWNER or any other person shall not affect the risks or obligations assumed by the CONTRACTOR or relieve him from fulfilling any of the conditions of the contract.

Each BID must be accompanied by a BID BOND payable to the OWNER for **five percent** of the total amount of the BID. As soon as the BID prices have been compared, the OWNER will return the BONDS of all except the three lowest responsible BIDDERS. When the Agreement is executed the BONDS of the two remaining unsuccessful BIDDERS will be returned. The BID BOND of the successful BIDDER will be retained until the PAYMENT BOND and PERFORMANCE BOND have

WAB III - Information for Bidders

been executed and approved, after which it will be returned. A certified check may be used in lieu of a BID BOND.

A performance BOND and a payment BOND each in the amount of 100 percent of the CONTRACT PRICE, with a corporate surety approved by the OWNER, will be required for the faithful performance of the contract.

Attorneys-in-fact who sign BID BONDS or payment BONDS and performance BONDS must file with each BOND a certified and effective dated copy of their power of attorney.

The party to whom the contract is awarded will be required to execute the Agreement and obtain the performance BOND and payment BOND within ten (10) calendar days from the date when NOTICE OF AWARD is delivered to the BIDDER. The NOTICE OF AWARD shall be accompanied by the necessary Agreement and BOND forms. In case of failure of the BIDDER to execute the Agreement, the OWNER may consider the BIDDER in default, in which case the BID BOND accompanying the proposal shall become the Property of the OWNER.

The OWNER within ten (10) days of receipt of acceptable performance BOND, payment BOND and Agreement signed by the party to whom the Agreement was awarded shall sign the Agreement and return to such party an executed duplicate of the Agreement. Should the OWNER not execute the Agreement within such period, the BIDDER may by WRITTEN NOTICE withdraw the signed Agreement. Such notice of withdrawal shall be effective upon receipt of the notice by the OWNER.

The NOTICE TO PROCEED shall be issued within ten (10) days of the execution of the Agreement by the OWNER. Should there be reasons why the NOTICE TO PROCEED cannot be issued within such period, the time may be extended by mutual agreement between the OWNER AND CONTRACTOR. If the NOTICE TO PROCEED has not been issued within the ten (10) day period or within the period mutually agreed upon, the CONTRACTOR may terminate the Agreement without further liability on the part of either party.

The OWNER may make such investigations as deemed necessary to determine the ability of the BIDDER to perform the WORK, and the BIDDER shall furnish to the OWNER all such information and data for this purpose as the OWNER may request. The OWNER reserves the right to reject any BID if the evidence submitted by, or investigation of, such BIDDER fails to satisfy the OWNER that such BIDDER is properly qualified to carry out the obligations of the Agreement and to complete the WORK contemplated therein.

A conditional or qualified BID will not be accepted.

Award will be made to the lowest responsible BIDDER.

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All applicable laws, ordinances, and the rules and regulations of all authorities having jurisdiction over construction of the PROJECT shall apply to the contract throughout.

Each BIDDER is responsible for inspecting the site and for reading and being thoroughly familiar with the CONTRACT DOCUMENTS. The failure or omission of any BIDDER to do any of the foregoing shall in no way relieve any BIDDER from any obligation in respect to its BID.

GENERAL CONDITIONS

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1. DEFINITIONS

- 1.1 Wherever used in the CONTRACT DOCUMENTS, the following terms shall have the meanings indicated which shall be applicable to both the singular and plural thereof:
- 1.2 ADDENDA—Written or graphic instruments issued prior to the execution of the Agreement which modify or interpret the CONTRACT DOCUMENTS, DRAWINGS and SPECIFICATIONS, by additions, deletions, clarifications or corrections.
- 1.3 BID—The offer or proposal of the BIDDER submitted on the prescribed form setting forth the prices for the WORK to be performed.
- 1.4 BIDDER—Any person, firm or corporation submitting a BID for the WORK.
- 1.5 BONDS—Bid, Performance, and Payment Bonds and other instruments of security, furnished by the CONTRACTOR and his surety in accordance with the CONTRACT DOCUMENTS.
- 1.6 CHANGE ORDER—A written order to the CONTRACTOR authorizing an addition, deletion or revision in the WORK within the general scope of the CONTRACT DOCUMENTS, or authorizing an adjustment in the CONTRACT PRICE or CONTRACT TIME.
- 1.7 CONTRACT DOCUMENTS—The contract, including Advertisement For Bids, Information For Bidders, BID, Bid Bond, Agreement, Payment Bond, Performance Bond, NOTICE OF AWARD, NOTICE TO PROCEED, CHANGE ORDER, DRAWINGS, SPECIFICATIONS, and ADDENDA.
- 1.8 CONTRACT PRICE—The total monies payable to the CONTRACTOR under the terms and conditions of the CONTRACT DOCUMENTS.
- 1.9 CONTRACT TIME—The number of calendar days stated in the CONTRACT DOCUMENTS for the completion of the WORK.
- 1.10 CONTRACTOR—The person, firm or corporation with whom the OWNER has executed the Agreement.
- 1.11 DRAWINGS—The part of the CONTRACT DOCUMENTS which show the characteristics and scope of the WORK to be performed and which have been prepared or approved by the ENGINEER.
- 1.12 ENGINEER—The person, firm or corporation named as such in the CONTRACT DOCUMENTS.
- 1.13 FIELD ORDER—A written order effecting a change in the WORK not involving an adjustment in the CONTRACT PRICE or an extension of the CONTRACT TIME, issued by the ENGINEER to the CONTRACTOR during construction.
- 1.14 NOTICE OF AWARD—The written notice of the acceptance of the BID from the OWNER to the successful BIDDER.
- 1.15 NOTICE TO PROCEED—Written communication issued by the OWNER to the CONTRACTOR authorizing him to proceed with the WORK and establishing the date of commencement of the WORK.
- 1.16 OWNER—A public or quasi-public body or authority, corporation, association, partnership, or individual for whom the WORK is to be performed.
- 1.17 PROJECT—The undertaking to be performed as provided in the CONTRACT DOCUMENTS.
- 1.18 RESIDENT PROJECT REPRESENTATIVE—The authorized representative of the OWNER who is assigned to the PROJECT site or any part thereof.
- 1.19 SHOP DRAWINGS—All drawings, diagrams, illustrations, brochures, schedules and other data which are prepared by the CONTRACTOR, a SUBCONTRACTOR, manufacturer, SUPPLIER or distributor, which illustrate how specific portions of the WORK shall be fabricated or installed.
- 1.20 SPECIFICATIONS—A part of the CONTRACT DOCUMENTS consisting of written descriptions of a technical nature of materials, equipment, construction systems, standards and workmanship.
- 1.21 SUBCONTRACTOR—An individual, firm or corporation having a direct contract with the CONTRACTOR or with any other SUBCONTRACTOR for the performance of a part of the WORK at the site.
- 1.22 SUBSTANTIAL COMPLETION—That date as certified by the ENGINEER when the construction of the PROJECT or a specified part thereof is sufficiently completed, in accordance with the CONTRACT DOCUMENTS, so that the PROJECT or specified part can be utilized for the purposes for which it is intended.
- 1.23 SUPPLEMENTAL GENERAL CONDITIONS—

Modifications to General Conditions required by a Federal agency for participation in the PROJECT and approved by the agency in writing prior to inclusion in the CONTRACT DOCUMENTS, or such requirements that may be imposed by applicable state laws.

1.24 SUPPLIER—Any person or organization who supplies materials or equipment for the WORK, including that fabricated to a special design, but who does not perform labor at the site.

1.25 WORK—All labor necessary to produce the construction required by the CONTRACT DOCUMENTS, and all materials and equipment incorporated or to be incorporated in the PROJECT.

1.26 WRITTEN NOTICE—Any notice to any party of the Agreement relative to any part of this Agreement in writing and considered delivered and the service thereof completed, when posted by certified or registered mail to the said party at his last given address, or delivered in person to said party or his authorized representative on the WORK.

2. ADDITIONAL INSTRUCTIONS AND DETAIL DRAWINGS

2.1 The CONTRACTOR may be furnished additional instructions and detail drawings, by the ENGINEER, as necessary to carry out the WORK required by the CONTRACT DOCUMENTS.

2.2 The additional drawings and instruction thus supplied will become a part of the CONTRACT DOCUMENTS. The CONTRACTOR shall carry out the WORK in accordance with the additional detail drawings and instructions.

3. SCHEDULES, REPORTS AND RECORDS

3.1 The CONTRACTOR shall submit to the OWNER such schedule of quantities and costs, progress schedules, payrolls, reports, estimates, records and other data where applicable as are required by the CONTRACT DOCUMENTS for the WORK to be performed.

3.2 Prior to the first partial payment estimate the CONTRACTOR shall submit construction progress schedules showing the order in which he proposes to carry on the WORK, including dates at which he will start the various parts of the WORK, estimated date of completion of each part and, as applicable:

3.2.1. The dates at which special detail drawings will be required; and

3.2.2 Respective dates for submission of SHOP DRAWINGS, the beginning of manufacture, the testing and the installation of materials, supplies and equipment.

3.3 The CONTRACTOR shall also submit a schedule of payments that he anticipates he will earn during the course of the WORK.

4. DRAWINGS AND SPECIFICATIONS

4.1 The intent of the DRAWINGS and SPECIFICATIONS is that the CONTRACTOR shall furnish all labor, materials, tools, equipment, and transportation necessary for the proper execution of the WORK in accordance with the CONTRACT DOCUMENTS and all incidental work necessary to complete the PROJECT in an acceptable manner, ready for use, occupancy or operation by the OWNER.

4.2 In case of conflict between the DRAWINGS and SPECIFICATIONS, the SPECIFICATIONS shall govern. Figure dimensions on DRAWINGS shall govern over scale dimensions, and detailed DRAWINGS shall govern over general DRAWINGS.

4.3 Any discrepancies found between the DRAWINGS and SPECIFICATIONS and site conditions or any inconsistencies or ambiguities in the DRAWINGS or SPECIFICATIONS shall be immediately reported to the ENGINEER, in writing, who shall promptly correct such inconsistencies or ambiguities in writing. WORK done by the CONTRACTOR after his discovery of such discrepancies, inconsistencies or ambiguities shall be done at the CONTRACTOR'S risk.

5. SHOP DRAWINGS

5.1 The CONTRACTOR shall provide SHOP DRAWINGS as may be necessary for the prosecution of the WORK as required by the CONTRACT DOCUMENTS. The ENGINEER shall promptly review all SHOP DRAWINGS. The ENGINEER'S approval of any SHOP DRAWING shall not release the CONTRACTOR from responsibility for deviations from the CONTRACT DOCUMENTS. The approval of any SHOP DRAWING which substantially deviates from the requirement of the CONTRACT DOCUMENTS shall be evidenced by a CHANGE ORDER.

5.2 When submitted for the ENGINEER'S review, SHOP DRAWINGS shall bear the CONTRACTOR'S certification that he has reviewed, checked and approved the SHOP DRAWINGS and that they are in conformance with the requirements of the CONTRACT DOCUMENTS.

5.3 Portions of the WORK requiring a SHOP DRAWING or sample submission shall not begin until the SHOP DRAWING or submission has been approved by the ENGINEER. A copy of each approved SHOP DRAWING and each approved sample shall be kept in good order by the CONTRACTOR at the site and shall be available to the ENGINEER.

6. MATERIALS, SERVICES AND FACILITIES

6.1 It is understood that, except as otherwise specifically stated in the CONTRACT DOCUMENTS, the CONTRACTOR shall provide and pay for all materials, labor, tools, equipment, water, light, power, transportation, supervision, temporary construction of any nature, and all other services and facilities of any nature whatsoever necessary to execute, complete, and deliver the WORK within the specified time.

6.2 Materials and equipment shall be so stored as to insure the preservation of their quality and fitness for the WORK. Stored materials and equipment to be incorporated in the WORK shall be located so as to facilitate prompt inspection.

6.3 Manufactured articles, materials and equipment shall be applied, installed, connected, erected, used, cleaned and conditioned as directed by the manufacturer.

6.4 Materials, supplies and equipment shall be in accordance with samples submitted by the CONTRACTOR and approved by the ENGINEER.

6.5 Materials, supplies or equipment to be incorporated into the WORK shall not be purchased by the

CONTRACTOR or the SUBCONTRACTOR subject to a chattel mortgage or under a conditional sale contract or other agreement by which an interest is retained by the seller.

7. INSPECTION AND TESTING

7.1 All materials and equipment used in the construction of the PROJECT shall be subject to adequate inspection and testing in accordance with generally accepted standards, as required and defined in the CONTRACT DOCUMENTS.

7.2 The OWNER shall provide all inspection and testing services not required by the CONTRACT DOCUMENTS.

7.3 The CONTRACTOR shall provide at his expense the testing and inspection services required by the CONTRACT DOCUMENTS.

7.4 If the CONTRACT DOCUMENTS, laws, ordinances, rules, regulations or orders of any public authority having jurisdiction require any WORK to specifically be inspected, tested, or approved by someone other than the CONTRACTOR, the CONTRACTOR will give the ENGINEER timely notice of readiness. The CONTRACTOR will then furnish the ENGINEER the required certificates of inspection, testing or approval.

7.5 Inspections, tests or approvals by the engineer or others shall not relieve the CONTRACTOR from his obligations to perform the WORK in accordance with the requirements of the CONTRACT DOCUMENTS.

7.6 The ENGINEER and his representatives will at all times have access to the WORK. In addition, authorized representatives and agents of any participating Federal or state agency shall be permitted to inspect all work, materials, payrolls, records of personnel, invoices of materials, and other relevant data and records. The CONTRACTOR will provide proper facilities for such access and observation of the WORK and also for any inspection, or testing thereof.

7.7 If any WORK is covered contrary to the written instructions of the ENGINEER it must, if requested by the ENGINEER, be uncovered for his observation and replaced at the CONTRACTOR'S expense.

7.8 If the ENGINEER considers it necessary or advisable that covered WORK be inspected or tested by others, the CONTRACTOR, at the ENGINEER'S request, will uncover, expose or otherwise make available for observation, inspection or testing as the ENGINEER may require, that portion of the WORK in question, furnishing all necessary labor, materials, tools, and equipment. If it is found that such WORK is defective, the CONTRACTOR will bear all the expenses of such uncovering, exposure, observation, inspection and testing and of satisfactory reconstruction. If, however, such WORK is not found to be defective, the CONTRACTOR will be allowed an increase in the CONTRACT PRICE or an extension of the CONTRACT TIME, or both, directly attributable to such uncovering, exposure, observation, inspection, testing and reconstruction and an appropriate CHANGE ORDER shall be issued.

8. SUBSTITUTIONS

8.1 Whenever a material, article or piece of equip-

ment is identified on the DRAWINGS or SPECIFICATIONS by reference to brand name or catalogue number, it shall be understood that this is referenced for the purpose of defining the performance or other salient requirements and that other products of equal capacities, quality and function shall be considered. The CONTRACTOR may recommend the substitution of a material, article, or piece of equipment of equal substance and function for those referred to in the CONTRACT DOCUMENTS by reference to brand name or catalogue number, and if, in the opinion of the ENGINEER, such material, article, or piece of equipment is of equal substance and function to that specified, the ENGINEER may approve its substitution and use by the CONTRACTOR. Any cost differential shall be deductible from the CONTRACT PRICE and the CONTRACT DOCUMENTS shall be appropriately modified by CHANGE ORDER. The CONTRACTOR warrants that if substitutes are approved, no major changes in the function or general design of the PROJECT will result. Incidental changes or extra component parts required to accommodate the substitute will be made by the CONTRACTOR without a change in the CONTRACT PRICE or CONTRACT TIME.

9. PATENTS

9.1 The CONTRACTOR shall pay all applicable royalties and license fees. He shall defend all suits or claims for infringement of any patent rights and save the OWNER harmless from loss on account thereof, except that the OWNER shall be responsible for any such loss when a particular process, design, or the product of a particular manufacturer or manufacturers is specified, however if the CONTRACTOR has reason to believe that the design, process or product specified is an infringement of a patent, he shall be responsible for such loss unless he promptly gives such information to the ENGINEER.

10. SURVEYS, PERMITS, REGULATIONS

10.1 The OWNER shall furnish all boundary surveys and establish all base lines for locating the principal component parts of the WORK together with a suitable number of bench marks adjacent to the WORK as shown in the CONTRACT DOCUMENTS. From the information provided by the OWNER, unless otherwise specified in the CONTRACT DOCUMENTS, the CONTRACTOR shall develop and make all detail surveys needed for construction such as slope stakes, batter boards, stakes for pile locations and other working points, lines, elevations and cut sheets.

10.2 The CONTRACTOR shall carefully preserve bench marks, reference points and stakes and, in case of willful or careless destruction, he shall be charged with the resulting expense and shall be responsible for any mistakes that may be caused by their unnecessary loss or disturbance.

10.3 Permits and licenses of a temporary nature necessary for the prosecution of the WORK shall be secured and paid for by the CONTRACTOR unless otherwise stated in the SUPPLEMENTAL GENERAL CONDITIONS. Permits, licenses and easements for permanent structures or permanent changes in existing facilities shall be secured and paid for by the OWNER, unless otherwise specified. The CONTRACTOR shall give all notices and comply with all laws, ordinances, rules and regulations bearing on the conduct of the WORK as drawn and specified. If the CONTRACTOR

observes that the CONTRACT DOCUMENTS are at variance therewith, he shall promptly notify the ENGINEER in writing, and any necessary changes shall be adjusted as provided in Section 13, CHANGES IN THE WORK.

11. PROTECTION OF WORK, PROPERTY AND PERSONS

11.1 The CONTRACTOR will be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the WORK. He will take all necessary precautions for the safety of, and will provide the necessary protection to prevent damage, injury or loss to all employees on the WORK and other persons who may be affected thereby, all the WORK and all materials or equipment to be incorporated therein, whether in storage on or off the site, and other property at the site or adjacent thereto, including trees, shrubs, lawns, walks, pavements, roadways, structures and utilities not designated for removal, relocation or replacement in the course of construction.

11.2 The CONTRACTOR will comply with all applicable laws, ordinances, rules, regulations and orders of any public body having jurisdiction. He will erect and maintain, as required by the conditions and progress of the WORK, all necessary safeguards for safety and protection. He will notify owners of adjacent utilities when prosecution of the WORK may affect them. The CONTRACTOR will remedy all damage, injury or loss to any property caused, directly or indirectly, in whole or in part, by the CONTRACTOR, any SUBCONTRACTOR or anyone directly or indirectly employed by any of them or anyone for whose acts any of them be liable, except damage or loss attributable to the fault of the CONTRACT DOCUMENTS or to the acts or omissions of the OWNER or the ENGINEER or anyone employed by either of them or anyone for whose acts either of them may be liable, and not attributable, directly or indirectly, in whole or in part, to the fault or negligence of the CONTRACTOR.

11.3 In emergencies affecting the safety of persons or the WORK or property at the site or adjacent thereto, the CONTRACTOR, without special instruction or authorization from the ENGINEER or OWNER, shall act to prevent threatened damage, injury or loss. He will give the ENGINEER prompt WRITTEN NOTICE of any significant changes in the WORK or deviations from the CONTRACT DOCUMENTS caused thereby, and a CHANGE ORDER shall thereupon be issued covering the changes and deviations involved.

12. SUPERVISION BY CONTRACTOR

12.1 The CONTRACTOR will supervise and direct the WORK. He will be solely responsible for the means, methods, techniques, sequences and procedures of construction. The CONTRACTOR will employ and maintain on the WORK a qualified supervisor or superintendent who shall have been designated in writing by the CONTRACTOR as the CONTRACTOR'S representative at the site. The supervisor shall have full authority to act on behalf of the CONTRACTOR and all communications given to the supervisor shall be as binding as if given to the CONTRACTOR. The supervisor shall be present on the site at all times as required to perform adequate supervision and coordination of the WORK.

13. CHANGES IN THE WORK

13.1 The OWNER may at any time, as the need arises,

order changes within the scope of the WORK without invalidating the Agreement. If such changes increase or decrease the amount due under the CONTRACT DOCUMENTS, or in the time required for performance of the WORK, an equitable adjustment shall be authorized by CHANGE ORDER.

13.2 The ENGINEER, also, may at any time, by issuing a FIELD ORDER, make changes in the details of the WORK. The CONTRACTOR shall proceed with the performance of any changes in the WORK so ordered by the ENGINEER unless the CONTRACTOR believes that such FIELD ORDER entitles him to a change in CONTRACT PRICE or TIME, or both, in which event he shall give the ENGINEER WRITTEN NOTICE thereof within seven (7) days after the receipt of the ordered change. Thereafter the CONTRACTOR shall document the basis for the change in CONTRACT PRICE or TIME within thirty (30) days. The CONTRACTOR shall not execute such changes pending the receipt of an executed CHANGE ORDER or further instruction from the OWNER.

14. CHANGES IN CONTRACT PRICE

14.1 The CONTRACT PRICE may be changed only by a CHANGE ORDER. The value of any WORK covered by a CHANGE ORDER or of any claim for increase or decrease in the CONTRACT PRICE shall be determined by one or more of the following methods in the order of precedence listed below:

- a) Unit prices previously approved.
- b) An agreed lump sum.
- c) The actual cost for labor, direct overhead, materials, supplies, equipment, and other services necessary to complete the work. In addition there shall be added an amount to be agreed upon but not to exceed fifteen (15) percent of the actual cost of the WORK to cover the cost of general overhead and profit.

15. TIME FOR COMPLETION AND LIQUIDATED DAMAGES

15.1 The date of beginning and the time for completion of the WORK are essential conditions of the CONTRACT DOCUMENTS and the WORK embraced shall be commenced on a date specified in the NOTICE TO PROCEED.

15.2 The CONTRACTOR will proceed with the WORK at such rate of progress to insure full completion within the CONTRACT TIME. It is expressly understood and agreed, by and between the CONTRACTOR and the OWNER, that the CONTRACT TIME for the completion of the WORK described herein is a reasonable time, taking into consideration the average climatic and economic conditions and other factors prevailing in the locality of the WORK.

15.3 If the CONTRACTOR shall fail to complete the WORK within the CONTRACT TIME, or extension of time granted by the OWNER, then the CONTRACTOR will pay to the OWNER the amount for liquidated damages as specified in the BID for each calendar day that the CONTRACTOR shall be in default after the time stipulated in the CONTRACT DOCUMENTS.

15.4 The CONTRACTOR shall not be charged with liquidated damages or any excess cost when the delay in completion of the WORK is due to the following, and the CONTRACTOR has promptly given WRITTEN NOTICE of such delay to the OWNER or ENGINEER.

15.4.1 To any preference, priority or allocation

order duly issued by the OWNER.

15.4.2 To unforeseeable causes beyond the control and without the fault or negligence of the CONTRACTOR, including but not restricted to, acts of God, or of the public enemy, acts of the OWNER, acts of another CONTRACTOR in the performance of a contract with the OWNER, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and abnormal and unforeseeable weather; and

15.4.3 To any delays of SUBCONTRACTORS occasioned by any of the causes specified in paragraphs 15.4.1 and 15.4.2 of this article.

16. CORRECTION OF WORK

16.1 The CONTRACTOR shall promptly remove from the premises all WORK rejected by the ENGINEER for failure to comply with the CONTRACT DOCUMENTS, whether incorporated in the construction or not, and the CONTRACTOR shall promptly replace and re-execute the WORK in accordance with the CONTRACT DOCUMENTS and without expense to the OWNER and shall bear the expense of making good all WORK of other CONTRACTORS destroyed or damaged by such removal or replacement.

16.2 All removal and replacement WORK shall be done at the CONTRACTOR'S expense. If the CONTRACTOR does not take action to remove such rejected WORK within ten (10) days after receipt of WRITTEN NOTICE, the OWNER may remove such WORK and store the materials at the expense of the CONTRACTOR.

17. SUBSURFACE CONDITIONS

17.1 The CONTRACTOR shall promptly, and before such conditions are disturbed, except in the event of an emergency, notify the OWNER by WRITTEN NOTICE of:

17.1.1 Subsurface or latent physical conditions at the site differing materially from those indicated in the CONTRACT DOCUMENTS; or

17.1.2 Unknown physical conditions at the site, of an unusual nature, differing materially from those ordinarily encountered and generally recognized as inherent in WORK of the character provided for in the CONTRACT DOCUMENTS.

17.2 The OWNER shall promptly investigate the conditions, and if he finds that such conditions do so materially differ and cause an increase or decrease in the cost of, or in the time required for, performance of the WORK, an equitable adjustment shall be made and the CONTRACT DOCUMENTS shall be modified by a CHANGE ORDER. Any claim of the CONTRACTOR for adjustment hereunder shall not be allowed unless he has given the required WRITTEN NOTICE; provided that the OWNER may, if he determines the facts so justify, consider and adjust any such claims asserted before the date of final payment.

18. SUSPENSION OF WORK, TERMINATION AND DELAY

18.1 The OWNER may suspend the WORK or any portion thereof for a period of not more than ninety days or such further time as agreed upon by the CONTRACTOR, by WRITTEN NOTICE to the CONTRACTOR and the ENGINEER which notice shall fix the date on which WORK shall be resumed. The CONTRACTOR

will resume that WORK on the date so fixed. The CONTRACTOR will be allowed an increase in the CONTRACT PRICE or an extension of the CONTRACT TIME, or both, directly attributable to any suspension.

18.2 If the CONTRACTOR is adjudged a bankrupt or insolvent, or if he makes a general assignment for the benefit of his creditors, or if a trustee or receiver is appointed for the CONTRACTOR or for any of his property, or if he files a petition to take advantage of any debtor's act, or to reorganize under the bankruptcy or applicable laws, or if he repeatedly fails to supply sufficient skilled workmen or suitable materials or equipment, or if he repeatedly fails to make prompt payments to SUBCONTRACTORS or for labor, materials or equipment or if he disregards laws, ordinances, rules, regulations or orders of any public body having jurisdiction of the WORK or if he disregards the authority of the ENGINEER, or if he otherwise violates any provision of the CONTRACT DOCUMENTS, then the OWNER may, without prejudice to any other right or remedy and after giving the CONTRACTOR and his surety a minimum of ten (10) days from delivery of a WRITTEN NOTICE, terminate the services of the CONTRACTOR and take possession of the PROJECT and of all materials, equipment, tools, construction equipment and machinery thereon owned by the CONTRACTOR, and finish the WORK by whatever method he may deem expedient. In such case the CONTRACTOR shall not be entitled to receive any further payment until the WORK is finished. If the unpaid balance of the CONTRACT PRICE exceeds the direct and indirect costs of completing the PROJECT, including compensation for additional professional services, such excess SHALL BE PAID TO THE CONTRACTOR. If such costs exceed such unpaid balance, the CONTRACTOR will pay the difference to the OWNER. Such costs incurred by the OWNER will be determined by the ENGINEER and incorporated in a CHANGE ORDER.

18.3 Where the CONTRACTOR'S services have been so terminated by the OWNER, said termination shall not affect any right of the OWNER against the CONTRACTOR then existing or which may thereafter accrue. Any retention or payment of monies by the OWNER due the CONTRACTOR will not release the CONTRACTOR from compliance with the CONTRACT DOCUMENTS.

18.4 After ten (10) days from delivery of a WRITTEN NOTICE to the CONTRACTOR and the ENGINEER, the OWNER may, without cause and without prejudice to any other right or remedy, elect to abandon the PROJECT and terminate the Contract. In such case, the CONTRACTOR shall be paid for all WORK executed and any expense sustained plus reasonable profit.

18.5 If, through no act or fault of the CONTRACTOR, the WORK is suspended for a period of more than ninety (90) days by the OWNER or under an order of court or other public authority, or the ENGINEER fails to act on any request for payment within thirty (30) days after it is submitted, or the OWNER fails to pay the CONTRACTOR substantially the sum approved by the ENGINEER or awarded by arbitrators within thirty (30) days of its approval and presentation, then the CONTRACTOR may, after ten (10) days from delivery of a WRITTEN NOTICE to the OWNER and the ENGINEER, terminate the CONTRACT and recover from the OWNER payment for all WORK exe-

cutted and all expenses sustained. In addition and in lieu of terminating the CONTRACT, if the ENGINEER has failed to act on a request for payment or if the OWNER has failed to make any payment as aforesaid, the CONTRACTOR may upon ten (10) days written notice to the OWNER and the ENGINEER stop the WORK until he has been paid all amounts then due, in which event and upon resumption of the WORK, CHANGE ORDERS shall be issued for adjusting the CONTRACT PRICE or extending the CONTRACT TIME or both to compensate for the costs and delays attributable to the stoppage of the WORK.

18.6 If the performance of all or any portion of the WORK is suspended, delayed, or interrupted as a result of a failure of the OWNER or ENGINEER to act within the time specified in the CONTRACT DOCUMENTS, or if no time is specified, within a reasonable time, an adjustment in the CONTRACT PRICE or an extension of the CONTRACT TIME, or both, shall be made by CHANGE ORDER to compensate the CONTRACTOR for the costs and delays necessarily caused by the failure of the OWNER or ENGINEER.

19. PAYMENTS TO CONTRACTOR

19.1 At least ten (10) days before each progress payment falls due (but not more often than once a month), the CONTRACTOR will submit to the ENGINEER a partial payment estimate filled out and signed by the CONTRACTOR covering the WORK performed during the period covered by the partial payment estimate and supported by such data as the ENGINEER may reasonably require. If payment is requested on the basis of materials and equipment not incorporated in the WORK but delivered and suitably stored at or near the site, the partial payment estimate shall also be accompanied by such supporting data, satisfactory to the OWNER, as will establish the OWNER's title to the material and equipment and protect his interest therein, including applicable insurance. The ENGINEER will, within ten (10) days after receipt of each partial payment estimate, either indicate in writing his approval of payment and present the partial payment estimate to the OWNER, or return the partial payment estimate to the CONTRACTOR indicating in writing his reasons for refusing to approve payment. In the latter case, the CONTRACTOR may make the necessary corrections and resubmit the partial payment estimate. The OWNER will, within ten (10) days of presentation to him of an approved partial payment estimate, pay the CONTRACTOR a progress payment on the basis of the approved partial payment estimate. The OWNER shall retain ten (10) percent of the amount of each payment until final completion and acceptance of all work covered by the CONTRACT DOCUMENTS. The OWNER at any time, however, after fifty (50) percent of the WORK has been completed, if he finds that satisfactory progress is being made, shall reduce retainage to five (5%) percent on the current and remaining estimates. When the WORK is substantially complete (operational or beneficial occupancy), the retained amount may be further reduced below five (5) percent to only that amount necessary to assure completion. On completion and acceptance of a part of the WORK on which the price is stated separately in the CONTRACT DOCUMENTS, payment may be made in full, including retained percentages, less authorized deductions.

19.2 The request for payment may also include an allowance for the cost of such major materials and

equipment which are suitably stored either at or near the site.

19.3 Prior to SUBSTANTIAL COMPLETION, the OWNER, with the approval of the ENGINEER and with the concurrence of the CONTRACTOR, may use any completed or substantially completed portions of the WORK. Such use shall not constitute an acceptance of such portions of the WORK.

19.4 The OWNER shall have the right to enter the premises for the purpose of doing work not covered by the CONTRACT DOCUMENTS. This provision shall not be construed as relieving the CONTRACTOR of the sole responsibility for the care and protection of the WORK, or the restoration of any damaged WORK except such as may be caused by agents or employees of the OWNER.

19.5 Upon completion and acceptance of the WORK, the ENGINEER shall issue a certificate attached to the final payment request that the WORK has been accepted by him under the conditions of the CONTRACT DOCUMENTS. The entire balance found to be due the CONTRACTOR, including the retained percentages, but except such sums as may be lawfully retained by the OWNER, shall be paid to the CONTRACTOR within thirty (30) days of completion and acceptance of the WORK.

19.6 The CONTRACTOR will indemnify and save the OWNER or the OWNER'S agents harmless from all claims growing out of the lawful demands of SUBCONTRACTORS, laborers, workmen, mechanics, materialmen, and furnishers of machinery and parts thereof, equipment, tools, and all supplies, incurred in the furtherance of the performance of the WORK. The CONTRACTOR shall, at the OWNER'S request, furnish satisfactory evidence that all obligations of the nature designated above have been paid, discharged, or waived. If the CONTRACTOR fails to do so the OWNER may, after having notified the CONTRACTOR, either pay unpaid bills or withhold from the CONTRACTOR'S unpaid compensation a sum of money deemed reasonably sufficient to pay any and all such lawful claims until satisfactory evidence is furnished that all liabilities have been fully discharged whereupon payment to the CONTRACTOR shall be resumed, in accordance with the terms of the CONTRACT DOCUMENTS, but in no event shall the provisions of this sentence be construed to impose any obligations upon the OWNER to either the CONTRACTOR, his Surety, or any third party. In paying any unpaid bills of the CONTRACTOR, any payment so made by the OWNER shall be considered as a payment made under the CONTRACT DOCUMENTS by the OWNER to the CONTRACTOR and the OWNER shall not be liable to the CONTRACTOR for any such payments made in good faith.

19.7 If the OWNER fails to make payment thirty (30) days after approval by the ENGINEER, in addition to other remedies available to the CONTRACTOR, there shall be added to each such payment interest at the maximum legal rate commencing on the first day after said payment is due and continuing until the payment is received by the CONTRACTOR.

20. ACCEPTANCE OF FINAL PAYMENT AS RELEASE

20.1 The acceptance by the CONTRACTOR of final payment shall be and shall operate as a release to the OWNER of all claims and all liability to the CONTRACTOR other than claims in stated amounts as may be specifically excepted by the CONTRACTOR for all things done or furnished in connection with this WORK and for every act and neglect of the OWNER and others relating to or arising out of this WORK. Any payment, however, final or otherwise, shall not release the CONTRACTOR or his sureties from any obligations under the CONTRACT DOCUMENTS or the Performance BOND and Payment BONDS.

21. INSURANCE

21.1 The CONTRACTOR shall purchase and maintain such insurance as will protect him from claims set forth below which may arise out of or result from the CONTRACTOR'S execution of the WORK, whether such execution be by himself or by any SUBCONTRACTOR or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable:

21.1.1 Claims under workmen's compensation, disability benefit and other similar employee benefit acts;

21.1.2 Claims for damages because of bodily injury, occupational sickness or disease, or death of his employees;

21.1.3 Claims for damages because of bodily injury, sickness or disease, or death of any person other than his employees;

21.1.4 Claims for damages insured by usual personal injury liability coverage which are sustained (1) by any person as a result of an offense directly or indirectly related to the employment of such person by the CONTRACTOR, or (2) by any other person; and

21.1.5 Claims for damages because of injury to or destruction of tangible property, including loss of use resulting therefrom.

21.2 Certificates of Insurance acceptable to the OWNER shall be filed with the OWNER prior to commencement of the WORK. These Certificates shall contain a provision that coverages afforded under the policies will not be cancelled unless at least fifteen (15) days prior WRITTEN NOTICE has been given to the OWNER.

21.3 The CONTRACTOR shall procure and maintain, at his own expense, during the CONTRACT TIME, liability insurance as hereinafter specified;

21.3.1 CONTRACTOR'S General Public Liability and Property Damage Insurance including vehicle coverage issued to the CONTRACTOR and protecting him from all claims for personal injury, including death, and all claims for destruction of or damage to property, arising out of or in connection with any

operations under the CONTRACT DOCUMENTS, whether such operations be by himself or by any SUBCONTRACTOR under him, or anyone directly or indirectly employed by the CONTRACTOR or by a SUBCONTRACTOR under him. Insurance shall be written with a limit of liability of not less than \$500,000 for all damages arising out of bodily injury, including death, at any time resulting therefrom, sustained by any one person in any one accident; and a limit of liability of not less than \$500,000 aggregate for any such damages sustained by two or more persons in any one accident. Insurance shall be written with a limit of liability of not less than \$200,000 for all property damage sustained by any one person in any one accident; and a limit of liability of not less than \$200,000 aggregate for any such damage sustained by two or more persons in any one accident.

21.3.2 The CONTRACTOR shall acquire and maintain, if applicable, Fire and Extended Coverage insurance upon the PROJECT to the full insurable value thereof for the benefit of the OWNER, the CONTRACTOR, and SUBCONTRACTORS as their interest may appear. This provision shall in no way release the CONTRACTOR or CONTRACTOR'S surety from obligations under the CONTRACT DOCUMENTS to fully complete the PROJECT.

21.4 The CONTRACTOR shall procure and maintain, at his own expense, during the CONTRACT TIME, in accordance with the provisions of the laws of the state in which the work is performed, Workmen's Compensation Insurance, including occupational disease provisions, for all of his employees at the site of the PROJECT and in case any work is sublet, the CONTRACTOR shall require such SUBCONTRACTOR similarly to provide Workmen's Compensation Insurance, including occupational disease provisions for all of the latter's employees unless such employees are covered by the protection afforded by the CONTRACTOR. In case any class of employees engaged in hazardous work under this contract at the site of the PROJECT is not protected under Workmen's Compensation statute, the CONTRACTOR shall provide, and shall cause each SUBCONTRACTOR to provide, adequate and suitable insurance for the protection of his employees not otherwise protected.

21.5 The CONTRACTOR shall secure, if applicable, "All Risk" type Builder's Risk Insurance for WORK to be performed. Unless specifically authorized by the OWNER, the amount of such insurance shall not be less than the CONTRACT PRICE totaled in the BID. The policy shall cover not less than the losses due to fire, explosion, hail, lightning, vandalism, malicious mischief, wind, collapse, riot, aircraft, and smoke during the CONTRACT TIME, and until the WORK is accepted by the OWNER. The policy shall name as the insured the CONTRACTOR, the ENGINEER, and the OWNER.

22. CONTRACT SECURITY

22.1 The CONTRACTOR shall within ten (10) days after the receipt of the NOTICE OF AWARD furnish the OWNER with a Performance Bond and a Payment Bond in penal sums equal to the amount of the CONTRACT PRICE, conditioned upon the performance by

the CONTRACTOR of all undertakings, covenants, terms, conditions and agreements of the CONTRACT DOCUMENTS, and upon the prompt payment by the CONTRACTOR to all persons supplying labor and materials in the prosecution of the WORK provided by the CONTRACT DOCUMENTS. Such BONDS shall be executed by the CONTRACTOR and a corporate bonding company licensed to transact such business in the state in which the WORK is to be performed and named on the current list of "Surety Companies Acceptable on Federal Bonds" as published in the Treasury Department Circular Number 570. The expense of these BONDS shall be borne by the CONTRACTOR. If at any time a surety on any such BOND is declared a bankrupt or loses its right to do business in the state in which the WORK is to be performed or is removed from the list of Surety Companies accepted on Federal BONDS, CONTRACTOR shall within ten (10) days after notice from the OWNER to do so, substitute an acceptable BOND (or BONDS) in such form and sum and signed by such other surety or sureties as may be satisfactory to the OWNER. The premiums on such BOND shall be paid by the CONTRACTOR. No further payments shall be deemed due nor shall be made until the new surety or sureties shall have furnished an acceptable BOND to the OWNER.

23. ASSIGNMENTS

23.1 Neither the CONTRACTOR nor the OWNER shall sell, transfer, assign or otherwise dispose of the Contract or any portion thereof, or of his right, title or interest therein, or his obligations thereunder, without written consent of the other party.

24. INDEMNIFICATION

24.1 The CONTRACTOR will indemnify and hold harmless the OWNER and the ENGINEER and their agents and employees from and against all claims, damages, losses and expenses including attorney's fees arising out of or resulting from the performance of the WORK, provided that any such claims, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property including the loss of use resulting therefrom; and is caused in whole or in part by any negligent or willful act or omission of the CONTRACTOR, and SUBCONTRACTOR, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable.

24.2 In any and all claims against the OWNER or the ENGINEER, or any of their agents or employees, by any employee of the CONTRACTOR, any SUBCONTRACTOR, anyone directly or indirectly employed by any of them, or anyone for whose acts any of them may be liable, the indemnification obligation shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for the CONTRACTOR or any SUBCONTRACTOR under workmen's compensation acts, disability benefit acts or other employee benefits acts.

24.3 The obligation of the CONTRACTOR under this paragraph shall not extend to the liability of the ENGINEER, his agents or employees arising out of the preparation or approval of maps, DRAWINGS, opinions, reports, surveys, CHANGE ORDERS, designs or SPECIFICATIONS.

25. SEPARATE CONTRACTS

25.1 The OWNER reserves the right to let other con-

tracts in connection with this PROJECT. The CONTRACTOR shall afford other CONTRACTORS reasonable opportunity for the introduction and storage of their materials and the execution of their WORK, and shall properly connect and coordinate his WORK with theirs. If the proper execution or results of any part of the CONTRACTOR'S WORK depends upon the WORK of any other CONTRACTOR, the CONTRACTOR shall inspect and promptly report to the ENGINEER any defects in such WORK that render it unsuitable for such proper execution and results.

25.2 The OWNER may perform additional WORK related to the PROJECT by himself, or he may let other contracts containing provisions similar to these. The CONTRACTOR will afford the other CONTRACTORS who are parties to such Contracts (or the OWNER, if he is performing the additional WORK himself), reasonable opportunity for the introduction and storage of materials and equipment and the execution of WORK, and shall properly connect and coordinate his WORK with theirs.

25.3 If the performance of additional WORK by other CONTRACTORS or the OWNER is not noted in the CONTRACT DOCUMENTS prior to the execution of the CONTRACT, written notice thereof shall be given to the CONTRACTOR prior to starting any such additional WORK. If the CONTRACTOR believes that the performance of such additional WORK by the OWNER or others involves him in additional expense or entities him to an extension of the CONTRACT TIME, he may make a claim therefor as provided in Sections 14 and 15.

26. SUBCONTRACTING

26.1 The CONTRACTOR may utilize the services of specialty SUBCONTRACTORS on those parts of the WORK which, under normal contracting practices, are performed by specialty SUBCONTRACTORS.

26.2 The CONTRACTOR shall not award WORK to SUBCONTRACTOR(s), in excess of fifty (50%) percent of the CONTRACT PRICE, without prior written approval of the OWNER.

26.3 The CONTRACTOR shall be fully responsible to the OWNER for the acts and omissions of his SUBCONTRACTORS, and of persons either directly or indirectly employed by them, as he is for the acts and omissions of persons directly employed by him.

26.4 The CONTRACTOR shall cause appropriate provisions to be inserted in all subcontracts relative to the WORK to bind SUBCONTRACTORS to the CONTRACTOR by the terms of the CONTRACT DOCUMENTS insofar as applicable to the WORK of SUBCONTRACTORS and to give the CONTRACTOR the same power as regards terminating any subcontract that the OWNER may exercise over the CONTRACTOR under any provision of the CONTRACT DOCUMENTS.

26.5 Nothing contained in this CONTRACT shall create any contractual relation between any SUBCONTRACTOR and the OWNER.

27. ENGINEER'S AUTHORITY

27.1 The ENGINEER shall act as the OWNER'S representative during the construction period. He shall decide questions which may arise as to quality and acceptability of materials furnished and WORK performed. He shall interpret the intent of the CONTRACT DOCUMENTS in a fair and unbiased manner. The

ENGINEER will make visits to the site and determine if the WORK is proceeding in accordance with the CONTRACT DOCUMENTS.

27.2 The CONTRACTOR will be held strictly to the intent of the CONTRACT DOCUMENTS in regard to the quality of materials, workmanship and execution of the WORK. Inspections may be made at the factory or fabrication plant of the source of material supply.

27.3 The ENGINEER will not be responsible for the construction means, controls, techniques, sequences, procedures, or construction safety.

27.4 The ENGINEER shall promptly make decisions relative to interpretation of the CONTRACT DOCUMENTS.

28. LAND AND RIGHTS-OF-WAY

28.1 Prior to issuance of NOTICE TO PROCEED, the OWNER shall obtain all land and rights-of-way necessary for carrying out and for the completion of the WORK to be performed pursuant to the CONTRACT DOCUMENTS, unless otherwise mutually agreed.

28.2 The OWNER shall provide to the CONTRACTOR information which delineates and describes the lands owned and rights-of-way acquired.

28.3 The CONTRACTOR shall provide at his own expense and without liability to the OWNER any additional land and access thereto that the CONTRACTOR may desire for temporary construction facilities, or for storage of materials.

29. GUARANTY

29.1 The CONTRACTOR shall guarantee all materials and equipment furnished and WORK performed for a period of one (1) year from the date of SUBSTANTIAL COMPLETION. The CONTRACTOR warrants and guarantees for a period of one (1) year from the date of SUBSTANTIAL COMPLETION of the system that the completed system is free from all defects due to faulty materials or workmanship and the CONTRACTOR shall promptly make such corrections as may be

necessary by reason of such defects including the repairs of any damage to other parts of the system resulting from such defects. The OWNER will give notice of observed defects with reasonable promptness. In the event that the CONTRACTOR should fail to make such repairs, adjustments, or other WORK that may be made necessary by such defects, the OWNER may do so and charge the CONTRACTOR the cost thereby incurred. The Performance BOND shall remain in full force and effect through the guarantee period.

30. ARBITRATION

30.1 All claims, disputes and other matters in question arising out of, or relating to, the CONTRACT DOCUMENTS or the breach thereof, except for claims which have been waived by the making and acceptance of final payment as provided by Section 20, shall be decided by arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association. This agreement to arbitrate shall be specifically enforceable under the prevailing arbitration law. The award rendered by the arbitrators shall be final, and judgment may be entered upon it in any court having jurisdiction thereof.

30.2 Notice of the demand for arbitration shall be filed in writing with the other party to the CONTRACT DOCUMENTS and with the American Arbitration Association, and a copy shall be filed with the ENGINEER. Demand for arbitration shall in no event be made on any claim, dispute or other matter in question which would be barred by the applicable statute of limitations.

30.3 The CONTRACTOR will carry on the WORK and maintain the progress schedule during any arbitration proceedings, unless otherwise mutually agreed in writing.

31. TAXES

31.1 The CONTRACTOR will pay all sales, consumer, use and other similar taxes required by the law of the place where the WORK is performed.

LABOR PROVISIONS
COMMISSIONER'S CURRENT REVISION
KENTUCKY PREVAILING WAGE DETERMINATION
LOCALITY NO. 007

Determination No. CR-1 007 037-H-00236-03-1

Project No. 037-H-00236-03-1, Heavy/Highway
Type: Bldg HH

Date of Determination: May 13, 2003

This schedule of the prevailing rate of wages for Locality No. 007, which includes Anderson, Franklin & Woodford Counties, has been determined in accordance with the provisions of KRS 337.505 to 337.550. This determination shall be referred to as Prevailing Wage Determination No. CR-1 007.

Apprentices shall be permitted to work as such subject to Administrative Regulations adopted by the Commissioner of Workplace Standards. Copies of these regulations will be furnished upon request to any interested person.

Overtime is to be computed at not less than one and one-half (1 1/2) times the indicated BASE RATE for all hours worked in excess of eight (8) per day, or in day, and/or in excess of forty (40) per week. However, KRS 337.540 permits an employee and employer to agree, in writing, that the employee will be compensated at a straight time base rate for hours worked in excess of eight (8) hours in any one calendar day, but not more than ten (10) hours worked in any one calendar day, if such written agreement is prior to the over eight (8) hours in a calendar day actually being worked, or where provided for in a collective bargaining agreement. The fringe benefit rate is to be paid for each hour worked at a straight time rate for all hours worked. Fringe benefit amounts are applicable for all hours worked except when otherwise noted. Welders will receive rate for craft in which welding is incidental.

No laborer, workman or mechanic shall be paid at a rate less than that of the General Laborer except those classified as bona fide apprentices registered with the Kentucky State Apprenticeship Supervisor unless otherwise specified in this schedule of wage rates.

NOTE: The type of construction shall be determined by applying the following definitions.

BUILDING CONSTRUCTION

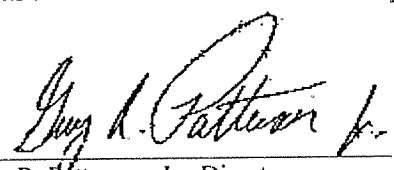
Building construction is the construction of sheltered enclosures with walk-in access for the purpose of housing persons, machinery, equipment, or supplies. It includes all construction of such structures, the installation of utilities and the installation of equipment, both above and below grade level, as well as incidental grading, utilities and paving.

HIGHWAY CONSTRUCTION

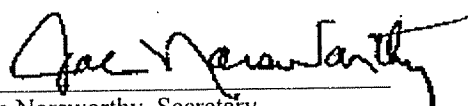
Highway construction includes the construction, alteration or repair of roads, streets, highways, runways, taxiways, alleys, trails, paths, parking areas, and other similar projects not incidental to building or heavy construction. It includes all incidental construction in conjunction with the highway construction project.

HEAVY CONSTRUCTION

Heavy projects are those projects that are not properly classified as either "building" or "highway". For example, dredging projects, water and sewer line projects, dams, flood control projects, sewage treatment plants and facilities, and water treatment plants and facilities are considered heavy.



Guy R. Patterson, Jr., Director
Employment Standards,
Apprenticeship & Training
Kentucky Labor Cabinet



Joe Norsworthy, Secretary
Kentucky Labor Cabinet
Frankfort, Kentucky 40601

WAB III - Labor Provisions

CR-1 007
May 13, 2003

CLASSIFICATIONS		RATE AND FRINGE BENEFITS	
ANDERSON COUNTY:			
ASBESTOS/INSULATION WORKERS:		BASE RATE	\$16.00
		FRINGE BENEFITS	2.00

FRANKLIN & WOODFORD COUNTIES:			
ASBESTOS/INSULATION WORKERS:		BASE RATE	\$19.48
		FRINGE BENEFITS	5.55

BOILERMAKERS:		BASE RATE	\$24.65
		FRINGE BENEFITS	12.94

BRICKLAYERS:			
Bricklayers:		BASE RATE	\$20.43
		FRINGE BENEFITS	5.33
Layout & Sawmen:		BASE RATE	\$20.68
		FRINGE BENEFITS	5.33
Refractory/Acid/Glass:		BASE RATE	\$20.93
		FRINGE BENEFITS	5.33

CARPENTERS:			
Carpenters:	BUILDING	BASE RATE	\$16.63
		FRINGE BENEFITS	6.08
Piledrivermen	BUILDING	BASE RATE	\$17.13
		FRINGE BENEFITS	6.08
Carpenters:	HEAVY & HIGHWAY	BASE RATE	\$20.70
		FRINGE BENEFITS	5.68
Pildrivermen:	HEAVY & HIGHWAY	BASE RATE	\$20.95
		FRINGE BENEFITS	5.68
Divers:	HEAVY & HIGHWAY	BASE RATE	\$31.43
		FRINGE BENEFITS	5.68

CEMENT MASONS:		BASE RATE	\$ 17.50
		FRINGE BENEFITS	4.95

ELECTRICIANS:		BASE RATE	\$24.25
		FRINGE BENEFITS	8.24

*When electricians are required to work from Bosun chairs, trusses, stacks, tanks, scaffolds, catwalks, radio and TV towers, structural steel-open, unprotected, unfloored raw steel, bridges, or similar hazardous locations where workman are subject to a direct fall (except for work performed using JLG's and bucket trucks up to 75 ft.): 50' to 75' - add 25% above workman's straight time rate; over 75' - add 50% above workman's straight time rate.

WAB III - Labor Provisions

CR-1 007
May 13, 2003

CLASSIFICATIONS RATE AND FRINGE BENEFITS

ELEVATOR CONSTRUCTORS:	BASE RATE	\$20.13
	FRINGE BENEFITS	5.63
ANDERSON COUNTY:		
GLAZIERS:	BASE RATE	\$10.00
FRANKLIN:		
GLAZIERS:	BASE RATE	\$18.01
	FRINGE BENEFITS	3.88
WOODFORD:		
GLAZIERS:	BASE RATE	\$15.45
IRONWORKERS:		
	BASE RATE	\$23.25
	FRINGE BENEFITS	10.90
LABORERS:		
BUILDING GROUP 1: General laborers, asbestos abatement laborer, toxic waste removal laborer, water boys, tool room checker, carpenter tenders, (civil engineer helper, rodman, grade checkers excluding all field work performed by engineering firms), concrete pouring and curing, concrete form stripping and wrecking, hand digging and backfilling of ditches, clearing of right of ways and building sites, wood sheeting and shoring, signalman for concrete bucket and general cleaning, and environmental laborer - nuclear, radiation, toxic and hazardous waste - Level D:		
BUILDING	* BASE RATE	\$13.73
	FRINGE BENEFITS	5.32
BUILDING GROUP 2: All air tool operators, air track drills, asphalt rakers, tampers, batchers plant and scale man, chain saw, concrete saw, electric hand grinder, all electric bush and chipping hammers, flagmen, forklift operators, form setter (street or highway), metal form setters, heaters, mesh handlers on walkways, streets and roadways outside building, gunnite laborers, hand spiker, introflax burning rod, joint makers, mason tenders, multi-trade tender, pipe layers, plaster tenders, powderman helpers, power driven Georgia buggies, power posthole diggers, railroad laborers, sandblaster laborers, scow man and deck hand, signal man, sweeper and cleaner machines, vibrator operators, walk behind trenching machines, mortar mixer machines, water pumpmen, and environmental laborers - nuclear, radiation, toxic and hazardous waste - Level C:		
BUILDING	* BASE RATE	\$14.13
	FRINGE BENEFITS	5.32

WAB III - Labor Provisions

CR-1 007
May 13, 2003

CLASSIFICATIONS RATE AND FRINGE BENEFITS

BUILDING GROUP 3:

Gunnite nozzleman and gunnite nozzle machine operator, sand blaster nozzleman, concrete or grout pumpman, plaster pumpman:

BUILDING	* BASE RATE	\$14.33
	FRINGE BENEFITS	5.32

BUILDING GROUP 4:

Powderman and blaster, and environmental laborer - nuclear, radiation, toxic and hazardous waste - Level B:

BUILDING	* BASE RATE	\$14.43
	FRINGE BENEFITS	5.32

BUILDING GROUP 5:

Caisson holes (6 ft. and over) pressure and free air including tools, construction specialist, and environmental laborer-nuclear, radiation, toxic and hazardous waste - Level A:

BUILDING	* BASE RATE	\$14.93
	FRINGE BENEFITS	5.32

BUILDING GROUP 6:

Tunnel man and tunnel sand miner, cofferdam (pressure and free air), sand hog or mucker (pressure or free air):

BUILDING	* BASE RATE	\$15.23
	FRINGE BENEFITS	5.32

***Employees handling chemically treated materials which are harmful to the skin shall receive an additional \$.25 above base rate. Any employee working on high work such as towers or smoke stacks or any type of work putting the employee 50 feet above the ground or a solid floor shall receive an additional \$.50 per hour above the base rate. Any employee working on boilers, kilns, melting tanks, furnaces, or when refractory is done using live fire, drying fires, heatups or any hot work shall receive an additional 25% premium above the base rate.**

LABORERS:

HEAVY HIGHWAY GROUP 1:

Aging and curing of concrete (any mode or method), asbestos abatement worker, asphalt plant laborers, asphalt laborers, batch truck dumpers, carpenter tenders, cement mason tenders, cleaning of machines, concrete laborers, demolition laborers, dredging laborers, drill helper, environmental laborer - nuclear, radiation, toxic and hazardous waste - Level D, flagmen, grade checkers, all hand digging and hand back filling, highway marker placers, landscaping laborers, mesh handlers and placers, puddler, railroad laborers, rip-rap and grouters, right of way laborers, sign, guard rail and fence installers (all types), signal men, sound barrier installer, storm and sanitary sewer laborers, swampers, truck spotters and dumpers, and wrecking of concrete forms:

HEAVY & HIGHWAY	BASE RATE	\$16.34
	FRINGE BENEFITS	7.38

HEAVY HIGHWAY GROUP 2:

Batter board men (sanitary and storm sewer), brickmason tenders, mortar mixer operator, burner and welder, bushhammers, chain saw operator, concrete saw operators, deckhand scow man, dry cement handlers, environmental laborers - nuclear, radiation, toxic and hazardous waste - Level C, forklift operators for masonry, form setters, green concrete cutting, hand operated grouter and grinder machine operator, jack hammers, lead paint abatement, pavement breakers, paving joint machine, pipe layers-laser operators (non-metallic), plastic pipe fusion, power driven Georgia buggy or wheelbarrow, power post hole diggers, precast manhole setters, walk-behind tampers, walk-behind trenchers, sand blasters, concrete chippers, surface grinders, vibrator operators, wagon drillers:

HEAVY & HIGHWAY	BASE RATE	\$16.59
	FRINGE BENEFITS	7.38

CR-1 007
May 13, 2003

CLASSIFICATIONS RATE AND FRINGE BENEFITS
LABORERS: (Continued)

HEAVY HIGHWAY GROUP 3:

Air track driller (all types), asphalt luteman and rakers, gunnite nozzleleman, gunnite operators and mixers, grout pump operator, powderman and blaster, side rail setters, rail paved ditches, screw operators, tunnel laborers (free air), and water blasters:
HEAVY & HIGHWAY

	BASE RATE	\$16.64
	FRINGE BENEFITS	7.38

HEAVY HIGHWAY GROUP 4:

Caisson workers (free air), cement finishers, environmental laborer - nuclear, radiation, toxic and hazardous waste - Levels A and B, miners and drillers (free air), tunnel blasters, and tunnel muckers (free air):
HEAVY & HIGHWAY

	BASE RATE	\$17.24
	FRINGE BENEFITS	7.38

MARBLE, TILE & TERRAZZO:

Finishers:	BASE RATE	\$19.59
	FRINGE BENEFITS	3.70
Workers:	BASE RATE	\$13.34
	FRINGE BENEFITS	3.05

MILLWRIGHTS:	BASE RATE	\$19.34
	FRINGE BENEFITS	8.58

OPERATING ENGINEERS:

BUILDING CLASS A:

Auto Patrol, Batch Plant, Bituminous Paver, Cableway, Central Compressor Plant, Clamshell, Concrete Mixer (21 cu. ft. or over), Concrete Pump, Crane, Crusher Plant, Derrick, Derrick Boat, Ditching and Trenching Machine, Dragline, Dredge Operator, Dredge Engineer, Elevating Grader and all types of Loaders, Forklift (regardless of lift height), Hoe-Type Machine, Hoist (1 drum when used for stack or chimney construction or repair), Hoisting Engine (2 or more drums), Locomotive, Motor Scraper, Carry-all Scoop, Bulldozer, Heavy Duty Welder, Mechanic, Orangepeel Bucket, Piledriver, Power Blade, Motor Grader, Roller (bituminous), Scarifier, Shovel, Tractor Shovel, Truck Crane, Winch Truck, Push Dozer, Highlift, All types of Boom Cats, Core Drill, Hopto, Tow or Push Boat, A-Frame Winch Truck, Concrete Paver, Gradeall, Hoist, Hyster, Pumpcrete, Ross Carrier, Boom, Tail Boom, Rotary Drill, Hydro Hammer, Mucking Machine, Rock Spreader attached to equipment, Scoopmobile, KeCal Loader, Tower Cranes (French, German and other types), Hydrocrane, Backfiller, Gurries, sub-Grader, Tunnel Mining Machines including Moles, Shields, or similar types of Tunnel Mining Equipment:

BUILDING	* BASE RATE	\$19.95
	FRINGE BENEFITS	8.40

***Operators on cranes with boom one-hundred fifty feet (150') and over including jib, shall receive seventy-five cents (\$.75) above base rate. All cranes with piling leads will receive \$.50 above base rate regardless of boom length**

BUILDING CLASS B:

All Air Compressors (over 900 cfm), Bituminous Mixer, Joint Sealing Machine, Concrete Mixer (under 21 cu. ft), Form Grader, Roller (rock), tractor (50 HP and over), Bull Float, Finish Machine, Outboard Motor Boat, Flexplane, Fireman, Boom Type Tamping Machine, Greaser on Grease Facilities servicing Heavy Equipment, Switchman or brakeman, Mechanic Helper, Whirley Oiler, Self-Propelled Compactor, Tractair and Road Widening Trencher and Farm Tractor with Attachments (except backhoe, highlift and endloader), Elevator (regardless of ownership when used for hoisting any building materials), Hoisting Engineer (1 drum or buck hoist), Firebrick Masonry Excluded, Well Points, Grout Pump, Throttle-Valve Man, Tugger, Electric Vibrator Compactor and Caisson Drill Helper:

BUILDING	BASE RATE	\$17.21
	FRINGE BENEFITS	8.40

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CLASSIFICATIONS RATE AND FRINGE BENEFITS

BUILDING CLASS C:

Bituminous Distributor, Cement Gun, Conveyor, Mud Jack, Paving Joint Machine, Roller (earth), Tamping Machine, Tractors (under 50 HP), Vibrator, Oiler, Concrete Saw, Burlap and Curing Machine, Truck Crane Oiler, Hydro-Seeder, Power Form handling Equipment, Deckhand Steersman, Hydraulic Post Driver and Drill Helper:

BUILDING	BASE RATE	\$16.44
	FRINGE BENEFITS	8.40

HEAVY HIGHWAY CLASS A:

A-Frame Winch Truck, Auto Patrol, Backfiller, Batcher Plant, Bituminous Paver, Bituminous Transfer Machine, All types of Boom Cats, Bulldozer, Cableway, Carry-All Scoop, Carry Deck Crane, Central Compressor Plant Operator, Clamshell, Concrete Mixer (21 cu. ft. or over), Concrete Paver, Truck-Mounted Concrete Pump, Core Drills, Crane, Crusher Plant, Derrick, Derrick Boat, Ditching and Trenching Machine, Dragline, Dredge Operator, Dredge Engineer, Earth Movers, Elevating Grader and all types of Loaders, Grade-All, Guries, Heavy Equipment Robotics Operator/Mechanic, Highlift, Hoe-Type Machine, Hoist (two or more drums), Hoisting Engine (two or more drums), Horizontal Directional Drill Operator, Hydraulic Boom Truck, Hydrocrane, Hyster, KeCal Loader, Letourneau, Locomotive, Mechanic, Mechanically Operated Laser Screed, Mechanic Welder, Mucking Machine, Motor Scraper, Orangepeel Bucket, All Piledriver, Power Blade, Pumpcrete, Push Dozer, Rock Spreader attached to Equipment, Rotary Drills, Roller (bituminous), Scarifier, Scoopmobile, Shovel, Side Boom, Subgrader, Tailboom, Telescoping Type Forklift, Tow or Push Boat, Tower Cranes (French, German and other types), Tractor Shovel, Truck Crane, Tunnel Mining Machines including Moles, Shields, or Similar types of Tunnel Mining Equipment:

HEAVY & HIGHWAY	** BASE RATE	\$21.10
	FRINGE BENEFITS	9.15

****Operators on cranes with booms one hundred fifty feet (150') and over including jib shall receive \$.50 above base rate.**

HEAVY HIGHWAY CLASS B:

All Air Compressors (over 900 cu. ft. per min.), Bituminous Mixer, Boom Type Tamping Machine, Bull Float, Concrete Mixer (under 21 cu. ft.), Electric Vibrator Compactor/Self-Propelled Compactor, Elevator (one drum or buck hoist), Elevator (regardless of ownership when used to hoist building material), Finish Machine, Firemen, Flex-Plane, Forklift (regardless of lift height), Form Grader, Hoist (one drum), Joint Sealing Machine, Mechanic Helper, Outboard Motor Boat, Power Sweeper (riding type), Roller (rock), Ross Carrier, Skid Mounted or Trailer Mounted Concrete Pumps, Switchman or Brakeman, Throttle Valve Man, Tractair and Road Widening Trencher, Tractor (50 HP and over), Truck Crane Oiler, Tugger, Welding Machine, Well Points, and Whirley Oiler:

HEAVY & HIGHWAY	BASE RATE	\$18.68
	FRINGE BENEFITS	9.15

HEAVY HIGHWAY CLASS B2:

Greaser on Grease Facilities servicing Heavy Equipment:

HEAVY & HIGHWAY	BASE RATE	\$19.06
	FRINGE BENEFITS	9.15

HEAVY HIGHWAY CLASS C:

Bituminous Distributor, Burlap and Curing Machine, Caisson Drill and Core Drill Helper (track or skid mounted), Cement Gun, Concrete Saw, Conveyor, Deckhand Oiler, Grout Pump, Hydraulic Post Driver, Hydro Seeder, Mud Jack, Oiler, Paving Joint Machine, Power Form Handling Equipment, Pump, Roller (earth), Steermen, Tamping Machine, Tractors (under 50 H.P.) and Vibrator:

HEAVY & HIGHWAY	BASE RATE	\$18.42
	FRINGE BENEFITS	9.15

Employees assigned to work below ground level are to be paid ten percent (10%) above base wage rate. This does not apply to open cut work.

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<u>CLASSIFICATIONS</u>		<u>RATE AND FRINGE BENEFITS</u>	
PAINTERS:			
Brush & Roller:	BUILDING	BASE RATE	\$14.35
		FRINGE BENEFITS	3.87
Spray & Sandblast:	BUILDING	BASE RATE	\$14.85
		FRINGE BENEFITS	3.87
Brush & Roller:	HEAVY & HIGHWAY	BASE RATE	\$18.20
		FRINGE BENEFITS	5.08
Drywall Finishers & Plasterers:	HEAVY & HIGHWAY	BASE RATE	\$18.45
		FRINGE BENEFITS	5.08
Spray, Sandblast, Power Tools, Waterblast, Steam Cleaning; Brush & Roller of Mastics, Creosotes, Kwinch Koate and Coal Tar Epoxy:	HEAVY & HIGHWAY	BASE RATE	\$19.20
		FRINGE BENEFITS	5.08
Spray of Mastics, Creosotes, Kwinch Koate and Coal Tar Epoxy:	HEAVY & HIGHWAY	BASE RATE	\$20.20
		FRINGE BENEFITS	5.08

PIPEFITTERS:		BASE RATE	\$26.90
		FRINGE BENEFITS	7.98

PLASTERERS:		BASE RATE	\$20.65
		FRINGE BENEFITS	5.85

PLUMBERS:		BASE RATE	\$24.90
		FRINGE BENEFITS	6.49

ROOFERS:		BASE RATE	\$17.90
		FRINGE BENEFITS	5.73

SHEETMETAL WORKERS:		BASE RATE	\$25.12
		FRINGE BENEFITS	9.50

SPRINKLER FITTERS:		BASE RATE	\$24.80
		FRINGE BENEFITS	8.55

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<u>CLASSIFICATIONS</u>	<u>RATE AND FRINGE BENEFITS</u>		
BUILDING TRUCK DRIVERS:			
Truck Helper and Warehouseman:	BUILDING	BASE RATE	\$15.60
		*FRINGE BENEFITS	6.23
Driver - 3 tons and under, Greaser, Tire Changer and Mechanic Helper:	BUILDING	BASE RATE	\$15.72
		*FRINGE BENEFITS	6.23
Driver - over 3 tons, Drivers, Semi-Trailer or Pole Trailer; Dump Trucks, Tandem Axle; Farm Tractor when used to pull building material or equipment:	BUILDING	BASE RATE	\$15.83
		*FRINGE BENEFITS	6.23
Drivers, Concrete Mixer Trucks (all types, hauling on job sites only); Truck Mechanics:	BUILDING	BASE RATE	\$15.90
		*FRINGE BENEFITS	6.23
Drivers, Euclid and other Heavy Earth Moving Equipment and Low Boy, Winch Truck and A-Frame Truck and Monorail Truck when used to transport building materials, Forklift Truck when used inside warehouse or storage area:	BUILDING	BASE RATE	\$16.00
		*FRINGE BENEFITS	6.23
Employees who perform work either on or hauling to or from any hazardous or toxic waste site will receive \$4.00 in addition to their base rate of pay.			
*TRUCK DRIVER Fringe benefits - Apply to each employee (whose name appears on the payroll that week) who has been employed a minimum of twenty (20) workdaycalendar days within any ninety (90) consecutive day period for that employer.			
HEAVY HIGHWAY TRUCK DRIVERS:			
Mobile batch truck helper:	HEAVY & HIGHWAY	BASE RATE	\$16.57
		**FRINGE BENEFITS	7.34
Greaser, tire changer and mechanic helper:	HEAVY & HIGHWAY	BASE RATE	\$16.68
		**FRINGE BENEFITS	7.34
Driver-single axle dump and flatbed truck, semi-trailer or pole trailer when used to pull building materials and equipment, tandem axle dump truck, driver of distributors, driver on mixer trucks(all types) & truck mechanic:	HEAVY & HIGHWAY	BASE RATE	\$16.86
		**FRINGE BENEFITS	7.34
Driver-Euclid and other heavy earthmoving equipment and low-boy, articulator, cat truck, 5-axle wheel, winch truck and A-Frame truck when used in transporting materials, Ross Carrier, forklift truck when used to transport building materials, driver on pavement breakers:	HEAVY & HIGHWAY	BASE RATE	\$16.96
		**FRINGE BENEFITS	7.34

****TRUCK DRIVER FRINGE BENEFITS apply to employees who have been employed a minimum or twenty (20) ~~workday~~calendar days within any ninety (90) consecutive day period of that employer.**

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GENERAL SPECIFICATIONS

It is the intention of the ENGINEER in the preparation of the General and Detailed Specifications to define properly the kind and quality of materials to be furnished. The standards and tentative standards of the American Society of Testing Materials (ASTM); the American National Standards Institute (ANSI); the Standards of the American Waterworks Association (AWWA); the American Public Works Association (APWA); the Federal Specification Board (Fed. Spec.); the American Association of State Highway Officials (AASHO); the Federal Aviation Agency (FAA); or other such agencies may be referred to in the specifications. Where such standards are referred to, said references shall be construed to mean the latest amended and/or revised versions of the said standard or tentative specifications. In the selection of samples and the routine testing of materials, the testing laboratory shall follow the standard procedure as outlined by the ASTM, unless otherwise set out.

1. MATERIALS FOR WATER PIPELINES

1.1 DUCTILE IRON PIPE AND FITTINGS

The ductile iron pipe shall be of the push-on or mechanical joint type. The pipe shall conform to the latest revision of ANSI A21.51 (AWWA C151). Push-on type and/or mechanical joints shall conform to ANSI A21.11 (AWWA C111).

1.1.1 Markings

Each piece of pipe shall bear the manufacturer's name or trademark, the year in which it was produced and the letters "DI," or word "DUCTILE."

1.1.2 Interior Lining

The interior of the pipe shall be cement-mortar lined in accordance with ANSI A21.4 (AWWA C104). Thickness of the lining shall be as set forth in Sec. 4-10.1 of the aforementioned specifications unless otherwise directed by the ENGINEER.

1.1.3 Exterior Coating

The exterior of all pipe, unless otherwise specified, shall receive either coal tar or asphalt base coating a minimum of 1 mil thick.

1.1.4 Fittings

Ductile iron fittings shall be in strict accordance with ANSI A21.10 (AWWA C110) or ANSI C153 (AWWA A21.53) *Ductile Iron Compact Fittings* and shall conform to the details and dimensions as shown therein. Ductile iron fittings shall be properly identified with the letters "DI" or word "DUCTILE" plainly marked on the body of the fittings. Mechanical joint ends shall meet the requirements of the Standard Specifications cited hereinbefore.

1.2 PLASTIC PIPE AND FITTINGS

Plastic pipe and fittings shall meet the following standards:

1.2.1 Material

Pipe shall be manufactured from clean, virgin, NSF approved Class 12454-A PVC compound conforming to ASTM D1784.

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1.2.2 Dimensions

Pipe shall be of the dimensions specified in Standard Dimension Ratio (ASTM D2241)--SDR 21 (Class 200) or (AWWA C-900)--DR 25, with a maximum length of 20 feet.

1.2.3 Pressure Rating

Pressure ratings of the pipe shall not be less than:

200 psi @ 73.4 degrees F. (Class 200)

350 psi @ 73.4 degrees F. (Class 100)

1.2.4 Seal

The seal of the NSF Testing Laboratory must appear on each length of pipe.

1.2.5 Joints

Joints shall be of the integral wall-thickened bell end type in accordance with ASTM D2672.

1.2.6 Fittings

Ductile iron fittings shall be in strict accordance with ANSI A21.10 (AWWA C110) or ANSI C153 (AWWA A21.53) *Ductile Iron Compact Fittings* and shall conform to the details and dimensions as shown therein. Ductile iron fittings shall be properly identified with the letters "DI" or word "DUCTILE" plainly marked on the body of the fittings. Mechanical joint ends shall meet the requirements of the Standard Specifications cited hereinbefore.

1.3 COVER PIPE

Cover pipe shall be steel, plain end, uncoated and unwrapped. It shall have a yield point strength of 35,000 psi and conform to AWWA Specification C202. The steel pipe shall have welded joints and be in at least 18-foot lengths. The wall thickness of the pipe shall be a minimum of 0.250-inches for highway crossings and 0.188-inches for railroad crossings and the diameter shall be shown on the DRAWINGS or as directed by the ENGINEER.

1.3.1 Highway Crossing

The diameter shall be shown on the DRAWINGS or as directed by the ENGINEER. The wall thickness of the pipe shall be in accordance with the table below.

Cover Pipe Thickness for Highway Crossing:

<u>Nominal Pipe Diameter (inches)</u>	<u>Outside Pipe Diameter (inches)</u>	<u>Metal Thickness (.025")</u>
6	6.000	0.250
8	8.000	0.250
10	10.000	0.250
12	12.000	0.375
16	16.000	0.375
20	20.000	0.375
24	24.000	0.500
30	30.000	0.500
36	36.000	0.500
42	42.000	0.625
48	48.000	0.625
54	54.000	0.625

1.3.2 Railroad Crossing

The diameter shall be shown on the DRAWINGS or as directed by the ENGINEER. The wall thickness of the pipe shall be in accordance with the table below.

Cover Pipe Thickness for Railroad Crossing:

<u>Nominal Pipe Diameter (inches)</u>	<u>Outside Pipe Diameter (inches)</u>	<u>Metal Thickness (0.25")</u>
12 and under	12.000	0.188
14	14.000	0.250
16	16.000	0.281
18	18.000	0.312
20	20.000	0.344
22	22.000	0.344
24	24.000	0.375
26	26.000	0.406

1.4 GRANULAR MATERIALS

Granular materials shall be as follows:

1.4.1 Fine Aggregate

Fine aggregate shall consist of natural sand having clean uncoated grains, free from injurious amounts of clay, flaky material, lignite, organic material and other such foreign substances and shall meet the requirements of ASTM C33.

1.4.2 Coarse Aggregate

Coarse aggregate shall be crushed stone, gravel or slag having clean, hard, uncoated particles. Crushed stone is preferred for coarse aggregate; gravel (either crushed or uncrushed) or slag shall not be used unless specified in the Detailed Specifications or approved in writing by the ENGINEER. Coarse aggregate shall be free from injurious amounts of soft, friable, thin elongated or laminated pieces and shall meet the requirements of ASTM C33.

1.5 CONCRETE

Classes of concrete as may be indicated in the Detailed Specifications or on the DRAWINGS shall conform to the following minimum design requirements.

<u>Class</u>	<u>Minimum Cement Factor</u>		<u>Minimum 28-Day Compressive Strength PSI</u>	<u>Slump in inches</u>
	<u>Bbls/Cu. Yd.</u>	<u>Bags/ Cu. Yd.</u>		
AA	1.55	6.2	4000	1-3
A	1.45	5.8	3500	1-3
BB	1.35	5.4	3000	2-4
B	1.25	5.0	2500	3-5
C	1.15	4.6	2000	3-6

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2. TESTING OF MATERIALS

2.1 GENERAL

2.1.1 Approval of Testing Agencies

Whenever inspection and/or testing of materials is required by the CONTRACT DOCUMENTS, bureaus, laboratories and/or agencies selected for such inspection and testing service shall be approved by the ENGINEER.

2.1.2 Selection of Testing Agencies

Subject to the approval of the ENGINEER, the CONTRACTOR may select the agency for testing materials furnished under the Contract. The ENGINEER will select the agency for testing materials furnished by the OWNER.

2.1.3 Cost of Tests

Cost of all tests herein required are to be borne as follows:

2.1.3.1 Contractor

Cost of all materials and equipment purchased by the CONTRACTOR shall be borne by the CONTRACTOR.

2.1.3.2 Owner

Cost of all materials and equipment purchased by the OWNER shall be borne by the OWNER.

2.1.4 Prior Inspection and Test Reports

Where prior inspection and testing of materials are required, documentary evidence, in the form of test reports, in the form and number required by the ENGINEER, shall be furnished prior to the time the material is incorporated into the work. All rejected material shall be promptly removed from the premises.

2.2 DUCTILE IRON PIPE AND FITTINGS

2.2.1 Where less than 200 tons are required:

Each piece of pipe shall bear the manufacturer's name or trademark and the date cast. Each piece of pipe shall also be certified by the manufacturer to have met the requirements of the governing specifications. Also, each piece shall be visually inspected in the field for specification conformance.

2.2.2 Where 200 or more tons are required:

Inspection and testing shall be as set forth in ASTM, AWWA, or other designated specifications by an independent laboratory for compliance with governing specifications.

2.3 PLASTIC PIPE AND FITTINGS

2.3.1 Where less than 5,000 feet are required:

Visual inspection at the site per ASTM or other designated specifications.

2.3.2 Where 5,000 or more feet are required:

Visual inspection and testing as set forth in ASTM, AWWA, or other designated specifications by an independent laboratory for compliance with governing specifications.

2.4 COVER PIPE

Inspection and testing as set forth in ASTM, AWWA, or other designated specifications, by an independent laboratory for compliance with governing specifications.

3. EQUIPMENT

The CONTRACTOR shall provide and utilize such equipment of the necessary type and quantity as is required to properly execute the WORK under the CONTRACT DOCUMENTS. Utilization of equipment of the wrong type, in poor state of repair, or improperly operated will not be allowed and as directed by the ENGINEER, the CONTRACTOR may be required to substitute the proper equipment or provide more qualified operators in order to proceed with the WORK.

4. EXCAVATION

4.1 GENERAL

This item shall include all clearing and grubbing, stripping, excavation of earth and other materials, filling, and other allied work necessary for the construction herein described.

4.1.1 Construction Methods

Excavation shall be accomplished at such places as are indicated on the DRAWINGS to the lines, grades and elevations shown, or as directed by the ENGINEER, and shall be made in such manner that the requirements for the pipelines as shown on the DRAWINGS may be followed. No excavation shall be started until the ENGINEER has taken, or caused to taken, the necessary profiles, cross sections and measurements of the existing ground surface, and the proposed work has been staked out. All materials encountered, or whatever nature, within the limits designated shall be removed and disposed of as directed. During the process of excavation, the grade and/or ditch shall be maintained in such condition that it will be well drained at all times. When directed, temporary drains and/or drainage ditches shall be installed at the CONTRACTOR'S expense to intercept or divert surface water which may affect the prosecution or condition of the work. If at any time it is not possible to place excavated material in its proper section of the permanent construction, it shall be stockpiled in approved areas for later use.

4.1.1.1 Rock, Shale, Clay, Hardpan, Etc.

Where rock, shale, clay, hardpan, or other unsatisfactory subgrade or foundation material is encountered, it shall be excavated to a depth of at least 12 inches below subgrade, or to such greater depth below subgrade as the ENGINEER may direct. The portion so excavated shall be refilled with suitable material compacted properly as directed by the ENGINEER.

4.1.1.2 Breakage and Undercutting

Breakage and undercutting, including slides, is that portion of any material displaced or loosened beyond the limits of the finished work as shown on the DRAWINGS. The ENGINEER shall determine if the displacement of such material was avoidable or unavoidable. All breakage shall be removed by the CONTRACTOR and disposed of as directed.

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4.2 CLASSIFICATIONS OF EXCAVATION

4.2.1 Earth Excavation

Earth excavation shall consist of all excavation of any or all materials of whatever name or character not defined as solid rock excavation.

4.2.2 Solid Rock Excavation

Solid rock excavation shall include all solid rock in ledges, in bedded deposits, in unstratified masses; also conglomerate deposits so firmly cemented as to present all the characteristics of solid rock and which cannot be removed without drilling, blasting, or mechanical removal with a machine. All boulders containing a volume of one (1) cubic yard or greater shall be classified as solid rock excavation.

4.2.3 Unclassified Excavation

Unclassified excavation shall include the excavation of both "Earth Excavation" and "Rock Excavation" combined as above classified.

4.3 LINES AND GRADES

The ENGINEER will mark the location of all water lines on the ground; however, any detailed layout, including that required for establishing the grade of the pipeline, shall be accomplished by the CONTRACTOR. If bench levels are required for reference, these will be established by the ENGINEER.

The CONTRACTOR shall furnish all materials, stakes and grade boards that are required for layout either by the ENGINEER or by the CONTRACTOR'S forces. In addition, the CONTRACTOR shall furnish any aides required by the ENGINEER in marking the location of the various facilities on the ground, establishing bench levels and determining as-built conditions after the work is completed. The CONTRACTOR'S personnel engaged in the layout work described herein and the aides furnished to the ENGINEER shall be capable of performing the duties set out herein and shall be fully qualified chiefs of party, instrumentperson, chainperson, rodperson and/or axperson, as required.

4.4 CLEARING AND GRUBBING

The CONTRACTOR shall accomplish all clearing and/or clearing and grubbing within the limits designated on the DRAWINGS, directed by the ENGINEER, or as required for the construction of the work involved, and shall satisfactorily dispose of all material so removed.

4.4.1 Scope of Work

The work under this paragraph shall consist of the cutting and removing of all trees, stumps, brush, logs, removal of fences, or other loose or projecting material within the designated areas. Unless otherwise specified, it shall also include the grubbing of stumps, roots and other natural obstructions which, in the opinion of the ENGINEER, must be removed to properly prosecute the construction work and operate properly the facility upon completion of construction. Disposal shall be by methods satisfactory to the ENGINEER. Trees which are designated to remain shall be properly protected.

4.4.2 Timber

All merchantable timber shall be cut into logs of merchantable length and neatly piled as directed by the ENGINEER. Unless otherwise specified, merchantable timber shall remain the property of the OWNER.

4.4.3 Grubbing: Required

Unless grubbing is specifically not required, all bushes, hedge fences, trees and stumps within the designated areas, except those occurring under embankments of more than 24 inches in depth, shall be grubbed up so that no root more than three inches in diameter shall be within 18 inches of the finished grade, or within six inches of the surface operation, and in excavation areas less than two feet in depth, shall have the sides broken down or leveled if necessary to flatten the slopes, and refilled with acceptable material properly compacted.

4.4.4 Grubbing: Not Required

Where grubbing is specifically not required, trees and stumps six inches or larger in diameter when measured one foot above the ground shall be cut to within six inches of the ground line and the stumps left in place. All other trees, stumps, shrubs and bushes shall be cut even with the surface of the surrounding ground.

4.5 TRENCH EXCAVATION

4.5.1 Depth

Unless otherwise directed by the ENGINEER, trenches in which pipes are to be laid shall be excavated in open cut to the depths shown on the DRAWINGS or as specified by the ENGINEER. In general, this shall be interpreted to mean that machine excavation in earth shall not extend below an elevation permitting the lower quadrant of the pipe to be bedded in undisturbed ground and excavation in rock shall extend below the invert elevation a sufficient distance to accommodate a layer of granular bedding as specified hereinafter.

4.5.2 Earth

If the foundation is good firm earth and the machine excavation has been accomplished as set out hereinbefore, the remainder of the material shall be excavated by hand, then the earth pared or molded to give full support to the lower quadrant of the barrel of each pipe. Where bell- and-spigot is involved, bell holes shall be excavated during this latter operation to prevent the bells from being supported on undisturbed earth. If for any reason the machine excavation in earth is carried below an elevation that will permit the type of bedding specified above, then a layer of granular material shall be placed so that the lower quadrant of the pipe will be securely bedded in compacted granular fill.

As an alternative to the above method, excavation in earth may be undercut to a depth below the required invert elevation that will permit laying the pipe in a bed of granular material to provide continuous support for the bottom quadrant of the pipe.

4.5.2.1 Rock

If the foundation is rock and the excavation has been undercut as set out hereinbefore, a bed or crushed stone, fine gravel, sand, or other suitable granular material shall be placed to provide continuous support for the lower quadrant of the pipe.

4.5.3 Width

Trenches shall be of sufficient width to provide free working space on each side of the pipe and to permit proper backfilling around the pipe, but unless specifically authorized by the ENGINEER, trenches shall in no case be excavated or permitted to become wider than 2 feet 6 inches plus the nominal diameter of the pipe as measured at the bottom of the trench. If the trench does become wider than specified above, special precautions may be necessary, such as providing compacted, granular fill up to the top of the pipe, or providing pipe with additional crushing strength. If the

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ENGINEER, after taking into account the actual trench loads that may result and the strength of the pipe being used, determines this to be case, the CONTRACTOR shall bear the cost of such special precautions.

4.5.4 Excavated Material

All excavated materials shall be placed a minimum of 2 feet back from the edge of the trench.

4.5.5 Opening

Before laying the pipe, the trench shall be opened far enough ahead to reveal obstructions that may necessitate changing the line or grade of the pipeline.

The trench shall be straight and uniform so as to permit laying pipe to lines and grades given by the ENGINEER. It shall be kept free of water during the laying of the pipe and until the pipeline has been backfilled.

4.6 BLASTING

All blasting operations shall be conducted in accordance with the municipal ordinances, state and Federal laws, and Section 9 of the Manual of Accident Prevention in Construction published by the Associated General Contractors of America, Inc. All explosives shall be stored in conformity with said ordinances, laws and safety regulations. No blasting shall be done within five feet of any water mains, except with light charges of explosives. Any damage done by blasting is the responsibility of the CONTRACTOR and shall be promptly and satisfactorily repaired by the CONTRACTOR.

4.6.1 Material Storage

To implement these requirements, and unless otherwise required by ordinance or law, each excavation crew shall be provided with two metal boxes with suitable locks. One of these boxes shall be for storing explosives and one for caps. The boxes shall always be locked except when in actual use. They shall be painted a bright color and stenciled with appropriate warning signs. At night, explosives and caps shall be stored in separate magazines.

4.6.2 Covering Shots

All shots shall covered with heavy timber or steel blasting mats to prevent flying material. Unless otherwise specified or directed, delay caps shall be used to reduce earth vibrations and noise. In sparsely populated areas, the ENGINEER may permit the CONTRACTOR to use regular type caps and/or Primacord.

4.6.3 Drilling

In specific cases authorized by the ENGINEER, the CONTRACTOR may elect to drill through overburden into rock to place explosives.

4.7 SHORING AND BRACING

Where unstable material in encountered, or where the depth of excavation in earth exceeds six feet, the sides of the trench or excavation shall be supported by substantial sheeting, bracing and shoring, or the sides sloped to the angle of repose. Sloping the sides of the ditch to the angle of repose will not be permitted in streets, roads, narrow rights-of-way or other constricted areas unless otherwise specified. The design and installation of all sheeting, sheet piling, bracing and shoring shall be based on computations of pressure exerted by the materials to be retained under existing conditions. Adequate and proper shoring of all excavations shall be the entire responsibility of the CONTRACTOR; however, the ENGINEER may require the submission of shoring plans

(accompanied by supporting computations) for approval prior to the CONTRACTOR undertaking any portion of the WORK.

4.7.1 Adjacent Buildings

Foundations, adjacent to where the excavation is to be made below the depth of the existing foundation, shall be supported by shoring, bracing or underpinning as long as the excavation shall remain open, or thereafter if required to insure the stability of the structure supported by the foundation, and the CONTRACTOR shall be held strictly responsible for any damage to said foundation.

4.7.2 Material

Even though computations shall determine the size of the various components, no timber sheeting less than two inches in thickness and no timber bracing, cross bracing or struts less than six inches by six inches will be acceptable.

4.7.3 Procedure

Solid sheeting will be required for wet or unstable material. It shall consist of continuous vertical sheet piling of timber or steel with suitable walls and braces.

Trench sheeting shall not be removed until sufficient backfill has been placed to protect the pipe.

All sheeting, planking, timbering, bracing and bridging shall be placed, renewed and maintained as long as is necessary. Shoring, sheeting and/or bracing is not a pay item unless the CONTRACTOR is required and/or instructed by the ENGINEER to leave same in place.

4.8 DISPOSITION OF EXCAVATED MATERIAL

Material excavated for water mains, vaults or other structures shall be disposed of as shown on the DRAWINGS or as directed by the ENGINEER. All excavated material not needed for backfilling purposes shall be disposed of in a manner satisfactory to the ENGINEER.

4.9 REMOVAL OF WATER

The CONTRACTOR, at his own expense, shall provide adequate facilities for promptly and continuously removing water from all excavations.

4.10 UNAUTHORIZED EXCAVATION

Whenever the excavation is carried beyond or below the required lines and grades, the CONTRACTOR, at his own expense, shall refill said excavated space with suitable material in a manner approved by the ENGINEER.

5. PIPE INSTALLATION

5.1 GENERAL

This section shall include all of the operations required for pipe installation, including placing of bedding, laying of pipe, jointing pipe, and installation of all fittings, valves and other appurtenances in the prepared trench. All other materials and labor associated with the installation shall be considered incidental to the work.

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5.2 PIPE BEDDING

In all cases, the foundation for pipes shall be prepared so that the entire load of the backfill on top of the pipe will be carried uniformly on the barrel of the pipe. The bells on cast iron pipe shall not carry any of the load of the backfill.

The CONTRACTOR may use either the "Paring Method" or "Undercutting Method" of bedding the pipe.

5.2.1 Paring Method

If the "Paring Method" is used, granular bedding of #9 crushed stone, fine gravel or sand shall be used to correct irregularities in the subgrade.

5.2.2 Undercutting Method

If the "Undercutting Method" is used, the granular bedding of #9 crushed stone, fine gravel or sand shall be of such depth that the bottom of the bells of the pipe will be at least three inches above the bottom of the trench as excavated.

5.2.3 Yielding and Mucky Subgrades

5.2.3.1 Securing Pipe

In wet, yielding mucky locations where pipe is in danger of sinking below grade or floating out of line or grade, or where backfill materials are of such a fluid nature that such movements of pipe might take place during the placing of the backfill, the pipe must be weighted or secured permanently in place by such means as will prove effective.

5.2.3.2 Removing Subgrade

When ordered by the ENGINEER, yielding and mucky material in subgrades shall be removed below ordinary trench depth in order to prepare a proper bed for the pipe. If crushed stone or other such granular fill is necessary, it will be paid for per ton of "Special Pipe Bedding" used except in cases where instability is caused by neglect of the CONTRACTOR.

5.3 LAYING PIPE

5.3.1 Depth

In general, all water distribution piping shall be laid at the depths indicated for each of the water mains. Minimum cover for all lines shall be 30 inches; minimum cover at the location of 12-inch or larger valves shall be 36 inches.

5.3.2 Bell Placement

All pipes shall be laid with ends abutting and true to line and grade as given by the ENGINEER. Supporting of pipes shall be as set out hereinbefore under "Pipe Bedding" and in no case shall the supporting of pipes on blocks be permitted.

5.3.3 Fittings

Fittings for the water main shall be provided and laid as and where directed by the ENGINEER or shown on the DRAWINGS. All open ends of pipes and of branches shall be sealed and plugged.

5.3.4 Pipe Inspection

Before each piece of pipe is lowered into the trench, it shall be thoroughly inspected to insure that it is clean. Any piece of pipe or fitting which is known to be defective shall not be laid or placed in the lines. Any defective pipe or fitting discovered after the pipe is laid shall be removed and replaced with a satisfactory pipe or fitting without additional charge. In case a length of pipe is cut to fit in a line, it shall be so cut as to leave a smooth end at right angles to the longitudinal axis of the pipe.

5.3.5 Subgrade Irregularities

Irregularities in subgrade in an earth trench shall be corrected at the CONTRACTOR'S expense by use of granular material as specified hereinbefore. A supply of this material shall be available at trench site whenever pipe is being laid.

5.3.6 Pipe Interior

The interior of the pipe, as the work progresses, shall be cleaned of all dirt, jointing materials, superfluous materials of every description. When laying of pipe is stopped for any reason, the exposed end of such pipe shall be closed with a plywood plug fitted into the pipe bell, so as to exclude earth or other material, and precautions shall be taken to prevent flotation of pipe by runoff into the trench.

5.3.7 Backfilling

No backfilling (except for securing pipe in place) over pipe will be allowed until the ENGINEER has had an opportunity to make an inspection of the joints, alignment and grade, in the section laid, but such inspection shall not relieve the CONTRACTOR of further liability in case of defective joints, misalignment caused by backfilling and other such deficiencies that are noted later.

5.4 JOINTING PIPE

Jointing of pipe shall be accomplished in accordance with the recommendations of the manufacturer unless otherwise directed by the ENGINEER.

5.5 PLACING CONCRETE

Concrete cradle, anchors or encasement of water mains or fittings shall be placed where shown on the DRAWINGS, required by the SPECIFICATIONS, or as directed by the ENGINEER. Concrete shall be Class "C" and shall be mixed sufficiently wet to permit it to flow under the pipe to form a continuous bed. In tamping concrete, care shall be taken not to disturb the grade or line of the pipe or injure the joints. Concrete placed outside the specified limits or without authorization from the ENGINEER will not be subject to payment.

5.6 BORED OR JACKED CROSSINGS

5.6.1 Highway and Railroad

Steel cover pipe for highway and railroad crossing shall be bored and/or jacked in place to the elevations shown on the DRAWINGS. All joints between lengths shall be solidly welded with a smooth non-obstructing joint inside.

After the water main has been installed, inspected and tested, both ends of the cover pipe shall be sealed completely with concrete in a manner acceptable to the ENGINEER.

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5.6.2 Driveways

Where designated on the DRAWINGS or directed by the ENGINEER the driveways will be bored without a cover pipe and the water mains shall be installed 42-inches below the finished grade. The pipe shall be installed in such a manner that no joints will be under the finished driveway.

5.7 INSPECTION

Prior to any backfilling, all pipe, fittings and appurtenances shall be inspected by the ENGINEER. This inspection, however, does not relieve the CONTRACTOR of any of his responsibilities with regard to his compliance with the CONTRACT DOCUMENTS.

6. BACKFILLING

6.1 GENERAL

Backfilling of pipeline trenches shall be accomplished in accordance with the methods outlined hereinafter. In all cases, walking or working on the completed pipelines except as may be necessary in tamping or backfilling will not be permitted until the trench has been backfilled to a point one foot above the top of the pipe. The filling of the trench and the tamping of the backfill shall be carried on simultaneously on both sides of the pipe in such a manner that the completed pipeline will not be disturbed and injurious side pressures do not occur. The methods of backfilling shall be as follows:

6.2 OPEN TERRAIN

Backfilling of pipeline trenches in open terrain shall be accomplished in the following manner:

6.2.1 Lower Portion of Trench

The lower portion of the trench, from the pipe bedding to a point 12 inches above the top of the pipe, shall be backfilled with material free from rock and/or acceptable to the ENGINEER. This material shall be placed in a manner approved by the ENGINEER, and shall be carefully compacted to avoid displacement of the pipe. Compaction shall be accomplished by hand- tamping or by approved mechanical methods. Upon approval of the ENGINEER, crushed stone, fine gravel, sand or dust may be used as backfill in lieu of compacted earth. Tamping or compaction, or materials used in lieu of same, is not a separate pay item.

6.2.2 Upper Portion of Trench

The upper portion of the trench above the compacted portion shall be backfilled with material which is free from large rock. Incorporation of rock having a volume exceeding one-half cubic foot is prohibited. Backfilling this portion of the trench may be accomplished by any means approved by the ENGINEER. The trench backfill shall be heaped over or leveled as directed by the ENGINEER. Material for backfilling the upper portion of the trench is not a separate pay item.

6.3 SIDEWALKS AND UNPAVED DRIVEWAYS

Backfilling of pipeline trenches under sidewalks and unpaved driveways shall be accomplished in the following manner:

6.3.1 Lower Portion of Trench

The lower portion of the trench, from the pipe bedding to a point 12 inches above the top of the pipe, shall be backfilled with material free from rock and/or acceptable to the ENGINEER. This material shall be placed in a manner approved by the ENGINEER, and shall be carefully compacted to avoid displacement of the pipe. Compaction shall be accomplished by hand- tamping or by

approved mechanical methods. Upon approval of the ENGINEER, crushed stone, fine gravel, sand or dust may be used as backfill in lieu of compacted earth. Tamping or compaction, or materials used in lieu of same, is not a separate pay item.

Upon approval of the ENGINEER, the CONTRACTOR may backfill the lower portion of the trench with crushed stone, fine gravel, sand or dust. Material for backfill in lieu of tamping in this portion of the trench is not a separate pay item.

6.3.2 Middle Portion of Trench

The middle portion of the trench, from a point 12 inches above the top of the pipe to a point 6 inches below the grade line, shall be backfilled with material free from rock and/or acceptable to the ENGINEER. This material shall be placed and compacted in layers of approximately 6 inches. Water (puddling) may be used as required to obtain maximum compaction. Tamping or compaction of backfill in this portion of the trench is a separate pay item unless stated otherwise hereinafter.

Upon approval of the ENGINEER, the CONTRACTOR may backfill the middle portion of the trench with crushed stone, fine gravel, sand or dust in lieu of materials that require compaction.

6.3.3 Upper Portion of Trench

The upper portion of the trench shall be temporarily backfilled and maintained with crushed stone or gravel until such time as the sidewalk is constructed or the driveway surface is restored. Backfill for the upper portion of the trench is a separate pay item unless stated otherwise hereinafter.

6.4 STREETS, ROADS AND PAVED DRIVEWAYS

Backfilling of pipeline trenches under streets, roads and paved driveways shall be accomplished in the following manner:

6.4.1 Lower Portion of Trench

The lower portion of the trench, from the pipe bedding to a point ten (10) inches below the bottom of the pavement or concrete sub-slab, shall be backfilled with crushed stone, fine gravel, sand or dust. Backfill for the lower portion of the trench is a separate pay item unless stated otherwise hereinafter.

6.4.2 Upper Portion of Trench

The upper portion of trench, from a point ten (10) inches below the bottom of the pavement or concrete sub-slab up to grade, shall be backfilled with a base course of dense graded aggregate. At such time that pavement replacement is accomplished, the excess base course shall be removed as required. Material for backfilling the upper portion of the trench is a separate pay item unless stated otherwise hereinafter.

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6.5 STREAMS & WETLANDS

Utility line construction projects through wetlands of the Commonwealth shall not result in conversion of the area to non-wetlands status.

- Utility line installation in waters of the Commonwealth shall be minimized to the greatest possible extent.
- All excavations within a stream, necessary to complete a utility line construction project, shall be done in such a manner as to prevent degradation of Waters of the Commonwealth. Spoil material from utility line excavations shall not be allowed to enter the flowing portion of the stream.
- Removal of riparian vegetation in the utility line right-of-way shall be limited to that necessary for equipment access.
- Effective erosion and sedimentation control measures must be employed at all times during the project to prevent degradation of waters of the Commonwealth.
- Site regrading and reseeding will be accomplished within 14 days after disturbance.

6.6 SETTLEMENT OF TRENCHES

The CONTRACTOR shall be responsible for any trench settlement which occurs within one year from the time of final acceptance of the work, and if any paving shall require replacement because of the trench settlement within this time, it shall be replaced by the CONTRACTOR at no extra cost to the OWNER. Repair of any damage caused by settlement shall meet the approval of the ENGINEER and/or the OWNER.

7. TESTING AND DISINFECTION

7.1 TESTING WATER MAINS

7.1.1 Hydrostatic Test

All water mains shall be given a hydrostatic test to the working pressure of the pipe in accordance with the requirements of the provisions of AWWA Specification C-600. This states that all sections shall be subjected to a hydrostatic pressure of at least 1.5 times the working pressure at the point of testing for a minimum of 2 hours.

7.1.2 Leakage

Allowable leakage for pipe with mechanical joints or push-on joints shall not exceed the limits set forth in Table 3, Section 13 of the AWWA Specification C-600.

ALLOWABLE LEAKAGE PER 1000 FT. OF PIPELINE (GPH)

Avg. Test Pressure (psi)	Nominal Pipe Diameter (in.)						
	2	3	4	6	8	10	12
250	0.24	0.36	0.47	0.71	0.95	1.19	1.42
225	0.23	0.34	0.45	0.68	0.90	1.13	1.35
200	0.21	0.32	0.43	0.64	0.85	1.06	1.28
175	0.20	0.30	0.40	0.59	0.80	0.99	1.19
150	0.19	0.28	0.37	0.55	0.74	0.92	1.10
125	0.17	0.25	0.34	0.50	0.67	0.84	1.01
100	0.15	0.23	0.30	0.45	0.60	0.75	0.90

Where leaks are visible at exposed joints and/or evident on the surface where joints are covered, the joints shall be recaulked, repoured, bolts retightened or relaid, and the leakage minimized, regardless of total leakage as shown by test.

7.1.3 Defective Pipes & Fittings

All pipe, fittings and other materials found to be defective under test shall be removed and replaced at the CONTRACTOR'S expense.

7.1.4 Pipe Failure

Lines which fail to meet tests shall be repaired and retested as necessary until test requirements are met.

7.2 DISINFECTION OF WATER LINES

The new potable water lines shall not be placed in service - either temporarily or permanently until they have been thoroughly disinfected in accordance with the following requirements and to the satisfaction of the ENGINEER.

7.2.1 Chlorination Test

After testing, a solution of hypochlorite using HTH or equal shall be introduced into the section of the line being disinfected sufficient to insure a chlorine dosage of at least 50 ppm in the main. While the solution is being applied, the water should be allowed to escape at the ends of the line until tests indicate that a dosage of at least 50 ppm has been obtained throughout the pipe. Open and close all valves and cocks while chlorinating agent is in the piping system. The chlorinated water shall be allowed to remain in the pipe for 24 hours, after which a residual of at least 25 ppm shall be obtained. The disinfection shall be repeated until 25 ppm is obtained after which time the main shall be thoroughly flushed until the residual chlorine content is not greater than 1.0 ppm, and then may be connected to the system. Disinfection of lines is not a pay item.

7.2.2 Bacteriological Test

The new waterline shall be sampled in accordance with 401 KAR 8:150 Section 4 (2). A core zone, which includes up to the first one-half (1/2) mile, shall be established. Two (2) samples shall be taken from the core zone. Additionally, one (1) sample from each mile of new distribution line shall be taken and the samples shall be tested by a laboratory certified by the Commonwealth of Kentucky. The waterline shall not be put into service until the test is approved by said testing laboratory. Copies of the test results shall be forwarded to the ENGINEER before placing the line in service.

8. RESTORATION OF SURFACE

8.1 OPEN TERRAIN

8.1.1 Seeding

Unless otherwise specified or shown on the DRAWINGS, all graded areas shall be left smooth and thickly sown with a mixture of grasses as specified by the ENGINEER, at a rate of not less than one pound of seed per 1,000 square feet. Unless otherwise specified, the mixture shall consist of 60 percent Italian Rye Grass, 20 percent Kentucky Fescue #31 and 20 percent Kentucky Bluegrass by weight. When the final grading has been completed, the entire area to be seeded shall be fertilized with ammonium nitrate at the rate of five pounds per 1,000 square feet and approved commercial

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fertilizer at the rate of ten pounds per 1,000 square feet. The analysis of the commercial fertilizer shall be determined by soil tests. After the fertilizer has been distributed, the CONTRACTOR shall disc or harrow the ground to thoroughly work the fertilizer into the soil. The seed shall then be broadcast either by hand or by approved device. All seed shall be certified. The seeded area shall then be covered with straw to a depth of approximately 1-1/2 inches. Any necessary reseeding or repairing shall be accomplished by the CONTRACTOR prior to final acceptance. If the construction work is brought to completion when, in the opinion of the ENGINEER, the season is not favorable for the seeding of the grounds, then the CONTRACTOR shall delay this item of the work until the proper season for such seeding as directed by the ENGINEER. Seeding is not a pay item unless otherwise specified.

8.1.2 Sodding

Sodding will not be required unless specifically set forth in the Detailed Specifications or shown on the DRAWINGS. When sodding is required, it shall be at least 60 percent good quality Kentucky Bluegrass, strongly rooted, and free of pernicious weeds and shall be so laid that no voids occur between strips. Weed roots shall be removed as the sod is laid. Sod shall be tamped or rolled immediately after it is laid, and the finished surface shall be true to grade, even and equally firm at all points. Well-screened topsoil shall be lightly sprinkled over the sodded areas and shall be raked to insure sealing the sod joints. The sodded areas shall be thoroughly watered. When set out in the Detailed Specifications or shown on the DRAWINGS, sodding is a pay item. Replacement of sod for lawns on private property is not a pay item.

8.1.3 Landscaping

Landscaping, when specified or shown on the DRAWINGS, shall be a pay item and shall be accomplished as set out in the Detailed Specifications and shown on the DRAWINGS.

8.2 BITUMINOUS REPLACEMENT

8.2.1 Removal

Prior to trenching, the pavement shall be scored or cut to straight edges at least six (6) inches, but not more than twelve (12) inches outside each edge of the proposed trench to avoid unnecessary damage to the remainder of the paving.

8.2.2 Backfilling

After the pipeline has been installed, the entire trench shall be backfilled with granular material.

8.2.3 Base Course

If required, edges of the existing pavement shall be recut and trimmed to square, straight edges after the pipeline has been installed and prior to placing the new base and pavement.

Base course for the paving shall be dense graded, crushed limestone furnished and placed in accordance with the current requirements of Section 208, Part 2, Divisions II of the Standard Specifications of the Kentucky Bureau of Highways to a depth of ten (10) inches in streets.

For heavy duty bituminous pavement replacement, a concrete sub-slab shall be constructed. Concrete shall be Class A, placed in accordance with the requirements of the Standard Details.

8.2.4 Replacement

The wearing surface of streets shall be plant mix, bituminous concrete, Class I furnished and placed in accordance with the current Specifications of the Kentucky Bureau of Highways to a depth of two (2) inches in streets.

All bituminous street replacement shall be reconstructed to the original lines and grades and shall be left in such a manner that all surfaces shall be in fully as good or better condition than that which existed prior to the construction.

8.3 CONCRETE REPLACEMENT

8.3.1 Highways, Streets and Driveways

8.3.1.1 Removal

The existing concrete paving shall be sawed or cut to straight edges twelve (12) inches outside the edges of the trench or broken out to an existing joint, as directed by the ENGINEER.

8.3.1.2 Base Course

Base course for the paving shall be dense graded, crushed limestone furnished and placed in accordance with the current requirements of the Standard Specifications of the Kentucky Department of Highways to a depth of ten (10) inches.

8.3.1.3 Replacement

Pavement replacement shall be accomplished with Class A concrete in accordance with the Standard Details.

Where cement concrete streets and driveways are removed, they shall be reconstructed to the original lines and grades in such a manner as to leave all such surfaces in fully as good or better condition than existed prior to the operation.

8.3.2 Sidewalks

In general, concrete sidewalks shall be tunneled when encountered in trenching for water mains. When concrete sidewalks are tunneled, they shall be backfilled by mechanical tamping of earth under the portion undermined so as to prevent settlement.

8.3.3 Removal

In the event rock excavation is required, or for some other reason tunneling is not feasible, the ENGINEER may direct the CONTRACTOR to cut the sidewalk.

8.3.4 Base Course

After the trench has been backfilled, a base course of crushed stone, three (3) inches in thickness, shall be placed and tamped. Immediately prior to pouring the concrete, the crushed stone base shall be thoroughly wetted, or as an alternative, the concrete shall be poured on a layer of heavy building paper.

8.3.5 Replacement

When concrete sidewalks are cut or otherwise disturbed during the construction, they shall be replaced in fully as good or better condition than that which existed prior to the CONTRACTOR'S operation.

When replacing concrete sidewalks, the existing concrete edges shall be trimmed to straight six (6) inches back of the trench sides or broken out to an existing edge as directed by the ENGINEER. The existing edges shall be cleaned and kept moist during pouring to insure a good bond.

The paving shall consist of four and one-half (4-1/2) inches of Class A concrete, struck off to accurately placed screeds and worked with a wooden float until the mortar appears on the top. After the surface has been thoroughly floated, it shall be brushed to leave markings of a uniform type

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similar to the existing walk. All joints and edges shall be finished with an edging tool. The allowable variations shall be 1/8 inch to 10 feet transversely and longitudinally.

8.3.6 Curbs and Gutters

The CONTRACTOR shall remove the curb and gutter when encountered and required to lay the water line. Only that portion of the curb and gutter needed to lay the water main shall be removed. When concrete curb and gutter is cut or disturbed during the construction work, it shall be replaced, using Class A concrete, in fully as good or better condition than that which existed prior to the CONTRACTOR'S operation.

8.4 CLEAN-UP

Upon completion of the installation of the water mains and appurtenances, the CONTRACTOR shall remove all debris and surplus construction materials resulting from the work. The CONTRACTOR shall grade the ground along each side of the pipe trench in a uniform and neat manner, leaving the construction area in a shape as near as possible to the original ground line.

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1. SCOPE AND SPECIAL PROVISIONS

1.1 SCOPE OF WORK

The WORK to be accomplished under these SPECIFICATIONS consists of approximately 57,975 linear feet of 6-inch water mains, 5,225 linear feet of 4-inch water mains and two prefabricated constant pressure booster pump stations, together with all appurtenances, as shown on the DRAWINGS and as further specified herein.

1.1.1 General Location

Location of the WORK is in Franklin County, Kentucky.

1.1.1.1 Specific Location

Water mains and services are located in northeast Franklin County, Kentucky.

1.2 DESIGNATION OF PARTIES

1.2.1 "OWNER"

All reference in the SPECIFICATIONS, CONTRACT DOCUMENTS and DRAWINGS to "OWNER" shall mean the Peaks Mill Water District.

1.2.2 "ENGINEER"

All references in the CONTRACT DOCUMENTS to "ENGINEER" shall mean the firm of Warner A. Broughman III and Associates, 3161 Custer Drive, Lexington, Kentucky.

1.3 GOVERNING SPECIFICATIONS

The detailed specifications set forth herein shall serve to apprise the CONTRACTOR of the specifics of the PROJECT. The CONTRACTOR is cautioned, however, that all applicable portions of the GENERAL SPECIFICATIONS are to be followed and strict compliance therewith will be required.

1.4 CONTRACTOR'S DRAWINGS AND SPECIFICATIONS

The ENGINEER, without charge, will furnish to the CONTRACTOR not more than three (3) sets of the DRAWINGS and SPECIFICATIONS. If additional sets of documents are required by the CONTRACTOR for the proper execution of the WORK, such documents will be furnished to the CONTRACTOR at cost.

1.4.1 DRAWINGS On Site

The CONTRACTOR shall keep one set of the DRAWINGS and SPECIFICATIONS on the site of the work. This set shall be kept current by the addition of all approved changes, addenda and amendments thereto.

1.4.2 DRAWINGS/SPECIFICATIONS Discrepancy

The DRAWINGS and SPECIFICATIONS are intended to be explanatory to each other, but should any discrepancy appear or any misunderstanding arise as to the import of anything contained in either, the ENGINEER shall make the necessary interpretation. Corrections or

errors or omissions in the DRAWINGS and SPECIFICATIONS may be made by the ENGINEER when such corrections are necessary for the proper fulfillment of their intention as construed by him.

1.4.3 DRAWINGS/SPECIFICATIONS Omissions

All work or materials shown on the DRAWINGS and not mentioned in the SPECIFICATIONS, or any work specified and not shown on the DRAWINGS, shall be furnished, performed, and done by the CONTRACTOR as if the same were both mentioned in the SPECIFICATIONS and shown on the DRAWINGS.

1.5 UTILITIES REQUIRED BY CONTRACTOR

All electric current and utility services required by the CONTRACTOR in the construction of the PROJECT shall be furnished at the expense of the CONTRACTOR. The OWNER will furnish the water required for the leak testing and disinfection of the water mains.

1.6 TRAFFIC

Unless otherwise agreed by the ENGINEER, traffic shall be maintained on all roads and driveways during the construction of the water mains. Appropriate measures shall be taken by the CONTRACTOR to protect drivers, workers, and pedestrians. All traffic control shall be in accordance with Part VI of the Manual on Uniform Traffic Control Devices (MUTCD). Signs, marking, and flagging procedures shall be in accordance with MUTCD.

1.7 FENCES

All fences removed or disturbed during the construction shall be replaced in as good or better condition as found. Integrity of the property boundaries shall be maintained at all times and it is the responsibility of the CONTRACTOR to provide such temporary fencing as is required or directed by the ENGINEER.

1.8 EXECUTION AND COORDINATION OF THE WORK

It is intended that the work covered by the CONTRACT DOCUMENTS be done so as to cause the minimum work interference with the normal operation of the existing distribution system of the OWNER. The CONTRACTOR shall be required to organize and schedule his work so as to keep the distribution system in full operation during the construction period in so far as is consistent with the nature of the construction work to be performed.

1.8.1 Shutdowns

The manner in which shutdowns shall be made and the schedule of work shall be subject to the approval of the ENGINEER, and although every effort will be made to cause the minimum amount of interference with the CONTRACTOR'S work, the interest of the OWNER in regard to water service and fire protection must always take precedence over the construction work. Therefore, the right is reserved by the OWNER to put any lines or other facilities that may be shut down for the construction work back into service when an emergency arises.

1.9 SITE VIDEOTAPING

Prior to commencement of work, the CONTRACTOR shall provide the ENGINEER with the VHS videotape of the entire project. This videotape needs to show the landscape and any obstructions that may be encountered during construction.

2. WATER MAINS AND APPURTENANCES

2.1 PIPE AND FITTINGS

All pipe and fittings shall conform to the general requirements as given in the GENERAL SPECIFICATIONS. All plastic pipe shall be classed and rated for 200 psi operating pressure. Fittings for plastic pipe shall be ductile iron as specified in Paragraph 1.3.3. of the GENERAL SPECIFICATIONS. The fittings shall be restrained with grip rings as manufactured by Romac Industries, P.O. Box 3212, Seattle, WA 98114, or approved equal. Maximum trench width shall 24".

2.2 TRACER WIRE

At all locations where PVC pipe is utilized, a detectable tracer wire shall be placed in the trench on top of the PVC pipelines. The tracer wire shall be a #10 solid copper wire. The tracer wire shall be brought to the surface at each valve box or other appurtenance.

2.3 GATE VALVES AND BOXES

All valves shall be gate valves manufactured specifically for direct buried service. All gate valves shall be of the resilient wedge type, iron body, non-rising stem, fully bronze mounted and suitable for water working pressures of 200 psi. Valves shall be of standard manufacture and of the highest quality both as to materials and workmanship and shall conform to the latest revision of AWWA Specification C500.

All gate valves shall have the name or monogram of the manufacturer, the year the valve casting was made, the size of the valve, and the working water pressure cast on the body of the valve.

2.3.1 Valve Operators

Valve operators shall be the non-rising stem type with the 2-inch operating nut. Valves shall open by turning the operating nut to the left (counterclockwise).

2.3.2 Gate Valve Installation

Gate valves shall be installed in the ground with the operating nut in a vertical position for use in a valve box. Valve boxes shall be 5-1/4 inch, standard 3-piece cast iron valve box with drop cover marked "WATER".

They shall be set vertically and properly cut or adjusted so that the cover will be in the same plane as the finished ground or street surface.

2.4 BLOWOFF VALVE AND BOX

Blowoff valves shall be installed at the location as shown on the DRAWINGS or as directed by the ENGINEER. Pipe shall be zinc-coated galvanized iron. Fittings shall be galvanized malleable iron. Curb stops shall be water works ground-key type, oval flow way,

inch steamer nozzle shall be standard to ASTM requirements. Inlet valve shall be at least 5-1/4-inches in diameter. The hydrants shall be set plumb with not less than two (2) cubic feet of crushed stone and backed with at least a cubic foot of class C concrete or equivalent. The hydrant shall be restrained with grip rings as manufactured by Romac Industries, Inc., or approved equal. Each hydrant shall be equipped with a hydrant wrench and a traffic damage repair kit. The hydrants shall be Mueller Improved type, Cat. No. A-24015; or approved equal.

2.6.2 Valve

The valves for the hydrants shall conform to the Detailed Specification "GATE VALVES AND BOXES" listed above.

2.7 STREET CROSSINGS

Steel cover pipe for street crossings shall conform to Paragraph 1.4 of the GENERAL SPECIFICATIONS.

2.7.1 Steel Casing Pipe: Bored

Where designated on the DRAWINGS the streets will be bored and the steel cover pipe and service line sleeves shall be installed 42-inches below the finished grade. The cover pipe shall be backfilled with granular material as shown on the DRAWINGS, inspected and tested and then the ends will be sealed in a manner acceptable to the ENGINEER. All work on State right-of-way shall be in accordance with State specifications and the KYDOT District Office shall be notified before beginning work.

2.7.2 Steel Casing Pipe: Opencut

Where designated on the DRAWINGS the streets will be opencut and the steel cover pipe and service line sleeves shall be installed 42-inches below the finished grade. The cover pipe shall be backfilled with granular material as shown on the DRAWINGS, inspected and tested and then the ends will be sealed in a manner acceptable to the ENGINEER. All work on State right-of-way shall be in accordance with State specifications and the KYDOT District Office shall be notified before beginning work.

2.8 DRIVEWAY CROSSING: Bored

Where designated on the DRAWINGS or directed by the ENGINEER the driveway will be bored without a cover pipe and the water mains shall be installed 42-inches below the finished grade. The pipe shall be installed in such a manner that no joints will be under the finished driveway.

2.9 DRIVEWAY CROSSING: Opencut

Where designated on the DRAWINGS or directed by the ENGINEER the driveway will be opencut without a cover pipe and the water mains shall be installed 42-inches below the finished grade. The pipe shall be installed in such a manner that no joints will be under the finished driveway. The trench shall be backfilled 100% with stone and extend at least 1 foot beyond the original edge of driveway in accordance with the Detailed Drawings.

2.10 STREAM CROSSING

Stream crossings shall be made where indicated on the DRAWINGS and shall be constructed in accordance with the details shown on the DRAWINGS. Crossing of Elkhorn Creek shall be by directional boring. The casing pipe shall be HDPE and the carrier pipe shall be HDPE.

2.11 TAPPING VALVES AND SLEEVES

All tapping valves shall be valves manufactured specifically for direct buried service. All valves shall be of the resilient wedge type, iron body, non-rising stem, fully bronze mounted and suitable for water working pressures of 200 psi. Valves shall be of standard manufacture and of the highest quality both as to materials and workmanship and shall conform to the latest revision of AWWA Specification C500. The outlet of the tapping valve shall have a large flange suitable for connection to a drilling machine.

All valves shall have the name or monogram of the manufacturer, the year the valve casting was made, the size of the valve, and the working water pressure cast on the body of the valve.

2.11.1 Valve Operators

Valve operators shall be the non-rising stem type with the 2-inch operating nut. Valves shall open by turning the operating nut to the left (counterclockwise).

2.11.2 Tapping Sleeve

The tapping sleeves shall be 18-8 Type 304 Stainless Steel of the full circle type, with an 18-8 Stainless Steel flange with a recess to accept standard tapping valve. The sleeve shall be full gasketed with gridded virgin SBR compounded for water service. Bolts and nuts shall be 18-8 stainless steel NC threads.

2.11.3 Valve Installation

Valves shall be installed in the ground with the operating nut in a vertical position for use in a valve box. Valve boxes shall be 5-1/4 inch, standard 3-piece cast iron valve box with drop cover marked "WATER".

They shall be set vertically and properly cut or adjusted so that the cover will be in the same plane as the finished ground or street surface.

2.12 WATER SERVICE CONNECTIONS

Water service connections shall be made in accordance with the details shown in the DRAWINGS and set forth herein.

2.12.1 Service Pipe

Service pipe shall be Schedule 40 Polyethylene, as manufactured by **Phillips Products Co., Inc.**, or approved equal. Where directed by the ENGINEER, service piping shall be bored or jacked under roads or highways without a cover pipe. The service pipe shall be placed a minimum of 42" below the surface of the highway. Couplings shall be flared.

2.13 CONCRETE CRADLES, ANCHORS AND ENCASEMENT

Concrete cradles, anchors or encasement of water lines shall be placed where shown on the plans, required by the specifications, or as directed by the ENGINEER. Concrete shall be Class C and shall be mixed sufficiently wet to permit it to flow under the pipe to form a continuous bed. In tamping concrete, care shall be taken not to disturb the grade or line of the pipe or injure the joints. Concrete placed outside the specified limits or without authorization from the ENGINEER will not be subject to payment. Dry bagged concrete mix shall not be used.

2.14 BITUMINOUS REPLACEMENT (use for roadways)

Highways and streets shall be cut, removed and replaced in accordance with the General Specifications, Paragraph 8.2. A concrete sub-slab shall be used for all highway and street crossings.

2.15 BITUMINOUS REPLACEMENT (use for driveways)

Driveways shall be cut, removed and replaced without the installation of a concrete sub-slab. All other construction shall conform to the General Specifications and the Standard Details.

2.16 CRUSHED STONE

All crushed limestone shall consist of angular fragments of broken limestone of uniform quality throughout, free from soft or disintegrated stone, dirt or other objectionable matter. All crushed stone shall conform with Paragraph 1.6.2 of the General Specifications.

2.17 OBSTRUCTIONS

In cases where sewers, utilities or other underground obstructions are encountered, they shall not be displaced or molested unless necessary, in which case they shall be replaced in as good a condition as found as quickly as possible. All such lines or underground structures damaged or molested in the construction for the work under this Contract shall be replaced at the CONTRACTOR'S expense, unless in the opinion of the ENGINEER such damage was caused through no fault of the CONTRACTOR.

2.18 EXCAVATION CLASS

All excavation on this PROJECT shall be UNCLASSIFIED as defined by Paragraph 4.2 of the GENERAL SPECIFICATIONS. Although only a limited number of soundings were conducted, the CONTRACTOR is expected to encounter rock-like materials during excavation for the PROJECT. The CONTRACTOR must investigate the PROJECT site and satisfy himself as to the actual conditions.

3. PREPACKAGED BOOSTER PUMP STATION

3.1 DUPLEX WATER PUMP STATION

Furnish and install a duplex variable speed, variable flow factory assembled water booster system enclosed in a pre-engineered steel capsule as manufactured by Engineered Fluid,

Inc., or approved equal. The unit shall be rated for a system capacity of 200 GPM, with a system pressure of 150 PSIG, including a minimum suction pressure of 30 PSIG. Maximum suction pressure will be 40 PSIG.

The complete Packaged Pumping System, including pumps, motors, control equipment, variable frequency drives, ASME tank, valves, fittings and manifolds must be UL Listed. In addition to the UL Listing for the complete system the control panel assembly must be separately listed under UL-508 Industrial Control Equipment.

3.2 FACTORY ASSEMBLY

The booster system shall be factory assembled in a steel capsule including pumps, motors, valves, 3" galvanized steel suction and discharge manifolds, all interconnecting piping, wiring, variable frequency drives with logic and power controls. Provide isolation valves on the suction and discharge of each pump. The valves shall be non-rising stem gate valves or wafer style butterfly valves. Two 4 1/2" ANSI grade A, panel mounted gauges for indicating system suction and discharge pressure shall be provided. All skid-mounted components shall be factory finished in high quality enamel paint.

Individual pumps, motors, and check valves may be serviced with the booster system in operation, and all components shall be suitable for the maximum working pressure in the system.

3.3 PUMPS

The system shall include two Grundfos Model 32-4-2 vertical mounted multi-stage centrifugal pumps with ANSI flanged connections, or approved equal. Pump suction/discharge chamber, motor stool and pump shaft coupling shall be cast iron. The impellers, pump shaft, diffuser chambers, outer discharge sleeve, and impeller seal rings or seal ring retainers shall be constructed of stainless steel. Intermediate shaft bearings shall be bronze. Bottom bearing rings and shaft journal shall be tungsten carbide. Mechanical seal shall have tungsten carbide seal faces with EPDM elastomers and 316 stainless steel hardware. Pumps shall be rated for a maximum working pressure of 230 PSIG. Maximum inlet pressure shall be 145 PSIG. Motor shall be NEMA close-coupled "C" fact type mounted directly to the top of the pump.

Unit 1: Pumps No. 1 and 2 shall be rated 100 GPM at 250 ft head.

Unit 2: Pumps No. 1 and 2 shall be rated 25 GPM at 150 ft head.

3.4 MOTORS

Motors shall be 230 volt, 3 phase, 60 Hz open drip proof and manufactured in accordance with NEMA standards. Pumps No. 1 and 2 shall be 15 HP, 3500 RPM. Motors shall be selected so that they do not exceed nameplate HP rating throughout the programmed sequence of pump operation.

3.5 SYSTEM VALVES

Each pump discharge shall have a pilot operated diaphragm type combination pressure regulating and non-slam check valve on each pump. Main valve and cover to be cast iron with a fused epoxy coating and stainless steel stem and cover bolts. Construction shall be suitable for the maximum working pressure of the system.

3.6 THERMAL PURGE

Each pump will have an individual temperature probe and purge valve with adjustable high temperature cutout and differential to sense heat buildup in the pump casing. On sensing high temperature the probe circuit will open a solenoid valve that allows the heated water to flow out. Installing contractor to provide piping from solenoid valves to drain.

3.7 HYDRO-PNEUMATIC TANK

Provide a hydro-pneumatic tank with a carbon steel shell and a replaceable FDA approved heavy-duty bladder to separate the air and water. No water shall come in contact with the metal walls of the tank. Features shall include an air fill valve, pressure sensor/transmitter connection and bottom system connection suitable for 100% drawdown.

The tank must be constructed in accordance with Section VIII of the ASME code and be N.B. stamped and shall be rated 211 gallon - 125 PSIG.

The tank shall be mounted and piped in the building as shown on the drawings.

3.8 VARIABLE FREQUENCY DRIVES

Provide and mount on the system skid two variable frequency drives of the PWM design suitable for variable torque applications using any standard NEMA Design B squirrel cage induction motor and sized for the maximum possible amp draw at any point on the pump curve including pump run out.

Standard Features

1. Pulse Width Modulated
2. Starts into a rotating load
3. Keypad Operator Device including the following:
 - 2 Line Backlit LCD Display
 - Power On and Alarm/Fault Displays
 - In Auto the drive follows signal from Logic Section of Control Panel
4. Auto Drive Shutdown for electrical fault
5. Automatic restart after power fails shutdown
6. Operational data displays include: Drive Speed (HZ), Motor Power, Energy (kWh), Current, Elapsed Time, RPM, and Motor Voltage
7. Complete Service Diagnostics with fault history log.

The efficiency at full load and full speed will be 97% with a fundamental power factor of .98.

3.9 PRESSURE SENSOR/TRANSMITTERS

Provide one pressure sensor/transmitter that provides a 4 to 20 mA DC output, compatible with the system controls, temperature and pressure requirements. Pressure sensor/transmitter shall have zero, span and damping devices. Installing contractor to mount and wire transmitter at the remote location as shown on the drawings.

3.10 SEQUENCE OF OPERATION

The lead pump shall run only as necessary to maintain system pressure and will be controlled automatically by means of a pressure sensor/transmitter and programmable logic controller programmed to prevent short cycling.

If the lead pump is unable to maintain system pressure at the remote pressure sensor/transmitter the lag pump will be called on after a time delay and will operate in parallel with the lead pump in accordance with the PLC program. When a low or no flow condition is reached the controls will shut down the lag pump if running and accelerate the lead pump to charge the system and hydro-pneumatic tank to 10 PSI above normal operating pressure, then shut the lead pump down and alternate.

3.11 CONTROL PANEL

3.11.1 Logic Section

Provide, mount and wire on the skid a programmable logic controller in a NEMA 1 enclosure to interface the signal from the sensor to the VFD's; and provide a stabilized response to speed up or slow down the pump or add the second pump to meet system requirements. The controller shall provide set point control that can be changed by a key pad entry on the control faceplate, as well as having an alpha/numeric display, PID functions and both system and controller self diagnostics. Controller shall be provided with dual function PID loop for startup mode and normal operation. Startup mode to provide a quick response from shutdown and normal operation is tuned to eliminate hunting. Controller shall have two RS 485 Communication ports, each communicating with PPI protocol or FreePort Mode, real time calendar/clock, and EEPROM memory transfer cartridge. Logic section shall be suitable for one pressure sensor/transmitter and two pumps.

3.11.2 Power Section

Each system shall include a UL listed enclosed industrial control panel in a NEMA 1 enclosure factory mounted and wired on the steel skid. The panel shall be furnished with individual fused disconnects with through the door handles, pump run lights, H-O-A selector switches, 115 volt fused control transformer, necessary relays and timers and a PLC with pump start, stop and sequence controls.

Standard Features

- control power (on-off) switch and light
- local/remote switch (system enable/disable via remote signal (by others)
- low suction pressure shutdown circuit with auto reset, delay timer and light
- high system pressure shutdown circuit with auto reset and light
- power fail alarm
- audible alarm with silence push button
- auto alternate two equal pumps
- flow switch to limit lead pump on-off cycling
- plc enable switch
- thermal probe circuit
- auxiliary relay contacts for pump run, each alarm, and power fail
- lightning arrestor
- phase loss, low/high voltage shutdown with auto reset and light
- space on control rack for telemetry panel 24" x 24"
- 120 vac power wired to terminal strip for telemetry panel

3.12 TELEMETRY

3.12.1 Furnishing, Installation, and Location of Telemetry

The CONTRACTOR shall furnish and install complete supervisory pump sensing controls utilizing one (1) pump station remote and monitoring equipment to be installed in existing central control panel.

The central control panel shall be located at Gatewood Water Services, 2126 Lucas Lane, Frankfort, Kentucky and shall be the basis of control and shall interrogate the remote units to send control data and receive level, status and alarm data from each remote.

3.12.2 Telemetry System

The system shall be a micro-com digital control system as manufactured by EIC Equipment Co., Inc., Missouri. The engineer shall be the sole judge as whether alternate equipment is considered an approved equal.

The new "central" control panel shall provide the primary control of the system. The new remote site in the system shall be assigned a unique digital address. The "central" shall address the new remote site in sequence to send command data and receive status, alarm, and level data as required by the site. The "central" panel shall indicate, display, and alarm all information received and compare the data to thumbwell setpoints and hand-off-auto switches for control commands and outputs. Should the existing "central" unit fail, the pump station remote shall interrogate its respective pump station remote with pump/stop/start commands to maintain its water level. Should the pump station fail to be interrogated or experience an internal failure, it shall turn off its "system normal" output relay causing the pump station controls to automatically shift to any existing backup controls.

The new pump station site in the system shall have a "System Normal" lamp to indicate that the site is functioning normally and in communication with the other sites.

The control system shall operate in a half-duplex mode over a single VHF radio frequency. The control system shall test the radio squelch gate for clear channel to allow co-channel operation with other radio-systems. To facilitate system layout and future expansion, the new site shall, under the direction of the central unit, be able to relay to and from any other remote site. Should the assigned relay site for a distant remote be inoperative, the "central" shall choose another remote site to access the distant remote.

All data transmitted shall be in digital word form using FSK (Frequency Shift Keying) transmission. Data shall be sent in standard ASCII format at a rate of 110 baud. The control system shall be designed specifically for radio communication and capable of operation on the narrow band splinter frequencies of the power radio service requiring that the sum of the highest FSK frequency and the amount of deviation shall not exceed 1.7 kHz (or 2.8 kHz) as required by the FCC for the specific frequency assigned.

All transmissions shall include the address of the sender and receiver. All data shall be subject to double scan, parity, and framing error checks to insure a minimum accuracy of .000000001. The new location shall use crystal clocking for system timing and to generate FSK tones.

All items in the control system (electronic cards, power supplies, radios, time delays, relays, transducers, etc.) shall be of plug-in construction and interchangeable without re-calibration. The discrete input-output cards shall have 110 VAC optically isolated couplers with 7500 volts of isolation. The analog input/output shall be 0-5 volt DC with 3% accuracy. Conversion to and from other analog signals shall be by means of a signal-conditioning card constructed so that zero and span adjustments are a part of the card rack or remote site enclosure allowing the card to be interchangeable. Central and remote site addresses assignments shall be part of the plug-in connectors and unaffected by changing cards. The existing central unit is equipped with a Bell 104-

phone modem to provide long distance factory de-bugging over dial-up phone lines. This de-bug system allows the factory technician to monitor data transmissions to and from all sites and to interrupt the system to send interrogations, and to test all inputs and outputs (analog and discrete), digital displays, and thumbwheel assemblies. The de-bug service provides sufficient detail to pinpoint the defective module for operator replacement without expensive service calls.

The central panel and remote display panel use plug-in card rack construction using no more than eight different card types (DPU, MODEM, DISCRETE I/O, ANALOG I/O, SIGNAL CONDITIONING, THUMBWHEEL/DISPLAY, AND PLUG-IN POWER SUPPLIES). The thumbwheel assembly shall have two 3-digit setpoints for high/low alarm or stop/start control. The display and thumbwheel shall communicate directly with the card rack with BCD (Binary Coded Decimal) data.

The remote unit shall contain three components: VHF radio transceiver, an one/card remote, and a single (common) 12 VDC power supply. The one/card remote shall be capable of controlling a four digit LCD display, reading thumbwheel and totalizer assemblies, inputting and outputting analog data (with zero and span adjustments to part of the remote enclosure), and have 110 VAC inputs and outputs with 7500 volts of optical isolation. The one/card remote shall be housed in a 4" x 8" plastic module with all connections via a plug-in connector. The common 12 VDC power supply shall provide + or - 10% input variations. The power supply shall be equipped with short circuit and over-voltage protection.

The system manufacturer shall supply a 25-watt VHF radio transceiver (adjustable to 5 watts) to insure a high level of quality and reliability. All connections to the radio shall be plug-in. The VHF radio transceiver shall have the following specifications:

Transmitters:

RF output power	20 watts
Spurious & Harmonic Emission	-65 DB
Frequency Stability	+ or - .0005% (-30 to +60 DEG C)
Modulation	6F2 (2.5 kHz Dev Max) or 3F2 (1.2 kHz Dev Max)
FM Hum and Noise	-60 DB

Receiver:

Sensitivity (20 DB Quieting)	.35 UV (.5UV)
Selectivity	-80 DB
Spurious Image Rej.	-90 DB
Intermodulation	-75 DB
Frequency Stability	(-30 to +60 Deg C)

The radio equipment shall be FCC type approved and the system capable of operation on the narrow band splinter frequencies (154-173MHZ) in the power radio service. The sum of the highest transmitted tone and deviation shall be less than 2800 HZ for a 6F2 emission and 1700 Hz for a 3F2 emission. The receiver bandwidth shall match that of the transmitter. The control system manufacturer shall do all the paper work necessary to obtain a license for the owner.

Radio antenna at the new pump station site shall be a five element "Yagi" as manufactured by Phelps-Dodge. The antenna shall have 8.0 DB forward gain with a 20.0 DB front to back ratio. The antenna shall be of all aluminum construction with a boom of 1-1/16" diameter aluminum pipe and elements of 3/8" aluminum rod. The antenna shall be wind rated for 100-MPH wind speed. The antenna shall be connected to the transmitter enclosure via RG8/U coaxial cable. The enclosure connection shall be by means of a bulkhead type lightning arrestor rated at 1 kilowatt. The central shall use multiple antennas as specified above with automatic coaxial switching.

Pressure transducers shall be an all solid-state two-wire transmitter with a 4-20MA output.

The transducer shall be loop powered from the common 12VDC-power supply. The transducers shall have a combined error (linearity and hysteresis) of + or - .25% full scale and be temperature compensated to 1% per 100 degrees Fahrenheit. The transducers shall be mounted at the sensing point and wired to the enclosure.

The remote unit as indicated shall be supplied with battery back up operation. The rechargeable batteries shall be the sealed solid jelled electrolyte type for float or standby service. Batteries shall be sized to maintain 3 hour service at the remote. Each site shall have a plug-in charging module to recharge the battery at a constant rate when power is resumed and maintain the charge between outages. The pressure input shall continue to function on battery back-up.

Remote site installation requires equipment to be mounted on an equipment rack and housed in a 16" x 14" "JIC" enclosure mounted inside a vented lockable NEMA 3R enclosure to control vandalism and prolong life of the equipment. The NEMA 3R enclosure shall be painted a light color to reduce the heating effects of the sun.

The pump station remote shall send and receive the following information:

- Pump #1 Run
- Pump #2 Run
- Pump #1 off/on
- Pump #2 off/on
- Door Ajar
- Low Suction
- High Pressure
- Power Fail

The existing central control panel is located at the water company office in Bagdad, Kentucky. The panel monitors and displays local inputs and data from the remote sites. Level data is compared to thumbwheel and H-O-A switches to generate local and remote pump commands and alarms. The system provides a complete data update at least once every two minutes with some functions updating faster as required by local conditions. The control panel has all electronic components (except radio, radio power supply, time delays, and relays) housed in a plug-in card rack. The card rack components are plug-in and interchangeable without calibration and are front panel mounted for operator access without opening the main enclosure doors. The control panel is equipped with a Bell 103 type phone modem for dial-up phone line de-bug and monitoring as specified earlier.

The central panel includes the following front mounted display and control components:

Each Pump Station:

- 3 Digit Display of Level in Feet With a Dash Mark to Show When the Tower is Interrogated
- #1 Pump Run
- #2 Pump Run
- Power Failure Alarm Lamp
- Loss of Signal Alarm Lamp

3.13 FACTORY TEST

The booster system shall be hydrostatically tested and shall undergo a complete electric and hydraulic test from 0 to 100% design flow at the factory. All control devices including remote transmitters and all safety features shall be factory calibrated and tested. The owner's representative may witness the test.

3.14 WARRANTY

The booster system shall be warranted in writing against defects in materials or workmanship under normal use and service for a period of one year after date of original operation.

3.15 START-UP SERVICE

The service of a factory-trained representative shall be made available on the jobsite for start-up and instructing operating personnel.

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BASIS OF MEASUREMENT AND PAYMENT

1. SCOPE

The CONTRACTOR shall furnish all necessary labor, machinery, tools, apparatus, equipment, materials, service and other necessary supplies and perform all work shown on the DRAWINGS and or described in the SPECIFICATIONS at the lump sum or unit prices for items in the following paragraphs.

2. WATER MAINS AND APPURTENANCES

2.1 PIPE AND FITTINGS

Payment for furnishing and installing the water mains of the various sizes will be made at the CONTRACT unit price per linear foot, complete in place, which shall include compensation for furnishing, hauling, trenching (including rock excavation), bedding, laying, jointing, and backfilling all pipe and fittings. The quantity of watermain to be paid for shall be the length of the completed water main measured along its center line without any deduction for lengths of fittings, valves or other appurtenances.

2.2 TRACER WIRE

Payment for furnishing and installing the tracer wire will be included as part of the CONTRACT unit price per linear foot, complete in place, for the installation of the pipe and fittings as outlined above.

2.3 GATE VALVES AND BOXES

Payment for furnishing and installing gate valves and boxes of the various sizes will be made at the CONTRACT unit price per each, complete in place, which shall include compensation for furnishing, hauling, trenching (including rock excavation), bedding, installing, and backfilling. The quantity of gate valves and boxes to be paid for shall be the number of completed installations.

2.4 TAPPING VALVES AND SLEEVES

Payment for furnishing and installing tapping valves and sleeves of the various sizes will be made at the CONTRACT unit price per each, complete in place, which shall include compensation for furnishing, hauling, trenching (including rock excavation), bedding, installing, and backfilling. The quantity of tapping valves and sleeves to be paid for shall be the number of completed installations.

2.5 BLOWOFF VALVES AND BOXES

Payment for furnishing and installing blowoff valves and boxes of the various sizes will be made at the CONTRACT unit price per each, complete in place, which shall include compensation for furnishing, hauling, trenching (including rock excavation), bedding, installing, and backfilling. The quantity of blowoff valves and boxes to be paid for shall be the number of completed installations.

2.6 AIR RELEASE VALVES AND BOXES

Payment for furnishing and installing air release valves and boxes will be made at the contract unit price per each, complete in place, which shall include compensation for furnishing, hauling, trenching (including rock excavation), bedding, installing and backfilling. The quantity of air release valves and boxes to be paid for shall be the completed number of installations.

2.7 FIRE HYDRANT AND VALVES

Payment for furnishing and installing fire hydrant assemblies which includes a hydrant, valve, box, tee, and all other appurtenances will be made at the CONTRACT unit price per each, complete in place, which shall include compensation for furnishing, hauling, trenching (including rock excavation), bedding, installing, and backfilling.

2.8 STREET CROSSINGS

2.8.1 Steel Cover Pipe: Bored

The steel cover pipe required to be bored under street crossings will be measured from end to end of the completed cover pipe in place, and paid for at the CONTRACT unit price per linear foot, complete in place, including the water main and tracer wire inside the cover pipe and all other items necessary for its construction as shown on the DRAWINGS.

2.8.2 Steel Cover Pipe: Opencut

The steel cover pipe required to be opencut through the street crossings will be measured from end to end of the completed cover pipe in place, and paid for at the CONTRACT unit price per linear foot, complete in place, including the water main and tracer wire inside the cover pipe and all other items necessary for its construction as shown on the DRAWINGS.

2.9 DRIVEWAY CROSSING

2.9.1 FreeBore Driveway

The pipe required to be bored under driveway crossings will be measured from end to end of the bored or jacked section of water pipe, and paid for at the CONTRACT unit price per linear foot, complete in place, including the water main and tracer wire and all other items necessary for its construction as shown on the DRAWINGS.

2.9.2 Opencut Driveway

The pipe required to be opencut across driveway crossings will be measured from end to end of the section of water pipe under the driveway, and paid for at the CONTRACT unit price per linear foot, complete in place, including the water main and tracer wire and all other items necessary for its construction as shown on the DRAWINGS.

2.9.3 Driveway Replacement

Asphalt for driveway replacement will be paid for at the CONTRACT unit price per ton, complete in place, furnished and placed as specified. The CONTRACTOR shall furnish the ENGINEER with duplicate weight slips for all such material delivered and incorporated into the PROJECT.

2.10 STREAM CROSSING

Payment for furnishing and installing the water mains of the various sizes in stream crossings will be made at the CONTRACT unit price per linear foot, complete in place, which shall include compensation for furnishing, hauling, trenching (including rock excavation), bedding (including furnishing and installing concrete encasement), laying, jointing, and backfilling all pipe and fittings in the stream crossings. The quantity of stream crossing to be paid for shall be the length of the completed stream crossing measured along the center line of the pipe.

2.11 WATER SERVICE CONNECTIONS

Payment for furnishing and installing water service connections, including meter setter, meter, meter box and cover will be made at the CONTRACT unit price per each, complete in place which shall include compensation for furnishing, hauling, trenching (including rock excavation), jointing and backfilling. The quantity of water service connections to be paid for shall be the number of completed installations. Payment method for service pipe connections will be described in the following section "Service Piping."

2.12 SERVICE PIPE

2.12.1 Service Pipe: Bored or Jacked

Payment for furnishing and installing bored or jacked service piping will be made at the CONTRACT unit price per linear foot, complete in place. The quantity of service piping to be paid for shall be the bored or jacked section of piping.

2.12.2 Service Pipe: Opencut

Payment for furnishing and installing opencut service piping will be made at the CONTRACT unit price per linear foot, complete in place, which shall include compensation for furnishing, hauling, trenching (including rock excavation), jointing and backfilling. The quantity of service piping to be paid for shall be the length of completed service line measured along its centerline between the corporation stop and the meter stop. The 18-inch service piping extension on the customer side of the meter will be paid for under this pay item.

2.13 DUPLEX WATER PUMP STATION

The duplex water pump station will be paid for at the CONTRACT lump sum price, which shall include compensation for furnishing and installation of the complete duplex water pump stations, including pumps, motors, system valves, hydro-pneumatic tank, telemetry and control panel, in accordance with the SPECIFICATIONS.

2.14 CONCRETE FOR CRADLES, ANCHORS OR ENCASEMENT

Concrete for cradles, anchors or encasement for water mains and fittings will be paid for at the CONTRACT unit price per cubic yard, complete in place. The CONTRACTOR shall furnish the ENGINEER with duplicate weigh slips for all such material delivered and incorporated into the PROJECT.

2.15 CRUSHED STONE

Crushed stone for special pipe bedding and driveway replacement will be paid for at the CONTRACT unit price per ton, complete in place, furnished and placed as specified. The CONTRACTOR shall furnish the ENGINEER with duplicate weigh slips for all such material delivered and incorporated into the PROJECT.

2.16 ASPHALT

Asphalt will be paid for at the CONTRACT unit price per ton, complete in place, furnished and placed as specified. The CONTRACTOR shall furnish the ENGINEER with duplicate weight slips for all such material delivered and incorporated into the PROJECT.

2.17 SITE VIDEOTAPING

Site videotaping will be paid for at the CONTRACT lump sum price, which shall include compensation for furnishing videotape, camera operator and labor, in accordance with the SPECIFICATIONS. This CONTRACT does not provide for the purchase of any video equipment by the CONTRACTOR. The CONTRACTOR shall furnish the ENGINEER with one complete set of videotapes covering the length of the job.

3. PAY ITEMS

The items listed in above paragraphs refer to and are the same items listed in the BID SCHEDULE hereinafter, and constitute all of the pay items in this CONTRACT. Any other items of work listed in the SPECIFICATIONS or shown on the DRAWINGS shall be considered incidental to the above items.

BID

Proposal of _____ (hereinafter called "BIDDER"), organized and existing under the laws of the State of _____ doing business as _____ to the Peaks Mill Water District (hereinafter called "OWNER").

In compliance with your Advertisement for Bids, BIDDER hereby proposes to perform all WORK for the construction of Union Ridge Extension in strict accordance with the CONTRACT DOCUMENTS, within the time set forth therein, and at the prices stated below.

By submission of this BID, each BIDDER certifies, and in the case of joint BID each party thereto certifies as to his own organization, that this BID has been arrived at independently, without consultation, communication, or agreement as to any matter relating to this BID with any other BIDDER or with any competitor.

BIDDER hereby agrees to commence WORK under this contract on or before a date specified in the NOTICE TO PROCEED and to fully complete the PROJECT within one hundred eighty (180) consecutive calendar days thereafter. BIDDER further agrees to pay as liquidated damages, the sum of \$100.00 for each consecutive calendar day thereafter as provided in Section 15 of the GENERAL CONDITIONS.

BIDDER acknowledges receipt of the following ADDENDUM:

BIDDER agrees to perform all the work described in the CONTRACT DOCUMENTS for the following unit prices or lump sum:

NOTE: BIDS shall include sales tax and all other applicable taxes and fees.

BID SCHEDULE

**PEAKS MILL WATER DISTRICT
Union Ridge Extension**

Item No.	Description	Amount	Unit	Unit Price	Total Price
1.	6-inch PVC Pipe, Complete in Place	57,975	L.F.	\$_____	\$_____
2.	6-inch Gate Valve & Box Complete in Place	14	EACH	\$_____	\$_____
3.	4-inch PVC Pipe, Complete in Place	5,225	L.F.	\$_____	\$_____
4.	4-inch Gate Valve & Box Complete in Place	2	EACH	\$_____	\$_____
5.	Blowoff, Complete in Place	5	EACH	\$_____	\$_____
6.	Fire Hydrant & Box, Complete in Place	2	EACH	\$_____	\$_____
7.	Prefabricated Pump Station, Complete in Place	2	EACH	\$_____	\$_____
8.	Stream Crossing, Open Cut, Complete in Place	440	L.F.	\$_____	\$_____
9.	Stream Crossing, Bored, Complete in Place	200	L.F.	\$_____	\$_____
10.	Road Bore, Complete in Place	315	L.F.	\$_____	\$_____
11.	Water Service Connections, Complete in Place	50	EACH	\$_____	\$_____
12.	Service Line, Bored, Complete in Place	500	L.F.	\$_____	\$_____
13.	Service Line, Open Cut, Complete in Place	500	L.F.	\$_____	\$_____
14.	Class C Concrete, Complete in Place	40	C.Y.	\$_____	\$_____
15.	Crushed Stone, Complete in Place	750	TONS	\$_____	\$_____
16.	Site Videotaping, Delivered to Engineer Prior to Work	1	EACH	\$_____	\$_____

BIDDER agrees to perform all the work described in the CONTRACT DOCUMENTS for the following unit prices or lump sum:

NOTE: BIDS shall include sales tax and all other applicable taxes and fees.

TOTAL BID \$ _____

BIDDER hereby acknowledges the attachment of Section E - LABOR PROVISIONS (CR-1-007) and agrees to abide by the said determination of the Kentucky Labor Cabinet.

Respectfully submitted,

Type or Print Name and Title: _____

Signature: _____ Date: ___/___/___

Address: _____

ATTEST: _____

Employer ID Number: _____

Phone Number: _____

Fax Number: _____

Cellular Number: _____

E-Mail: _____

BID BOND

KNOW ALL MEN BY THESE PRESENTS, that we, the undersigned, _____ as Principal, and _____ as Surety, are hereby held and firmly bound unto **PEAKS MILL WATER DISTRICT** as OWNER in the penal sum of _____ for the payment of which, well and truly to be made, we hereby jointly and severally bind ourselves, successors and assigns.

Signed, this _____ day of _____, 20____. The Conditions of the above obligation is such that whereas the Principal has submitted to _____ a certain BID, attached hereto and hereby made a part hereof to enter into a contract in writing, for the **UNION RIDGE EXTENSION**.

NOW, THEREFORE,

- (a) If said BID shall be rejected, or
- (b) If said BID shall be accepted and the Principal shall execute and deliver a contract in the Form of Contract attachment hereto (Properly completed in accordance with said BID) and shall furnish a BOND for faithful performance of said contract, and for the payment of all persons performing labor furnishing materials in connection therewith, and shall in all other respects perform the agreement created by the acceptance of said BID, then this obligation shall be void, otherwise the same shall remain in force and affect; it being expressly understood and agreed that the liability of the Surety for any and all claims hereunder shall, in no event, exceed the penal amount of this obligation as herein stated.

The Surety, for value received, hereby stipulates and agrees that the obligations of said Surety and its BOND shall be in no way impaired or affected by any extension of the time within which the OWNER may accept such BID; and said Surety does hereby waive notice of any such extension.

IN WITNESS WHEREOF, the Principal and the Surety have hereunto set their hands and seals, and such of them as are corporations have caused their corporate seals to be hereto affixed and these presents to be signed by their proper officers, the day and year first set forth above.

Principal

Surety

By: _____

IMPORTANT - Surety companies executing BONDS must appear on the Treasury Department's most current list (Circular 570 as amended) and authorized to transact business in the State where project is located.

NOTICE OF AWARD

TO: _____

PROJECT Description: UNION RIDGE EXTENSION

The OWNER has considered the BID submitted by you for the above described WORK in response to its Advertisement for BIDS dated OCTOBER 21, 2004, and Information for Bidders.

You are hereby notified that your Bid has been accepted for items in the amount of \$_____.

You are required by the Information for Bidders to execute the Agreement and furnish the required CONTRACTOR'S Performance BOND, Payment BOND and certificates of insurance within **ten (10)** calendar days from the date of this Notice to you.

If you fail to execute said Agreement and to furnish said BONDS within **ten (10)** days from the date of this Notice, said OWNER will be entitled to consider all your rights arising out of the OWNER'S acceptance of your BID as abandoned and as a forfeiture of your BID BOND. The OWNER will be entitled to such other rights as may be granted by law.

You are required to return an acknowledged copy of this NOTICE OF AWARD to the OWNER.

Dated this ____ day of _____, 2004.

PEAKS MILL WATER DISTRICT

By _____
Owner
Title **CHAIRMAN**

ACCEPTANCE OF NOTICE

Receipt of the above NOTICE OF AWARD is hereby acknowledged by _____, this the ____ day of _____, 2004.

By _____
Contractor
Title _____

AGREEMENT

THIS AGREEMENT, made this _____ day of _____, 2004, by and between
PEAKS MILL WATER DISTRICT, hereinafter called "OWNER" and
_____ hereinafter
called "CONTRACTOR".

WITNESSETH: That for and in consideration of the payments and agreements hereinafter mentioned:

1. The CONTRACTOR will commence and complete the construction of **UNION RIDGE EXTENSION**.
2. The CONTRACTOR will furnish all of the material, supplies, tools, equipment, labor and other services necessary for the construction and completion of the PROJECT described herein.
3. The CONTRACTOR will commence the work required by the CONTRACT DOCUMENTS within 10 calendar days after the date of the NOTICE TO PROCEED and will complete the same within 180 calendar days unless the period for completion is extended otherwise by the CONTRACT DOCUMENTS.
4. The CONTRACTOR agrees to perform all of the WORK described in the CONTRACT DOCUMENTS and comply with the terms therein for the sum of \$ _____, or as shown in the BID schedule.
5. The term "CONTRACT DOCUMENTS" means and includes the following:
 - (A) Advertisement For BIDS
 - (B) Information For BIDDERS
 - (C) BID
 - (D) BID BOND
 - (E) Agreement
 - (F) General Conditions
 - (G) SUPPLEMENTAL GENERAL CONDITIONS
 - (H) General Specifications
 - (I) Detailed Specifications
 - (J) Basis of Measurement and Payment
 - (K) Payment BOND
 - (L) Performance BOND
 - (M) NOTICE OF AWARD
 - (N) NOTICE TO PROCEED
 - (O) CHANGE ORDER
 - (P) DRAWINGS prepared by Warner A. Broughman III & Associates numbered Cover through W-2, and dated ,**SEPTEMBER 2004**.
 - (Q) SPECIFICATIONS prepared or issued by Warner A. Broughman III & Associates dated **SEPTEMBER 2004**.
 - (R) ADDENDA:
No. _____, dated _____, 20 _____
No. _____, dated _____, 20 _____

No. _____, dated _____, 20_____

6. The OWNER will pay to the CONTRACTOR in the manner and at such times as set forth in the General Conditions such amounts as required by the CONTRACT DOCUMENTS.

7. This Agreement shall be binding upon all parties hereto and their respective heirs, executors, administrators, successors, and assigns.

IN WITNESS WHEREOF, the parties hereto have executed, or caused to be executed by their duly authorized officials, this Agreement in (4) FOUR copies each of which shall be deemed on original on the date first above written.

OWNER:

PEAKS MILL WATER DISTRICT

By: _____

Name: **WILBERT PERKINS**

Title: **CHAIRMAN**

(SEAL)

ATTEST:

Name: _____

Title: _____

CONTRACTOR:

By: _____

Name: _____

Title: _____

Address: _____

(SEAL)

ATTEST:

Name: _____

Title: _____

PAYMENT BOND

KNOW ALL MEN BY THESE PRESENTS: that _____ a _____, hereinafter called PRINCIPAL, and _____ hereinafter called SURETY, are held and firmly bound unto **PEAKS MILL WATER DISTRICT** hereinafter called OWNER, in penal sum of _____ Dollars, \$(_____) in lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, successors, and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION is such that whereas, the PRINCIPAL entered into a certain contract with the OWNER, dated the _____ day of _____, 2004, a copy of which is hereto attached and made a part hereof for the construction of: **UNION RIDGE EXTENSION**.

NOW, THEREFORE, if the PRINCIPAL shall promptly make payment to all persons, firms, SUBCONTRACTORS, and corporations furnishing materials for or performing labor in the prosecution of the WORK provided for in such contract, and any authorized extension or modification thereof, including all amounts due for materials, lubricants, oil, gasoline, coal and coke, repairs on machinery, equipment and tools, consumed or used in connection with the construction of such WORK, and all insurance premiums on said WORK, and for all labor, performed in such WORK whether by SUBCONTRACTOR or otherwise, then this obligation shall be void; otherwise to remain in full force and effect.

PROVIDED, FURTHER, that the said Surety for value received hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the contract or to the WORK to be performed thereunder or the SPECIFICATIONS accompanying the same shall in any wise affect its obligation on this BOND, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the contract or to the WORK or to the SPECIFICATIONS.

PROVIDED, FURTHER, that no final settlement between the OWNER and the CONTRACTOR shall abridge the right of any beneficiary hereunder, whose claim may be unsatisfied.

WAB III - Payment Bond

IN WITNESS WHEREOF, this instrument is executed in _____ counterparts, each one of which shall be deemed an original, this the _____ day of _____, 2004.

ATTEST:

(Principal) (Secretary if Corp.)

(SEAL)

(Principal)

By _____

(Address)

(Witness as to Principal)

(Address)

ATTEST:

(Witness as to Surety)

(Address)

(Surety)

By _____

(Attorney-in-Fact)

(Address)

NOTE: Date of BOND must not be prior to date of Contract. If CONTRACTOR is Partnership, all partners should execute BOND.

IMPORTANT: Surety companies executing BONDS must appear on the Treasury Department's most current list (Circular 570 as amended) and be authorized to transact business in the State where the PROJECT is located.

PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS: that _____ a _____, hereinafter called PRINCIPAL, and _____ hereinafter called SURETY, are held and firmly bound unto **PEAKS MILL WATER DISTRICT** hereinafter called OWNER, in penal sum of _____ Dollars, \$(_____) in lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, successors, and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION is such that whereas, the PRINCIPAL entered into a certain contract with the OWNER, dated the _____ day of _____, 2004, a copy of which is hereto attached and made a part hereof for the construction of: **UNION RIDGE EXTENSION**.

NOW, THEREFORE, if the PRINCIPAL shall well, truly and faithfully perform its duties, all the undertakings, covenants, terms, conditions, and agreements of said contract during the original term thereof, and any extensions thereof which may be granted by the OWNER, with or without notice to the Surety and during the one year guaranty period, and if he shall satisfy all claims and demands incurred under such contract, and shall fully indemnify and save harmless the OWNER from all costs and damages which it may suffer by reason of failure to do so, and shall reimburse and repay the OWNER all outlay and expense which the OWNER may incur in making good any default, then this obligation shall be void: otherwise to remain in full force and effect.

PROVIDED, FURTHER, that the said Surety for value received hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the contract or to the WORK to be performed thereunder or the SPECIFICATIONS accompanying the same shall in any wise affect its obligation on this BOND, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the contract or to the WORK or to the SPECIFICATIONS.

PROVIDED, FURTHER, that no final settlement between the OWNER and the CONTRACTOR shall abridge the right of any beneficiary hereunder, whose claim may be unsatisfied.

WAB III - Performance Bond

IN WITNESS WHEREOF, this instrument is executed in _____ counterparts, each one of which shall be deemed an original, this the ____ day of _____, 2004.

ATTEST:

(Principal) (Secretary if Corp.)

(SEAL)

(Principal)

By _____

(Address)

(Witness as to Principal)

(Address)

ATTEST:

(Witness as to Surety)

(Address)

(Surety)

By _____

(Attorney-in-Fact)

(Address)

NOTE: Date of BOND must not be prior to date of Contract. If CONTRACTOR is Partnership, all partners should execute BOND.

IMPORTANT: Surety companies executing BONDS must appear on the Treasury Department's most current list (Circular 570 as amended) and be authorized to transact business in the State where the PROJECT is located.

NOTICE TO PROCEED

To: _____

Date: _____, 2004
Project: UNION RIDGE EXTENSION

You are hereby notified to commence WORK in accordance with the Agreement dated _____, 20____, on or before _____, 20____, and you are to complete the WORK within _____ consecutive calendar days thereafter. The date of completion of all WORK is therefore _____, 20_____.

PEAKS MILL WATER DISTRICT

Owner

By _____

Title **CHAIRMAN**

ACCEPTANCE OF NOTICE

Receipt of the above NOTICE TO PROCEED is hereby acknowledged by _____, this the _____ day of _____, 20_____.

By _____

Title _____

CHANGE ORDER

Order No. _____
Date _____
Agreement Date _____

NAME OF PROJECT: _____

OWNER: _____

CONTRACTOR: _____

THE FOLLOWING CHANGES ARE HEREBY MADE TO THE CONTRACT DOCUMENTS:

Justification: _____

CHANGE TO CONTRACT PRICE

Original Contract Price: \$ _____

Current Contract Price adjusted by previous Change Order \$ _____

The Contract Price due to this Change Order will be **increased/decreased** by

\$ _____.

THE NEW CONTRACT PRICE INCLUDING THIS CHANGE ORDER WILL BE

\$ _____.

CHANGE TO CONTRACT TIME

The Contract Time will be (increased) (decreased) by ____ calendar days.

The date for completion of all work will be _____ (Date).

APPROVALS REQUIRED

To be effective this Order must be approved by the Federal agency if it changes the scope or objective of the PROJECT, or as may otherwise be required by the GENERAL CONDITIONS.

Requested by: _____

Recommended by: _____

Ordered by: _____

Accepted by: _____

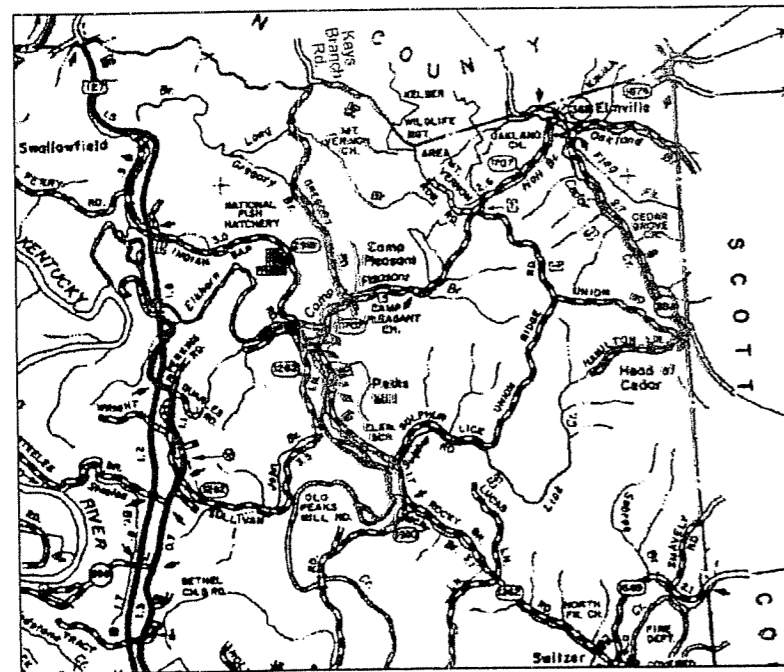
Federal Agency Approval (where applicable):

PEAKS MILL WATER DISTRICT

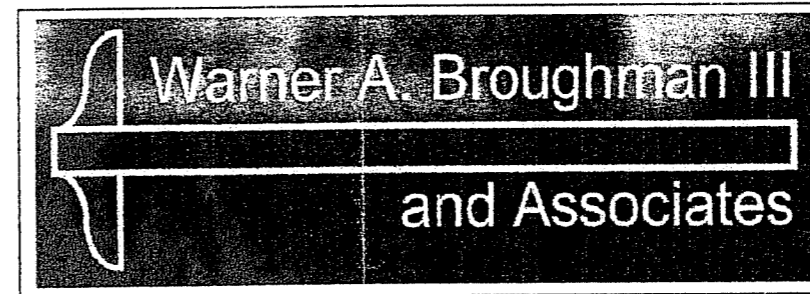
UNION RIDGE EXTENSION

PIPELINES & APPURTENCES SEPTEMBER 2004

INDEX OF SHEETS	
SHEET	DESCRIPTION
COVER	TITLE, INDEX, & VICINITY MAP
1	UNION RIDGE ROAD
2	UNION RIDGE ROAD
3	CAMP PLEASANT ROAD
4	CAMP PLEASANT ROAD & MOUNT VERNON ROAD
5	GREGORY WOODS ROAD
6	GREGORY WOODS ROAD
7	GREGORY WOODS ROAD & KAYS BRANCH ROAD
8	KAYS BRANCH ROAD
9	OLD PEAKS MILL ROAD
10	SHRADER HILL & PEAKS MILL ROAD
11	SHRADER HILL & BAKER BRANCH
12	PUMP STATION DETAIL SHEET
W-1	DETAIL SHEET
W-2	DETAIL SHEET

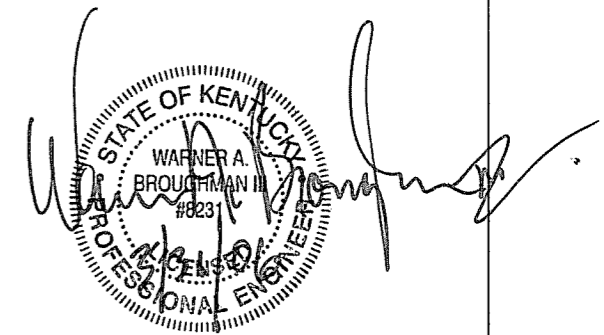


VICINITY MAP

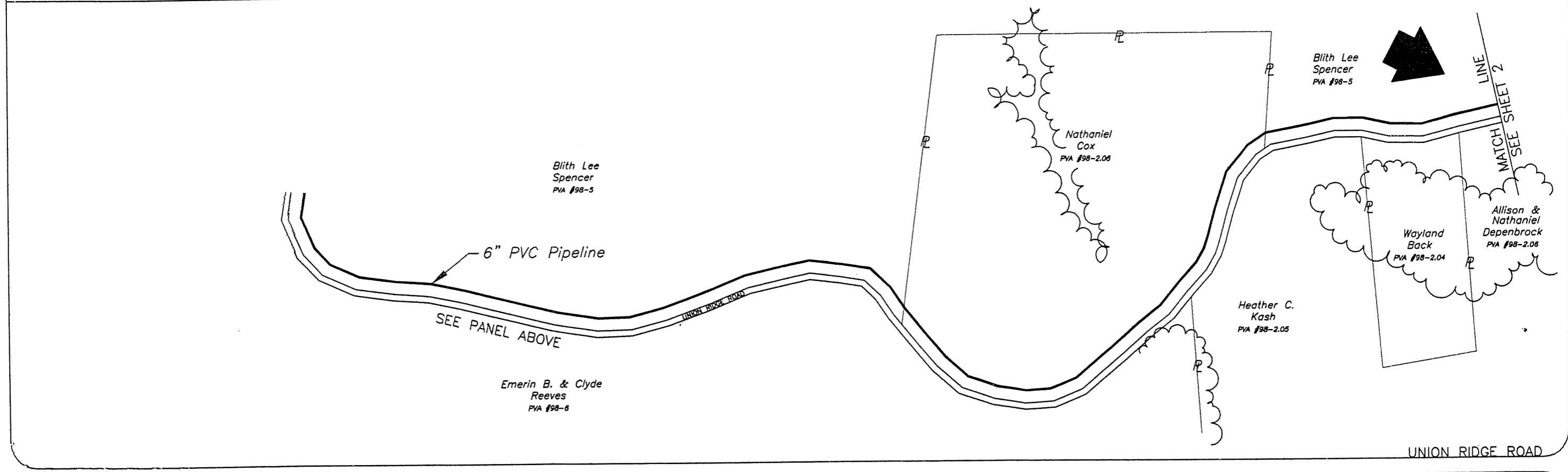
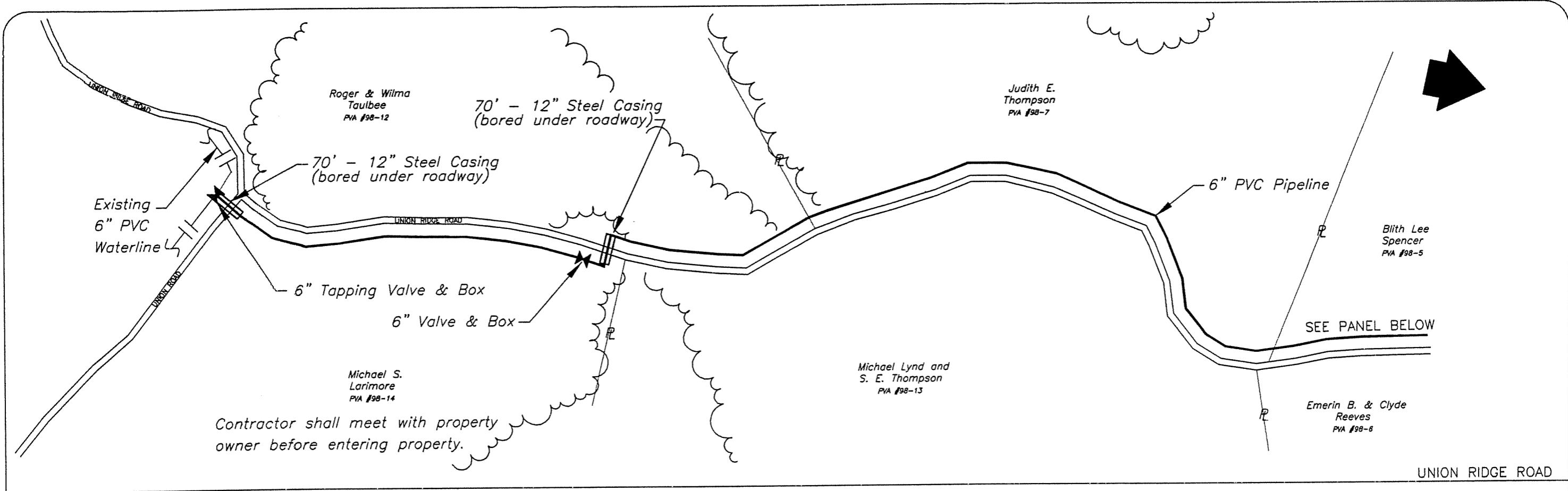


LEXINGTON

KENTUCKY



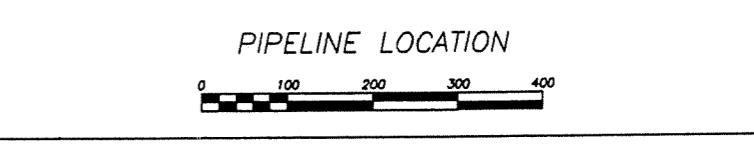
PROJECT NO. 02-38



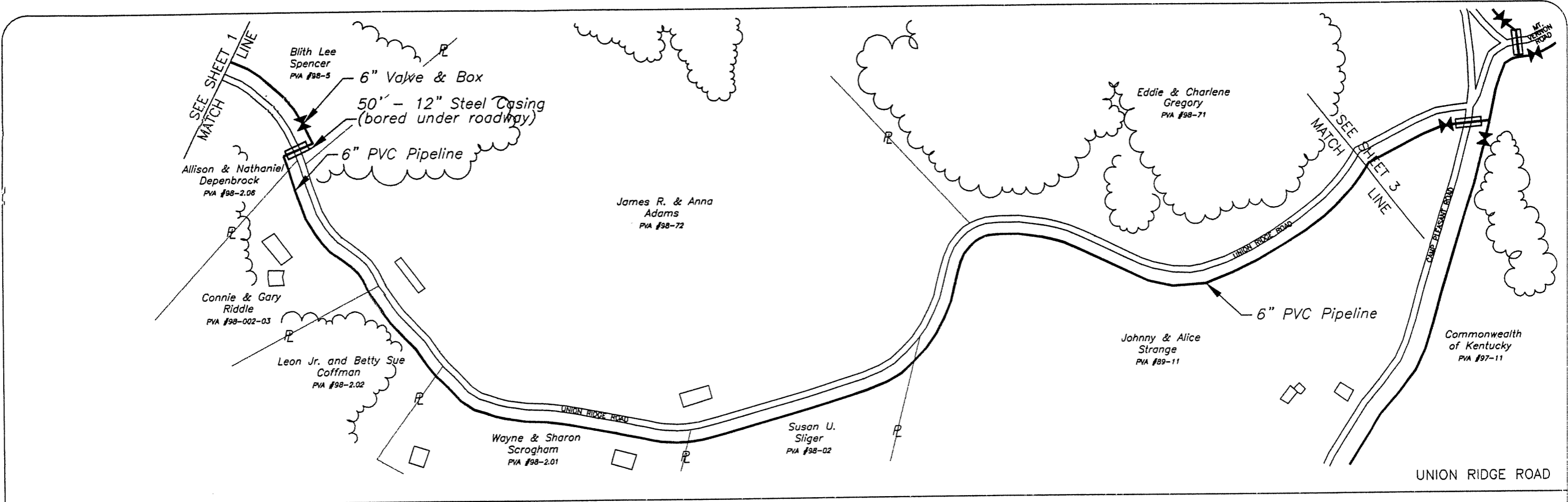
Warner A. Broughman III
and Associates

Concept WAB
 Drawn BJC
 Checked _____
 File 02-38

PEAKS MILL WATER DISTRICT
 Union Ridge Extension



Sheet No.
1



Warner A. Broughman III
and Associates

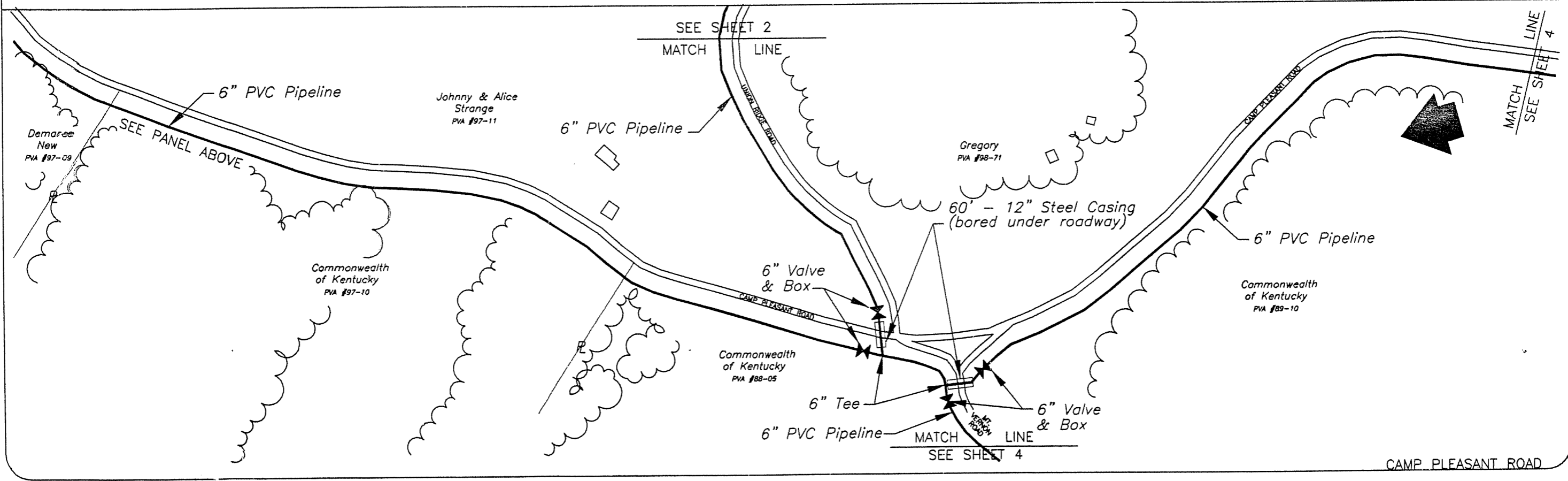
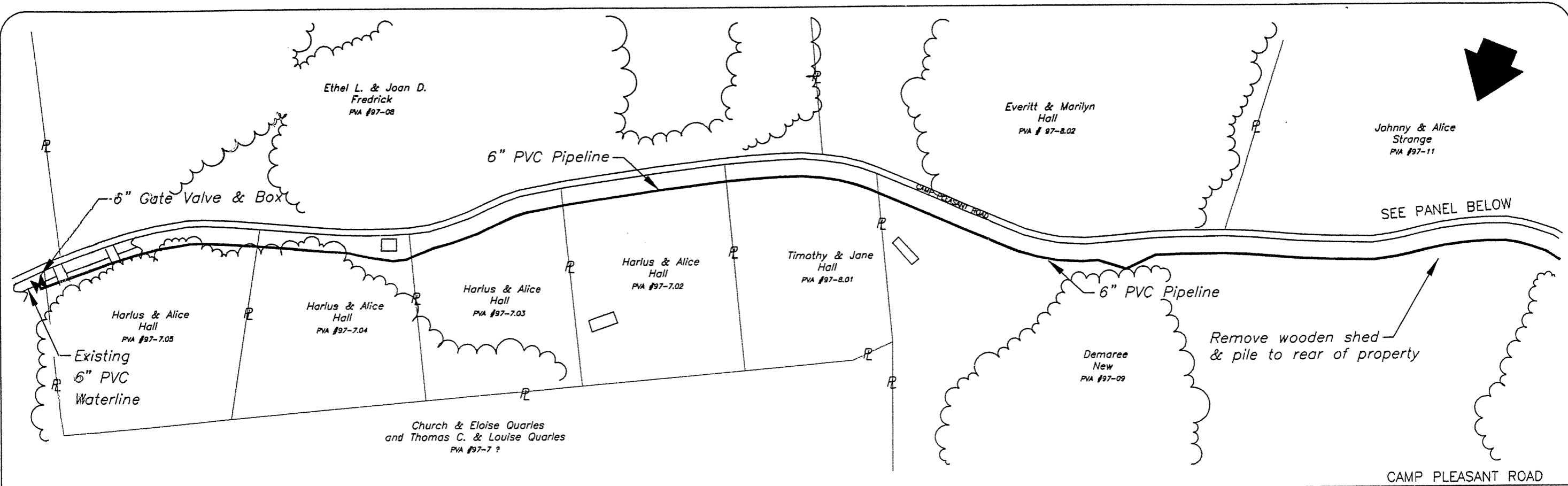
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PEAKS MILL WATER DISTRICT

Union Ridge Extension

PIPELINE LOCATION

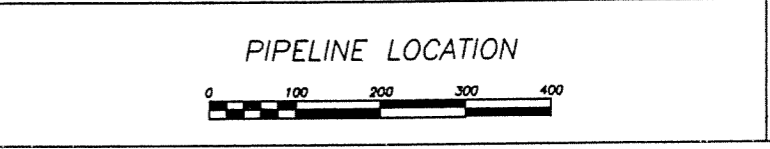
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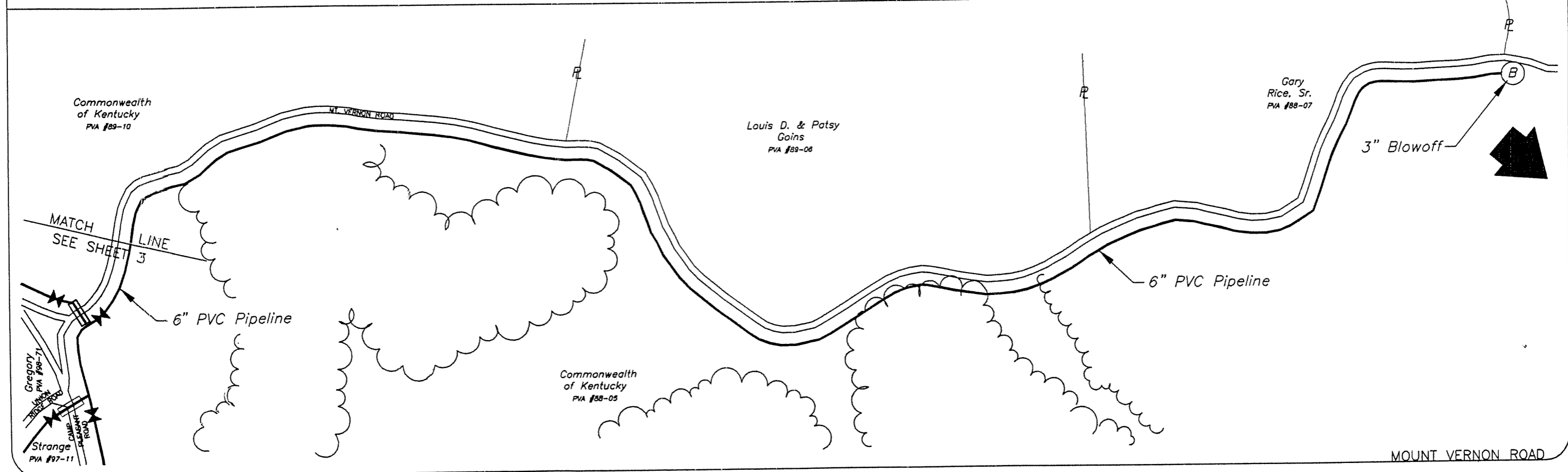
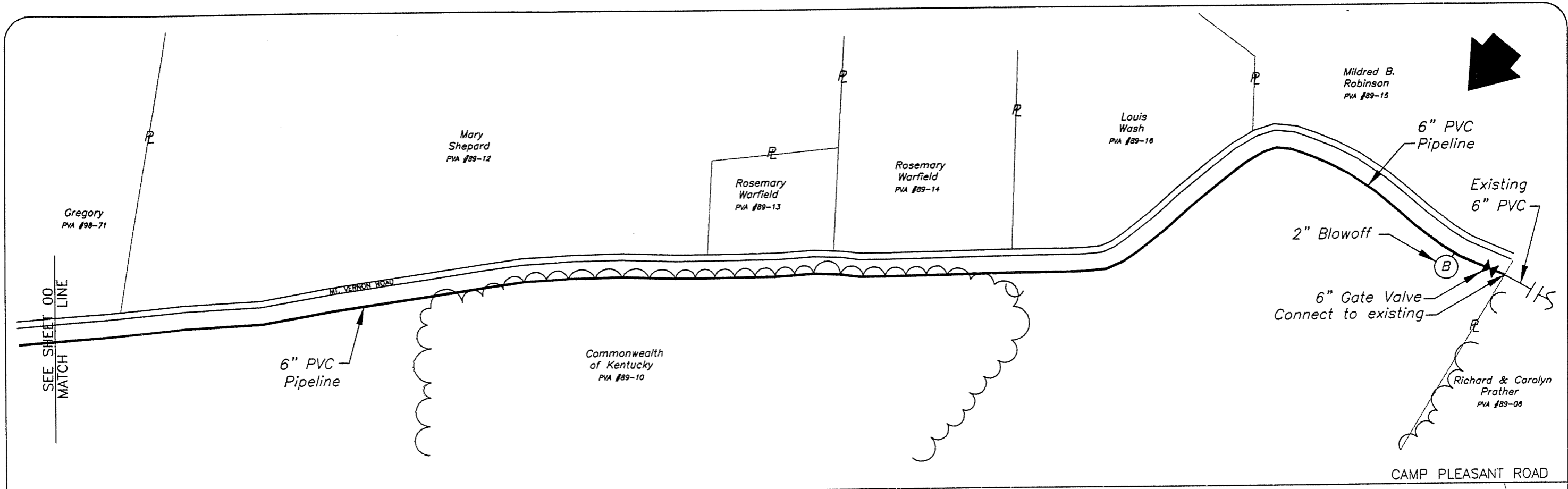
Warner A. Broughman III
and Associates

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File 02-38

PEAKS MILL WATER DISTRICT
Union Ridge Extension



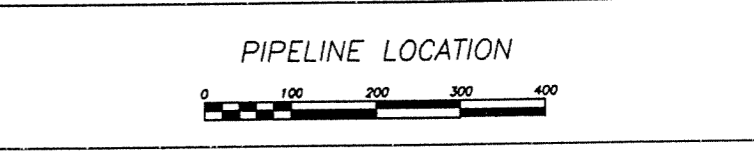
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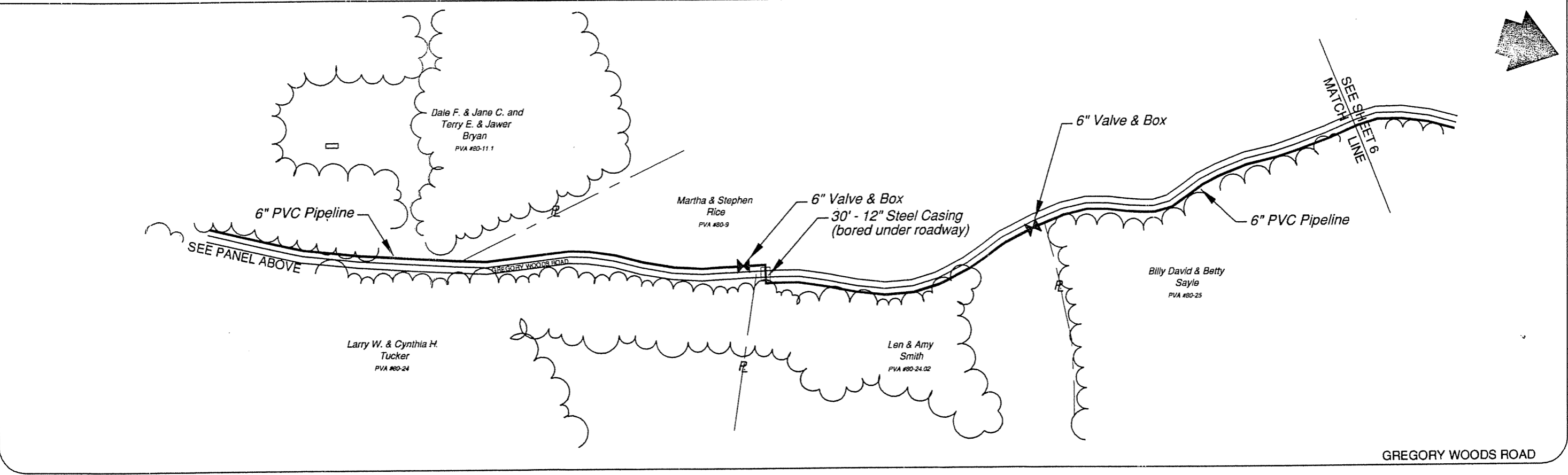
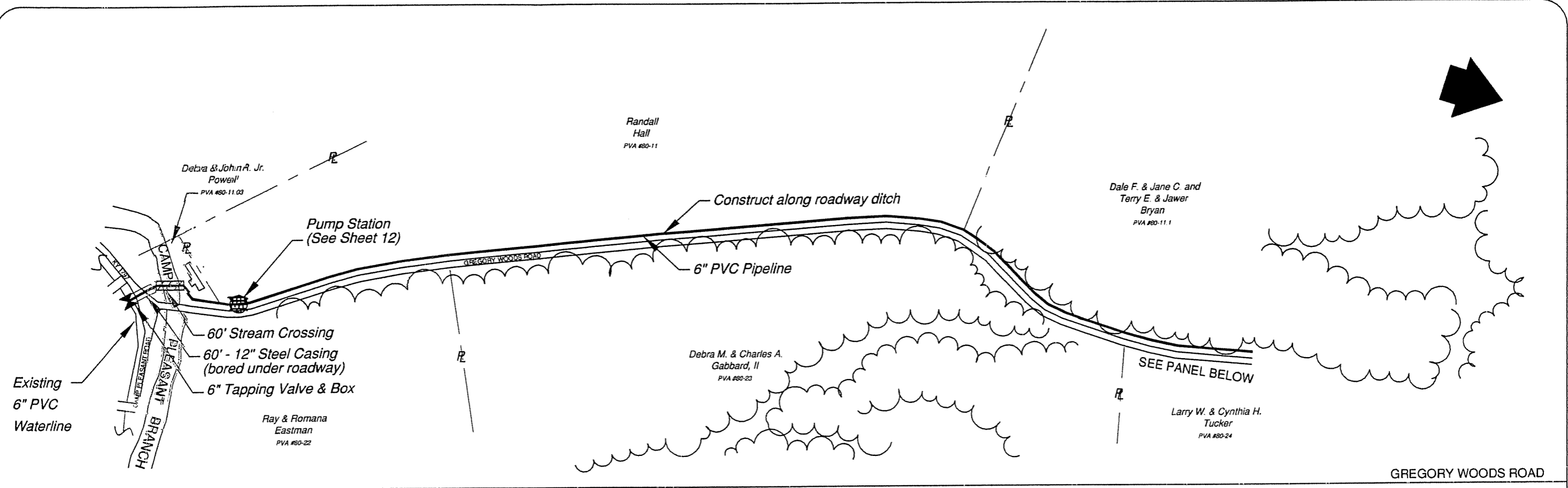
Warner A. Broughman III
and Associates

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PEAKS MILL WATER DISTRICT
 Union Ridge Extension



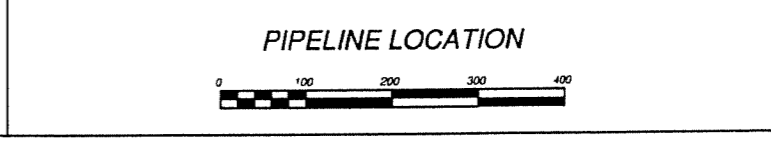
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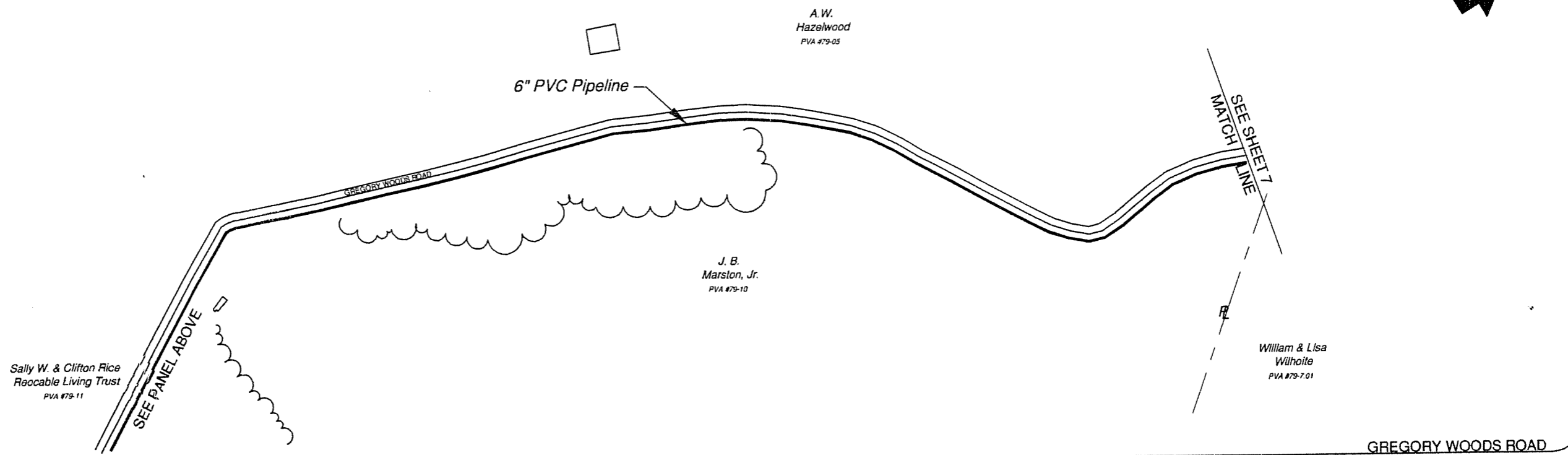
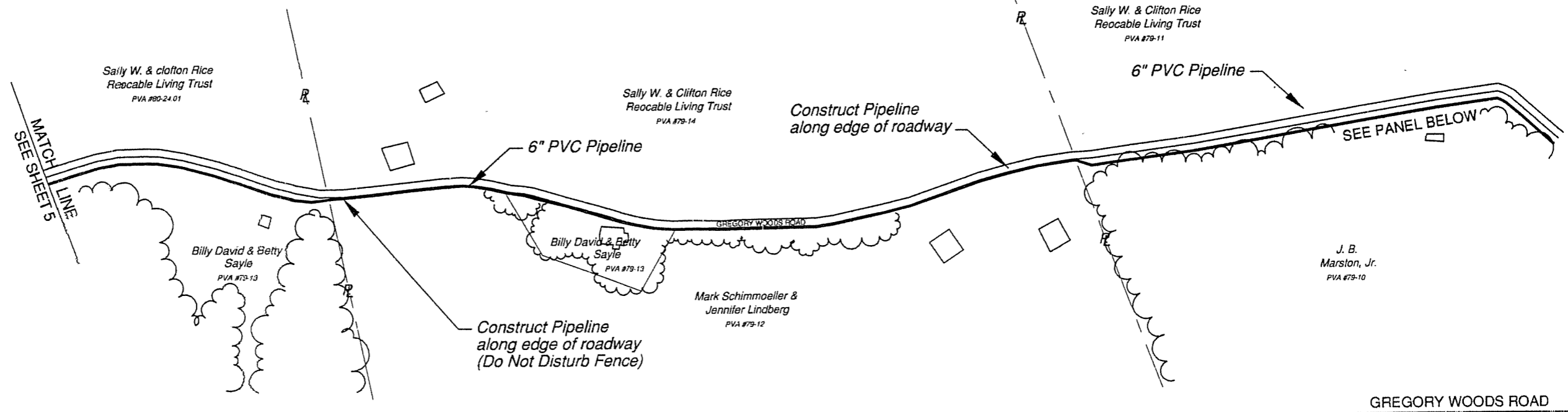
Warner A. Broughman III
and Associates

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PEAKS MILL WATER DISTRICT
 Union Ridge Extension



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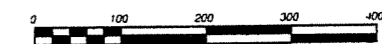


Warner A. Broughman III
and Associates

Concept _____ WAB
Drawn _____ BJC
Checked _____
File _____ 02-38

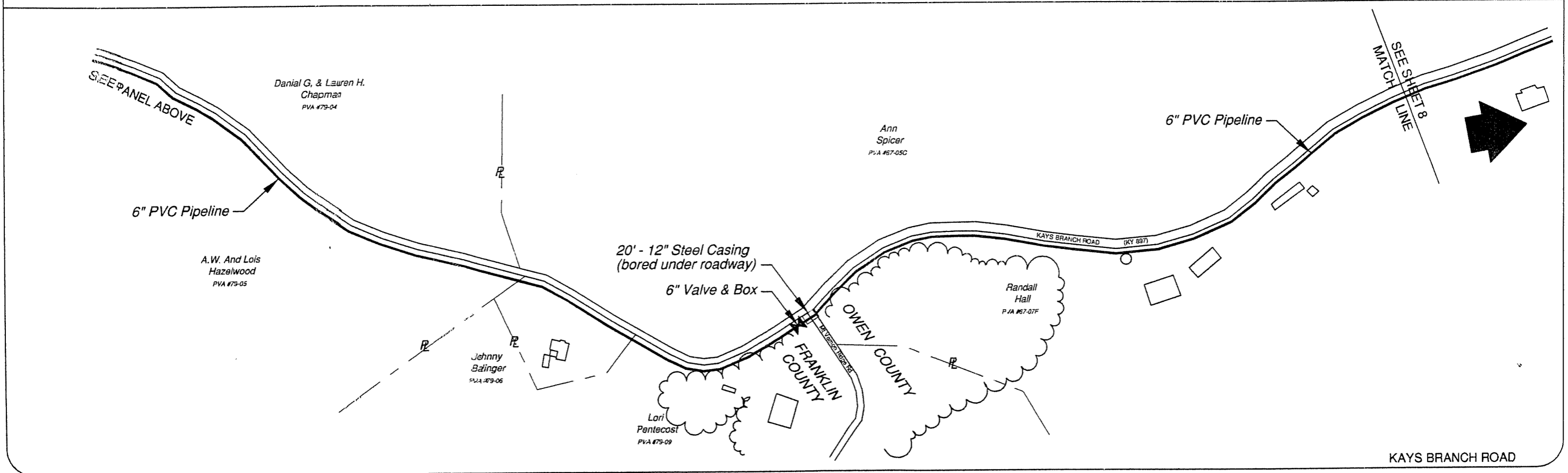
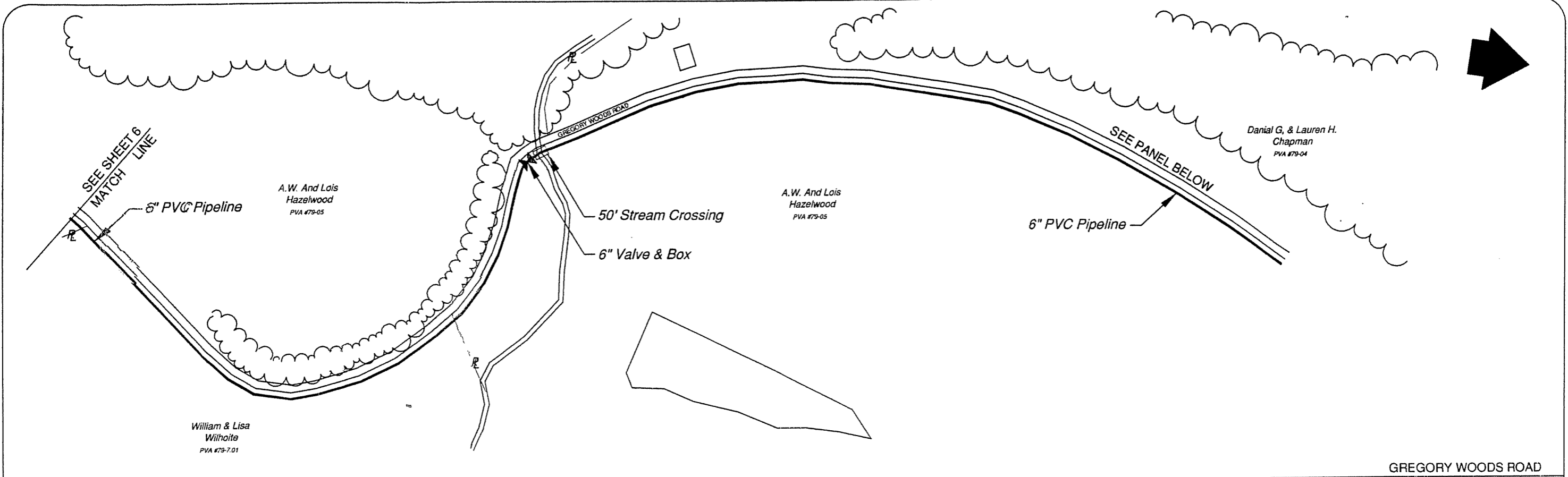
PEAKS MILL WATER DISTRICT
Union Ridge Extension

PIPELINE LOCATION



Sheet No

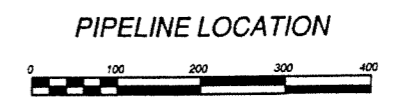
6



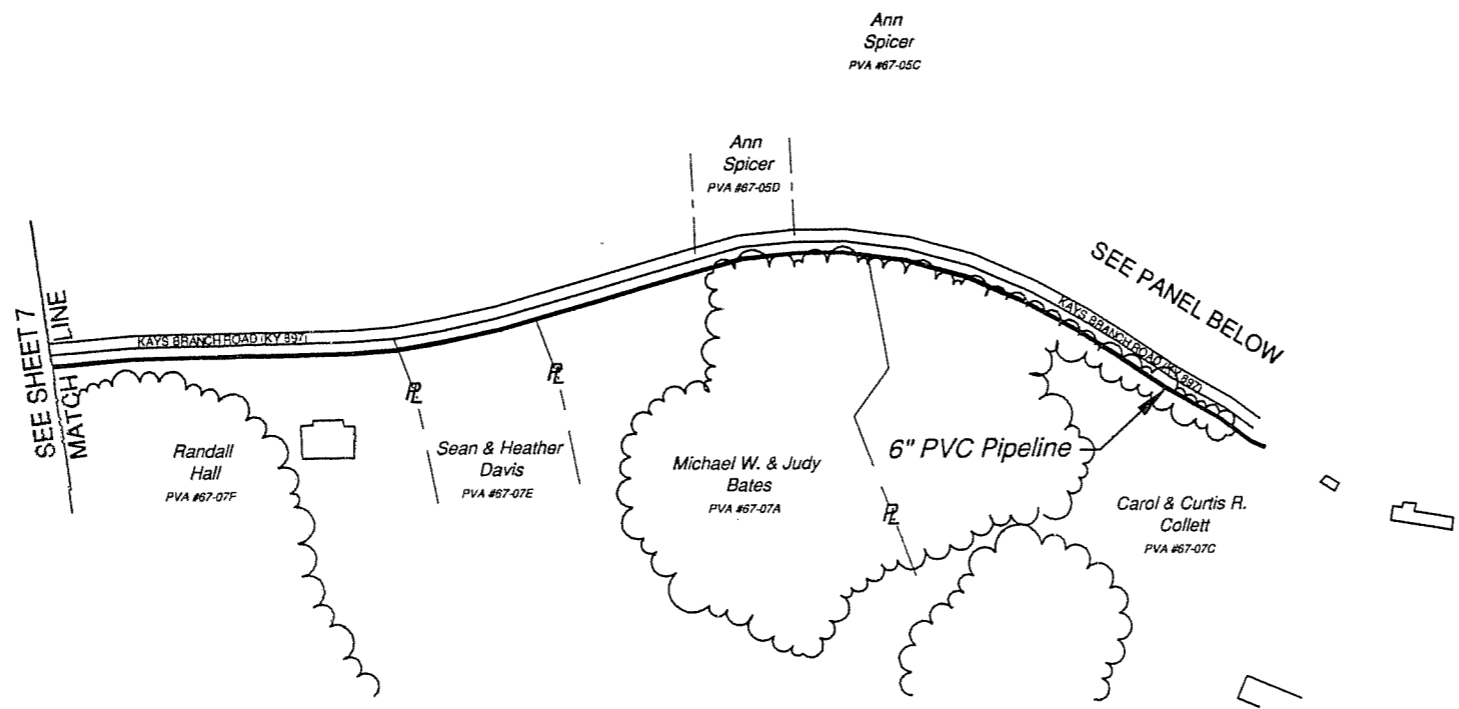
Warner A. Broughman III
and Associates

Concept _____ WAB
Drawn _____ BJC
Checked _____
File _____ 02-38

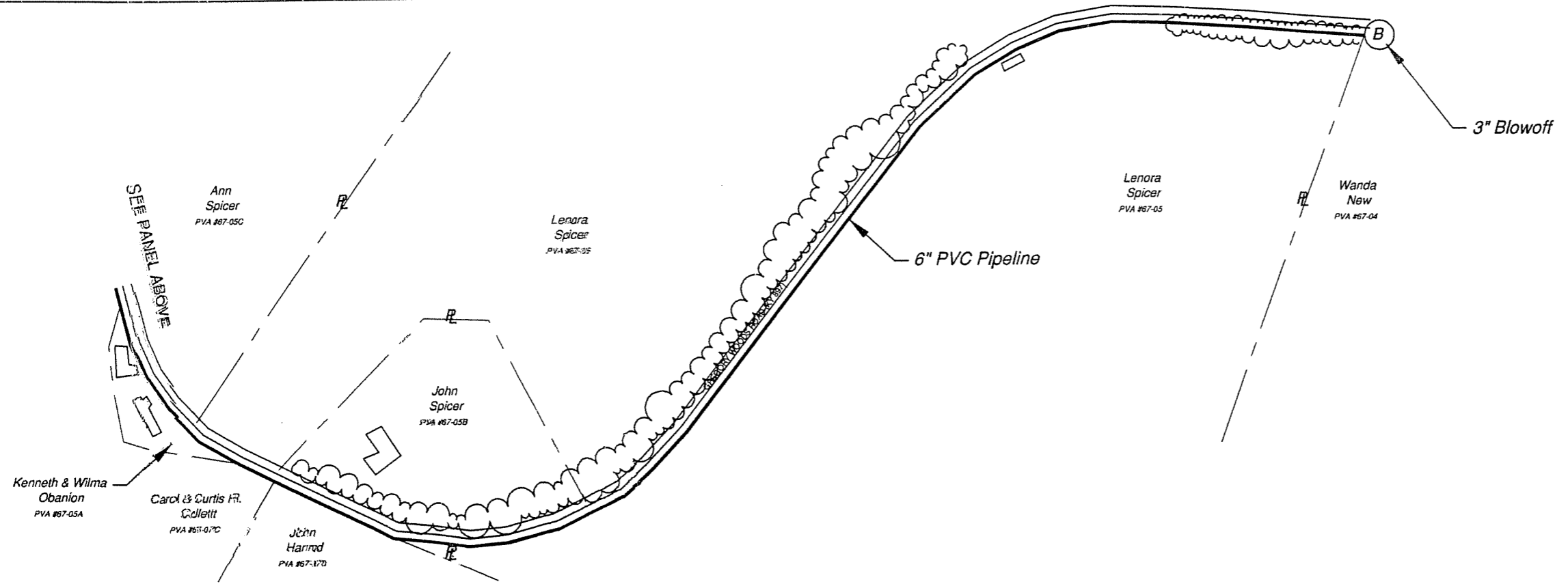
PEAKS MILL WATER DISTRICT
Union Ridge Extension



Sheet No.
7



KAYS BRANCH ROAD

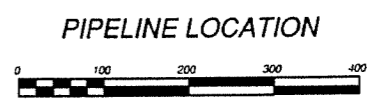


KAYS BRANCH ROAD

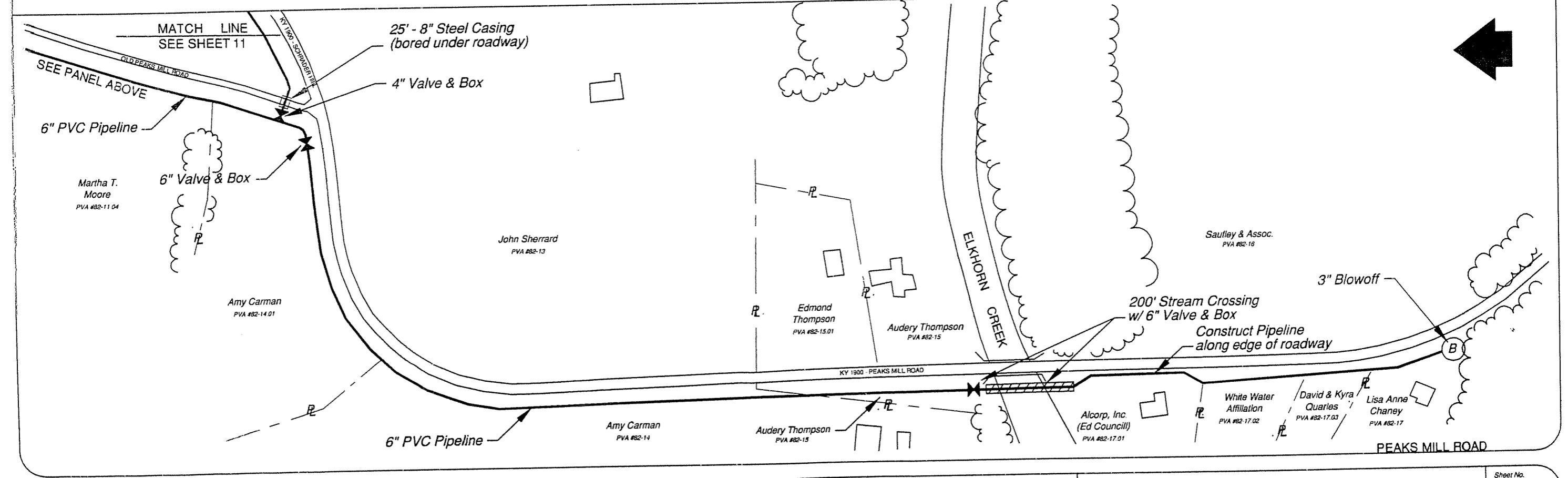
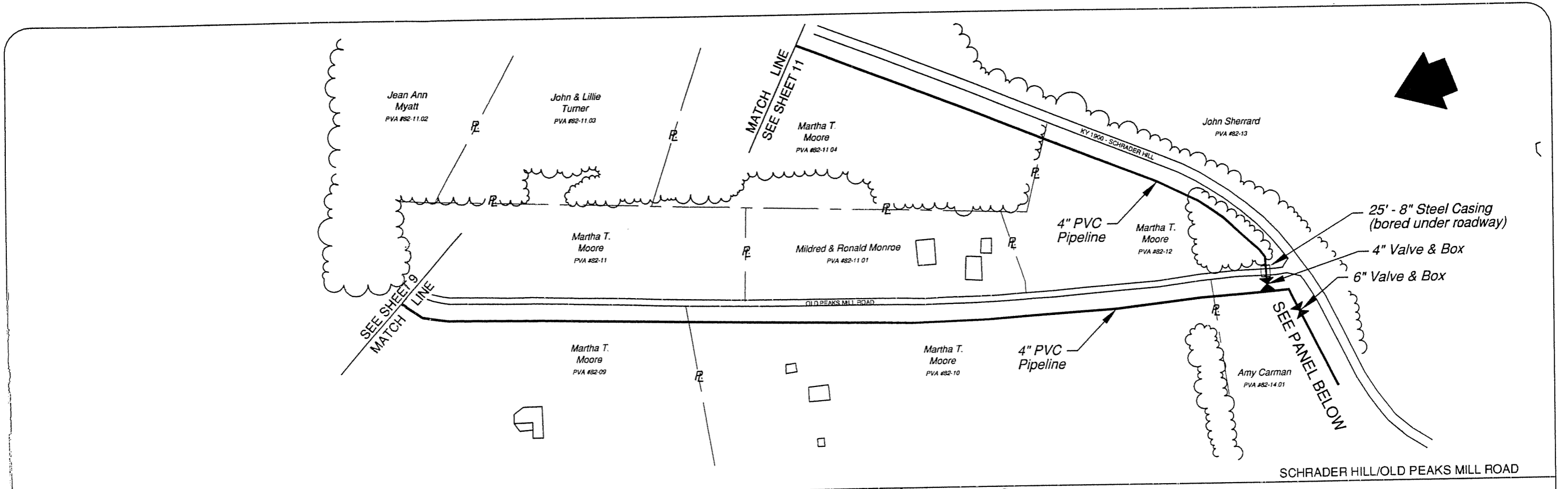
Warner A. Broughman III
and Associates

Concept WAB
 Drawn BJC
 Checked _____
 File 02-38

PEAKS MILL WATER DISTRICT
 Union Ridge Extension



Sheet No.
8

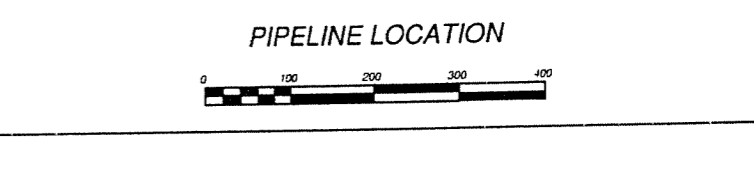


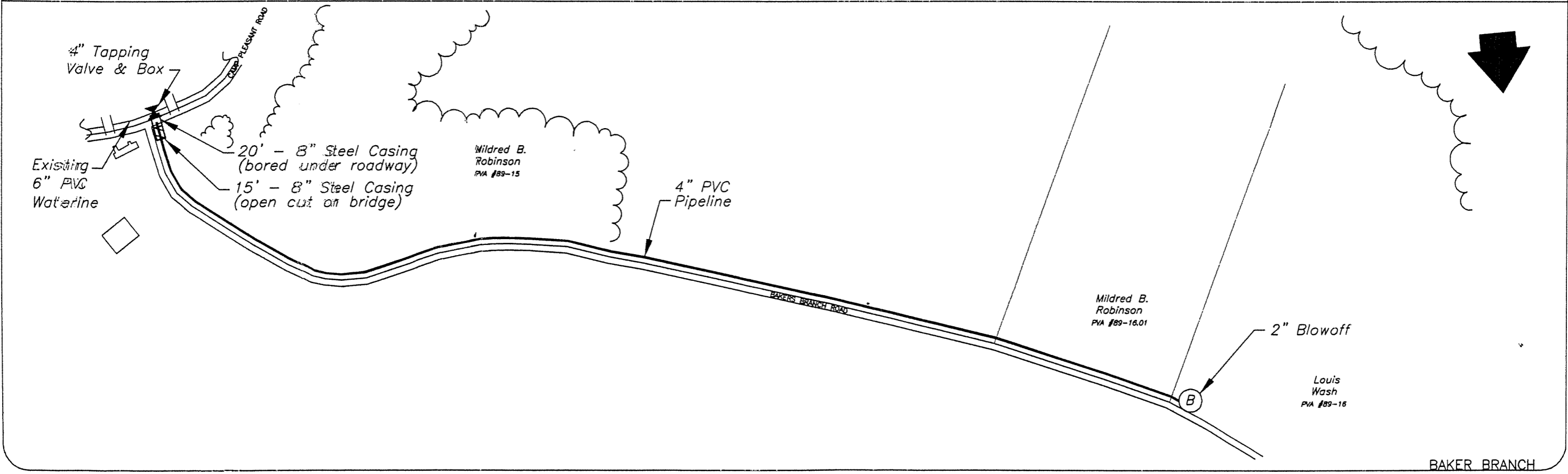
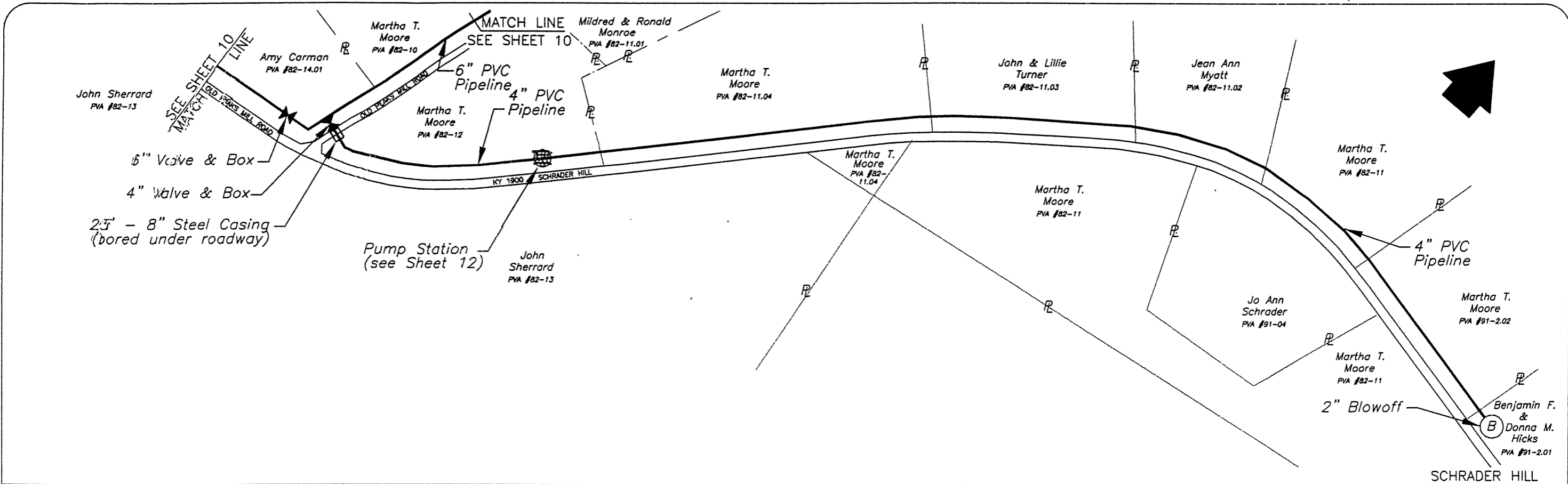
Warner A. Broughman III
and Associates

Concept WAB
 Drawn BJC
 Checked _____
 File 02-38

PEAKS MILL WATER DISTRICT

Union Ridge Extension

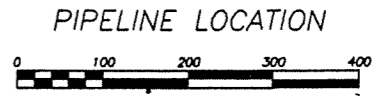




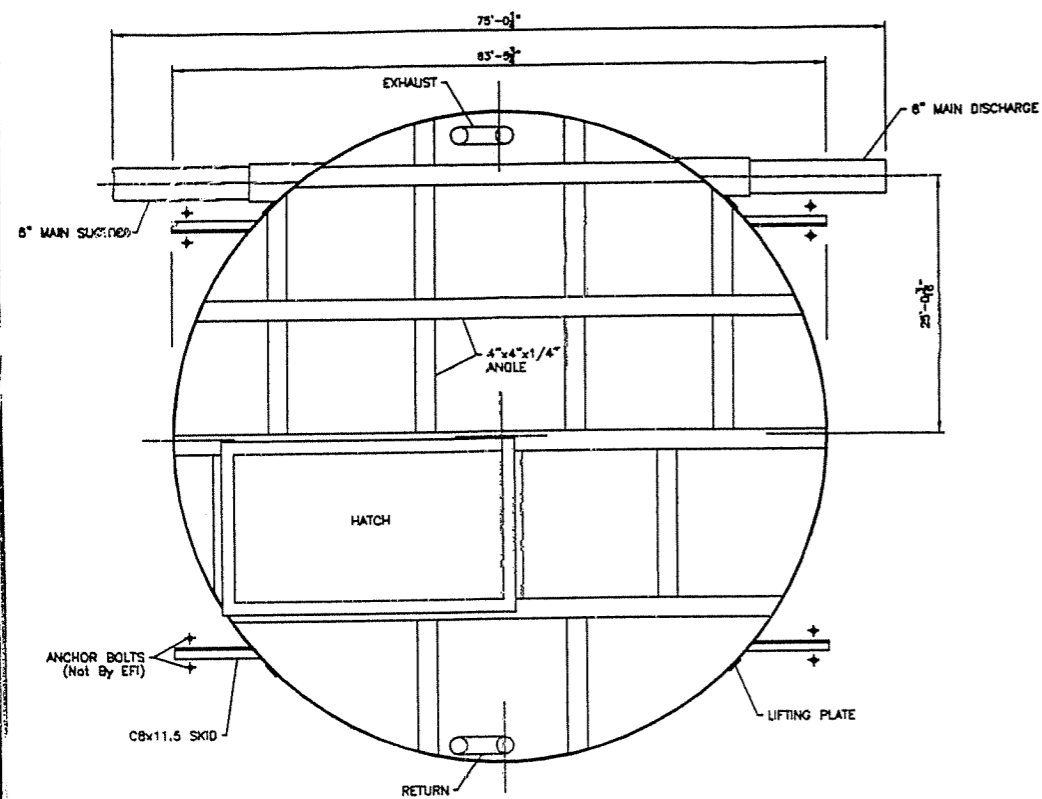
Warner A. Broughman III
and Associates

Concept WAB
Drawn BJC
Checked _____
File 02-38

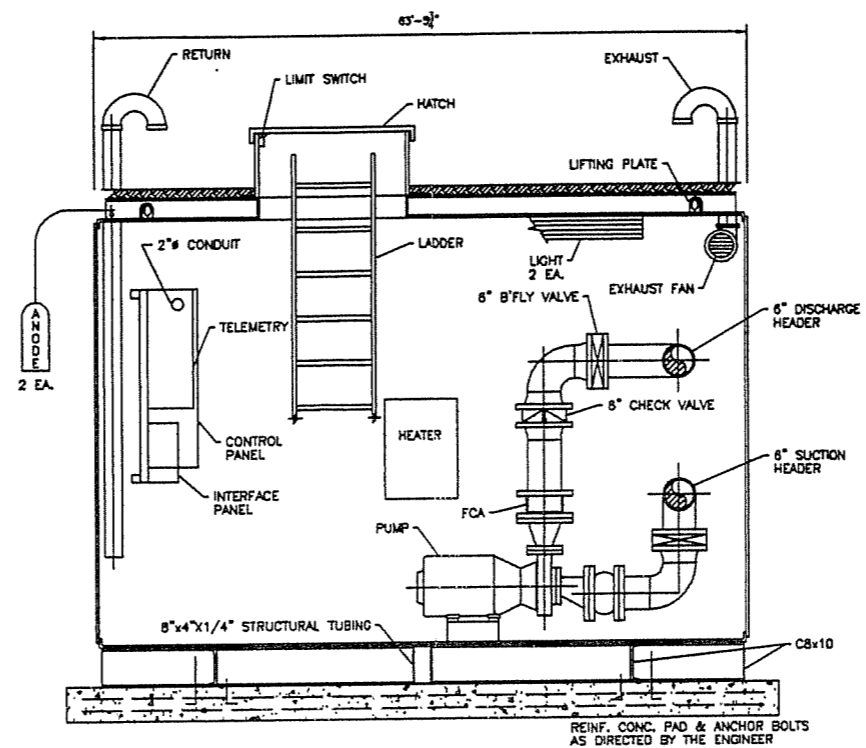
PEAKS MILL WATER DISTRICT
Union Ridge Extension



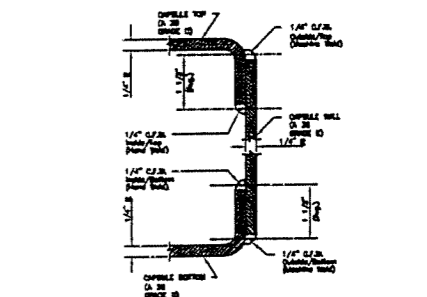
Sheet No.
11



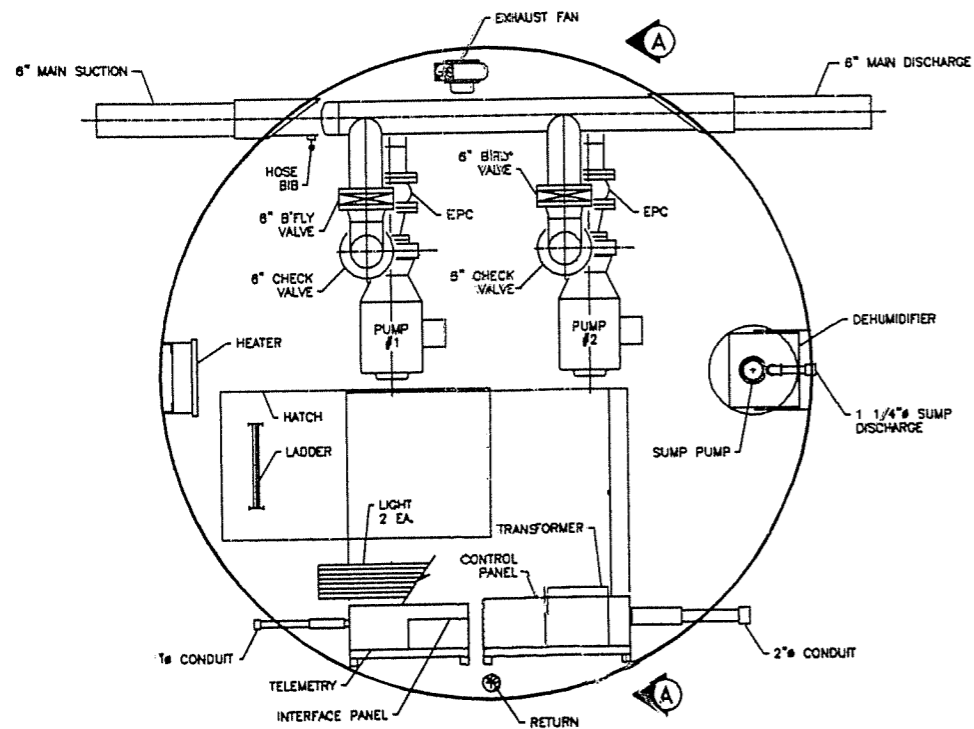
EXTERIOR PLAN



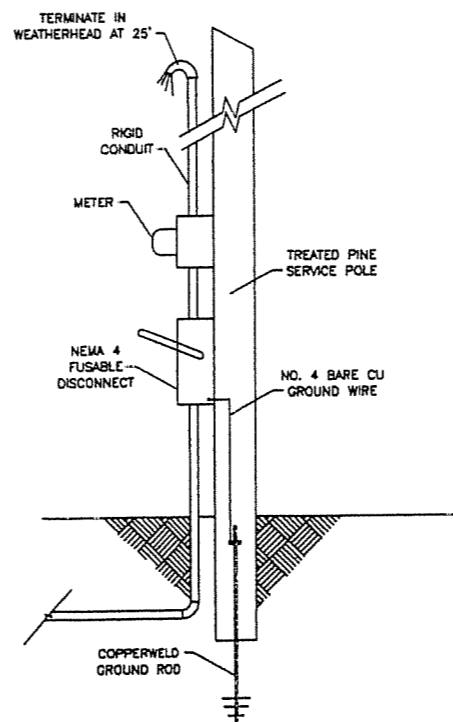
SECTION A-A



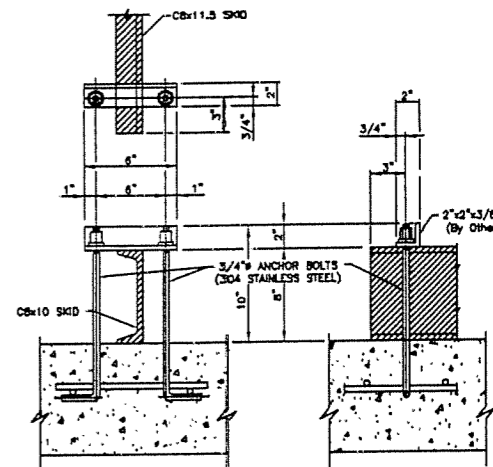
LAP CONNECTION OF CAPSULE WALL PLATE WITH FLANGE TOP AND BOTTOM



INTERIOR PLAN



SERVICE POLE



TYPICAL ANCHOR DETAIL

NOTE: ANCHOR CLIPS, ANCHOR BOLTS & NUTS BY INSTALLER

DESIGN CRITERIA

Controls TELEMETRY (NOT BY EPI)
Power Service: 480 Volts, 3 Phase, 60 Cycle

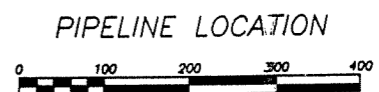
PUMP DATA

Type: HORIZ. CLOSE CLOD. END SUCTION
Pump: 1, 2
Capacity: 400 G.P.M. AT 140 FEET T.D.H.
Size: 2 1/2" X 3" X 8"
Motor: 20 H.P., 3500 R.P.M.

Warner A. Broughman III
and Associates

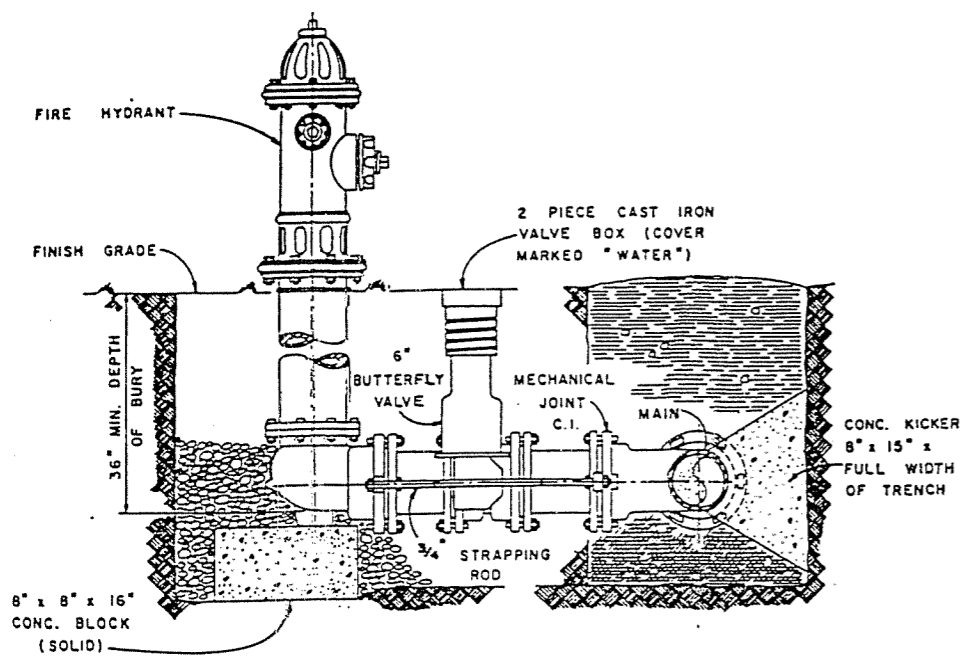
Concept WAB
Drawn BJC
Checked _____
File 02-38

PEAKS MILL WATER DISTRICT
Union Ridge Extension

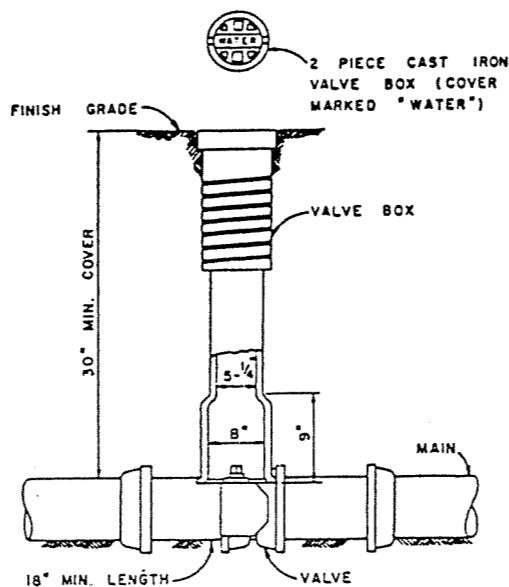


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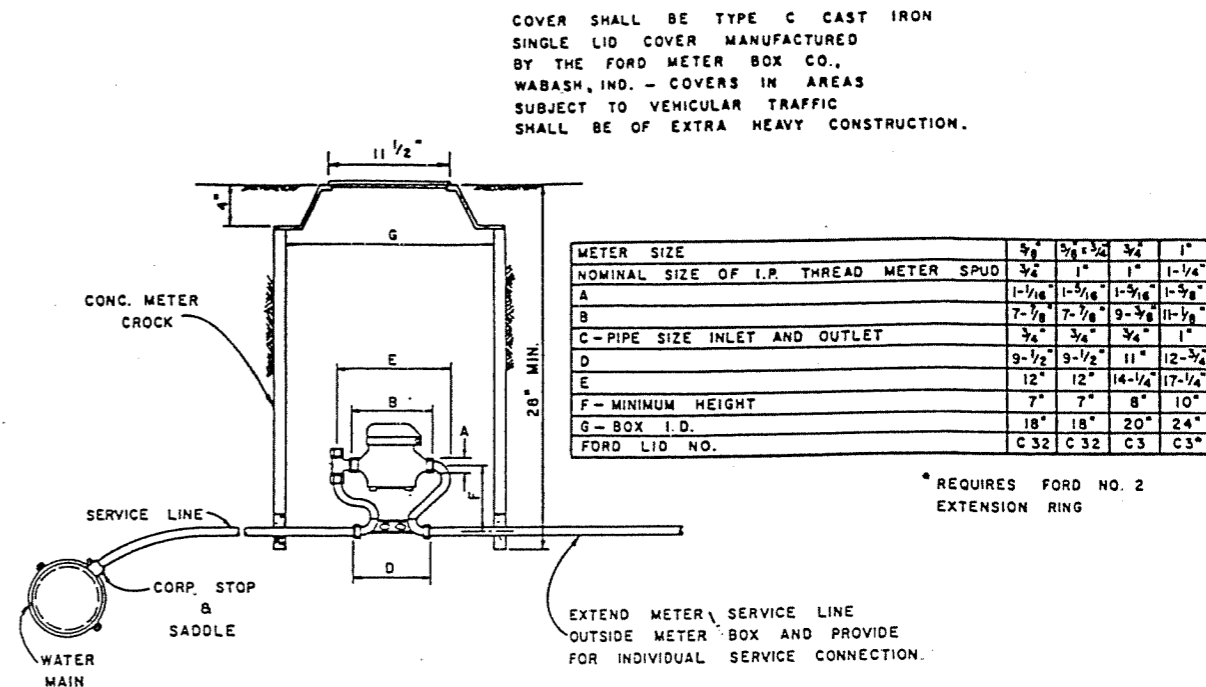
12



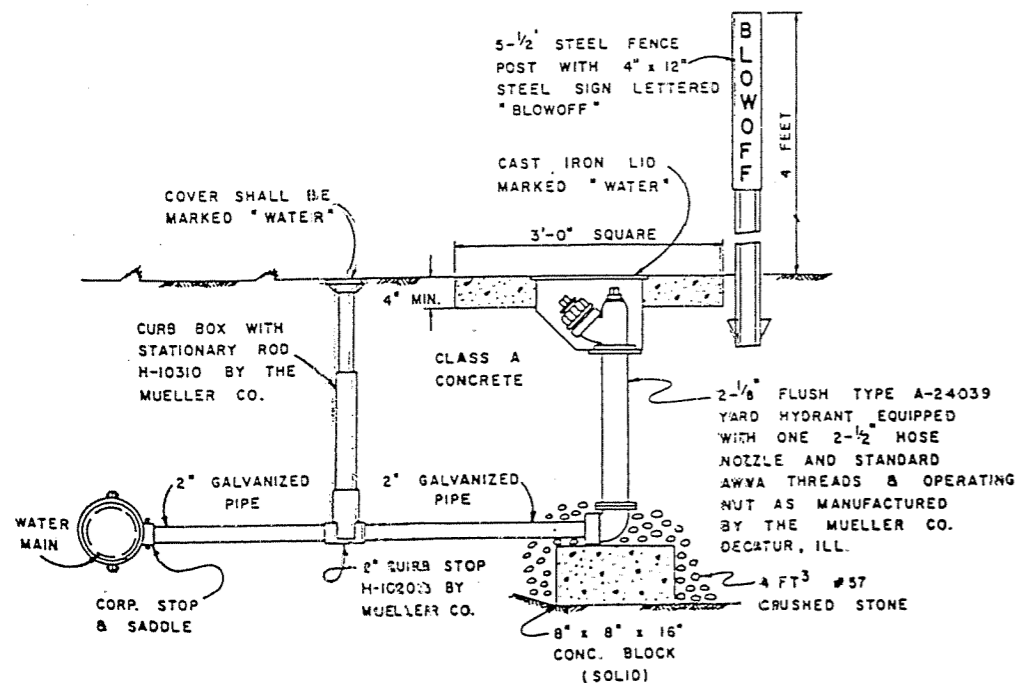
FIRE HYDRANT INSTALLATION
NO SCALE



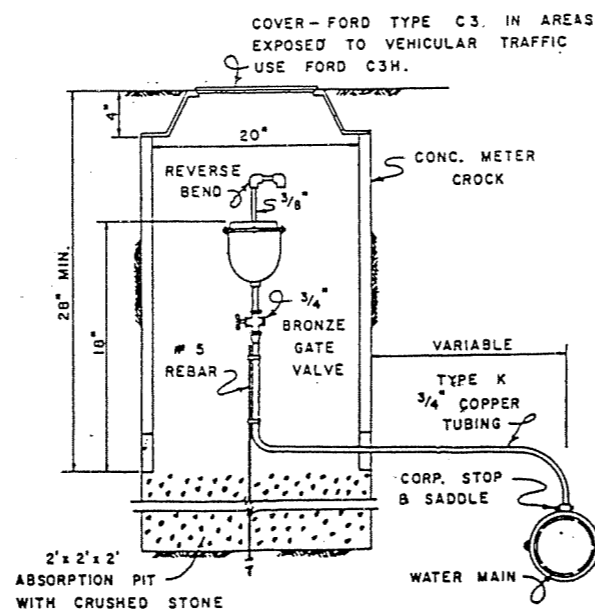
VALVE INSTALLATION
NO SCALE



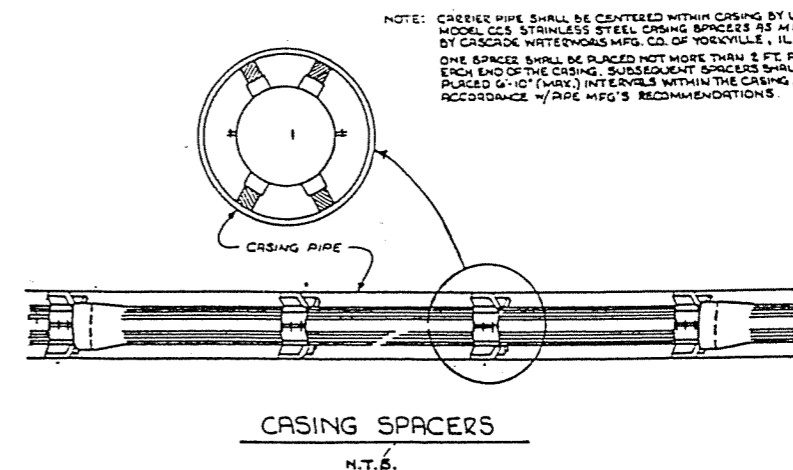
TYPICAL METER SETTING
NO SCALE



BLOWOFF INSTALLATION
NO SCALE



AIR RELEASE VALVE
NO SCALE



CASING SPACERS
N.T.S.