

DEHNER &  
ELLIS, P.S.C.  
ATTORNEYS AT LAW

TRUMAN L. DEHNER  
JOHN JAY ELLIS

206 EAST MAIN STREET  
MOREHEAD, KY 40351

(606) 783-1504  
(606) 784-2744 (FAX)

September 6, 2007

Commonwealth of Kentucky  
Public Service Commission  
ATTN: GEORGE WAKIM  
P.O. Box 615  
Frankfort, KY 40602-0615

RECEIVED  
SEP 07 2007  
PUBLIC SERVICE  
COMMISSION

RE: Rowan Water, Inc.  
Case No. 2007-00385

Dear Mr. Wakim:

Enclosed herewith please find two copies of the Preliminary Engineering Report and two copies of the Final Engineering Report in regard to the above-referenced matter.

Very truly yours,

Truman L. Dehner

TLD:bd

Enclosures

cc: Mike Burford, Director  
Division of Filings

RECEIVED

SEP 07 2007

PUBLIC SERVICE  
COMMISSION

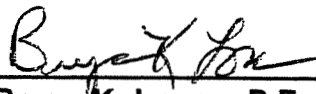
**ROWAN WATER, INC.**

**Preliminary Engineering Report  
Water Distribution System Upgrade**

**April 2006**

**O'Brien & Gere Engineers, Inc.  
1019 Majestic Drive, Suite 110  
Lexington, Kentucky 40513  
859.223.0137  
[www.obg.com](http://www.obg.com)**

**Submitted By:**



**Bryan K. Lovan, P.E., P.L.S.  
Project Manager**

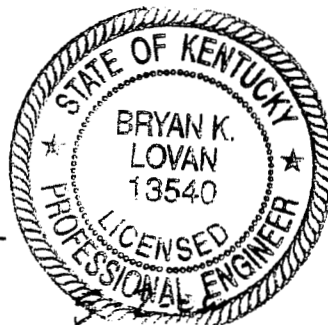


EXHIBIT D

# **ROWAN WATER, INC.**

## **Preliminary Engineering Report Water Distribution System Upgrade**

### **Purpose**

Rowan Water, Inc. (RWI) is proposing a system wide upgrade to their distribution system to help improve water quality and service. This proposed project will involve the upgrade of their water distribution system in various areas by replacing the KY 32 (North) Booster Pump Station, installing approximately 13,100 LF of 6-inch water main in the Jackson Drive-Pine Hills area, replacing the US 60 Water Storage Tank and the US 60 Booster Pump Station, upgrading the Rock Fork Hydropneumatic Booster Pump Station, and adding a hydropneumatic booster pump station near Kinder Branch.

This section of the existing system has experienced high demands and the existing booster pump stations must operate continuously in order to meet the demand and supply water to the existing storage tank and other parts of the system. The Jackson Drive-Pine Hills area currently has 2- and 4-inch water mains that are not adequate for the number of customers in the area to provide appropriate flow and pressure.

The two proposed hydropneumatic booster pump stations will allow for Rowan Water to provide increase pressure to their current customers and to extend service to potential customers at the higher elevations that are not currently being served.

Project mapping showing the proposed locations of the new water lines, storage tank, and booster pump stations is attached to this Preliminary Engineering Report as Appendix A.

### **Project Planning Area**

The project areas are located along KY 32 north of Morehead near Hilda, along KY 377 near the Rowan and Lewis County boundary line in northern Rowan County, and along US 60 near the Carter County boundary east of Haldeman. There is a significant number of threatened, endangered, or species of special concern in Rowan County. However, it is anticipated that this project will have no impact on these species. The project area is proposed and located at existing facilities or where the water line is currently located.

According to the Kentucky State Data Center, Rowan County's population grew from 1980 to 1990 by almost seven percent. The 2000 population is almost 8.5 percent higher than the 1990 population. The Data Center has projections through the year 2030, which project the population in Rowan County to continue to grow by approximately 18 percent.

From 1987 through 1996, RWI's customer base grew from 2,022 customers to 4,249. As of the December 2004 billing, the number of customers had increased to 6,156.

## KY 32 (North) Booster Pump Station Replacement



The existing KY 32 North Booster pump station is in dire need of repairs and upgrading to provide a reliable water supply to the service area. During recent summer storms that occurred in 2004, the station's electrical service was damaged by falling limbs and had to be replaced. During a recent inspection of the station revealed that the electrical controls and interior piping was in need of major repairs. The station was constructed in July 1981 and operates approximately 16 hours per day. In order for the Rowan Water personnel to access to the pumps and piping in the station requires the employees to be placed in unsafe

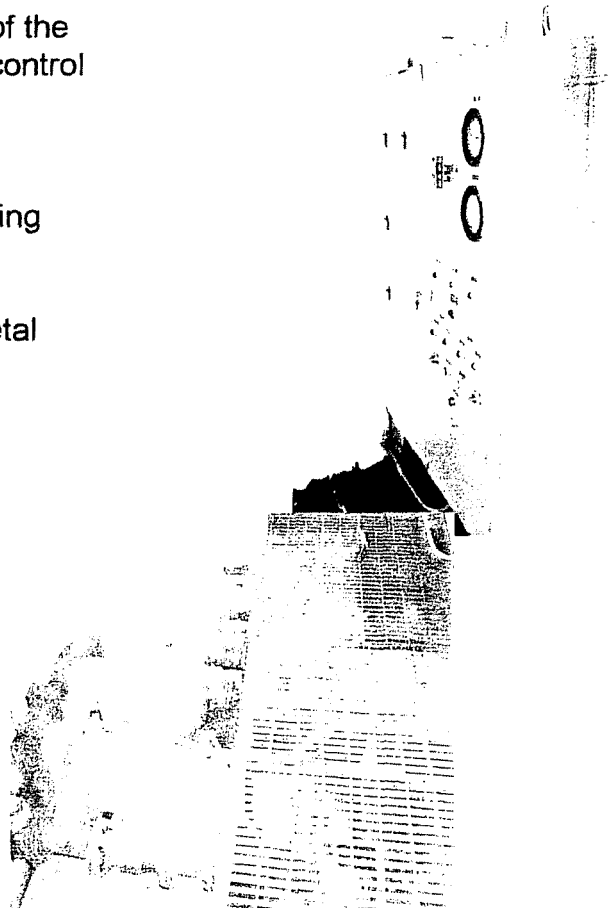
working conditions. Over the years, the interior steel piping has corroded severely to the point that the employees are hesitant to close any valves inside of the station.

The photo to the left is the exterior view of the concrete block station. The proposed booster pump station will be constructed in the vacant area to the left of the station. This will allow the existing station to remain in operation until the new station is completed.

The photo to the right shows the condition of the existing pump station piping and electrical control panel.

The access to the electrical control panel is in an unsafe condition with the metal grating located immediately below.

Access to the station piping is below the metal grating with limited ingress and egress.





Rowan Water proposes to replace this station with a new 24' x 12' concrete block building, new pumps, controls, and piping similar to the newly constructed station on KY 32 South. The proposed station will need to be constructed on the same site while the existing station remains in service. Once the new station is completed, the existing booster station may be demolished.

See a portion of the USGS Topographic map showing the project location at the end of this report.

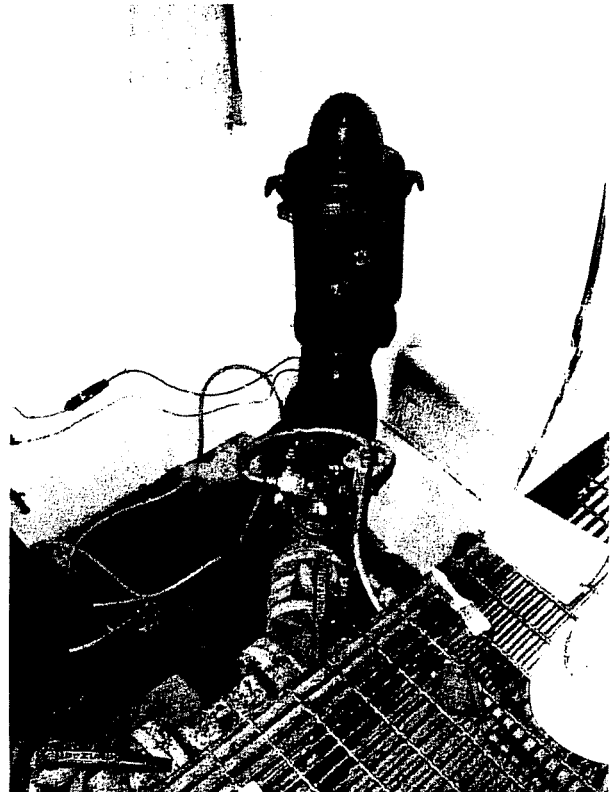
### **US 60 Storage Tank and Booster Pump Station Replacement**

This section of the existing system has high demands, provides service to Carter County, and requires the existing US 60 booster pump station to operate continuously in order to meet the demand and supply water to the 50,000 gallon storage tank and other parts of the system. The existing tank is proposed to be demolished and replaced with a 220,000 gallon glass-lined ground storage tank at a slightly higher elevation in order to provide adequate pressure to existing customers currently at the minimum pressure of 30 psi.

The existing US 60 Booster pump station is similar to the KY 32 North Booster pump station and is in dire need of repairs and upgrading also. During a recent inspection of the station revealed that the electrical controls and interior piping was in need of major repairs. The station was constructed about the same time as the KY32 North station and operates approximately 16 to 18 hours per day. In order for the Rowan Water personnel to access to the pumps and piping in the station requires the employees to be placed in unsafe working conditions. Over the years, the interior steel piping has corroded severely.

The photo to the right is the interior view of the pump station. The proposed booster pump station will be constructed on a vacant site located approximately 800 feet east and across the highway from the existing booster pump station site. This will allow the existing station to remain in operation until the new station is completed.

The access to the electrical control panel and piping in the existing station is an unsafe condition with the metal grating located immediately above the piping with access to the station piping giving limited ingress and egress.



See a portion of the USGS Topographic map showing the project location at the end of this report.

### **Rock Fork Hydropneumatic Booster Pump Station Upgrade**

The existing Rock Fork Hydropneumatic Booster Pump Station currently serves approximately 60 customers and operates 18 to 20 hours per day. The existing pumps and hydropneumatic tanks are undersized for meeting the peak demands for this number of customers. It is proposed to replace the existing constant speed pumps with variable frequency drive pumps in order to meet the peak demands during the day and allow the tanks to provide the needed pressure during low demand periods.

See a portion of the USGS Topographic map showing the project location at the end of this report.

### **Kinder Branch Hydropneumatic Booster Pump Station**

The Kinder Branch Hydropneumatic Booster Pump Station is proposed in order to provide adequate pressure and meet peak demand flows to the existing customers near Kinder Branch. The current system in the area is adequate to serve the existing customers during average demand periods, however, the system does not have adequate pressure to meet peak demands or adequate flushing at the dead-end lines in the area. The existing low pressures in the area does not allow for additional customers to be added to the system and with the proposed hydropneumatic station the system pressures can be increase allowing for the addition of new customers in the area.

See a portion of the USGS Topographic map showing the project location at the end of this report.

### **Jackson Drive Waterline Improvements**

This area of Rowan Water's system is near the KY 32 North Booster pump station and serves the Jackson Drive and Pine Hills area. The existing water mains are 2- and 4-inch lines with a majority being 2-inch. The small diameter line does not provide adequate pressure and flow to the existing customers. The proposed replacement will install approximately 13,100 linear feet of 6-inch water main along Jackson Drive, reconnecting all customer meters and branch lines to the new main. The new main will provide increased flows and pressure to the area as well as provide a secondary feed to the Pine Hills area near Maple and Overlook Lanes.

See a portion of the USGS Topographic map showing the project location at the end of this report.

## **KY 377 Waterline Extension**

This area of Rowan Water's system is near the intersection of KY 377 and Kinder Branch Road. The existing water main is a 4-inch line with a proposed 4-inch water main extension of approximately 2,500 linear feet. This extension is proposed to provide water service to new customers from the end of the existing main to near the Rowan-Lewis County line. The water main will be installed along the state highway right-of-way.

See a portion of the USGS Topographic map showing the project location at the end of this report.

## **Existing Facilities**

RWI has a contract to purchase water from the Morehead Utility Plant Board (MUPB). The contract allows RWI to purchase up to 30 percent of the capacity of the current water treatment plant. The MUPB water treatment plant and storage/transmission system has recently been upgraded with the new a plant capacity of 8.5 MGD. RWI's allocated portion of this plant is 30 percent or 2.7 MGD. RWI averages 1.3 to 1.7 MGD and in the dry summer months of 1999, purchased over the maximum amount with a peak demand of 1.7 MGD. The contract was signed in February 2001 and is valid for a period of 40 years. RWI sells water to several water district and associations including the Fleming County Water Association which purchases approximately 300,000 gallons per month and the Carter County Water District, which can purchase up to 50,000 gallon per day and currently is purchasing approximately 15,000 to 20,000 gallons per day.

## **Need for Project**

Rowan Water, Inc. has had considerable growth in customers during the past several years 25 percent. Continued growth is expected but not at the rate of the past. The additional storage volume and increased pumping capacity will enable the RWI to continue to add customers as requested.

## **Alternatives Considered**

There is no viable alternative to this project due to the fact that the project is replacing existing facilities in this area.



## Proposed Project

The preliminary estimated cost for this project is as follows:

### Construction Cost

KY 32 (North) Booster Pump Station Replacement	\$ 150,000
US 60 Storage Tank Replacement	\$ 300,000
Rock Fork Hydropneumatic Booster Pump Station Upgrade	\$ 80,000
Kinder Branch Hydropneumatic Booster Pump Station	\$ 70,000
Jackson Drive Water Main Replacement	\$ 262,000
US 60 Booster Pump Station Replacement	<u>\$ 150,000</u>

**Construction Sub-total** **\$1,012,000**

Construction Contingency -10%	\$ 101,200
Engineering	
Design Fees	\$ 89,400
Other Engineering Fees	\$ 20,300
Inspection Fees	\$ 56,600
Legal Fees	\$ 6,000
Interim Financing	<u>\$ 14,500</u>

**Total Project Costs** **\$ 1,300,000**

## Current and Proposed Water Rates

The rates charged for water sales and non-recurring charges such as tap fees are approved by the Kentucky Public Service Commission. The current approved rates for RWI and proposed rates are shown in Table I.

**Table I**

	Existing Rates	Proposed Rates
<b><u>5/8 inch</u></b>		
first 2000	\$13.90	minimum
next 3000	\$5.80	per 1000 gallons
next 10000	\$5.30	per 1000 gallons
next 10000	\$4.90	per 1000 gallons
next 10000	\$4.70	per 1000 gallons
next 15000	\$4.50	per 1000 gallons
over 50000	\$4.30	per 1000 gallons
<b><u>3/4 inch</u></b>		
first 4000	\$25.50	minimum
next 1000	\$5.80	per 1000 gallons
next 10000	\$5.30	per 1000 gallons
next 10000	\$4.90	per 1000 gallons
next 10000	\$4.70	per 1000 gallons
next 15000	\$4.50	per 1000 gallons
over 50000	\$4.30	per 1000 gallons
<b><u>1 inch</u></b>		
first 5000	\$31.30	minimum
next 10000	\$5.30	per 1000 gallons
next 10000	\$4.90	per 1000 gallons
next 10000	\$4.70	per 1000 gallons
next 15000	\$4.50	per 1000 gallons
over 50000	\$4.30	per 1000 gallons
<b><u>1.5 inch</u></b>		
first 15000	\$84.30	minimum
next 10000	\$4.90	per 1000 gallons
next 10000	\$4.70	per 1000 gallons
next 15000	\$4.50	per 1000 gallons
over 50000	\$4.30	per 1000 gallons
<b><u>2 inch</u></b>		
first 25000	\$133.30	minimum
next 10000	\$4.70	per 1000 gallons
next 15000	\$4.50	per 1000 gallons
over 50000	\$4.30	per 1000 gallons



**OBRIEN & GERE**  
ENGINEERS, INC.

## CONSTRUCTION COST ESTIMATE

Project : Rowan Water, Inc. - RD Multi-Project

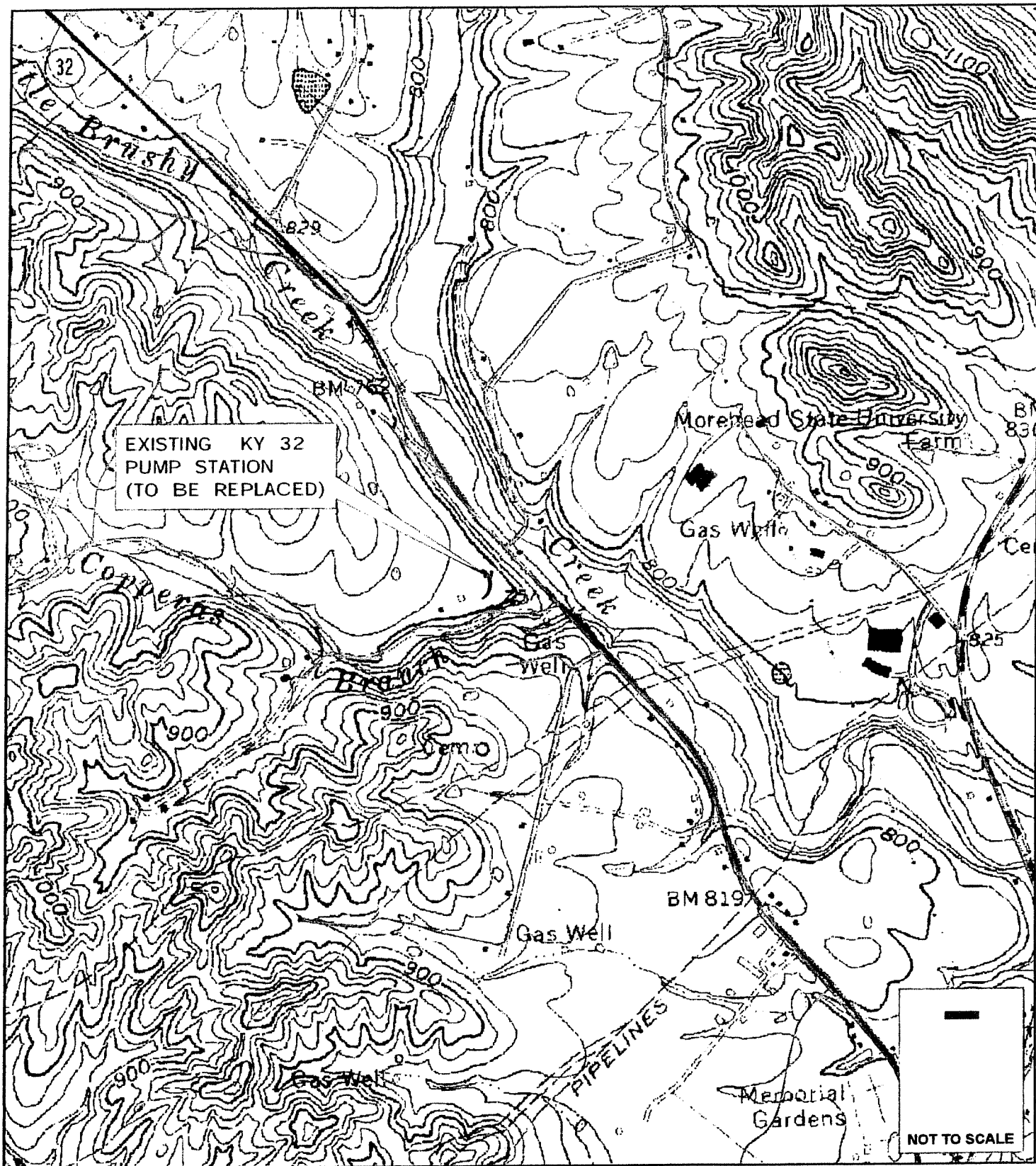
Date : 11/02/06 Job No. : 37161

Est. By : BKL Checked By : BKL

DRAWING NO. :

<input type="checkbox"/> No Design Completed Preliminary Design	<input checked="" type="checkbox"/> Final Design
--	--

ITEM NO.	SUMMARY OF:		QUANTITY UNIT MEAS.	MATERIAL & LABOR TOTAL		MATERIAL, LABOR, OH & PROFIT PER UNIT	TOTAL COST
	NO OF UNITS			PER UNIT	TOTAL		
1		KY 32 (North) Booster Pump Station Replacement	1	Ea		\$150,000	\$150,000.00
2		US 60 Storage Tank Replacement	1	Ea		\$300,000	\$300,000.00
3		Rock Fork Hydro pneumatic Booster Pump Station Upgrade	1	Ea		\$80,000	\$80,000.00
4		Kinder Branch Hydro pneumatic Booster Pump Station	1	Ea		\$70,000	\$70,000.00
5		Jackson Drive Water Main Replacement	11,800	LF		\$20	\$236,000.00
6		US 60 Booster Pump Station Replacement	1	Ea		\$150,000	\$150,000.00
7		Route 377 Water Line Extension	2,500	LF		\$12	\$30,000.00
		<b>SUBTOTAL AMOUNT</b>					
		10% CONST. CONTINGENCY					\$1,016,000.00
		<b>PRELIM. ENGINEERING REPORT</b>					
		ENGINEERING DESIGN		8.83%			\$5,000.00
		RESIDENT INSPECTION		5.58%			\$89,700.00
		ADDITIONAL ENGINEERING					\$56,700.00
		LEGAL AND ADMINISTRATION					\$15,300.00
		INTERIM FINANCING					\$6,000.00
		<b>OPINION OF PROBABLE CONSTRUCTION COST - TOTAL</b>					<b>\$1,300,000.00</b>

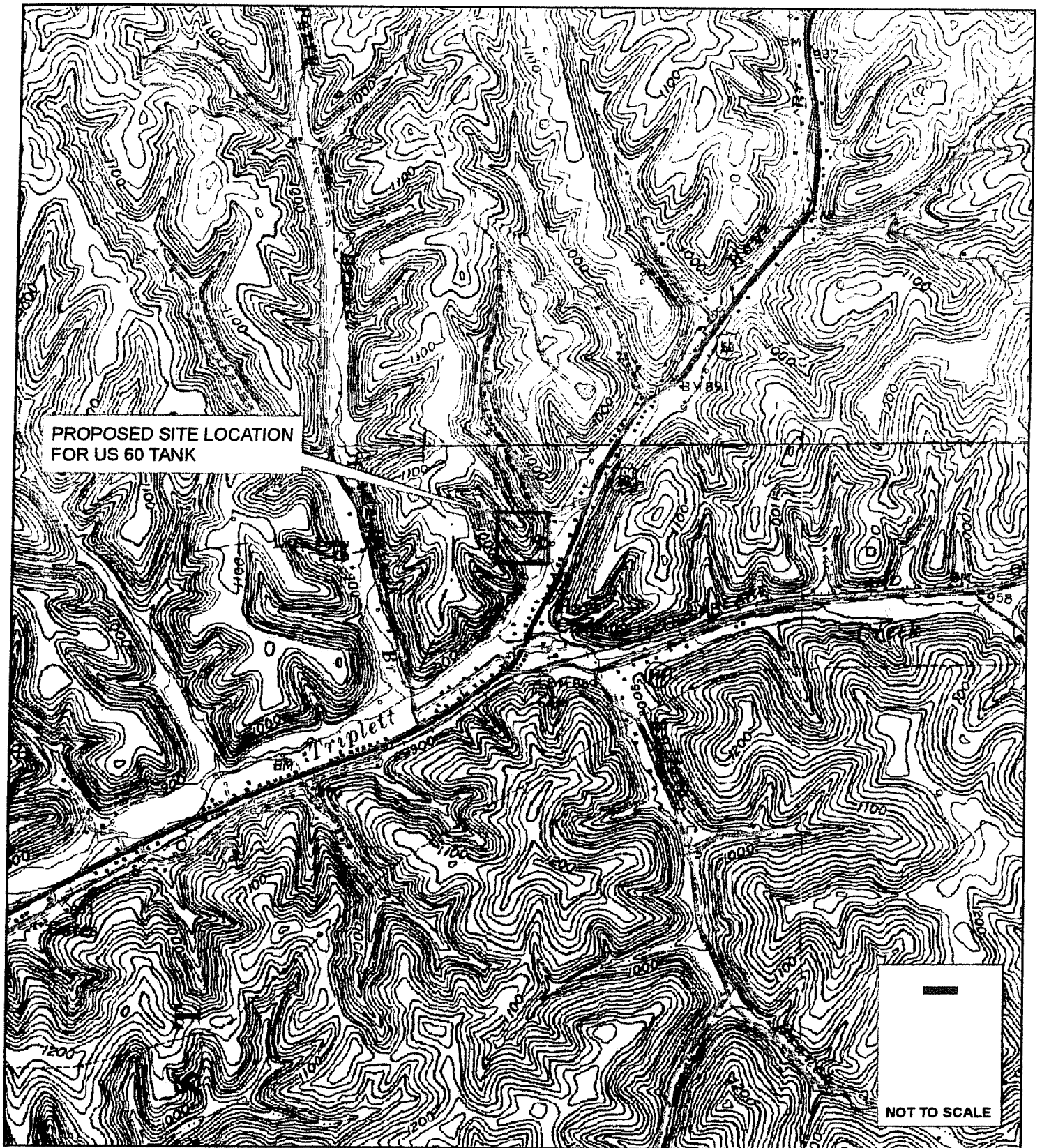


**OBRIEN & GERE**

1019 MAJESTIC DRIVE  
 SUITE 110  
 LEXINGTON KY 40513

**2006 WATER SYSTEM IMPROVEMENTS  
 ROWAN WATER, INC.  
 MOREHEAD, KENTUCKY**

**KY 32 BOOSTER PUMP  
 STATION UPGRADE**

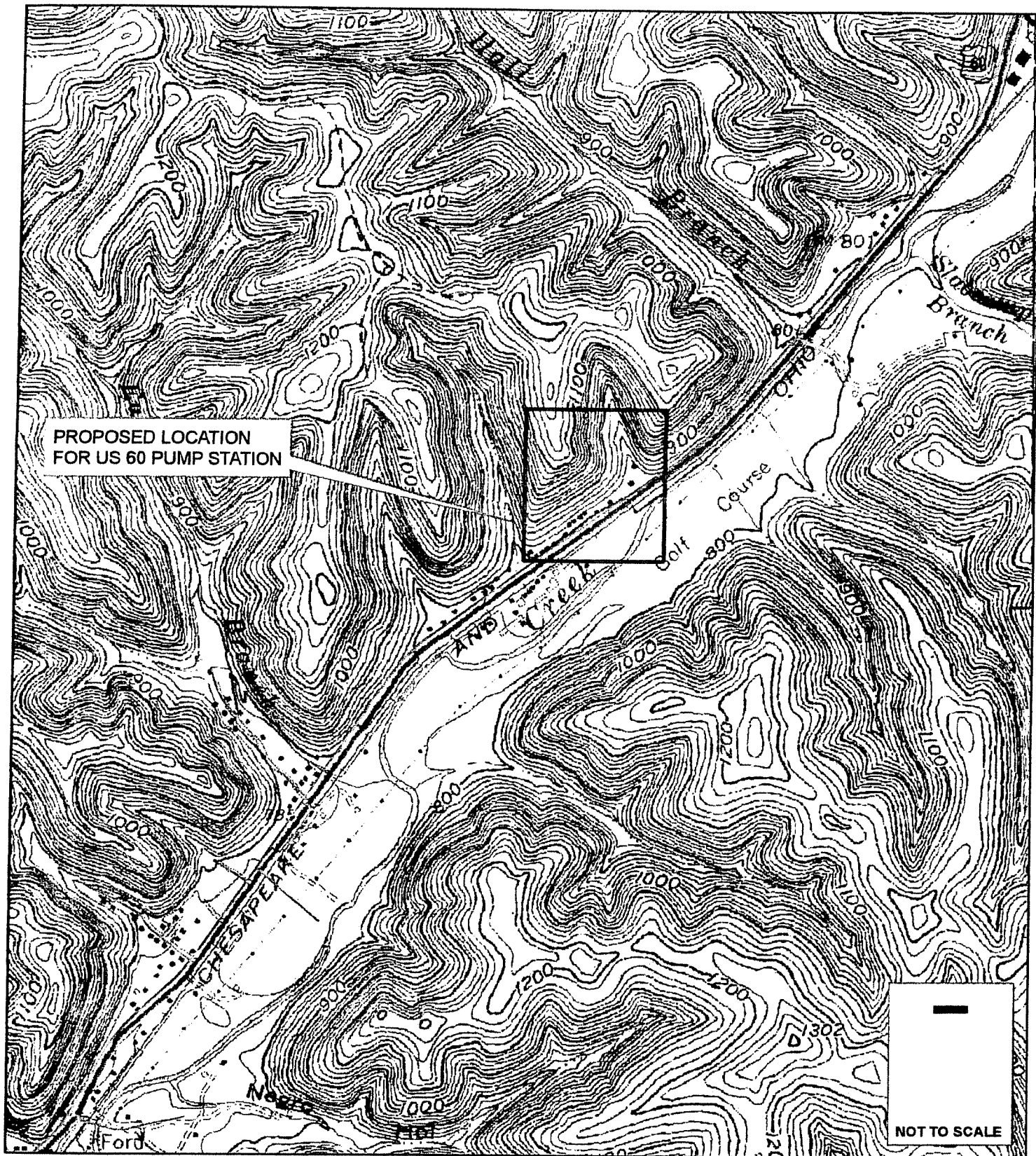


**O'BRIEN & GERE**

1019 MAJESTIC DRIVE  
SUITE 110  
LEXINGTON KY 40513

**2006 WATER SYSTEM IMPROVEMENTS  
ROWAN WATER, INC.  
MOREHEAD, KENTUCKY**

**US 60 WATER STORAGE TANK**

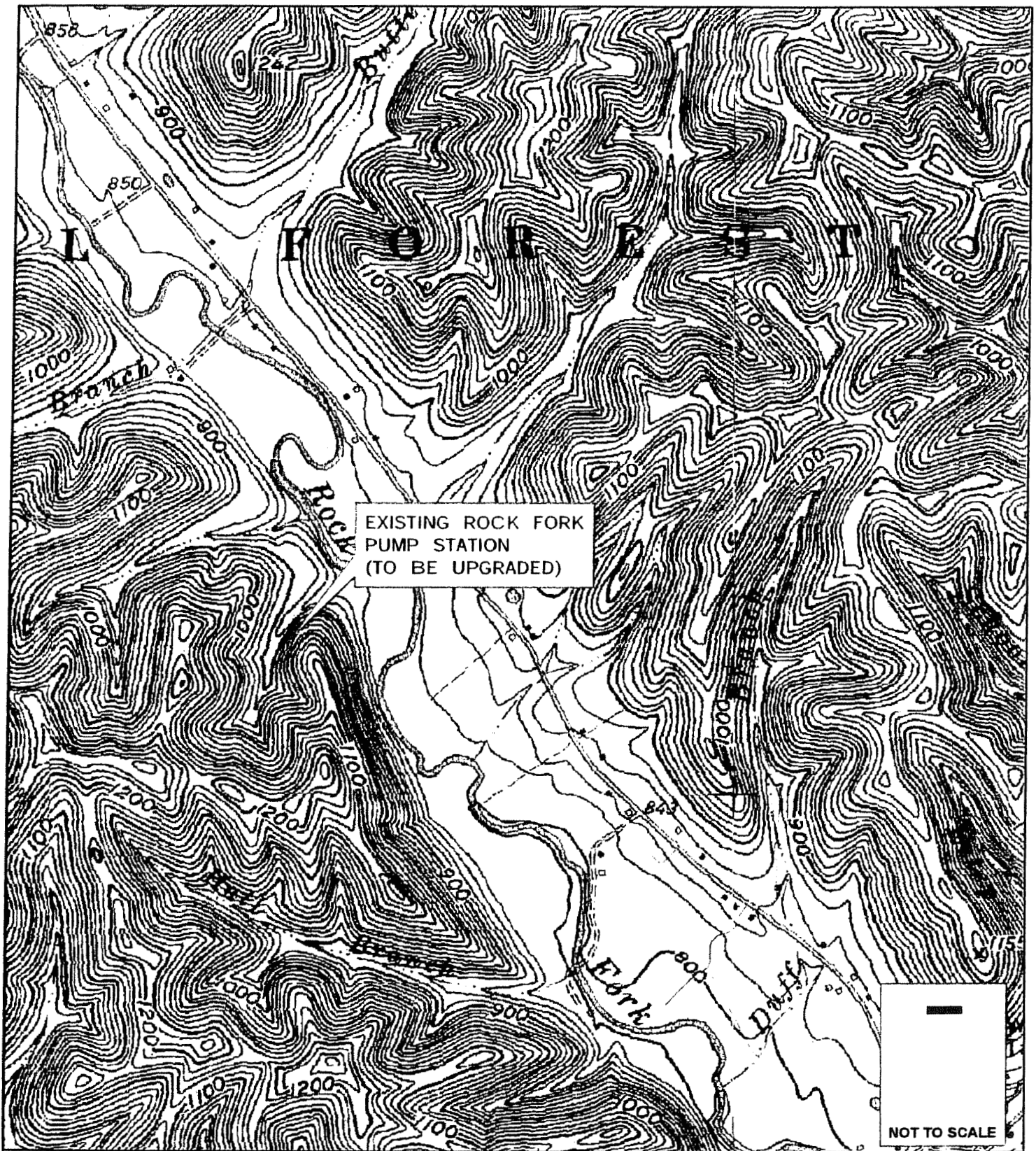


**O'BRIEN & GERE**

1019 MAJESTIC DRIVE  
 SUITE 110  
 LEXINGTON KY 40513

**2006 WATER SYSTEM IMPROVEMENTS  
 ROWAN WATER, INC.  
 MOREHEAD, KENTUCKY**

**US 60 BOOSER PUMP STATION UPGRADE**

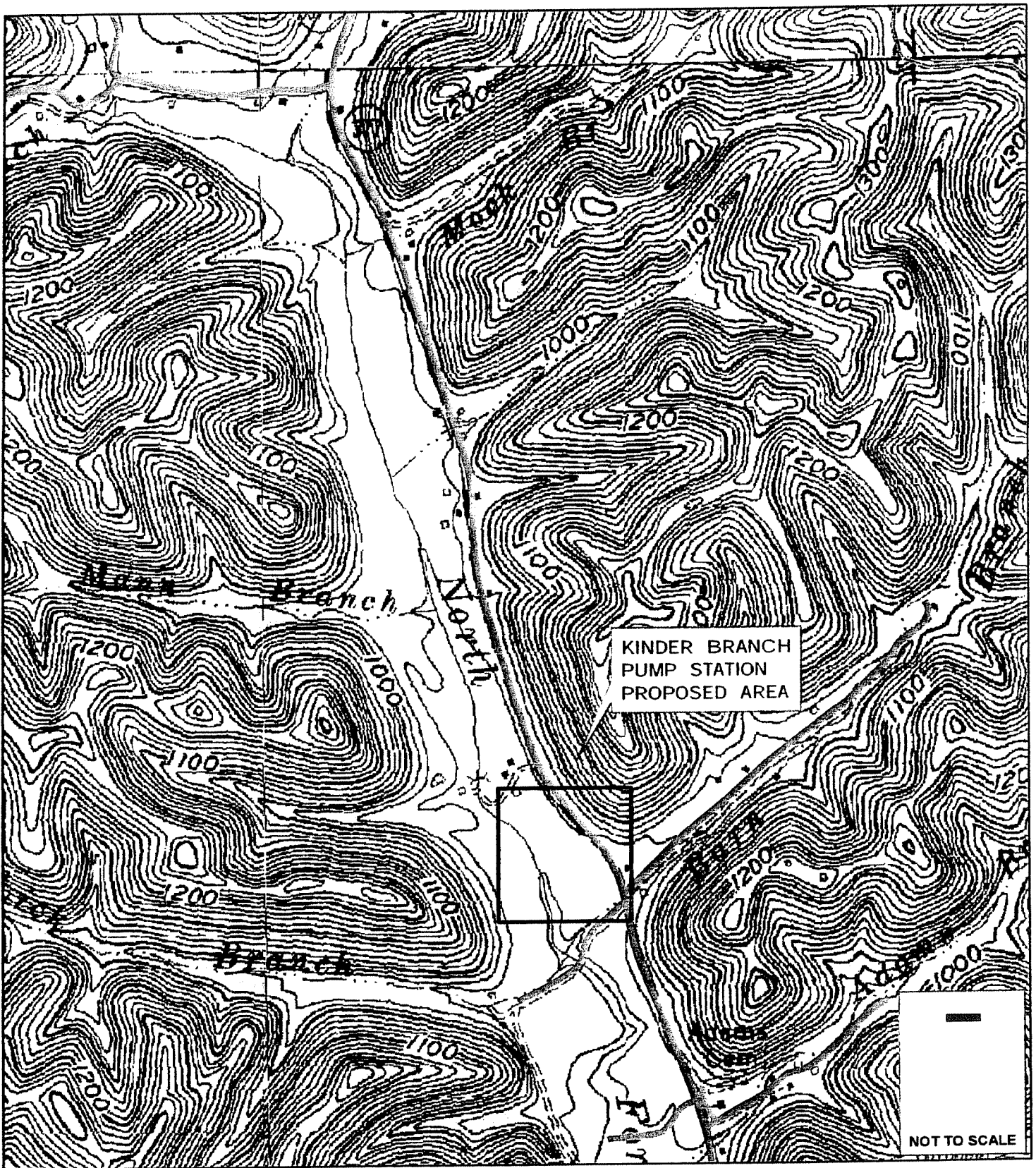


**O'BRIEN & GERE**

1019 MAJESTIC DRIVE  
SUITE 110  
LEXINGTON KY 40513

**2006 WATER SYSTEM IMPROVEMENTS  
ROWAN WATER, INC.  
MOREHEAD, KENTUCKY**

**ROCK FORK HYDRONEUMATIC  
PUMP STATION UPGRADE**



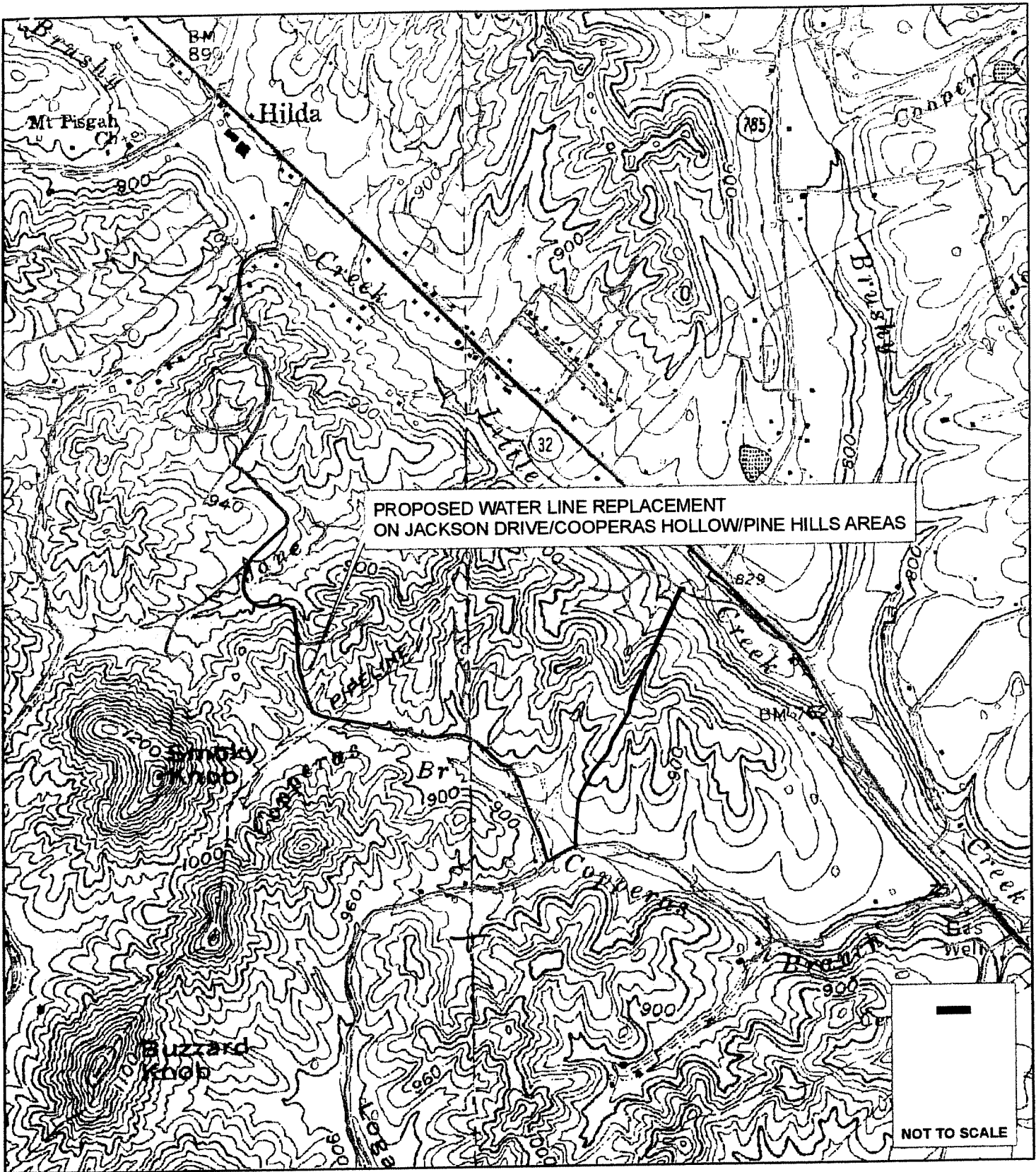
O'BRIEN & GERE

1019 MAJESTIC DRIVE  
SUITE 110  
LEXINGTON KY 40513

2006 WATER SYSTEM IMPROVEMENTS  
ROWAN WATER, INC.  
MOREHEAD, KENTUCKY

**KINDER BRANCH HYDRONEUMATIC  
PUMP STATION**





**O'BRIEN & GERE**

1019 MAJESTIC DRIVE  
SUITE 110  
LEXINGTON KY 40513

**2006 WATER SYSTEM IMPROVEMENTS  
ROWAN WATER, INC.  
MOREHEAD, KENTUCKY**

**JACKSON DRIVE WATER  
LINE UPGRADE**

RECEIVED

SEP 07 2007

PUBLIC SERVICE  
COMMISSION

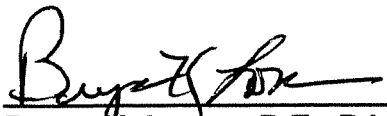
**ROWAN WATER, INC.**

**Final Engineering Report  
Water Distribution System Upgrades**

**July 2007**

**O'Brien & Gere Engineers, Inc.  
1019 Majestic Drive, Suite 110  
Lexington, Kentucky 40513  
859.223.0137  
[www.obg.com](http://www.obg.com)**

**Submitted By:**



**Bryan K. Lovan, P.E., P.L.S.  
Project Engineer**

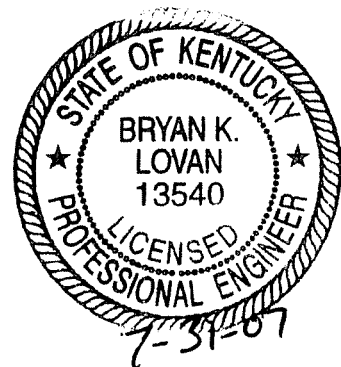


EXHIBIT E



**FINAL ENGINEERING REPORT  
ROWAN WATER, INC.  
WATER DISTRIBUTION SYSTEM UPGRADE  
JULY 2007**

Project Planning Area

The project areas are located along KY 32 north of Morehead near Hilda, along KY 377 near the Rowan and Lewis County boundary line in northern Rowan County, and along US 60 near the Carter County boundary east of Haldeman. There is a significant number of threatened, endangered, or species of special concern in Rowan County. However, it is anticipated that this project will have no impact on these species. The project area is proposed and located at existing facilities or where the water line is currently located.

According to the Kentucky State Data Center, Rowan County's population grew from 1980 to 1990 by almost seven percent. The 2000 population is almost 8.5 percent higher than the 1990 population. The Data Center has projections through the year 2030, which project the population in Rowan County to continue to grow by approximately 18 percent.

From 1987 through 1996, RWI's customer base grew from 2,022 customers to 4,249. As of the December 2004 billing, the number of customers had increased to 6,156.

Existing Facilities

RWI has a contract to purchase water from the Morehead Utility Plant Board (MUPB). The contract allows RWI to purchase up to 30 percent of the capacity of the current water treatment plant. The MUPB water treatment plant and storage/transmission system has recently been upgraded with the new a plant capacity of 8.5 MGD. RWI's allocated portion of this plant is 30 percent or 2.7 MGD. RWI averages 1.3 to 1.7 MGD and in the dry summer months of 1999, purchased over the maximum amount with a peak demand of 1.7 MGD. The contract was signed in February 2001 and is valid for a period of 40 years. RWI sells water to several water district and associations including the Fleming County Water Association which purchases approximately 300,000 gallons per month and the Carter County Water District, which can purchase up to 50,000 gallon per day and currently is purchasing approximately 15,000 to 20,000 gallons per day.

Need for Project

Rowan Water, Inc. has had considerable growth in customers during the past several years 25 percent. Continued growth is expected but not at the rate of the past. The additional storage volume and increased pumping capacity will enable the RWI to continue to add customers as requested.



Alternatives Considered

There were no viable alternative identified due to the fact that the project is replacing existing facilities in this area.

Proposed Project

The project consist of the following improvements:

1. Replacement of the KY 32 north (Old Hilda Road) booster pump station
2. Replacement of the US 60 water storage tank
3. Upgrade of the Rock Fork hydropneumatic booster pump station
4. Installation of a hydropneumatic booster pump station on KY 377 near Kinder Branch
5. Replacement of water line on Jackson Drive
6. Water line extension on KY 377 to Lewis Co. Line (4 new customers)

Conclusions and Recommendations

There are two construction contracts; Contract 11 is for the water line and pump stations work and Contract 12 is for the water storage tank. The project was advertised for construction bids and the bid opening held Friday July 20, 2007. A bid tabulation form located in Attachment 1 at the back of this report shows all the bidders and their respective bids. There were five bidders submitting on Contract 11 with the low bidder being Staton's Construction Company. There was only one bid on Contract 12 with that being Kentucky Glass Lined Tank Systems, Inc. O'Brien and Gere is familiar with both contractors and consider them to be qualified contractors submitting qualified bids. Staton's bid was \$624,985.00 and Kentucky Glass Lined Tank Systems, Inc. bid was \$446,491.00.

The project budget is:

Construction	\$1,071,476
Legal & Administrative	\$6,000
Engineering	\$166,660
Contingencies	<u>\$55,864</u>
	\$1,300,000

The funding for the project consist of:

RD Loan	\$600,000
RD Grant	\$325,000
2006 IEDF Grant	<u>\$375,000</u>
	\$1,300,000



By reducing the contingencies to around 5 percent, the project can be undertaken for the funds allocated. It is the recommendation of O'Brien & Gere Engineers, Inc. that Rowan Water, Inc. accept the bids of Staton's Construction Company and Kentucky Glass Lined Tank Systems, Inc. This recommendation was presented to Rowan Water, Inc. on July 24, 2007. O'Brien & Gere's letter of recommendation is located in Attachment 1.

The project will not require a rate increase to the System's customers. However, Rowan Water, Inc. is proposing an increase in meter installation and other special charges

The proposed charges are:

Meter Installation

5/8" x 3/4" -	\$550.00
All other sizes - Cost of installation, plus 15 percent overhead charge	
Reconnection Charge -	\$32.00
Collection of Delinquent Account -	\$20.00
Deposit on Rental Property -	\$100.00
Credit Card Use Fee - 4 percent applied to total of amount charged	

ATTACHMENT NO. 1

---



July 24, 2007

Mr. Jerry Patrick  
Rowan Water, Inc.  
110 Hargis Avenue  
Morehead, Kentucky 40351

RE: Recommendation of Award  
Contract No. 11  
Multi-Project Water System Improvements

Dear Mr. Patrick:

Bids for the above referenced project were opened Friday, July 20, 2007 at 10:00 am local time. Five bidders submitted on the above referenced project. The low bidder was Staton's Construction Company, Inc. with a bid of \$624,985.00

We recommend to Rowan Water, Inc. this contract be awarded to the low bidder, Staton's Construction Company, Inc. in the amount of \$624,985.00

Enclosed along with this letter is the bid tabulation worksheet for Contract 11.

If you have any questions or need additional information please contact me.

Sincerely,

O'BRIEN & GERE ENGINEERS, INC.

A handwritten signature in black ink, appearing to read "Riley Sumner", is written over a horizontal line.

Riley Sumner  
Project Associate

c: Staton's Construction Co., Inc. w/enclosures  
File w/enclosures

**BID TABULATION**

ROWAN WATER, INC.  
 CONTRACT NO. 11 - MAINTENANCE PROJECT WATER SYSTEM IMPROVEMENTS  
 BID OPENING DATE: Friday, JULY 20, 2007

Item No.	Description	Quantity	Unit	Stanton's Construction Co. Inc. 244 Morris Ferry Rd. Spartanburg, KY 40371		Silver Oak Ventures, LLC 11238 US 50E PO Box 243 Spartanburg, KY 40374		B.P. Peoples, LLC MC 78 Box 131 Quincy, KY 41156	
				Sumit	Amount	Sumit	Amount	Sumit	Amount
1	4-inch Water Main, PVC Pipe, Class 200 (ASTM D2241) SDR 31 with all appurtenances and fittings.	2,600	LF	780	\$ 20,280.00	982	\$ 25,532.00	13.00	\$ 13.00
2	6-inch Water Main, PVC Pipe, Class 200 (ASTM D2241) SDR 21 with all appurtenances and fittings.	11,900	LF	975	\$ 116,025.00	13.84	\$ 164,596.00	16.00	\$ 190.41
3	4-inch CLAYMVA N.R.S. Gate Valve and Valve Box, Complete in Place.	4	EA	670.00	\$ 2,680.00	445.00	\$ 1,780.00	450.00	\$ 1.81
4	6-inch CLAYMVA N.R.S. Gate Valve and Valve Box, Complete in Place.	12	EA	760.00	\$ 3,120.00	560.00	\$ 2,240.00	600.00	\$ 2.41
5	Reconnect existing customer services to new water line, and replace existing meter and copper meter with new meter, random seller and PFRV	45	EA	600.00	\$ 27,000.00	545.00	\$ 24,525.00	1,000.00	\$ 45.01
6	Air releases valve, Complete in place.	1	EA	390.00	\$ 1,170.00	350.00	\$ 1,050.00	800.00	\$ 2.41
7	Connection to Existing Water Main	11	EA	1,750.00	\$ 19,250.00	1,300.00	\$ 14,300.00	2,000.00	\$ 22.01
8	Open Cut Roadway Crossing w/ PVC Casing	300	LF	85.00	\$ 25,500.00	80.00	\$ 24,000.00	30.00	\$ 1.41
9	Blow Off Assembly	6	EA	910.00	\$ 5,460.00	500.00	\$ 3,000.00	800.00	\$ 4.01
10	Additional service tubing	500	LF	12.00	\$ 6,000.00	4.00	\$ 2,000.00	9.00	\$ 4.01
11	3" Blow Off on Existing Line	1	EA	730.00	\$ 730.00	350.00	\$ 350.00	600.00	\$ 6.01
14	90cc W/ Steel Casing	440	LF	88.00	\$ 38,720.00	84.00	\$ 36,960.00	80.00	\$ 3.21
15	Cut and Plug Existing Water Main	13	EA	650.00	\$ 8,450.00	500.00	\$ 6,500.00	1,500.00	\$ 19.51
16	Install New 50x 234 meter, box, and appurtenance to New Line	5	EA	550.00	\$ 2,750.00	525.00	\$ 2,625.00	800.00	\$ 4.01
17	Sampling Station	1	EA	1,250.00	\$ 1,250.00	1,000.00	\$ 1,000.00	20,000.00	\$ 20.01
18	Type 'C' Creek Crossing	40	LF	96.00	\$ 3,840.00	75.00	\$ 3,000.00	40.00	\$ 1.61
19	10-inch Ground Above Ground Hydrant/Pressure Pump Station, Site Work, Electric, Valves and Piping, Complete in Place	1	LS	108,000.00	\$ 108,000.00	110,000.00	\$ 110,000.00	140,000.00	\$ 140.01
20	Old Hill Road Pump Station, Site Work, Electric, Valves and Piping, Complete in Place	1	LS	165,000.00	\$ 165,000.00	195,000.00	\$ 195,000.00	110,000.00	\$ 110.01
21	Existing Rock Fork Hydrant/Pressure Pump Station, Replacement of Piping and Valves, Installation of new VFD controller	1	LS	57,000.00	\$ 57,000.00	80,000.00	\$ 80,000.00	70,000.00	\$ 70.01
<b>TOTAL BID CALCULATED BID AMOUNT</b>				<b>\$</b>	<b>624,915.00</b>	<b>\$</b>	<b>784,438.00</b>	<b>\$</b>	<b>725.7</b>

The above is a true and complete tabulation of the bids received at 10:00 a.m. local time, Friday, JULY 20, 2007 at Rowan County Kentucky. I certify that this is true and accurate tabulation of the bids.

OBrien-Pearce Engineers, Inc.  
 BY:   
 Riley Sumner, Project Associate





**O'BRIEN & GERE**

July 24, 2007

Mr. Jerry Patrick  
Rowan Water, Inc.  
110 Hargis Avenue  
Morehead, Kentucky 40351

RE: Recommendation of Award  
Contract No. 12  
US 60 Water Tank

Dear Mr. Patrick:

Bids for the above referenced project were opened Friday, July 20, 2007 at 10:00 am local time. Only one bid was opened and read. The low bidder was Kentucky Glass Lined Tank Systems, Inc. with a bid of \$446,491.00

We recommend to Rowan Water, Inc. this contract be awarded to the low bidder, Kentucky Glass Lined Tank Systems, Inc. in the amount of \$446,491.00

Enclosed along with this letter is the bid tabulation worksheet for Contract 12.

If you have any questions or need additional information please contact me.

Sincerely,

O'BRIEN & GERE ENGINEERS, INC.

Riley Sumner  
Project Associate

c: Kentucky Glass Lined Tank Systems, Inc. w/enclosures  
File w/enclosures

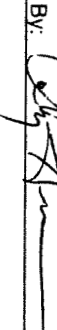
# BID TABULATION

ROWAN WATER, INC.  
 CONTRACT NO. 12 - US 60 WATER STORAGE TANK  
 "BID OPENING DATE" Friday, JULY 20, 2007

Item No.	Description	Quantity	Unit	Kentucky Glass Lined Tank Systems, Inc. PO Box 13370 Lexington, KY 40583		Average Unit Cost	Average Bid Amount
				\$/unit	Amount		
1A	364,000 Gallon Glass Lined Standpipe Water Storage Tank with all Appurtenances. Complete in Place.	1	LS	271,257.00	\$ 271,257.00	\$ 271,257.00	\$ 271,257.00
1B	364,000 Gallon Glass Welded Standpipe Water Storage Tank with all Appurtenances. Complete in Place.	0	LS		\$	\$	
2	Foundation and Site Grading for the 364,000 Gallon Water Storage Tank. Complete in Place	1	LS	84,843.00	\$ 84,843.00	\$ 84,843.00	\$ 84,843.00
3	Valve Vault, Valves, Yard Piping, Piping from Existing Line to Site, Include Filings, and all Related Appurtenances.	1	LS	49,641.00	\$ 49,641.00	\$ 49,641.00	\$ 49,641.00
4	Travel Access Road, Chain Link Fencing, Telemetry, and Electric Service and Appurtenances for a Complete Installation	1	LS	24,118.00	\$ 24,118.00	\$ 24,118.00	\$ 24,118.00
5	Demolition, Removal, and Site Cleanup of Existing 50,000 Gallon US 60 Ground Storage Tank	1	LS	11,244.00	\$ 11,244.00	\$ 11,244.00	\$ 11,244.00
6	Installation of Rowan Water, Inc. Logo on Existing Elizetown Glass Lined Borehole Tank	1	LS	1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00
7	Geo-Technical Report	1	LS	3,888.00	\$ 3,888.00	\$ 3,888.00	\$ 3,888.00
<b>TOTAL BID CALCULATED BID AMOUNT</b>					<b>\$ 446,491.00</b>		

The above is a true and complete tabulation of the bids received at 10:00 a.m. local time, Friday, JULY 20, 2007 at Rowan County Kentucky. I certify that this is true and accurate tabulation of the bids.

O'Brien & Gere Engineers, Inc.

By:   
 Riley Sumner, Project Associate